

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name WILDCAT
Property Code	Property Name PRIMERO FEDERAL	Well Number 2
OGRID No. 014049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3928'

Surface Location

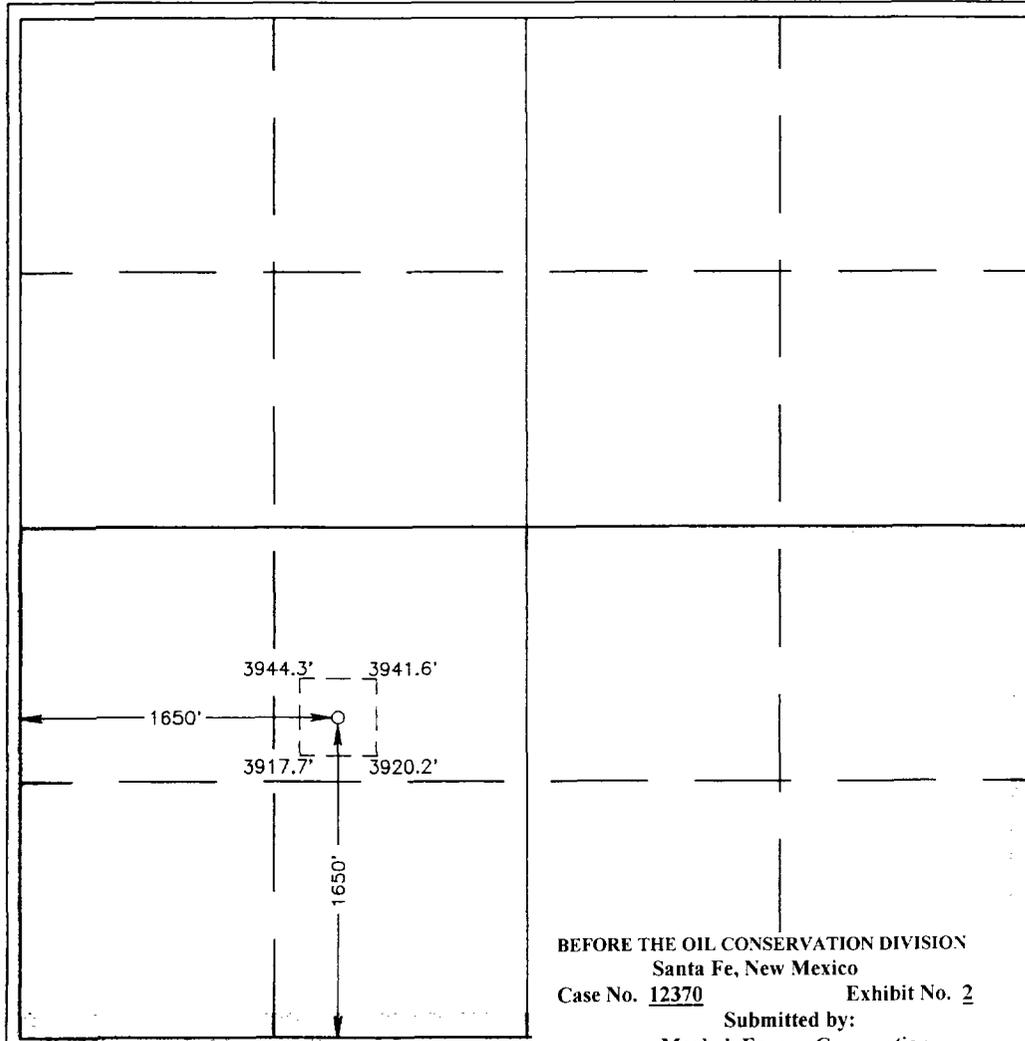
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	23	26 S	24 E		1650	SOUTH	1650	WEST	EDDY

Bottom Hole Location If Different From Surface

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Dean Chumbley
Signature

Dean Chumbley
Printed Name

Land Department
Title

May 28, 1999
Date

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.

JANUARY 19, 1999
Date Surveyed

CDG
Signature & Seal of Professional Surveyor

Gary Eidson 1/21/99

99-11-0025

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12370 Exhibit No. 2
Submitted by:
Marbob Energy Corporation
Hearing Date: April 6, 2000

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-100316
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Marbob Energy Corporation		7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. P. O. Box 227 Artesia, NM 88211-0227		8. FARM OR LEASE NAME, WELL NO. Primero Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1650' FSL 1650' FWL Unit K At proposed prod. zone Same as Above		9. API WELL NO. 2
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* From Whites City proceed south on US 62/180 for 12.4 miles		10. FIELD AND POOL, OR WILDCAT WILDCAT
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE 2518.3	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23-T26s-R24e
17. NO. OF ACRES ASSIGNED TO THIS WELL 320	12. COUNTY OR PARISH Eddy	13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 8200'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3928' GR	22. APPROX. DATE WORK WILL START* 06/28/99	

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 8 5/8"	24#	1075'	350 sx, Circulate
7 7/8"	J-55 5 1/2"	17.5#	8200'	325 sx, Circulate or sufficient to cover 200' above O&G horizons

Pay Zone will be selectively perforated and stimulated as needed for optimum production.

- Attached are: 1) Acreage Dedication Plat
 2) Supplemental Drilling Data
 3) Surface Use Plan

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *[Signature]* TITLE Land Department DATE 05/28/99

(This space for Federal or State office use)

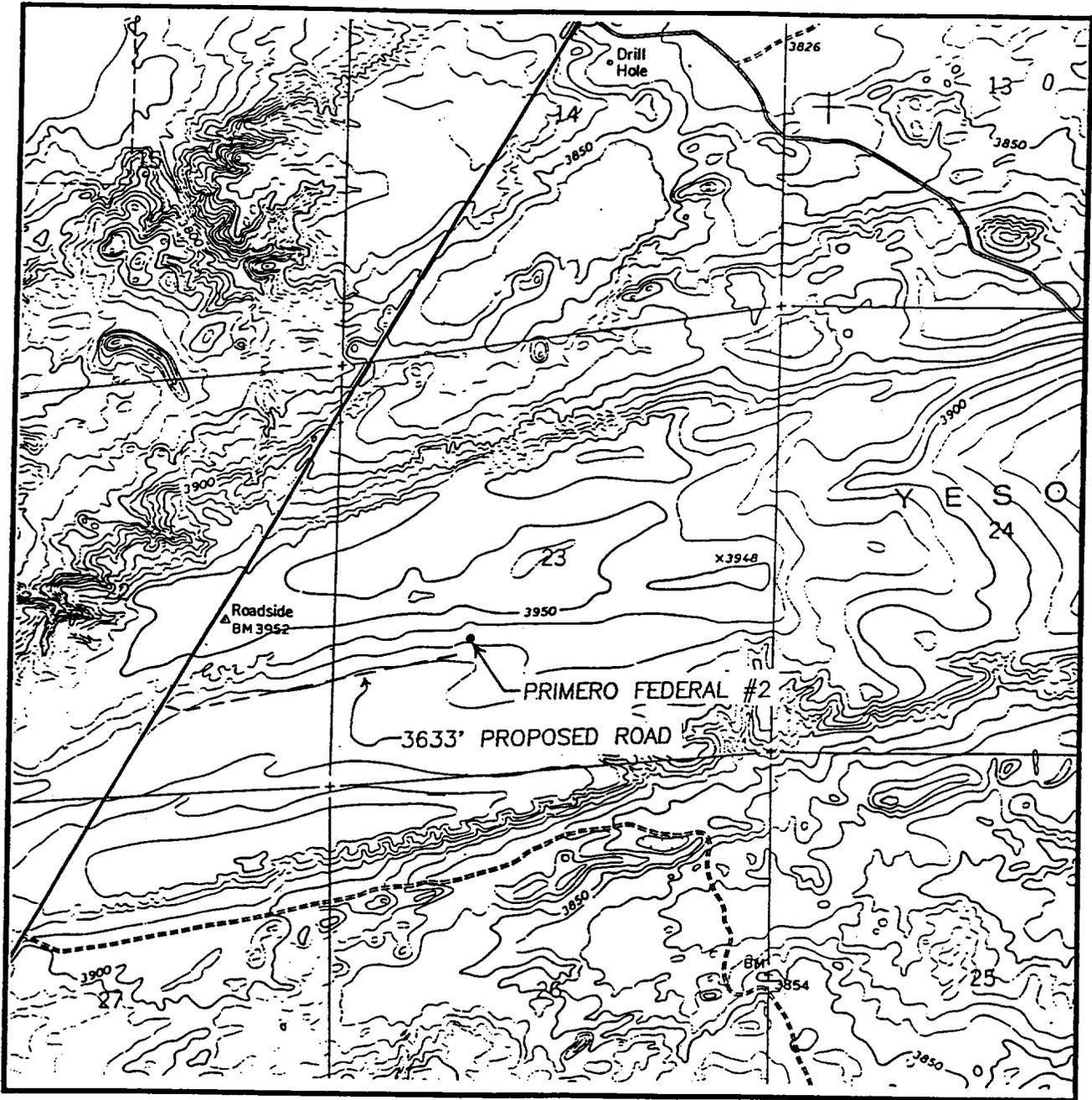
PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

***See Instructions On Reverse Side**

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SEC. 23 TWP. 26-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1650' FSL & 1650' FWL

ELEVATION 3928'

OPERATOR MARBOB ENERGY CORPORATION

LEASE PRIMERO FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

RATTLESNAKE SPRING, N.M. -TX

JOHN WEST SURVEYING CO.

HOBBS, NEW MEXICO

(505) 393-3117

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name	
		96913	WASHINGTON RANCH; MORROW, SOUTH	
Property Code	Property Name		Well Number	
23885	PRIMERO FEDERAL		2	
OGRID No.	Operator Name		Elevation	
14049	MARBOB ENERGY CORP.		3949	

Surface Location

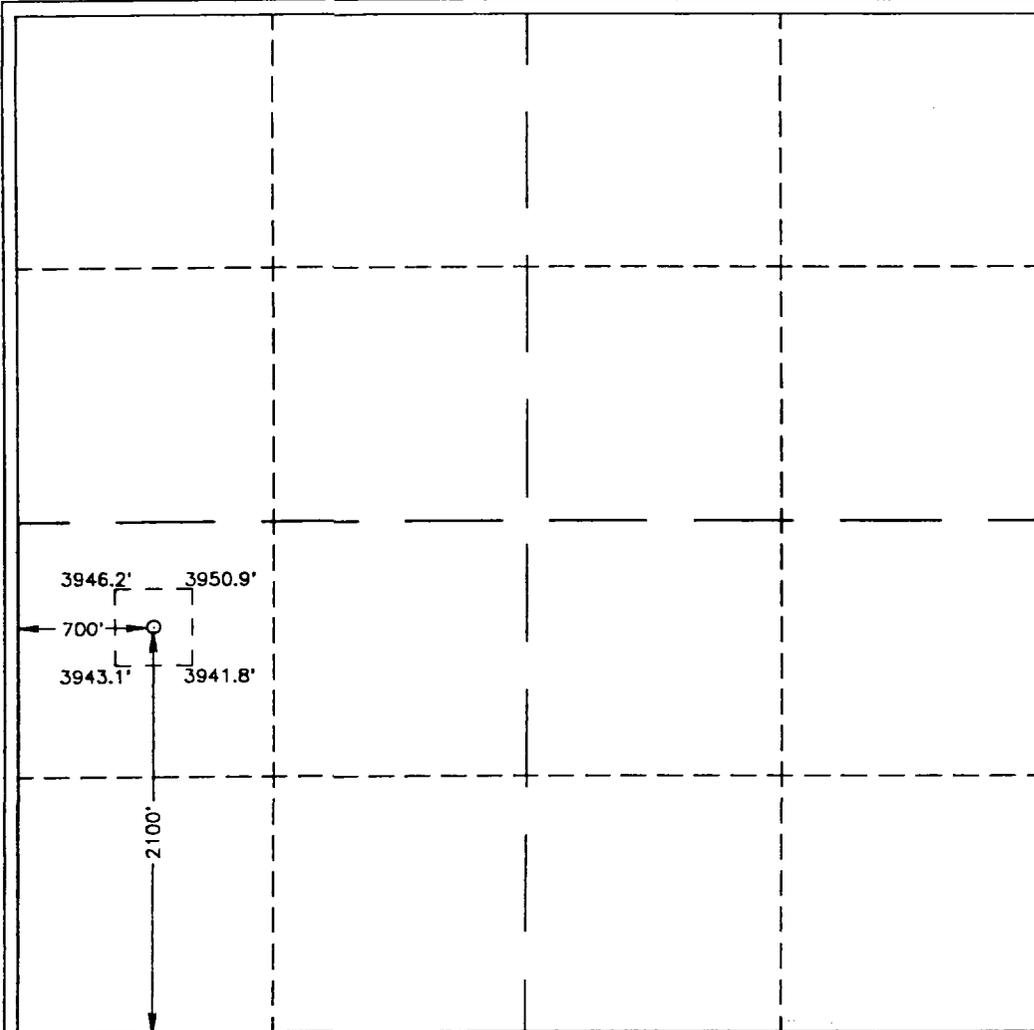
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	23	26 S	24 E		2100	SOUTH	700	WEST	EDDY

Bottom Hole Location If Different From Surface

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Robin Cockrum
Signature

ROBIN COCKRUM
Printed Name

PRODUCTION ANALYST
Title

1/24/00
Date

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.

JANUARY 11, 2000
Date Surveyed

JLP
Signature & Seal of Professional Surveyor

Ronald J. Eidson
Professional Surveyor

W.O. Num. 00-14-0038

Certificate No. RONALD J. EIDSON, 3239
PROF. GARY G. EIDSON, 12041
MAGON McDONALD, 12185

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
NM-100316

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
PRIMERO FEDERAL #2

9. API Well No.

10. Field and Pool, or Exploratory Area
WILDCAT

11. County or Parish, State

EDDY CO., NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

MARBOB ENERGY CORPORATION

3. Address and Telephone No.

P.O. BOX 227, ARTESIA, NM 88210 505-748-3303

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

700 FWL 2100 FSL SEC. 23-T26S-R24E UNIT L

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Subsequent Report

Final Abandonment Notice

Abandonment

Recompletion

Plugging Back

Casing Repair

Altering Casing

Other AMEND A.P.D.

Change of Plans

New Construction

Non-Routine Fracturing

Water Shut-Off

Conversion to Injection

Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

WE ARE AMENDING THE FOOTAGE ON THE A.P.D. - SEE NEW C-102 ATTACHED

14. I hereby certify that the foregoing is true and correct

Signed Robin Cockrum

Title PRODUCTION ANALYST

Date 01/24/00

(This space for Federal or State office use)

Approved by _____

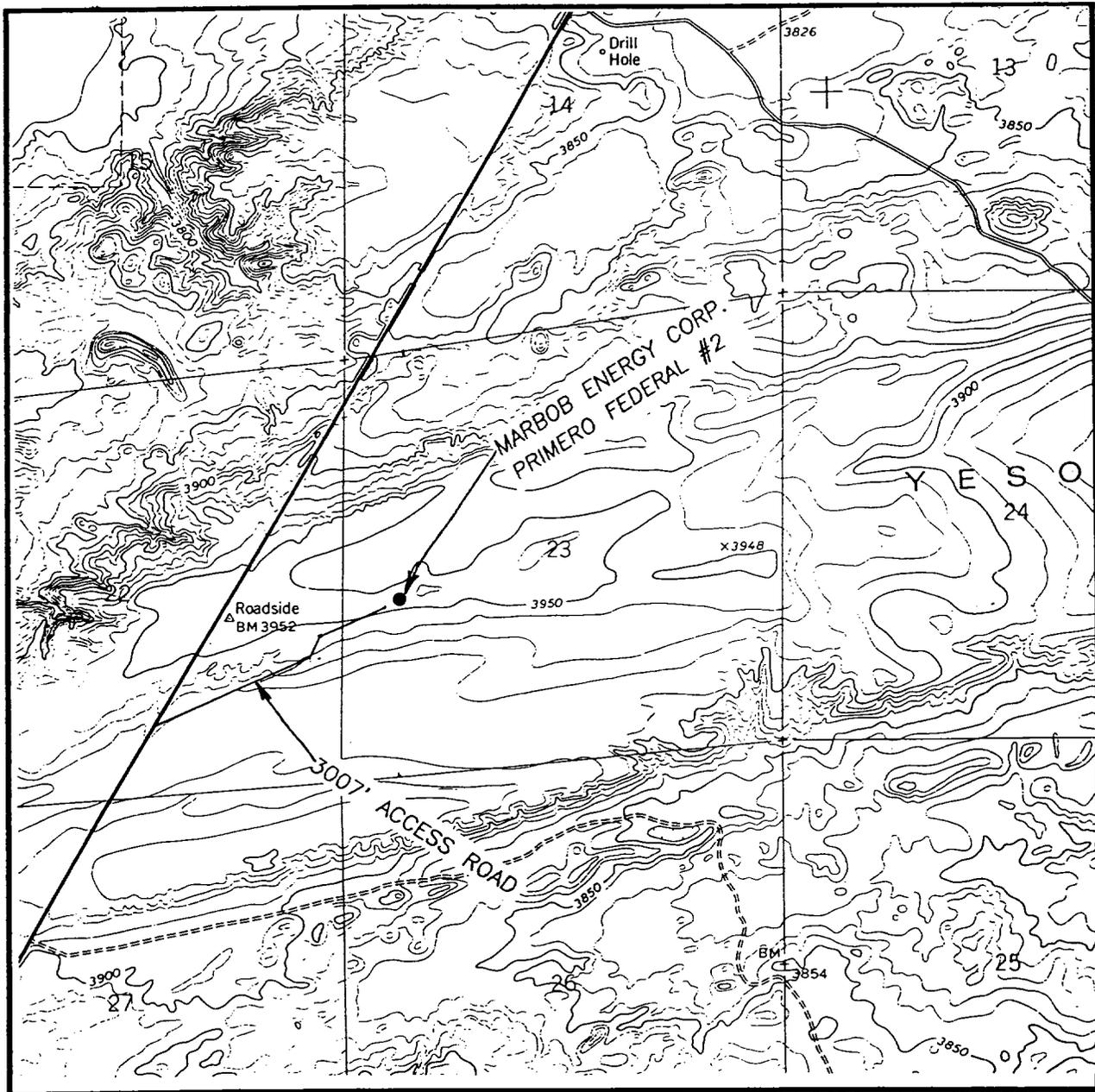
Title _____

Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SEC. 23 TWP. 26-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2100' FSL & 700' FWL

ELEVATION 3949

OPERATOR MARBOB ENERGY CORP.

LEASE PRIMERO FEDERAL #2

U.S.G.S. TOPOGRAPHIC MAP
RATTLESNAKE SPRING, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

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Energy, Minerals and Natural Resources Department

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P.O. Box 2088
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Property Code	Property Name	Well Number
23885	PRIMERO FEDERAL	2
OGRID No.	Operator Name	Elevation
14049	MARBOB ENERGY CORP.	3948

Surface Location

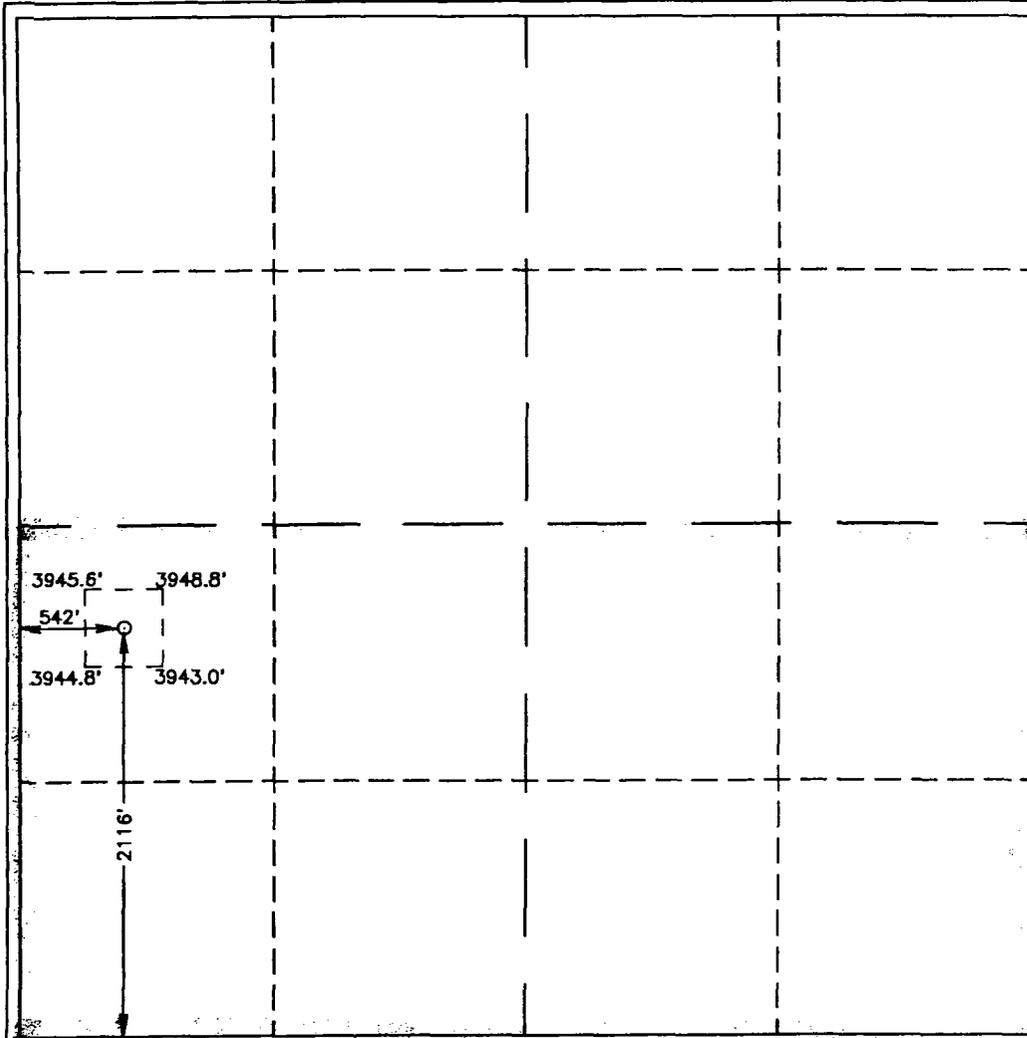
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	23	26 S	24 E		2116	SOUTH	542	WEST	EDDY

Bottom Hole Location If Different From Surface

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Cairene D. Smith
Signature

CAIRENE D. SMITH
Printed Name

PRODUCTION ANALYST
Title

02/18/2000
Date

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.

FEBRUARY 16, 2000

Date Surveyed
Signature & Seal of Professional Surveyor JLP

Ronald L. Eidson
W.O. Num. 00-19-0224

Certificate No. RONALD L. EIDSON, 3239
GARY G. EIDSON, 12841
MAGNUS McDONALD, 12185

OPERATOR'S COPY

Form 3160-3
(July 1992)

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN		5. LEASE DESIGNATION AND SERIAL NO. NM-100316	
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR Marbob Energy Corporation		8. FARM OR LEASE NAME, WELL NO. Primero Federal	
3. ADDRESS AND TELEPHONE NO. P. O. Box 227 Artesia, NM 88211-0227		9. API WELL NO. 2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1650' FSL 4650' FWL Unit K 2116 At proposed prod. zone 542 Same as Above		10. FIELD AND POOL, OR WILDCAT WILDCAT	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* From Whites City proceed south on US 62/180 for 12.4 miles		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23-T26s-R24e	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drig. unit line, if any)		12. COUNTY OR PARISH Eddy	13. STATE NM
16. NO. OF ACRES IN LEASE 2518.3	17. NO. OF ACRES ASSIGNED TO THIS WELL 320	22. APPROX. DATE WORK WILL START* 06/28/99	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 8200'	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3928' GR			

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 8 5/8"	24#	1075'	WITNESS 350 sx, Circulate
7 7/8"	J-55 5 1/2"	24# 17 #	8200'	325 sx, Circulate or sufficient to cover 200' above O&G horizons

Pay Zone will be selectively perforated and stimulated as needed for optimum production.

- Attached are: 1) Acreage Dedication Plat
2) Supplemental Drilling Data
3) Surface Use Plan

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *[Signature]* TITLE Land Department DATE 05/28/99

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

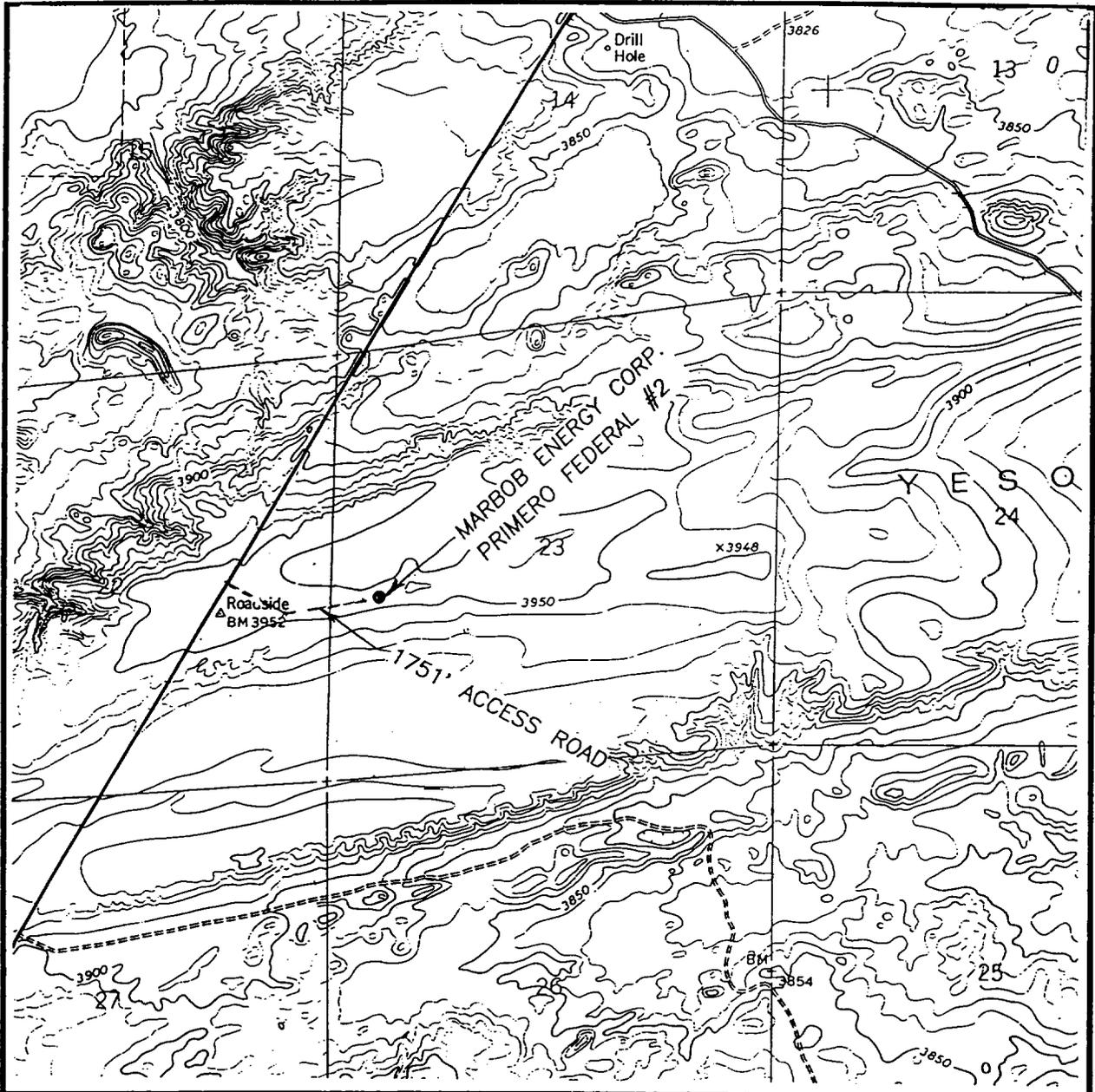
APPROVED BY *[Signature]* TITLE Acting Assistant Field Manager, Lands And Minerals DATE MAR 03 2008

*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SEC. 23 TWP. 26-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2116' FSL & 542' FWL

ELEVATION 3948

OPERATOR MARBOB ENERGY CORP.

LEASE PRIMERO FEDERAL #2

U.S.G.S. TOPOGRAPHIC MAP

RATTLESNAKE SPRING, N.M.

**JOHN WEST SURVEYING
HOBBS, NEW MEXICO**

(505) 393-3117



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene Street
Carlsbad, New Mexico 88220

IN REPLY REFER TO:

Mike Stogner
Chief Hearings Officer
New Mexico Energy Minerals &
Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico
87505

MAR 24 2000

Dear Mike:

With regard to the Marbob Energy Corporation Application for Permit to Drill (APD) the Primero Federal No. 2 in the location 2116 feet from the South line and 542 feet from the west line of Section 23, T 26 S, Range 24 E, NMPM, this location is the best for the resource concerns the BLM has in that area. The area has four resource management issues that we have been working with to determine the best location. (1) The Guadalupe Escarpment Scenic Corridor is a designated area for the protection of scenic and visual values along the route between the City of Carlsbad and the two tourist attractions of Carlsbad Caverns and Guadalupe Mountains National Parks. (2) The Southern Gypsum Soils Area is also a designated management area to minimize the impacts to the fragile gypsum soils found there. (3) The area is identified for high potential cave and karst occurrence. (4) There were some archeological concerns that had to be addressed. BLM and Marbob have looked at four other locations which were unacceptable due to one or more of the resource management issues we had to take into consideration. We have spent considerable time working together to find this location that meets all the BLM criteria and is still within the target area that Marbob is seeking.

I hope you will factor in these considerations and grant the applied for unorthodox location.

Sincerely,

Leslie Theiss
Carlsbad Field Office Manager