

EA-07-729

ATS-07-405

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. <u>36521</u> Cirrus Federal Com #1
2. Name of Operator Marbob Energy Corporation		9. API Well No. 30-025-38420
3a. Address P.O. Box 227, Artesia, NM 88211-0227	3b. Phone No. (include area code) 505-748-2523	10. Field and Pool, or Exploratory Lusk, Strawn <u>41589</u>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1980' FSL & 1980' FEL At proposed prod. zone <u>Unit J</u>		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 8, T19S, R32E
14. Distance in miles and direction from nearest town or post office*		12. County or Parish Lea
		13. State NM
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 160	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 11,700	20. BLM/BIA Bond No. on file NM-2056 <u>NMB 000 412 OR</u>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GL 3622	22. Approximate date work will start* June 15, 2007	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 <u>William Miller</u>	Name (Printed Typed) William Miller	Date 4-4-07
Title Land Department		
Approved by (Signature) <u>S. Caffey</u>	Name (Printed Typed)	Date MAY 29 2007
Title 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 TWO YEARS

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)

CAPITAN CONTROLLED WATER BASIN

Witness Surface &
Intermediate Casing

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

State of New Mexico

DISTRICT I

1626 N. FRENCH DR., BOBBS, 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 30-025-38420	Pool Code 41589	Pool Name Lush Strawn
Property Code 36521	Property Name CIRRUS FEDERAL COMEX	Well Number 1
GRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3622'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	8	19-S	32-E		1980	SOUTH	1980	EAST	LEA

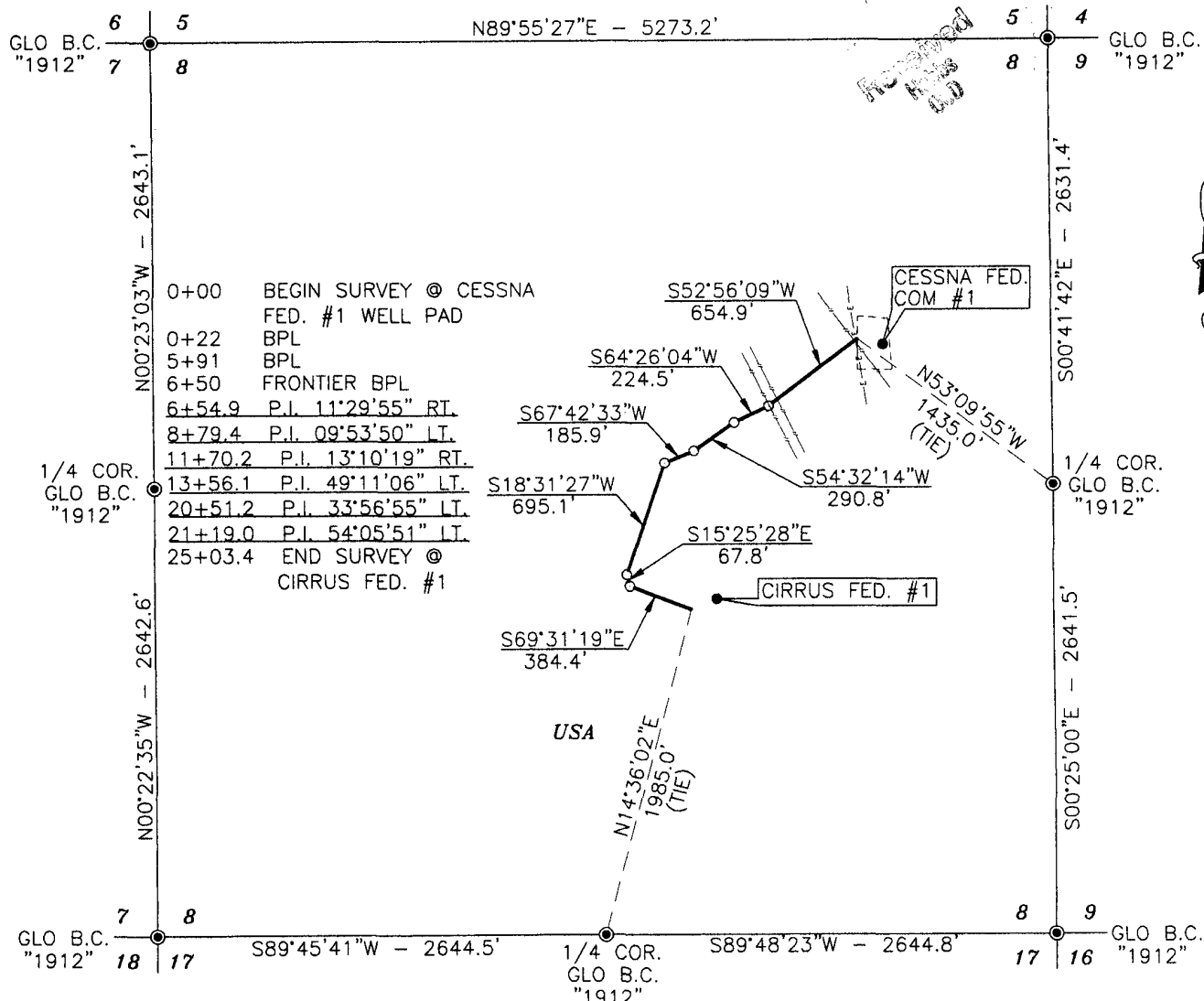
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 160	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>GEODETTIC COORDINATES NAD 27 NME</p> <p>Y=609000.0 N X=668492.7 E</p> <p>LAT.=32.673046° N LONG.=103.785765° W</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>[Signature]</i> 4/4/07 Signature Date William Miller Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 25, 2007</p> <p>Date Surveyed AR</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>[Signature]</i> 01/29/07 07.11.0091</p> <p>Certificate No. GARY EIDSON 12841 RONALD J. EIDSON 3239</p>

SECTION 8, TOWNSHIP 19 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



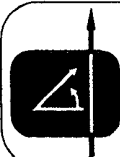
DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE AND 2503.4 FEET OR 0.474 MILES IN LENGTH CROSSING USA LAND IN SECTION 8, TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

NOTE: BEARINGS SHOWN HEREON ARE
MERCATOR GRID AND CONFORM TO THE
NEW MEXICO COORDINATE SYSTEM "NEW
MEXICO EAST ZONE" NORTH AMERICAN
DATUM 1983. DISTANCES ARE SURFACE
VALUES.

I HEREBY CERTIFY THAT I DIRECTED AND AM
RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS
TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE
AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET
THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

GARY G. EDSON, N.M. P.S. No. 12641



PROVIDING SURVEYING SERVICES
SINCE 1948
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

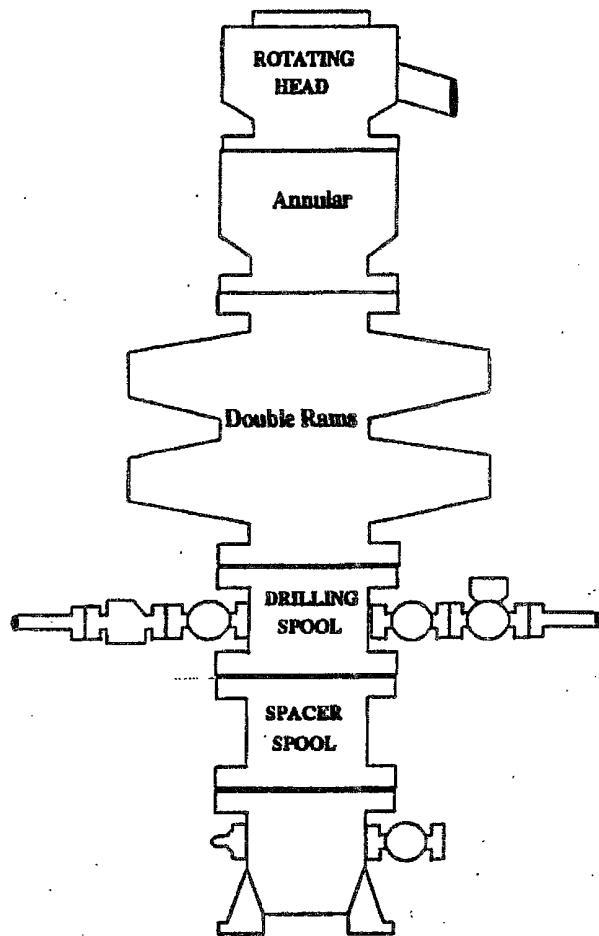
1000 0 1000 2000 FEET
Scale: 1"=1000'

MARBOB ENERGY CORPORATION

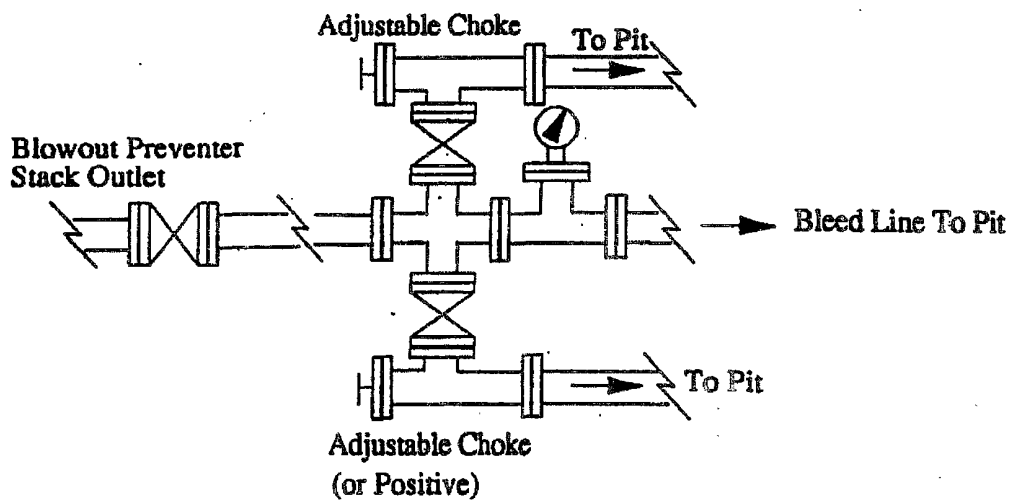
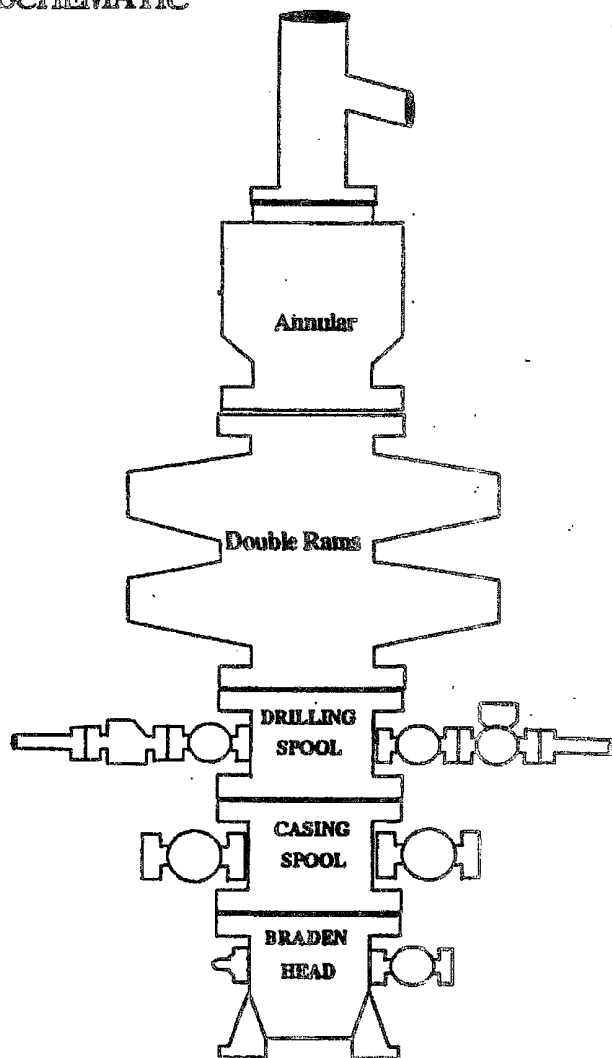
SURVEY OF A ROAD EASEMENT IN
SECTION 8, TOWNSHIP 19 SOUTH, RANGE 32 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO

Survey Date: 3/22/07	Sheet 1 of 1 Sheets
W.O. Number: 07.11.0371	Drawn By: LA
Date: 3/30/07	DISK:CD#6 07110371

BOPE SCHEMATIC



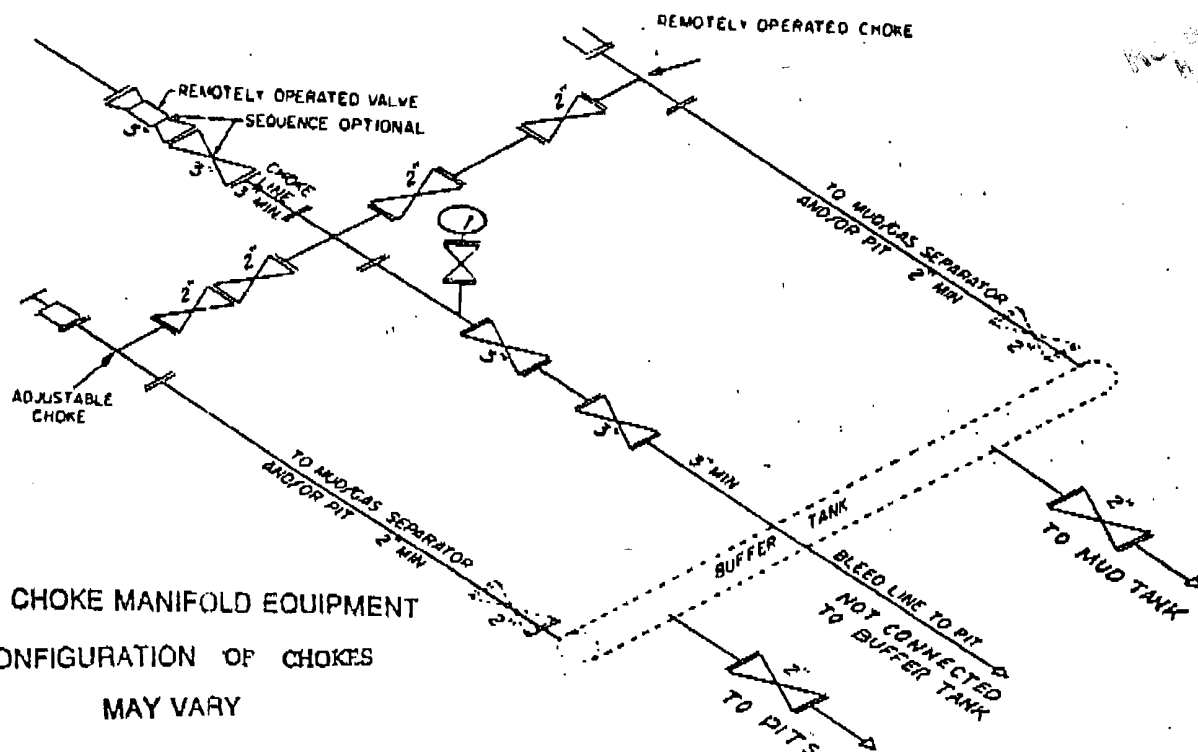
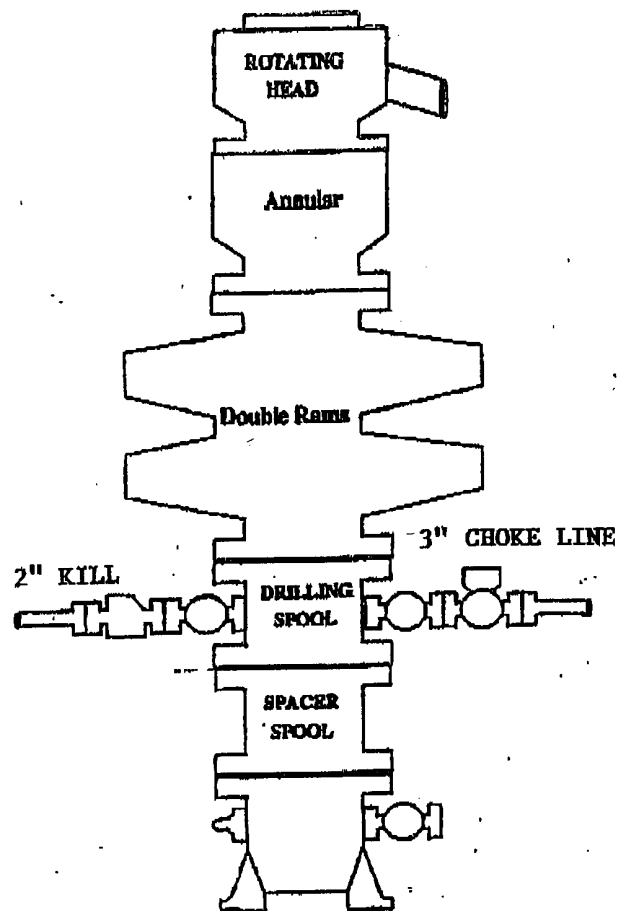
Choke Manifold



Received
Habs
000

Exhibit One

5M



1 CHOKE MANIFOLD EQUIPMENT
ONFIGURATION OF CHOKES
MAY VARY

Exhibit One

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 (H₂S).
- B. The proper use and maintenance of personal protective equipment and life support systems.
- C. The proper use of H₂S 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 H₂S 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 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.

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. H₂S detection and monitoring equipment:

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.

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.

Received
HHS
0.0

E. Mud Program:

The mud program has been designed to minimize the volume of H₂S circulated to the surface.

F. Metallurgy:

All drill strings, casings, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H₂S service.

G. Communication:

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



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

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 ☐

Month - Year
APR - 6 2007
OCD - ARTESIA, NM

Operator: **Marbob Energy Corporation**

Telephone: **505-748-3303**

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

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

Facility or well name: **Cirrus Federal #1**

API #: **30-025-38420** U/L or Qtr/Qtr NW/4SE/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. _____

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

Date: **April 5, 2007**

Printed Name/title: **William Miller / Land Department**

Signature 

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: **6/6/07**

Printed Name/Title: **CHRIS WILLIAMS / DIST. SURV.**

Signature 