

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. 30-025-37754
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. A-2614
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

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"/>
2. Name of Operator Marathon Oil Company
3. Address of Operator P.O. Box 3487 Houston, TX 77253-3487
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>
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:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input 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 drill, set, and test the production casing string in the McDonald State A/C 1 - 15 No. 1 well. Marathon proposes to go to complete the well in the Grayburg formation. Please see attachment for details of work done and timeline for 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 Charles E. Kendrix TITLE Reg Compliance Rep DATE 07/31/2006
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 _____ DATE _____
Conditions of Approval, if any: _____

AUG 22 2006

McDonald State A/C 1 – 15 No. 1

Drill, Set, & Test Production Casing

04/09/2006 RIH w/ Bit & BHA. Drill out cement & shoe f/ 1200' to 1255'. Drill & survey 7 7/8" open hole from 1255' to 2,225'.

04/10/2006 Drill & survey 7 7/8" open hole f/ 2,225' to 3,445'.

04/11/2006 Drill & survey 7 7/8" open hole f/ 3,445' to 4,017'.

04/12/2006 Drill & survey 7 7/8" open hole f/ 4,017' to 4,605'.

04/13/2006 Drill & survey 7 7/8" open hole f/ 4,605' to 4,759'. Stuck drill pipe. Worked pipe free. Pumped high viscosity pill. POOH f/ bit change. Hole taking mud. Mixed and pump 250 LCM pill. Start IH / bit & BHA.

04/14/2006 RIH t/ 976' pump 80 bbl LCM pill. Cont. in hole t/ 2,900'. Pump 40 bbl LCM pill & circ. Cont in hole t/ 4,300'. Pump 40 bbl LCM pill and circ. Cont. in hole t/ 4,650'. Wash & ream f/ 4,650' to 4,759'. Drill f/ 4,759' to 4,848'. Repair to gearbox. Lost returns, regain returns w/ LCM.

04/15/2006 Drill f/ 4,848' to 4,942' losing partial returns. Switch mud pumps. Drill f/ 4,492 to 5,005 losing partial returns. POOH t/ 4,000'. Circ. @ low spm, Mixing LCM, and hauling brine for volume.

04/16/2006 Circulate, Mix LCM, Haul brine for volume. Drill f/ 5,005' to 5,440'.

04/17/2006 Drill f/ 5,440' to 5,671'. Circ. & spot 80 bbl high viscosity pill.

04/18/2006 Spot 40 bbl high viscosity pill. POOH w/ bit & BHA. Rig up Halliburton loggers. Run triple combo logs to 5,662'. Change out rams to 5 1/2".

04/19/2006 RU Bull Roger casing crew & run 5 1/2", J-55, 15.5 # LT & C casing to 5664' as follows:

Quantity	Item	Top	Bottom	Length
106 jts	5 1/2" casing	0	4397.25	4397.25'
1	DV tool	4397.25	4399.35	2.10'
30 jts	5 1/2" casing	4399.35	5640.41	1241.06'
1	Float collar	5640.41	5641.53	1.2'
1	5 1/2" sub	5641.53	5662.46	20.93'
1	Float Shoe	5662.46	5663.66	1.20'

04/20/2006 RU Halliburton Cementers. Pump 1st stage 12 bbl Super flush 10, 300 sx Premium Plus, Density 15.60, Yield 1.19 cuft/ sk, water mix 5.15 gal/ sk, displaced w/ 134 bbls brine, bumped plug w/ 500 psi over, release w/ floats holding. Circ. 117 sks cmt to pits through DV tool. Pump 2nd stage, 12 bbls Super Flush, pump lead cmt 780 sks Interfill C, Density 11.8, Yield 2.52 cuft/ sk, Water mix 14.65 gal/sk; pumped tail 600 sks Premium Plus, Density 15.6, Yield 1.19, Water mix 5.15 gal/ sk, dropped plug, displaced w/ 104 bbls fresh water, bumped plug w/ 1500 psi. close DV tool no returns to pit. ND BOP, set slips w/ 50K weight. NU well head and test wellhead. RD drilling rig.

07/24/2006 MI RU PU. RU Reverse Unit. St pipe racks. RIH w/ 4 3/4" bit, 5 1/2" casing scraper, and 142 jts 2 7/8" tbg. Tag PBTD @ 4386'. PUH to 4226' w/ 137 jts in hole. SI well.

07/25/2006 Circulate hole clean. RU McClaskey acid truck. Spot 20 bbls 7 1/2% HCL acid f/ 3386' & 4226'. POOH w/ tbg.

07/26/2006 RU Baker Atlas wireline. Ran Gamma Ray, CCL, & Radial Cement Bond log w/ 0 psi. Repeat logs w/ 1000 psi on casing. Top of cement @ 1006' f/ surface. Pressure test BOP, Blind rams and casing to 2600 for 30 minutes. Held Pressure.