

UNITED STATES **OCD-ARTESIA**  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC028784B
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator MARBOB ENERGY CORPORATION		7. If Unit or CA Agreement, Name and No. NMNM88525X <b>6497</b>
Contact: DIANA CANNON E-Mail: production@marbob.com		8. Lease Name and Well No. BURCH KEELY UNIT 926 <b>✓</b>
3a. Address P O BOX 227 ARTESIA, NM 88211-0227 <b>14049</b>	3b. Phone No. (include area code) Ph: 505.748.3303 Fx: 505.746.2523	9. API Well No. <b>30-015-32811</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NESW Lot K 2615FSL 1650FWL At proposed prod. zone NESW Lot K 2615FSL 1650FWL		10. Field and Pool, or Exploratory GRBG JACKSON SR Q GRBG SA
14. Distance in miles and direction from nearest town or post office* SEE SURFACE USE PLAN		11. Sec., T., R., M., or Blk. and Survey or Area Sec 18 T17S R30E Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1650'	16. No. of Acres in Lease 1264.00	12. County or Parish EDDY
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 4800 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3638 GL	22. Approximate date work will start 04/25/2003	17. Spacing Unit dedicated to this well 40.00
		20. BLM/BIA Bond No. on file
		23. Estimated duration 21 DAYS

**24. Attachments**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) DIANA CANNON	Date 03/21/2003
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) /s/ LESLIE A. THEISS	Name (Printed/Typed) /s/ LESLIE A. THEISS	Date MAY 06 2003
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify 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, are attached.

**APPROVAL FOR 1 YEAR**

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.

**Additional Operator Remarks (see next page)**

**APPROVAL SUBJECT TO** Electronic Submission #19837 verified by the BLM Well Information System  
**GENERAL REQUIREMENTS AND** MARBOB ENERGY CORPORATION, sent to the Carlsbad  
**SPECIAL STIPULATIONS** Committed to AFMSS for processing by Armando Lopez on 03/24/2003 (03AL0194AE)  
**ATTACHED**

**\*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\***

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

State of New Mexico

Energy, Minerals and Natural Resources Department

MAR 04 2003

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer 80, Artesia, NM 88211-0710

**OIL CONSERVATION DIVISION**

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-015	28509	GRBG JACKSON SR O GRBG SA
Property Code	Property Name	Well Number
6497	BURCH KEELY UNIT	926
OGRED No.	Operator Name	Elevation
14049	MARBOB ENERGY CORPORATION	3638'

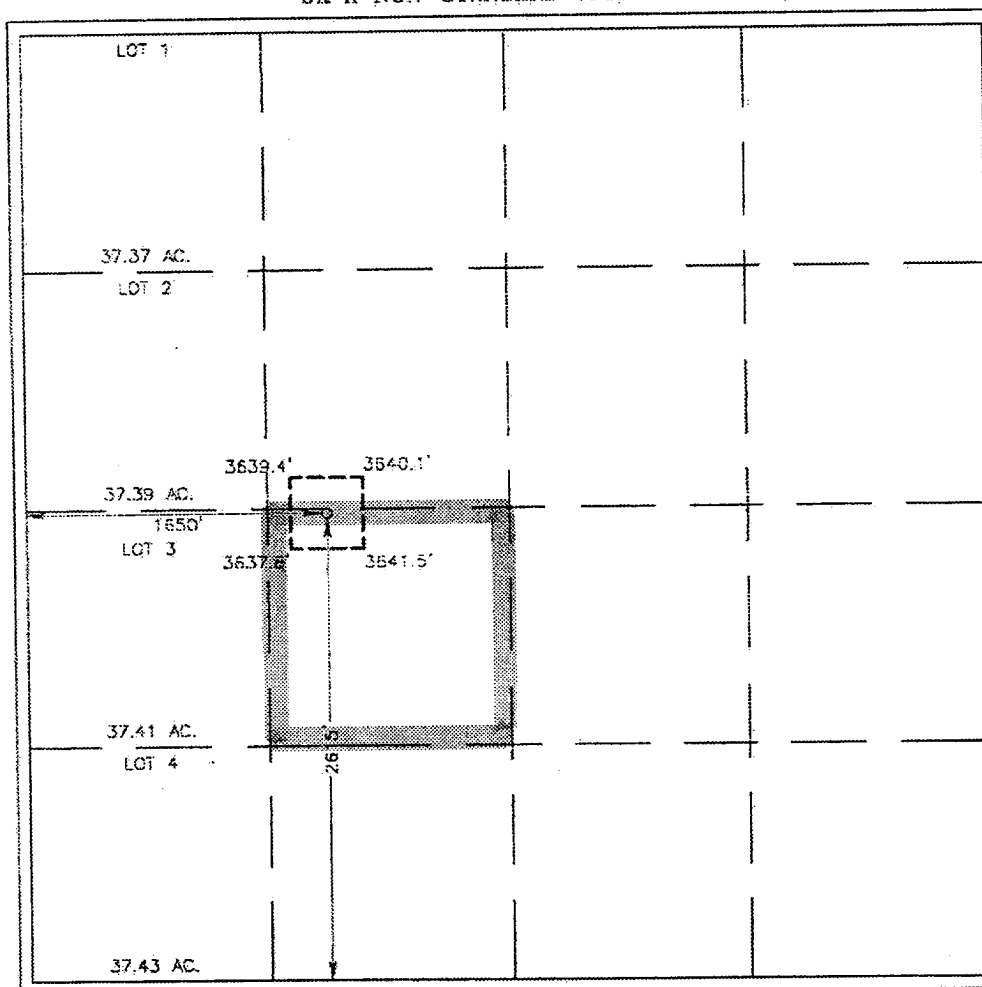
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	18	17-S	30-E		2615	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.						
40									

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

*Diana J. Cannon*  
Signature

DIANA J. CANNON  
Printed Name

PRODUCTION ANALYST  
Title

MARCH 21, 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.

FEBRUARY 24, 2003

Date Surveyed L.A.

Signature & Seal of  
Professional Surveyor

*Gary L. Edson* 2/28/03  
03.11.0221

Certificate No. RONALD J. EDSON 2239  
GARY EDSON 12841

# Well Site Lay-Out Plat

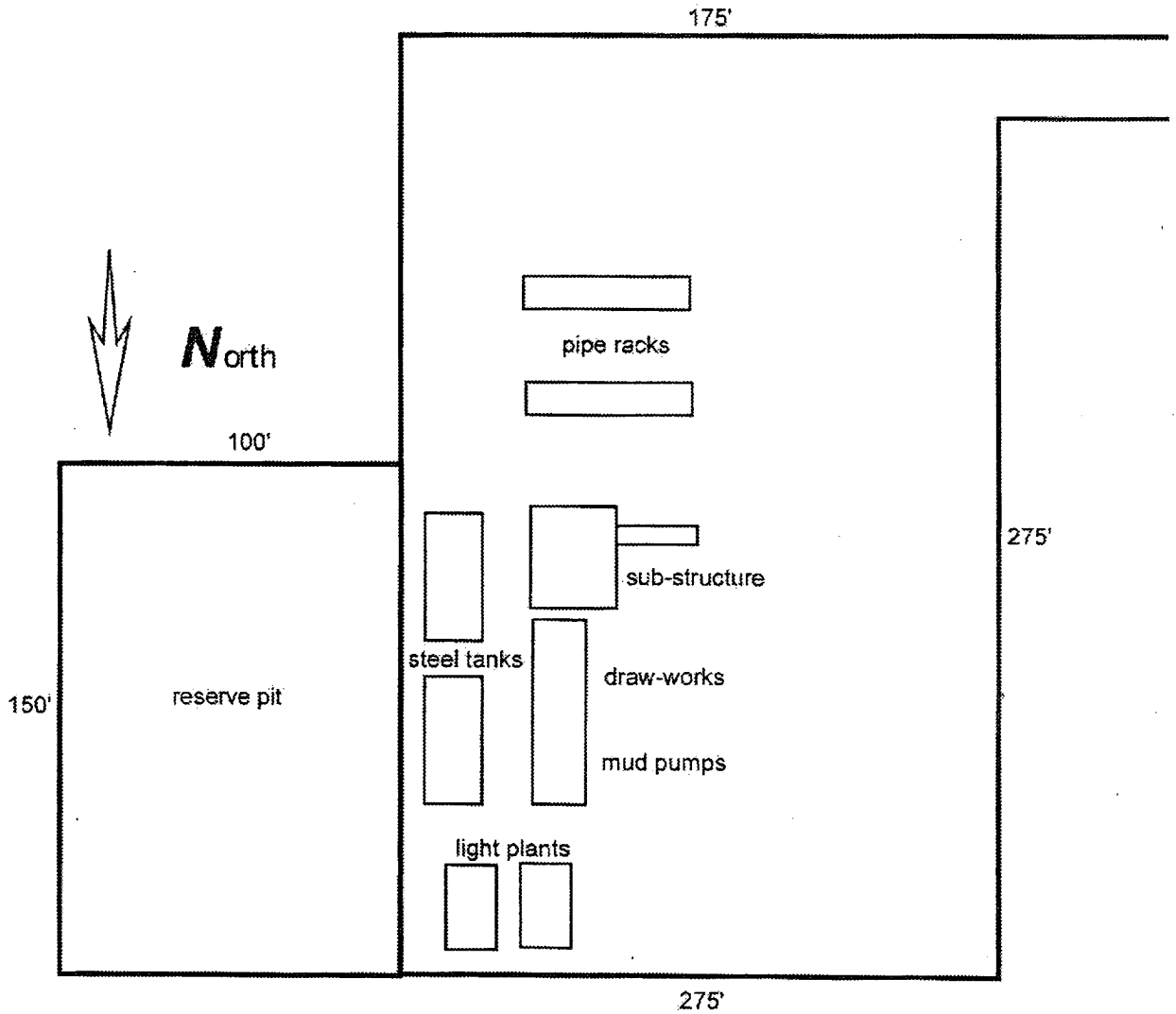
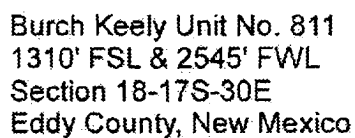
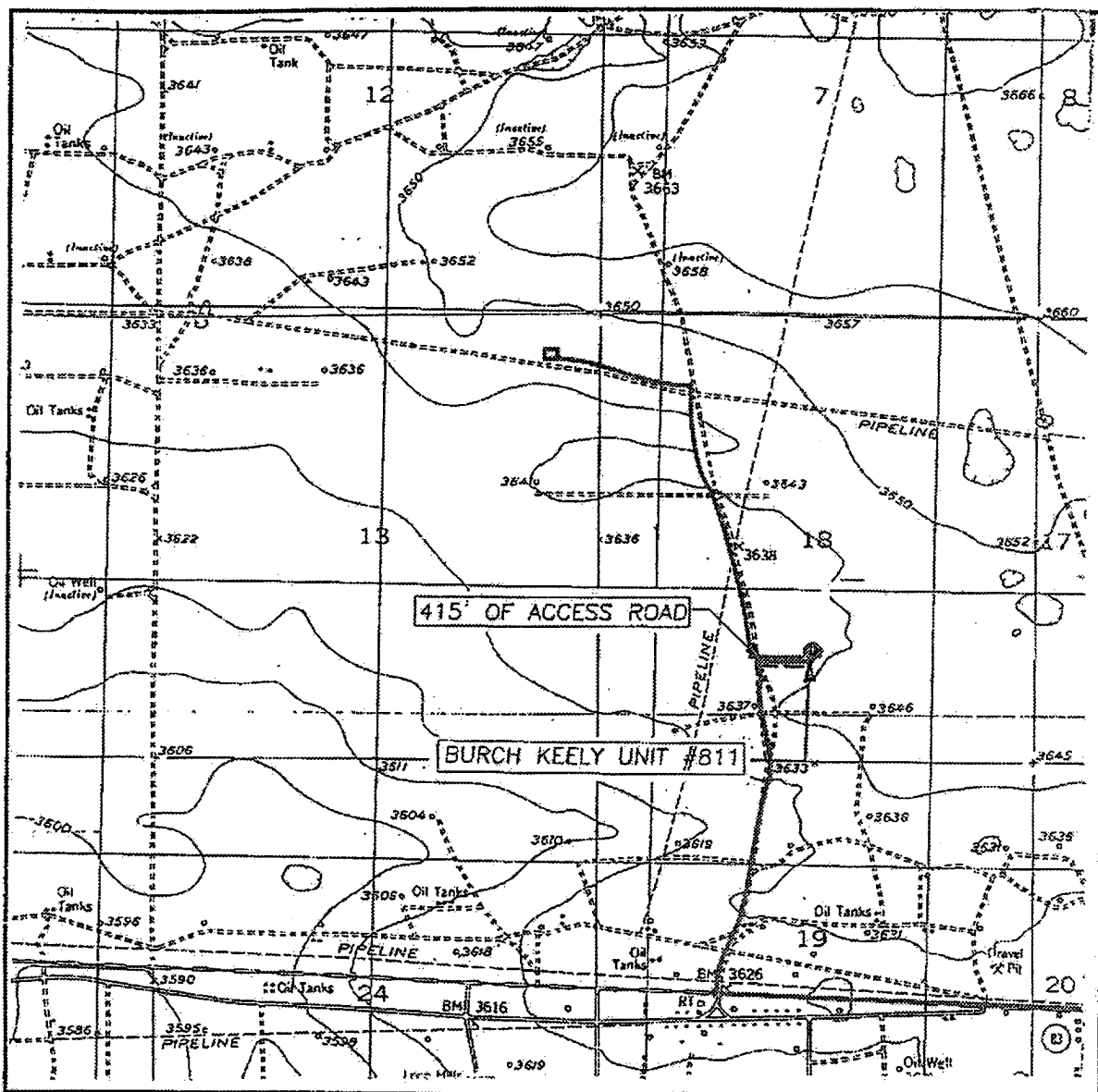


EXHIBIT FOUR





SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'  
RED LAKE SE, N.M.

SEC. 18 TWP. 17-S. RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1310' FSL & 2545' FWL

EXHIBIT TWO

**Additional Operator Remarks:**

12 1/4" HOLE - 8 5/8" 24# J55 CSG SET @ 350' - CMT W/ 300 SX  
7 7/8" HOLE - 5 1/2" 17# J55 CSG SET @ 4800' - CMT SUFFICIENT TO COVER 200' ABOVE ALL KNOWN OIL & GAS HORIZONS.

PRESSURE CONTROL EQUIPMENT: WE WILL BE USING A 2M SYSTEM. (SEE EXHIBIT #1)

PAY ZONE WILL BE SELECTIVELY PERFORATED AND STIMULATED AS NEEDED FOR OPTIMUM PRODUCTION.

MASTER SURFACE USE PLAN ON FILE AT BLM ROSWELL.

INCLUDED IN THE ATTACHMENT ARE:

1. FORM C-102 - WELL LOCATION & ACREAGE DEDICATION PLAT
2. DRILLING PROGRAM
3. SURFACE USE AND OPERATING PLAN
3. ADDITIONAL REQUIRED SUPPLEMENTAL DRILLING DATA - EXHIBITS #1 (4 PGS) - #4

## DRILLING PROGRAM

Burch Keely Unit No. 926  
2615' FSL and 1650' FWL  
Section 18-17S-30E  
Eddy County, New Mexico

### 10. Anticipated Starting Date and Duration of Operations

Starting date will be scheduled upon approval.

Duration of Operations: Once commenced, the drilling operations should be completed in approximately 21 days. If the well is productive, an additional 30 to 60 days will be required for completion and testing of the well.

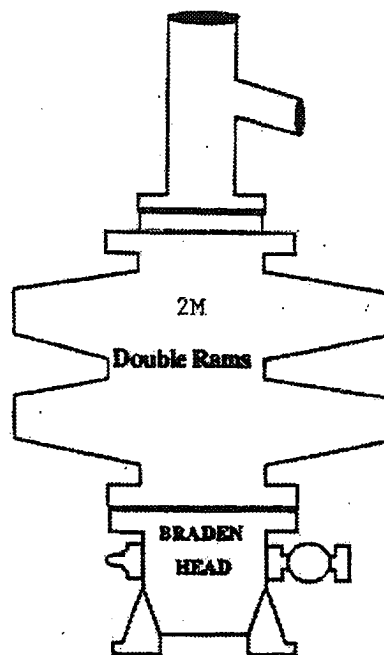
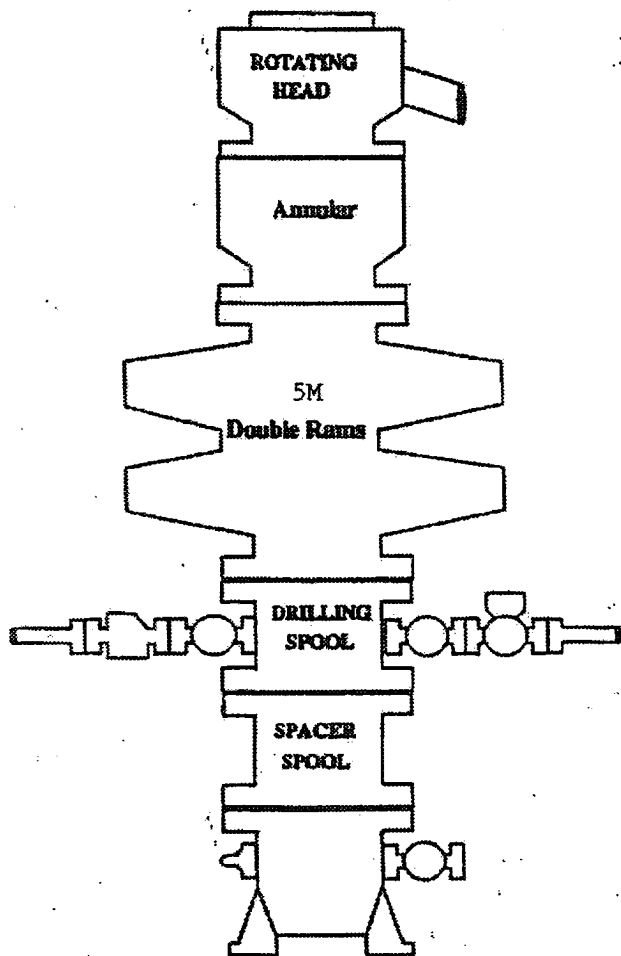
## SURFACE USE AND OPERATING PLAN

Burch Keely Unit No. 926  
2615' FSL and 1650' FWL  
Section 18-17S-30E  
Eddy County, New Mexico

- 1.(c) Directions to Locations: From Loco Hills, proceed west on U.S. 82 for 1.6 miles. Turn north on lease road and proceed one mile to location.
2. No new access road will be necessary.
- 4.(a) If productive, this well will use Satellite "C".

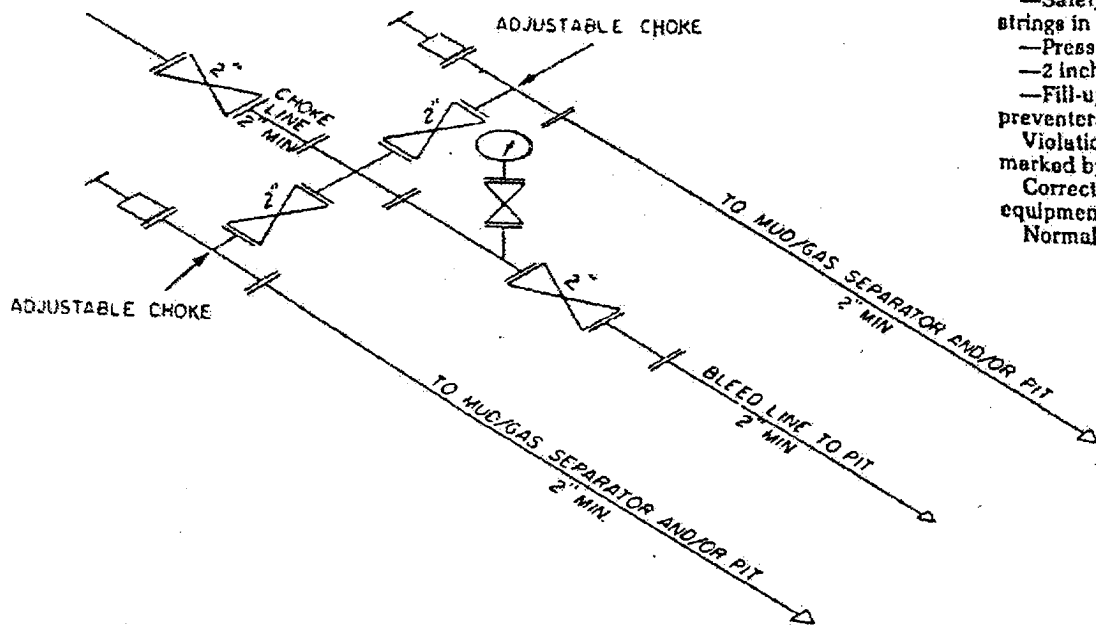


# BOPE SCHEMATIC



ONSHORE OIL AND GAS ORDER NO. 2

- 2M system:
- Annular preventer, or, double ram, or two rams with one being blind and one being a pipe ram \*
  - Kill line (2 inch minimum)
  - 1 kill line valve (2 inch minimum)
  - 1 choke line valve
  - 2 chokes (refer to diagram in Attachment 1)
  - Upper kelly cock valve with handle available
  - Safety valve and subs to fit all drill strings in use
  - Pressure gauge on choke manifold
  - 2 inch minimum choke line
  - Fill-up line above the uppermost preventer.
- Violation: Minor (all items unless marked by asterisk).  
Corrective Action: Install the equipment as specified.  
Normal Abatement Period: 24 hours.



2M CHOKER MANIFOLD EQUIPMENT — CONFIGURATION OF CHOKES

MAY VARY

Exhibit One

# OPERATOR'S COPY

Form 3160-5  
(June 1990)

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

JUN 21 1999

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

**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)  
T17S-R29E  
T17S-R30E  
T17S-R31E

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

EDDY CO., NM

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

### TYPE OF SUBMISSION

- ☐ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

### TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other TEST BOPS  
☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion or 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.)

DUE TO THE LOW BOTTOM HOLE PRESSURE OF FORMATIONS ABOVE 6000'. WE ARE REQUESTING BLANKET APPROVAL FOR WELLS IN THE ABOVE LOCATIONS TO TEST BOPS ON SURFACE CASING TO 1000#

THIS SUNDRY IS APPROVED FOR MARBOB TO HAVE A BLANKET APPROVAL FOR TESTING BOPS.  
HOWEVER, THE OPERATOR WILL STATE ON EACH APD THIS APPLIES TO IN ORDER TO  
REMIND AND/OR BRING NOTICE TO THE BLM OFFICE AND ENGINEER REVIEWING THE APD  
THAT THE WELL'S BOPE TESTING IS COVERED BY A BLANKET APPROVAL FOR THESE LOCATIONS

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

Signed Robin Corrigan  
(This space for Federal or State office use)

Title PRODUCTION ANALYST

Date 05/25/99

Approved by Gray  
Conditions of approval, if any:

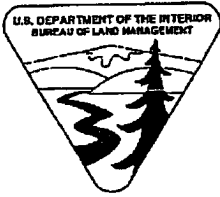
Title PETROLEUM ENGINEER

Date JUN 16 1999

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.

\*See instruction on Reverse Side

SEP 09 1999



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office  
2909 West Second St.  
Roswell, New Mexico 88201  
www.nm.blm.gov



IN REPLY REFER TO:  
NMNM-88525X  
3180 (06200)

Marbob Energy Corporation  
Attention: Johnny Gray  
P. O. Box 227  
Artesia, NM 88210

SEP 07 1999

Gentlemen:

With regard to our telephone conversation of September 2, 1999, a review of our records has found discrepancies in the casing requirements section of the conditions of approval for your APD's. As per our meeting on July 7, 1999, our office had agreed with your recommended casing procedures for shallow wells of 6000 ft. or less in T. 17 S., Rgs. 29, 30 and 31 E., NMPM. In order to correct the discrepancies, this letter states the language to be used for the conditions of approval casing requirements for all your existing APD's

Conditions of Approval-Drilling amended as follows:

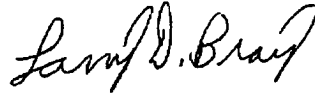
II. Casing requirements in T. 17 S., Rgs. 29, 30 and 31 E. for shallow wells less than 6,000 ft.

1. 8-5/8 inch surface casing should be set at approximately \_\_\_\_ ft. in the Rustler Anhydrite or in the case the salt occurs at a shallower depth above the top of the salt. The surface casing shoe shall be set in the anhydrite to ensure adequate sealing. The operator is required to use an excess of 100% cement volume to fill annulus. If cement does not circulate to surface the operator may then use ready mix cement to fill the remaining annulus.

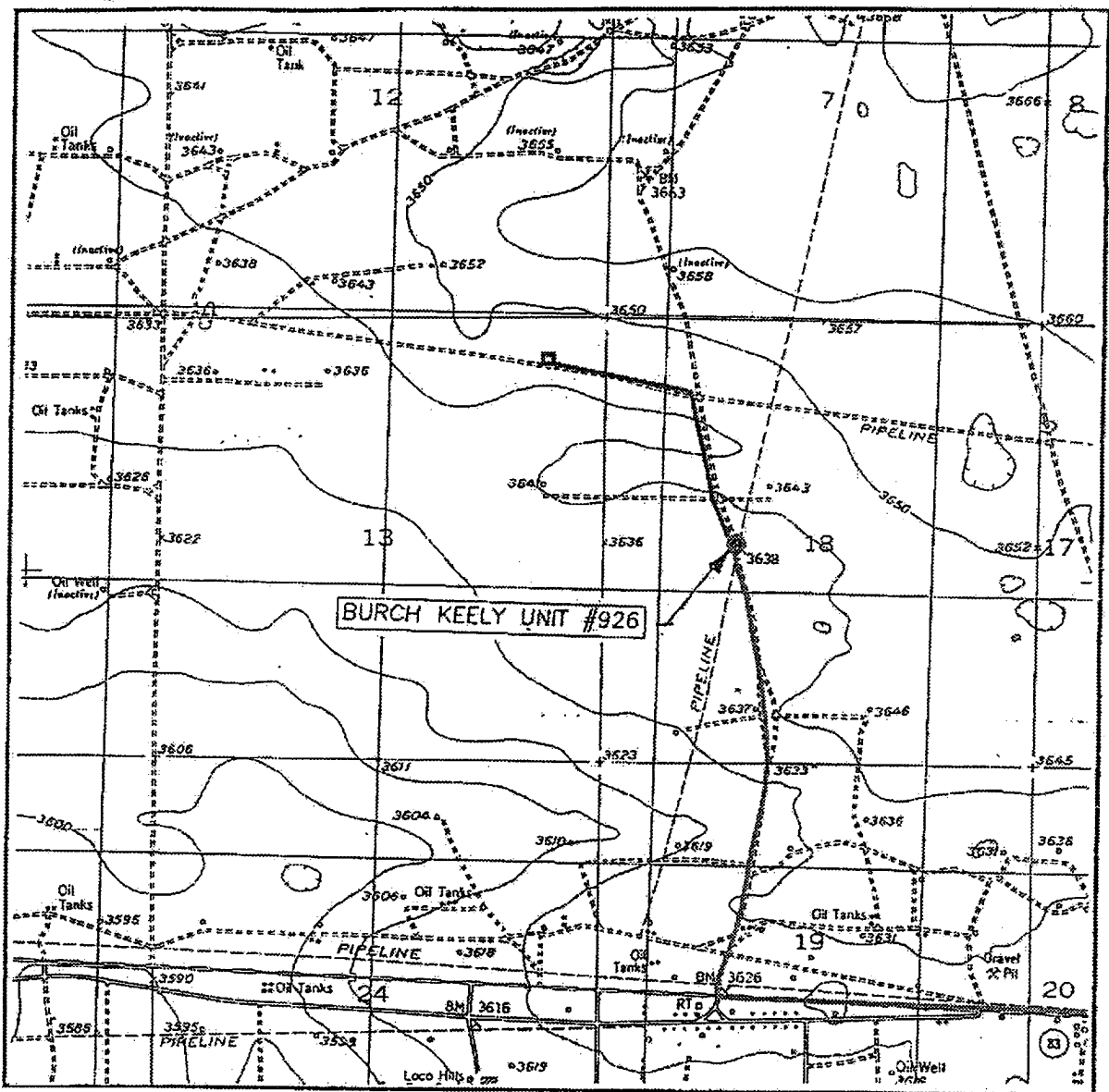
2. The minimum required fill of cement behind the 5 1/2 inch production casing is to place the top of the cement 200 ft. above the top of the uppermost hydrocarbon bearing interval or to the base of the salt.

These requirements supercede those issued in your existing, approved APD's for the shallow wells located in T. 17 S., Rgs. 29, 30 and 31 E., NMPM. If you have any question regarding this matter please call John S. Simitz at (505) 627-0288 or Armando A. Lopez at (505) 627-0248.

Sincerely,

A handwritten signature in cursive script, reading "Larry D. Bray".

Larry D. Bray  
Acting Assistant Field Office Manager,  
Lands and Minerals



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'  
DEN. LAKE SE. N. & E.

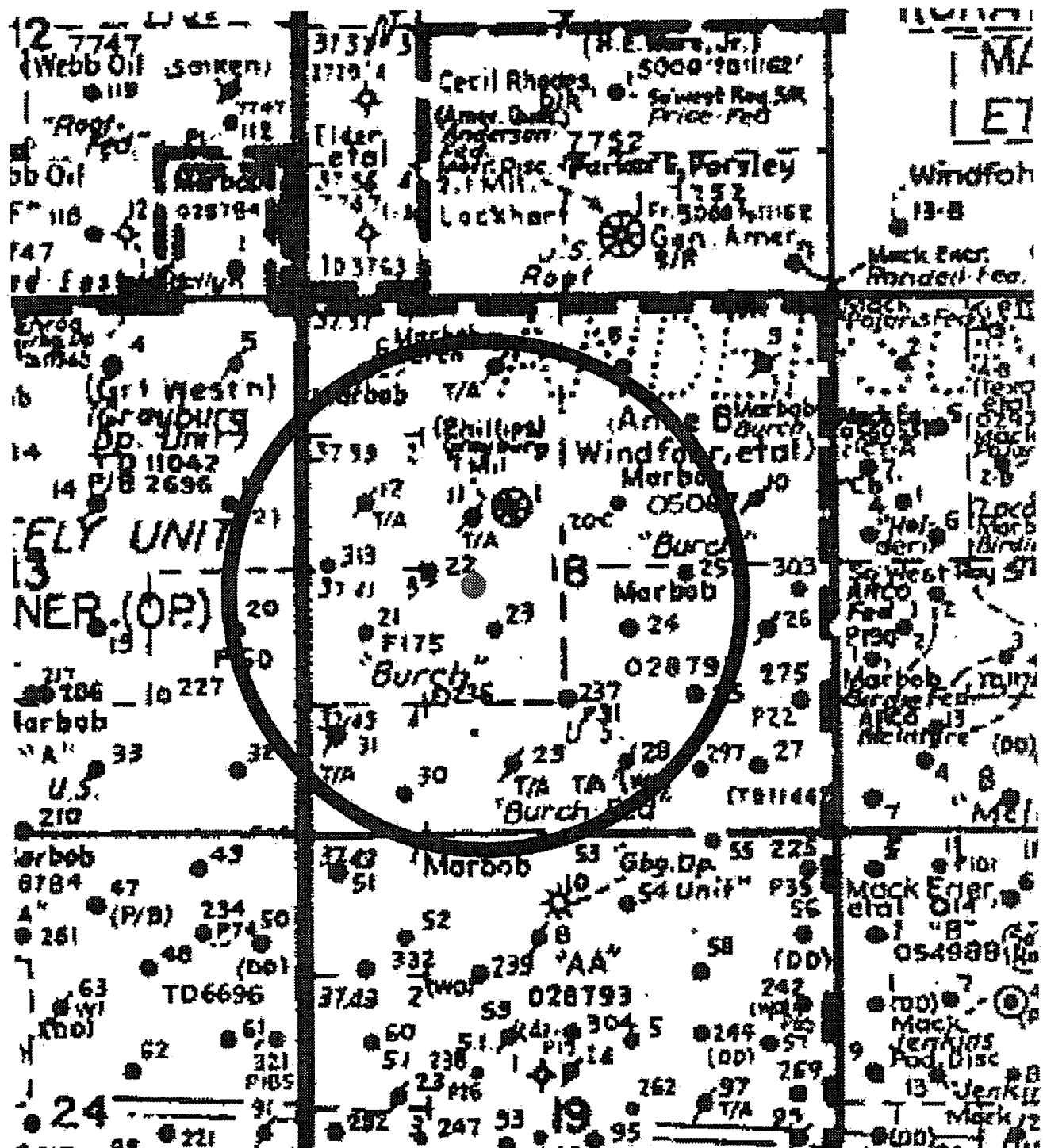
SEC. 18 TWP. 17-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2615' FSL & 1650' FWL

EXHIBIT TWO



Burch Keely Unit No. 926  
 2615' FSL & 1650' FWL  
 Section 18-17S-30E  
 Eddy County, New Mexico

Well Site Lay-Out Plat

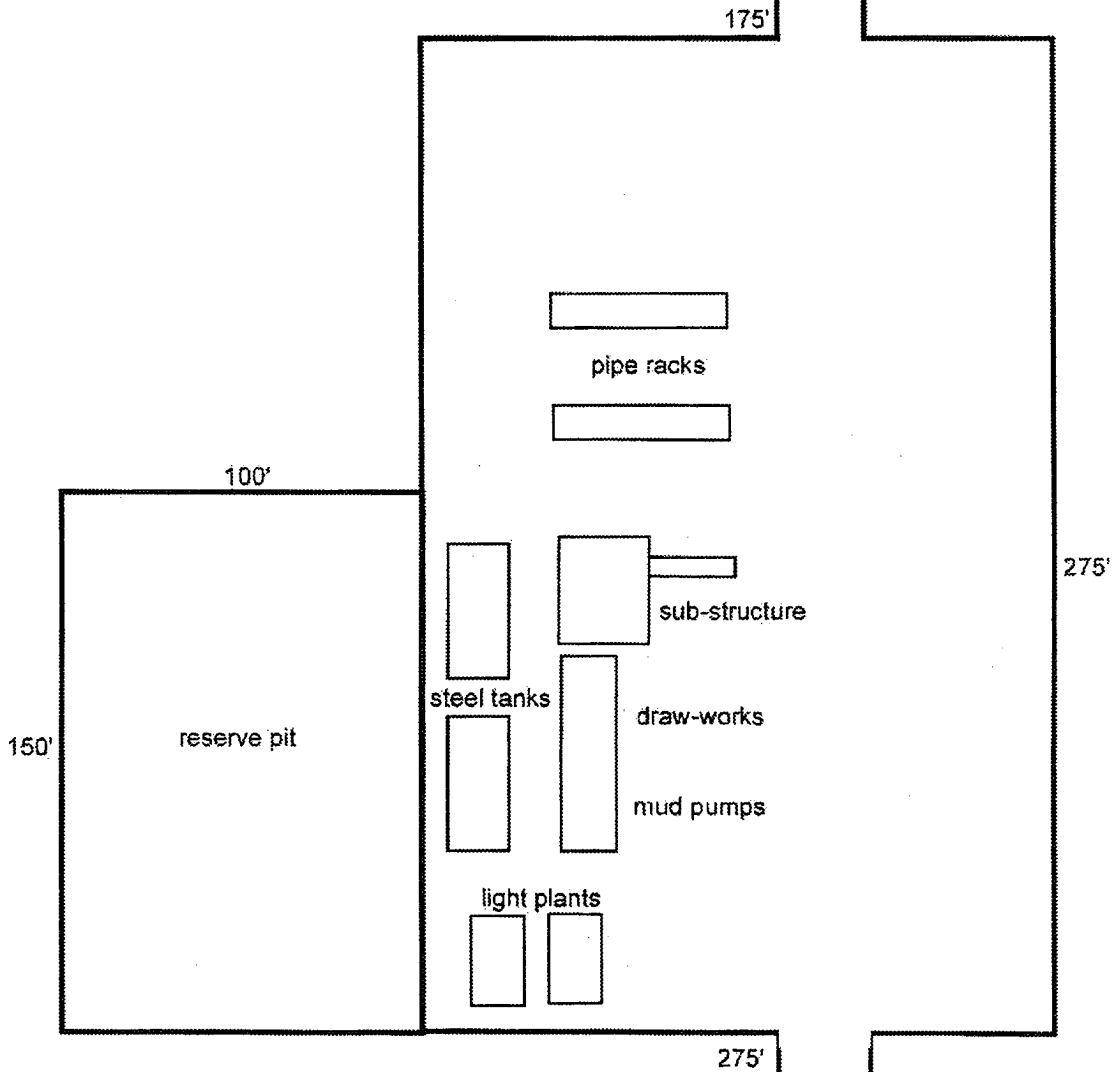


EXHIBIT FOUR