

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, 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 & 660' FWL

Section 25, T19S - R34E

5 Lease Serial No.

NM 086

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No

Hawg Federal #1

9 API Well No

30-025-38351

10 Field and Pool, or Exploratory Area

Lea Undesignated; Morrow (Gas)

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 two year extension on the above approved APD.

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

Nancy Agnew

Title Land Department

Signature

Nancy Agnew

Date 11/7/07

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

Approved by (Signature)

/s/ DAVID D. EVANS

FIELD MANAGER

Name (Printed/Typed)

Title

JAN 16 2008

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

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.

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# PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Marbob Energy Corp.
LEASE NO.:	NM086
WELL NAME & NO.:	Hawg Federal #1
SURFACE HOLE FOOTAGE:	1650' FNL & 660' FWL
LOCATION:	Section 25, T19S., R34E., NMPM
COUNTY:	Lea County, New Mexico

## I. DRILLING

### A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Lea County**

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,  
(575) 393-3612

1. A Hydrogen Sulfide (H<sub>2</sub>S) Drilling Plan should be activated 500 feet prior to drilling into the Yates Formation or around 3000 feet.

**H<sub>2</sub>S has been reported in Sec. 28 T19S, R34E, measured at 500 ppm in the gas stream and 300 ppm in the STV.**

2. 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.
3. Floor controls are required for 3M or Greater systems. These 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.

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## B. CASING

1. The **13 3/8 inch** surface casing shall be set a minimum of **25 feet into the Rustler Anhydrite and above the salt at approximately 1800 feet** and cemented to the surface.

**Onshore Order II requires casing to be set across a competent bed and the Rustler Anhydrite is the first formation that meets that criteria.**

- a. 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.
  - b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
  - c. **Please provide WOC times to inspector for cement slurries.**
  - d. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - e. If cement falls back, remedial action will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **8 5/8 inch** intermediate casing is:
    - ☒ Cement to surface. If cement does not circulate see B.1.a-d above.
    - a. **Please provide WOC times to inspector for cement slurries.**

**If 75% or greater lost circulation occurs while drilling the intermediate casing hole, the cement on the production casing must come to surface.**

**Possible lost circulation or water flows in the Capitan Reef.**

**If the Capitan Reef is encountered switch to fresh water to drill this portion of hole.**

3. The minimum required fill of cement behind the **5 1/2 inch** production casing is:
  - ☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

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4. 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 joints of the drill pipe will be installed prior to continuing drilling operations.

### C. PRESSURE CONTROL

1. 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 Sec. 17.
2. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - a. The tests shall be done by an independent service company.
  - b. The results of the test shall be reported to the appropriate BLM office.
  - c. 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.
  - d. 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.
  - e. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation **if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days**. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.
3. 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. As requested in the APD.
  - a. A variance to test the surface casing and BOP/BOPE to the reduced pressure of **1000 psi** with the rig pumps is approved as requested in the APD.
4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **8 5/8 intermediate casing** shoe shall be **5000 (5M)** psi.

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**D. 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.

**E. DRILL STEM TEST**

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

**Engineer on call phone (after hours only): Carlsbad: (575) 706-2779**

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