

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23134

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 ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Marbob Energy Corporation

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' FWL of Sec. 33
At proposed prod. zone Same
O.C.D. ARTESIA, OFFICE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
18 miles east of Artesia, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'
16. NO. OF ACRES IN LEASE 80

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 933'
19. PROPOSED DEPTH 3000' San Andres

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3552 G. L.

5. LEASE DESIGNATION AND SERIAL NO.

LC 046044

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Perry Leonard - ~~123~~

9. WELL NO.

3

10. FIELD AND POOL, OR WILDCAT

Loco Hills Q-N 91

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

M33-17S-29E

12. COUNTY OR PARISH 13. STATE

Eddy

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

Jan. 2, 1980

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	20#	250-275	Circ
7 7/8"	4 1/2"	10.5#	TD	225 sacks

Selectively perforate and treat all pay zones

Attached are: Survey Plat (C-102)
Supplemental Drilling Data
Surface Use Plan

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DEC 27 1979

U.S. GEOLOGICAL SURVEY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new 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 12-26-79

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 1-17-80

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 1-1-1
Supersedes C-12B
Effective 1-1-65

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

Operator MARBOB ENERGY CORPORATION		Lease PERRY LEONARD FEDERAL		Well No. 3
Unit Letter M	Section 33	Township 17 South	Range 29 East	County EDDY
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 330 feet from the South line and 330 feet from the West line </div>				
Ground Level Elev. 3552 (USGS DATUM)	Producing Formation Grayburg-San Andres	Loco Hills G-N-S-H	Estimated Acreage 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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?

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JAN 18 1980
O. C. D.
ARTESIA, OFFICE
- ☐ 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.

NOTE: Location as staked is in a mesquite clump, and if leveled with surrounding ground will be one (1) to one and a half (1½) feet lower.

RECORDED
INDEXED
DEC 27 1979
U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Albuquerque, New Mexico

CERTIFICATION

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

Name **James A. Knauf**

Position **Agent**

For **Marbob Energy Corp.**

Date **December 26, 1979**

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.

Date **December 19, 1979**

John W. Shearn

Certi. No. **1559**

3300
3300

0 330 660 990 1320 1650 1980 2310 2640 2970 3300



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United States Department of the Interior

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GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

JAN 18 1980

O. C. D.
ARTESIA, OFFICE
January 17, 1980

Marbob Energy Corporation
P. O. Box 304
Artesia, New Mexico 88210

Gentlemen:

MARBOB ENERGY CORPORATION
Perry Leonard Fed No. 3
330 FSL 330 FWL Sec. 33 T.17S R.29E
Eddy County Lease LC 046044

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 3,000 feet to test the San Andres formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the SURFACE USE PLAN and this approval including the GENERAL REQUIREMENTS.
3. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
4. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
5. Cement behind the 8-5/8" casing must be circulated.
6. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

(Orig. Sgd) GEORGE H. STEWART

George H. Stewart
Acting District Engineer



SUPPLEMENTAL DRILLING DATA

MARBOB ENERGY CORPORATION
WELL #3 PERRY LEONARD FEDERAL
330' FSL & 330' FWL SEC. 33-17S-29E

1. SURFACE FORMATION: Sandy soils of Quaternary Age.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Salt	325
Base Salt	740
Yates	910
Queen	1910
San Andres	2770

3. ANTICIPATED POSSIBLE WATER AND HYDROCARBON BEARING ZONES:

Water	150 - 180
Oil	2450 - 3000

4. PROPOSED CASING AND CEMENTING PROGRAM:

Casing and cementing program is shown on form 9-331 C

5. PRESSURE CONTROL EQUIPMENT:

Blowout preventer stack will consist of a 3000 psi W. P.
Double Hydraulic Ram-Type preventer.

6. CIRCULATING MEDIUM:

0 to 250 feet:	Fresh water with native muds.
250 to 2900 feet:	Water with native muds.
2900 to 3000 feet:	Sweep hole with salt water gel conditioning mud to 36 viscosity.

7. AUXILIARY EQUIPMENT:

Master valve on BOP.

8. TESTING, LOGGING AND CORING PROGRAMS:

It is planned that electric logs will include a compensated Neutron Formation Density Log.

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS:

None anticipated.

10. ANTICIPATED STARTING DATE:

It is planned that drilling operations will commence about 1-2-80. Duration of drilling and completion operations should be about 10-20 days.

SURFACE USE PLAN

FOR

DRILLING, COMPLETING AND PRODUCING

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U.S. DEPT. OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MARBOB ENERGY CORPORATION
WELL #3 PERRY LEONARD FEDERAL
330' FSL & 330' FWL SEC. 33-17S-29E
EDDY COUNTY, NEW MEXICO

LOCATED: 18 air miles east-southeast of
Artesia, New Mexico.

FEDERAL LEASE NUMBER: LC 046044

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

RECORD LESSEE: Harold Kersey

OPERATOR'S AUTHORITY: Owner of shallow operating rights under
an approved operating agreement.

BOND COVERAGE: Marbob Energy Corporation's \$25,000
Statewide bond.

ACRES IN LEASE: 80

SURFACE OWNERSHIP: State of New Mexico. (See Item 10-C)

SURFACE LESSEE: Bogle Farms, Inc.

POOL: Loco Hills (Grayburg-San Andres).
40-acre spacing.

ATTACHMENTS:

- A. Area Map
- B. Topographic Map Showing Access Roads
- C. Sketch Showing Lease & Production
Facilities
- D. Map Showing Existing Wells in
Immediate Area
- E. Sketch of Drilling Pad

DIRECTIONS TO PROPOSED DRILLSITE

Point of beginning is on U. S. 82 at Mile Post 125.75 which is 18.25 miles east of the highway intersection in Artesia and $6\frac{1}{2}$ miles west of Loco Hills.

- 0.00 Turn south on an all-weather caliche road and proceed in a south-southeast direction for a distance of 2 miles. See Attachment "A".
- 2.00 Turn right on an oilfield road and go 0.15 miles in a southwesterly direction to tank battery.
- 2.15 Turn right and go 0.10 miles in northwesterly direction to Well No. 1 Perry Leonard.
- 2.25 Circle around well and proceed 0.10 miles in southwesterly direction.
- 2.35 NEW ROAD WILL START AT THIS POINT. Turn left (south) and go 0.10 miles to SE corner of proposed well pad.

THIRTEEN-POINT PROGRAM

1. EXISTING ROADS:

- A. Existing roads, which lead to the proposed drillsite, are shown on Attachments "A" & "B" and consist of 2.00 miles of all-weather caliche roads and 0.35 miles of lease roads.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The proposed new access road will originate from the existing access road at the 2.35 mile point, as shown on Attachment "C", and will terminate at the southeast corner of the drilling pad. It will be 0.10 miles in length and 12 feet in width. The center line has been staked and flagged.
- B. Surfacing Material: It is not planned to surface the new road. However, if it becomes necessary that the road be paved, caliche will be used.

- C. Maximum Grade: Less than one percent.
- D. Turnouts: None required.
- E. Drainage Design: New road will be crowned with drainage to each side.
- F. Culverts: None required.
- G. Cuts and Fills: None required.
- H. Gates, Cattle Guards: None required.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells in the immediate area are shown on Attachment "D".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There is a tank battery and it is located in the approximate center of the 80-acre lease. See Attachment "C".
- B. If the proposed well is productive, the flowline will be laid from the well to the existing tank battery as shown on Attachment "C". It will be approximately 1000 feet in length and will be laid on top of the ground.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. A water supply well is not planned. Water will be purchased and hauled to the wellsite over existing and proposed roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. It is not planned to surface the new road or the well pad. However, if it does become necessary to pave the road or pad, caliche will be obtained from a caliche pit on mineral-reserve land in the NW corner of the NE $\frac{1}{4}$ of Sec. 4-18S-29E. The pit was archaeologized by Dr. J. Loring Haskell on December 22, 1979.

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 the existing tank battery.
- 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 Attachment "E".
- F. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None considered necessary.

9. WELL SITE LAYOUT:

- A. The drillsite has been surveyed, staked and flagged.
- B. The dimensions and relative location of the drill pad, mud pits and trash pits with respect to the well bore are shown on Attachment "E".
- C. The wellsite is nearly level. No cut and fill is necessary.

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 an aesthetically pleasing condition as possible.

- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. Sec. 33 is land owned by State of New Mexico with minerals reserved to the U. S. Government. The New Mexico State Land Office was contacted on December 20, 1979 concerning any surface restoration requirements. Mr. Ray Graham advised that whatever surface restoration is required for similar Federal lands would be satisfactory for State owned surface.

11. OTHER INFORMATION:

- A. Topography: The land surface is nearly level. Immediate slope is to the southeast and regional slope is to the southwest toward the Pecos River.
- B. Soil: Soil association is Simona-Pajarito. Drillpad is on border of Wink and Simona-Bippus Mapping Units as defined in the Eddy County Soil Survey.
- C. Flora and Fauna: Vacinity surrounding the drillsite is semi-arid desert rangeland. Vegetative cover is sparse and consists of miscellaneous desert plants and grasses. Well location is classified as "Sandy Range Site". No wildlife was observed, but wildlife in this habitat consists mostly of rabbits, rodents, coyotes, dove and quail.
- D. Ponds and Streams: None
- E. Residences and Other Structures: Nearest occupied dwelling is one mile north. Nearest windmill is also one mile north.
- F. Archaeological, Historical and Other Cultural Sites: None were observed in the area. Dr. J. Loring Haskell made a reconnaissance on December 22, 1979.
- G. Land Use: Grazing and wildlife habitat.

12. OPERATOR'S REPRESENTATIVE:

Representative responsible for assuring compliance with the approved Surface Use Plan:


Mack Chase
P. O. Box 304
Artesia, N. M. 88210
Office - 746-2422
Home - 746-4877

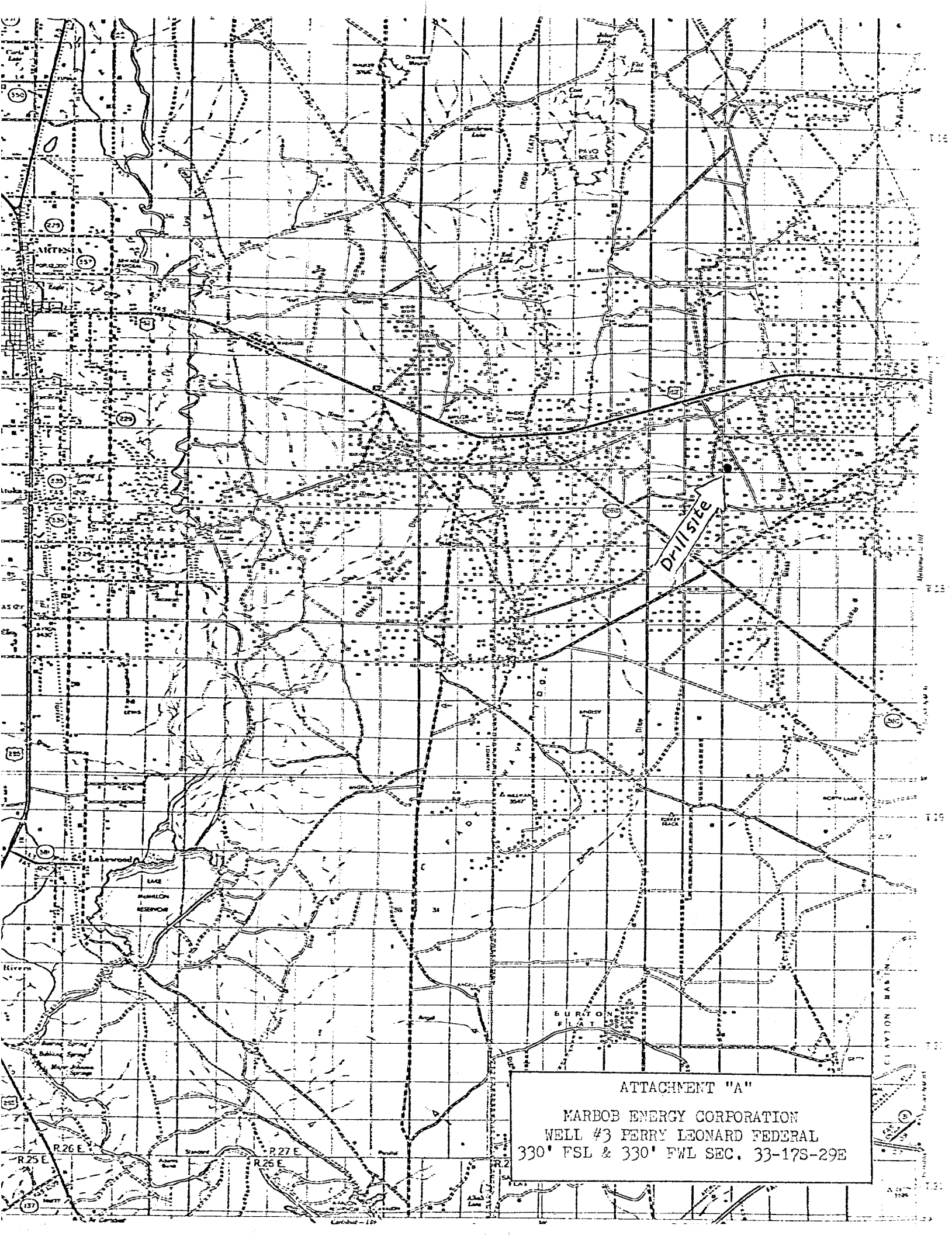
John R. Gray
P. O. Box 304
Artesia, N. M. 88210
Office - 746-2422
Home - 746-6197

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 Corporation and its sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

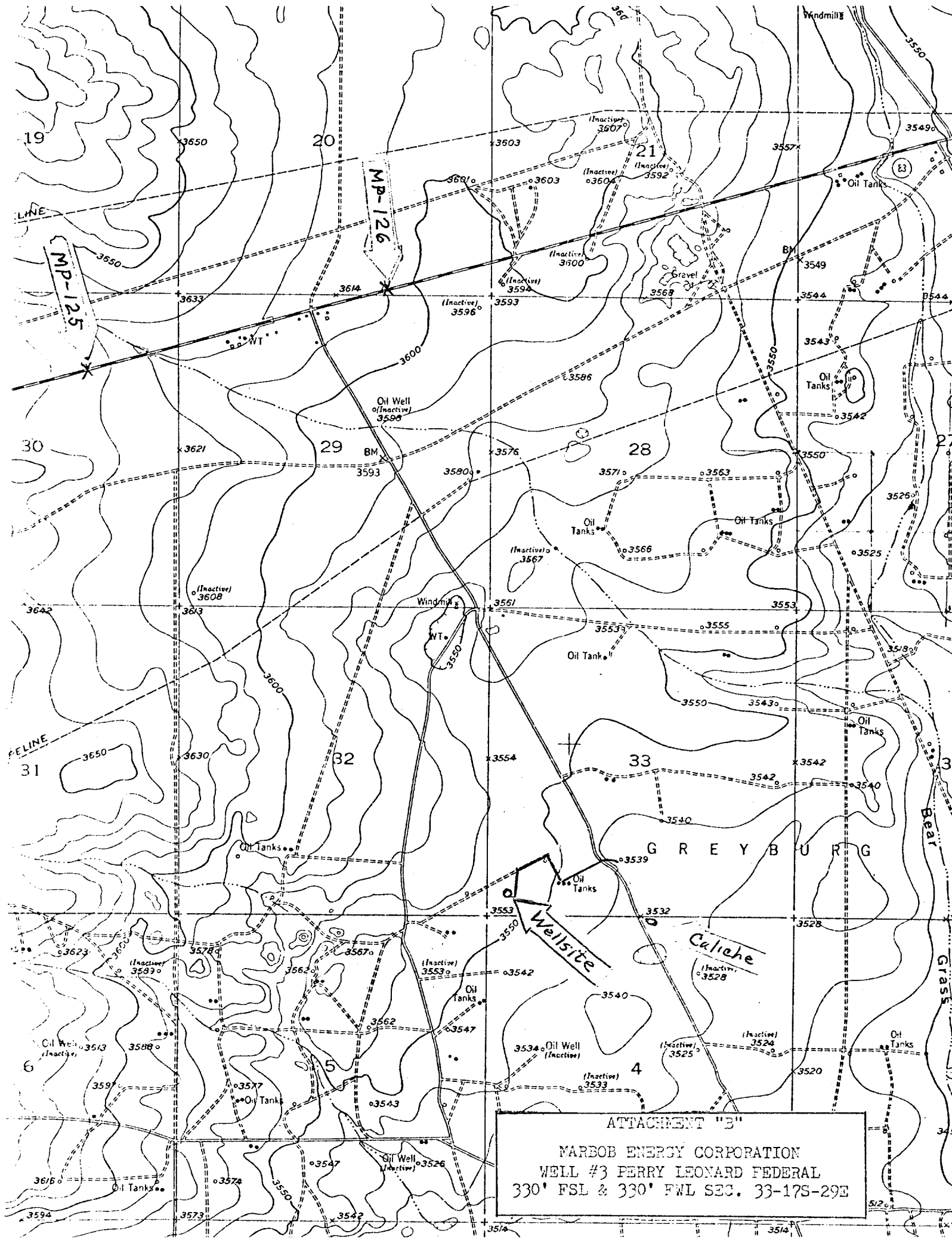
12-26-79
Date


James A. Knauf
Agent
Marbob Energy Corporation



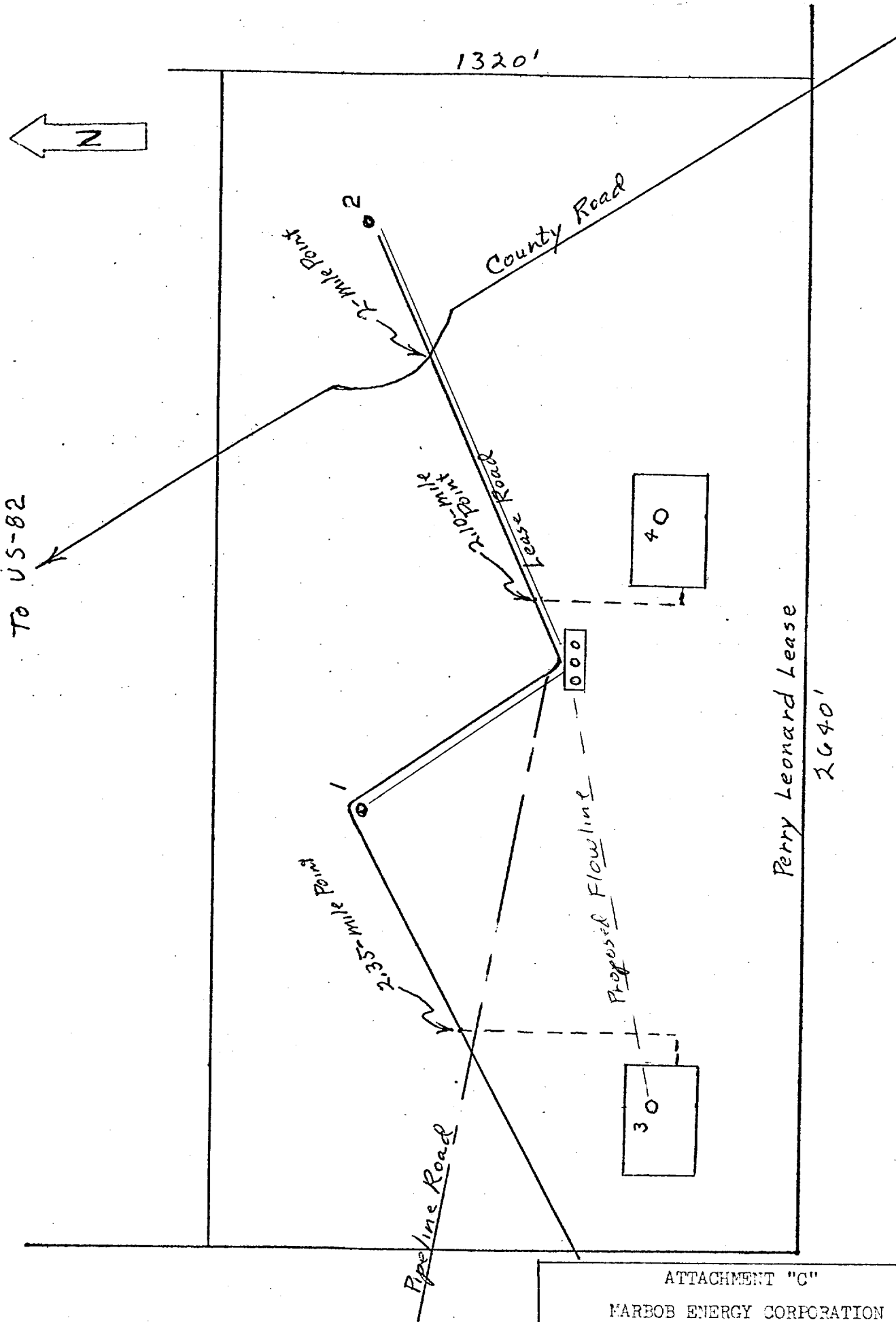
ATTACHMENT "A"

MARBOB ENERGY CORPORATION
WELL #3 PERRY LEONARD FEDERAL
330' FSL & 330' FWL SEC. 33-17S-29E



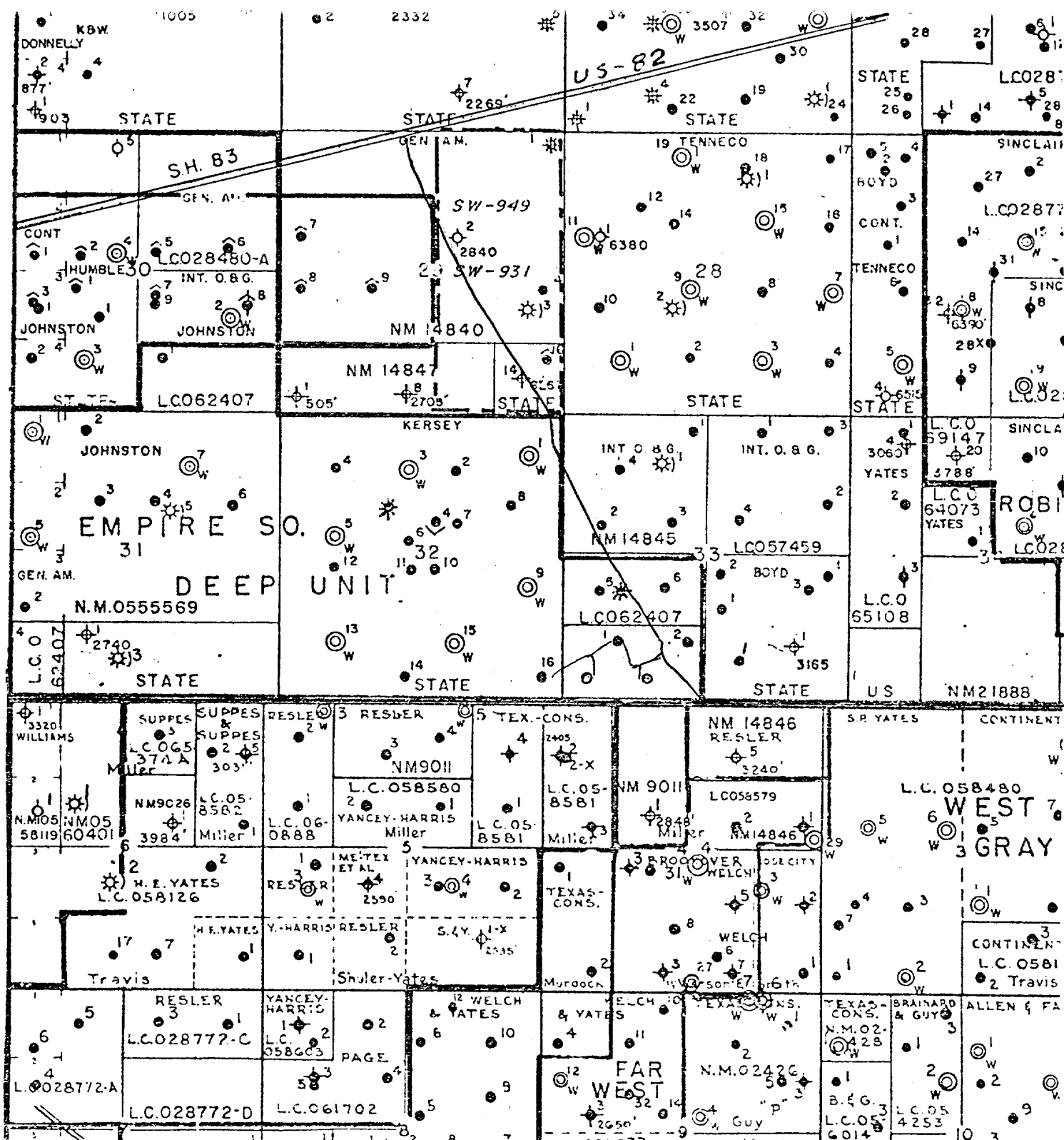
ATTACHMENT "3"

MARBOB ENERGY CORPORATION
WELL #3 PERRY LEONARD FEDERAL
330' FSL & 330' FWL SEC. 33-17S-29E



ATTACHMENT "C"

MARBOB ENERGY CORPORATION
 WELL #3 PERRY LEONARD FEDERAL
 330' FSL & 330' FWL SEC. 33-17S-29E

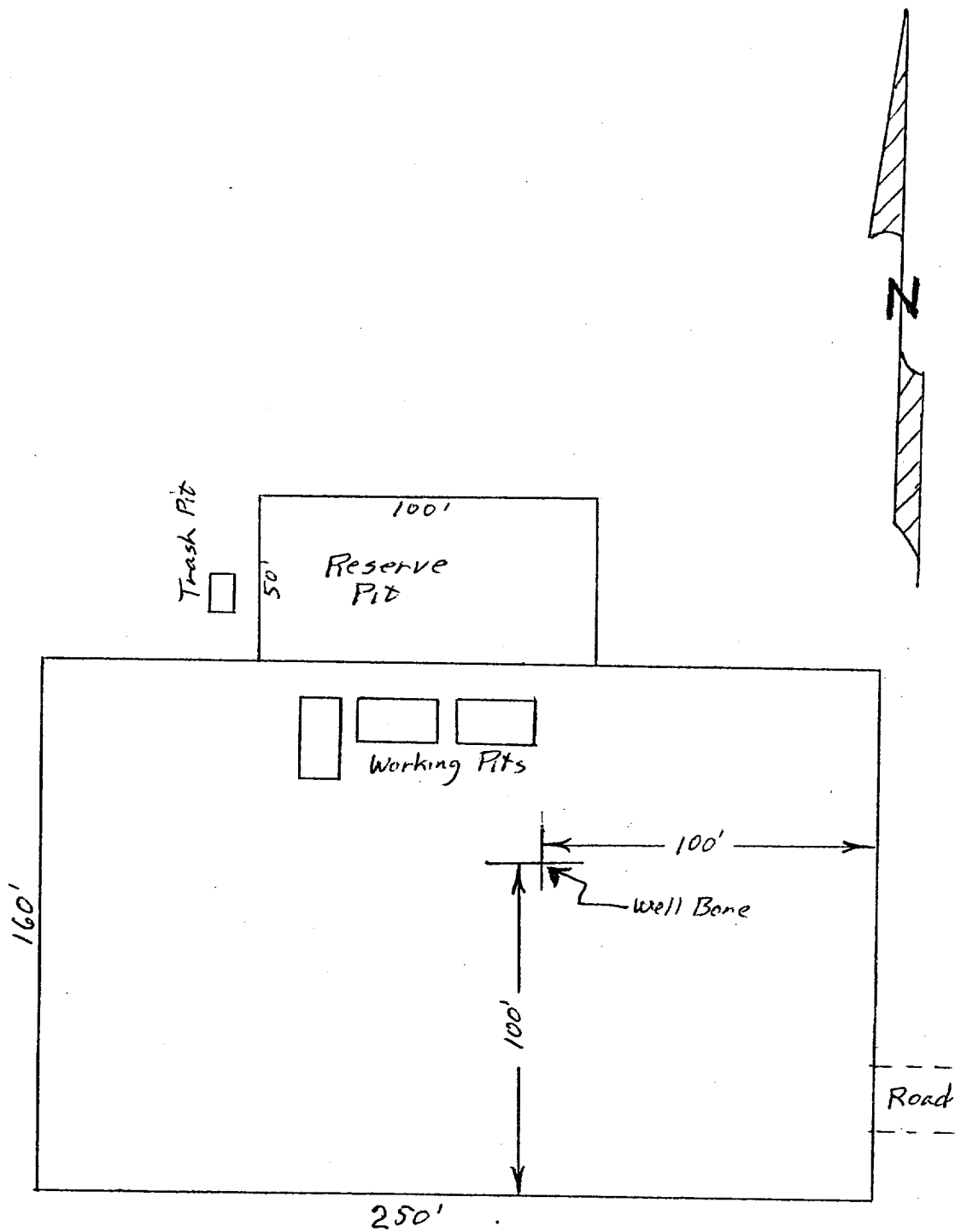


ATTACHMENT "D"

MARBOB ENERGY CORPORATION

WELL #3 FERRY LEONARD FEDERAL

330' FSL & 330' FWL SEC. 33-17S-29E



ATTACHMENT "E"

MARBOB ENERGY CORPORATION

WELL # 3 PERRY LEONARD FEDERAL

330' FSL & 330' FWL SEC. 33-17S-29E