

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

Form C-103
May 27, 2004

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

WELL API NO. 30-025-37555
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Walter Lynch
8. Well Number 11
9. OGRID Number 14021
10. Pool name or Wildcat Penrose Skelly Grayburg (50350)

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 _____

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 ☒ Gas Well ☐ Other

2. Name of Operator
Marathon Oil Company

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

4. Well Location
Unit Letter E : 1980 feet from the North line and 810 feet from the West line
Section 1 Township 22-S Range 37-E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3356' GR

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 ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

REMEDIAL WORK ☒ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OTHER: ☐

OTHER: Plug back San Andres / Complete Grayburg ☒

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 plug back the Walter Lynch No. 11 in the unproductive San Andres formation and re-complete to the Penrose Skelly Grayburg formation. Please see attachment 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 02/14/2006

Type or print name Charles E. Kendrix

E-mail address: cekendrix@maratonoil.com

Telephone No. 713-296-2096

For State Use Only

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE MAR 02 2006

Conditions of Approval, if any:

2A Eunice San Andres South

Walter Lynch No. 11 Re-complete To Grayburg

01/12/2006 RU Baker Atlas Wireline. Test lubricator to 1000 psi. Perforate the Grayburg Formation w/ 3 1/8" slick gun carrier w/ 311T w/ 23 gram charges w/ 2 JSPF, 120° phasing, w/ collar locator in 3 gun runs in 3 intervals as follows:

Interval	Feet	Shots
3810' – 3820'	10'	20
3840' – 3850'	10'	20
3870' – 3880'	<u>10'</u>	<u>20</u>
Totals	30'	60 shots

Fluid level stayed @ 250' f/ surface during perforation job. RIH w/ 2 7/8" tgb left swinging @ 3896'. SI well waiting on Sand Frac. RD PU

01/20/2006 MIRU PU. SI well.

01/21/2006 RU MacKlasky, Spot 500 gals Acedic acid over perforations. POOH w/ 2 7/8" tgb. RIH w/ RBP & 20 jts 2 7/8" tgb. Set RBP @ 630'. POOH w/ tgb. Remove BOP. Install Frac valve. Rigged up kill truck and tested frac valve, casing and wellhead to 3000 psi. RIH w/ tgb. retrieved RBP. Load casing and pumped away acedic acid w/ 20 bbls water. Well on vacuum. Shut down prepare for frac job on Monday 02/23/06.

01/23/2006 Rig up Halliburton sand frac. Test lines to 5000 psi. Pump 2000 gals 7.5% HCL acid @ 9.5 bpm @ 400 psi. Displace w/ 87 bbls 5% KCL water. Wait on acid 5 minutes. Start pumping frac pad. Establish injection rate of 57 BPM @ 1687 psi. Pumped 385 bbl pad @ 55 bpm @ 1536 psi. Pumped 477 bbls 1#/gal sand ramping up to 5#/gal sand. Pumped 145 bbls 5# / gal sand. Switched to flush and pumped 91 bbls. Rigged down Halliburton. Total load to recover 1189 bbls w/ 88,500 lbs Prmium Brown 20/40 sand w/ Expedite 225 flow back control added. Rig up Baker Atlas perforators. Test lubricator to 1000 psi. RIH w/ 5 1/2" CIBP. Set CIBP @ 3700'. Pressure test CIBP to 2000 psi. Holding 850 psi below CIBP. POOH w/ setting tool. RIH w/ 3 1/8" slick gun carrier w/ 311T w/ 23 gram charges w/ 4 JSPF, 120° phasing w/ collar locator. Perforate the Queen formation f/ 3650' to 3660' (40 holes). Immediately saw 850 psi on casing annulus. POOH and rigged down Baker Atlas. Rigged up Halliburton Sand Fracturing equipment. Test surface lines to 5000 psi. Open frac valve. Well had 850 psi. Start pumping water to establish rate into Queen sand perforations. Well pressured up immediately to 3000 psi. could not pump into perfs. Shut in frac job.

- 01/24/2006 Pressure = 600 psi. Bled well press off. Remove Frac valve. Install BOP. RIH w/ 4 3/4" bit, 4 – 3 1/2" drill collars, and 113 jts 2 7/8" tbg. Tag top of sand fill at 3,645'. Rigged up Power swivel & broke circulation. Displaced hole w/ 10# brine. Cleaned out sand f/ 3645' to CIBP @ 3700'. Sand cont to fall in from perfs @ 3650' to 3660' while drilling on CIBP @ 3770'. CIPB fell down hole. RIH to 3735'. POOH above perfs. SI.
- 01/25/2006 Pressure = 0. RIH w/ 4 3/4", collars, & 114 jts 2 7/8" tbg. Tag top of sand @ 3685'. RU reverse unit circ out sand to 3690'. POOH w/ tub, collars, & bit. RIH w/ notched collar on 85 jts 2 7/8" tbg for kill string. SI
- 01/26/2006 Pressure = 0. RIH w/ notched collar & 122 jts tbg. Tagged top of sand @ 3785'. RU reverse unit circ sand to 3960' (CIBP). PUH wait one hour for sand fill. RIH to CIBP no fill. PUH 13 jts. Rig up swab. IF level @ 200' f/ surface. Made 10 swab runs in 2 1/2 hrs. Recovered 37 bbls. Final FL@ 1800'. RD Swab. SI.
- 01/27/2006 RIH w/ tubing tagged at 3939'. 21' of sand fill came in over night. POOH w/ 127 jts tbg and notched collar. Laid down 13 jts tbg. RIH w/ Mud Joint, SN, Special alloy jt, 2 jts 2 7/8" tbg, 5 1/2" tubing anchor, & 112 jts 2 7/8" tbg. Set TAC @ 3497'. Seating nipple at 3592', bottom of mud jt @ 3623'. Installed wellhead & flowline. RIH w/ rods and pump. Hung well on spaced out pump. Load and test pump action. Leave well down pending electricity and test facilities hook up.
- 02/01/2006 to 02/09/2006 Started up well and tested well for eight days. No Oil, no gas, well averaged 329 bbls water per day. SI well pending work to isolate mechanical problems with casing communication between Queen sand and Grayburg.