

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

State of New Mexico
Energy, Minerals & Natural Resources

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

Form C-101
March 4, 2004
Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ 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 3487, Houston Texas 77253-3487		² OGRID Number 14021
⁴ Property Code 006442		³ API Number 30- 25-29219
⁵ Property Name J.L. Muncy		⁶ Well No. 7

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	24	22-S	37-E		2086'	North	1874'	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 Tubb Oil & Gas (60240)	¹⁰ Proposed Pool 2
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Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
Depth to ground water					Distance from nearest fresh water well		Distance from nearest surface water		
¹¹ Work Type Code A		¹² Well Type Code O		¹³ Cable/Rotary		¹⁴ Lease Type Code P		¹⁵ Ground Level Elevation 3318'	
¹⁶ Multiple N		¹⁷ Proposed Depth 5814'-6142'		¹⁸ Formation Tubb		¹⁹ Contractor		²⁰ Spud Date 05/31/1985	

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	32#	1200'	700	0
8 3/4"	7"	23 & 26#	7591'	2700	0

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.

Marathon is proposing to temporarily TA the Granite Wash zone in this well and re-complete to the Tubb Oil & Gas. After an initial production period, Marathon will apply to downhole commingle the two reservoirs. Please see the attachment for details of the well work procedures and a wellbore diagram.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway
Plugback

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Signature: <i>Charles E. Kendrick</i>		Approved by: <i>Paul J. [Signature]</i>	
Printed name: Charles E. Kendrick		Title: PETROLEUM ENGINEER	
Title: Engineering Technician		Approval Date: JUL 27 2004	Expiration Date:
E-mail Address: cekendrix@MarathonOil.com			
Date: 07/21/2004	Phone: 713-296-2096	Conditions of Approval: Attached <input type="checkbox"/>	

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State of New Mexico
Energy, Minerals & Natural Resources

Form C-102
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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 30-025-29219	² Pool Code 60240	³ Pool Name Tubb Oil & Gas
⁴ Property Code 006442	⁵ Property Name J.L. Muncy	⁶ Well Number 7
⁷ OGRID No. 14021	⁸ Operator Name Marathon Oil Company	⁹ Elevation 3318'

¹⁰ Surface Location

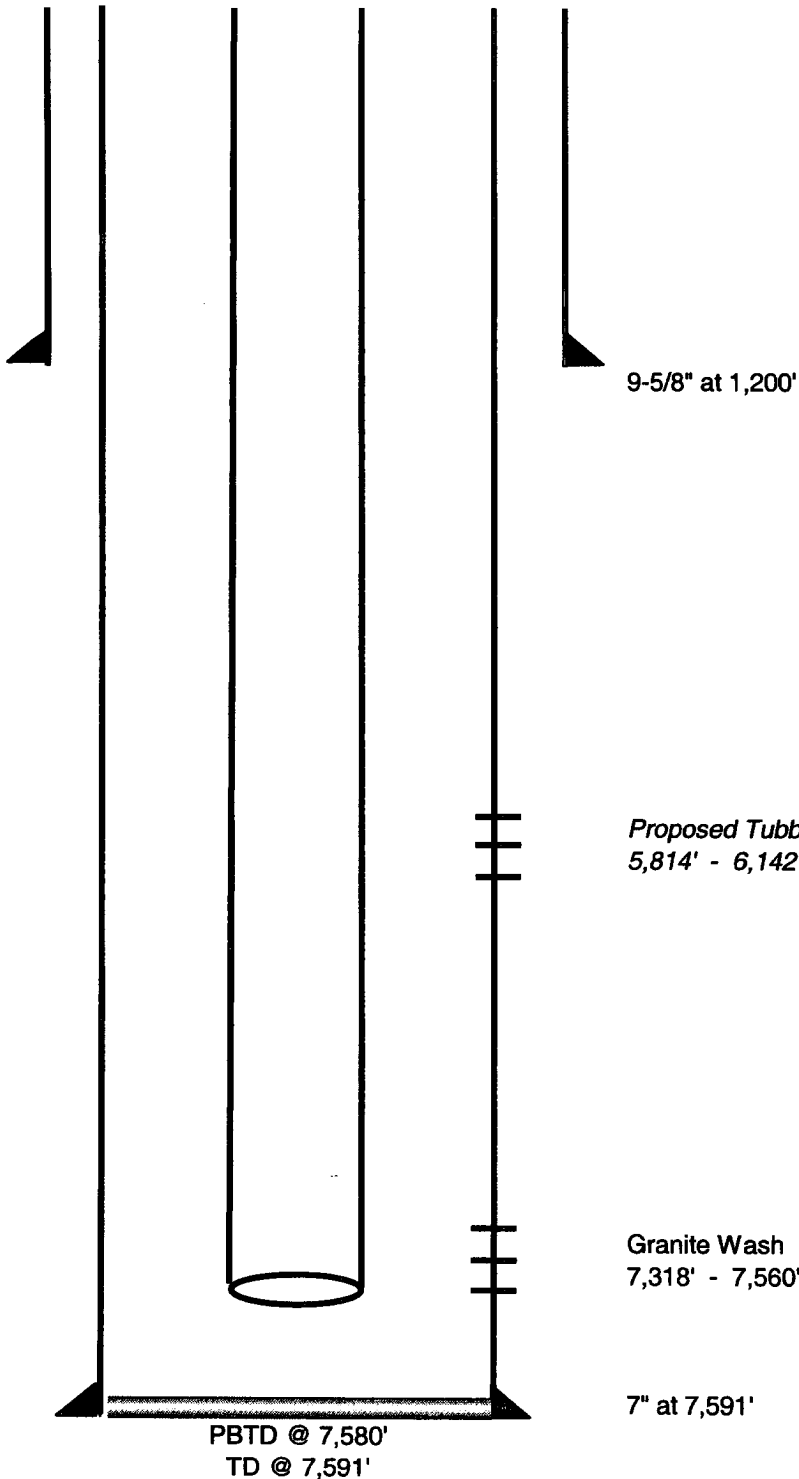
UL or lot no. G	Section 24	Township 22-S	Range 37-E	Lot. Idn	Feet from the 2086'	North/South line North	Feet from the 1874'	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

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 40	¹³ Joint or Infill N	¹⁴ Consolidation Code	¹⁵ 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

¹⁶					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Charles E. Kendrick</i> Signature Charles E. Kendrick Printed Name Engineering Technician cekendrix@MarathonOil.com Title and E-mail Address 07/21/2004 Date
					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. Date of Survey Signature and Seal of Professional Surveyer: Certificate Number



Field: Drinkard

Lease & Well: JL Muncy Well No. 7

Location: Unit G, 2,086' FNL & 1,874' FEL
Section 24, T-22-S, R-37-E

County & State: Lea County, New Mexico

Status: Active pumping well

TD: 7,591' **PBTD:** 7,580' **GL:** 3,318 **KB:** 3,330'

Surface Casing: 9-5/8", 36# & 40#, K-55 casing
set @ 1,200'. Cmt'd w/700 sks. Circ'd to surface

Production Casing: 7" 23# & 26#, K-55 casing
set @ 7,591'. DV tool @ 4,009'. 1st stage 900 sks.
2nd stage - 1,800 sks. Both stages - Circ'd to surface

Tubing:

Present Completion
Granite Wash (7,318' - 7,560')

History:

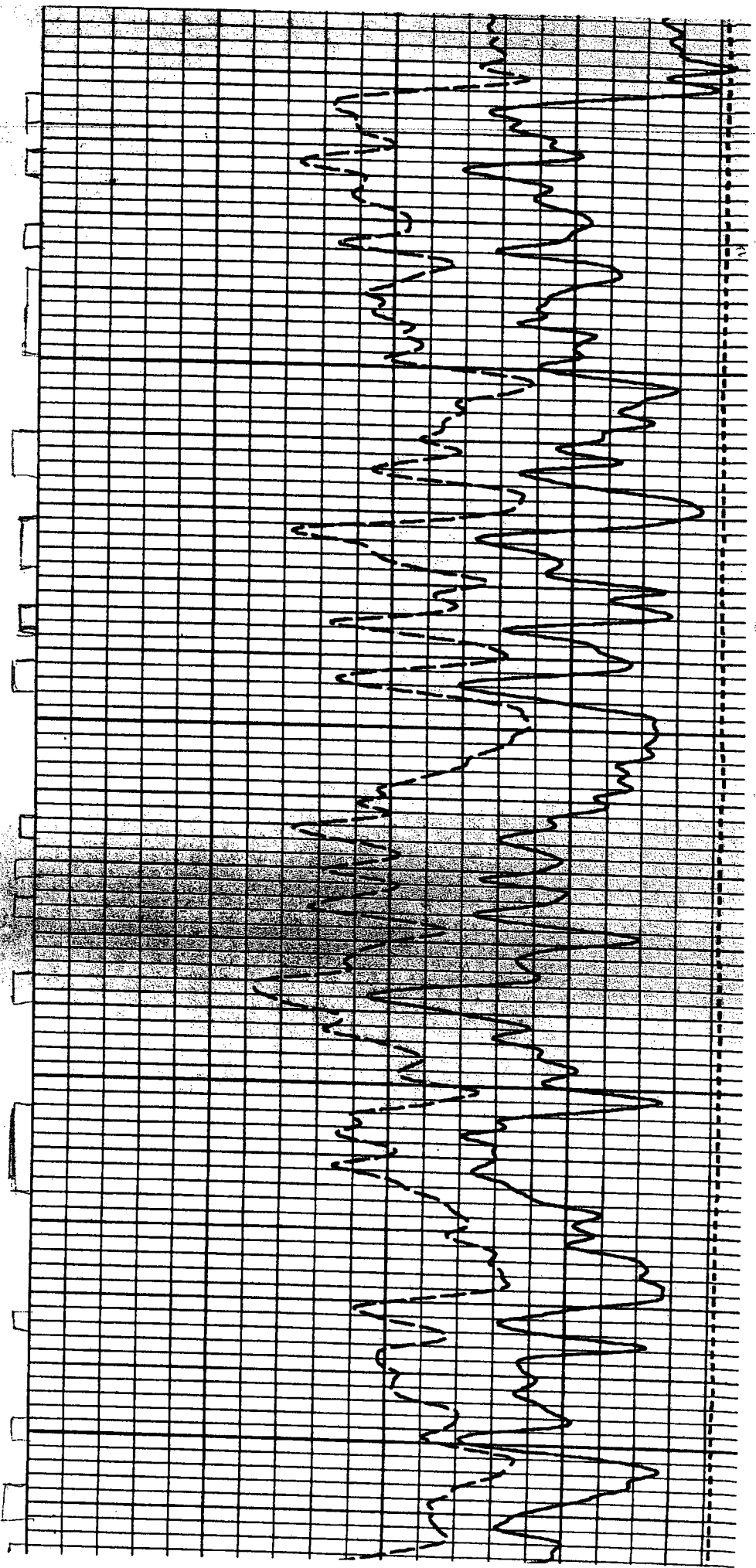
June 1985 - Drilled & completed in Granite Wash
from 7,403' - 7,559' (11 holes)

Acidized w/2,000 gals of 7-1/2% HCl

Frac'd w/ 68,124 gals kerosene & 67,000# sd
IP'd flowing 88 BOPD & 180 MCFD

May 1992 - Placed on rod pump. Added pay.
Attempted to frac. Screened out.

October 1992 - Added pay in Granite Wash
No stimulation

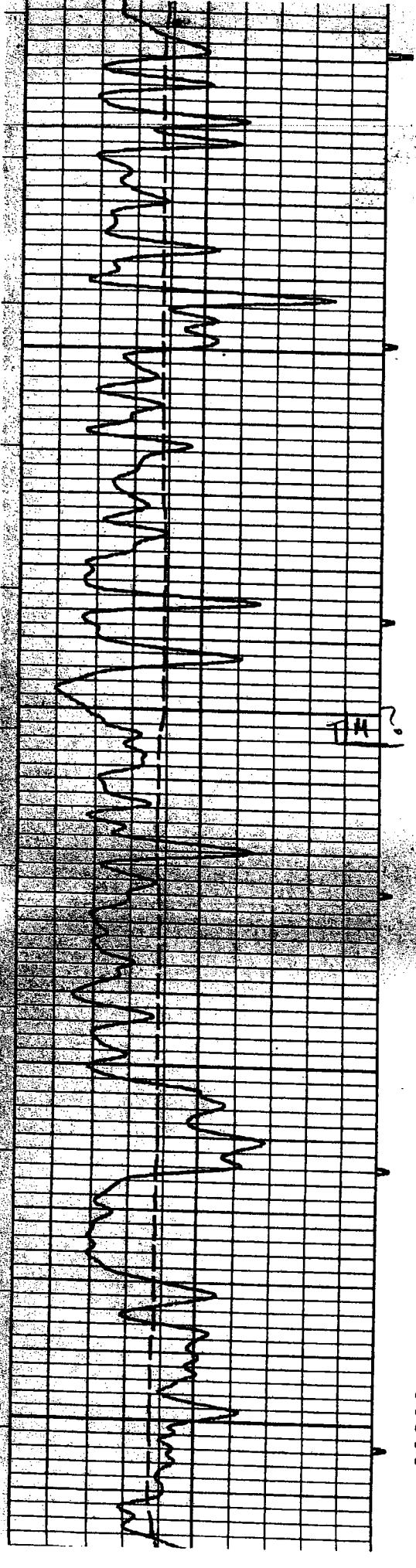


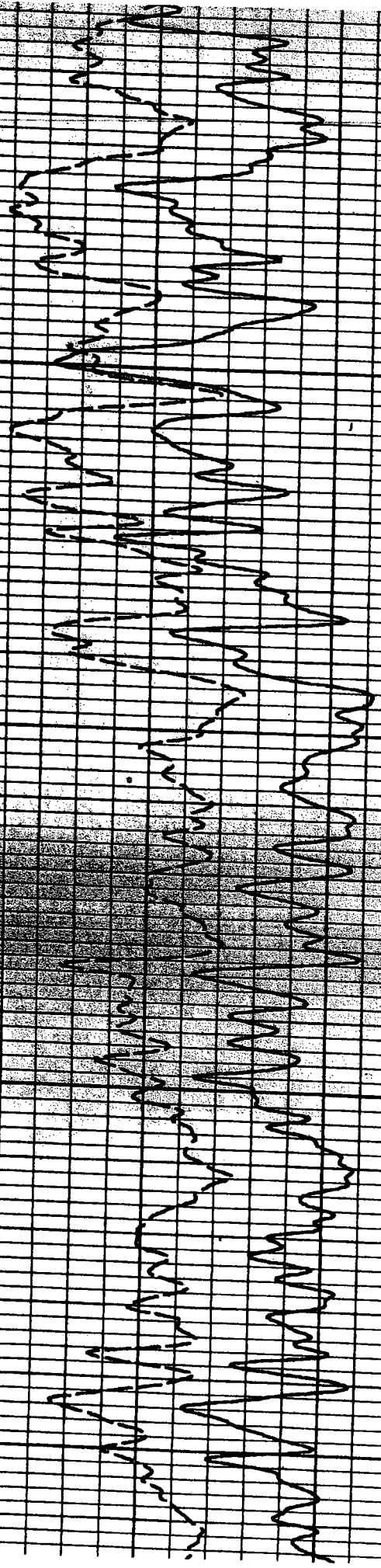
20

05900

06000

TH?





06100

06200



**Workover Procedure
JL Muncy Well No. 7
2,086' FNL & 1,874' FEL, Unit G
Section 24, T-22-S, R-37-E
Lea County, New Mexico**

Date: 07/07/2004

WBS #s: WO.04.10686.CAP.CMP and WO.04.10686.CAP.EQP

AFE Cost: \$200,000 **WI:** 75% **NRI:** 65.625%

Elevation: KB: 3,330' TD: 7,591' PBTD: 7,580'

Purpose: Perforate & Stimulate Tubb & Downhole Commingle with existing Granite Wash

Surface Casing: 9-5/8", 36# & 40# casing set at 1,200'.

Production Casing: 7", 23# & 26# casing set at 7,591'. DV tool at 4,009'.

Tubing: 2-3/8" J-55 tbg

Current Completion: Granite Wash 7,318' - 7,560'

Special Considerations: *Granite Wash is very fluid sensitive.*
Verify current tbg tally w/Hobbs office prior to RU.

Verify with Brent Lockhart that WIO approval has been obtained prior to commencing work

Procedure:

1. Inspect surface location and improve if necessary. Test safety anchors to 22,500#.
2. SD pumping unit the evening prior to RU. Flow well to production facilities overnight
3. MIRU WOR and reverse unit. Kill well w/limited amounts of 2% KCl.
4. Disconnect surface equipment. Hang off pumping unit. LD polish rod. POOH w/rods & pump, hot water if necessary
5. ND wellhead. NU 3M BOPE. Release TAC and POOH w/2-3/8" tbg string, standing back. Visually inspect and replace as necessary.
6. TIH w/6-1/8" bit, casing scraper on 2-7/8' workstring and tag PBTD at 7,580. POOH w/same.
7. MIRU Baker Atlas and lubricator. Test lubricator to 1,000 psi. RIH w/7" RBP. Set RBP at 7,200'. RIH w/ 311T 23 gram charges (EH: 0.41" Pen: 24"). Perforate Tubb with 2 JSPF, 90 deg. from 5814-18, 5822-25, 5832-35, 5838-50, 5860-66, 5872-79, 5884-87, 5892-96, 5914-17, 5920-22, 5925-28, 5936-40, 5954-66, 5980-84, 5998-6001, 6008-11, 6016-32, 6048-56, 6060-64, 6074-82, 6086-90,

6098-6110, 6118-26, 6135-42 (306 holes). [Perforations depths are picked from Dresser Atlas Compensated densilog log ran on 6/19/85] POOH. RD Baker Atlas.

8. TIH w/ RBP w/ball catcher and packer on 2-7/8" workstring. Set RBP at 6,200'. PUH and set pkr at 6,040'. MIRU Halliburton. Test lines to 5,000 psi. Acidize lower interval (6,048' – 6,142') w/3,000 gals 15% HCl dropping **150** 1.3 SG ball sealers at a rate of 6-8 BPM. Flush to top perf.
9. Release pkr and TIH and retrieve RBP. PUH and set RBP at 6,040' and pkr at 5,905'. Acidize middle interval (5,914' – 6,032') w/3,500 gals 15% HCl dropping **180** 1.3 SG ball sealers at a rate of 6-8 BPM. Flush to top perf.
10. Release pkr and TIH and retrieve RBP. PUH and set RBP at 5,905' and pkr at 5,780'. Acidize upper interval (5,814' – 5,896') w/2,500 gals 15% HCl dropping **125** 1.3 SG ball sealers at a rate of 6-8 BPM. Flush to top perf. RD Halliburton.
11. Release pkr. TIH and release RBP. POOH and LD RBPw/ball catcher (bottom RBP is still at 7,200'). TIH w/SN and workstring to 6,300'.
12. RU Swab equipment. Swab back acid load. RD swab equipment. Release packer and TOOH w/packer and workstring.
13. Change out pipe rams to 3-1/2". TIH w/7" packer on 3-1/2" frac string, hydrotesting to 8,000 psi. Set packer at 5,760'. Test packer to 1,000 psi.
14. RU Halliburton. Install treating lines and frac valve. Pressure test line to 9,000 psi. Sand fracture stimulate the Tubb as per attached recommendation. Anticipated treating pressure = 6,500 psi. Maximum treating pressure = 8,000 psi. RD Halliburton.
15. Install flowback manifold. Flowback well until well dies.
16. RIH w/sinker bar on sandline and tag sand. Release packer and TOOH w/3-1/2" frac string, laying down.
17. TIH w/overshot for RBP, SN on 2-3/8" production string. Swab back frac load. TIH and release RBP. TOH w/same
18. TIH w/mud anchor, SN on 2-3/8" production tbg. Space out tubing w/SN ~7,550
19. ND BOPE and NU wellhead. TIH w/pump & rods. Space out pump. Hang well on. Connect surface equipment. RD WOR and MOL. Start pumping well to production facilities.

XC: R. S. Bose
W. H. Arnett
B. D. Lockhart
Well File