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. 30-025-37754
5. Indicate Type of Lease STATE [x] 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: McDonald State A/C 1-15

1. Type of Well: Oil Well [x] Gas Well [ ] Other
8. Well Number 1
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

4. Well Location

Unit Letter F : 1650 feet from the NORTH line and 1650 feet from the WEST line

Section 15 Township 22S Range 36E NMPM County LEA

11. Elevation (*Show whether DR, RKB, RT, GR, etc.*) 3543'

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	[x]	COMMENCE DRILLING OPNS.	[ ]	PLUG AND ABANDONMENT	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPLETION	[ ]	CASING TEST AND CEMENT JOB	[ ]		
OTHER: Cementing Procedure Change			[x]	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.

After reviewing the open hole logs of this well, it was determined that minor changes would be made to the approved cementing procedure for the production casing. The attached procedure outlines the procedure that will be utilized during the cementing of the production casing.

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 Frank M Krugh TITLE Reg. Comp. Rep. III DATE 04/19/2006

E-mail address: fmkrugh@marathonoil.com

Type or print name Frank M. Krugh Telephone No. 713-296-3546

For State Use Only

APPROVED BY _____ TITLE PETROLEUM ENGINEER DATE APR 25 2006

Conditions of Approval, if any:

McDonald State A/C 1-15 1
Production Casing Cement Procedure Change

Casing 5.5", 15.5 ppf, J-55, LTC TD 5671ft Stage Tool at 4385 ft
Centralizer program, one on shoe joint and one every third joint up to 2600 ft

Make sure the is a tool hand for the Stage Tool on location in case we have problems opening or closing the tool
Opening pressure is 700 psi over hydrostatic. Closing pressure is 1500 psi over hydrostatic

It is critical that we control ECD when running casing and doing the first stage cement job. DO not run the casing faster than one joint per 60 seconds once we are out of the shoe. When we have 3500 ft in the hole slow down the casing running speed to 40-45 maximum seconds per joint. Keep the running speed for the entire joint as constant as reasonable.

Conduct pre-job meeting
Test lines
First Stage - mix and pump at 4 bpm
10 bbls water
500 gal NaSi
10 bbls water
Cement 300 sx Super CBL mixed at 15.6 ppg (TOC at 4235 ft)
Pump Time 2 hrs 30 minutes
Yield 1.19 Mix water 5.15 gal/sx
displace with brine mud appx 135 bbls (not sure of shoe joint length)

Mix and displace the cement at 4 bpm. After dropping the plug and while the casing is on vacuum due to the cement falling, the displacement can be increased to 6 bpm until we catch the cement. Once we catch the cement slow down to 4 bpm or slower.

Bump the plug, check to make sure float is holding. Have Gemeco hand drop the DV tool opening dart. Estimate the dart to fall at 175 to 200 ft/min. Wait 25 minutes and attempt to pressure up. The tool should open at about 700 psi. Do not exceed 1000 psi. Watch to see if we get any cement returns back. Estimate how much.

Circulate at 4 bpm or less for 4 to 6 hours or until the surface samples are set.

Pump the second stage

10 bbls water
500 gal NaSI
10 bbls water
780 sx lead
~~600 sx tail (Top of tail cement at 2500 ft)~~
Displace with fresh water

Drop closing dart
Displace with fresh water at 4 bpm

It is best to run closing dart into DV with some speed. Displace at the end at about 3 bpm or so. The tool should close with 1500 psi over. Watch to ensure the tool closes. Have Gemeco hand watching and verifying.