OCD - Hobbs

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007

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.

5. Lease Serial No.
NMNM13422B

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
Falcon Federal #1

2. Name of Operator **Marbob Energy Corporation**

9. API Well No.
30-025-38421

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

3b. Phone No. *(include area code)*
575-748-3303

10. Field and Pool, or Exploratory Area
Lusk; Strawn

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1650 FNL 660 FWL, Sec. 9-T19S-R32E, Unit E

11. County or Parish, State
Lea Co., NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☑ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☑ Plug Back	☐ Water Disposal	

13. 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 recomplete 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 recompletion 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 proposes to perforate, acidize, test & possibly frac the following Wolfcamp, Bone Spring & Delaware zones as follows:

Set CIBP + 35' cmt @ 11475'		
Lusk **Wolfcamp**	**10718' - 10794' (20 shots)**	**2500 gal NE Fe 15% HCl**
Set CIBP + 35' cmt @ 10675'		
Lusk North **Bone Spring Lime**	**9834' - 9933' (18 shots)**	**2000 gal NE Fe 15% HCl**
2nd Bone Spring Sand	**9294' - 9312' (38 shots)**	**1000 gal NE Fe 7 1/2% HCl**
Stray Bone Spring Sand	**9046' - 9060' (30 shots)**	**500 gal NE Fe 7 1/2% HCl**
1st Bone Spring Sand	**8449' - 8653' (15 shots)**	**1500 gal NE Fe 7 1/2% HCl**
Set CIBP or BP		
Quercho Plains **Delaware Sand 1**	**7077' - 7092' (32 shots)**	**750 gal NE Fe 7 1/2% HCl**
Delaware Sand 2	**6912' - 6918' (21 shots)**	**250 gal NE Fe 7 1/2% HCl**

(See procedure & wellbore schematic attached)

*****Note: Any zone to be abandoned will be done with a CIBP + 35' cmt set within 50-100' of the top perf. Marginally producing zones will be downhole commingled with NMOCD approval. A pkr/RBP, pkr/CBP and/or pkr/CIBP combination will be used when testing each zone.*****

RECEIVED
JAN 30 2008
HOBBS OCD

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* **Diana J. Briggs** Title **Production Analyst**

Signature Diana J. Briggs Date **12/19/2007**

APPROVED
JAN 23 2008
JAN 31 2008
LES BABYAK
PETROLEUM ENGINEER

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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 _____

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 page 2)

GWW

Oil Conservation Division

Conditions of approval: Approval for drilling/workover ONLY--- CANNOT produce Downhole Commingled until DHC is approved in Santa Fe.

Falcon Fed ~~Com~~ 1
E-9-19S-32E
Lea Co., NM
Completion Procedure 1
11 Oct 07

Basic Data:

13-3/8" @ 936' Circ. Cmt.
9-5/8" @ 3908' Circ. Cmt.
5-1/2" @ 11848' DV @ 7800' TOC 3600' TS
5.5"/17ppf/M95-110/LTC Burst=10640 psi, 8512 psi at 80% Nom. ID=4.892" Drift ID=4.767"
2.875"/6.5ppf/L80/EUE Burst=10570 psi, 8456 psi at 80% Nom ID=2.441" Drift ID=2.347"
Collapse=11160 psi, 8928 at 80%
Tensile=144,960 lb with no safety factor

Objective: Complete well in the Strawn and/or Wolfcamp.

Procedure:

1. RIH with 4-3/4" bit and DC's and drill DV tool at 7800'. RIH to PBD (PBD should be at least 11775') and TOOH. RIH with bit and scraper, make a few passes through DV tool, RIH to PBD, circulate wellbore full of treated 7% KCl water packer fluid (approx. 245 bbls with tubing in hole, 270 bbls tubing OOH), TOOH with tubing and run GR/CCL from PBD to 5300'.

2. RU lubricator and perf the Strawn with 3-3/8" or 4" casing guns loaded 1 spf at any phasing at the depths shown below (inclusive):

Strawn: 11508-12', 11668-77', 11698-11702' (20 shots) Done

3. RIH with packer assembly with pump out plug on bottom, space out, set packer, test annulus to 1000 psi, tree up, install tree saver and pump 2500 gals. NE Fe 15% HCl acid at 3-5 bpm while limiting treating pressure to 8500 psi while holding 2000 psi on annulus. Drop 50 ballsealers through job. Swab/flow test until notified to do otherwise.

start here

4. If decision is made to retreat Strawn, outline will follow if/as needed.

5. When ready to leave Strawn, RU lubricator, run gauge ring to 11475' and set CIBP + 35' cement at 11475'. RU lubricator and perf the Wolfcamp with 3-3/8" or 4" casing guns loaded 1 spf at any phasing at the depths shown below (inclusive):

Wolfcamp: 10718-32', 10790-94' (20 shots)

6. RIH with packer assembly with pump out plug on bottom, space out, set packer, test annulus to 1000 psi, tree up, install tree saver and pump 2500 gals. NE Fe 15% HCl acid at 3-5 bpm while limiting treating pressure to 8500 psi while holding 2000 psi on annulus. Drop 50 ballsealers through job. Swab/flow test until notified to do otherwise.

7. If decision is made to retreat Wolfcamp, outline will follow if/as needed.

Kbc/falcon fed 1 str wc

Falcon Fed Com 1
E-9-19S-32E
Lea Co., NM
Completion Procedure 2
11 Oct 07

Basic Data:

13-3/8" @ 936' Circ. Cmt.
9-5/8" @ 3908' Circ. Cmt.
5-1/2" @ 11848' DV @ 7800' TOC 3600' TS
5.5"/17ppf/M95-110/LTC Burst=10640 psi, 8512 psi at 80% Nom. ID=4.892" Drift ID=4.767"
2.875"/6.5ppf/L80/EUE Burst=10570 psi, 8456 psi at 80% Nom ID=2.441" Drift ID=2.347"
Collapse=11160 psi, 8928 at 80%
Tensile=144,960 lb with no safety factor

Objective: Complete well in the Bone Spring and/or Delaware.

Procedure:

1. When ready to move to next zone, RU lubricator, run gauge ring to 10675' and set CIBP + 35' cement at 10675'. RU lubricator and perf the Bone Spring Lime with 3-3/8" or 4" casing guns loaded 1 spf at any phasing at the depths shown below (inclusive).

Bone Spring Lime: 9834', 9835', 9836', 9875', 9876', 9881', 9882'; 9909-12', 9919', 9920', 9921', 9930-33' (18) OH Log

2. RIH with packer assembly with pump out plug on bottom, set packer, test annulus to 500 psi and acidize with 2000 gals. NE Fe 15% HCl acid at 3-5 bpm while limiting treating pressure to 7500 psi and holding 1000 psi on annulus. Drop 40 ballsealers through job. Swab/flow test until notified to do otherwise.

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3. When ready to move to next zone, plugback technique will be determined based on results of previous zone(s). If temporarily leaving BS Lime, will set CIBP or composite BP—let's discuss. RU lubricator and perf the 2nd Bone Spring Sand with 3-3/8" or 4" casing guns loaded 2 spf at 180° phasing at the depths shown below (inclusive).

2nd BS Sand: 9294-9312' (38) OH Log

4. RIH with packer assembly with pump out plug on bottom (if BS Lime temporarily abandoned, swab fluid out of tubing before acidizing or pump acid close to packer using packer bypass), set packer, test annulus to 500 psi and acidize with 1000 gals. NE Fe 7.5% HCl acid at 3-5 bpm while limiting treating pressure to 6000 psi and holding 1000 psi on annulus. Drop slug of 20 ballsealers halfway through job. Swab/flow test until notified to do otherwise.

5. If decision made to frac, install 5k frac valve with BOP on top, unseat packer, swab as much fluid out of casing as possible while still allowing for a safe trip OOH, and TOOH with packer and tubing.

6. Frac down casing at 25-30 bpm with low gel load borate crosslink fluid carrying approx. 100,000 lbs. 16/30 white sand (last 60,000 lbs expedite coated, 4 ppg max).

7. Will likely PWOP and test if zone was fraced—let's discuss.

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8. **Note: Decision might be made to skip this zone—let's discuss.** When ready to move to next zone, plugback technique will be determined based on results of previous zone(s). If temporarily leaving 2nd BS Sand, will set CIBP or composite BP—let's discuss. RU lubricator and perf the Stray Bone Spring Sand with 3-3/8" or 4" casing guns loaded 2 spf at 180° phasing at the depths shown below (inclusive).

Stray BS Sand: 9046-9060' (30) OH Log

9. RIH with packer assembly with pump out plug on bottom (if 2nd BS Sand temporarily abandoned, swab fluid out of tubing before acidizing or pump acid close to packer using packer bypass), set packer, test annulus to 500 psi and acidize with 500 gals. NE Fe 7.5% HCl acid at 3-5 bpm while limiting treating pressure to 6000 psi and holding 1000 psi on annulus. Drop slug of 20 ballsealers halfway through job. Swab/flow test until notified to do otherwise.

10. If decision made to frac, install 5k frac valve with BOP on top, unseat packer, swab as much fluid out of casing as possible while still allowing for a safe trip OOH, and TOOH with packer and tubing.

11. Frac down casing at 20-25 bpm with low gel load borate crosslink fluid carrying approx. 40,000 lbs. 16/30 expedite coated white sand (4 ppg max).

12. Will likely PWOP and test if zone was fraced—let's discuss.

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13. When ready to move to next zone, plugback technique will be determined based on results of previous zone(s). If temporarily leaving 2nd BS Sd or Stray BS Sd, will set CIBP or composite BP—let's discuss. RU lubricator and perf the 1st Bone Spring Sand with 3-3/8" or 4" casing guns loaded 1 spf at any phasing at the depths shown below (inclusive).

1st BS Sand: 8449-58', 8649-53' (15) OH Log

14. RIH with packer assembly with pump out plug on bottom (if 2nd BS Sd or Stray BS Sd temporarily abandoned, swab fluid out of tubing before acidizing or pump acid close to packer using packer bypass), set packer, test annulus to 500 psi and acidize with 1500 gals. NE Fe 7.5% HCl acid at 3-5 bpm while limiting treating pressure to 6000 psi and holding 1000 psi on annulus. Drop 45 ballsealers through job. Swab/flow test until notified to do otherwise.

15. If decision made to frac, install 5k frac valve with BOP on top, unseat packer, swab as much fluid out of casing as possible while still allowing for a safe trip OOH, and TOOH with packer and tubing.

16. Frac down casing at 45 bpm with low gel load borate crosslink fluid carrying approx. 200,000 lbs. 16/30 white sand (last 100,000 lbs expedite coated, 4 ppg max).

17. Will likely PWOP and test if zone was fraced—let's discuss.

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18. When ready to move to next zone, plugback technique will be determined based on results of previous zone(s). If temporarily leaving 1st BS Sd, will set CIBP or composite BP—let's discuss. . RU lubricator and perf the Delaware Sand 1 with 3-3/8" or 4" casing guns loaded 2 spf at 180° phasing at the depths shown below (inclusive).

Delaware Sand 1: 7077-92' (32) OH Log

19. RIH with packer assembly with pump out plug on bottom (if 1st BS Sand temporarily abandoned, swab fluid out of tubing before acidizing or pump acid close to packer using packer bypass), set packer, test annulus to 500 psi and acidize with 750 gals. NE Fe 7.5% HCl acid at 3-5 bpm while limiting treating pressure to 6000 psi and holding 1000 psi on annulus. Drop 20 ballsealers halfway through job. Swab/flow test until notified to do otherwise.

20. If decision made to frac, install treating valve onto tubing and frac down tubing at 15-20 bpm with low gel load borate crosslink fluid carrying approx. 35,000 lbs. 16/30 expedite coated white sand (5 ppg max). Limit treating pressure to 6000 psi while holding 1500 psi on annulus. Have pump on annulus ready to reverse circulate well clean in case of screenout or packer failure. When concentration drops below 5 ppg, bypass blender and go to quickflush.

21. Will PWOP and produce this zone if fraced.

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22. When ready to move to next zone, plugback technique will be determined based on results of previous zone(s). If temporarily leaving Delaware Sd 1, will set CIBP or composite BP—let's discuss. . RU lubricator and perf the Delaware Sand 2 with 3-3/8" or 4" casing guns loaded 3 spf at 60-120° phasing at the depths shown below (inclusive).

Delaware Sand 2: 6912-18' (21) OH Log

23. RIH with packer assembly with pump out plug on bottom (if Delaware Sand 1 temporarily abandoned, swab fluid out of tubing before acidizing or pump acid close to packer using packer bypass), set packer, test annulus to 500 psi and acidize with 250 gals. NE Fe 7.5% HCl acid at 3-5 bpm while limiting treating pressure to 6000 psi and holding 1000 psi on annulus. Drop 0 ballsealers through job. Swab/flow test until notified to do otherwise.

24. If decision made to frac, install treating valve onto tubing and frac down tubing at 8 bpm with low gel load borate crosslink fluid carrying approx. 7,500 lbs. 16/30 expedite coated white sand (4 ppg max). Limit treating pressure to 6000 psi while holding 1500 psi on annulus. Have pump on annulus ready to reverse circulate well clean in case of screenout or packer failure. When concentration drops below 4 ppg, bypass blender and go to quickflush.

25. Will PWOP and produce this zone if fraced.

Kbc/falcon fed 1 bs del

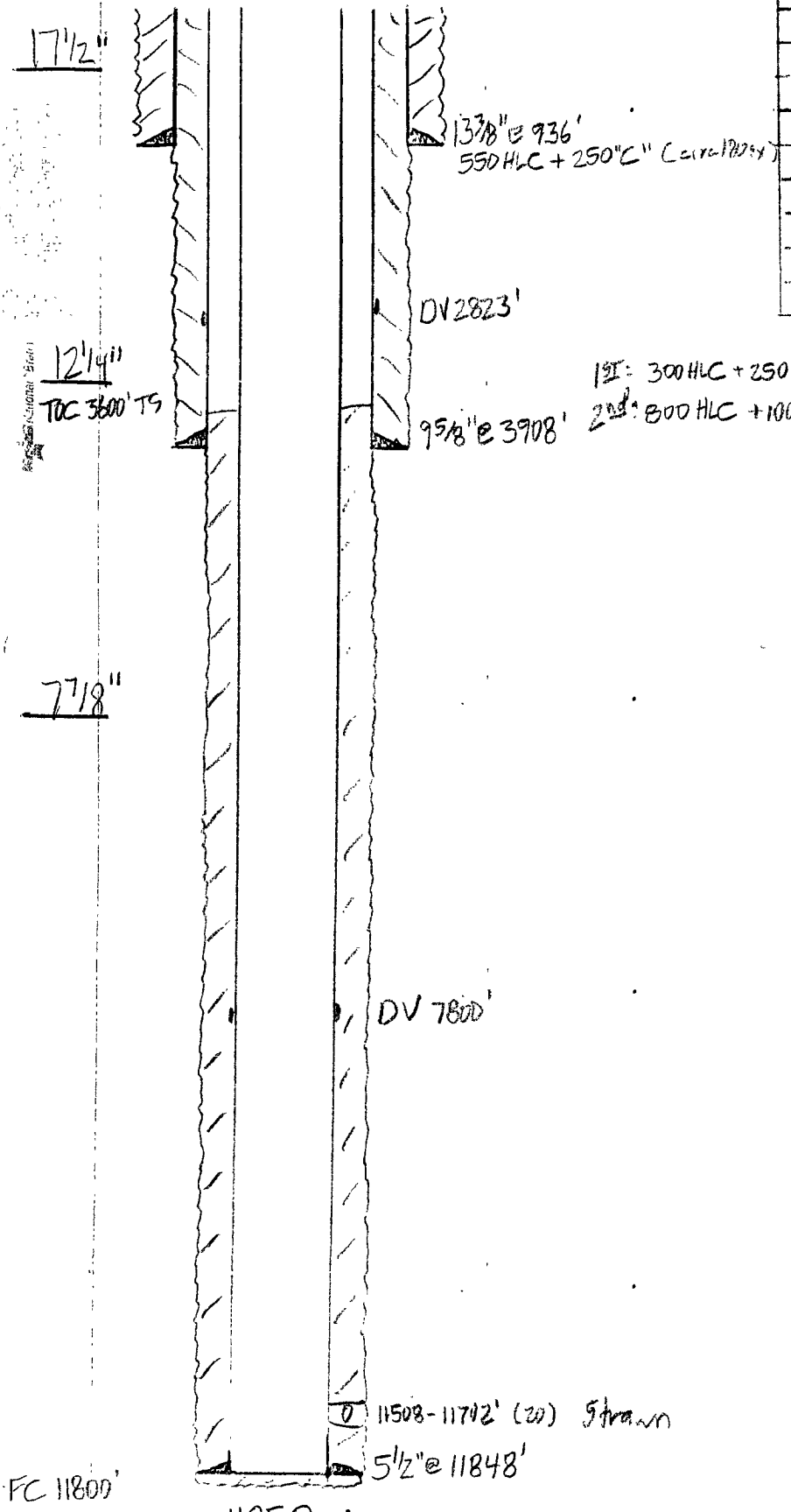
Well: Falcon Fed Com 1

Location: 1650' FNL, 660' FWL
E-9-19s-32e
Lea NM
30-025-38421

Elev: 17.5' AGL
KB: 3660.5'
GL: 3643'

Casing Program:

Size	Wt.	Grade	Conn	Depth
13 3/8"	54.5	J55	STC	936'
9 5/8"	36	J55	BTC	3275'
	40	J55	BTC	3908'
5 1/2"	17	N80	LTC	11848'
2 7/8"	6.5	L80	EUE	



1st: 625 Super H (Circ 134 sx)
2nd: 480 HLC + 260 Super H