

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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

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



WELL API NO. 30 - 015 - 20355
13. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
13. State Oil & Gas Lease No. B-4575
7. Lease Name or Unit Agreement Name Hanover State
8. Well Number 2
9. OGRID Number 14049
10. Pool name or Wildcat Empire Abo

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
Marbob Energy Corporation

3. Address of Operator
P. O. Box 227 Artesia, New Mexico 88211

13. Well Location
Unit Letter **P** : **360** feet from the **South** line and **330'** feet from the **East** line
Section **28** Township **17S** Range **28E** NMPM County **Eddy**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3671' RKB

Pit or Below-grade Tank Application ☒ or Closure ☐

Pit type **Workover** Depth to Groundwater **>100'** Distance from nearest fresh water well **>1000'** Distance from nearest surface water **>200'**

Pit Liner Thickness: **20** mil Below-Grade Tank: Volume **200** bbls; Construction Material

13. 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 ☐

OTHER: Evaluate Zonal Isolation & Remedial Cementing ☒

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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.

Marbob Energy Corporation is the operator of record of this well. BP America Production Company (BP) and Marbob Energy Corporation (Marbob) have reached an agreement whereby BP shall supervise and execute workover operations to bring this wellbore into compliance with NMOCD Order No. R-12658, which approved BP's Washington "33" State Lease Waterflood Project (Project) and requires assurance that injection zones are adequately isolated in area wells. The workover plan is to (1) run a CBL to evaluate zonal isolation of the intervals being waterflooded by the Project; (2) remedially cement as needed to isolate the top and base of the waterflood zones to contain fluids within the Project's approved injection interval; (3) return well to production in the Abo zone and return operations to Marbob. The waterflooded interval extends from the top of Queen at 1270' through the approximate base of injection into the San Andres at 3000'.

Please see the attached wellbore schematic depicting the current well status.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE [Signature] TITLE Agent for BP America Production Company DATE 10 / 4 / 07

Type or print name D. C. Dodd E-mail address: ddodd@sierra-engineering.net Telephone No. 432 / 683-8000

For State Use Only

APPROVED BY: [Signature] TITLE Gerry Guye DATE OCT 15 2007
Conditions of Approval (if any)

Compliance Officer

Hanover State #2

Empire Abo Field

API No. 30-015-20355

SHL: 360' FSL & 330' FEL

BHL: 123' FSL & 148' FEL

Sec 28 - T17S - R28E

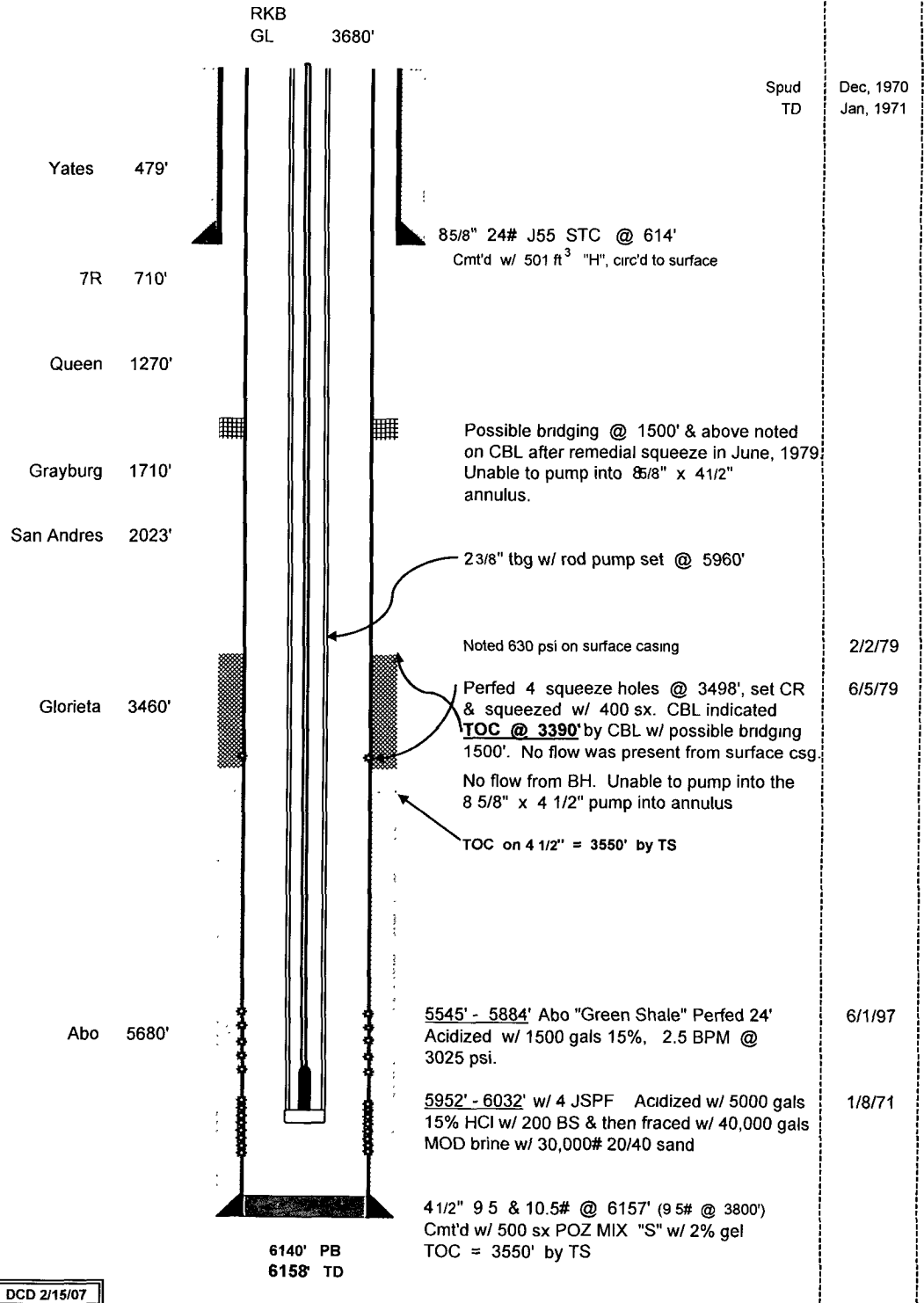
Eddy County, New Mexico

(Drilled by Penroc Oil Corporation
as the State #2)

Operated by Marbob Energy Corporation

NMOCD Order No. R-12658 for approval of the
Washington "33" Waterflood Project requires
that the annulus of this wellbore be remedially
cemented to isolate the injection zones.

Present Status





P. O. Box 50203
Midland, Texas

October 4, 2007

OCT 09 2007
OCD-ARTESIA

NMOCD
1301 W. Grand Avenue
Artesia, New Mexico 88210

Re: C-103 for Evaluation / Cementing for Zonal Isolation

Marbob Energy Corporation
Hanover State #2
API No. 30 - 015 - 20355
Empire Abo Field
360' FSL & 330' FEL
Sec 28 - T17S - R28E
Eddy County, New Mexico

BP America Production Company
NMOCD Order No. R-12658
Washington "33" State Lease WF Project
Sec 33 - T17S - R28E
Eddy County, New Mexico

Att: Tim Gum

Gentlemen:

The enclosed C-103 is submitted by BP America Production Company (BP) on behalf of Marbob Energy Corporation (Marbob); BP and Marbob have reached an agreement whereby BP shall supervise and execute workover operations to bring this wellbore into compliance with NMOCD Order No. R-12658. The Hanover State #2 is operated by Marbob but is subject to NMOCD Order No. R-12658, which authorizes, with specific conditions, BP's Washington "33" State Lease Waterflood Project (Project). This Order requires that wellbores in the area of the Project shall have been adequately cemented to "prevent the movement of injected fluids near the injection well out of the intended waterflood intervals". The history of the Hanover State #2 includes remedial cementing in 1979 to eliminate pressure on its surface casing; however, the wellbore may not be adequately cemented across the Project zones and thus the conditions of the Order No. R-12658 may not be met. The purpose of this workover is evaluation of wellbore conditions and, if necessary, performing remedial cementing to adequately isolate zones.

Please call if you have questions regarding this matter or need additional information. I can be reached at 432 / 683-8000 or 432 / 889-2202.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan C. Dodd".

Dan C. Dodd
Sierra Engineering / Agent for BP America Production Company

cc: Brian Collins w/ attachments
Marbob Energy Corporation
P. O. Box 227
Artesia, New Mexico 88211