Form 9-331C
(May 1963)

RECEIVED
JUN 11 1980
O C D
ARTESIA, OFFICE

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-015-23367

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL
OIL WELL [X] 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
990' FNL & 990' FWL of Section 28
At proposed prod. zone
U L D

5. LEASE DESIGNATION AND SERIAL NO.
~~LC 068402~~ NM-27279

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
-

7. UNIT AGREEMENT NAME
-

8. FARM OR LEASE NAME
ELLIOTT-[redacted]

9. WELL NO.
4

10. FIELD AND POOL, OR WILDCAT
North Benson Q-G

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
28-18S-30E

12. COUNTY OR PARISH
Eddy

13. STATE
N. M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
25 air miles east-southeast of Artesia, N. M.

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
1751.53

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.
1320'

19. PROPOSED DEPTH
3500' Grayburg

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3440 GR

22. APPROX. DATE WORK WILL START*
5-15-80

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#	500	Circ.
7 7/8"	4 1/2"	10.5#	TD	225 sacks Circulate

Selectively perforate and treat all pay zones.

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

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MAY - 9 1980
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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. Knaut TITLE Agent DATE 5-8-80
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE June 10, 1980

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

N MEXICO OIL CONSERVATION COMMISS I

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	Lease	Well No.
MARBOB ENERGY CORPORATION	ELLIOTT - [redacted]	4

Unit Letter	Section	Township	Range	County
D	28	18 South	30 East	EDDY

Actual Footage Location of Well:
990 feet from the North line and 990 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3440	Queen, Grayburg	North Benson Queen Grayburg	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

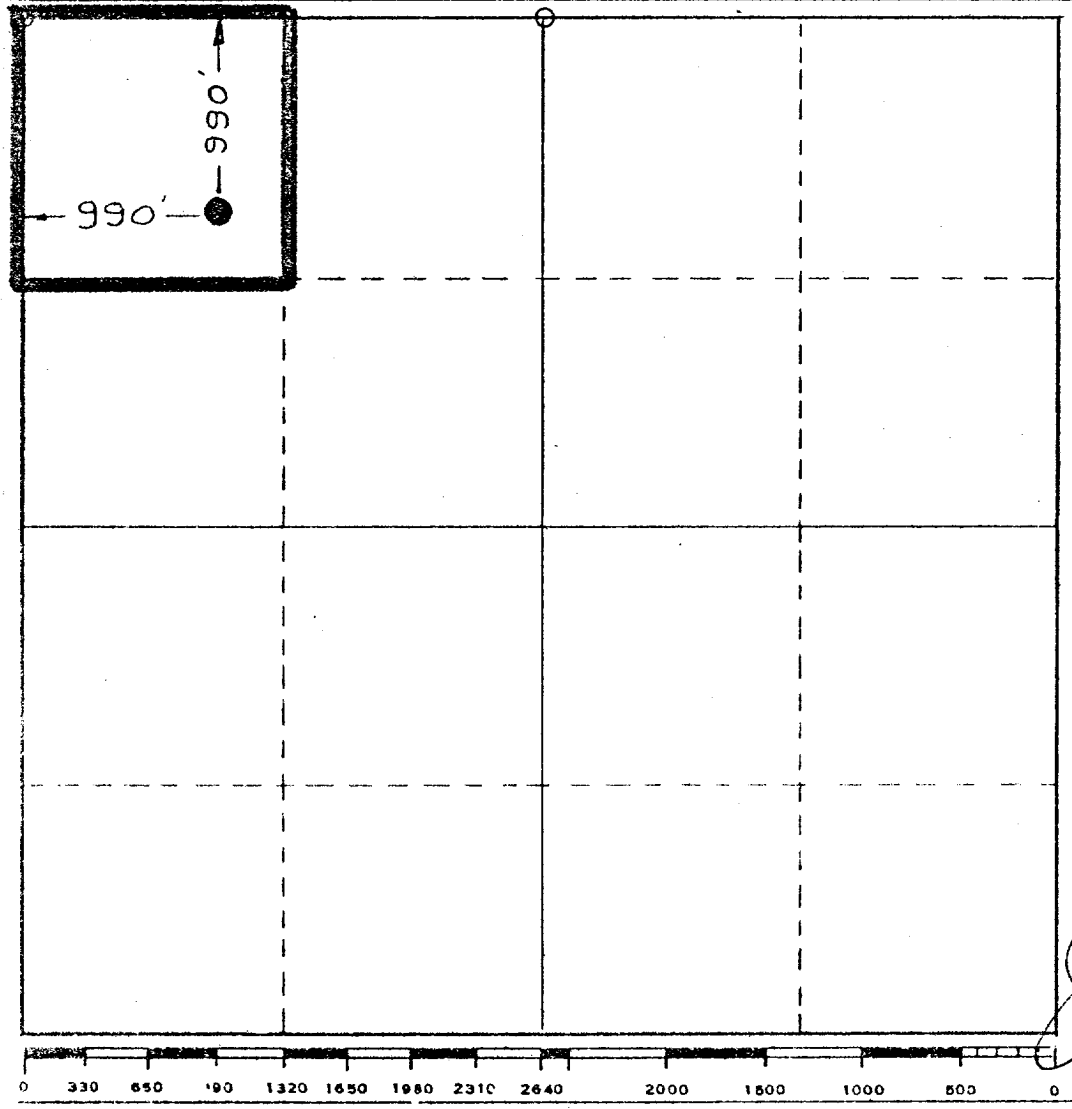
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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

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

Name: Carolyn Orris

Position: Production Clerk

Company: Marbob Energy Corp.

Date: 5/1/80

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 Surveyed: April 24 & 27, 1980

Registered Professional Engineer and/or Land Surveyor

Certificate No. 1559

United States Department of the Interior

GEOLOGICAL SURVEY

South Central Region
P. O. Box 26124
Albuquerque, New Mexico 87125

RECEIVED
JUN 11 1980
O. C. D.
ARTESIA, OFFICE

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

Gentlemen:

MARBOB ENERGY CORPORATION
Elliott-Federal No. 4
990 FNL 990 FWL Sec. 28 T.18S R.30E
Eddy County Lease No. NM-27279
Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well in the Secretary's Oil-Potash Area to a depth of 3,500 feet to test the Grayburg 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 attached 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 these Conditions of Approval including the attached General Requirements.

3. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.

4. Submit a Daily Report of Operations from spud date until the well is completed and the Well Completion Report (form 9-330) is filed. The report should not be less than 8" x 5" in size and each page should identify the well.

5. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Guidelines. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).

6. The blowout preventer assembly will consist of a minimum of two ram type preventers.

7. Notify the Survey by telephone 24 hours prior to spudding well.

8. Notify the Survey in sufficient time to witness the cementing of the 8 5/8" and 4 1/2" casing.

9. Cement behind the 8 5/8" and 4 1/2" casing must be circulated.

10. It is required that a Gamma-Ray-Neutron Log be run in open hole from the base of Salado to the surface at a speed not to exceed 30 feet per minute.

11. 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.) GENE F. DANIEL

Gene F. Daniel
Acting Deputy Conservation Manager,
Oil and Gas

Enclosure

cc:
Mining Branch (2)
BLM, Roswell (w/cy Notice)
NMOCD, Artesia (2) (w/2 cys Notice)
Artesia
Roswell (w/cy Notice)

SUPPLEMENTAL DRILLING DATA

MARBOB ENERGY CORPORATION
WELL #4 ELLIOTT FEDERAL
990' FNL & 990' FWL 28-18S-30E

1. SURFACE FORMATION: Sand soils of Quaternary Age.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Salt	550'	Seven Rivers	1930'
Base Salt	1380'	Queen	2680'
Yates	1580'	Grayburg	3080'

3. ANTICIPATED POSSIBLE WATER AND HYDROCARBON BEARING ZONES:

Water	None
Oil	2800 - 3200

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 500 feet:	Fresh water with native muds.
500 to 2800 feet:	Water with native muds.
2800 to 3500 feet:	Sweep hole with salt water gel conditioning mud to 36 viscosity.

7. AUXILIARY EQUIPMENT: Master valve on BOP.

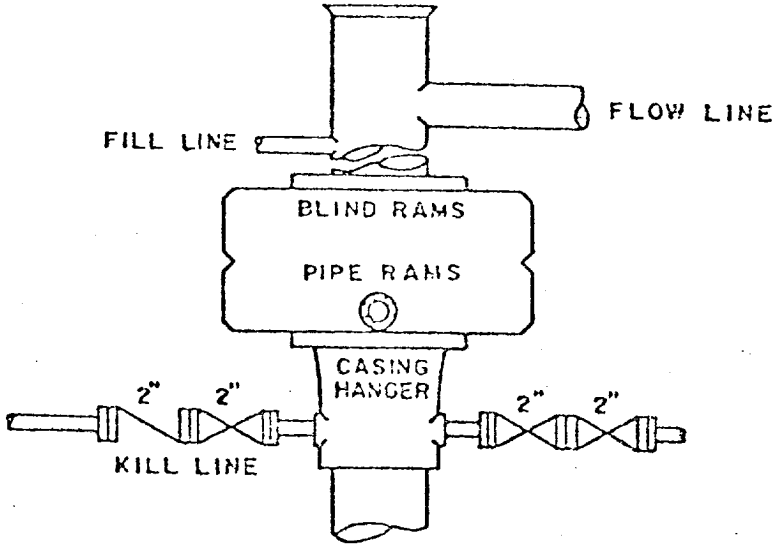
8. TESTING, LOGGING AND CORING PROGRAMS:

Samples:	Surface casing to TD
DST'S:	As warranted
Logging:	Surface casing to TD

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS: None anticipated.

10. ANTICIPATED STARTING DATE: It is planned that drilling operations will commence about 5-15-80. Duration of drilling and completion operations should be about 10-20 days.

BLOWOUT PREVENTER SKETCH



DUAL RAM-TYPE PREVENTER

900 Series

SURFACE USE PLAN

FOR

DRILLING, COMPLETING AND PRODUCING

MARBOB ENERGY CORPORATION
#4 ELLIOTT FEDERAL
990' FNL & 990' FWL SEC. 28-18S-30E
EDDY COUNTY, NEW MEXICO

LOCATED:	25 air miles east-southeast of Artesia, N. M.
FEDERAL LEASE NUMBER:	NM-27279
LEASE:	7-1-49 and is in its extended term by production
RECORD LESSEE:	Frank O. Elliott Living Trust (½) and Edna Ione Hall Living Trust (½)
OPERATOR'S AUTHORITY:	Owner of approved operating rights
BOND COVERAGE:	Operator's $25,000 statewide bond
ACRES IN LEASE:	1751.53 acres
SURFACE OWNERSHIP:	Federal
SURFACE LESSEE:	W. M. Snyder, c/o Larry Squires, P. O. Box 726, Lovington, N. M. 88260
POOL:	North Benson (Q-G) Extension (40-acre spacing)
EXHIBITS:	A. Area Road Map B. Map Showing Existing Wells & Access Roads C. Topographic Map D. Sketch of Well Pad

DIRECTIONS TO PROPOSED DRILLSITE

STARTING POINT is the intersection of NM-360 with US-82. This point is 13.9 miles east of Artesia (US-285).

0.00 Turn south and follow NM-360 in a southeasterly direction for a distance of 13.2 miles to Mile Post "6".

13.20 Turn left (north) on paved county road and proceed in a northerly direction toward the old Duval mine for a distance of 3.0 miles to a cattleguard.

16.20 Go through cattleguard and turn left (west) and proceed in a westerly direction for a distance of 0.65 miles.

16.85 Turn right (north) and proceed in a northerly direction for 0.3 miles to south edge of the Texaco #1 NBQU well pad.

17.15 Turn left (west) and go 0.05 miles to west edge of well pad.

17.20 New road will start at this point. Follow flagged route in a west-southwesterly direction for 0.2 miles to the northwest corner of wellsite.

17.40 WELLSITE

THIRTEEN POINT PROGRAM

1. EXISTING ROADS:

   A. Existing roads, which lead to the proposed drillsite, are shown on Exhibit "A" & "B".

2. PROPOSED NEW ROAD:

   A. Length and Width: The proposed new access road will originate from the existing access road at the 17.20-mile point as shown on Exhibit "B", and will terminate at the northeast corner of the well pad. It will be 0.2 miles in length and 12 feet in width. The center line has been staked and flagged.

   B. Surfacing Material: New road will be surfaced with caliche.

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, Cattleguards: None required.

3. LOCATION OF EXISTING WELLS:

A. Existing wells are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. If this proposed well is productive, tank battery and flowlines will be located on well pad. Electric power lines will be laid from the present primary line terminal located on the Section line about 2310' south of the NW corner of Section 28 to the wellsite. The primary line will be extended 1320' north along the Section line to a point due west of wellsite and then 990' of secondary line will be laid to the wellsite. All new lines will be within the lease boundary as shown on Exhibit "B".

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. Construction material will be obtained from an existing Federal pit in SW/4 NE/4 Section 28.

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 "C".

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 anticipated.

9. WELLSITE 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 Exhibit "C".

C. The wellsite is nearly level and will hardly have any cut and fill.

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: The land surface is nearly level. The surface slopes to the east.

B. Soil: Sand.

C. Flora and Fauna: Vacinity surrounding the drillsite is semi-arid desert rangeland. Vegetation is thinly scattered with desert shrubs interspersed with native grasses. 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 2½ miles to the southeast. There are no windmills in the immediate area.

F. Archaeological, Historical and Other Cultural Sites: None were observed in the area. The pad and road areas were archaeologized by New Mexico Archaeological Services, Inc.

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, N. M. 88210
Office - 746-2422
Home - 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.

MARBOB ENERGY CORPORATION

5-8-80
Date

by _____
James A. Knauf, Agent

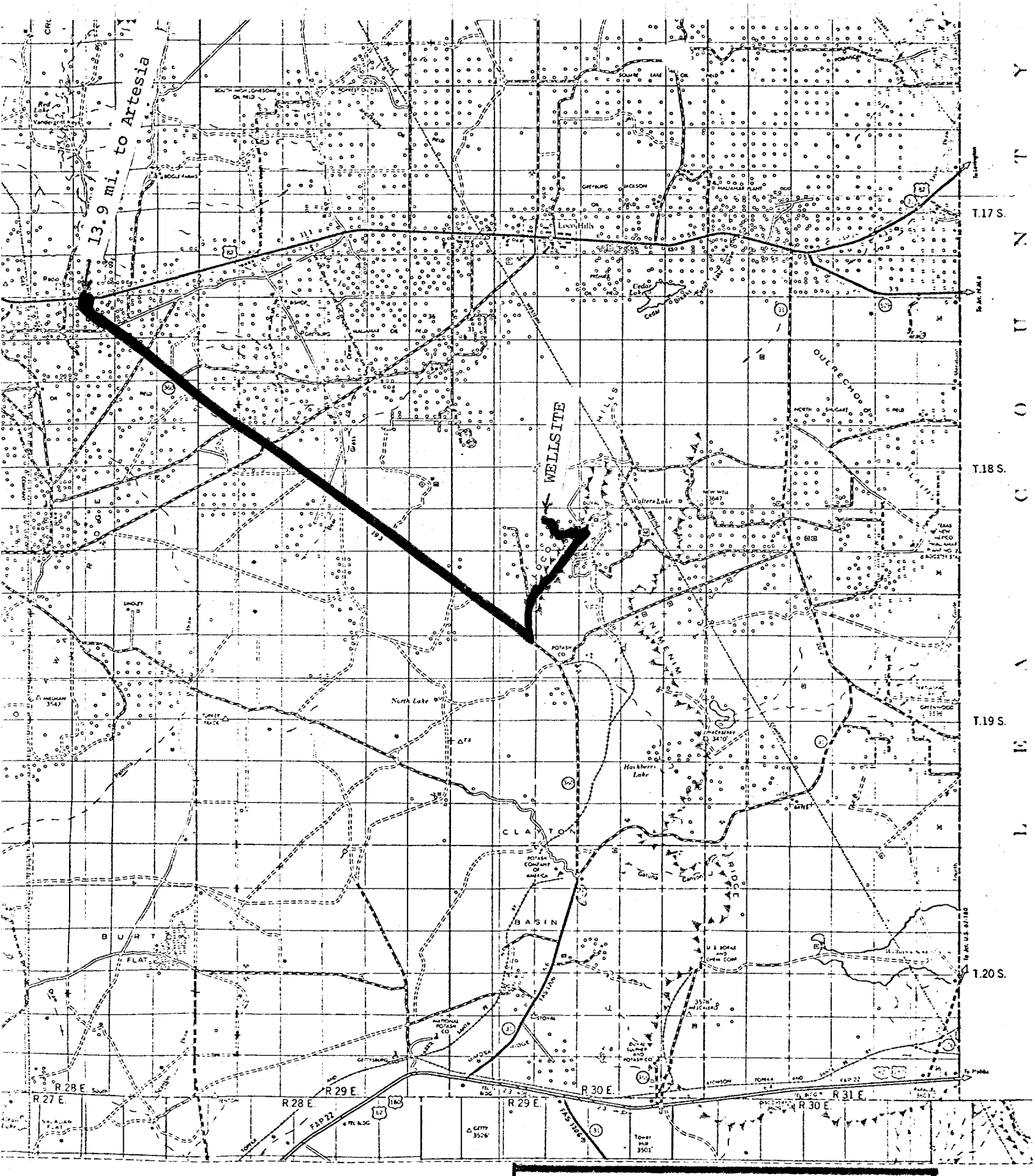


EXHIBIT "A"

MARBOB ENERGY CORPORATION
#4 ELLIOTT FEDERAL
990' FNL & 990' FWL SEC. 28-18S-30E

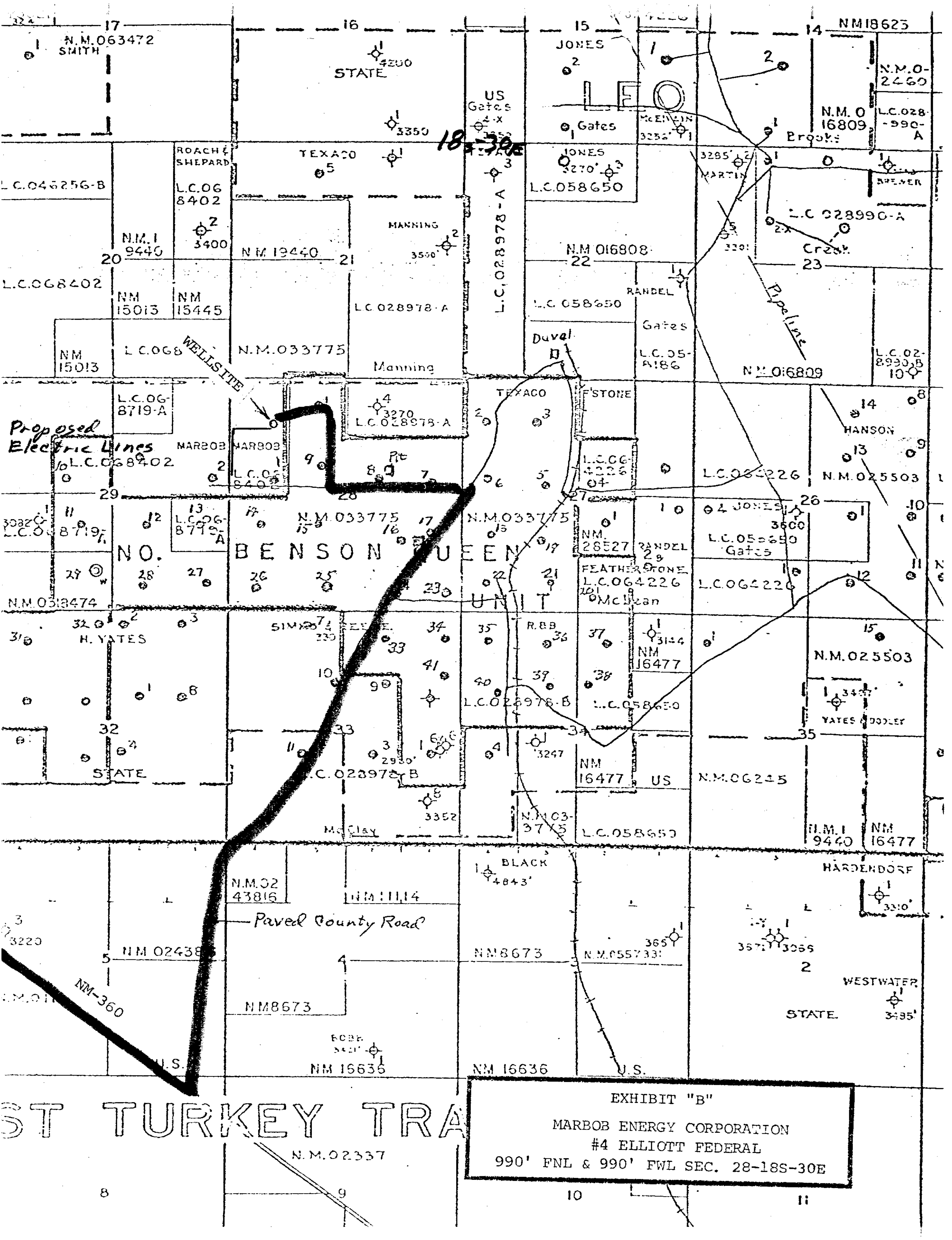


EXHIBIT "B"

MARBOB ENERGY CORPORATION
#4 ELLIOTT FEDERAL
990' FNL & 990' FWL SEC. 28-18S-30E

5149 I SE
(RED LAKE SE)
1:24,000

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

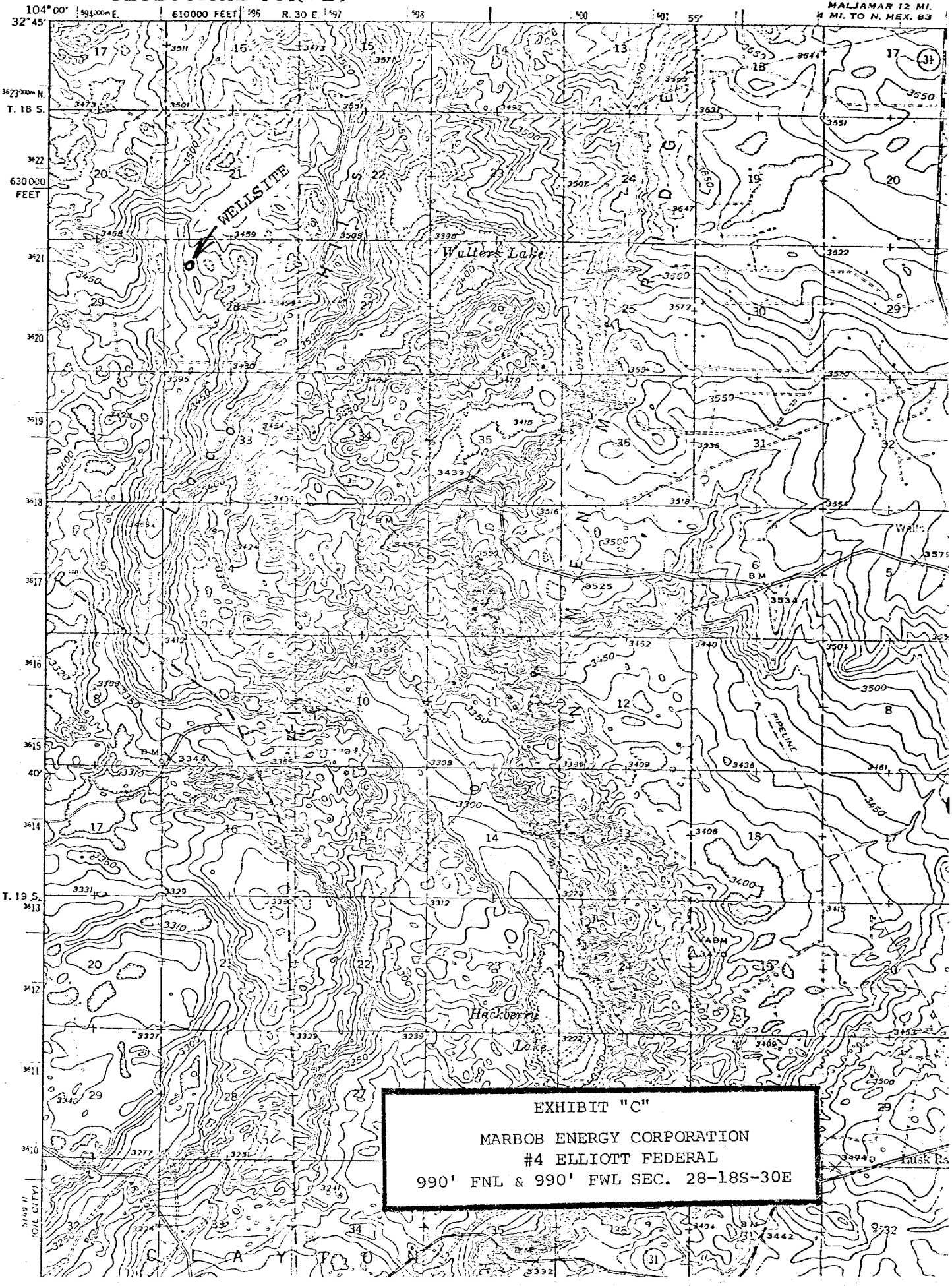


EXHIBIT "C"

MARBOB ENERGY CORPORATION
#4 ELLIOTT FEDERAL
990' FNL & 990' FWL SEC. 28-18S-30E

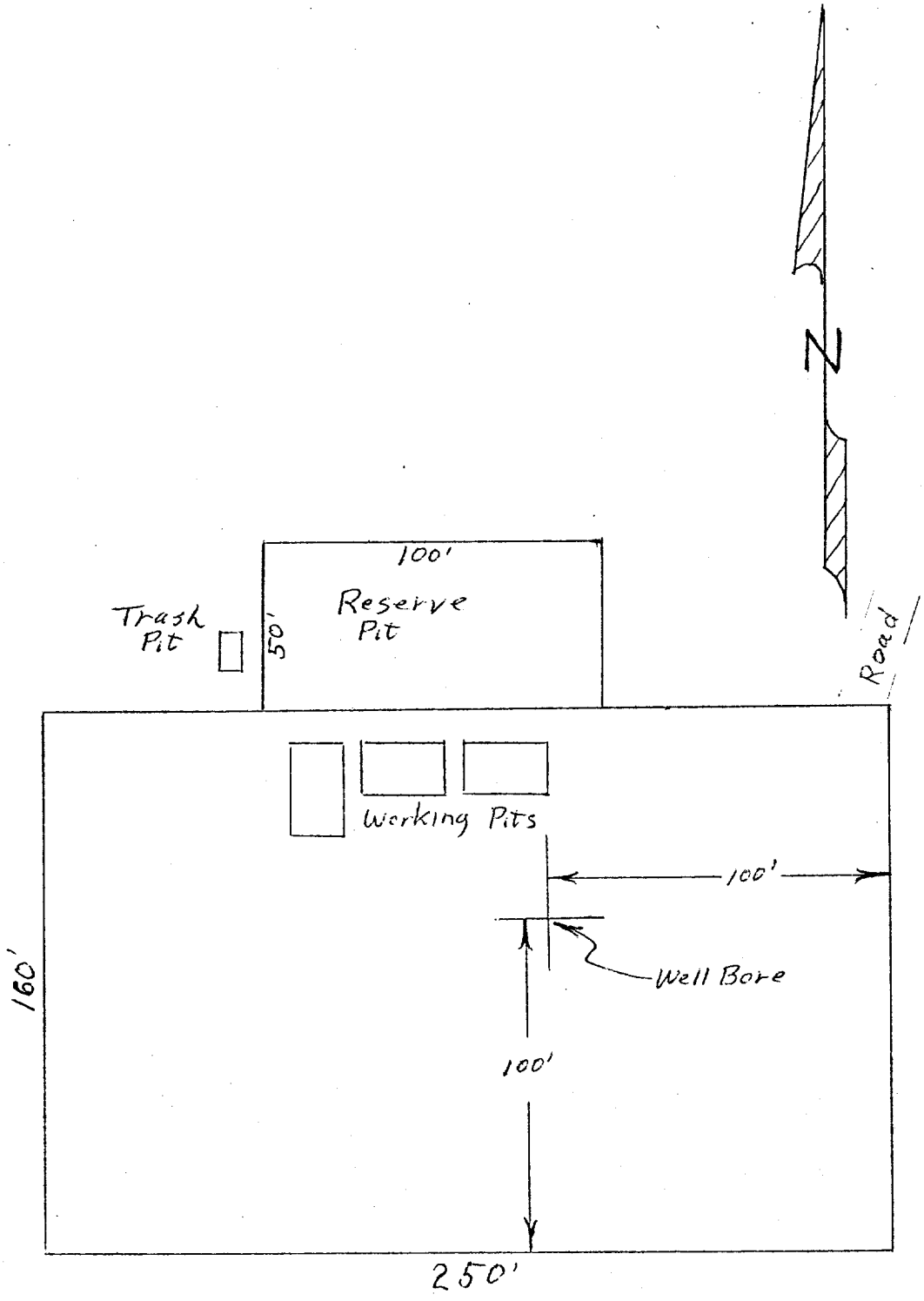


EXHIBIT "D"

MARBOB ENERGY CORPORATION
#4 ELLIOTT FEDERAL
990' FNL & 990' FWL SEC. 28-18S-30E