



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

May 24, 1999

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-1626

Attention: Walter J. Dueease

Re: Administrative application dated May 18, 1999 for Marathon Oil Company's proposed Indian Basin "C" Well No. 3 to be drilled to the Indian Basin-Upper Pennsylvanian Gas Pool at an unorthodox well location 1360 feet from the South line and 2200 feet from the West line (Unit J) of Section 26, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico. Further, an existing standard 640-acre gas spacing and proration unit comprising all of Section 26 is to be dedicated to this well along with two existing gas producing wells.

Dear Mr. Dueease:

The subject application is within an existing 640-acre gas spacing and proration unit that comprises all of Section 26, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, which is currently dedicated to Marathon Oil Company's: (i) Indian Basin "C" Well No. 1 (API No. 30-015-10332), located at a standard gas well location 1650 feet from the North and West line (Unit F) of Section 26; and (ii) Indian Basin "C" Well No. 2 (API No. 30-015-28167), located at an unorthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 26. Please provide me with a copy of the Division's approval for the unorthodox gas well location of the No. 2 well in Unit "M".

Thank you for your cooperation.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
W. Thomas Kellahin, Legal Counsel for Marathon Oil Company - Santa Fe

5/20/99 | 6/9/99 | MS | NW | NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [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 - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

MAY 20 1999

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

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

WALTER DUEEASE

Print or Type Name

Walter Duee

Signature

Title

5/18/99

Date



**Marathon
Oil Company**

P.O. Box 552
Midland, TX 79702-0552
Telephone 915/682-1626

May 18, 1999

New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
Mr. Mike Stogner

Re: *Indian Basin . C. # 3*
1360' FSL & 2200' FEL
Section 26, T-21-S, R-23-E
Eddy County, New Mexico

Dear Mr. Stogner,

Marathon Oil Company respectfully requests Administrative Approval for a non-standard location pursuant to NMOCD Rule 104.F.(3). The above referenced well is a proposed Indian Basin Upper Pennsylvanian test, which is governed under the Indian Basin Upper Pennsylvanian Gas Pool rules that state wells shall have a 640 acre Gas Proration Unit and be located no closer than 1650 feet from the external boundary of the GPU nor closer than 330 feet from any interior governmental boundary. The proposed location falls within the 330' boundary to the SE/4 and within 1650' of the South section line.

The objective of the Indian Basin .C. # 3 is the Cisco and Canyon dolomite reservoirs. This location is only unorthodox with respect to the south in section 35, a lease that is owned 100% by Marathon Oil Company, such that correlative rights are not an issue with this location. The proposed well is located near the area where the Cisco dolomite becomes limestone and is unproductive (Exhibit 1). By moving the location south and west from a standard location, the probability is increased that the well will be effective at reaching and producing additional reserves from the SE/4 of section 26.

This well shall have a 640 acre Gas Proration Unit as described on the attached C-102. The attached map references offset ownership and other wells producing from the Upper Pennsylvanian reservoir.

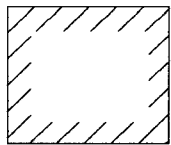
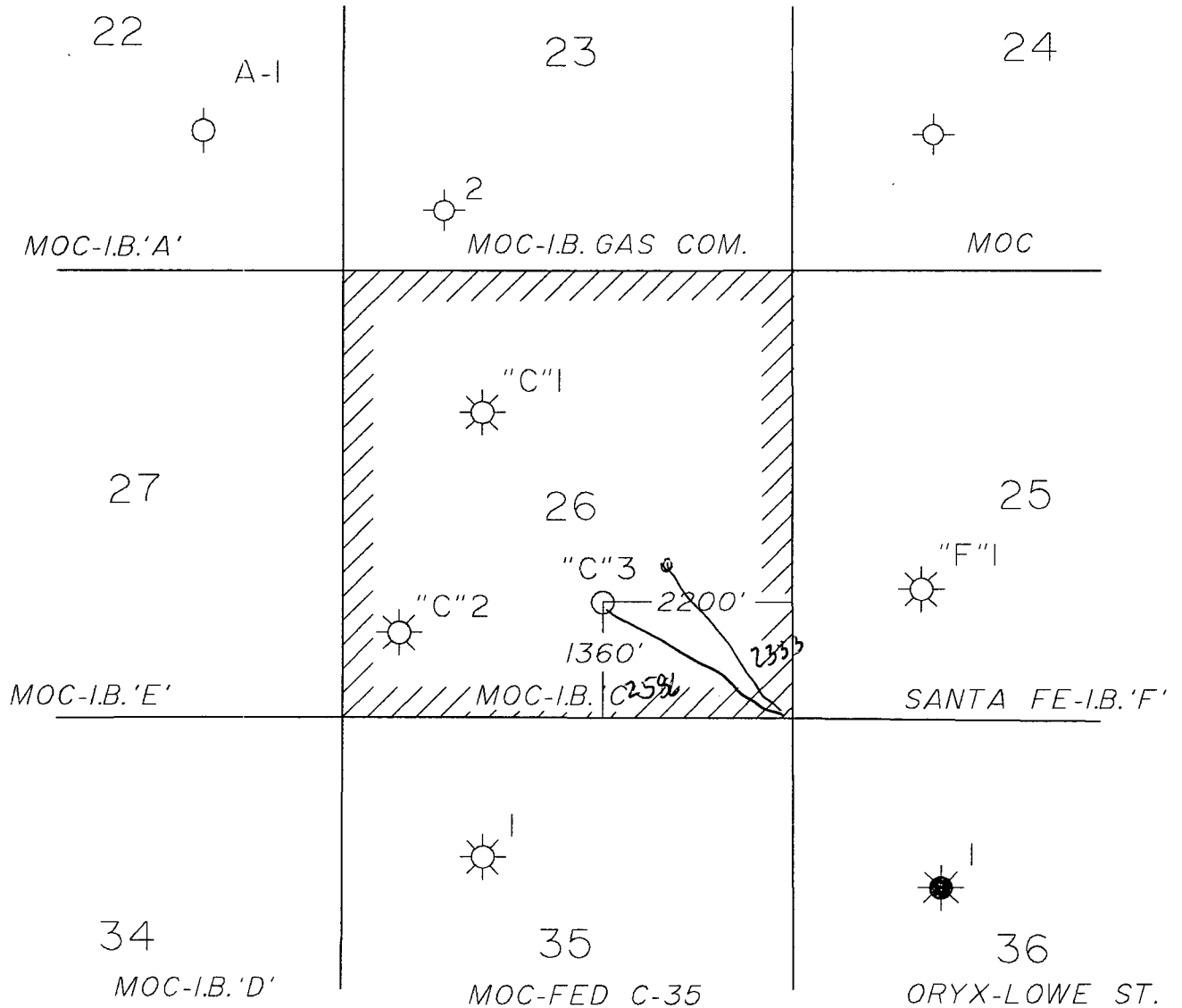
Should anything additional be required, please contact me at (800) 351-1417.

Very truly yours,

Walter Dueease

R 23 E

**T
21
S**

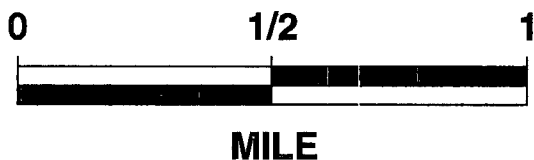


**640 ACRE
PRORATION UNIT**

**MARATHON OIL COMPANY
MID-CONTINENT REGION**

**INDIAN BASIN "C"3
INDIAN BASIN UPPER PENN.
GAS POOL**

1360' FSL & 2200' FEL
SEC. 26, T-21-S, R-23-E
EDDY COUNTY, NEW MEXICO



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Marathon Oil Company

3. ADDRESS AND TELEPHONE NO.

P.O. Box 552 Midland, TX 79702

915/687-8356

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface

1360' FSL & 2200' FEL

At proposed prod. zone

1360' FSL & 2200' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15 MILES NW OF CARLSBAD

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest dde. unit line, if any) 1360'

16. NO. OF ACRES IN LEASE

4680

17. NO. OF ACRES ASSIGNED
TO THIS WELL

640

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2448'

19. PROPOSED DEPTH

7800'

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3846' GL, 3862 KB

22. APPROX. DATE WORK WILL START*

6/10/99

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	K-55, 9 5/8"	36#	1200'	800 CIRCULATE
8 3/4"	L-80, K-55, 7"	23, 26	7800'	945 CIRCULATE

WELL IS A PROPOSED INDIAN BASIN UPPER PENN GAS TEST.

Well is a non-standard location to the South Section Line due to surface constraints of Floodplains and minimizing cut & fill.

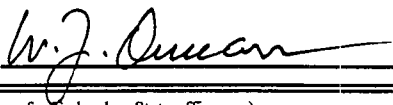
Marathon Oil Company proposes to install two flowlines for IB "C" Well No. 3. The proposed flowlines will be 4" Schedule 40, Grade B welded steel line pipe installed on the surface. They will transport produced fluids at rates of 3 MMCFPD, 20 BOPD, and 1,000 BWPD to production facility Station 226 at the IB "C" Well No. 1 location.

The proposed route is shown on the attached plat for a distance of 2,568'. An archaeological survey for the route has been completed. The report will be forwarded when received.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED



TITLE DRILLING SUPERINTENDENT

DATE 5/3/99

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE _____

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____

TITLE _____

DATE _____

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I

Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number v	Pool Code 79040	Pool Name Indian Basin - U. Penn
Property Code 169570	Property Name INDIAN BASIN "C"	Well Number 3
OGRID No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 3846

Surface Location

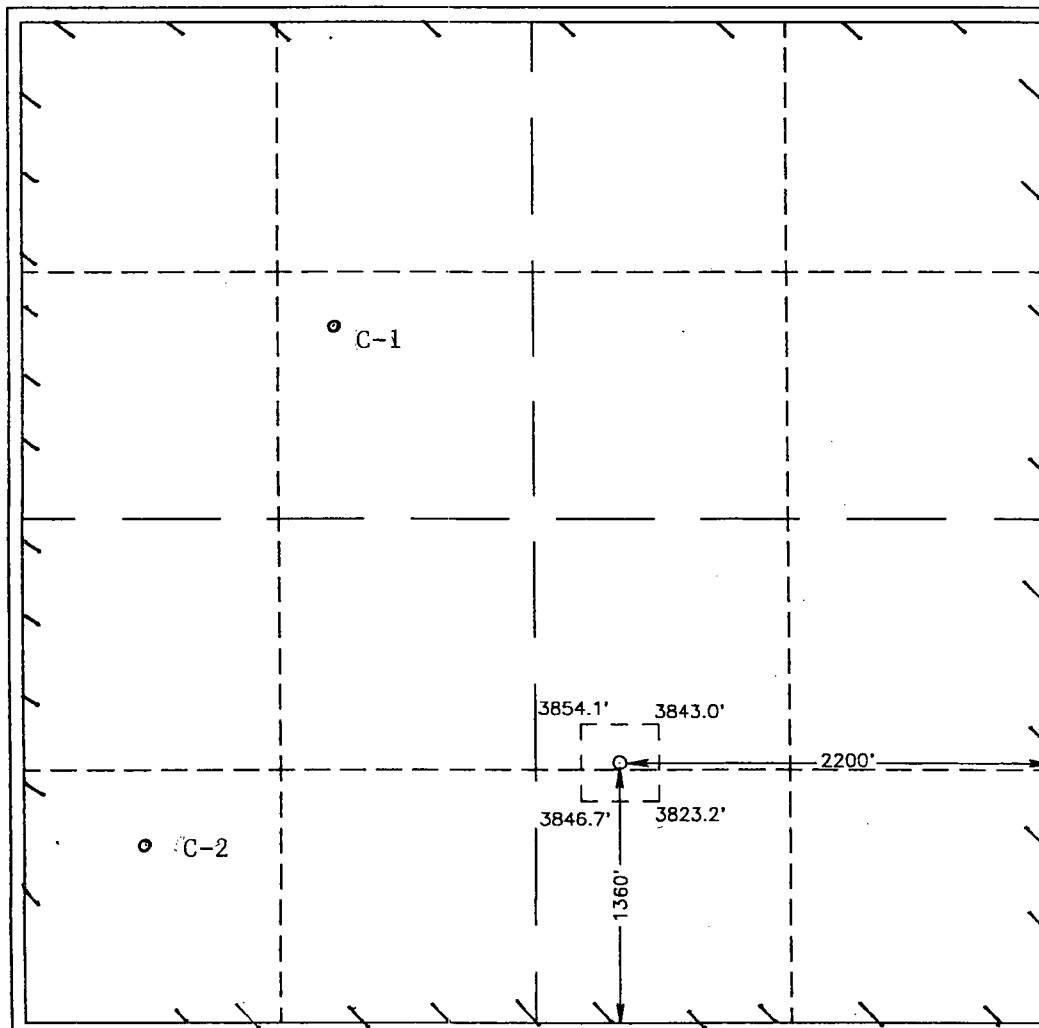
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	26	21 S	23 E		1360	SOUTH	2200	EAST	EDDY

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

Dedicated Acres 640	Joint or Infill	Consolidation Code	Order No.
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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



OPERATOR CERTIFICATION

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

R. J. Longmire
Signature

R. J. Longmire

Printed Name
Drilling Superintendent

Title
5/3/99

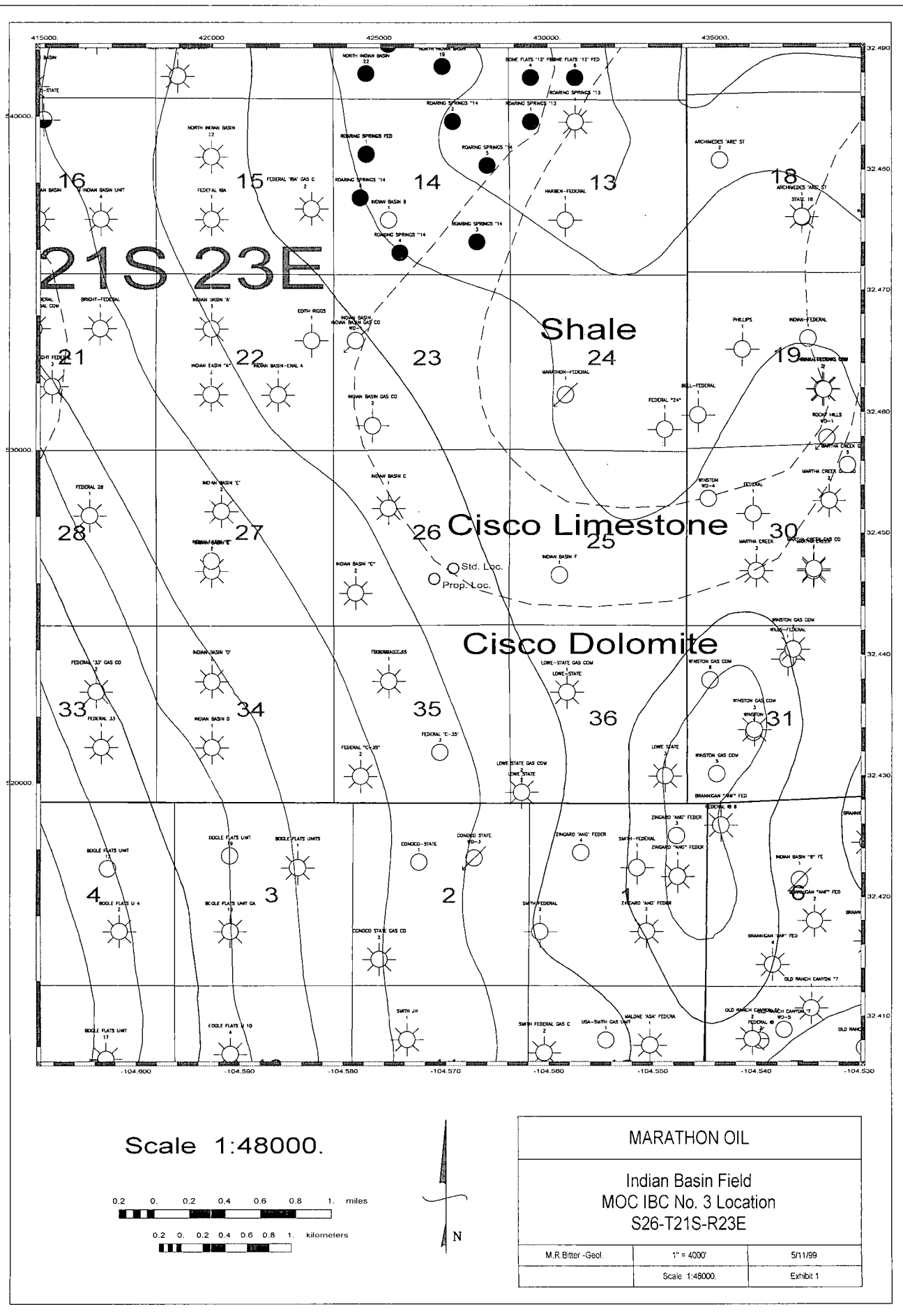
Date

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.

Ronald J. Eidson
Signature
Date Surveyed
3-1-99
Professional Surveyor
3239
W.O. PROFESSIONAL SURVEYOR - 0169

Certificate No. RONALD J. EIDSON, 3239
GARY G. EIDSON, 12841
MACON McDONALD, 12185



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Corp. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993
Designation and Serial No.

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P.O. Box 552 Midland, TX 79702

915/682-1626

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

UL "F", 1650' FNL & 1650' FWL
SECTION 26, T-21-S, R-23-E

NM-070522-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

INDIAN BASIN "C" #1

9. API Well No.

30-015-10332

10. Field and Pool, or exploratory Area

INDIAN BASIN UPPER PENN GAS POOL

11. County or Parish, State

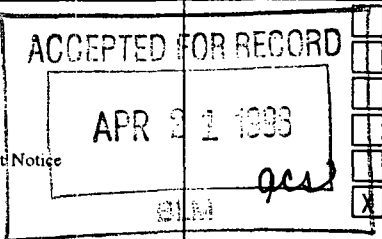
EDDY NM

RECEIVED
OCD - ARTESIA

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice



TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other ADD PERFS & ACIDIZE
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

MARATHON OIL COMPANY added pay in the Upper Penn and acidized this well as follows:

MIRU. Unseated pump. POOH w/rods & pump. NU BOP. PU 1 jt. tbg. & tagged TD @ 7740'. POOH w/2-7/8" tubing. RIH w/killstring. POOH w/killstring. RIH w/Halliburton clean out tool to 7795'. Tested tbg. to 1200 psi. Fished standing valve. Cleaned out fill from 7798' to 7805'. POOH w/clean out tool. RU Wedge. RIH w/4" port plug guns loaded w/23 gm tungsten lined charges at 4 JSPF w/120 degree phasing. Perfed 7728'-7696' (128 holes), 7686'-7656' (120 holes), and 7650'-7554' (384 holes). RD wedge. RIH w/PPI tool to 7730'. Tested lines. Dropped FCV and tested valve. Set tested packer to 3800 psi. Blew hole in tubing. Laid down bad joint. Rigged up tubing testers & tested tubing in hole to 8000 psi. Set packer @ 7285'. Rigged down testers. Released packer at 7285' and finished in hole to 7730'. Dropped FCV & tested valve. Spotted acid to PPI packer. PUH and set packer @ 7728'. PUH treating perfs in 2' increments with 100 gpf of 15% Fercheck acid. PUH and set packer @ 7285'. Fished FCV and standing valve. Loaded annulus and tested packer to 500 psi. RD acid company & RU swab unit. Swabbed well. Released packer @ 7285'. POOH w/PPI packer. Ran production string (2-7/8" tbg.) and set TAC. ND BOP and NU wellhead. Ran pump and rods. Loaded tubing & tested pump action. Hung well on.

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

Signed

Ginny Larke

Title Engineer Technician

Date 4/14/98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

51
N.M. Oil Cons. Division
311 S. 1st St.
Alameda, NM
FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993
5. Submission and Serial No.
68270-2834
NM070522A

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Marathon Oil Company

3. Address and Telephone No.

P.O. Box 552 Midland, TX 79702

915/687-8449

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

UL "F" SECTION 26, T-21-S, R-23-E

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
INDIAN BASIN C #1

9. API Well No.

10. Field and Pool, or exploratory Area

11. County or Parish, State

EDDY NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

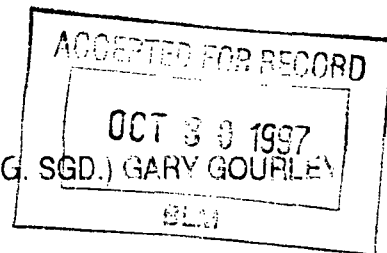
TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other PERMIT LINED SUMPS
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drill give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

MARATHON OIL COMPANY, in accordance with 43 CFR PART 3160 ONSHORE OIL AND GAS OPERATIONS; FEDERAL AND INDIAN OIL GAS LEASES; ONSHORE OIL AND GAS ORDER NO. 7, is notifying the BLM of the installation and location of a sump on the Indian Basin C lease. This sump is double walled construction with inspection ports for leak detection, secondary containment, and is constructed in compliance with ONSHORE ORDER NO. 7, SECTION 3E. This sump has been installed to catch compressor drain run-off and/or dehydrator condensation.



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

Signed

Garry Gourley

Title Engineer Technician

Date 10/21/97

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statement or representations as to any matter within its jurisdiction.

* See instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONS COMMISSION
Drawer DD
Artesia, NM

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

RECEIVED

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Marathon Oil Company ✓

3. Address and Telephone No.

P.O. Box 552, Midland, TX 79702

915/682-1626

SEP-6-94
O. C. O.
ARTESIA, OFFICE

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

UL "F", 1650' FNL & 1650' FWL
SEC. 26, T-21-S, R-23-E

5. Lease Designation and Serial No.

NM-070522-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

INDIAN BASIN C 1

9. API Well No.

30-015-10332

10. Field and Pool, or exploratory Area

INDIAN BASIN/UPPER PE

11. County or Parish, State

EDDY COUNTY NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other POLYMER SQUEEZE
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☒ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion Completion or Recompletion Report and Log)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directional give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

06-16-94: MIRU PU. ND TRE. NU & TEST BOP. POOH W/TBG & PKR. PERF SQZ HOLE @ 7444-46' W/4 JSPF. SET RTTS PKR @ 7433'. PUMP MARASEAL POLYMER AS FOLLOWS: 240 BBL FRESH H2O PAD, 103 BBL 50,000 PPM MARASEAL X-LINK GEL & 13 BBL FRESH WTR FLUSH. LET SET OVERNIGHT. POOH W/TBG & PKR. RIH W/2 7/8" PROD TBG. LOAD BACKSIDE W/CHEMICALLY INHIBITED 2% KCL. TESTED PKR TO 1000 PSI. ND BOP. NU TREE. RDMO. WAIT ON POLYMER SET 7 DAYS. RU SWAB UNIT. SWABBED & FLOWED WELL TO FRAC TANK.
TEST PRIOR TO WORK, SI HIGH WATER PRODUCTION.
TEST AFTER WORK, 0 BO, 695 MCF, 132 BW DAILY

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

Signed Thomas M. Price

Title ADV. ENGIN. TECH.

Date 8-4-94

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* See instruction on Reverse Side

OIL CONSERVATION
RECEIVED

ON DIVISION
RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

NM-070522 (A)

6. If Indian, Allottee or Tribe Name

SJS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

RECEIVED

JUL 23 1991

O. C. D.
ARTESIA OFFICE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P. O. Box 552, Midland, Tx. 79702 (915) 682-1626

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

Unit F: 1650' FNL & 1650' FWL, Sec. 26, T-21-S, R-23-E,
Eddy County, New Mexico

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Indian Basin "C" #1

9. API Well No.

30-015-10332

10. Field and Pool, or Exploratory Area

Indian Basin (Upper

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other change tubing
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion or Completion or Recompletion Report and Log.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

On 12/5/89 Marathon Oil Company initiated operations to replace 2 3/8" tubing with 2 7/8" tubing on the above referenced well. The following is the procedure:

1. Released 7" TIW pkr & POOH w/225 sts 2 3/8" tbg, pkr, 8 jts 2 3/8" tbg., 2 3/8" SN, & 1 jt 2 3/8" tbg.
2. RIH w/new 7" Lok-set pkr & set @ 7269' w/12,000# compression and 1 jt 2 7/8" tbg. below pkr & 236 jts 2 7/8" tbg above pkr.
3. Swabbed well.
4. Opened well on 48/64" chk.

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

Signed C. A. Bagwell C. A. Bagwell Title Engineering Technician

Date 7-8-91

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

ACCEPTED FOR RECORD

Date SJS

JUL 19 1991

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statement or representations as to any matter within its jurisdiction.

CARLSBAD, NEW MEXICO

*See Instruction on Reverse Side

Petroleum Information
Corporation
GEO-FICHE™

21S-23E-26-06 (SE NW)
NEW MEXICO, NM

WELL: INDIAN BASIN C 1
OPER: MARATHON OIL
CNTY: EDDY

AR: 30-015-00000
ISSUE: AUG/87
CARD: 1+

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division
811 S. 1st Street
Albuquerque, NM 88210-2884

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P.O. Box 552 Midland, TX 79702

915/682-1626

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

UL "M", 990' FSL & 660' FWL
SECTION 26, T-21-S, R-23-E

NM-070522-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

INDIAN BASIN "C" #2

9. API Well No.

30-015-28167

10. Field and Pool, or exploratory Area

INDIAN BASIN UPPER PENN GAS
POOL

11. County or Parish, State

EDDY NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

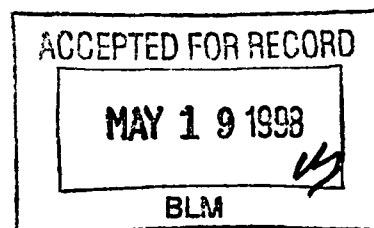
TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other SQUEEZE & REPERFORATE
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

MARATHON OIL COMPANY squeezed existing Upper Penn pay and reperforated this well as shown on the attached sheet.



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

Signed

Garry Lark

Title Engineer Technician

Date 5/5/98

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

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* See Instruction on Reverse Side

**Indian Basin "C" No. 2
API No. 30-015-28167
Attachment to Form 3160-5
Subsequent Notice**

May 5, 1998

Squeeze existing pay, re-perforate, and stimulate this well as follows:

MIRU PU.

Kill well & NU BOP.

POOH w/sub pump and lay down.

PU cement retainer and RIH on 2-7/8" tubing. Pump thru retainer and set @ 7087'. Load annulus & test retainer to 1000 psi. Tested tubing to 4000 psi.

Pumped 425 sacks of cement at 0 psi. Over displaced. Reversed out. WOC.

Pumped 132 sacks of cement w/calcium chloride & 168 sacks neat. Displaced cement. Reversed clean.

Established injection rate. Cement squeezed perfs. from 7263'-7308' w/150 sacks cement. Formation squeezed off @ 2500 psi w/30 sacks of cement in formation.

Pulled 14 stands of pipe. Reversed cement to pit. RIH 7 stands and tagged cement @ 6636'.

Reversed cement and POOH w/tubing.

PU 4-3/4" bit and 6 drill collars and RIH.

PU swivel. Drilled cement from 6636' to cement retainer @ 7087'. Drilled cement retainer and cement from 7087'-7364'.

Tested to 500 psi. Pressure would bleed off 100 psi in 1 minute.

Drilled shoe joint from 7585' to 7675'. Circulated and PUH to 7300'.

RU swab. Swab wouldn't go through tubing. POOH w/13 stands of 2-7/8" tubing. Swab would not go down.

POOH w/2-7/8" tubing. RIH w/5-1/2" RBP. Set @ 3730'.

Pickled 2-7/8" tubing w/20% Fercheck acid. Ran swab. Checked o.k.

POOH w/tubing. RIH w/remaining 2-7/8" tubing. Pickled tubing. RIH swab. Tagged @ 500'. Not able to pass through tbg.

Pickled 2-7/8" tubing w/28% Fercheck acid. Ran swab. Tagged @ 550'.

Ran paraffin cutter. POOH w/8 stands. L/D 2 joints of tubing.

Ran in w/swab o.k.

POOH w/RBP. RIH w/RTTS and set @ 7070'. Swabbed fluid from 3000' to 6200' in 10 runs.

POOH. Perf from 7600'-7616' w/6 JSPF.

Attempted to acidize perfs in 5 stages w/total of 5000 gals. SC acid. Could not break down perfs. Opened bypass on RTTS.

Spotted acid to packer. Could not get acid to perfs. Reversed out acid to coated tank. Released RTTS. POOH.

RIH w/4" gun. Tagged @ 7598'. RIH w/1 joint of tailpipe below RTTS.

RIH to 7648'. Reversed out a large amount of cement.

Spotted 3 bbls. acid across perfs. Pulled up to 7550'. Broke down perfs.

Acidized w/7000 gals. 15% Fercheck-SC acid. Max pressure 5566 psi @ 13.5 bpm. Avg. Pressure 4950 psi @ 13 bpm.

Shut down pressure 924 psi. Pressure after 10 minutes Vacuum.

Released RTTS. POOH.

RIH w/4" guns loaded w/23 gms. of tungsten line charges w/120 degree phasing @ 2 jspf. Perf from 7580'-7594', 7548'-7574', 7482'-7540', 7448'-7470', & 7381'-7438'.

POOH w/killstring. Rigged up perforators. Perfed. From 7575'-7594'. Rigged down perforators.

RIH w/PPI tool and acidized perfs. in 2' increments @ 100 gpf for a total of 19,400 gals. of 15% Fercheck acid.

PU to 7341'. Fished RFC & standing valves. Set packer @ 7341'. Rigged down acid company.

12 hour SITP = 800 psi. Swabbed/flowed well to test tank.

Killed well down tubing. Released PPI packer & POOH.

PU 4-3/4 bit and RIH to bridge @ 7648'. PU swivel & drilled from 7648'-7649'. Cleaned out to PBTD @ 7675'.

Laid down swivel & POOH. PU 5-1/2" RBP and RIH to 3100'. Set RBP and loaded casing & tubing. Tested plug to 500 psi.

POOH w/killstring. RIH w/sub pump. Released RBP @ 3100' and landed pump w/RBP @ 7671'.

ND BOP. NU wellhead. Turned well over to production.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division
311 S. 1st Street
Artesia, NM 87210-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Marathon Oil Company

3. Address and Telephone No.

P.O. Box 552 Midland, TX 79702

915/687-8449

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

UL "M" 990 FSL & 660 FWL SEC. 26, T-21-S, R-23-E

5. Lease Designation and Serial No.

NM-070522-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

INDIAN BASIN "C" #2

9. API Well No.

30-015-28167

10. Field and Pool, or exploratory Area

INDIAN BASIN / UPPER PENN

11. County or Parish, State

EDDY NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

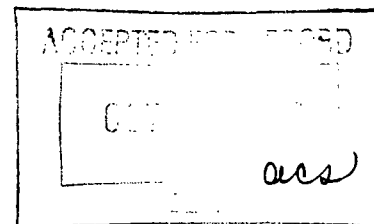
TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other ADD PAY/CONV. TO CO-PROD.
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

MIRU pulling unit. Killed well. R/D tree. N/U BOP & tested. POOH w/2-7/8" tbg. L/D packer. R/U wireline, perforated casing from 7,308' - 7,344' w/23 Gm tungsten liner charges, 2 SPF (120" phasing) 4" port plug guns. R/D wireline. TIH w/PPI tool. R/U BJ & acidized new and old perfs w/125 gpf. Pulled up treating perfs from 7,344'-7,263' in 2' increments for a total of 8,750 gals. Set packer & tested. R/D BJ and swabbed well. Released packer. POOH w/70 stands & set packer. N/D BOP, R/U seaboard wellhead. N/U BOP & torus & tested. POOH w/packer. RIH w/sub pump on 234 jts. 2-7/8 tbg. Landed shroud at 7,529'. N/D BOP. N/U wellhead. Put well on production.



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

Signed

Ginny Larke

Title Engineer Technician

Date 10/7/97

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* See Instruction on Reverse Side

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
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Marathon Oil Company P.O. Box 552 Midland, Texas 79702		² OGRID Number 014021
		³ Reason for Filing Code NW
⁴ API Number 30-015-28167	⁵ Pool Name Indian Basin / Upper Penn	⁶ Pool Code 79040
⁷ Property Code 6405	⁸ Property Name Indian Basin C	⁹ Well Number 2

II. ¹⁰ Surface Location

UL or lot no. M	Section 26	Township 21-S	Range 23-E	Lot. Idn	Feet from the 990	North/South Line South	Feet from the 660	East/West line West	County Eddy
---------------------------	----------------------	-------------------------	----------------------	----------	-----------------------------	----------------------------------	-----------------------------	-------------------------------	-----------------------

¹¹ Bottom Hole Location

UL or lot no. M	Section 26	Township 21-S	Range 23-E	Lot. Idn	Feet from the 990	North/South Line South	Feet from the 660	East/West line West	County Eddy
¹² Lse Code Federal	¹³ Producing Method Code Flowing	¹⁴ Gas Connection Date 12/13/94	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
014035	Marathon Oil Co. PO Box 552 Midland, TX. 79702	2814324	Gas	UL "M" Sec 26, T-21-s, R-23-E
014035	Marathon Oil co PO Box 552 Midland, Texas 79702	2814323	Oil	UL "M" Sec 26, T-21-S, R-23-E
				DEC 22 '94
				O. C. D. ARTESIA, N.M.

IV. Produced Water

²³ POD 2814325	²⁴ POD ULSTR Location and Description UL "M" Sec 26, T-21-S, R-23-E
-------------------------------------	--

V. Well Completion Data

²⁵ Spud Date 11-2-94	²⁶ Ready Date 12/13/94	²⁷ TD 7693	²⁸ PBSD 7585	²⁹ Perforations 7263-87/7298-7308
³⁰ Hole Sie 26"	³¹ Casing & Tubing Size 13 3/8"	³² Depth Set 53'	³³ Sacks Cement Redi-Mix to Surface	
12 1/4"	8 5/8"	1225	824 SX	
7 7/8"	5 1/2"	7693	1135 SX	
2 7/8" Tubing		7179		

VI. Well Test Data

³⁴ Date New Oil 12/13/94	³⁵ Gas Delivery Date 12/13/94	³⁶ Test Date 12/19/94	³⁷ Test Length 24 Hrs	³⁸ Tbg. Pressure 1340	³⁹ Csg. Pressure Packer
⁴⁰ Choke Size Open	⁴¹ Oil 5	⁴² Water 0	⁴³ Gas 949	⁴⁴ AOF	⁴⁵ Test Method Flowing

⁴⁶ 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: **Thomas M. Price**

Printed name:
Thomas M. Price

Title:
Advanced Engineering Technician

Date: **12/21/94**

Phone: **915/687/8324**

OIL CONSERVATION DIVISION

Approved by: **SUPERVISOR, DISTRICT II**

Title:

Approval Date: **DEC 31 1994**

⁴⁷ 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

OIL CONSERVATION DIVISION
RECEIVED
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT IN DUPLICATE
NR OIL
(See other instructions on reverse side)FORM APPROVED
OMB NO. 1004-0137
DD Expires: February 28, 1995
3. LEASE DESIGNATION AND SERIAL NO.
NM-070522-A

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR Marathon Oil Company		8. FARM OR LEASE NAME, WELL NO. Indian Basin C 2	
3. ADDRESS AND TELEPHONE NO. P.O. Box 552, Midland, TX 79702		9. API WELL NO. 30-015-28167	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface UL "M" 990' FSL & 660' FWL At top prod. interval reported below At total depth		10. FIELD AND POOL, OR WILDCAT Indian Basin/Upr Penn	
14. PERMIT NO. 30-015-28167		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec 26, T-21-S, R-23-E	
DATE ISSUED 10/14/94		12. COUNTY OR PARISH Eddy	
13. DATE SPUDDED 11/2/94		13. STATE NM	
16. DATE T.D. REACHED 11/17/94		19. ELEV. CASINGHEAD	
17. DATE COMPL. (Ready to prod.) 12/12/94		18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* GL:3876 KB:3892	
20. TOTAL DEPTH, MD & TVD 7693		21. PLUG, BACK T.D., MD & TVD 7585	
22. IF MULTIPLE COMPL., HOW MANY*		23. INTERVALS DRILLED BY ROTARY TOOLS CABLE TOOLS	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* 7263-87, 7298-7308 (Indian Basin/Upper Penn)		25. WAS DIRECTIONAL SURVEY MADE No	
26. TYPE ELECTRIC AND OTHER LOGS RUN DLL/MLL/DEN/NEW/GR; CBIL; DIELECTRIC		27. WAS WELL CORED No	
28. CASING RECORD (Report all strings set in well)			
CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE
13 3/8"	48#	53'	26"
8 5/8"	24#	1225	12 1/4"
5 1/2"	17#	7693	7 7/8"
29. LINER RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*
30. TUBING RECORD			
SIZE	DEPTH SET (MD)	PACKER SET (MD)	
2 7/8"	7179	7179	
31. PERFORATION RECORD (Interval, size and number)			
7263-7287 4 JSPF .5"			
7298-7308 4 JSPF .5"			
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED	
7623-87		3400 Gallons 15% HCL	
7623-87		1500 Gal 15% HCL Foamed W/N2	
33. PRODUCTION			
DATE FIRST PRODUCTION 12/13/94		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) Flowing	
DATE OF TEST 12/19/94		WELL STATUS (Producing or shut-in) Producing	
HOURS TESTED 24	CHOKE SIZE Open	PROD'N. FOR TEST PERIOD →	OIL - BBL. 5
FLOW. TUBING PRESS. 160	CASING PRESSURE Packer	CALCULATED 24-HOUR RATE →	GAS - MCF. 949
DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold		WATER - BBL. 0	
LIST OF ATTACHMENTS Logs, Inclination Survey		GAS - OIL RATIO 189800	
TEST WITNESSED BY Tim Winters		OIL GRAVITY - API (CORR.) 60	

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Thomas M. PriceTITLE Advanced Eng. TechnicianDATE 12/20/94

*(See Instructions and Spaces for Additional Data on Reverse Side)

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37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
Queen	0	540	Sandstone, Dolomite	Queen	Surf	
San Andres	540	2106	Dolomite, Limestone	San Andres	540	
Glorietta	2106	2170	Sandstone, Dolomite	Glorietta	2106	
YESO	2170	3730	Dolomite, Sandstone, Limestone	YESO	2170	
Bone Springs	3730	6190	Limestone, Shale, Sandstone	Bone Springs	3730	
Wolfcamp	6190	7253	Shale, Limestone, Sandstone	Wolfcamp	6190	
Upper Penn	7253		Dolomite, Limestone, Shale	Upper Penn	7253	
Loggers TD	7693			TD	7693	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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☐ Oil Well ☒ Gas Well ☐ Other

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Marathon Oil Company

3. Address and Telephone No.

P.O. Box 552, Midland, TX 79702

915-687-8324

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

UL "M". 990' FSL & 660' FWL
SEC 26, T-21-S, R-23-E

Drawer DD

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

NM-070522-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Indian Basin C 2

9. API Well No.

30-015-28167

10. Field and Pool, or exploratory Area

Indian Basin / Upper Penn

11. County or Parish, State

Eddy Co., NM

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TYPE OF SUBMISSION

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☒ Subsequent Report
☐ Final Abandonment Notice

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11-23-94: MIRU PU. NU and test BOP. Drilled out Stage collar. C/O to 7585'. Displaced hole W/2 % KCL. Ran CBL/GR/CCL. Tested Csg to 2000 PSI. Perfed 7263-7287 W/4 JSPF. RIH W/PPI Tool. Tested TBG and PPI tool. Acidized 7263-7287 W/3400 gallons 15% HCL in 26 settings. Swabbed Perfs. Ran BHP Overnight. Reset PKR @ 7182'. Acidized 7263-87 W/1500 Gallons foamed W/1280 SCF N2. Opened well upflowed and swabbed well back. Hooked up test separator and flow tested well. POOH with PPI tool. RIH W/Baker LOK-SET PKR on 2 7/8" Tbg and on-off tool. Set PKR @ 7179'. Unlatched on-off tool. Loaded backside. Tested PKR to 1500 PSI. Latched onto PKR and landed Tbg. NDBOP. Retrieved Tbg plug. Kicked well off to test separator. Shut well in for BHP build up. Hooked up to test separator and kicked off to test. MIRU Coiled Tbg unit and Halliburton. RIH W/Coiled Tbg. Spotted 200 gallons 15% HCL 7298-7340'. Jetted fluid out of hole. POOH w/ Coiled Tbg. Perfed W/Thru Tbg guns 4 JSPF 7298-7308. RIH W/ Coiled Tbg and jetted well in. Turned into production line for test.

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

Signed Thomas M Price

Title Thomas M. Price

Date 12-21-94

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

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DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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1. Type of Well

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Marathon Oil Company

3. Address and Telephone No.

P.O. Box 552, Midland, TX 79702 915-687-8324

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

UL "M", 990' FSL & 660' FWL SEC 26, T-21-S, R-23-E

NM OIL CONS COMMISSION

Drawer DD

OIL CONSERVATION DIVISION
RECEIVED

Artesia, NM 88210

Budget Bureau No. 1004-0135

Expires: March 31, 1993

5. Case Designation and Serial No.

NM-070522-A

6. If Indian, Allottee or Tribe Name

JUL 12 '95

7. If Unit or CA, Agreement Designation

ARTESIA, NM

8. Well Name and No.

Indian Basin C 2

9. API Well No.

30-015-28167

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Indian Basin / Upper Penn

11. County or Parish, State

Eddy Co., NM

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☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

As per NTL 4-A, Marathon Oil Co is requesting permission to flare gas from this new well for a period not to exceed 30 days. The present production rate is less than 1 MMCFPD with a flowing tubing of less than 80 PSI. The anticipated total volume is less than 35 MMCF. This flaring will allow for wellbore clean up while compression is being installed. Marathon will take necessary precautions to protect public health and safety.

ACCEPTED FOR RECORD

9

RECEIVED

DEC 9 10 53 AM '94

RECEIVED

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

Signed

R. A. Biernbaum

Title R. A. Biernbaum

Date 12-8-94

(This space for Federal or State office use)

Approved by

Orig. Signed by Artesia, NM

Title

Artesia, NM

Date

1/9/95

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONS COMMISSION
Drawer DD
Artesia, NM 88220
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

JAN 12 '95

2. Name of Operator

Marathon Oil Company

O. C. D.

3. Address and Telephone No.

P.O. Box 552, Midland, TX 79702

915/682-1626

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

990' FSL & 660' FWL

26 215 23E

5. Lease Designation and Serial No.

NM-070522-A

6. If Indian, Allottee or Tribe Name

52

7. If Unit or CA, Agreement Designation

8. Well Name and No.

INDIAN BASIN C

2

9. API Well No.

10. Field and Pool, or exploratory Area

INDIAN BASIN, U.PENN

11. County or Parish, State

EDDY 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

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other SPUD & CSG OPS.
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

SEE ATTACHED FOR DETAIL.

RECEIVED
NOV 30 10 43 AM '94
OIL
AREA

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

Signed

T. B. Arnold for T.B.A.

Title

T. B. ARNOLD / DRILL. Supt

Date

11-28-94

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:



**Marathon
Oil Company**

P.O. Box 552
Midland, Texas 79702
Telephone 915/682-1626

**INDIAN BASIN "C" NO. 2
990'FSL & 660'FWL
EDDY COUNTY, NEW MEXICO**

Preset 13-3/8" conductor @ 53', cmt'd to surf w/ redimix. MIRU McVay Rig #4. Spud 12-1/4" hole @ 1800 hrs 11-02-94. Drld to 1225'. Ran 29 jts, 8-5/8", 24#, K-55, STC csg to 1225'. TX pattern shoe @ 1223', insert float @ 1181',

Western mixed & pumped 1st lead - 200 sx "H" w/ 12% thixad, 10 pps gilsonite, .25 pps cello, 3% CaCl₂. Wt -14.8 ppg, yield 1.57. 2nd lead - 424 sx PSL "C" w/ 6% gel, 3% CaCl₂, 10 pps gilsonite, .25 pps cello, wt - 12.43 ppg, yield - 2.02. Tailed in w/ 200 sx "C" w/ 2% CaCl₂, wt - 14.8, yield 1.34. Bumped plug, CIP @ 1545 hrs 11-04-94. Circ'd 400 sx cmt, WOC 4 hrs, cut csg. NU 11" 3M SOW csg head, NU 11" 3M dual ram BOP's, annular & choke manifold. Tested blind & pipe rams, choke manifold, choke lines, kelly & mud lines & floor valves to 300/3000#. PU 7-7/8" bit, TIH & tag cmt @ 1160'. Test csg to 1250#, total WOC time - 23 hrs. Drill float collar & cmt to 1215', tested csg to 1250#. Drld cmt & resumed drlg formation. Drld to 7693' (TD 1630 hrs 11-17-94). RU W.L. BOP & packoff. Logged well as follows: di-electric spectralog/DLL/ML/CNL-DEN/GR 7693-7150'; GR to surf; CAL to 1225'. Chg'd rams to 5-1/2", ran 125 jts, 5-1/2", 17#, L-80, LTC, 64 jts 5-1/2", 17#, K-55, LTC new csg to 7693'. Float shoe @ 7692' - float collar @ 7589'. DV @ 6265'. Cmt'd 1st stg w/ 310 sx "H" w/ 5 pps CSE, .6% CF-14, .3% WL1-P, 5 pps gilsonite, wt - 15.1, yield 1.32. Displ. w/ mud & wtr, bumped plug & shifted tool, circ'd 55 sx to pit. WOC & circ'd 4 hrs. Cmt'd 2nd stg w/ 725 sx PSL "C" w/ 6% gel, 5% NaCl, .5 pps gilsonite, 1/4 pps cello, wt - 125 ppg, yield 2.03. Tailed in w/ 100 sx "C" neat - 14.8 ppg, yield 1.32. Plug dn @ 1645 hrs 11-20-94. Circ'd 50 sx to pit. ND BOP, set slips w/ 98k, NU 11" 3M x 7-1/16" 3M tbg spool. Rig released @ 1900 hrs 11-20-94.

11-23-94 WJD:cdb

NM OIL CONS. COMMISSION
DRAWER DD
ARTESIA, NM 88210

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-075522 - A (mt)	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Marathon Oil Company ✓ 14021		7. UNIT AGREEMENT NAME INDIAN BASIN	
3. ADDRESS AND TELEPHONE NO. P.O. Box 552, Midland, TX 79702 915/682-1626		8. FARM OR LEASE NAME, WELL NO. INDIAN BASIN "C" #2 6405	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 990'FSL & 660'FWL 13 NORTH DOW Subject to At proposed prod. zone 990'FSL & 660'FWL LOCATION: Like Approval By State OCT 19 '94		9. API WELL NO. 30-015-28167	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 8.5 MI. W. OF LAKEWOOD, NM		10. FIELD AND POOL, OR WILDCAT INDIAN BASIN, U.PENN	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 79040 SEC. 26, T-21-S, R-23-E	
16. NO. OF ACRES IN LEASE 640		12. COUNTY OR PARISH EDDY	
17. NO. OF ACRES ASSIGNED TO THIS WELL 640		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2819'		19. PROPOSED DEPTH 8000'	
20. ROTARY OR CABLE TOOLS ROTARY		21. APPROX. DATE WORK WILL START* OCTOBER 10, 1994	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3876'G.L.		22. APPROX. DATE WORK WILL START* OCTOBER 10, 1994	


23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	40'	CONDUCTOR - REDIMIX TO SURF
12-1/4"	8-5/8"	32#, 24#	1200'	1200 - CIRCULATE
8-3/4"	5 1/2"	23#, 26# 15.5, 17.4	2500' 8000'	1075 - TOC @ +/- 1000'

SEE ATTACHED MULTIPOINT & DRLG PROGRAM FOR SPECIFIC DETAILS.

* DISTANCE TO NORTH INDIAN BASIN "C" NO. 1, @ 1650'FNL & 1650'FWL, SEC. 26, T-21-S, R-23-E

Approval Subject to
General Requirements and
Special Stipulations
Attached

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.  **DRILLING SUPT.** **9-13-94**
SIGNED _____ TITLE _____ DATE _____
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY  **AREA MANAGER** **(Acting)** **DATE 10-14-94**

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-28167	Pool Code 79040	Pool Name Indian Basin Upper Penn
Property Code	Property Name INDIAN BASIN "C"	Well Number 2
OGRID No.	Operator Name MARATHON OIL COMPANY	Elevation 3876'

Surface Location

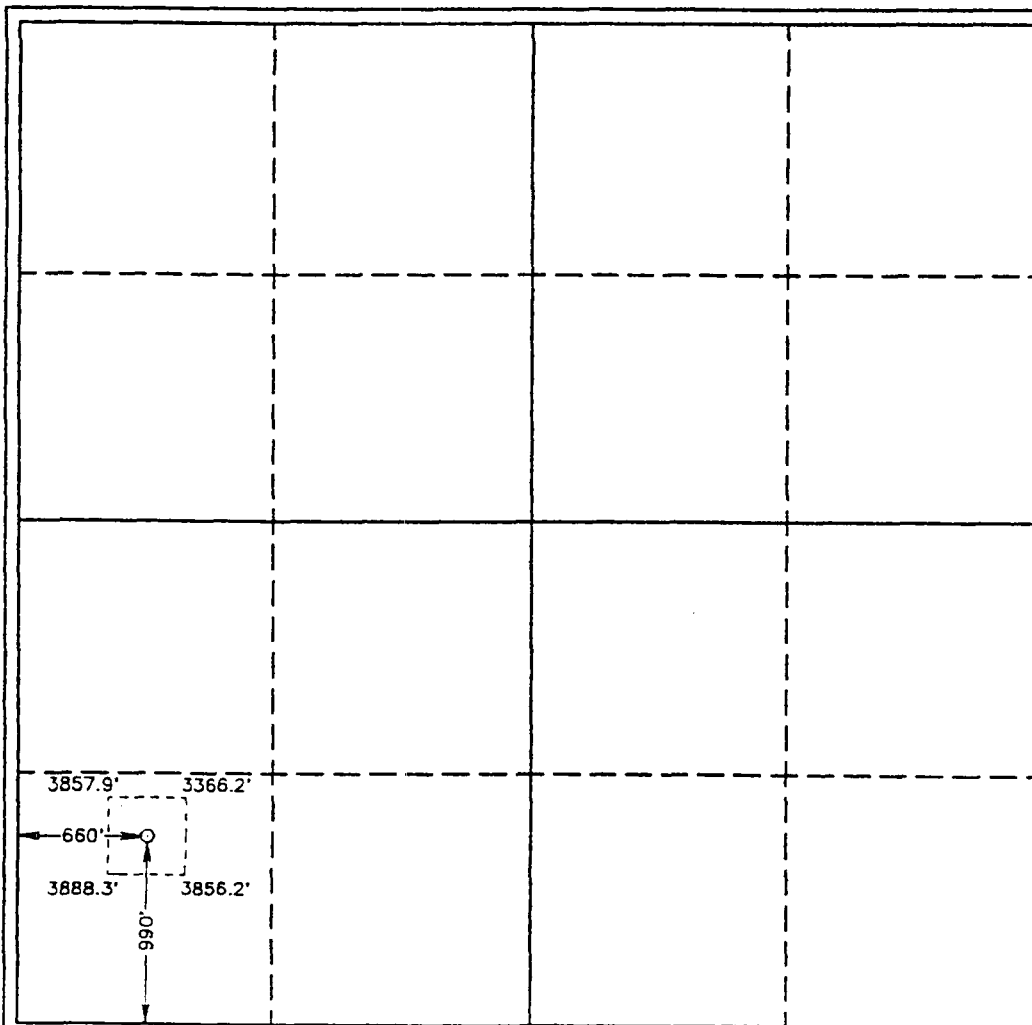
UL or lot No. M	Section 26	Township 21 S	Range 23 E	Lot Idn	Feet from the 990	North/South line SOUTH	Feet from the 660	East/West line WEST	County EDDY
--------------------	---------------	------------------	---------------	---------	----------------------	---------------------------	----------------------	------------------------	----------------

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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres 660 640	Joint or Infill	Consolidation Code	Order No.
----------------------------	-----------------	--------------------	-----------

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



OPERATOR CERTIFICATION

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

T. B. Arnold
Signature

T. B. Arnold

Printed Name

Drilling Supt.

Title

9-13-94

Date

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.

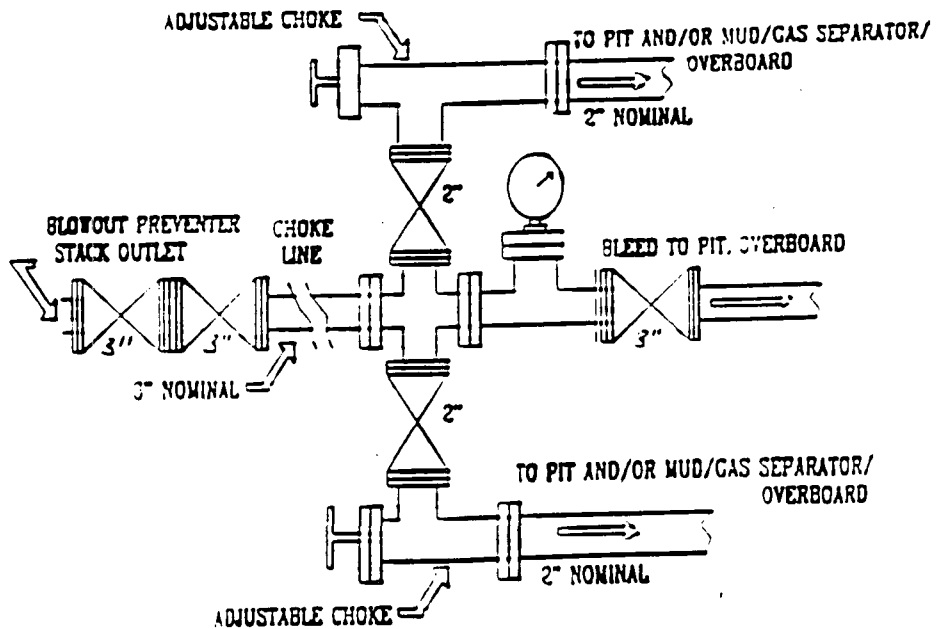
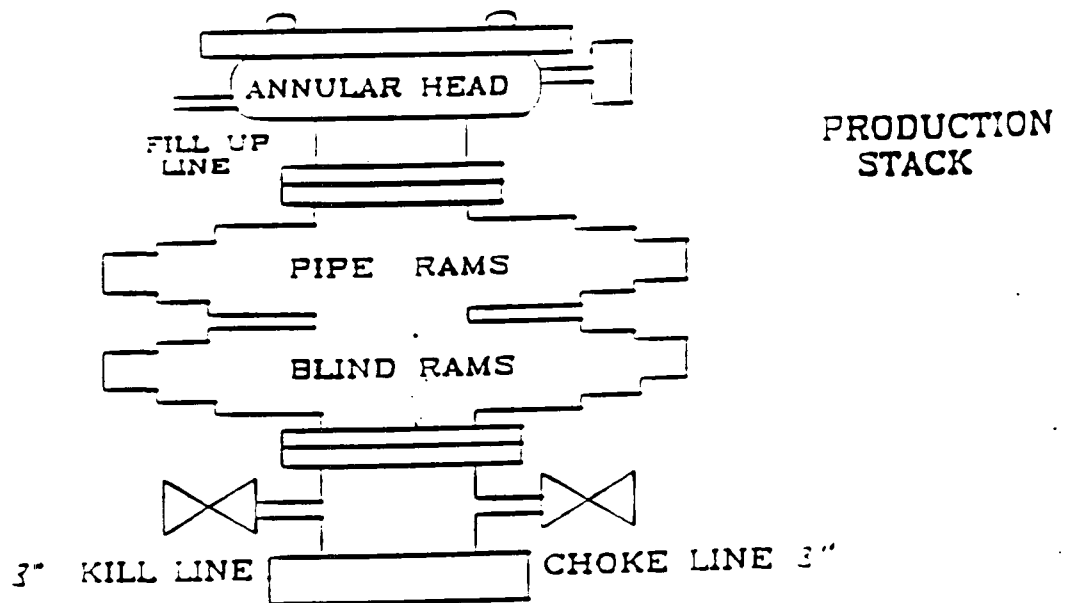
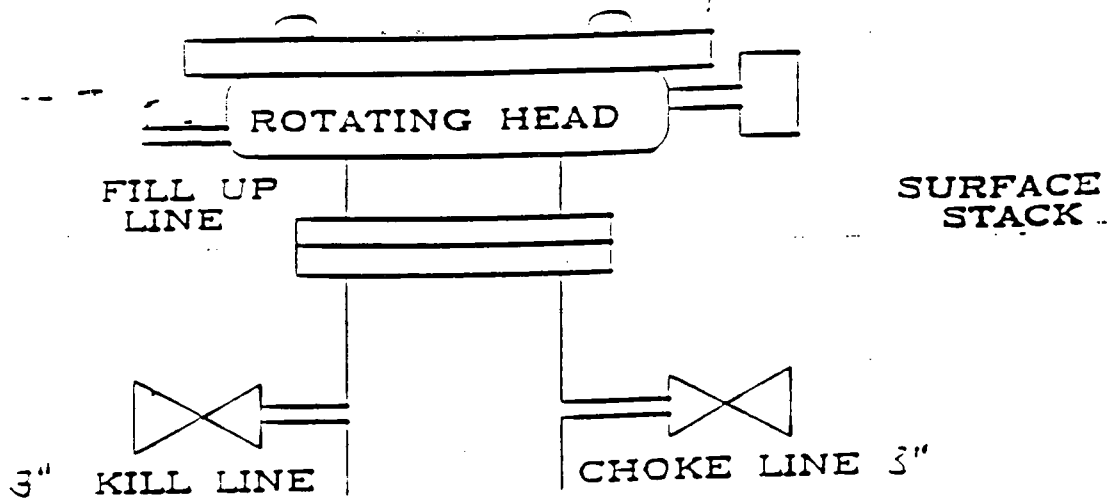
August 19, 1994

Date Surveyed

Signature & Seal of
Professional Surveyor

Ronald J. Eidson
W.O. Num 84-11-1497

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239



3 M

WRS COMPLETION REPORTCOMPLETIONS SEC 26 TWP 21S RGE 23E
PI# 30-T-0022 03/10/95 30-015-28167-0000 PAGE 1NMEX EDDY * 990FSL 660FWL SEC SW SW
STATE COUNTY FOOTAGE SPOTMARATHON OIL D DG
OPERATOR WELL CLASS INIT FIN

2 INDIAN BASIN "C"

WELL NO. LEASE NAME

3892KB 3876GR INDIAN BASIN
OPER ELEV FIELD/POOL/AREA

API 30-015-28167-0000

LEASE NO. PERMIT OR WELL I.D. NO.

11/02/1994 12/19/1994 ROTARY VERT GAS
SPUD DATE COMP. DATE TYPE TOOL HOLE TYPE STATUS

8000 PNSLVN U MCVAY DRLG 4 RIG SUB 15

PROJ. DEPTH PROJ. FORM CONTRACTOR

DTD 7693 PB 7585 FM/TD PNSLVN U

DRILLERS T.D. LOG T.D. PLUG BACK TD OLD T.D. FORM T.D.

LOCATION DESCRIPTION

9 MI W LAKEWOOD, NM

WHIPSTOCK DEPTH

06

CASING/LINER DATACSG 13 3/8 @ 53
CSG 8 5/8 @ 1225 W/ 824 SACKS
CSG 5 1/2 @ 7693 W/ 1135 SACKS**TUBING DATA**

TBG 2 7/8 AT 7179

INITIAL POTENTIALIPF 5BCPD 949 MCFD 24HRS
PNSLVN U PERF W/ 4/FT 7263- 7308 GROSS
PERF 7263- 7287 7298- 7308
ACID 7263- 7308 3400GALS
15% HCL
ACFR 7263- 7308 1500GALS

ADDTVNTGN

15% HCL
TP 160
GTY 60.0 GOR189800
FLWG THRU OP CHK

CONTINUED IC# 300157041294

COPYRIGHT 1994

**Petroleum Information
Corporation**PI-WRS-CET
Form No 187

COMPLETIONS SEC 26 TWP 21S RGE 23E
PI# 30-T-0022 03/10/95 30-015-28167-0000 PAGE 2

MARATHON OIL D DG
2 INDIAN BASIN "C"

INITIAL POTENTIAL

FCP: PKR
GAS GTY - NOT RPTD

TYPE	FORMATION	LTH	TOP DEPTH/SUB	BSE DEPTH/SUB
LOG	SN ANDRS		540 3352	
LOG	GLORIETA		2106 1786	
LOG	YESO		2170 1722	
LOG	BONE SPG		3730 162	
LOG	WOLFCAMP		6190 -2298	
LOG	PNSLVN U		7253 -3361	

SUBSEA MEASUREMENTS FROM KB

LOGS AND SURVEYS /INTERVAL, TYPE/

LOGS	DLL	ML	DENL
LOGS	GR	CBL	

DRILLING PROGRESS DETAILS

MARATHON OIL
BOX 552
MIDLAND, TX 79702
915-682-1626
09/26 LOC/1994/
11/08 DRLG AHEAD
11/29 7693 TD, SI
03/08 RIG REL 11/17/94
7693 TD, PB 7585
COMP 12/19/94, IPF 949 MCFGPD, 5 BCPD,
GTY 60, GAS GTY (NR), GLR
189800, FTP 160, FCP PKR
PROD ZONE - PENNSYLVANIAN U 7263-7308
(GROSS)
NO CORES OR TESTS RPTD

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/26/99 10:56:27
OGOMES -TPYI
PAGE NO: 2

Sec : 26 Twp : 21S Rng : 23E Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
M 40.00 Federal owned A	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

05/26/99 11:08:32
OGOMES -TPYI
PAGE NO: 1

Sec : 26 Twp : 21S Rng : 23E Section Type : NORMAL

D 40.00 Federal owned	C 40.00 Federal owned	B 40.00 Federal owned	A 40.00 Federal owned
E 40.00 Federal owned	F 40.00 Federal owned A	G 40.00 Federal owned	H 40.00 Federal owned

M0002: This is the first page

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11088
ORDER NO. R-10198

APPLICATION OF MARATHON OIL COMPANY FOR AN UNORTHODOX GAS
WELL LOCATION, EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 15, 1994, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 22nd day of September, 1994 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Marathon Oil Company ("Marathon"), seeks approval of an unorthodox gas well location in the Indian Basin-Upper Pennsylvanian Gas Pool to be drilled 990 feet from the South line and 660 feet from the West line (Unit M) of Section 26, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico. All of said Section 26, being a standard 640-acre gas spacing and proration unit for the Indian Basin Upper-Pennsylvanian Gas Pool, is to be dedicated to said well.
- (3) The proposed well and spacing unit being within the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool is subject to the General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations For The Indian Basin-Upper Pennsylvanian Gas Pool, as promulgated by Division Order No. R-8170, as amended, which provides for gas production allocation, 640-acre standard gas spacing and proration units, requires that wells be located no closer than 1650 feet from the outer boundary of the section nor closer than 330 feet from any governmental quarter-quarter section line or subdivision inner boundary.

(4) According to the testimony presented by the applicant this well is to be a replacement well for its Indian Basin "C" Well No. 1 (API No. 30-015-10332), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of said Section 26. This well was drilled to and completed in the Indian Basin-Upper Pennsylvanian Gas Pool in 1963. In May 1994 Marathon shut this well in due to increased water production that made the well no longer a commercially producing gas well.

(5) Evidence was presented to show that the increased water production in said well is the result of the southwesterly migration of this reservoir's gas/water contact and the subsequent water encroachment into the wellbore.

(6) By drilling a replacement well at the desired location the applicant intends to capture the remaining gas reserves underlying the subject acreage before the gas/water contact engulfs the section.

(7) The closest offsetting operator other than themselves is Apache Corporation which controls the 640-acre unit to the south in Section 35, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, and as per a signed agreement between both parties dated September 13, 1994, see applicant's Exhibit No. 7 in this case, which should be incorporated by reference into this order, a 35% production penalty for the subject spacing and proration unit is to be incorporated into this order.

(8) The aforesaid production limitation factor should be applied against the well's monthly allowable as set by the Division for the subject pool; this can be accomplished by assigning said 640-acre spacing and proration unit designated to the proposed well an acreage factor of 0.65.

(9) Approval of this application subject to the above provisions and limitations will afford the applicant the opportunity to produce its just and equitable share of the gas in the Indian Basin-Upper Pennsylvanian Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise serve to prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Marathon Oil Company for an unorthodox gas well location in the Indian Basin-Upper Pennsylvanian Gas Pool is hereby approved for a well to be drilled 990 feet from the South line and 660 feet from the West line (Unit M) of Section 26, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

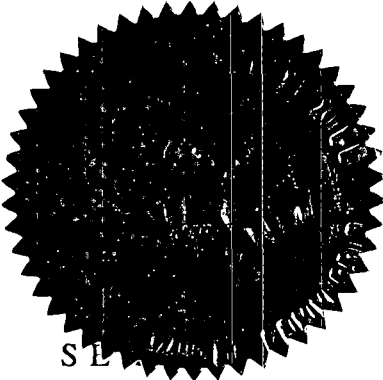
(2) All of said Section 26, being a standard 640-acre gas spacing and proration unit for the Indian Basin-Upper Pennsylvanian Gas Pool, shall be dedicated to said well.

IT IS FURTHER ORDERED HOWEVER THAT:

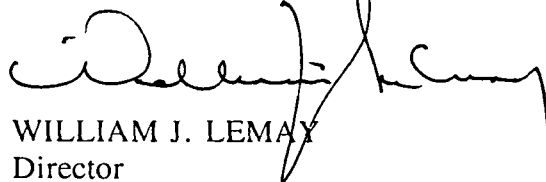
(3) For allowable purposes, the subject 640-acre unit shall be assigned an acreage factor of 0.65, which shall be applied against the monthly allowable as set by the Division in the Indian Basin-Upper Pennsylvanian Gas Pool

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

REOPENED
CASE NO. 11088
ORDER NO. R-10198-A

**APPLICATION OF MARATHON OIL COMPANY TO REOPEN CASE 11088 AND
TO AMEND ORDER NO. R-10198 ISSUED IN SAID MATTER TO ALLOW FOR
THE SIMULTANEOUS DEDICATION OF INDIAN BASIN-UPPER
PENNSYLVANIAN GAS POOL PRODUCTION TO A SINGLE 640-ACRE GAS
PRORATION UNIT, EDDY COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 11, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 22nd day of July, 1996 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Division Order No. R-10198, issued in Case 11088 and dated September 22, 1994, Marathon Oil Company ("Marathon") was authorized to drill its Indian Basin "C" Well No. 2 (API No. 30-015-28167) at an unorthodox gas well location in the Indian Basin-Upper Pennsylvanian (Prorated) Gas Pool 990 feet from the South line and 660 feet from the West line (Unit M) of Section 26, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico. A preexisting standard 640-acre gas spacing and proration unit ("GPU") comprising all of said Section 26 was therein dedicated to said well. From its first gas production in January, 1966 to May, 1994 the subject GPU was dedicated to Marathon's Indian Basin "C" Well No. 1 (API No. 30-015-10332), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of said Section 26. The Indian

Basin "C" Well No. 2 was drilled as a replacement well for the Indian Basin "C" Well No. 1.

(3) Pursuant to Finding Paragraph No. (7) of said Order No. R-10198, which states that:

"The closest off-setting operator other than themselves (Marathon) is Apache Corporation which controls the 640-acre unit to the south in Section 35, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, and as per a signed agreement between both parties dated September 13, 1994, see applicant's Exhibit No. 7 in this case, which should be incorporated by reference into this order, a 35% production penalty for the subject spacing and proration unit is to be incorporated into this order",

a penalty of 35 percent was applied against the production from the Indian Basin "C" Well No. 2 in the form of an acreage factor of 0.65 assigned the corresponding 640-acre GPU [see Decretory Paragraph No. (3) of said Order No. R-10198].

(4) Marathon recently acquired the above-described offsetting interest formerly controlled by Apache Corporation.

(5) At this time, Marathon believes that it is possible to return the Indian Basin "C" Well No. 1 to production by utilizing submersible pump equipment and since said Order No. R-10198 contained a stipulation that the Indian Basin "C" Well No. 2 was to be a replacement well to the No. 1 well, Marathon seeks to amend said Order No. R-10198 to provide for the concurrent production of Indian Basin-Upper Pennsylvanian Gas Pool production from both the Indian Basin "C" Well Nos. 1 and 2 in the subject 640-acre GPU.

(6) Further, Marathon seeks no change in the current acreage factor of 0.65 assigned to this unit because of the unorthodox location of its Indian Basin "C" Well No. 2.

(7) Because there are no offsetting parties adversely affected by this request, Marathon caused this case to be styled such that in the absence of objection this matter would be taken under advisement.

(8) No appearances were made in this case at the time of the hearing.

(9) Approval of this application is in the best interest of conservation, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Decretory Paragraph No. (2) of Division Order No. R-10198, issued in Case 11088 and dated September 22, 1994, being one and the same is hereby amended to read as follows:

"(2) All of said Section 26, being a standard 640-acre gas spacing and proration unit for the Indian Basin Upper-Pennsylvanian Gas Pool, shall herein be simultaneously dedicated to both the aforementioned Indian Basin "C" Well No. 2 (API No. 30-015-28167), located at the above-described unorthodox gas well location, and to the Indian Basin "C" Well No. 1 (API No. 30-015-10332), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of said Section 26."

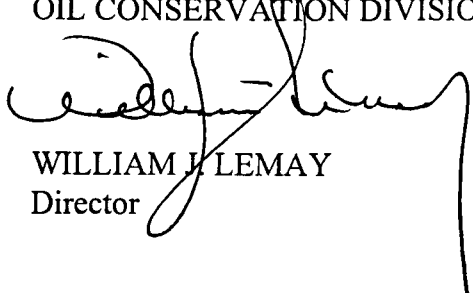
(2) All other provisions of said Order No. R-10198 shall remain in full force and effect until further notice.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.



WITNESSED at Santa Fe, New Mexico, on the day and year hereinabove

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**CASE NO. 10923
Order No. R-10083**

**APPLICATION OF MARATHON OIL COMPANY FOR A HIGH ANGLE/
HORIZONTAL DIRECTIONAL DRILLING PILOT PROJECT, SPECIAL
OPERATING RULES THEREFOR, AND AN UNORTHODOX PRODUCING
INTERVAL, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 3, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 15th day of March, 1994, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Marathon Oil Company, seeks authority to initiate a high angle/horizontal directional drilling pilot project in the Indian Basin-Upper Pennsylvanian Gas Pool underlying all of Section 26, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

(3) The applicant further seeks authority to utilize its existing Indian Basin "C" Well No. 1, located at a standard surface location 1650 feet from the North and West lines (Unit F) of Section 26, and horizontally drill in the following unconventional manner:

Squeeze perforations from 7,366 feet to 7,416 feet. Mill casing from a depth of 7,332 feet to 7,382 feet. Set cement plug and kick off from the vertical at a depth of approximately 7,362 feet and drill in a south direction building angle to approximately 90 degrees so as to penetrate the upper portion of the Pennsylvanian formation at a depth of 7,407 feet. Continue drilling horizontally a distance of approximately 500 feet so as to bottom said wellbore at an unorthodox bottom-hole location 2175 feet from the North line and 1610 feet from the West line (Unit F) of Section 26.

(4) The applicant further seeks the adoption of special operating provisions and rules within the pilot project area including a provision limiting the horizontal or producing portion of the wellbore such that it cannot be located closer than 1500 feet from the North and West lines, nor closer than 1650 feet from the South and East lines of Section 26.

(5) The proposed well is located within the Indian Basin-Upper Pennsylvanian Gas Pool which is currently governed by Special Rules and Regulations as promulgated by Division Order No. R-2440, as amended, which require standard 640-acre spacing and proration units with wells to be located no closer than 1650 feet from the outer boundary of the spacing unit nor closer than 330 feet from any quarter-quarter section line or subdivision inner boundary.

(6) In addition, the Indian Basin-Upper Pennsylvanian Gas Pool is a prorated gas pool governed by the General Rules and Regulations for the Prorated Gas Pools of Northwest and Southeast New Mexico, as contained within Division Order No. R-8170, as amended.

(7) The evidence presented indicates that the Indian Basin "C" Well No. 1 was originally drilled and completed in the Indian Basin-Upper Pennsylvanian Gas Pool in 1963. The subject well is currently capable of producing approximately 2 MMCFG per day and has cumulatively produced (as of 1-1-93) over 35 BCF of gas.

(8) According to applicant's evidence and testimony, the subject well is beginning to experience a substantial increase in water production. This increase in water production is due in part to the natural water encroachment within the reservoir, and also due to water channeling which is occurring behind the production casing.

(9) Applicant testified that wells within the subject pool which experience water encroachment such as being experienced by the Indian Basin "C" Well No. 1 typically produce for a relatively short period of time before "watering out".

(10) Through its evidence and testimony, the applicant demonstrated that the proposed high angle wellbore, which is experimental in nature, is designed to penetrate the Pennsylvanian formation at a structurally higher position above the gas-water contact, which may extend the producing life of the well prior to "watering out", thereby resulting in the recovery of a greater amount of gas from the subject proration unit, thereby preventing waste.

(11) According to applicant's testimony, a directional survey has been run on the Indian Basin "C" Well No. 1. This survey indicates that the bottomhole location of the subject well is approximately 1630 feet from the North line and 1610 feet from the West line of Section 26.

(12) The setback distances from the outer boundary of Section 26, as proposed by the applicant, will provide flexibility in the direction and horizontal extent of the wellbore and will not violate correlative rights, inasmuch as all of the affected offset acreage is operated by Marathon Oil Company.

(13) No other offset operator and/or interest owner appeared at the hearing in opposition to the application.

(14) In the interest of conservation and prevention of waste, the application of Marathon Oil Company for a high angle/horizontal directional drilling project should be approved.

(15) The applicant should be required to conduct a directional survey on the lateral portion of the wellbore during or after completion of drilling operations in order to verify that the bottomhole location is in compliance with the terms of this order.

(16) The applicant should notify the supervisor of the Artesia district office of the Division of the date and time of conductance of any directional surveys in order that the same may be witnessed.

(17) The applicant should be required to submit copies of all directional surveys conducted on the subject well to both the Santa Fe and Artesia offices of the Division.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Marathon Oil Company, is hereby authorized to initiate a high angle/horizontal directional drilling pilot project in the Indian Basin-Upper Pennsylvanian Gas Pool underlying all of Section 26, Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico.

(2) The applicant is further authorized to utilize its existing Indian Basin "C" Well No. 1, located at a standard surface location 1650 feet from the North and West lines (Unit F) of Section 26, and horizontally drill in the following unconventional manner:

Squeeze perforations from 7,366 feet to 7,416 feet. Mill casing from a depth of 7,332 feet to 7,382 feet. Set cement plug and kick off from the vertical at a depth of approximately 7,362 feet and drill in a south direction building angle to approximately 90 degrees so as to penetrate the upper portion of the Pennsylvanian formation at a depth of 7,407 feet. Continue drilling horizontally a distance of approximately 500 feet so as to bottom said wellbore at an unorthodox bottomhole location 2175 feet from the North line and 1610 feet from the West line (Unit F) of Section 26.

(3) The horizontal or producing portion of the wellbore shall be located no closer than 1500 feet from the North and West lines nor closer than 1650 feet from the South and East lines of Section 26.

(4) The applicant shall conduct a directional survey on the lateral portion of the wellbore during or after completion of drilling operations in order to verify that the bottomhole location is in compliance with the terms of this order.

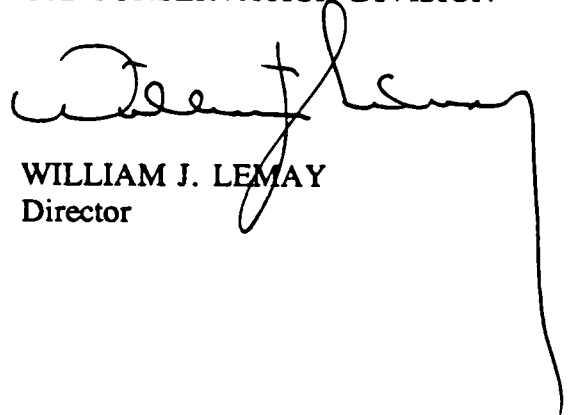
(5) The applicant shall notify the supervisor of the Artesia district office of the Division of the date and time of conductance of any directional surveys in order that the same may be witnessed.

(6) The applicant shall submit copies of all directional surveys conducted on the subject well to both the Santa Fe and Artesia offices of the Division.

(7) Jurisdiction of this cause is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

CMD :
OG5SECTONGARD
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OGOMES -TPXC
PAGE NO: 1

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E 40.00 Federal owned	F 40.00 Federal owned A	G 40.00 Federal owned	H 40.00 Federal owned

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OGOMES -TPXC
PAGE NO: 2

Sec : 26 Twp : 21S Rng : 23E Section Type : NORMAL

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