

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Marathon Oil Company

3a. Address

PO Box 2490 Hobbs, NM 88240

3b. Phone No. (include area code)

505 / 393-7106

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UL M, Sec. 28, T-26-N, R-5-W
1040' FSL & 800' FWL

5. Lease Serial No.

Tract 251 Contract 154

6. If Indian, Allottee or Tribe Name

Jicarilla Apache

7. If Unit or CA/Agreement, Name and/or No

8. Well Name and No.

Jicarilla Apache No. 11

9. API Well No.

30-039-08149

10. Field and Pool, or Exploratory Area

PC / BD

11. County or Parish, State

Rio Arriba NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>DHC & MC</u>
<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Marathon requests to administratively change the multiple completion (MC-1759) order on the above well. Pools to be dual completed are Pictured Cliffs and Chacra with Mesa Verde. Enclosed is supporting documentation.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Kelly Cook

Title

Admin. Assistant

Date

September 25, 2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Houston Division
Production Operations, United States



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

September 25, 2001

Bureau of Land Management
Oil & Gas Division
435 Montano NE
Albuquerque, New Mexico 87107

RE: **Jicarilla Apache Well No. 11**
Unit Letter M, 1040' FSL & 800' FWL
Section 28, T-26-N, R-5-W
Rio Arriba County, New Mexico

Request Change to MC #1759
South Blanco Pictured Cliffs (Prorated gas - 72439)
Blanco Mesaverde (Prorated gas - 72319) & Otero Chacra (Gas - 82329)

Dear Mr. Sir:

Marathon Oil Company requests administrative approval to change the multiple completion (MC-1759) permit in the above subject well in Rio Arriba County, New Mexico. The pools to be dual completed are Pictured Cliffs and Otero Chacra with Blanco Mesaverde (DHC).

Jicarilla Apache Well No. 11 was drilled and completed as a dual Dakota and Pictured Cliffs producer in 1967 (MC-1759). In September 2000, the Dakota perforations were abandoned after an unsuccessful attempt to retrieve the packer. A 4-1/2" casing string was run inside the 7-5/8" casing to isolate the Pictured Cliffs perforations. The Mesaverde and Chacra were then perforated, stimulated and tested. This well is now producing from the Pictured Cliffs up the casing annulus and the Chacra, Mesaverde up the tubing.

In April 2000, we received the DHC #2717 to Down-Hole Commingle the Dakota, Mesaverde, Chacra and Pictured Cliffs. After the work over we re-filed and received an amended order to Down-Hole Commingle the Mesaverde and Chacra, but Marathon did not allocate any oil production. A letter was sent by Marathon to allocate the oil production but had all four pools listed. We received approval for the oil allocation in March 2001 with all four pools showing up with gas allocations. In late August sent a letter to correct the Down-Hole Commingle allocation and pools.

Enclosed is data supporting the change in pools that are dually produced on Jicarilla Apache Well No. 11. If additional information is necessary or you have any questions, please contact me at (915) 687-8450.

Sincerely,

A handwritten signature in cursive script that reads 'Thomas P. Kacir'.

Thomas P. Kacir
Production Engineer

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South t. Francis Dr.
Santa Fe, NM 87505

Form C-107
Revised March 17, 1999

Filing Instructions
At Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

Marathon Oil Company P.O. Box 2490 Hobbs, NM 88241
Operator Address
Jicarilla Apache 11 M 28 26N 5W Rio Arriba
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

All applicants for multiple completion must complete Items 1 and 2 below.

1. The following facts are submitted:	Upper Zone	Intermediate Zone	Lower Zone
a. Name of Pool and Formation	Pictured Cliffs	NA	Otero Chacra Blanco Mesaverde
b. Top and Bottom of Pay Section (Perforations)	2848' - 2882'	NA	3714' - 3739' 4808' - 5126'
c. Type of production (Oil or Gas)	Gas	NA	Gas
d. Method of Production (Flowing or Artificial Lift)	Flowing	NA	Artificial lift (Plunger lift)
e. Daily Production <input checked="" type="checkbox"/> Actual <input type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls.	8/27/01 0 27 0	NA	8/27/01 0.4 203 0.2

2. The following must be attached:

- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge, and belief.

Signature Thomas P Kacir

Printed Name & Title Thomas P. Kacir, Production Engineer

Date 9/25/01 Telephone (915) 687-8450

OIL CONSERVATION DIVISION

Approved by _____

Title _____

Date _____

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- District Approval -- See rule 112-A-B -- Submit 4 copies of Form C-107 with attachments to appropriate district office.
- Division Director Administrative Approval -- See Rule 112-C -- Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.



MARATHON OIL COMPANY
MID-CONTINENT REGION
MIDLAND OPERATIONS NORTHWEST NEW MEXICO

FIELD: JICARILLA
 LEASE: JICARILLA APACHE
 COUNTY: RIO ARRIBA

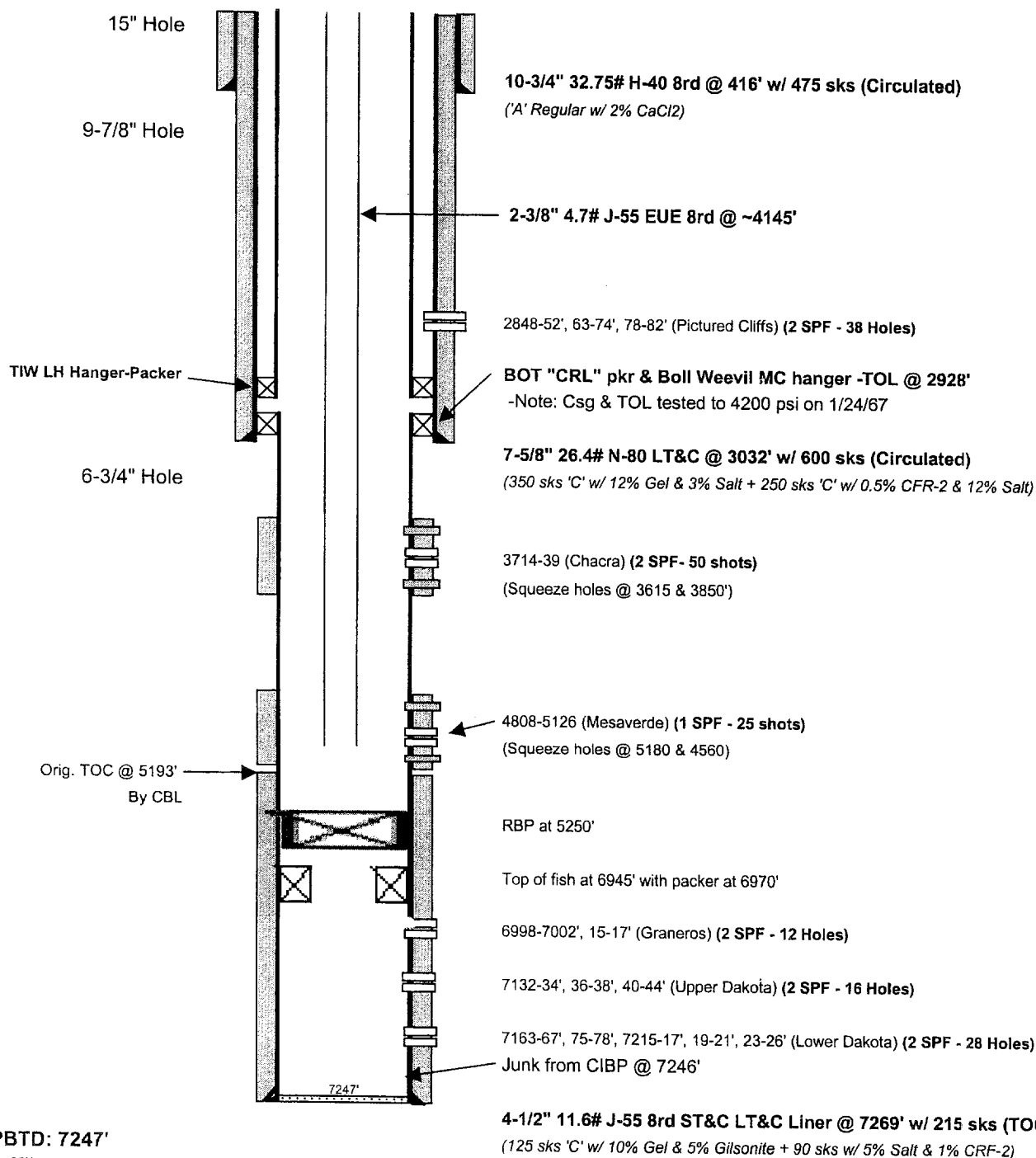
WELL: 11
 STATE: New Mexico

DATE: 08/24/99
 BY: TL CHASE
 Rev 9-4-01 TPK

API: 30-039-08149
 SPUD DATE: 01/09/67
 LOCATION: 1040' FSL & 800' FWL, SEC 28, T26N, R 5W, U L "M"

GL = 6465'
 KB = 6478'

AFTER WORKOVER



PBTD: 7247'
 TD: 7270'

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

For
Sicarilla Apache #11
Marathon Oil Co.
change DHC 271

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Thomas P. Kacir
 Print or Type Name

Thomas P. Kacir
 Signature

Production Engineer 9-5-01
 Title Date

TPKacir@MarathonOil.com
 e-mail Address

Houston Division
Production Operations, United States



P.O. Box 2490
Hobbs, New Mexico 88240
Telephone 505/393-7106

August 31, 2001

Mr. David Catanach
Oil Conservation Department
Energy and Minerals Department
P.O. Box 6429
Santa Fe, New Mexico 87505-6429

RE: **Jicarilla Apache Well No. 11**
Unit Letter M, 1040' FSL & 800' FWL
Section 28, T-26-N, R-5-W
Rio Arriba County, New Mexico

Request Change to DHC #2717
Blanco Mesaverde (Prorated gas - 72319)
Otero Chacra (Gas - 82329)

Request Change to MC #1759
South Blanco Pictured Cliffs (Prorated gas - 72439)
Blanco Mesaverde & Otero Chacra

Dear Mr. Catanach:

Marathon Oil Company requests administrative approval to change the production allocation on the DHC #2717 permit in the above subject well in Rio Arriba County, New Mexico. The pools to be down-hole commingled are Otero Chacra and the Blanco Mesaverde. This well will continue to be a dual completion but with the South Blanco Pictured Cliffs (Prorate gas - 72439) produced separately from the Chacra, Mesaverde.

Jicarilla Apache Well No. 11 was drilled and completed as a dual Dakota and Pictured Cliffs producer in 1967 (MC-1759). In September 2000, the Dakota perforations were abandon after an unsuccessful attempt to retrieve the packer. A 4-1/2" casing string was ran inside the 7-5/8" casing to isolate the Pictured Cliffs perforations. The Mesaverde and Chacra were then perforated, stimulated and tested. This well is now producing from the Pictured Cliffs up the casing annulus and the Chacra, Mesaverde up the tubing.

In April 2000, we received the DHC #2717 to Down-Hole Commingle the Dakota, Mesaverde, Chacra and Pictured Cliffs. After the work over we re-filed and received an amended order to Down-Hole Commingle the Mesaverde and Chacra, but Marathon did not allocate any oil production. A letter was sent by Marathon to allocate the oil production but had all four pools listed. We received approval for the oil allocation in March 2001 with all four pools showing up with gas allocations.

The down-hole commingle allocations are listed on the attachment. Enclosed is data supporting the change in pool production allocation for the down-hole commingling on Jicarilla Apache Well No. 11. If additional information is necessary or you have any questions, please contact me at (915) 687-8450.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Thomas P. Kacir'.

Thomas P. Kacir
Production Engineer

Enclosure

Jicarilla Apache Well No. 11
Jicarilla Field

A: Operator

Marathon Oil Company
P.O. Box 2490
Hobbs, New Mexico 88241

B: Lease Name and Well Number

Jicarilla Apache Well No. 11
Unit Letter M, 1040' FSL & 800' FWL
Section 28, T-26-N, R-5-W
Rio Arriba County, New Mexico
Mesaverde, Chacra Pools

C: C-116's

Attached

D: Production Decline Curves

Decline Curve is Attached

E: Production Allocation

<u>POOL</u>	<u>BOPD</u>	<u>MCFD</u>	<u>BWPD</u>	<u>Estimated Methods</u>
Chacra	0	565	24	Workover Test
Chacra	0	261	0	Post-Workover Model with high casing pressure (only modeled gas)

<u>POOL</u>	<u>BOPD</u>	<u>MCFD</u>	<u>BWPD</u>	<u>Estimated Methods</u>
Chacra & Mesaverde	18	595	30	Post Workover test
Chacra	0	261	11	Post Workover Model
Mesaverde	18	334	19	(estimated water)

<u>Allocated Percentages</u>	<u>Oil %</u>	<u>Gas %</u>	<u>Water %</u>
Chacra	0	56	37
Mesaverde	100	44	63
Total	100	100	100

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
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1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-116
Revised March 17, 1999

Submit 2 copies
To Appropriate
District Office

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Chacra		County Rio Arriba										
Address PO Box 2490 Hobbs, NM 88240		TYPE OF TEST - (X)												
LEASE NAME Jicarilla Apache API 30-039-08149	WELL NO. 11	LOCATION			DATE OF TEST 9/13/01	CHOKE SIZE F	TBG. PRESS 135	DAILY ALLOW-ABLE 	SCHEDULED LENGTH OF TEST HOURS 8	Completion <input checked="" type="checkbox"/> X			Special <input type="checkbox"/>	
		U	S	T						R	WATER BBLs.	GRAV. OIL		OIL BBLs.
		M	28	26	5	9/13/01	F	135		8	24	0	565	N/A

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.
(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Kelly Cook
Signature

Kelly Cook Admin. Assistant

Printed Name and Title

August 31, 2001

Date

393-7106

Telephone No.

District I
1625 N. French Dr., Hobbs, NM 88240
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811 South First, Artesia, NM 88210
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State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-116
Revised March 17, 1999

Submit 2 copies
To Appropriate
District Office

GAS - OIL RATIO TEST

Operator		Pool		County											
Marathon Oil Company		Chacra and Mesa Verde		Rio Arriba											
Address		TYPE OF TEST - (X)		Completion X		Special									
LEASE NAME		DATE OF TEST		SCHEDULED		GAS - OIL RATIO									
WELL NO.	LOCATION			DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU FT/BBL.						
	U	S	T			WATER BBL.	GRAV. OIL	OIL BBL.		GAS M.C.F.					
Jicarilla Apache API 30-039-08149	11	M	28	26	5	9/26/00	*	CP	281	195	24	30	18	595	33,056
						12/13/00	*	181	110	24	0	6	304	50,667	
						7/12/01	*	93	40	24	0	0	242	N/A	

FOR INFORMATION ONLY

* = Plunger Lift

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

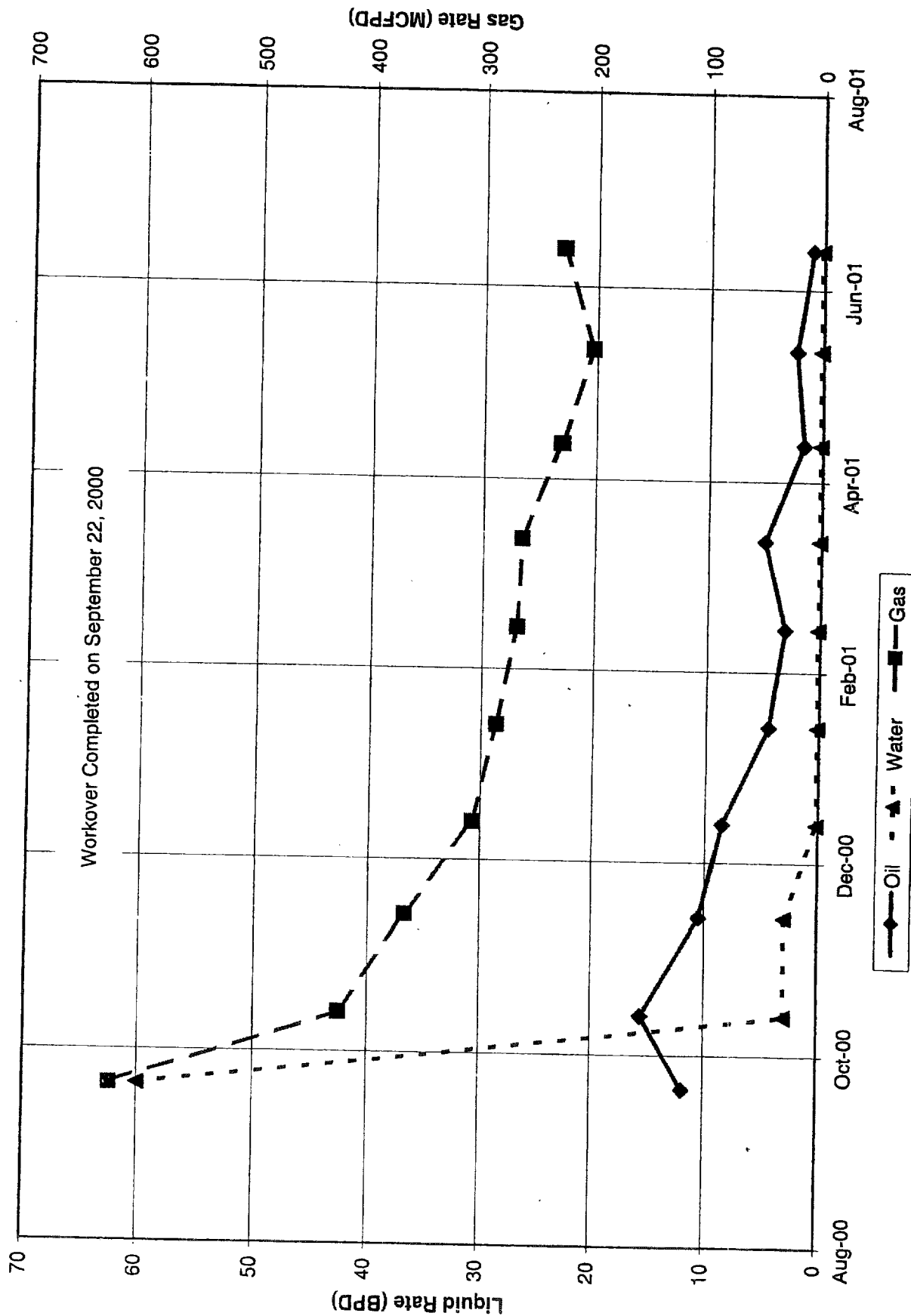
Signature Kelly Cook

Printed Name and Title
Kelly Cook
Admin. Assistant

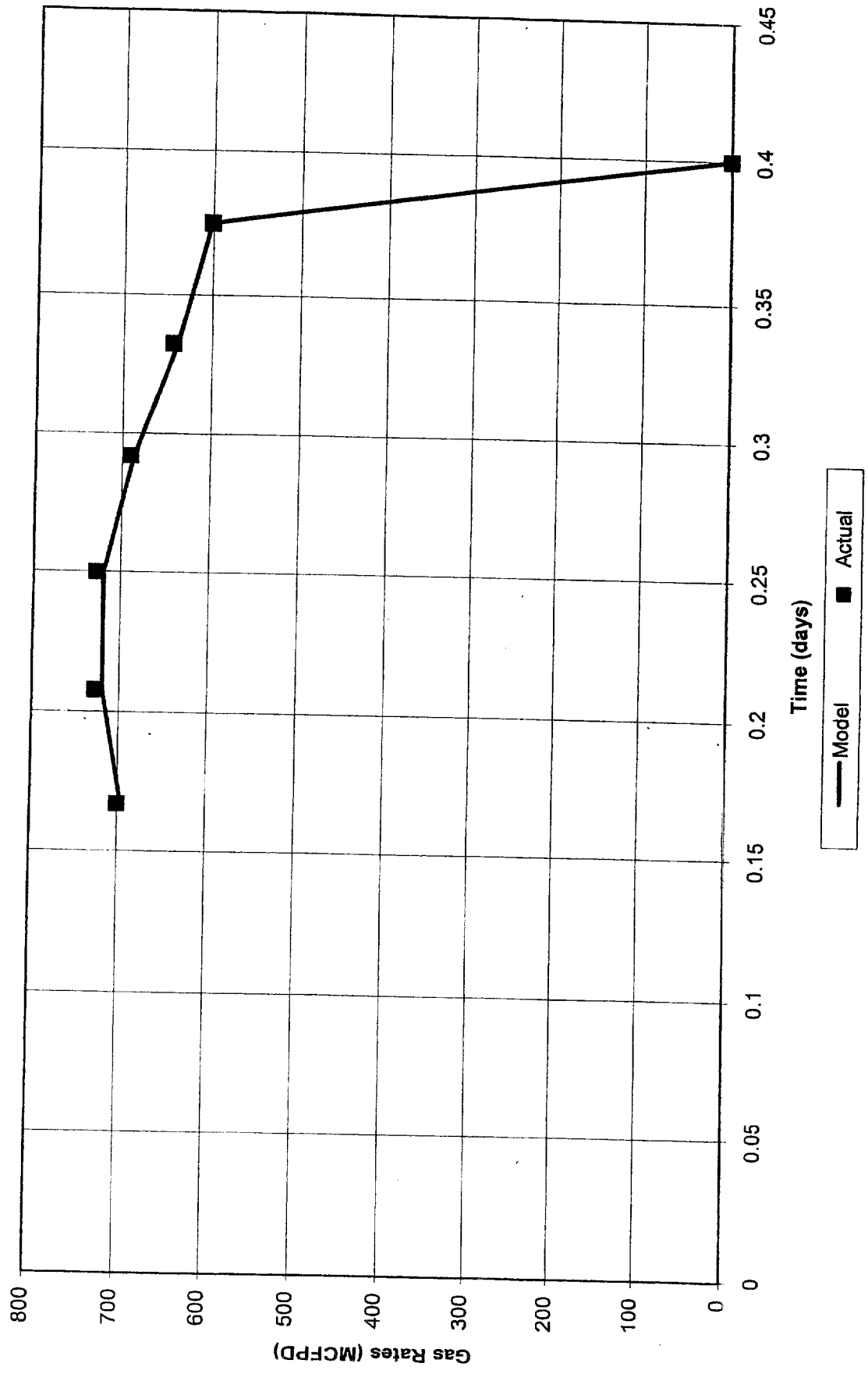
Date
August 31, 2001

Telephone No.
393-7106

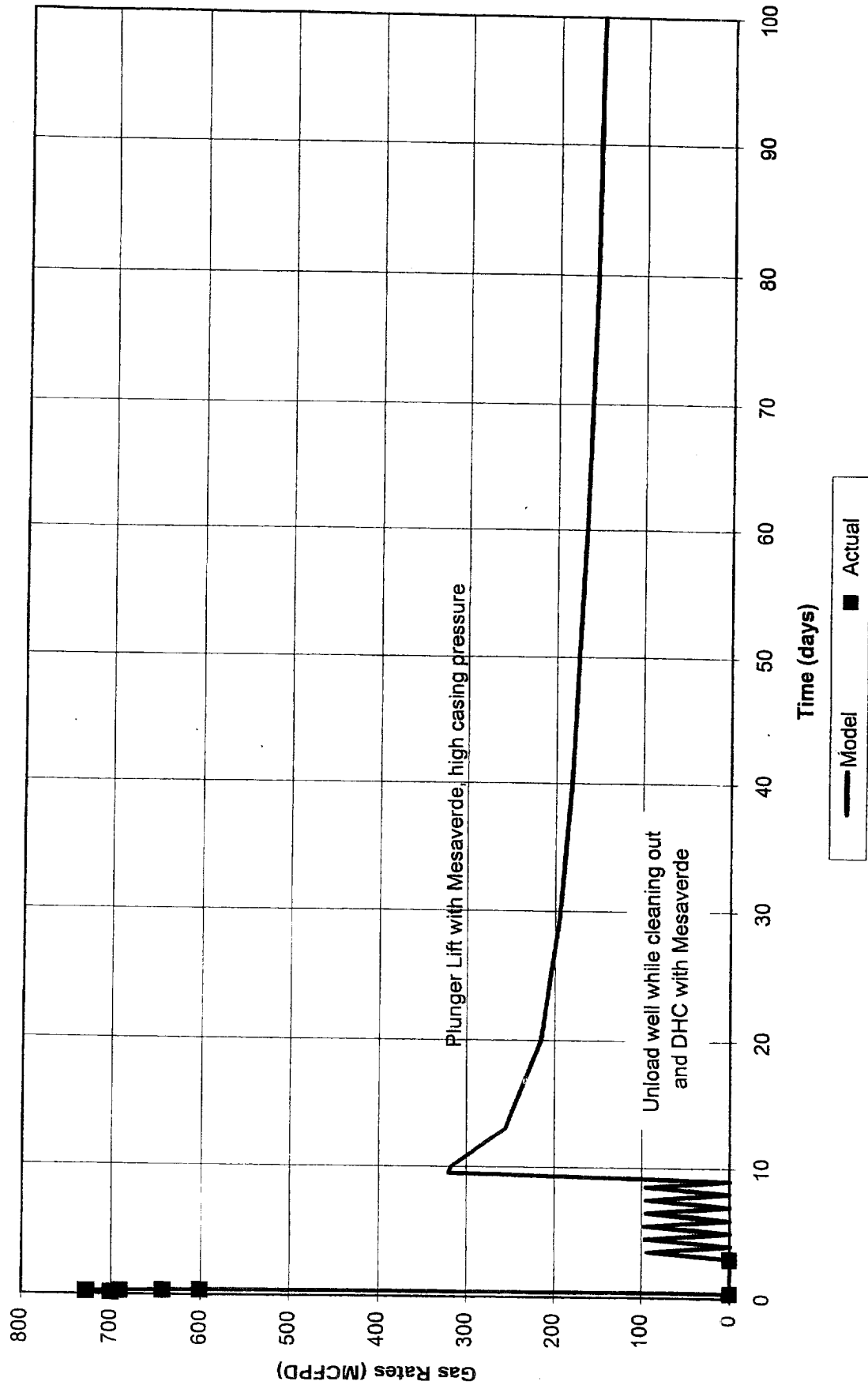
Jicarilla Apache Well No 11 Chacra & Mesaverde



Jicarilla Apache #11
Chacra Model



Jicarilla Apache #11 Chacra Model



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1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Marathon Oil Company P.O. Box 2490 Hobbs, NM 88241
Operator Address

Jicarilla Apache 11 UL 'M', Sec 28, T-26-N, R-5-W Rio Arriba
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 14021 Property Code 6414 API No. 30-039-08149 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Otero Chacra	NA	Blanco Mesaverde
Pool Code	82329	NA	72319
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3714' - 3739'	NA	4808' - 5126'
Method of Production (Flowing or Artificial Lift)	Artificial Lift (Plunger lift)	NA	Artificial Lift (Plunger lift)
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	NA	NA	NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1120	NA	1225
Producing, Shut-In or New Zone	Producing	NA	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 8-27-01 Rates: 0.4/203/0.2 Commingled with Mesaverde	Date: NA Rates: NA	Date: 8-27-01 Rates: 0.4/203/0.2 Commingled with Mesaverde
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0 % 56 %	Oil Gas % %	Oil Gas 100 % 44 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application?

Yes ☐ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest areas.