

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCCUPANCY ARTESIA

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007Month - Year  
FEB 26 2007  
OCD - ARTESIA, NM

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator  
**MARBOB ENERGY CORPORATION**3a. Address  
**P O BOX 227, ARTESIA, NM 88211-0227**3b. Phone No. (include area code)  
**505-748-3303**

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

**SEC. 19-T21S-R26E, UNIT P  
555 FSL 1017 FEL, SE/4SE/4**

5. Lease Serial No.

**NMNM97116**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

**LITTLE FEDERAL #1**

9. API Well No.

**30-015-33960**

10. Field and Pool, or Exploratory Area

**HAPPY VALLEY**

11. County or Parish, State

**EDDY COUNTY, NM**

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

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |   |  |   |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen           | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off                   |
| <input type="checkbox"/> Subsequent Report           | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Fracture Treat   | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity                   |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other <b>DOWNHOLE</b> |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon       | <b>COMMINGLING</b>  |
|  | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back        | <input type="checkbox"/> Water Disposal            |   |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**SEE ATTACHED NM FORM C-107 "APPLICATION FOR DOWNHOLE COMMINGLING"**

**THE PROPOSED ALLOCATION IS: HAPPY VALLEY MORROW 78060 - OIL 2% - GAS 2%  
HAPPY VALLEY ATOKA 78055 - OIL 42% - GAS 42%  
HAPPY VALLEY STRAWN NE 78075 - OIL 14% - GAS 14%  
UNDESIGNATED CANYON - OIL 42% - GAS 42%**

**SUBJECT TO LIKE  
APPROVAL BY STATE**14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)**BRIAN COLLINS**Title **PETROLEUM ENGINEER**

Signature

Date

**02/19/2007****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Conditions of approval, if any, are attached. Approval of this notice 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.

Title

Office

**APPROVED**

Date

**FEB 22 2007**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**FREDERICK WRIGHT  
PETROLEUM ENGINEER**

District I  
1625 N. French Drive, Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
1000 Rio Brazos Road, Artesia, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Oil Conservation Division**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised June 10, 2003

APPLICATION TYPE

☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

**APPLICATION FOR DOWNHOLE COMMINGLING**

MARBOB ENERGY CORPORATION

P O BOX 227

ARTESIA, NM 88211-0227

Operator

Address

LITTLE FEDERAL #1

P-29-T21S-R26E

EDDY COUNTY

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 14049 Property Code 34633 API No. 30-015-33960 Lease Type: ☒ Federal ☐ State ☐ Fee

| DATA ELEMENT   | UPPER ZONE      | INTERMEDIATE ZONE                         | LOWER ZONE          |
|--|-----------------|---|---------------------|
| Pool Name  | Undes. Canyon   | Happy Valley Strawn<br>Happy Valley Atoka | Happy Valley Morrow |
| Pool Code  |                 | 78075<br>78055                            | 78060               |
| Top and Bottom of Pay Section<br>(Perforated or Open-Hole Interval)  | 9546-9726' Perf | 9888-10132' Perf<br>10619-10890' Perf     | 11013-11270' Perf   |
| Method of Production<br>(Flowing or Artificial Lift)   | Flow            | Flow<br>Flow                              | Flow                |
| Bottomhole Pressure<br>(Note: Pressure data will not be required if the bottom<br>perforation in the lower zone is within 150% of the<br>depth of the top perforation in the upper zone) | N/A             | N/A<br>N/A                                | N/A                 |
| Oil Gravity or Gas BTU<br>(Degree API or Gas BTU)  | 1050            | 1050<br>1050                              | 1050                |
| Producing, Shut-In or<br>New Zone  | Producing       | Producing<br>Producing                    | Producing           |
| Date and Oil/Gas/Water Rates of<br>Last Production.<br>(Note: For new zones with no production history,  | Date: 2/08/07   | 02/07/07 (Strn)<br>Date: 02/07/07 (Atka)  | Date: 02/07         |

## DISTRICT I

1625 N. FRANKLIN DR., BOHLEN, NM 86240

## DISTRICT II

1001 W. GRAND AVENUE, ANTERA, NM 86210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

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

## State of New Mexico

Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

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

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

|                    |  |                                   |
|--------------------|--|-----------------------------------|
| API Number         | Pool Code<br>78060                           | Pool Name<br>HAPPY VALLEY; MORROW |
| Property Code      | Property Name<br>LITTLE ROUNDY ROUND FEDERAL | Well Number<br>1                  |
| OGRID No.<br>14049 | Operator Name<br>MARBOB ENERGY CORPORATION   | Elevation<br>3274'                |

## Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 16            | 29      | 21-S     | 26-E  |         | 555           | SOUTH            | 1017          | EAST           | 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. |
|-----------------|-----------------|--------------------|-----------|
| 324.34          |                 |                    |           |

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

|                    |   |                    |                                |                            |
|--------------------|---|--------------------|--------------------------------|----------------------------|
| LOT 4              | LOT 3<br>GEODETIC COORDINATES<br>NAD 27 NME<br><br>Y=525639.5 N<br>X=507507.3 E<br><br>LAT.=32°26'42.34" N<br>LONG.=104°18'32.39" W |                    | LOT 2                          | LOT 1                      |
| 40.67 AC<br>LOT 5  | 40.62 AC<br>LOT 6   | 39.77 AC<br>LOT 7  | 39.69 AC<br>LOT 8              |                            |
| 40.75 AC<br>LOT 12 | 40.70 AC<br>LOT 11  | 39.88 AC<br>LOT 10 | 39.80 AC<br>LOT 9              |                            |
| 40.90 AC<br>LOT 13 | 40.97 AC<br>LOT 14  | 40.21 AC<br>LOT 15 | 39.98 AC<br>LOT 16<br>40.09 AC |                            |
| 40.90 AC           | 40.97 AC  | 40.32 AC           | 3279.5'<br>600'<br>3271.3'     | 3274.2'<br>600'<br>3268.4' |

**OPERATOR CERTIFICATION**

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

*Melanie J. Parker*  
Signature  
Melanie J. Parker  
Printed Name  
Land Department  
Title  
January 5, 2005  
Date

**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.

DECEMBER 16, 2004

Date Surveyed \_\_\_\_\_ JR

Signature *GARY EDISON*  
Professional Surveyor  
NEW MEXICO  
04.11.17255  
Certificate No. GARY EDISON 12641

**Engineering Summary**  
**Form C-107A**  
**Application for Downhole Commingling**

**Marbob Energy Corporation**  
**Little Federal No. 1 (Unit P, Sec. 29-T21S-R26E)**

Marbob Energy proposes to downhole commingle the Morrow (Happy Valley Morrow 78060), Atoka (Happy Valley Atoka 78055), Strawn (Happy Valley Strawn NE 78075) and Canyon (Undesignated) in the captioned well. The best engineering estimate is that zonal reserves will approximate post treatment well tests.

Morrow The Morrow wasn't individually tested on recent workover. The best engineering estimate is that the 95% Atoka/5% Morrow ratio submitted on the original DHC application still applies. The Atoka recently tested approximately 100 MCFD (120 psi on 12/64" choke), therefore, the Morrow production is estimated to be 5 MCFD.

Atoka The Atoka was tested during a recent workover at approximately 100 MCFD (120 psi on 12/64" choke).

Strawn The Strawn was tested during a recent workover at approximately 35 MCFD (90 psi on 1/8" choke).

Canyon The Canyon was tested during a recent workover at approximately 100 MCFD (120 psi on 12/64" choke).

The proposed zonal allocation follows below. The best engineering estimate is that each zone will produce condensate in the same ratio as gas.

Morrow 5 MCFD rate  $\frac{5}{5+100+35+100} = .02 = 2\%$

Atoka 100 MCFD rate  $\frac{100}{5+100+35+100} = .42 = 42\%$

Strawn 35 MCFD rate  $\frac{35}{5+100+35+100} = .14 = 14\%$

Canyon 100 MCFD rate  $\frac{100}{5+100+35+100} = .42 = 42\%$

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.  
30-015-33960

5. Indicate Type of Lease  
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name  
LITTLE FEDERAL

8. Well Number 1

9. OGRID Number  
14049

10. Pool name or Wildcat  
HAPPY VALLEY

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 P : 555 feet from the SOUTH line and 1017 feet from the EAST line  
Section 29 Township 21S Range 26E NMPM EDDY County NM

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3274' 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: DOWNHOLE COMMINGLING ☒

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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.

SEE ATTACHED C-107A APPLICATION FOR DOWNHOLE COMMINGLING

THE PROPOSED ALLOCATION IS: HAPPY VALLEY MORROW 78060 - OIL 2% - GAS 2%  
HAPPY VALLEY ATOKA 78055 - OIL 42% - GAS 42%  
HAPPY VALLEY STRAWN NE 78075 - OIL 14% - GAS 14%  
UNDESIGNATED CANYON - OIL 42% - GAS 42%

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 Brian Collins TITLE PETROLEUM ENGINEER DATE 02/19/07

Type or print name BRIAN COLLINS  
For State Use Only

E-mail address:  
engineering@marbob.com

Telephone No.  
505-748-3303

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

Conditions of Approval (if any):