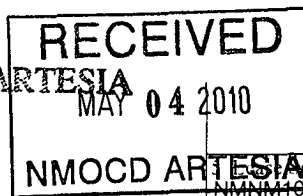


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA



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

Rm

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.

3. Existing Well No
NMMN104684

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

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

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

8. Well Name and No
1

9. API Well No
30-015-37605

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
330 FSL 560 FWL, SEC 12-T24S-R31E, SW4SW/4, UNIT M

10. Field and Pool or Exploratory Area
SAND DUNES; BONE SPRING, SOUTH

11. Country or Parish, State
EDDY COUNTY, NM

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 type="checkbox"/> Other
	<input checked="" 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 recomplete 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 recompletion 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 met and the operator has determined that the site is ready for final inspection.)

MARBOB ENERGY CORP PROPOSES TO CHG THE FOLLOWING ITEMS ON THE ORIGINAL APD:

CHG THE PROD CSG

FROM: 5 1/2" 17# N-80

TO: 5 1/2" 17# N-80 IN LATERAL (4320') & 7" 23# S95/P110 LTC CSG (8500')

CHG PROD HOLE SIZE

FROM: 7 7/8"

TO: 8 3/4" F/4500'-8500', THEN REDUCE HOLE SIZE TO 7 7/8" F/8500' TO TD

CHG 2ND STG PROD CSG CMT

FROM: 550 SX "H" LGT, WT 12.7, YLD 1.91, TAILED W/100 SX "H", WT 13.0, YLD 1.64, DV @8000', TOC @4000'

TO: 475 SX "H" LGT, WT 12.7, YLD 1.91, TAILED W/100 SX "H", WT 13.0, YLD 1.64, DV @8000', TOC @4000'

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



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

DEBORA L WILBOURN

Title GEOTECH

Signature

Date 04/20/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

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)

5-7-10

**Seabiscuit Federal Com #1H
30-015-37605
Marbob Energy Corporation
April 28, 2010
Conditions of Approval**

1. The minimum required fill of cement behind the **7& 5-1/2** inch production casing is:

a. First stage to DV tool, cement shall:

- ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job.

~~b. Second stage above DV tool, cement shall:~~

- ☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification. Additional cement required.

MAK 042810

Summary of Engineer's Wellbore Evaluation

Secretary's Potash Section: 3 cmt'd csgrs, 2 circ'd & prod cmt overlap intrmd 500'.

Pg 1 of 1

13 3/8	surface csg in a	17 1/2	inch hole.	Design Factors			SURFACE		
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	54.50	J 55	ST&C	10.78	2.51	1.17	875	47,688	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig: 1,500				Tail Cmt does not	circ to sfc.	Totals:	875	47,688	
Comparison of Proposed to Minimum Required Cement Volumes									
Hole	Annular	Proposed	CuFt Cmt	Min	Excess	Drilling	Calc	Req'd	Min Dist
Size	Volume	Sx Cmt	Proposed	Cu Ft	% Cmt	Mud Wt	MASP	BOPE	Hole-Cplg
17 1/2	656	500	841	656	28	8.40	1348	2M	1.56

9 5/8 casing inside the 13 3/8 casing.				<u>Design Factors</u>			INTERMEDIATE		
Segment	#/ft	Grade	Coupling	Body	Collapse	Burst	Length	Weight	
"A"	36.00	J 55	BUTT	3.40	1.11	0.90	3,500	126,000	
"B"	40.00	J-55	BUTT	15.75	1.10	1.01	1,000	40,000	
"C"							0	0	
"D"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig: 801							Totals:	4,500 166,000	
<u>The cement volume(s) proposed may achieve a top</u>				0	<u>feet from surface.</u>				
Hole	Annular	Proposed	CuFt Cmt	Min	Excess	Drilling	Calc	Req'd	Min Dist
Size	Volume	Sx Cmt	Proposed	Cu Ft	% Cmt	Mud Wt	MASP	BOPE	Hole-Cplg
12 1/4	0.3132	1050	1863	1471	27	10.00	2079	3M	0.81
Csg Burst/Csg Depth calculates a frac gradient of 1.01 for Segment A, & 0.88 for Segment B. Casing is to be kept fluid filled while running into the hole.									

7 & 5.5 casing inside the 9 5/8			<u>Design Factors</u>				INTERMEDIATE		
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	23.00	S 95	LT&C	1.31	1.28	1.92	8,500	195,500	
"B"	17.00	N 80	LT&C	∞	1.60	1.97	4,320	73,440	
"C"							0	0	
"D"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig: 0							Totals:	12,820 268,940	
A	Segment	Design	Factors	would be:	2.65	1.44	if it were a vertical wellbore.		
<u>The cement volume(s) proposed are to achieve a top</u>					<u>4000</u>	<u>feet from surface.</u>			
Hole	Annular	Proposed	CuFt Cmt	Min	Excess	Drilling	Calc	Req'd	Min Dist
Size	Volume	Sx Cmt	Proposed	Cu Ft	DVT Cmt	Mud Wt	MASP	BOPE	Hole-Cplg
8 3/4	0.1503	1075	2371	1339	O K	9.00			0.55
7923 KOP, 90° curve 12°/100ft, 8673 EOC, 12,818MTD = 8,400VTD per Pathfinder report. No cmtg plans found in APD for a 9,600ft pilot hole plugback. Additional cement required.									