

JAN 13 2009

OCD-ARTESIA

Form 3160-5  
(August, 2007)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB No. 1004-0137  
Expires July 31, 2010**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 page 2.**

1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5 Lease Serial No NMNM0454018
2 Name of Operator Marbob Energy Corporation		6 If Indian, Allottee, or Tribe Name
3a Address PO Box 227 Artesia, NM 88211-0227	3b Phone No. (include area code) (575) 748-3303	7 If Unit or CA Agreement Name and/or No
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 1850 FNL 330 FEL, Sec. 10-T22S-R27E, Unit H		8 Well Name and No Skittles Federal #2
		9 API Well No 30-015-36462
		10 Field and Pool, or Exploratory Area Esperanza, Delaware
		11 County or Parish, State Eddy Co., NM

**12. CHECK APPROPRIATE BOX(S) 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"/> Altering 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	
	<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 or pertinent markers and sands. Attach the Bond under which the work will be performed or provide the Bond No. on file with the 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 Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Marbob Energy Corporation proposes to temporarily abandon the Skittles Federal #2 for economic reasons. The well produces approximately 8 BOPD & 150 BWPD and is uneconomic to produce due to current low oil prices and the high cost of trucking the produced water to water disposal facilities (Gross Revenue = 8 BOPD x \$40/bbl = \$320/day, Water Hauling Expense = 150 BWPD x \$3/bbl = \$450/day). We plan to set a CIBP above the top perf, circulate the casing full of inhibited water and test to 500 psi for 30 minutes. When oil prices improve, we will return the well to production.

(See attached wellbore schematics)

APPROVED FOR 12 MONTH PERIOD  
ENDING 1/7/2010SEE ATTACHED FOR  
CONDITIONS OF APPROVALACCEPTED FOR RECORD  
FOR MIT only14 I hereby certify that the foregoing is true and correct  
Name (Printed Typed)

Signature Diana J. Briggs	Title Gerry Gure, Deputy Field Inspector NMOCD-District II ARTESIA
Date December 30, 2008	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 1st J.D. Whitlock Jr	Title L PE 7	Date 1/7/09
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 18 USC Section 1001 AND Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make 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)

Well: Skittles Fld. 2

Location: 1850' FNL, 330' FEL  
H-10-22s-27e  
Eddy NM  
30-015-36462

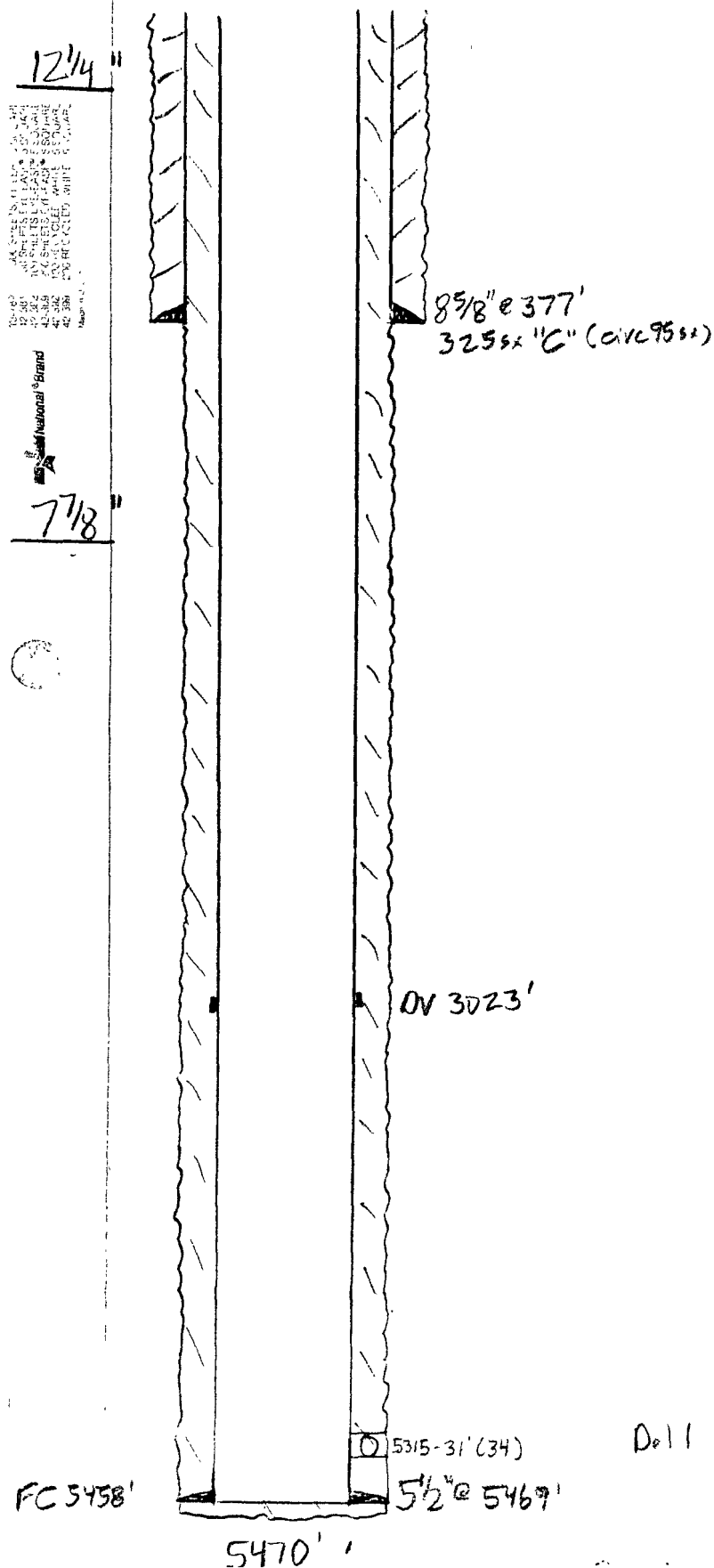
Zero: 14' AGL

KB: 3121'

GL: 3107'

Casing Program:

Size	Wt.	Grade	Conn	Depth
8 5/8"	24	J55	STC	377'
5 1/2"	17	J55	LTC	5469'
2 7/8"	6.5	J55	BUE	



BEFORE

Doll

1st: 4075x Super H (Circ 1005x)

2nd: 7005x HLC + 1005x Super H (Circ 855x)

Well: Ski Hles Fed. 2

Location: 1850' FNL, 330' FEL  
H-10-22s-27e  
Eddy NM  
30-015-36462

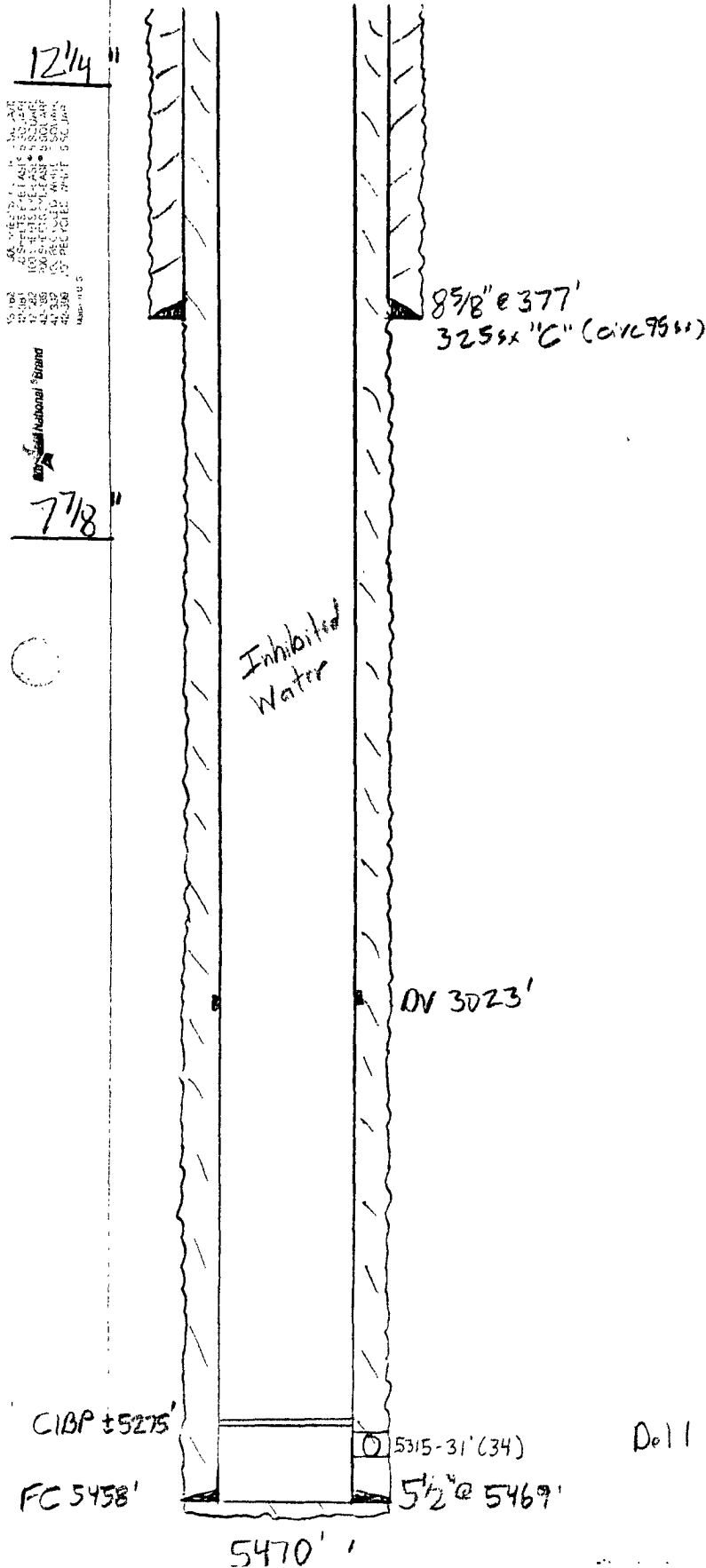
Zero: 14' AGL

KB: 3121'

GL: 3107'

Casing Program:

Size	Wt.	Grade	Conn	Depth
8 5/8"	24	J55	STC	377'
5 1/2"	17	J55	LTC	5469'
2 7/8"	6.5	J55	EUE	



AFTER

Doll

1st. 400sx Super H (circ 100sx)

2nd. 700sx HLC + 100sx Super H (circ 85sx)

**BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Temporary Abandonment of Wells on Federal Lands  
Conditions of Approval**

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
  - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
  - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
  - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
  - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
  - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status provided that the operator:

1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.

The TA status could be extended for an additional period without another casing integrity test provided there was no leak-off during the test and the test was witnessed by a BLM representative. The operator must submit a sundry notice requesting an extension of TA status 30 days prior to expiration of the previous approval and appropriate justification for extending the TA status is included.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

**Submit Subsequent Report and well bore diagram with all Perforations and CIBP with tops of cement.**

**Submit Plans to recomple, produce or P&A by January 7, 2010**