District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., 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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101

APPLICATION FOR PERMIT TO DRILL

	Operator Name and Address Marbob Energy Corporation		
PO Box 227 Artesia, NM 8	O Box 227 Artesia, NM 88211-0227		
Property Code 32734	Property Name COINFLIP STATE	Well No. 001	

Surface Location

-	UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
-	D	18	20S	30E	:	990	N	660	W	Eddy	

Proposed Pools

BURTON FLAT; MORROW, EAST (GAS) 73320

 Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type State	Ground Level Elevation 3312
Multiple N	Proposed Depth 12500	Formation Morrow	Contractor	Spud Date 8/22/2003

Proposed Casing and Cement Program

Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	24	20	94	300	300	0
Int1	17.5	13.375	48	1250	900	0
Int2	12.25	8.625	32	3600	1400	0
Prod	7.875	5.5	17	12500	500	0

Casing/Cement Program: Additional Comments

Surf csg - circulate; Int 1 csg - circulate; Int 2 csg - attempt to tie back. Prod csg - attempt to tie back.

Proposed Blowout Prevention Program

-	Туре	Working Pressure	Test Pressure	Manufacturer	-
1	Double Ram	3000	3000	Cameron	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Diana Cannon

Title: Production Analyst

Date: 8/18/2003

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 8/24/2003 Expiration Date: 8/24/2004

Conditions of Approval:

There are conditions. See Attached.

APD Conditions Of Approval

Operator: 14049 Marbob Energy Corporation

Well: COINFLIP STATE 001

OCD Reviewer	Condition
, , , , , , , , , , , , , , , , , , , ,	Operator to verify tie-backs by temp survey or cement bond log.
BARRANT	Operator to submit mud program for condition of approval.

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State of New Mexico Energy, Minerals and Natural Resources

Form C-102

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-15-32958	Pool Name BURTON FLAT;MORROW, EAST (GAS)	Pool Code 73320
Property Code 32734	Property Name COINFLIP STATE	Well No. 001
OGRID No. 14049	Operator Name Marbob Energy Corporation	Elevation 3312

Surface And Bottom Hole Location

 UL or Lot	Section 18	Township 20S	Range 30E	Lot Idn	Feet From 990	N/S Line N	Feet From 660	E/W Line W	County Eddy
Dedicat	ted Acres	Joint or	Infill	Consoli	dation Code		Order 1	No.	:
316	6.88		The same of the sa						

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Diana Cannon

Title: Production Analyst

Date: 8/18/2003

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.

Electronically Signed By: Ronald J. Eidson

Date of Survey: 8/9/2003 Certificate Number: 3239



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukon Cabinet Secretary

Lori Wrotenberv Director Oil Conservation Division

August 18, 2003 New Mexico State Land Office P.O. Box 1148 Santa Fe, NM 87504-1148 Attn: Larry Kehoe or To Whom It May Concern

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR:

Marbob Energy Corporation

LEASE NAME:

Coinflip State #1

LOCATION:

SEC. 18, TOWNSHIP 20 SOUTH, RANGE 30 EAST.

990' FNL & 660' FWL. Surface Location

EDDY COUNTY, NM, NMPM

PROPOSED DEPTH: 12,500'.

Dear Craig or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order. Thank you for your assistance.

Sincerely.

Bryan G. Arrant PES, District II Arte	esia NMOCD		
In LMR In Buffer Zonc	YesYes	No X 8-19-03 No X	
Comments:			
Signature:	por 100	Date: 8/19/0	ک



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor
Joanna Prukop
Cabinet Secretary



Lori Wrotenbery
Director
Oil Conservation Division

Bureau of Land Management 620 East Greene St. Carlsbad. NM 88220-6292

Attn: Craig Cranston or To Whom It May Concern

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR:

Marbob Energy Corporation

LEASE NAME:

Coinflip State #1

LOCATION:

SEC. 18, TOWNSHIP 20 SOUTH, RANGE 30 EAST,

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Sincerely,

Bryan G. Arrant PES, District II Artesia NMOCD

In LMR In Buffer Zone Yes____

No *

Comments:

Signature: reig (reinstan) Date: 8-20-03

Coinflip State #1 990' FNI & 660' FWL, Unit D Section 18, T20S, R30E

Proposed Mud Program

Depth	Туре	Weight (ppg)	Viscosity (sec)	Waterloss (cc)
0 - 300'	fresh water	8.4 - 8.8	32 - 34	N.C.
300 - 1250'	brine water	9.8 - 10	28	N.C.
1250 - 3600'	fresh water	8.4 - 8.8	28 - 32	N.C.
3600 - 12500'	cut brine	9 - 9.2	32 - 34	below 6