

AP-94 Marbob Scratch State Corn No 1, Lea County

"drilling fluid leak through rupture of plastic liner"  
12 mil plastic liner under Rule 50

one form says GW > 100 feet (C-144 dated Dec 13, 2004),  
another form says GW < 50 ft (C-144 dated September 21, 2007)

April 2005 - well spudded

August 2007 - form C-141 submitted "compromised pit" encountered wet soils and water at 40 ft bgs;  
"most of pit material has been removed"

August 2007 - soil investigation

Sept 2007 - monitoring well 1 east side of pit

Oct 2007 - monitoring well 2 (north side of pit) and 3 (south side of pit) developed

August 2008 - Stage 1 Abatement Plan requested - agency claims Marbob should have submitted a  
second C-141 back in October 2007 when they determined groundwater impacts occurred

Monitoring well - first sampling event

MW1 - 396 mg/l Cl

MW2 - 45,590 mg/l Cl

second sampling event

MW1 - 708 mg/l Cl

MW2 - no data

MW3 - 472 mg/l Cl (purged 1/2 gallon)

october sampling event

MW1 - 2260 mg/l Cl

MW2 - 42,800 mg/l Cl

MW3 - 400 mg/l Cl

Jan sampling event

MW1 - 35,200 mg/l Cl

MW2 - 44,400 mg/l Cl

**AP - 094**

**GENERAL  
CORRESPONDENCE**

**2008 - 2007**

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



**AUGUST 18, 2008**

Mr. Rand French  
Marbob Energy Corporation  
P.O. Box 227  
Artesia, NM 88211

**RE: REQUIREMENT TO SUBMIT ABATEMENT PLAN  
MARBOb ENERGY - SCRATCH STATE DRILLING PIT  
SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST  
LEA COUNTY, NEW MEXICO  
OCD CASE NO. AP094**

Dear Mr. French:

The Oil Conservation Division (OCD) has determined that Marbob Energy (Marbob) must submit a Stage 1 Abatement Plan in accordance with OCD Rule 19 (19.15.1.19 NMAC) to investigate ground water contamination at its Scratch State drilling pit, located in Section 24, Township 18 South, Range 33 East, Lea County, New Mexico. The Stage 1 Abatement Plan proposal must be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office and must meet all of the requirements specified in OCD Rule 19 (19.15.1.19 NMAC), including, but not limited to, the public notice and participation requirements specified in Rule 19G. The Stage 1 Abatement Plan is due sixty (60) days from the receipt by Marbob of this written notice.

Marbob's Stage 1 Abatement Plan must specifically meet all of the requirements specified in OCD Rule 19E.3, including, but not limited to, a site investigation work plan and monitoring program that will enable it to characterize the release using an appropriate number of isoconcentration maps and cross sections and to provide the data necessary to select and design an effective abatement option. Marbob may, if it chooses, concurrently submit a Stage 2 Abatement Plan that addresses appropriate proactive abatement options.

Marbob submitted timely verbal and written notification to OCD when it discovered potential ground water contamination on August 24, 2007. Marbob indicated that it did not know the extent of the impacts at the time that it submitted its C-141. In September 2007 Marbob



Mr. Rand French

August 18, 2008

Page 2

conducted additional soil and ground water investigation. Laboratory analysis conducted in early October 2007 confirmed that Marbob had contaminated ground water. However, Marbob did not inform OCD that it had confirmed a ground water release; rather it continued to sample ground water several times. On July 11, 2008, Glenn von Gonten of my staff contacted Cliff Brunson and asked about the status of this case. Mr. Brunson indicated that he would send OCD the analytical data; however, it was only after three more reminders from OCD that the analytical data was finally submitted. The appropriate approach for Marbob was to have submitted a second C-141 in October 2007 when it confirmed that ground water had indeed been contaminated. This is the last time that OCD will choose not to take enforcement action for Marbob's failure to comply with Rule 116 and to promptly submit confirmatory analytical data to OCD in a timely manner.

Marbob should submit one paper copy with and an electronic copy on CD of all future workplans and/or reports. Please refer to *OCD Case No. AP094* on all future correspondence. If you have any questions, please contact Glenn von Gonten of my staff at (505) 476-3488.

Sincerely,



Wayne Price  
Environmental Bureau Chief

WP/gvg

cc: Chris Williams  
Larry Johnson

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, 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-141  
Revised October, 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

RECEIVED  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Release Notification and Corrective Action

OPERATOR

Initial Report  Final Report

Name of Company <i>Marlab Energy Corp.</i>	Contact <i>Cliff Burson - BBC International</i>
Address <i>PO Box 227 Artesia, NM 88211</i>	Telephone No. <i>505-397-6388</i>
Facility Name <i>Scratch STATE</i>	Facility Type <i>oil well / Drilling Pt</i>
Surface Owner <i>State of NM</i>	Mineral Owner <i>STATE</i>
Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	<i>24</i>	<i>18s</i>	<i>33E</i>	<i>1980</i>	<i>North</i>	<i>660</i>	<i>WEST</i>	<i>LEA.</i>

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release <i>Pit Liner</i>	Volume of Release <i>unknown</i>	Volume Recovered <i>None</i>
Source of Release <i>Pit</i>	Date and Hour of Occurrence ?	Date and Hour of Discovery <i>8/20/07 9:30</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Daniel Sanchez - phone; Wayne Price - email</i>	
By Whom? <i>Rand French &amp; Cliff Burson</i>	Date and Hour <i>8/20/07 - 2:07 pm</i>	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse: <i>UNKNOWN</i>	

If a Watercourse was Impacted, Describe Fully.\*  
*Do not know the extent of impacts at this time*

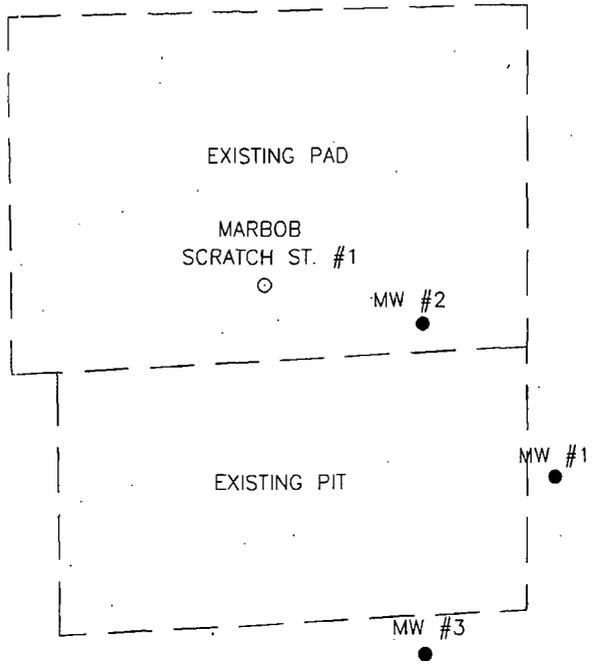
Describe Cause of Problem and Remedial Action Taken.\*  
*Compromised Pit - was in the process of a dig-n-haul, along with delineating chlorides. Forty feet below ground surface wet soils and water was encountered.*

Describe Area Affected and Cleanup Action Taken.\*  
*UNKNOWN At this time. Most of the Pit material has been removed. The back side of Pit was free of chlorides @ 12' feet.*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

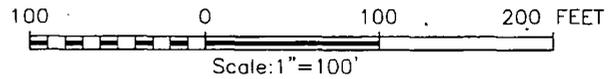
Signature: <i>Rand French</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: <i>Rand French</i>		
Title: <i>Wildlife Biologist</i>	Approved by District Supervisor:	Expiration Date:
E-mail Address: <i>wildlife@marlab.com</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <i>8/24/07</i> Phone: <i>748-3303</i>		

\* Attach Additional Sheets If Necessary



WELL	COORDINATES	ELEVATIONS
MW #1	631744.7 N 759929.6 E	NATURAL GROUND - 3891.36' TOP OF PVC - 3894.31' TOP OF CONCRETE - 3891.47'
MW #2	631831.0 N 759853.6 E	NATURAL GROUND - 3893.55' TOP OF PVC - 3896.50' TOP OF CONCRETE - 3893.76'
MW #3	631645.9 N 759855.5 E	NATURAL GROUND - 3891.82' TOP OF PVC - 3894.78' TOP OF CONCRETE - 3892.05'

NOTE: COORDINATES SHOWN ARE "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.





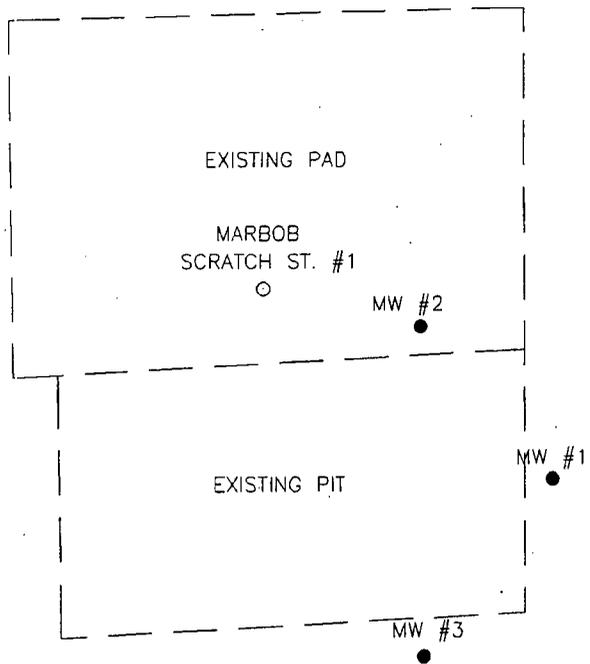
PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

BBC INTERNATIONAL, INC.

---

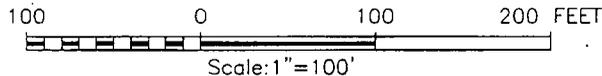
**SCRATCH STATE COM #1**  
 SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST,  
 N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 10/22/007	Sheet 1 of 1 Sheets
W.O. Number: 07.11.1397	Drawn By: L.A.
Date: 10/26/07	DISK: CD#6
07111397	REV:8/7/08



WELL	COORDINATES	ELEVATIONS
MW #1	631744.7 N 759929.6 E	NATURAL GROUND - 3891.36' TOP OF PVC - 3894.31' TOP OF CONCRETE - 3891.47'
MW #2	631831.0 N 759853.6 E	NATURAL GROUND - 3893.55' TOP OF PVC - 3896.50' TOP OF CONCRETE - 3893.76'
MW #3	631645.9 N 759855.5 E	NATURAL GROUND - 3891.82' TOP OF PVC - 3894.78' TOP OF CONCRETE - 3892.05'

NOTE: COORDINATES SHOWN ARE "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.





PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

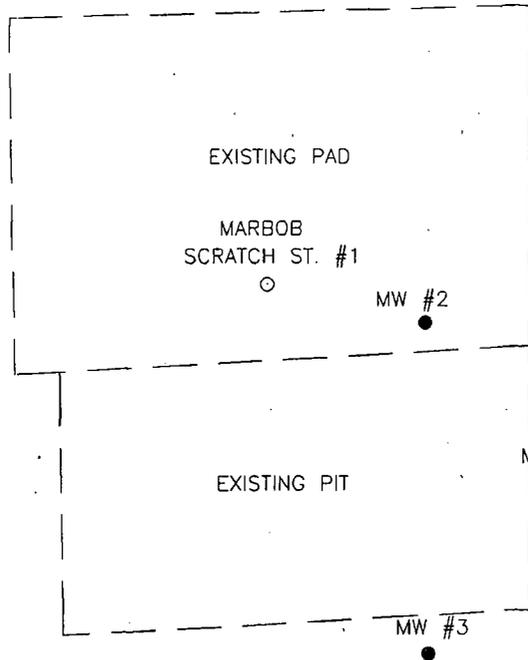
BBC INTERNATIONAL, INC.

---

SCRATCH STATE COM #1

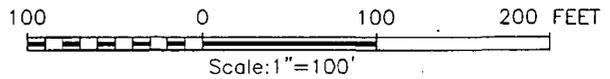
SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 10/22/007	Sheet 1 of 1 Sheets
W.O. Number: 07.11.1397	Drawn By: L.A.
Date: 10/26/07	DISK: CD#6
07111397	REV:8/7/08



WELL	COORDINATES	ELEVATIONS
MW #1	631744.7 N 759929.6 E	NATURAL GROUND - 3891.36' TOP OF PVC - 3894.31' TOP OF CONCRETE - 3891.47'
MW #2	631831.0 N 759853.6 E	NATURAL GROUND - 3893.55' TOP OF PVC - 3896.50' TOP OF CONCRETE - 3893.76'
MW #3	631645.9 N 759855.5 E	NATURAL GROUND - 3891.82' TOP OF PVC - 3894.78' TOP OF CONCRETE - 3892.05'

NOTE: COORDINATES SHOWN ARE "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.





PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

BBC INTERNATIONAL, INC.

SCRATCH STATE COM #1

SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 10/22/007	Sheet 1 of 1 Sheets
W.O. Number: 07.11.1397	Drawn By: L.A.
Date: 10/26/07	DISK: CD#6
	07111397 REV:8/7/08

## Activities Summary – Marbob Scratch State #1

BBC began performing field screens for chloride on soil samples from the pit bottom at Scratch State Com #1 on August 9, 2007. Chloride levels in soil samples in the north half of the pit continued to exceed NMOCD guidelines as the depth for sample collection increased. The north half of the excavation continued to deepen as samples were screened. On August 20, 2007, groundwater was encountered at approximately 40 feet below ground surface in the northeast corner of the excavation. A trench of similar depth was excavated at the northwest corner however no water was encountered at that location.

On September 10, 2007, BBC contracted Eco/Enviro Drilling to place a monitoring well (MW1) near the northeast corner of the excavation. MW1 was located on the east side of the pit near the north corner. Four soil samples were collected during drilling of MW1. At 35 feet bgs chloride content was less than 16 parts per million (ppm or mg/Kg), the 40 foot sample contained 3,919 ppm, the 45 foot sample contained 3,479 ppm, and the 50 foot sample showed 208 ppm. Drilling ceased at 50 feet bgs and the well was set with a 2 inch casing and 15 feet of 0.20 mm screen. The well was not yet vaulted, and BBC developed MW1 in the afternoon of the same day. 12.77 feet of water (2.08 gallons) existed in the well and 6.24 gallons were purged.

On September 11, 2007, BBC sampled the groundwater for chloride at MW1. The sample contained 396 ppm (mg/L).

Eco/Enviro Drilling returned on September 27-28, 2007 to install the second and third monitoring wells (MW2 and MW3). MW2 was placed on the north side of the excavation and toward the east corner. Five soil samples were collected during drilling of MW2. At 35 feet bgs chloride content was 9,800 ppm, the 40 foot sample contained 5,040 ppm, the 45 foot sample contained 3,240 ppm, the 50 foot sample showed 5,040 ppm, and the 55 foot sample contained 528 ppm. Drilling ceased at 55 feet bgs and the well was set with a 2 inch casing and 15 feet of 0.20 mm screen. The well was not yet vaulted. MW3 was placed on the south side of the excavation directly south of MW2. Five soil samples were collected during drilling of MW3. At 35 feet bgs chloride content was 48 ppm, the 40 foot sample contained 64 ppm, the 45 foot sample contained 192 ppm, the 50 foot sample showed 176 ppm, and the 55 foot sample contained 64 ppm. Drilling ceased at 55 feet bgs and the well was set with a 2 inch casing and 15 feet of 0.20 mm screen. The well was not yet vaulted. BBC developed MW2 on the afternoon of September 28, 2007. 14.05 feet of water (2.29 gallons) existed in the well and 6.87 gallons were purged. Since MW3 was not yet recharging, it was decided to postpone development of MW3 until October 1, 2007.

On October 1, 2007, BBC sampled the groundwater for chloride at MW2. The sample contained 45,590 ppm. BBC also developed MW3 the same afternoon. Gauging data indicated that 4.97 feet of water existed in MW3 (0.81 gallons). BBC purged 1 gallon of groundwater before the groundwater pump clogged with sediment. Two hours later, BBC returned using a bailer to purge another 1.5 gallons of water and sediment from MW3. MW3 was emptied.

BBC returned to collect groundwater samples for chloride on October 2, 2007 from both MW1 and MW3 for the purpose of having near simultaneous groundwater data for all three monitoring wells. The groundwater sample from MW1 contained 708 ppm. The sample from MW3 contained 472 ppm. During sampling activities it was noted that MW3 contained only 2.94 feet of water in the water column. Only 0.5 gallons and more sediment were purged.

On October 3, 2007, BBC purged MW2 and MW3. MW2 would be purged as often as possible due to the results of the laboratory data from the first samples collected. 14.17 feet of water (2.31 gallons) existed in the water column and 11 gallons were purged. MW3 would be purged in an attempt to encourage recharge of the well. 1.32 feet of water (0.22 gallons) existed in the water column and 0.25 gallons were purged.

All three monitoring wells were vaulted on October 19, 2007. On this afternoon, all wells were gauged and 11 gallons were purged from MW2.

On October 22, 2007, the site was surveyed by John West Surveying Company. The survey included monitoring well elevations. Also on this date, BBC again purged MW2 and MW3. In MW2, 13.84 feet of water (2.26 gallons) existed in the water column and 10 gallons were purged. In MW3, 1.59 feet of water (0.26 gallons) existed in the water column and 0.25 gallons were purged.

BBC collected groundwater samples from all three monitoring wells on October 23, 2007. The sample from MW1 contained 2,260 ppm chloride, the sample from MW2 contained 42,800 ppm, and the sample from MW3 contained 400 ppm.

During the month of November, MW2 continued to be purged. The water level in MW3 remained at less than 0.5 feet in the water column.

On December 4, 2007, BBC purged all monitor wells, however from this date on only sampled groundwater from MW1 and MW2. MW3 was not sampled again due to failure of the well to recharge after purging. The sample from MW1 showed 512 ppm chloride and MW2 contained 42,400 ppm.

BBC continued to purge MW2 through January of 2008. On January 24, 2008, BBC collected groundwater samples from MW1 and MW2. The sample from MW1 contained 35,200 ppm chloride and the sample from MW2 showed 44,400 ppm. From this date forward, both MW1 and MW2 were purged as often as possible.

On April 14, 2008, BBC collected groundwater samples from MW1 and MW2. The sample from MW1 contained 14,600 ppm chloride and the sample from MW2 contained 48,800 ppm.

BBC also received permission from Marbob Energy to order a ground water pumping unit to install at MW2 in order for the well to be purged continuously. BBC has received the pumping unit for MW2 installation and will soon complete the installation. BBC continues to purge MW1 and MW2 and has regularly noted a slight decrease in the amount of water in the column of both monitoring wells.





# CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240  
(915) 673-7001 Fax (915) 673-7020 (605) 393-2328 Fax (605) 393-2478

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name: <u>BBC International, Inc.</u>	<b>BILL TO</b>	<b>ANALYSIS REQUEST</b>
Project Manager: <u>Cliff Brunson</u>	P.O. #:	
Address: <u>1324 W. Marland</u>	Company:	
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>	Attn: <u>same</u>	
Phone #: <u>505-397-6388</u> Fax #: <u>505-397-0397</u>	Address:	
Project #: Project Owner: <u>Marbob</u>	City:	
Project Name: <u>Scratch St. Com #1</u>	State: Zip:	
Project Location: <u>Maljamar, NM</u>	Phone #:	
Sampler Name: <u>Amy Ruth</u>	Fax #:	

FOR LAB USE ONLY	Lab I.D.	Sample I.D.	(G)PAB OR (C)OMP	# CONTAINERS	MATRIX										PRESERV.		SAMPLING		DATE	TIME	Chloride
					GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	ICE/COOL	OTHER:								
	H13282-1	MWI @ 35'	G	1				✓										9/10/07	1345	✓	
	-2	MWI @ 40'	G	1				✓										9/10/07	1410	✓	
	-3	MWI @ 45'	G	1				✓										9/10/07	1438	✓	
	-4	MWI @ 50'	G	1				✓										9/10/07	1457	✓	

PLEASE NOTE: Liberty and Diamond Cardinal's liability and chain of custody extends only to the amount paid by the client for the analysis. All extra charges (such as for reanalysis and any other cause whatsoever) shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable analysis. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subcontractors, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Matrix and Containers: All kits will be stamped on all materials more than 30 days past due at the rate of \$150 per kit/kit more the original date of analysis, and at cost of collection, including shipping's time.

Sampler Relinquished:	Date:	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
	Time:		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date:	Received By: (Lab Staff)	REMARKS:	
<u>Amy Ruth</u>	<u>9/12/07</u>	<u>[Signature]</u>		
Delivered By: (Circle One)	Time:	Sample Condition	CHECKED BY:	
<u>UPS - Bus - Other:</u>	<u>1020</u>	Cool intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<u>[Signature]</u>	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2478.



# ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

**ANALYTICAL RESULTS FOR**  
**BBC INTERNATIONAL, INC.**  
**ATTN: CLIFF BRUNSON**  
**P.O. BOX 805**  
**HOBBS, NM 88241**  
**FAX TO: (505) 397-0397**

Receiving Date: 09/27/07  
 Reporting Date: 09/28/07  
 Project Owner: MARBOB  
 Project Name: SCRATCH ST. COM #1  
 Project Location: MALJAMAR, NM

Analysis Date: 09/28/07  
 Sampling Date: 09/27/07  
 Sample Type: SOIL  
 Sample Condition: COOL & INTACT  
 Sample Received By: KS  
 Analyzed By: HM

LAB NUMBER	SAMPLE ID	CF (mg/Kg)
H13393-1	MW2 35'	9,800
H13393-2	MW2 40'	5,040
H13393-3	MW2 45'	3,240
H13393-4	MW2 50'	5,040
H13393-5	MW2 55'	528
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		2.0

METHOD: Standard Methods      4500-CIB

Note: Analyses performed on 1:4 w/v aqueous extracts.

  
 Chemist

09-28-07  
 Date

H13393 BBC

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



# CARDINAL LABORATORIES, INC.

2111 Beachwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240  
(915) 673-7001 Fax (915) 673-7020 (506) 393-2326 Fax (506) 393-2476

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name: <u>BBC International</u>		BILL TO		ANALYSIS REQUEST												
Project Manager: <u>Cliff Brunson</u>		P.O. #:														
Address: <u>1324 W. Marland</u>		Company:														
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>		Attn: <u>SAME</u>														
Phone #: <u>505-397-6388</u> Fax #: <u>505-397-0397</u>		Address:														
Project #: _____ Project Owner: <u>Markob</u>		City:														
Project Name: <u>Scratch St. Com #1</u>		State: _____ Zip: _____														
Project Location: <u>Maljamar</u>		Phone #:														
Sampler Name: <u>Amy Ruth</u>		Fax #:														
FOR LAB USE ONLY				MATRIX			PRESERV.			SAMPLING						
Lab I.D.	Sample I.D.	(G)RAB OR (O)OMP.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME	Chloride	
<u>H13393-1</u>	<u>MW2 35'</u>	<u>G</u>	<u>1</u>			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			<u>9/27/07</u>	<u>958</u>		<input checked="" type="checkbox"/>
<u>-2</u>	<u>MW2 40'</u>	<u>G</u>	<u>1</u>			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			<u>9/27/07</u>	<u>1047</u>		<input checked="" type="checkbox"/>
<u>-3</u>	<u>MW2 45'</u>	<u>G</u>	<u>1</u>			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			<u>9/27/07</u>	<u>1116</u>		<input checked="" type="checkbox"/>
<u>-4</u>	<u>MW2 50'</u>	<u>G</u>	<u>1</u>			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			<u>9/27/07</u>	<u>1156</u>		<input checked="" type="checkbox"/>
<u>-5</u>	<u>MW2 55'</u>	<u>G</u>	<u>1</u>			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>			<u>9/27/07</u>	<u>1220</u>		<input checked="" type="checkbox"/>

PLEASE NOTE: Under and Division Cardinal's liability and does not include liability for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the services. All other liability shall be limited to the amount paid by the client for the services. All other liability shall be limited to the amount paid by the client for the services. All other liability shall be limited to the amount paid by the client for the services.

Sampler Relinquished:	Date:	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
	Time:		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date:	Received By: (Lab Staff)	REMARKS:	
	<u>9/27/07</u>	<u>Krista Suprioto</u>		
Delivered By: (Circle One)	Time:	Sample Condition	CHECKED BY: (Initials)	
<input checked="" type="checkbox"/> UPS <input type="checkbox"/> Bus <input type="checkbox"/> Other:	<u>2:10</u>	Cool <input type="checkbox"/> Intact <input checked="" type="checkbox"/>	<u>KS</u>	
		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.









# CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240  
 (915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2478

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name: <u>BBC International, Inc.</u>		<b>BILL TO</b>		<b>ANALYSIS REQUEST</b>											
Project Manager: <u>Cliff Brunson</u>		P.O. #:													
Address: <u>1324 W. Marland</u>		Company:													
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>		Attn: <u>SAME</u>													
Phone #: <u>505-397-6388</u> Fax #: <u>505-397-0397</u>		Address:													
Project #: _____ Project Owner: <u>Marbob</u>		City:													
Project Name: <u>Scratch St. Com #1</u>		State: _____ Zip: _____													
Project Location: <u>Maljamar, NM</u>		Phone #:													
Sampler Name: <u>Amy Ruth</u>		Fax #:													
FOR USE ONLY															
Lab I.D.	Sample I.D.	KG/BS OR (C)OMP.	# CONTAINERS					MATRIX			PRESERV.	SAMPLING	Chloride		
				GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:		DATE	TIME
<u>H1328-1</u>	<u>MW 1</u>	<u>G</u>	<u>1</u>	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>				<u>9/11/07</u>	<u>16:55</u>

PLEASE NOTE: Liability and Ownership: Cardinal's liability and ownership is limited to the analysis performed. It is the responsibility of the client to ensure that the sample is properly collected, preserved, and analyzed. Cardinal is not responsible for any loss or damage to the sample or for any delay in the analysis. Cardinal is not responsible for any cost of collection, preservation, or analysis. Cardinal is not responsible for any cost of transportation or storage. Cardinal is not responsible for any cost of analysis. Cardinal is not responsible for any cost of reporting. Cardinal is not responsible for any cost of any other services or products provided by Cardinal. Cardinal is not responsible for any cost of any other services or products provided by Cardinal. Cardinal is not responsible for any cost of any other services or products provided by Cardinal.

Sampler Relinquished:	Date:	Received By:	Phone Hook:	<input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
	Time:		Fax Hook:	<input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date:	Received By: (Lab Staff)	REMARKS:		
<u>Amy Ruth</u>	<u>9/12/07</u>	<u>Steve Fuller</u>			
Delivered By: (Circle One)	Time:	Sample Condition	CHECKED BY: (Initials)		
<u>UPS</u>	<u>10:20</u>	Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/>	<u>NS</u>		
Sampler: <u>UPS</u> • Bus • Other:		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.



**ARDINAL  
LABORATORIES**

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (505) 397-0397

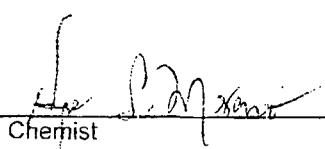
Receiving Date: 09/27/07  
Reporting Date: 09/28/07  
Project Owner: MARBOB  
Project Name: SCRATCH ST. COM #1  
Project Location: MALJAMAR, NM.

Analysis Date: 09/28/07  
Sampling Date: 09/27/07  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: KS  
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/Kg)
H13393-1	MW2 35'	9,800
H13393-2	MW2 40'	5,040
H13393-3	MW2 45'	3,240
H13393-4	MW2 50'	5,040
H13393-5	MW2 55'	528
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		2.0

METHOD: Standard Methods 4500-ClB

Note: Analyses performed on 1:4 w:v aqueous extracts.

  
Chemist

09-28-07  
Date

H13393 BBC

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



**CARDINAL LABORATORIES, INC.**  
 2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240  
 (915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>BRC International</u>	<b>BILL TO</b>	<b>ANALYSIS REQUEST</b>	
Project Manager: <u>C.D. Brunson</u>	P.O. #:		
Address: <u>1324 W. Marland</u>	Company:		
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>	Attn: <u>SAME</u>		
Phone #: <u>505-397-6385</u> Fax #: <u>505-397-0397</u>	Address:		
Project #: Project Owner: <u>Marbob</u>	City:		
Project Name: <u>Scratch St. Com #1</u>	State: Zip:		
Project Location: <u>Maljamar</u>	Phone #:		
Sampler Name: <u>Amy Ruth</u>	Fax #:		

Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP. # CONTAINERS	MATRIX						PRESERV.		SAMPLING		DATE	TIME	
			GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:				
H13393-1	MW2 35'	G 1			✓				✓			9/27/07	958	✓	Chloride
-2	MW2 40'	G 1			✓			✓			9/27/07	1047	✓		
-3	MW2 45'	G 1			✓			✓			9/27/07	1116	✓		
-4	MW2 50'	G 1			✓			✓			9/27/07	1156	✓		
-5	MW2 55'	G 1			✓			✓			9/27/07	1230	✓		

PLEASE NOTE: Cardinal and Cardinal's liability and does not contain remedy for any claim arising whether based in contract or tort, that be limited to the amount paid by the client for the analysis. All other remedies, including but not limited to, are hereby waived. This limitation shall be deemed waived unless made in writing and received by Cardinal within 30 days of completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profit incurred by client, its subcontractors, affiliates or successors, arising out of or resulting from the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated causes or otherwise.

Terms and Conditions: All work will be charged on an account basis from 30 days past due at the rate of 24% per annum from the original date of invoice, and of costs of collection, including attorney's fees.

Sampler Relinquished By: 	Date:	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
	Time:		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date: <u>9/27/07</u>	Received By: (Lab Staff) <u>Krista Supriolo</u>	REMARKS:	
Delivered By: (Circle One) Sampler: <u>UPS</u> - Bus - Other:	Time: <u>2:10</u>	Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No <input type="checkbox"/> No		

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.



**ARDINAL  
LABORATORIES**

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

**ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (505) 397-0397**

Receiving Date: 10/02/07  
Reporting Date: 10/02/07  
Project Owner: MARBOB  
Project Name: SCRATCH ST. COM #1  
Project Location: MALJAMAR, NM

Analysis Date: 10/02/07  
Sampling Date: 09/28/07  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: NF  
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/Kg)
H13410-1	MW3 35'	48
H13410-2	MW3 40'	64
H13410-3	MW3 45'	192
H13410-4	MW3 50'	176
H13410-5	MW3 55'	64
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods      4500-ClB

Note: Analyses performed on 1:4 w:v aqueous extracts.

*Buster Suptela*  
Chemist

10/03/07  
Date

H13410 BBC

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever, shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



**ARDINAL LABORATORIES, INC.**

2111 Beechwood, Abilene, TX 79608 101 East Marland, Hobbs, NM 88240  
 (815) 673-7001 Fax (915) 673-7020 (505) 393-2328 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name: <u>BBC International, Inc.</u>		BILL TO		ANALYSIS REQUEST											
Project Manager: <u>Cliff Brunson</u>		P.O. #:													
Address: <u>1324 W. Marland</u>		Company:													
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>		Alt#: <u>SAME</u>													
Phone #: <u>505-397-6388</u> Fax #: <u>505-397-0397</u>		Address:													
Project #: _____ Project Owner: <u>Marbo</u>		City:													
Project Name: <u>Scratch St. Com #1</u>		State: _____ Zip: _____													
Project Location: <u>Maljamar</u>		Phone #: _____													
Sampler Name: <u>Amy Ruth</u>		Fax #: _____													
Lab I.D.	Sample I.D.	# CONTAINERS	MATRIX					PRESERV.			SAMPLING		DATE	TIME	
			GROUNDWATER	WASTEWATER	SOIL	SLUDGE OIL	SLUDGE	OTHER:	ACID/BASE	ICE / COOL	OTHER:				
<u>H13410-1</u>	<u>MW3 35'</u>	<u>G 1</u>										<u>9/28/07</u>	<u>1023</u>	<input checked="" type="checkbox"/>	
<u>-2</u>	<u>MW3 40'</u>	<u>G 1</u>										<u>9/28/07</u>	<u>1027</u>	<input checked="" type="checkbox"/>	
<u>-3</u>	<u>MW3 45'</u>	<u>G 1</u>										<u>9/28/07</u>	<u>1043</u>	<input checked="" type="checkbox"/>	
<u>-4</u>	<u>MW3 50'</u>	<u>G 1</u>										<u>9/28/07</u>	<u>1140</u>	<input checked="" type="checkbox"/>	
<u>-5</u>	<u>MW3 55'</u>	<u>G 1</u>										<u>9/28/07</u>	<u>1207</u>	<input checked="" type="checkbox"/>	

Chloride

PLEASE NOTE: Only use Corrosion Card(s) in only one section already for any claim where either based in contract or test, that the linked to the amount paid by the client for the service. All data results shall be negative and any other data whatsoever shall be considered unless made in writing and reported by Cardinal within 30 days after completion of the applicable service. In no case shall Cardinal be liable for negligent or intentional damage, including without limitation, business interruption, loss of use, or loss of profits incurred by client, its subcontractors, or any other party, due to or caused by the performance of services provided by Cardinal. (The basis of liability shall be based upon any of the above stated terms or conditions.)

Sampler Relinquished:	Date: _____	Received By: _____	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #: _____
	Time: _____		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #: _____
Relinquished By: <u>Amy Ruth</u>	Date: <u>10/2/07</u>	Received By: (Lab Staff) <u>Phil Fullin</u>	REMARKS:	
Delivered By: <u>Yolande One</u>	Time: <u>830</u>	Sample Condition: Cool Intact	CHECKED BY: <u>74</u>	
Sampler: <input type="checkbox"/> UPS <input type="checkbox"/> Bus <input type="checkbox"/> Other:		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.







**ARDINAL  
LABORATORIES**

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

**ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (505) 397-0397**

Receiving Date: 10/03/07  
Reporting Date: 10/04/07  
Project Owner: MARBOB  
Project Name: SCRATCH ST. COM #1  
Project Location: MALJAMAR, NM

Analysis Date: 10/03/07  
Sampling Date: 10/02/07  
Sample Type: GROUNDWATER  
Sample Condition: COOL & INTACT  
Sample Received By: AB  
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/L)
H13431-1	MW 1	708
H13431-2	MW 3	472
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1
METHOD: Standard Methods		4500-ClB

*Krista Anzures*  
Chemist

10/04/07  
Date

H13431 BBC

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



# CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603  
 (505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>BBC International</u>			<b>BILL TO</b>			<b>ANALYSIS REQUEST</b>											
Project Manager: <u>Cliff Brunson</u>			P.O. #:														
Address: <u>1324 W. Marland</u>			Company:														
City: <u>Hobbs</u>		State: <u>NM</u> Zip: <u>88240</u>	Attn: <u>SAME</u>														
Phone #: <u>505-397-6398</u>		Fax #: <u>505-397-0397</u>	Address: <u>SAME</u>														
Project #:		Project Owner: <u>Marbob</u>	City:														
Project Name: <u>Scratch St. Com #1</u>			State: Zip:														
Project Location: <u>Maljamar</u>			Phone #:														
Sampler Name: <u>Amy Ruth</u>			Fax #:														
FOR LAB USE ONLY																	
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX								PRESERV.	SAMPLING		Chloride		
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE	TIME			
<u>H13431-1</u>	<u>MW1</u>	<u>G</u>	<u>1</u>	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>		<u>10/2/07</u>	<u>1825</u>			
	<u>-2 MW3</u>	<u>G</u>	<u>1</u>	<input checked="" type="checkbox"/>							<input checked="" type="checkbox"/>		<u>10/2/07</u>	<u>1835</u>			

PLEASE NOTE: Liability and Damages. Cardinal's facility and chain's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of service hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By:	Date:	Received By:	Phone Result:	<input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
	Time:		Fax Result:	<input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS:		
<u>Amy Ruth</u>	<u>10/3/07</u>	<u>A-B-J</u>			
Time:					
<u>1200</u>					
Delivered By: (Circle One)	Sample Condition:	CHECKED BY:			
Sampler - UPS - Bus - Other:	Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/>	(Initials)			
	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	<u>A-B</u>			
	Yes <input type="checkbox"/> No <input type="checkbox"/>				

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



# ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (575) 397-0397

Receiving Date: 10/24/07  
Reporting Date: 10/24/07  
Project Owner: MARBOB  
Project Name: SCRATCH ST. COM #1  
Project Location: MALJAMAR, NM

Analysis Date: 10/24/07  
Sampling Date: 10/23/07  
Sample Type: GROUNDWATER  
Sample Condition: COOL & INTACT  
Sample Received By: BC  
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/L)
H13569-1	MW 1	2,260
H13569-2	MW 2	42,800
H13569-3	MW 3	400
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		< 0.1

METHOD: Standard Methods	4500-ClB
--------------------------	----------

*Kristen Sappolo*  
Chemist

10/24/07  
Date

H13569 BBC

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



# CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240  
 (915) 673-7001 Fax (915) 673-7020 (606) 393-2326 Fax (505) 388-2476

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name: <u>BBC International, Inc.</u>		BILL TO		ANALYSIS REQUEST																				
Project Manager: <u>Cliff Brunson</u>		P.O. #																						
Address: <u>1324 W. Marland</u>		Company:																						
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>		Attn:																						
Phone #: <u>505-397-6388</u> Fax #: <u>505-397-0397</u>		Address: <u>SAME</u>																						
Project #: _____ Project Owner: <u>Marbob</u>		City:																						
Project Name: <u>Scratch St. Conn #1</u>		State: _____ Zip: _____																						
Project Location: <u>Maljamar, NM</u>		Phone #: _____																						
Sampler Name: <u>Amy Ruth</u>		Fax #: _____																						
FOR LAB USE ONLY																								
Lab I.D.		Sample I.D.																						
		# CONTAINERS	MATRIX	PRESERV.			SAMPLING																	
		GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:	DATE		TIME											
<u>H1324</u>		<u>G</u>	<u>1</u>	<u>✓</u>				<u>✓</u>	<u>✓</u>		<u>10/23/07</u>		<u>1310</u>		<u>✓</u>									
<u>2</u>		<u>G</u>	<u>1</u>	<u>✓</u>				<u>✓</u>	<u>✓</u>		<u>10/23/07</u>		<u>1350</u>		<u>✓</u>									
<u>3</u>		<u>G</u>	<u>1</u>	<u>✓</u>				<u>✓</u>	<u>✓</u>		<u>10/23/07</u>		<u>1210</u>		<u>✓</u>									

Chloride

PLEASE NOTE: Liability and Coverage: Cardinal's liability and coverage is limited to the amount paid by the client for the analysis. All other claims for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be held for professional or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or resulting from the performance of services hereunder by Cardinal regardless of whether such claim shall be based upon any of the above stated reasons of liability.

Terms and Conditions: All items will be returned to client within 30 days plus day of the date of test for items from the original date of transfer and at time of collection. See also laboratory's files.

Sampler Relinquished:		Date:		Received By:		Phone Request: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Phone #:	
		Time:				Fax Request: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Fax #:	
Relinquished By:		Date:		Received By: (Lab Staff)		REMARKS:			
<u>Amy Ruth</u>		<u>10/24/07</u>		<u>Brunson, L. Cooke</u>					
Delivered By: (Circle One)		Time:		Sample Condition					
Sampler - UPS - Bus - Other:		<u>812</u>		Cool Intact		CHECKED BY: (Initials)			
				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No					
				<input type="checkbox"/> No <input type="checkbox"/> No					

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.



# ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (575) 397-0397

Receiving Date: 12/04/07  
Reporting Date: 12/05/07  
Project Owner: MARBOB  
Project Name: SCRATCH ST. COM #1  
Project Location: MALJAMAR, NM

Analysis Date: 12/05/07  
Sampling Date: 12/04/07  
Sample Type: GROUNDWATER  
Sample Condition: COOL & INTACT  
Sample Received By: NF  
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/L)
H13842-1	MW1	512
H13842-2	MW2	42,400
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1
METHOD: Standard Methods		4500-Cl <sup>-</sup> B

*Kristin Supton*  
Chemist

12/05/07  
Date

H13842 BBC

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.







# CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603  
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>BBC International</u>				<b>BILL TO</b>				<b>ANALYSIS REQUEST</b>															
Project Manager: <u>Cliff Brunson</u>				P.O. #:				Chloride															
Address: <u>1324 W. Marland</u>				Company:																			
City: <u>Hobbs</u>		State: <u>NM</u>		Zip: <u>88240</u>		Attn:																	
Phone #: <u>505-397-6388</u>				Fax #: <u>505-397-0397</u>																Address: <u>SAME</u>			
Project #:		Project Owner: <u>Marbob</u>		City:																			
Project Name: <u>Scratch St. Con #1</u>				State:																Zip:			
Project Location: <u>Maljamar, NM</u>				Phone #:																			
Sampler Name: <u>Amy Ruth</u>				Fax #:																			
FOR LAB USE ONLY																							
Lab I.D.		Sample I.D.		(G)RABOR (C)OMP.	# CONTAINERS	MATRIX						PRESERV.		SAMPLING		DATE		TIME					
						GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:									
<u>H1455-1</u>		<u>MW1</u>		<u>G</u>	<u>1</u>	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>		<u>1/24/08</u>		<u>1245</u>		<input checked="" type="checkbox"/>					
<u>-2</u>		<u>MW2</u>		<u>G</u>	<u>1</u>	<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>		<u>1/24/08</u>		<u>1430</u>		<input checked="" type="checkbox"/>					

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

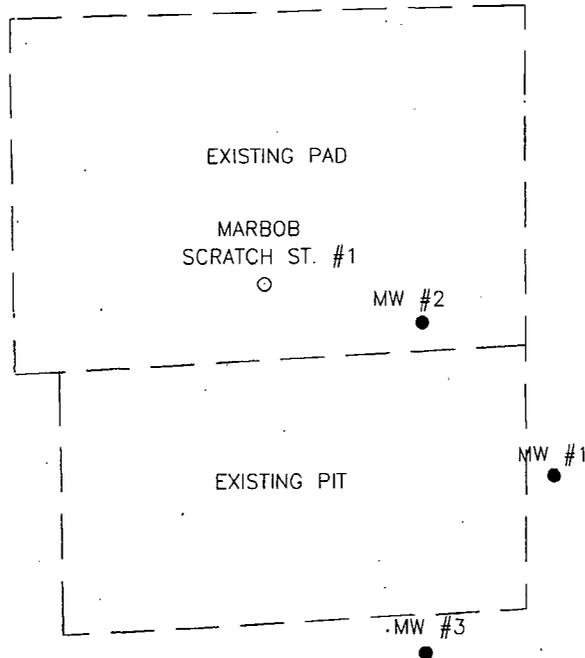
Relinquished By: <u>[Signature]</u>		Date: <u>1-24-08</u>	Received By: <u>[Signature]</u>		Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
		Time: <u>3:55</u>			Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By: <u>[Signature]</u>		Date:	Received By:		REMARKS:	
		Time:				
Delivered By: (Circle One) Sampler - UPS - Bus - Other:			Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		CHECKED BY: (Initials) <u>MRB</u>	

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476



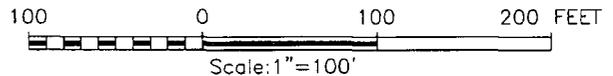


30-025-36996



WELL	COORDINATES	ELEVATIONS
MW #1	631744.7 N 759929.6 E	NATURAL GROUND - 3891.36' TOP OF PVC - 3894.31' TOP OF CONCRETE - 3891.47'
MW #2	631831.0 N 759853.6 E	NATURAL GROUND - 3893.55' TOP OF PVC - 3896.50' TOP OF CONCRETE - 3893.76'
MW #3	631645.9 N 759855.5 E	NATURAL GROUND - 3891.82' TOP OF PVC - 3894.78' TOP OF CONCRETE - 3892.05'

NOTE: COORDINATES SHOWN ARE "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.





PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

**BBC INTERNATIONAL, INC.**

**SCRATCH STATE COM #1**  
 SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST,  
 N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 10/22/007	Sheet . 1 of 1 Sheets
W.O. Number: 07.11.1397	Drawn By: L.A.
Date: 10/26/07	DISK: CD#6
07111397	REV:8/7/08

**VonGonten, Glenn, EMNRD**

---

**From:** Cliff P. Brunson [cbrunson@bbcinternational.com]  
**Sent:** Thursday, August 14, 2008 5:46 PM  
**To:** VonGonten, Glenn, EMNRD  
**Cc:** Price, Wayne, EMNRD; Ken Swinney; Jennifer Gilkey; Amy C. Ruth  
**Subject:** RE: Marbob Scratch State  
**Attachments:** SCRATCH STATE COM #1-1.pdf; Activities Summary-Scratch State Com 1.pdf; Lab Data-4-15-08.pdf; Lab Data 1-25-08.pdf; Lab Data 8-14-07.pdf; Lab Data 9-11-07.pdf; Lab data 9-27-07.pdf; Lab data 9-28-07.pdf; Lab data 10-1-07.pdf; Lab data 10-2-07.pdf; Lab data 10-23-07.pdf; Lab data 12-4-07.pdf; MW1 soil boring data-Sept. 10, 2007.pdf; MW2 soil boring data-Sept. 27, 2007.pdf

Glenn,

Attached are several files per your request. One is an activities summary that will correlate the lab data and the site diagram. I have been out of town all week until this afternoon otherwise I would have sent it at the beginning of this week.

Cliff

.....  
Confidentiality Notice: This electronic transmission (and any attached documents) is intended only for the person(s) to whom it is addressed and may contain information that is privileged, confidential, or otherwise protected from disclosure. If you have received this transmission in error, please immediately notify the sender by e-mail or by collect telephone call to (505) 397-6388 for handling instructions. Any disclosure or distribution of the contents of this transmission by anyone other than the named recipient(s) is strictly prohibited.  
.....

Cliff P. Brunson, CEI, CRS  
President  
BBC International, Inc.  
World-Wide Environmental Specialists  
Mailing Address:  
P. O. Box 805  
Hobbs, NM 88241-0805 USA  
Shipping Address:  
1324 W. Marland Blvd.  
Hobbs, NM 88240 USA  
Phone: (575) 397-6388  
Fax: (575) 397-0397  
E-mail: [cbrunson@bbcinternational.com](mailto:cbrunson@bbcinternational.com)  
Web: [www.bbcinternational.com](http://www.bbcinternational.com)  
.....

---

**From:** VonGonten, Glenn, EMNRD [mailto:Glenn.VonGonten@state.nm.us]  
**Sent:** Thursday, August 14, 2008 4:58 PM  
**To:** Cliff P. Brunson  
**Cc:** Price, Wayne, EMNRD  
**Subject:** RE: Marbob Scratch State

8/15/2008

Cliff,

OCD still has not received the required information. If OCD does not receive it by 5:00 pm, August 15, 2008, your client will receive a Letter of Violation the following Monday. No more delays will be accepted.

*Glenn von Gonten  
Senior Hydrologist  
Environmental Bureau  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
505-476-3488  
fax -476-3462  
glenn.vongonten@state.nm.us*

---

**From:** Cliff P. Brunson [mailto:cbrunson@bbcinternational.com]  
**Sent:** Monday, August 04, 2008 3:36 PM  
**To:** VonGonten, Glenn, EMNRD  
**Cc:** Price, Wayne, EMNRD  
**Subject:** RE: Marbob Scratch State

Glenn,

I am gathering the information to send to you. I apologize for the delay. Amy has been taking care of this site and she has both been on vacation and out for medical reasons for a while. It had put us even more short staffed, but she is back now and we are getting caught up. The information should be sent to you very soon. Appreciate your understanding.

Cliff

---

**From:** VonGonten, Glenn, EMNRD [mailto:Glenn.VonGonten@state.nm.us]  
**Sent:** Monday, August 04, 2008 3:01 PM  
**To:** cbrunson@bbcinternational.com  
**Cc:** Price, Wayne, EMNRD  
**Subject:** Marbob Scratch State

Cliff,

Just a reminder, OCD needs copies of all analytical results for the Marbob Scratch State. If ground water has been impacted then OCD will require either a remediation plan or an abatement plan depending on whether ground water standards have been exceeded. Marbob was required to submit an amended C-141 when it received its analytical data, which makes it potentially out of compliance for the past 10 months. Please submit the data immediately.

*Glenn von Gonten*

8/15/2008

*Senior Hydrologist  
Environmental Bureau  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
505-476-3488  
fax -476-3462  
glenn.vongonten@state.nm.us*

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

---

This inbound email has been scanned by the MessageLabs Email Security System.

---

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

---

This inbound email has been scanned by the MessageLabs Email Security System.

---

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

RECEIVED

Release Notification and Corrective Action

OPERATOR

Initial Report  Final Report

Name of Company <i>Marbob Energy Corp.</i>	Contact <i>Cliff Bunson - BBC International</i>
Address <i>P.O. Box 227 Artesia, NM 88211</i>	Telephone No. <i>505-397-6388</i>
Facility Name <i>Scratch State</i>	Facility Type <i>oil well / Drilling Pt</i>
Surface Owner <i>State of N.M</i>	Mineral Owner <i>State</i>
Lease No. _____	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	<i>24</i>	<i>18s</i>	<i>33E</i>	<i>1980</i>	<i>North</i>	<i>660</i>	<i>WEST</i>	<i>LEA.</i>

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release <i>Pit Liner</i>	Volume of Release <i>unknown</i>	Volume Recovered <i>None</i>
Source of Release <i>Pit</i>	Date and Hour of Occurrence <i>?</i>	Date and Hour of Discovery <i>8/20/07</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Daniel Sanchez - phone; Wayne Price - email</i>	
By Whom? <i>Rand French &amp; Cliff Bunson</i>	Date and Hour <i>8/20/07 - 2:07 pm</i>	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <i>UNKNOWN</i>	

If a Watercourse was Impacted, Describe Fully.\*

*Do not know the extent of impacts at this time*

Describe Cause of Problem and Remedial Action Taken.\*

*Compromised Pit - was in the process of a dig-n-haul, along with delineating chlorides. Forty feet below ground surface wet soils and water was encountered.*

Describe Area Affected and Cleanup Action Taken.\*

*unknown at this time. Most of the pit material has been removed. The back side of pit was free of chlorides @ 12' feet.*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Rand French</i>	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: <i>Rand French</i>	Approved by District Supervisor:	
Title: <i>wildlife Biologist</i>	Approval Date:	Expiration Date:
E-mail Address: <i>wildlife @ Marbob.com</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <i>8/24/07</i> Phone: <i>748-3303</i>		

\* Attach Additional Sheets If Necessary

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, 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-144  
March 12, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes  No   
Type of action: Registration of a pit or below-grade tank  Closure of a pit or below-grade tank

Operator: **Marbob Energy Corporation** Telephone: **505-748-3303** e-mail address: **land2@marbob.com**  
Address: **PO Box 227, Artesia, NM 88211-0227** **1980' FNL & 660' FWL**  
Facility or well name: **Scratch State Com #1** API#: **30-025-36996** U/L or Qtr/Qtr **SWNW** Sec **24** T **18S** R **33E**  
County: **Lea** Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927  1983  Surface Owner Federal  State  Private  Indian

<b>Pit</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <b>12</b> mil Clay <input type="checkbox"/> Volume _____ bbl	<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	
	Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) <input checked="" type="checkbox"/> 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) <input checked="" type="checkbox"/> No (0 points)	
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) <input checked="" type="checkbox"/> 1000 feet or more (0 points)	
<b>Ranking Score (Total Points)</b>		<b>0 points</b>

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite  offsite  If offsite, name of facility **Sundance Disposal** (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No  Yes  If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations. **\*Drilled 65' test hole at 865' FNL & 1650' FWL Sec 23-T18S-R33E. No water encountered INFO INCONCLUSIVE DUE TO PROCEDURE**

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described 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 .  
Date: **June 6, 2007**

Printed Name/Title: **Gerald Herrera**

Signature *G. Herrera*

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: *Dig & Huc Sample*

Date: **6/3/07**

Printed Name/Title: *Johnson*

Signature *[Signature]*

Samples are to be obtained from pit floor area in each quadrant and analysis submitted to NMOCD prior to back-filling. (Chloride)

Marbob Energy Corporation  
Attachment to OCD Form C-144

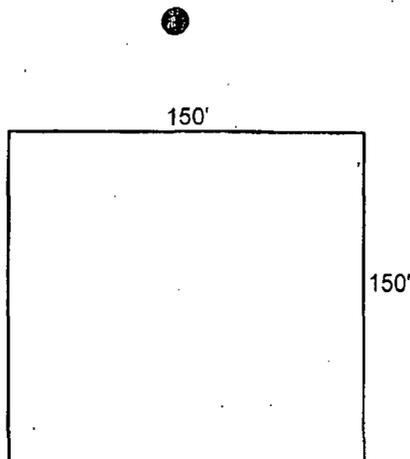
Pit or Below-Grade Tank Registration or Closure

Pit Closure

**Scratch State Com #1**

1980' FNL & 660' FWL  
Section 24 T-18S R-33E  
Lea County, New Mexico

(1) Facility diagram



(2) Disposal location:

*Truck and haul cuttings to Sundance Disposal.*

(3) General description of remedial action:

- a. *Use caliche from road and pad to fill pit.*
- b. *Use stock piled dirt to cover pit, reseed per landowner's specifications.*

(4) Groundwater encountered:

*No*

- *Drilled an 80' test hole on the Rhoid State #1 well at 330' FNL & 330' FWL Section 24 T-18S R-33E - Water leached into hole to 62'. Well Record submitted previously.*

(5) Soil sample:

~~N/A~~  
*SAMPLE PIT BOTTOM FOR CHLORIDE - REMOVE TO  
250 APM*

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  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Permit 3371

**APPLICATION FOR PERMIT TO DRILL**

Operator Name and Address MARBOB ENERGY CORP PO Box 227 Artesia, NM 88211-0227		OGRID Number 14049
		API Number 30-025-36996
Property Code 34465	Property Name SCRATCH STATE COM	Well No. 001

**Surface Location**

UL or Lot	Section	Township	Range	Lot Ltn	Feet From	N/S Line	Feet From	E/W Line	County
E	24	18S	33E	E	1980	N	660	W	Lea

**Proposed Pools**

CORBIN, MORROW, SOUTH (GAS) 75080

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3893
Multiple N	Proposed Depth 13900	Formation Morrow	Contractor	Spud Date 12/15/2004

**Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	300	300	0
Intl	12.25	8.625	32	4900	1400	0
Prod	7.875	5.5	17	13900	950	0

**Casing/Cement Program: Additional Comments**

Plan to drill 17 1/2 in hole w/fresh wtr, run 13 3/8 in 48 lb H-40 csg & set at 300 ft w/300 sx cmt, circ to surf, drill 12 1/4 in hole from 300-1850 ft w/fresh wtr w/no additives, drill 12 1/4 in hole from 1850-4900 ft w/brine wtr, run 8 5/8 in 32 lb Buttress csg & set at 4900 ft w/1400 sx cmt, circ to surf, drill 7 7/8 in hole 4900-13900 ft w/cut brine wtr, run 5 1/2 in 17 lb S-95/P110 csg & set at TD w/950 sx cmt, bring TOC 300 ft above all oil and gas bearing zones.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	Cameron
Double Ram	5000	5000	Cameron

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

Electronically Signed By: Diana Cannon

Title: Production Analyst

Date: 12/08/2004

Phone: 505-748-3303

**OIL CONSERVATION DIVISION**

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 12/09/2004

Expiration Date: 12/09/2005

Conditions of Approval:

There are conditions. See Attached.

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  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

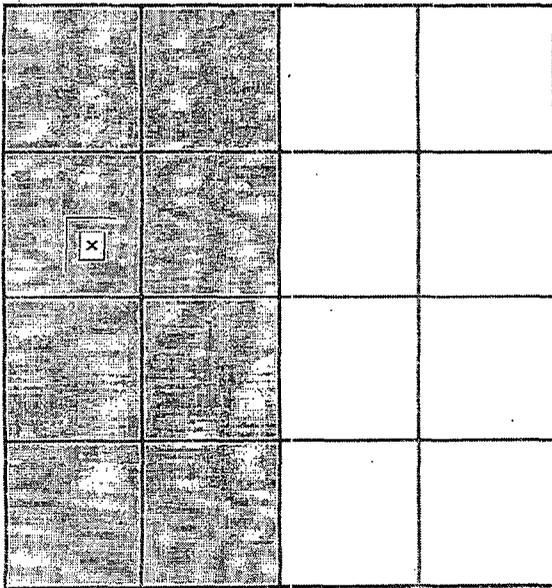
Form C-102  
Permit 3371

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-36996	Pool Name CORBIN,MORROW, SOUTH (GAS)	Pool Code 75080
Property Code 34465	Property Name SCRATCH STATE COM	Well No. 001
OGRID No. 14049	Operator Name MARBOB ENERGY CORP	Elevation 3893

**Surface And Bottom Hole Location**

UL or Lot E	Section 24	Township 18S	Range 33E	Lot Ltn E	Feet From 1980	N/S Line N	Feet From 660	E/W Line W	County Lea
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			



**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  
Electronically Signed By: Diana Cannon  
Title: Production Analyst  
Date: 12/08/2004

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  
Surveyed By: Gary Eidson  
Date of Survey: 11/22/2004  
Certificate Number: 12641

# Permit Conditions Of Approval

C-101, Permit 3371

Operator: MARBOB ENERGY CORP , 14049

Well: SCRATCH STATE COM #001

OCD Reviewer	Condition
PKAUTZ	Re-seeding mixture will must be approved or authorized by surface owner
PKAUTZ	Notice is to be given to the OCD prior to construction of the pit(s)
PKAUTZ	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, 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-144  
March 12, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes  No   
Type of action: Registration of a pit or below-grade tank  Closure of a pit or below-grade tank

Operator: **Marbob Energy Corporation**

Telephone: **505-748-3303**

e-mail address: **land2@marbob.com**

Address: **PO Box 227, Artesia, NM 88211-0227**

Facility or well name: **Scratch State #1**

API #: 30-025-36996 U/I. or Q/I/Qr **SWNW** Sec **24** T **18S** R **33E**

County: **Lea**

Latitude: 36°

Longitude: \_\_\_\_\_

NAD: 1927  1983

Surface Owner Federal  State  Private  Indian

<b>Pit</b>	<b>Below-grade tank</b>	
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/>	Volume: _____ bbl Type of fluid: _____	
Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/>	Construction material: _____	
Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Volume _____ bbl	Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	<u>100 feet or more</u>	( 0 points) <b>0 points</b>
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)
	<u>No</u>	( 0 points) <b>0 points</b>
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	<u>1000 feet or more</u>	( 0 points) <b>0 points</b>
	<b>Ranking Score (Total Points)</b>	<b>0 points</b>

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite  offsite  If offsite, name of facility \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No  Yes  If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described 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 .  
Date: **December 8, 2004**

Printed Name/Title: **Melanie J. Parker / Land Department**

Signature: *Melanie J. Parker*

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: \_\_\_\_\_

Printed Name/Title: **DEC 13 2004**  
**PETROLEUM ENGINEER**

Signature: *[Signature]*

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

Form C-103  
 May 27, 2004

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 type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		WELL API NO. 30-025-36996 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> 6. State Oil & Gas Lease No.
2. Name of Operator MAEBOB ENERGY CORPORATION		7. Lease Name or Unit Agreement Name SCRATCH STATE COM 8. Well Number 1
3. Address of Operator P O BOX 227 ARTESIA NM 88211-0227		9. OGRID Number 14049 10. Pool name or Wildcat CORBIN; MORROW, SOUTH (GAS)
4. Well Location Unit Letter <u>E</u> ; <u>1980</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>WEST</u> line Section <u>24</u> Township <u>18S</u> Range <u>33E</u> NMPM LEA County <u>NM</u>		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3893' GR		
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: <u>mil</u> Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: SPUD CSG/CMT <input checked="" type="checkbox"/>
--	---

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.

SPUD WELL @11:30 PM ON 04/25/05. DRILD 17 1/2" HOLE TO 403'; RAN 10 JTS (406.01') 13 3/8" 54# J-55 CSG TO 403'. CMTD W/475 SX P+, PD @3:00 PM ON 04/27/05, CIRC 170 SX TO PIT WOC 18 HRS, TSTD CSG TO 600# F/30 MIN.- HELD OK.



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 Debra L. Wilbourn TITLE GEOTECH DATE 05/03/05

Type or print name DEBORA L. WILBOURN E-mail address: geology@marbob.com Telephone No. 505-748-3303  
 For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAY 05 2005  
 Conditions of Approval (if any):

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. 30-025-36996
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SCRATCH STATE COM
8. Well Number 1
9. OGRID Number 14049
10. Pool name or Wildcat CORBIN; MORROW, SOUTH (GAS)

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, NM 88211-0227

4. Well Location  
 Unit Letter E : 1980 feet from the NORTH line and 660 feet from the WEST line  
 Section 24 Township 18S Range 33E NMPM LEA County NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3893' GR

Pit or Below-grade Tank Application  or Closure

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: INTMD CSG/CMT <input checked="" type="checkbox"/>	

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.

05/09/05 @9:45 AM, DRLD 12 1/4" HOLE TO 4950'. RAN 116/JTS (4951.09') 8 5/8" CSG TO 4948'. CMTD 1ST STG W/400 SX INTERFIL-C, TAILED IN W/300 SX P+, PD @2:00 AM ON 05/10/05 CIRC 96 SX TO PIT. WOC 18 HRS, TSTD CSG TO 1500# F/30 MIN.



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 Debra L. Wilbourn TITLE GEOTECH DATE 05/12/05

Type or print name DEBORA L. WILBOURN E-mail address: geology@marbob.com Telephone No. 505-748-3303  
 For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAY 17 2005

Conditions of Approval (if any):

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. 30-025-36996
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SCRATCH STATE COM
8. Well Number 1
9. OGRID Number 14049
10. Pool name or Wildcat CORBIN; MORROW, SOUTH (GAS)

**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, NM 88211-0227

4. Well Location  
Unit Letter E : 1980 feet from the NORTH line and 660 feet from the WEST line  
Section 24 Township 18S Range 33E NMPM LEA County NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3893' GR

Pit or Below-grade Tank Application  or Closure

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

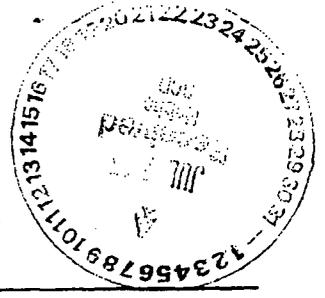
RECEIVED  
 JUL 01 2005  
 OCC-ARTESIA

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: TD CSG/CMT <input checked="" type="checkbox"/>	

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.

TD WELL @8:45 AM ON 06/22/05. DRLD 6 1/8" HOLE TO 13710'. RAN 323 JTS (13711.55') 4 1/2" 11.6# P-110 CSG TO 13708.90'. CMTD 1ST STG W/650 SX PB SUPER H, PD @2:30 AM 06/24/05, CIRC 175 SX TO PIT. CMTD 2ND STG W/900 SX HLP, TAILED IN W/200 SX PB SUPER H, PD @9:45 AM 06/24/05, DID NOT CIRC, RAN TEMP SURVEY - TOC @3000'. WOC 18 HRS, TSTD CSG TO 1500# F/30 MIN.



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 Debra L. Wilbourn TITLE GEOTECH DATE 06/30/05

Type or print name DEBORA L. WILBOURN E-mail address: geology@marbob.com Telephone No 505-748-3303  
 For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUL 11 2005  
 Conditions of Approval (if any):

REFERENCE SHEET FOR  
UNDESIGNATED WELLS

	Fm	Pm	N
17-21 W	XX	XX	XX
17-21 C	XX	XX	XX

paragraph

1. Date:	8/10/2005
2. Type of Well:	
Oil:	<input type="checkbox"/>
Gas:	<input checked="" type="checkbox"/>
3. County:	LEA

4. Operator:	>> MARBOB ENERGY CORP	APTNUMBER:	30 - 025 - 36996
5. Address of Operator	>> PO BOX 227 >> ARTESIA NM 88211-0227		
6. Lease name or Unit Agreement Name	>> SCRATCH STATE COM	7. Well Number	# - 1
8. Well Location	Unit Letter: <u>E</u> <u>1980</u> feet from the <u>N</u> line and <u>660</u> feet from the <u>W</u> line Section _____ Township _____ Range _____		

9. Completion Date:	7/19/2005	11. Perfs	Top	Bottom
			13170	13308
10. Name of Producing Formation(s)	MORROW	12. Open Hole Casing shoe	PBTD or TD Open Hole	
			13710	

13. C-123 Filed:	Date	15. Name of Pool Requested:	Pool ID num
Y <input type="checkbox"/> N <input checked="" type="checkbox"/>		CORBIN;MORROW, SOUTH (GAS)	75080
16. Remarks:			
EXTEND W/2 DEDICATED			

TO BE COMPLETED BY DISTRICT GEOLOGIST		
17. Action taken	18. Pool Name	Pool ID num
EXTEND	CORBIN;MORROW, SOUTH (GAS)	75080
T 18 S, R 33 E		
SEC 23: SE/4		
SEC 24: W/2		

19. Advertised for HEARING:	20. Case Number
21. Name of pool for which was advertised:	Pool ID num
CORBIN;MORROW, SOUTH (GAS)	75080
22. Placed in Pool	23. By order number
	R-

# WELL LOGS

API number:	30-025-36996		
OGRID:		Operator:	MARBOB ENERGY CORP
		Property:	SCRATCH STATE COM # 1

surface

ULSTR:	E	24	T	18S		R	33E
		1980	FNL		660	FWL	

BH Loc

ULSTR:	E	24	T	18S		R	33E
		1980	FNL		660	FWL	

Ground Level:	3893	DF:	3909	KB:	3910
Datum:	KB			TD:	13710

Land: STATE

Completion Date: (1) 7/19/2005  
 Date Logs Received: 8/9/2005 \*\*Late  
 Date Logs Due in: (2) 8/8/2005

Confidential:	NO			Date out:	
---------------	----	--	--	-----------	--

Confidential period: 90 Days for State & Fee, 1 Year for federal  
 Date Due In: (1) is equal to Completion Date (1) + 20 days

Logs	Depth interval		
DSN/SDL	200	13628	Spectral Density Dual Spaced Neutron
DLL/MSFL	4938	13679	Dual Laterolog Micro Spherically Focused Log

### OCD TOPS

Rustler	1614	Strawn	12180	
Tansill		Atoka	12553	
Yates		Morrow	13016	
Delaware	5461			
Delaware Lm				
Delaware Sd				
Bell Canyon				
Cherry Canyon				
Brushy Canyon				
Bone Spring	7430			
1st Sd	8557			
2nd Carb	8732			
2nd Sd	8977			
3rd Carb	9710			
3rd Sd	9960			
Wolfcamp	10143			

Patriot Drilling, LLC

OPERATOR: Marbob Energy Corp.  
WELL/LEASE: Scratch St. #1  
COUNTY: Lea County, NM

E-24-185-330  
1980/N & 660/W  
30-025-36996

STATE OF NEW MEXICO

DEVIATION REPORT

<u>Depth</u>	<u>Deviation</u>	<u>Depth</u>	<u>Deviation</u>
262	1/4	8309	1 1/4
403	1/2	8816	1 1/4
946	3/4	9317	2 3/4
1232	0	9381	0
1517	3/4	9505	2
1825	3/4	9635	1 3/4
2121	3/4	9984	2 1/4
2439	3/4	10109	2
2852	1 3/4	10471	2 3/4
2947	1 1/4	10566	3 1/4
3106	1 1/2	10677	2 2/3
3406	1 1/4	10740	2 1/2
3773	2	10804	1 1/2
3900	1 3/4	10867	1
4186	1	10931	1 2/3
4472	1	10995	1 1/2
4917	0	11058	1 1/2
5419	1	11122	1 1/2
5927	1	11376	1 1/2
6436	1 1/4	11421	1
6912	2	11802	1/4
7008	1 3/4	12275	1/2
7262		12621	1/2
7643	2	12951	3/4
7833	1 1/2	13378	3/4



*M. Leroy Peterson*  
M. Leroy Peterson

The foregoing instrument was acknowledged before me on this 27th day of June, 2005 by M. Leroy Peterson, Executive Vice-President of Patriot Drilling, LLC.

My Commission Expires: 5/29/2009

*Dora H. Duarte*  
Notary Public for Midland County, Texas



Submit To Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Avenue, Artesia, NM 88210  
 District III  
 1000 Rio Bruzos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources  
 Oil Conservation Division  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-105  
 Revised June 10, 2003  
 WELL API NO. 30-025-36996  
 5. Indicate Type of Lease  
 STATE  FEE   
 State Oil & Gas Lease No.

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well:  
 OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_  
 b. Type of Completion:  
 NEW  WORK  DEEPEN  PLUG  DIFF. WELL OVER  BACK RESVR.  OTHER \_\_\_\_\_  
 2. Name of Operator  
 MARBOB ENERGY CORPORATION  
 3. Address of Operator  
 PO BOX 227, ARTESIA, NM 88211-0227  
 7. Lease Name or Unit Agreement Name  
 SCRATCH STATE COM.  
 8. Well No.  
 1  
 9. Pool name or Wildcat  
 CORBIN; MORROW, SOUTH (GAS)

4. Well Location  
 Unit Letter E : 1980 Feet From The NORTH Line and 660 Feet From The WEST Line  
 Section 24 Township 18S Range 33E NMPM LEAS County

10. Date Spudded 4/25/05 11. Date T.D. Reached 6/22/05 12. Date Compl. (Ready to Prod.) 7/19/05 13. Elevations (DF& RKB, RT, IGR, etc.) 3893' GL 14. Elev. Casinghead  
 15. Total Depth 13710' 16. Plug Back T.D. 13584' 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By 0 13710' Rotary Tools AUG 2005 Cable Tools  
 19. Producing Interval(s), of this completion - Top, Bottom, Name 13170' - 13308' MORROW 20. Was Directional Survey Made NO  
 21. Type Electric and Other Logs Run DLL, CSNG 22. Was Well Cored NO

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	54#	403'	17 1/2"	475 SX, CIRC	NONE
8 5/8"	32#	4948'	12 1/4"	700 SX, CIRC	NONE
7"	26#	4000'	7 7/8"	350 SX, CIRC	NONE
4 1/2"	11.6#	13709'	6 1/8"	1750 SX, CIRC	NONE

24. LINER RECORD 25. TUBING RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 3/8"	13100'	

26. Perforation record (interval, size, and number) 13170' - 13308' (120 SHOTS)  
 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  
 DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED  
 13170'-13308' FRAC W/ 75K# VERSAPROP

28. PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)					
7/30/05	FLOWING	PROD					
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
7/31/05	24			59	1399	3	
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) SOLD Test Witnessed By OWEN PUCKETT

30. List Attachments LOGS, DEVIATION SURVEY

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief.

Signature *Diana J. Briggs* Printed Name DIANA J. BRIGGS Title PRODUCTION ANALYST Date 8/8/05  
 E-mail Address PRODUCTION@MARBOB.COM

*KE*



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 & Natural Resources

Form C-104  
Revised June 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to Appropriate District Office  
5 Copies

AMENDED REPORT

**I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT**

<sup>1</sup> Operator name and Address MARBOB ENERGY CORPORATION PO BOX 227 ARTESIA, NM 88211-0227		<sup>2</sup> OGRID Number 14049
<sup>3</sup> Reason for Filing Code/ Effective Date DESIGNATED BELOW. IF YOU DO NOT CONSIDER THIS OFFICE NW		
<sup>4</sup> API Number 30-025-36996	<sup>5</sup> Pool Name CORBIN; MORROW, SOUTH (GAS)	<sup>6</sup> Pool Code 75080
<sup>7</sup> Property Code 34465	<sup>8</sup> Property Name SCRATCH STATE COM	<sup>9</sup> Well Number 1

**II. <sup>10</sup> Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
E	24	18S	33E		1980	NORTH	660	WEST	BBBY Lea

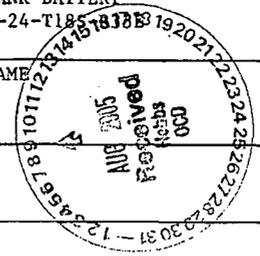
**<sup>11</sup> Bottom Hole Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Lse Code	<sup>13</sup> Producing Method Code	<sup>14</sup> Gas Connection	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date
S	F	7/30/05			

**III. Oil and Gas Transporters**

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
209700	BP AMERICA PROD CO 501 WESTLAKE, STE. 4.550 HOUSTON, TX 77079		O	TANK BATTERY E-24-T18-1838E3
36785	DUKE ENERGY FIELD SVCS PO BOX 50020 MIDLAND, TX 79710-0020		G	SAME



**IV. Produced Water**

<sup>23</sup> POD	<sup>24</sup> POD ULSTR Location and Description
	SAME

**V. Well Completion Data**

<sup>25</sup> Spud Date	<sup>26</sup> Ready Date	<sup>27</sup> TD	<sup>28</sup> PBDT	<sup>29</sup> Perforations	<sup>30</sup> DHC, MC
4/25/05	7/19/05	13710'	13584'	13170'-13308'	
<sup>31</sup> Hole Size		<sup>32</sup> Casing & Tubing Size		<sup>33</sup> Depth Set	<sup>34</sup> Sacks Cement
17 1/2"		13 3/8"		403'	475 SX, CIRC
12 1/4"		8 5/8"		4948'	700 SX, CIRC
7 7/8"		7"		4000'	350 SX, CIRC
6 1/8"		4 1/2"		13709'	1750 SX, CIRC
		2 3/8"		13100'	

**VI. Well Test Data**

<sup>35</sup> Date New Oil	<sup>36</sup> Gas Delivery Date	<sup>37</sup> Test Date	<sup>38</sup> Test Length	<sup>39</sup> Tbg. Pressure	<sup>40</sup> Csg. Pressure
7/30/05	7/30/05	7/31/05	24 HRS		
<sup>41</sup> Choke Size	<sup>42</sup> Oil	<sup>43</sup> Water	<sup>44</sup> Gas	<sup>45</sup> AOP	<sup>46</sup> Test Method
	59	3	1399		F

<sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Diana J. Briggs*

Printed name: DIANA J. BRIGGS

Title: PRODUCTION ANALYST

E-mail Address: PRODUCTION@MARBOB.COM

Date: 8/8/05 Phone: (505) 748-3303

OIL CONSERVATION DIVISION

Approved by: *Paul F. Kautz*

Title: ORIGINAL SIGNED BY  
PAUL F. KAUTZ  
PETROLEUM ENGINEER

Approval Date: AUG 18 2005

RECEIVED  
JUL 14 2005  
ODD-ARTECOM

30-025 36996

\*\*\*\*\* CHART SCANNER WELL TEST DATA \*\*\*\*\*

COMPANY:	MARBDB ENERGY
CLIENT:	RICK ALVARADO
GAUGE NUMBER:	576
WELL NAME:	SCRATCH STATE COM
WELL NUMBER:	#1
TEST NUMBER:	1
LOCATION:	
TEST OPERATOR:	J GUAJARDO/ KLTIC SERVICES
COMMENTS:	TOP OF CEMENT AT 3000 FT DATE OF TEST 6-24-2005

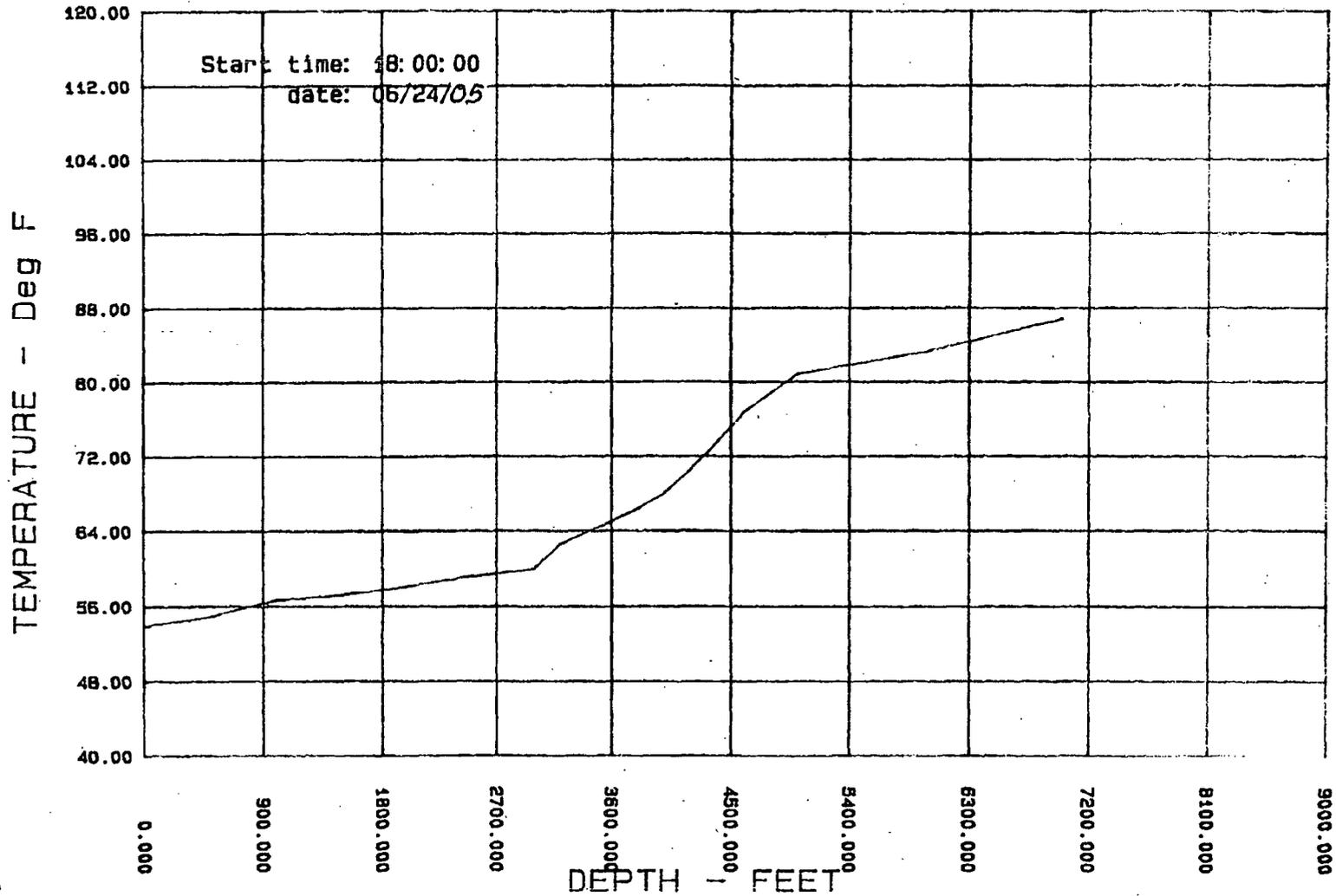
DATE: 06/24/05

GAUGE S/N: 576

REAL TIME	DELTA TIME HRS	TEMPERATURE Deg F	DEPTH FEET	FLOW RATE BBLs/DAY	COMMENTS
18:08:24	0.140	53.92	0.00		
18:13:59	0.233	54.89	500.00		
18:19:29	0.325	56.71	1000.00		
18:22:54	0.382	57.26	1500.00		
18:25:04	0.418	58.15	2000.00		
18:28:28	0.475	59.23	2500.00		
18:32:10	0.536	59.98	3000.00		TOP OF CEMENT
18:36:42	0.612	62.62	3200.00		
18:39:41	0.662	63.78	3400.00		
18:42:48	0.714	64.97	3600.00		
18:45:26	0.757	66.36	3800.00		
18:48:25	0.807	68.01	4000.00		
18:51:33	0.859	70.58	4200.00		
18:54:27	0.908	73.52	4400.00		
18:57:38	0.961	76.77	4600.00		
19:00:39	1.011	78.79	4800.00		
19:03:10	1.053	80.84	5000.00		
19:05:49	1.097	83.34	6000.00		
19:13:10	1.220	86.83	7000.00		

COMPANY: MARBOB ENERGY  
CLIENT: RICK ALVARADO  
GAUGE NUMBER: 576  
WELL NAME: SCRATCH STATE COM.  
WELL NUMBER: #1

TEST NUMBER: 1  
LOCATION:  
TEST OPERATOR: J GUAJARDO/ KELTIC SERVICES  
COMMENTS: TOP OF CEMENT AT 3000 FT  
DATE OF TEST 6-24-2005



District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, 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-144  
June 1, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes  No

Type of action Registration of a pit or below-grade tank  Closure of a pit or below-grade tank

Operator Marbob Energy Corp Telephone 505-748-3303 e-mail address wildlife@marbob.com  
Address P.O. Box 227 Artesia NM 88211-0227  
Facility or well name SARATCH STATE COM #1 API # 30-025-36996 U/L or Qtr/Qtr SUNW Sec 24 T 18S R 33E  
County Lea Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD 1927  1983   
Surface Owner Federal  State  Private  Indian

Pit	Below-grade tank	
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type Synthetic <input type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume _____ bbl	Volume _____ bbl Type of fluid _____ Construction material _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (0 points) <b>20</b>
Wellhead protection area (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources)	Yes <u>No</u>	(20 points) (0 points)
Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses)	Less than 200 feet 200 feet or more, but less than 1000 feet <u>1000 feet or more</u>	(20 points) (10 points) (0 points)
<b>Ranking Score (Total Points)</b>		<b>20</b>

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks (2) Indicate disposal location (check the onsite box if you are burying in place) onsite  offsite  If offsite, name of facility \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end date (4) Groundwater encountered No  Yes  If yes, show depth below ground surface \_\_\_\_\_ ft and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations

Additional Comments As per Chris Williams, Pit Sampling, delineation of chlorides and removed pit material. liner has been placed in bottom of reserve pit for backfilling. completed  
Record 9/28/07 CWL

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

Date 9-21-07  
Printed Name/Title Rand French / Biologist Signature Rand French  
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval  
Printed Name/Title CHRIS WILLIAMS / DIST. SUPERV Signature Chris Williams Date 9/28/07

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, 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-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form.

RECEIVED  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Release Notification and Corrective Action

OPERATOR

Initial Report  Final Report

Name of Company <i>Marbob Energy Corp.</i>	Contact <i>Cliff Brunson - BBE International</i>
Address <i>PO Box 227 Artesia, NM 88211</i>	Telephone No. <i>505-397-6388</i>
Facility Name <i>Scratch STATE</i>	Facility Type <i>oil well / Drilling Pit</i>
Surface Owner <i>State of NM</i>	Mineral Owner <i>STATE</i>
Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	<i>24</i>	<i>18S</i>	<i>33E</i>	<i>1980</i>	<i>North</i>	<i>660</i>	<i>WEST</i>	<i>LEA.</i>

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release <i>Pit Liner</i>	Volume of Release <i>Unknown</i>	Volume Recovered <i>None</i>
Source of Release <i>Pit</i>	Date and Hour of Occurrence <i>?</i>	Date and Hour of Discovery <i>8/20/07 9:30</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Daniel Sanchez - phone; Wayne Puce - email</i>	
By Whom? <i>Rand French; Cliff Brunson</i>	Date and Hour <i>8/20/07 - 2:07 pm</i>	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse: <i>UNKNOWN</i>	

If a Watercourse was Impacted, Describe Fully.\*

*Do not know the extent of impacts at this time*

Describe Cause of Problem and Remedial Action Taken.\*

*Compromised Pit - was in the process of a dig-in-haul, along with delineating  
Chlorides. Forty feet below ground surface wet soils and water was encountered.*

Describe Area Affected and Cleanup Action Taken.\*

*UNKNOWN At this time. Most of the Pit material has been removed. The back  
side of Pit was free of chlorides @ 12' feet.*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Rand French</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: <i>Rand French</i>	Approved by District Supervisor:	
Title: <i>Wildlife Biologist</i>	Approval Date:	Expiration Date:
E-mail Address: <i>wildlife@marbob.com</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <i>8/24/07</i>	Phone: <i>748-3303</i>	

\* Attach Additional Sheets If Necessary

New Mexico Office of the State Engineer  
 POD Reports and Downloads

Township:  Range:  Sections:

NAD27 X:  Y:  Zone:  Search Radius:

County:  Basin:  Number:  Suffix:

Owner Name: (First)  (Last)   Non-Domestic  Domestic  
 All

AVERAGE DEPTH OF WATER REPORT 10/17/2007

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
L	18S	34E	01				5	100	115	107
L	18S	34E	02				2	102	102	102
L	18S	34E	03				3	60	100	87
L	18S	34E	05				1	105	105	105
L	18S	34E	06				2	110	150	130
L	18S	34E	07				2	15	150	83
L	18S	34E	08				2	145	150	148
L	18S	34E	10				3	110	110	110
L	18S	34E	11				1	110	110	110
L	18S	34E	12				4	76	100	92
L	18S	34E	13				1	96	96	96
L	18S	34E	14				3	100	110	103
L	18S	34E	15				1	110	110	110
L	18S	34E	16				2	105	110	108
L	18S	34E	18				2	125	125	125
L	18S	34E	19				1	105	105	105
L	18S	34E	20				2	120	130	125
L	18S	34E	25				1	117	117	117
L	18S	34E	27				1	112	112	112
L	18S	34E	35				2	105	130	118

Record Count: 41

**New Mexico Office of the State Engineer  
POD Reports and Downloads**

Township:  Range:  Sections:

NAD27 X:  Y:  Zone:  Search Radius:

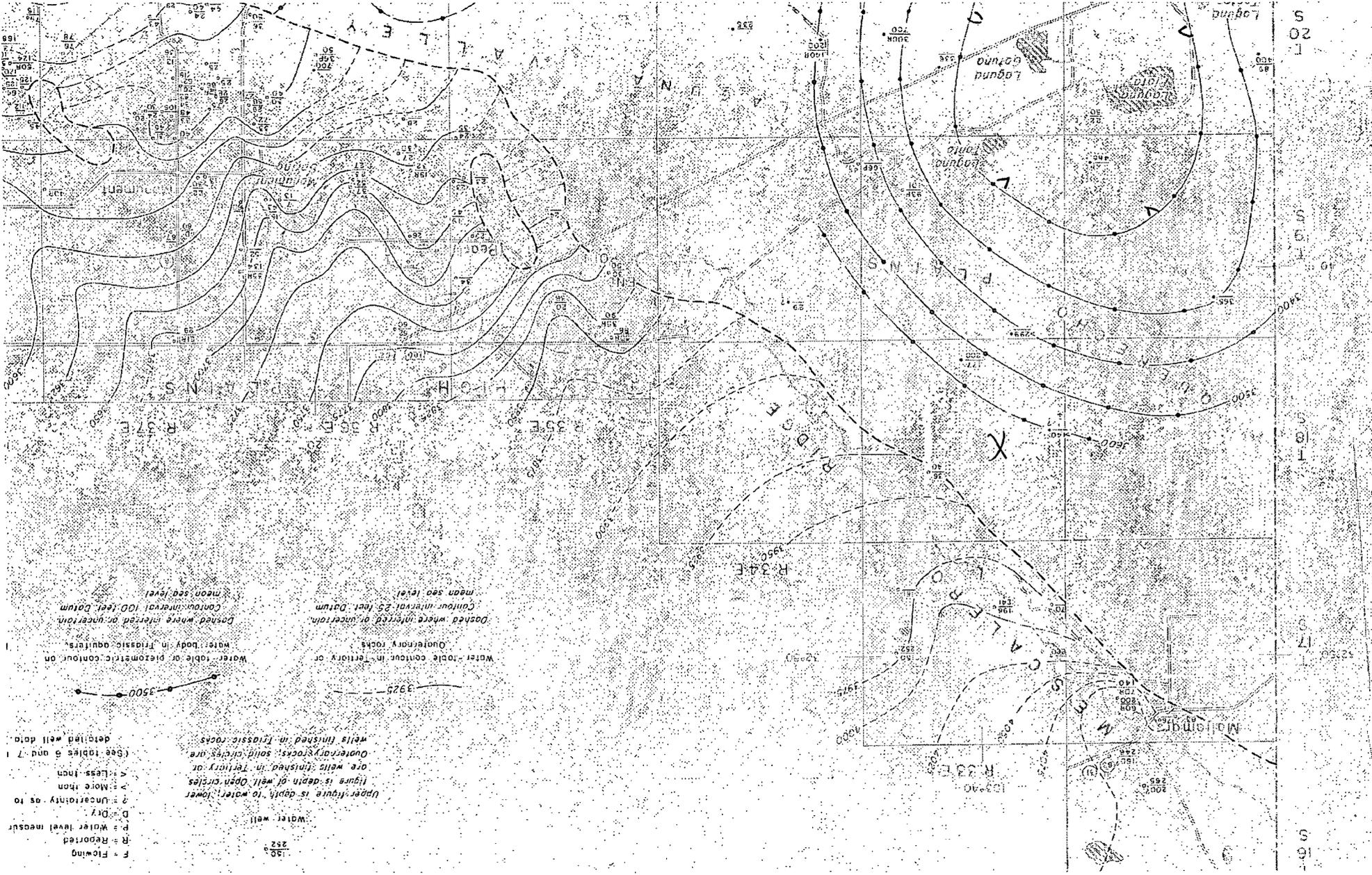
County:  Basin:  Number:  Suffix:

Owner Name: (First)  (Last)   Non-Domestic  Domestic  
 All

AVERAGE DEPTH OF WATER REPORT 10/17/2007

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
CP	18S	33E	13				1	60	60	60
CP	18S	33E	24				1	195	195	195
L	18S	33E	08				1	100	100	100
L	18S	33E	12				2	130	150	140
L	18S	33E	17				1	85	85	85
L	18S	33E	30				2	35	35	35

Record Count: 8



F - Flowing  
 R - Reported  
 P - Water level measured  
 D - Dry  
 ? - Uncertainty as to figure is depth of well, lower  
 figure is depth of well, open circles  
 are wells finished in Tertiary or  
 Quaternary rocks; solid circles are  
 wells finished in Triassic rocks  
 (See tables 6 and 7  
 > - More than  
 < - Less than  
 detailed well data  
 Water well  
 130  
 252

Water table contour in Tertiary or  
 Quaternary rocks  
 Dashed where inferred or uncertain  
 Contour interval 25 feet, Datum  
 mean sea level  
 Water table or piezometric contour, on  
 water body in Triassic aquifers  
 Dashed where inferred or uncertain  
 Contour interval 100 feet, Datum  
 mean sea level

3500  
 3925

**AP - 094**

**GENERAL  
CORRESPONDENCE**

**2008 - 2007**