EC

OCD-ARTESIA

5

Form 3160-3
(August 1999)

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: NMLC029395B

6. If Indian, Allottee or Tribe Name:

7. If Unit or CA Agreement, Name and No.: 23300

1a. Type of Work: ☒ DRILL ☐ REENTER

8. Lease Name and Well No.: LEE FEDERAL 40

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

9. API Well No.: 30-015-32745

2. Name of Operator: MARBOB ENERGY CORPORATION
Contact: DIANA CANNON
E-Mail: production@marbob.com

3a. Address: P O BOX 227, ARTESIA, NM 88211-0227 — 14049

3b. Phone No. (include area code): Ph: 505.748.3303, Fx: 505.746.2523

10. Field and Pool, or Exploratory: LOCO HILLS-PADDOCK

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

At surface: SWNW Lot E 2285FNL 330FWL

At proposed prod. zone: SWNW Lot E 2285FNL 330FWL

11. Sec., T., R., M., or Blk. and Survey or Area: Sec 20 T17S R31E Mer NMP

14. Distance in miles and direction from nearest town or post office*: SEE SURFACE USE PLAN

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): 330'

16. No. of Acres in Lease: 1786.15

17. Spacing Unit dedicated to this well: 40.00

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

19. Proposed Depth: 6000 MD

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KB, RT, GL, etc.): 3623 GL

22. Approximate date work will start: 02/28/2003

23. Estimated duration

RECEIVED
APR 2003
OCD - ARTESIA

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)	Date
(Electronic Submission)	DIANA CANNON	01/30/2003

Title: AUTHORIZED REPRESENTATIVE

Approved by (Signature)	Name (Printed/Typed)	Date
/s/ LESLIE A. THEISS	/s/ LESLIE A. THEISS	APR 08 2003
Title	**Office**	
Field Manager	Carlsbad Field Manager	

Application approval does not warrant or certify 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.

Approved 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.

Additional Operator Remarks (see next page)

Approval Subject to General Requirements and Special Stipulations Attached

Electronic Submission #18124 verified by the BLM Well Information System
For MARBOB ENERGY CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by Armando Lopez on 01/31/2003 (03AL0126AE)

Witness Surface Casing

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****

Additional Operator Remarks:

17 1/2" HOLE, 13 3/8" 48# H40 CSG SET @ 350', CMT W/ 400 SX
12 1/4" HOLE, 8 5/8" 24# J55 CSG SET @ 1200', CMT W/ 300 SX
7 7/8" HOLE, 5 1/2" 17# J55 CSG SET @ 6000', CMT SUFFICIENT TO COVER 200' ABOVE ALL KNOWN OIL & GAS HORIZONS.

PAY ZONE WILL BE SELECTIVELY PERFORATED AND STIMULATED AS NEEDED FOR OPTIMUM PRODUCTION.

ATTACHMENT INCLUDES:

1. WELL LOCATION AND ACREAGE DEDICATION PLAT
2. DRILLING PROGRAM
3. SURFACE USE AND OPERATING PLAN
4. HYDROGEN SULFIDE DRILLING OPERATIONS PLAN
5. ADDITIONAL REQUIRED INFORMATION (EXHIBITS #1 (5 PGS), #2, #3 & #4)

JAN 09 2003

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

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-015-	96718	LOCO HILLS PADDOCK

Property Code	Property Name	Well Number
23300	LEE FEDERAL	40

OGRID No.	Operator Name	Elevation
14049	MARBOB ENERGY CORPORATION	3623'

Surface Location

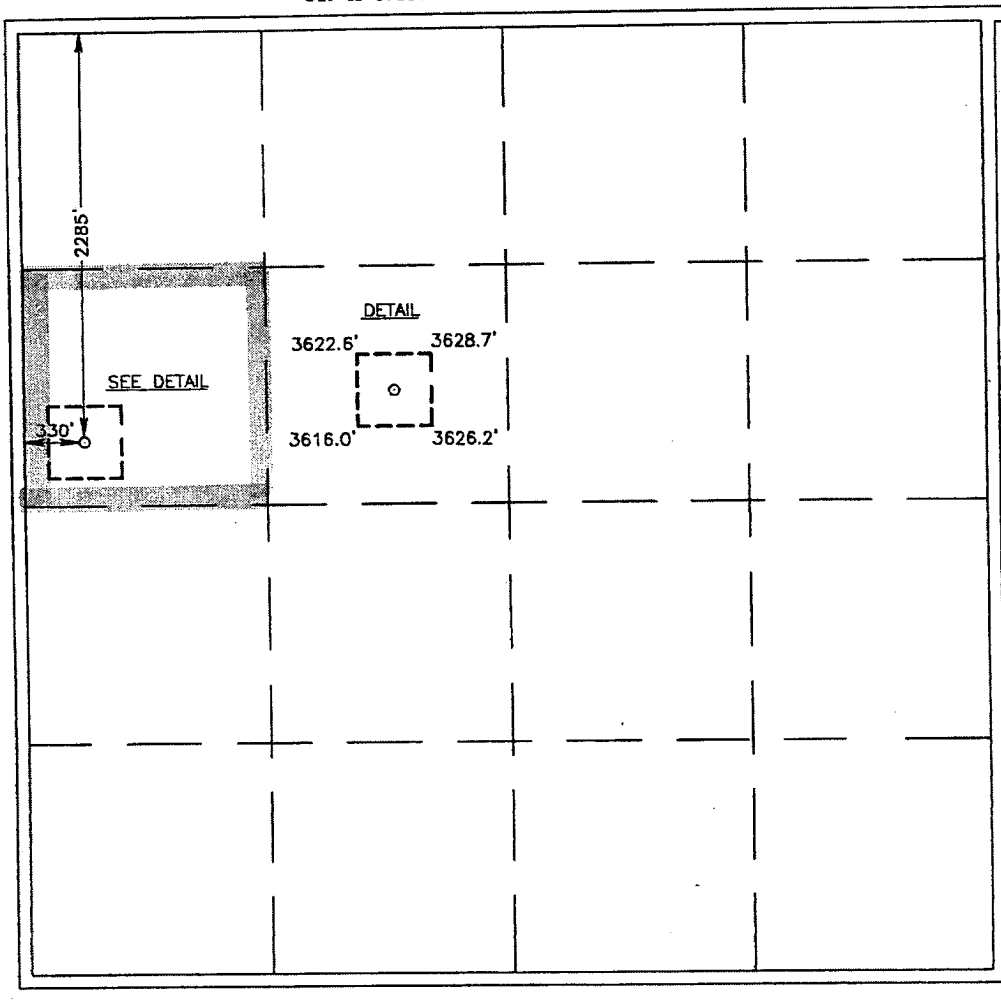
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	20	17-S	31-E		2285	NORTH	330	WEST	EDDY

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.
40			

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



OPERATOR CERTIFICATION

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

Signature

DIANA J. CANNON
Printed Name

PRODUCTION ANALYST
Title

JANUARY 30, 2003
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 supervison, and that the same is true and correct to the best of my belief.

JANUARY 7, 2003
Date Surveyed L.A.

Signature & Seal of Professional Surveyor

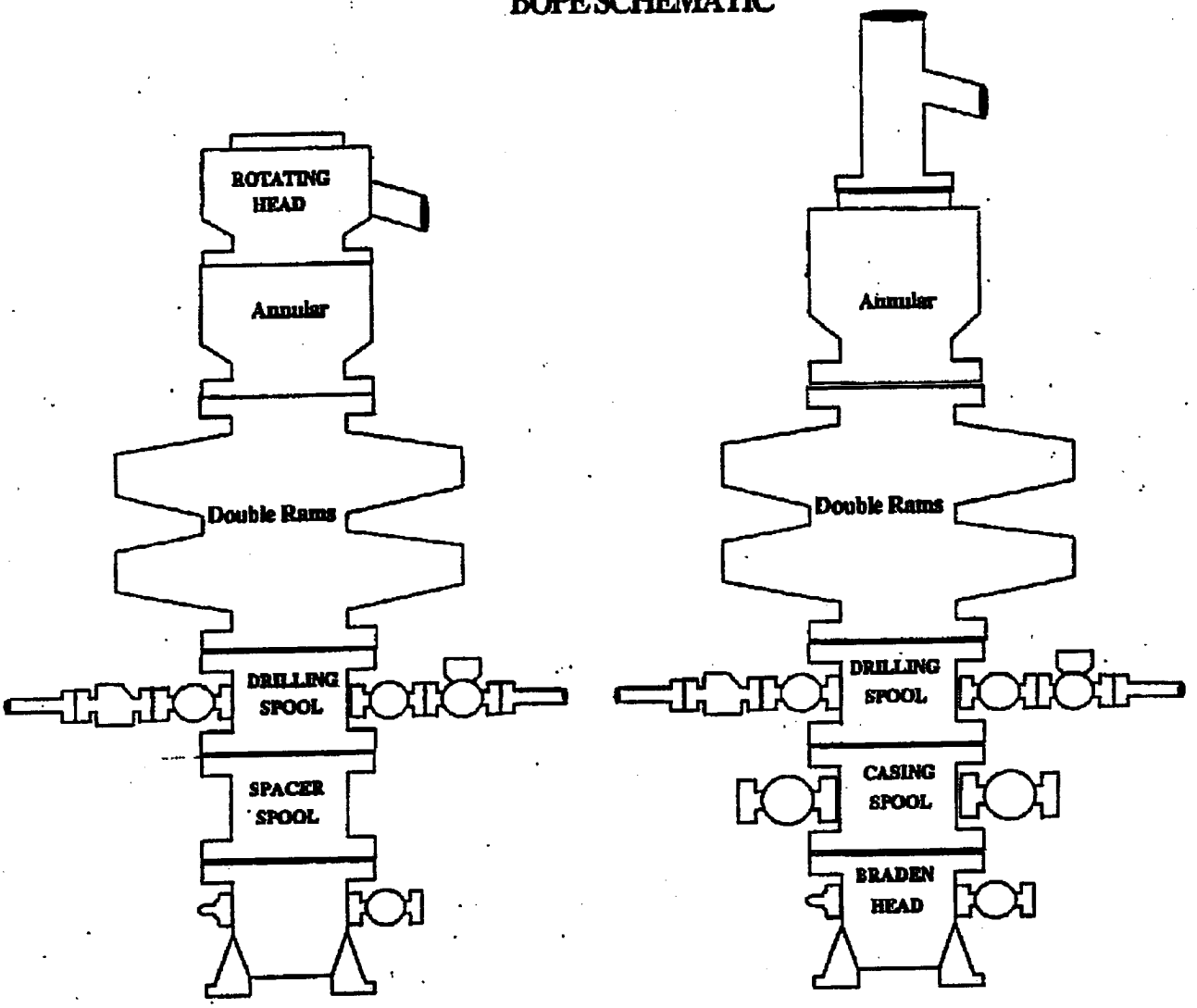
RONALD J. EIDSON NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR

1/08/03

02.11.1063

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

BOPE SCHEMATIC



Choke Manifold

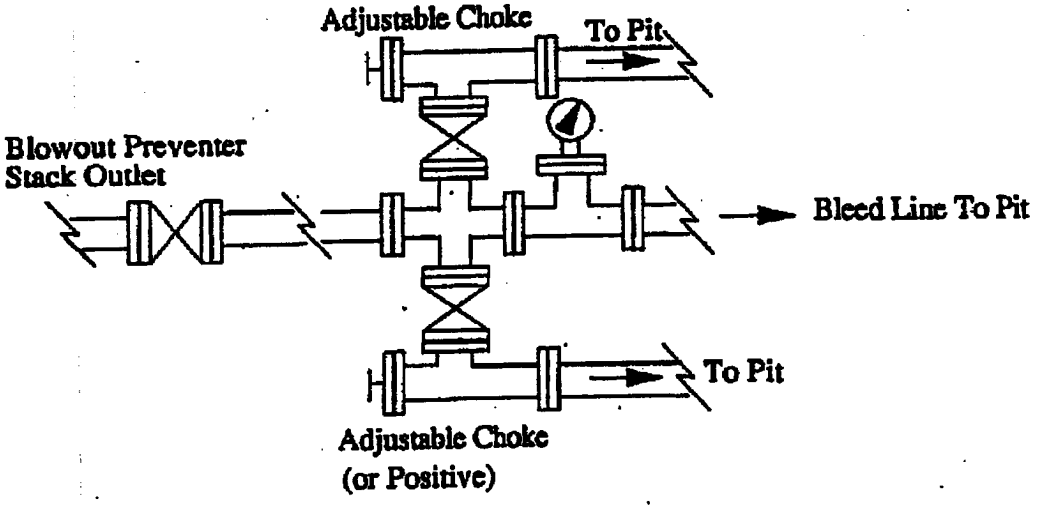
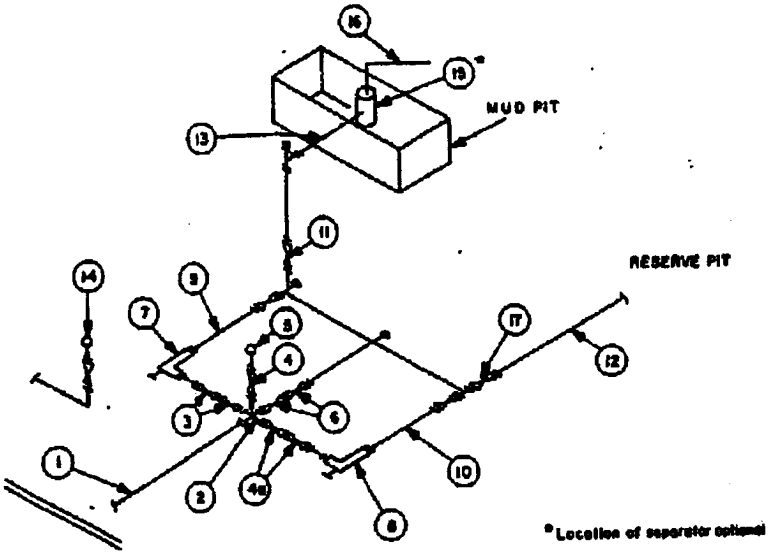


Exhibit One

MINIMUM CHOKE MANIFOLD
3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP



No.		MINIMUM REQUIREMENTS								
		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			
	Cross 3"x3"x3"x3"									10,000
3	Valves(1) Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate ☐ Plug ☐(2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"		10,000
4a	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	3-1/8"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke(3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
11	Valves Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
12	Lines		3"	1,000		3"	1,000		3"	2,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2"x5'			2"x5'			2"x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

(1) Only one required in Class 3M.

(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

1. All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
2. All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
3. All lines shall be securely anchored.
4. Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
5. Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
6. Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.