

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

MARBOB ENERGY CORPORATION

14049

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 FSL 660 FEL

At proposed prod. zone

SAME

Unit I

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

EAST OF ARTESIA ON US 82 APPX 20.7 MILES

15. DISTANCE FROM PROPOSED*

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

660'

16. NO. OF ACRES IN LEASE

1120

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.)

3587' GR

22. APPROX. DATE WORK WILL START*

11/11/00

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

NOVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

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 Cochran

TITLE PRODUCTION ANALYST

DATE 10/04/00

(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

SILVIA D. BRAY

TITLE

Assistant Field Manager,
Lands And Minerals

DATE

NOV 06 2000

*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

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.

100-100000

100-100000

100

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

DISTRICT II
P.O. Drawer DD, Artemia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 28509	Pool Name GRBG JACKSON SR Q GRBG SA
Property Code 6497	Property Name BURCH KEELY UNIT	Well Number 844
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3587

Surface Location

UL or lot No. 1	Section 23	Township 17 S	Range 29 E	Lot Idn	Feet from the 2615	North/South line SOUTH	Feet from the 660	East/West line EAST	County EDDY
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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 40	Joint or Infill	Consolidation Code	Order No.						

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

					OPERATOR CERTIFICATION				
					<p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Robin Cockrum</u> Signature ROBIN COCKRUM Printed Name PRODUCTION ANALYST Title 10/4/00 Date</p>				
					SURVEYOR CERTIFICATION				
					<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>SEPTEMBER 30, 2000</p> <p>Date Surveyed JLP Signature & Seal of Professional Surveyor <u>Ronald J. Eidson 10/03/2000</u> W.O. Num. 00-11-1198</p> <p>Certificate No. RONALD J. EIDSON, 3239 GARY G. EIDSON, 12841</p>				
					Diagram				
					<p>3592.0' 3591.2' 660' 3584.9' 3585.3' 2615'</p>				

SURFACE USE AND OPERATING PLAN

Burch Keely Unit No. 844
2615' FSL and 660' FEL
Section 23-17S-29E
Eddy County, New Mexico

- 1.(c) Directions to Locations: Proceed east on U.S. 82 from Artesia for approximately 20.7 miles. Turn south on Three Trees road. Then, turn east and proceed .1 miles. The road runs through the proposed well location.
- 4.(a) If productive, this well will use Satellite "A".

DRILLING PROGRAM

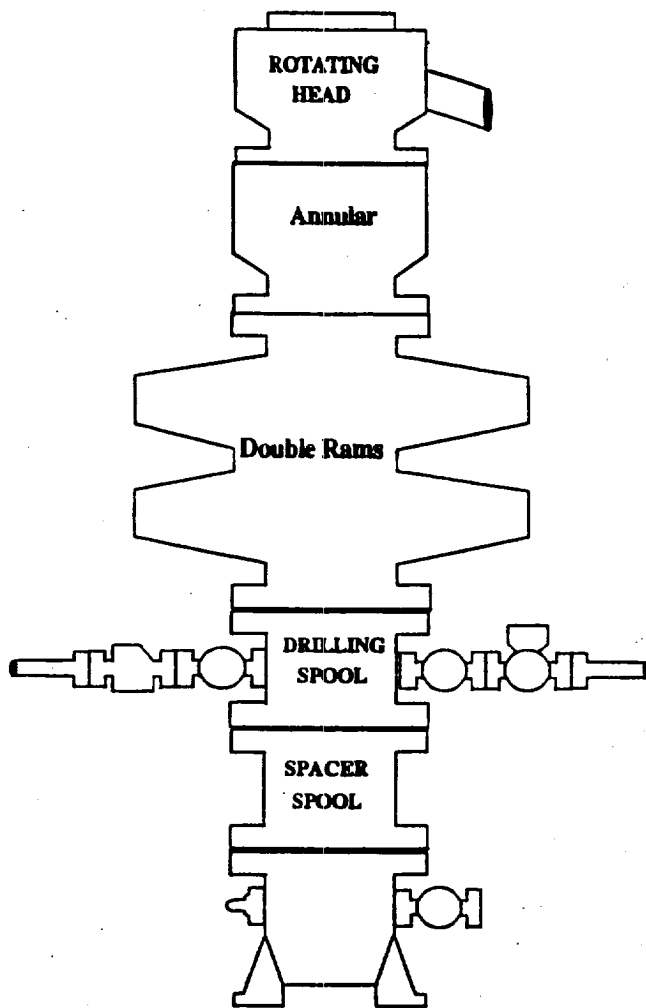
Burch Keely Unit No. 844
2615' FSL and 660' FEL
Section 23-17S-29E
Eddy County, New Mexico

10. Anticipated Starting Date and Duration of Operations

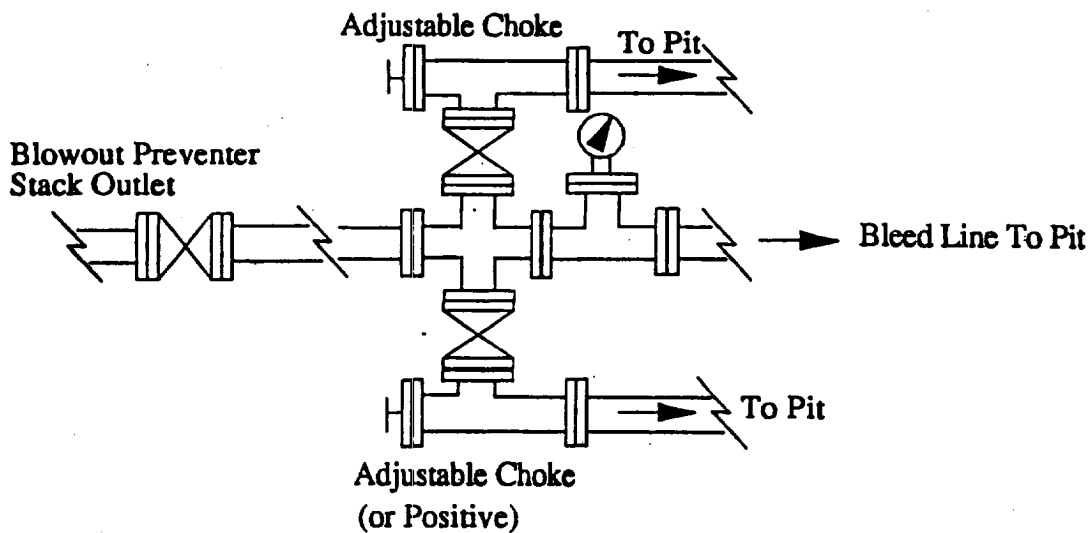
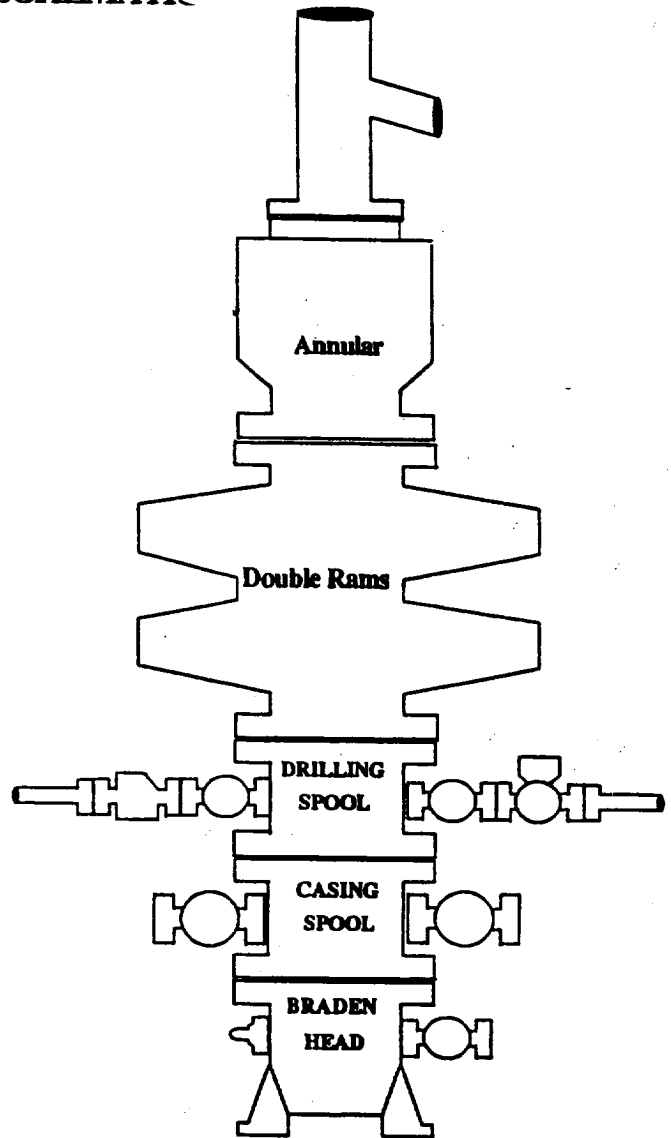
Spud Date: Approximately November 11, 2000

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.

BOPE SCHEMA

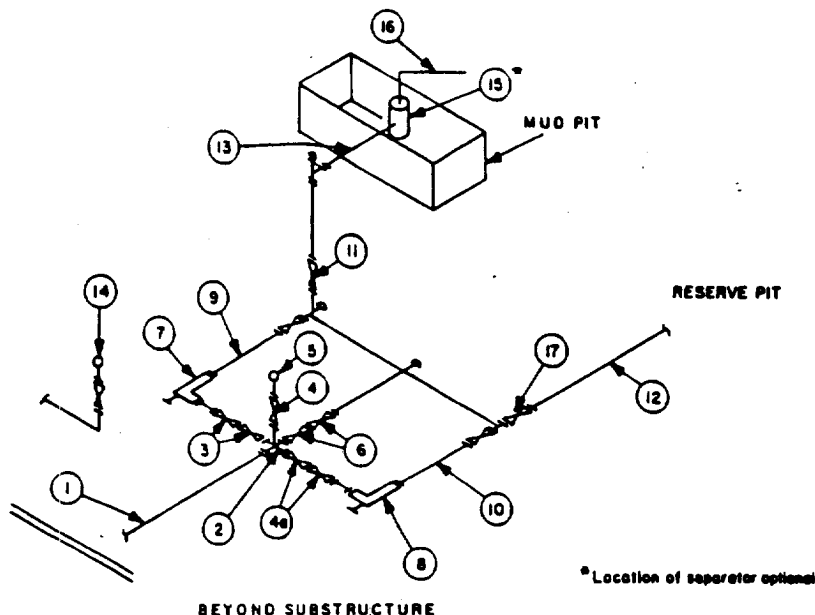


Choke Manifold



MINIMUM CHOKE MANIFOLD
3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP



MINIMUM REQUIREMENTS										
No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			
	Cross 3"x3"x3"x3"									10,000
3	Valves(1) Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"		10,000
4a	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	3-1/8"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke(3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
11	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
12	Lines		3"	1,000		3"	1,000		3"	2,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2'x5'			2'x5'			2'x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

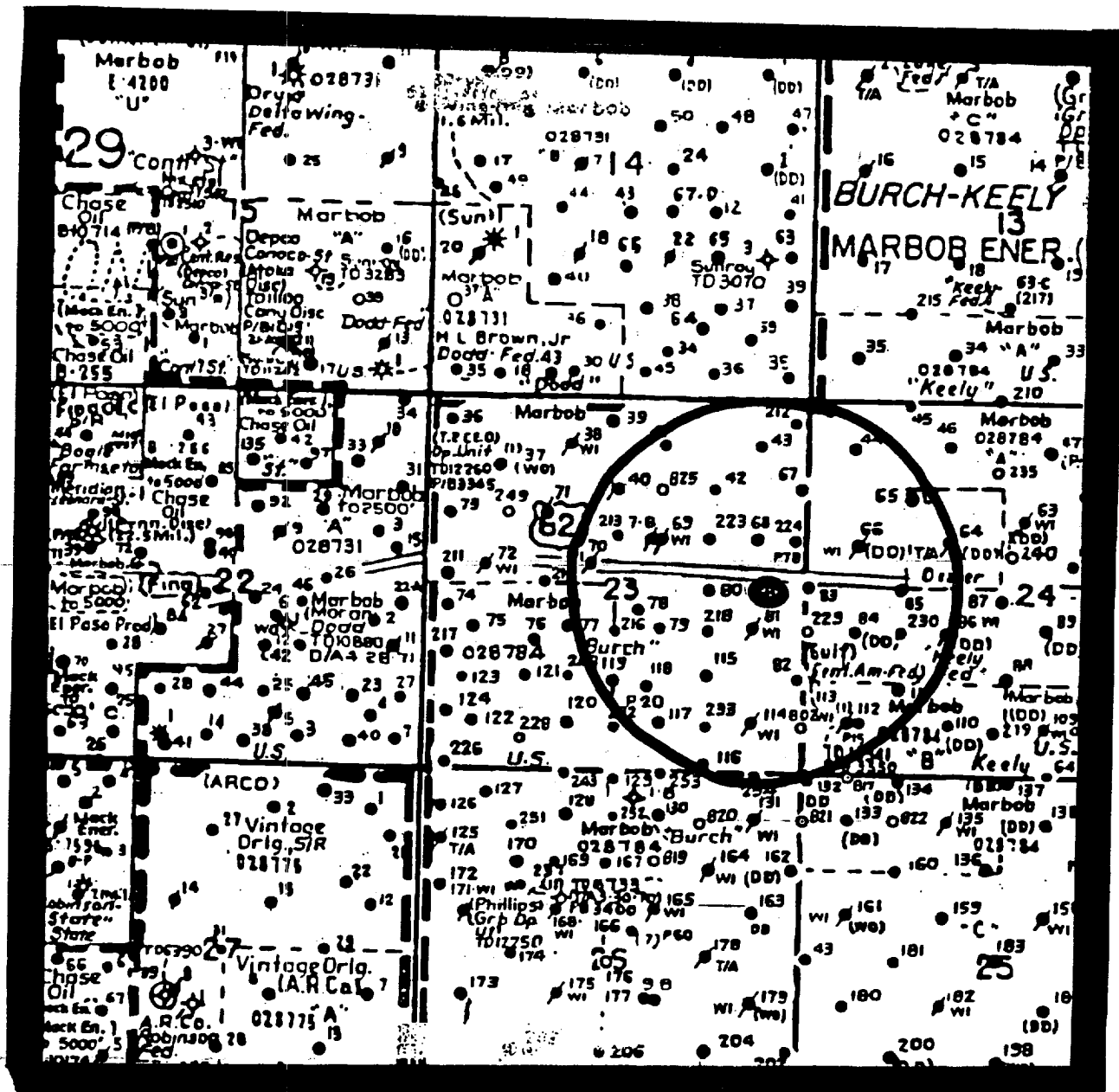
(1) Only one required in Class 3M.

(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

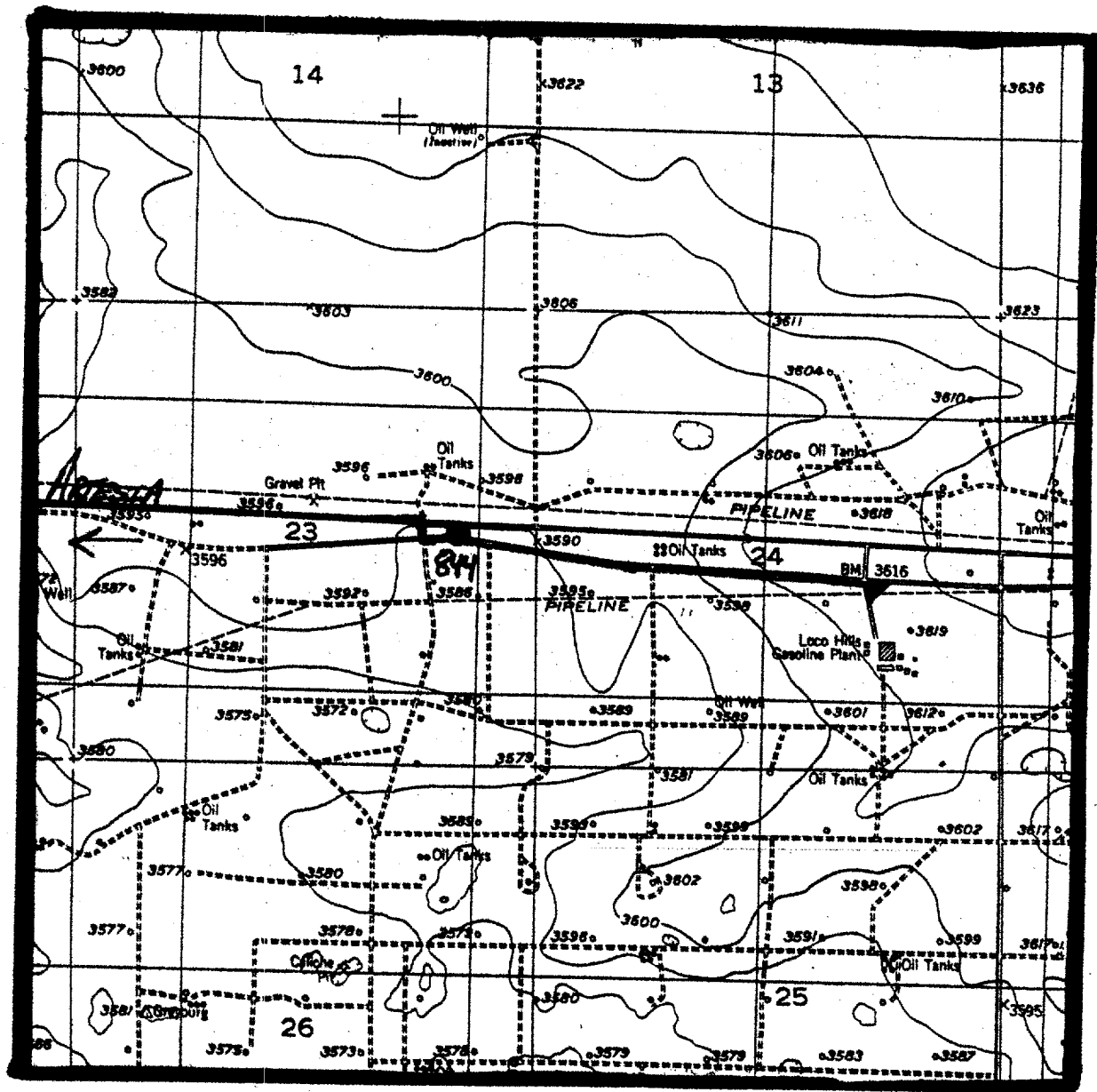
EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.



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 2615' FSL & 660' FEL
 Section 23; T17S - R29E
 Eddy County, New Mexico





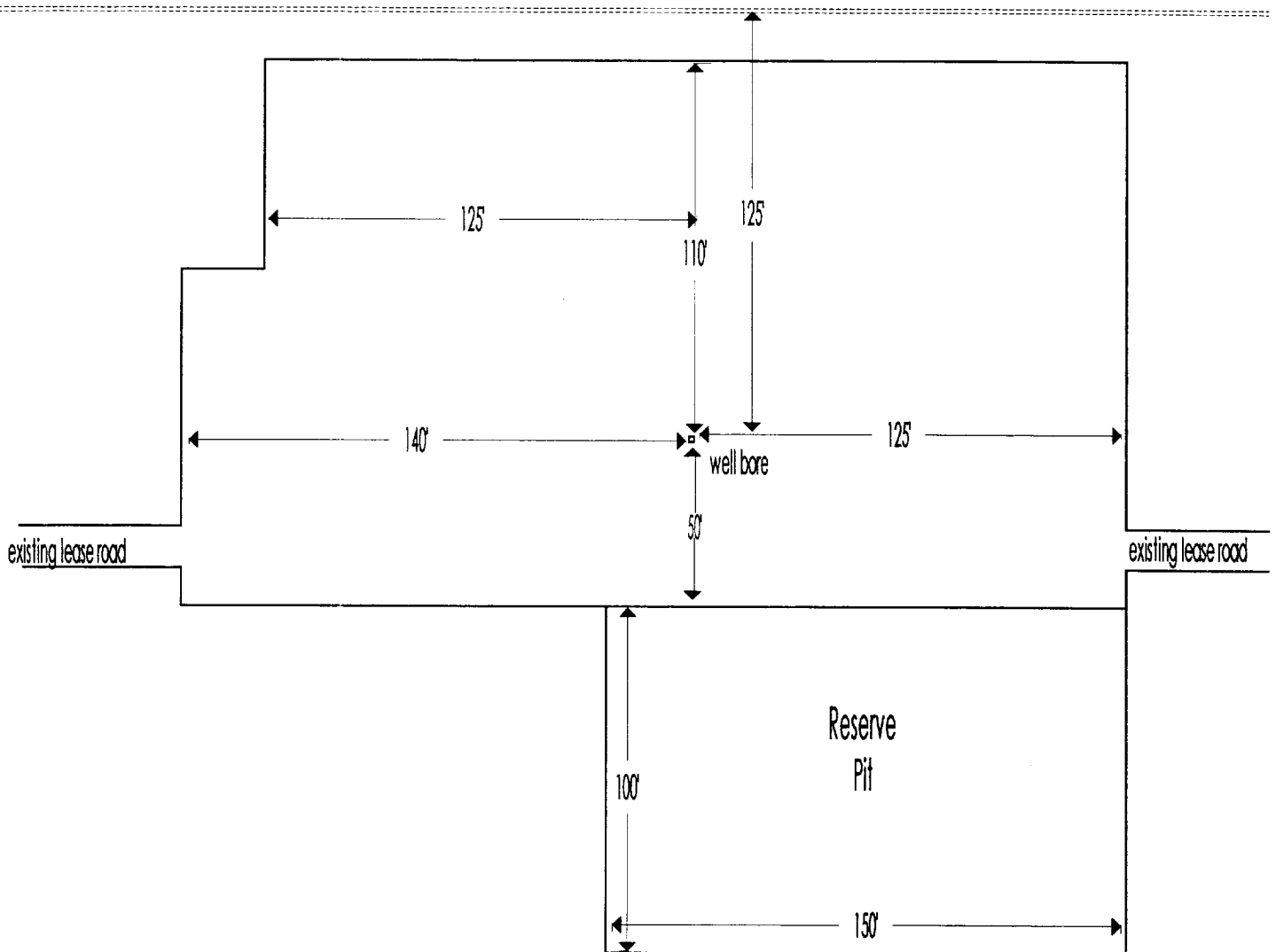
Burch Keely Unit No. 844
 2615' FSL & 660' FEL
 Section 23; T17S - R29E
 Eddy County, New Mexico

EXHIBIT THREE

North



fence



Burch Keely Unit No. 844
2615' FSL & 660' FEL
Section 23; T17S - R29E
Eddy County, New Mexico

Exhibit Four

