

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB No. 1004-0137  
Expires July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**S**

5. Lease Serial No.  
NM-98813

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

APR 18 2008

OCD-ARTESIA

2. Name of Operator  
Marbob Energy Corporation

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

3b. Phone No. (include area code)  
575-748-3303

4. Location of Well (Footage, Sec., T, R, M, or Survey Description)  
Surf 400' FNL & 2210' FEL, BHL 2310' FNL & 2210' FEL  
Section 2, T25S - R28E

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

8. Well Name and No  
High Net Federal #2

9. API Well No.  
30-015-35603

10. Field and Pool or Exploratory Area  
Willow State, Delaware

11. Country or Parish, State  
Eddy County, New Mexico

12. CHECK THE 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 checked="" type="checkbox"/> Other <u>Extension</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Marbob Energy respectfully requests a two year extension on the above referenced approved APD.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

APPROVED FOR 24 MONTH PERIOD  
ENDING 5-3-10

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

Nancy Agnew

Title Land Department

Signature

*Nancy Agnew*

Date 04/02/2008

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

Approved by

**/s/ Don Peterson**

Title

Date

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.

Office

**CARLSBAD FIELD OFFICE**

APR 16 2008

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 page 2)

Accepted for record - NMOCD

# PECOS DISTRICT

## CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Marbob Energy Corporation
LEASE NO.:	NM98813
WELL NAME & NO.:	High Net Federal #2
SURFACE HOLE FOOTAGE:	400' FNL & 2210' FEL
BOTTOM HOLE FOOTAGE:	2310' FNL & 2210' FEL
LOCATION:	Section 2, T25S., R28E., NMPM
COUNTY:	Eddy County, New Mexico

### I. DRILLING

#### A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of **4 hours** in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOP/BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,  
(575) 361-2822

1. **Although Hydrogen Sulfide has not been reported in this section, it is always a possible hazard. It has been reported in Section 11 & 14 measuring from 1200 ppm to 1500 ppm in the STV's. If Hydrogen Sulfide is encountered, please report measured amounts and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

## B. CASING

**Note: All casing shall meet or exceed API standards for new casing. Onshore Order #2. III. B. 1. a (Any casing substitutions must have prior approval)**

**Centralizers required on surface casing per Onshore Order 2.III.B.1.f.**

**Possible lost circulation in the Delaware and a moderate potential for cave/karst features.**

1. The 9-5/8 inch surface casing shall be set a minimum of 25 feet into the Rustler Anhydrite and above the salt at approximately 600 feet and cemented to the surface. **If salt is penetrated surface casing shall be set 25 feet above the salt.**

**Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string.**

- a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial action will be done prior to drilling out that string.

**If 75% or greater lost circulation occurs while drilling the Surface casing hole, the cement on the production casing must come to surface.**

2. The minimum required fill of cement behind the 5-1/2 inch production casing is:

☒ Cement should tie-back at least 200 feet into previous casing string. **Operator shall provide method of verification.**

3. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

### C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 (2M) psi.
3. The appropriate BLM office shall be notified a minimum of **4 hours** in advance for a representative to witness the tests.
  - a. The tests shall be done by an independent service company.
  - b. The results of the test shall be reported to the appropriate BLM office.
  - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

### D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

JDW 4/14/08

*MAB 4/15/08*