Submit 3 Copies To Appropriate District Office

District I
1625 N. French Dr., Hobbs, NM 88240
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

RECEIVED
OCT 28 2008
HOBBS OCD

State of New Mexico
Energy, Minerals and Natural Resources

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

Form **C-103**
June 19, 2008

WELL API NO. **30-025-34286**

5. Indicate Type of Lease STATE ☒ **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: **HANSEN STATE**

1. Type of Well: **Oil Well** ☒ Gas Well ☐ Other

8. Well Number: **9**

2. Name of Operator: **Marathon Oil Company**

9. OGRID Number: **14021**

3. Address of Operator: **P.O Box 3487 Houston, TX 77253-3487 Mail Stop #3308**

10. Pool name or Wildcat: **Eunice-Monument-Grayburg-San Andres**

4. Well Location
Unit Letter **H** : **2190'** feet from the **North** line and **460'** feet from the **East** line
Section **16** Township **20-S** Range **37-E** NMPM _____ County **Lea**

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
KB: **3557'** , GL: **3544'**

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 ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER: ☐		**OTHER: Plug back to:** the Tubb / **Re-complete to:** Eunice-Monument-Grayburg-San Andres ☒	

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 plug back the Hansen State #9 to the Tubb formation, and re-complete the well to the Eunice-Monument-Grayburg-San Andres formations. Please see the attached well summary for details of well work done.**

***NOTE:** Fresh water used, no solids or waste generated.

Spud Date: **9/08/2008** Rig Release Date: **9/15/2008**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Rick R. Schell TITLE: **Regulatory Compliance Rep.** DATE: **08-OCT-2008**

Type or print name **Rick R. Schell** E-mail address **rrschell@MarathonOil.com** PHONE: **713-296-3412**

For State Use Only
APPROVED BY: _____ TITLE PETROLEUM ENGINEER DATE OCT 30 2008
Conditions of Approval (if any):

ZA Monument Abo SE

MARATHON OIL COMPANY
MID-CONTINENT REGION
MIDLAND OPERATIONS NORTHWEST NEW MEXICO

DATE: 9/24/2008

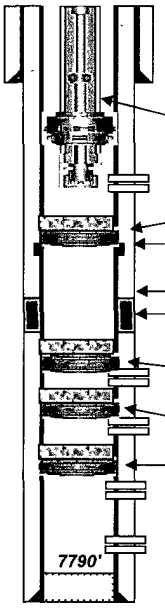
FIELD: MONUMENT GL = 3544' **BY: RS Bose**

LEASE: HANSEN STATE KB = 3557' **WELL: 9**

COUNTY: LEA SPUD. 03/10/98 Reach TD 03/31/98 **STATE: NEW MEXICO**

COMPLETED: 04/10/98 API: 30-025-34286

LOCATION: 2190' FNL & 460' FEL, SECTION 16, TOWNSHIP 20S, RANGE 37E, UNIT LETTER "H"



8-5/8" 32# K-55 LT&C @ 1155' w/595 Sx (Circ'd 45 Sx)

2-7/8" 6.5# J-55 SN @ 4072, TAC @ 3912

4010-13, 18-22, 36-40, 45-50, 55-57, 67-70, 82-86 (San Andres) 2 SPF (32 holes)

CIBP & 10' Cemet @ 4200

DV Tool @ 4226' Circ 385 sx to surface

Casing Leak 4990-5122, cmt 350 sx test to 500#

No Cmt @ 4850-5850' By CBL

CIBP & 10' Cemet @ 6350

6378-6529 Tubb

CIBP & 10' Cemet @ 6540

6552-6842 (Drinkard

CIBP & 10' Cemet @ 7000

7061-67 7136-79' (Abo) **(2 SPF)**

NOTE horizontal hole from 7108-9166'

7192-7206 7216-24 7230-33 7242-55' (Abo) **(2 SPF)**

5-1/2" 15.5/17# K-55 LT&C USS Smls 8rd @ 7836' w/2270 Sx (Circ'd 385 Sx)

(1st Stage 700 Sx Circ 150 sx off DV tool)

(2nd Stage 1500 Sx circ 385 sx to surface)

PBTD: 7790'

TD: 7836'

Formation Tops

Yates	2495'
Queen	3354'
Grayburg	3595'
San Andres	3877'
Glorieta	5126'
Paddock	5203'
Blinebry	5677'
Tubb	6272'
Drinkard	6592'
Abo	6926'

Well History

Apr '98	Perf'd (Abo) w/2 SPF @ 7192-7206, 16-24 30-33 & 42-55' Acdzd same w/3800 Gal 15% Ferchek w/100 BS's AIR=5 25 BPM, AIP=5000#, ISIP=2305#, 5min=Vacuum, Pmax=6480# Perfs broke down @ 6400# Perf'd (Abo) w/2 SPF @ 7061-67 & 7136-39' Acdzd same w/5500 Gal 15% Ferchek w/100 BS's AIR=7 6 BPM, AIP=500#, ISIP=Vacuum, Pmin=90#, Pmax=1185# Acdzd all Abo perfs 7061-7255' w/9000 Gal 15% Gelled Ferchek SC w/250 BS's AIR=11 87 BPM, Pmax=928#, 2210# on flush, on vacuum at end of job Turned to production flowing thru 1/4" choke @ 10 BOPD & 7 BWPD
May '98	Installed pumping equipment Turned to production pumping thru 2-7/8" tubing
May '99	Set CIBP @ 7120' Sqzd Abo perfs 7061-67' w/400 sx & 1000 gal flochek DOC to 7120' Cut window for horizontal drilling @ 7108-20' Drld 4-3/4" horizontal hole @ 7120-9166' Acid washed lateral open hole 7380-9166' w/25,000 gal 15% Hcl & 160 mcf nitrogen Well flwd 25 bbls fluid in one hour, then died
July '99	Pushed CIBP in vertical hole from 7120' to 7790' Perf'd (Abo) w/2 SPF - 17 holes @ 7060-68' Acdzd same w/2000 gal 20% Hcl in 70% nitrogen Installed pumping equipment & returned to production pumping
Sep '01	Locate casing leak at 4990'-5112' Cement leak with 350 sx, rev out 112 sx Tst sqz to 500 psi
Mar '08	Set CIBP@ 7000' Selectively perforate in acid the Tubb and Drinkard from 6378-6842 with 49 holes Acidize w/ diversion (perf ball sealers) using 80 bbls of 15% HCL Test Drinkard, no BHP Set CIBP@ 6540 with 10' cement and test Tubb No oil or gas Set CIBP @ 6350 w/ 10' cmt Set CIBP at 4200' w/ 10' cement
Sep '08	Perf San Andres in acid 4010-86 (32 holes) @ 2 SPF PWOP

Recompletion Procedure

Hansen State Well No. 9
2190' FNL, 460' FEL
Section 16, 20S-37E, UL "H"
Lea County, New Mexico

WBS NO: RW.08.17851

Date: July 17, 2008

Purpose: Recomplete to San Andres

Elevation: **KB:** 3557' **PBTD:** 4200'
GL: 3544' **TD:** 7836'

Estimated Cost: $60,000

Estimated Rig Days: 6

WI: 100% **NRI:** 87.5%

Surface Casing: 8-5/8", 32#, K-55 casing set at 1155'. Cemented w/ 595 sx. Circulated cement to surface (45 sx).

Production Casing: 5-1/2", 15.5/17#, K-55 LT&C casing to 7836'.
Circulated 385 sx. TOC at surface'.
(1st stage: 700 Sx Circ 150 Sx off DV tool)
(2nd stage: 1500 Sx Circ 385 Sx to surface.)

Production Tubing: 2-7/8", 6.5#, J-55, EUE @4092, SN.

Safety Issues: High Concentration Of H_2S Gas

Tubular Performance/Capacities:

	ID (in.)	Drift (in.)	Burst (psi)	Collapse (psi)	Capacity (bbl/ft)
2-7/8" 6.5# J-55	2.441	2.347	5808	7680	.00579
5-1/2" 15.5# K-55	4.95	4.825	3848	4040	.0238
Tbg/Csg Annulus	------	------	------	------	.0158

WORKOVER PROCEDURE
Hansen State Well No. 9
Lea County, New Mexico

Procedure:

1. MIRU WSU. Install and test BOPE. Load wellbore full w/freshwater and test to 500 psi. PU end of tubing to 4090' and circulate a balance 3-bbl slug of acid from 4090' to 3950' using 15% NEFEHCL inhibited for 48-hours at 100 deg F. POOH with tubing and tools.

2. RU Baker Atlas electric line. Install and test pack-off to 1000psi. RU CBL/CCL logging tools and run cement bond log in well from CIBP to 2400'. Hold 1000 psi on well while running CBL. POOH with logging tools. Install pack-off. RIH with 3-1/8" slick gun with 311T charges loaded 2 SPF, phasing is not critical. Perforate from top-down to maximize benefit of acid. For depth control use newly ran CBL and correlate new CBL to Schlumberger Compensated Neutron Three Detector Density/NGT log dated 03/29/1998.

   4010'-4013' (3', 4 holes)
   4018'-4022' (4', 5 holes)
   4036'-4040' (4', 5 holes)
   4045'-4050' (5', 6 holes)
   4055'-4057' (2', 3 holes)
   4067'-4070' (3', 4 holes)
   4082'-4086' (4', 5 holes)

   San Andres 25 Net Feet – 32 Holes

   After last gun has been shot, pump 5 bbls of fresh water down casing to flush excess acid.

3. RIH w/TBG and PKR. Set packer @ +/-3990' and establish injection into new perforations. Pump +/- 10 bbls of fresh water at maximum rate not to exceed 5000 psi using reverse unit or kill truck. Load and test backside to 500 psi. Swab test perforations for ½ day. If the perforations are not giving up fluid and not productive, plans will be to acidize as listed below. Otherwise, PWOP.

4. RU acid company. Need a minimum of 500 HHP on location. Pump +/- 35 bbls of 15% NEFEHCL inhibited for 4 hours at 100 deg F. Use a ball injector loaded with 50 (1.1 SG) ball sealers for acid diversion. Start off pumping 5 bbls of acid, then drop 1 ball for each 1/2-bbl of acid pumped. After last ball, pump remaining 5-bbls of acid. Pump at maximum rate (4-5 BPM is desired) not to exceed 5000 psi surface pressure. Displace acid with 30-bbls of fresh water.

5. Release packer and lower past bottom perforation to knock ball sealers off perforations. POOH.

6. RIH with production equipment, set pump intake +/- 10' off bottom, set tubing anchor above top perforation and PWOP.

Marathon Oil Company
Operations Summary Report

Legal Well Name: HANSEN STATE NO 9
Common Well Name: HANSEN STATE NO 9
Event Name: RECOMPLETION
Contractor Name: KEY ENERGY SERVICES
Rig Name: KEY ENERGY SERVICES

Start: 9/8/2008
Rig Release: 9/15/2008
Rig Number: 340

Spud Date:
End: 9/15/2008
Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
9/8/2008	07:30 - 08.30	1.00	RURD__	RIG_	CMPRUN	TGSM, MIRU PU, RU Reverse Unit Blow down Tubing pressure
	08:30 - 10.00	1.50	NUND	BOPE	CMPRUN	ND WH, NU BOP. Rig up floor and tongs.
	10:00 - 12 00	2.00	PUMP__	ACID	CMPRUN	Loaded hole w/ 65 bls water. Tested to 500 psi. Held good. Pooh w/ 2 jts 2 7/8" J-55, Added 4' sub. Left bottom of tbg @ 4190' Pumped 3 bbls 15% NEFE HCL Acid dn tbg w/ 22 5 bls wtr to put on spot. Pooh w/ tubing
	12:00 - 13:00	1.00	SAFETY	MTG_	CMPPRF	Rig up Baker Atlas Logging equipment. Held Logging and perforating safety meeting
	13.00 - 14:00	1.00	LOG___	CSG_	CMPPRF	RU pack-off, tested to 1.000 psi. Held good. RIH w/ CBL tool and logged from 4190' to 2,400'
	14:00 - 15:00	1.00	PERF__	CSG_	CMPPRF	Arm and PU Perforating Gun. PU Select Fire Gun and pressure Tested to 1000 psi. Held pressure.
	15:00 - 15.45	0.75	PERF__	CSG_	CMPPRF	RIH w/ 3-1/8" Select Fire Gun Carrier w/ 311T w/ 23 gram Charges w/ 2 JSPF, 120 deg phasing w/ Gamma Ray Collar Locator. Get on Depth Perforating From top down. Perforate from 4010' - 13, 4018' - 22 All shots fired. Pooh with electric Line.
	15:45 - 16:30	0.75	PERF__	CSG_	CMPPRF	RIH w/ 3-1/8" Select Fire Gun Carrier w/ 311T w/ 23 gram Charges w/ 2 JSPF, 120 deg phasing w/ Gamma Ray Collar Locator. Get on Depth Perforating From top down. Perforate from 4036' - 40, 4045' - 50, 4055' - 57. All shots fired. Pooh with electric Line.
	16:30 - 17:15	0 75	PERF__	CSG_	CMPPRF	RIH w/ 3-1/8" Select Fire Gun Carrier w/ 311T w/ 23 gram Charges w/ 2 JSPF, 120 deg phasing w/ Gamma Ray Collar Locator Get on Depth Perforating From top down. Perforate from 4067' - 70, 4082' - 86, All shots fired. Pooh with electric Line
	17:15 - 18:00	0.75	RURD__	ELEC	CMPPRF	Rig down Baker Atlas Perforating Equipment. Perforated San Andres from 4010' - 4086' (32 Holes) (Net 25' perforated)
	18:00 - 18:30	0 50	SECURE	WELL	CMPRUN	Shut-in and Secure Well. SDFN.
9/9/2008	06:30 - 07:00	0 50	SAFETY	MTG_	CMPRUN	Held Safety Meeting Blow down csg pressure.
	07:00 - 10:00	3 00	RUNPUL	TBG_	CMPRUN	Rih w/ packer and 126 jts of tubing and packer. Reversed 10 bls wtr then set pkr @ 3990' Pressured up annulus to 500 psi. Held ok. Started pumping dn tbg, Perfs broke at 1600 psi @ 1 bpm. Pumped @ 3 bpm @ 1900 psi. Press. hit 2000 psi, shut dn, let it bleed off, then pumped 5 more bls @ 1 bpm. ISIP - 1300 psi, 0 psi - 10 min. Rigged up to start swabbing well.
	10:00 - 17:30	7.50	SWAB__	TBG_	CMPRUN	SFL @ surface. Made 12 runs bringing 62 bls to surface. All dirty water. EFL @ 3300'. Shut down for night.
	17:30 - 18:00	0.50	SECURE	WELL	CMPRUN	Shut-in and Secure Well. SDFN.
9/10/2008	06:30 - 07:00	0.50	SAFETY	MTG_	CMPRUN	Held Safety Meeting. Tbg had 900 psi, csg had 0. Blew down tbg pressure.
	07:00 - 16 00	9.00	SWAB__	TBG_	CMPRUN	Starting fluid level @ 3000'. Made 6 runs recovering 30 bls water. (no oil). Well starting gassing. Switched tbg to flowline and put well into test seperator. Rate showed to be 150 - 180 mcf Made 1 more run and rehooked to flowline and left well flowing to test seperator overnight. Ending fluid level @ 3300'. Total fluid recovered so far - 92 bls wtr.
	16:00 - 16 30	0.50	SECURE	WELL	CMPRUN	Secure Well. SDFN.
9/11/2008	07:00 - 07:30	0.50	SAFETY	MTG_	CMPRUN	Held Safety Meeting.
	07:30 - 13.00	5.50	PULD__	TBG_	CMPRUN	Unset packer. Pooh w/ tubing and packer Rbih w/ open ended jt of 2 7/8" J-55 tbg, SN, 2 alloy jts 2 7/8", 4 jts 2 7/8" J-55 tbg, TAC, 123 jts 2 7/8 J-55. Bottom of open ended Tbg - 4104' (18' below bottom perf) SN - 4072', TAC - 3912'. Bottom of tbg is 86' off PBTD (4190' toc on CIBP @ 4200') San Andres Perfs - 4010' - 4086'.
	13.00 - 14:30	1.50	NUND	BOPE	CMPRUN	ND BOPE, NU WH.
	14.30 - 16:30	2.00	PULD__	RODS	CMPRUN	Rih w/ 2.5 - 1.50" RHBC 20-6-4 insert pump, 10 - 1.0" KD steel rods, 54 - 7/8" KD steel rods. Rain shut down operations.

Marathon Oil Company

Operations Summary Report

Legal Well Name:	HANSEN STATE NO 9			Spud Date:	
Common Well Name:	HANSEN STATE NO 9				
Event Name:	RECOMPLETION	Start:	9/8/2008	End:	9/15/2008
Contractor Name:	KEY ENERGY SERVICES	Rig Release:	9/15/2008	Group:	
Rig Name:	KEY ENERGY SERVICES	Rig Number:	340		

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
9/11/2008	16:30 - 17:00	0.50	SECURE	WELL	CMPRUN	Shut-in and Secure Well. SDFN.
9/12/2008	06.30 - 07:00	0.50	SAFETY	SMTG	RODOP	Safety Meeting
	07:00 - 12:00	5 00	PLRNRP	RODP	RODOP	Fih w/ 97 - 7/8" KD steel rods New, 1 25" x 26' PR w/ 16' liner Hang on, L & T Ok. Waited for electricians to show up and replace line fuses Start well pumping to production facility.
	12.00 - 13:00	1.00	SECURE	WELL	RODOP	RD MOPU. Clean location. Well head flange size is 6" 900.
9/15/2008	06:30 - 07:00	0.50	SAFETY	SMTG	RODOP	Safety Meeting
	07:00 - 09.30	2.50	RURD__	RIG_	RODOP	RD MOPU. Clean location. Left well pumping to facility Well head flange size is 2-7/8" - 6" 900.