

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

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

DISTRICT IV  
P.O. Box 2088, Santa Fe, N.M. 87504-2088

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name WILDCAT
Property Code	Property Name PRIMERO FEDERAL	Well Number 2
OGRID No. 014049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3928'

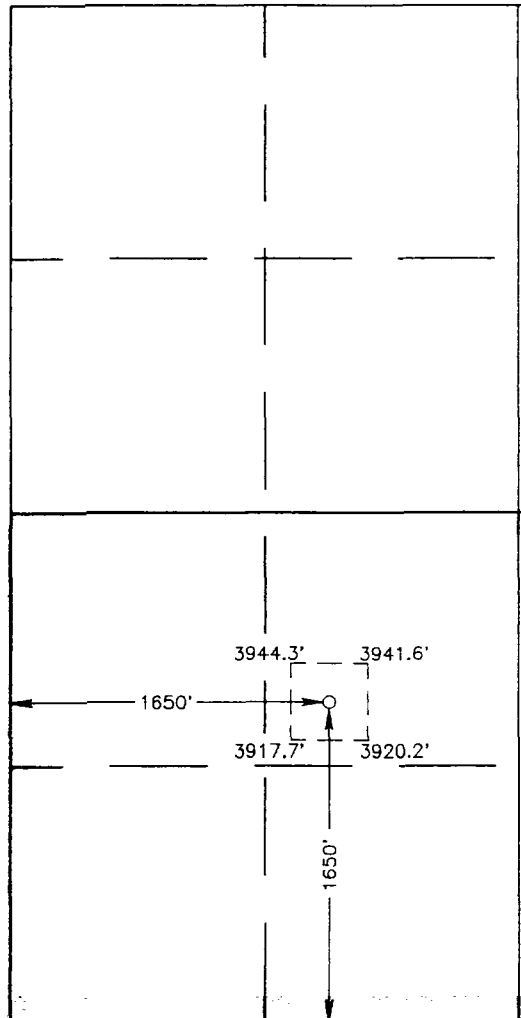
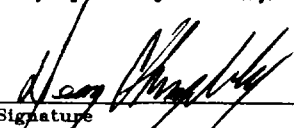
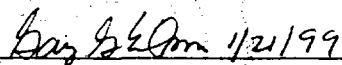
Surface Location

UL or lot No. K	Section 23	Township 26 S	Range 24 E	Lot Idn	Feet from the 1650	North/South line SOUTH	Feet from the 1650	East/West line WEST	County EDDY
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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 320	Joint or Infill	Consolidation Code	Order No.						

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p> Signature Dean Chumbley Printed Name Land Department Title May 28, 1999 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 19, 1999 Date Surveyed CDG Signature &amp; Seal of Professional Surveyor  99-11-0025 Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641</p>
BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No. 12370 Exhibit No. 2 Submitted by: Marbob Energy Corporation Hearing Date: April 6, 2000	

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

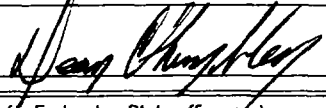
1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. <b>NM-100316</b>	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR <b>Marbob Energy Corporation</b>			7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. <b>P. O. Box 227 Artesia, NM 88211-0227</b>			8. FARM OR LEASE NAME, WELL NO. <b>Primero Federal</b>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface <b>1650' FSL 1650' FWL Unit K</b> At proposed prod. zone <b>Same as Above</b>			9. API WELL NO. <b>2</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>From Whites City proceed south on US 62/180 for 12.4 miles</b>			10. FIELD AND POOL, OR WILDCAT <b>WILDCAT</b>	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drilg. unit line, if any)			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>Sec. 23-T26s-R24e</b>	
16. NO. OF ACRES IN LEASE <b>2518.3</b>			12. COUNTY OR PARISH <b>Eddy</b>	
17. NO. OF ACRES ASSIGNED TO THIS WELL <b>320</b>			13. STATE <b>NM</b>	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.			20. ROTARY OR CABLE TOOLS <b>Rotary</b>	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>3928' GR</b>			22. APPROX. DATE WORK WILL START* <b>06/28/99</b>	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 8 5/8"	24#	1075'	350 sx, Circulate
7 7/8"	J-55 5 1/2"	17.5#	8200'	325 sx, Circulate or sufficient to cover
				200' above O&G horizons

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

- Attached are: 1) Acreage Dedication Plat  
2) Supplemental Drilling Data  
3) Surface Use Plan

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED  TITLE Land Department DATE 05/28/99  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

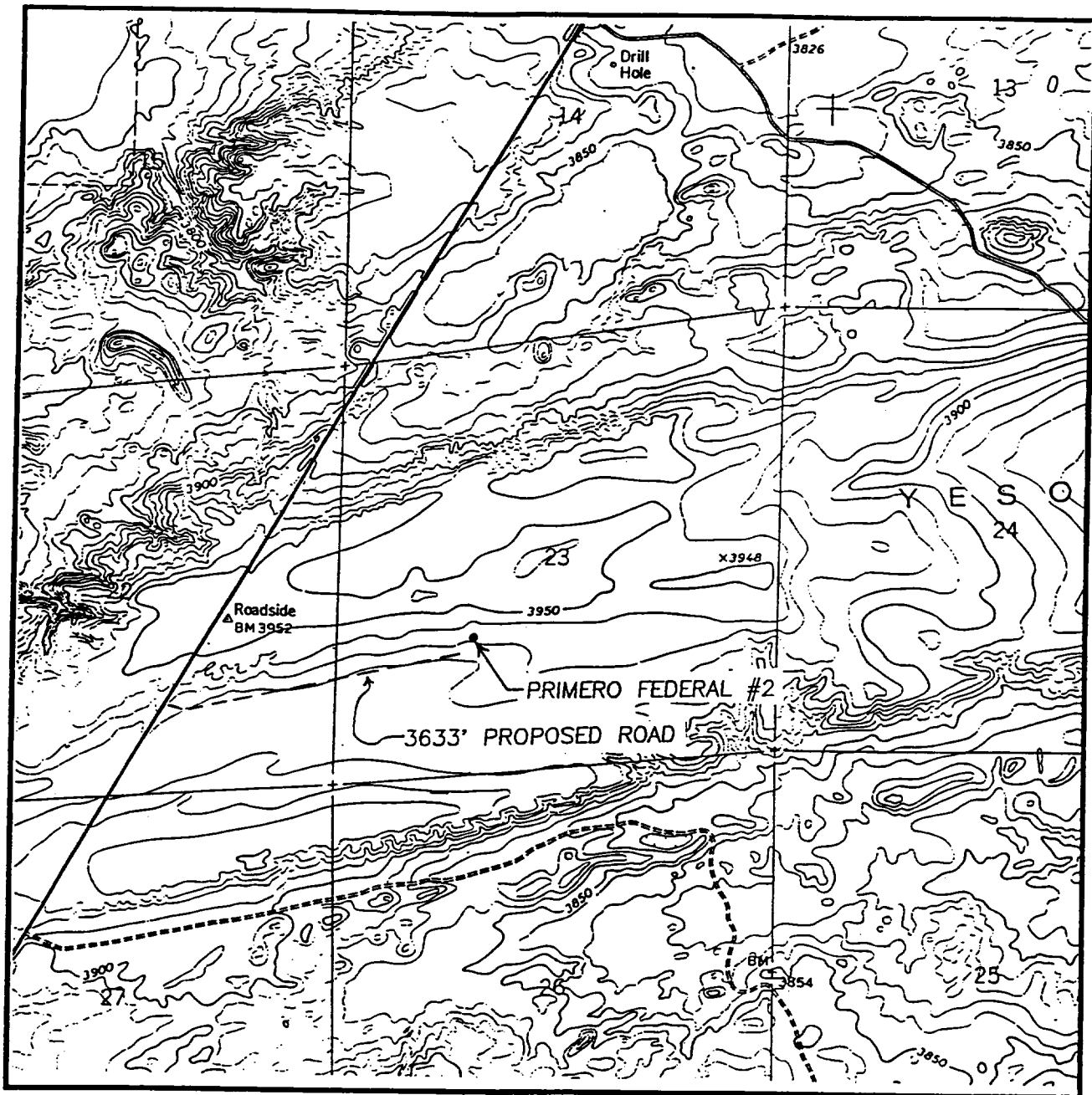
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SEC. 23 TWP. 26-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1650' FSL & 1650' FWL

ELEVATION 3928'

OPERATOR MARBOB ENERGY CORPORATION

LEASE PRIMERO FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

RATTLESNAKE SPRING, N.M. -TX

**JOHN WEST SURVEYING CO.**  
**HOBBS, NEW MEXICO**

**(505) 393-3117**

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

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

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

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
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OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96913	Pool Name WASHINGTON RANCH; MORROW, SOUTH
Property Code 23885	Property Name PRIMERO FEDERAL	Well Number 2
OGRID No. 14049	Operator Name MARBOB ENERGY CORP.	Elevation 3949

Surface Location

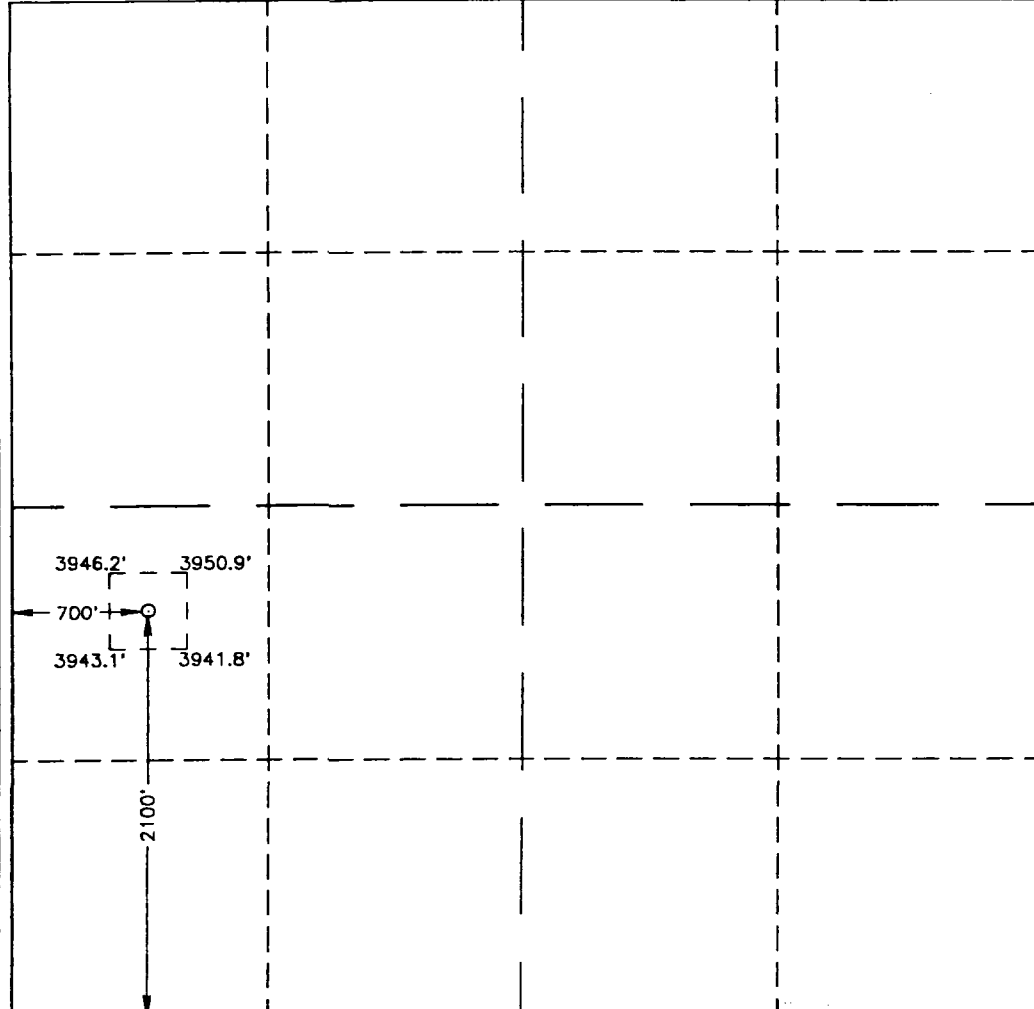
UL or lot No. L	Section 23	Township 26 S	Range 24 E	Lot Idn	Feet from the 2100	North/South line SOUTH	Feet from the 700	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 320	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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Robin Cockrum</u> Signature</p> <p>ROBIN COCKRUM Printed Name</p> <p>PRODUCTION ANALYST Title</p> <p>1/24/00 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 11, 2000 Date Surveyed</p> <p><u>J. EIDSON</u> Signature &amp; Seal of Professional Surveyor</p> <p>W.O. Num. 00-14-0038</p> <p>Certificate No. RONALD J. EIDSON, 3239 GARY G. EIDSON, 12041 MAGON McDONALD, 12185</p>
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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

5. Lease Designation and Serial No.  
NM-100316

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
PRIMERO FEDERAL #2

9. API Well No.

10. Field and Pool, or Exploratory Area  
WILDCAT

11. County or Parish, State

EDDY CO., NM

**SUNDRY NOTICES AND REPORTS ON WELLS**  
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT-" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

MARBOB ENERGY CORPORATION

3. Address and Telephone No.

P.O. BOX 227, ARTESIA, NM 88210 505-748-3303

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

700 FWL 2100 FSL SEC. 23-T26S-R24E UNIT L

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other AMEND A.P.D.

- ☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

WE ARE AMENDING THE FOOTAGE ON THE A.P.D. - SEE NEW C-102 ATTACHED

14. I hereby certify that the foregoing is true and correct

Signed Robin Cockrum Title PRODUCTION ANALYST Date 01/24/00

(This space for Federal or State office use)

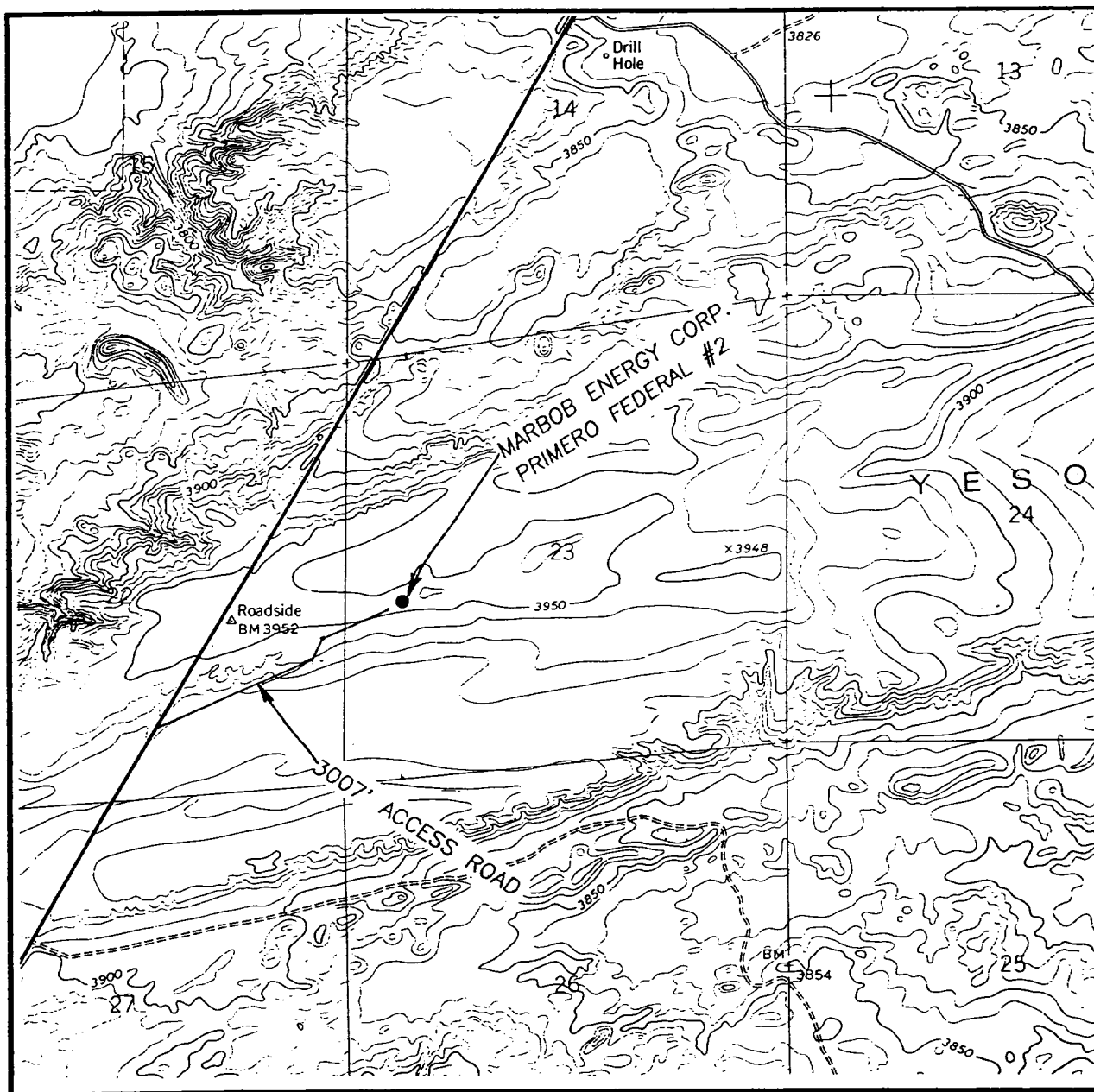
Approved by

Title

Date

Conditions of approval, if any:

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SEC. 23 TWP. 26-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2100' FSL & 700' FWL

ELEVATION 3949

OPERATOR MARBOB ENERGY CORP.

LEASE PRIMERO FEDERAL #2

U.S.G.S. TOPOGRAPHIC MAP

RATTLESNAKE SPRING, N.M.

**JOHN WEST SURVEYING**  
**HOBBS, NEW MEXICO**  
**(505) 393-3117**

## DISTRICT I

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

## DISTRICT II

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

## DISTRICT III

1000 Rio Brazos Rd., Artesia, NM 87410

## DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

## State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994  
Submit to Appropriate District OfficeState Lease - 4 Copies  
Fee Lease - 3 Copies

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	96913	WASHINGTON RANCH; MORROW, SOUTH
Property Code	Property Name	Well Number
23885	PRIMERO FEDERAL	2
OGRID No.	Operator Name	Elevation
14049	MARBOB ENERGY CORP.	3948

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	23	26 S	24 E		2116	SOUTH	542	WEST	EDDY

## Bottom Hole Location If Different From Surface

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature CAIRENE D. SMITH Printed Name PRODUCTION ANALYST Title 02/18/2000 Date
	<b>SURVEYOR CERTIFICATION</b>  I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  FEBRUARY 16, 2000 Date Surveyed  Signature & Seal of Professional Surveyor W.O. Num. 00-19-0224 Certificate No. RONALD L. EIDSON, 3239 GARY G. EIDSON, 12841 MASON McDONALD, 12185

# OPERATOR'S COPY

Form 3160-3  
(July 1992)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

**SUBMIT IN TRIPLICATE\***  
(Other instructions on  
reverse side)

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

<b>APPLICATION FOR PERMIT TO DRILL OR DEEPEN</b>			5. LEASE DESIGNATION AND SERIAL NO. <b>NM-100316</b>	
			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
1a. TYPE OF WORK <b>DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/></b>			7. UNIT AGREEMENT NAME	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. FARM OR LEASE NAME, WELL NO. <b>Primero Federal</b>	
2. NAME OF OPERATOR <b>Marbob Energy Corporation</b>			9. API WELL NO. <b>2</b>	
3. ADDRESS AND TELEPHONE NO. <b>P. O. Box 227 Artesia, NM 88211-0227</b>			10. FIELD AND POOL, OR WILDCAT <b>WILDCAT</b>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface <b>2116 - 1650' FSL - 1650' FWL Unit K</b> At proposed prod. zone <b>542</b> <b>Same as Above</b>			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>Sec. 23-T26s-R24e</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* <b>From Whites City proceed south on US 62/180 for 12.4 miles</b>			12. COUNTY OR PARISH <b>Eddy</b>	13. STATE <b>NM</b>
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any)	16. NO. OF ACRES IN LEASE <b>2518.3</b>	17. NO. OF ACRES ASSIGNED TO THIS WELL <b>320</b>		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH <b>8200'</b>	20. ROTARY OR CABLE TOOLS <b>Rotary</b>		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>3928' GR</b>			22. APPROX. DATE WORK WILL START* <b>06/28/99</b>	
23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
<b>12 1/4"</b>	<b>J-55 8 5/8"</b>	<b>24#</b>	<b>1075'</b>	<b>350 sx, Circulate</b>
<b>7 7/8"</b>	<b>J-55 5 1/2"</b>	<b>17 #</b>	<b>8200'</b>	<b>325 sx, Circulate or sufficient to cover</b>
				<b>200' above O&amp;G horizons</b>

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

- Attached are: 1) Acreage Dedication Plat  
2) Supplemental Drilling Data  
3) Surface Use Plan

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

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *[Signature]* TITLE Land Department DATE 05/28/99  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *[Signature]* TITLE Acting Assistant Field Manager, Lands And Minerals DATE MAR 03 2000

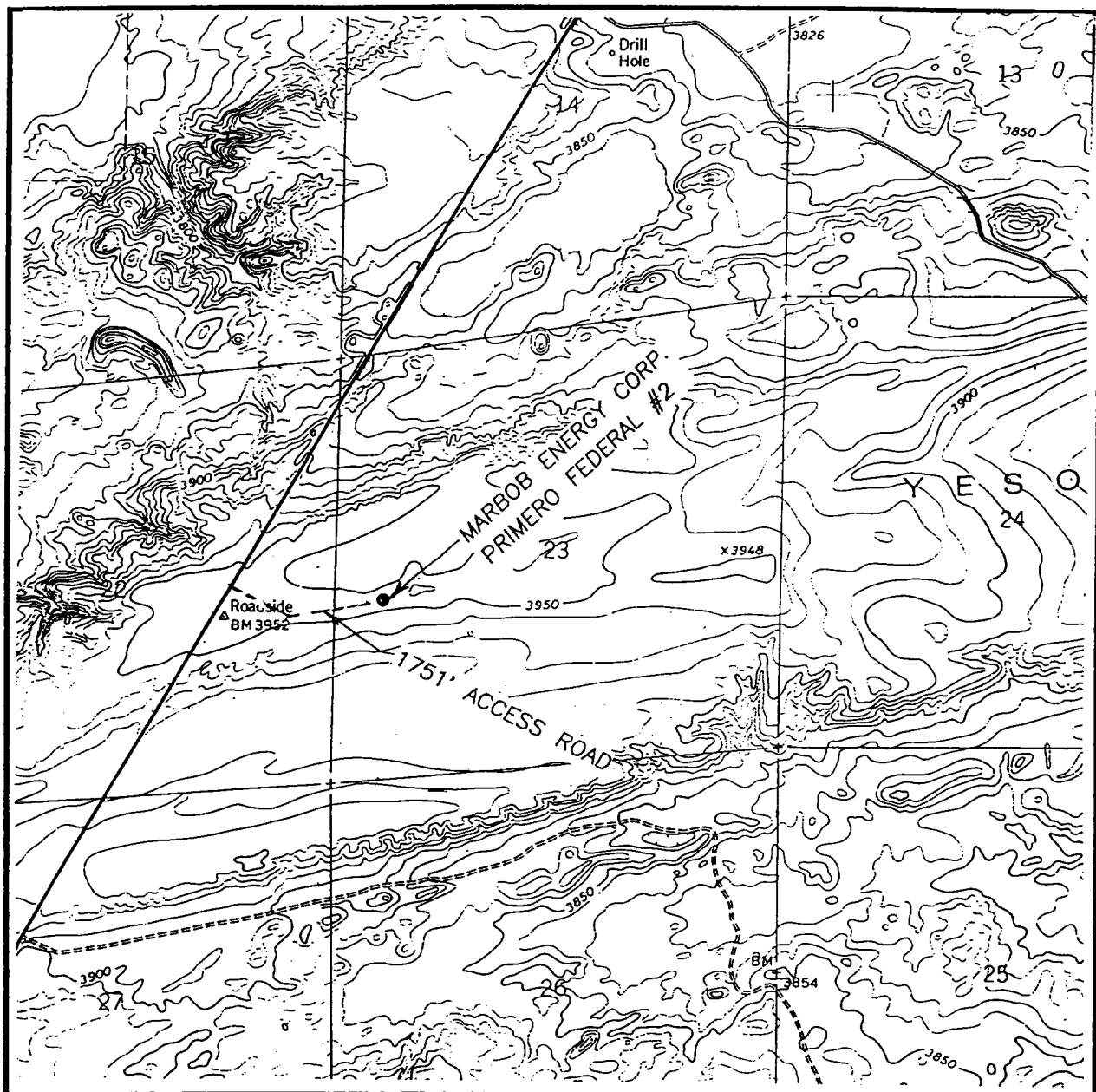
\*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SEC. 23 TWP. 26-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2116' FSL & 542' FWL

ELEVATION 3948

OPERATOR MARBOB ENERGY CORP.

LEASE PRIMERO FEDERAL #2

U.S.G.S. TOPOGRAPHIC MAP

RATTLESNAKE SPRING, N.M.

**JOHN WEST SURVEYING  
HOBBS, NEW MEXICO**

**(505) 393-3117**



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 E. Greene Street  
Carlsbad, New Mexico 88220

IN REPLY REFER TO:

Mike Stogner  
Chief Hearings Officer  
New Mexico Energy Minerals &  
Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico  
87505

MAR 24 2000

Dear Mike:

With regard to the Marbob Energy Corporation Application for Permit to Drill (APD) the Primero Federal No. 2 in the location 2116 feet from the South line and 542 feet from the west line of Section 23, T 26 S, Range 24 E, NMPM, this location is the best for the resource concerns the BLM has in that area. The area has four resource management issues that we have been working with to determine the best location. (1) The Guadalupe Escarpment Scenic Corridor is a designated area for the protection of scenic and visual values along the route between the City of Carlsbad and the two tourist attractions of Carlsbad Caverns and Guadalupe Mountains National Parks. (2) The Southern Gypsum Soils Area is also a designated management area to minimize the impacts to the fragile gypsum soils found there. (3) The area is identified for high potential cave and karst occurrence. (4) There were some archeological concerns that had to be addressed. BLM and Marbob have looked at four other locations which were unacceptable due to one or more of the resource management issues we had to take into consideration. We have spent considerable time working together to find this location that meets all the BLM criteria and is still within the target area that Marbob is seeking.

I hope you will factor in these considerations and grant the applied for unorthodox location.

Sincerely,

Leslie Theiss  
Carlsbad Field Office Manager