

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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JUL 7 2010

FORM APPROVED
OMB NO. 1004-0135
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.

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| SUBMIT IN TRIPLICATE - Other instructions on reverse side. | | 5. Lease Serial No. NMLC029435B |
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator MARBOB ENERGY CORPORATION E-Mail: geology@marbob.com | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address ARTESIA, NM 88211-0227 | | 8. Well Name and No. NFE FEDERAL 10 |
| 3b. Phone No. (include area code) Ph: 575-748-3303 | | 9. API Well No. 30-015-37360-00-X1 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 8 T17S R31E SENE 1650FNL 330FEL | | 10. Field and Pool, or Exploratory LOCO HILLS |
| | | 11. County or Parish, and 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 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 checked="" 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 |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Drilling Operations |
| | <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 recompletable 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 recompletable 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.)

SPUD WELL @10:00 PM ON 06/19/10. DRLD 17 1/2" HOLE TO 491'. RAN 12 JTS (490.06') 13 3/8" 48# H-40 8RD STC CSG TO 488.56'. CMTD W/100 SX THIXO, TAILED IN W/440 SX P+, PD @3:25 PM ON 06/20/10, CIRC 80 BBLs TO BINS. WOC 18 HRS. DO 5' BELOW FS W/10# BRINE - NO LOSS OF CIRC.

06/22/10 @12:00 AM, DRLD 11" HOLE TO 1625'. RAN 39 JTS (1618.88') 8 5/8" 24# J-55 8RD STC CSG TO 1618.78'. CMTD W/300 SX P+, TAILED IN W/250 SX P+, PD @10:45 AM ON 06/22/10, CIRC 40 BBLs TO BINS. WOC 18 HRS. DO 5' BELOW FS W/10# BRINE - NO LOSS OF CIRC.

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| 14. I hereby certify that the foregoing is true and correct | |
| Electronic Submission #88357 verified by the BLM Well Information System For MARBOB ENERGY CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 06/24/2010 (10KMS1679SE) | |
| Name (Printed/Typed) DEBBIE WILBOURN | Title AUTHORIZED REPRESENTATIVE |
| Signature (Electronic Submission) | Date 06/23/2010 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------------------------|-----------------|
| Approved By | JAMES A AMOS Title SUPERVISOR EPS | Date 07/04/2010 |
| 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. | | 2010 |
| Office Carlsbad | | |

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.

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