

AP - 094

**GENERAL
CORRESPONDENCE**

2008 - 2007

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



AUGUST 18, 2008

Mr. Rand French
Marbob Energy Corporation
P.O. Box 227
Artesia, NM 88211

**RE: REQUIREMENT TO SUBMIT ABATEMENT PLAN
MARBOB ENERGY - SCRATCH STATE DRILLING PIT
SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST
LEA COUNTY, NEW MEXICO
OCD CASE NO. AP094**

Dear Mr. French:

The Oil Conservation Division (OCD) has determined that Marbob Energy (Marbob) must submit a Stage 1 Abatement Plan in accordance with OCD Rule 19 (19.15.1.19 NMAC) to investigate ground water contamination at its Scratch State drilling pit, located in Section 24, Township 18 South, Range 33 East, Lea County, New Mexico. The Stage 1 Abatement Plan proposal must be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office and must meet all of the requirements specified in OCD Rule 19 (19.15.1.19 NMAC), including, but not limited to, the public notice and participation requirements specified in Rule 19G. The Stage 1 Abatement Plan is due sixty (60) days from the receipt by Marbob of this written notice.

Marbob's Stage 1 Abatement Plan must specifically meet all of the requirements specified in OCD Rule 19E.3, including, but not limited to, a site investigation work plan and monitoring program that will enable it to characterize the release using an appropriate number of isoconcentration maps and cross sections and to provide the data necessary to select and design an effective abatement option. Marbob may, if it chooses, concurrently submit a Stage 2 Abatement Plan that addresses appropriate proactive abatement options.

Marbob submitted timely verbal and written notification to OCD when it discovered potential ground water contamination on August 24, 2007. Marbob indicated that it did not know the extent of the impacts at the time that it submitted its C-141. In September 2007 Marbob



conducted additional soil and ground water investigation. Laboratory analysis conducted in early October 2007 confirmed that Marbob had contaminated ground water. However, Marbob did not inform OCD that it had confirmed a ground water release; rather it continued to sample ground water several times. On July 11, 2008, Glenn von Gonten of my staff contacted Cliff Brunson and asked about the status of this case. Mr. Brunson indicated that he would send OCD the analytical data; however, it was only after three more reminders from OCD that the analytical data was finally submitted. The appropriate approach for Marbob was to have submitted a second C-141 in October 2007 when it confirmed that ground water had indeed been contaminated. This is the last time that OCD will choose not to take enforcement action for Marbob's failure to comply with Rule 116 and to promptly submit confirmatory analytical data to OCD in a timely manner.

Marbob should submit one paper copy with and an electronic copy on CD of all future workplans and/or reports. Please refer to **OCD Case No. AP094** on all future correspondence. If you have any questions, please contact Glenn von Gonten of my staff at (505) 476-3488.

Sincerely,



Wayne Price
Environmental Bureau Chief

WP/gvg

cc: Chris Williams
Larry Johnson

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised October, 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

RECEIVED
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

2007 NOV 30 PM 11:05
Release Notification and Corrective Action

Name of Company <u>MARLB Energy Corp.</u>		Contact <u>Cliff Brinson - BBC International</u>	<input type="checkbox"/> Initial Report <input type="checkbox"/> Final Report
Address <u>PO Box 227 Artesia, NM 88211</u>		Telephone No. <u>505-397-6388</u>	
Facility Name <u>Scratch State</u>		Facility Type <u>Oil well / Drilling Pit</u>	
Surface Owner <u>State of NM</u>	Mineral Owner <u>State</u>	Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	<u>24</u>	<u>18S</u>	<u>33E</u>	<u>1980</u>	<u>North</u>	<u>660</u>	<u>WEST</u>	<u>LEA.</u>

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release <u>Pit Liner</u>	Volume of Release <u>Unknown</u>	Volume Recovered <u>None</u>
Source of Release <u>Pit</u>	Date and Hour of Occurrence <u>?</u>	Date and Hour of Discovery <u>8/20/07 9:30 am</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>Daniel Sanchez - phone; Wayne Price - email</u>	
By Whom? <u>Rand French & Cliff Brinson</u>	Date and Hour <u>8/20/07 - 2:07 pm</u>	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <u>Unknown</u>	

If a Watercourse was Impacted, Describe Fully.*

Do not know the extent of impacts at this time

Describe Cause of Problem and Remedial Action Taken.*

Compromised Pit - was in the process of a dig-in-hat, along with delineating chlorides. Forty feet below ground surface wet soils and water was encountered.

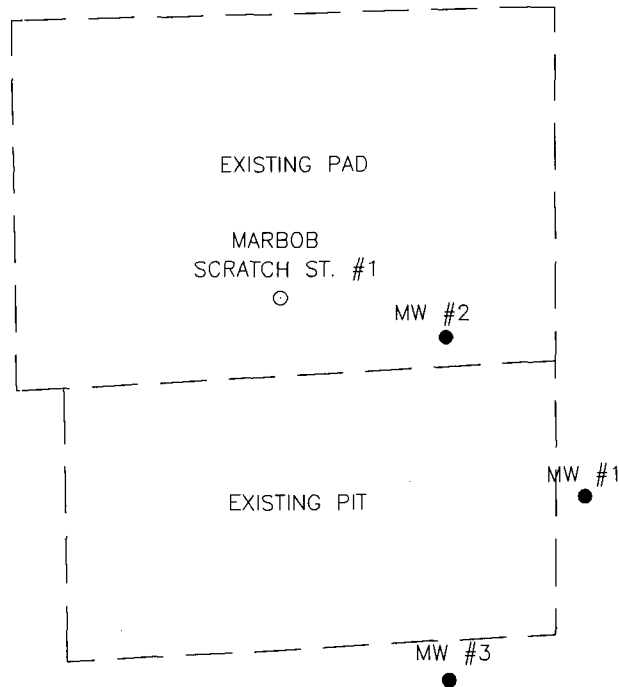
Describe Area Affected and Cleanup Action Taken.*

Unknown at this time. Most of the Pit material has been removed. The back side of Pit was free of chlorides @ 12' feet.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

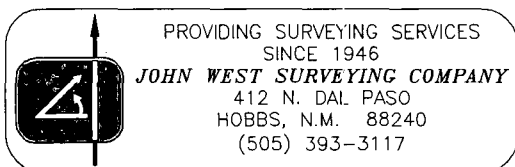
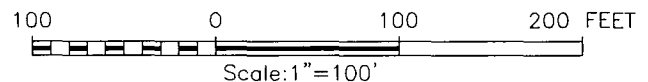
Signature: <u>Rand French</u>		OIL CONSERVATION DIVISION	
Printed Name: <u>RAND FRENCH</u>		Approved by District Supervisor:	
Title: <u>Wildlife Biologist</u>	Approval Date:	Expiration Date:	
E-mail Address: <u>wildlife@marlb.com</u>	Conditions of Approval:		Attached <input type="checkbox"/>
Date: <u>8/24/07</u>	Phone: <u>748-3303</u>		

* Attach Additional Sheets If Necessary



WELL	COORDINATES	ELEVATIONS
MW #1	631744.7 N 759929.6 E	NATURAL GROUND - 3891.36' TOP OF PVC - 3894.31' TOP OF CONCRETE - 3891.47'
MW #2	631831.0 N 759853.6 E	NATURAL GROUND - 3893.55' TOP OF PVC - 3896.50' TOP OF CONCRETE - 3893.76'
MW #3	631645.9 N 759855.5 E	NATURAL GROUND - 3891.82' TOP OF PVC - 3894.78' TOP OF CONCRETE - 3892.05'

NOTE: COORDINATES SHOWN ARE "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.

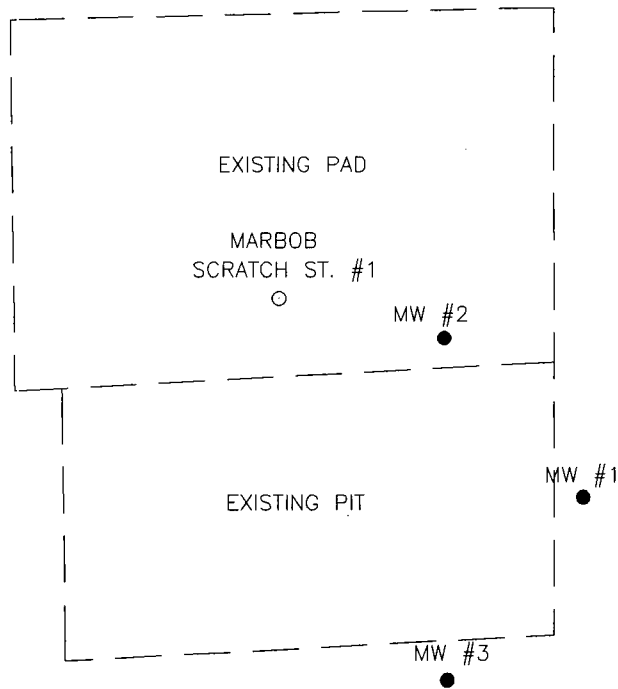


PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

BBC INTERNATIONAL, INC.

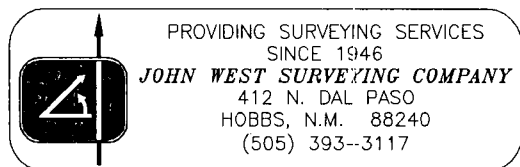
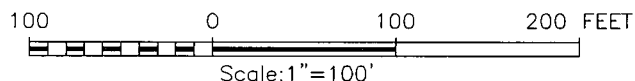
SCRATCH STATE COM #1
SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 10/22/007	Sheet 1 of 1 Sheets
W.O. Number: 07.11.1397	Drawn By: L.A.
Date: 10/26/07	DISK: CD#6
07111397	REV:8/7/08



WELL	COORDINATES	ELEVATIONS
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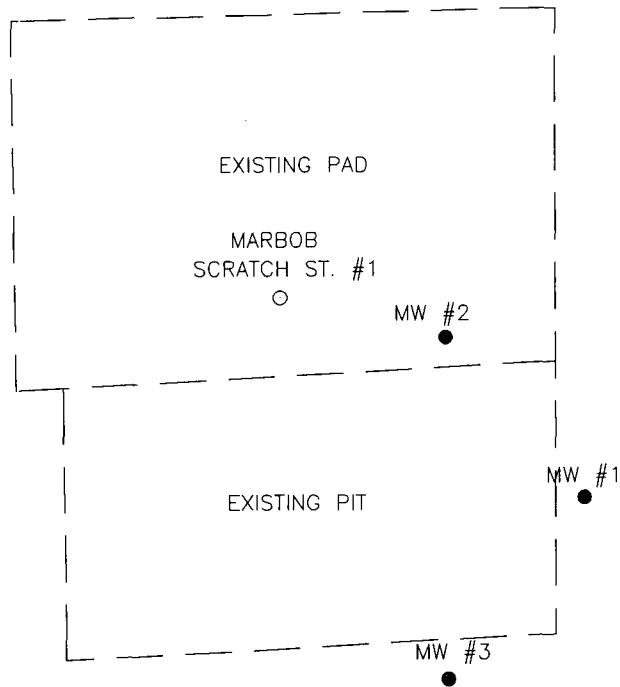
NOTE: COORDINATES SHOWN ARE "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.



BBC INTERNATIONAL, INC.

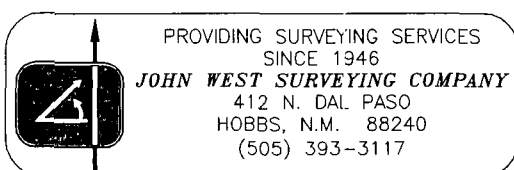
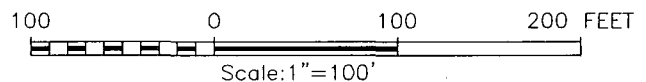
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BBC INTERNATIONAL, INC.

SCRATCH STATE COM #1
SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 10/22/007	Sheet 1 of 1 Sheets
W.O. Number: 07.11.1397	Drawn By: L.A.
Date: 10/26/07	DISK: CD#6
07111397	REV:8/7/08

Activities Summary – Marbob Scratch State #1

BBC began performing field screens for chloride on soil samples from the pit bottom at Scratch State Com #1 on August 9, 2007. Chloride levels in soil samples in the north half of the pit continued to exceed NMOCD guidelines as the depth for sample collection increased. The north half of the excavation continued to deepen as samples were screened. On August 20, 2007, groundwater was encountered at approximately 40 feet below ground surface in the northeast corner of the excavation. A trench of similar depth was excavated at the northwest corner however no water was encountered at that location.

On September 10, 2007, BBC contracted Eco/Enviro Drilling to place a monitoring well (MW1) near the northeast corner of the excavation. MW1 was located on the east side of the pit near the north corner. Four soil samples were collected during drilling of MW1. At 35 feet bgs chloride content was less than 16 parts per million (ppm or mg/Kg), the 40 foot sample contained 3,919 ppm, the 45 foot sample contained 3,479 ppm, and the 50 foot sample showed 208 ppm. Drilling ceased at 50 feet bgs and the well was set with a 2 inch casing and 15 feet of 0.20 mm screen. The well was not yet vaulted, and BBC developed MW1 in the afternoon of the same day. 12.77 feet of water (2.08 gallons) existed in the well and 6.24 gallons were purged.

On September 11, 2007, BBC sampled the groundwater for chloride at MW1. The sample contained 396 ppm (mg/L).

Eco/Enviro Drilling returned on September 27-28, 2007 to install the second and third monitoring wells (MW2 and MW3). MW2 was placed on the north side of the excavation and toward the east corner. Five soil samples were collected during drilling of MW2. At 35 feet bgs chloride content was 9,800 ppm, the 40 foot sample contained 5,040 ppm, the 45 foot sample contained 3,240 ppm, the 50 foot sample showed 5,040 ppm, and the 55 foot sample contained 528 ppm. Drilling ceased at 55 feet bgs and the well was set with a 2 inch casing and 15 feet of 0.20 mm screen. The well was not yet vaulted. MW3 was placed on the south side of the excavation directly south of MW2. Five soil samples were collected during drilling of MW3. At 35 feet bgs chloride content was 48 ppm, the 40 foot sample contained 64 ppm, the 45 foot sample contained 192 ppm, the 50 foot sample showed 176 ppm, and the 55 foot sample contained 64 ppm. Drilling ceased at 55 feet bgs and the well was set with a 2 inch casing and 15 feet of 0.20 mm screen. The well was not yet vaulted. BBC developed MW2 on the afternoon of September 28, 2007. 14.05 feet of water (2.29 gallons) existed in the well and 6.87 gallons were purged. Since MW3 was not yet recharging, it was decided to postpone development of MW3 until October 1, 2007.

On October 1, 2007, BBC sampled the groundwater for chloride at MW2. The sample contained 45,590 ppm. BBC also developed MW3 the same afternoon. Gauging data indicated that 4.97 feet of water existed in MW3 (0.81 gallons). BBC purged 1 gallon of groundwater before the groundwater pump clogged with sediment. Two hours later, BBC returned using a bailer to purge another 1.5 gallons of water and sediment from MW3. MW3 was emptied.

BBC returned to collect groundwater samples for chloride on October 2, 2007 from both MW1 and MW3 for the purpose of having near simultaneous groundwater data for all three monitoring wells. The groundwater sample from MW1 contained 708 ppm. The sample from MW3 contained 472 ppm. During sampling activities it was noted that MW3 contained only 2.94 feet of water in the water column. Only 0.5 gallons and more sediment were purged.

On October 3, 2007, BBC purged MW2 and MW3. MW2 would be purged as often as possible due to the results of the laboratory data from the first samples collected. 14.17 feet of water (2.31 gallons) existed in the water column and 11 gallons were purged. MW3 would be purged in an attempt to encourage recharge of the well. 1.32 feet of water (0.22 gallons) existed in the water column and 0.25 gallons were purged.

All three monitoring wells were vaulted on October 19, 2007. On this afternoon, all wells were gauged and 11 gallons were purged from MW2.

On October 22, 2007, the site was surveyed by John West Surveying Company. The survey included monitoring well elevations. Also on this date, BBC again purged MW2 and MW3. In MW2, 13.84 feet of water (2.26 gallons) existed in the water column and 10 gallons were purged. In MW3, 1.59 feet of water (0.26 gallons) existed in the water column and 0.25 gallons were purged.

BBC collected groundwater samples from all three monitoring wells on October 23, 2007. The sample from MW1 contained 2,260 ppm chloride, the sample from MW2 contained 42,800 ppm, and the sample from MW3 contained 400 ppm.

During the month of November, MW2 continued to be purged. The water level in MW3 remained at less than 0.5 feet in the water column.

On December 4, 2007, BBC purged all monitor wells, however from this date on only sampled groundwater from MW1 and MW2. MW3 was not sampled again due to failure of the well to recharge after purging. The sample from MW1 showed 512 ppm chloride and MW2 contained 42,400 ppm.

BBC continued to purge MW2 through January of 2008. On January 24, 2008, BBC collected groundwater samples from MW1 and MW2. The sample from MW1 contained 35,200 ppm chloride and the sample from MW2 showed 44,400 ppm. From this date forward, both MW1 and MW2 were purged as often as possible.

On April 14, 2008, BBC collected groundwater samples from MW1 and MW2. The sample from MW1 contained 14,600 ppm chloride and the sample from MW2 contained 48,800 ppm.

BBC also received permission from Marbob Energy to order a ground water pumping unit to install at MW2 in order for the well to be purged continuously. BBC has received the pumping unit for MW2 installation and will soon complete the installation. BBC continues to purge MW1 and MW2 and has regularly noted a slight decrease in the amount of water in the column of both monitoring wells.



PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

Analysis Date: 09/13/07
Sampling Date: 09/10/07
Sample Type: SOIL
Sample Condition: COOL& INTACT
Sample Received By: NF
Analyzed By: HM

Note: Analyses performed on 1:4 w:v aqueous extracts.

Date _____

PLEASE NOTE: **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



CARDINAL LABORATORIES, INC.

2111 Bebechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (805) 393-2328 Fax (805) 393-2478

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

ANALYSIS REQUEST

FILE TO

Company Name: BBA International, Inc.

P.O. #

Project Manager: Cliff Brunsdon

Company:

Address: 1324 W. Marland

Attn:

City: Hobbs

Address:

State: NM Zip: 88240

City:

Phone #: 505-397-6388 Fax #: 505-397-0397

State:

Project #: Saratoga St. Cor. #1

Zip:

Project Name: Saratoga St. Cor. #1

Phone #:

Project Location: Maljamar, NM

Fax #:

Sampler Name: Amy Ruth

FOR USE ONLY

Lab I.D. Sample I.D.

MATRIX

PRESERV.

SAMPLING

DATE

TIME

Chloride

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Relinquished By: Amy Ruth

Date: 9/12/07

Received By: Lab Staff

Checked By: 7/2

Sample Condition: Intact

Delivered By: Single One

Sampler: UPS - Bus - Other:

Time: 1020

Remarks:

+ Cardinal cannot accept verbal changes. Please fax written changes to 805-393-2478.



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (505) 397-0397

Receiving Date: 09/27/07
Reporting Date: 09/28/07
Project Owner: MARBOB
Project Name: SCRATCH ST. COM #1
Project Location: MALJAMAR, NM

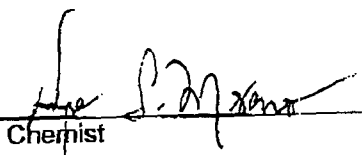
Analysis Date: 09/28/07
Sampling Date: 09/27/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: KS
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/Kg)
H13393-1	MW2 35'	9,800
H13393-2	MW2 40'	5,040
H13393-3	MW2 45'	3,240
H13393-4	MW2 50'	5,040
H13393-5	MW2 55'	528
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		2.0

METHOD: Standard Methods

4500-ClB

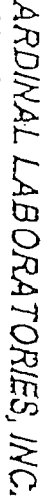
Note: Analyses performed on 1:4 w/v aqueous extracts.


Chemist

09-28-07
Date

H13393 BBC

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

Page 1 of 1

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PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (505) 397-0397

Receiving Date: 09/12/07
Reporting Date: 09/13/07
Project Owner: MARBOB
Project Name: SCRATCH ST. COM #1
Project Location: MALJAMAR, NM

Analysis Date: 09/13/07
Sampling Date: 09/11/07
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: NF
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/L)
H13281-1	MW 1	396
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1
METHOD: Standard Methods		4500-ClB

Buster Supoldo
Chemist

09/13/07
Date

H13281 BBC

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ARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
(915) 673-7001 Fax (915) 673-7020 (505) 393-2328 Fax (505) 598-2478

Page 10

ANALYSIS REQUEST

Company Name:	BBC International, Inc.		P.O. #:		FILE TO
Project Manager:	Cliff Brunsom		Company:		
Address:	1324 W. Maryland	State:	NM	zip:	88240
City:	Hobbs	Phone #:	505-397-6388	Fax #:	505-397-0397
Project #:		Project Owner:	Narbob		
Project Name:	Scratch St. Com #1				
Project location:	Majamar, NM				
Sampler Name:	Ann R. Luth				

[illegible]

PLEASE NOTE: Lead by the Executive Director and other volunteer leaders for the above project should be in contact with the National 125th Anniversary Task Force for the above project. The above project is a national project and is not to be done in isolation. The above project is a national project and is not to be done in isolation. The above project is a national project and is not to be done in isolation.

Sampler Relinquished:		Date:		Received By:		Phone Number:	
		Time:				Fax Number:	
Relinquished By:		Date: 12/16/07		Received By: [Signature]		REMARKS:	
Time: 10:20							
Delivered By: [Signature]		Sample Condition:		Checked By: [Signature]			
Delivered By: (Circle One)		Cool		(Initials)			
		Inact					
		<input checked="" type="checkbox"/> Yes					
		<input type="checkbox"/> No					
		<input type="checkbox"/> Yes					
		<input type="checkbox"/> No					
Sampler - UPS - Bus - Other:							

[†] Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.



ARDINAL LABORATORIES

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P.O. BOX 805
HOBBS, NM 88241
FAX TO: (505) 397-0397

Receiving Date: 09/27/07
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Project Name: SCRATCH ST. COM #1
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Analysis Date: 09/28/07
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Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/Kg)
H13393-1	MW2 35'	9,800
H13393-2	MW2 40'	5,040
H13393-3	MW2 45'	3,240
H13393-4	MW2 50'	5,040
H13393-5	MW2 55'	528
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		2.0

METHOD: Standard Methods • 4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist

09-28-07
Date

H13393 BBC

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

ANALYSIS REQUEST

FILE NO.

Company Name: **BRC International**

Project Manager: **Cliff Brunson**

Address: **1321 W. Marland**

City: **Hobbs**

State: **NM** Zip: **78240**

Phone #: **505-397-6335**

Fax #: **505-397-0397**

Project #:

Project Owner: **Marbep**

Project Name: **Savateh St. Cor. #1**

City: Zip:

Project Location: **Marbep**

Phone #:

Sampler Name: **Amey Ruth**

Fax #:

FOR USE ONLY

Lab I.D. Sample I.D.

(G)RAB OR (C)OMP.		# CONTAINERS	
GROUNDWATER		WASTEWATER	
SOIL		CRUDE OIL	
SLUDGE		OTHER :	
ACID/BASE:		ICE / COOL	
OTHER :		DATE	
PRESERV		TIME	
SAMPLING			

H/333-1	MW2	35'	G 1	✓	9/27/07	958	✓
-2	MW2	40'	G 1	✓	9/27/07	1047	✓
-3	MW2	45'	G 1	✓	9/27/07	1116	✓
-4	MW2	50'	G 1	✓	9/27/07	1156	✓
-5	MW2	55'	G 1	✓	9/27/07	1230	✓

Chloride

RELINQUISHED BY: **Amey Ruth** Date: **9/27/07** Time: **2:10**
Relinquished By: (Lab Staff) Received By: (Lab Staff)
Delivered By: (Circle One) **Amey Ruth** Sample Condition: **Intact** Checked By: (Initials) **KS**
Sampler: **UPS - Bus - Other:** **KS**

REMARKS: **Phone Results: Yes No Add'l Phone #:**
Fax Results: Yes No Add'l Fax #:



PHONE (505) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

Receiving Date: 10/02/07
Reporting Date: 10/02/07
Project Owner: MARBOB
Project Name: SCRATCH ST. COM #1
Project Location: MALJAMAR, NM

Analysis Date: 10/02/07
Sampling Date: 09/28/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: NF
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/Kg)
H13410-1	MW3 35'	48
H13410-2	MW3 40'	64
H13410-3	MW3 45'	192
H13410-4	MW3 50'	176
H13410-5	MW3 55'	64
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

4500-CFB

Note: Analyses performed on 1:4 w/v aqueous extracts.

Chemist

Date _____

H13410 BBC

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

ANALYSIS REQUEST

Company Name: BRA International, Inc. P.O. #:

Project Manager: Bill Branson Company:

Address: 1324 W. Merland City: Albi

City: Hobbs State: NM Zip: 88240 Address: 5400 E

Phone #: 505-397-6388 Fax #: 505-397-0397 City: Albi

Project #: Project Owner: N. Arbo State: ZIP:

Project Name: Saratoga St. Com #1 Phone #:

Project Location: Malyan Fax #:

Sampler Name: Amy Ruth MATRIX PRESERV. SAMPLING

FOR USE ONLY

Lab I.D. Sample I.D.

(G)FAB OR (C)OMP.

CONTAINERS

GROUNDWATER

WASTEWATER

SOIL

CRUDE OIL

SLUDGE

OTHER:

ACID/BASE:

ICE / COOL

OTHER:

DATE TIME

DATE TIME

DATE TIME

DATE TIME

DATE TIME

DATE TIME

DATE TIME

DATE TIME

DATE TIME

REMARKS:

PHONE/FAX:

DATE TIME

DATE TIME

DATE TIME

DATE TIME

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DATE TIME

DATE TIME

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PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (505) 397-0397

Receiving Date: 10/02/07
Reporting Date: 10/02/07
Project Owner: MARBOB
Project Name: SCRATCH ST. COM #1
Project Location: MALJAMAR, NM

Analysis Date: 10/02/07
Sampling Date: 10/01/07
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: NF
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/L)
H13411-1	MW 2	45,590
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods	4500-ClB
--------------------------	----------

Kristen Angles
Chemist

10/02/07
Date

H13411 BBC

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name: BIG International, Inc.		P.O. #:	
Project Manager: Chris Brunson		Company:	
Address: 1324 L. Merland		City:	
City: Hobbs		State: NM Zip: 88240	
Phone #: 505-397-6388 Fax #: 505-397-0397		Altitude: SAME	
Project #: Scratch St. Com #1		City: Scratch St.	
Project Location: Scratch St. Com #1		State: NM Zip: 88240	
Sample Name: Amy Ruth		Phone #: 505-397-0397	
For Use Only:		Fax #: 505-397-0397	
Lab I.D.:		Matrix:	
Sample I.D.:		PRESERV. SAMPLING	
Date: 10/2/07		DATE TIME	
Time: 830		10/1/07 1200	
Received By: Lab Staff		Checked By: Infra	
Delivered By: Circle One		Sample Condition:	
Sampler: UPB - Bus - Other:		Cool: <input checked="" type="checkbox"/> Intact: <input checked="" type="checkbox"/>	
Remarks:		Phone Results: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Fax Results: <input type="checkbox"/> Yes <input type="checkbox"/> No		Add'l Phone #: 1111	
Add'l Fax #: 1111		Add'l Phone #: 1111	

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ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (505) 397-0397

Receiving Date: 10/03/07
Reporting Date: 10/04/07
Project Owner: MARBOB
Project Name: SCRATCH ST. COM #1
Project Location: MALJAMAR, NM

Analysis Date: 10/03/07
Sampling Date: 10/02/07
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: AB
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/L)
H13431-1	MW 1	708
H13431-2	MW 3	472
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods	4500-ClB
--------------------------	----------

Kristen Suproto
Chemist

10/04/07
Date

H13431 BBC

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ANALYSIS REQUEST

BILL TO

Company Name: BBC International						BILL TO						ANALYSIS REQUEST											
Project Manager: Cliff Brunson						P.O. #:																	
Address: 1324 W. Maryland						Company:																	
City: Hobbs						State: NM Zip: 88240																	
Phone #: 505-397-6388						Fax #: 505-397-0397																	
Project #:						Project Owner: Marbob																	
Project Name: Socrates St Conn #1						State: Zip:																	
Project Location: Majamar						Phone #:																	
Sampler Name: Amy Ruth						Fax #:																	
FOR LAB USE ONLY																							
Lab I.D.						Sample I.D.																	
H13431-MW1 -2 MW3						# CONTAINERS 1 G 1 G																	
						(G) RAB DR (COMP.) D G																	
						GROUNDWATER ✓																	
						WASTEWATER ✓																	
						SOIL ✓																	
						OIL ✓																	
						SLUDGE ✓																	
						OTHER: ✓																	
						ACID/BASE ✓																	
						ICE / COOL ✓																	
						OTHER: ✓																	
						DATE TIME 10/2/07 1825 10/2/07 1835																	

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Relinquished By: _____ **Date:** _____ **Received By:** _____

Relinquished By: _____ **Date:** _____ **Time:** _____ **Received By:** _____

Delivered By: (Circle One) **Checked By:** _____

Sampler - UPS - Bus - Other: _____

REMARKS:

Phone Result: ☐ Yes ☒ No Add'l Phone #: _____

Fax Result: ☐ Yes ☒ No Add'l Fax #: _____



PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

Receiving Date: 10/24/07
Reporting Date: 10/24/07
Project Owner: MARBOB
Project Name: SCRATCH ST. COM #1
Project Location: MALJAMAR, NM

Analysis Date: 10/24/07
Sampling Date: 10/23/07
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: KS

METHOD: Standard Methods	4500-CFB
--------------------------	----------

10/24/07
Date

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ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (575) 397-0397

Receiving Date: 12/04/07
Reporting Date: 12/05/07
Project Owner: MARBOB
Project Name: SCRATCH ST. COM #1
Project Location: MALJAMAR, NM

Analysis Date: 12/05/07
Sampling Date: 12/04/07
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: NF
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/L)
H13842-1	MW1	512
H13842-2	MW2	42,400
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-ClB

Kristen Supta
Chemist

12/05/07
Date

H13842 BBC

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

ARDINAL LABORATORIES, INC.

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Page 1 of 1

Company Name: BBC International, Inc.

Project Manager: Cliff Brunsen

Address: 1324 W. Merland

City: Hobbs **State:** NM **Zip:** 88240

Phone #: 505-397-6388 **Fax #:** 505-397-0397

Project #: Scratch St. Com. #1

Project Name: Scratch St. Com. #1

Project Location: NM

Sampler Name: Amy Ruth

Lab I.D.: Sample I.D.

Matrix: Chloride

Lab I.D.	Sample I.D.	Matrix	PRESERV	SAMPLING	DATE	TIME
H13812-1 MW1		GROUNDWATER			12/4/07	1410
-2 MW2		GROUNDWATER			12/4/07	1420

Received By: [Signature] **Date:** 12/4/07 **Time:** 1658

Relinquished By: [Signature] **Date:** 12/4/07 **Time:** 1658

Delivered By: [Signature] **Date:** 12/4/07 **Time:** 1658

Sampler: UPS - Bus - Other:

Remarks:

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ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (575) 397-0397

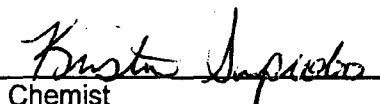
Receiving Date: 01/24/08
Reporting Date: 01/25/08
Project Owner: MARBOB
Project Name: SCRATCH ST. COM #1
Project Location: MALJAMAR, NM

Analysis Date: 01/25/08
Sampling Date: 01/24/08
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/L)
H14155-1	MW1	35,200
H14155-2	MW2	44,400
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods

4500-Cl⁻B


Chemist

01/25/08
Date

H14155 BBC

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ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (575) 397-0397

Receiving Date: 04/15/08
Reporting Date: 04/15/08
Project Owner: MARBOB
Project Name: SCRATCH ST. COM #1
Project Location: MALJAMAR, NM

Analysis Date: 04/15/08
Sampling Date: 04/14/08
Sample Type: GROUNDWATER
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/L)
H14646-1	MW1	14,600
H14646-2	MW2	48,800
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		2.0

METHOD: Standard Methods	4500-ClB
--------------------------	----------

Brian Lupton
Chemist

04/15/08
Date

H14646 BBC

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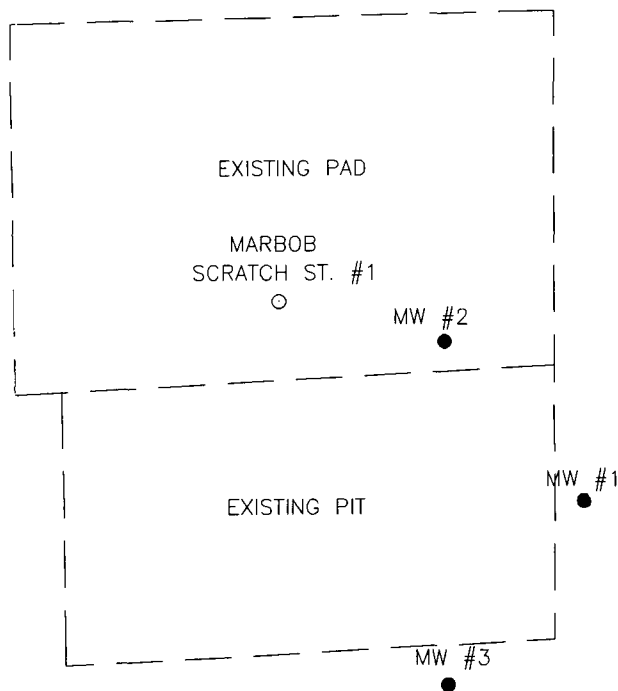
CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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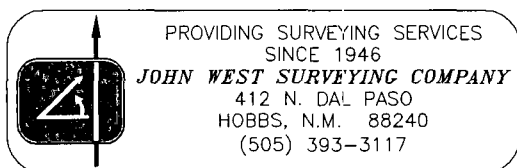
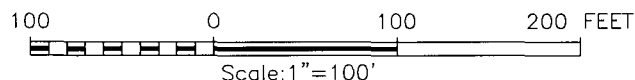
BILL TO										ANALYSIS REQUEST																	
Company Name: BBC International, Inc.										P.O. #:																	
Project Manager: Cliff Branson										Company:																	
Address: 1324 W. Marland										Attn: ANNE																	
City: Hobbs										Address: 575-397-0397																	
State: NM										City: Abilene																	
Zip: 88240										State: TX																	
Phone #: 575-397-0388										Phone #: 325-573-7001																	
Fax #: 505-393-2476										Fax #: 325-673-7020																	
Project #: Sarah St. Com #1										Project Name: Maljamar, NM																	
Project Location: Maljamar, NM										Sampler Name: Amy Ruth																	
FOR LAB USE ONLY																											
Lab I.D.		Sample I.D.		(G) RAB OR (C) OMP		# CONTAINERS		GROUNDWATER		WASTEWATER		SOIL		SLUDGE		OTHER:		ACID/BASE		ICE/COOL		OTHER:		DATE		TIME	
H140410-1 MW1		2 MW2		G 1		G 1		✓		✓		✓		✓		✓		✓		✓		✓		4-14-08		18:00	
								</																			

30-025-36996



WELL	COORDINATES	ELEVATIONS
MW #1	631744.7 N 759929.6 E	NATURAL GROUND - 3891.36' TOP OF PVC - 3894.31' TOP OF CONCRETE - 3891.47'
MW #2	631831.0 N 759853.6 E	NATURAL GROUND - 3893.55' TOP OF PVC - 3896.50' TOP OF CONCRETE - 3893.76'
MW #3	631645.9 N 759855.5 E	NATURAL GROUND - 3891.82' TOP OF PVC - 3894.78' TOP OF CONCRETE - 3892.05'

NOTE: COORDINATES SHOWN ARE "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.



BBC INTERNATIONAL, INC.

SCRATCH STATE COM #1
SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 10/22/007	Sheet . 1 of 1 Sheets
W.O. Number: 07.11.1397	Drawn By: L.A.
Date: 10/26/07	DISK: CD#6
07111397	REV:8/7/08

VonGonten, Glenn, EMNRD

From: Cliff P. Brunson [cbrunson@bbcinternational.com]
Sent: Thursday, August 14, 2008 5:46 PM
To: VonGonten, Glenn, EMNRD
Cc: Price, Wayne, EMNRD; Ken Swinney; Jennifer Gilkey; Amy C. Ruth
Subject: RE: Marbob Scratch State
Attachments: SCRATCH STATE COM #1-1.pdf; Activities Summary-Scratch State Com 1.pdf; Lab Data-4-15-08.pdf; Lab Data 1-25-08.pdf; Lab Data 8-14-07.pdf; Lab Data 9-11-07.pdf; Lab data 9-27-07.pdf; Lab data 9-28-07.pdf; Lab data 10-1-07.pdf; Lab data 10-2-07.pdf; Lab data 10-23-07.pdf; Lab data 12-4-07.pdf; MW1 soil boring data-Sept. 10, 2007.pdf; MW2 soil boring data-Sept. 27, 2007.pdf

Glenn,

Attached are several files per your request. One is an activities summary that will correlate the lab data and the site diagram. I have been out of town all week until this afternoon otherwise I would have sent it at the beginning of this week.

Cliff

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Cliff P. Brunson, CEI, CRS
President
BBC International, Inc.
World-Wide Environmental Specialists
Mailing Address:
P. O. Box 805
Hobbs, NM 88241-0805 USA
Shipping Address:
1324 W. Marland Blvd.
Hobbs, NM 88240 USA
Phone: (575) 397-6388
Fax: (575) 397-0397
E-mail: cbrunson@bbcinternational.com
Web: www.bbcinternational.com

From: VonGonten, Glenn, EMNRD [mailto:Glenn.VonGonten@state.nm.us]
Sent: Thursday, August 14, 2008 4:58 PM
To: Cliff P. Brunson
Cc: Price, Wayne, EMNRD
Subject: RE: Marbob Scratch State

Cliff,

OCD still has not received the required information. If OCD does not receive it by 5:00 pm, August 15, 2008, your client will receive a Letter of Violation the following Monday. No more delays will be accepted.

*Glenn von Gonten
Senior Hydrologist
Environmental Bureau
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
505-476-3488
fax -476-3462
glenn.vongonten@state.nm.us*

From: Cliff P. Brunson [mailto:cbrunson@bbcinternational.com]
Sent: Monday, August 04, 2008 3:36 PM
To: VonGonten, Glenn, EMNRD
Cc: Price, Wayne, EMNRD
Subject: RE: Marbob Scratch State

Glenn,

I am gathering the information to send to you. I apologize for the delay. Amy has been taking care of this site and she has both been on vacation and out for medical reasons for a while. It had put us even more short staffed, but she is back now and we are getting caught up. The information should be sent to you very soon. Appreciate your understanding.

Cliff

From: VonGonten, Glenn, EMNRD [mailto:Glenn.VonGonten@state.nm.us]
Sent: Monday, August 04, 2008 3:01 PM
To: cbrunson@bbcinternational.com
Cc: Price, Wayne, EMNRD
Subject: Marbob Scratch State

Cliff,

Just a reminder, OCD needs copies of all analytical results for the Marbob Scratch State. If ground water has been impacted then OCD will require either a remediation plan or an abatement plan depending on whether ground water standards have been exceeded. Marbob was required to submit an amended C-141 when it received its analytical data, which makes it potentially out of compliance for the past 10 months. Please submit the data immediately.

Glenn von Gonten

8/15/2008

*Senior Hydrologist
Environmental Bureau
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
505-476-3488
fax -476-3462
glenn.vongonten@state.nm.us*

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This inbound email has been scanned by the MessageLabs Email Security System.

District I
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1301 W. Grand Avenue, Artesia, NM 88210
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1000 Rio Brazos Road, Aztec, NM 87410
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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

RECEIVED
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

2007 JUL 30 8:14 PM
Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☐ Final Report

Name of Company <i>MARLB Energy Corp.</i>	Contact <i>Cliff Brunson - BBC International</i>
Address <i>PO Box 227 Artesia, NM 88211</i>	Telephone No. <i>505-397-6388</i>
Facility Name <i>Scratch State</i>	Facility Type <i>oil well / Drilling Pit</i>
Surface Owner <i>STATE OF NM</i>	Mineral Owner <i>STATE</i>
Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	<i>24</i>	<i>18S</i>	<i>33E</i>	<i>1980</i>	<i>North</i>	<i>660</i>	<i>WEST</i>	<i>LEA.</i>

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release <i>Pit Liner</i>	Volume of Release <i>Unknown</i>	Volume Recovered <i>None</i>
Source of Release <i>Pit</i>	Date and Hour of Occurrence <i>?</i>	Date and Hour of Discovery <i>8/20/07 9:30 am</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Daniel Sanchez - phone; Wayne Price - email</i>	
By Whom? <i>Rand French & Cliff Brunson</i>	Date and Hour <i>8/20/07 - 2:07 pm</i>	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <i>UNKNOWN</i>	

If a Watercourse was Impacted, Describe Fully.*

Do not know the extent of impacts at this time

Describe Cause of Problem and Remedial Action Taken.*

Compromised Pit - was in the process of a dig-n-haul, along with delineating chlorides. Forty feet below ground surface wet soils and water was encountered.

Describe Area Affected and Cleanup Action Taken.*

UNKNOWN at this time. Most of the Pit material has been removed. The back side of Pit was free of chlorides @ 12' feet.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Rand French</i>		OIL CONSERVATION DIVISION	
Printed Name: <i>Rand French</i>		Approved by District Supervisor:	
Title: <i>Wildlife Biologist</i>		Approval Date:	Expiration Date:
E-mail Address: <i>wildlife@marlb.com</i>		Conditions of Approval:	
Date: <i>8/24/07</i> Phone: <i>748-3303</i>		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

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State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: **Marbob Energy Corporation**

Telephone: **505-748-3303**

e-mail address: **land2@marbob.com**

Address: **PO Box 227, Artesia, NM 88211-0227**

1980' FNL & 660' FWL

Facility or well name: **Scratch State Com #1**

API #: **30-025-36996**

U/L or Qtr/Qtr **SWNW** Sec **24** T **18S** R **33E**

County: **Lea**

Latitude

Longitude

NAD: 1927 ☐ 1983 ☐

Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness **12** mil Clay ☐ Volume

_____ bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

(0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

(0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points)

Ranking Score (Total Points)

0 points

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☒ If offsite, name of facility **Sundance Disposal** (3) Attach a general description of remedial action taken including remediation start date and end

date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a

diagram of sample locations and excavations. ***Drilled 65' test hole at 865' FNL & 1650' FWL Sec 23-T18S-R33E. No water encountered**

INFO INCONCLUSIVE DUE TO PROCEDURE

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☒.

Date: **June 6, 2007**

Printed Name/Title: **Gerald Herrera**

Signature

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: **6/13/07**

Printed Name/Title

Signature

Samples are to be obtained from pit floor area in each quadrant and analysis submitted to NMOCD prior to back-filling. (Chloride)

Marbob Energy Corporation
Attachment to OCD Form C-144

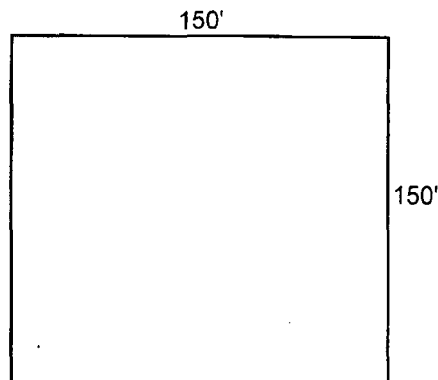
Pit or Below-Grade Tank Registration or Closure

Pit Closure

Scratch State Com #1

1980' FNL & 660' FWL
Section 24 T-18S R-33E
Lea County, New Mexico

(1) Facility diagram



(2) Disposal location:

Truck and haul cuttings to Sundance Disposal.

(3) General description of remedial action:

- a. *Use caliche from road and pad to fill pit.*
- b. *Use stock piled dirt to cover pit, reseed per landowner's specifications.*

(4) Groundwater encountered:

No

- * ***Drilled an 80' test hole on the Rhoid State #1 well at 330' FNL & 330' FWL
Section 24 T-18S R-33E - Water leached into hole to 62'.
Well Record submitted previously.***

(5) Soil sample:

~~AVA~~
*SAMPLE PIT BOTTOM FOR CHLORIDE - REMOVE TO
250 PPM*

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87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 3371

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address MARBOB ENERGY CORP PO Box 227 Artesia, NM 88211-0227		OGRID Number 14049
		API Number 30-025-36996
Property Code 34465	Property Name SCRATCH STATE COM	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	24	18S	33E	E	1980	N	660	W	Lea

Proposed Pools

CORBIN;MORROW, SOUTH (GAS) 75080

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3893
Multiple N	Proposed Depth 13900	Formation Morrow	Contractor	Spud Date 12/15/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	300	300	0
Intl	12.25	8.625	32	4900	1400	0
Prod	7.875	5.5	17	13900	950	0

Casing/Cement Program: Additional Comments

Plan to drill 17 1/2 in hole w/fresh wtr, run 13 3/8 in 48 lb H-40 csg & set at 300 ft w/300 sx cmt, circ to surf; drill 12 1/4 in hole from 300-1850 ft w/fresh wtr w/no additives, drill 12 1/4 in hole from 1850-4900 ft w/brine wtr, run 8 5/8 in 32 lb Buttrass csg & set at 4900 ft w/1400 sx cmt, circ to surf; drill 7 7/8 in hole 4900-13900 ft w/cut brine wtr, run 5 1/2 in 17 lb S-95/P110 csg & set at TD w/950 sx cmt, bring TOC 500 ft above all oil and gas bearing zones.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	Cameron
Double Ram	5000	5000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Diana Cannon

Title: Production Analyst

Date: 12/08/2004

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 12/09/2004 Expiration Date: 12/09/2005

Conditions of Approval:
There are conditions. See Attached.

District I

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State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102

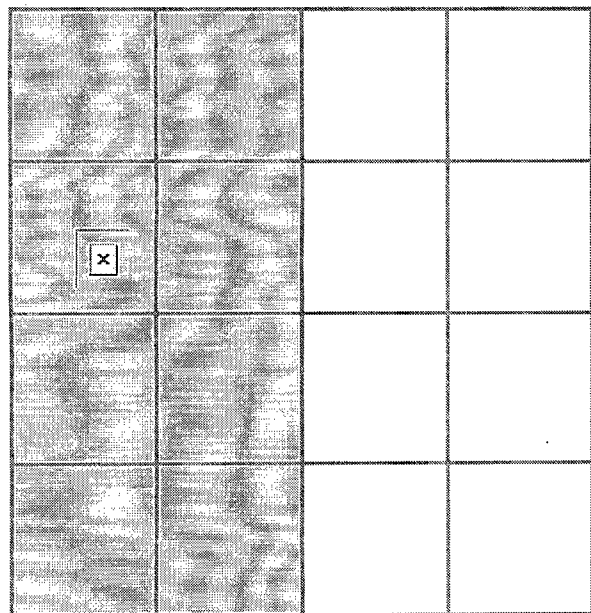
Permit 3371

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36996	Pool Name CORBIN;MORROW, SOUTH (GAS)	Pool Code 75080
Property Code 34465	Property Name SCRATCH STATE COM	Well No. 001
OGRID No. 14049	Operator Name MARBOB ENERGY CORP	Elevation 3893

Surface And Bottom Hole Location

UL or Lot E	Section 24	Township 18S	Range 33E	Lot Idn E	Feet From 1980	N/S Line N	Feet From 660	E/W Line W	County Lea
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			

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

Electronically Signed By: Diana Cannon

Title: Production Analyst

Date: 12/08/2004

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 supervision, and that the same is true and correct to the best of my belief.*

Surveyed By: Gary Eidson

Date of Survey: 11/22/2004

Certificate Number: 12641

Permit Conditions Of Approval

C-101, Permit 3371

Operator: MARBOB ENERGY CORP , 14049

Well: SCRATCH STATE COM #001

OCD Reviewer	Condition
PKAUTZ	Re-seeding mixture will must be approved or authorized by surface owner
PKAUTZ	Notice is to be given to the OCD prior to construction of the pit(s)
PKAUTZ	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines

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State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: **Marbob Energy Corporation**

Telephone: **505-748-3303**

e-mail address: **land2@marbob.com**

Address: **PO Box 227, Artesia, NM 88211-0227**

Facility or well name: **Scratch State #1**

API #: **30-025-36996** U/L or Qtr/Qtr **SWNW** Sec **24** T **18S** R **33E**

County: **Lea**

Latitude **36° 00' N**

Longitude **104° 00' W**

NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness **12** mil Clay ☐ Volume **_____** bbl

Below-grade tank

Volume: **_____** bbl Type of fluid: **_____**

Construction material: **_____**

Double-walled, with leak detection? Yes ☐ If not, explain why not: **_____**

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

(0 points)

0 points

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

(0 points)

0 points

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points)

0 points

Ranking Score (Total Points)

0 points

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility **_____**. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface **_____** ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: **December 8, 2004**

Printed Name/Title: **Melanie J. Parker / Land Department**

Signature **Melanie J. Parker**

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date:

Printed Name/Title: **DEC 13 2004**

Signature **Robert J. Parker**

PETROLEUM ENGINEER

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-36996
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SCRATCH STATE COM
8. Well Number 1
9. OGRID Number 14049
10. Pool name or Wildcat CORBIN; MORROW, SOUTH (GAS)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

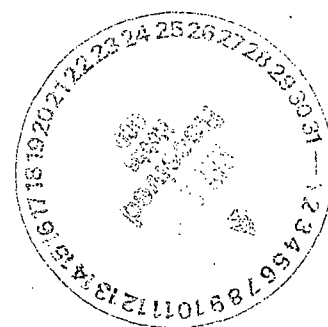
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other
2. Name of Operator MARBOB ENERGY CORPORATION
3. Address of Operator P O BOX 227 ARTESIA NM 88211-0227
4. Well Location Unit Letter E : 1980 feet from the NORTH line and 660 feet from the WEST line Section 24 Township 18S Range 33E NMPM LEA County NM
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3893' GR
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: SPUD CSG/CMT <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SPUD WELL @11:30 PM ON 04/25/05. DRLD 17 1/2" HOLE TO 403'; RAN 10 JTS (406.01') 13 3/8" 54# J-55 CSG TO 403'. CMTD W/475 SX P+, PD @3:00 PM ON 04/27/05, CIRC 170 SX TO PIT. WOC 18 HRS, TSTD CSG TO 600# F/30 MIN.- HELD OK.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Debora L. Wilbourn TITLE GEOTECH DATE 05/03/05

Type or print name DEBORA L. WILBOURN
For State Use Only

E-mail address: geology@marbob.com Telephone No. 505-748-3303

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAY 05 2005
Conditions of Approval (if any):

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
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87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-36996
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator MARBOB ENERGY CORPORATION		6. State Oil & Gas Lease No.
3. Address of Operator P O BOX 227 ARTESIA, NM 88211-0227		7. Lease Name or Unit Agreement Name SCRATCH STATE COM
4. Well Location Unit Letter <u>E</u> : <u>1980</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>WEST</u> line Section <u>24</u> Township <u>18S</u> Range <u>33E</u> NMPM LEA County <u>NM</u>		8. Well Number <u>1</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3893' GR</u>		9. OGRID Number 14049
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

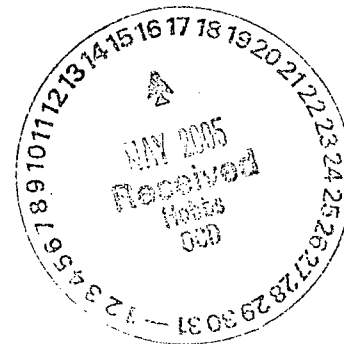
SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: INTMD CSG/CMT ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

05/09/05 @9:45 AM, DRLD 12 1/4" HOLE TO 4950'. RAN 116/JTS (4951.09') 8 5/8" CSG TO 4948'. CMTD 1ST STG W/400 SX INTERFIL-C, TAILED IN W/300 SX P+, PD @2:00 AM ON 05/10/05 CIRC 96 SX TO PIT. WOC 18 HRS, TSTD CSG TO 1500# F/30 MIN.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Deborah L. Wilbourn TITLE GEOTECH DATE 05/12/05

Type or print name DEBORA L. WILBOURN
For State Use Only

E-mail address: geology@marbob.com Telephone No. 505-748-3303

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAY 17 2005
Conditions of Approval (if any):

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-36996
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SCRATCH STATE COM
8. Well Number 1
9. OGRID Number 14049
10. Pool name or Wildcat CORBIN; MORROW, SOUTH (GAS)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
MARBOB ENERGY CORPORATION

3. Address of Operator
P O BOX 227
ARTESIA, NM 88211-0227

4. Well Location
Unit Letter E : 1980 feet from the NORTH line and 660 feet from the WEST line
Section 24 Township 18S Range 33E NMPM LEA County NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3893' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: TD CSG/CMT ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

TD WELL @8:45 AM ON 06/22/05. DRLD 6 1/8" HOLE TO 13710'. RAN 323 JTS (13711.55') 4 1/2" 11.6# P-110 CSG TO 13708.90'. CMTD 1ST STG W/650 SX PB SUPER H, PD @2:30 AM 06/24/05, CIRC 175 SX TO PIT. CMTD 2ND STG W/900 SX HLP, TAILED IN W/200 SX PB SUPER H, PD @9:45 AM 06/24/05, DID NOT CIRC, RAN TEMP SURVEY - TOC @3000'. WOC 18 HRS, TSTD CSG TO 1500# F/30 MIN.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Deborah L. Wilbourn TITLE GEOTECH DATE 06/30/05

Type or print name DEBORA L. WILBOURN
For State Use Only

E-mail address: geology@marbob.com Telephone No. 505-748-3303

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUL 11 2005

Conditions of Approval (if any):

REFERENCE SHEET FOR
UNDESIGNATED WELLS

	Fm	Pm	N
17-21 W	XX	XX	XX
17-21 C	XX	XX	XX

paragraph

1. Date:	8/10/2005
2. Type of Well:	
Oil: 	Gas: XX
3. County: LEA	

4. Operator: >> MARBOB ENERGY CORP		APT NUMBER: 30 - 025 - 36996	
5. Address of Operator >> PO BOX 227 >> ARTESIA NM 88211-0227			
6. Lease name or Unit Agreement Name >> SCRATCH STATE COM		7. Well Number # - 1	
8. Well Location Unit Letter: E 1980 feet from the N line and 660 feet from the W line Section Township Range			
9. Completion Date: 7/19/2005		11. Perfs Top Bottom 13170 13308	
10. Name of Producing Formation(s) MORROW		12. Open Hole Casing shoe PBTD or ID Open Hole 13710	
13. C-123 Filed: Date 15. Name of Pool Requested: Y N XX CORBIN;MORROW, SOUTH (GAS)		Pool ID num 75080	
16. Remarks: EXTEND W/2 DEDICATED			

TO BE COMPLETED BY DISTRICT GEOLOGIST

17. Action taken EXTEND		18. Pool Name CORBIN;MORROW, SOUTH (GAS)		Pool ID num 75080	
<p style="text-align: center; margin: 0;">T 18 S, R 33 E</p> <p style="margin: 5px 0;">SEC 23: SE/4</p> <p style="margin: 5px 0;">SEC 24: W/2</p>					
19. Advertised for HEARING:			20. Case Number		
21. Name of pool for which was advertised: CORBIN;MORROW, SOUTH (GAS)			Pool ID num 75080		
22. Placed in Pool			23. By order number R-		

WELL LOGS

API number:	30-025-36996		
OGRID:		Operator:	MARBOB ENERGY CORP
		Property:	SCRATCH STATE COM # 1

surface	ULSTR: E	24	T 18S	R 33E
		1980 FNL	660 FWL	

BH Loc	ULSTR: E	24	T 18S	R 33E
		1980 FNL	660 FWL	

Ground Level:	3893	DF:	3909	KB:	3910
Datum:	KB			TD:	13710

Land: **STATE**

Completion Date: (1) 7/19/2005

Date Logs Received: **8/9/2005** ****Late**

Date Logs Due in: (2) 8/8/2005

Confidential:	NO			Date out:		
---------------	----	--	--	-----------	--	--

Confidential period: 90 Days for State & Fee, 1 Year for federal

Date Due In: (1) is equal to Completion Date (1) + 20 days

Logs	Depth interval		
DSN/SDL	200	13628	Spectral Density Dual Spaced Neutron
DLL/MSFL	4938	13679	Dual Laterolog Micro Spherically Focused Log

OCD TOPS

Rustler	1614	Strawn	12180		
Tansill		Atoka	12553		
Yates		Morrow	13016		
Delaware	5461				
Delaware Lm					
Delaware Sd					
Bell Canyon					
Cherry Canyon					
Brushy Canyon					
Bone Spring	7430				
1st Sd	8557				
2nd Carb	8732				
2nd Sd	8977				
3rd Carb	9710				
3rd Sd	9960				
Wolfcamp	10143				

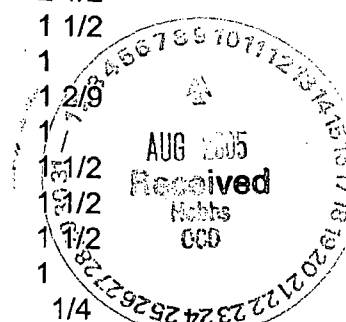
OPERATOR: Marbob Energy Corp.
WELL/LEASE: Scratch St. #1
COUNTY: Lea County, NM


E-24-185-330
1980/N & 660/W
30-025-36996

STATE OF NEW MEXICO

DEVIATION REPORT


<u>Depth</u>	<u>Deviation</u>	<u>Depth</u>	<u>Deviation</u>
262	1/4	8309	1 1/4
403	1/2	8816	1 1/4
946	3/4	9317	2 3/4
1232	0	9381	0
1517	3/4	9505	2
1825	3/4	9635	1 3/4
2121	3/4	9984	2 1/4
2439	3/4	10109	2
2852	1 3/4	10471	2 3/4
2947	1 1/4	10566	3 1/4
3106	1 1/2	10677	2 2/3
3406	1 1/4	10740	2 1/2
3773	2	10804	1 1/2
3900	1 3/4	10867	1
4186	1	10931	1 2/9
4472	1	10995	1 1/2
4917	0	11058	1 1/2
5419	1	11122	1 1/2
5927	1	11376	1 1/2
6436	1 1/4	11421	1
6912	2	11802	1/4
7008	1 3/4	12275	1/2
7262		12621	1/2
7643	2	12951	3/4
7833	1 1/2	13378	3/4

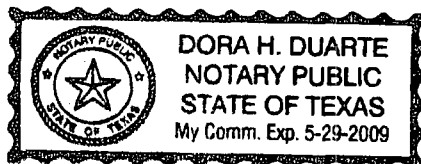



M. Leroy Peterson

The foregoing instrument was acknowledged before me on this 27th day of June, 2005 by M. Leroy Peterson, Executive Vice-President of Patriot Drilling, LLC.

My Commission Expires: 5/29/2009


Notary Public for Midland County, Texas



Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003
		WELL API NO. 30-025-36996
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>		State Oil & Gas Lease No.
WELL COMPLETION OR RECOMPLETION REPORT AND LOG		
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input type="checkbox"/> OTHER		7. Lease Name or Unit Agreement Name SCRATCH STATE COM.
2. Name of Operator MARBOB ENERGY CORPORATION		8. Well No. 1
3. Address of Operator PO BOX 227, ARTESIA, NM 88211-0227		9. Pool name or Wildcat CORBIN; MORROW, SOUTH (GAS)
4. Well Location Unit Letter <u>E</u> : <u>1980</u> Feet From The <u>NORTH</u> Line and <u>660</u> Feet From The <u>WEST</u> Line Section <u>24</u> Township <u>18S</u> Range <u>33E</u> NMPM <u>LEA</u> County		
10. Date Spudded 4/25/05	11. Date T.D. Reached 6/22/05	12. Date Compl. (Ready to Prod.) 7/19/05
13. Elevations (DF& RKB, RT, GR, etc.) 3893' GL		14. Elev. Casinghead
15. Total Depth 13710'	16. Plug Back T.D. 13584'	17. If Multiple Compl. How Many Zones?
18. Intervals Drilled By		19. Producing Interval(s), of this completion - Top, Bottom, Name 13170' - 13308' MORROW
20. Was Directional Survey Made NO		21. Type Electric and Other Logs Run DLL, CSNG
22. Was Well Cored NO		
23. CASING RECORD (Report all strings set in well)		
CASING SIZE	WEIGHT LB./FT.	DEPTH SET
13 3/8"	54#	403'
8 5/8"	32#	4948'
7"	26#	4000'
4 1/2"	11.6#	13709'
24. LINER RECORD		25. TUBING RECORD
SIZE	TOP	SIZE
	BOTTOM	DEPTH SET
	SACKS CEMENT	PACKER SET
	SCREEN	
26. Perforation record (interval, size, and number) 13170' - 13308' (120 SHOTS)		27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 13170'-13308' FRAC W/ 75K# VERSAPROP
28. PRODUCTION		
Date First Production 7/30/05		Production Method (Flowing, gas lift, pumping - Size and type pump) FLOWING
Date of Test 7/31/05		Well Status (Prod. or Shut-in) PROD
Hours Tested 24	Choke Size	Prod'n For Test Period
Flow Tubing Press.	Casing Pressure	Oil - Bbl 59
Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF 1399
	Gas - MCF	Water - Bbl. 3
	Water - Bbl.	Gas - Oil Ratio
	Oil Gravity - API - (Corr.)	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) SOLD		Test Witnessed By OWEN PUCKETT
30. List Attachments LOGS, DEVIATION SURVEY		
31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief		
Signature <i>Diana J. Briggs</i>		Printed Name DIANA J. BRIGGS Title PRODUCTION ANALYST Date 8/8/05
E-mail Address PRODUCTION@MARBOB.COM		

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico			Northwestern New Mexico		
T. Anhy	T. Canyon		T. Ojo Alamo	T. Penn. "B"	
T. Salt	T. Strawn	12180'	T. Kirtland-Fruitland	T. Penn. "C"	
B. Salt	T. Atoka	12252'	T. Pictured Cliffs	T. Penn. "D"	
T. Yates	T. Miss		T. Cliff House	T. Leadville	
T. 7 Rivers	T. Devonian		T. Menefee	T. Madison	
T. Queen	T. Silurian		T. Point Lookout	T. Elbert	
T. Grayburg	T. Montoya		T. Mancos	T. McCracken	
T. San Andres	T. Simpson		T. Gallup	T. Ignacio Otzte	
T. Glorieta	T. McKee		Base Greenhorn	T. Granite	
T. Paddock	T. Ellenburger		T. Dakota	T.	
T. Blinberry	T. Gr. Wash		T. Morrison	T.	
T. Tubb	T. Delaware Sand		T. Todilto	T.	
T. Drinkard	T. Bone Springs	9262'	T. Entrada	T.	
T. Abo	T. RUSTLER	1614'	T. Wingate	T.	
T. Wolfcamp	T. BRUNSON SAND	12717'	T. Chinle	T.	
T. Penn	T. MORROW	13108'	T. Permian	T.	
T. Cisco (Bough C)	T. CHESTER	13542'	T. Penn "A"	T.	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
No. 2, from.....to.....
No. 3, from.....to.....
No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
No. 2, from.....to.....feet.....
No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology

From	To	Thickness In Feet	Lithology

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised June 10, 2003

Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

1 Operator name and Address MARBOB ENERGY CORPORATION PO BOX 227 ARTESIA, NM 88211-0227		2 OGRID Number 14049	
3 Season for Filing Code/ Effective Date NW		4 API Number 30-025-36996	
5 Pool Name CORBIN; MORROW, SOUTH (GAS)		6 Pool Code 75080	
7 Property Code 34465		8 Property Name SCRATCH STATE COM	
		9 Well Number 1	

II. 10 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	24	18S	33E		1980	NORTH	660	WEST	EDDY

11 Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Lse Code S	13 Producing Method Code F	14 Gas Connection Date 7/30/05	15 C-129 Permit Number	16 C-129 Effective Date	17 C-129 Expiration Date				

III. Oil and Gas Transporters

18 Transporter OGRID	19 Transporter Name and Address	20 POD	21 O/G	22 POD ULSTR Location and Description
209700	BP AMERICA PROD CO 501 WESTLAKE, STE. 4.550 HOUSTON, TX 77079		O	TANK BATTERY E-24-T1851838B
36785	DUKE ENERGY FIELD SVCS PO BOX 50020 MIDLAND, TX 79710-0020		G	SAME

IV. Produced Water

23 POD	24 POD ULSTR Location and Description SAME
--------	---

V. Well Completion Data

25 Spud Date 4/25/05	26 Ready Date 7/19/05	27 TD 13710'	28 PBTD 13584'	29 Perforations 13170'-13308'	30 DHC, MC
31 Hole Size 17 1/2" 12 1/4"	32 Casing & Tubing Size 13 3/8" 8 5/8"	33 Depth Set 403' 4948'	34 Sacks Cement 475 SX, CIRC 700 SX, CIRC		
7 7/8"	7"	4000'	350 SX, CIRC		
6 1/8"	4 1/2"	13709'	1750 SX, CIRC		
	2 3/8"	13100'			

VI. Well Test Data

35 Date New Oil 7/30/05	36 Gas Delivery Date 7/30/05	37 Test Date 7/31/05	38 Test Length 24 HRS	39 Tbg. Pressure	40 Csg. Pressure
41 Choke Size	42 Oil 59	43 Water 3	44 Gas 1399	45 AOF	46 Test Method F

47 I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Diana J. Briggs*
Printed name: DIANA J. BRIGGS

Title: PRODUCTION ANALYST

E-mail Address: PRODUCTION@MARBOB.COM

Date: 8/8/05
Phone: (505) 748-3303

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: AUG 18 2005

ORIGINAL SIGNED BY
PAUL F. KAUTZ
PETROLEUM ENGINEER

RECEIVED
JUL 14 2005
ODD-ARTCOM

30-075 36996

***** CHART SCANNER WELL TEST DATA *****

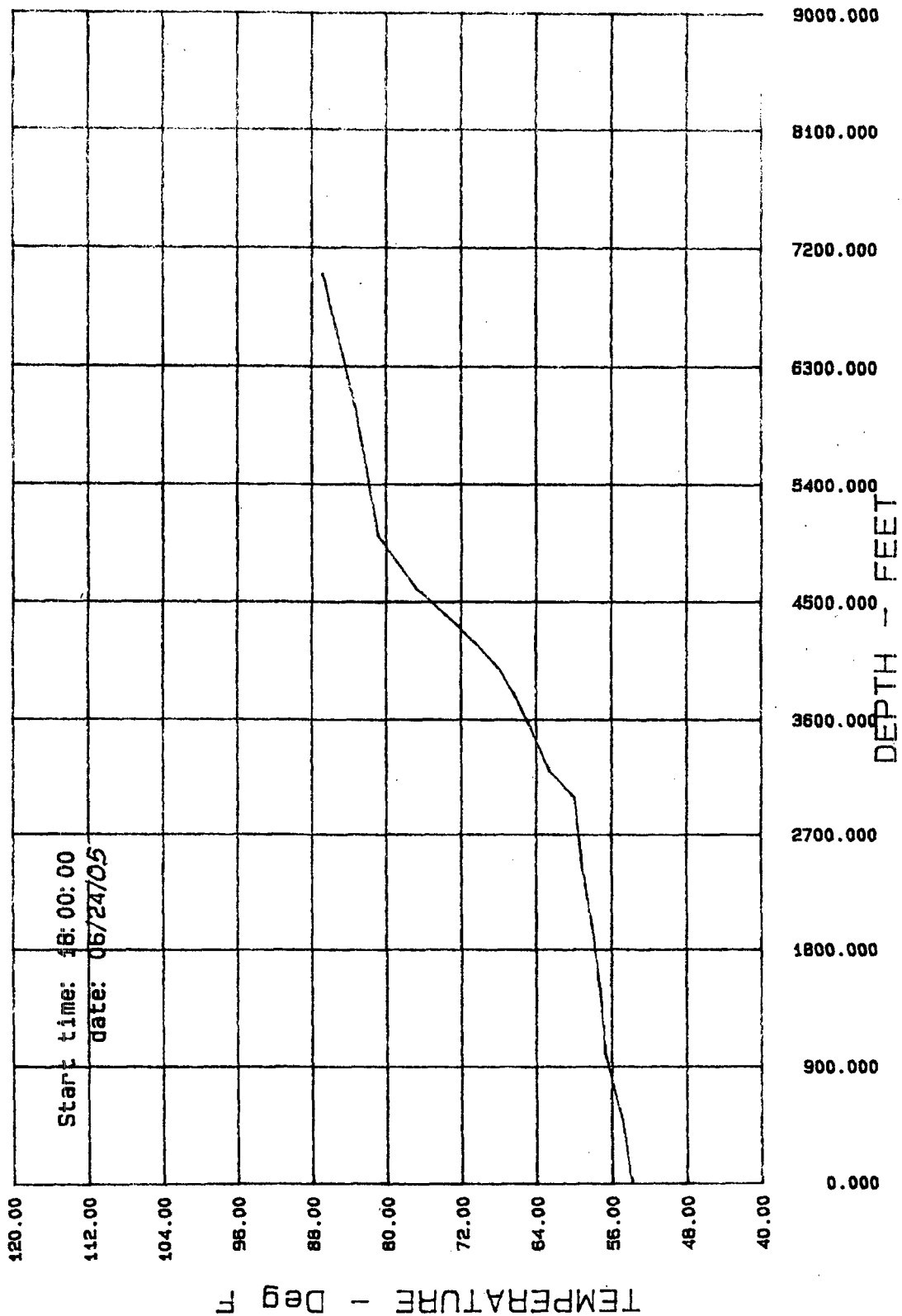
COMPANY:	MARBOB ENERGY
CLIENT:	RICK ALVARADO
GAUGE NUMBER:	576
WELL NAME:	SCRATCH STATE COM
WELL NUMBER:	#1
TEST NUMBER:	1
LOCATION:	
TEST OPERATOR:	J GUAJARDO/ KLTIC SERVICES
COMMENTS:	TOP OF CEMENT AT 3000 FT DATE OF TEST 6-24-2005

DATE: 06/24/05

GAUGE S/N: 576

REAL TIME	DELTA TIME HRS	TEMPERATURE Deg F	DEPTH FEET	FLOW RATE BBLs/DAY	COMMENTS
18:08:24	0.140	53.92	0.00		
18:13:59	0.233	54.89	500.00		
18:19:29	0.325	56.71	1000.00		
18:22:54	0.382	57.26	1500.00		
18:25:04	0.418	58.15	2000.00		
18:28:28	0.475	59.23	2500.00		
18:32:10	0.536	59.98	3000.00		TOP OF CEMENT
18:36:42	0.612	62.62	3200.00		
18:39:41	0.662	63.78	3400.00		
18:42:48	0.714	64.97	3600.00		
18:45:26	0.757	66.36	3800.00		
18:48:25	0.807	68.01	4000.00		
18:51:33	0.859	70.58	4200.00		
18:54:27	0.908	73.52	4400.00		
18:57:38	0.961	76.77	4600.00		
19:00:39	1.011	78.79	4800.00		
19:03:10	1.053	80.84	5000.00		
19:05:49	1.097	83.34	6000.00		
19:13:10	1.220	86.83	7000.00		

COMPANY:	MARBOB ENERGY	TEST NUMBER:	1
CLIENT:	RICK ALVARADO	LOCATION:	
GAUGE NUMBER:	576	TEST OPERATOR:	J GUAJARDO/ KELTIC SERVICES
WELL NAME:	SCRATCH STATE COM	COMMENTS:	TOP OF CEMENT AT 3000 FT
WELL NUMBER:	#1	DATE OF TEST	6-24-2005



District I
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1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator Maebob Energy Corp Telephone 505-748-3303 e-mail address wildlife@maebob.com
Address P.O. Box 227 Artesia NM 88211-0227
Facility or well name Scratch State Com #1 API # 30-025-36996 U/L or Qtr/Qtr SWNW Sec 24 T 18S R 33E
County Lea Latitude _____ Longitude _____ NAD 1927 ☐ 1983 ☐
Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

Pit	Below-grade tank
Type Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type Synthetic <input type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume _____ bbl	Volume _____ bbl Type of fluid _____ Construction material _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water)	<u>Less than 50 feet</u> (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points) 20
Wellhead protection area (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources)	Yes (20 points) <u>No</u> (0 points)
Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) <u>1000 feet or more</u> (0 points)
Ranking Score (Total Points) 20	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks (2) Indicate disposal location (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date (4) Groundwater encountered No ☐ Yes ☐ If yes, show depth below ground surface _____ ft and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations

Additional Comments As per Chris Williams. Pit sampling, delineation of chlorides and removed pit material. liner has been placed in bottom of reserve pit for backfilling. completed
Record 9/28/07 CWL

I hereby certify that the information above is true and complete to the best of my knowledge and belief I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date 9-21-07
Printed Name/Title Rand French / Biologist Signature Rand French
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations

Approval
Printed Name/Title CHRIS WILLIAMS / DIST. SUPERV Signature Chris Williams Date 9/28/07

District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

RECEIVED
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

2007 AUG 30 8:11 AM
Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☐ Final Report

Name of Company	MARLB Energy Corp.	Contact	Cliff Brunson - BBC International
Address	PO Box 227 Artesia, NM 88211	Telephone No.	505-397-6388
Facility Name	Scratch State	Facility Type	Oil well / Drilling Pit
Surface Owner	State of NM	Mineral Owner	State
		Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	24	18S	33E	1980	North	660	WEST	LEA.

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Pit Liner	Volume of Release	Unknown	Volume Recovered	None
Source of Release	Pit	Date and Hour of Occurrence	?	Date and Hour of Discovery	8/20/07 9:30
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Daniel Sanchez - phone: Wayne Price - email		
By Whom?	Rand French: Cliff Brunson	Date and Hour	8/20/07 - 2:07 pm		
Was a Watercourse Reached?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	Unknown		

If a Watercourse was Impacted, Describe Fully.*

Do not know the extent of impacts at this time

Describe Cause of Problem and Remedial Action Taken.*

Compromised Pit - was in the process of a dig-in-haul, along with delineating chlorides. Forty feet below ground surface wet soils and water was encountered.

Describe Area Affected and Cleanup Action Taken.*

Unknown at this time. Most of the Pit material has been removed. The back side of Pit was free of chlorides @ 12' feet.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Rand French</i>	OIL CONSERVATION DIVISION		
Printed Name: Rand French	Approved by District Supervisor:		
Title: Wildlife Biologist	Approval Date:	Expiration Date:	
E-mail Address: wildlife@marlab.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 8/24/07	Phone: 748-3303		

* Attach Additional Sheets If Necessary

**New Mexico Office of the State Engineer
POD Reports and Downloads**

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic
☒ All

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

Clear Form

iWATERS Menu

Help

AVERAGE DEPTH OF WATER REPORT 10/17/2007

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
L	18S	34E	01				5	100	115	107
L	18S	34E	02				2	102	102	102
L	18S	34E	03				3	60	100	87
L	18S	34E	05				1	105	105	105
L	18S	34E	06				2	110	150	130
L	18S	34E	07				2	15	150	83
L	18S	34E	08				2	145	150	148
L	18S	34E	10				3	110	110	110
L	18S	34E	11				1	110	110	110
L	18S	34E	12				4	76	100	92
L	18S	34E	13				1	96	96	96
L	18S	34E	14				3	100	110	103
L	18S	34E	15				1	110	110	110
L	18S	34E	16				2	105	110	108
L	18S	34E	18				2	125	125	125
L	18S	34E	19				1	105	105	105
L	18S	34E	20				2	120	130	125
L	18S	34E	25				1	117	117	117
L	18S	34E	27				1	112	112	112
L	18S	34E	35				2	105	130	118

Record Count: 41

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: Range: Sections: NAD27 X: Y: Zone: Search Radius: County: Basin: Number: Suffix:Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic
☒ All

POD / Surface Data Report

Avg Depth to Water Report

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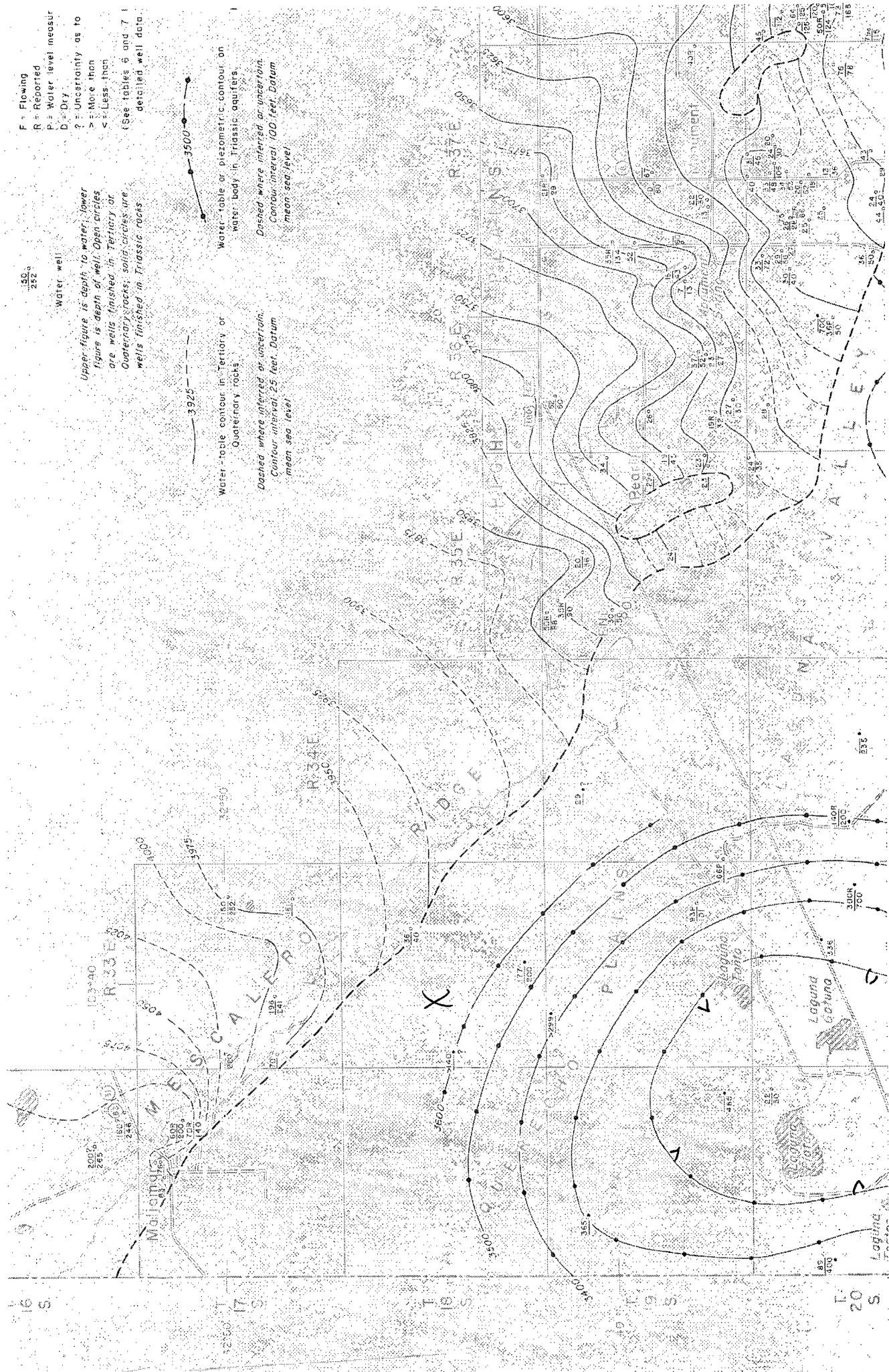
iWATERS Menu

Help

AVERAGE DEPTH OF WATER REPORT 10/17/2007

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
CP	18S	33E	13				1	60	60	60
CP	18S	33E	24				1	195	195	195
L	18S	33E	08				1	100	100	100
L	18S	33E	12				2	130	150	140
L	18S	33E	17				1	85	85	85
L	18S	33E	30				2	35	35	35

Record Count: 8



F = Flowing
 R = Reported
 P = Water level measured
 D = Dry
 ? = Uncertainty as to
 > = More than
 < = Less than
 (See tables 6 and 7 for
 detailed well data.)

Water well

Upper figure is depth to water, lower
 figure is depth of well. Open circles
 are wells finished in Tertiary or
 Quaternary rocks; solid circles are
 wells finished in Triassic rocks

3925

Water-table contour in Tertiary or
 Quaternary rocks

Water-table or piezometric contour on
 water body in Triassic aquifers

Dashed where inferred or uncertain.
 Contour interval 25 feet. Datum
 mean sea level

Dashed where inferred or uncertain.
 Contour interval 100 feet. Datum
 mean sea level

