

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993
Lease Designation and Serial No.
LC-028784B

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other
2. Name of Operator
MARBOB ENERGY CORPORATION
3. Address and Telephone No.
P.O. BOX 227, ARTESIA, NM 88210 505-748-3303
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2615 FNL 1980 FEL, SEC. 26-T17S-R29E UNIT G

6. If Indian, Allottee or Tribe Name
7. If Unit or CA, Agreement Designation
BURCH KEELY UNIT
8. Well Name and No.
BURCH KEELY UNIT #307
9. API Well No.
30-015-31246
10. Field and Pool, or Exploratory Area
GRBG JACKSON SR Q GRBG SA
11. County or Parish, State
EDDY CO., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other CHANGE NAME OF WELL

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

WE ARE CHANGING THE NAME OF THE WELL TO: BURCH KEELY UNIT #307
FROM: BURCH KEELY UNIT #873



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

Signed Robin Beckrum

Title PRODUCTION ANALYST

Date 07/03/00

(This space for Federal or State office use)

Approved by /S/LARRY D. BRAY

Title Assistant Field Manager,
Lands And Minerals

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED
100-366-9 A 9:50
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D.C. 20535
COMMUNICATIONS SECTION

Form 3100-3
Bureau of Land Management
received
MAY 19 2000
Bureau of Land Management
APPLICATION FOR PERMIT TO DRILL OR DEEPEN

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.
LC-028784B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

BURCH KEELY UNIT

8. FARM OR LEASE NAME, WELL NO.

BURCH KEELY UNIT #873

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

GRBG JACKSON SR Q GRBG SA

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

SEC. 26-T17S-R29E

12. COUNTY OR PARISH

EDDY

13. STATE

NM

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

2. NAME OF OPERATOR

MARBOB ENERGY CORPORATION

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 227, ARTESIA, NM 88210 505-748-3303

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 2615 FNL 1980 FEL

At proposed prod. zone

SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

EAST OF ARTESIA ON US 82 APPX 21.7 MILES

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT
(Also to nearest orig. unit line, if any)

1980'

16. NO. OF ACRES IN LEASE

480

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

4800'

20. ROTARY OR CABLE TOOLS

ROTARY

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

3577' GR

22. APPROX. DATE WORK WILL START*

06/08/00

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55, 8 5/8"	24#	350'	300 SX
7 7/8"	J-55, 5 1/2"	17#	4800'	SUFFICIENT TO COVER 200' ABOVE ALL KNOWN O&G HORIZONS

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

ATTACHED ARE: 1. WELL LOCATION AND ACREAGE DEDICATION PLAT
2. SURFACE USE PLAN
3. SUPPLEMENTAL DRILLING DATA

MASTER SURFACE USE PLAN ON FILE AT BLM ROSWELL

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, 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

Robin Cockrum

TITLE PRODUCTION ANALYST

DATE 05/05/00

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

LARRY D. BRAY

TITLE

Assistant Field Manager,
Lands And Minerals

DATE

JUL 10 2000

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

RECEIVED
2000 MAY -8 A 10:40
BOARD OF LAND RIGHT
ROSWELL OFFICE

DISTRICT I

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

DISTRICT II

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

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	28509	GRBG JACKSON SR Q GRBG SA
Property Code	Property Name	Well Number
6497	BURCH KEELY UNIT	873
OGRID No.	Operator Name	Elevation
14049	MARBOB ENERGY CORPORATION	3577

Surface Location

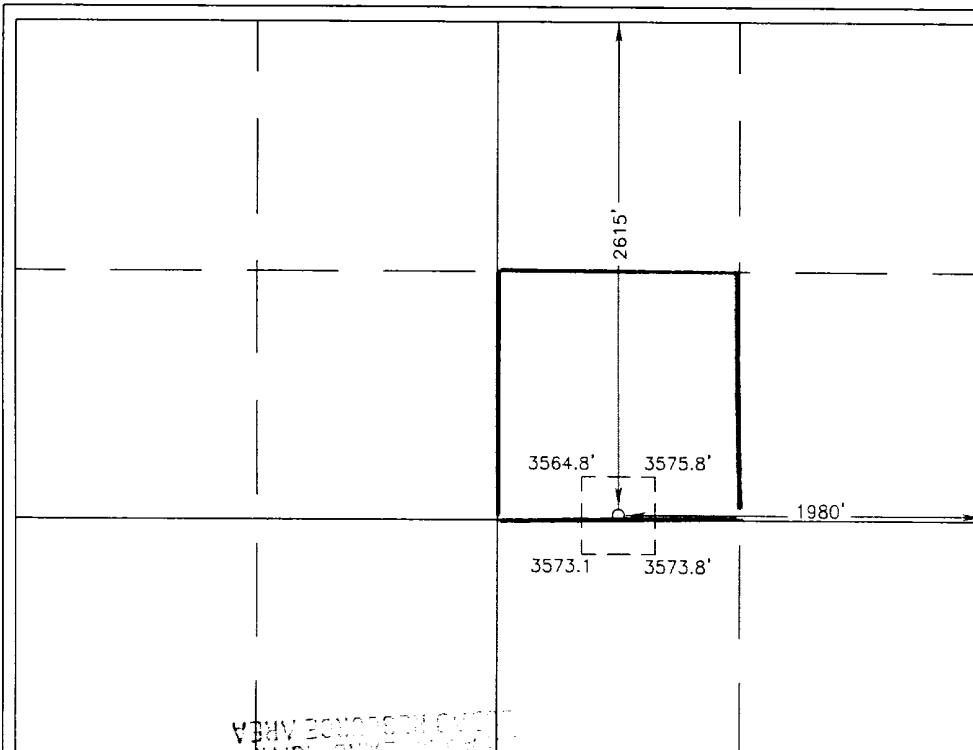
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	26	17 S	29 E		2615	NORTH	1980	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Robin Cockrum</u> Signature</p> <p><u>ROBIN COCKRUM</u> Printed Name</p> <p><u>PRODUCTION ANALYST</u> Title</p> <p><u>5/5/00</u> Date</p> <p>SURVEYOR CERTIFICATION</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 belief.</p> <p><u>APRIL 11, 2000</u> Date Surveyed</p> <p>DC</p>
---	---

DRILLING PROGRAM

**Burch Keely Unit No. 873
2615' FNL and 1980' FEL
Section 26-17S-29E
Eddy County, New Mexico**

10. Anticipated Starting Date and Duration of Operations

Spud Date: Approximately June 8, 2000

Duration of Operations: Once commenced, the drilling operations should be completed in approximately 21 days. If the well is productive, an additional 30 to 60 days will be required for completion and testing of the well.

SURFACE USE AND OPERATING PLAN

**Burch Keely Unit No. 873
2615' FNL and 1980' FEL
Section 26-17S-29E
Eddy County, New Mexico**

1.(c) Directions to Locations: Proceed east on U.S. 82 from Artesia for approximately 21.7 miles. Turn north on lease road and proceed 1 mile south. Location is on the west side of the lease road.

4.(a) If productive, this well will use Satellite "E".

7.(b) Drilling fluids will be contained in lined working pits. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 125' X 100' X 6' deep. The reserve pit will be plastic-lined to minimize loss of drilling fluids and saturation of the ground with brine water.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

JUN 21 1999

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

MARBOB ENERGY CORPORATION

3. Address and Telephone No.

P.O. BOX 227, ARTESIA, NM 88210 505-748-3303

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

T17S-R29E
T17S-R30E
T17S-R31E

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

EDDY CO., NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other TEST BOPS

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

DUE TO THE LOW BOTTOM HOLE PRESSURE OF FORMATIONS ABOVE 6000', WE ARE REQUESTING BLANKET APPROVAL FOR WELLS IN THE ABOVE LOCATIONS TO TEST BOPS ON SURFACE CASING TO 1000#

THIS SUNDRY IS APPROVED FOR MARBOB TO HAVE A BLANKET APPROVAL FOR TESTING BOPS.

HOWEVER, THE OPERATOR WILL STATE ON EACH APD THIS APPLIES TO IN ORDER TO

REMIND AND/OR BRING NOTICE TO THE BLM OFFICE AND ENGINEER REVIEWING THE APD

THAT THE WELL'S BOPE TESTING IS COVERED BY A BLANKET APPROVAL FOR THESE LOCATIONS

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

Signed Robin Cochrane

Title PRODUCTION ANALYST

Date 05/25/99

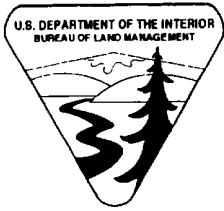
(This space for Federal or State office use)

Approved by Shay
Conditions of approval, if any:

Title PETROLEUM ENGINEER

Date JUN 16 1999

SEP 09 1999



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second St.
Roswell, New Mexico 88201
www.nm.blm.gov



IN REPLY REFER TO:
NMNM-88525X
3180 (06200)

Marbob Energy Corporation
Attention: Johnny Gray
P. O. Box 227
Artesia, NM 88210

SEP 07 1999

Gentlemen:

With regard to our telephone conversation of September 2, 1999, a review of our records has found discrepancies in the casing requirements section of the conditions of approval for your APD's. As per our meeting on July 7, 1999, our office had agreed with your recommended casing procedures for shallow wells of 6000 ft. or less in T. 17 S., Rgs. 29, 30 and 31 E., NMPM. In order to correct the discrepancies, this letter states the language to be used for the conditions of approval casing requirements for all your existing APD's

Conditions of Approval-Drilling amended as follows:

II. Casing requirements in T. 17 S., Rgs. 29, 30 and 31 E. for shallow wells less than 6,000 ft.

1. 8-5/8 inch surface casing should be set at approximately ____ ft. in the Rustler Anhydrite or in the case the salt occurs at a shallower depth above the top of the salt. The surface casing shoe shall be set in the anhydrite to ensure adequate sealing. The operator is required to use an excess of 100% cement volume to fill annulus. If cement does not circulate to surface the operator may then use ready mix cement to fill the remaining annulus.
2. The minimum required fill of cement behind the 5½ inch production casing is to place the top of the cement 200 ft. above the top of the uppermost hydrocarbon bearing interval or to the base of the salt.

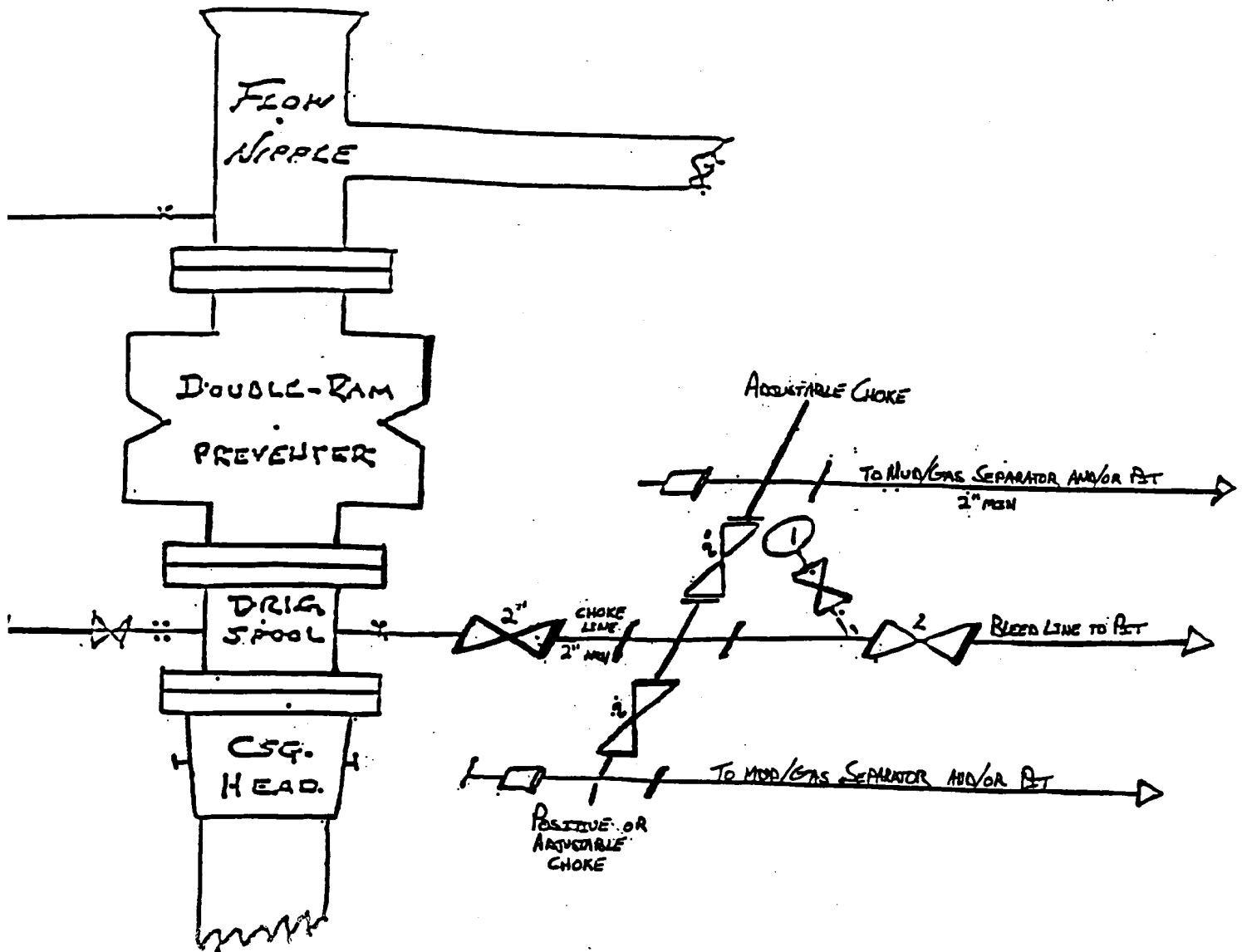
These requirements supercede those issued in your existing, approved APD's for the shallow wells located in T. 17 S., Rgs. 29, 30 and 31 E., NMPM. If you have any question regarding this matter please call John S. Simitz at (505) 627-0288 or Armando A. Lopez at (505) 627-0248.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry D. Bray". The signature is written in a cursive, flowing style.

Larry D. Bray
Acting Assistant Field Office Manager,
Lands and Minerals

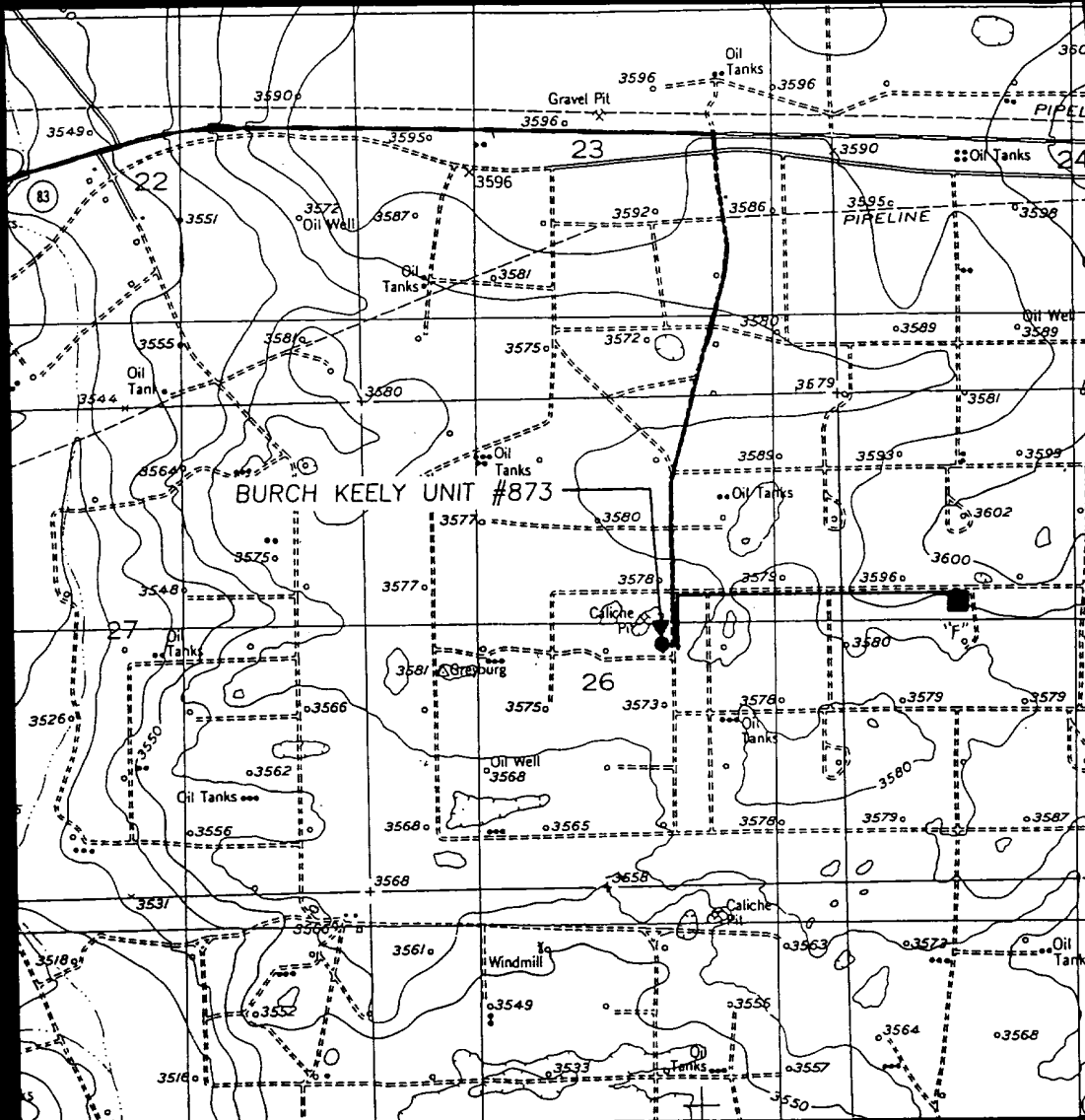
BLC 7 OUT PREVENTER AND CHOKE MANIFOLD



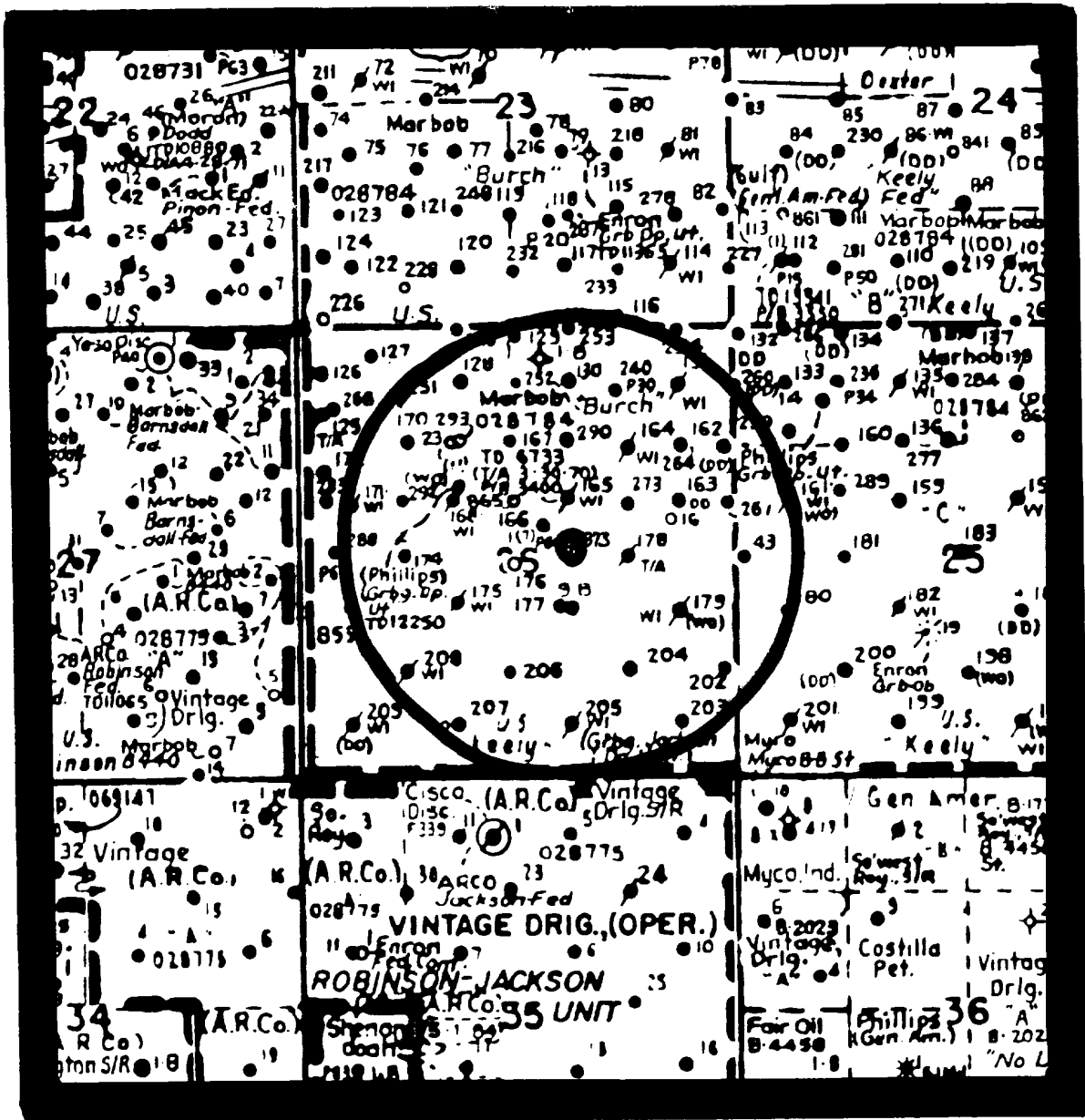
10"/900 Cameron SS Space Saver
3000# Working Pressure
3000# Working Pressure Choke Manifold

Attachment to Exhibit #1
NOTES REGARDING THE BLOWOUT PREVENTERS

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 3000 psi W.P. minimum.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi W.P. minimum.
6. All choke and fill lines to be securely anchored, especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on kelly.
9. Extension wrenches and hand wheels to be properly installed.
10. Blow out preventer control to be located as close to driller's position as feasible.
11. Blow out preventer closing equipment to include minimum 40 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.

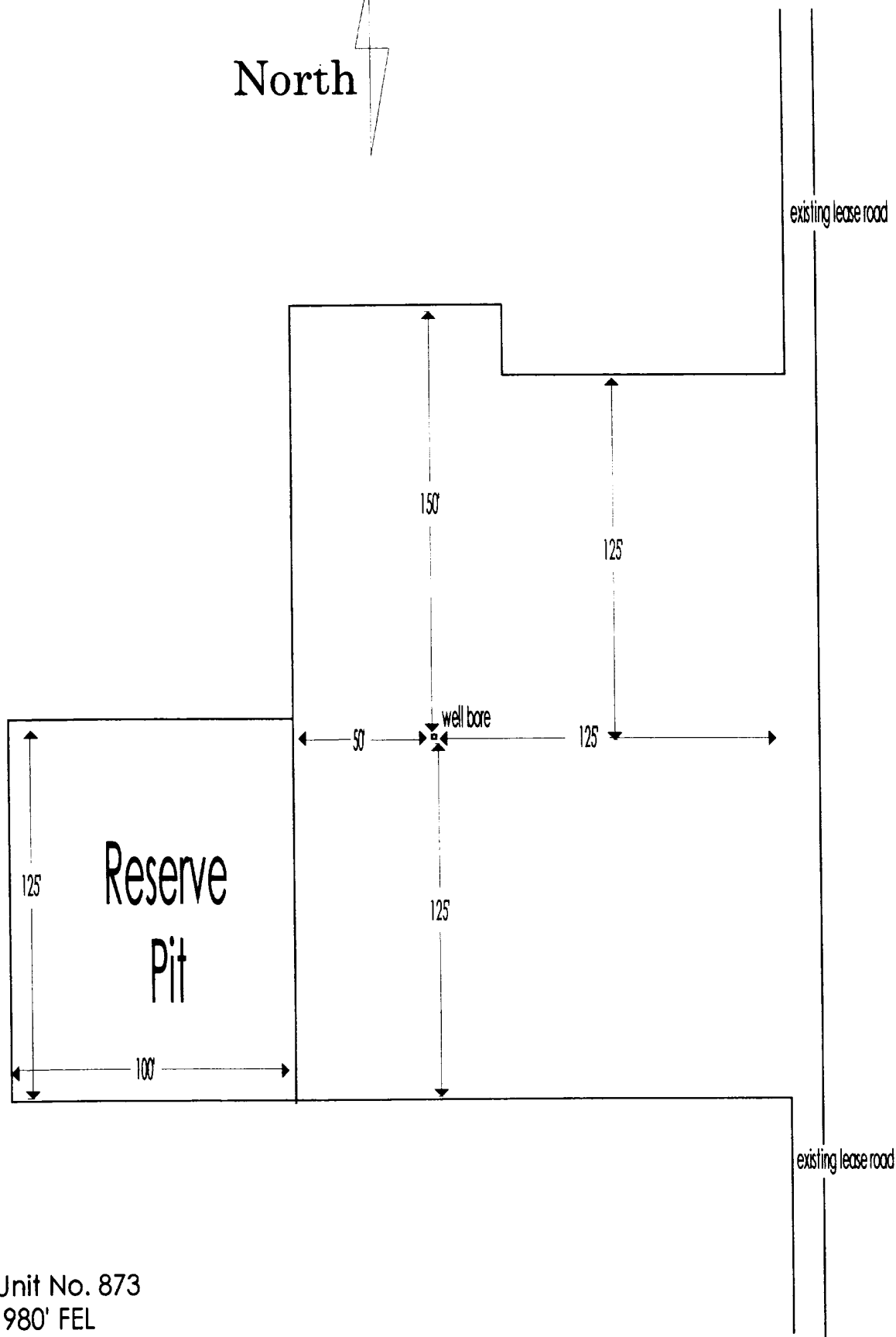
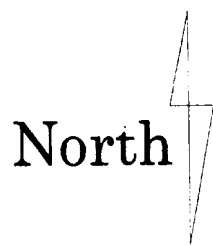


Burch Keely Unit No. 873
 2615' FNL & 1980' FEL
 Section 26; T17S - R29E
 Eddy County, New Mexico



Burch Keely Unit No. 873
 2615' FNL & 1980' FEL
 Section 26; T17S - R29E
 Eddy County, New Mexico

EXHIBIT THREE



Burch Keely Unit No. 873
2615' FNL & 1980' FEL
Section 26; T17S - R29E
Eddy County, New Mexico

Exhibit Four