

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Oil Cons.  
N.M. DIV-Dist. 2  
1901 W. Grand Avenue  
Albuquerque, NM 88210

FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

5. Lease Serial No.  
NMNM0557371

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
AAO FEDERAL #2

9. API Well No.  
30-015-32308

10. Field and Pool, or Exploratory Area  
RED LAKE QUEEN GRBG SA

11. County or Parish, State  
EDDY CO., NM

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

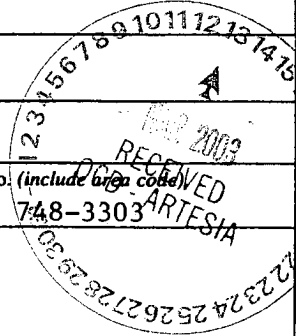
1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
MARBOB ENERGY CORPORATION

3a. Address  
PO BOX 227, ARTESIA, NM 88211-0227

3b. Phone No. (include area code)  
(505) 748-3303

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
430 FNL 2310 FWL, SEC. 1-T18S-R27E, LOT 3



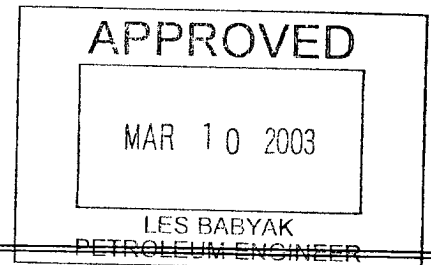
**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

ADD PAY IN SAN ANDRES AS FOLLOWS:

1. SET CIBP @ 3275'
2. PERF LOWER & UPPER SAN ANDRES-LOWER: 2777'-3115' (11), UPPER: 1967'-2649' (23)
3. ACIDIZE THE LOWER SAN ANDRES 2777'-3115' W/ 1500 GAL NEFE 15% HCL
4. ACIDIZE THE UPPER SAN ANDRES 1967'-2649' W/ 4000 GAL NEFE 15% HCL
5. FRAC SAN ANDRES DOWN CASING



14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

DIANA J. CANNON

Signature

Title PRODUCTION ANALYST

Date MARCH 7, 2003

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Conditions of approval, if any, are attached. Approval of this notice 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.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

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., Artesia, NM 87410

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-32308	Pool Code 51300	Pool Name RED LAKE QUEEN GRBG SA
Property Code 29793	Property Name AAO FEDERAL	Well Number 2
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3611'

Surface Location

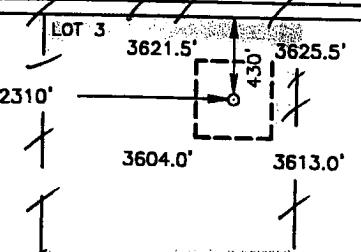
UL or lot No. 3	Section 1	Township 18-S	Range 27-E	Lot Idn	Feet from the 430	North/South line NORTH	Feet from the 2310	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

LOT 4	LOT 3	LOT 2	LOT 1
39.79 AC	40.00 AC	40.20 AC	40.41 AC
			
OPERATOR CERTIFICATION			
I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.			
Signature DIANA J. GANNON			
Printed Name PRODUCTION ANALYST			
Title MARCH 1, 2003			
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.			
MARCH 13, 2002			
Date Surveyed Signature & Seal of Professional Surveyor RONALD J. EIDSON GARY EIDSON			
Certificate No. 3239 12641			

AAO Fed 2  
430' fnl, 2310' fwl  
Sec 1-18s-27e  
Eddy Co., NM

13 Jan 03

**Workover Procedure—Add Pay**

Objective: Add pay in San Andres. The Lower San Andres will be acidized and swab tested by itself. If it yields a good oil show, it is likely that the Lower and Upper San Andres will be fraced together assuming the Upper San Andres yields a good oil show. If the Lower San Andres is not included in the frac, a decision may be made to decrease the size of the attached frac job. The San Andres will be pump tested by itself initially then commingled with the Yeso later.

Well Data: See wellbore sketch.

Procedure:

1. Set CIBP or 5K composite BP at approx. 3275' to cover the Yeso. Test plug to 2000 psi.
2. Perf Lower and Upper San Andres with one shot at the depths shown below using 4" casing gun with Millenium charges.

Lower San Andres: 2777', 2909', 2936', 3010', 3016', 3026', 3032', 3047', 3061', 3104',  
3115' (11)

Upper San Andres: 1967', 2024', 2028', 2191', 2196', 2206', 2226', 2258', 2288', 2309',  
2329', 2374', 2390', 2418', 2427', 2450', 2467', 2479', 2495', 2516',  
2542', 2635', 2649' (23)

Perfs above picked on Density-Neutron log dated 8-29-02. The Depth Control Log generally appears to be 1 feet off – no correction needed.

2. Acidize the Lower San Andres 2777-3115' with 1500 gal NE Fe 15% HCl with 20 ballsealers. Swab test for oil show. If good oil show, will probably frac Lower and Upper SA together.
3. Acidize the Upper San Andres 1967-2649' with 4000 gal NE Fe 15% HCl with 45 ballsealers. Swab test for oil show.
4. Frac San Andres down casing per attached frac design. If Lower SA is not to be fraced, a decision might be made to reduce the size of the attached frac job.

Kbc/ao fed 2a

Well: AAO Fed. 2

Zero: 9' AGL

Location: 430'N, 2310'W

KB: 3620'

Lot 3 Sec. 1-18s-27e

GL: 3611'

Fddy NM

Casing Program:

Size	Wt.	Grade	Conn.	Depth
8 7/8	24	J55	STC	325'
5 1/2	17	J55	LTC	4143'

12 1/4"

50 SHEET PILE  
100 SHEET PILE  
200 SHEET PILE  
400 SHEET PILE  
800 SHEET PILE  
1600 SHEET PILE  
3200 SHEET PILE  
6400 SHEET PILE  
12800 SHEET PILE  
25600 SHEET PILE  
51200 SHEET PILE  
102400 SHEET PILE  
204800 SHEET PILE  
409600 SHEET PILE  
819200 SHEET PILE  
1638400 SHEET PILE  
3276800 SHEET PILE  
6553600 SHEET PILE  
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