

Form 3160-3

Bureau of Land Management  
ReceivedUNITED STATES  
DEPARTMENT OF THE INTERIORSUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

MAY 09 2000

BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.  
LC-028784C

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

BURCH KEELY UNIT

8. FARM OR LEASE NAME, WELL NO.

BURCH KEELY UNIT #870

9. API WELL NO.

30-015-31247

10. FIELD AND POOL, OR WILDCAT

GRBG JACKSON SR Q GRBG SA

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

SEC. 26-T17S-R29E

12. COUNTY OR PARISH 13. STATE

EDDY

NM

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

ROTARY

22. APPROX. DATE WORK WILL START\*

06/08/00

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 200' ABOVE 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 05/05/00

(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:

/S/LARRY D. BRAY

Assistant Field Manager,  
Lands And Minerals

APPROVED BY

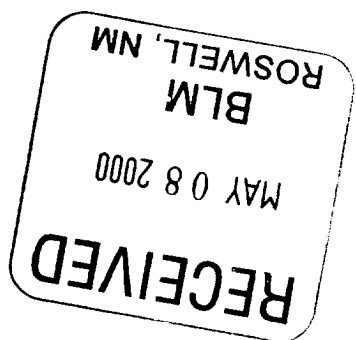
TITLE

DATE

JUL 10 2000

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



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

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

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE

API Number		Pool Code 28509	Pool Name GRBG JACKSON R Q GRBG SA
Property Code 6497	Property Name BURCH KEELY UNIT		Well Number 870
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION		Elevation 3566

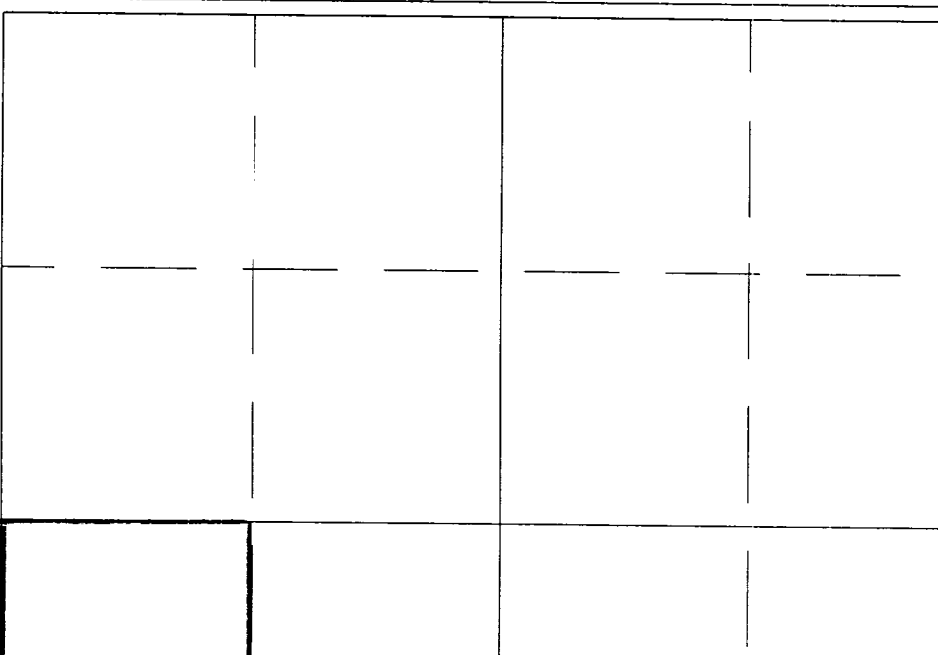
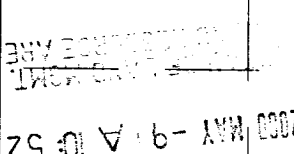
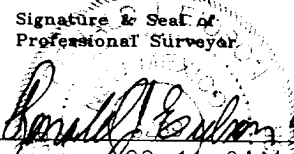
### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	26	17 S	29 E		1345	SOUTH	660	WEST	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 40	Joint or Infill	Consolidation Code	Order No.						

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

 <p style="text-align: center;">  </p>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center; margin: 0;"><b>OPERATOR CERTIFICATION</b></p> <p style="margin: 0;"><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="margin: 0; text-align: center;"><u>Robin Cockrum</u></p> <p style="margin: 0; text-align: center;">Signature</p> <p style="margin: 0; text-align: center;"><u>ROBIN COCKRUM</u></p> <p style="margin: 0; text-align: center;">Printed Name</p> <p style="margin: 0; text-align: center;"><u>PRODUCTION ANALYST</u></p> <p style="margin: 0; text-align: center;">Title</p> <p style="margin: 0; text-align: center;"><u>5/5/00</u></p> <p style="margin: 0; text-align: center;">Date</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center; margin: 0;"><b>SURVEYOR CERTIFICATION</b></p> <p style="margin: 0;"><i>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.</i></p> <p style="text-align: center; margin: 10px 0 0 0;">APRIL 11, 2000</p> <p style="margin: 0;">Date Surveyed <span style="float: right;">DC</span></p> <p style="margin: 0;">Signature &amp; Seal of Professional Surveyor</p> <p style="margin: 0; text-align: center;">  </p> <p style="margin: 0; text-align: center;"> <u>Ronald J. Eidson</u> 4/12/00        00-11-0441     </p> <table style="width: 100%; margin-top: 10px;"> <tr> <td style="width: 60%;">Certificate No.</td> <td style="width: 20%;">RONALD J. EIDSON</td> <td style="width: 20%; text-align: right;">3239</td> </tr> <tr> <td></td> <td>GARY EIDSON</td> <td style="text-align: right;">12641</td> </tr> <tr> <td></td> <td>MACON McDONALD</td> <td style="text-align: right;">12185</td> </tr> </table> </div>	Certificate No.	RONALD J. EIDSON	3239		GARY EIDSON	12641		MACON McDONALD	12185
Certificate No.	RONALD J. EIDSON	3239								
	GARY EIDSON	12641								
	MACON McDONALD	12185								



## **DRILLING PROGRAM**

**Burch Keely Unit No. 870  
1345' FSL and 660' FWL  
Section 26-17S-29E  
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.**

## **SURFACE USE AND OPERATING PLAN**

**Burch Keely Unit No. 870  
1345' FSL and 660' FWL  
Section 26-17S-29E  
Eddy County, New Mexico**

- 1.(c) Directions to Locations: Proceed east on U.S. 82 from Artesia, approx. 21.7 miles, to Two Trees road. Turn south and proceed 1.5 miles. Turn west and proceed .5 miles. Turn north and proceed .1 mile. Location is on the west side of the lease road.**
  
- 4.(a) If productive, this well will use Satellite "E".**

ORIGINAL COPY

Form 3160-5  
(June 1990)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

☒ Oil Well ☐ Gas Well ☐ Other

## 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 (Footage, Sec., T., R., M., or Survey Description)

T17S-R29E  
T17S-R30E  
T17S-R31E

## 5. Lease Designation and Serial No.

## 6. If Indian, Allottee or Tribe Name

## 7. If Unit or CA, Agreement Designation

## 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

- ☐
- Notice of Intent
- 
- ☐
- Subsequent Report
- 
- ☐
- Final Abandonment Notice

## TYPE OF ACTION

- ☐
- Abandonment
- 
- ☐
- Recompletion
- 
- ☐
- Plugging Back
- 
- ☐
- Casing Repair
- 
- ☐
- Altering Casing
- 
- ☒
- Other TEST BOPS

- ☐
- Change of Plans
- 
- ☐
- New Construction
- 
- ☐
- Non-Routine Fracturing
- 
- ☐
- Water Shut-Off
- 
- ☐
- Conversion to Injection
- 
- ☐
- 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

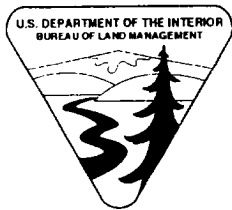
## 14. I hereby certify that the foregoing is true and correct

Signed Robin CarverTitle PRODUCTION ANALYSTDate 05/25/99

(This space for Federal or State office use)

Approved by [Signature]  
Conditions of approval, if any:Title PETROLEUM ENGINEERDate JUN 16 1999

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](http://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.



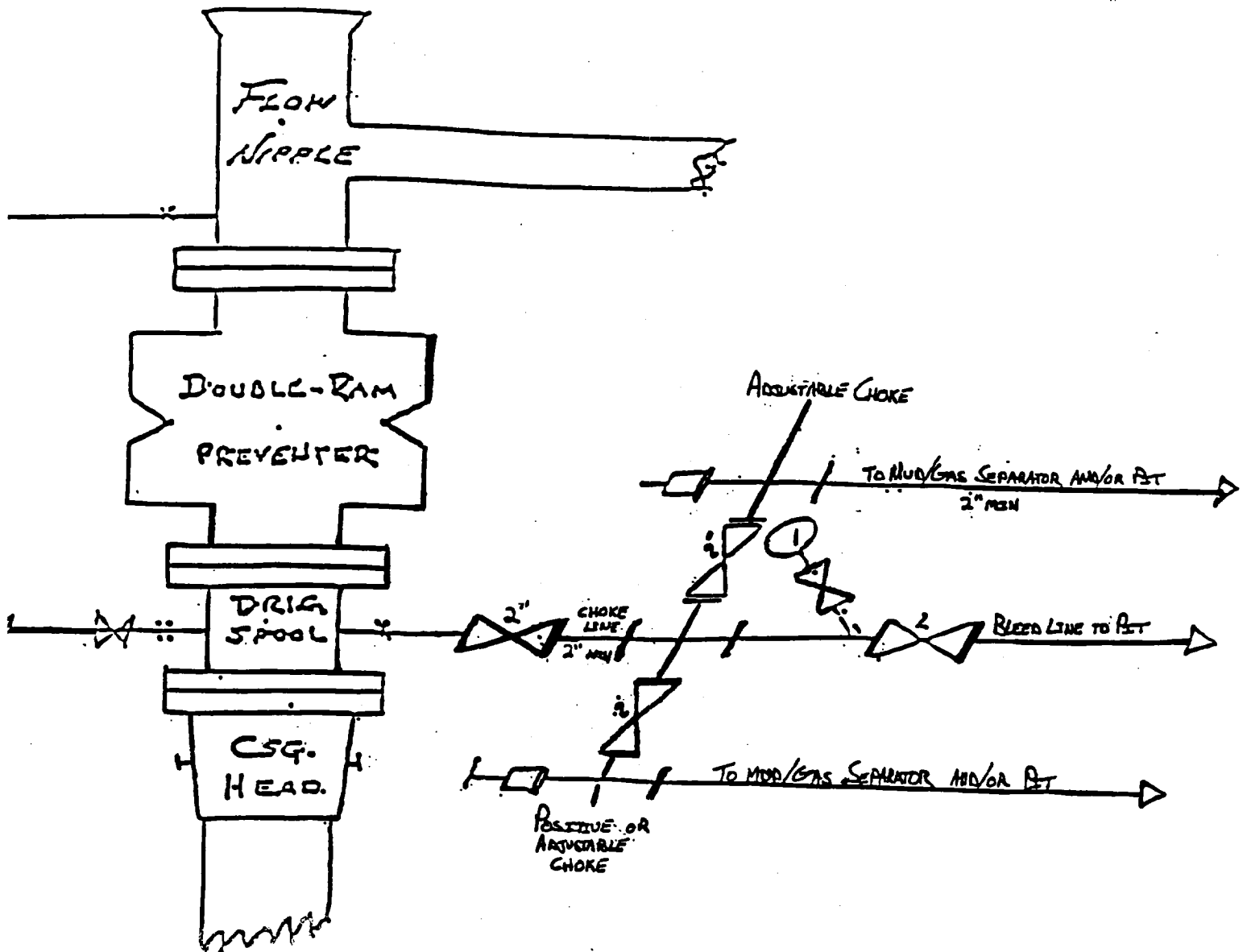
These requirements supercede those issued in your existing, approved APD's for the shallow wells located in T. 17 S., Rgs. 29, 30 and 31 E., NMPM. If you have any question regarding this matter please call John S. Simitz at (505) 627-0288 or Armando A. Lopez at (505) 627-0248.

Sincerely,

A handwritten signature in black ink, reading "Larry D. Bray". The signature is written in a cursive style with a large, stylized "L" and "B".

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

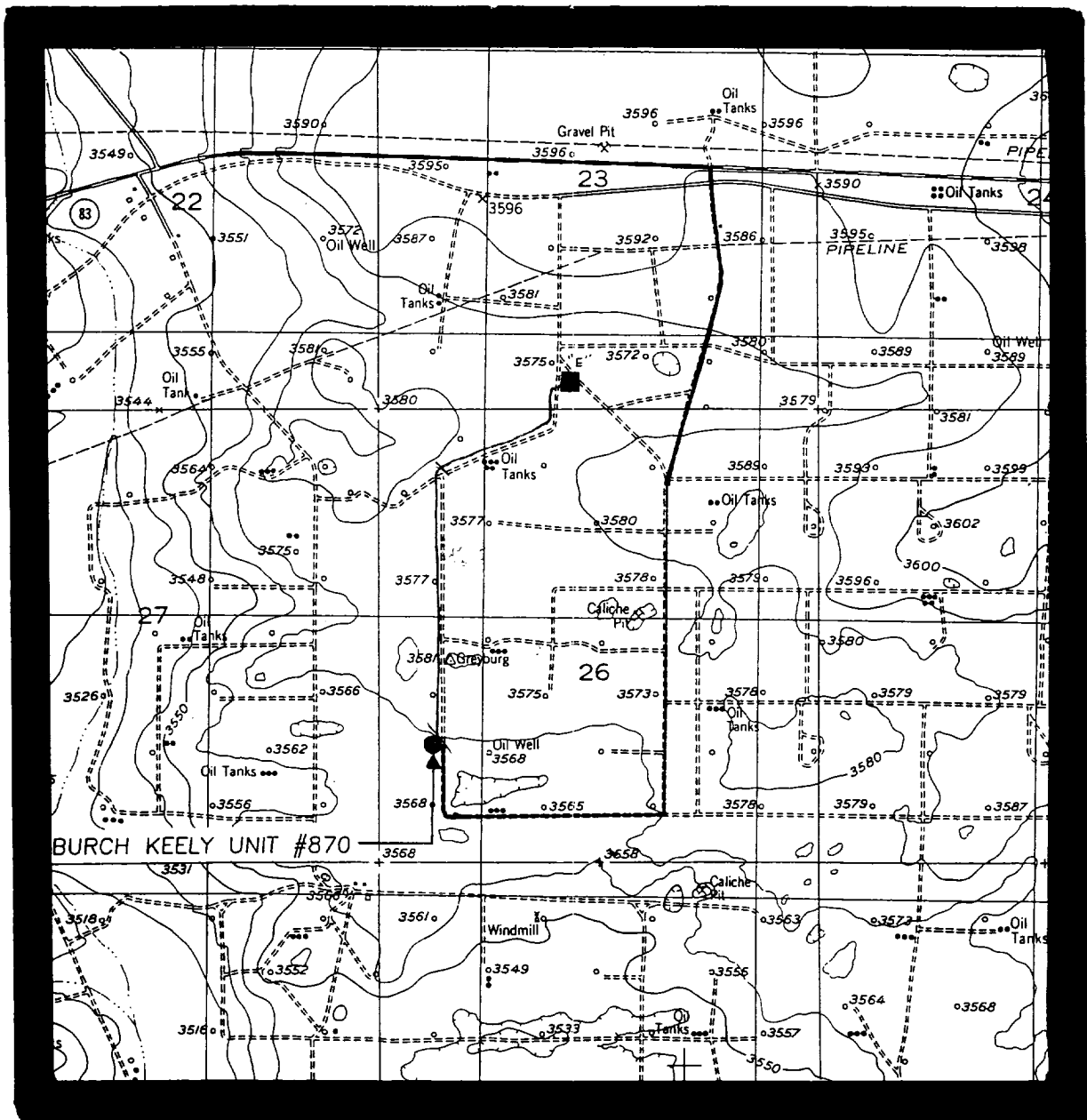
# BLC / OUT PREVENTER AND CHOKE MANIFOLD



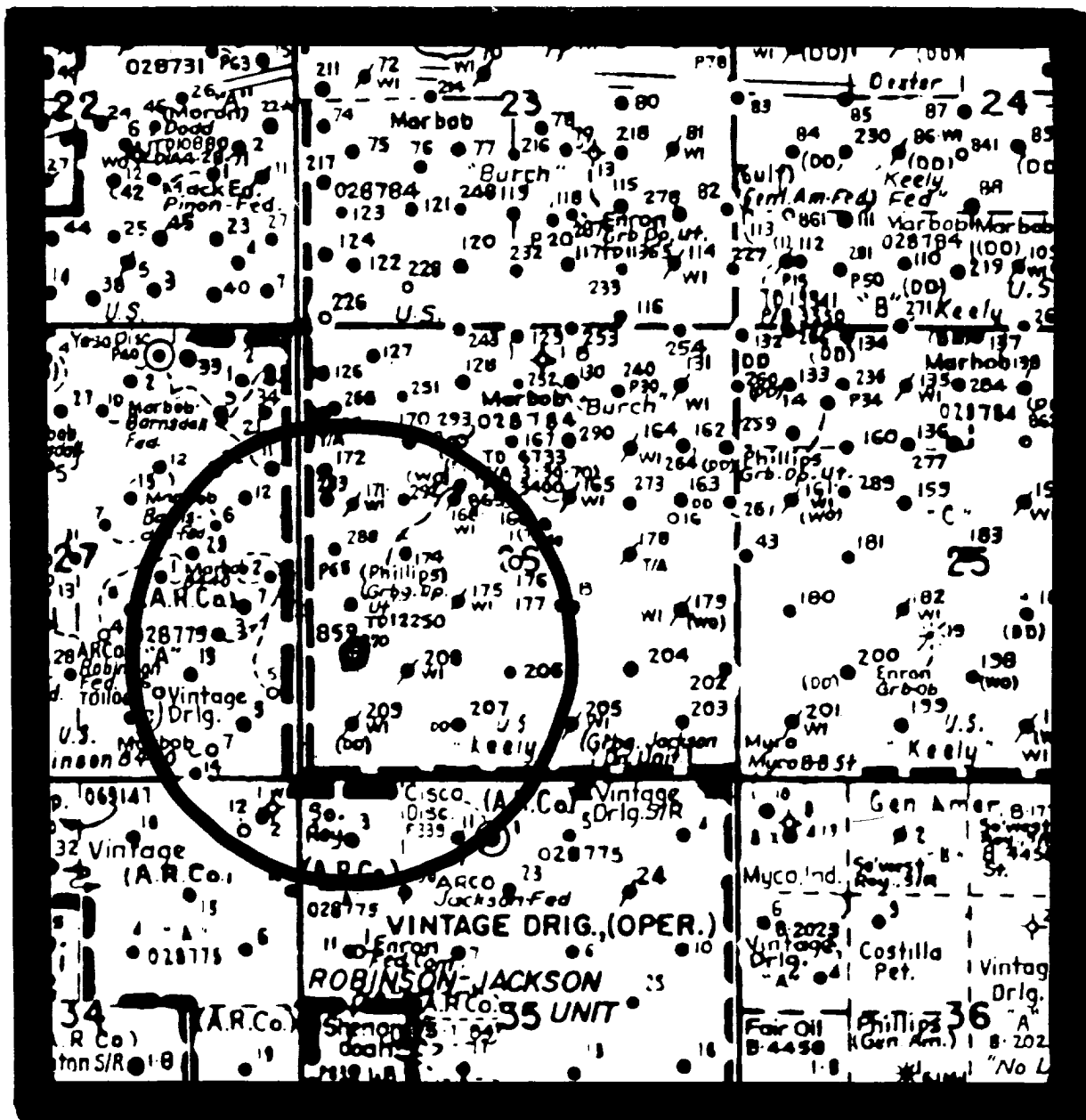
10"/900 Cameron SS Space Saver  
3000# Working Pressure  
3000# Working Pressure Choke Manifold

Attachment to Exhibit #1  
NOTES REGARDING THE BLOWOUT PREVENTERS

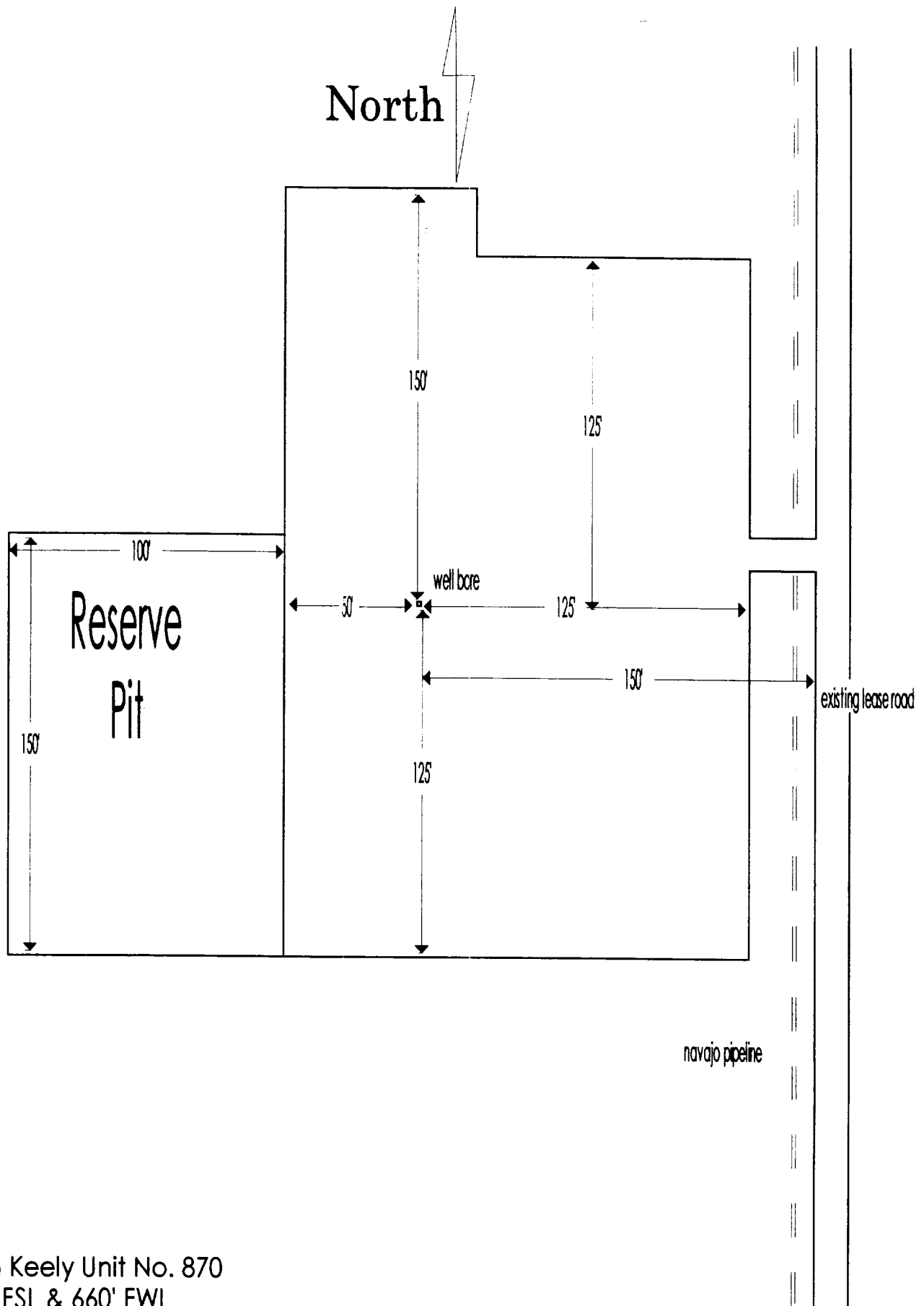
1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 3000 psi W.P. minimum.
4. All 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. 870  
1345' FSL & 660' FWL  
Section 26; T17S - R29E  
Eddy County, New Mexico



Burch Keely Unit No. 870  
 1345' FSL & 660' FWL  
 Section 26; T17S - R29E  
 Eddy County, New Mexico



Burch Keely Unit No. 870  
1345' FSL & 660' FWL  
Section 26; T17S - R29E  
Eddy County, New Mexico

Exhibit Four