

5D-99-8

Houston Division  
Production Operations, United States



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

June 25, 1999

Gruy Petroleum Management Company  
600 Las Colinas Blvd. E., Ste 1200  
Irving, Texas 75039-5611

RE: Application to Simultaneously Dedicate  
Eumont - Yates, 7 Rivers & Queen Pool Production

McDonald State A/C 2 Well No. 31  
Unit Letter G, 1800' FNL & 1650' FEL  
Section 11, T-22-S, R-36-E  
Lea County, New Mexico

McDonald State A/C Well No. 11  
Unit Letter A, 330' FNL & 330' FEL  
Section 11, T-22-S, R-36-E  
Lea County, New Mexico

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division to simultaneously dedicate Eumont - Yates, 7 Rivers & Queen Pool Production to a 160 acre non-standard gas proration unit. Please find enclosed a copy of the application.

If you are in agreement and waive all objections to the simultaneously dedicated wells, please sign below and mail the original to the NMOCD in the enclosed addressed envelope. Also, please return one copy to Marathon at the letterhead address.

Sincerely,

*Thomas P. Kacir*  
Thomas P. Kacir  
Production Engineer

TPK/  
Enclosure

Agreed and accepted this 8<sup>th</sup> day of JULY 1999

by Zeno Farris, as representative of  
GRUY PETROLEUM Management Co.

*Copy to Santa Fe. -*

~~NSP(5D)~~ 7/19/99

Houston Division  
Production Operations, United States



P.O. Box 2490  
Hobbs, New Mexico 88240  
Telephone 505/393-7406  
RECEIVED  
JUN 28 1999  
OIL CONSERVATION DIVISION

June 25, 1999

Application to Simultaneously Dedicate  
Eumont - Yates, 7 Rivers & Queen Pool Production

McDonald State A/C 2 Well No. 31  
Unit Letter 'G', 1800' FNL & 1650' FEL  
Section 13, T-22-S, R-36-E  
Lea County, New Mexico

McDonald State A/C 2 Well No. 11  
Unit Letter 'A', 330' FNL & 330' FEL  
Section 13, T-22-S, R-36-E  
Lea County, New Mexico

Mr. Michael Stogner  
State of New Mexico  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Marathon Oil Company respectfully requests authorization to simultaneously dedicate the above well to the Eumont - Yates, 7 Rivers & Queen Pool Production within the 160 acre non-standard gas proration unit (NSP-439). This non-standard gas proration unit is comprised of the NE/4 of Section 13, T-22-S, R-36-E in Lea County, New Mexico.

Currently Administrative Order NSP-439 apply to McDonald State A/C 2 Well No. 11. On a recent workover/recompletion on McDonald State A/C 2 Well No. 31, the Drinkard was abandon. The Eumont was then perforated and stimulated. Wells on this lease to be simultaneously dedicate to the non-standard gas proration unit NSP-439 for the Eumont - Yates, 7 Rivers & Queen Pool are:

McDonald State A/C 2 Well No. 11     API No. 30-025-08897  
McDonald State A/C 2 Well No. 31     API No. 30-025-25932

This lease has more than 640 acres. Other Eumont - Yates, 7 Rivers & Queen Pool non-standard gas proration units cover 280 acres (NSP-440B). They are dedicated to the NW/4 portion of Section 13 and NW, SW & SE of SE/4 portion of Section 13.

Marathon also request a 30 day exception for theses well while awaiting approval. Attached are C-102's for each well showing the locations and footage for the two wells. Also we have sent this same information to the offset operators. If you have any questions or have need of additional data, please contact me at (505) 393-7106 ext. 201.

Sincerely,

Thomas P. Kacir  
Production Engineer

**OFFSET OPERATORS  
McDonald State A/C 2  
NE/4 Section 13,  
T-22-S, R-36-E, N.M.P.M.  
Lea County, New Mexico  
Eunice South Field**

**T-22-S, R-36-E**

Section 13: NW/4 and S/2  
Marathon Oil Company

Section 12: S/2  
ARCO  
P.O. Box 1610  
Midland, Texas 79702-1610

**T-22-S, R-37-E**

Section 7: SW/4  
Gruy Petroleum Management Company  
600 Las Colinas Blvd. E., Ste 1200  
Irving, Texas 75039-5611

Section 18: NW/4 and W/2 of SW/4  
Chevron USA Inc.  
P.O. Box 1150  
Midland, Texas 79702

E/2 of SW/4  
Collins and Ware  
508 W. Wall Ste. 1200  
Midland, Texas 79701

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 S. 1st Street, Artesia, NM 88210-2834  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-25932		<sup>2</sup> Pool Code 76480		<sup>3</sup> Pool Name Eumont:Yates,7-Rivers, Queen	
<sup>4</sup> Property Code 6436		<sup>5</sup> Property Name McDonald State A/C 2			<sup>6</sup> Well Number 31
<sup>7</sup> OGRID No. 014021		<sup>8</sup> Operator Name Marathon Oil Company			<sup>9</sup> Elevation GL: 3471'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
G	13	22-S	36-E		1800	North	1650	East	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code NA	<sup>15</sup> Order No. For McDonald A/C 2 #11 ; NSP - 439
--------------------------------------	------------------------------------	--	---

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON--STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

			<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: center;"><i>Thomas P Kacir</i></p> <hr/> <p>Signature Thomas P. Kacir</p> <hr/> <p>Printed Name Production Engineer</p> <hr/> <p>Title June 7, 1999</p> <hr/> <p>Date</p>
		<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <hr/> <p>Date of Survey</p> <hr/> <p>Signature and Seal of Professional Surveyer:</p>	
		<p>RECEIVED JUN 18 1999 NORTHWEST OPERATIONS</p>	

Certificate Number

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 S. 1st Street, Artesia, NM 88210-2834  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-08897		<sup>2</sup> Pool Code 76480		<sup>3</sup> Pool Name Eumont:Yates,7-Rivers, Queen	
<sup>4</sup> Property Code 6436		<sup>5</sup> Property Name McDonald State A/C 2			<sup>6</sup> Well Number 11
<sup>7</sup> OGRID No. 014021		<sup>8</sup> Operator Name Marathon Oil Company			<sup>9</sup> Elevation GL: 3441'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
A	13	22-S	36-E		330	North	330	East	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code NA	<sup>15</sup> Order No. NSP - 439
--------------------------------------	------------------------------------	--	--------------------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON--STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><sup>17</sup> OPERATOR CERTIFICATION          I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Thomas P Kacir</i>          Signature          Thomas P. Kacir          Printed Name          Production Engineer          Title          June 25, 1999          Date</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION          I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>_____          Date of Survey          Signature and Seal of Professional Surveyer:          _____          Certificate Number</p>

Submit 2 copies to Appropriate District Office:  
 DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240  
 DISTRICT II  
 811 S. 1st Street, Artesia, NM 88210-2834  
 DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
 Energy, Minerals and Natural Resources Department  
**OIL CONSERVATION DIVISION**  
 2040 Pacheco St.  
 Santa Fe, NM 87505

Form C-116  
 Revised 1/1/89

**GAS - OIL RATIO TEST**

Operator <b>Marathon Oil Company</b>		Pool <b>Eumont, Yates, 7 Rivers Queen (Gas)</b>		County <b>Lea</b>										
Address <b>P.O. Box 2490 Hobbs, NM 88241</b>		TYPE OF TEST - (X) <input checked="" type="checkbox"/> Scheduled <input type="checkbox"/> Completion		Special <input checked="" type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST		GAS - OIL RATIO CU/FT/BBL	
		U	S	T							R	WATER BBL S		OIL BBL S
<b>McDonald State A/C 2</b>	<b>11</b>	<b>A</b>	<b>13</b>	<b>22</b>	<b>36</b>	<b>6/15/99</b>	<b>P</b>	<b>200</b>		<b>24</b>	<b>1</b>	<b>0</b>	<b>147</b>	<b>NA</b>
	<b>31</b>	<b>G</b>	<b>13</b>	<b>22</b>	<b>36</b>	<b>5/19/99</b>	<b>F</b>	<b>18</b>		<b>24</b>	<b>1</b>	<b>0</b>	<b>88</b>	<b>NA</b>

For Information Only

**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.

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

*Thomas P. Kacir*

Signature  
**Thomas P. Kacir**  
 Production Engineer

Printed name and title  
**June 25, 1999**  
**393-7106**

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

Date  
 Telephone No.

Houston Division  
Production Operations, United States



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

June 25, 1999

Chevron USA Inc.  
P. O. Box 1150  
Midland, Texas 79702

RE: Application to Simultaneously Dedicate  
Eumont - Yates, 7 Rivers & Queen Pool Production

McDonald State A/C 2 Well No. 31  
Unit Letter G, 1800' FNL & 1650' FEL  
Section 11, T-22-S, R-36-E  
Lea County, New Mexico

McDonald State A/C Well No. 11  
Unit Letter A, 330' FNL & 330' FEL  
Section 11, T-22-S, R-36-E  
Lea County, New Mexico

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division to simultaneously dedicate Eumont - Yates, 7 Rivers & Queen Pool Production to a 160 acre non-standard gas proration unit. Please find enclosed a copy of the application.

If you are in agreement and waive all objections to the simultaneously dedicated wells, please sign below and mail the original to the NMOCD in the enclosed addressed envelope. Also, please return one copy to Marathon at the letterhead address.

Sincerely,

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

Thomas P. Kacir  
Production Engineer

TPK/  
Enclosure

Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_ 1999

by \_\_\_\_\_, as representative of



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

June 25, 1999

Collins and Ware  
508 W. Wall Ste. 1200  
Midland, Texas 79701

RE: Application to Simultaneously Dedicate  
Eumont - Yates, 7 Rivers & Queen Pool Production

McDonald State A/C 2 Well No. 31  
Unit Letter G, 1800' FNL & 1650' FEL  
Section 11, T-22-S, R-36-E  
Lea County, New Mexico

McDonald State A/C Well No. 11  
Unit Letter A, 330' FNL & 330' FEL  
Section 11, T-22-S, R-36-E  
Lea County, New Mexico

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Sincerely,

*Thomas P. Kacir*  
Thomas P. Kacir  
Production Engineer

TPK/  
Enclosure

Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_ 1999

by \_\_\_\_\_, as representative of



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

June 25, 1999

ARCO  
P. O. Box 1610  
Midland, Texas 79702-1610

RE: Application to Simultaneously Dedicate  
Eumont - Yates, 7 Rivers & Queen Pool Production

McDonald State A/C 2 Well No. 31  
Unit Letter G, 1800' FNL & 1650' FEL  
Section 11, T-22-S, R-36-E  
Lea County, New Mexico

McDonald State A/C Well No. 11  
Unit Letter A, 330' FNL & 330' FEL  
Section 11, T-22-S, R-36-E  
Lea County, New Mexico

Ladies and/or Gentlemen:

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Sincerely,

  
Thomas P. Kacir  
Production Engineer

TPK/  
Enclosure

Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_ 1999

by \_\_\_\_\_, as representative of



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

June 25, 1999

Gruy Petroleum Management Company  
600 Las Colinas Blvd. E., Ste 1200  
Irving, Texas 75039-5611

RE: Application to Simultaneously Dedicate  
Eumont - Yates, 7 Rivers & Queen Pool Production

McDonald State A/C 2 Well No. 31  
Unit Letter G, 1800' FNL & 1650' FEL  
Section 11, T-22-S, R-36-E  
Lea County, New Mexico

McDonald State A/C Well No. 11  
Unit Letter A, 330' FNL & 330' FEL  
Section 11, T-22-S, R-36-E  
Lea County, New Mexico

Ladies and/or Gentlemen:

Marathon Oil Company has filed an application with the New Mexico Oil Conservation division to simultaneously dedicate Eumont - Yates, 7 Rivers & Queen Pool Production to a 160 acre non-standard gas proration unit. Please find enclosed a copy of the application.

If you are in agreement and waive all objections to the simultaneously dedicated wells, please sign below and mail the original to the NMOCD in the enclosed addressed envelope. Also, please return one copy to Marathon at the letterhead address.

Sincerely,

*Thomas P. Kacir*  
Thomas P. Kacir  
Production Engineer

TPK/  
Enclosure

Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_ 1999

by \_\_\_\_\_, as representative of

\_\_\_\_\_

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 28, 1958

C  
O  
P  
Y  
  
The Ohio Oil Company  
P. O. Box 552  
Midland, Texas

Attention: Coe S. Mills

Administrative Order NSL-160

Gentlemen:

Reference is made to your application for approval of an unorthodox well location for your State McDonald A/C Well No. 11 to be located 330 feet from the North line and 330 feet from the East line and in the NE/4, NE/4 of Section 13, Township 22 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico.

It is our understanding that this unorthodox well location is occasioned by the recompletion of a well previously drilled to another horizon.

By authority granted me under provisions of Rule 3 of the Special Rules and Regulations of the Eumont Gas Pool, as set forth in Order R-520, you are hereby granted an exception to Rule 2 of Order R-520 for the above described unorthodox well location. You must also obtain like approval from the U. S. Geological Survey if the well is located on land subject to the jurisdiction of the U. S. Geological Survey.

Very truly yours,

A. L. PORTER, Jr.,  
Secretary-Director

ALP/OEP/og

cc: Oil Conservation Commission - Hobbs  
Oil & Gas Engineering Committee - Hobbs

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

August 19, 1958

C  
O  
P  
Y  
The Ohio Oil Company  
P. O. Box 552  
Midland, Texas

Attention: Coe S. Mills

Administrative Order NSP-439

Gentlemen:

Reference is made to your application for approval of a 160-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the following acreage:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
Section 13: NE/4

It is understood that this unit is to be dedicated to your State McDonald A/C 2 Well No. 11, located 330 feet from the North line and 330 feet from the East line of said Section 13.

By authority granted me under provisions of Rule 5 (b), of the Special Rules and Regulations for the Eumont Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with the pool rules, based upon the unit size of 160 acres.

Very truly yours,

A. L. PORTER, Jr.,  
Secretary-Director

ALP/OEP/og

cc: Oil Conservation Commission - Hobbs  
Oil & Gas Engineering Committee - Hobbs

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

**OIL CONSERVATION DIVISION**  
**2040 South Pacheco**  
**Santa Fe, NM 87505**

Instructions on back  
 Submit to Appropriate District Office  
 5 Copies

AMENDED REPORT

**I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT**

<sup>1</sup> Operator name and Address Marathon Oil Company P.O. Box 2490 Hobbs, NM 88240		<sup>2</sup> OGRID Number 014021	
<sup>4</sup> API Number 30-0 30-025-25932		<sup>3</sup> Reason for Filing Code RT Eff 4/27/99 Req Gas POD	
<sup>5</sup> Pool Name Eumont; Yates, 7 Rivers, Queen		<sup>6</sup> Pool Code 76480	
<sup>7</sup> Property Code 6436		<sup>8</sup> Property Name McDonald State A/C 2	
		<sup>9</sup> Well Number 31	

**II. <sup>10</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
G	13	22S	36E		1800	North	1650	East	Lea

**<sup>11</sup> Bottom Hole Location**

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

<sup>12</sup> Lse Code State	<sup>13</sup> Producing Method Code	<sup>14</sup> Gas Connection Date 7/29/78	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date
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**III. Oil and Gas Transporters**

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
22638	Texas New Mexico Pipeline PO Box 60028 San Angelo, TX 76909	1242110	0	UL I, Sec. 13, T-22-S, R-36-E Battery location.
14021	Marathon Oil Company PO Box 2490 Hobbs, NM 88240	2823467	G	UL G, Sec. 13, T-22-S, R-36-E Allocation meter on well location.

**IV. Produced Water**

<sup>23</sup> POD 1242150	<sup>24</sup> POD ULSTR Location and Description
------------------------------	--

**V. Well Completion Data**

<sup>25</sup> Spud Date 4/23/99	<sup>26</sup> Ready Date 4/27/99	<sup>27</sup> TD 6806'	<sup>28</sup> PBD 3740' CIBP	<sup>29</sup> Perforations 2648-3250'	<sup>30</sup> DHC, DC, MC
<sup>31</sup> Hole Sie	<sup>32</sup> Casing & Tubing Size	<sup>33</sup> Depth Set	<sup>34</sup> Sacks Cement		

**VI. Well Test Data**

<sup>35</sup> Date New Oil	<sup>36</sup> Gas Delivery Date	<sup>37</sup> Test Date	<sup>38</sup> Test Length	<sup>39</sup> Tbg. Pressure	<sup>40</sup> Csg. Pressure
<sup>41</sup> Choke Size	<sup>42</sup> Oil	<sup>43</sup> Water	<sup>44</sup> Gas	<sup>45</sup> AOF	<sup>46</sup> Test Method

<sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Kelly Cook</i>		<b>OIL CONSERVATION DIVISION</b>	
Printed name: Kelly Cook		Approved by: <i>Chris Williams</i>	
Title: Records Processor		Title: DISTRICT 1 SUPERVISOR	
Date: 4/30/99		Approval Date: JUN 16 1999	
Phone: 393-7106			

<sup>47</sup> If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature	Printed Name	Title	Date

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

**OIL CONSERVATION DIVISION**

DISTRICT I  
P.O. Box 1980, Hobbs NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO. <b>30-025-25932</b>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	7. Lease Name or Unit Agreement Name <b>McDonald State A/C 2</b>
2. Name of Operator <b>Marathon Oil Company</b>	8. Well No. <b>31</b>
3. Address of Operator <b>P.O. Box 2490 Hobbs, NM 88240</b>	9. Pool name or Wildcat <b>Eumont; Yates, 7 Rivers, Queen</b>
4. Well Location Unit Letter <b>G</b> : <b>1800</b> Feet From The <b>North</b> Line and <b>1650</b> Feet From The <b>East</b> Line Section <b>13</b> Township <b>22-S</b> Range <b>36-E</b> NMPM <b>Lea</b> County	10. Elevation (Show whether DF, RKB, RT, GR, etc.) <b>GL 3471' KB 3482'</b>

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: <u>Plug Back &amp; Recomplete Eumont</u> <input checked="" type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

4/23 MIRU pulling unit. POOH w/pump & rods. ND wellhead. NU BOP. POOH w/tbg. Test BOP, OK. RIH w/CIBP at 6520'. Dump 3 sxs cmt on plug. TOC at 6485'. RIH w/pkr, set at 6325'. Test CIBP to 2000 psi, OK. POOH w/pkr. RIH w/CIBP & pkr, set at 3750', pkr at 3709'. Test to 2000, OK. Rel pkr, PU to 3257'. Pickle tbg w/250 gals 15% acid. Circ hole clean. POOH w/pkr. 4/27 RIH tag sand on CIBP at 3723'. Perf 2648-52', 2690-2700', 2720-34', 2742-44', 2750-57', 2782-86', 2790-92', 2812-17', 2821-23', 2826-30', 2839-47', 2864-68', 2883-87', 2894-2900', 2911-17', 2921-25', 2980-87', 2993-97', 3003-10', 3107-10', 3187-89', 3220-30', 3242-50', w/2 SPF, 270 holes. RIH w/pkr. Acidize w/4000 gals acid. Swab. Rel pkr, POOH. 4/30 RIH w/pkr on 3 1/2" tbg, set at 2562'. Rel from on/off tool at 2558'. Circ clean. Test tbg & plug to 600 psi, OK. RIH pull blanking plug. 5/1 Sand frac 2648-3250 w/23,523 gals N2 foam containing 200,000 lbs 16/30 sand. Flow back. Shut-in. 5/3 RIH w/sinker bar. CIBP at 3740'. POOH. 5/5 RIH w/1 1/2" coil tbg. Install CT hanger. Bottom of CT at 2875'. Turn well to production.

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

SIGNATURE Kelly Cook TITLE Records Processor DATE 5/25/99  
TYPE OR PRINT NAME Kelly Cook TELEPHONE NO. 393-7106

(This space for State Use)

APPROVED BY Chris Williams DISTRICT I SUPERVISOR DATE JUN 10 1999  
CONDITIONS OF APPROVAL, IF ANY:

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 811 S. 1st Street, Artesia, NM 88210-2834  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Instructions on back  
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 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator name and Address		<sup>2</sup> OGRID Number
Marathon Oil Company P.O. Box 2490 Hobbs, NM 88240		014021
		<sup>3</sup> API Number
		30-0 25-25932
<sup>4</sup> Property Code	<sup>5</sup> Property Name	<sup>6</sup> Well No.
6436	McDonald State A/C 2	31

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
G	13	22-S	36-E		1800	North	1650	East	Lea

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

<sup>9</sup> Proposed Pool 1

<sup>10</sup> Proposed Pool 2

Eumont; Yates, 7 Rivers, Queen	
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<sup>11</sup> Work Type Code	<sup>12</sup> Well Type Code	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code	<sup>15</sup> Ground Level Elevation
P	G	NA	S	3471'
<sup>16</sup> Multiple	<sup>17</sup> Proposed Depth	<sup>18</sup> Formation	<sup>19</sup> Contractor	<sup>20</sup> Spud Date
No	No Change	No Change	NA	

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
No Change					

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary

See attached procedure.

Permit Expires 1 Year From Approval  
 Date Unless Drilling Underway  
 Plugback

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.	OIL CONSERVATION DIVISION
Signature: <i>Thomas P. Kacir</i>	Approved by: <i>Chris Williams</i>
Printed name: Thomas P. Kacir	Title: DISTRICT SUPERVISOR
Title: Production Engineer	Approval Date: JUN 16 1995 Expiration Date:

**McDonald State A/C 2 #31**  
South Eunice Field  
1800' FNL, & 1650' FEL  
Unit G, Section 13, T22S & R36E  
API #30-025-25932-0000  
Lea County, New Mexico

**Purpose:** Re-complete well from Drinkard to "Eumont" gas zone

**PROCEDURE:**

1. Notify Hobbs personnel of impending workover.
2. Test safety anchors to 22,500 lbs.
3. MIRU pulling unit
4. Kill well as necessary with lease water.
5. Disconnect surface equipment. Lay down polish rod. POOH with rod string and pump.
6. ND wellhead. Install hydraulic BOP w/ 2-3/8" pipe rams on top and blind rams on bottom. Pressure test BOPE to 2,000 psi against test plug.
7. Release TAC @ 6495' and POOH with 2-3/8" tubing. Visually inspect tubing for paraffin, scale, and wear.
8. MIRU wireline w/ packoff. RIH with 5 1/2" 17.0# gauge ring to 6,520'. Run a wireline set CIBP and set at ± 6,500'. PU bailer and spot 35' of cement on the CIBP then shut-in over night.
9. RIH with packer on 2 3/8" tubing to ± 6,460'. Test the CIBP to ± 2,000 psi. POOH.
10. PU 5 1/2" 17# packer w/ CIBP and RIH on 2 3/8" tubing to ± 3,750'. Set the CIBP and test to 2,000 psi. Test the annulus to 500 psi. Release the packer and POOH.
11. PUH to 3,250' and pickle the remaining tubing with 250 gallons of 15% NE-Fe acid and POOH. Dump 2 sx of sand on the CIBP and shut-in over night.
12. MIRU wireline w/ full lubricator. Test lubricator to 1,000 psi. Perforate the Yates/7 Rivers/Queen w/ a 4" port gun as follows: 2648'-2652', 2690'-2700', 2720'- 2734', 2742'-2744', 2750'-2757', 2782'-2786', 2790'-2792', 2812'-2817', 2821'-2823', 2826'-2830', 2839'-2847', 2864'-2868', 2883'-2887', 2894'-2900', 2911'-2917', 2921'-2925', 2980'-2987', 2993'-2997', 3003'-3010', 3107'-3110', 3187'-3189', 3220'-3230', 3242'-3250'. All shots w/ 23 gram charges and 2SPF, 120° phasing.
13. Configure a "PPI" tool such that the packer elements are (10') apart. RIH on 2 3/8" 4.7# N-80 to ± 2,648'. Set packer, drop SV and test tubing to 5,000 psi, fish SV. Drop FCV.
14. MIRU Halliburton and acidize the Yates/7 Rivers/Queen with 4,000 gallons of MOD-101 via the PPI tool @ ± 1-2 bpm. It is anticipated that the treatment can be completed w/ 23 tool settings. Pump an average of 30 gals/ft for each perforated section. Record individual breakdown pressures and ISIP's.
15. PU to 2,600', set the PPI and pull the FCV and bottom SV from the tool. Swab back as much of the acid load as is practical.

16. POOH laying down the 2-3/8" tubing and PPI.
17. Change out BOP rams to 3 1/2". PU 5 1/2" 15.5# PLS packer w/ plug. Hydrotest in hole to 8,000 psi on 3 1/2" 9.3# N-80 tubing. Set packer at ± 2,625'. Release on/off tool and circulate inhibited packer fluid into the annulus. Engage the on/off tool, swab the tubing down and fish the tubing plug from the on/off profile.
18. ND BOPE and NU tree.
19. RDMO PU.
20. MIRU Guardian wellhead isolation tool (WHIT) and flowback manifold. Stake all Guardian equipment in accordance with energized flowback specifications.
21. MIRU Halliburton to fracture stimulate the Yates/7 Rivers/Queen from 2,648' to 3,250'. The treatment will consist of 102,500 gals of 80 - 65 quality N<sub>2</sub> Delta Foam (20) carrying 300,000 lbs 16/30 Brady sand. The job is designed to be pumped at a combined downhole rate of 40 bpm with an expected surface treating pressure of ± 4,500 psi. Maintain 250 psi on the annulus during the treatment.  
*\*All sand to be treated with the "Sand-Wedge®" proppant consolidation process.*
22. Immediately following the termination of the treatment RDMO the WHIT only if the current WHP is below the rated WP of the tree. RU Guardian flowback iron directly to the tree.
23. Flow and test well up the 3 1/2" tubing as necessary.
24. Once the total gas rate falls below 750 mcfpd then MIRU a CT unit to run a 1 1/2" velocity string. Prior to hanging off the CT, jet past the bottom perf to check for fill. Clean out if necessary.
25. Kick well off flowing up the CT and/or CT annulus. Turn well over to production.
26. File to Simultaneously Dedicated with McDonald State A/C 2 Well No. 11.

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-25932		<sup>2</sup> Pool Code 76480		<sup>3</sup> Pool Name Eumont:Yates,7-Rivers, Queen	
<sup>4</sup> Property Code 6436		<sup>5</sup> Property Name McDonald State A/C 2			<sup>6</sup> Well Number 31
<sup>7</sup> OGRID No. 014021		<sup>8</sup> Operator Name Marathon Oil Company			<sup>9</sup> Elevation GL: 3471'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
G	13	22-S	36-E		1800	North	1650	East	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill Y	<sup>14</sup> Consolidation Code NA	<sup>15</sup> Order No. For McDonald A/C 2 #11 ; NSP - 439
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON--STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Thomas P Kacir</i></p> <p>Signature                  Thomas P. Kacir                  Printed Name                  Production Engineer                  Title                  June 7, 1999                  Date</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>_____                  Date of Survey</p> <p>_____                  Signature and Seal of Professional Surveyer:</p> <p>_____                  Certificate Number</p>