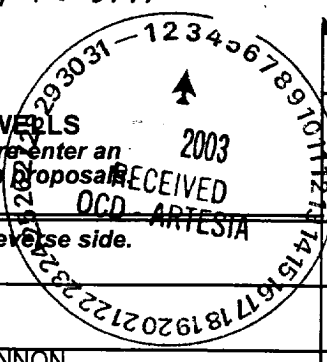


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**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 reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator MARBOB ENERGY CORPORATION /	Contact: DIANA CANNON E-Mail: production@marbob.com	5. Lease Serial No. NMNM0454018
3a. Address P O BOX 227 ARTESIA, NM 88211-0227	3b. Phone No. (include area code) Ph: 505.748.3303 Fx: 505.746.2523	8. Well Name and No. MOUNDS FEDERAL COM 1	9. API Well No. 30-015-32431-00-X1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 4 T22S R27E SWNW 1980FNL 760FWL <b>UT. E</b>		10. Field and Pool, or Exploratory WILDCAT	11. County or Parish, and State EDDY COUNTY, NM

12. CHECK 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Temporarily Abandon
	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Change to Original APD

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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices 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 WOULD LIKE TO REQUEST A VARIANCE ON NIPPLING UP ON THE 13 3/8" CASING. WE WOULD LIKE TO NIPPLE UP ON THE 13 3/8" CASING WITH AN ANNULAR PREVENTOR ONLY, AND TEST TO 1250# WITH RIG PUMPS (70% OF CASING BURST IS 1211#). THEN NIPPLE UP ON THE 9 5/8" CASING WITH A 3M SYSTEM TESTED TO 2500# (70% OF CASING BURST IS 2464#). FINALLY, NIPPLE UP ON THE 7" CASING WITH A 5M SYSTEM AND TEST ALL BOPE TO 5000#.

TEST PRESSURE NOT TO EXCEED 70% OF CASING BURST  
 13 3/8" H-40 48# BURST = 1730 psi      70% = 1211 psi  
 9 5/8" J55 36# BURST = 3520 psi      70% = 2464 psi

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #18115 verified by the BLM Well Information System  
For MARBOB ENERGY CORPORATION, sent to the Carlsbad  
Committed to AFMSS for processing by Armando Lopez on 01/30/2003 (03AL0123SE)

Name (Printed/Typed) DIANA CANNON	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 01/30/2003

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

Approved By <u>Les Babiyak</u> (LES BABYIAK)	Title <u>PETROLEUM ENGINEER</u>	Date <u>1/30/03</u>
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.