

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

OCD-HOBBS

1156

FORM APPROVED  
OMB No. 1004-0136  
Expires January 31, 2004

J-06-39

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-23006
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Marbob Energy Corporation		7. If Unit or CA Agreement, Name and No. 31
3a. Address P.O. Box 227, Artesia, NM 88211-0227		8. Lease Name and Well No. <u>L35070</u> LPC Federal #2
3b. Phone No. (include area code) 505-748-3303		9. API Well No. 30-025-38157
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2210' FNL & 940' FEL At proposed prod. zone		10. Field and Pool, or Exploratory Lusk; Bone Spring, North
14. Distance in miles and direction from nearest town or post office* Unit H		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 31, T18-S, R32-E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in lease	12. County or Parish Lea County
17. Spacing Unit dedicated to this well	18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	13. State NM
19. Proposed Depth 10000'	20. BLM/BIA Bond No. on file NM 2056	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3686'	22. Approximate date work will start* August 26, 2006	23. Estimated duration 21 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification.   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Nancy T. Bratcher</i>	Name (Printed/Typed) Nancy T. Bratcher	Date 7/26/06
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Land Department	
Approved by (Signature) <i>/s/ James Stovall</i>	Name (Printed/Typed) <i>/s/ James Stovall</i>
Title <b>ACTING FIELD MANAGER</b>	Office <b>CARLSBAD FIELD OFFICE</b>
Date <b>SEP 27 2006</b>	

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, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

\*(Instructions on reverse)

GWW



APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

CAPTAN CONTROLLED WATER BASIN

DISTRICT I  
1625 N. FRENCH DR., HOBSB, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTISIA, NM 88210

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

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 41450	31	Pool Name Lusk; Bone Spring, North
Property Code 35070	Property Name L P C FEDERAL		Well Number 2
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION		Elevation 3686'

Surface Location

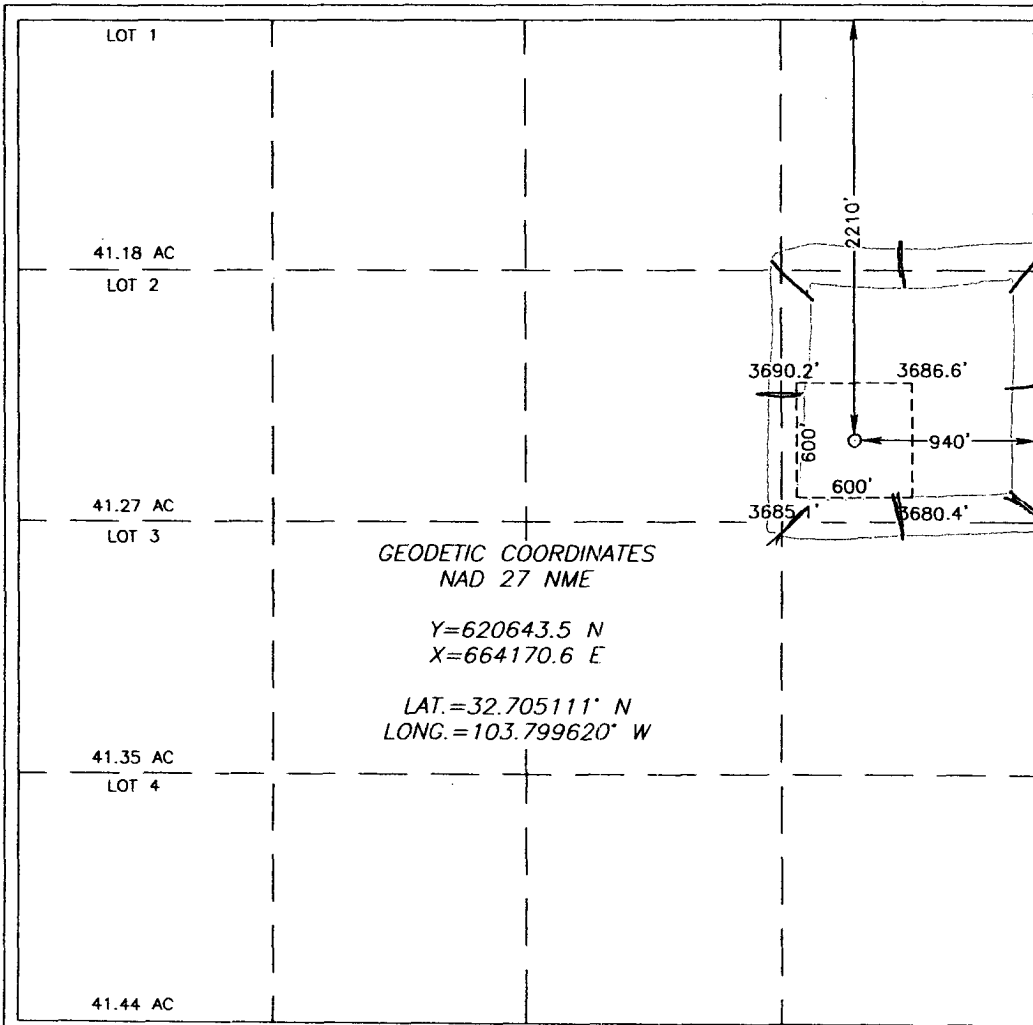
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	31	18-S	32-E		2210	NORTH	940	EAST	LEA

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.
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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**

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Nancy T. Bratcher* 7/26/06  
Signature Date

Nancy T. Bratcher  
Printed Name

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**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 belief.

GARY EIDSON  
NEW MEXICO  
JULY 10, 2006

Date Surveyed 12641 MR  
Signature & Seal of Professional Surveyor  
*Gary Eidson* 7/14/06

06.11.1144

Certificate No. GARY EIDSON 12641

**MARBOB ENERGY CORPORATION  
DRILLING AND OPERATIONS PROGRAM**

**LPC 31 Federal #2  
2210' FNL & 940' FEL, Unit H  
Section 31, T18S, R32E  
Lea County, New Mexico**

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Marbob Energy Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

- The geological surface formation is Permian.
- The estimated tops of geologic markers are as follows:

Yates	2830'	Delaware	4560'
Seven Rivers	3060'	Bone Springs	6900'
Queen	3660'		

- The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Yates	2830'	Oil
Bone Springs	6900'	Oil

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 13 3/8" casing at 600' and circulating cement back to surface. Any shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across them by inserting a float shoe joint into the 5 1/2" production casing which will be run at TD to sufficiently cover all known oil and gas horizons 200' above.

- Proposed Casing Program:

Hole Size	Interval	OD Casing	Wt	Grade	
17 1/2"	0-600'	13 3/8"	48#	H-40 STC	<b>Witness Surface Casing</b>
12 1/4"	600-3200'	8 5/8"	32#	J-55 STC	
7 7/8"	3200-13000'	5 1/2"	17#	S-95 P-110	

*10,000  
LB 8/29/00*

**Proposed Cement Program:**

- 13 3/8" Surface Casing: Cement w/ 600 sx Class C. Circulate to surface.
- 8 5/8" Intermediate Casing: Cement w/ 750 sx Class C. Attempt to tie in to 13 3/8" csg.
- 5 1/2" Production Casing: Cement w/ 900 sx Class C. Attempt to tie in to 8 5/8" csg.

5. Pressure Control Equipment:

See Exhibit #1. Marbob proposes to nipple up on the 13 3/8" casing with a 2M system, testing it to 1000# with rig pumps, then nipple up on the 8 5/8" casing with a 5M system, tested to 5000# before drilling out.

6. Mud Program: The applicable depths and properties of this system are as follows:

*After setting surface @ 600' drill out using fresh water to the Top of the Rastler 1100'*

Depth 1100'	Type	Weight (ppg)	Viscosity (sec)	Waterloss (cc)
0 - <del>500</del>	Fresh Wtr (spud)	8.5	28	N.C.
1100 <del>500</del> - 3200'	Brine	9.8-10.2	40-45	N.C.
3200 - 10000'	Cut Brine	8.6-9.4	28-36	N.C.

*J.H.*  
*8/1/04*

7. Auxiliary Equipment: Kelly Cock; Sub with full opening valve on floor; and drill pipe connections.

8. Testing, Logging and Coring Program:

No drillstem tests are anticipated.

The electric logging program will consist of Dual Laterolog Micro SFL, Spectral Density Dual Spaced Neutron Csg Log, and Depth Control Log.

No conventional coring is anticipated.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

**MARBOB ENERGY CORPORATION**  
**MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**LPC 31 Federal #2**  
**2210' FNL & 940' FEL, Unit H**  
**Section 31, T18S, R32E**  
**Lea County, New Mexico**

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

**1. EXISTING ROADS:**

Exhibit 2 is a portion of a topo map showing the well and roads in the vicinity of the proposed location. The proposed wellsite and the access route to the location are indicated in red on Exhibit 2.

**DIRECTIONS:**

From the intersection of St. Highway #529 & Co. Rd. L-126 (Maljamar Rd.), Go South on Co. Rd. L-126 Approx. 7 Miles. Turn Right and Go West Approx. 0.1 Mile. Turn Right and Go North Approx. 0.5 Miles. This Location is Approx. 120 Feet West.

**2. PLANNED ACCESS ROAD:**

An existing access road is already in place. The road is constructed as follows:

- A. The maximum width of the running surface will be 10'. The road will be crowned and ditched and constructed of 6" of rolled and compacted caliche. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. BLM may specify any additions or changes during the onsite inspection.
- B. The average grade will be less than 1%.
- C. No turnouts are planned.
- D. No culverts, cattleguard, gates, low-water crossings, or fence cuts are necessary.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM-approved caliche pit. Any additional materials that are required will be purchased from the dirt contractor.
- F. The proposed access road as shown in Exhibit 2 has been centerline flagged by John West Engineering.

**3. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:**

- A. Marbob Energy Corporation proposes a collection facility, if well is productive, to be located on LPC 31 Federal #2 well pad.

**4. METHODS OF HANDLING WASTE DISPOSAL:**

- A. Drill cuttings will be disposed of in the lined pit.
- B. Drilling fluids will be allowed to evaporate in the lined pit until the pit is dry.
- C. Water produced during completion may be disposed into the lined reserve pit.
- D. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations. All waste material will be contained to prevent scattering by the wind.

**5. WELLSITE LAYOUT:**

- A. Exhibit 3 shows the relative location and dimensions of the well pad, the pit.
- B. The reserve pit will be lined with high quality plastic sheeting.

**6. PLANS FOR RESTORATION:**

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Reserve pit will be fenced until they have dried and been leveled.
- C. All rehabilitation and/or vegetation requirements of the BLM will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

**7. SURFACE OWNERSHIP:**

The well site and lease are located on Federal surface

- A. The area around the well site is grassland and the top soil is sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca, and prickly pear.
- B. A Cultural Resources Examination has been requested and will be forwarded to your office in the near future.

**8. OTHER INFORMATION:**

A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.

**9. OPERATOR'S REPRESENTATIVE:**

A. Through A.P.D. Approval:

Dean Chumbley, Landman  
Marbob Energy Corporation  
P. O. Box 227  
Artesia, NM 88211-0227  
Phone (505)748-3303  
Cell (505)748-5988

B. Through Drilling Operations

Sheryl Baker, Drilling Supervisor  
Marbob Energy Corporation  
P. O. Box 227  
Artesia, NM 88211-0227  
Phone (505)748-3303  
Cell (505)748-5489

**10. 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 contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

7/26/06

Date

Marbob Energy Corporation

Nancy T. Bratcher

Nancy T. Bratcher  
Land Department

# MARBOB ENERGY CORPORATION

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

### **I. HYDROGEN SULFIDE TRAINING**

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

- A. The hazards and characteristics of hydrogen sulfide (H<sub>2</sub>S).
- B. The proper use and maintenance of personal protective equipment and life support systems.
- C. The proper use of H<sub>2</sub>S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
- D. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

- A. The effects of H<sub>2</sub>S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
- B. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- C. The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.



## **II. H<sub>2</sub>S SAFETY EQUIPMENT AND SYSTEMS**

Note: All H<sub>2</sub>S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H<sub>2</sub>S.

### **A. Well Control Equipment:**

Flare line.

Choke manifold.

Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.

Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head.

### **B. Protective equipment for essential personnel:**

Mark II Surviveair 30-minute units located in the dog house and at briefing areas.

### **C. H<sub>2</sub>S detection and monitoring equipment:**

2 - portable H<sub>2</sub>S monitor positioned on location for best coverage and response. These units have warning lights and audible sirens when H<sub>2</sub>S levels of 20 ppm are reached.

### **D. Visual warning systems:**

Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

E. Mud Program:

The mud program has been designed to minimize the volume of H<sub>2</sub>S circulated to the surface.

F. Metallurgy:

All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H<sub>2</sub>S service.

G. Communication:

Company vehicles equipped with cellular telephone and 2-way radio.

# **W A R N I N G**

**YOU ARE ENTERING AN H<sub>2</sub>S AREA  
AUTHORIZED PERSONNEL ONLY**

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED**
- 2. HARD HATS REQUIRED**
- 3. SMOKING IN DESIGNATED AREAS ONLY**
- 4. BE WIND CONSCIOUS AT ALL TIMES**
- 5. CK WITH MARBOB FOREMAN AT MAIN OFFICE**

**MARBOB ENERGY CORPORATION**

**1-505-748-3303**

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Date: July 26, 2006

Lease #: NM-23006  
LPC 31 Federal #2

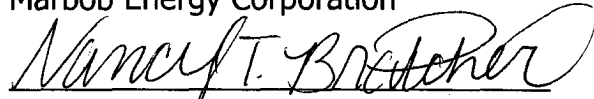
Legal Description: SENE Sec. 31-T18S-R32E  
Eddy County, New Mexico

Formation(s): Permian

Bond Coverage: Statewide

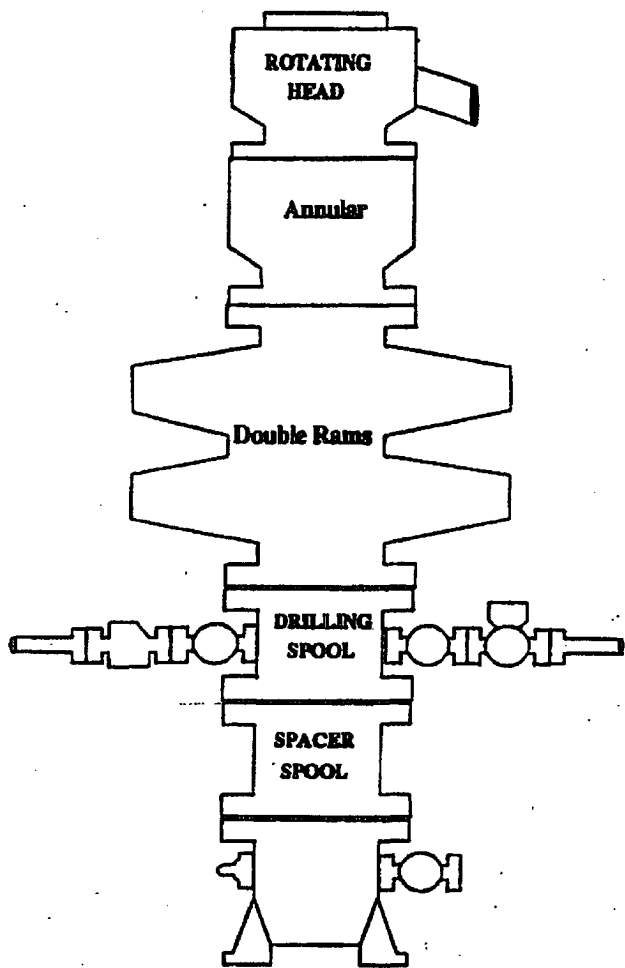
BLM Bond File #: NM 2056

Marbob Energy Corporation

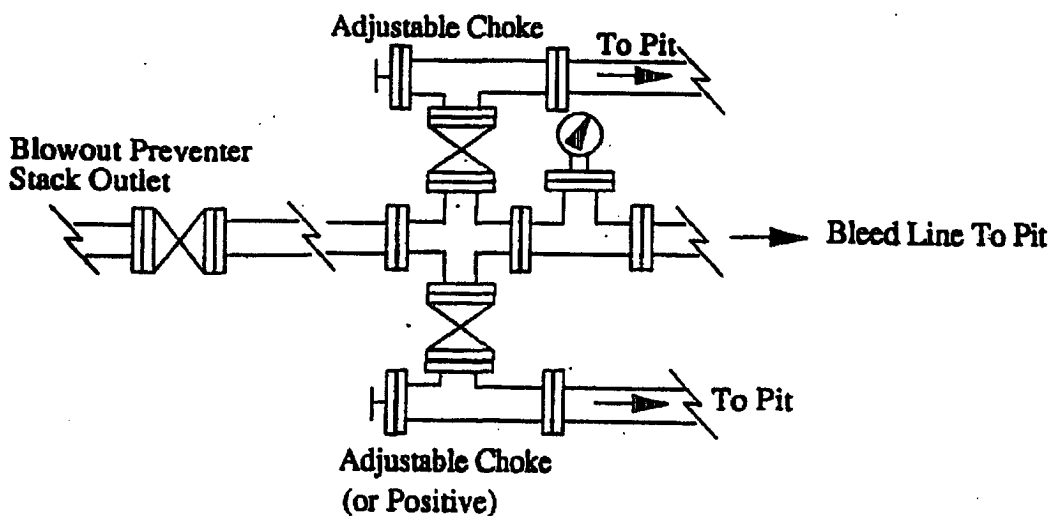
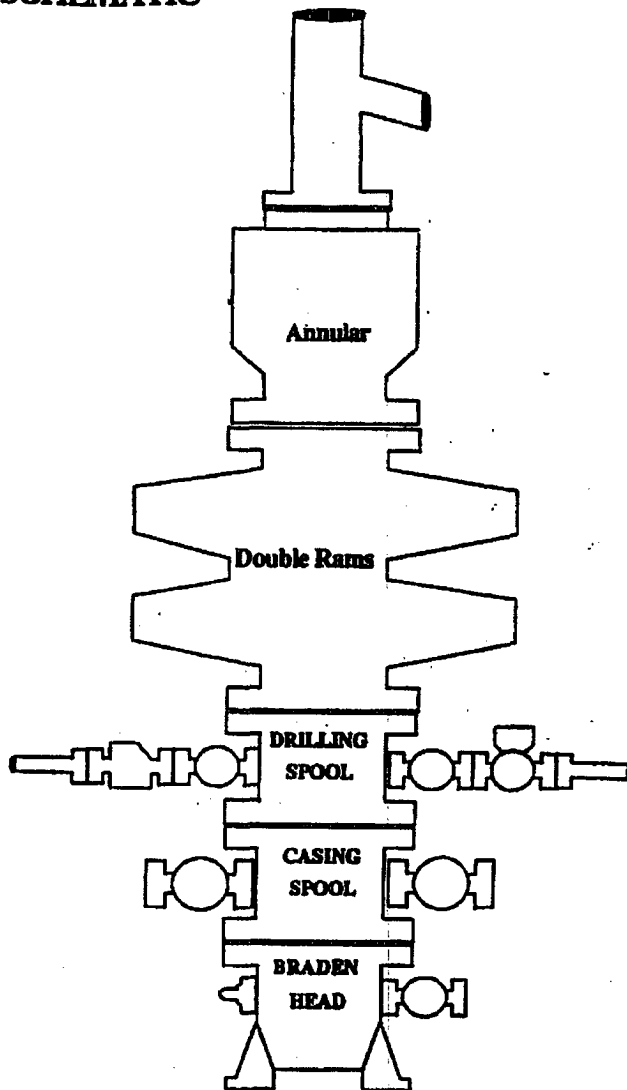


Nancy T. Bratcher  
Land Department

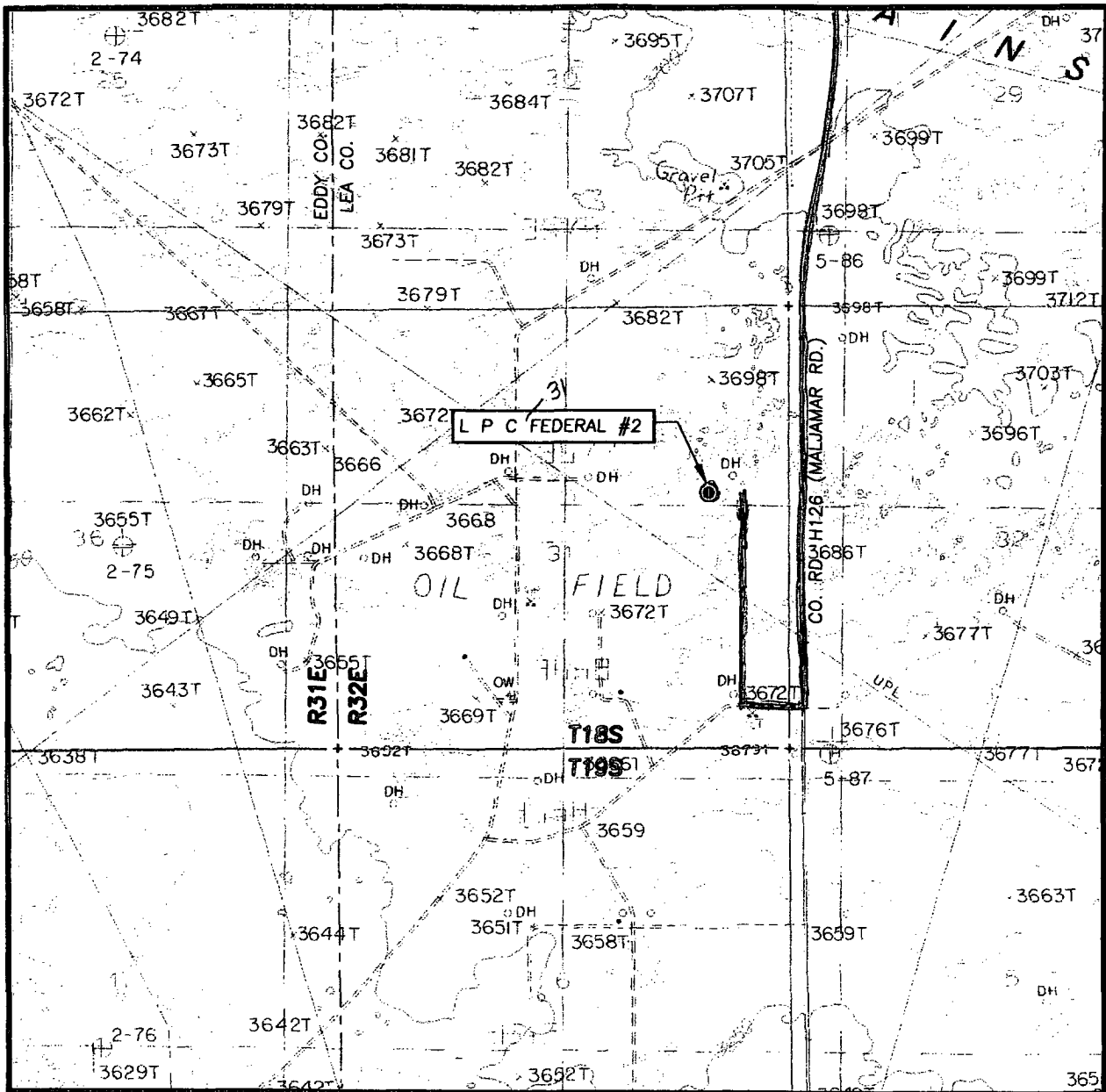
# BOPE SCHEMATIC



**Choke Manifold**



# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
GREENWOOD LAKE, N.M. - 10'

SEC. 31 TWP. 18-S RGE. 32-E

SURVEY \_\_\_\_\_ N.M.P.M.

COUNTY LEA STATE NEW MEXICO


DESCRIPTION 2210' FNL & 940' FEL

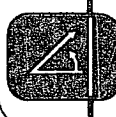
ELEVATION \_\_\_\_\_ 3686'

OPERATOR \_\_\_\_\_ MARBOB ENERGY CORPORATION

LEASE \_\_\_\_\_ L P C FEDERAL

U.S.G.S. TOPOGRAPHIC MAP  
GREENWOOD LAKE, N.M.

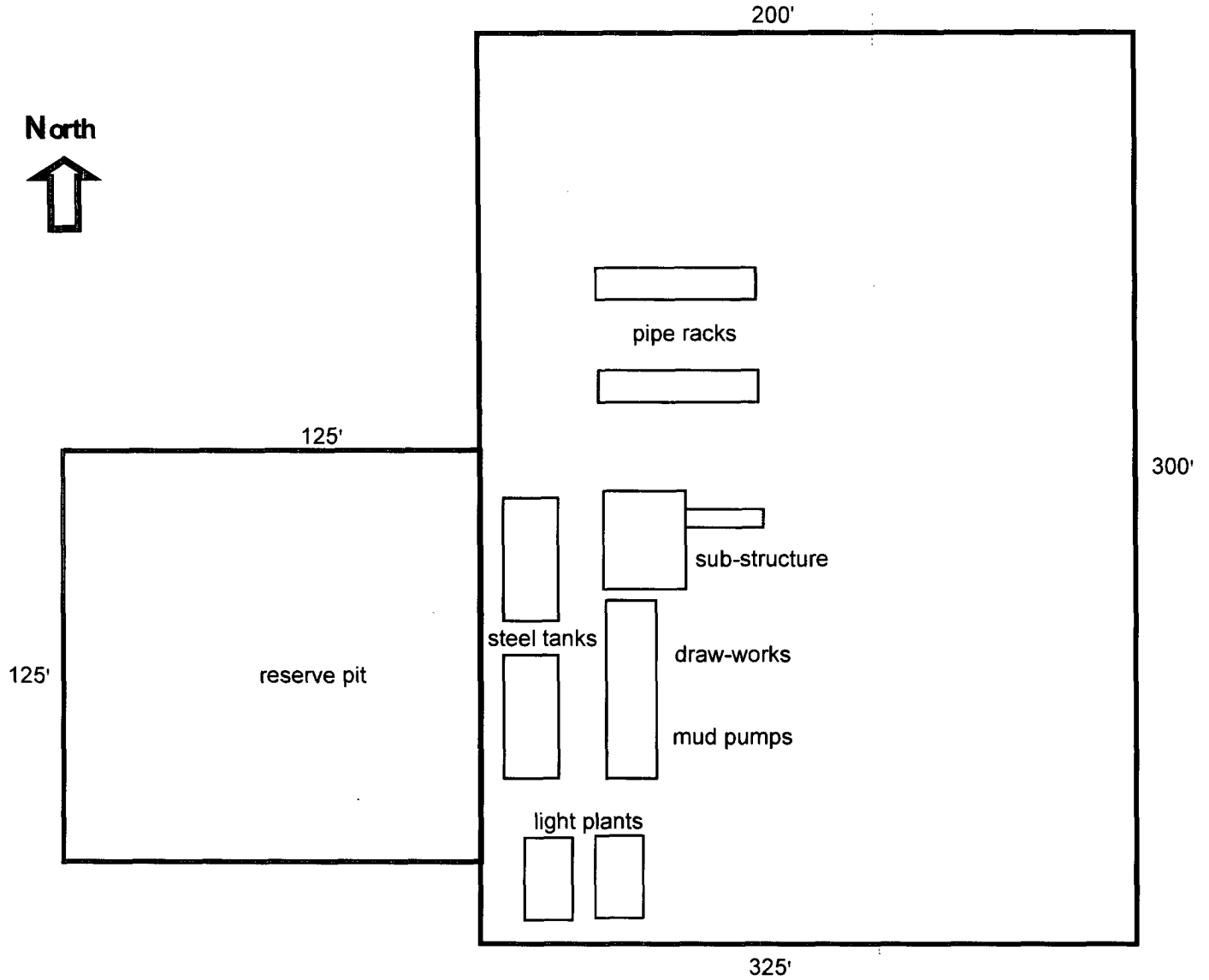
 Existing Roads



**PROVIDING SURVEYING SERVICES**  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

## EXHIBIT "2"

# Well Site Lay-Out Plat



3<sup>1</sup>  
L P C Federal #2  
2210' FNL & 940' FEL  
Section 31: T18S-R32E  
Lea County, New Mexico

EXHIBIT THREE

## CONDITIONS OF APPROVAL - DRILLING

Well Name & No. 2 – LPC 31 FEDERAL  
Operator's Name: MARBOB ENERGY CORPORATION  
Location: 2210' FNL & 940' FEL – SEC 31 – T18S – R32E – LEA COUNTY  
Lease: NM-23006

### I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5909 or (505) 361-2822 (After hours) for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

- A. Spudding
- B. Cementing casing: 13-3/8 inch 8-5/8 inch 5-1/2 inch
- C. BOP tests

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing ( size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

### II. CASING:

1. The 13-3/8 inch surface casing shall be set at 600 feet, below usable water and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string. **Note: Operator will use the Alternative Conditions of Approval – Drilling (attached). Fresh water or fresh water mud shall be used to drill out of surface casing to a depth of 1100 feet.**

2. The minimum required fill of cement behind the 8-5/8 inch salt protection casing is **circulate cement to the surface.**

3. The minimum required fill of cement behind the 5-1/2 inch production casing is **cement shall extend upward a minimum of 500 feet above the uppermost hydrocarbon bearing interval.**

### III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13-3/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) is 3000 psi > 3200 feet.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

# ALTERNATIVE CONDITIONS OF APPROVAL - DRILLING

## Drilling Fluids, Casing and Cementing Requirements for Most of Lea County:

### Casing and Cementing

Surface casing is to be set at a sufficient depth to protect useable water zones and cement circulated to surface. In areas where the salt section (Salado) is present, surface casing should be set at least 20 feet into the top of the Rustler Anhydrite and cement circulated to the surface.

As an alternative, surface casing may be set through the Santa Rosa Formation or other potable water bearing zones and circulate cement to surface. For wells requiring an intermediate casing string, such string shall be cemented to the ground surface. In the case where intermediate casing is not required the operators shall case and cement the production hole to the ground surface.

While drilling from the surface casing to the Rustler formation it is recommended that operators periodically sweep the hole with viscous low water loss pills to help build a filter cake across useable water zones in the redbeds.

### Drilling Fluid

Fresh water or fresh water spud mud shall be used to drill to surface casing depth. If surface casing is set at a lesser depth than the top of the Rustler formation, fresh water spud mud may be used to drill down to the first salt in the Rustler Formation. after which brine or fresh water may be used.

Non-toxic or biodegradable water based polymers, drilling paper, starch and gels may be used in the mud system in order to retard seepage into the redbeds.

Two to five percent diesel or crude oil may be used in the redbed section in order to control heaving shales and mudstones.

Caustics and Lime shall not be used in the red beds but may be added when the Rustler formation is reached. However, sodium carbonate maybe used for alkalinity or ph control while drilling the redbeds above the Rustler formation.

Additionally, questions of whether an additive may be used should be referred to the Roswell Field office.



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
March 12, 2004  
For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes  No

Type of action: Registration of a pit or below-grade tank  Closure of a pit or below-grade tank

Operator: **Marbob Energy Corporation** Telephone: **505-748-3303** e-mail address: **landtech@marbob.com**

Address: **PO Box 227, Artesia, NM 88211-0227**

Facility or well name: **L P C Federal #2**

API #: **30-025-38157** U/L or Qtr/Qtr **SENE** Sec **31** T **18S** R **32E**

County: **Lea** Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927  1983  Surface Owner Federal  State  Private  Indian

<b>Pit</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <b>12</b> mil Clay <input type="checkbox"/> Volume _____ bbl	<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) <b>100 feet or more (0 points) 0 points</b>
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) <b>No (0 points) 0 points</b>
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) <b>1000 feet or more (0 points) 0 points</b>
<b>Ranking Score (Total Points) 0 points</b>	

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite  offsite  If offsite, name of facility \_\_\_\_\_. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No  Yes  If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .  
Date: July 26, 2006

Printed Name/Title: **Nancy T. Bratcher / Land Department** Signature *Nancy T. Bratcher*

Our certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: Date: **10/4/06**  
Printed Name/Title: **GARY W. WINK/STAFF MGR** Signature *Gary W. Wink*