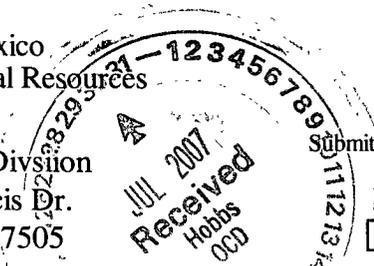


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505



Submit to appropriate District Office

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address Marathon Oil Company P.O. Box 3487 Houston, TX 77253-3487		<sup>2</sup> OGRID Number 14021
<sup>4</sup> Property Code 006436		<sup>3</sup> API Number 30- 25-25932
<sup>5</sup> Property Name McDonald State A/C 2		<sup>6</sup> Well No. 31
<sup>9</sup> Proposed Pool I Wildcat Tubb	<sup>10</sup> Proposed Pool 2	

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
G	13	22-S	36-E		1800	North	1650	East	Lea

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

Additional Well Location

<sup>11</sup> Work Type Code A	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3471
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth	<sup>18</sup> Formation Tubb	<sup>19</sup> Contractor	<sup>20</sup> Spud Date
Depth to ground water		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8 5/8"	24 #	1320'	425	Surface
7 7/8"	5 1/2"	15.5 #	6798'	475	Surface
			Permit Expires 1 Year From Approval Date Unless	Drilling Underway	
			Adding		

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Marathon Oil Company is proposing to temporarily isolate the Eumont Yates Seven Rivers Queen behind a packer and re-complete the McDonald State A/C 2 No 31 to the Tubb formation. Marathon would then test the Tubb formation and apply to DHC commingle the Eumont Yates Seven Rivers pool with the Tubb one a rate has been established for the Tubb completion. Please see attachment for work over plans.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines  a general permit , or an (attached) alternative OCD-approved plan .  
Signature: *Charles E. Kendrix*

Printed name: Charles E. Kendrix

Title: Reg Compliance Rep

E-mail Address: cekendrix@marathonoil.com

Date: 07/26/2007

Phone: 713-296-2096

OIL CONSERVATION DIVISION

Approved by: *[Signature]*

Title:

Approval Date: JUL 31 2007

Expiration Date:

**Oil Conservation Division**

Conditions of approval: Approval for drilling ONLY  
--- CANNOT produce Downhole Commingled until  
DHC is approved in Santa Fe.

**McDonald State A/C 2 No. 31**

**Work Over Procedure**

- 1 MIRU PU and POOH and lay down 2 3/8" tbg to be replaced with 2 7/8" tbg.
- 2 RIH with 4 3/4" bit on 2 7/8" tbg. and bailer to 3483'. C O sand to 3750. Drill/push CIBP to 6450'. POOH.
- 3 Install csg. scraper and RIH to 6450'. Spot perforating acid across proposed Tubb perms. POOH
- 4 RU WLS, run correlation log/perforate Tubb
- 5 RIH w/ pkr on 3.5" frac tbg, testing to 8500 psig while RIH. Set pkr. @ 6000'. Breakd own perms; pump acid ball-out.
- 6 Sand Frac Tubb via 3.5" tbg.
- 7 Open well. Let well die. Unseat packer and POOH, standing back tubing.
- 8 RIH with bailer on 2 7/8" tbg. and clean-out sand to CIBP @ 6000'. Knock loose and push to bottom.
- 9 Install 2 7/8" production string and packer @ apx 6250'. Run rods and rod pump. Test tubb PWOP.



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 & Natural Resources

Form C-102

Revised October 12, 2005

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

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies



AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-25932	<sup>2</sup> Pool Code ✓	<sup>3</sup> Pool Name Wildcat Tubb
<sup>4</sup> Property Code 006436	<sup>5</sup> Property Name McDonald State A/C 2	<sup>6</sup> Well Number 31
<sup>7</sup> OGRID No. 14021	<sup>8</sup> Operator Name Marathon Oil Company	<sup>9</sup> Elevation 3471'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	13	22-S	36-E		1800	North	1650	East	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill N	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
-------------------------------------	------------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Charles E. Kendrix</i> 07/26/2007 Signature Date</p> <p>Charles E. Kendrix Printed Name</p> <p>Reg Compliance Rep</p>
		<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey Signature and Seal of Professional Surveyer:</p>
		Certificate Number