

5D-99-8

Houston Division
Production Operations, United States



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

June 25, 1999

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

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

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

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

Ladies and/or Gentlemen:

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

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

Sincerely,

Thomas P. Kacir
Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this 8th day of JULY 1999
by Zeno Farris, as representative of
GRUY PETROLEUM Management Co.

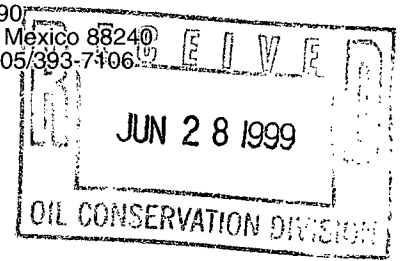
Copy to Santa Fe. -

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

Houston Division
Production Operations, United States



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



June 25, 1999

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

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

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

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

Dear Mr. Stogner:

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

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

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

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

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

Sincerely,

Thomas P Kacir

Thomas P. Kacir
Production Engineer

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

T-22-S, R-36-E

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

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

T-22-S, R-37-E

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

¹⁰ Surface Location

UL or lot no. G	Section 13	Township 22-S	Range 36-E	Lot. Idn	Feet from the 1800	North/South Line North	Feet from the 1650	East/West line East	County Lea
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¹¹ 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
¹² Dedicated Acres 160		¹³ Joint or Infill Y		¹⁴ Consolidation Code NA		¹⁵ Order No. For McDonald A/C 2 #11 ; NSP - 439			

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

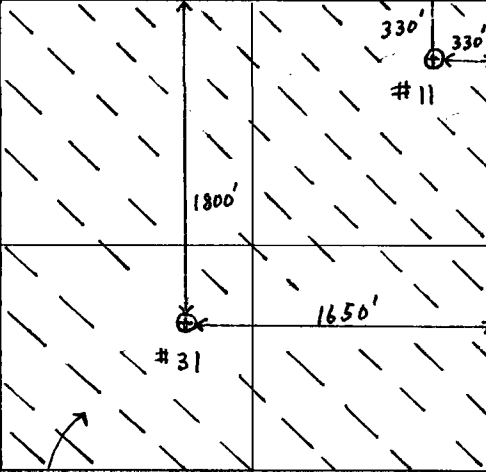
¹⁰ Surface Location

UL or lot no. A	Section 13	Township 22-S	Range 36-E	Lot. Idn	Feet from the 330	North/South Line North	Feet from the 330	East/West line East	County Lea
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¹¹ 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
¹² Dedicated Acres 160	¹³ Joint or Infill Y	¹⁴ Consolidation Code NA	¹⁵ Order No. NSP - 439						

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

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

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

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

Form C-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator Marathon Oil Company		Pool Emunt; Yates, 7 Rivers Queen (Gas)		County Lea											
Address P.O. Box 2490 Hobbs, NM 88241		TYPE OF TEST - (X) <input type="checkbox"/> Scheduled <input type="checkbox"/> Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>													
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST		GAS-OIL RATIO CU/FT/BBL	
		U	S	T	R							WATER BBL'S	GAS M.C.F.		
McDonald State A/C 2	11	A	13	22	36	6/15/99	P		200		24	1	0	147	NA
	31	G	13	22	36	5/19/99	F		18		24	1	0	88	NA

For Information Only

Instructions:

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

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

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

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

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

Thomas P. Kacir
Signature

Thomas P. Kacir

Production Engineer

Printed name and title

June 25, 1999

393-7106

Date

Telephone No.

Houston Division
Production Operations, United States



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

June 25, 1999

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

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

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

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

Ladies and/or Gentlemen:

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

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

Sincerely,

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

Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 1999

by _____, as representative of



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

June 25, 1999

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

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

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

McDonald State A/C Well No. 11
Unit Letter A, 330' FNL & 330' FEL
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Lea County, New Mexico

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Sincerely,

Thomas P. Kacir
Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 1999

by _____, as representative of



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

June 25, 1999

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

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

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


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

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Sincerely,


Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 1999

by _____, as representative of



**Marathon
Oil Company**

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

June 25, 1999

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

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

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

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

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

Sincerely,

Thomas P. Kacir
Thomas P. Kacir
Production Engineer

TPK/
Enclosure

Agreed and accepted this _____ day of _____ 1999

by _____, as representative of

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 28, 1958

C
O
P
Y

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

Attention: Coe S. Mills

Administrative Order NSL-160

Gentlemen:

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

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

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

Very truly yours,

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

ALP/OEP/og

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

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

August 19, 1958

C
O
P
Y

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

Attention: Coe S. Mills

Administrative Order NSP-439

Gentlemen:

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

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

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

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

Very truly yours,

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

ALP/OEP/og

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-104
Revised October 18, 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 2490 Hobbs, NM 88240		² OGRID Number 014021
		³ Reason for Filing Code RT Eff 4/27/99 Req Gas POD
⁴ API Number 30-0 30-025-25932	⁵ Pool Name Eumont; Yates, 7 Rivers, Queen	⁶ Pool Code 76480
⁷ Property Code 6436	⁸ Property Name McDonald State A/C 2	⁹ Well Number 31

II. ¹⁰ Surface Location

UL or lot no. G	Section 13	Township 22S	Range 36E	Lot. Idn	Feet from the 1800	North/South Line North	Feet from the 1650	East/West line East	County Lea
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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 State	¹³ Producing Method Code	¹⁴ Gas Connection Date 7/29/78	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
22638	Texas New Mexico Pipeline PO Box 60028 San Angelo, TX 76909	1242110	0	UL I, Sec. 13, T-22-S, R-36-E Battery location.
14021	Marathon Oil Company PO Box 2490 Hobbs, NM 88240	2823467	G	UL G, Sec. 13, T-22-S, R-36-E Allocation meter on well location.

IV. Produced Water

²³ POD 1242150	²⁴ POD ULSTR Location and Description
------------------------------	--

V. Well Completion Data

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

VI. Well Test Data

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

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: *Kelly Cook*

Printed name:
Kelly Cook

Title:
Records Processor

Date: 4/30/99

Phone: 393-7106

OIL CONSERVATION DIVISION

Approved by:

Chris Williams

Title:

DISTRICT 1 SUPERVISOR

Approval Date:

JUN 16 1999

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

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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

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

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

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

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

11. 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 ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: Plug Back & Recomplete Eumont ☒

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

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

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

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

(This space for State Use)

APPROVED BY Chris Williams DISTRICT 1 SUPERVISOR DATE JUN 10 1999
CONDITIONS OF APPROVAL, IF ANY:

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

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

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

⁷ Surface Location

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

⁸ Proposed Bottom Hole Location If Different From Surface

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

⁹ Proposed Pool 1

¹⁰ Proposed Pool 2

Eumont; Yates, 7 Rivers, Queen

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary NA	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3471'
¹⁶ Multiple No	¹⁷ Proposed Depth No Change	¹⁸ Formation No Change	¹⁹ Contractor NA	²⁰ Spud Date

²¹ Proposed Casing and Cement Program

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

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

See attached procedure.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Plug back

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: Thomas P. Kacir

Printed name: Thomas P. Kacir

Title: Production Engineer

OIL CONSERVATION DIVISION

Approved by: Chris Williams

Title: DISTRICT SUPERVISOR

Approval Date: JUN 16 1995 Expiration Date:

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

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

PROCEDURE:

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

16. POOH laying down ~~the~~ 2-3/8" tubing and PPI.
17. Change out BOP rams to 3 1/2". PU 5 1/2" 15.5# PLS packer w/ plug. Hydrotest in hole to 8,000 psi on 3 1/2" 9.3# N-80 tubing. Set packer at \pm 2,625'. Release on/off tool and circulate inhibited packer fluid into the annulus. Engage the on/off tool, swab the tubing down and fish the tubing plug from the on/off profile.
18. ND BOPE and NU tree.
19. RDMO PU.
20. MIRU Guardian wellhead isolation tool (WHIT) and flowback manifold. Stake all Guardian equipment in accordance with energized flowback specifications.
21. MIRU Halliburton to fracture stimulate ~~the~~ Yates/7 Rivers/Queen from 2,648' to 3,250'. The treatment will consist of 102,500 gals of 80 - 65 quality N₂ Delta Foam (20) carrying 300,000 lbs 16/30 Brady sand. The job is designed to be pumped at a combined downhole rate of 40 bpm with an expected surface treating pressure of \pm 4,500 psi. Maintain 250 psi on the annulus during the treatment.
**All sand to be treated with the "Sand-Wedge®" proppant consolidation process.*
22. Immediately following the termination of the ~~treatment~~ RDMO the WHIT only if the current WHP is below the rated WP of the tree. RU Guardian flowback ~~iron~~ directly to the tree.
23. Flow and test well up the 3 1/2" tubing as necessary.
24. Once the total gas rate falls below 750 mcfpd then MIRU a CT unit to run a 1 1/2" velocity string. Prior to hanging off the CT, jet past the bottom perf to check for fill. Clean out if necessary.
25. Kick well off flowing up the CT and/or CT annulus. Turn well over to production.
26. File to Simultaneously Dedicated with McDonald State A/C 2 Well No. 11.

District I

PO Box 1980, Hobbs, NM 88241-1980

District II

811 S. 1st Street, Artesia, NM 88210-2834

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ **AMENDED REPORT**

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

¹⁰ Surface Location

UL or lot no. G	Section 13	Township 22-S	Range 36-E	Lot. Idn	Feet from the 1800	North/South Line North	Feet from the 1650	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

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

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