

811 S. 1ST ST.
SUBMIT IN TRIPLICATE* reverse side)

FORM APPROVED OMB NO. 1004-0136

LC-029395B 6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Expires: February 28, 1995

5 LEASE DESIGNATION AND SERIAL NO.

UNITED STATES

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

	DOI/LAG (JI GAND	MULICULA	•
 			TO DOI	

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

DEEPEN

Cadar halle;

1a. TYPE OF WORK b. TYPE OF WELL

OIL X 2. NAME OF OPERATOR

3. ADDRESS AND TELEPHONE NO

At proposed prod. zone

MARBOB ENERGY CORPORATION

PO BOX 227, ARTESIA, NM 88210

At surface 730 FNL 890 FWL, UNIT D

GAS WELL

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

DRILL X

OTHER

SINGLE ZONE

MULTIPLE

7. UNIT AGREEMENT NAME

23300 8. FARM OR LEASE NAME, WELL NO. LEE FEDERAL #17

9. API WELL NO.

30-015-32648

10. FIELD AND POOL, OR WILDCAT

LOCO HILLS PADDOCK

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

SEC. 20-T17S-R31E

40

17, NO. OF ACRES ASSIGNED

13. STATE

12. COUNTY OR PARISH EDDY CO.

NM

SEE SURFACE USE PLAN 15. DISTANCE FROM PROPOSED'
LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT (Also to nearest drig, unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION

SAME

TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3669' gr

730

16. NO. OF ACRES IN LEASE

1800 19. PROPOSED DEPTH 6000

PROPOSED CASING AND CEMENTING PROGRAM

TO THIS WELL 20. ROTARY OR CABLE TOOLS

ROTARY

22. APPROX. DATE WORK WILL START

Norwell Controlled Water Basin

07/28/01

23 GRADE, SIZE OF CASING SIZE OF HOLE

> 13 3/8" H40 17 1/2' 8 5/8" J55 12 1/4" 7 7/8" 5 1/2" J55

WEIGHT PER FOOT SETTING DEPTH 48# 24#

17#

450' 1320 6000

QUANTITY OF CEMENT CIRCULATE 300 SX, CIRC 1100 SX, CIRC

PAY ZONE WILL BE SELECTIVELY PERFORATED AND STIMULATED AS NEEDED FOR OPTIMUM PRODUCTION.

ATTACHED ARE

1. ACREAGE LOCATION & DEDICATION PLAT

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

SIGNED

TITLE PRODUCTION ANALYST

DATE 06/29/01

(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:

/s/ LESLIE A. THEISS TITLE FIELD MANAGER

FEB 18 2003

*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 1 of the AR United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

OIL CONSERVATION DIVISION
P.O. Box 2088

DISTRICT III 1000 Rio Brazos Rd., Axtec, NM 87410 Santa Fe, New Mexico 87504-2088

DISTRICT IV WELL LOCATION AND ACREAGE DEDICATION PLAT P.O. BOX 2088, SANTA FE, N.M. 87504-2088 ☐ AMENDED REPORT API Number Pool Code Pool Name LOCO HILLS PADDOCK Property Code Property Name Well Number LEE FED 17 OGRID No. Operator Name Elevation MARBOB ENERGY CORPORATION 14049 3669'

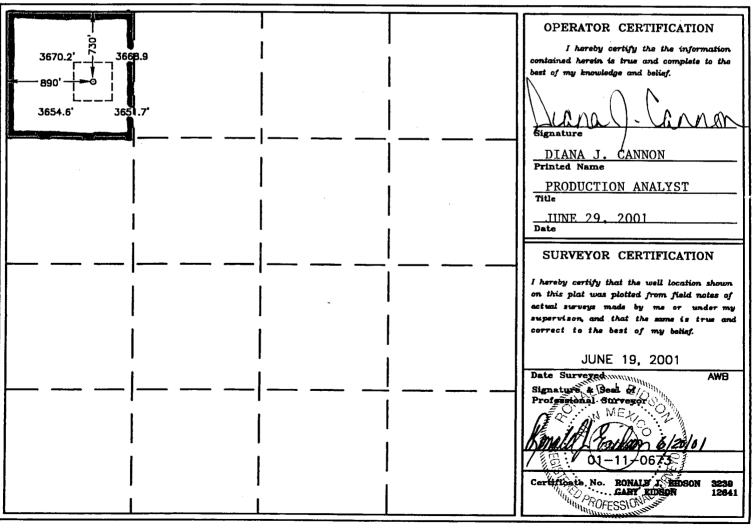
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	17-S	31-E		730	NORTH	890	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Townshi	ip	Range	Lot Idi	٠]	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint o	r Infill	Содяо	lidation (Code	Ord	ler No.				
40											

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



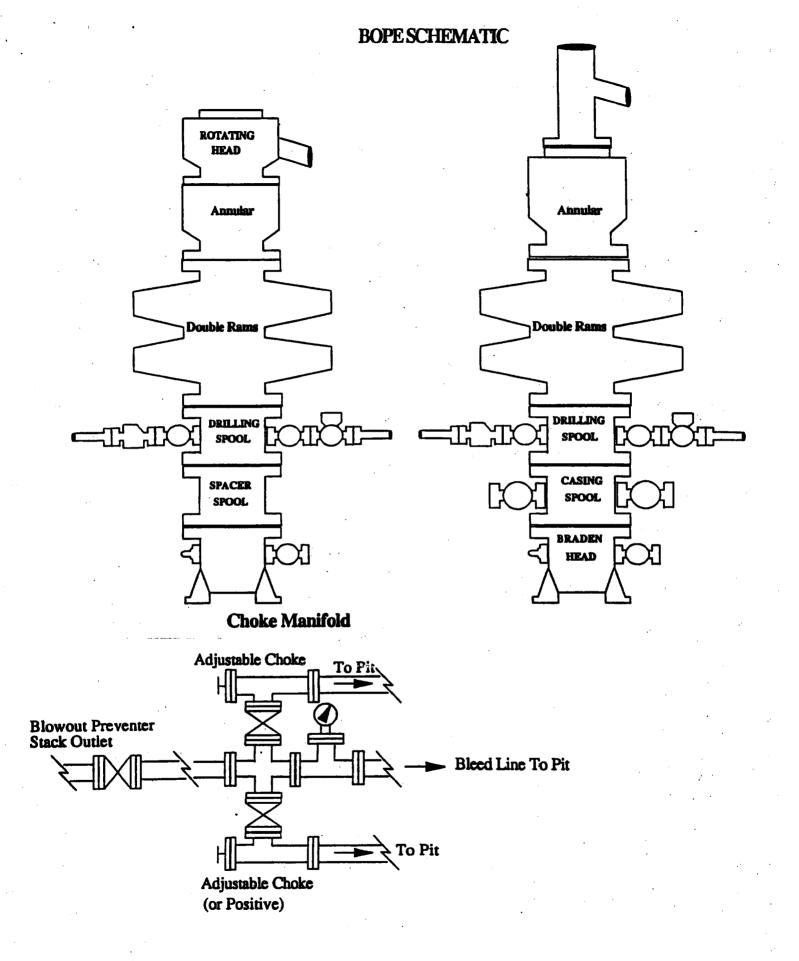
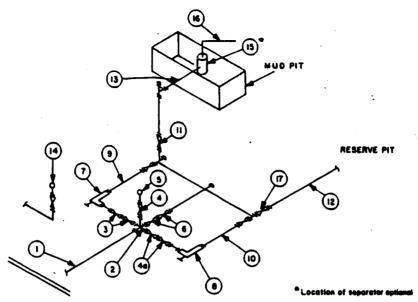


Exhibit One

MINIMUM CHOKE MANIFOLD 3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP



BEYOND SUBSTRUCTURE

			MINII	MUM REQU	IREMENTS	3				
		3,000 MWP			5,000 MWP			10,000 MWP		
No.		I.D.	NOMINAL	RATING	1.D.	NOMINAL	RATING	1.D.	NOMINAL	RATING
1	Line from dritting spool		3*	3,000		3*	5.000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			
-	Cross 3"x3"x3"x3"									10,000
3	Valves(1) Gate □ Plug □(2)	3-1/8"		3,000	3-1/6"		5,000	3-1/8*		10,000
4	Valve Gate □ (2)	1-13/16"		3,000	1-13/16*		5,000	1-13/16"		10,000
48	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	3-1/8"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate □ Plug □(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke(3)	2*		3,000	2.		5,000	2"		10,000
8	Adjustable Choke	1°		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3*	5,000		3°	10,000
10	Line		2*	3,000		2"	5,000		3*	10,000
11	Valves Gate []	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
12	Lines		3.	1,000		3*	1,000		3"	2,000
13	Lines		3"	1,000		3"	1,000		3-	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2'x5'			2'x5'			2'x5'	
16	Line		4"	1,000		4"	1,000		4*	2,000
17	Valves Gate □ Plug □(2)	3-1/8"		3,000	3-1/8*		5,000	3-1/8"		10,000

- (1) Only one required in Class 3M.
- (2) Gate valves only shall be used for Class 10M.
- (3) Remote operated hydrautic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- 1. All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- 2. All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- 3. All lines shall be securely anchored.
- 4. Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- 5. Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- 6. Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.

	UNITED STATES JUN 2 1 1999 DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT						
DOIN	LAG OF LAND WANAGEWEN	4	5. Lease Designation and Serial No.				
Do not use this form for propos	IOTICES AND REPORTS ON WELLS als to drill or to deepen or reentry to TION FOR PERMIT-" for such prop	a different reservoir.	6. If Indian, Allottee or Tribe Name				
	SUBMIT IN TRIPLICATE		7. If Unit or CA, Agreement Designation				
1. Type of Well Oil Gas Well Well Other 2. Name of Operator			8. Well Name and No.				
MARBOB ENERGY CORPORATION 3. Address and Telephone No.	-		9. API Well Na.				
P.O. BOX 227, ARTESIA, NM 882			10. Field and Pool, or Exploratory Area				
4. Location of Well (Footage, Sec., T., R., M., o T17S-R29E T17S-R30E T17S-R31E	r Survey Description)	:	11. County or Parish, State EDDY CO., NM				
12. CHECK APPROPRIATI	E BOX(s) TO INDICATE NATURE OF	NOTICE, REPORT, C	R OTHER DATA				
TYPE OF SUBMISSION		TYPE OF ACTION	• .				
Notice of Intent	Abandonment		Change of Plans				
Subsequent Report	☐ Recompletion ☐ Plugging Back ☐ Casing Repair		New Construction Non-Routine Fracturing Water Shut-Off				
Final Abandonment Notice	Altering Casing Other TEST	BOPS	Conversion to Injection Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)				
directionally drilled, give subsurface location	s (Clearly state all pertinet details, and give pertinent s and measured and true vertical depths for all marks	lers and zones pertinent to this	of starting any proposed work. If well is work.)*				

FOR WELLS IN THE ABOVE LOCATIONS TO TEST BOPS ON SURFACE CASING TO 1000#

THIS SUNDRY IS APPROVED FOR MARBOB TO HAVE A BLANKET APPROVAL FOR TESTING BOPS. HOWEVER, THE OPERATOR WILL STATE ON EACH APD THIS APPLIES TO IN ORDER TO REMIND AND/OR BRING NOTICE TO THE BLM OFFICE AND ENGINEER REVIEWING THE APD THAT THE WELL'S BOPE TESTING IS COVERED BY A BLANKET APPROVAL FOR THESE LOCATIONS

14. I hereby certify that the foregoing is true and correct				
Signed Gobin Courum	Title	PRODUCTION ANALYST	Date	05/25/99
(This space for Federal or State office Use) Approved by	Title	PETROLEUM ENGINEER	Date	JUN 1 6 1999
Conditions of approval, if any:	.,,,,			

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.