

H-0114

APPLICATION FOR
QUALIFICATION OF WELL WORKOVER PROJECT
AND CERTIFICATION OF APPROVAL

THREE COPIES OF THIS APPLICATION AND ALL ATTACHMENTS MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE CONSERVATION DIVISION.

- I. Operator: Marathon Oil Company OGRID #: 14021
Address: P. O. Box 552 - Midland, Texas 79702
Contact Party: Richard E. Pollard Phone #: (915) 687-8326
- II. Name of Well: McDonald State A/C 2 No. 26 API #: 3002508909
Location of Well: Unit Letter J, 1980 Feet from the S line and 1980 feet from the E line,
Section 13, Township 22-S, Range 36-E, NMPM, Lea County
- III. Date Workover Procedures Commenced: July 28, 1996
Date Workover Procedures were Completed: August 4, 1996
- IV. Attach a description of the Workover Procedures undertaken to increase the projection from the Well.
- V. Attach an estimate of the production rate of the Well (a production decline curve or other acceptable method, and table showing monthly oil and/or gas Project Production) based on at least twelve (12) months of established production which shows the future rate of production based on well performance prior to performing Workover.
- VI. Pool(s) on which Production Projection is based: Yates Seven Rivers Queen
- VII. AFFIDAVIT:

State of Texas)
) ss.
County of Midland)

Richard E. Pollard, being first duly sworn, upon oath states:

1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
Restoration Project.
3. To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete and accurate and this projection was prepared using sound petroleum engineering principles.

Richard E. Pollard
(Name)

Senior Government Compliance Representative
(Title)

SUBSCRIBED AND SWORN TO before me this 13th day of August 19 96.

Lucie Zierley
Notary Public

My Commission expires: 8-5-2000

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 8/14, 19 96.

[Signature]
District Supervisor, District
Oil Conservation Division

Geologist

Date: 8/21/96

IX. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.
DATE: _____

McDONALD STATE A/C 2 NO. 26

BASIS OF PRODUCTION PROJECTION

The production projection was based on decline curve analysis using Aries PC program and the following parameters:

Gas:

Start of history match:	September 1992
End of history match:	June 1996
Projected method:	Exponential decline, auto fit
Bad data removed:	None

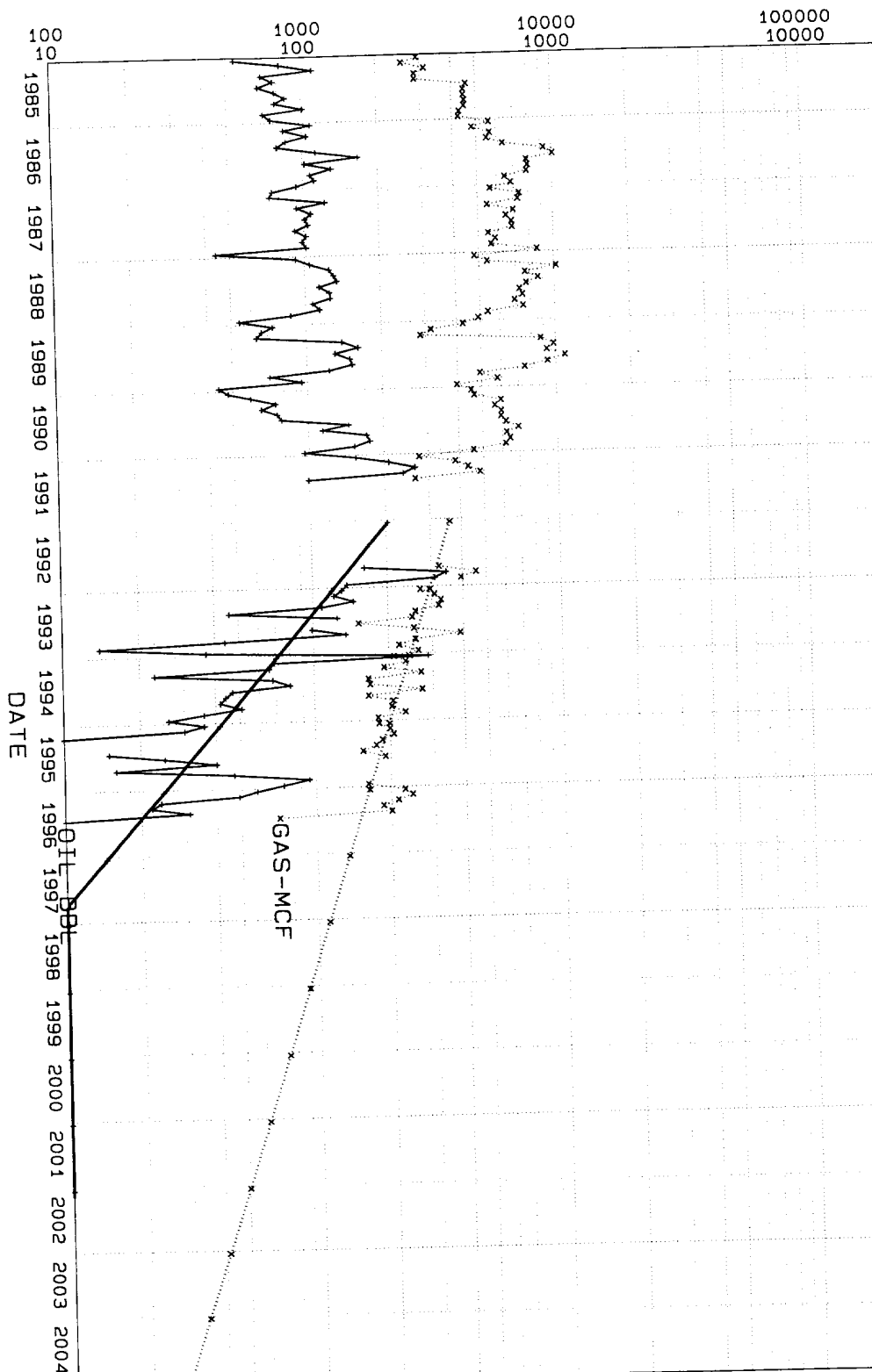
Oil:

Start of history match:	September 1992
End of history match:	June 1996
Projection method:	Exponential decline, auto fit
Bad data removed:	None

h:\rep\PPMCD#26

GAS-MCF
OIL-BBL

WELL NO.26
MCDONALD STATE AC 2
FIELD : EUMONT
COUNTY: LEA
OPERATOR: MARATHON OIL COMPANY
STATE : NM



OIL
Ga1=DEFAULT
Ref= 01/92
Cum= 9.281
Rem= 4.706
EUR= 13.987
Yrs= 10.167
Q1= 207.3
De= 41.063
N= .000
Gab= 1.0

GAS
Ga1=DEFAULT
Ref= 01/92
Cum= 1120.837
Rem= 220.899
EUR= 1341.736
Yrs= 41.667
Q1= 3625.1
De= 17.879
N= .000
Gab= 1.0

MCDONALD STATE AC 2 WELL NO. 26
API NO. 30025089090000
EUMONT FIELD
LEA COUNTY , NM

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
-----	-----	-----
PRIOR	0	0
9/96	17	1434
10/96	16	1411
11/96	16	1388
12/96	15	1365
-----	-----	-----
YTD/96	64	5597
1/97	14	1343
2/97	14	1321
3/97	13	1299
4/97	13	1278
5/97	12	1258
6/97	12	1237
7/97	11	1217
8/97	11	1197
9/97	10	1178
10/97	10	1158
11/97	9	1140
12/97	9	1121
-----	-----	-----
TOT/97	137	14747
1/98	9	1103
2/98	8	1085
3/98	8	1067
4/98	7	1050
5/98	7	1033
6/98	7	1016
7/98	7	999
8/98	6	983
9/98	6	967
10/98	6	951
11/98	5	936
12/98	5	921
-----	-----	-----
TOT/98	81	12110
TOTAL	283	32455

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LEA COUNTY , NM

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
PRIOR	283	32455
1/99	5	906
2/99	5	891
3/99	5	876
4/99	4	862
5/99	4	848
6/99	4	834
7/99	4	821
8/99	4	807
9/99	4	794
10/99	3	781
11/99	3	769
12/99	3	756
TOT/99	48	9945
1/00	3	744
2/00	3	732
3/00	3	720
4/00	3	708
5/00	2	696
6/00	2	685
7/00	2	674
8/00	2	663
9/00	2	652
10/00	2	642
11/00	2	631
12/00	2	621
TOT/00	28	8167
1/01	2	611
2/01	2	601
3/01	2	591
4/01	2	581
5/01	1	572
6/01	1	563
7/01	1	553
8/01	1	544
9/01	1	536
10/01	1	527
11/01	1	518
12/01	1	510
TOT/01	17	6707
TOTAL	375	57274

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
PRIOR	375	57274
1/02	1	502
2/02	1	493
3/02	0	485
4/02	0	477
5/02	0	470
6/02	0	462
7/02	0	454
8/02	0	447
9/02	0	440
10/02	0	433
11/02	0	426
12/02	0	419
TOT/02	2	5508
1/03	0	412
2/03	0	405
3/03	0	399
4/03	0	392
5/03	0	386
6/03	0	379
7/03	0	373
8/03	0	367
9/03	0	361
10/03	0	355
11/03	0	350
12/03	0	344
TOT/03	0	4523
1/04	0	338
2/04	0	333
3/04	0	327
4/04	0	322
5/04	0	317
6/04	0	312
7/04	0	307
8/04	0	302
9/04	0	297
10/04	0	292
11/04	0	287
12/04	0	282
TOT/04	0	3714
TOTAL	377	71019

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LEA COUNTY , NM

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
PRIOR	377	71019
1/05	0	278
2/05	0	273
3/05	0	269
4/05	0	264
5/05	0	260
6/05	0	256
7/05	0	252
8/05	0	248
9/05	0	244
10/05	0	240
11/05	0	236
12/05	0	232
TOT/05	0	3050
1/06	0	228
2/06	0	224
3/06	0	221
4/06	0	217
5/06	0	214
6/06	0	210
7/06	0	207
8/06	0	203
9/06	0	200
10/06	0	197
11/06	0	194
12/06	0	190
TOT/06	0	2505
1/07	0	187
2/07	0	184
3/07	0	181
4/07	0	178
5/07	0	175
6/07	0	173
7/07	0	170
8/07	0	167
9/07	0	164
10/07	0	162
11/07	0	159
12/07	0	156
TOT/07	0	2057
TOTAL	377	78631

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
PRIOR	377	78631
1/08	0	154
2/08	0	151
3/08	0	149
4/08	0	146
5/08	0	144
6/08	0	142
7/08	0	139
8/08	0	137
9/08	0	135
10/08	0	133
11/08	0	131
12/08	0	128
TOT/08	0	1689
1/09	0	126
2/09	0	124
3/09	0	122
4/09	0	120
5/09	0	118
6/09	0	116
7/09	0	114
8/09	0	113
9/09	0	111
10/09	0	109
11/09	0	107
12/09	0	105
TOT/09	0	1387
1/10	0	104
2/10	0	102
3/10	0	100
4/10	0	99
5/10	0	97
6/10	0	96
7/10	0	94
8/10	0	92
9/10	0	91
10/10	0	89
11/10	0	88
12/10	0	87
TOT/10	0	1139
TOTAL	377	82847

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
PRIOR	377	82847
1/11	0	85
2/11	0	84
3/11	0	82
4/11	0	81
5/11	0	80
6/11	0	78
7/11	0	77
8/11	0	76
9/11	0	75
10/11	0	73
11/11	0	72
12/11	0	71
TOT/11	0	936
1/12	0	70
2/12	0	69
3/12	0	68
4/12	0	67
5/12	0	66
6/12	0	64
7/12	0	63
8/12	0	62
9/12	0	61
10/12	0	60
11/12	0	59
12/12	0	58
TOT/12	0	768
1/13	0	57
2/13	0	57
3/13	0	56
4/13	0	55
5/13	0	54
6/13	0	53
7/13	0	52
8/13	0	51
9/13	0	50
10/13	0	50
11/13	0	49
12/13	0	48
TOT/13	0	631
TOTAL	377	85181

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
PRIOR	377	85181
1/14	0	47
2/14	0	46
3/14	0	46
4/14	0	45
5/14	0	44
6/14	0	43
7/14	0	43
8/14	0	42
9/14	0	41
10/14	0	41
11/14	0	40
12/14	0	39
TOT/14	0	518
1/15	0	39
2/15	0	38
3/15	0	37
4/15	0	37
5/15	0	36
6/15	0	36
7/15	0	35
8/15	0	35
9/15	0	34
10/15	0	33
11/15	0	33
12/15	0	32
TOT/15	0	425
1/16	0	32
2/16	0	31
3/16	0	31
4/16	0	30
5/16	0	30
6/16	0	29
7/16	0	29
8/16	0	28
9/16	0	28
10/16	0	27
11/16	0	27
12/16	0	27
TOT/16	0	349
TOTAL	377	86474

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
PRIOR	377	86474
1/17	0	26
2/17	0	26
3/17	0	25
4/17	0	25
5/17	0	24
6/17	0	24
7/17	0	24
8/17	0	23
9/17	0	23
10/17	0	23
11/17	0	22
12/17	0	22
TOT/17	0	287
1/18	0	21
2/18	0	21
3/18	0	21
4/18	0	20
5/18	0	20
6/18	0	20
7/18	0	19
8/18	0	19
9/18	0	19
10/18	0	19
11/18	0	18
12/18	0	18
TOT/18	0	236
1/19	0	18
2/19	0	17
3/19	0	17
4/19	0	17
5/19	0	17
6/19	0	16
7/19	0	16
8/19	0	16
9/19	0	15
10/19	0	15
11/19	0	15
12/19	0	15
TOT/19	0	194
TOTAL	377	87190

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
PRIOR	377	87190
1/20	0	14
2/20	0	14
3/20	0	14
4/20	0	14
5/20	0	14
6/20	0	13
7/20	0	13
8/20	0	13
9/20	0	13
10/20	0	12
11/20	0	12
12/20	0	12
TOT/20	0	159
1/21	0	12
2/21	0	12
3/21	0	11
4/21	0	11
5/21	0	11
6/21	0	11
7/21	0	11
8/21	0	11
9/21	0	10
10/21	0	10
11/21	0	10
12/21	0	10
TOT/21	0	130
1/22	0	10
2/22	0	10
3/22	0	9
4/22	0	9
5/22	0	9
6/22	0	9
7/22	0	9
8/22	0	9
9/22	0	9
10/22	0	8
11/22	0	8
12/22	0	8
TOT/22	0	107
TOTAL	377	87587

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
PRIOR	377	87587
1/23	0	8
2/23	0	8
3/23	0	8
4/23	0	8
5/23	0	8
6/23	0	7
7/23	0	7
8/23	0	7
9/23	0	7
10/23	0	7
11/23	0	7
12/23	0	7
TOT/23	0	88
1/24	0	7
2/24	0	6
3/24	0	6
4/24	0	6
5/24	0	6
6/24	0	6
7/24	0	6
8/24	0	6
9/24	0	6
10/24	0	6
11/24	0	6
12/24	0	5
TOT/24	0	72
1/25	0	5
2/25	0	5
3/25	0	5
4/25	0	5
5/25	0	5
6/25	0	5
7/25	0	5
8/25	0	5
9/25	0	5
10/25	0	5
11/25	0	5
12/25	0	5
TOT/25	0	59
TOTAL	377	87807

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
PRIOR	377	87807
1/26	0	4
2/26	0	4
3/26	0	4
4/26	0	4
5/26	0	4
6/26	0	4
7/26	0	4
8/26	0	4
9/26	0	4
10/26	0	4
11/26	0	4
12/26	0	4
TOT/26	0	49
1/27	0	4
2/27	0	4
3/27	0	4
4/27	0	3
5/27	0	3
6/27	0	3
7/27	0	3
8/27	0	3
9/27	0	3
10/27	0	3
11/27	0	3
12/27	0	3
TOT/27	0	40
1/28	0	3
2/28	0	3
3/28	0	3
4/28	0	3
5/28	0	3
6/28	0	3
7/28	0	3
8/28	0	3
9/28	0	3
10/28	0	3
11/28	0	3
12/28	0	2
TOT/28	0	33
TOTAL	377	87928

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
PRIOR	377	87928
1/29	0	2
2/29	0	2
3/29	0	2
4/29	0	2
5/29	0	2
6/29	0	2
7/29	0	2
8/29	0	2
9/29	0	2
10/29	0	2
11/29	0	2
12/29	0	2
TOT/29	0	27
1/30	0	2
2/30	0	2
3/30	0	2
4/30	0	2
5/30	0	2
6/30	0	2
7/30	0	2
8/30	0	2
9/30	0	2
10/30	0	2
11/30	0	2
12/30	0	2
TOT/30	0	22
1/31	0	2
2/31	0	2
3/31	0	2
4/31	0	2
5/31	0	2
6/31	0	2
7/31	0	2
8/31	0	1
9/31	0	1
10/31	0	1
11/31	0	1
12/31	0	1
TOT/31	0	18
TOTAL	377	87996

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P R O D U C T I O N F O R E C A S T

DATE	OIL / COND	GAS
PRIOR	377	87996
1/32	0	1
2/32	0	1
3/32	0	1
4/32	0	1
5/32	0	1
6/32	0	1
7/32	0	1
8/32	0	1
9/32	0	1
10/32	0	1
11/32	0	1
12/32	0	1
TOT/32	0	15
1/33	0	1
2/33	0	1
3/33	0	1
4/33	0	1
5/33	0	1
6/33	0	1
7/33	0	1
8/33	0	1
9/33	0	0
10/33	0	0
11/33	0	0
12/33	0	0
TOT/33	0	8
1/34	0	0
2/34	0	0
3/34	0	0
4/34	0	0
5/34	0	0
6/34	0	0
7/34	0	0
8/34	0	0
9/34	0	0
10/34	0	0
11/34	0	0
12/34	0	0
TOT/34	0	0
TOTAL	377	88019