

**N.M. Oil Cons. DIV-E. 2**  
**1301 W. Grand Avenue**  
**Artesia, NM 88210**  
**UNITED STATES**  
**DEPARTMENT OF THE INTERIOR**  
**BUREAU OF LAND MANAGEMENT**

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

**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**

3. ADDRESS AND TELEPHONE NO.

**PO BOX 227, ARTESIA, NM 88210 505-748-3303**

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

At surface **1290 FNL 614 FWL, UNIT D**

At proposed prod. zone

**SAME**

**SUBJECT TO LIKE APPROVAL BY STATE**

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

**SEE SURFACE USE PLAN**

15. DISTANCE FROM PROPOSED\*

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

**614'**

16. NO. OF ACRES IN LEASE

**640**

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.)

**3615' GR**

22. APPROX. DATE WORK WILL START\*

**11/03/01**

23. PROPOSED CASING AND CEMENTING PROGRAM

**Roswell Controlled Water Basin**

SIZE OF HOLE

GRADE, SIZE OF CASING

WEIGHT PER FOOT

SETTING DEPTH

QUANTITY OF CEMENT

**12 1/4"**

**8 5/8" J55**

**24#**

**350'**

**CIRCULATE 300 SX**

**7 7/8"**

**5 1/2" J55**

**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. SUPPLEMENTAL DRILLING DATA
3. SURFACE USE PLAN

MASTER SURFACE USE PLAN ON FILE AT BLM OFFICE IN ROSWELL.

**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED**

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

TITLE

**PRODUCTION ANALYST**

DATE **10/08/01**

(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

**/s/ LESLIE A. THEISS**

TITLE

**FIELD MANAGER**

DATE

**NOV 19 2001**

**\*See Instructions On Reverse Side**

**APPROVAL 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.

RECEIVED  
2001 OCT 10 AM 9:12  
BUREAU OF LAND MANAGEMENT  
SOUTHERN DISTRICT

## State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

## DISTRICT I

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

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## DISTRICT II

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

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
		28509	GRBG JACKSON SR Q GRBG SA
Property Code	Property Name		Well Number
6497	BURCH KEELY UNIT		885
OGRID No.	Operator Name		Elevation
14049	MARBOB ENERGY CORPORATION		3615'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	19	17-S	30-E		1290	NORTH	614	WEST	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

	NMSPC EZ NAD 1927 Y=663489.35 X=597125.71  GEOGRAPHIC NAD 1927 LAT. 32°49'25.03"N LONG. 104°01'01.78"W		<b>OPERATOR CERTIFICATION</b>  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature DIANA J. CANNON Printed Name PRODUCTION ANALYST Title OCTOBER 8, 2001 Date
			<b>SURVEYOR CERTIFICATION</b>  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.  SEPTEMBER 5, 2001 Date Surveyed
			Signature & Seal of Professional Surveyor  01.11.1013
			Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641

## **SURFACE USE AND OPERATING PLAN**

**Burch Keely Unit No. 885  
1290' FNL and 614' FWL  
Section 19-17S-30E  
Eddy County, New Mexico**

- 1.(c) Directions to Locations: From Loco Hills, proceed west on U.S. 82 for approximately 22 miles. Turn north on lease road and proceed .1 mile. Turn east and proceed .1 mile. Turn north and proceed .1 mile. Turn east and proceed .2 mile. Location is on south side of lease road.**
- 2. No new access road will be necessary.**
- 4.(a) If productive, this well will use Satellite "D".**

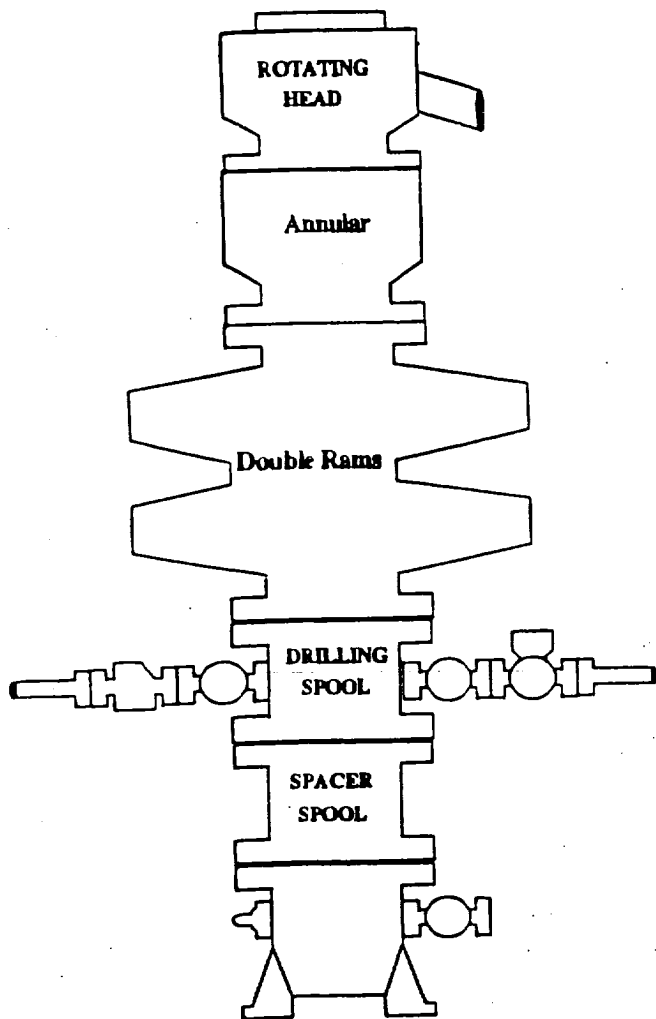
## **DRILLING PROGRAM**

**Burch Keely Unit No. 885  
1290' FNL and 614' FWL  
Section 19-17S-30E  
Eddy County, New Mexico**

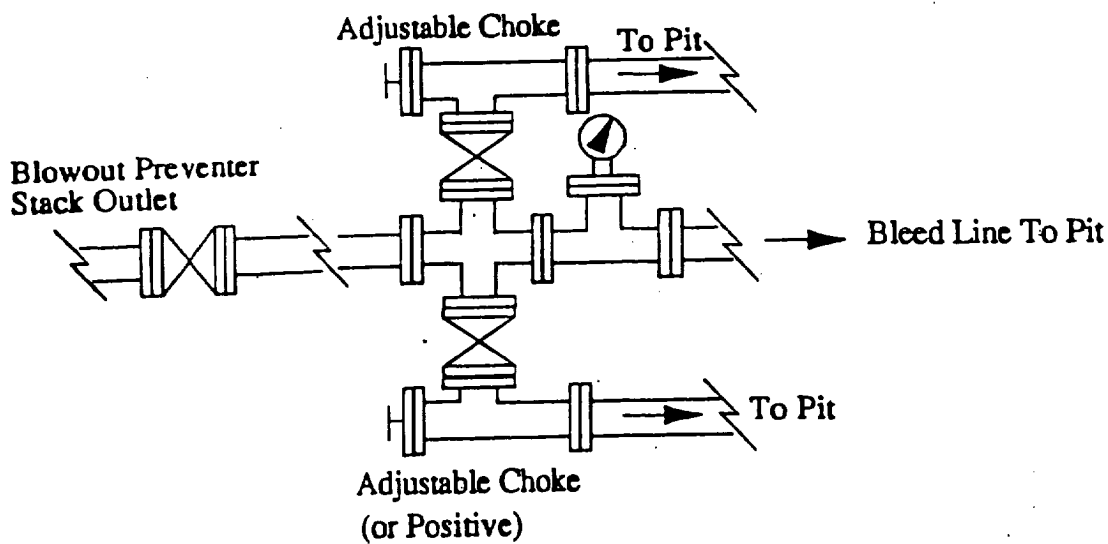
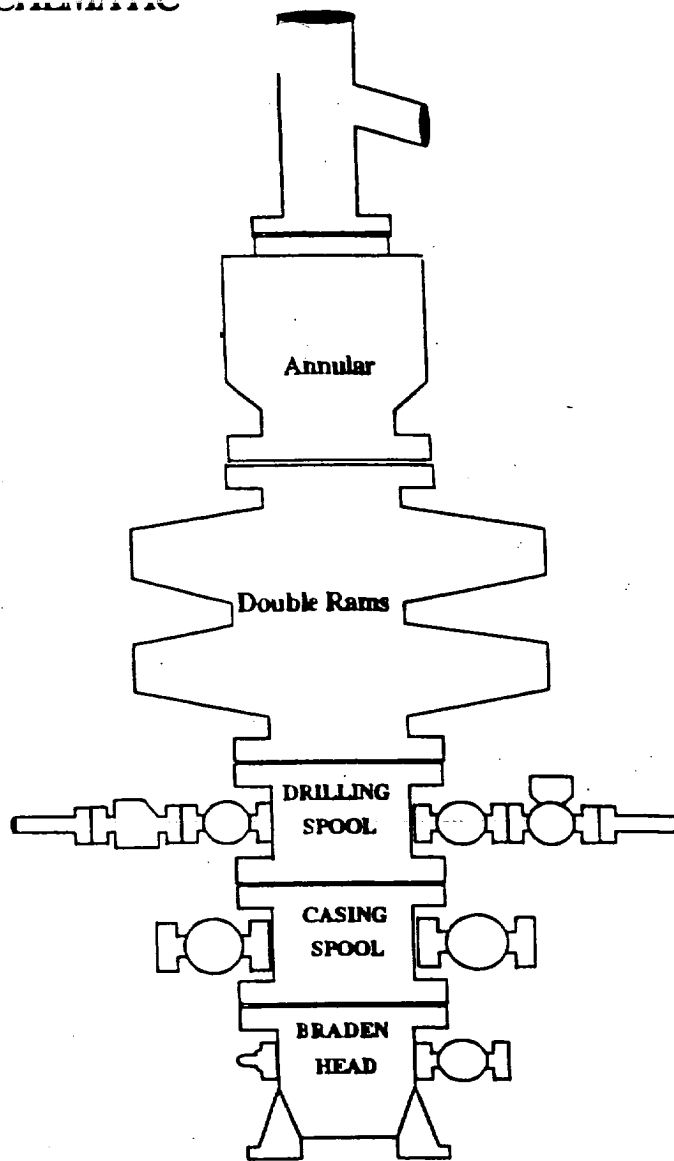
### **10. Anticipated Starting Date and Duration of Operations**

**Spud Date:            Approximately November 3, 2001**

**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.**

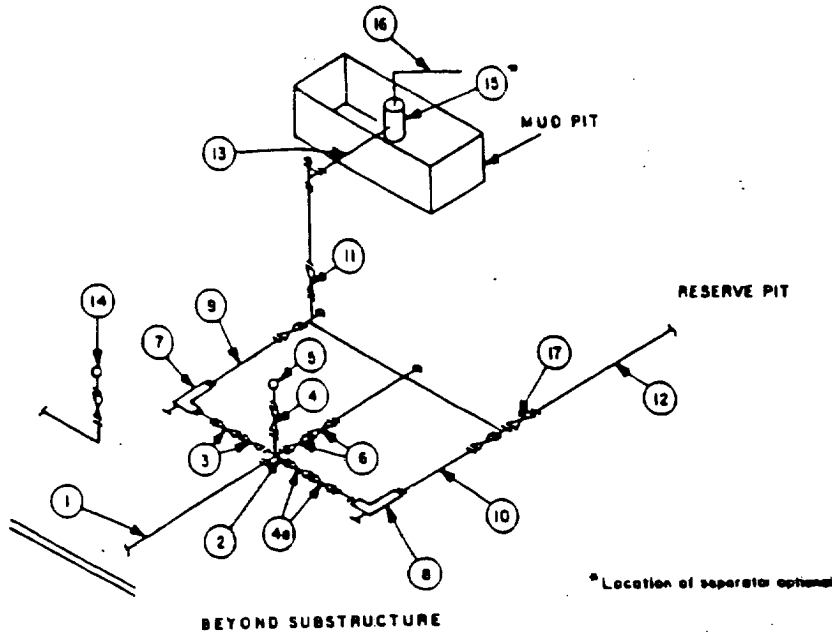


**Choke Manifold**



**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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une 1990)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

JUN 21 1999

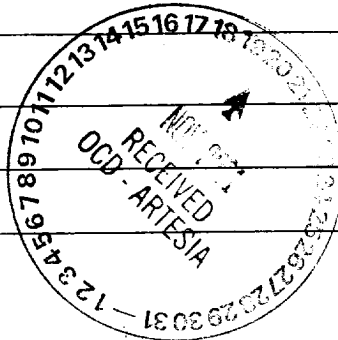
FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

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	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other TEST BOPS
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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 Carrum

Title PRODUCTION ANALYST

Date 05/25/99

(This space for Federal or State office use)

Approved by Gary Sault

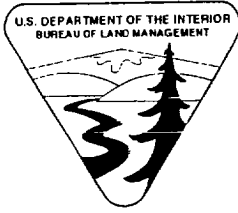
Title PETROLEUM ENGINEER

Date JUN 16 1999

Conditions of approval, if any:



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](http://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 cursive script, reading "Larry D. Bray".

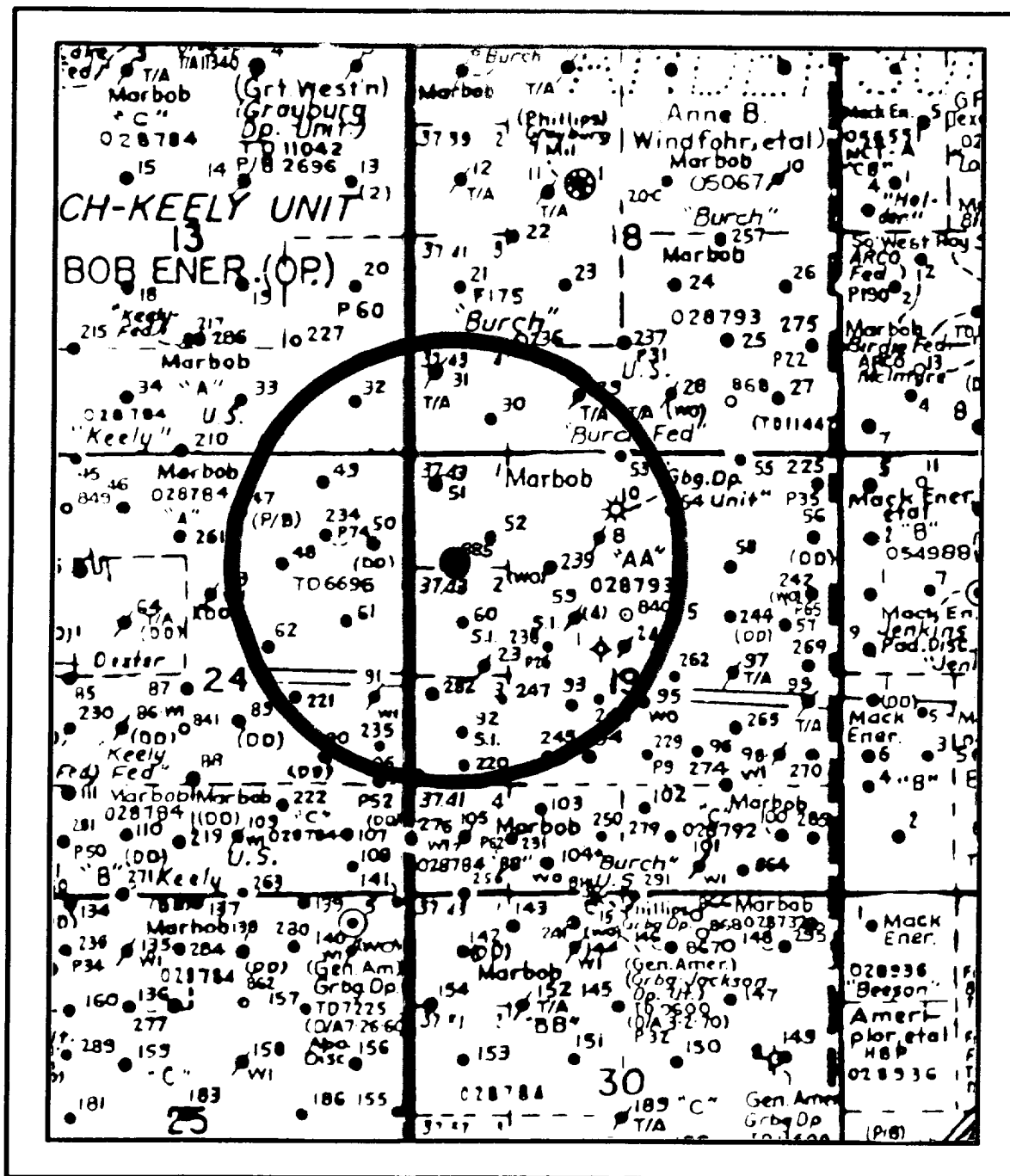
Larry D. Bray  
Acting Assistant Field Office Manager,  
Lands and Minerals



CONTOUR INTERVAL: 10'  
RED LAKE SE, N.M.

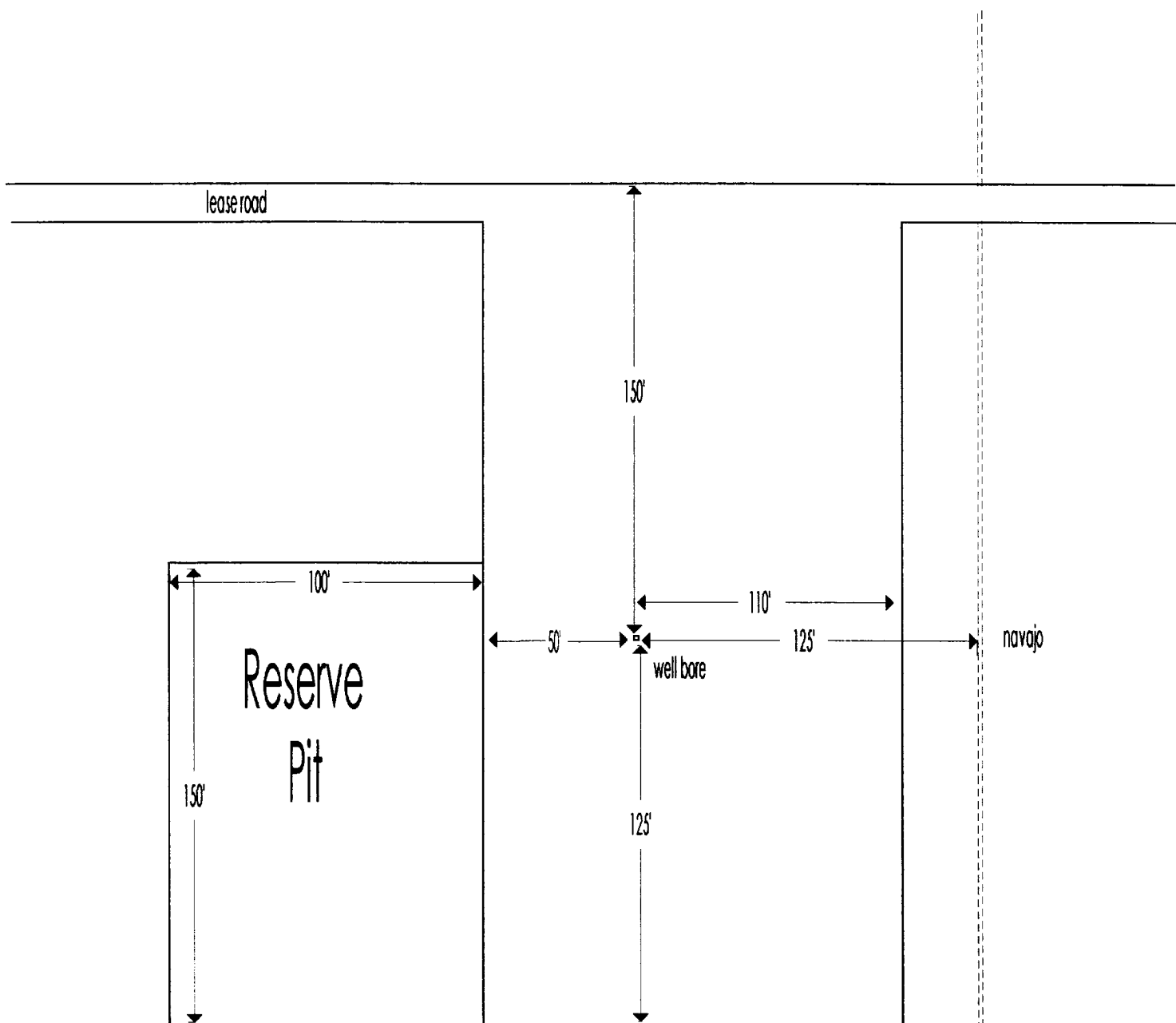
U.S.G.S. TOPOGRAPHIC MAP  
RED LAKE SE, N.M.

## EXHIBIT TWO



Burch Keely Unit No. 885  
 1290' FNL & 614' FWL  
 Section 19; T17S - R30E  
 Eddy County, New Mexico

EXHIBIT THREE



Burch Keely Unit No. 885  
 1290' FNL & 614' FWL  
 Section 19; T17S - R30E  
 Eddy County, New Mexico

Exhibit Four