

RECEIVED

SEP 1 2010

NMOCD ARTESIA

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-27619

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

647

7. Lease Name or Unit Agreement Name

Arco 26 A State

8. Well Number

1

9. OGRID Number

14049

10. Pool name or Wildcat

Red Lake; Queen-Grayburg-San Andres

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

PO Box 227, Artesia, NM 88211-0227

4. Well Location

Unit Letter K: 1650 feet from the South line and 1650 feet from the West lineSection 26 Township 17S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3655' GR

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 ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐OTHER: Recomplete-Same Zone (Add Perfs) ☒

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Recompleted in the Grayburg & San Andres zones as follows:

7/13/10 – MIRU. POOH w/ rods & pump. POOH w/ tbg. Perf the Grayburg & San Andres zones @ 1920' – 2286' (32 shots). Acdz w/ 1500 gal NE Fe 15% HCl acid. Swab test. RIH w/ 87 jts 2 7/8" tbg. Set @ 2750'. RIH w/ pump & rods. Hang well on pump. RDMO.
 Producing Interval: Grayburg & San Andres @ 1920' – 2690'

Spud Date:

Rig Release Date:

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

SIGNATURE Diana Briggs TITLE Production Manager DATE 8/31/10Type or print name Diana J. Briggs E-mail address: dbriggs@marbob.com PHONE: (575) 748-3303

For State Use Only

APPROVED BY David May TITLE Field Supervisor DATE 9-24-10

Conditions of Approval (if any):

Gt