

OCD-HOBBS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

5. Lease Serial No.
NM 13422-B

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
Cessna Federal Com #1

9. API Well No.
30-025-37854

10. Field and Pool, or Exploratory
Lusk Morrow North West

11. Sec., T., R., M., or Blk. and Survey or Area

Sec. 8, T19S, R32E

12. County or Parish
Lea

13. State
NM

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

Marbob Energy Corporation

3a. Address

P.O. Box 227, Artesia, NM 88211-0227

3b. Phone No. (include area code)

505-748-2523

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface 1800 FNL & 990 FEL

At proposed prod. zone

Unit A

14. Distance in miles and direction from nearest town or post office*

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

16. No. of Acres in lease

17. Spacing Unit dedicated to this well

320

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

19. Proposed Depth

13,000

20. BLM/BIA Bond No. on file

NM 2056

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

GL 3,638

22. Approximate date work will start*

March 9, 2006

23. Estimated duration

21 Days

24. Attachments

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

Nancy T. Bratcher

Name (Printed/Typed)

Nancy T. Bratcher

Date

2-7-06

Title

Land Department

Approved by (Signature) /S/ Russell E. Sorensen

Name (Printed/Typed)

/S/ Russell E. Sorensen

Date

MAY 01 2006

Title

ACTING FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

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, are attached.

APPROVAL FOR 1 YEAR

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.

*(Instructions on reverse)

Witness Surface Casing

Capitan Controlled Water Basin

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

KZ

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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

P.O. Box 227, Artesia, N.M. 88211-0227

3b. Phone No. (include area code)

505-748-3303

4. Location of Well (Footage, Sec., T. R., M., or Survey Description)

1800' FNL & 990' FEL

5. Lease Serial No.

NM 13422-B

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Cessna Federal Com #1

9. API Well No.

30-025-37854

10. Field and Pool, or Exploratory Area

Lusk Morrow North WEST

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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other footage change, etc.

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.)

Need to change footage from 1650' FNL & 990' FEL to 1800' FNL & 990' FEL. New Plat Attached.

Need to change new access road footage from 628' to 721'. (See attached.)

Need to change Drill Pad Layout on exhibit #3 from North V-Door to South V-Door. (See new layout attached.)

Need to replace existing exhibit #2 with new attached exhibit #2.

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

Nancy T. Bratcher

Title Land Department

Signature

Date March 7, 2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACTING

Approved by (Signature)

/S/ Russell E. Sorensen

Name

/S/ Russell E. Sorensen

Title

FIELD MANAGER

Conditions of approval, if any, are attached. Approval of this notice does not constitute a certification that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CARLSBAD FIELD OFFICE

Date

MAY 01 2006

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)

State of New Mexico

DISTRICT I

1225 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-37854	Pool Code 80800 80830	Pool Name LUSK MORROW NORTH WEST
Property Code 35639	Property Name CESSNA FEDERAL COM.	Well Number 1
GRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3632'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	8	19-S	32-E		1800	NORTH	990	EAST	LEA

Bottom Hole Location If Different From Surface

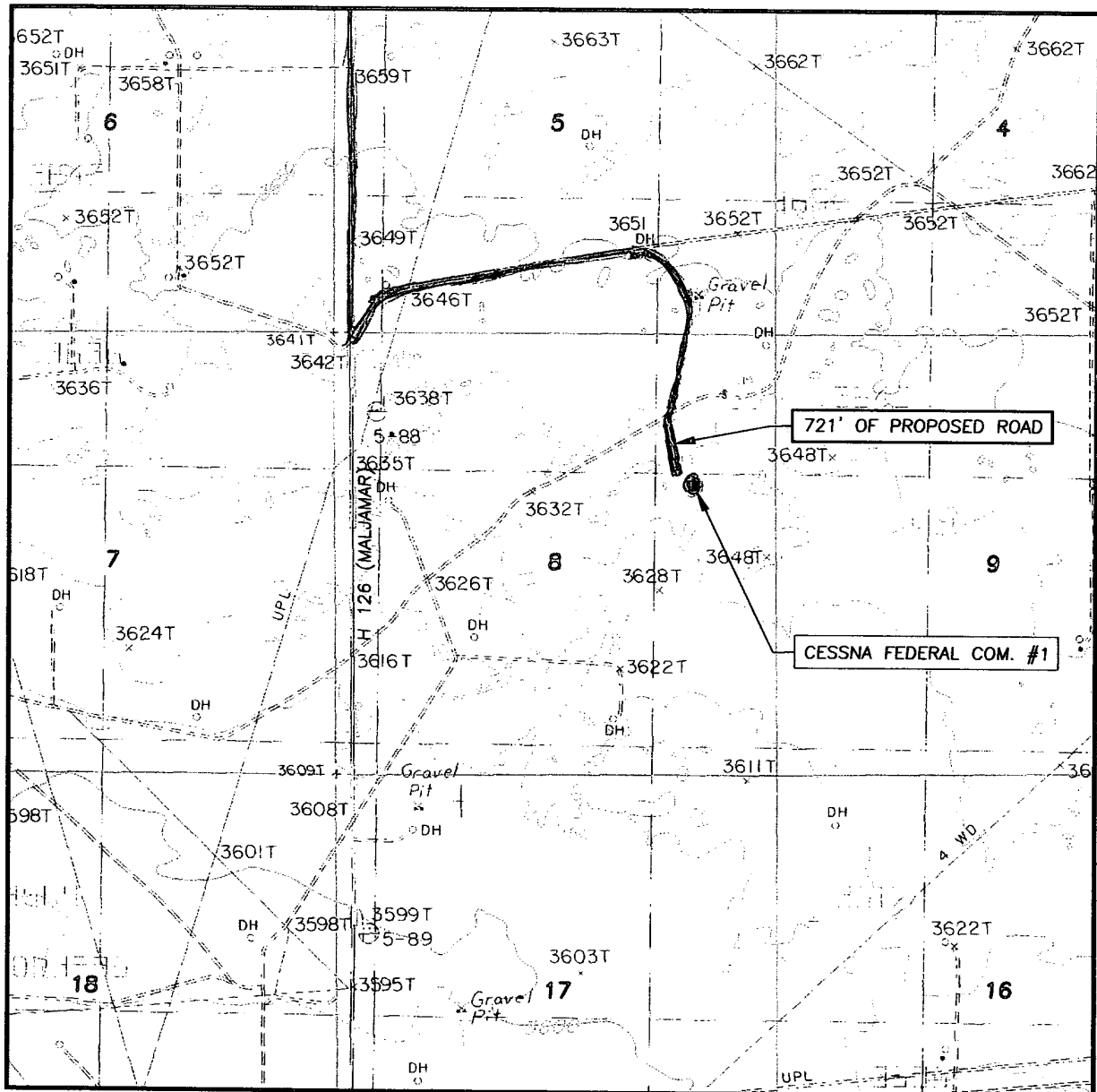
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

	OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Nancy Bratcher</u> Date: <u>3/7/2006</u> Printed Name: <u>Nancy T. Bratcher</u>
	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 Surveyed: <u>FEBRUARY 21, 2006</u> DSR Signature & Seal of Professional Surveyor: <u>GARY E. EDSON</u> Certificate No. <u>06.11.0345</u> 12841
	GEODETIC COORDINATES NAD 27 NME Y=610497.6 N X=669467.6 E LAT.=32°40'37.74" N LONG.=103°46'57.26" W
	3640.1' 3634.0' 3632.2' 3636.4'

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
GREENWOOD LAKE, N.M. - 10'

SEC. 8 TWP. 19-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1800' FNL & 990' FEL

ELEVATION 3632'

OPERATOR MARBOB ENERGY CORPORATION

LEASE CESSNA FEDERAL COM.

U.S.G.S. TOPOGRAPHIC MAP
GREENWOOD LAKE, N.M.

 EXISTING ROADS

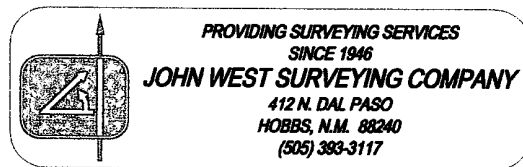
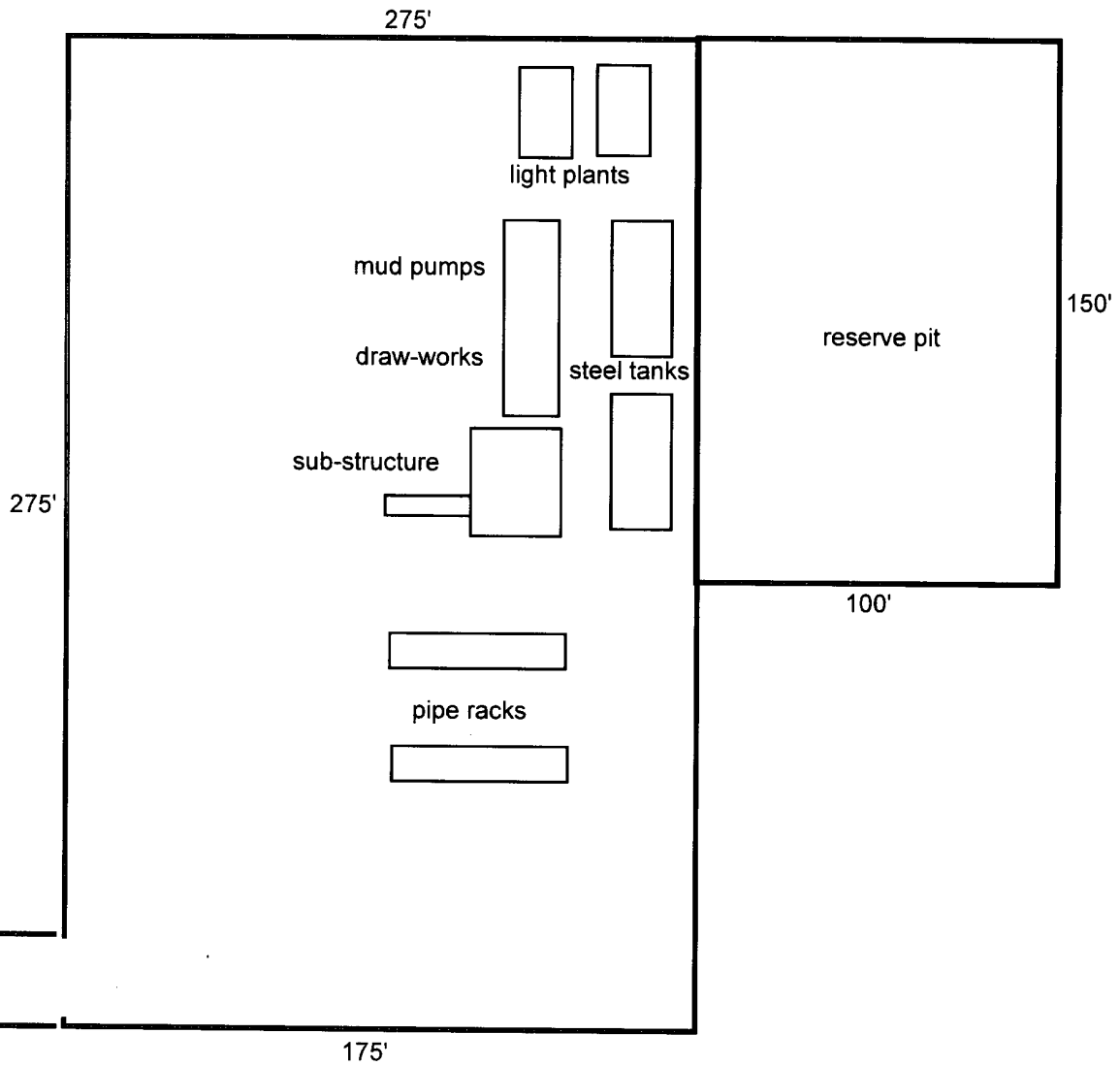


EXHIBIT #2

Well Site Lay-Out Plat



North



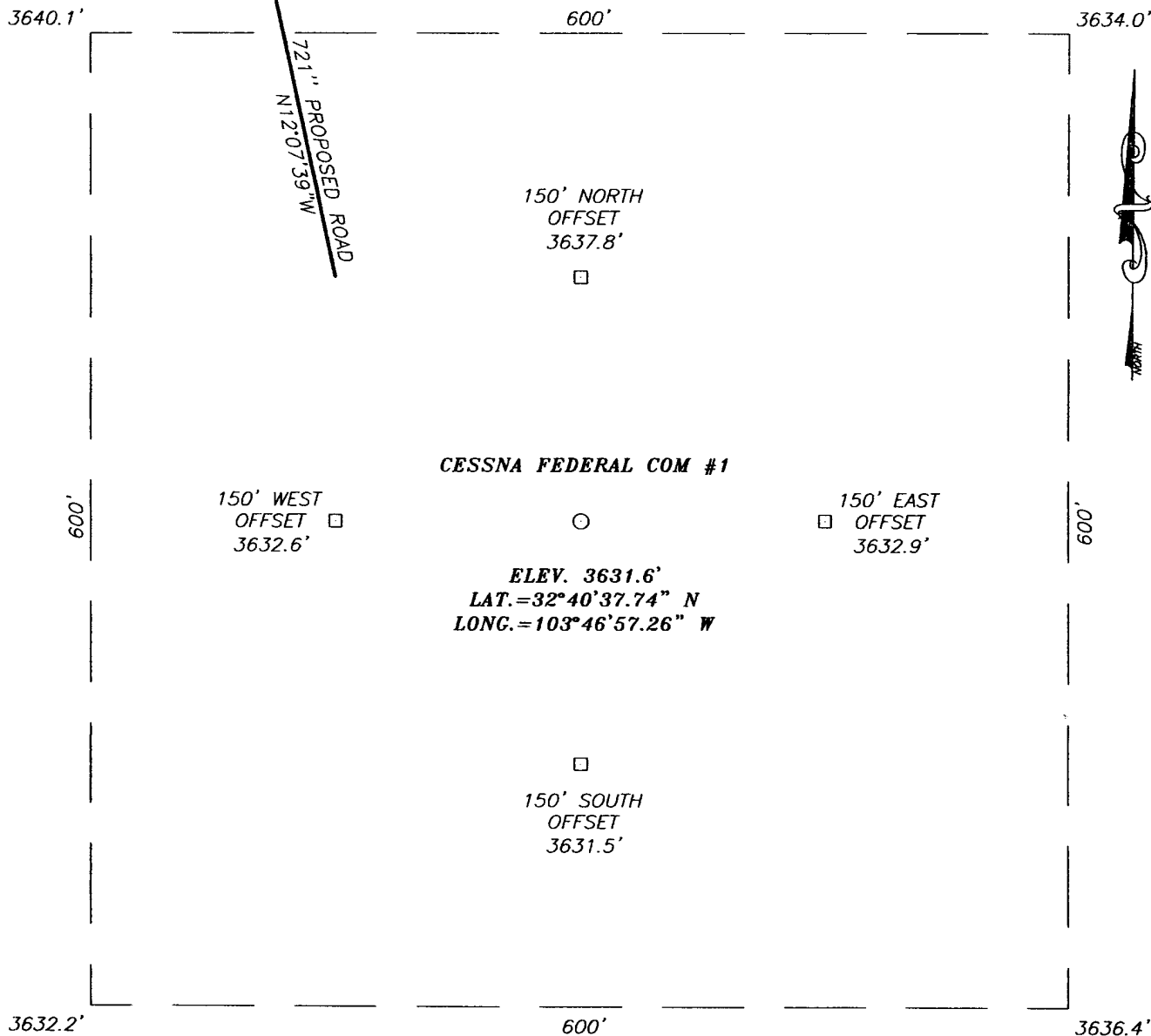
Cessna Federal Com #1
1800' FNL & 990' FEL
Unit H, Sec 8-T19S-R32E
Lea County, New Mexico

EXHIBIT THREE

SECTION 8, TOWNSHIP 19 SOUTH, RANGE 32 EAST, N.M.P.M.,

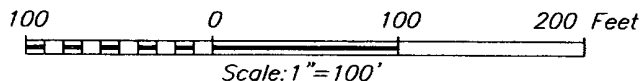
LEA COUNTY,

NEW MEXICO



DIRECTIONS TO LOCATION

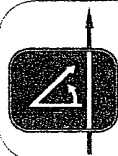
FROM THE INTERSECTION OF ST. HWY #529 AND H-126 (MALJAMAR), GO SOUTH ON H-126 APPROX. 8.5 MILES. TURN A HARD LEFT AND GO NORTHEAST APPROX. 0.14 MILES TO A BEND IN THE ROAD RIGHT. CONTINUE EAST-NORTH EAST APPROX. 0.6 MILES. TURN RIGHT AND GO SOUTHEAST APPROX. 0.15 MILES TO A BEND IN THE ROAD RIGHT. CONTINUE SOUTH-SOUTHWEST APPROX. 0.28 MILES TO A ROAD INTERSECTION AND A BEGIN ROAD SURVEY. FOLLOW ROAD SURVEY SOUTH-SOUTHEAST APPROX. 721 FEET. THIS LOCATION IS APPROX. 212 FEET SOUTHEAST.



MARBOb ENERGY CORPORATION

CESSNA FEDERAL COM #1 WELL
LOCATED 1800 FEET FROM THE NORTH LINE
AND 990 FEET FROM THE EAST LINE OF SECTION 8,
TOWNSHIP 19 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

Survey Date: 02/21/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.0345	Dr By: D.S.R. Rev 1: N/A
Date: 02/28/06	Disk: CD#1 06110345 Scale: 1"=100'



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

DRILLING PROGRAM

Attached to Form 3160-3
Marbob Energy Corporation
Cessna Federal Com #1
1650' FNL and 990' FEL
Section 8-19S-32E
Lea County, New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Permian	Surface		Bone Springs	6940'
Rustler	850'		Wolfcamp	10230'
Yates	2630'		Strawn	11200'
Seven Rivers	2850'		Atoka	11500'
Delaware	5300'		Morrow	12050'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Yates	2630'	Oil
Delaware	5300'	Oil
Bone Spring	6490'	Oil
Strawn	11200'	Oil
Morrow	12300'	Gas

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 13 3/8 casing and circulating cement back to surface.

DRILLING PROGRAM
PAGE 2

4. Casing Program:

Hole Size	Interval	OD Casing	Wt., Grade	Jt. Cond., Type
17 1/2"	0 – 975'	13 3/8"	48#, H-40	STC
12 1/4"	975' - 2300'	8 5/8"	24#, J-55	STC
12 1/4"	2300' – 4500'	8 5/8"	32#, J-55	STC
7 7/8"	0 – 1200'	5 1/2"	17#, S-95	LTC
7 7/8"	1200' – 10800'	5 1/2"	17#, N-80	LTC
7 7/8"	10800' – 13000'	5 1/2"	17#, S-95	LTC

Cement Program:

- 13 3/8 Surface Casing: Cemented to surface with 450 sx of Class C w/2% cc.
- 8 5/8 Intermediate Casing: Cemented to surface with 2200 sx of Class C w/2% cc.
- 5 1/2 Production Casing: Cemented sufficient to cover ^{500'}200' above all oil and gas horizons.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type preventer. This unit will be hydraulically operated and will be equipped with blind rams and 5-1/2" drill pipe rams. This BOP will be nipped up on the 13 3/8' surface casing and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 3500 psi before drilling out of surface casing.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and a 3" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 5000 psi WP rating.

6. Types and Characterisits of the Proposed Mud System:

DRILLING PROGRAM
PAGE 3

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Waterloss</u>
0-975'	Fresh Water (Spud)	8.5	28	N.C.
975'-4500'	Brine	9.8-10.2	28 -36	N.C.
4500'- TD	Cut Brine	8.6-9.4	28 - 36	N.C. / 10cc

7. Auxiliary Well Control and Monitoring Equipment:

- A. A kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

8. Logging, Testing, and Coring Program:

- A. Drill Stem tests will be used as determined during drilling.
- B. The electric logging program will consist of Dual Laterolog, Micro S.L., and Neutron Density Log.
- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined after the 5 1/2" production casing has been cemented at TD based on drill shows, and log evaluation, and drill stem test results.

9. Abnormal Conditions, Pressures, Temperatures, and Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 150' and estimated bottom hole pressure (BHP) is 4500 psig.

10. Anticipated Starting Date and Duration of Operations:

Location and road work will not begin until approval has been received from the BLM. Once commenced, the drilling operation should be finished in approximately 21 days. If the well is productive, an additional 30 to 60 days will be required for completion and testing before a decision is made to install permanent facilities.

SURFACE USE AND OPERATING PLAN

**Attached to Form 3160-3
Marbob Energy Corporation
Cessna Federal Com #1
1650' FNL and 990' FEL
Section 8-19S-32E
Lea County, New Mexico**

1. Existing Roads:

- A. All roads to the location are shown in Exhibit #2. The existing roads are illustrated in red and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite inspection.
- B. Directions to location: From the intersection of St. Hwy. #529 and Co. Rd. H-126 (Maljamar Rd.) Go south on Co. Rd. H-126 for Approx. 7.9 miles. Turn left (East) and go Approx. 0.6 miles to a two-track road, turn south follow road for 0.4 miles to road survey approx. 628' south to this location.
- C. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. Proposed Access Road:

Exhibit #2 shows a new access road of 628' as needed and will be constructed as follows:

- A. The maximum width of the running surface will be 10'. The road will be crowned and ditched and constructed of 6" of rolled and compacted caliche. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. BLM may specify any additions or changes during the onsite inspection.
- B. The average grade will be less than 1%.
- C. No culverts, cattle guards, gates, low water crossings, or fence cuts are necessary.

SURFACE USE AND OPERATING PLAN
PAGE 2

- D. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM-approved caliche pit. Any additional materials that are required will be purchased from the dirt contractor.
- E. The proposed access road as shown in Exhibit #2 has been centerline flagged by John West Engineering.

3. Location of Existing and/or Purposed Facilities

- A. Ray Westall will construct facilities on well pad if well is productive.
- B. If the well is productive, power will be obtained from Lea County Electric. Lea County Electric will apply for RWO for their power lines.
- C. If the well is productive, rehabilitation plans are as follows:
 - 1. The reserve pit will be back-filled after the contents of the pit are dry (within 10 months after the well is completed).
 - 2. Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level, as nearly as possible, and reseeded as per BLM specifications.

4. Location and Type of Water Supply:

The well will be drilled with a combination brine and fresh water mud system as outlined in the drilling program. The water will be obtained from commercial water stations in the area and hauled to the location by transport truck over the existing and proposed access roads shown in Exhibit #2. If a commercial fresh water source is near by, fasline may be laid along existing road ROW=s and fresh water pumped to the well. No water well will be drilled on the location.

SURFACE USE AND OPERATING PLAN
PAGE 3

5. Source of Construction Materials:

All caliche required for construction of the drill pad and the proposed new access road (approximately 1500 cubic yards) will be obtained from a BLM - approved caliche pit. All roads and pads will be constructed of 6" of rolled and compacted caliche.

6. Methods of Handling Water Disposal:

- A. Drill cuttings not retained for evaluation purposes will be disposed into the reserve pit.
- B. Drilling fluids will be contained in lined working pits. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 130' X 130' X 6" deep. The reserve pit will be plastic-lined to minimize loss of drilling fluids and saturation of the ground with brine water.
- C. Water produced from the well during completion may be disposed into the reserve pit.
- D. Garbage and trash produced during drilling or completion operations will be hauled off. All waste material will be contained to prevent scattering by the wind. All water and fluids will be disposed of into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste or hazardous chemicals will be produced by this operation.
- E. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned up within 30 days. No adverse materials will be left on location.

The reserve pit will be completely fenced until it has dried. When the reserve pit is dry enough to breakout and fill, the reserve pit will be leveled and reseeded as per BLM specifications. In the event of a dry hole, the location will be ripped and seeded, as per BLM specifications, and a dry hole marker will remain.

SURFACE USE AND OPERATING PLAN
PAGE 4

7. Ancilliary Facilities:

None required.

8. Well Site Layout:

- A. The drill pad layout is shown in Exhibit #2. Dimensions of the pad and pits are shown. Top soil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection.
- B. The reserve pit will be lined with high-quality plastic sheeting.

9. Plans for Restoration of the Surface:

- A. Upon finishing drilling and/or completion operations, all equipment and other material not needed for operations, will be removed.

All trash, garbage, and pit lining will be hauled away in order to leave the location in an aesthetically pleasing condition. All pits will be filled and the location leveled within 10 months after abandonment.

- B. Three sides of the reserve pit will be fenced prior to and during drilling operations. At the time that the rig is removed, the reserve pit will be fenced on the rig side. The fencing will remain in place until the pit area is cleaned up and leveled. No oil will be left on the surface of the fluid in the pit.
- C. Upon completion of the proposed operations, if the well is completed, the reserve pit area will be treated as outlined above within the same prescribed time. Any additional caliche required for facilities will be obtained from a BLM-approved caliche pit. Topsoil removed from the drill site will be used to recontour the pit area to the original natural level and reseeded as per BLM specifications.

10. Surface Ownership:

The wellsite and lease is 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 oakbrush, sagebrush, yucca, and prickly pear.
- B. There is no permanent or live water in the immediate area.

SURFACE USE AND OPERATING PLAN
PAGE 5

- C. A Cultural Resources Examination has been requested and will be forwarded to your office in the near future.

12. Lessees and Operators Representative:

The Marbob Energy Corporation representative responsible for assuring compliance with the surface use plan is as follows:

Johnny C. Gray
Marbob Energy Corporation
324 West Main, Suite 103
Post Office Box 227
Artesia, New Mexico 88211-0227
Phone: 505/748-3303 (office)
505/885-3879 (home)

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 currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and 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 provision of 18 U.S.C. 1001 for the filing of a false statement.

Date: 2-7-06

Signed: Nancy T. Bratcher
Nancy T. Bratcher

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:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

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

1. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S 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. H₂S SAFETY EQUIPMENT AND SYSTEMS

Note: All H₂S 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 H₂S.

1. Well Control Equipment:
 - A. Flare Line.
 - B. Choke manifold.
 - C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
 - D. Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head.
2. Protective equipment for essential personnel:
 - A. Mark II Surviveair 30-minute units located in the dog house and at briefing areas, as indicated on well site diagram.
3. H₂S detection and monitoring equipment:
 - A. 2 - portable H₂S monitor positioned on location for best coverage and response. These units have warning lights and audible sirens when H₂S levels of 20 ppm are reached.
4. Visual warning systems:
 - A. Wind direction indicators as shown on well site diagram.
 - B. 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.

5. Mud Program:

- A. The mud program has been designed to minimize the volume of H₂S circulated to the surface. Proper mud weight, safe drilling practices, and the use of H₂S scavengers will minimize hazards when penetrating H₂S bearing zones.
- B. A mud-gas separator will be utilized.

6. Communication:

- A. Radio communications in company vehicles including cellular telephone and 2-way radio.
- B. Land line (telephone) communications at field office.

W A R N I N G

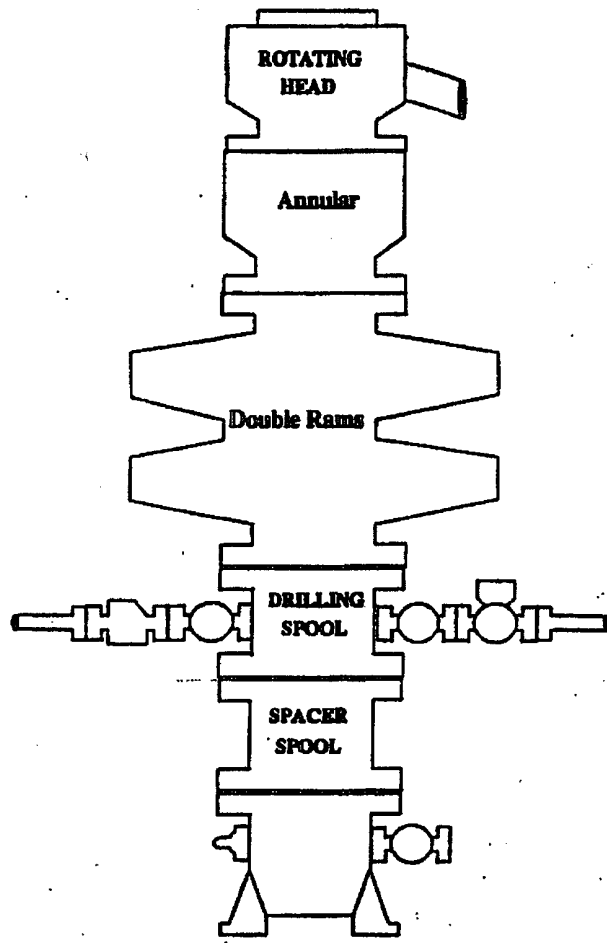
**YOU ARE ENTERING AN H₂S AREA
AUTHORIZED PERSONNEL ONLY**

- 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***

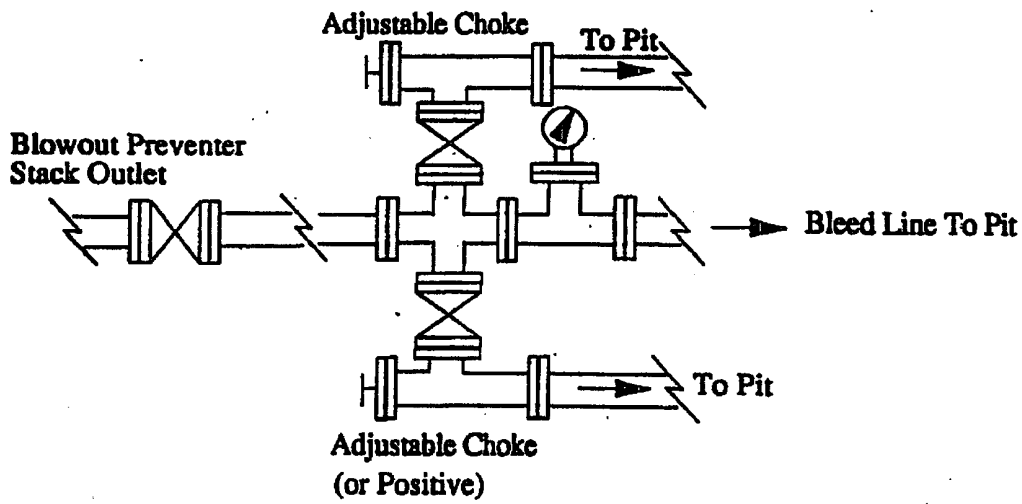
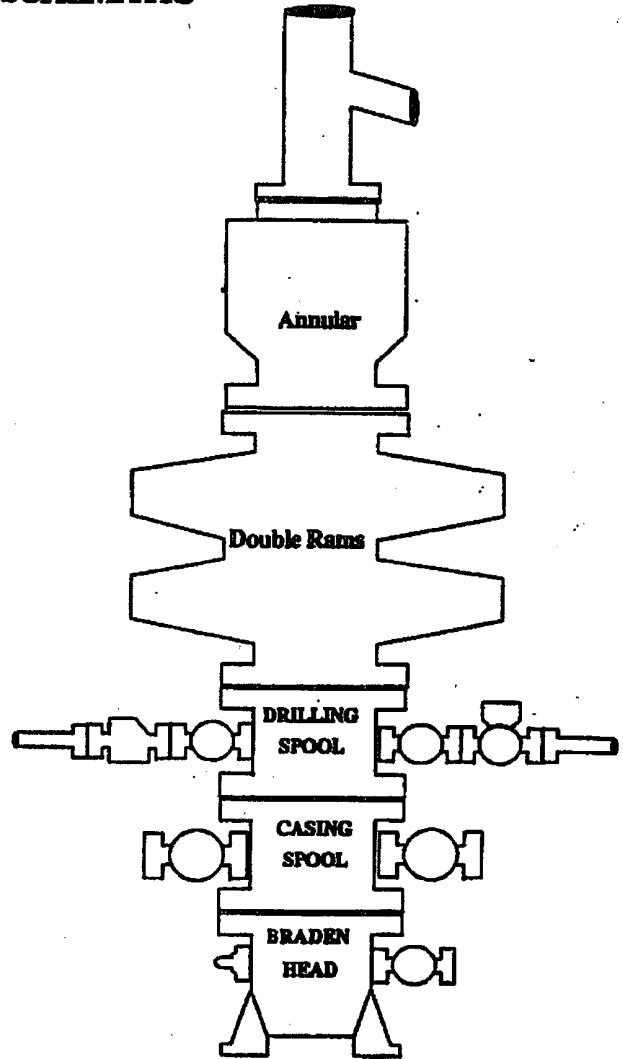
MARBOB ENERGY CORPORATION

1-505-748-3303

BOPE SCHEMATIC



Choke Manifold



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 NMOCD 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: **landtech@marbob.com**

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

Facility or well name: **Cessna Federal Com No. 1**

API # **30-025-3789A** U/L or Qtr/Qtr **NE/4** Sec **8** 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.

RECEIVED

FEB 08 2006

OCD-ARTESIA

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

Less than 50 feet

50 feet or more, but less than 100 feet

100 feet or more

(20 points)

(10 points)

(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

No

(20 points)

(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

200 feet or more, but less than 1000 feet

1000 feet or more

(20 points)

(10 points)

(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 NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: **February 7, 2006**

Printed Name/Title: **Nancy T. Bratcher / Land Department**

Signature Nancy T. Bratcher


Your certification and NMOCD 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: **MAY 03 2006** **PETROLEUM ENGINEER**

Printed Name/Title

Signature [Signature]

 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

Sent: Wed 5/3/2006 8:59 AM

All have blankets and do not appear on Jane's list.

From: Mull, Donna, EMNRD
Sent: Wednesday, May 03, 2006 8:35 AM
To: Phillips, Dorothy, EMNRD
Cc: Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD
Subject: Financial Assurance Requirement

Dorothy,

Is the Financial Assurance Requirement for these Operators OK?

Gruy Petroleum Management Co (162683)
Samson Resources Co (20165)
Marbob Energy Corp (14049)
Patterson Petroleum LP (141928)
Petrohawk Operating Co (148381)
Texland Petroleum-Hobbs LLC (113315)
Yates Petroleum Corp (25575)
Range Operating New Mexico Inc, (227588)

Please let me know. Thanks and have a nice day. Donna