

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 ✓ APR 16 1991 3a. Area Code & Phone No. 505-748-3303

3. ADDRESS OF OPERATOR P. O. Drawer 217, Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State Requirements.)
At surface 990 FEL 330 FSL
At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 22 air miles east of Artesia, NM

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 40
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. 4600'
19. PROPOSED DEPTH 4600'
20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3658.5' GR

5. LEASE DESIGNATION AND SERIAL NO. NM-7752
6. IF INDIAN, ALLOTTED OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME Randall Federal
9. WELL NO. 2
10. FIELD AND POOL, OR WILDCAT Grbg Jackson SR Q Grbg SA
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 7-T17S-R30E
12. COUNTY OR PARISH Eddy
13. STATE NM
22. APPROX. DATE WORK WILL START* October, 1991

PROPOSED CASING AND CEMENTING PROGRAM					
HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH
12 1/4"	8 5/8"	24#	J-55	LTC	450'
7 7/8"	5 1/2"	17#	J-55	LTC	4600'
					attempt to circulate.

Pay zone will be selectively perforated and stimulated as needed for optimum production.

Attached are: 1. Location & acreage dedication plat
2. Supplemental drilling data
3. Surface Use Plan

NOTE: On production string, a fluid caliber will be run, will figure cement w/25% excess, attempt to circulate.

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 Rhonda Nelson TITLE Production Clerk DATE 3/25/91
(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE
APPROVED BY TITLE DATE 4-15-91

CONDITIONS OF APPROVAL, IF ANY:
APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

*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

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

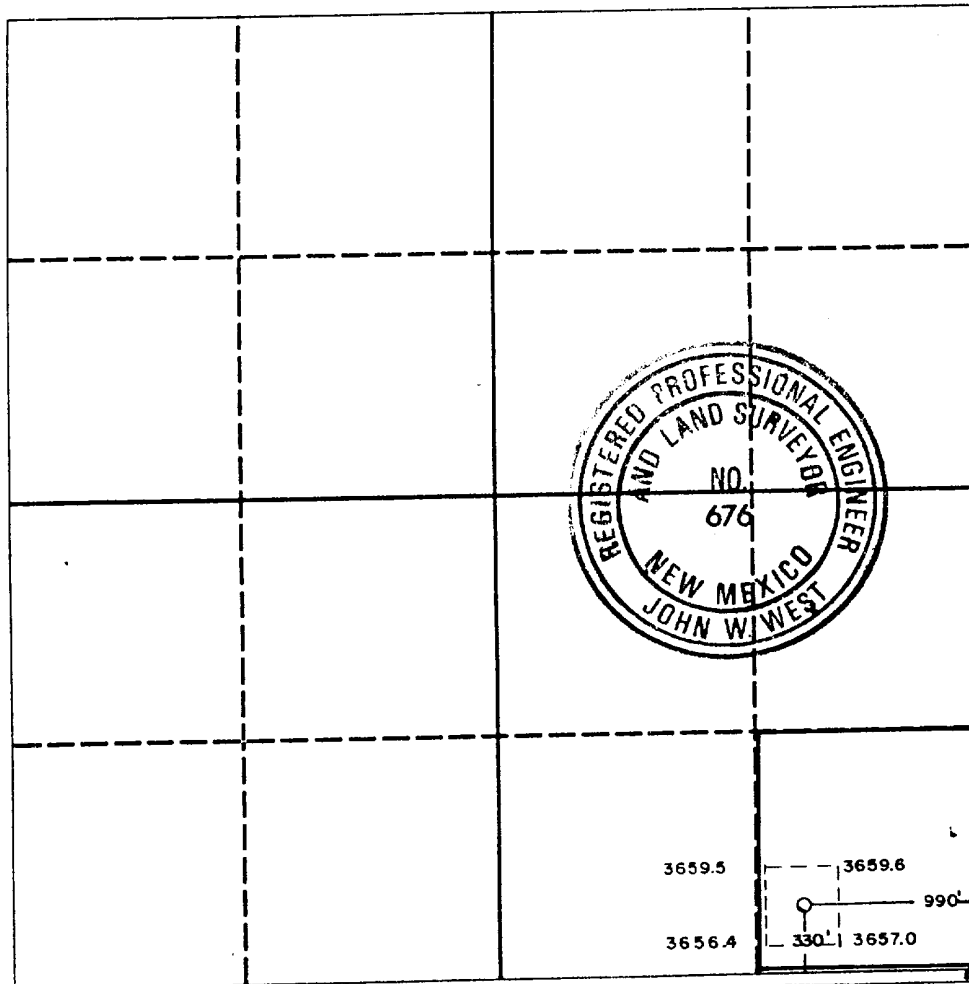
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

Operator MARBOB ENERGY CORP.			Lease RANDELL FEDERAL		Well No. 2
Unit Letter P	Section 7	Township 17 SOUTH	Range 30 EAST	County EDDY	
Actual Footage Location of Well: 990 feet from the EAST line and 330 feet from the SOUTH line					
Ground level Elev. 3658.5	Producing Formation San Andres		Pool Grbg Jackson SR Q Grbg SA		Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Robin Smith
Printed Name
Robin Smith
Position
Production Clerk
Company
Marbob Energy Corporation
Date
March 25, 1991

SURVEYOR CERTIFICATION

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
2-19-91
Signature & Seal of Professional Surveyor
John W. West
Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

SUPPLEMENTAL DRILLING DATA

MARBOB ENERGY CORPORATION
RANDALL FEDERAL NO. 2
SE/4SE/4, SECTION 7, T-17S, R-30E
EDDY COUNTY, NEW MEXICO
(DEVELOPMENT WELL)

1. SURFACE FORMATION: Quaternary.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Salt	540'	Queen	2022'
Base Salt	970'	Grayburg	2422'
Yates	1156'	San Andres	2712'
Seven Rivers	1500'	Glorietta	4110'

3. ANTICIPATED POROSITY ZONES:

Water	Above 300'
Oil	2027' - 4600'

4. CASING DESIGN:

SIZE	INTERVAL	WEIGHT	GRADE	JOINT	CONDITION
8 5/8"	0-450'	24.0#	J-55	LTC	New
5 1/2"	0-4600'	17.0#	J-55	LTC	New

5. SURFACE CONTROL EQUIPMENT: A double ram-type or annular BOP will be used. (See diagram attached as Exhibit "E")

6. CIRCULATING MEDIUM:

0' - 450'	Fresh water mud with gel or lime as needed for viscosity control.
450' - 4600'	Salt water mud, conditioned as necessary for control of viscosity and water loss or gain.

7. AUXILIARY EQUIPMENT: Drill string safety valve.

8. LOGGING PROGRAM: CNL-FDC W/GR Log will be run to TD.

9. ABNORMAL PRESSURES, TEMPERATURES OR GASES: A water flow may be encountered in the salt section.

10. ANTICIPATED STARTING DATE: It is planned that operations will commence about April 15, 1991. Duration of drilling, testing and completion operations should be one to four weeks.

- C. Road Map & Wells in vicinity of
Proposed Drillsite
- D. Sketch of Well Pad
- E. Sketch of BOP

THIRTEEN POINT PROGRAM

1. EXISTING ROADS: From Artesia go approximately 24.4 miles east on Federal Highway US-82 to Loco Hills, New Mexico Turn left (North) in Loco Hills on County Road 217 and proceed .9 miles. From this starting point turn left (west) on dirt road for .5 miles across cattleguard, then turn right (northeast) .2 miles, then turn left (northwest) .35 miles, then turn left (west) .2 miles, then turn right at Holder CB Federal Tank Battery and proceed Northwest .5 miles. The lease road runs right through the middle of the pad and continues northwest to another lease.
2. PROPOSED NEW ROAD: No new roads are necessary since existing road is adjacent to the drillsite.
3. LOCATION OF EXISTING WELLS: The nearest production to the proposed well is the Randall Federal No. 1 well located east of the proposed drillsite. This well and all existing wells in the vicinity of the proposed drillsite are shown on Exhibits "B" and "C".
4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
 - A. This is a producing lease and central tank battery is located in the SE/4SE/4 of Section 7, 17S-30E.
 - B. If the well is productive, the flowline will be laid along the proposed and existing roadbeds to the battery.
 - C. There are powerlines on the lease, the closest pole being located approximately 550 feet east of the well location. The proposed electric powerline would be approximately 480 feet in length and run from the above referenced pole to a pole on the east side of the well pad, which will have to be inserted. See Exhibit "E".
5. WATER SUPPLY: It is not planned to drill a water supply well. Water for leasehold operations will be purchased from a commercial water hauler.
6. CONSTRUCTION MATERIALS: Material for construction of the proposed new road and well pad will be obtained from either

an existing approved caliche pit located on federal land in the SE/4 NE/4 of Section 14-17S-29E, or from the reserve pit.

7. 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 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 "D".
- F. All trash and debris will be buried or removed from the wellsite within 45 days after finishing each drilling and/or completion operation.

8. ANCILLARY FACILITIES: None anticipated.

9. WELLSITE LAYOUT: Refer to Exhibit "D" for direction orientation and access.

- A. The wellsite has been surveyed and an area has been staked and flagged.
- B. The dimensions and relative location of the drill pad and pit with respect to the well bore are shown on Exhibit "D".
- C. The location contains numerous sand dunes which will need to be leveled.
- D. The well pad will be surfaced with caliche.

10. RESTORATION OF 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 a 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 BLM will be complied with and accomplished as expeditiously as possible.

11. OTHER INFORMATION:

- A. Topography: The undisturbed wellsite is at an elevation of 3656.5 feet. The terrain of the area surrounding the location is relatively flat. Regional slope is to the southwest toward the Pecos River.
- B. Soil: Top soil at the wellsite is silty loam.
- C. Land Use & Type: The vicinity surrounding the drillsite is semiarid rangeland and its primary use is for production of oil and gas.
- D. Flora: Flora in the vicinity surrounding the drillsite is sparse. It consists primarily of javalina, saltbush, broomweed and mesquite.
- E. Fauna: No wildlife was observed, however fauna for this type of habitat normally consists of lizards, snakes, rabbits, rodents, coyotes, skunks, quail, dove, and other small birds.
- F. Ponds & Streams: None.
- G. Water Wells: The nearest known water well is over 2.5 miles to the northeast.
- H. Residences & Other Structures: There are no occupied dwellings within one (1) mile of the proposed drillsite.
- I. Archaeological, Historical & Cultural Sites: An archaeological survey has been conducted by Pecos Archaeology Consultants and a formal report has been or will be furnished directly to BLM upon its completion.


12. OPERATOR'S REPRESENTATIVE: Representatives responsible for assuring compliance with the approved Surface Use Plan:

Mack Chase or John R. Gray
P. O. Drawer 217
Artesia, New Mexico 88210
Phone 505-748-3303

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.

March 20, 1991
Date


Mack C. Chase, President
MARBOB ENERGY CORPORATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

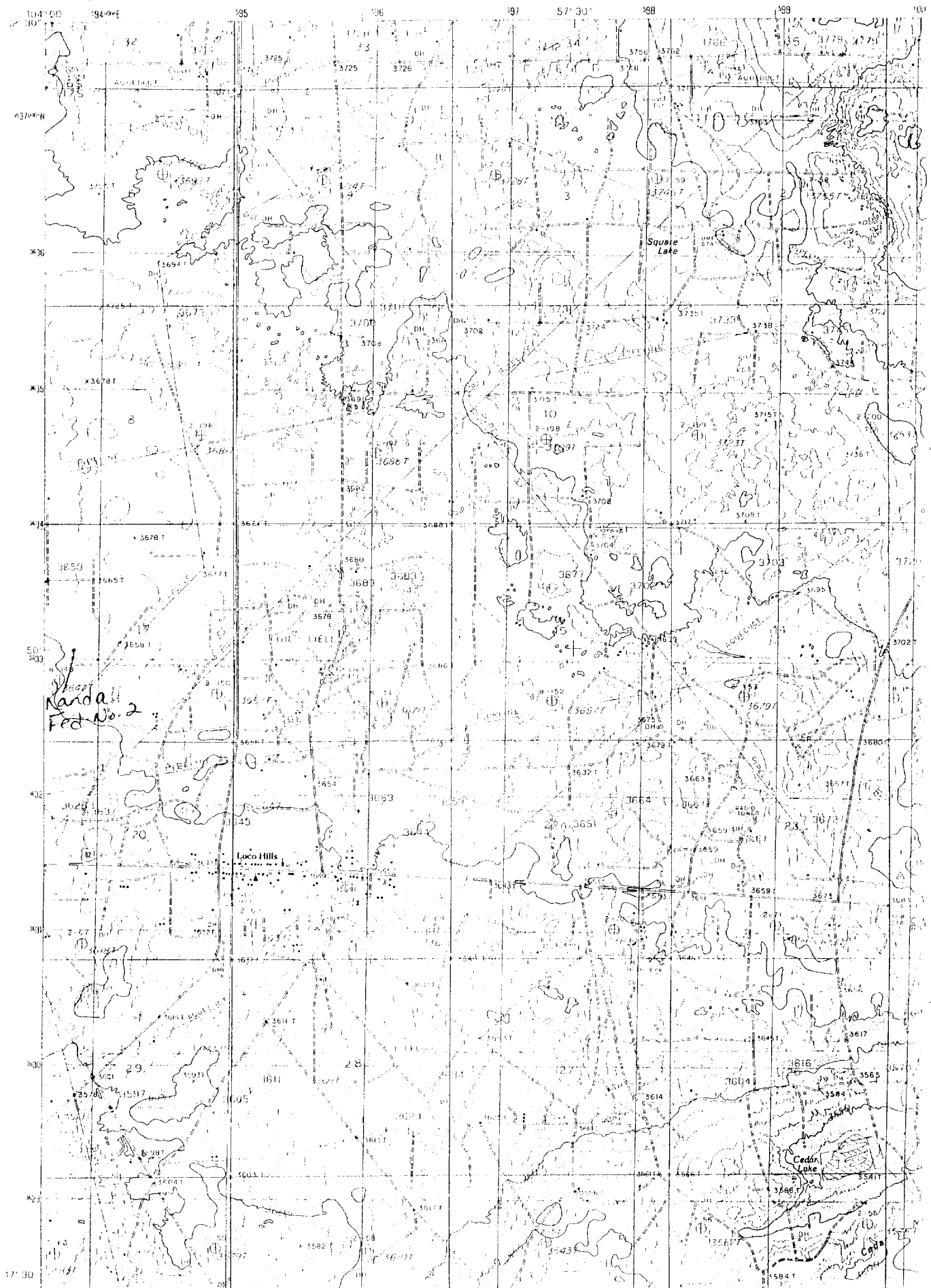


EXHIBIT 'A'

Marbob Energy Corporation
Randall Federal No. 2
990 FEL, 330 FSL
Sec. 7, T-17S, R-30E
Eddy County, New Mexico

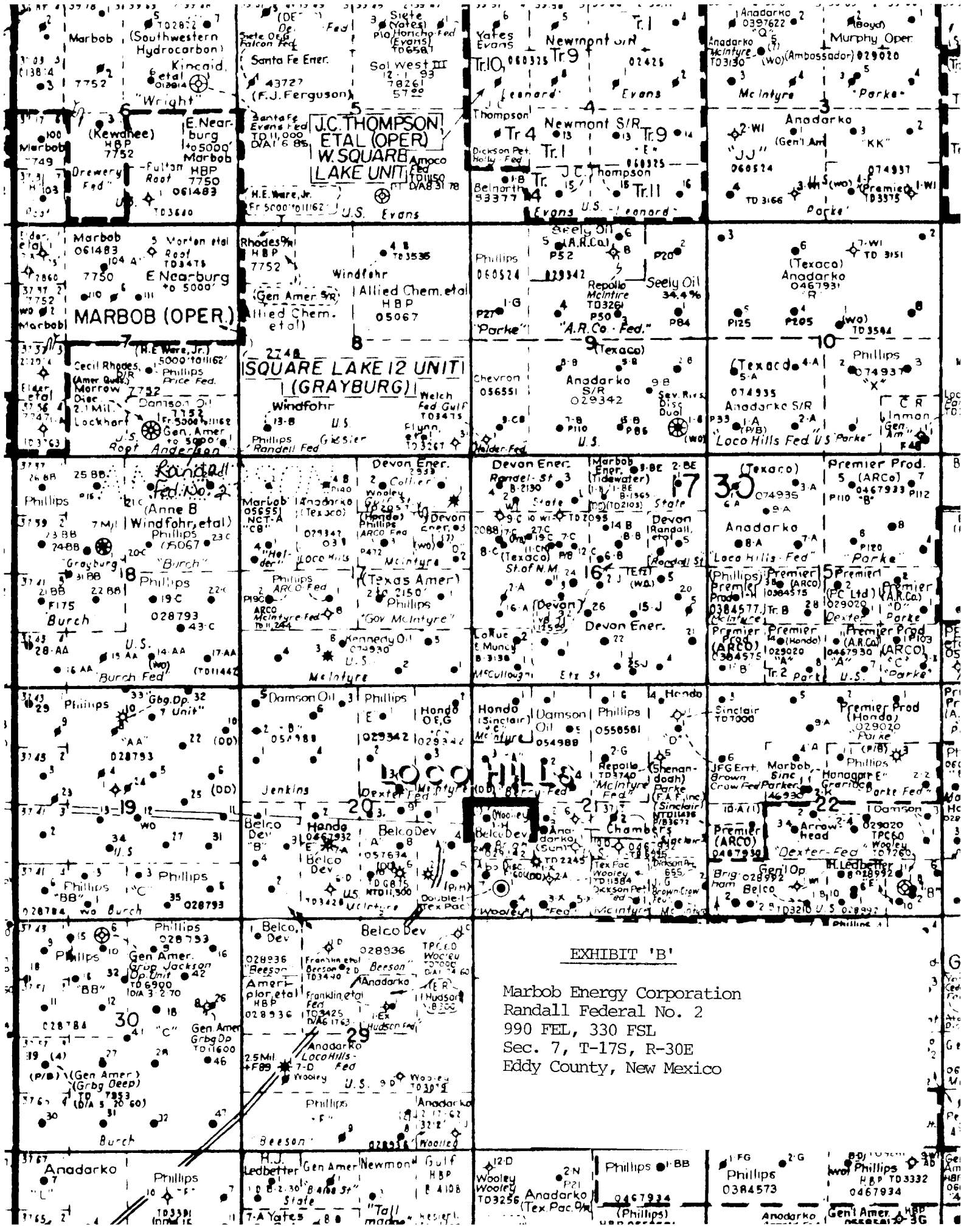


EXHIBIT 'B'

Marbob Energy Corporation
Randall Federal No. 2
990 FEL, 330 FSL
Sec. 7, T-17S, R-30E
Eddy County, New Mexico

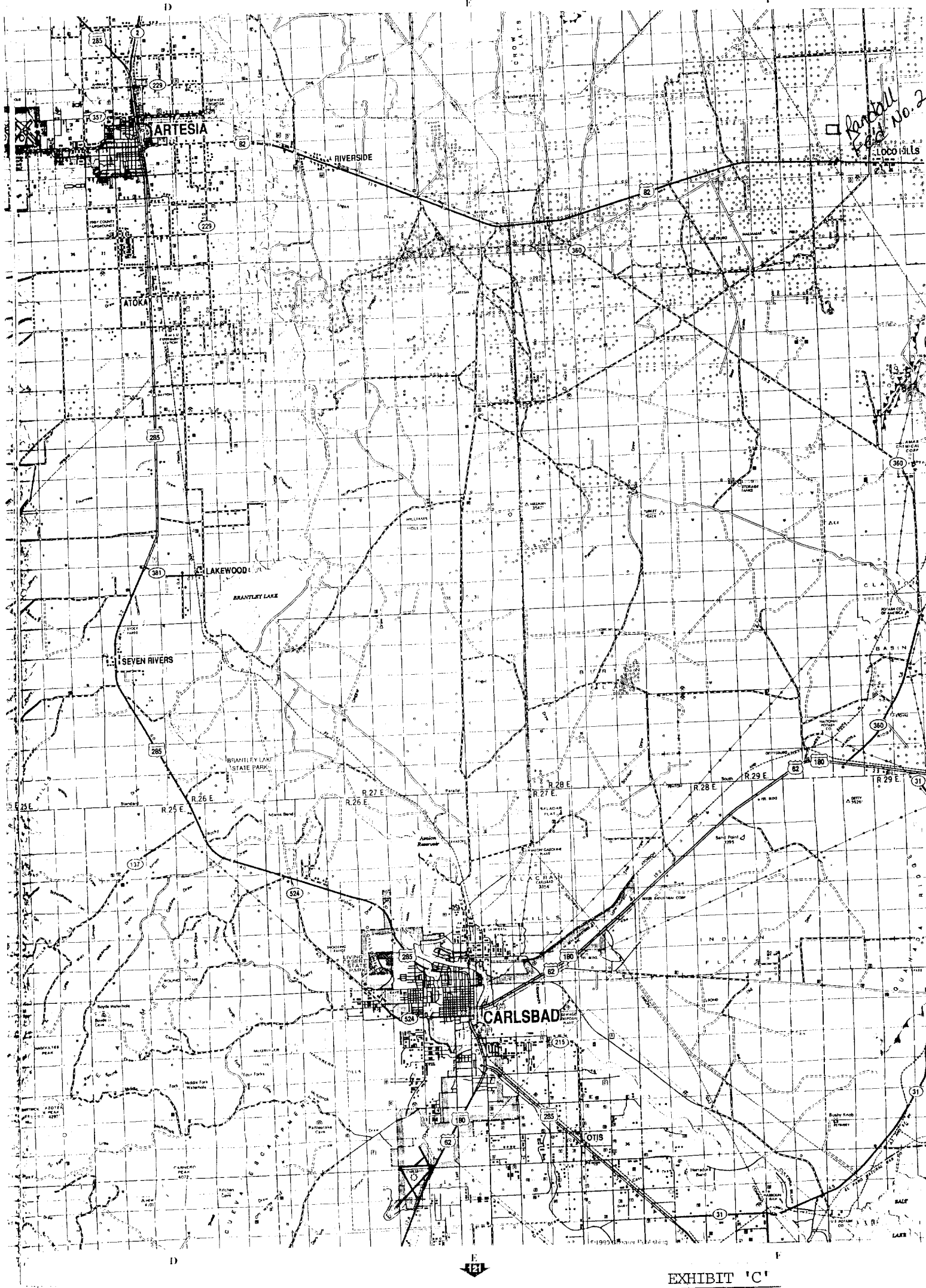
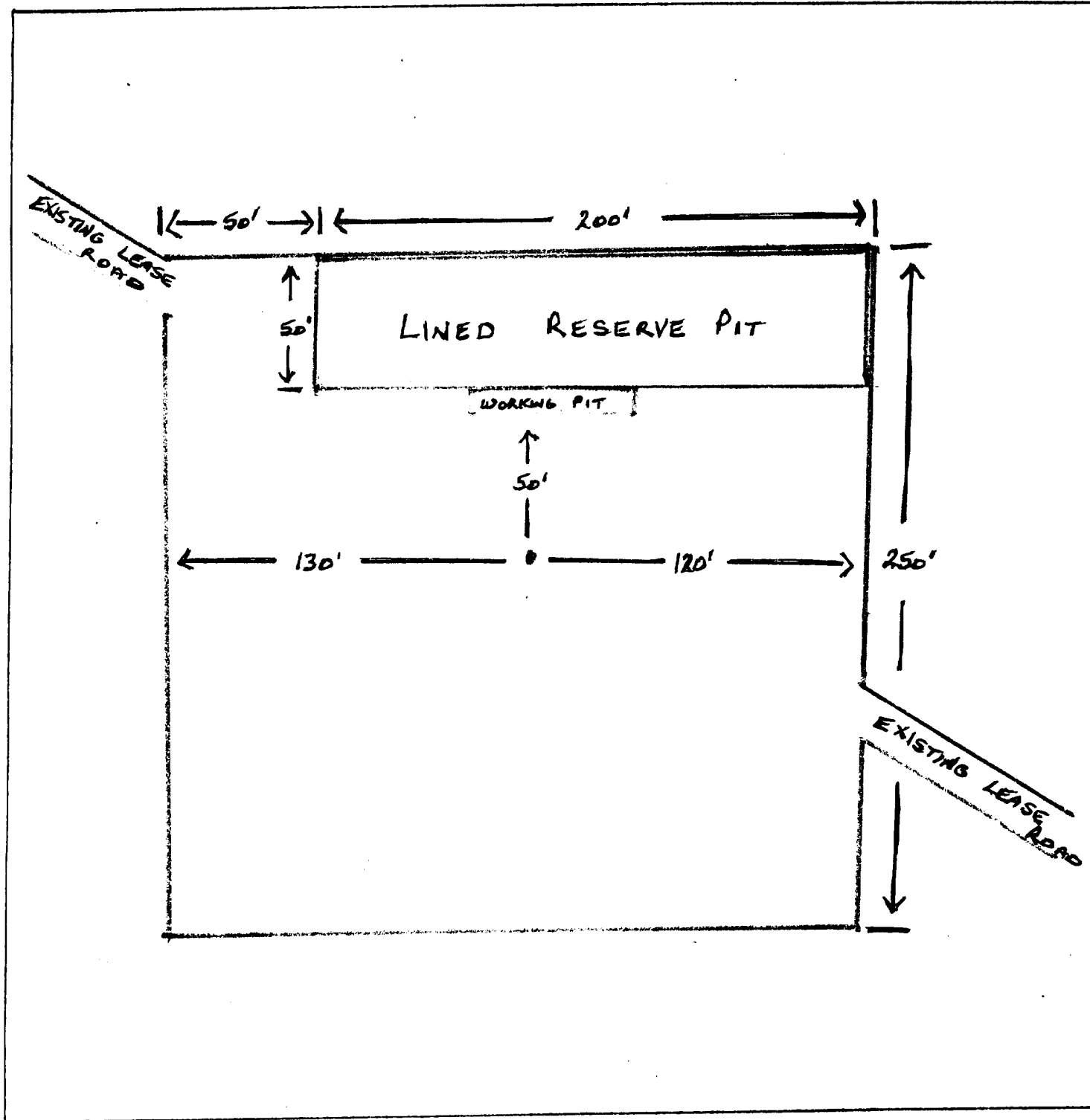


EXHIBIT 'C'

Marbob Energy Corporation
 Randall Federal No. 2
 990 FEL, 330 FSL
 Sec. 7, T-17S, R-30E
 Fddy County, New Mexico



LEGEND

1 cm = 20 ft.

SUP Exhibit "D"

SKETCH OF PROPOSED WELL PAD
 Marbob Energy Corporation
 Randall Federal No. 2
 990 FEL, 330 FSL
 Sec. 7, T-17S, R-30E
 Eddy County, New Mexico

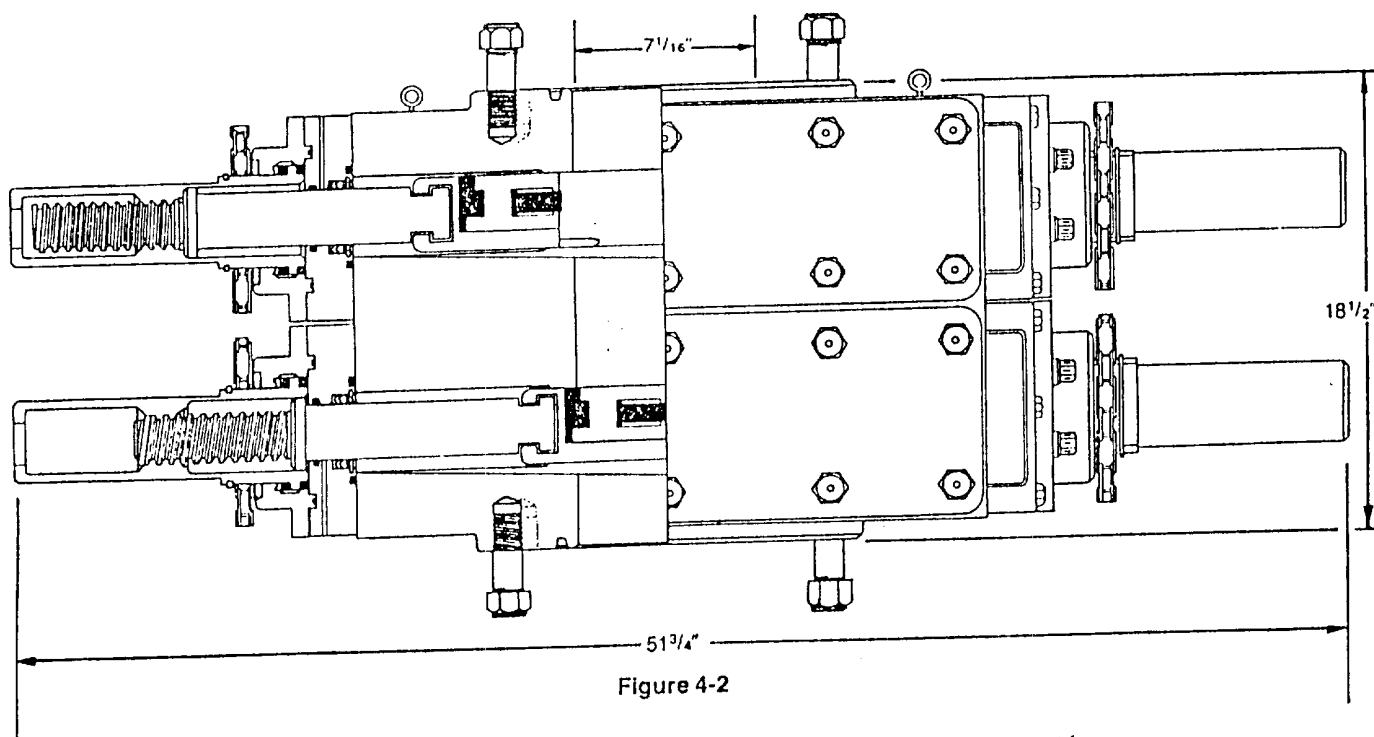


Figure 4-2

DIMENSIONS AND WEIGHTS

		Manual
Weight	Single (pounds)	1,272
	Double (pounds)	2,335
Overall height, less studs	Single (inches)	10
	Double (inches)	18 1/2
Overall length (inches)		51 3/4
Overall width, less handwheel (inches)		20 1/4
Opening through preventer (inches)		7 1/16
Working pressure (psi)		3,000
Test pressure (psi)		6,000
Handwheel diameter (inches)		20
Ring joint gasket API number		R-45

SUP Exhibit "E"
 Marbob Energy Corporation
 Randall Federal No. 2
 990 FEL, 330 FSL
 Sec. 7, T-17S, R-30E
 Eddy County, New Mexico