

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED  
OMB NO 1004-0137  
Expires: March 31, 2007

|  |  |  |  |
|--|--|--|--|
| 1a Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other   |  | 5 Lease Serial No.<br><b>NMLC028784A</b>   |  |
| b Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr.,<br>Other _____         |  | 6. If Indian, Allottee or Tribe Name   |  |
| 2. Name of Operator <b>Marbob Energy Corporation</b>   |  | 7 Unit or CA Agreement Name and No.<br><b>NMNM88525X</b>   |  |
| 3. Address <b>PO Box 227<br/>Artesia, NM 88211-0227</b>  |  | 8. Lease Name and Well No.<br><b>Burch Keely Unit #402</b>   |  |
| 3a. Phone No. (include area code)<br><b>505-748-3303</b>   |  | 9. AFI Well No.<br><b>30-015-35440</b>   |  |
| 4. Location of Well (Report location clearly and in accordance with Federal requirements)*<br><br>At surface <b>1170 FNL 290 FEL, Unit A</b><br><br>At top prod. interval reported below <b>Same</b><br><br>At total depth <b>Same</b> |  | 10. Field and Pool, or Exploratory<br><b>Grbg Jackson SR Q Grbg SA</b>   |  |
| 14 Date Spudded<br><b>07/13/2007</b>   |  | 15. Date T D Reached<br><b>07/21/2007</b>  |  |
| 16. Date Completed <b>08/02/2007</b><br><input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Prod.  |  | 11. Sec., T., R., M., on Block and<br>Survey or Area <b>Sec. 24-T17S-R29E</b>  |  |
| 18. Total Depth: MD <b>4662'</b><br>TVD <b>4662'</b>   |  | 12 County or Parish<br><b>Eddy</b>   |  |
| 19. Plug Back T.D.: MD <b>4647'</b><br>TVD <b>4647'</b>  |  | 13. State<br><b>NM</b>   |  |
| 20. Depth Bridge Plug Set: MD<br>TVD   |  | 17. Elevations (DF, RKB, RT, GL)*<br><b>3609' GL</b>   |  |
| 21. Type Electric & Other Mechanical Logs Run (Submit copy of each)<br><b>DLL, DSN</b>   |  | 22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis)<br>Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report)<br>Directional Survey? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes (Submit copy) |  |

| 23 Casing and Liner Record (Report all strings set in well) |            |            |          |             |                         |                                |                      |             |               |
|---|------------|------------|----------|-------------|-------------------------|--------------------------------|----------------------|-------------|---------------|
| Hole Size   | Size/Grade | Wt (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer<br>Depth | No. of Sk. &<br>Type of Cement | Slurry Vol.<br>(BBL) | Cement Top* | Amount Pulled |
| 12 1/4"   | 8 5/8"     | 24#        | 0        | 352'        |                         | 350 sx                         |                      | 0           | None          |
| 7 7/8"  | 5 1/2"     | 17#        | 0        | 4662'       |                         | 1300 sx                        |                      | 0           | None          |
|   |            |            |          |             |                         |                                |                      |             |               |
|   |            |            |          |             |                         |                                |                      |             |               |
|   |            |            |          |             |                         |                                |                      |             |               |
|   |            |            |          |             |                         |                                |                      |             |               |

| 24 Tubing Record |                |                   |      |                |                   |      |                |                   |  |
|------------------|----------------|-------------------|------|----------------|-------------------|------|----------------|-------------------|--|
| Size             | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) |  |
| 2 7/8"           | 4149'          |                   |      |                |                   |      |                |                   |  |

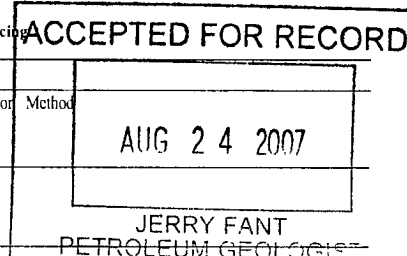
| 25. Producing Intervals |       |        |  | 26. Perforation Record |      |           |              |
|-------------------------|-------|--------|--|------------------------|------|-----------|--------------|
| Formation               | Top   | Bottom |  | Perforated Interval    | Size | No. Holes | Perf. Status |
| A) Yeso                 | 4149' | 4452'  |  | 4149' - 4452'          |      | 20        | Open         |
| B)                      |       |        |  |                        |      |           |              |
| C)                      |       |        |  |                        |      |           |              |
| D)                      |       |        |  |                        |      |           |              |

| 27. Acid, Fracture, Treatment, Cement Squeeze, etc. |                                      |
|---|--------------------------------------|
| Depth Interval                                      | Amount and Type of Material          |
| 4149' - 4452'                                       | Acdz w/ 2000 gal NE Fe 15% HCl acid. |
|   |                                      |
|   |                                      |

| 28. Production - Interval A |                      |                 |                    |            |            |              |                          |                |                   |
|-----------------------------|----------------------|-----------------|--------------------|------------|------------|--------------|--------------------------|----------------|-------------------|
| Date First<br>Produced      | Test<br>Date         | Hours<br>Tested | Test<br>Production | Oil<br>BBL | Gas<br>MCF | Water<br>BBL | Oil Gravity<br>Corr. API | Gas<br>Gravity | Production Method |
| 08/03/2007                  | 08/08/2007           |                 | →                  | 57         | 876        | 408          |                          |                | Pumping           |
| Choke<br>Size               | Thg Press<br>Flwg SI | Csg.<br>Press   | 24 Hr<br>Rate      | Oil<br>BBL | Gas<br>MCF | Water<br>BBL | Gas/Oil<br>Ratio         | Well Status    | Producing         |
|                             |                      |                 | →                  |            |            |              |                          |                |                   |

| 28a Production - Interval B |                      |                 |                    |            |            |              |                          |                |                   |
|-----------------------------|----------------------|-----------------|--------------------|------------|------------|--------------|--------------------------|----------------|-------------------|
| Date First<br>Produced      | Test<br>Date         | Hours<br>Tested | Test<br>Production | Oil<br>BBL | Gas<br>MCF | Water<br>BBL | Oil Gravity<br>Corr. API | Gas<br>Gravity | Production Method |
|                             |                      |                 | →                  |            |            |              |                          |                |                   |
| Choke<br>Size               | Thg Press<br>Flwg SI | Csg.<br>Press   | 24 Hr<br>Rate      | Oil<br>BBL | Gas<br>MCF | Water<br>BBL | Gas/Oil<br>Ratio         | Well Status    | Producing         |
|                             |                      |                 | →                  |            |            |              |                          |                |                   |

\*(See instructions and spaces for additional data on page 2)



## 28b. Production - Interval C

| Date First Produced | Test Date              | Hours Tested | Test Production<br>→ | Oil BBL | Gas MCF | Water BBL | Oil Gravity<br>Corr. API | Gas Gravity | Production Method |
|---------------------|------------------------|--------------|----------------------|---------|---------|-----------|--------------------------|-------------|-------------------|
| Choke Size          | Tbg. Press<br>Flwg. SI | Csg. Press.  | 24 Hr. Rate<br>→     | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio            | Well Status |                   |

## 28c. Production - Interval D

| Date First Produced | Test Date              | Hours Tested | Test Production<br>→ | Oil BBL | Gas MCF | Water BBL | Oil Gravity<br>Corr. API | Gas Gravity | Production Method |
|---------------------|------------------------|--------------|----------------------|---------|---------|-----------|--------------------------|-------------|-------------------|
| Choke Size          | Tbg. Press<br>Flwg. SI | Csg. Press.  | 24 Hr. Rate<br>→     | Oil BBL | Gas MCF | Water BBL | Gas/Oil Ratio            | Well Status |                   |

## 29. Disposition of Gas (Sold, used for fuel, vented, etc.)

**Sold**

## 30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 31. Formation (Log) Markers

| Formation | Top | Bottom | Descriptions, Contents, etc. | Name                  | Top          |
|-----------|-----|--------|------------------------------|-----------------------|--------------|
|           |     |        |                              |                       | Meas. Depth  |
|           |     |        |                              | <b>Rustler</b>        | <b>336'</b>  |
|           |     |        |                              | <b>Top of Salt</b>    | <b>410'</b>  |
|           |     |        |                              | <b>Bottom of Salt</b> | <b>870'</b>  |
|           |     |        |                              | <b>Yates</b>          | <b>1056'</b> |
|           |     |        |                              | <b>Seven Rivers</b>   | <b>1322'</b> |
|           |     |        |                              | <b>Bowers</b>         | <b>1712'</b> |
|           |     |        |                              | <b>Queen</b>          | <b>1938'</b> |
|           |     |        |                              | <b>San Andres</b>     | <b>2650'</b> |
|           |     |        |                              | <b>Lovington</b>      | <b>2753'</b> |
|           |     |        |                              | <b>Glorieta</b>       | <b>4072'</b> |
|           |     |        |                              | <b>Yeso</b>           | <b>4136'</b> |

## 32. Additional remarks (include plugging procedure):

## 33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)    ☐ Geologic Report    ☐ DST Report    ☒ Directional Survey  
☐ Sundry Notice for plugging and cement verification    ☐ Core Analysis    ☐ Other:

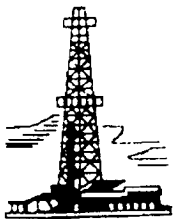
## 34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) **Diana J. Briggs**Title **Production Analyst**

Signature

Date **08/22/2007**

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.



# Permian Drilling Corporation

P. O. Box 726

(505)397-3798

Fax (505)393-2448

Hobbs, New Mexico 88241

## INCLINATION REPORT

DATE: 7/25/2007

JUL 27 2007

WELL NAME AND NUMBER: BKU 402

LOCATION: Eddy Co., NM

OPERATOR: MARBOB ENERGY CORP.

DRILLING CONTRACTOR: PERMIAN DRILLING CORPORATION

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

| DEGREE | DEPTH | DEGREE | DEPTH | DEGREE | DEPTH |
|--------|-------|--------|-------|--------|-------|
| 0.75   | 340   |        |       |        |       |
| 1.75   | 741   |        |       |        |       |
| 2.25   | 949   |        |       |        |       |
| 1.25   | 1140  |        |       |        |       |
| 0.50   | 1613  |        |       |        |       |
| 0.50   | 2086  |        |       |        |       |
| 0.50   | 2560  |        |       |        |       |
| 0.50   | 3030  |        |       |        |       |
| 1.00   | 3550  |        |       |        |       |
| 1.00   | 3949  |        |       |        |       |
| 1.75   | 4422  |        |       |        |       |
|        |       |        |       |        |       |
|        |       |        |       |        |       |

Drilling Contractor:  
Permian Drilling Corporation

By: Sherry Coskrey  
Sherry Coskrey  
Regulatory Clerk

Subscribed and sworn to before me on this 25<sup>th</sup> day of July, 2007.

My Commission Expires:

June 12, 2010

Angela B Black