

PNRM 0404231982

C-103 Received 2-9-2004
DHC No. Assigned 2-11-2004

Order Number HOB-0067A		API Number 30-025-36422		Operator Amerada Hess Corp.		County Lea	
Order Date 		Well Name B. M. Marcus		Number 003		Location	
						B UL	20 Sec
						205 T (+Dir)	38E R (+Dir)
Pool 1	87080	Warren Tubb (Gas) <small>Oil Well in Gas Pool</small>		95%		65%	
Pool 2	57000	Skaggs Drinkard		5%		35%	
Pool 3							
Pool 4							
Comments: Work completed effective _____ Work cancelled effective _____ Supplement _____							

2-11-2004
Posted
RBM
B

(Amended)
Replaces HOB-0067

(Amended)

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-36422
HOB-0067A

OPERATOR: Amerada Hess Corp.

PROPERTY NAME: B. M. Marcus

WNULSTR: 3-B, 20-20-38

SECTION I:

87080

POOL NO. 1 Warren Tubb (Gas) ^(Oil Well in) Gas Pool 142 284 MCF 2000

57000

POOL NO. 2 Skaggs Drinkard 142 1420 MCF 10000

POOL NO. 3 _____ MCF

POOL NO. 4 _____ MCF

POOL TOTALS 284 1704

SECTION II:

POOL NO. 1 Warren Tubb (Gas) Oil Gas
95% X 284 = 269.80 65%

POOL NO. 2 Skaggs Drinkard 5% 35%

POOL NO. 3 _____

POOL NO. 4 _____

OIL

GAS

SECTION III:

142 ÷ 95% = 149.48 (150)

SECTION IV:

150 X 95% = 142.50 (142)
150 X 5% = 7.50 (8)

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
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 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised May 08, 2003

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-36422
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name B M Marcus
8. Well Number 3
9. OGRID Number 000495
10. Pool name or Wildcat Skaggs Drinkard, Warren; Tubb
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3553'

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 Gas Well Other

2. Name of Operator
 Amerada Hess Corporation

3. Address of Operator
 P.O. Box 840 Seminole, Texas 79360

4. Well Location
 Unit Letter B : 660 feet from the North line and 1980 feet from the East line
 Section 20 Township 20S Range 38E NMPM County Lea

12. 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"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: Downhole Commingle well <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Plan to MIRU pulling unit. NU BOP. TIH w/gauge ring on 2 7/8" tbg to top of float collar @ +/- 7044'. TOH. Circulate clean. RU Wireline. Run CBL log from PBTD to 3000'. RIH w/4" csg guns loaded w/3 SPF & perf csg in following intervals: Skaggs Drinkard (57000) from 6715'-6940', Warren; Tubb Gas (87080) from 6520'-6686.3'. TIH w/prod eqpt & begin producing well as downhole commingled.

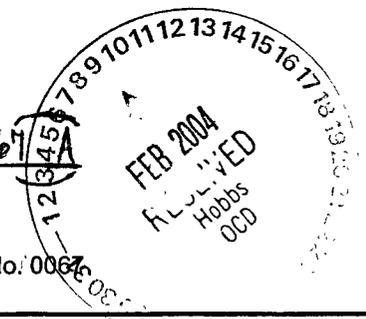
Working, royalty and overriding royalty interests are identical in all commingled zones.
 Commingling will not reduce the value of production.
 Well is located on private land.
 Allocation based on well tests and fixed percents.

DHC Order No. HOB-0067

Attachment: reservoir data to support commingling percentages.

Please refer to R-11363

This is an amended intent to downhole commingle, see DHC No: 0067



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

SIGNATURE Carol J. Moore TITLE Senior Advisor DATE 2/3/2003

Type or print name Carol J. Moore cmoore@hess.com Telephone No. (432)758-6738
 (This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE 2-11-2004

Conditions of approval, if any:

ALLOCATION OF PRODUCTION FOR MARCUS #3 WELL
 (Allocation by zone for Tubb and Drinkard zones based on offset reserves)

SKAGGS DRINKARD (57000)		
WELL NAME	RESERVES	
	MBO	MMCF
B.M. MARCUS #2	9	138
F. TURNER JR B #2	2	60
M.J. RALEY #2	9	58
F. TURNER A #7	2	36
TOTAL FOR ZONE	22	292
AVERAGE	6	73
ALLOCATION PERCENTAGE	5%	35%

WARREN TUBB (87080)		
WELL NAME	RESERVES	
	MBO	MMCF
B.M. MARCUS #3	118	157
CONOCO BURGER B-20 #1 (SW OFFSET)	60	66
CONOCO BURGER B-20 #2 (S OFFSET)	255	242
CONOCO BURGER B-20 #3 (SE OFFSET)	14	57
TOTAL FOR ZONE	447	522
AVERAGE	112	131
ALLOCATION PERCENTAGE	95%	65%

TOTAL FOR ALL ZONES	469	814
AVERAGE FOR ALL ZONES	117	204

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State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised May 08, 2003

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-36422
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name B M Marcus
8. Well Number 3
9. OGRID Number 000495
10. Pool name or Wildcat Skaggs Drinkard, Blinberry Oil & Gas, Warren; Tubb
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3553'

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 Gas Well Other

2. Name of Operator
 Amerada Hess Corporation

3. Address of Operator
 P.O. Box 840 Seminole, Texas 79360

4. Well Location
 Unit Letter B : 660 feet from the North line and 1980 feet from the East line
 Section 20 Township 20S Range 38E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3553'

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- PLUG AND ABANDON
- TEMPORARILY ABANDON
- CHANGE PLANS
- PULL OR ALTER CASING
- MULTIPLE COMPLETION
- OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- ALTERING CASING
- COMMENCE DRILLING OPNS.
- PLUG AND ABANDONMENT
- CASING TEST AND CEMENT JOB
- OTHER: Downhole Commingle well

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

HOB

Please refer to ~~DHC~~ No. 0067 per R-11363

See Attachment.



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

SIGNATURE Carol J. Moore TITLE Senior Advisor DATE 1/14/2003

Type or print name Carol J. Moore cmoore@hess.com Telephone No. (432)758-6738

APPROVED BY Paul F. Kautz TITLE ORIGINAL SIGNED BY PAUL F. KAUTZ PETROLEUM ENGINEER DATE 2-11-2004

Conditions of approval, if any:

Form C-103 Attachment

Amerada Hess Corporation

OGRID 000495

B M Marcus No. 3

API 30-025-36422

Refer to R-11363

~~HOB~~ Order No. 0067

11/9/2003 thru 12/6/2003

MIRU Tyler Well Svc and installed 6" 900 BOP. TIH w/4 3/4" bit & tbg and tag float collar @ 7042'. Circulated clean. RU Schlumberger Wireline Svc, ran CBL from 7042'-3000'. Pressured csg w/1000 psi, held OK. Schlumberger perf'd Drinkard zone w/4" csg guns @ 3 SPF in following intervals: 6839'-6842', 6857'-6860', 6871'-6874', 6888'-6892', 6911'-6920', 6933'-6940'. Acidized Drinkard perfs w/2200 gals of 15% HCL acid. Swabbed well. RU BJ Svs and treated Drinkard perfs w/63,500 gals Spectrafrac 35# XL Borate & 140,000# of 20/40 sand from 6839'-6940'. TIH w/tbg & pkr set @ 6788'. Swabbed well. TOH w/tbg & pkr. TIH w/ CIBP set @ 6816'. Test to 1500 psi for 15 min. TIH w/3 1/8" csg guns loaded @ 3 SPF and perf'd Tubb/Upper Drinkard in following intervals: 6520'-6523.7', 6533'-6535.5', 6661'-6666.4', 6684'-6686.7', 6715'-6719.2', 6771'-6773.9'. TIH w/tbg and 5 1/2" pkr set @ 6800'. Swabbed well. RU BJ Svs, set pkr @ 6725' & test to 4000 psi. Acidized Upper Drinkard & Tubb zones w/4000 gals of NEFE HCL 15% Drinkard/Tubb blend acid from 6715'-6524'. Swabbed well. TOH w/tbg, removed BOP and installed Frac valve. RDPU and cleaned location. RU BJ Svc and treat Upper Drinkard/Tubb perfs from 6520'-6774' w/115,000 gals Spectrafrac 35# XL Borate & 250,000# of 20/40 sand. TIH w/tbg and pkr set @ 6472'. Swabbed well. RDPU & cleaned location. Left well flowing to tank.

Test on 12/18/2003 of 181 BOPD, 234 MCFD, 70 BWPD.

Skaggs Drinkard (57000) perfs from 6715'-6940', Warren Tubb (87080) perfs from 6520'-6686.7'.

District I
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 900 Rio Brazos Rd., Aztec, NM 87410
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 1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO.
 30-025-36422

5. Indicate Type of Lease
 STATE FEE

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____

b. Type of Completion:
 NEW WORK DEEPEN PLUG DIFF.
 WELL OVER BACK RESVR. OTHER

7. Lease Name or Unit Agreement Name
 B.M. Marcus

2. Name of Operator
 Amerada Hess Corporation

8. Well No.
 003

3. Address of Operator
 P.O. Box 840 Seminole, TX 79360

9. Pool name or Wildcat
 Warren Tubb (Gas),
 Skaggs Drinkard, ~~Shady Oil & Gas~~

4. Well Location
 Unit Letter B : 660 Feet From The North Line and 1980 Feet From The East Line
 Section 20 Township 20S Range 38E NMPM Lea _____ County _____

10. Date Spudded 10/16/2003 11. Date T.D. Reached 10/17/2003 12. Date Compl. (Ready to Prod.) 12/06/2003 13. Elevations (DF& RKB, RT, GR, etc.) 3553' 14. Elev. Casinghead _____

15. Total Depth 7136' 16. Plug Back T.D. _____ 17. If Multiple Compl. How Many Zones? _____ 18. Intervals Drilled By Rotary Tools _____ Cable Tools _____

19. Producing Interval(s), of this completion - Top, Bottom, Name
6520'-6686.3' Tubb, 6715'-6940' Drinkard

20. Was Directional Survey Made
 Yes

21. Type Electric and Other Logs Run
CBL, Gamma Ray/CCL, Micro-CFL/Gamma Ray

22. Was Well Cored
 No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	1488'	11"	650 sx Class C	
5 1/2"	17#	7136'	7 7/8"	970 sx Class C/450 sx Class H	

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 7/8"	6800'	6472'

26. Perforation record (interval, size, and number)
 Skaggs Drinkard (57000) 6715'-6719.2', 6771'-6773.9',
 6839'-6842', 6857'-6860', 6871'-6874', 6888'-6892', 6911'-6920',
 6933'-6940', Warren Tubb (87080) 6520'-6523.7', 6533'-6535.5',
 6661'-6666.4', 6684'-6686.7'

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
 DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
 6839'-6941' 2200 gals HCl 15% acid
 6939'-6940' 63,500 gals Spec 35# XL Borate/140,000# 20/40 sn
 6715'-6524' 4000 gals HFE HCl 15% acid

28. PRODUCTION 6520'-6774' 115,000 gals Spec 35# XL Borate/250,000# 20/40 s

Date First Production 12/6/2003 Production Method (*Flowing, gas lift, pumping - Size and type pump*) Flowing Well Status (*Prod. or Shut in*) Producing

Date of Test 12/18/2003 Hours Tested 24 Choke Size 21/64ths Prod'n For Test Period _____ Oil - Bbl 181 Gas - MCF 234 Water - Bbl. _____ Gas - Oil Ratio 1293

Flow Tubing Press. 300 Casing Pressure _____ Calculated 24-Hour Rate _____ Oil - Bbl. _____ Gas - MCF _____ Water - Bbl. _____ Oil Gravity - API - (Corr.) _____

29. Disposition of Gas (*Sold, used for fuel, vented, etc.*)
Sold Test Witnessed By _____

30. List Attachments
C-102, C-103, C-104, Deviation Survey, Logs Note: Refer to Administrative Order R11363 ~~DATE~~ No. 0067

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature Carol J. Moore Printed cmoore@hess.com Name Carol J. Moore Title Senior Advisor Date 1/14/2003

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

Form C-104
Revised June 10, 2003

Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address		² OGRID Number 000495
		³ Reason for Filing Code/ Effective Date DHC NW
⁴ API Number 30 - 025-36422	⁵ Pool Name Skaggs Drinkard	⁶ Pool Code 57000
⁷ Property Code 000125	⁸ Property Name B.M. Marcus	⁹ Well Number 003

II. ¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot.Idn	Feet from the	North/South Line	Feet from the	East/West line	County
B	20	20S	38E		660	North	1980	East	Lea

¹¹ 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

¹² Lse Code P	¹³ Producing Method Code P	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
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III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
015694	Navajo Refining Co. P.O. Box 159 Artesia, NM 88211	0033610	O	Unit C, Sec 20, T20S, R38E. B.M. Marcus Bty
024650	Dynegy Midstream Svc. LTD PTR 1000 Louisiana, Ste. 5800 Houston, TX 77002-5050	0008889	G	Unit C, Sec. 20, T20S, R38E. Dynegy Gas Meter 1091.

IV. Produced Water

²³ POD 0033650	²⁴ POD ULSTR Location and Description Unit C, Sec. 20, T20S, R38E. Prod water trucked to disposal.
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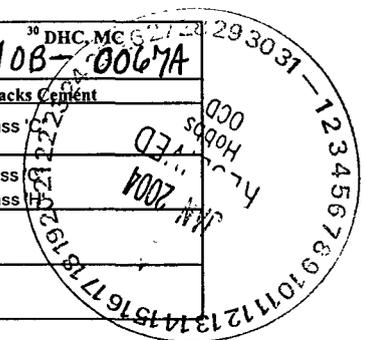
V. Well Completion Data

²⁵ Spud Date 10/16/03	²⁶ Ready Date	²⁷ TD 7136	²⁸ PBDT	²⁹ Perforations 67 15-690	³⁰ DHC, MC HOB-0067A
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
11"	8 5/8"	1488'	650 sx Class		
7 7/8"	5 1/2"	7136'	970 sx Class 450 sx Class		
	2 7/8" tbg.	6800'			

VI. Well Test Data

³⁵ Date New Oil 12/6/2003	³⁶ Gas Delivery Date 12/6/2003	³⁷ Test Date 12/18/2003	³⁸ Test Length 24	³⁹ Tbg. Pressure 300	⁴⁰ Csg. Pressure
⁴¹ Choke Size 21/64 ths	⁴² Oil 9/181	⁴³ Water 3/70	⁴⁴ Gas 12/234	⁴⁵ AOF	⁴⁶ Test Method Flowing

⁴⁷ 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>Carol J. Moore</i> Printed name: Carol J. Moore Title: Senior Advisor E-mail Address: cmoore@hess.com Date: 1/14/2004	OIL CONSERVATION DIVISION <i>Paul J. Hartz</i> Approved by:
	Title: PETROLEUM ENGINEER
	Approval Date: 2-11-2004
	Phone: (432) 758-6738



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I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address		² OGRID Number 000495
		³ Reason for Filing Code/ Effective Date DAC NW
⁴ API Number 30 - 025-36422	⁵ Pool Name Warren; Tubb (Gas)	⁶ Pool Code 87080
⁷ Property Code 000125	⁸ Property Name B.M. Marcus	⁹ Well Number 003

II. ¹⁰ Surface Location

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet from the	North/South Line	Feet from the	East/West line	County
B	20	20S	38E		660	North	1980	East	Lea

¹¹ 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

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¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
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IV. Produced Water

²³ POD 0033650	²⁴ POD ULSTR Location and Description Unit C, Sec. 20, T20S, R38E. Prod water trucked to disposal.
------------------------------	--

V. Well Completion Data

²⁵ Spud Date 10/16/03	²⁶ Ready Date	²⁷ TD 7136	²⁸ PBD	²⁹ Perforations 6520-6687	³⁰ DHC, MC HOB-0067A
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
11"	8 5/8"	1488'	650 sx Class		
7 7/8"	5 1/2"	7136'	970 sx Class 450 sx Class		
	2 7/8" tbg	6800'			

VI. Well Test Data

³⁵ Date New Oil 12/6/2003	³⁶ Gas Delivery Date 12/6/2003	³⁷ Test Date 12/18/2003	³⁸ Test Length 24	³⁹ Tbg. Pressure 300	⁴⁰ Csg. Pressure
⁴¹ Choke Size 21/64 ths	⁴² Oil 172/181	⁴³ Water 67/70	⁴⁴ Gas 222/234	⁴⁵ AOF	⁴⁶ Test Method Flowing

⁴⁷ 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: *Carol J. Moore*
Printed name: Carol J. Moore
Title: Senior Advisor
E-mail Address: cmoore@hess.com
Date: 1/14/2004
Phone: (432) 758-6738

OIL CONSERVATION DIVISION
Approved by: *[Signature]*
Title: PETROLEUM ENGINEER
Approval Date: 2-11-2004

