

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.*

5 Lease Serial No

NM-94846

6 If Indian, Allottee or Tribe Name

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

8 Well Name and No

George Federal Com #2

9 API Well No

30-025-38115

10. Field and Pool, or Exploratory Area

Greenwood Morrow SE

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 Extension

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.)

Marbob Energy Corporation respectfully requests a one year extension on the above referenced approved APD.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

**APPROVED FOR 24 MONTH PERIOD  
ENDING 8-18-2009**

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

Nancy T. Agnew

Title Land Department

Signature

*Nancy T. Agnew*

Date 5-18-07

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

Approved by (Signature)

/s/ James Stovall

Name  
(Printed/Typed)

**FIELD MANAGER**

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

**CARLSBAD FIELD OFFICE**

Date

**JUN 27 2007**

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)

## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Marbob Energy Corporation  
Well Name & No. 2-George Federal Com  
Location: 0570' FNL, 1700' FWL, Sec. 5, T-20-S, R-32-E, Eddy County, NM  
Lease: NM-94846

.....

### I. DRILLING OPERATIONS REQUIREMENTS:

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
1. Spudding well
  2. Setting and/or Cementing of all casing strings
  3. BOPE tests
- Lea County call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612
- B. **Although Hydrogen Sulfide has not been reported in this section, it has been reported in the township to the north in wells producing from the Yates and Delaware formations measuring 200-3000 ppm in gas streams and STVs. A Hydrogen Sulfide plan is attached to the APD.**
- C. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- D. If floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

### II. CASING:

- A. The 13-3/8 inch surface casing shall be set approximately <sup>50'</sup> 25 feet into the Rustler Anhydrite and above the salt at approximately 900 feet and cemented to the surface.
1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
  2. Wait on cement (WOC) time for a primary cement job will be a minimum of **18 hours for a water basin** or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
  3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
  4. If cement falls back, remedial action will be done prior to drilling out that string.

Upon loss of circulation in the Capitan Reef (T/2910' – B/4434'), the operator will notify the Hobbs PET staff to arrange for witnessing of the change to fresh water.

Possible lost circulation in the Artesia Group and the Capitan Reef.

Possible water flows in the Artesia and Salado Groups.

- B. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is **cement circulated to the surface**. If cement does not circulate see A.1 thru 4. **Based on the BLM geologic report, this casing is to be set between 4290-4500' above the top of the Delaware Sandstones.**
- C. The minimum required fill of cement behind the 5-1/2 inch production casing is **cement to extend a minimum of 200 feet inside the 9-5/8" casing.**
- D. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool I joints of the drill pipe will be installed prior to continuing drilling operations.

### **III. PRESSURE CONTROL:**

- A. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Section 17.
- B. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M) PSI.**
- C. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8" intermediate casing shoe shall be **5000 (5M) PSI.**
- D. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - 1. The tests shall be done by an independent service company.
  - 2. The results of the test shall be reported to the appropriate BLM office.
  - 3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - 4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
  - 5. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

#### **IV. DRILLING MUD:**

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

1. Recording pit level indicator to indicate volume gains and losses.
2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
3. Flow-sensor on the flow line to warn of abnormal mud returns from the well

**Engineer on call phone (after hours): 505-706-2779**  
**WWI 062107**