

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

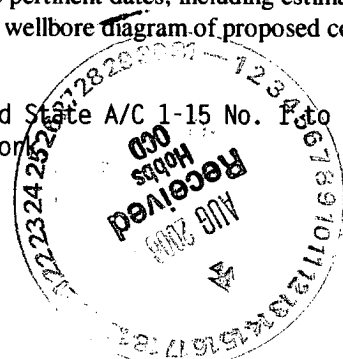
Form C-103
May 27, 2004

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	WELL API NO. 30-025-37754
2. Name of Operator Marathon Oil Company	5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator P.O. Box 3487 Houston, TX 77253-3487	6. State Oil & Gas Lease No. A-2614
4. Well Location Unit Letter <u>F</u> : <u>1650</u> feet from the <u>NORTH</u> line and <u>1650</u> feet from the <u>WEST</u> line Section <u>15</u> Township <u>22S</u> Range <u>36E</u> NMPM County <u>LEA</u>	7. Lease Name or Unit Agreement Name: McDonald State A/C 1-15
	8. Well Number 1
	9. OGRID Number 14021
	10. Pool name or Wildcat Wildcat Grayburg
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3543'	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> 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: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: Initial Completion Work <input checked="" type="checkbox"/>

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 complete the McDonald State A/C 1-15 No. 1 to the Grayburg formation. Please see attachment for details of completion work.



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 NMOC guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Charles E. Kendrix TITLE Reg Compliance Rep DATE 08/01/2006
E-mail address: cekendrix@marathonoil.com
Type or print name Charles E. Kendrix Telephone No. 713-296-2096

For State Use Only

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE AUG 16 2006
Conditions of Approval, if any:

McDonald State A/C 1 – 15 No. 1 Completion Work on Grayburg Pool

- 07/26/2006 RU Baker Atlas Perforating equipment. Test Lubricator to 1000 psi. RIH w/ 3 1/8" slick guns w/ 311T 23 gram charges, w/ 4 JSPF, 120° phasing, w/ collar locator. Perforated w/ 2 gun runs w/ 4 intervals as follows:
- | Interval | Feet | Shots |
|---------------|------|----------|
| 3964' – 3966' | 2' | 8 |
| 4029' – 4031' | 2' | 8 |
| 4128' – 4130' | 2' | 8 |
| 4221' – 4223' | 2' | 8 |
| Totals | 8' | 32 holes |
- RD Baker Atlas. Load casing. Pressure up on perforations to 1700 psi. Broke down perforations pumped 20 bbls water to put away 7 1/2% acid spotted over perfs. RIH w/ 5 1/2" pkr, SN, on 126 jts 2 7/8" tbg. Set Pkr @ 3888'. Load and test casing annulus to 500 psi. Held Pressure. SI well awaiting acid job.
- 07/27/2006 RU McClaskey acid pump truck. Test lines to 3600 psi. Pump 10 bbls water established rate of 3.5 BPM @ 980 psi. Pumped 2100 gals 15% HCL acid, and flushed w/ 40 bbls water. Dropped 50 7/8" ball sealers. Well balled out at 3300 psi. Serged balls off. SI well. RD McClaskey truck. Released pkr and RIH w/ 12 jts to finish knocking off balls. POOH w/ tbg & pkr. Install flow back manifold. RIH w/ RBP on 10 jts. Set and test plug to 1000 psi. Remove BOP. Install Frac valve. Pressure test frac valve, casing, wellhead, & flowback manifold to 1000 psi.. Install BOP. RIH w/ 10 jts retrieve RBP. POOH. Close Frac valve, Remove BOP Shut in well awaiting frac job.
- 07/29/2006 RU Halliburton frac equipment. Pressure test surface lines to 6000 psi. Pump 309 bbls fresh water to establish frac efficiency rates. Start pumping frac job. Pump 120 bbls gel pad. Could not get enough rate. Shut down frac to find problem in frac equipment / trucks. SI well w/ total of 309 bbls water & 120 bbls gel.
- 07/30/2006 RU Halliburton frac trucks. RU stinger tree saver. Test surface lines to 8000 psi. Pump 1428 bbl gel pad, switch to 2#/gal sand pumped 107 bbls, switched to 3# / gal sand pumped 119 bbls, switched to 4# / gal sand pumped 166 bbls, switched to 5# / gal sand pumped 166 bbls, switched to 6#/Gal sand pumped 165 bbls, switched to 7# / gal sand pumped 167 bbls, switched to 8# / gal sand pumped 212 bbls. Pumped 93 bbls flush max press on the frac job was 2789 psi. Open flow manifold choke to 48/64". Flowed well back @ 1 BPM for 30 minutes. Increased rate to 4 BPM. Recovered 102 bbls. Stopped flow back and RD Halliburton and stinger tree. Total load to recover 3051 bbls w/ 234,000 lbs Premium White 20/40 sand. Resumed flow back. Open well to full 2". Flowed back @ 1 BPM for one hour, pressure fell to 20 psi. Recovered 129 bbls. SI Well
- 07/31/2006 Removed frac valve. Install BOP. RIH w/ 2 7/8" notched collar, on 126 jts 2 7/8" tbg. Tagged top of sand fill @ 3887'. RU power swivel, start pumping water w/ reverse unit broke circulation. Cleaned out sand f/ 3887' to PBTD @ 4397'. Circ hole clean. PUH above top perforations shut in well.
- 08/01/2006 RIH to check for sand fill to PBTD @ 4397'. No fill. POOH w/ tbg & notched collar. RIH w/ mud jt, SN, special alloy jt, 2 jts 2 7/8" tbg, 5 1/2" TAC, & 123 jts 2 7/8" J-55 production tbg. TAC @ 3797'. SN @ 3890', End of mud jt @ 3922' Remove BOP. Set TAC w/ 12 pts tension. Installed wellhead. RIH w/ 2" rod insert pump and rods. Seat pump space out rods. Hang rods on. Load & test pump to action. Well pumping. Leave well down overnight.
- 08/02/2006 RD MO Pulling Unit. Start well pumping to facilities.