

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. 30-025-37756
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: E.S. Owens 26'
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	11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3495' GR
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>K</u> : <u>1650</u> feet from the <u>South</u> line and <u>2310</u> feet from the <u>West</u> line Section <u>26</u> Township <u>22-S</u> Range <u>36-E</u> NMPM County <u>Lea</u>	
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 ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

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

Marathon Oil Company completed operations to drill, set, & test production casing on the E.S. Owens 26 No.1. Please see attachment for detail of work completed.

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 10/17/2006

Type or print name Charles E. Kendrix

E-mail address: cekendrix@marathonoil.com

Telephone No. 713-296-2096

For State Use Only

APPROVED BY Chris Williams TITLE OCD DISTRICT SUPERVISOR/GENERAL MANAGER DATE OCT 24 2006

Conditions of Approval, if any:

E. S. Owens 26 No. 1

Drill, Set, & Test Production Casing

04/22/2006	RIH to 1213' tag cement in surface casing. Drill cement float collar, and float shoe, f/ 1213' to 1245'. Drill 7 7/8" through cement 1245' to 1255'. Drill open hole f/ 1255' to 1285'.
04/23/2006	Drill & survey 7 7/8" open hole f/ 1285' to 2800'.
04/24/2006	Drill & survey 7 7/8" open hole f/ 2800' to 3100'.
04/25/2006	Drill & survey 7 7/8" open hole f/ 3100' to 3217'. Work on gear box.
04/26/2006	Drill & survey 7 7/8" open hole f/ 3217' to 3787'.
04/27/2006	Drill 7 7/8" open hole f/ 3787' to 3848'. Spot LCM pill 80 bbls. POOH w/ drill assembly due to locked up swivel. Wait on new swivel.
04/28/2006	Change out swivel. RIH to 3848', no fill. Drill and survey 3848' to 3904'.
04/29/2006	Drill 7 survey 7 7/8" open hole f/ 3904' to TD @ 4316'. Lost full returns. Trip out of hole 8 jts. Pumpe LCM pills down backside.
04/30/2006	Cont. to mix LCM to 35 viscosity. Trip in hole to 3943. Build system to 35 viscosity and LCM mix with starch to drop water loss to 15%. RIH to 4199'. Tagged fill. Washing fill to 4300'. Build system to 35 viscosity. Trip out of hole.
05/01/2006	Mixing LCM pills. Trip in hole to 4305'. Trip out of hole w/ drilling assembly. Trip in the hole open ended to pump cement.
05/02/2006	Set open ended dp @ 4312'. RU Halliburton. Pump 24 bbls CaCl, 4 bbls fresh water, 24 bbls NaSi, 4 bbls fresh water, 25 sks Thixotropic cement. Started pumping tail cement "premium plus" when pump truck blew a cement delivery hose. Disconnected Halliburton truck. Pick of kelly and displace cement in drill pipe w/ rig pump by pumping 54 bbls brine water. POOH w/ 15 jts drill pipe. Wait on cement. Circulated w/ full returns. POOH w/ dp. RIH w/ drilling assembly drill pipe.
05/03/2006	Tag @ 4275'. Wash to 4300' w/ full returns. Circulated and condition mud w/ starch. Spot 50 bbl 35 viscosity pill on bottom. POOH w/ drilling assembly. RU Halliburton wire line. Run logs, Neutron, Lithodensity, & Spectral GR, Laterlog, Microlaterolog & wave sonic.
05/04/2006	Finished running logs. RU casing crew. RIH w/ 4297' of 5 1/2", 15.5#, J-55 casing to 4297. Discovered shoe plugged. POOH w/ casing. Cleaned out float collar and shoe. Found communication between surface casing and conductor pipe. Cleaned out cellar and discovered hole in 8 5/8" casing 2 1/2' below well head.

05/05/2006 Received approval from Paul Faust w/ NMOCD to proceed by filling 8 5/8" X 14" conductor w/ sack crete and then proceed w/ 2 stage cement job on 5 1/2' production string. Marathon to make sure that 8 5/8" X 5 1/2" annulus has good cement to surface. Topped off 14" X 8 5/8" annulus w/ sack crete. Wait on cement to harden. RIH w/ 5 1/2" , 15.5 #, J-55, LT&C casing to 4255. Tagged fill @ 4255' Wash fill to 4288'. Wait on Halliburton pump truck.

Casing Details as follows Top to Bottom:

Item	Quantity	Length	Top	Bottom
5 1/2" Casing	69 jts	2862.66	0	2862.66
Circ Sleeve	1	2.25	2862.66	2864.91
5 1/2" Caing	8 jts	331.67	2864.91	3196.58
5 1/2" Pup Jt	1	21.29	3196.58	3217.87
5 1/2" Casing	25 jt	1045.74	3217.87	4263.61
Float Collar	1	1.50	4263.61	4265.11
5 1/2" Pup Jt	1	20.90	4265.11	4286.01
Float Shoe	1	1.20	4286.01	4287.21

05/06/2006 RU Halliburton cementers and pump cement in 3 stages.
Pumped 119 sks Premium Plus + Super CBL, density 15.60, Yield 1.19, Mix Water 5.15 gal/sk. Bumped plug with 500 psi. Float holding. Open sleeve and circulated ~ 40 bbls cement to pit.
Pump 2 stage 1500 sks, Interfill C, Density 11.80, Yield 2.52, Mix Water 14.67 gal/sk. Circulated ~ 190 bbls cement to pit.
Pump 3 rd stage as a surface cap down 1" tubing in surface X production casing annulus. Pumped 25 sks, Premium Neat, Density 15.60, Yield 1.19, Mix Water 5.15 gal / sk. Cut off casing installed tubing flange. Test tubing head to 800 psi.

09/24/2006 MIRU PU. RU Reverse Unit. Set pipe racks and tubing. Install BOPE. RIH w/ 4 3/4" bit, 4 - 3 1/2" drill collars, and 40 jts. 2 7/8" tbg. SI

09/25/2006 Cont. RIH w/ 2 7/8" tbg. Drill out DV tool @ 2883'. Circ hole clean. Pressure test casing to 500 psi. Cont RIH w/ tbg. Tagged PBTD @ 4263'. Circ hole clean w/ fresh water. PUH t/ 4182. RU Macklasky acid pump truck. Spot 10 bbls 7 1/2% HCL acid. Displace acid t/ 3762' to 4182'. POOH w/ tbg, dc's, and bit. SI

09/26/2006 RU Baker Atlas wireline. Tag PBTD wireline corrected @ 4269'. Run RAD CBL w/ 1000 psi on casing. Repeat run w/ 0 pressure. Pressure Test BOP, blind rams, and casing to 2500 psi. Held for 30 minutes. No Bleed off.