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. 30-025-36965

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: Dayton Hardy

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

8. Well Number 7

2. Name of Operator: Marathon Oil Company

9. OGRID Number 14021

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

10. Pool name or Wildcat: Penrose Skelly Grayburg (50350)

4. Well Location

Unit Letter I : 1650 feet from the South line and 330' feet from the East line

Section 20 Township 21-S Range 37-E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3500' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

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

Pit Liner Thickness: 12 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: ☐		OTHER: Perf, Acidize, Frac , Start to Production ☒	

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 Oil Company has completed operations to perforate, acidize, frac, the Grayburg formation in the newly drilled Dayton Hardy No 7. The well is now on production. Please see attached work document for details of well work performed.

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 07/21/2005

E-mail address: cekendrix@marathonoil.com

Type or print name Charles E. Kendrix Telephone No. 713-296-2096

JUL 28 2005

For State Use Only

APPROVED BY _____ TITLE PETROLEUM ENGINEER DATE _____

Conditions of Approval, if any:

Dayton Hardy No 7
Perforation, Acidize, Frac and Start Production

06/23/2005 Rigged up Baker Atlas perforating equipment. Install and test lubricator to 1000 psi. RIH w/ 3 1/8" Select fire guns w/ 311T w/ 23 gram charges w/ 1 or 2 JSPF, 120° phasing. Collar locator on gun. Get on depth and correlate to Halliburton density log from 06/18/2005. Shot 12 intervals in 5 gun runs with the following detail:

Interval	Ft / Interval	Shots / ft	Total Shots / interval
3,724' – 3,727'	3'	2	6
3,740' – 3,742'	2'	2	4
3,744' – 3,747'	3'	1	3
3,778' – 3,780'	2'	2	4
3,812' – 3,814'	2'	2	4
3,846' – 3,848'	2'	2	4
3,856' – 3,860'	4'	1	4
3,880' – 3,883'	3'	1	3
3,897' – 3,900'	3'	1	3
3,921 – 3,927'	6'	1	6
3,931' – 3,933'	2'	1	2
3,938' – 3,944'	6'	1	6
Totals	38'		49 shots

Load casing broke down perforations to establish a rate of 1.5 BPM @ 2500 psi. Pumped 500 gals 15% HCL acid. Pumped water to displace acid to bottom of perforations.

06/27/2005 Rigged up Halliburton Acidizing equipment. Tested line to 6000 psi. Acidize f/ 3724' to 3944' w/ 4000 gals 7 ½% HCL acid. Flushed w/ 85 bbls water.
Rigged up Halliburton for frac job. Fractured f/ 3724' to 3944'. Established injection rate of 50.3 BPM @ 2359 psi. Pumped pad 620 bbls. Pumped 124 bbls 1#/gal sand. Pumped 166 bbls 2#/gal sand. Pumped 166 bbls 3#/gal sand. Pumped 166 bbls 4#/gal sand. Pumped 190 bbls 5#/gal sand. Pumped 172 bbls 6#/gal sand. Pumped 81 bbls flush. Total load to recover 1908 bbls acid and frac load. Pumped a total of 156,389 lbs Premium Brown 20/40 sand w/ Halliburton additive Expedite 225 Flow back Control added. Well on vacuum, casing pressure zero.

06/28/2005 MIRU pulling unit. RIH w/ notched collar, 24 joint cavity, bailer, on 95 jts 2 7/8" tubing. Tagged top of sand fill @ 2725' on total of 119 jts tubing. Picked up power swivel and drilled and bailed. Could not bail hard resin filled sand. POH w/ bailer assembly. RIH w/ 4 ¾" blade bit, bit sub, and 114 jts tubing.

06/29/2005 Cont. in hole w/ bit. Tagged top of sand @ 3725'. PU power swivel. Circulate / drill out sand f/ 3725' to PBTD @ 4127' (float collar). POOH w/ bit assembly. RIH w/ mud joint, seating nipple, special alloy tubing jt, 2 jts 2 7/8" J-55 tubing, 5 ½" TAC, 115 jts 2 7/8" J-55 production tubing. TAC @ 3571', SN @ 3665', bottom of tubing @ 3697'. Remove BOP and install well head.

06/30/2005 RIH w/ 2" rod insert pump, 10 – 1" steel rods, 94 – 7/8" steel rods, and 40 -- 1" steel rods. Slim hole couplings on 1" rods. Seat pump, space out well, load and test pump action. Hang well off. Start well producing to facilities.