

EC

OPER. OGRID NO. 14049  
PROPERTY NO. 28264  
POOL CODE 97224  
EFF. DATE 12/06/04  
APPL NO. 30-025-30771FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

APPLIC

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		<b>SECRETARY'S POTASH</b>	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone			
2. Name of Operator MARBOB ENERGY CORPORATION		Contact: MELANIE PARKER E-Mail: marbob@marbob.com	
3a. Address P. O. BOX 227 ARTESIA, NM 88211-0227		3b. Phone No. (include area code) Ph: 505.748.3303 Fx: 505.746.2523	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <u>SENW 1980FNL 1980FWL</u> <u>per attached SN dated 11-5-04</u> At proposed prod. zone <u>SENW 1980FNL 1980FWL</u> <b>SUBJECT TO LIKE APPROVAL BY STATE</b>		10. Field and Pool, or Exploratory <u>TUSK MORROW, Southeast Greenwood</u>	
14. Distance in miles and direction from nearest town or post office*		11. Sec., T., R., M., or Blk. and Survey or Area Sec 31 T19S R32E Mer NMP SME: BLM	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		12. County or Parish LEA	
16. No. of Acres in Lease 40.00		13. State NM	
17. Spacing Unit dedicated to this well 320.00		18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	
19. Proposed Depth 13000 MD		20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3523 GL		22. Approximate date work will start 11/01/2004	
23. Estimated duration 21 DAYS		24. Attachments <b>Cañon Controlled Water Basin</b>	

## 24. Attachments

Cañon Controlled Water Basin

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) MELANIE PARKER	Date 09/15/2004
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) <u>15/ William S. Condit</u>	Name (Printed/Typed) <u>15/ William S. Condit</u>	Date NOV 29 2004
Title <b>STATE DIRECTOR</b>		Office <b>NM STATE OFFICE</b>

Application approval does not warrant or certify 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, are attached.

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.

Additional Operator Remarks (see next page)

Electronic Submission #36124 verified by the BLM Well Information System

For MARBOB ENERGY CORPORATION, sent to the Hobbs

DECLARED WATER BASIN  
CEMENT BEHIND THE 13 3/8"  
CASING MUST BE CIRCULATED

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

CEMENT BEHIND THE 8 5/8"  
CASING MUST BE CIRCULATED

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

**Additional Operator Remarks:**

NO REMARK PROVIDED

UNITED STATES **OCD-HOBBS**  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires: January 31, 2004

**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 reverse side**

1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
Marbob Energy Corporation

3a. Address  
PO Box 227, Artesia, NM 88211-0227

3b. Phone No. (include area code)  
505-748-3303

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)  
1650' FNL & 1650' FWL  
Section 31-T19S-R32E

5. Lease Serial No.

NM-90538

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Tres Elo Federal Com

9. API Well No.

2

10. Field and Pool, or Exploratory Area

Lusk Morrow

11. County or Parish, State

Lea County, New Mexico

**12. CHECK APPROPRIATE BOX(ES) 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"/> 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 type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. 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 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 recompleat 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.)

We propose to move the surface location of this well as follows:

From: 1980' FNL & 1980' FWL  
to: 1650' FNL & 1650' FWL

The bottom hole location will remain the same at 1980' FNL & 1980' FWL.

Attached is the directional drilling plan and revised Surface Use Plan for the re-entry of this P&A wellbore.

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Melanie J. Parker

Title Land Department

Signature

Date 11/05/04

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by (Signature)

W. William S. Condit

Name William S. Condit  
(Printed Typed)

STATE

DIRECTOR

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.

Office

NM STATE OFFICE

Date

NOV 29 2004

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.

(Continued on next page)

# PathFinder Energy Service

## Planning Report

<b>Company:</b> Marbob Energy	<b>Date:</b> 10/12/2004	<b>Time:</b> 13:51:19	<b>Page:</b> 1
<b>Field:</b> Tres Elo Federal COM #2	<b>Co-ordinate(NE) Reference:</b> Site: Tres Elo Federal COM #2, True Nort		
<b>Site:</b> Tres Elo Federal COM #2	<b>Vertical (TVD) Reference:</b> SITE 0.0		
<b>Well:</b> Tres Elo Federal COM #2	<b>Section (VS) Reference:</b> Well (0.00N,0.00E,135.00Azi)		
<b>Wellpath:</b> Reentry Plan	<b>Plan:</b> Plan #1 10/12/04		

**Field:** Tres Elo Federal COM #2  
Lea County, New Mexico

**Map System:** US State Plane Coordinate System 1927  
**Geo Datum:** NAD27 (Clarke 1866)  
**Sys Datum:** Mean Sea Level

**Map Zone:** New Mexico, Eastern Zone  
**Coordinate System:** Site Centre  
**Geomagnetic Model:** igrf2000

**Site:** Tres Elo Federal COM #2  
T19S & R32E  
Section 31, 1650 FNL & 1650 FWL

<b>Site Position:</b>		<b>Northing:</b>	ft	<b>Latitude:</b>	
<b>From:</b> Lease Line		<b>Easting:</b>	ft	<b>Longitude:</b>	
<b>Position Uncertainty:</b>	0.00 ft			<b>North Reference:</b>	True
<b>Ground Level:</b>	0.00 ft			<b>Grid Convergence:</b>	0.22 deg

**Well:** Tres Elo Federal COM #2

**Slot Name:**

<b>Well Position:</b>	+N/-S	0.00 ft	<b>Northing:</b>	545863.73 ft	<b>Latitude:</b>	32 29 59.999 N
	+E/-W	0.00 ft	<b>Easting:</b>	628459.12 ft	<b>Longitude:</b>	103 55 0.000 W
<b>Position Uncertainty:</b>		0.00 ft				

**Wellpath:** Reentry Plan

**Current Datum:** SITE  
**Magnetic Data:** 10/11/2004  
**Field Strength:** 49592 nT  
**Vertical Section:** Depth From (TVD)  
ft

**Height** 0.00 ft  
**+N/-S**  
ft

**Drilled From:** Surface  
**Tie-on Depth:** 0.00 ft  
**Above System Datum:** Mean Sea Level  
**Declination:** 8.76 deg  
**Mag Dip Angle:** 60.63 deg  
**+E/-W**  
ft  
**Direction**  
deg

0.00	0.00	0.00	135.00
------	------	------	--------

**Plan:** Plan #1 10/12/04

**Date Composed:** 10/12/2004  
**Version:** 1  
**Tied-to:** From Surface

**Principal:** Yes

### Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	135.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7150.00	0.00	135.00	7150.00	0.00	0.00	0.00	0.00	0.00	135.00	
8860.06	0.00	135.00	8860.06	0.00	0.00	0.00	0.00	0.00	0.00	
9180.06	8.00	135.00	9179.02	-15.77	15.77	2.50	2.50	0.00	135.00	
12009.61	8.00	135.00	11981.04	-294.23	294.23	0.00	0.00	0.00	0.00	
12329.61	0.00	135.00	12300.00	-310.00	310.00	2.50	-2.50	0.00	180.00	Top of Morrow Pay.
12994.53	0.00	135.00	12964.92	-310.00	310.00	0.00	0.00	0.00	135.00	

### Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	← Latitude → Deg Min Sec			← Longitude → Deg Min Sec		
Top of Morrow Pay. -Plan hit target			12300.00	-310.00	310.00	545554.95	628770.33	32	29	56.932 N	103	54	56.380 W

Marbob Energy Corporation

Tres Elo Federal COM #2

Lea County, New Mexico

Section 31, T19S & R32E

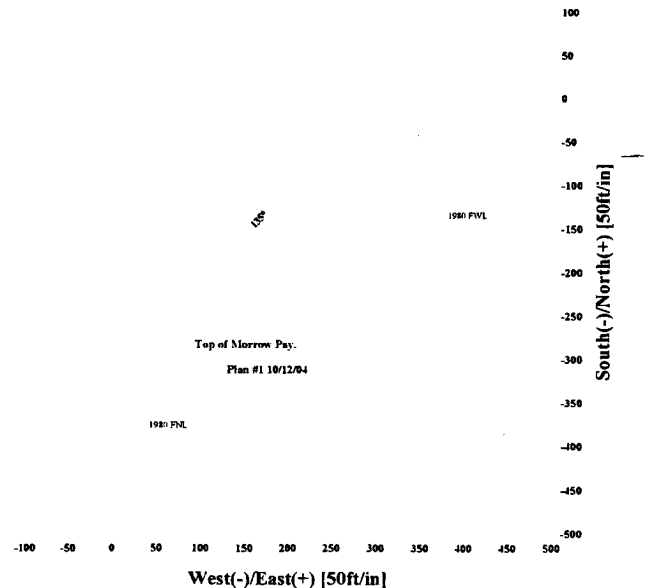
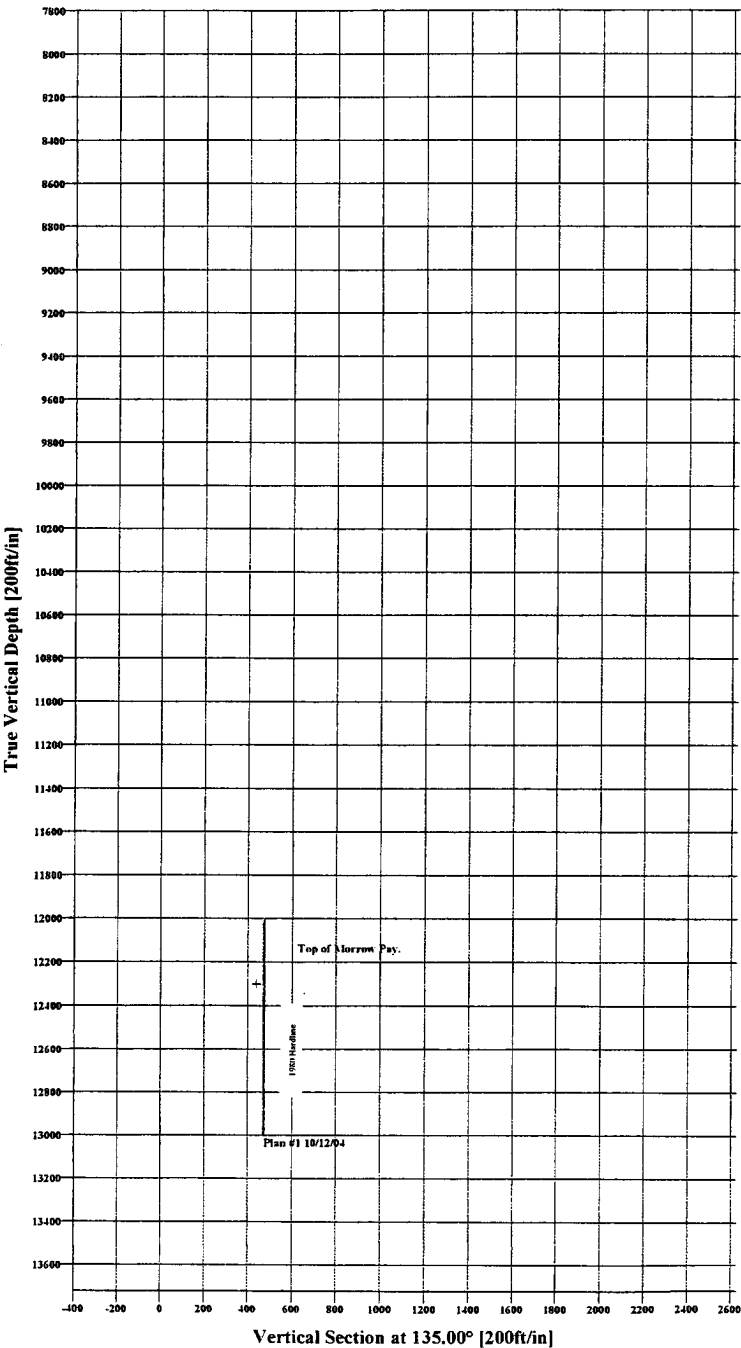
Surface Location: 1650' FNL & 1650 FWL

Plan #1 (Re-Entry 10/12/04)



SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	135.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	7150.00	0.00	135.00	7150.00	0.00	0.00	0.00	135.00	0.00	
3	8860.06	0.00	135.00	8860.06	0.00	0.00	0.00	0.00	0.00	
4	9180.06	8.00	135.00	9179.02	-15.77	15.77	2.50	135.00	22.30	
5	12009.61	8.00	135.00	11981.04	-294.23	294.23	0.00	0.00	416.10	
6	12329.61	0.00	135.00	12300.00	-310.00	310.00	2.50	180.00	438.41	Top of Morrow Pay.
7	12994.53	0.00	135.00	12964.92	-310.00	310.00	0.00	135.00	438.41	

T  
M Azimuths to True North  
Magnetic North: 8.76°  
Magnetic Field  
Strength: 49592nT  
Dip Angle: 60.63°  
Date: 10/11/2004  
Model: igrf2000  
Field: Tres Elo Federal COM #2  
Site: Tres Elo Federal COM #2  
Well: Tres Elo Federal COM #2  
Wellpath: Rcentry Plan  
Plan: Plan #1 10/12/04



Plan: Plan #1 (DAD State #42/Original Hole)  
Created By: Ron McIntyre Date: 7/26/2004  
Checked: \_\_\_\_\_ Date: \_\_\_\_\_  
Reviewed: \_\_\_\_\_ Date: \_\_\_\_\_  
Approved: \_\_\_\_\_ Date: \_\_\_\_\_

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Avenue, Artesia, NM 88210

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-30771	<sup>2</sup> Pool Code 97228 80759	<sup>3</sup> Pool Name Greenwood Musk Morrow Southeast
<sup>4</sup> Property Code 28264	<sup>5</sup> Property Name Tres Elo Federal Com	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 14049	<sup>8</sup> Operator Name Marbob Energy Corporation	<sup>9</sup> Elevation 3523'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	31	19S	32E		1650	North	1650	West	Lea

<sup>11</sup> 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
F	31	19S	32E		1980	North	1980	West	Lea

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>31</sup>	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Melanie J. Parker Printed Name Land Department Title and E-mail Address October 11, 2004 Date	
	<sup>18</sup> 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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

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

Original Plat  
P. J. Awell

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Hopper & Barnett			Lease Federal "D"		Well No. 1
Unit Letter F	Section 31	Township 19 South	Range 32 East	County Lea	
Actual Footage Location of Well: 1650 feet from the North line and 1650 feet from the West line					
Ground level Elev. 3523.5	Producing Formation Delaware		Pool W. Lusk	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

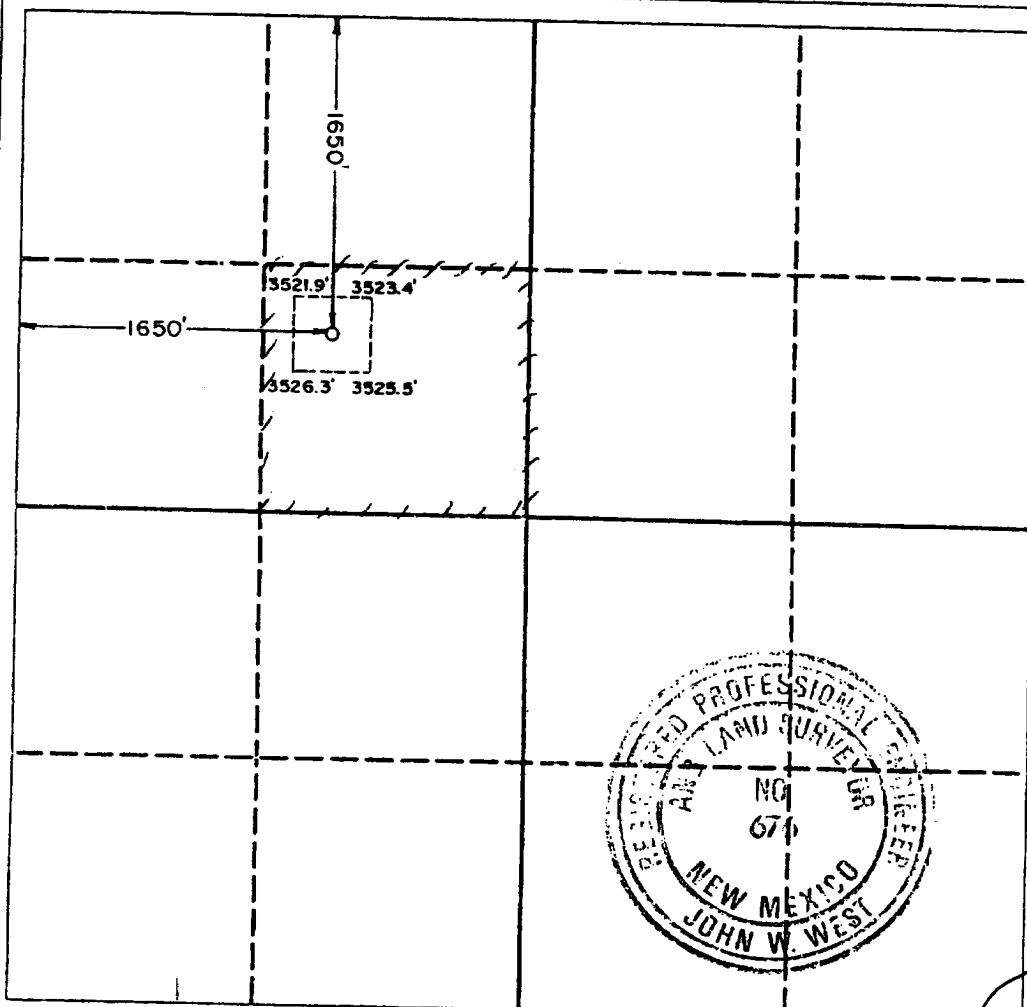
☐ Yes

☐ No

If answer is "yes" type of consolidation

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name

for: Roy Hopper

Position

Company

Hopper-Barnett, Inc.

Date

12/21/89

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes (actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

November 10, 1989

Signature & Seal of  
Professional Surveyor

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239

**MARBOB ENERGY CORPORATION**  
**DRILLING AND OPERATIONS PROGRAM**

**Tres Elo Federal Com #2**  
**1650' FNL & 1650' FWL, Unit F**  
**Section 31, T19S, R32E**  
**Lea County, New Mexico**

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Marbob Energy Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geological surface formation is Permian.
2. The estimated tops of geologic markers are as follows:

Rustler	800'	Bone Spring	7300'
Top of Salt	940'	Wolfcamp	10650'
Base of Salt	2400'	Strawn	11300'
Yates	2500'	Atoka	11700'
Capitan	2850'	Morrow	12300'
Delaware	4450'	TD	13000'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Capitan	2850'	Water
Delaware	4450'	Oil
Wolfcamp	10650'	
Strawn	11300'	Gas
Atoka	11700'	
Morrow	12300'	

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 20" casing at 300' and circulating cement back to surface. Any shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across them by inserting a float shoe joint into the 5 1/2" production casing which will be run at TD to sufficiently cover all known oil and gas horizons above 200'.

4. Proposed Casing Program:

Hole Size	Interval	OD Casing	Wt	Grade	Status
17 1/2"	0 – 687'	13 3/8"	48#	H-40	Existing
12 1/4"	0 – 3801'	8 5/8"	32#	J-55 Buttress	Existing
7 7/8"	0 – 13000'	5 1/2"	17#	S-95/P110	Proposed



Proposed Cement Program:

13 3/8" Surface Casing: Existing – Cmt circulated to surface.

8 5/8" Intermediate Casing: Existing – Cmt circulated to surface.

5 1/2" Production Casing: Cement w/ 1050 sx Class C. TOC to be 200' above all oil and gas bearing zones.

5. Pressure Control Equipment: See Exhibit 1. Marbob proposes to nipple up on the 13 3/8" casing with a 2M system, testing it to 1000# with rig pumps, then nipple up on the 8 5/8" casing with a 5M system, tested to 5000# before drilling out.

6. Mud Program: The applicable depths and properties of this system are as follows:

Depth	Type	Weight (ppg)	Viscosity (sec)	Waterloss (cc)
3801' – 13000'	Cut Brine	8.4 – 8.6	28 – 32	N.C.

7. Auxiliary Equipment: Kelly Cock; Sub with full opening valve on floor; and drill pipe connections.

8. Testing, Logging and Coring Program:

No drillstem tests are anticipated.

The electric logging program will consist of Dual Laterolog Micro SFL, Spectral Density Dual Spaced Neutron Casing Log, and Depth Control Log.

No conventional coring is anticipated.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

**MARBOB ENERGY CORPORATION**  
**MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**Tres Elo Federal Com #2**  
**1650' FNL & 1650' FWL, Unit F**  
**Section 31, T19S, R32E**  
**Lea County, New Mexico**

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

**1. EXISTING ROADS:**

Exhibit 2 is a portion of a topo map showing the well and roads in the vicinity of the proposed location. The proposed wellsite and the access route to the location are indicated in red on Exhibit 2.

**DIRECTIONS:**

From the intersection of US Hwy 62-180 and State Hwy 243, go north on State Hwy 243 approximately 2.6 miles, go east approximately 0.8 miles to the intersection of State Hwy 243 and County Road H126. Go north on County Road H126 approximately 3.7 miles to a caliche road. Go west on the caliche road approximately 0.4 miles to a caliche road going south. Go south approximately 750' to proposed location.

**2. PLANNED ACCESS ROAD:**

A. No new access road will be necessary. This is a re-entry of an existing P&A well.

**3. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:**

A. Marbob Energy Corporation proposes a collection facility, if well is productive, to be located on Tres Elo Federal Com #2 well pad.

**4. METHODS OF HANDLING WASTE DISPOSAL:**

A. Drill cuttings will be disposed of in the lined pit.

B. Drilling fluids will be allowed to evaporate in the lined pit until the pit is dry.

C. Water produced during completion may be disposed into the lined reserve pit.

D. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations. All waste material will be contained to prevent scattering by the wind.

**5. WELLSITE LAYOUT:**

- A. Exhibit 3 shows the relative location and dimensions of the well pad, the pit.
- B. The reserve pit will be lined with high quality plastic sheeting.

**6. PLANS FOR RESTORATION:**

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Reserve pit will be fenced until they have dried and been leveled.
- C. All rehabilitation and/or vegetation requirements of the BLM will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

**7. SURFACE OWNERSHIP:**

The well site and lease are located on Federal surface

- A. The area around the well site is grassland and the top soil is sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca, and prickly pear.
- B. A Cultural Resources Examination has been requested and will be forwarded to your office in the near future.

**8. OTHER INFORMATION:**

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.

**9. OPERATOR'S REPRESENTATIVE:**

**A. Through A.P.D. Approval:**

Dean Chumbley, Landman  
Marbob Energy Corporation  
P. O. Box 227  
Artesia, NM 88211-0227  
Phone (505)748-3303  
Cell (505)748-5988

**B. Through Drilling Operations**

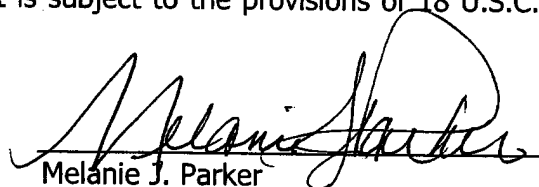
Sheryl Baker, Drilling Supervisor  
Marbob Energy Corporation  
P. O. Box 227  
Artesia, NM 88211-0227  
Phone (505)748-3303  
Cell (505)748-5489

**10. CERTIFICATION:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Marbob Energy Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

10/11/04

Date



Melanie J. Parker

Land Department

## **MARBOB ENERGY CORPORATION**

### **HYDROGEN SULFIDE DRILLING OPERATIONS PLAN**

#### **I. HYDROGEN SULFIDE TRAINING**

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

- A. The hazards and characteristics of hydrogen sulfide (H<sub>2</sub>S).
- B. The proper use and maintenance of personal protective equipment and life support systems.
- C. The proper use of H<sub>2</sub>S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
- D. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

- A. The effects of H<sub>2</sub>S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
- B. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- C. The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

## **II. H<sub>2</sub>S SAFETY EQUIPMENT AND SYSTEMS**

Note: All H<sub>2</sub>S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H<sub>2</sub>S.

### **A. Well Control Equipment:**

Flare line.

Choke manifold.

Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.

Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head.

### **B. Protective equipment for essential personnel:**

Mark II Surviveair 30-minute units located in the dog house and at briefing areas.

### **C. H<sub>2</sub>S detection and monitoring equipment:**

2 - portable H<sub>2</sub>S monitor positioned on location for best coverage and response. These units have warning lights and audible sirens when H<sub>2</sub>S levels of 20 ppm are reached.

### **D. Visual warning systems:**

Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

E. Mud Program:

The mud program has been designed to minimize the volume of H<sub>2</sub>S circulated to the surface.

A mud-gas separator will be utilized.

F. Metallurgy:

All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H<sub>2</sub>S service.

G. Communication:

Company vehicles equipped with cellular telephone and 2-way radio.

# **W A R N I N G**

**YOU ARE ENTERING AN H<sub>2</sub>S AREA  
AUTHORIZED PERSONNEL ONLY**

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED**
- 2. HARD HATS REQUIRED**
- 3. SMOKING IN DESIGNATED AREAS ONLY**
- 4. BE WIND CONSCIOUS AT ALL TIMES**
- 5. CK WITH MARBOB FOREMAN AT MAIN OFFICE**

**MARBOB ENERGY CORPORATION**

**1-505-748-3303**

## STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Date: November 5, 2004

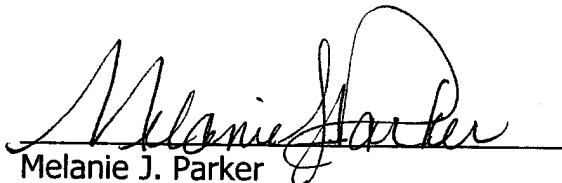
Lease #: **NM-58935**  
Tres Elo Federal Com

Legal Description: N/2 Sec. 31-T19S-R32E  
Lea County, New Mexico

Formation(s): Morrow

Bond Coverage: Statewide

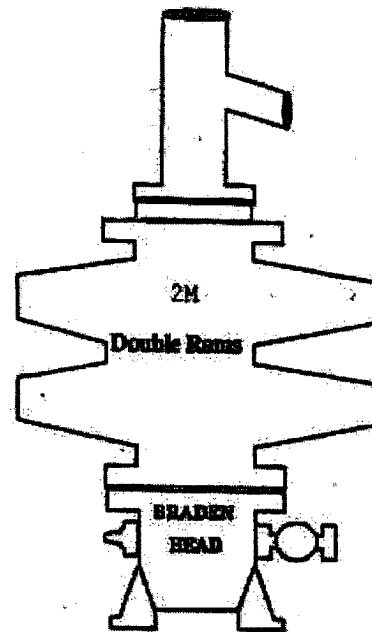
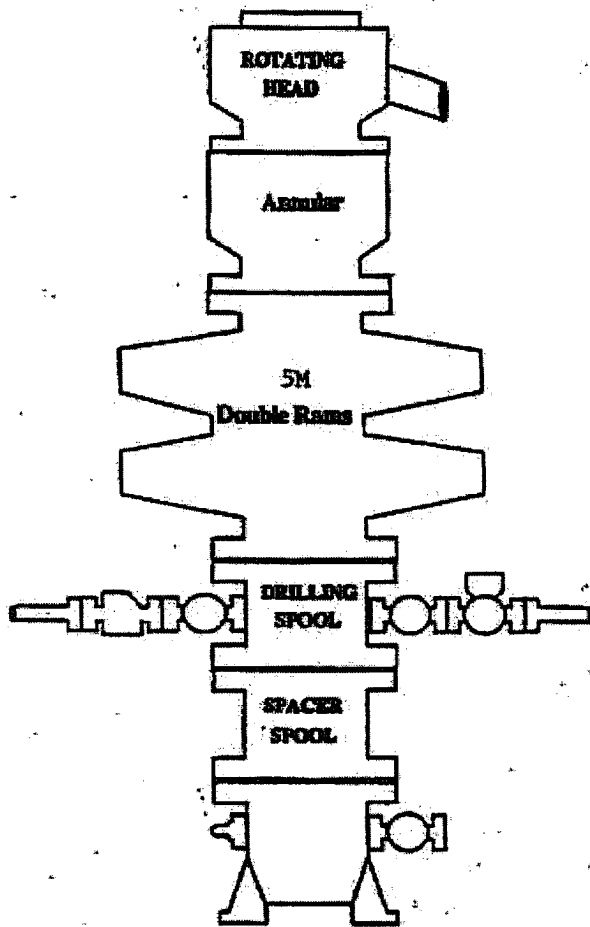
BLM Bond File #: 585716



Melanie J. Parker  
Land Department



## BOPE SCHEMATIC



ONSHORE OIL AND GAS ORDER NO. 2

### 2M system:

— Annular preventer, or, double ram, or two rams with one being blind and one being a pipe ram \*

— Kill line (2 inch minimum)

— 1 kill line valve (2 inch minimum)

— 1 choke line valve

— 2 chokes (refer to diagram in Attachment 1)

— Upper kelly cock valve with handle available

— Safety valve and subs to fit all drill strings in use

— Pressure gauge on choke manifold

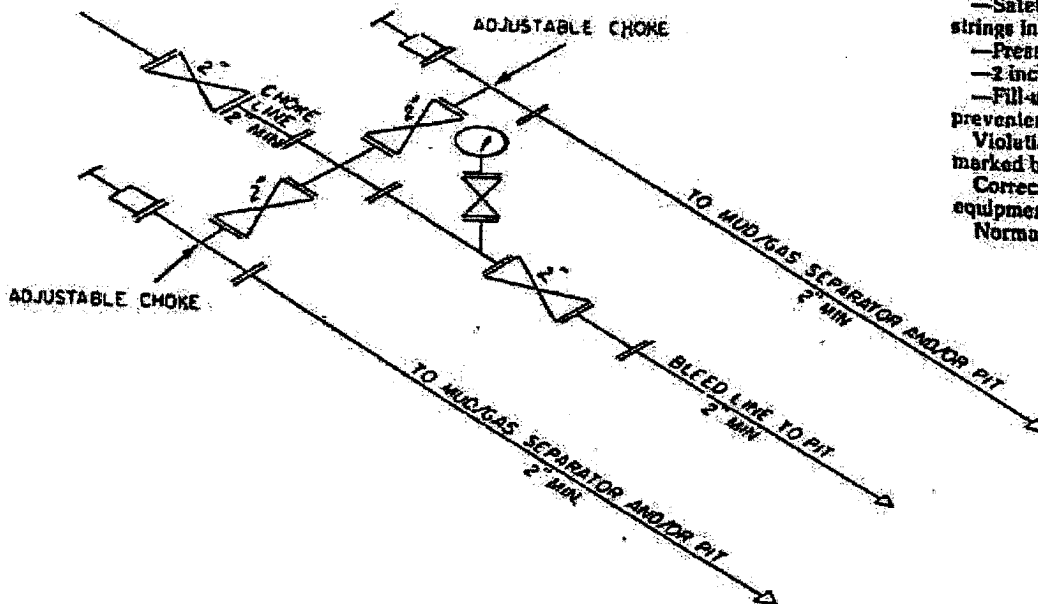
— 2 inch minimum choke line

— Fill-up line above the uppermost preventer.

Violation: Minor (all items unless marked by asterisk).

Corrective Action: Install the equipment as specified.

Normal Abatement Period: 24 hours.



2M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION OF CHOKES


MAY VARY

Exhibit One

[illegible]

CONTOUR INTERVAL:  
WILLIAMS SINK, N.M. - 10'

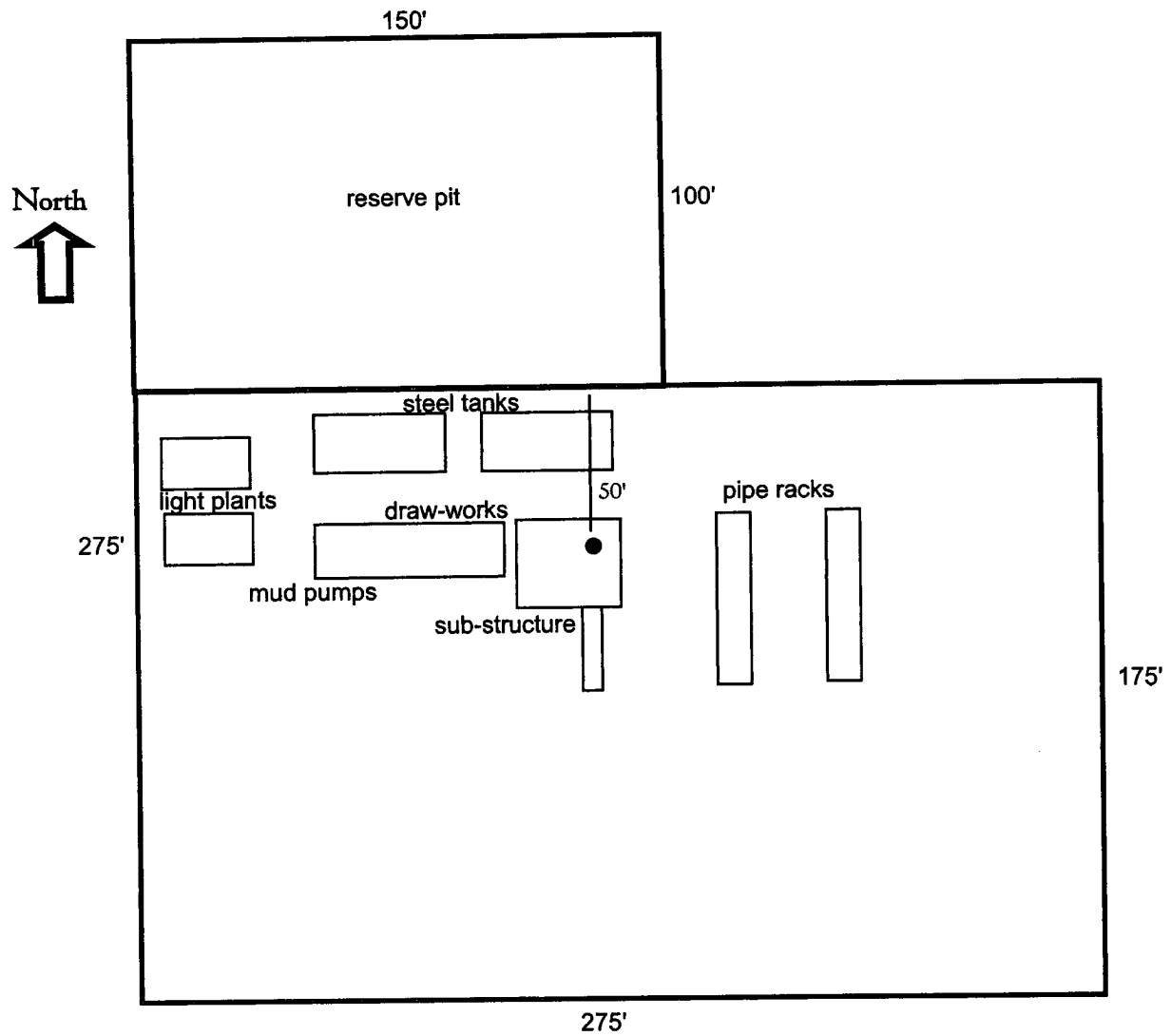
U.S.G.S. TOPOGRAPHIC MAP  
WILLIAMS SINK, N.M.



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117

# Exhibit Two

# Well Site Lay-Out Plat



Tres Elo Federal Com #2  
1980' FNL & 1980' FWL  
Section 31, T19S, R32E  
Lea County, New Mexico

EXHIBIT THREE

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
March 12, 2004

For drilling and production facilities, submit to appropriate NMOC District Office.  
For downstream facilities, submit to Santa Fe office

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: **Marbob Energy Corporation**

Telephone: **505-748-3303**

e-mail address: **land2@marbob.com**

Address: **PO Box 227, Artesia, NM 88211-0227**

Facility or well name: **Tres Elo Federal Com #2**

API #: **30-025-30771** U/L or Qtr/Qtr **SENW** Sec **31** T **19S** R **32E**

County: **Lea**

Latitude \_\_\_\_\_

Longitude \_\_\_\_\_

NAD: 1927 ☐ 1983 ☐

Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

**Pit**

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness **12** mil Clay ☐ Volume \_\_\_\_\_ bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not. \_\_\_\_\_

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

**100 feet or more**

( 0 points)

**0 points**

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

**No**

( 0 points)

**0 points**

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

**1000 feet or more**

( 0 points)

**0 points**

**Ranking Score (Total Points)**

**0 points**

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOC District guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: **December 6, 2004**

Printed Name/Title: **Melanie J. Parker / Land Department**

Signature 

Your certification and NMOC District approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: **DEC 06 2004**

Printed Name/Title

**PETROLEUM ENGINEER**

Signature 