Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
May 27, 2004

WELL API NO. 30-025-29219

5. Indicate Type of Lease STATE ☐ FEE ☒

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.)

7. Lease Name or Unit Agreement Name: J.L. Muncy

1. Type of Well: Oil Well ☐ Gas Well ☐ Other DHC

8. Well Number 7

2. Name of Operator Marathon Oil Company

9. OGRID Number 014021

3. Address of Operator P.O. Box 3487 Houston, TX 77253-3487

10. Pool name or Wildcat Wantz Granite Wash/ Tubb Oil & Gas

4. Well Location

Unit Letter G : 2086 feet from the North line and 1874 feet from the East line

Section 24 Township 22-S Range 37-E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3318' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPLETION	☐	CASING TEST AND CEMENT JOB	☐		
OTHER: Downhole Commingle	☒			OTHER:			☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Marathon Oils Company is requesting authorization to downhole commingle the J.L. Muncy No. 7 in the Wantz Granite Wash (62730) & the Tubb Oil & Gas (86440). Marathon plans to combine the pools by removing a retrievable bridge plug that currently isolates the Granite Wash formation from the active Tubb wellbore. Please attached details of downhole commingle request.

DHC Order No. HOB-0119

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Charles E. Kendrix TITLE Engineering Technician DATE 05/05/2005

Type or print name Charles E. Kendrix E-mail address: cekendrix@marathonoil.com Telephone No. 713-296-2096

For State Use Only

APPROVED BY _____ TITLE PETROLEUM ENGINEER DATE JUN 15 2005

Conditions of Approval, if any:

J.L. Muncy No. 7
Downhole Commingle Attachment
Tubb 86440 / Wantz Granite Wash 62730

(i) Number of Division Order that establish pre-approved pool status
Pre-approved pool status was established for the Wantz Granite Wash and Tubb comibination by Division Order R-11363

(ii) Names of pools to be commingled
Wantz Granite Wash (62730), Tubb Oil & Gas (86440)

(iii) Perforated Intervals
Tubb Oil & Gas (5814'-6142'), Wantz Granite Wash (7403'- 7559')

(iv) Allocation Method and Supporting Data
The allocation of oil, gas, and water will be based on the following percentages. These percentages were derived by using production rates for each pool for the last four complete months of production for each pool. Please see the attached spreadsheet for production volume details.

Tubb Oil & Gas (0 % Oil, 60 % Gas, 31 % Water)
Wantz Granite Wash (100% Oil, 40 % Gas, 69% Water)

(v) Statement that the commingling of the pools will not reduced value of production
The proposed commingling of these two zones will not reduce the value of the remaining production in the J.L. Muncy No 7. It will make it more economically feasible to produce the well longer with the commingled production volume.

(vi) Statement of Ownership
The ownership and ownership percentages are identical for these two zones.

(vii) Statement of Notification of Other Government Entities
The J.L. Muncy is a fee lease, therefore no notice to the BLM or New Mexico State Lands Office was required.

J. L. Muncy No. 7

			4/30/2004	5/31/2004	6/30/2004	7/31/2004	8/31/2004	9/30/2004
21746	1 Wantz Granite Wash	Oil	513.26	476.28	448.58	431.10	0.00	0.00
		Gas	1605	1289	1140	1324	0	0
		Water	30.19	30.19	30.19	30.19	0.00	0.00

		10/31/2004	11/30/2004	12/31/2004	1/31/2005	2/28/2005	3/31/2005
Oil		0.00	0.00	0.00	0.00	0.00	0.00
Gas		0	0	0	0	0	0
Water		0.00	0.00	0.00	0.00	0.00	0.00

			4/30/2004	5/31/2004	6/30/2004	7/31/2004	8/31/2004	9/30/2004
21746	2 Tubb Oil & Gas (Gas)	Oil	******	******	******	******	73.08	31.93
		Gas	******	******	******	******	2225	2704
		Water	******	******	******	******	881	347.00

		10/31/2004	11/30/2004	12/31/2004	1/31/2005	2/28/2005	3/31/2005
Oil		12.29	17.08	5.92	0.00	0.56	2.17
Gas		2318	2153	2004	1929	1015	3031
Water		201.00	171.00	232.00	0.00	1.00	30.38

		Wantz Granite Wash	Tubb	Total Avg. Daily Production
Average Daily Production	Oil	15.32	0.07	15.39
for last four producing	Gas	44	65.94	109.86
Months	Water	1	2.18	3.17

		Wantz Granite Wash	Tubb
DHC Percentages	Oil	100%	0%
	Gas	40%	60%
	Water	31%	69%