

Office

Energy, Minerals and Natural Resources

June 19, 2008

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**OIL CONSERVATION DIVISION**

MAY 12 2009

HOBBSOCD1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.

30-025-25926

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

McDonald State A/C-2

8. Well Number #30

9. OGRID Number

14021

10. Pool name or Wildcat

'TUBB'

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 ☒ Gas Well ☐ Other ☐

2. Name of Operator

Marathon Oil Company

3. Address of Operator

5555 San Felipe Houston, Texas 77056

Mail Stop #3308

4. Well Location

Unit Letter A 660' feet from the North line and 330' feet from the East lineSection 13 Township 22-S Range 36-E NMPM County Lea

11. Elevation (Show whether DR., RKB, RT, GR, etc.)

3,443' GL, 3,454' KB

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: 'TUBB'-Recompletion ☒

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 recomplate the 'TUBB', by prior approval from 'OCD' via 'C-101' dated: OCT 16, 2007, and tested the new zone. Please see attachments provided for details of well work completed.**

Spud Date: 11/30/2007

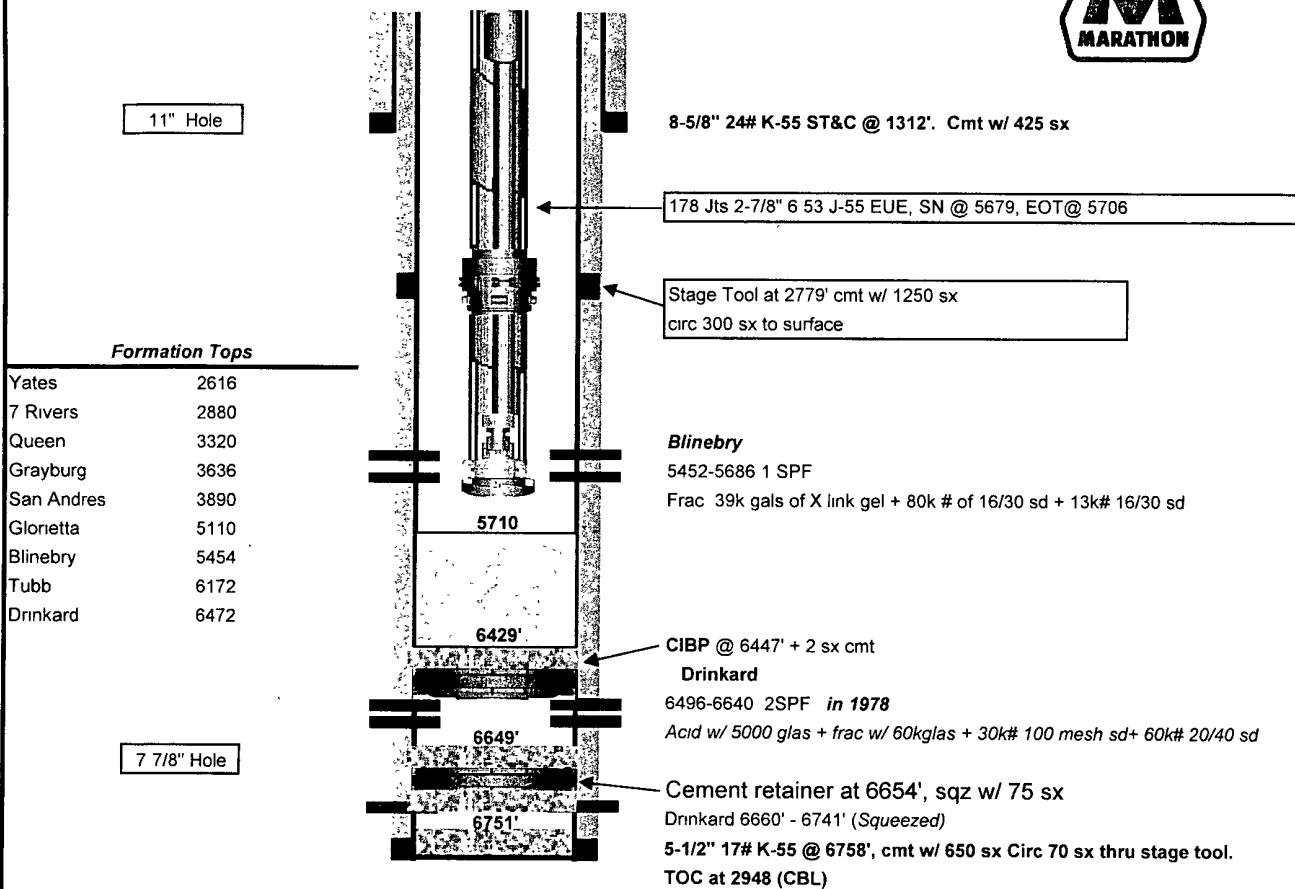
Rig Release Date: 12/07/2007

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: 30-DEC-2008Type 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: JUL 15 2009

Conditions of Approval (if any):

Well Name & No.		McDONALD STATE A/C 2 NO. 30		Field	SOUTH EUNICE		Date	11/27/2007
County	LEA	API	30 025 25926	State	NEW MEXICO		By	R Bose
Spudded	6/6/1978	Comp Drlg	6/28/1978	Location	660' FNL & 330' FEL, Section 13, Township 22S, Range 36E, UL 'A'			



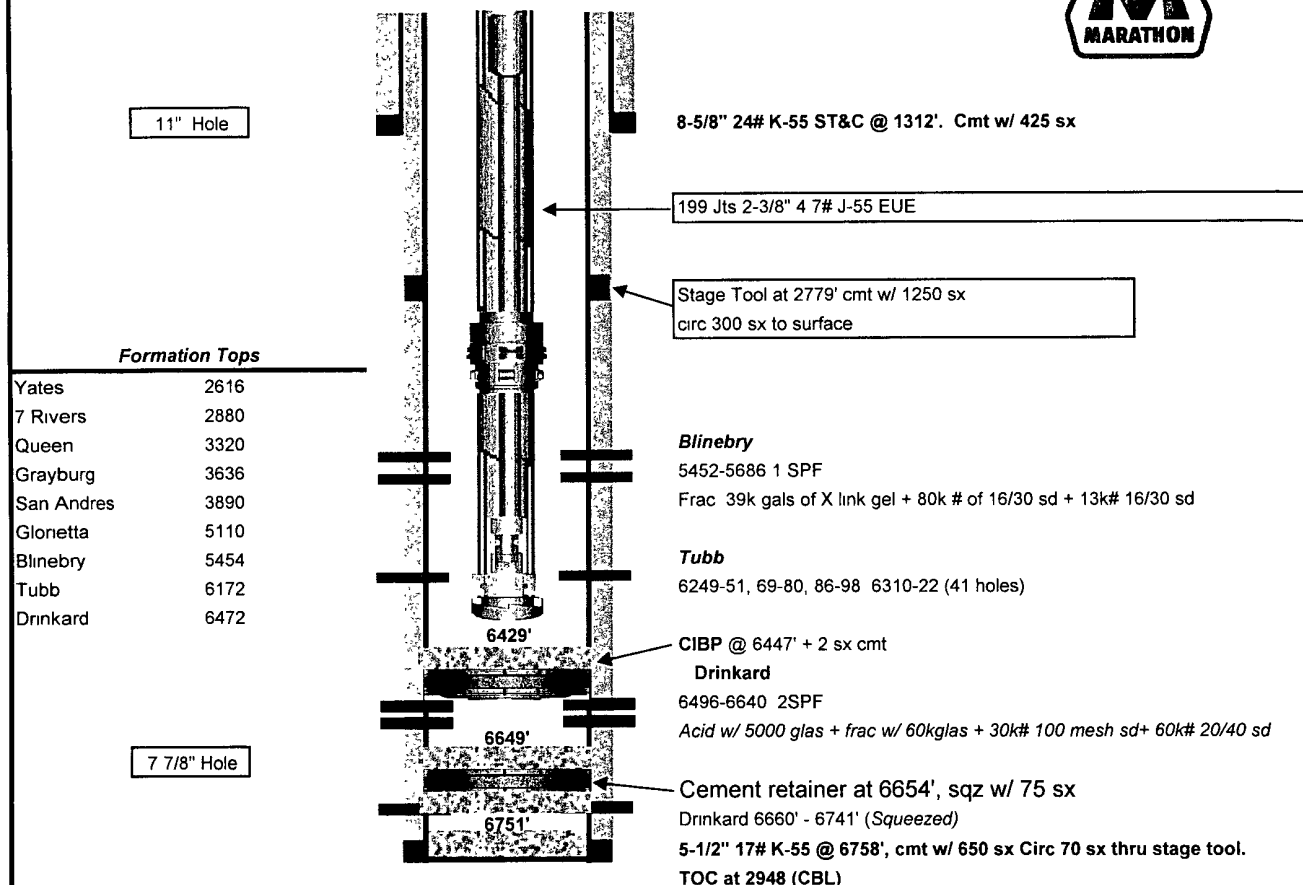
GL: 3443'
PBSD: 6429'

KB: 3454'
TD: 6758'

Well History

7/7/1978 Perf 6713-41' (14-holes), acidize with 1000 gals 15% HCL.
Set RBP at 6700' and perf 6660-88' (16-holes), Acidize with 1500 gals of 15% HCL Pulled RBP
Set cement retainer at 6654' and sqz perms 6660-6741' w/ 75 sx and left 5 sx on top PBSD 6649
Jun-78 Perf 6496-6640' Acidized w/ 5000 glas + frac w/ 60kglas + 30k# 100 mesh sd+ 60k# 20/40 sd
10/5/1990 Perf Blinebry 5452-5686' (5452, 57, 63, 76, 84, 98, 5504, 11, 38, 40, 86, 96, 5607, 14, 35, 62, 86
Acidized BL w/ 3000 gals of 15% NEFE (34 BS) Acidized Drinkard with 3000 gals of 15% NEFE + 54BS
Frac Blinebry (5452'-5686') 39k gals of X link gel + 80k # of 16/30 sd + 13k# 16/30 sd Set CIBP at 6447 w/ 2sx.
DHC Blinebry+Drinkard

Well Name & No.		McDONALD STATE A/C 2 NO. 30		Field	SOUTH EUNICE		Date	1/5/2009
County	LEA	API	30-025-25926	State	NEW MEXICO	By	R Bose	
Spudded	6/6/1978	Comp Drlg	6/28/1978	Location	660' FNL & 330' FEL, Section 13, Township 22S, Range 36E, UL 'A'			



GL: 3443' KB: 3454'
PBTD: 6429' TD: 6758'

Well History

Jul-78	Perf 6713-41' (14-holes), acidize with 1000 gals 15% HCL Set RBP at 6700' and perf 6660-88' (16-holes), Acidize with 1500 gals of 15% HCL Pulled RBP Set cement retainer at 6654' and sqz perfs 6660-6741' w/ 75 sx and left 5 sx on top PBTD 6649
Jun-78	Perf 6496-6640' Acidized w/ 5000 glas + frac w/ 60kglas + 30k# 100 mesh sd+ 60k# 20/40 sd.
Oct '90	Perf Blinebry 5452-5686' (5452, 57, 63, 76, 84, 98, 5504, 11, 38, 40, 86, 96, 5607, 14, 35, 62, 86 Acidized BL w/ 3000 gals of 15% NEFE (34 BS) Acidized Drinkard with 3000 gals of 15% NEFE + 54BS Frac Blinebry (5452'-5686') 39k gals of X link gel + 80k # of 16/30 sd + 13k# 16/30 sd Set CIBP at 6447 w/ 2sx
Dec '07	Add perfs in Tubb 6249-6322', frac well w/ 45000 gals and 60,500 lbs

Marathon Oil Company

Operations Summary Report

Page 1 of 2

Legal Well Name: MCDONALD STATE AC 2 NO 30
 Common Well Name: MCDONALD STATE AC 2 NO 30
 Event Name: RECOMPLETION
 Contractor Name: KEY ENERGY SERVICES
 Rig Name: KEY ENERGY SERVICES

Spud Date:
 Start: 11/30/2007
 End:
 Rig Release:
 Group:
 Rig Number: 174

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
11/30/2007	13.30 - 14.00	0.50	SAFETY	MTG_	RODOP	Pre-Job safety meeting. MIRUPU. Open Well up.
	14.00 - 17.30	3.50	RUNPUL	RODS	RODOP	Unbeam well. Unseated pump and Pooh w/ 103 -7/8" Rods, 123 - 3/4" Rods, and Rod Insert Pump. Sent Pump to Shop for Repairs.
12/3/2007	17.30 - 18.00	0.50	SECURE	WELL	RODOP	Secure Well. SDFWE.
	07.00 - 07.30	0.50	SAFETY	MTG_	RODOP	Held Safety Meeting. Killed well
	07.30 - 09.00	1.50	NUND	BOPE	RODOP	Unflange Well Head. Install BOPE. Set up pipe racks.
	09.00 - 18.30	9.50	RUNPUL	TBG_	RODOP	Talley out of Hole with 178 Jts 2-7/8" J-55 Tubing, 2-7/8" Enduro Alloy Joint, 2-7/8" Seating Nipple, 4' sub and 3.5" Slotted w/ bull plug Mud Joint. Load and unload 2 3/8" J-55 New tbg for cleaning out sand fill. PU and Rih w/ bit and 145 jts tbg to 4530'. Secure well. Shut down.
12/4/2007	18.30 - 19.00	0.50	SECURE	WELL	RODOP	Closed well in and SDFWE.
	06.30 - 07.30	1.00	SAFETY	MTG_	RODOP	Safety Meeting. Hook up blow down line.
	07.30 - 17.00	9.50	CLEAN	WELL	RODOP	Opened well up. Dumped 10 gals of soap down tubing and started pumping with Air unit. Broke circulation, PU & Rih w/ tbg and tagged @ 5590' RU Swivel, Cleaned out down to 5765' then fell out of bridge. Circulated bottoms up and Rih w/ rest of tubing and tagged sand fill at 6390' Cleaned out to 6427' and hit cement above CIBP @ 6429'. Circulated the hole clean for 2 hours. Pulled up hole and left assembly above top perms for the night. Will check for any fill coming in overnight in the morning.
12/5/2007	17.00 - 17.30	0.50	SECURE	WELL	RODOP	Shut-in and Secure Well. SDFN.
	06.30 - 07.00	0.50	SAFETY	MTG_	CMRUN	Held Safety Meeting. Kill Well Open up Well.
	07.00 - 13.00	6.00	RUNPUL	TBG_	CMRUN	Rih and tagged @ 6427' No fill entry. Pooh w/ tbg & bit. PU Pkr & 185 jts. Set Pkr @ 5703', couldn't get to hold pressure Moved down 1 jt and reset Pkr @ 5734' Tested to 2000 psi Held good Released Pkr & rih to 6322' w/ tbg
12/6/2007	13.00 - 14.00	1.00	PUMP_	ACID	CMPSTM	RU Maclasky Acid pump truck Pumped 10 bbls of spot acid (7 1/2% NEFE HCL) and then displaced w/ 3 bbls fresh water. Rigged down pump truck
	14.00 - 17.00	3.00	RUNPUL	TBG_	CMRUN	Pooh w/ tubing. Left 40 jts for kill string. Shut down for night.
	17.00 - 17.30	0.50	SECURE	WELL	CMPSTM	Shut-in and Secure Well. SDFN.
	07.00 - 07.30	0.50	SAFETY	MTG_	CMRUN	Held Safety Meeting. Kill Well Open up Well.
	07.30 - 08.00	0.50	RUNPUL	TBG_	CMRUN	Pooh w/ kill string laying down packer.
	08.00 - 09.30	1.50	SAFETY	MTG_	CMPPRF	Rig up Baker Atlas Perforating Equipment. Held perforating safety meeting.
	09.30 - 10.00	0.50	PERF_	CSG_	CMPPRF	Arm and PU Perforating Gun Pick up Lubricator and Slick Gun and pressure Tested Lubricator to 1000 psi. Held pressure.
	10.00 - 11.00	1.00	PERF_	CSG_	CMPPRF	RIH w/ 3-1/8" Dual Fire Gun Carrier w/ 311T w/ 23 gram Charges w/ 1 JSPF, 60 deg phasing w/ Collar Locator. Get on Depth Perforating Top Down in 7-1/2 % NEFE HCL Acid. Perforate f/ 6249' - 6251', and 6269' - 6280' POOH with Wire Line. All Shots Fired.
	11.00 - 12.00	1.00	PERF_	CSG_	CMPPRF	RIH w/ 3-1/8" Dual Fire Gun Carrier w/ 311T w/ 23 gram Charges w/ 1 JSPF, 60 deg phasing w/ Collar Locator Get on Depth Perforating Top Down in 7-1/2 % NEFE HCL Acid Perforate f/ 6286' - 6298', and 6310' - 6322' POOH with Wire Line. All Shots Fired
	12.00 - 13.00	1.00	RURD_	ELEC	CMPPRF	Rig down Baker Atlas Perforating Equipment Perforated the Tubb zone from 6249' - 6322' (41 Holes) (Net 37' perforated)
	13.00 - 18.30	5.50	RUNPUL	TBG_	CMRUN	Rbih w/ pkr. Set @ 5734', load tbg to 2000 psi. Couldn't break perms down w/ reverse unit. RU pump truck and got perms broke dn at 3500 psi. Released pkr & pumped 15 bbls flush to displace acid. Pooh w/ tbg and pkr Rbih w/ bull plugged perf sub, SN and 40 jts tbg for kill string. Shut down for night.
	18.30 - 19.00	0.50	SECURE	WELL	CMPSTM	Shut-in and Secure Well. SDFN

Operations Summary Report

Legal Well Name: MCDONALD STATE AC 2 NO 30

Common Well Name: MCDONALD STATE AC 2 NO 30

Event Name: RECOMPLETION

Start: 11/30/2007

Spud Date:

Contractor Name: KEY ENERGY SERVICES

Rig Release:

End:

Rig Name: KEY ENERGY SERVICES

Rig Number: 174

Group:

Date	From - To	Hours	Code	Sub Code	Phase	Description of Operations
12/7/2007	07:00 - 07:30	0.50	SAFETY	MTG_	RODOP	Safety meeting. Open Well up.
	07:30 - 10:30	3.00	RUNPUL	TBG_	RODOP	Finish in the hole w/ rest of tubing. Total of 199 jts 2 3/8" J55
	10:30 - 12:00	1.50	NUND	WLHD	RODOP	ND BOPE, NU WH.
	12:00 - 15:30	3.50	RUNPUL	RODS	RODOP	Rih w/ 120 3/4" D rods, 103 7/8" D rods and 1.25" x 22' polish rod w/ 1.50" x 14' PRL.
	15:30 - 16:00	0.50	SECURE	WELL	RODOP	Secure Well. Clean and Inspect Location. RDMOPU.

Tubb Recompletion Procedure

McDonald State A/C 2 # 30
Surface Hole Location: ~~660~~' FNL & 330' FEL
Section 13, T-22-S, R-36-E, UL 'A'
South Eunice Field
Lea County, NM

Date: November 28, 2007

Purpose: **Recomplete to Tubb, Commingle with Blinebry**

Current Status: SI, with suspected hole in tubing, waiting on this workover to repair

Well Test: 9/20/07 – 3 BO/ 47 BW/ 10 MCFPD

WBS #: **RW.07.15916.CAP.CMP** Cost: \$330,000

Working Interest: 100%

Elevation: GL: 3443' KB: 3454' TD: 6758' PBTD: 6429'

Surface Casing: 8-5/8", 24#, K-55 set @ 1312'. Cemented w/425 sacks

Production Casing: 5-1/2", 17#, K-55 set @ 6758' w/650 sacks (TOC@2948 CBL)

Tubing: 178 joints of 2-7/8", 6.5#, J-55, EUE, SN@5679', EOT@5706'

<u>Size, Wt, Grade</u>	<u>ID (in)</u>	<u>Drift (in)</u>	<u>Burst* (psi)</u>	<u>Collapse* (psi)</u>	<u>bbbl/1000 ft</u>
5-1/2", 17#, K-55	6.366	6.241	5320	4910	23.2
2-7/8", 6.5#, L-80	2.441	2.347	10570	11170	5.79
2-7/8", 6.5#, J-55	2.441	2.347	7260	7680	5.79
2-3/8", 4.7#, L-80	1.995	1.901	11200	11780	3.87
2-3/8", 4.7#, J-55	1.995	1.901	6770	7190	3.87

* No safety factor applied

Pressure Information: Tubb ~2700 psig SIBHP, if virgin pressure

Current Perforations:

Blinebry: 5452-5686

Procedure:

1. MIRU WSU. Use fresh water for workover fluid. POOH with rods and pump. Install and test BOPE. POOH laying down 2-7/8" tubing.
2. Obtain 6,500' of new 2-3/8" J-55 EUE.
3. RU air foaming unit. Make bit run to PBTD at +/- 6429'. Foam wash +/- 700' of sand fill (likely Blinebry frac sand). Circulate well clean at PBD. POOH.
4. RIH with test packer and 1-joint of tubing with SN below packer. Set packer at 5,700' and test casing below packer to 2000 psi. Release packer and lower EOT to 6322'.
5. Pump 10 bbls of 7-1/2" NEFEHCL inhibited for 48-hours at 125 deg F. Displace acid with only 3 bbls of fresh water. Allow acid and water to fall for 15-minutes. POOH
6. RU Baker Atlas electric line. Install pack-off. RU lubricator and RIH with 3-1/8" slick gun with 311T charges loaded 1 SPF, 60 degree phasing. Use McCullough cement bond long (CBL) dated 7/6/68 for depth control. Perforate from top-down to maximize benefit of acid.

Tubb Recompletion Procedure
McDonald State A/C 2 # 30

6249-51 (2', 3-holes)
6269-80 (11', 12-holes)
6286-98 (12', 13-holes)
6310-22 (12', 13-holes)

Tubb 37 Net Feet – 41 Holes

Casing collars at: 6127, 6169, 6211, 6256, 6298, 6340. Note: long joint @ 6211-6256. DV tool at 2778-82

Pump 15 bbls of fresh water down casing to flush excess acid.

7. Obtain 5,400' of 2-7/8" 6.5# L-80 and 350' of 2-3/8" 4.7# L-80 EUE with L-80 X-over. Hydro test (8000 psi) L-80 tubing in hole along with treating packer to 5,700'. Set packer and establish injection into new perforations. Pump 25 bbls of fresh water at maximum rate not to exceed 5000 psi using reverse unit or kill truck.
8. RU Halliburton to frac well down 2-7/8" tubing. Pump 1,000 gal. spear head acid (15% HCL) in front of pad. Flush frac 5% short of top perforation or about 43 bbls. Start counting flush when sand concentration drops 2 PPG below maximum sand concentration. Check low pressure side of manifold for sand fill before safety meeting. Anticipate pumping job at +/- 15 BPM at about 4,000 psi.
9. Release packer and POOH laying down L-80 tubing, treating packer, etc. RIH with production tubing and clean out to PBD. POOH.
10. RIH with 2-3/8" production equipment and PWOP designed for 50-60 BFPD production rate.