

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

OCT 05 2009

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.

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5 Lease Serial No NMLC028793C
2 Name of Operator Marbob Energy Corporation		6 If Indian, Allottee, or Tribe Name
3a Address PO Box 227 Artesia, NM 88211-0227	3b Phone No (include area code) (575) 748-3303	7 If Unit or CA Agreement Name and/or No NMNM88525X
4 Location of Well (Outage, Sec., T., R., M., or Survey Description) 2310 FSL 2310 FEL, Sec. 23-T17S-R29E, Unit J		8 Well Name and No Burch Keely Unit #78
		9 API Well No 30-015-23852
		10 Field and Pool, or Exploratory Area Grbg Jackson; SR-Q-Grbg-SA
		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 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"/> Altering 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 checked="" 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 or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the 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 Notice 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.)

Marbob Energy Corporation proposes to plug & abandon this well.

(See attached procedure & wellbore schematics)

RECLAMATION PROCEDURE
ATTACHED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct

Name (Printed Typed) Diana L. Briggs	Title Production Manager
Signature <i>Diana L. Briggs</i>	Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>Dustin Winkler</i>	Title Office
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 18 U.S.C. Section 1001 AND Title 18 U.S.C. Section 1212, make it a crime for any person knowingly and States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	

APPROVED

OCT 1 2009

/s/ Dustin Winkler

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

BKU 78
2310' fsl, 2310' fel
Unit J, Sec. 23, T17S, R29E
Eddy Co., NM
LC-028793-C

RECEIVED

SEP 14 2009

KBC

Plug and Abandonment Procedure
14 Sept 09

Basic Data:

8-5/8" @ 385' 240 sx. Circ. Cmt.

5-1/2" @ 3300' 2250 sx. TOC 845' BHC Acoustic.

Note: Notify BLM inspectors in Carlsbad (887-6544) at least 24 hrs. before starting plugging operation. Class "C" cement will be used (14.8 ppg, 1.32 cfps, 6.3 gwps).

Procedure:

1. Pick up a work string and run bit and scraper to 2350'.
2. Install packoff, run gauge ring to 2350' if necessary and set CIBP + 35' cement at 2350'. Shoot 8 squeeze holes at 435' (50' below 8-5/8" shoe).
3. RIH with tubing to approx. 2300' and circulate 55 bbls of 9 ppg brine mixed with 25 sx per 100 bbls of salt gel into well.
4. Pull tubing up to 1900' and spot 25 sx. Class "C" with 2% CaCl₂. Pull up to 1000', wait 2 hrs and tag plug. Plug must be 1800' or shallower. Respot if necessary.
5. Pull tubing up to 900' and spot 25 sx. Class "C" with 2% CaCl₂. POOH, wait 2 hrs and tag plug. Plug must be 725' or shallower. Respot if necessary. This plug will cover the TOC behind the 5.5" casing (TOC 845') and the base of the salt section (BOS 772').
6. Set retainer at 385'. RIH with tubing and attempt to establish circulation to surface in the 8-5/8" x 5-1/2" annulus. If circulation can be established, pump 125 sx Class "C" with 2% CaCl₂. If cement not circulated but still getting good returns when almost done pumping the original 125 sx, pump another 75 sx (or more) cement to fill annulus to surface. Sting out and spot 40 sx on top of retainer to fill inside of 5-1/2" from 385' to surface.
7. If circulation can't be established in Step 6, pump 75 sx. Class "C" with 2% CaCl₂ below retainer. Sting out of retainer and spot 25 sx. Class "C" with 2% CaCl₂ on top of retainer.
8. If Step 7 was done, run 1" and pump 20 sx. Class "C" cement + 2% CaCl₂ to fill up top 60' of 5-1/2" and top 60' of 8-5/8" x 5-1/2" annulus. Top off with cement if necessary.
9. Cut wellhead and casings off 3' below ground level and remove. Weld plate onto 8-5/8" stub. Weld a 4" diameter dry hole marker onto plate such that 4' of it is above ground level. The following information needs to be placed on the marker:

Marbob Energy, BKU 78, 2310' fsl, 2310' fel, Unit J, Sec. 23, T17S, R29E, LC-028793-C
Date well plugged

7. Cut off anchors, and reclaim location per BLM specs.

Kbc/bku 78 plug

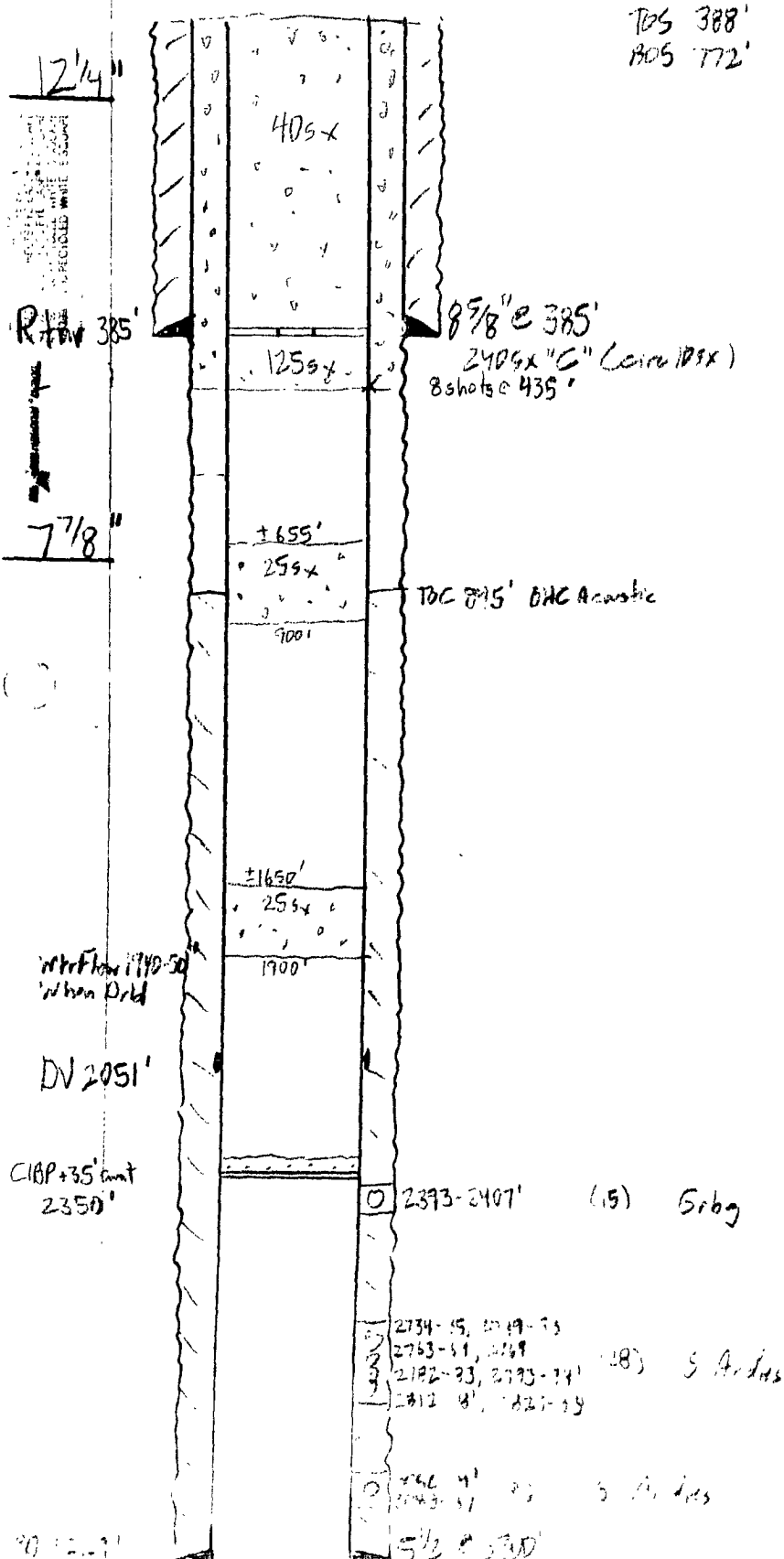
Well: BKV 78
 (Burch C-44)
 Location: 2310' FGL 2310' FEL
J-23-175-290
E21 N/M
30-015 23852

Zero: 10' AGL
 KB: 3605.7
 GL: 3595.7

Casing Program:

Size	Wt.	Grade	Conn	Depth
8 7/8"	36	N80	LTC	385'
5 1/2"	15.5	K55	LR	3300'

.1336 CF/F



After P&A (Able to Circulate 8 7/8" x 5 1/2"
 Annulus to Surface)

Well: BKV 78

(Bufile C-44)

Location: 2310' FGL 2310' FGL

J-23-179-291

3-11-11

39-0156 23852

Zero: 10' AGL

KB : 3605.7

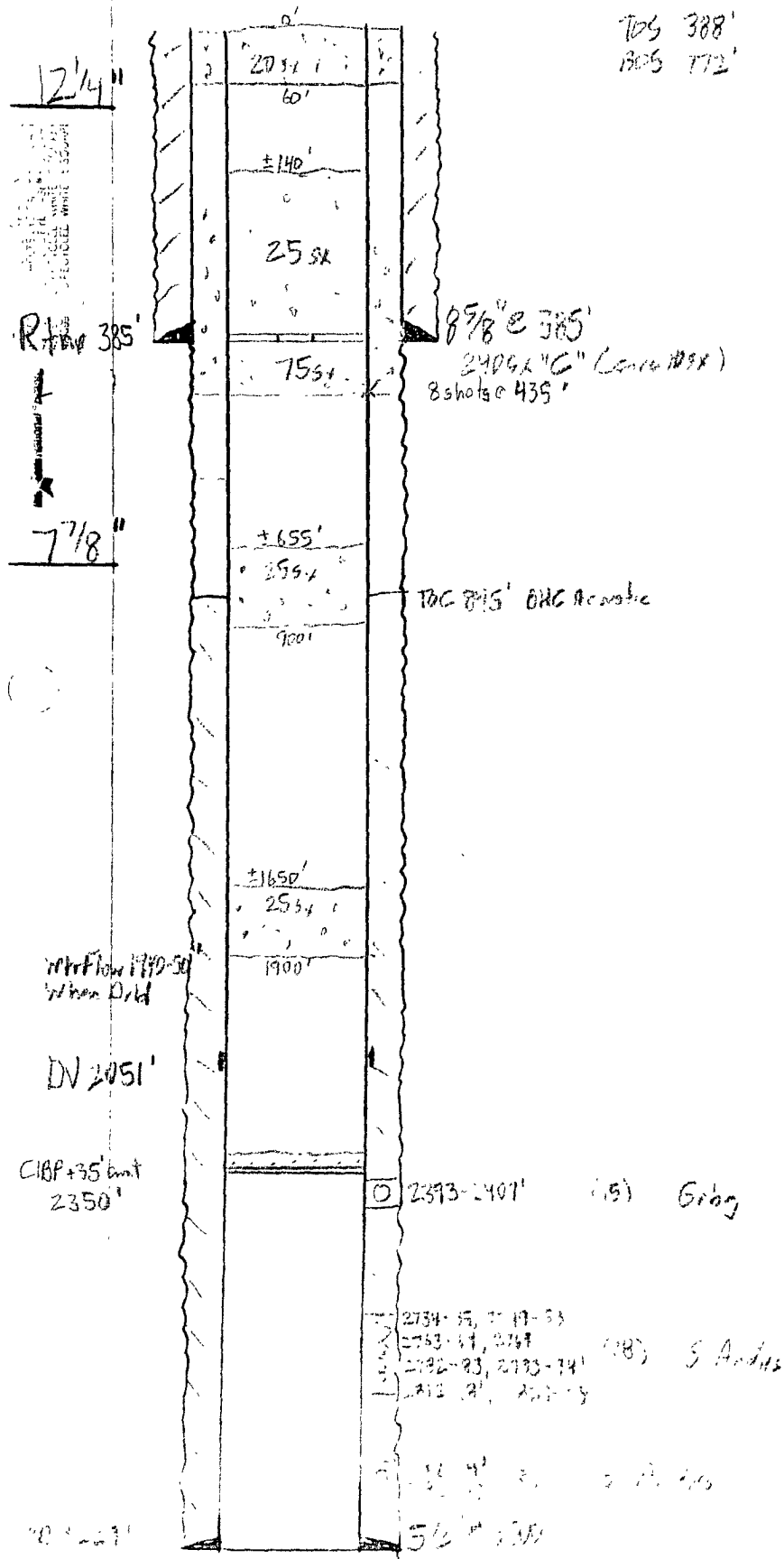
GL : 3595.7

Casing Program:

[illegible]

01336. C/P/R

After P&A (Couldn't Circulate
8 5/8" x 5 1/2" Annulus to Surface)

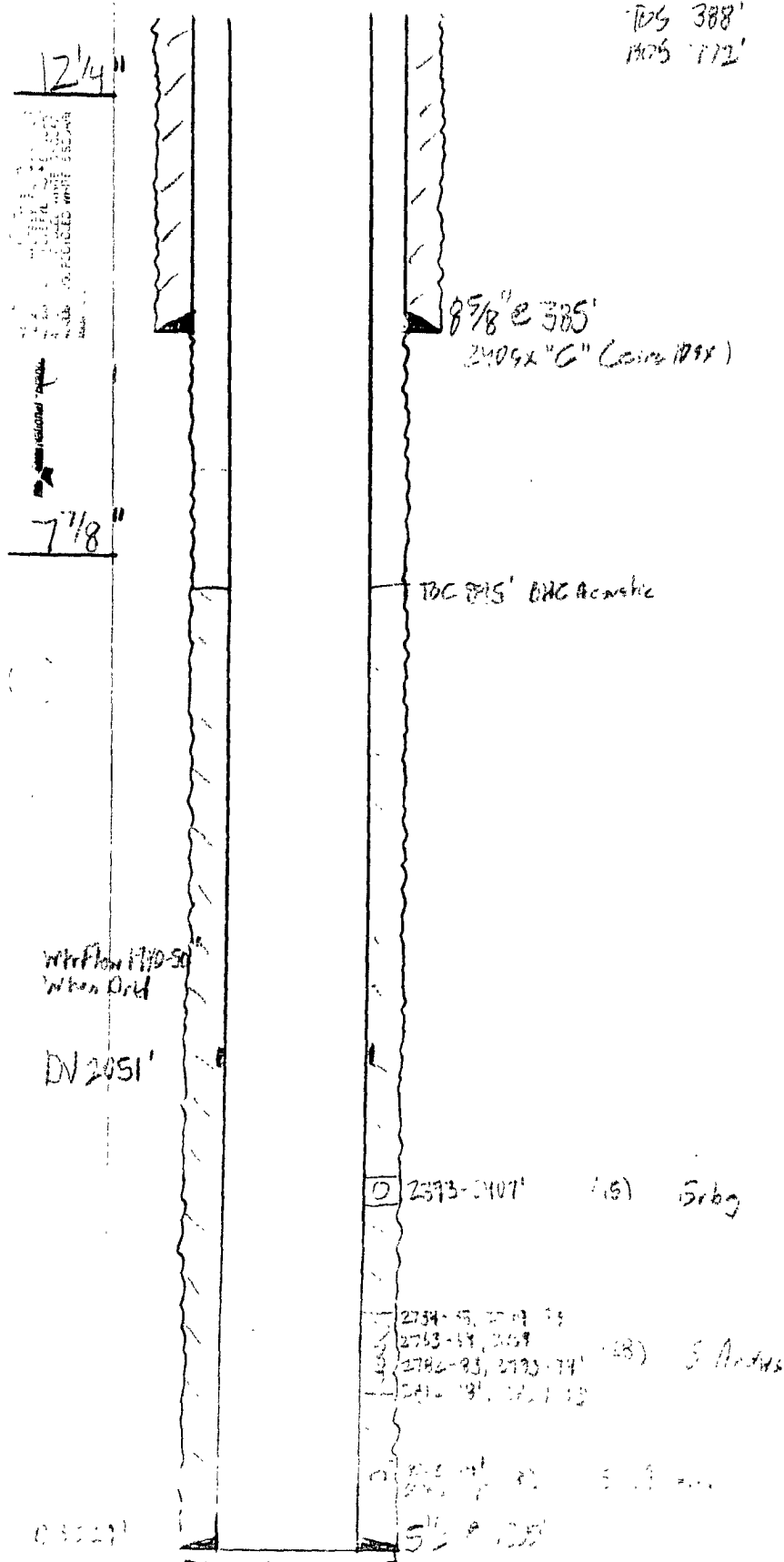


Well: BKV 78
 (Burch C-44)
 Location: 2310' ASL 2310' ASL
J-23-175-29c
Eddy NM
31-215-23852

Zero: 10' ASL
 KB: 3605.7
 GL: 3595.7

Casing Program:

Size	Wt.	Grade	Conn	Depth
8 5/8"	36	N80	LTC	385'
5 1/2"	15.5	K95	LR	3900'



Marbob Energy Corporation
NMLC-028793C: Burch Keely Unit #78
API: 30-015-23852
Eddy County, New Mexico

RE: Plugging and Abandonment Procedure, Conditions of Approval

1. OK
- 1a. Set CIBP at 2675' and bail 35' or pump 25 sx on top. (San Andres perms)
2. CHANGE: Set CIBP at 2340' and bail 35' or pump 25 sx on top. (Grayburg perms)
3. OK
4. CHANGE: Spot a minimum 25 sx plug at 2100'. WOC and tag at 1800' or shallower.
(DV Tool – Lost Circulation)
5. CHANGE: Perf at 825' and squeeze a plug (minimum 25 sx) in and out to 715'. If injection cannot be established, spot plug 50' below the perms. WOC and tag at 715' or shallower. (BOS)
6. CHANGE: Perf at 435' and squeeze cement in annulus to surface. If injection cannot be established, spot plug 50' below the perms and refer to step 6a. Plug in casing must be 100'. WOC and tag at 335' or shallower. (Casing shoe – TOS)
- 6a. Contingency Plug – If injection rate was no established on above plug, perf and squeeze 100' above the tagged depth. Plug is to be a minimum 100' and 25sx.
7. Removed – No cement retainer used.
8. CHANGE: If injection rate could not be established, perf and squeeze at 60' to surface. Otherwise, spot plug 60' to surface.
9. OK – Check all annuli to confirm cement to surface before welding.
10. OK
11. Submit subsequent report, with details.

See attached standard COA.

It is recommended that H2S monitoring and protection is available on site.

DHW 100109

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 60th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation procedure.

JDW 072709



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Interim Reclamation Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses.

Interim reclamation consists of minimizing the footprint of disturbance by reclaiming all portions of the well site not needed for production operations. The portions of the cleared well site not needed for operational and safety purposes are recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Sufficient level area remains for setup of a workover rig and to park equipment. Topsoil is respread over areas not needed for all-weather operations. Production facilities should be clustered to maximize the opportunity for interim reclamation. In order to inspect and operate the well or complete workover operations, it may be necessary to drive, park, and operate on restored, interim vegetation within the previously disturbed area. This is generally acceptable provided damage is repaired and reclaimed following use.

To reduce final reclamation costs; maintain healthy, biologically active topsoil; and to minimize habitat, visual, and forage loss during the life of the well, all salvaged topsoil should be spread over the area of interim reclamation, rather than stockpiled.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). Interim reclamation is to be completed within 6 months of well completion.
3. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with interim reclamation as per approved APD or Sundry Notice. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.
4. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
5. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)

Cody Layton
Natural Resource Specialist
575-234-5959

Terry Gregston
Environmental Protection Specialist
575-234-5958

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Bobby Ballard
Environmental Protection Specialist
575-234-2230

Todd Suter
Surface Protection Specialist
575-234-5987

Randy Rust
Environmental Protection Specialist
575-234-5943

Doug Hoag
Civil Engineering Technician
575-234-5979

Linda Denniston
Environmental Protection Specialist
575-234-5974

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

Justin Frye
Environmental Protection Specialist
575-234-5922