

**AP - 094**

**GENERAL  
CORRESPONDENCE**

**2008 - 2007**

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



**AUGUST 18, 2008**

Mr. Rand French  
Marbob Energy Corporation  
P.O. Box 227  
Artesia, NM 88211

**RE: REQUIREMENT TO SUBMIT ABATEMENT PLAN  
MARBOb ENERGY - SCRATCH STATE DRILLING PIT  
SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST  
LEA COUNTY, NEW MEXICO  
OCD CASE NO. AP094**

Dear Mr. French:

The Oil Conservation Division (OCD) has determined that Marbob Energy (Marbob) must submit a Stage 1 Abatement Plan in accordance with OCD Rule 19 (19.15.1.19 NMAC) to investigate ground water contamination at its Scratch State drilling pit, located in Section 24, Township 18 South, Range 33 East, Lea County, New Mexico. The Stage 1 Abatement Plan proposal must be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office and must meet all of the requirements specified in OCD Rule 19 (19.15.1.19 NMAC), including, but not limited to, the public notice and participation requirements specified in Rule 19G. The Stage 1 Abatement Plan is due sixty (60) days from the receipt by Marbob of this written notice.

Marbob's Stage 1 Abatement Plan must specifically meet all of the requirements specified in OCD Rule 19E.3, including, but not limited to, a site investigation work plan and monitoring program that will enable it to characterize the release using an appropriate number of isoconcentration maps and cross sections and to provide the data necessary to select and design an effective abatement option. Marbob may, if it chooses, concurrently submit a Stage 2 Abatement Plan that addresses appropriate proactive abatement options.

Marbob submitted timely verbal and written notification to OCD when it discovered potential ground water contamination on August 24, 2007. Marbob indicated that it did not know the extent of the impacts at the time that it submitted its C-141. In September 2007 Marbob



conducted additional soil and ground water investigation. Laboratory analysis conducted in early October 2007 confirmed that Marbob had contaminated ground water. However, Marbob did not inform OCD that it had confirmed a ground water release; rather it continued to sample ground water several times. On July 11, 2008, Glenn von Gonten of my staff contacted Cliff Brunson and asked about the status of this case. Mr. Brunson indicated that he would send OCD the analytical data; however, it was only after three more reminders from OCD that the analytical data was finally submitted. The appropriate approach for Marbob was to have submitted a second C-141 in October 2007 when it confirmed that ground water had indeed been contaminated. This is the last time that OCD will choose not to take enforcement action for Marbob's failure to comply with Rule 116 and to promptly submit confirmatory analytical data to OCD in a timely manner.

Marbob should submit one paper copy with and an electronic copy on CD of all future workplans and/or reports. Please refer to *OCD Case No. AP094* on all future correspondence. If you have any questions, please contact Glenn von Gonten of my staff at (505) 476-3488.

Sincerely,



Wayne Price  
Environmental Bureau Chief

WP/gvg

cc: Chris Williams  
Larry Johnson

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

Form C-141  
Revised October, 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

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

2007 AUG 30 AM 11:05  
Release Notification and Corrective Action

Name of Company <i>MARLB Energy Corp.</i>		Contact <i>Cliff Binson - BBC International</i>	<input type="checkbox"/> Initial Report	<input type="checkbox"/> Final Report
Address <i>PO Box 227 Artesia, NM 88211</i>		Telephone No. <i>505-397-6388</i>		
Facility Name <i>Scratch STATE</i>		Facility Type <i>oil well / Drilling Pit</i>		
Surface Owner <i>STATE OF N.M.</i>	Mineral Owner <i>STATE</i>	Lease No.		

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	<i>24</i>	<i>18S</i>	<i>33E</i>	<i>1980</i>	<i>North</i>	<i>660</i>	<i>WEST</i>	<i>LEA.</i>

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release <i>Pit Liner</i>	Volume of Release <i>Unknown</i>	Volume Recovered <i>None</i>
Source of Release <i>Pit</i>	Date and Hour of Occurrence <i>?</i>	Date and Hour of Discovery <i>8/20/07 9:30 am</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Daniel Sanchez - phone; Wayne Price - email</i>	
By Whom? <i>Rand French; Cliff Binson</i>	Date and Hour <i>8/20/07 - 2:07 pm</i>	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <i>Unknown</i>	

If a Watercourse was Impacted, Describe Fully.\*

*Do not know the extent of impacts at this time*

Describe Cause of Problem and Remedial Action Taken.\*

*Compromised Pit - was in the process of a dig-in-hat, along with delineating chlorides. Forty feet below ground surface wet soils and water was encountered.*

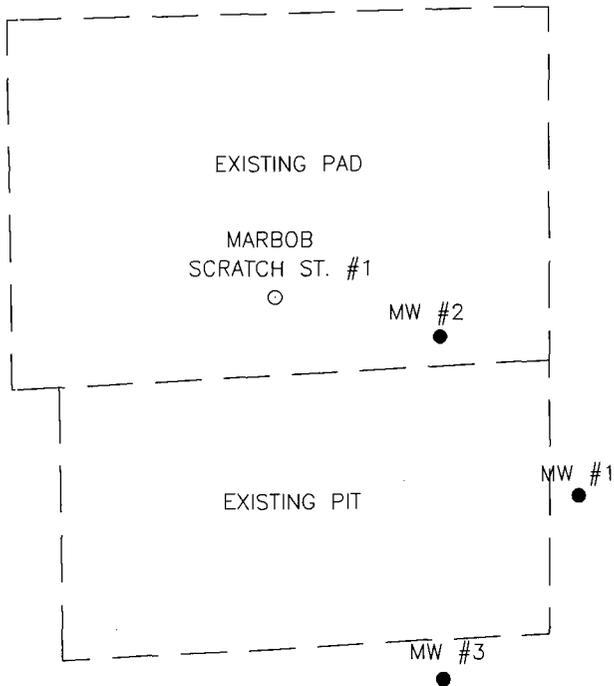
Describe Area Affected and Cleanup Action Taken.\*

*Unknown at this time. Most of the Pit material has been removed. The back side of Pit was free of chlorides @ 12' feet.*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

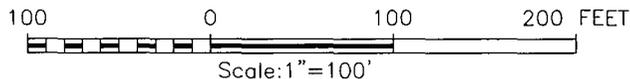
Signature: <i>Rand French</i>	<b>OIL CONSERVATION DIVISION</b>		
Printed Name: <i>Rand French</i>	Approved by District Supervisor:		
Title: <i>wildlife Biologist</i>	Approval Date:	Expiration Date:	
E-mail Address: <i>wildlife @ MARLB.com</i>	Conditions of Approval:		Attached <input type="checkbox"/>
Date: <i>8/24/07</i>	Phone: <i>748-3303</i>		

\* Attach Additional Sheets If Necessary



WELL	COORDINATES	ELEVATIONS
MW #1	631744.7 N 759929.6 E	NATURAL GROUND - 3891.36' TOP OF PVC - 3894.31' TOP OF CONCRETE - 3891.47'
MW #2	631831.0 N 759853.6 E	NATURAL GROUND - 3893.55' TOP OF PVC - 3896.50' TOP OF CONCRETE - 3893.76'
MW #3	631645.9 N 759855.5 E	NATURAL GROUND - 3891.82' TOP OF PVC - 3894.78' TOP OF CONCRETE - 3892.05'

NOTE: COORDINATES SHOWN ARE "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.





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

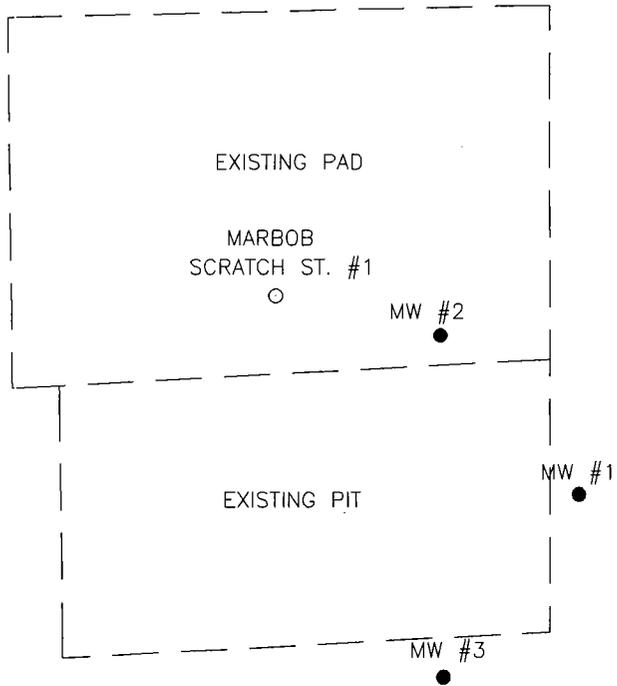
BBC INTERNATIONAL, INC.

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SCRATCH STATE COM #1

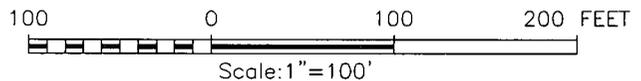
SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 10/22/007	Sheet 1 of 1 Sheets
W.O. Number: 07.11.1397	Drawn By: L.A.
Date: 10/26/07	DISK: CD#6
07111397	REV:8/7/08



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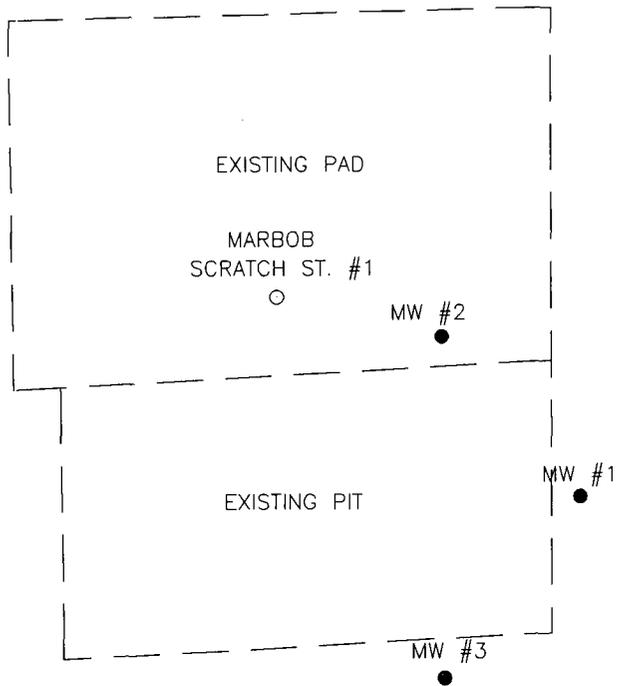
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BBC INTERNATIONAL, INC.

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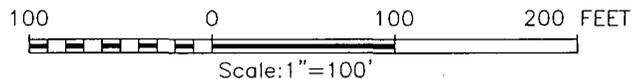
SCRATCH STATE COM #1  
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SCRATCH STATE COM #1

SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 10/22/007	Sheet 1 of 1 Sheets
W.O. Number: 07.11.1397	Drawn By: L.A.
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07111397	REV:8/7/08

## Activities Summary – Marbob Scratch State #1

BBC began performing field screens for chloride on soil samples from the pit bottom at Scratch State Com #1 on August 9, 2007. Chloride levels in soil samples in the north half of the pit continued to exceed NMOCD guidelines as the depth for sample collection increased. The north half of the excavation continued to deepen as samples were screened. On August 20, 2007, groundwater was encountered at approximately 40 feet below ground surface in the northeast corner of the excavation. A trench of similar depth was excavated at the northwest corner however no water was encountered at that location.

On September 10, 2007, BBC contracted Eco/Enviro Drilling to place a monitoring well (MW1) near the northeast corner of the excavation. MW1 was located on the east side of the pit near the north corner. Four soil samples were collected during drilling of MW1. At 35 feet bgs chloride content was less than 16 parts per million (ppm or mg/Kg), the 40 foot sample contained 3,919 ppm, the 45 foot sample contained 3,479 ppm, and the 50 foot sample showed 208 ppm. Drilling ceased at 50 feet bgs and the well was set with a 2 inch casing and 15 feet of 0.20 mm screen. The well was not yet vaulted, and BBC developed MW1 in the afternoon of the same day. 12.77 feet of water (2.08 gallons) existed in the well and 6.24 gallons were purged.

On September 11, 2007, BBC sampled the groundwater for chloride at MW1. The sample contained 396 ppm (mg/L).

Eco/Enviro Drilling returned on September 27-28, 2007 to install the second and third monitoring wells (MW2 and MW3). MW2 was placed on the north side of the excavation and toward the east corner. Five soil samples were collected during drilling of MW2. At 35 feet bgs chloride content was 9,800 ppm, the 40 foot sample contained 5,040 ppm, the 45 foot sample contained 3,240 ppm, the 50 foot sample showed 5,040 ppm, and the 55 foot sample contained 528 ppm. Drilling ceased at 55 feet bgs and the well was set with a 2 inch casing and 15 feet of 0.20 mm screen. The well was not yet vaulted. MW3 was placed on the south side of the excavation directly south of MW2. Five soil samples were collected during drilling of MW3. At 35 feet bgs chloride content was 48 ppm, the 40 foot sample contained 64 ppm, the 45 foot sample contained 192 ppm, the 50 foot sample showed 176 ppm, and the 55 foot sample contained 64 ppm. Drilling ceased at 55 feet bgs and the well was set with a 2 inch casing and 15 feet of 0.20 mm screen. The well was not yet vaulted. BBC developed MW2 on the afternoon of September 28, 2007. 14.05 feet of water (2.29 gallons) existed in the well and 6.87 gallons were purged. Since MW3 was not yet recharging, it was decided to postpone development of MW3 until October 1, 2007.

On October 1, 2007, BBC sampled the groundwater for chloride at MW2. The sample contained 45,590 ppm. BBC also developed MW3 the same afternoon. Gauging data indicated that 4.97 feet of water existed in MW3 (0.81 gallons). BBC purged 1 gallon of groundwater before the groundwater pump clogged with sediment. Two hours later, BBC returned using a bailer to purge another 1.5 gallons of water and sediment from MW3. MW3 was emptied.

BBC returned to collect groundwater samples for chloride on October 2, 2007 from both MW1 and MW3 for the purpose of having near simultaneous groundwater data for all three monitoring wells. The groundwater sample from MW1 contained 708 ppm. The sample from MW3 contained 472 ppm. During sampling activities it was noted that MW3 contained only 2.94 feet of water in the water column. Only 0.5 gallons and more sediment were purged.

On October 3, 2007, BBC purged MW2 and MW3. MW2 would be purged as often as possible due to the results of the laboratory data from the first samples collected. 14.17 feet of water (2.31 gallons) existed in the water column and 11 gallons were purged. MW3 would be purged in an attempt to encourage recharge of the well. 1.32 feet of water (0.22 gallons) existed in the water column and 0.25 gallons were purged.

All three monitoring wells were vaulted on October 19, 2007. On this afternoon, all wells were gauged and 11 gallons were purged from MW2.

On October 22, 2007, the site was surveyed by John West Surveying Company. The survey included monitoring well elevations. Also on this date, BBC again purged MW2 and MW3. In MW2, 13.84 feet of water (2.26 gallons) existed in the water column and 10 gallons were purged. In MW3, 1.59 feet of water (0.26 gallons) existed in the water column and 0.25 gallons were purged.

BBC collected groundwater samples from all three monitoring wells on October 23, 2007. The sample from MW1 contained 2,260 ppm chloride, the sample from MW2 contained 42,800 ppm, and the sample from MW3 contained 400 ppm.

During the month of November, MW2 continued to be purged. The water level in MW3 remained at less than 0.5 feet in the water column.

On December 4, 2007, BBC purged all monitor wells, however from this date on only sampled groundwater from MW1 and MW2. MW3 was not sampled again due to failure of the well to recharge after purging. The sample from MW1 showed 512 ppm chloride and MW2 contained 42,400 ppm.

BBC continued to purge MW2 through January of 2008. On January 24, 2008, BBC collected groundwater samples from MW1 and MW2. The sample from MW1 contained 35,200 ppm chloride and the sample from MW2 showed 44,400 ppm. From this date forward, both MW1 and MW2 were purged as often as possible.

On April 14, 2008, BBC collected groundwater samples from MW1 and MW2. The sample from MW1 contained 14,600 ppm chloride and the sample from MW2 contained 48,800 ppm.

BBC also received permission from Marbob Energy to order a ground water pumping unit to install at MW2 in order for the well to be purged continuously. BBC has received the pumping unit for MW2 installation and will soon complete the installation. BBC continues to purge MW1 and MW2 and has regularly noted a slight decrease in the amount of water in the column of both monitoring wells.







**ARDINAL  
LABORATORIES**

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

**ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (505) 397-0397**

Receiving Date: 09/27/07  
Reporting Date: 09/28/07  
Project Owner: MARBOB  
Project Name: SCRATCH ST. COM #1  
Project Location: MALJAMAR, NM

Analysis Date: 09/28/07  
Sampling Date: 09/27/07  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: KS  
Analyzed By: HM

LAB NUMBER	SAMPLE ID	CF (mg/Kg)
H13393-1	MW2 35'	9,800
H13393-2	MW2 40'	5,040
H13393-3	MW2 45'	3,240
H13393-4	MW2 50'	5,040
H13393-5	MW2 55'	528
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		2.0

METHOD: Standard Methods 4500-CFB

Note: Analyses performed on 1:4 w:v aqueous extracts.

  
\_\_\_\_\_  
Chemist

09-28-07  
\_\_\_\_\_  
Date

H13393 BBC

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



CARDINAL LABORATORIES, INC.

2114 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 80240  
(915) 673-7001 Fax (915) 673-7020 (506) 393-2326 Fax (505) 993-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: **BRC International** P.O. #: **BL110** ANALYSIS REQUEST

Project Manager: **Don Brinson** Company:

Address: **1324 W. Marland**

City: **Hobbs** State: **NM** Zip: **88240** Attn: **SAAME**

Phone #: **505-397-6388** Fax #: **505-397-0397** Address:

Project #: **Sarahah St. Corn #1** Project Owner: **Marbob** City: Zip:

Project Name: **Sarahah St. Corn #1** State: Zip: Phone #: Fax #:

Project Location: **Marbob** Phone #: Fax #:

Sampler Name: **Amy Ruth** Phone #: Fax #:

FOR USE ONLY

Lab ID: **Sample I.D.**

Lab ID	Sample I.D.	(S)RAB OR (C)OMP.	# CONTAINERS	MATRIX						DATE	TIME	REMARKS
				GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:			
H13393-1	MLW2 35'	G 1	1	<input checked="" type="checkbox"/>	9/27/07	958	Chloride					
	-2 MLW2 40'	G 1	1	<input checked="" type="checkbox"/>	9/27/07	1047						
	-3 MLW2 45'	G 1	1	<input checked="" type="checkbox"/>	9/27/07	1116						
	-4 MLW2 50'	G 1	1	<input checked="" type="checkbox"/>	9/27/07	1156						
	-5 MLW2 55'	G 1	1	<input checked="" type="checkbox"/>	9/27/07	1220						

REUSE NOTE: Under and Downstream, Cardinal's Safety and Health Section is not to be used for any other purpose than to document the results of the analysis. The results of the analysis are to be used for the purpose of determining the level of contamination and the level of risk to the environment. The results of the analysis are to be used for the purpose of determining the level of risk to the environment. The results of the analysis are to be used for the purpose of determining the level of risk to the environment.

Sampler Requisitioned: Received By: **Lab Staff** Date: Time:

Requisitioned By: **Don Brinson** Date: **9/27/07** Time: **2:10** Received By: **Lab Staff** Date: Time:

Delivered By: **IC/PC/One** Sample Condition: **Intact** Checked By: **LS** Sample: UPS - Bus - Other: **LS**

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.











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ANALYTICAL RESULTS FOR  
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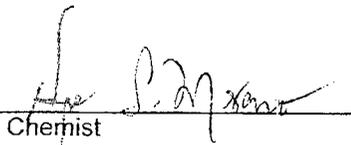
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H13393-2	MW2 40'	5,040
H13393-3	MW2 45'	3,240
H13393-4	MW2 50'	5,040
H13393-5	MW2 55'	528
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		2.0

METHOD: Standard Methods 4500-ClB

Note: Analyses performed on 1:4 w:v aqueous extracts.

  
Chemist

09-28-07  
Date

H13393 BBC

PLEASE NOTE: **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



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(915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

ANALYSIS REQUEST

FILE NO

P.O. #:

Company:

Attn: SAME

Address:

City:

State:

Zip:

Phone #:

Fax #:

Project Name: Savatah St. Com #1

Project Location: Marbach

Project #:

Project Owner: Marbach

Sampler Name: Amy Rife

FOR USE ONLY

Lab I.D. Sample I.D.

(G)RAB DR (C)OMP.

# CONTAINERS

GROUNDWATER

WASTEWATER

SOIL

CRUDE OIL

SLUDGE

OTHER:

ACID/BASE:

ICE / COOL

OTHER:

DATE

TIME

Chloride

Yes

No

Add'l Phone #:

Add'l Fax #:

REMARKS:

Phone Results:  Yes  No

Fax Results:  Yes  No

Sample Condition:  Intact  Cool  Dry

Checked By: (Initials) KS

Received By: (Lab Staff) Mike Juppico

Date: 9/23/07

Time: 2:10

Delivered By: (Circle One)  Driver  Other

Sampler: UPS - Bus - Other:

Relinquished By: (Signature)

Relinquished Date: 9/23/07

Time: 2:10

Received By: (Lab Staff) Mike Juppico

Date: 9/23/07

Time: 2:10

Delivered By: (Circle One)  Driver  Other

Sampler: UPS - Bus - Other:

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Time: 2:10

Delivered By: (Circle One)  Driver  Other

Sampler: UPS - Bus - Other:

Relinquished By: (Signature)

Relinquished Date: 9/23/07

Time: 2:10

Received By: (Lab Staff) Mike Juppico

Date: 9/23/07

Time: 2:10

Delivered By: (Circle One)  Driver  Other

Sampler: UPS - Bus - Other:

Relinquished By: (Signature)

Relinquished Date: 9/23/07

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Sampler: UPS - Bus - Other:

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Relinquished By: (Signature)

Relinquished Date: 9/23/07

Time: 2:10

Received By: (Lab Staff) Mike Juppico

Date: 9/23/07

Time: 2:10

Delivered By: (Circle One)  Driver  Other

Sampler: UPS - Bus - Other:

Relinquished By: (Signature)

Rel



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
 BBC INTERNATIONAL, INC.  
 ATTN: CLIFF BRUNSON  
 P.O. BOX 805  
 HOBBS, NM 88241  
 FAX TO: (505) 397-0397

Receiving Date: 10/02/07  
 Reporting Date: 10/02/07  
 Project Owner: MARBOB  
 Project Name: SCRATCH ST. COM #1  
 Project Location: MALJAMAR, NM

Analysis Date: 10/02/07  
 Sampling Date: 09/28/07  
 Sample Type: SOIL  
 Sample Condition: COOL & INTACT  
 Sample Received By: NF  
 Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/Kg)
H13410-1	MW3 35'	48
H13410-2	MW3 40'	64
H13410-3	MW3 45'	192
H13410-4	MW3 50'	176
H13410-5	MW3 55'	64
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods 4500-ClB

Note: Analyses performed on 1:4 w:v aqueous extracts.

*Krista Dupont*  
 Chemist

10/02/07  
 Date

H13410 BBC

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ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (505) 397-0397

Receiving Date: 10/02/07  
Reporting Date: 10/02/07  
Project Owner: MARBOEI  
Project Name: SCRATCH ST. COM #1  
Project Location: MALJAMAR, NM

Analysis Date: 10/02/07  
Sampling Date: 10/01/07  
Sample Type: GROUNDWATER  
Sample Condition: COOL & INTACT  
Sample Received By: NF  
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/L)
H13411-1	MW 2	45,590
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1
METHOD: Standard Methods		4500-ClB

*Kristen Angles*  
Chemist

10/02/07  
Date

H13411 BBC

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# CARDINAL LABORATORIES, INC.

2111 Belschwood, Abilene, TX 79602 101 East Merland, Hobbs, NM 88240  
(815) 573-7001 Fax (815) 573-7020 (605) 383-2329 Fax (505) 993-2478

## CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name: <b>BBA International, Inc</b>		P.O. #:	
Project Manager: <b>Duff Bryson</b>		Company:	
Address: <b>1324 W. Merland</b>		City: <b>Hobbs</b>	
State: <b>NM</b> Zip: <b>88240</b>		Altitude: <b>5997</b>	
Phone #: <b>505-397-6388</b> Fax #: <b>505-397-0397</b>		Address: <b>Merland St. Las</b>	
Project #:		City: <b>Las Vegas</b>	
Project Name: <b>Scratch St. Las</b>		State: <b>NV</b> Zip: <b>89101</b>	
Project Location: <b>Merland St. Las</b>		Phone #:	
Sampler Name: <b>Amy Ruth</b>		Fax #:	
FOR URGENCY:		PRESERV. SAMPLING	
Lab I.D. <b>Sample I.D.</b>		DATE TIME	
<b>H1341-1 MW2</b>		<b>6/16/2000</b>	
<input checked="" type="checkbox"/> GRAB OR <input type="checkbox"/> COMP.		<input checked="" type="checkbox"/> Chloride	
<input type="checkbox"/> CONTAINERS			
<input checked="" type="checkbox"/> GROUNDWATER			
<input type="checkbox"/> WASTEWATER			
<input type="checkbox"/> SOIL			
<input type="checkbox"/> CRUDE OIL			
<input type="checkbox"/> SLUDGE			
OTHER:			
<input type="checkbox"/> ACIDBASE			
<input checked="" type="checkbox"/> ICE / COOL			
OTHER:			

RECEIVED BY: **Amy Ruth** DATE: **6/16/2000**

DELIVERED BY: **(circle one)**  Driver  Other

RECEIVED BY: **(circle one)**  Lab  Other

DATE: **10/2/07** TIME: **8:30**

RECEIVED BY: **Fuller**

STAMPS CONDITION:  Cool  Intact

CHECKED BY: **(signature)**

PHONE REQUEST:  Yes  No

ADD'l PHONE #:

ADD'l FAX #:

REMARKS:

\* Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2478.







# ARDINAL LABORATORIES

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PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (575) 397-0397

Receiving Date: 10/24/07  
Reporting Date: 10/24/07  
Project Owner: MARBOB  
Project Name: SCRATCH ST. COM #1  
Project Location: MALJAMAR, NM

Analysis Date: 10/24/07  
Sampling Date: 10/23/07  
Sample Type: GROUNDWATER  
Sample Condition: COOL & INTACT  
Sample Received By: BC  
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/L)
H13569-1	MW 1	2,260
H13569-2	MW 2	42,800
H13569-3	MW 3	400
Quality Control		490
True Value QC		500
% Recovery		98.0
Relative Percent Difference		< 0.1

METHOD: Standard Methods	4500-ClB
--------------------------	----------

*Kristen Apple*  
Chemist

10/24/07  
Date

H13569 BBC

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**ARDINAL  
LABORATORIES**

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ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (575) 397-0397

Receiving Date: 12/04/07  
Reporting Date: 12/05/07  
Project Owner: MARBOB  
Project Name: SCRATCH ST. COM #1  
Project Location: MALJAMAR, NM

Analysis Date: 12/05/07  
Sampling Date: 12/04/07  
Sample Type: GROUNDWATER  
Sample Condition: COOL & INTACT  
Sample Received By: NF  
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/L)
H13842-1	MW1	512
H13842-2	MW2	42,400
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods	4500-ClB
--------------------------	----------

*Christina Supta*  
Chemist

12/05/07  
Date

H13842 BBC

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# CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

**ARONVAL LABORATORIES, INC.**

2111 Beechwood, Abilene, TX 79603 101 East Merland, Hobbs, NM 88240  
 (915) 673-7001 Fax (915) 673-7020 (806) 393-2326 Fax (505) 393-2478

Company Name: BBC International, Inc. P.O. #: 87210 ANALYSIS REQUEST Page 1 of 1

Project Manager: Cliff Brunson Company: BBB  
 Address: 1324 W. Merland State: NM Zip: 87240 Attn: SAFANE  
 City: Hobbs Phone #: 505-397-6388 Fax #: 505-397-0397  
 Project #: Scratch St. Com. # Project Owner: Max Pad  
 Project Location: Mojave, NM State: Zip:  
 Sampler Name: Amy Keith Phone #: Fax #:

Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP	# CONTAINERS	MATRIX				PRESERV.	SAMPLING	DATE	TIME
				GROUNDWATER	SOIL	SLUDGE	OTHER:				
H13012-1 MW1		6	1	✓					12/4/07	1410	
-1 MW2		6	1	✓					12/4/07	1420	

Chloride

PLEASE NOTE: Laboratory personnel will check each sample immediately for any obvious damage or tampering. If any damage or tampering is observed, the sample will be rejected. The laboratory will not be responsible for any damage or tampering that occurs after the sample has been received at the laboratory. The laboratory will not be responsible for any damage or tampering that occurs before the sample has been received at the laboratory. The laboratory will not be responsible for any damage or tampering that occurs during the sample's transit. The laboratory will not be responsible for any damage or tampering that occurs after the sample has been received at the laboratory. The laboratory will not be responsible for any damage or tampering that occurs before the sample has been received at the laboratory. The laboratory will not be responsible for any damage or tampering that occurs during the sample's transit. The laboratory will not be responsible for any damage or tampering that occurs after the sample has been received at the laboratory.

Sampler Relinquished: Amy Keith Date: 12/4/07 Time: 16:58  
 Received By: Val Adair  
 Sample Condition:  Cool  Intact  No  No  
 Checked By: Val Adair (Initials)  
 Delivered By: Multiple One  
 Sampler - UPS - Bus - Other:

Phone #: ADD Phone #: ADD  
 Fax #: ADD Fax #: ADD  
 REMARKS:

† Cardinal control accept verbal changes. Please fax within changes to 505-393-2475.







PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

**ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (575) 397-0397**

Receiving Date: 04/15/08  
Reporting Date: 04/15/08  
Project Owner: MARBOB  
Project Name: SCRATCH ST. COM #1  
Project Location: MALJAMAR, NM

Analysis Date: 04/15/08  
Sampling Date: 04/14/08  
Sample Type: GROUNDWATER  
Sample Condition: COOL & INTACT  
Sample Received By: ML  
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl <sup>-</sup> (mg/L)
H14646-1	MW1	14,600
H14646-2	MW2	48,800
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		2.0
METHOD: Standard Methods		4500-ClB

*Cliff Brunson*  
Chemist

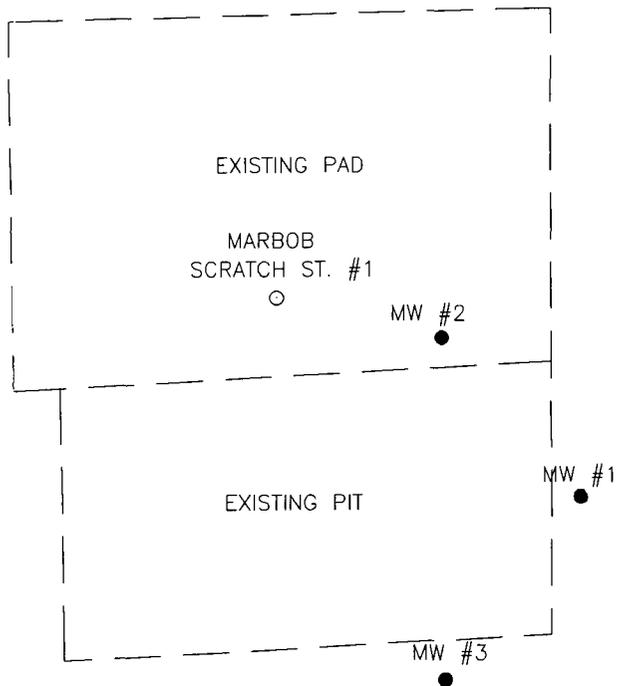
04/15/08  
Date

H14646 BBC

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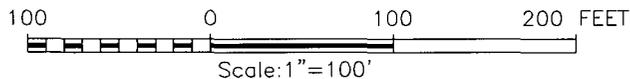


30-025-36996



WELL	COORDINATES	ELEVATIONS
MW #1	631744.7 N 759929.6 E	NATURAL GROUND - 3891.36' TOP OF PVC - 3894.31' TOP OF CONCRETE - 3891.47'
MW #2	631831.0 N 759853.6 E	NATURAL GROUND - 3893.55' TOP OF PVC - 3896.50' TOP OF CONCRETE - 3893.76'
MW #3	631645.9 N 759855.5 E	NATURAL GROUND - 3891.82' TOP OF PVC - 3894.78' TOP OF CONCRETE - 3892.05'

NOTE: COORDINATES SHOWN ARE "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983.





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 HOBBS, N.M. 88240  
 (505) 393-3117

BBC INTERNATIONAL, INC.

---

SCRATCH STATE COM #1

SECTION 24, TOWNSHIP 18 SOUTH, RANGE 33 EAST,  
N.M.P.M., LEA COUNTY, NEW MEXICO

---

Survey Date: 10/22/007	Sheet . 1 of 1 Sheets
W.O. Number: 07.11.1397	Drawn By: L.A.
Date: 10/26/07	DISK: CD#6
07111397	REV:8/7/08

**VonGonten, Glenn, EMNRD**

---

**From:** Cliff P. Brunson [cbrunson@bbcinternational.com]  
**Sent:** Thursday, August 14, 2008 5:46 PM  
**To:** VonGonten, Glenn, EMNRD  
**Cc:** Price, Wayne, EMNRD; Ken Swinney; Jennifer Gilkey; Amy C. Ruth  
**Subject:** RE: Marbob Scratch State  
**Attachments:** SCRATCH STATE COM #1-1.pdf; Activities Summary-Scratch State Com 1.pdf; Lab Data-4-15-08.pdf; Lab Data 1-25-08.pdf; Lab Data 8-14-07.pdf; Lab Data 9-11-07.pdf; Lab data 9-27-07.pdf; Lab data 9-28-07.pdf; Lab data 10-1-07.pdf; Lab data 10-2-07.pdf; Lab data 10-23-07.pdf; Lab data 12-4-07.pdf; MW1 soil boring data-Sept. 10, 2007.pdf; MW2 soil boring data-Sept. 27, 2007.pdf

Glenn,

Attached are several files per your request. One is an activities summary that will correlate the lab data and the site diagram. I have been out of town all week until this afternoon otherwise I would have sent it at the beginning of this week.

Cliff

\*\*\*\*\*  
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Cliff P. Brunson, CEI, CRS  
President  
BBC International, Inc.  
World-Wide Environmental Specialists  
Mailing Address:  
P. O. Box 805  
Hobbs, NM 88241-0805 USA  
Shipping Address:  
1324 W. Marland Blvd.  
Hobbs, NM 88240 USA  
Phone: (575) 397-6388  
Fax: (575) 397-0397  
E-mail: [cbrunson@bbcinternational.com](mailto:cbrunson@bbcinternational.com)  
Web: [www.bbcinternational.com](http://www.bbcinternational.com)  
\*\*\*\*\*

---

**From:** VonGonten, Glenn, EMNRD [mailto:Glenn.VonGonten@state.nm.us]  
**Sent:** Thursday, August 14, 2008 4:58 PM  
**To:** Cliff P. Brunson  
**Cc:** Price, Wayne, EMNRD  
**Subject:** RE: Marbob Scratch State

Cliff,

OCD still has not received the required information. If OCD does not receive it by 5:00 pm, August 15, 2008, your client will receive a Letter of Violation the following Monday. No more delays will be accepted.

*Glenn von Gonten*  
*Senior Hydrologist*  
*Environmental Bureau*  
*Oil Conservation Division*  
*1220 South St. Francis Drive*  
*Santa Fe, NM 87505*  
*505-476-3488*  
*fax -476-3462*  
*glenn.vongonten@state.nm.us*

---

**From:** Cliff P. Brunson [mailto:cbrunson@bbcinternational.com]  
**Sent:** Monday, August 04, 2008 3:36 PM  
**To:** VonGonten, Glenn, EMNRD  
**Cc:** Price, Wayne, EMNRD  
**Subject:** RE: Marbob Scratch State

Glenn,

I am gathering the information to send to you. I apologize for the delay. Amy has been taking care of this site and she has both been on vacation and out for medical reasons for a while. It had put us even more short staffed, but she is back now and we are getting caught up. The information should be sent to you very soon. Appreciate your understanding.

Cliff

---

**From:** VonGonten, Glenn, EMNRD [mailto:Glenn.VonGonten@state.nm.us]  
**Sent:** Monday, August 04, 2008 3:01 PM  
**To:** cbrunson@bbcinternational.com  
**Cc:** Price, Wayne, EMNRD  
**Subject:** Marbob Scratch State

Cliff,

Just a reminder, OCD needs copies of all analytical results for the Marbob Scratch State. If ground water has been impacted then OCD will require either a remediation plan or an abatement plan depending on whether ground water standards have been exceeded. Marbob was required to submit an amended C-141 when it received its analytical data, which makes it potentially out of compliance for the past 10 months. Please submit the data immediately.

*Glenn von Gonten*

8/15/2008

*Senior Hydrologist  
Environmental Bureau  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
505-476-3488  
fax -476-3462  
glenn.vongonten@state.nm.us*

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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-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

RECEIVED

2007 JUL 31 09:14 AM  
**Release Notification and Corrective Action**

**OPERATOR**  Initial Report  Final Report

Name of Company <i>MARBOB ENERGY Corp.</i>	Contact <i>Cliff Bunson - BAC International</i>
Address <i>PO Box 227 Artesia, NM 88211</i>	Telephone No. <i>505-397-6388</i>
Facility Name <i>Scratch state</i>	Facility Type <i>oil well / Drilling Pit</i>
Surface Owner <i>STATE OF N.M</i>	Mineral Owner <i>STATE</i>
Lease No.	

**LOCATION OF RELEASE**

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	<i>24</i>	<i>18s</i>	<i>33E</i>	<i>1980</i>	<i>North</i>	<i>660</i>	<i>WEST</i>	<i>LEA.</i>

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

**NATURE OF RELEASE**

Type of Release <i>Pit Liner</i>	Volume of Release <i>Unknown</i>	Volume Recovered <i>None</i>
Source of Release <i>Pit</i>	Date and Hour of Occurrence <i>?</i>	Date and Hour of Discovery <i>8/20/07 9:30 am</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Daniel Sanchez - phone; Wayne Price - email</i>	
By Whom? <i>Rand French &amp; Cliff Bunson</i>	Date and Hour <i>8/20/07 - 2:07 pm</i>	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <i>UNKNOWN</i>	

If a Watercourse was Impacted, Describe Fully.\*

*Do not know the extent of impacts at this time*

Describe Cause of Problem and Remedial Action Taken.\*

*Compromised Pit - was in the process of a dig-n-haul, along with delineating chlorides. Forty feet below ground surface wet soils and water was encountered.*

Describe Area Affected and Cleanup Action Taken.\*

*UNKNOWN at this time. Most of the Pit material has been removed. The back side of Pit was free of chlorides @ 12' feet.*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Rand French</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: <i>Rand French</i>	Approved by District Supervisor:	
Title: <i>Wildlife Biologist</i>	Approval Date:	Expiration Date:
E-mail Address: <i>wildlife@marbob.com</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <i>8/24/07</i> Phone: <i>748-3303</i>		

\* Attach Additional Sheets If Necessary

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Oil Conservation Division  
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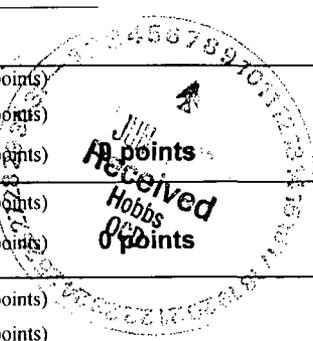
Form C-144  
March 12, 2004

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: **land2@marbob.com**  
Address: **PO Box 227, Artesia, NM 88211-0227** **1980' FNL & 660' FWL**  
Facility or well name: **Scratch State Com #1** API #: **30-025-36996** U/L or Qtr/Qtr **SWNW** Sec **24** T **18S** R **33E**  
County: **Lea** Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927  1983  Surface Owner Federal  State  Private  Indian

Pit	Below-grade tank		
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	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 50 feet or more, but less than 100 feet <input type="checkbox"/> 100 feet or more	(20 points) (10 points) ( 0 points)	
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes <input checked="" type="checkbox"/> No	(20 points) ( 0 points)	
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet <input type="checkbox"/> 1000 feet or more	(20 points) (10 points) ( 0 points)	
		<b>0 points</b>	
	<b>Ranking Score (Total Points)</b>	<b>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 **Sundance Disposal** (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. **\*Drilled 65' test hole at 865' FNL & 1650' FWL Sec 23-T18S-R33E. No water encountered**

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: **June 6, 2007**

Printed Name/Title: **Gerald Herrera**

Signature *G. Herrera*

Your 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: *DIG & HAUC SAMPLE*

Date: *6/13/07*

Printed Name/Title: *ESTERSON*

Signature *ESTERSON*

Samples are to be obtained from pit floor area in each quadrant and analysis submitted to NMOCD prior to back-filling. (Chloride)

Marbob Energy Corporation  
Attachment to OCD Form C-144

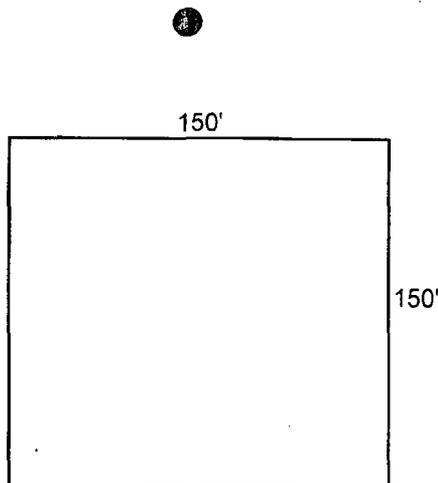
Pit or Below-Grade Tank Registration or Closure

Pit Closure

**Scratch State Com #1**

1980' FNL & 660' FWL  
Section 24 T-18S R-33E  
Lea County, New Mexico

(1) Facility diagram



(2) Disposal location:

*Truck and haul cuttings to Sundance Disposal.*

(3) General description of remedial action:

- a. *Use caliche from road and pad to fill pit.*
- b. *Use stock piled dirt to cover pit, reseed per landowner's specifications.*

(4) Groundwater encountered:

*No*

- \* *Drilled an 80' test hole on the Rhoid State #1 well at 330' FNL & 330' FWL  
Section 24 T-18S R-33E - Water leached into hole to 62'.  
Well Record submitted previously.*

(5) Soil sample:

~~N/A~~  
*SAMPLE PIT BOTTOM FOR CHLORIDES - REMOVE TO  
250 PPM*

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State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Permit 3371

**APPLICATION FOR PERMIT TO DRILL**

Operator Name and Address		OGRID Number
MARBOB ENERGY CORP PO Box 227 Artesia, NM 88211-0227		14049
		API Number
		30-025-36996
Property Code	Property Name	Well No.
34465	SCRATCH STATE COM	001

**Surface Location**

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	24	18S	33E	E	1980	N	660	W	Lea

**Proposed Pools**

CORBIN;MORROW, SOUTH (GAS) 75080

Work Type	Well Type	Cable/Rotary	Lease Type	Ground Level Elevation
New Well	GAS		State	3893
Multiple	Proposed Depth	Formation	Contractor	Spud Date
N	13900	Morrow		12/15/2004

**Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	300	300	0
Intl	12.25	8.625	32	4900	1400	0
Prod	7.875	5.5	17	13900	950	0

**Casing/Cement Program: Additional Comments**

Plan to drill 17 1/2 in hole w/fresh wtr, run 13 3/8 in 48 lb H-40 csg & set at 300 ft w/300 sx cmt, circ to surf; drill 12 1/4 in hole from 300-1850 ft w/fresh wtr w/no additives, drill 12 1/4 in hole from 1850-4900 ft w/brine wtr, run 8 5/8 in 32 lb Buttruss csg & set at 4900 ft w/1400 sx cmt, circ to surf; drill 7 7/8 in hole 4900-13900 ft w/cut brine wtr, run 5 1/2 in 17 lb S-95/P110 csg & set at TD w/950 sx cmt, bring TOC 500 ft above all oil and gas bearing zones.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	Cameron
Double Ram	5000	5000	Cameron

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

Electronically Signed By: Diana Cannon

Title: Production Analyst

Date: 12/08/2004 Phone: 505-748-3303

**OIL CONSERVATION DIVISION**

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 12/09/2004 Expiration Date: 12/09/2005

Conditions of Approval:  
There are conditions. See Attached.

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State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

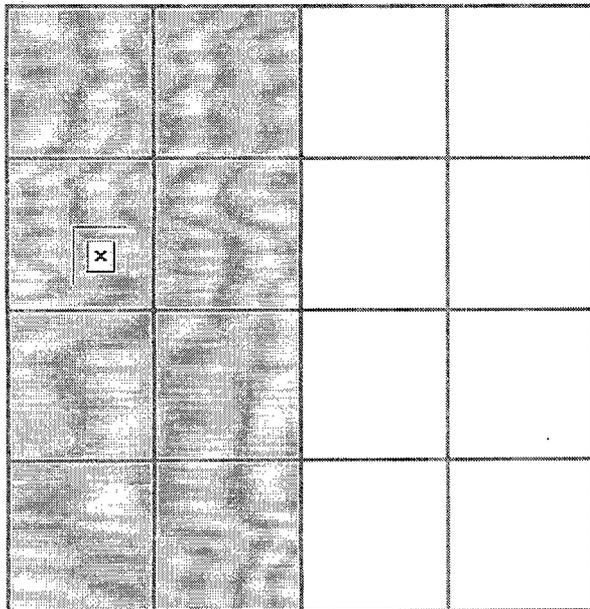
Form C-102  
Permit 3371

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-36996	Pool Name CORBIN;MORROW, SOUTH (GAS)	Pool Code 75080
Property Code 34465	Property Name SCRATCH STATE COM	Well No. 001
OGRID No. 14049	Operator Name MARBOB ENERGY CORP	Elevation 3893

**Surface And Bottom Hole Location**

UL or Lot E	Section 24	Township 18S	Range 33E	Lot Idn E	Feet From 1980	N/S Line N	Feet From 660	E/W Line W	County Lea
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			



**OPERATOR CERTIFICATION**

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

Electronically Signed By: Diana Cannon

Title: Production Analyst

Date: 12/08/2004

**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.*

Surveyed By: Gary Eidson

Date of Survey: 11/22/2004

Certificate Number: 12641

# Permit Conditions Of Approval

C-101, Permit 3371

Operator: MARBOB ENERGY CORP , 14049

Well: SCRATCH STATE COM #001

OCD Reviewer	Condition
PKAUTZ	Re-seeding mixture will must be approved or authorized by surface owner
PKAUTZ	Notice is to be given to the OCD prior to construction of the pit(s)
PKAUTZ	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines

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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: **land2@marbob.com**

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

Facility or well name: **Scratch State #1**

API #: **30-025-36996** U/L or Qtr/Qtr **SWNW** Sec **24** T **18S** R **33E**

County: **Lea**

Latitude **36° 28' N**

Longitude **104° 58' W**

NAD: 1927  1983  Surface Owner Federal  State  Private  Indian

<b>Pit</b>	<b>Below-grade tank</b>	
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/>	Volume: _____ bbl Type of fluid: _____	
Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/>	Construction material: _____	
Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <b>12</b> mil Clay <input type="checkbox"/> Volume _____ bbl	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</b>	( 0 points) <b>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</b>	( 0 points) <b>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</b>	( 0 points) <b>0 points</b>
<b>Ranking Score (Total Points)</b>		<b>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: **December 8, 2004**

Printed Name/Title: **Melanie J. Parker / Land Department**

Signature *Melanie J. Parker*

Your 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:

Printed Name/Title: **DEC 13 2004**  
**PETROLEUM ENGINEER**

Signature *[Signature]*

Submit 3 Copies To Appropriate District  
 Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, 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

Form C-103  
 May 27, 2004

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO.  
 30-025-36996  
 5. Indicate Type of Lease  
 STATE  FEE   
 6. State Oil & Gas Lease No.

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
 MARBOB ENERGY CORPORATION

3. Address of Operator  
 P O BOX 227  
 ARTESIA NM 88211-0227

4. Well Location  
 Unit Letter E : 1980 feet from the NORTH line and 660 feet from the WEST line  
 Section 24 Township 18S Range 33E NMPM LEA County NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3893' GR

Pit or Below-grade Tank Application  or Closure

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

7. Lease Name or Unit Agreement Name  
 SCRATCH STATE COM  
 8. Well Number 1  
 9. OGRID Number  
 14049  
 10. Pool name or Wildcat  
 CORBIN; MORROW, SOUTH (GAS)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

**NOTICE OF INTENTION TO:**

PERFORM REMEDIAL WORK  PLUG AND ABANDON   
 TEMPORARILY ABANDON  CHANGE PLANS   
 PULL OR ALTER CASING  MULTIPLE COMPL

OTHER:

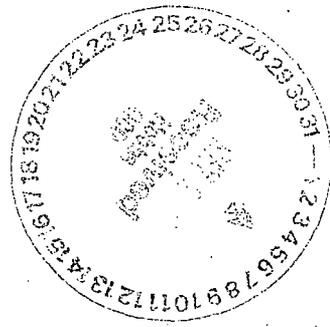
**SUBSEQUENT REPORT OF:**

REMEDIAL WORK  ALTERING CASING   
 COMMENCE DRILLING OPNS  P AND A   
 CASING/CEMENT JOB

OTHER: SPUD CSG/CMT

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SPUD WELL @11:30 PM ON 04/25/05. DRLD 17 1/2" HOLE TO 403'; RAN 10 JTS (406.01') 13 3/8" 54# J-55 CSG TO 403'. CMTD W/475 SX P+, PD @3:00 PM ON 04/27/05, CIRC 170 SX TO PIT WOC 18 HRS, TSTD CSG TO 600# F/30 MIN.- HELD OK.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any 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 .

SIGNATURE Debora L. Wilbourn TITLE GEOTECH DATE 05/03/05

Type or print name DEBORA L. WILBOURN E-mail address: geology@marbob.com Telephone No. 505-748-3303

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAY 05 2005

Conditions of Approval (if any): \_\_\_\_\_

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
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OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-025-36996
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil & Gas Lease No.

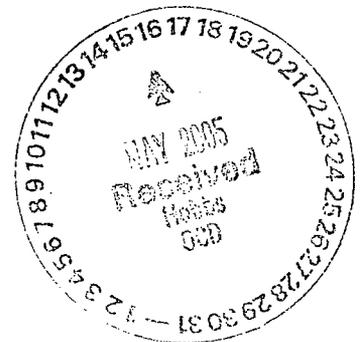
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [X] Gas Well [ ] Other [ ]
2. Name of Operator MARBOB ENERGY CORPORATION
3. Address of Operator P O BOX 227 ARTESIA, NM 88211-0227
4. Well Location Unit Letter E : 1980 feet from the NORTH line and 660 feet from the WEST line Section 24 Township 18S Range 33E NMPM LEA County NM
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3893' GR
Pit or Below-grade Tank Application [ ] or Closure [ ]
Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ] TEMPORARILY ABANDON [ ] CHANGE PLANS [ ] PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ] OTHER: [ ]
SUBSEQUENT REPORT OF: REMEDIAL WORK [ ] ALTERING CASING [ ] COMMENCE DRILLING OPNS. [ ] P AND A [ ] CASING/CEMENT JOB [ ] OTHER: INTMD CSG/CMT [X]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

05/09/05 @9:45 AM, DRLD 12 1/4" HOLE TO 4950'. RAN 116/JTS (4951.09') 8 5/8" CSG TO 4948'. CMTD 1ST STG W/400 SX INTERFIL-C, TAILED IN W/300 SX P+, PD @2:00 AM ON 05/10/05 CIRC 96 SX TO PIT. WOC 18 HRS, TSTD CSG TO 1500# F/30 MIN.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any 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 [ ].

SIGNATURE Debora L. Wilbourn TITLE GEOTECH DATE 05/12/05

Type or print name DEBORA L. WILBOURN E-mail address: geology@marbob.com Telephone No 505-748-3303 For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAY 17 2005 Conditions of Approval (if any):

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, 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

Form C-103  
 May 27, 2004

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. 30-025-36996
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SCRATCH STATE COM
8. Well Number 1
9. OGRID Number 14049
10. Pool name or Wildcat CORBIN; MORROW, SOUTH (GAS)

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
MARBOB ENERGY CORPORATION

3. Address of Operator  
P O BOX 227  
ARTESIA, NM 88211-0227

4. Well Location  
Unit Letter E : 1980 feet from the NORTH line and 660 feet from the WEST line  
Section 24 Township 18S Range 33E NMPM LEA County NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3893' GR

Pit or Below-grade Tank Application  or Closure

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: TD CSG/CMT <input checked="" type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

TD WELL @8:45 AM ON 06/22/05. DRLD 6 1/8" HOLE TO 13710'. RAN 323 JTS (13711.55') 4 1/2" 11.6# P-110 CSG TO 13708.90'. CMTD 1ST STG W/650 SX PB SUPER H, PD @2:30 AM 06/24/05, CIRC 175 SX TO PIT. CMTD 2ND STG W/900 SX HLP, TAILED IN W/200 SX PB SUPER H, PD @9:45 AM 06/24/05, DID NOT CIRC, RAN TEMP SURVEY - TOC @3000'. WOC 18 HRS, TSTD CSG TO 1500# F/30 MIN.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any 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 .

SIGNATURE Deborah L. Wilbourn TITLE GEOTECH DATE 06/30/05

Type or print name DEBORA L. WILBOURN E-mail address: geology@marbob.com Telephone No 505-748-3303  
**For State Use Only**

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUL 11 2005  
 Conditions of Approval (if any): \_\_\_\_\_

REFERENCE SHEET FOR  
UNDESIGNATED WELLS

	Fm	Pm	N
17-21 W	XX	XX	XX
17-21 C	XX	XX	XX

paragraph

1. Date: <b>8/10/2005</b>	
2. Type of Well:	
Oil: <input type="checkbox"/>	Gas: <input checked="" type="checkbox"/>
3. County: <b>LEA</b>	

4. Operator: <b>&gt;&gt; MARBOB ENERGY CORP</b>		APT NUMBER: <b>30 - 025 - 36996</b>
5. Address of Operator <b>&gt;&gt; PO BOX 227</b> <b>&gt;&gt; ARTESIA NM 88211-0227</b>		
6. Lease name or Unit Agreement Name <b>&gt;&gt; SCRATCH STATE COM</b>		7. Well Number <b># - 1</b>
8. Well Location Unit Letter: <b>E</b> <b>1980</b> feet from the <b>N</b> line and <b>660</b> feet from the <b>W</b> line Section _____ Township _____ Range _____		

9. Completion Date: <b>7/19/2005</b>	11. Perfs Top <b>13170</b>	Bottom <b>13308</b>
10. Name of Producing Formation(s) <b>MORROW</b>	12. Open Hole Casing shoe	PBTD or ID Open Hole <b>13710</b>

13. C-123 Filed: <b>Y</b> <input type="checkbox"/> <b>N</b> <input checked="" type="checkbox"/>	Date	15. Name of Pool Requested: <b>CORBIN;MORROW, SOUTH (GAS)</b>	Pool ID num <b>75080</b>
16. Remarks: <b>EXTEND W/2 DEDICATED</b>			

<b>TO BE COMPLETED BY DISTRICT GEOLOGIST</b>		
17. Action taken <b>EXTEND</b>	18. Pool Name <b>CORBIN;MORROW, SOUTH (GAS)</b>	Pool ID num <b>75080</b>
<p><b>T 18 S, R 33 E</b></p> <p><b>SEC 23: SE/4</b></p> <p><b>SEC 24: W/2</b></p>		

19. Advertised for HEARING:	20. Case Number
21. Name of pool for which was advertised: <b>CORBIN;MORROW, SOUTH (GAS)</b>	Pool ID num <b>75080</b>
22. Placed in Pool	23. By order number <b>R-</b>

# WELL LOGS

API number:	30-025-36996		
OGRID:		Operator:	MARBOB ENERGY CORP
		Property:	SCRATCH STATE COM # 1

surface	ULSTR:	E		24		T 18S		R 33E
				1980	FNL		660	FWL

BH Loc	ULSTR:	E		24		T 18S		R 33E
				1980	FNL		660	FWL

Ground Level:	3893	DF:	3909	KB:	3910
Datum:	KB			TD:	13710

Land: STATE

 Completion Date: (1) 7/19/2005  
 Date Logs Received: 8/9/2005 **\*\*Late**  
 Date Logs Due in: (2) 8/8/2005

Confidential:	NO			Date out:	
---------------	----	--	--	-----------	--

Confidential period: 90 Days for State & Fee, 1 Year for federal  
 Date Due In: (1) is equal to Completion Date (1) + 20 days

Logs	Depth interval		
DSN/SDL	200	13628	Spectral Density Dual Spaced Neutron
DLL/MSFL	4938	13679	Dual Laterolog Micro Spherically Focused Log

### OCD TOPS

Rustler	1614	Strawn	12180	
Tansill		Atoka	12553	
Yates		Morrow	13016	
Delaware	5461			
Delaware Lm				
Delaware Sd				
Bell Canyon				
Cherry Canyon				
Brushy Canyon				
Bone Spring	7430			
1st Sd	8557			
2nd Carb	8732			
2nd Sd	8977			
3rd Carb	9710			
3rd Sd	9960			
Wolfcamp	10143			

OPERATOR: Marbob Energy Corp.  
WELL/LEASE: Scratch St. #1  
COUNTY: Lea County, NM

E-24-185-330  
1980/W Q 660/W  
30-025-36996

STATE OF NEW MEXICO

DEVIATION REPORT

<u>Depth</u>	<u>Deviation</u>	<u>Depth</u>	<u>Deviation</u>
262	1/4	8309	1 1/4
403	1/2	8816	1 1/4
946	3/4	9317	2 3/4
1232	0	9381	0
1517	3/4	9505	2
1825	3/4	9635	1 3/4
2121	3/4	9984	2 1/4
2439	3/4	10109	2
2852	1 3/4	10471	2 3/4
2947	1 1/4	10566	3 1/4
3106	1 1/2	10677	2 2/3
3406	1 1/4	10740	2 1/2
3773	2	10804	1 1/2
3900	1 3/4	10867	1
4186	1	10931	1 2/9
4472	1	10995	1
4917	0	11058	1 1/2
5419	1	11122	1 1/2
5927	1	11376	1 1/2
6436	1 1/4	11421	1
6912	2	11802	1/4
7008	1 3/4	12275	1/2
7262		12621	1/2
7643	2	12951	3/4
7833	1 1/2	13378	3/4



*M. Leroy Peterson*  
 M. Leroy Peterson

The foregoing instrument was acknowledged before me on this 27th day of June, 2005 by M. Leroy Peterson, Executive Vice-President of Patriot Drilling, LLC.

My Commission Expires: 5/29/2009

*Dora H. Duarte*  
 Notary Public for Midland County, Texas *Ka*



Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	<b>State of New Mexico</b> <b>Energy, Minerals and Natural Resources</b>	<b>Form C-105</b> Revised June 10, 2003
	<b>Oil Conservation Division</b> 1220 South St. Francis Dr. Santa Fe, NM 87505	WELL API NO. 30-025-36996
		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No.

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____  b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER _____ BACK RESVR. <input type="checkbox"/> OTHER _____	7. Lease Name or Unit Agreement Name  SCRATCH STATE COM.			
2. Name of Operator  MARBOB ENERGY CORPORATION	8. Well No.  1			
3. Address of Operator  PO BOX 227, ARTESIA, NM 88211-0227	9. Pool name or Wildcat  CORBIN; MORROW, SOUTH (GAS)			
4. Well Location  Unit Letter <u>E</u> : <u>1980</u> Feet From The <u>NORTH</u> Line and <u>660</u> Feet From The <u>WEST</u> Line Section <u>24</u> Township <u>18S</u> Range <u>33E</u> NMPM <u>LEA</u> County				
10. Date Spudded 4/25/05	11. Date T.D. Reached 6/22/05	12. Date Compl. (Ready to Prod.) 7/19/05	13. Elevations (DF& RKB, RT, GR, etc.) 3893' GL	14. Elev. Casinghead AUG 2005
15. Total Depth 13710'	16. Plug Back T.D. 13584'	17. If Multiple Compl. How Many Zones? _____	18. Intervals Drilled By Rotary Tools 0 13710'	Cable Tools _____
19. Producing Interval(s), of this completion - Top, Bottom, Name 13170' - 13308' MORROW				20. Was Directional Survey Made NO
21. Type Electric and Other Logs Run DLL, CSNG				22. Was Well Cored NO

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	54#	403'	17 1/2"	475 SX, CIRC	NONE
8 5/8"	32#	4948'	12 1/4"	700 SX, CIRC	NONE
7"	26#	4000'	7 7/8"	350 SX, CIRC	NONE
4 1/2"	11.6#	13709'	6 1/8"	1750 SX, CIRC	NONE

**24. LINER RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

**25. TUBING RECORD**

SIZE	DEPTH SET	PACKER SET
2 3/8"	13100'	

26. Perforation record (interval, size, and number)  13170' - 13308' (120 SHOTS)	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL      AMOUNT AND KIND MATERIAL USED 13170'-13308'      FRAC W/ 75K# VERSAPROP
--	---

**28. PRODUCTION**

Date First Production 7/30/05		Production Method (Flowing, gas lift, pumping - Size and type pump) FLOWING			Well Status (Prod. or Shut-in) PROD		
Date of Test 7/31/05	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl 59	Gas - MCF 1399	Water - Bbl. 3	Gas - Oil Ratio
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.) SOLD	Test Witnessed By OWEN PUCKETT
--	-----------------------------------

**30. List Attachments**

LOGS, DEVIATION SURVEY

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature		Printed Name	DIANA J. BRIGGS	Title	PRODUCTION ANALYST	Date	8/8/05
E-mail Address	PRODUCTION@MARBOB.COM						

*K3*



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, 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 & Natural Resources

Form C-104  
Revised June 10, 2003

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

Submit to Appropriate District Office  
5 Copies

AMENDED REPORT

**I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT**

<sup>1</sup> Operator name and Address MARBOB ENERGY CORPORATION PO BOX 227 ARTESIA, NM 88211-0227		<sup>2</sup> OGRID Number 14049	
<sup>3</sup> Reason for Filing Code/ Effective Date NOTICE: THIS WELL HAS BEEN PLACED IN THE PRODUCTION STATUS DESIGNATED BELOW. IF YOU DO NOT CONTACT THIS OFFICE.		NW	
<sup>4</sup> API Number 30-025-36996	<sup>5</sup> Pool Name CORBIN; MORROW, SOUTH (GAS)	<sup>6</sup> Pool Code 75080	
<sup>7</sup> Property Code 34465	<sup>8</sup> Property Name SCRATCH STATE COM	<sup>9</sup> Well Number 1	

**II. <sup>10</sup> Surface Location**

UT or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
E	24	18S	33E		1980	NORTH	660	WEST	Lea

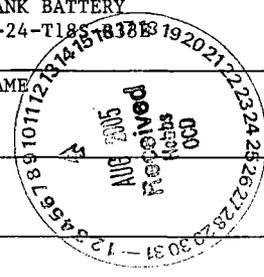
**<sup>11</sup> Bottom Hole Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Lse Code	<sup>13</sup> Producing Method Code	<sup>14</sup> Gas Connection	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date
S	F	7/30/05			

**III. Oil and Gas Transporters**

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
209700	BP AMERICA PROD CO 501 WESTLAKE, STE. 4.550 HOUSTON, TX 77079		O	TANK BATTERY E-24-T185-1838E
36785	DUKE ENERGY FIELD SVCS PO BOX 50020 MIDLAND, TX 79710-0020		G	SAME



**IV. Produced Water**

<sup>23</sup> POD	<sup>24</sup> POD ULSTR Location and Description
	SAME

**V. Well Completion Data**

<sup>25</sup> Spud Date	<sup>26</sup> Ready Date	<sup>27</sup> TD	<sup>28</sup> PBDT	<sup>29</sup> Perforations	<sup>30</sup> DHC, MC
4/25/05	7/19/05	13710'	13584'	13170'-13308'	
<sup>31</sup> Hole Size		<sup>32</sup> Casing & Tubing Size		<sup>33</sup> Depth Set	<sup>34</sup> Sacks Cement
17 1/2"		13 3/8"		403'	475 SX, CIRC
12 1/4"		8 5/8"		4948'	700 SX, CIRC
7 7/8"		7"		4000'	350 SX, CIRC
6 1/8"		4 1/2"		13709'	1750 SX, CIRC
		2 3/8"		13100'	

**VI. Well Test Data**

<sup>35</sup> Date New Oil	<sup>36</sup> Gas Delivery Date	<sup>37</sup> Test Date	<sup>38</sup> Test Length	<sup>39</sup> Tbg. Pressure	<sup>40</sup> Csg. Pressure
7/30/05	7/30/05	7/31/05	24 HRS		
<sup>41</sup> Choke Size	<sup>42</sup> Oil	<sup>43</sup> Water	<sup>44</sup> Gas	<sup>45</sup> AOF	<sup>46</sup> Test Method
	59	3	1399		F

<sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Diana J. Briggs*  
Printed name: DIANA J. BRIGGS  
Title: PRODUCTION ANALYST  
E-mail Address: PRODUCTION@MARBOB.COM  
Date: 8/8/05  
Phone: (505) 748-3303

OIL CONSERVATION DIVISION  
Approved by: *Paul F. Kautz*  
Title: ORIGINAL SIGNED BY PAUL F. KAUTZ PETROLEUM ENGINEER  
Approval Date: AUG 18 2005

RECEIVED  
JUL 14 2005  
ODU-ARTECOM

30-075 36996

\*\*\*\*\* CHART SCANNER WELL TEST DATA \*\*\*\*\*

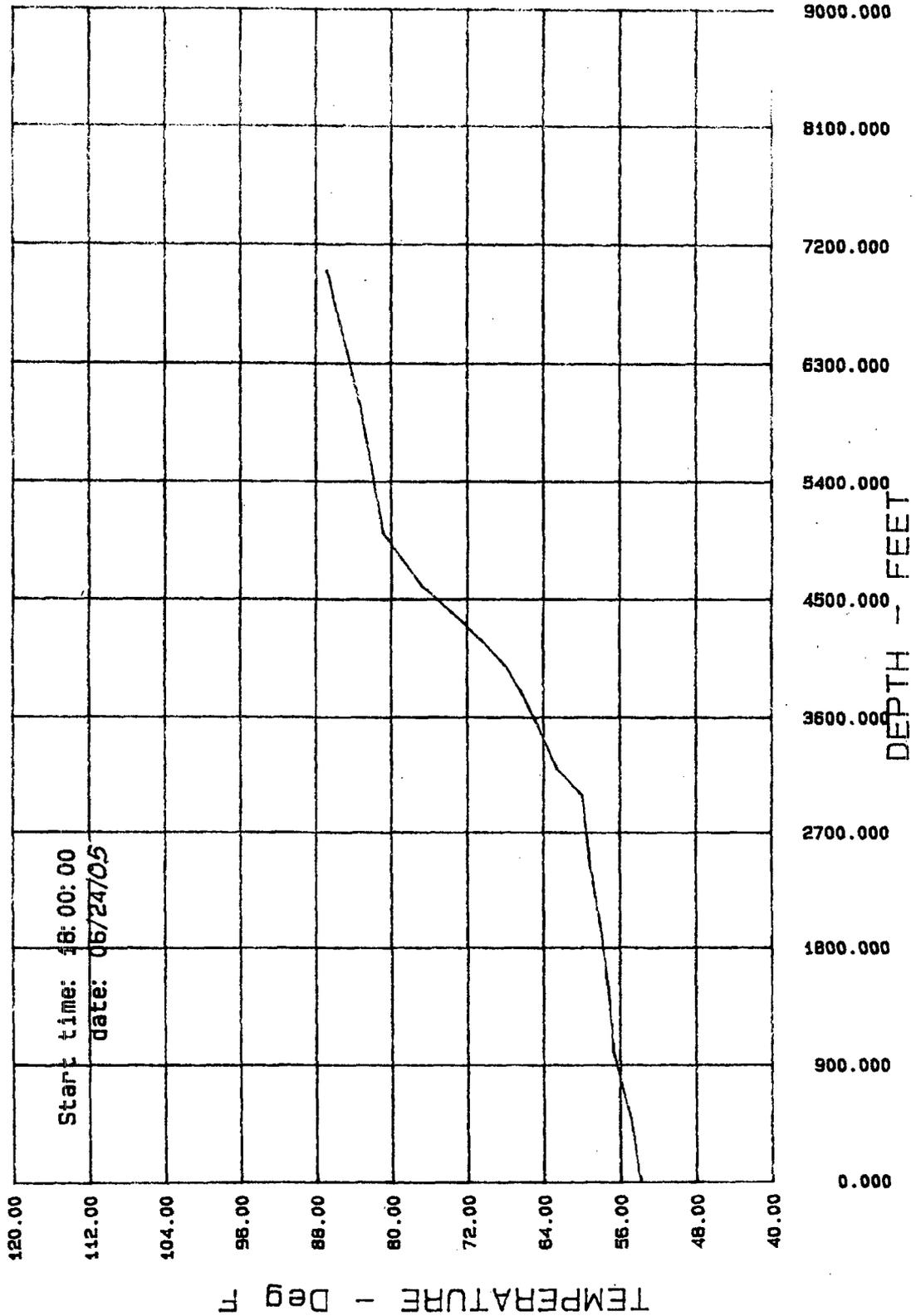
COMPANY: MARBOB ENERGY  
CLIENT: RICK ALVARADO  
GAUGE NUMBER: 576  
WELL NAME: SCRATCH STATE COM  
WELL NUMBER: #1  
TEST NUMBER: 1  
LOCATION:  
TEST OPERATOR: J GUAJARDO/ KELTIC SERVICES  
COMMENTS: TOP OF CEMENT AT 3000 FT  
DATE OF TEST 6-24-2005

DATE: 06/24/05

GAUGE S/N: 576

REAL TIME	DELTA TIME HRS	TEMPERATURE Deg F	DEPTH FEET	FLOW RATE BBLs/DAY	COMMENTS
18:08:24	0.140	53.92	0.00		
18:13:59	0.233	54.89	500.00		
18:19:29	0.325	56.71	1000.00		
18:22:54	0.382	57.26	1500.00		
18:25:04	0.418	58.15	2000.00		
18:28:28	0.475	59.23	2500.00		
18:32:10	0.536	59.98	3000.00		TOP OF CEMENT
18:36:42	0.612	62.62	3200.00		
18:39:41	0.662	63.78	3400.00		
18:42:48	0.714	64.97	3600.00		
18:45:26	0.757	66.36	3800.00		
18:48:25	0.807	68.01	4000.00		
18:51:33	0.859	70.58	4200.00		
18:54:27	0.908	73.52	4400.00		
18:57:38	0.961	76.77	4600.00		
19:00:39	1.011	78.79	4800.00		
19:03:10	1.053	80.84	5000.00		
19:05:49	1.097	83.34	6000.00		
19:13:10	1.220	86.83	7000.00		

COMPANY: MARBOB ENERGY  
 CLIENT: RICK ALVARADO  
 GAUGE NUMBER: 576  
 WELL NAME: SCRATCH STATE COM  
 WELL NUMBER: #1  
 TEST NUMBER: 1  
 LOCATION: J GUAJARDO/ KELTIC SERVICES  
 TEST OPERATOR: TOP OF CEMENT AT 3000 FT  
 COMMENTS: DATE OF TEST 6-24-2005



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

Form C-144  
June 1, 2004

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

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 Maebob Energy Corp Telephone 505-748-3303 e-mail address wildlife@maebob.com  
Address P.O. Box 227 Artesia NM 88211-0227  
Facility or well name Scratch State Com #1 API # 30-025-36996 U/L or Qtr/Qtr SWNW Sec 24 T 18S R 33E  
County Lea Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD 1927  1983   
Surface Owner Federal  State  Private  Indian

Pit	Below-grade tank						
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 type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume _____ bbl	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)	<table border="1"> <tr> <td>Less than 50 feet</td> <td>(20 points)</td> </tr> <tr> <td>50 feet or more, but less than 100 feet</td> <td>(10 points)</td> </tr> <tr> <td>100 feet or more</td> <td>( 0 points)</td> </tr> </table> <p style="text-align: right;"><b>20</b></p>	Less than 50 feet	(20 points)	50 feet or more, but less than 100 feet	(10 points)	100 feet or more	( 0 points)
Less than 50 feet	(20 points)						
50 feet or more, but less than 100 feet	(10 points)						
100 feet or more	( 0 points)						
Wellhead protection area (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources)	<table border="1"> <tr> <td>Yes</td> <td>(20 points)</td> </tr> <tr> <td><u>No</u></td> <td>( 0 points)</td> </tr> </table>	Yes	(20 points)	<u>No</u>	( 0 points)		
Yes	(20 points)						
<u>No</u>	( 0 points)						
Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses)	<table border="1"> <tr> <td>Less than 200 feet</td> <td>(20 points)</td> </tr> <tr> <td>200 feet or more, but less than 1000 feet</td> <td>(10 points)</td> </tr> <tr> <td><u>1000 feet or more</u></td> <td>( 0 points)</td> </tr> </table>	Less than 200 feet	(20 points)	200 feet or more, but less than 1000 feet	(10 points)	<u>1000 feet or more</u>	( 0 points)
Less than 200 feet	(20 points)						
200 feet or more, but less than 1000 feet	(10 points)						
<u>1000 feet or more</u>	( 0 points)						
<b>Ranking Score (Total Points)</b>							
<b>20</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 (check the onsite box if you are burying in place) 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

Additional Comments As per Chris Williams, Pit Sampling, delineation of chlorides and removed pit material. liner has been placed in bottom of reserve pit for backfilling. completed

Record 9/28/07 CW

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 9-21-07  
Printed Name/Title Rand French / Biologist Signature Rand French  
Your 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  
Printed Name/Title CHRIS WILLIAMS / DIST. SUPERV Signature Chris Williams Date 9/28/07

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
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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

Form C-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form.

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

2007 AUG 31 8:11 AM  
Release Notification and Corrective Action

OPERATOR  Initial Report  Final Report

Name of Company <i>Marlab Energy Corp.</i>	Contact <i>Cliff Bunson - ABC International</i>
Address <i>PO Box 227 Artesia, NM 88211</i>	Telephone No. <i>505-397-6388</i>
Facility Name <i>Scratch State</i>	Facility Type <i>oil well / Drilling Pit</i>
Surface Owner <i>State of NM</i>	Mineral Owner <i>State</i>
Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	<i>24</i>	<i>18s</i>	<i>33E</i>	<i>1980</i>	<i>North</i>	<i>660</i>	<i>WEST</i>	<i>LEA.</i>

Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

NATURE OF RELEASE

Type of Release <i>Pit Liner</i>	Volume of Release <i>Unknown</i>	Volume Recovered <i>None</i>
Source of Release <i>Pit</i>	Date and Hour of Occurrence <i>?</i>	Date and Hour of Discovery <i>8/20/07 9:30</i>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <i>Daniel Sanchez - phone; Wayne Price - email</i>	
By Whom? <i>Rand French; Cliff Bunson</i>	Date and Hour <i>8/20/07 - 2:07 pm</i>	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. <i>Unknown</i>	

If a Watercourse was Impacted. Describe Fully.\*  
*Do not know the extent of impacts at this time*

Describe Cause of Problem and Remedial Action Taken.\*  
*Compromised Pit - was in the process of a dig-in-haul, along with delineating chlorides. Forty feet below ground surface wet soils and water was encountered.*

Describe Area Affected and Cleanup Action Taken.\*  
*Unknown at this time. Most of the Pit material has been removed. The back side of Pit was free of chlorides @ 12' feet.*

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Rand French</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: <i>Rand FRENCH</i>	Approved by District Supervisor:	
Title: <i>Wildlife Biologist</i>	Approval Date:	Expiration Date:
E-mail Address: <i>wildlife @ Marlab.com</i>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <i>8/24/07</i> Phone: <i>748-3303</i>		

\* Attach Additional Sheets If Necessary

**New Mexico Office of the State Engineer  
POD Reports and Downloads**

Township:  Range:  Sections:

NAD27 X:  Y:  Zone:  Search Radius:

County:  Basin:  Number:  Suffix:

Owner Name: (First)  (Last)   Non-Domestic  Domestic  
 All

**AVERAGE DEPTH OF WATER REPORT 10/17/2007**

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
L	18S	34E	01				5	100	115	107
L	18S	34E	02				2	102	102	102
L	18S	34E	03				3	60	100	87
L	18S	34E	05				1	105	105	105
L	18S	34E	06				2	110	150	130
L	18S	34E	07				2	15	150	83
L	18S	34E	08				2	145	150	148
L	18S	34E	10				3	110	110	110
L	18S	34E	11				1	110	110	110
L	18S	34E	12				4	76	100	92
L	18S	34E	13				1	96	96	96
L	18S	34E	14				3	100	110	103
L	18S	34E	15				1	110	110	110
L	18S	34E	16				2	105	110	108
L	18S	34E	18				2	125	125	125
L	18S	34E	19				1	105	105	105
L	18S	34E	20				2	120	130	125
L	18S	34E	25				1	117	117	117
L	18S	34E	27				1	112	112	112
L	18S	34E	35				2	105	130	118

Record Count: 41

**New Mexico Office of the State Engineer  
POD Reports and Downloads**

Township:  Range:  Sections:

NAD27 X:  Y:  Zone:  Search Radius:

County:  Basin:  Number:  Suffix:

Owner Name: (First)  (Last)   Non-Domestic  Domestic  
 All

**AVERAGE DEPTH OF WATER REPORT 10/17/2007**

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
CP	18S	33E	13				1	60	60	60
CP	18S	33E	24				1	195	195	195
L	18S	33E	08				1	100	100	100
L	18S	33E	12				2	130	150	140
L	18S	33E	17				1	85	85	85
L	18S	33E	30				2	35	35	35

Record Count: 8

F = Flowing  
 R = Reported  
 P = Water level measur  
 D = Dry  
 ? = Uncertainty as to  
 > = More than  
 < = Less than  
 (See tables 6 and 7 for  
 detailed well data.

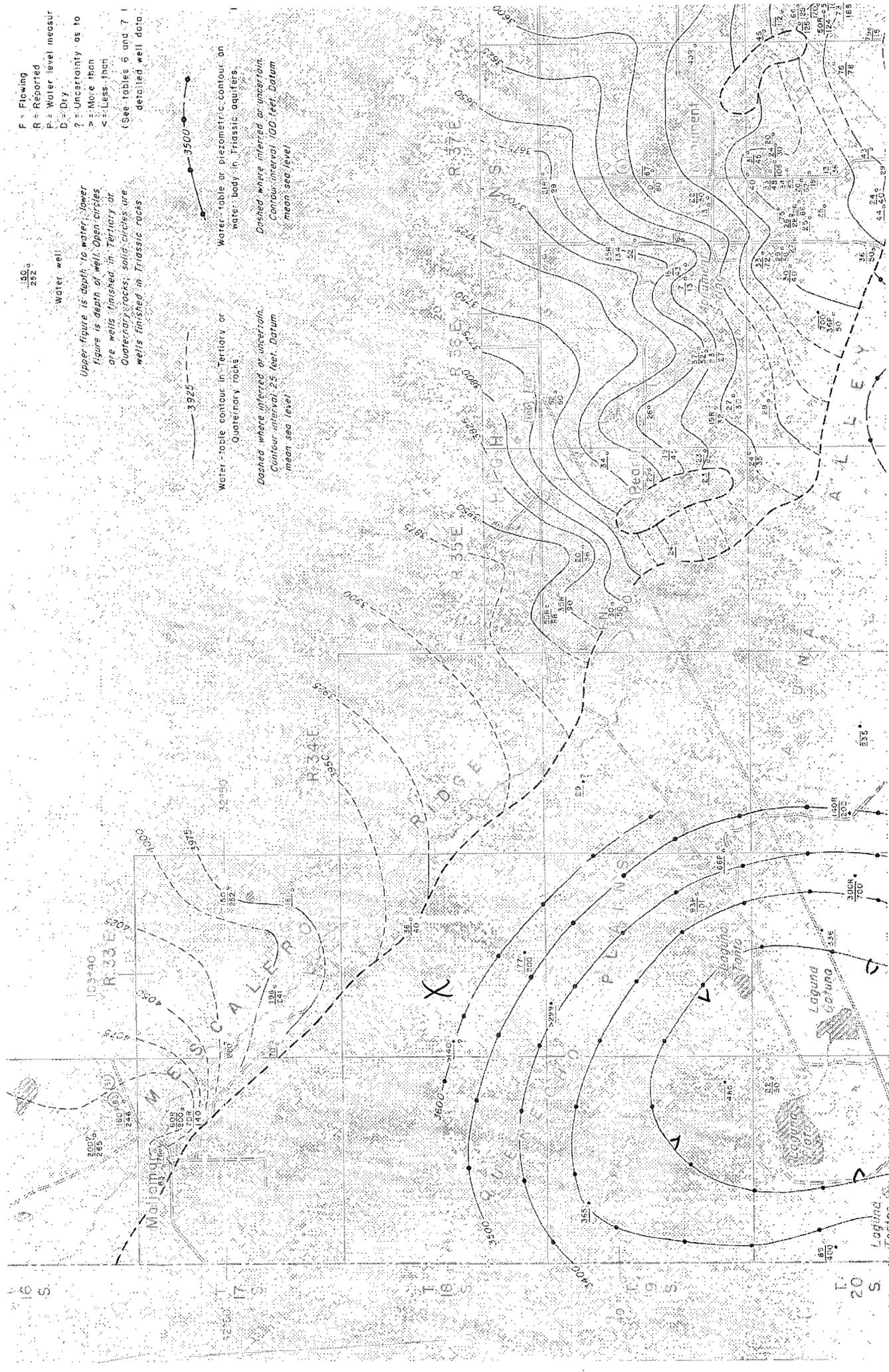
Upper figure is depth to water, lower  
 figure is depth of well. Open circles  
 are wells finished in Tertiary or  
 Quaternary rocks; solid circles are  
 wells finished in Triassic rocks

130  
 252  
 Water well

3925 --- 3500  
 Water-table contour in Tertiary or  
 Quaternary rocks  
 Water-table or piezometric contour on  
 water body in Triassic aquifers.

Dashed where inferred or uncertain.  
 Contour interval, 25 feet. Datum  
 mean sea level.

Dashed where inferred or uncertain.  
 Contour interval, 100 feet. Datum  
 mean sea level.



16 S

17 S

18 S

19 S

R33E

R34E

R35E

R36E

R37E

Maljunga

Laguna Parito

Laguna Gauru

Laguna

300

350

400

450

500

550

600

3000

3100

3200

3300

3400

3500

3600

3700

3800

3900

4000

4100

4200

4300

4400

4500

4600

4700

4800

4900

5000

5100

5200

5300

5400

5500

5600

5700

5800

5900

6000

6100

6200

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6500

6600

6700

6800

6900

7000

7100

7200

7300

7400

7500

7600

7700

7800

7900

8000

8100

8200

8300

8400

8500

8600

8700

8800

8900

9000

9100

9200

9300

9400

9500

9600

9700

9800

9900

10000



