

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

C/SF

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL **DEEPEN**

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
MARBOB ENERGY CORPORATION

3. ADDRESS AND TELEPHONE NO.
(P.O. BOX 227, ARTESIA, NM 88210 505-748-3303

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface **924 FNL 990 FEL**
 At proposed prod. zone
SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
EAST OF ARTESIA ON US 82 APPX 21.7 MILES

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drig. unit line, if any)
924'

16. NO. OF ACRES IN LEASE
1120

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
4800'

19. PROPOSED DEPTH
4800'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3603' GR

22. APPROX. DATE WORK WILL START*
06/08/00

5. LEASE DESIGNATION AND SERIAL NO.
LC-028793C

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
BURCH KEELY UNIT

8. FARM OR LEASE NAME, WELL NO.
BURCH KEELY UNIT #875

9. API WELL NO.
30-015-31241

10. FIELD AND POOL, OR WILDCAT
GRBG JACKSON SR Q GRBG SA

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 30-T17S-R30E

12. COUNTY OR PARISH
EDDY

13. STATE
NM

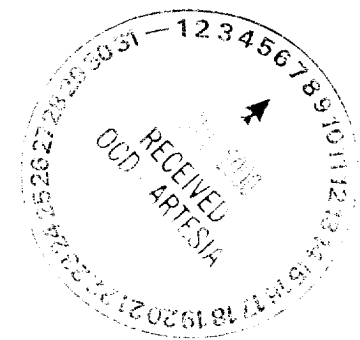
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55, 8 5/8"	24#	350'	300 SX
7 7/8"	J-55, 5 1/2"	17#	4800'	SUFFICIENT TO COVER ALL KNOWN O&G HORIZONS

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

ATTACHED ARE: 1. WELL LOCATION AND ACREAGE DEDICATION PLAT
 2. SURFACE USE PLAN
 3. SUPPLEMENTAL DRILLING DATA

MASTER SURFACE USE PLAN ON FILE AT BLM ROSWELL



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

24. SIGNED Robin Cockrum TITLE PRODUCTION ANALYST DATE 05/08/00

(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:

Acting Assistant Field Manager,
Lands And Minerals

APPROVED BY _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

RECEIVED
MAY 09 2000
BLM
ROSWELL, NM

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 28509	Pool Name GRBG JACKSON SR Q GRBG SA
Property Code 6497	Property Name BURCH KEELY UNIT	Well Number 875
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3603

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	17 S	30 E		924	NORTH	990	EAST	EDDY

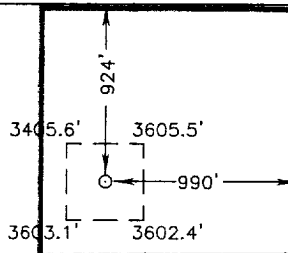
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

LOT 1 37.43 ACRES									
LOT 2 37.51 ACRES									
LOT 3 37.57 ACRES									
LOT 4 37.65 ACRES									



OPERATOR CERTIFICATION

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

Robin Cockrum
Signature

ROBIN COCKRUM

Printed Name

PRODUCTION ANALYST

Title

5/5/00

Date

SURVEYOR CERTIFICATION

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.

APRIL 12, 2000

Date Surveyed

DC

Signature & Seal of Professional Surveyor

Ronald J. Eidson 4/12/00
08-11-0446

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641
MACON McDONALD 12185

DRILLING PROGRAM

**Burch Keely Unit No. 875
924' FNL and 990' FEL
Section 30-17S-30E
Eddy County, New Mexico**

10. Anticipated Starting Date and Duration of Operations

Spud Date: Approximately June 8, 2000

Duration of Operations: Once commenced, the drilling operations should be completed in approximately 21 days. If the well is productive, an additional 30 to 60 days will be required for completion and testing of the well.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUN 21 1999

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No.
2. Name of Operator MARBOB ENERGY CORPORATION	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P.O. BOX 227, ARTESIA, NM 88210 505-748-3303	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) T17S-R29E T17S-R30E T17S-R31E	8. Well Name and No.
	9. API Well No.
	10. Field and Pool, or Exploratory Area
	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 type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other TEST BOPS
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

DUE TO THE LOW BOTTOM HOLE PRESSURE OF FORMATIONS ABOVE 6000', WE ARE REQUESTING BLANKET APPROVAL 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 Robin Corruen Title PRODUCTION ANALYST Date 05/25/99

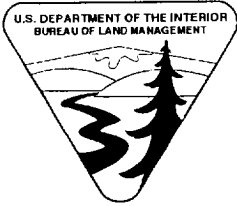
(This space for Federal or State office use)

Approved by [Signature] Title PETROLEUM ENGINEER Date JUN 16 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.

SEP 09 1999



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second St.
Roswell, New Mexico 88201
www.nm.blm.gov



IN REPLY REFER TO:
NMNM-88525X
3180 (06200)

Marbob Energy Corporation
Attention: Johnny Gray
P. O. Box 227
Artesia, NM 88210

SEP 07 1999

Gentlemen:

With regard to our telephone conversation of September 2, 1999, a review of our records has found discrepancies in the casing requirements section of the conditions of approval for your APD's. As per our meeting on July 7, 1999, our office had agreed with your recommended casing procedures for shallow wells of 6000 ft. or less in T. 17 S., Rgs. 29, 30 and 31 E., NMPM. In order to correct the discrepancies, this letter states the language to be used for the conditions of approval casing requirements for all your existing APD's

Conditions of Approval-Drilling amended as follows:

II. Casing requirements in T. 17 S., Rgs. 29, 30 and 31 E. for shallow wells less than 6,000 ft.

1. 8-5/8 inch surface casing should be set at approximately ____ ft. in the Rustler Anhydrite or in the case the salt occurs at a shallower depth above the top of the salt. The surface casing shoe shall be set in the anhydrite to ensure adequate sealing. The operator is required to use an excess of 100% cement volume to fill annulus. If cement does not circulate to surface the operator may then use ready mix cement to fill the remaining annulus.

2. The minimum required fill of cement behind the 5½ inch production casing is to place the top of the cement 200 ft. above the top of the uppermost hydrocarbon bearing interval or to the base of the salt.

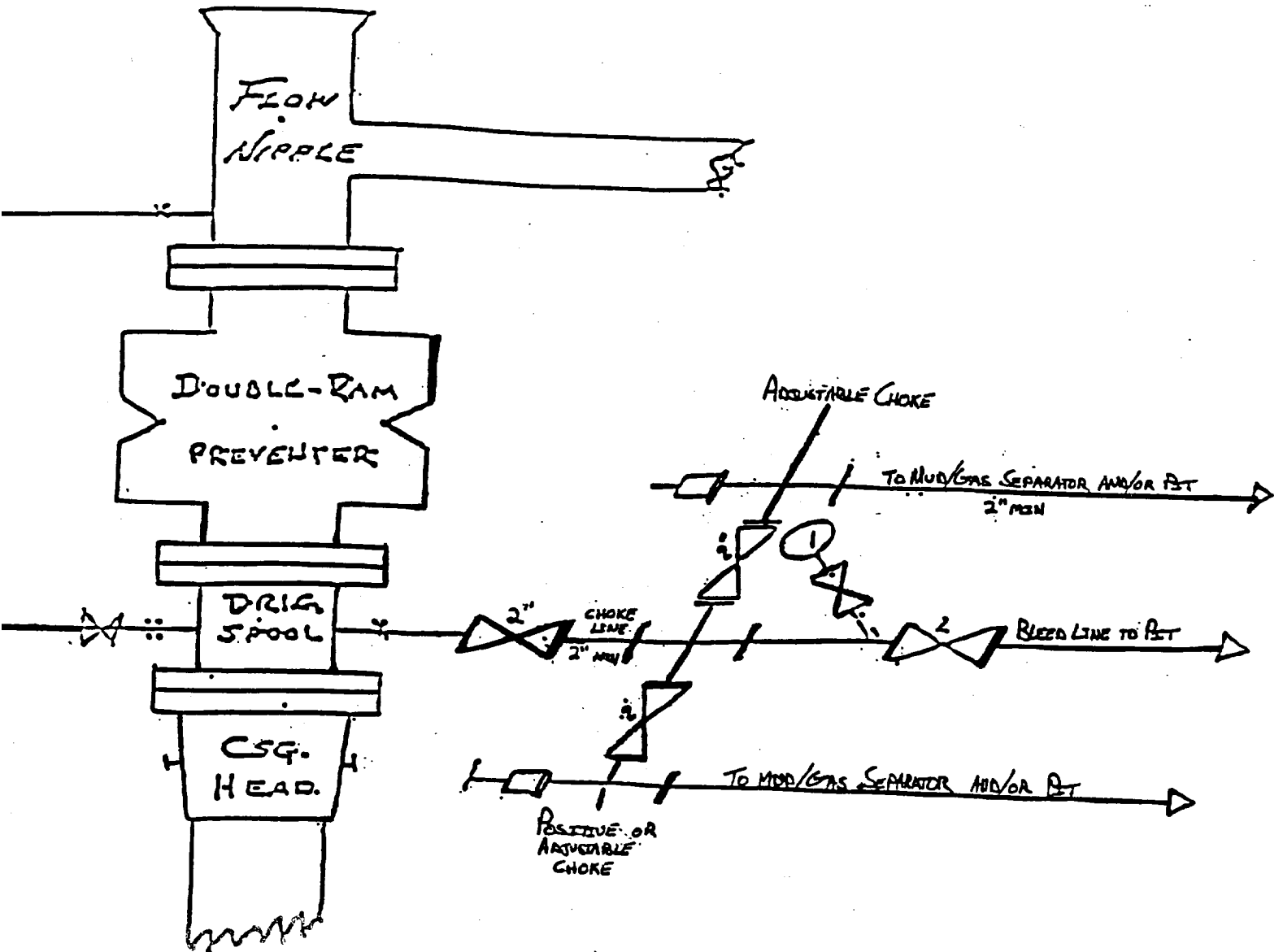
These requirements supercede those issued in your existing, approved APD's for the shallow wells located in T. 17 S., Rgs. 29, 30 and 31 E., NMPM. If you have any question regarding this matter please call John S. Simitz at (505) 627-0288 or Armando A. Lopez at (505) 627-0248.

Sincerely,

A handwritten signature in black ink that reads "Larry D. Bray". The signature is written in a cursive style with a large, stylized initial "L".

Larry D. Bray
Acting Assistant Field Office Manager,
Lands and Minerals

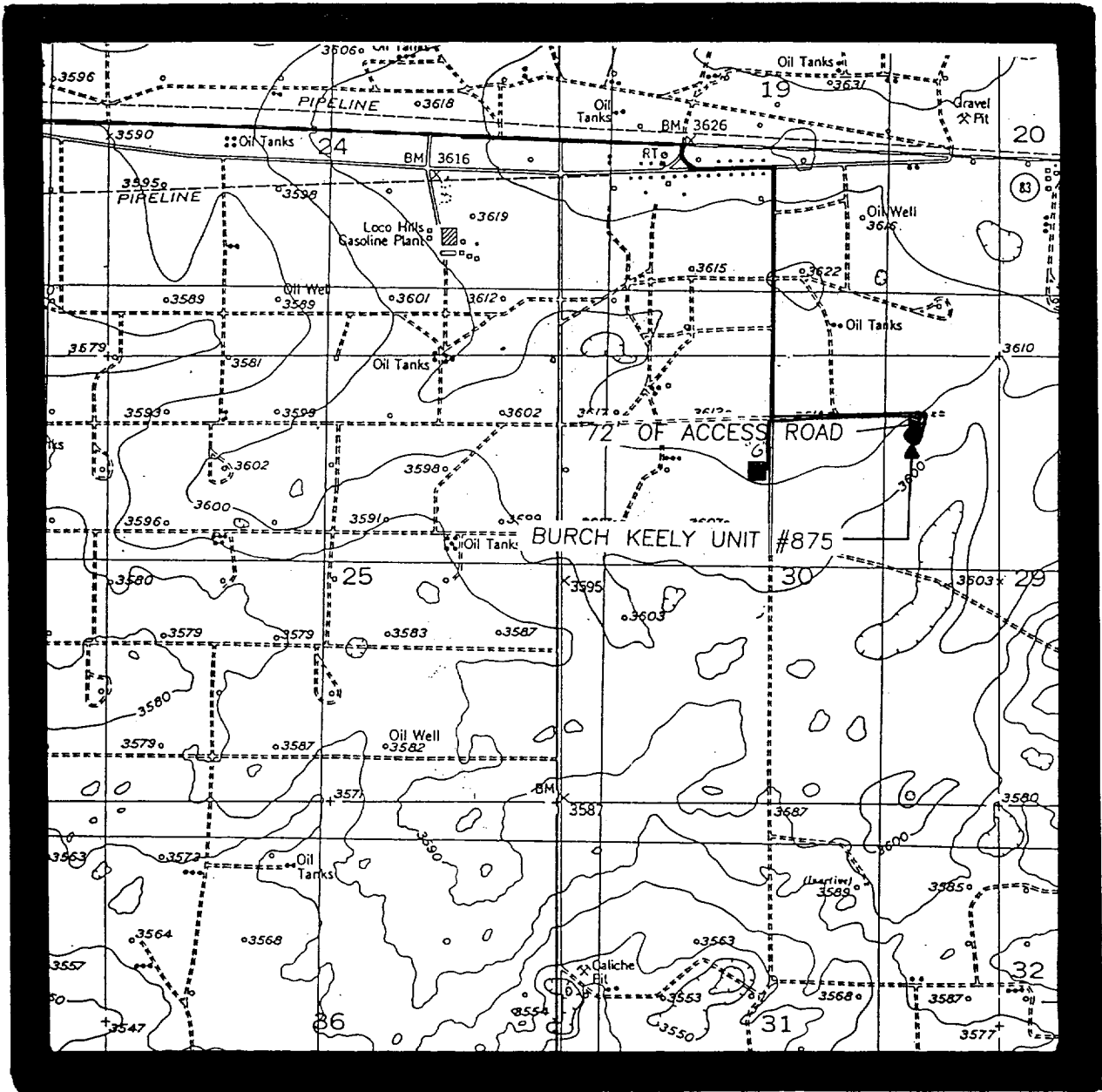
BLOCK OUT PREVENTER AND CHOKE MANIFOLD



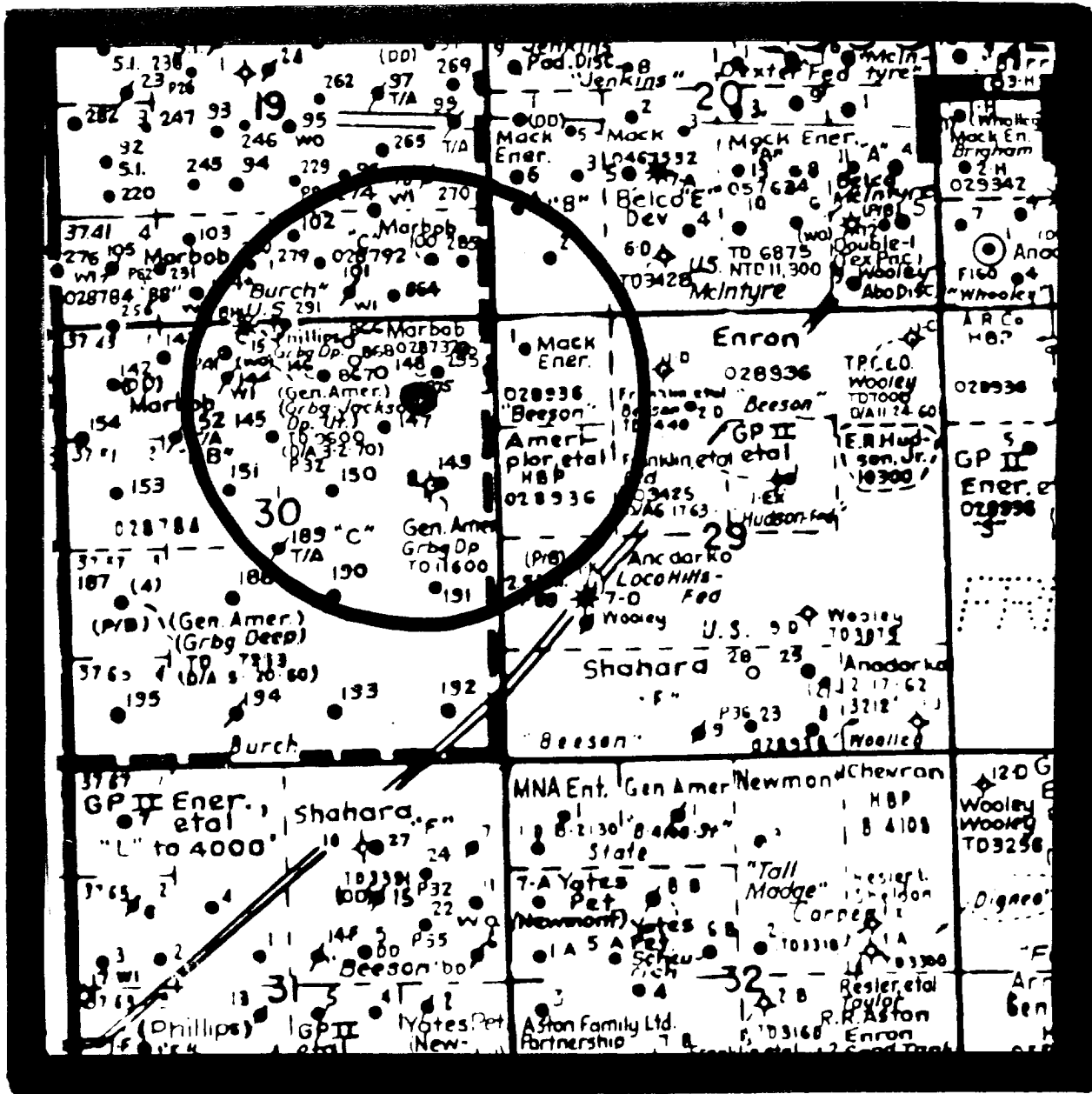
10"/900 Cameron SS Space Saver
3000# Working Pressure
3000# Working Pressure Choke Manifold

Attachment to Exhibit #1
NOTES REGARDING THE BLOWOUT PREVENTERS

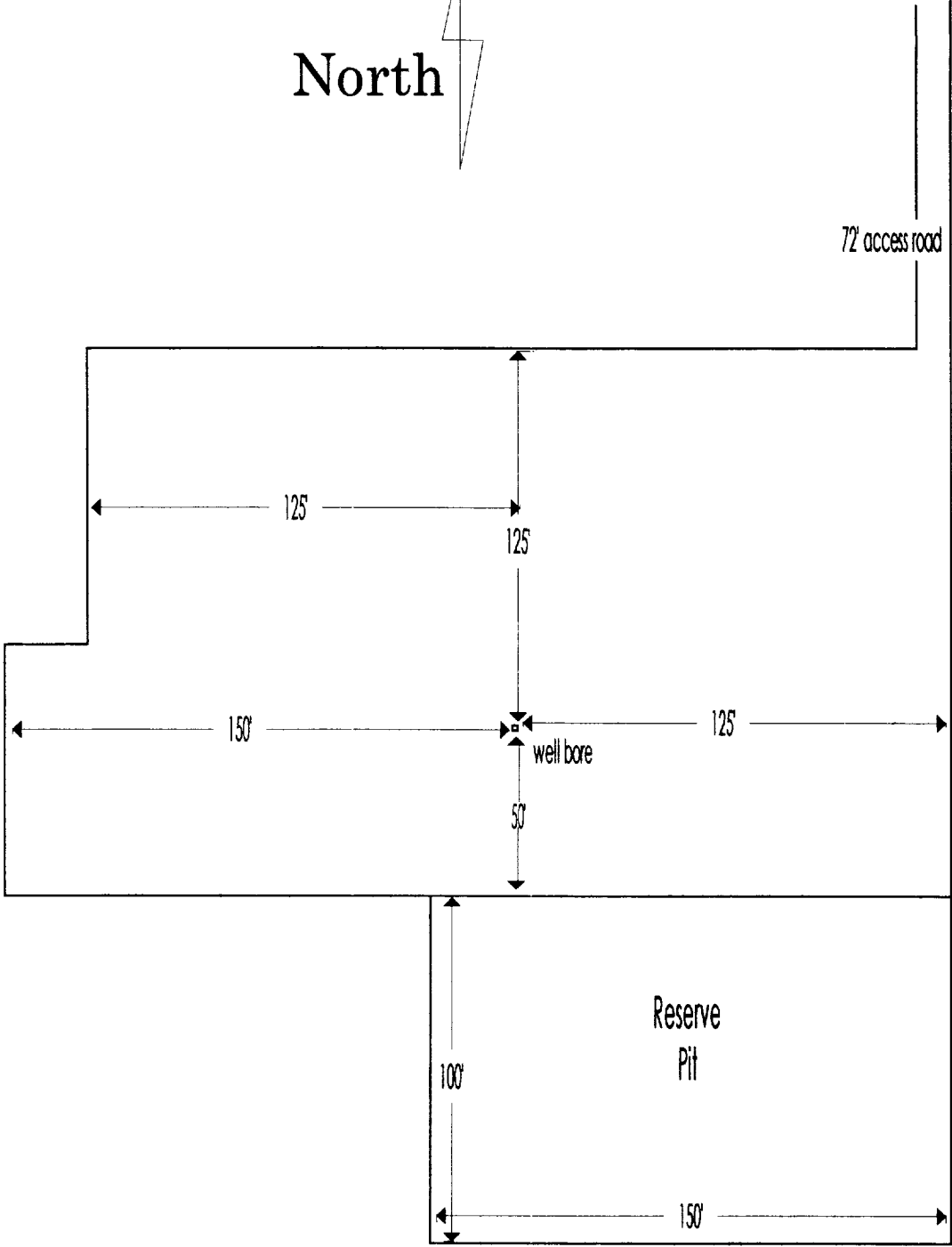
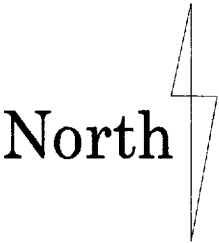
1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 3000 psi W.P. minimum.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi W.P. minimum.
6. All choke and fill lines to be securely anchored, especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on kelly.
9. Extension wrenches and hand wheels to be properly installed.
10. Blow out preventer control to be located as close to driller's position as feasible.
11. Blow out preventer closing equipment to include minimum 40 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.



Burch Keely Unit No. 875
 924' FNL & 990' FEL
 Section 30; T17S - R30E
 Eddy County, New Mexico



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Burch Keely Unit No. 875
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Exhibit Four