

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-3
(September 2001)



RECEIVED

2003 JUL 9 PM 1 29
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

5. Lease Serial No.
NMLC 028793A
6. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
NMMN88525X

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Burch Keely Unit No. 940

2. Name of Operator
Marbob Energy Corporation

9. API Well No.
30-015-32992

3a. Address
PO Box 227, Artesia, NM 88211-0227

3b. Phone No. (include area code)
505-748-3303 Fax 505-746-2523

10. Field and Pool, or Exploratory
GRBG JACKSON SR Q GRBG SA

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 1750' FSL & 1070' FWL
At proposed prod. zone 1750' FSL & 1070' FWL

11. Sec., T., R., M., or Blk. and Survey or Area
Sec. 19 T17S R30E

14. Distance in miles and direction from nearest town or post office*

12. County or Parish
Eddy
13. State
NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

16. No. of Acres in lease
640

17. Spacing Unit dedicated to this well
40

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth
4800'

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3618' GL

22. Approximate date work will start*
August 8, 2003

23. Estimated duration
21 Days

24. Attachments
ROSWELL CONTROLLED WATER BASIN

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.
2. A Drilling Plan.
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).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Name (Printed/Typed)

Melanie J. Parker

Date

07/08/03

Title

Authorized Representative

Approved by (Signature)

/s/ Joe G. Lara

Name (Printed/Typed)

/s/ Joe G. Lara

Date

9 SEP 2003

Title
ACTING FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval does not warrant or certify the 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.

*(Instructions on reverse)

OCD H2S Master Plan on file

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

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

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

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

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 28509	Pool Name GRAYBURG JACKSON SR Q GRBG SA
Property Code 006497	Property Name BURCH KEELY UNIT	Well Number 940
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3618'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	19	17-S	30-E		1750	SOUTH	1070	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.						

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 1									
37.43 AC.									
LOT 2									
37.43 AC.									
LOT 3									
3622.9'	3620.4'								
1070'									
3620.9'	3618.9'								
37.41 AC.									
LOT 4									
37.41 AC.									

FENCED PIPE YARD

1750'

OPERATOR CERTIFICATION

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

Melanie J. Parker
Signature
Melanie J. Parker
Printed Name
Land Department
Title
06/30/03
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.

JUNE 17, 2003

Date Surveyed L.A.
Signature & Seal of Professional Surveyor
Ronald J. Eidson 6/19/03
03.11.0621
Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12841

DRILLING PROGRAM

Burch Keely Unit No. 940
1750' FSL and 1070' FWL
Section 19-17S-30E
Eddy County, New Mexico

4. Proposed Casing Program

<u>Hole Size</u>	<u>Casing Size</u>	<u>Grade</u>	<u>Setting Depth</u>	<u>Cement</u>	<u>WITNESS</u>
12 1/4"	8 5/8"	24# J-55	325'	300 sx – circ	
7 7/8"	5 1/2"	17# J-55	4800'	Sufficient to cover 200' above all known oil & gas horizons	

10. Anticipated Starting Date and Duration of Operations

Starting date will be scheduled upon approval.

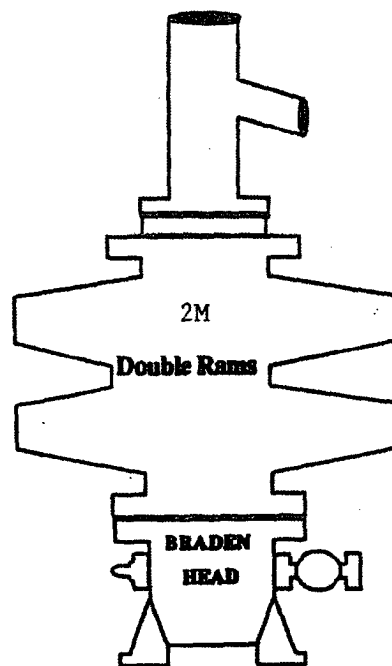
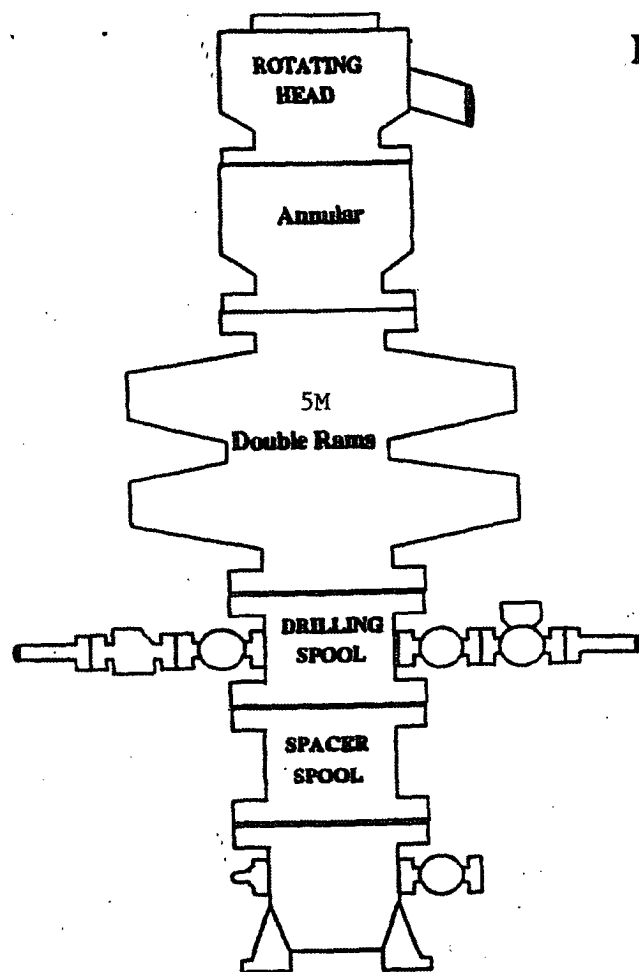
Duration of Operations: Once commenced, the drilling operations should be completed in approximately 21 days. If the well is productive, an additional 30 to 60 days will be required for completion and testing of the well.

SURFACE USE AND OPERATING PLAN

Burch Keely Unit No. 940
1750' FSL and 1070' FWL
Section 19-17S-30E
Eddy County, New Mexico

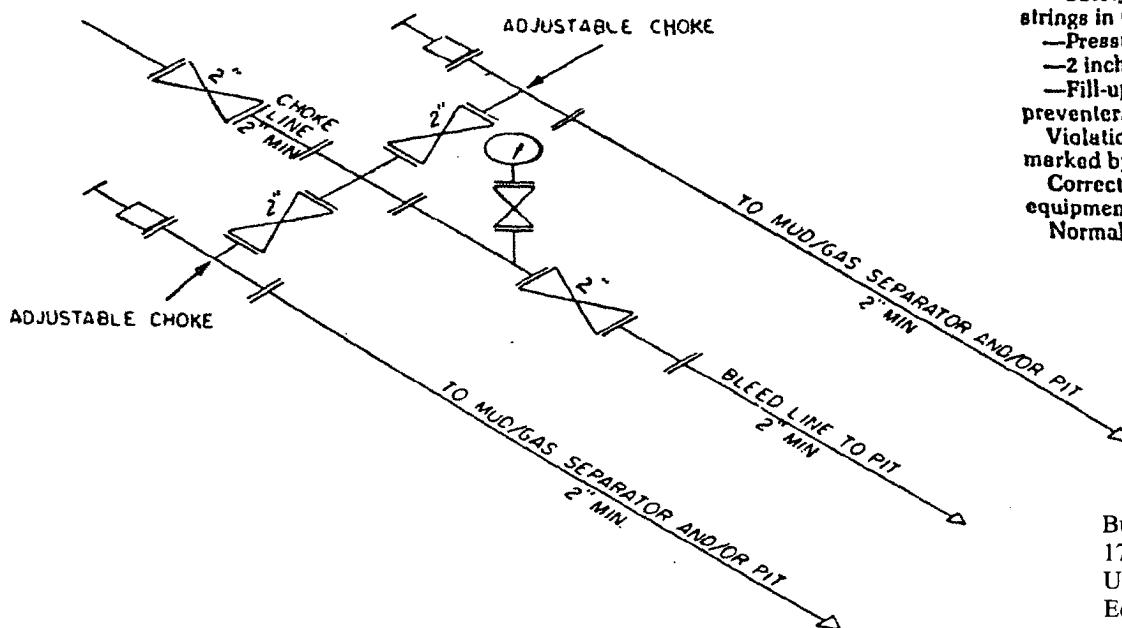
- 1.(c) Directions to Locations: From Loco Hills, proceed west on U.S. 82 for 1.5 miles. Turn south into BKU yard and proceed to location.
2. No new access road will be necessary.
- 4.(a) If productive, this well will use Satellite "G".

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.



Burch Keely Unit No. 940
1750' FSL & 1070' FWL
Unit L, Sec 19-T17S-R30E
Eddy County, New Mexico

2M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION OF CHOKES

Exhibit One

MAY VARY

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	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other TEST BOPS
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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.)

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 Coleman

Title PRODUCTION ANALYST

Date 05/25/99

(This space for Federal or State office use)

Approved by [Signature]
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.

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 5½ 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.

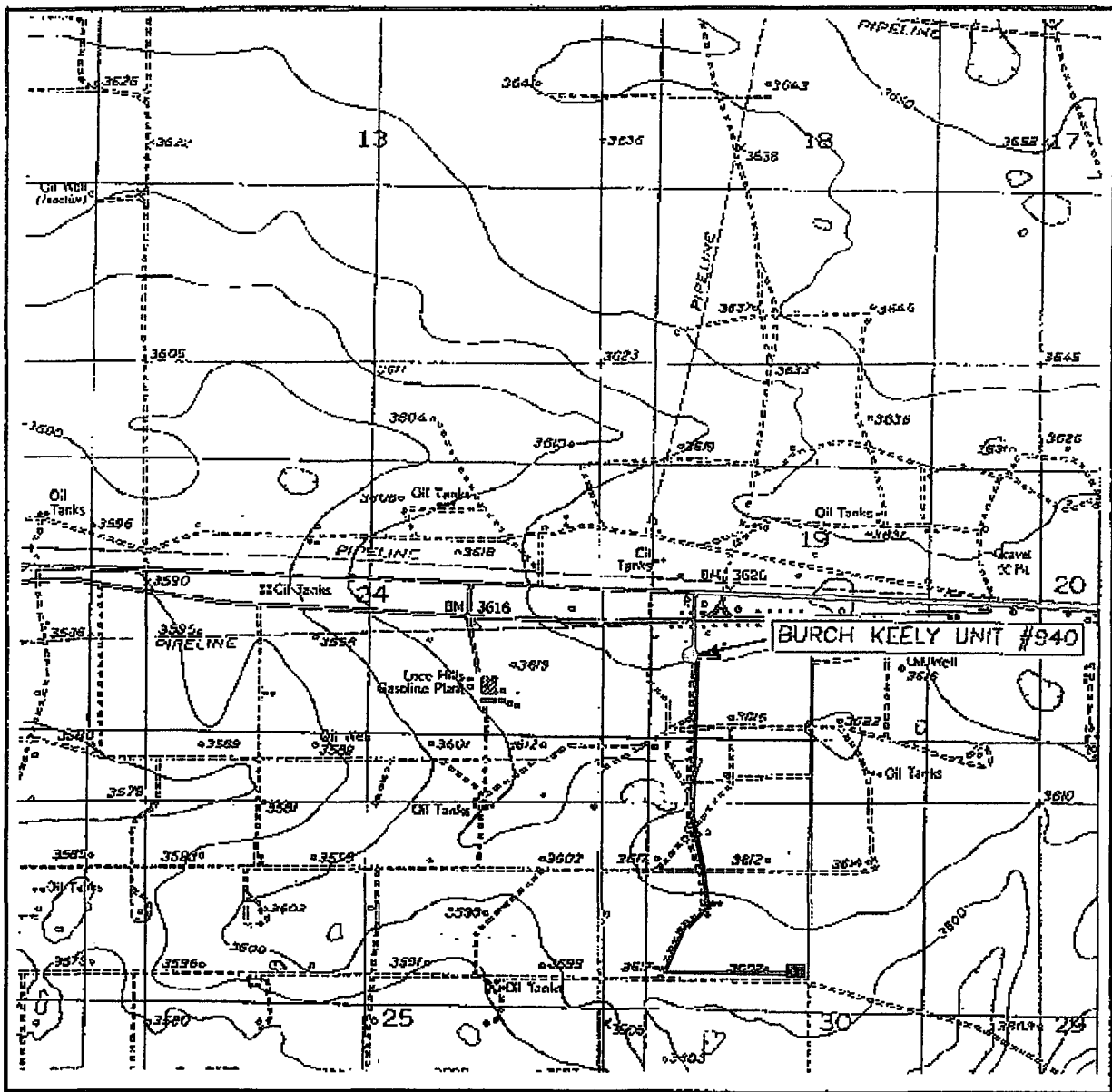
These requirements supercede those issued in your existing, approved APD's for the shallow wells located in T. 17 S., Rgs. 29, 30 and 31 E., NMPM. If you have any question regarding this matter please call John S. Simitz at (505) 627-0288 or Armando A. Lopez at (505) 627-0248.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry D. Bray". The signature is fluid and cursive, with the first name "Larry" and last name "Bray" clearly distinguishable.

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 19 TWP. 17-S. RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1750' FSL & 1070' FWL

ELEVATION 3618'

OPERATOR MARCOB ENERGY

LEASE BURCH KEELY UNIT

U.S.G.S. TOPOGRAPHIC MAP
RED LAKE SE, N.M.

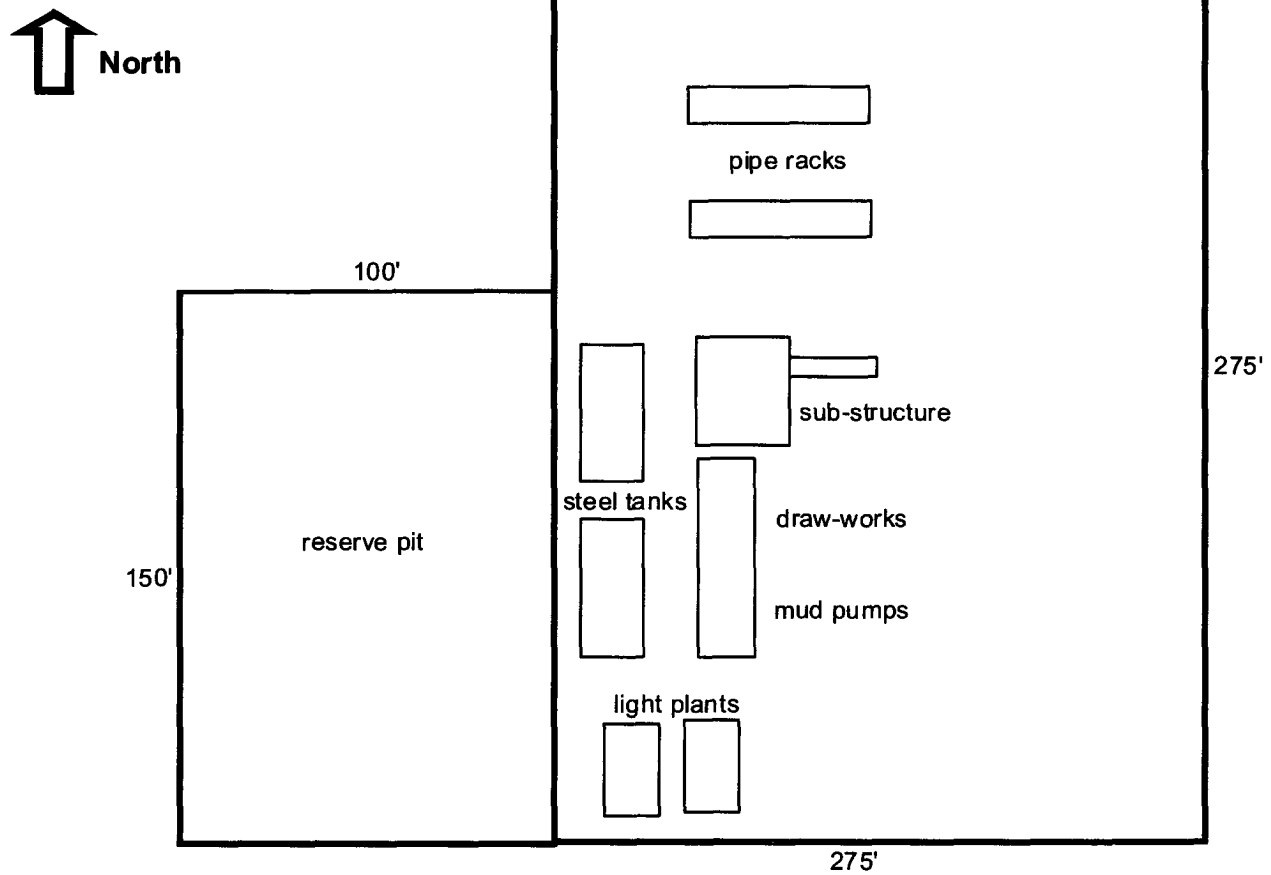
Flowline

Road

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

Exhibit 2

Well Site Lay-Out Plat



Burch Keely Unit #940
1750' FSL & 1070' FWL
Unit L, Sec 19-T17S-R30E
Eddy County, New Mexico

EXHIBIT FOUR