

Submit 2 Copies To Appropriate District
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District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Ave., Artesia, NM 88201
District III
1000 Rio Grande Blvd., Las Cruces, NM 88501
District IV
1220 S St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

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

WELL API NO. 30-025-33607
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B 3654
7. Lease Name or Unit Agreement Name McGrail State
8. Well Number #9
9. OGRID Number 14021
10. Pool name or Wildcat Monument-Yeso-Northwest

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 Mail Stop: #3308 Houston, TX 77253-3487
4. Well Location Unit Letter K : 1960' feet from the South line and 1650' feet from the West line Section 26 Township 19-S Range 36-E NMPM LEA County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3681' GR

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 COMPL ☐
DOWNHOLE COMMINGLE ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: **Plug back Abo, Re-complete to Yeso** ☒

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 *McGrail State* W.S. Marshall B #9 *RFS* in the Abo formation, and has recompleted the well to the Yeso formation. Please see the attachments provided for details of the well work done.**

Spud Date:

06/09/2008

Rig Release Date:

10/27/2008

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 Representative DATE **10-27-2008**

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

For State Use Only

APPROVED BY: *[Signature]* TITLE **PETROLEUM ENGINEER** DATE **NOV 21 2008**

Conditions of Approval (if any): **2A Monument Abo**

RECEIVED



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

FIELD: MONUMENT
LEASE: McGRAIL STATE
COUNTY: LEA

COMPLETED: 12/14/96

LOCATION: 1980' FSL & 1650' FWL, SECTION 26, TOWNSHIP 19S, RANGE 36E, UNIT LETTER "K"

GL = 3681'

KB = 3697'

SPUD: 10/15/96 Reach TD 11/04/96

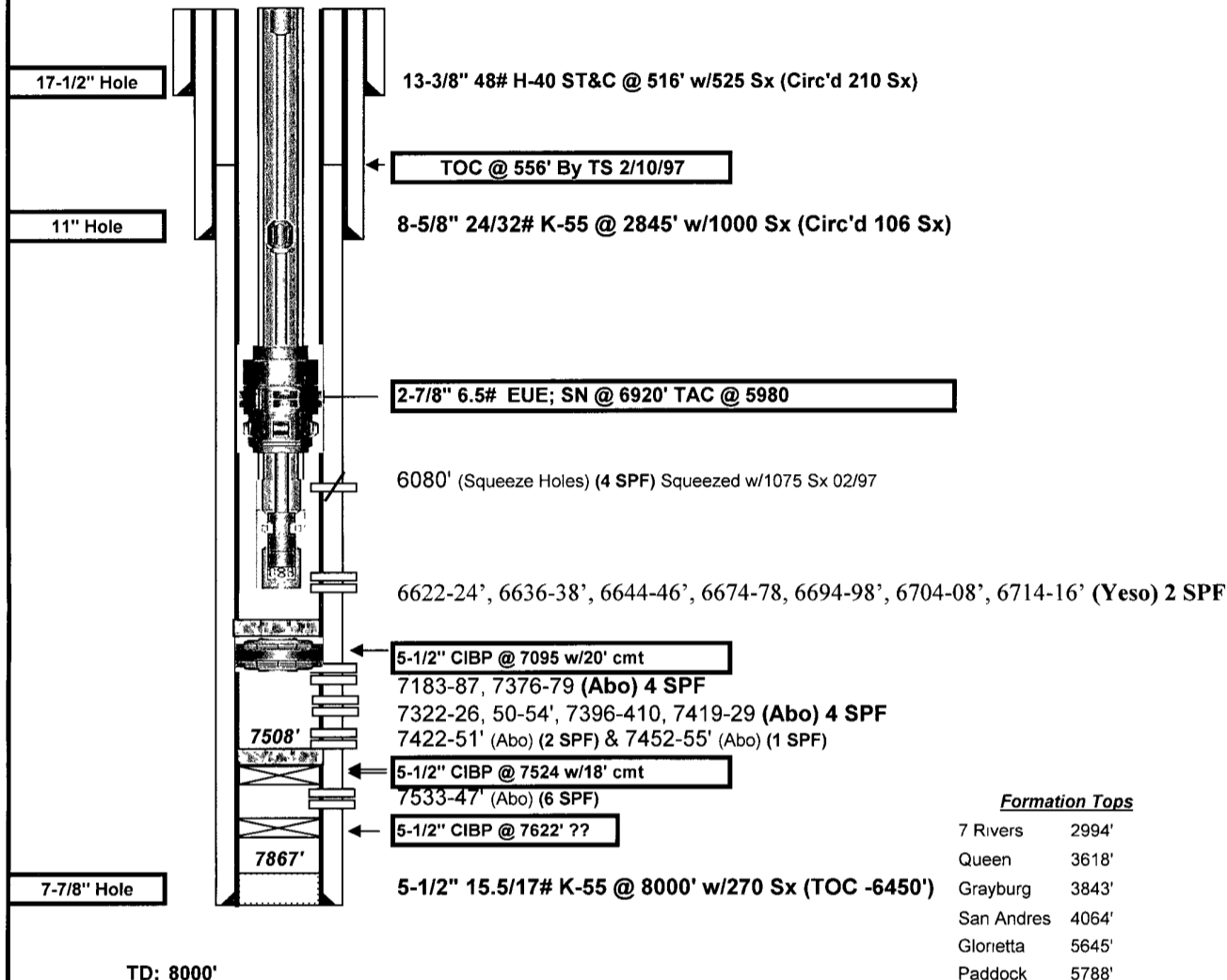
API: 30-025-33607

DATE: 09/24/08

BY: RS Bose

WELL: 9

STATE: NEW MEXICO



Well History

Nov '96 Perf'd Abo 7422-51 7452-55' Swabbed, then turned to production flowing

Dec '96 Acidized 7422-55' w/5000 gal 15% HCL w/500 scf/bbl & 80 BS to divert Ret to prod flow thru 13/64" choke 17 BOPH & 909 MCFPD @ 1325"

Feb '97 Perf'd 4 Sqz holes @ 6080' Sqzd w/1075 Sx DNC Ret to prod flowing

May '98 Ran scanalog Replaced 57 bad jts 2-7/8" tbg Set CIBP @ 7622' Installed ppg equipment & ret to prod ppg

Sep '98 Replaced 1-1/2" pump w/2" pump Returned to production pumping

Oct '98 Replaced 32 steel & 19 FG rods & 29 rod boxes on FG tbg Ret to prod ppg

Feb '03 Perf 7533-47 at 6 SPF w/ Propellant sleeve Swab test 5% oil cut Set CIBP at 7524' w/ 18' cmt Rtn ong perms to pump

May '04 Perf 7322-26, 50-54, 7396-410, 419-29 @ 4 SPF Acidize 7419-29 w/ 65 bbls 17%HCl, 7396-410 w/70 bbls 17%HCl Acidize 7350-54 w/ 20 bbls 17% HCl, 7322-26 w/ 20 bbls 17% HCl

Apr '05 Perf 7183-87, 7376-79 Acidize 7376-79 w/ 10 bbls of 15% HCl using PPI and 7183-87 w/ 10 bbls 15% HCl

June '08 Set CIBP at 7095', dump 20' cmt Perf 6622-24', 6636-38', 6644-46', 6674-78, 6694-98', 6704-08', 6714-16' Acidize all perms w/60 bbls of 15% HCL

Aug '08 Frac Yeso with 108,000 gals and 172,000 lbs of 20/40 Ottawa sand

Final Well / Event Summary

Legal Well Name: MCGRAIL STATE NO 9

Common Well Name: MCGRAIL STATE NO 9

Event Name: RECOMPLETION

Start Date: 6/9/2008

End Date: 8/27/2008

DATE	TMD	24 HOUR SUMMARY
6/9/2008	(ft)	Safety Meeting. Unbeam Well. Unseat Pump. Pooh w/ Rods and pump. Layed dn all 1 25" FG rods on float & take to Hobbs yard. ND WH, unset TAC, NU BOPE. RU floor & tongs. Pooh w/ 80 jts tallying. SDFN.
6/10/2008	(ft)	TGSM. Killed well. Fooch w/ tbg tallying. Rbih w/ bit, scraper to 7160', 234 jts. Tight spot @ 7106'. Pooh w/ scraper, bit. Rbih w/ CIBP, set @ 7095', 227 jts. PU tbg to 6070', 194 jts. RU to swab well. Swab from 5200' to 6070' (16 bls) 5 runs. SW SDFN.
6/11/2008	(ft)	TGSM. Made swab run, FL @ 5900', no entry overnight. Rih w/ tbg to 7060'. Displace hole w/ 180 bls, test CIBP to 500#. PU to 6720', Spot 3 bls 7 1/2% NEFE HCL w/ 38 bls wtr Pooh w/ tbg / setting tool. Perf from 6622'-6716', <u>dump 20' cement on CIBP</u> . SDFN
6/12/2008	(ft)	TGSM. Rih w/ Pkr, set @ 6538'. RU & Acidize f/ 6622' - 6716' w/ 60 bls 15% NEFE HCL Acid @ 3.8 BPM @ 3500 psi. Ball out @ 5000psi w/ 24 bls wtr in. ISDP= 3370, 5 min - 2750, 10- min 2550, 15 min- 2470. RD acid truck. Let flow 2 hrs, swab to 6000' FS. SDFN
6/13/2008	(ft)	TGSM. Rih w/ swab, FL @ 2600' from surface. RU Pro-Wireline and Rih w/ electronic pressure guage to attain a flowing gradient and 72 hr static buildup. Set bomb in SN and RD wireline unit. Shut down for weekend.
6/16/2008	(ft)	TGSM. RU wiring unit. Rih and latch onto bomb. Pooh w/ electronic bomb. RU scanalog Unset Pkr, Pooh w/ tbg scanning. After first 24 yellow, started seeing blue, green. Shut down scan. Will bring out new string of J-55 to rbih with. SW SDFN.
6/17/2008	(ft)	Safety meeting. Pooh w/ kill string. RU Hydrotesters, tested bih w/ open ended jt w/ collar, SN, alloy jt, 6 - jts tbg, TAC, 208 jts tbg. Left SN @ 6721'. 15' below bottom perf. ND BOPE, set TAC, NU WH. RU to run pump / rods tomorrow. SW SDFN.
6/18/2008	(ft)	Safety Meeting. Rbih w/ R&R pump and rods. Respaced well, L&T, held good. Secure Well, left pumping to facility. SDFN.
6/19/2008	(ft)	Held Safety Meeting. Clean and Inspect Location RDMO Pulling Unit.
8/6/2008	(ft)	Safety Meeting. Unbeam Well. Unseat Pump Pooh w/ Rods and pump. Set racks & put 3.5" frac string on. ND WH, unset TAC, NU BOPE. RU floor & tongs. Pooh w/ 200 jts tallying. SDFN
8/7/2008	(ft)	Safety Meeting. Fooch w/ rest of tbg tallying. Change over to 3.5" tools. RU hydrotesters, PU & Rih w/ 3 5" frac string and packer testing to 7,000 psi. Set pkr @ 6137'. L & T annulus to 500 psi. Held good. Frac job cancelled. pooh in am SDFN.
8/8/2008	(ft)	Safety Meeting. Released packer, Pooh w/ 3 5" frac string and packer. Rbih w/ 2 7/8" tbg / bha. ND BOPE, NU WH. Will rih w/ rod string on Monday. SW, SDFWE.
8/11/2008	(ft)	Safety Meeting. Rih w/ rod string. RDMO PU. Take rig to key yard in Hobbs for welding on floor.

Final Well / Event Summary

Legal Well Name: MCGRAIL STATE NO 9

Common Well Name: MCGRAIL STATE NO 9

Event Name: RECOMPLETION

Start Date: 6/9/2008

End Date: 8/27/2008

DATE	TMD	24 HOUR SUMMARY
8/19/2008	(ft)	Safety Meeting. Unbeam Well. Unseat Pump. Pooh w/ Rods and pump. ND WH, unset TAC, NU BOPE. RU floor & tongs. SDFN.
8/20/2008	(ft)	TGSM. RU tongs, Pooh w/ production tbq. Change over to run 3 1/2" frac tbq. Rack and tally frac string. SDFN.
8/21/2008	(ft)	Safety Meeting. RU hydrotesters, PU & Rih w/ 3.5" frac string and packer testing to 8,000 psi. Set pkr @ 6502'. L & T annulus to 500 psi. Held good. Shut down. Wait for Frac job on Saturday the 23rd. SDFN.
8/22/2008	(ft)	Stand by.
8/23/2008	(ft)	TGSM. RU Halliburton. Pmp 8,320 gls wtr frac G-R 18, 2,583 bls delta frac 140-R 18, w/ 171,960 lbs 20/40 prem. white sand. ATP - 6,149 psi @ 29.3 bpm. ISDP=4,386 psi. 15min=3,672 psi. Total Load to recover = 2,781 bbls. RD Haliburton. SDFWE.
8/25/2008	(ft)	Safety Meeting. Set pipe racks. Release packer, pooh w/ 3 1/2" frac tbq laying down Rbih w/ bit and tbq to tag sand with. SW, SDFN.
8/26/2008	(ft)	Safety Meeting. Fih w/ bit and 221 jts of 2 7/8" tbq. Tagged fill @ 6,918'. (157') Will still have 135' of rathole w/ BHA in the hole. No cleanout needed. Pooh & rbih w/ production BHA, tbq hydrotesting below slips. SW, SDFN.
8/27/2008	(ft)	Safety Meeting. RD floor & tongs. ND BOPE, Set TAC, NU WH. Rbih w/ R&R pump and rods. Respaced well, L&T, held good. Secure Well, left pumping to facility. SDFN.

Final Well / Event Summary

Legal Well Name: MCGRAIL STATE NO 9

Common Well Name: MCGRAIL STATE NO 9

Event Name: CONVERSION

Start Date: 10/22/2008

End Date:

DATE	TMD	24 HOUR SUMMARY
10/22/2008	(ft)	TGSM, Spot unit and SDFD due to high winds.
10/23/2008	(ft)	TGSM, Rigged up well, Pulled Rods and tubing out of hole, Will be running sub back in hole in the morning. SDFN.
10/24/2008	(ft)	TGSM, Pick up and ran in Sub Pump.
10/27/2008	(ft)	TGSM, Rig down and move to South Eunice 402