

N.I. O.C.D. COPY
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN 1 LOCATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.

30-015-23855
RECEIVED
5. LEASE DESIGNATION AND SERIAL NO.
NM 0557370
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
-- JUL 6 1981
7. UNIT AGREEMENT NAME
-- O. C. D.
8. FARM OR LAND NAME
ARTESIA, OFFICE
ARCO FEDERAL
9. WELL NO.
1
10. FIELD AND POOL, OR WILDCAT
Red Lake (Q-Gb-SA)
11. SEC., T., R., M., OR BLM.
AND SURVEY OR AREA
U. P.
Sec. 27-17S-27E
12. COUNTY OR PARISH
Eddy
13. STATE
N. M.
17. NO. OF ACRES ASSIGNED
TO THIS WELL 40
20. ROTARY OR CABLE TOOLS
Rotary
22. APPROX. DATE WORK WILL START*
July 3, 1981 (Spud)

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐
b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐
2. NAME OF OPERATOR
MARBOB ENERGY CORPORATION (Ph. 505-746-2422)
3. ADDRESS OF OPERATOR
P. O. Box 304, Artesia, New Mexico 88210
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
330' FSL & 330' FEL of Sec. 27-17S-27E
At proposed prod. zone
Same
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
8 1/2 air miles east-southeast of Artesia, N. M.
15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)
330'
16. NO. OF ACRES IN LEASE
720
17. NO. OF ACRES ASSIGNED
TO THIS WELL 40
18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.
--
19. PROPOSED DEPTH
2000' Q-Gb-SA
20. ROTARY OR CABLE TOOLS
Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3511 G. L.
22. APPROX. DATE WORK WILL START*
July 3, 1981 (Spud)

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24#	100' 350'	Sufficient to circulate
7 7/8"	4 1/2"	10.5#	2000'	Sufficient to circulate

Well will be drilled to a depth of 2000 feet and all potential zones in the Queen, Grayburg and San Andres formations will be evaluated. If commercial production is indicated, well will be selectively perforated and stimulated.

Attached are: 1. Well Location and Acreage Dedication Plat
2. Supplemental Drilling Data
3. Surface Use Plan

RECEIVED
JUN 26 1981OIL & GAS
U.S. GEOLOGICAL SURVEY
KOSWELL, NEW MEXICO

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on proposed productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED JAMES A. KNAUF TITLE Agent DATE June 25, 1981
(This space for Federal or State office use)
APPROVED BY GEORGE H. STEWART APPROVAL DATE JUL - 2 1981
FOR JAMES A. GILLHAM
DISTRICT SUPERVISOR

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMM. ON
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator MARBOB ENERGY CORPORATION			Lease ARCO Federal		Well No. 1
Unit Letter P	Section 27	Township 17 South	Range 27 East	County Eddy	
Actual Footage Location of Well: 330 feet from the South line and 330 feet from the East line					
Ground Level Elev. 3511	Producing Formation Queen, Grayburg, San Andres		Pool Red Lake (Q,Gb,SA)	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

	CERTIFICATION	
	<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p>	
	<p><i>James A. Knauf</i> Name James A. Knauf</p>	
	<p>Position Agent</p>	
	<p>Company MARBOB ENERGY CORPORATION</p>	
<p>Date June 24, 1981</p>		
<p>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 knowledge and belief.</p>		
<p>Date Surveyed June 17, 1981</p>		
<p>Registered Professional Engineer and/or Land Surveyor <i>John W. Shearn</i> Certificate No. 1559</p>		

SUPPLEMENTAL DRILLING DATA

MARBOB ENERGY CORPORATION
WELL NO. 1 ARCO FEDERAL
330' FWL & 330' FEL SEC. 27-17S-27E

1. SURFACE FORMATION: Gypsy formations of Salado (Permian Age).
2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Yates	100'	Grayburg	1215'
Seven Rivers	340'	San Andres	1525'
Queen	805'	Glorietta	2915'
3. ANTICIPATED POROSITY ZONES:

Empire	330 - 350'	San Andres (9th)	1725 - 1885'
Penrose	1070 - 1080'	San Andres (10th)	1900 - 1960'
Metex	1380 - 1390'	Slaughter	2050 - 2300'
Premier	1495 - 1525'		
4. CASING DESIGN:

Size	Interval	Weight	Grade	Joint	Condition
8 5/8"	0 - 180' 350'	24#	K-55	STC	New
4 1/2"	0 - 2000'	10.5#	K-55	STC	New
5. PRESSURE CONTROL EQUIPMENT: K-900 Flanged Annular BOP.
6. CIRCULATING MEDIUM:

000 - 0180' 350'	Natural mud with gel added if needed for viscosity.
180' 350' - 2000'	Salt water mud, conditioned as necessary for control of viscosity and water loss. At 100' above, TD, sweep hole with salt water gel, conditioning mud to 36 viscosity.
7. AUXILIARY EQUIPMENT: Drill string safety valve.
8. TESTING, LOGGING AND CORING PROGRAMS: No coring or DST's are planned. Electric logs will include a CNL-FDC w/GR.
9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS: None anticipated.
10. ANTICIPATED STARTING DATE:
 - A. Road and pad construction: July 1, 1981
 - B. Spudding well: July 3, 1981
 - C. Duration of drilling and completion operations should be 10 to 30 days.

SURFACE USE PLAN
FOR
DRILLING, COMPLETING AND PRODUCING

MARBOB ENERGY CORPORATION
WELL NO. 1 ARCO FEDERAL
330' FSL & 330' FEL SEC. 27-17S-27E
EDDY COUNTY, NEW MEXICO

LOCATED: 8½ air miles east-southeast of Artesia, N. M.

FEDERAL LEASE NUMBER: NM 0557370

LEASE ISSUED: 12-31-38 for a primary term of 5 years and is
in its extended term by production.

RECORD LESSEE: Hondo Oil & Gas Co.

OPERATOR'S AUTHORITY: Designation of Operator

BOND COVERAGE: Hondo's \$25,000 State-wide Bond

ACRES IN LEASE: 720

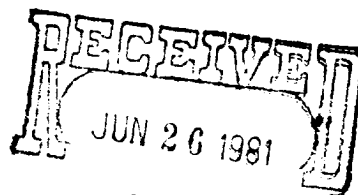
SURFACE OWNERSHIP: Federal

GRAZING PERMITTEE: Bogle Farms, Inc.
P. O. Box 358, Dexter, New Mexico 88230

POOL: Red Lake (Q-Gb-SA). 40-acre spacing.

EXHIBITS:

- A. Portion of Eddy County Road Map.
- B. Portions of Spring Lake & Red Lake Topo Maps.
- C. Portion of USGS Lease Map No. 10.
- D. Sketch of Well Pad.



OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

ROAD LOG TO PROPOSED DRILLSITE

STARTING POINT is on US-82 at Milepost 117.23. This point is located $9\frac{1}{2}$ miles east of Artesia, New Mexico and $3\frac{1}{4}$ miles east of Riverside.

- 0.00 Turn right (south) on county black top and proceed in a southerly direction for a distance of 0.23 mile to "Y" in road.
- 0.23 Turn right (southwest) on county black top and proceed in a south-westerly direction for a distance of 0.79 mile. Route crosses Logan Draw at Milepoint 0.97.
- 1.02 Turn right (northwest) on oil field road and proceed in a westerly direction for a distance of 0.64 mile to the southwest corner of well pad of Collier & Collier #1 Hondo well (SE-SW-SW 26-17S-27E).
- 1.66 New Road will start at this point. Head west-southwest and proceed in a westerly direction for a distance of 0.27 mile to the southeast corner of the proposed drill pad.
- 1.93 PROPOSED DRILLSITE (Well #1 ARCO FEDERAL)

THIRTEEN POINT PROGRAM

- 1. EXISTING ROADS: Existing roads, which lead to the proposed drillsite, are shown on Exhibits "A" & "B".
- 2. PROPOSED NEW ROAD: Proposed new access road will be 0.27 mile in length. Exhibit "B" shows proposed route which will originate at mileage 1.66 on the road log and will terminate at the southeast corner of the proposed drill pad. The center of the proposed new road has been staked and flagged.
 - A. Width: 12 feet with 20-foot R-O-W.
 - B. Surfacing Material: The new road will be surfaced with caliche.
 - C. Maximum Grade: Less than one percent.
 - D. Tunrouts: None necessary.
 - E. Drainage Design: New road will be crowned with drainage to the side.

- F. Culverts: None necessary.
- G. Gates, Cattleguards: None necessary.
3. LOCATION OF EXISTING WELLS: Existing wells in the vicinity of the proposed drillsite are shown on Exhibit "C".
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
- A. Marbob Energy Corporation has no production facilities on the leasehold.
 - B. If the well is productive, production and storage facilities will be located within the 400' x 400' at the southeast corner of the well pad.
5. LOCATION AND TYPE OF WATER SUPPLY: It is not planned to drill a water supply well. Water for leasehold operations will be purchased from a commercial water hauler.
6. SOURCE OF CONSTRUCTION MATERIALS: Material for construction of the proposed new road and well pad will be obtained from a pit located in the SE-NE 26-17S-27E.
7. METHODS OF HANDLING WASTE DISPOSAL:
- A. Drill cuttings will be disposed of in the drilling pits.
 - B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
 - C. Water produced during tests will be disposed of in the drilling pits.
 - D. Oil produced during tests will be produced into temporary test tanks.
 - E. Trash, waste paper, garbage, and junk will be buried in a trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of the trash pit is shown on Exhibit "D".
 - F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing each drilling and/or completion operation.

8. ANCILLARY FACILITIES: None anticipated.
9. WELLSITE LAYOUT:
- A. The wellsite has been surveyed and a 400' x 400' area has been staked and flagged.
 - B. The dimensions and relative location of the drill pad, mud pit, and trash pit with respect to the well bore are shown on Exhibit "D".
 - C. The wellsite is nearly level. There will be about a one foot cut in the southeast corner and a one foot fill in the northeast corner of the well pad.
 - D. The well pad will be surfaced with caliche.
10. PLANS FOR RESTORATION OF THE SURFACE:
- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing condition as possible.
 - B. Any unguarded pits containing fluids will be fenced until they are filled.
 - C. After abandonment, all equipment, trash and junk will be removed and the location cleaned. Any special rehabilitation and/or special revegetation requirements of the surface management agency will be complied with and accomplished as expeditiously as possible.
11. OTHER INFORMATION:
- A. Topography: Low rolling hills with area slope to the north toward Logan Draw. Regional slope is to the west toward the Pecos River.
 - B. Soil: Top soil at well site is a shallow loamy gyp soil.
 - C. Flora and Fauna: The vicinity surrounding the drillsite is primarily semi-arid desert rangeland. Vegetative cover is moderately sparse. Flora consists of range grasses interspersed with some yucca and miscellaneous weeds. No wildlife was observed, but wildlife in this habitat consists mostly of lizards, rabbits, rodents, coyotes, skunks, quail, dove and miscellaneous small birds.

- D. Ponds and Streams: None. Logan Draw is $\frac{1}{4}$ mile to the north. Pecos River is 4 miles to the west.
- E. Residences and Other Structures: Nearest occupied dwelling is 1 mile to the southeast. Nearest water well is 2 miles to the northwest.
- F. Archaeological, Historical and Other Cultural Sites: An archaeological reconnaissance of the well pad and road area was made by New Mexico Archaeological Services, Inc. and none were observed.
- G. Land Use: Grazing and occasional hunting.
12. OPERATOR'S REPRESENTATIVE: Representative responsible for assuring compliance with the approved Surface Use Plan:


Mack Chase
P. O. Box 304
Artesia, New Mexico 88210
Office 505-746-2422
Home 505-746-4877

13. CERTIFICATION:

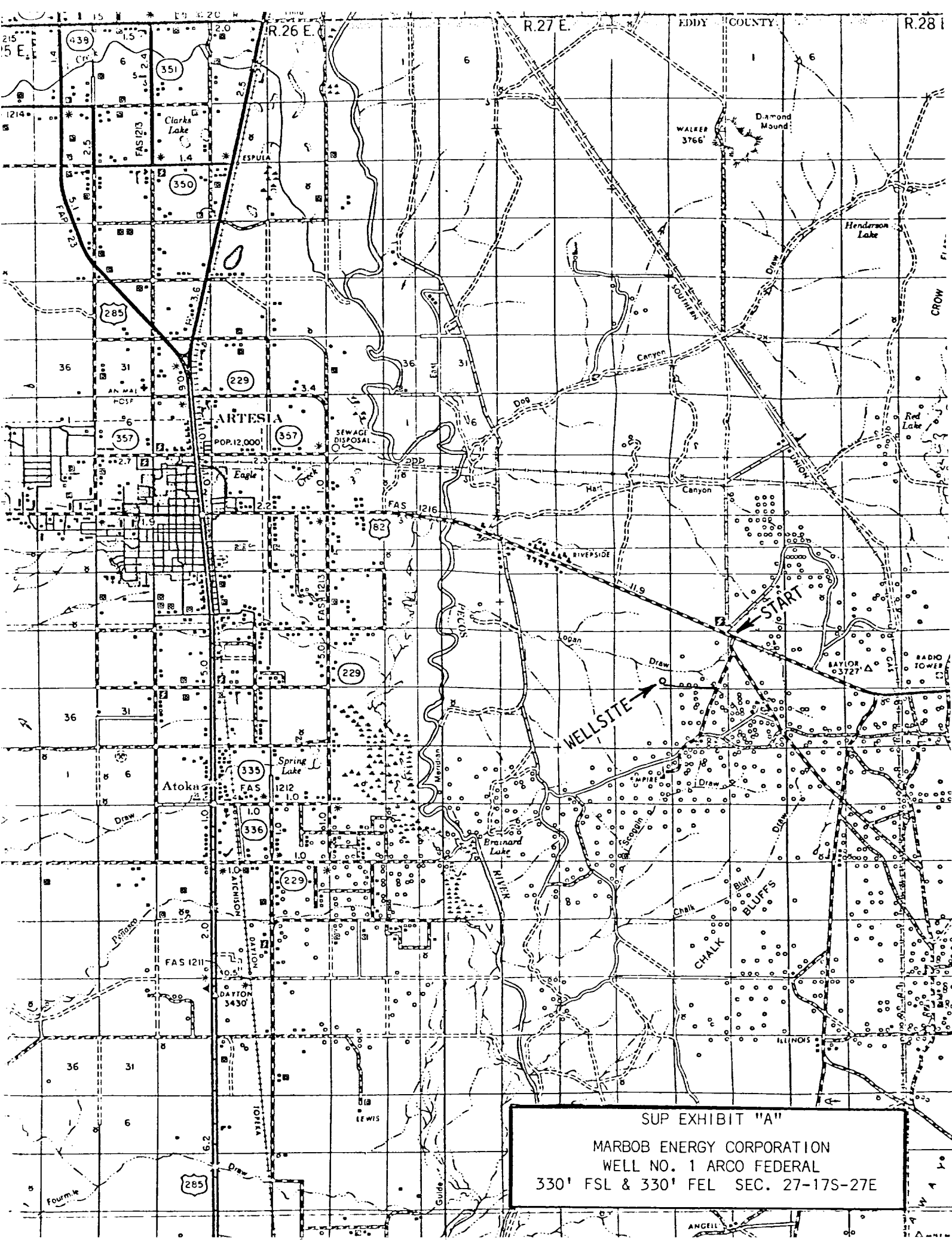
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by MARBOB ENERGY CORP. and its sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

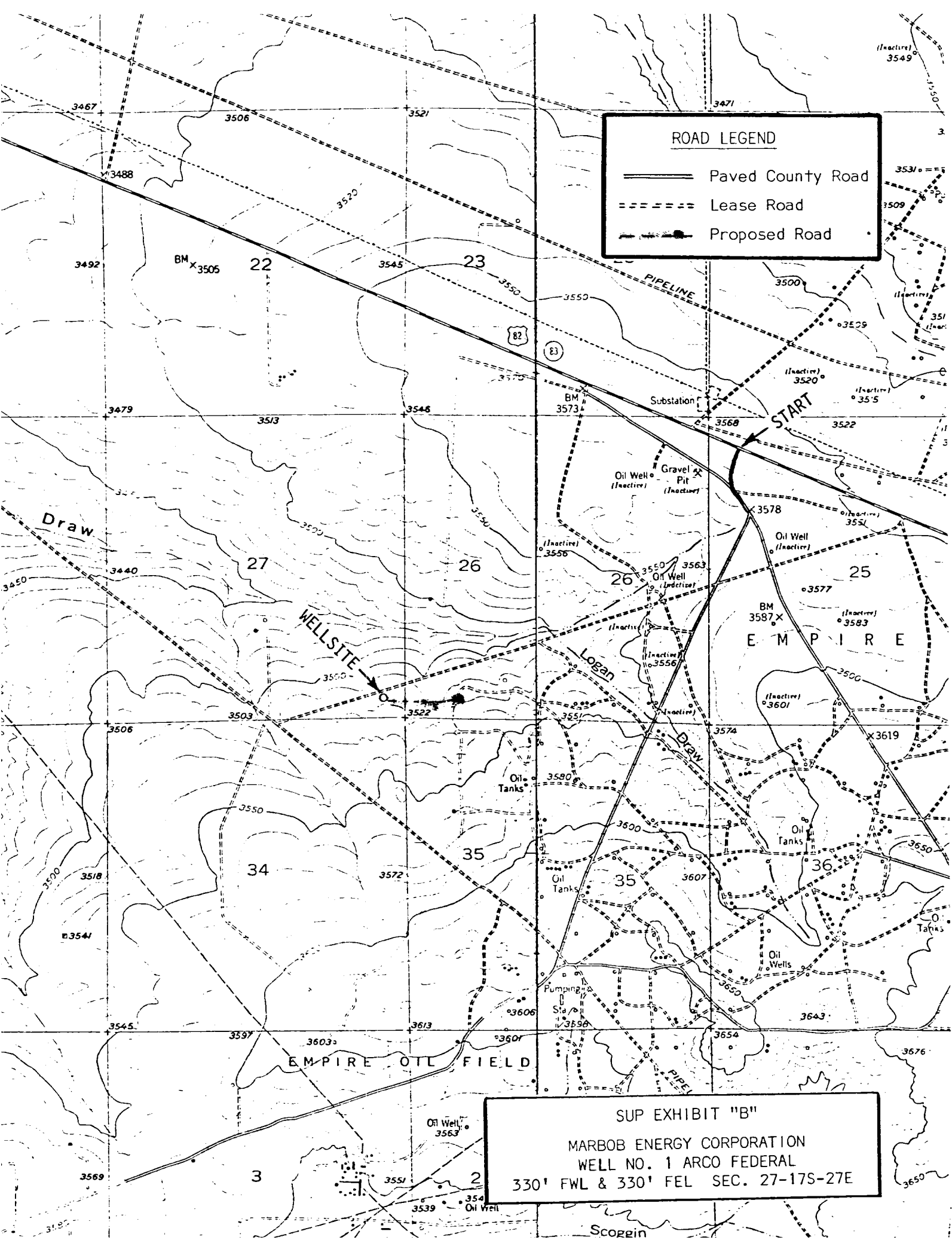
June 25, 1981

Date



James A. Knauf, Agent
Marbob Energy Corp.



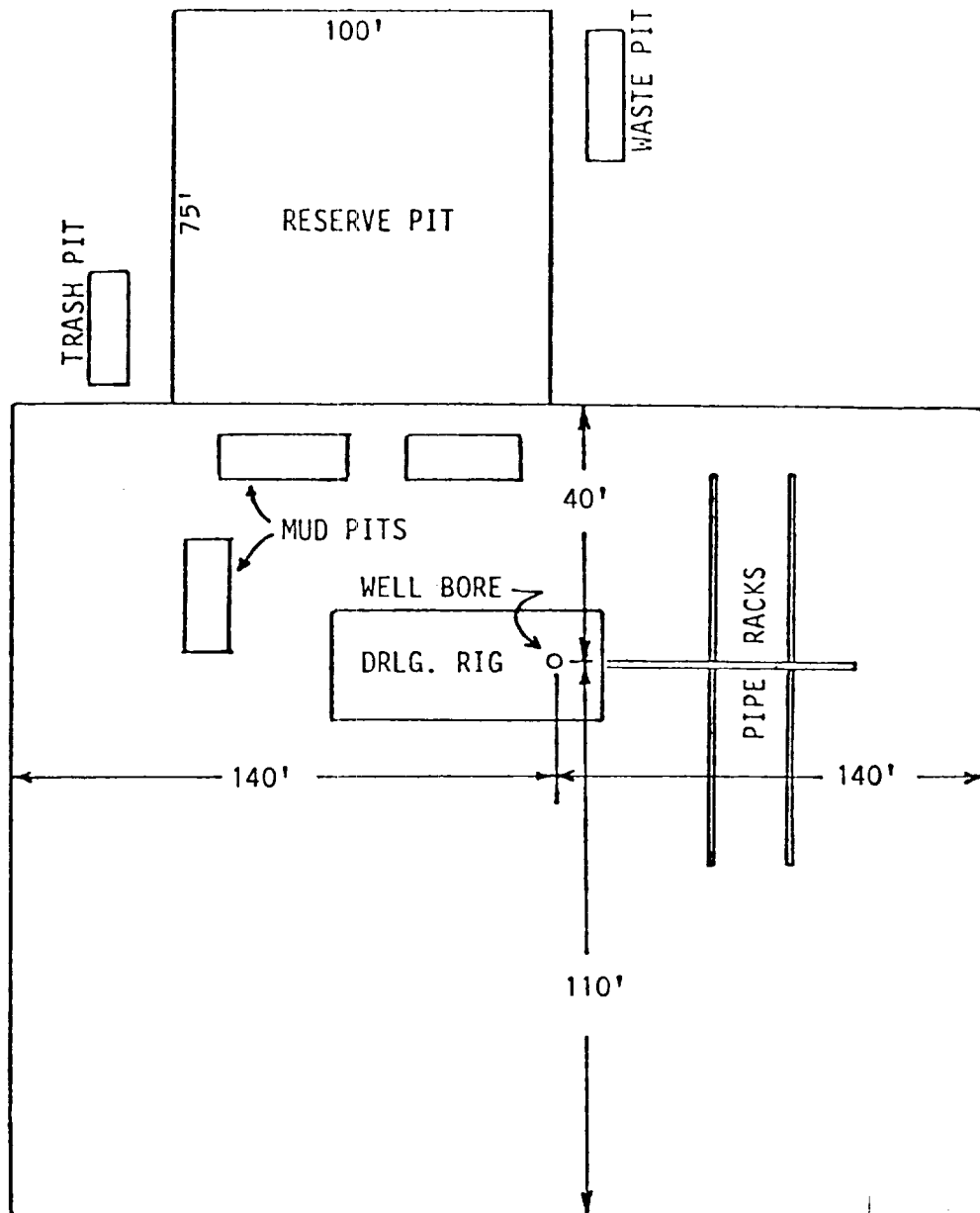


ROAD LEGEND

- Paved County Road
- - - Lease Road
- · - Proposed Road

SUP EXHIBIT "B"

MARBOB ENERGY CORPORATION
WELL NO. 1 ARCO FEDERAL
330' FWL & 330' FEL SEC. 27-17S-27E



SUP EXHIBIT "D"

MARBOB ENERGY CORPORATION
WELL NO. 1 ARCO FEDERAL
330' FWL & 330' FEL SEC. 27-17S-27E