

OCD-ARTESIA

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. 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 (Report location clearly and in accordance with any State requirements. \*)

At surface 2310' FNL & 1025' FEL

At proposed prod. zone

14. Distance in miles and direction from nearest town or post office\*

15. Distance from proposed\*  
location to nearest  
property or lease line, ft.  
(Also to nearest drig. unit line, if any)

16. No. of Acres in lease

17. Spacing Unit dedicated to this well

18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft.

19. Proposed Depth

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
GL 3610'

22. Approximate date work will start\*  
January 20, 2006

23. Estimated duration  
21 Days

24. Attachments

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

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature  
*Nancy T. Agnew*

Name (Printed Typed)  
Nancy T. Agnew

Date  
12-20-06

Land Department

Approved by (Signature)  
*/s/ James Stovall*

Name (Printed Typed)  
*/s/ James Stovall*

Date  
MAR 02 2007

Title  
**ACTING FIELD MANAGER**

Office  
**BLM-CARLSBAD FIELD OFFICE**

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

**APPROVAL FOR 1 YEAR**

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

\*(Instructions on reverse)

Roswell Controlled Water Basin

NSL

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

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

If earthen pits are used in  
association with the drilling of this  
well, an OCD pit permit must be  
obtained prior to pit construction.

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 and Natural Resources Department

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 28509	Pool Name GRBG JACKSON SR Q GRBG SA
Property Code	Property Name DODD FEDERAL UNIT	Well Number 529
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3610'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	15	17-S	29-E		2310	NORTH	1025	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 40	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

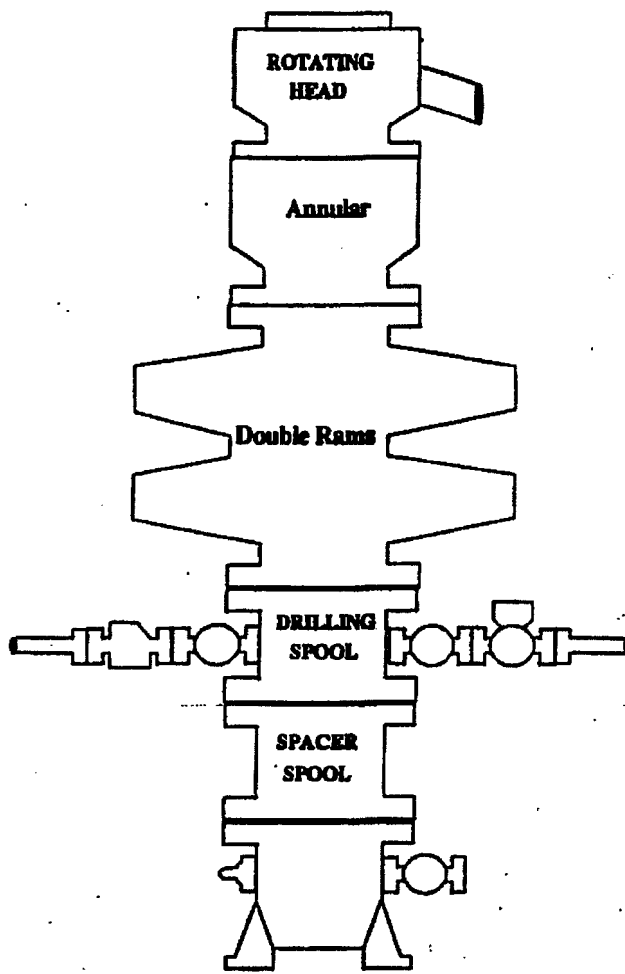
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=667734.1 N X=584913.1 E</p> <p>LAT.=32.835382° N LONG.=104.056880° W</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><u>Nancy T. Agnew</u> 12/20/06 Signature Date</p> <p>Nancy T. Agnew Printed Name</p>	<p><b>SURVEYOR CERTIFICATION</b></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>NOVEMBER 11, 2006</p> <p>Date Surveyed LA</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><u>Gary A. Eidson</u> 12/5/06 06.11.1755</p> <p>Certificate No. GARY EIDSON 12641</p>
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## **SURFACE USE AND OPERATING PLAN**

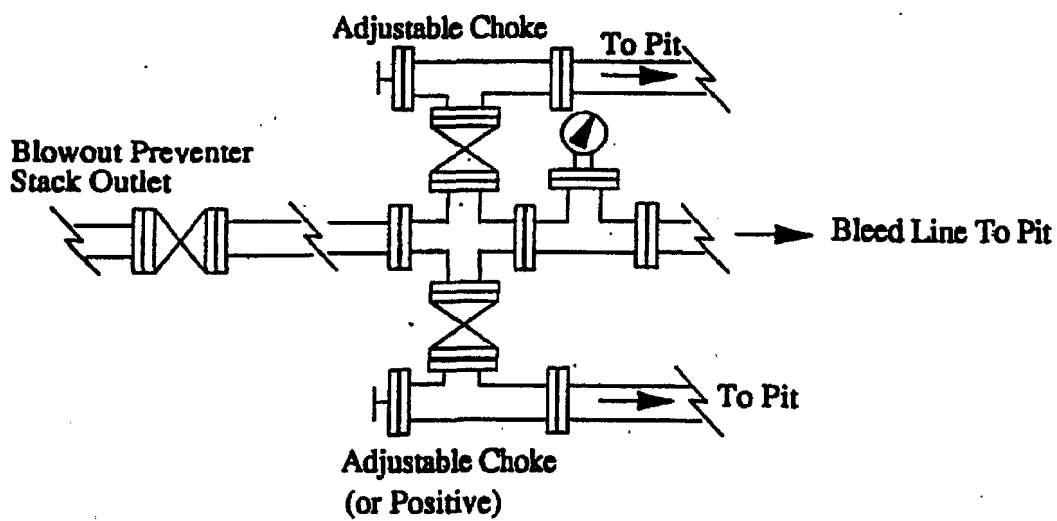
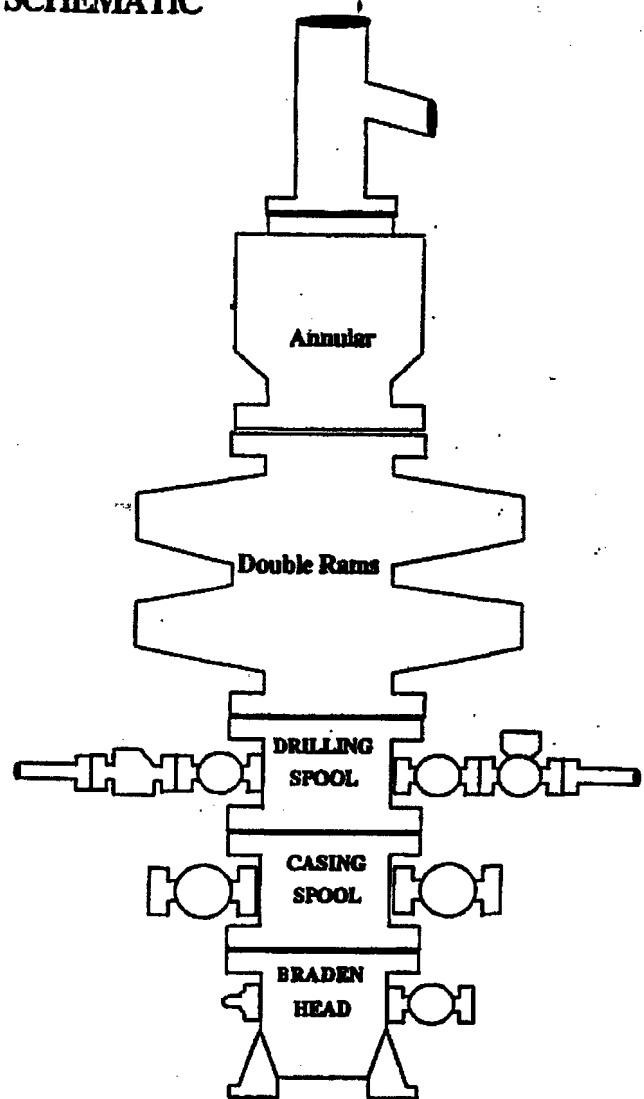
**Dodd Federal Unit #529  
2310' FNL & 1025' FEL  
Section 15-17S-29E  
Eddy County, New Mexico**

- 1.(c) Directions to Locations: From the intersection of St. Hwy #82 and Co. Rd #215 (Kewanee Rd), go west on St. Hwy. #82 approx. 1.0 miles. This location is approx. 485 feet West.**
- 2. There will be 77' of proposed access road.**
- 4. (a) If productive, this well will use the North tank battery.**

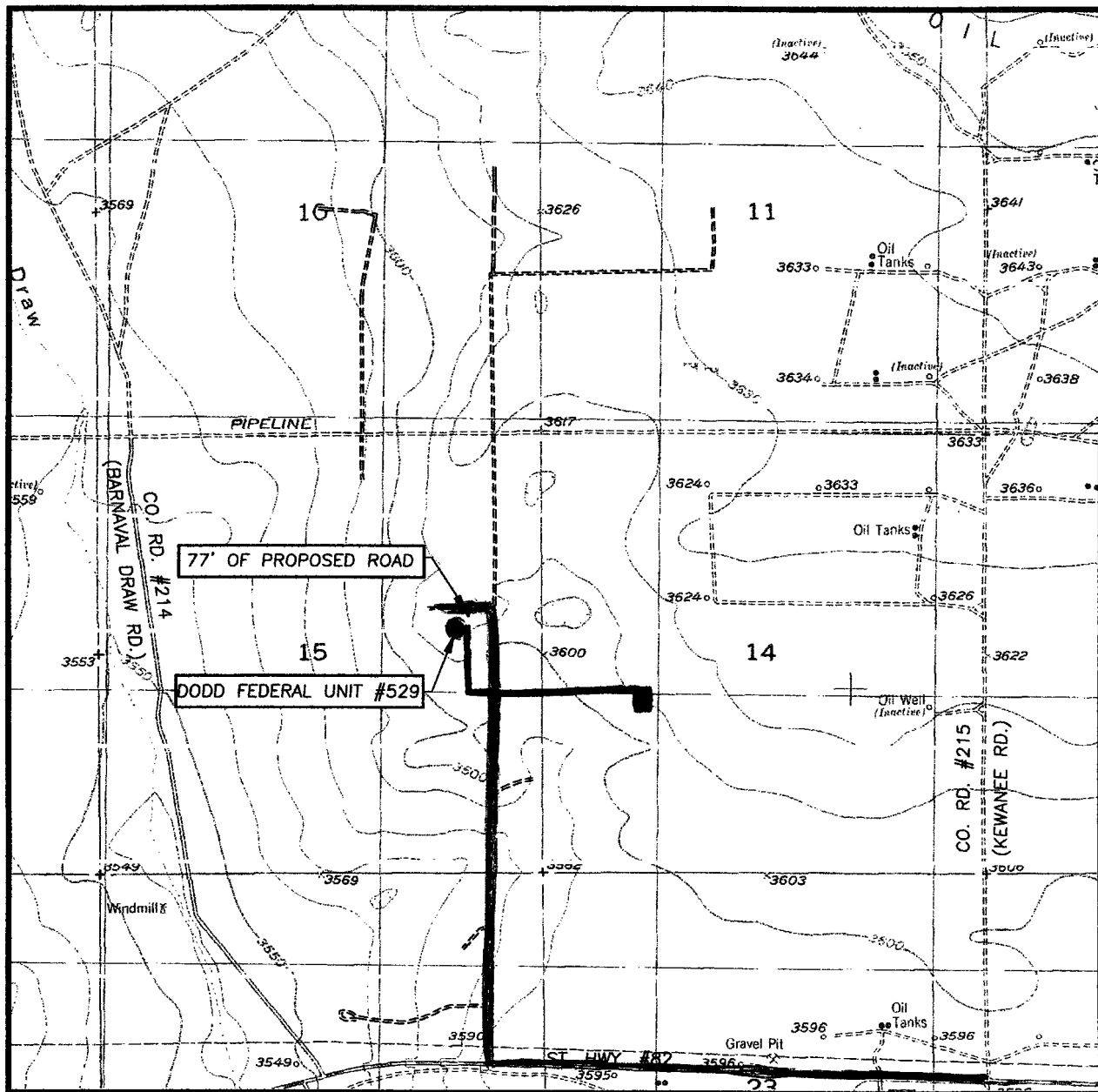
# BOPE SCHEMATIC



Choke Manifold



# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
RED LAKE SE, N.M. - 10'

SEC. 15 TWP. 17-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2310' FNL & 1025' FEL

ELEVATION 3610'

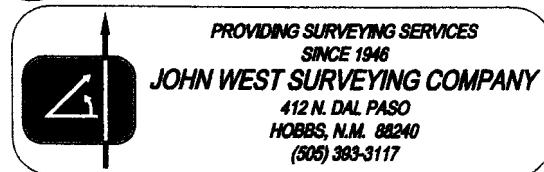
OPERATOR MARBOB ENERGY CORPORATION

LEASE DODD FEDERAL UNIT

U.S.G.S. TOPOGRAPHIC MAP  
RED LAKE SE, N.M.

EXISTING ROADS

PROPOSED FLOWLINE ROUTE



## EXHIBIT #2

## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Marbob Energy Corporation  
Well Name & No. 529-Dodd Federal Unit  
Location: 2310FNL, 1025FEL, Section 15, T-17-S, R-29-E  
Lease: LC-028731-B  
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### I. DRILLING OPERATIONS REQUIREMENTS:

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
1. Spudding well
  2. Setting and/or Cementing of all casing strings
  3. BOPE tests
- Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822
- B. Although no H<sub>2</sub>S has been reported in this section, it has been reported in Sec 21-17-S-30E measuring 1900 ppm in gas streams from a well completed in the Seven Rivers and Grayburg Jackson. It has also been reported in Sec. 17-17S-30E measuring 1600 ppm in gas streams and 1500 ppm in STVs from the Queen, Grayburg Jackson and San Andres, and in Sec 20-17S-30E measuring 10,000 ppm in gas streams and 4000 ppm in STVs from the Grayburg Jackson and Morrow. A Hydrogen Sulfide (H<sub>2</sub>S) Drilling Plan should be activated 500 feet prior to drilling into the Queen formation.
- C. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

### II. CASING:

- A. The 8-5/8 inch surface casing shall be set at approximately 375 feet and cemented to the surface.
1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement. **Master drilling plan in effect.**
  2. Wait on cement (WOC) time for a primary cement job will be a minimum of 12 hours for a non-water basin, 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
  3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
  4. If cement falls back, remedial action will be done prior to drilling out that string.
- B. The minimum required fill of cement behind the 5-1/2 inch production casing is **cement to extend 200' inside surface casing.**

- C. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool I joints of the drill pipe will be installed prior to continuing drilling operations.

### **III. PRESSURE CONTROL:**

- A. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53.
- B. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M) PSI**.
- C. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
1. The tests shall be done by an independent service company.
  2. The results of the test shall be reported to the appropriate BLM office.
  3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi in accordance with API RP 53. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
  5. A variance to test the surface casing and BOP/BOPE to the reduced pressure of 1000 psi is approved.

**Engineer on call phone: 505-706-2779**

**WWI 022707**

