EA-07-964

Form 3160-3
(September 2001)

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 19 2007

OCD-ARTESIA

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

5 Lease Serial No	NM-67979
6 If Indian, Allottee or Tribe Name	
7 If Unit or CA Agreement, Name and No	
8 Lease Name and Well No	Black Velvet Federal #1 H
9 API Well No	30-015-35710
10 Field and Pool, or Exploratory	Herradura Bend, East; Delaware
11 Sec , T , R , M , or Blk and Survey or Area	Section 26, T22S - R28E
12 County or Parish	Eddy County
13 State	NM

1a Type of Work ☑ DRILL ☐ REENTER

1b Type of Well ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

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 *(Report location clearly and in accordance with any State requirements *)*
At surface 430' FSL & 1650' FWL
At proposed prod zone 430' FSL & 330' FEL

CARLSBAD CONTROLLED WATER BASIN

14 Distance in miles and direction from nearest town or post office*

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	17 Spacing Unit dedicated to this well: 120	
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft	19. Proposed Depth: 6400'	20 BLM/BIA Bond No on file: ~~NM-B00412~~ NMB000412	
21 Elevations (Show whether DF, KDB, RT, GL, etc.): 3093'	22 Approximate date work will start*: July 4th, 2007	23 Estimated duration: 25 Days	

ck 6/21/07

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	Name *(Printed Typed)*: William Miller	Date: 5/17/07
Title: Landman		
Approved by *(Signature)*: /s/ Don Peterson	Name *(Printed Typed)*: /s/ Don Peterson	Date: JUL 17 2007
Title: for 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)

SEE ATTACHED FOR CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, 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 Department

JUL 19 2007
OCD-ARTESIA

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
~~36617~~	30670	Herradura Bend, East; Delaware

Property Code	Property Name	Well Number
36617	BLACK VELVET FEDERAL (MAY 04 2007)	1H

OGRID No.	Operator Name	Elevation
14049	MARBOB ENERGY CORPORATION	3093'

Surface Location

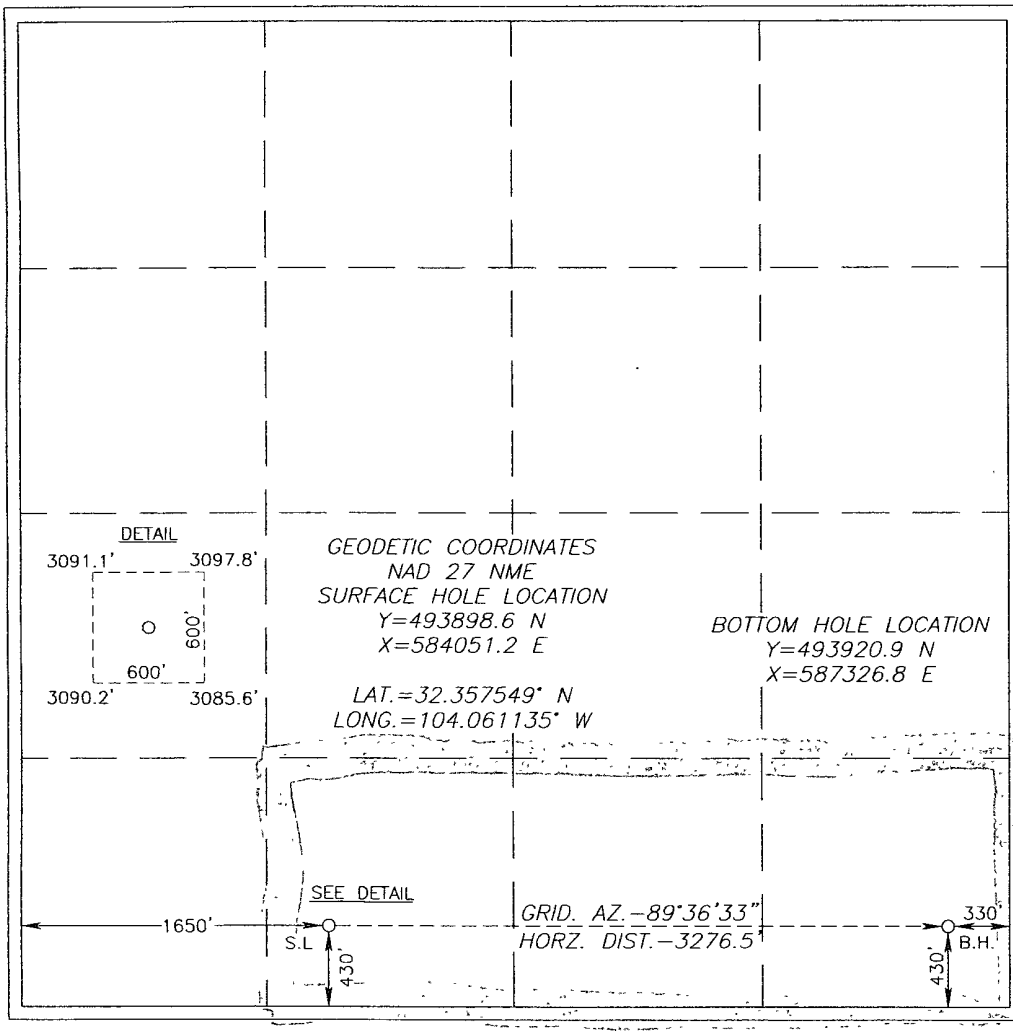
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	26	22-S	28-E		430	SOUTH	1650	WEST	EDDY

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
P	26	22-S	28-E		430	SOUTH	330	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
120			

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



OPERATOR CERTIFICATION

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.

Signature 5/17/2007 Date

William Miller
Printed Name

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.

GARY G. EIDSON
APRIL 20, 2007

Date Surveyed LA

Signature & Seal of Professional Surveyor

5/2/07

07.11.0536

Certificate No. GARY EIDSON 12641

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Date: May 17, 2007

Lease #: NM67979
Black Velvet Federal #1

Legal Description: Sec. 26-T22S-R28E
Eddy County, New Mexico

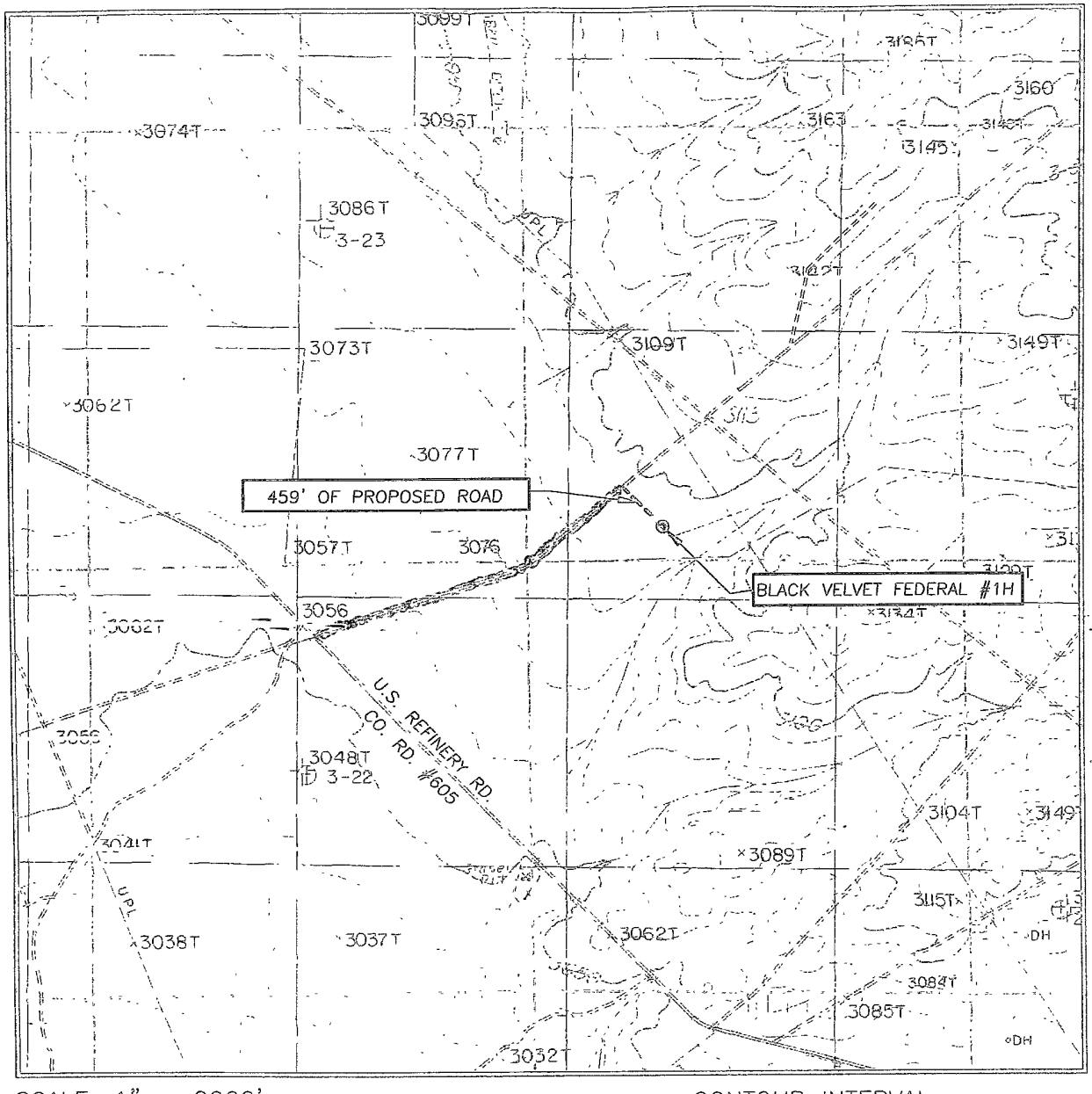
Formation(s): Permian

Bond Coverage: Statewide

BLM Bond File #: NM B00412 NM B000412

William Miller
Land Department

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
LOVING, N.M. – 10'

SEC. 26 TWP. 22-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 430' FSL & 1650' FWL

ELEVATION 3093'

OPERATOR MARBOB ENERGY CORPORATION

LEASE BLACK VELVET FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
LOVING, N.M.

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

EXHIBIT #2

MARBOB ENERGY CORPORATION
DRILLING AND OPERATIONS PROGRAM

Black Velvet Federal #1H
SHL: 430' FSL & 1650' FWL,
BHL: 430' FSL & 330' FEL
Section 26, T22S, R28E
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Marbob Energy Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geological surface formation is Permian.

2. The estimated tops of geologic markers are as follows:

Top Salt	400'
Bottom Salt	2450'
Delaware	2700'
Bone Springs	6200'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Delaware	2700'	Oil
Bone Springs	6200'	Oil

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 9 5/8" casing at 350' and circulating cement back to surface. Any shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across them by inserting a float shoe joint into the 5 1/2" production casing which will be run at TD to sufficiently cover all known oil and gas horizons 200' above.

4. Proposed Casing Program:

Hole Size	Interval	OD Casing	Wt	Grade	
12 1/4"	0-350"	9 5/8	36#	J-55	STC
7 7/8"	350-6400	5 1/2"	17#	J-55	LTC

Proposed Cement Program:
9 5/8" Surface Casing: Cement w/200 sx. Circulate to surface. 1.34 yld

See COA

5 1/2" Production Casing: Cement w/ 800 sx. 200' above all oil and gas zones. 1.93 yld

5. Pressure Control Equipment:

See Exhibit #1. Marbob proposes to nipple up on the 9 5/8" casing with a 2M system, testing it to 1000# with rig pumps.

6. Mud Program: The applicable depths and properties of this system are as follows:

Depth	Type	Weight (ppg)	Viscosity (sec)	Waterloss (cc)
0 – 350'	Fresh Water	8.5	28	N.C.
350 – 6400'	Brine	9.8-10.2	40-45	N.C.

7. Auxiliary Equipment: Kelly Cock; Sub with full opening valve on floor; and drill pipe connections.

8. Testing, Logging and Coring Program:

   No drillstem tests are anticipated.
   The electric logging program will consist of Dual Laterolog Micro SFL, Spectral Density Dual Spaced Neutron Csng Log, and Depth Control Log.
   No conventional coring is anticipated.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

Black Velvet Federal #1
430' FSL & 1650' FWL
BHL: 430' FSL & 330' FEL
Sec 26, T22S – R28E, Eddy County

1. CONDITION OF CASING: New
2. BOP – Function Test Daily (Pipe Rams)
   Function Test on Trips (Blind Rams)
3. CASING-9 5/8 New Collapse 2020, Burst 3520, Tension 564000
   5 ½ New Collapse 4910, Burst 5320, Tension 273000
4. EXPECTED BHP- About 2000 lbs.

BOPE SCHEMATIC

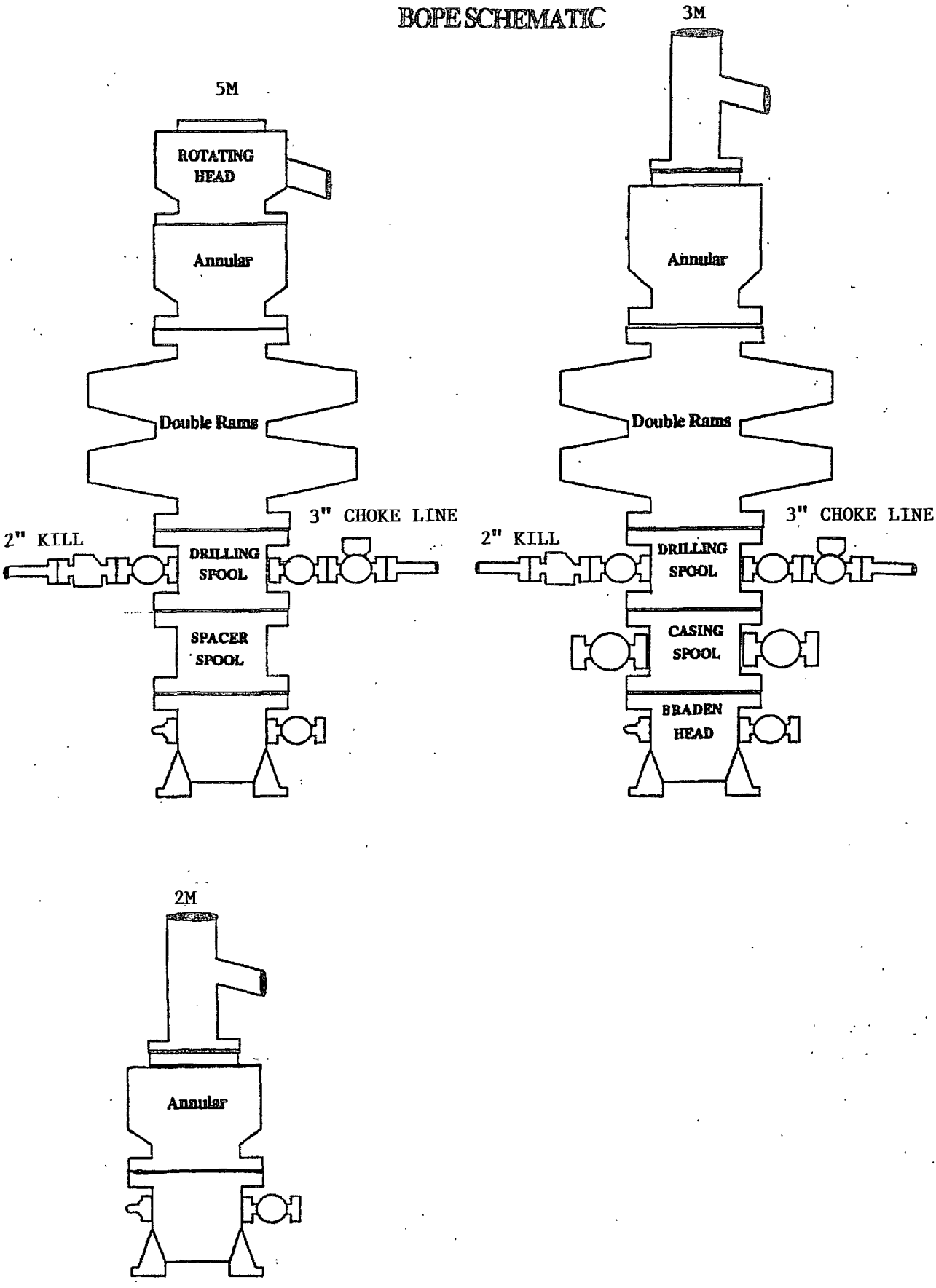
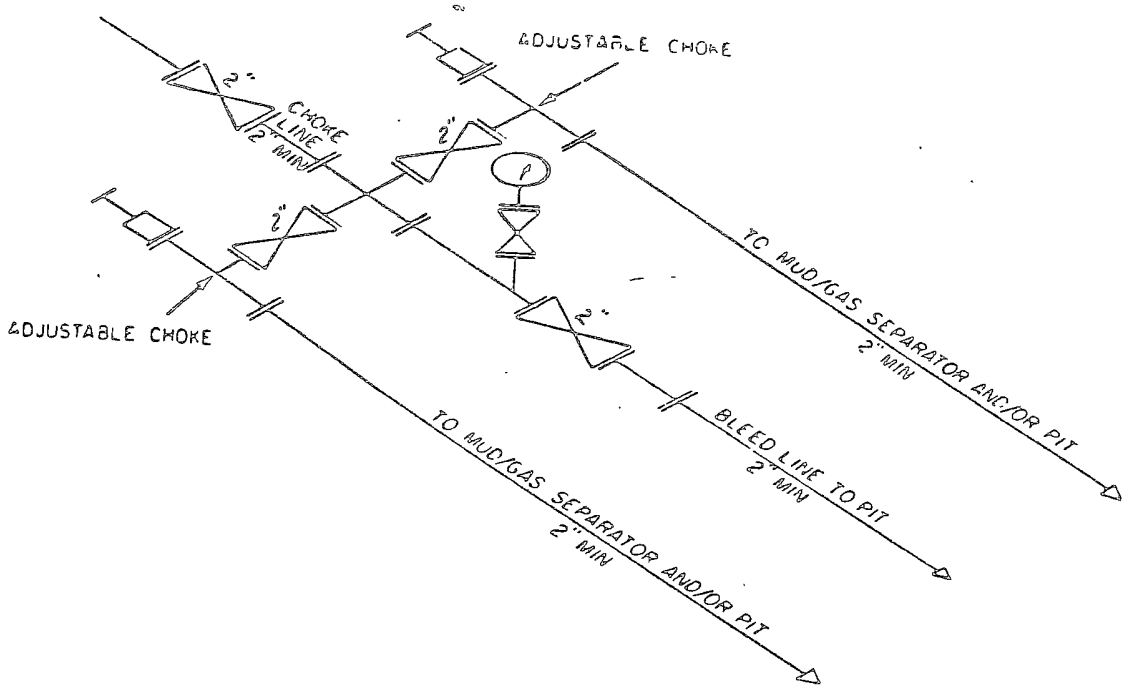
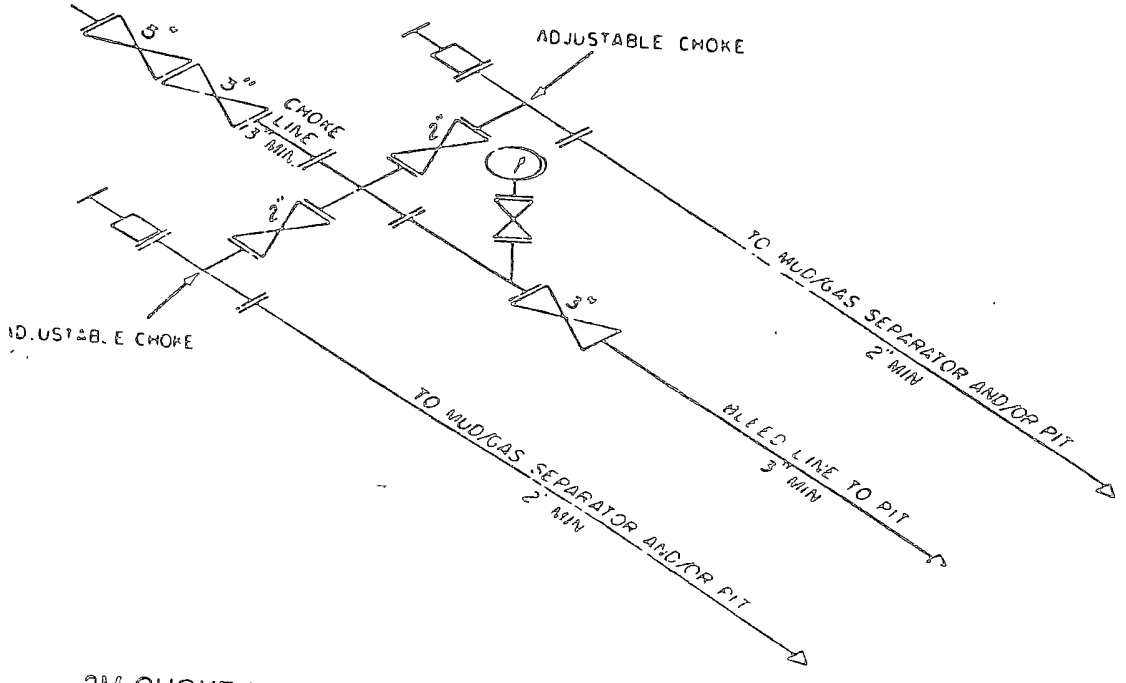


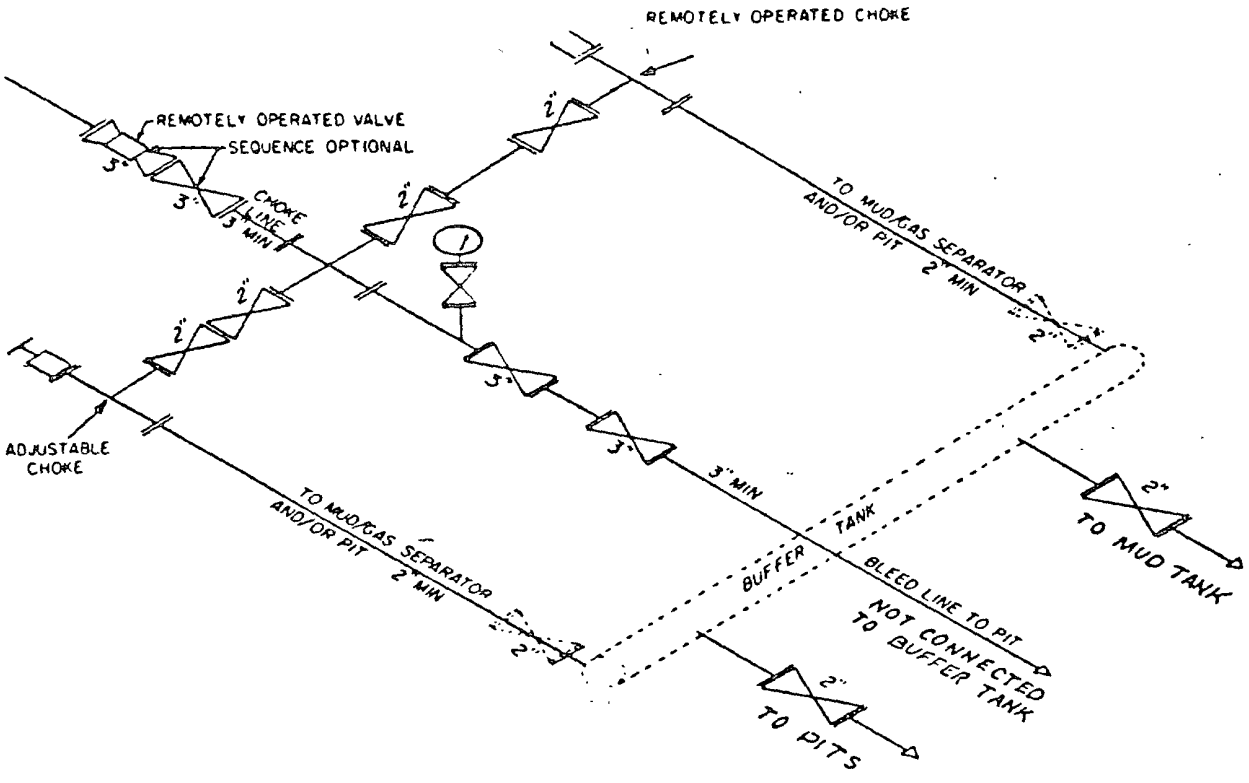
Exhibit One



2M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION OF CHOKES MAY VARY



3M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION OF CHOKES MAY VARY



5M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION OF CHOKES MAY VARY

Pathfinder Energy
Planning Report

Company:	Marbob Energy	**Date:**	6/4/2007	**Time:** 14:08:59	**Page:** 1
Field:	Black Velvet Federal #1H	**Co-ordinate(NE) Reference:**	Site: Black Velvet Federal #1H		
Site:	Black Velvet Federal #1H	**Vertical (TVD) Reference:**	RKB 4009.0		
Well:	Black Velvet Federal #1H	**Section (VS) Reference:**	Well (0.00N,0.00E,89.61Azi)		
Wellpath:	OH	**Plan:**	Plan #1 6-4-07		

Field: Black Velvet Federal #1H

Map System:	US State Plane Coordinate System 1927	**Map Zone:**	New Mexico, Eastern Zone
Geo Datum:	NAD27 (Clarke 1866)	**Coordinate System:**	Site Centre
Sys Datum:	Mean Sea Level	**Geomagnetic Model:**	igrf2005

Site: Black Velvet Federal #1H

Site Position:		**Northing:**	493898.60 ft	**Latitude:**	32 21 27 176 N
From:	Map	**Easting:**	584051 20 ft	**Longitude:**	104 3 40 085 W
Position Uncertainty:	0.00 ft			**North Reference:**	Grid
Ground Level:	3093.00 ft			**Grid Convergence:**	0 15 deg

Well: Black Velvet Federal #1H **Slot Name:**

Well Position:	+N/-S	0 00 ft	**Northing:**	493898 60 ft	**Latitude:**	32 21 27 176 N
	+E/-W	0 00 ft	**Easting :**	584051.20 ft	**Longitude:**	104 3 40 085 W
Position Uncertainty:		0 00 ft				

Wellpath: OH **Drilled From:** Surface
Tie-on Depth: 0 00 ft

Current Datum:	RKB	**Height** 4009 00 ft	**Above System Datum:** Mean Sea Level
Magnetic Data:	6/4/2007		**Declination:** 8.29 deg
Field Strength:	49090 nT		**Mag Dip Angle:** 60.33 deg

Vertical Section:	**Depth From (TVD)** ft	**+N/-S** ft	**+E/-W** ft	**Direction** deg
	0 00	0 00	0.00	89 61

Plan: Plan #1 6-4-07 **Date Composed:** 6/4/2007
Version: 1
Principal: No **Tied-to:** From Surface

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0 00	0.00	0.00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
5522.50	0.00	0 00	5522 50	0 00	0.00	0 00	0 00	0 00	0 00	
6272 49	90 00	89.61	5999 96	3.25	477 45	12 00	12.00	11 95	89 61	
9070 71	90 00	89.61	6000 00	22.30	3275 60	0.00	0 00	0 00	0 00	PBHL

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
0 00	0.00	0 00	0 00	0 00	0 00	0 00	0.00	0.00	0.00	
100 00	0.00	0 00	100.00	0 00	0.00	0 00	0.00	0.00	0 00	
200 00	0.00	0 00	200.00	0 00	0.00	0 00	0.00	0 00	0 00	
300 00	0.00	0 00	300.00	0 00	0.00	0.00	0.00	0.00	0 00	
400.00	0 00	0.00	400.00	0.00	0.00	0.00	0 00	0.00	0 00	Top Salt
500.00	0.00	0.00	500.00	0.00	0 00	0.00	0 00	0.00	0 00	
600.00	0.00	0.00	600.00	0.00	0.00	0 00	0.00	0.00	0 00	
700.00	0.00	0.00	700 00	0.00	0 00	0.00	0 00	0.00	0 00	
800 00	0.00	0 00	800 00	0.00	0.00	0.00	0.00	0 00	0 00	
900 00	0.00	0.00	900 00	0 00	0 00	0.00	0.00	0 00	0.00	
1000 00	0.00	0 00	1000.00	0.00	0 00	0.00	0.00	0.00	0 00	
1100 00	0.00	0 00	1100 00	0 00	0 00	0 00	0 00	0 00	0 00	
1200 00	0.00	0 00	1200.00	0 00	0 00	0 00	0.00	0.00	0 00	
1300 00	0.00	0.00	1300.00	0.00	0 00	0.00	0.00	0.00	0.00	
1400.00	0.00	0.00	1400 00	0.00	0.00	0.00	0 00	0.00	0 00	
1500.00	0 00	0 00	1500.00	0 00	0.00	0.00	0 00	0.00	0.00	
1600 00	0.00	0.00	1600 00	0 00	0.00	0 00	0 00	0 00	0 00	

Pathfinder Energy
Planning Report

Company:	Marbob Energy	**Date:** 6/4/2007	**Time:** 14:08:59	**Page:**	2
Field:	Black Velvet Federal #1H	**Co-ordinate(NE) Reference:**	Site: Black Velvet Federal #1H		
Site:	Black Velvet Federal #1H	**Vertical (TVD) Reference:**	RKB 4009.0		
Well:	Black Velvet Federal #1H	**Section (VS) Reference:**	Well (0.00N,0.00E,89.61Azi)		
Wellpath:	OH	**Plan:**	Plan #1 6-4-07		

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
1700.00	0.00	0 00	1700 00	0.00	0 00	0 00	0.00	0 00	0 00	
1800.00	0.00	0 00	1800 00	0 00	0 00	0.00	0.00	0.00	0 00	
1900.00	0.00	0.00	1900 00	0.00	0 00	0 00	0.00	0.00	0 00	
2000 00	0.00	0 00	2000.00	0 00	0 00	0.00	0.00	0.00	0 00	
2100 00	0 00	0 00	2100.00	0 00	0 00	0.00	0.00	0.00	0 00	
2200 00	0 00	0 00	2200.00	0 00	0 00	0.00	0.00	0.00	0 00	
2300 00	0 00	0 00	2300.00	0 00	0.00	0.00	0.00	0 00	0 00	
2400.00	0 00	0.00	2400 00	0 00	0 00	0.00	0.00	0 00	0 00	
2450 00	0 00	0 00	2450.00	0 00	0.00	0.00	0 00	0 00	0 00	Bottom Salt
2500 00	0.00	0 00	2500.00	0.00	0.00	0.00	0.00	0 00	0 00	
2600 00	0.00	0.00	2600.00	0 00	0.00	0.00	0 00	0.00	0 00	
2700 00	0.00	0.00	2700.00	0 00	0.00	0.00	0 00	0 00	0 00	Delaware
2800 00	0.00	0 00	2800.00	0.00	0.00	0.00	0.00	0 00	0 00	
2900.00	0 00	0 00	2900 00	0.00	0.00	0.00	0.00	0 00	0 00	
3000.00	0 00	0 00	3000 00	0.00	0.00	0 00	0 00	0 00	0.00	
3100 00	0 00	0 00	3100.00	0.00	0 00	0.00	0 00	0.00	0 00	
3200.00	0 00	0 00	3200.00	0.00	0 00	0.00	0 00	0.00	0 00	
3300 00	0 00	0.00	3300 00	0.00	0 00	0 00	0 00	0 00	0 00	
3400.00	0 00	0.00	3400.00	0 00	0 00	0.00	0 00	0.00	0 00	
3500.00	0 00	0.00	3500 00	0 00	0 00	0 00	0 00	0.00	0 00	
3600.00	0 00	0 00	3600 00	0 00	0.00	0 00	0.00	0.00	0.00	
3700.00	0 00	0 00	3700.00	0 00	0 00	0.00	0.00	0.00	0 00	
3800 00	0 00	0.00	3800 00	0 00	0.00	0 00	0.00	0 00	0.00	
3900 00	0.00	0 00	3900.00	0 00	0.00	0 00	0.00	0 00	0.00	
4000.00	0 00	0 00	4000.00	0.00	0.00	0.00	0.00	0.00	0 00	
4100 00	0 00	0.00	4100.00	0.00	0.00	0.00	0 00	0 00	0 00	
4200 00	0.00	0 00	4200.00	0.00	0.00	0.00	0 00	0 00	0.00	
4300 00	0 00	0.00	4300.00	0.00	0 00	0.00	0 00	0.00	0 00	
4400 00	0.00	0.00	4400 00	0.00	0 00	0.00	0 00	0.00	0 00	
4500.00	0 00	0.00	4500.00	0 00	0 00	0.00	0 00	0 00	0.00	
4600.00	0 00	0.00	4600.00	0.00	0 00	0 00	0.00	0.00	0.00	
4700.00	0 00	0.00	4700.00	0 00	0.00	0.00	0.00	0.00	0.00	
4800.00	0.00	0 00	4800.00	0.00	0.00	0 00	0.00	0.00	0.00	
4900 00	0 00	0 00	4900 00	0.00	0.00	0.00	0 00	0 00	0 00	
5000 00	0.00	0 00	5000 00	0 00	0 00	0.00	0.00	0.00	0.00	
5100.00	0.00	0.00	5100.00	0.00	0 00	0 00	0 00	0 00	0 00	
5200 00	0 00	0.00	5200.00	0 00	0 00	0 00	0.00	0 00	0.00	
5300.00	0.00	0.00	5300.00	0 00	0.00	0 00	0 00	0 00	0.00	
5400 00	0 00	0.00	5400 00	0.00	0.00	0.00	0.00	0.00	0.00	
5500.00	0 00	0 00	5500 00	0.00	0 00	0.00	0.00	0.00	0.00	
5522.50	0.00	0 00	5522 50	0.00	0 00	0.00	0 00	0.00	0.00	KOP @ 5522.5' MD/TVD, Beg
5600.00	9.30	89 61	5599.66	0.04	6 28	6 28	12.00	12 00	0.00	
5700.00	21 30	89 61	5695 94	0 22	32.61	32.62	12.00	12 00	0.00	
5800.00	33 30	89 61	5784 64	0.53	78.39	78.40	12.00	12.00	0.00	
5900.00	45 30	89 61	5861 88	0.96	141.62	141.62	12.00	12.00	0.00	
6000.00	57 30	89 61	5924.29	1.49	219.51	219.52	12.00	12.00	0 00	
6100 00	69 30	89 61	5969.14	2 10	308.69	308 69	12 00	12 00	0 00	
6200.00	81 30	89 61	5994 47	2 76	405 23	405.24	12 00	12.00	0 00	
6272.49	90.00	89 61	5999 96	3.25	477.45	477.46	12 00	12.00	0.00	EOC @ 6272' MD 6000' TVD
6300.00	90.00	89 61	5999 97	3.44	504 95	504 96	0 00	0.00	0.00	
6400 00	90.00	89.61	5999.97	4.12	604.95	604.96	0 00	0 00	0 00	
6500 00	90 00	89.61	5999 97	4.80	704.95	704.96	0.00	0 00	0 00	
6600.00	90 00	89 61	5999 97	5 48	804.95	804.96	0 00	0 00	0 00	

Pathfinder Energy
Planning Report

Company:	Marbob Energy	**Date:**	6/4/2007	**Time:** 14:08:59	**Page:** 3
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Site:	Black Velvet Federal #1H	**Vertical (TVD) Reference:**	RKB 4009.0		
Well:	Black Velvet Federal #1H	**Section (VS) Reference:**	Well (0.00N,0.00E,89.61Azi)		
Wellpath:	OH	**Plan:**	Plan #1 6-4-07		

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
6700.00	90.00	89.61	5999.97	6.16	904.94	904.96	0.00	0.00	0.00	
6800.00	90.00	89.61	5999.97	6.84	1004.94	1004.96	0.00	0.00	0.00	
6900.00	90.00	89.61	5999.97	7.52	1104.94	1104.96	0.00	0.00	0.00	
7000.00	90.00	89.61	5999.97	8.20	1204.94	1204.96	0.00	0.00	0.00	
7100.00	90.00	89.61	5999.98	8.88	1304.93	1304.96	0.00	0.00	0.00	
7200.00	90.00	89.61	5999.98	9.56	1404.93	1404.96	0.00	0.00	0.00	
7300.00	90.00	89.61	5999.98	10.25	1504.93	1504.96	0.00	0.00	0.00	
7400.00	90.00	89.61	5999.98	10.93	1604.93	1604.96	0.00	0.00	0.00	
7500.00	90.00	89.61	5999.98	11.61	1704.93	1704.96	0.00	0.00	0.00	
7600.00	90.00	89.61	5999.98	12.29	1804.92	1804.96	0.00	0.00	0.00	
7700.00	90.00	89.61	5999.98	12.97	1904.92	1904.96	0.00	0.00	0.00	
7800.00	90.00	89.61	5999.98	13.65	2004.92	2004.96	0.00	0.00	0.00	
7900.00	90.00	89.61	5999.99	14.33	2104.92	2104.96	0.00	0.00	0.00	
8000.00	90.00	89.61	5999.99	15.01	2204.91	2204.96	0.00	0.00	0.00	
8100.00	90.00	89.61	5999.99	15.69	2304.91	2304.96	0.00	0.00	0.00	
8200.00	90.00	89.61	5999.99	16.37	2404.91	2404.96	0.00	0.00	0.00	
8300.00	90.00	89.61	5999.99	17.05	2504.91	2504.96	0.00	0.00	0.00	
8400.00	90.00	89.61	5999.99	17.73	2604.90	2604.96	0.00	0.00	0.00	
8500.00	90.00	89.61	5999.99	18.41	2704.90	2704.96	0.00	0.00	0.00	
8600.00	90.00	89.61	5999.99	19.10	2804.90	2804.96	0.00	0.00	0.00	
8700.00	90.00	89.61	6000.00	19.78	2904.90	2904.96	0.00	0.00	0.00	
8800.00	90.00	89.61	6000.00	20.46	3004.90	3004.96	0.00	0.00	0.00	
8900.00	90.00	89.61	6000.00	21.14	3104.89	3104.96	0.00	0.00	0.00	
9000.00	90.00	89.61	6000.00	21.82	3204.89	3204.96	0.00	0.00	0.00	
9070.71	90.00	89.61	6000.00	22.30	3275.60	3275.68	0.00	0.00	0.00	PBHL

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<---- Latitude ----> Deg Min Sec	<---- Longitude ----> Deg Min Sec
PBHL			6000.00	22.30	3275.60	493920.90	587326.80	32 21 27.313 N	104 3 1.896 W

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
400.00	400.00	Top Salt	(none)	0.00	0.00
2450.00	2450.00	Bottom Salt		0.00	0.00
2700.00	2700.00	Delaware		0.00	0.00
	0.00	Bone Springs		0.00	0.00

Annotation

MD ft	TVD ft	
5522.50	5522.50	KOP @ 5522.5' MD/TVD, Begin Build @ 12 DLS
6272.49	5999.96	EOC @ 6272' MD 6000' TVD

Marbob Energy Corporation

PATHFINDER ENERGY SERVICES

COMPANY DETAILS

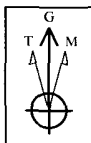
Marbob Energy
2208 W Main St
Artesia, New Mexico

Calculation Method	Minimum Curvature
Error System	Systematic Ellipse
Scan Method	Closest Approach 3D
Error Surface	Elliptical Cone
Warning Method	Error Ratio

SITE DETAILS

Black Velvet Federal #1H

Site Centre Northing	493898 60
Easting	584051 20
Ground Level	3093 00
Positional Uncertainty	0 00
Convergence	0 15



Azimuths to Grid North
True North -0 15°
Magnetic North 8 14°

Magnetic Field
Strength 49090nT
Dip Angle 60 33°
Date 6/4/2007
Model igrf2005

LEGEND

Plan #1 6-4-07

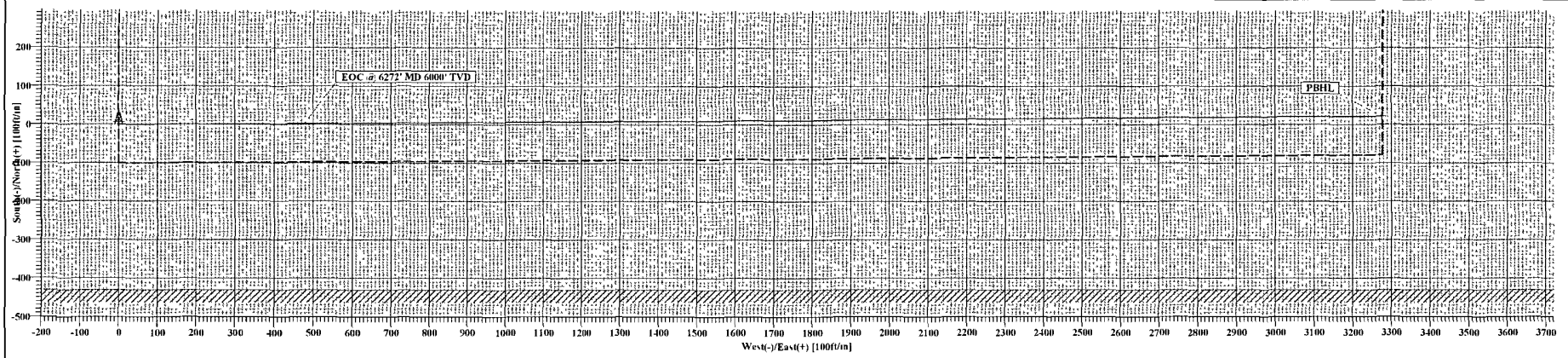
SECTION DETAILS

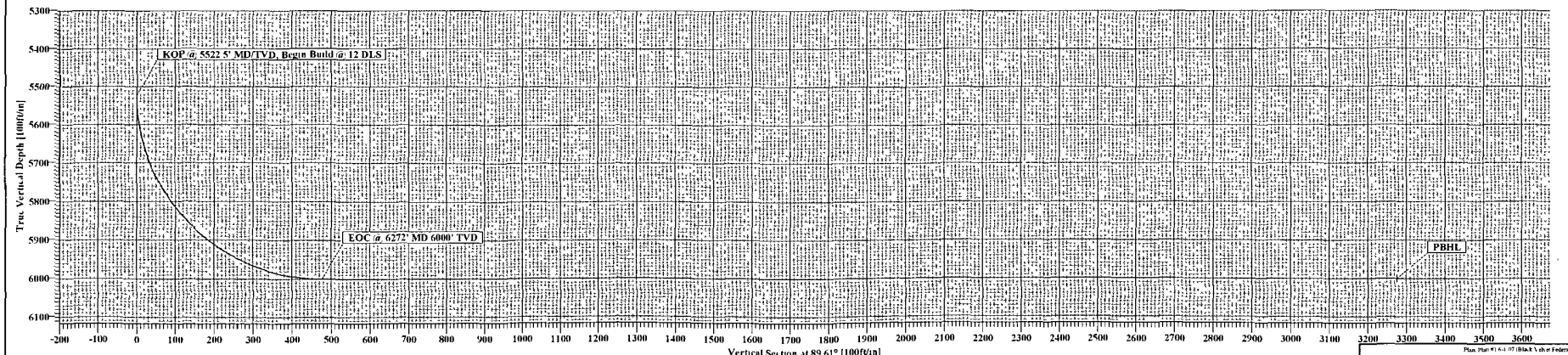
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
2	5522 50	0 00	0 00	5522 50	0 00	0 00	0 00	0 00	0 00	
3	6272 49	90 00	89 61	5999 96	3 25	477 45	12 00	89 61	477 46	
4	9070 71	90 00	89 61	6000 00	22 30	3275 60	0 00	0 00	3275 68	PBHL

FIELD DETAILS

Black Velvet Federal #1H

Geodetic System	US State Plane Coordinate System 1927
Ellipsoid	NAD27 (Clarke 1866)
Zone	New Mexico Eastern Zone
Magnetic Model	igrf2005
System Datum	Mean Sea Level
Local North	Grid North





Plan: Plan #1 6-4-07 (Black Velvet Federal #1H, OH)
Created By: Derek Cox Jun
Date: 6-4-2007

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 (H_2S).

B. The proper use and maintenance of personal protective equipment and life support systems.

C. The proper use of H_2S 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 H_2S 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 H_2S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H_2S zone (within 3 days or 500 feet) and weekly H_2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H_2S 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. H_2S SAFETY EQUIPMENT AND SYSTEMS

Note: All H_2S 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 H_2S.

A. Well Control Equipment:

Flare line.

Choke manifold.

Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.

B. Protective equipment for essential personnel:

Mark II Surviveair 30-minute units located in the dog house and at briefing areas.

C. H_2S detection and monitoring equipment:

2 - portable H_2S monitor positioned on location for best coverage and response. These units have warning lights and audible sirens when H_2S 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.

E. Mud Program:

The mud program has been designed to minimize the volume of H_2S 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 H_2S service.

G. Communication:

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

WARNING

YOU ARE ENTERING AN H_2S 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

MARBOB ENERGY CORPORATION
MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Black Velvet Federal #1
SHL: 430' FSL & 1650' FWL,
BHL: 430' FSL & 330' FEL
Section 26, T22S, R28E
Eddy County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit 2 is a portion of a topo map showing the well and roads in the vicinity of the proposed location. The proposed wellsite and the access route to the location are indicated in red on Exhibit 2.

DIRECTIONS:

From the intersection of us refinery road and st hwy #31 go northwest on us refinery road approx 3.5 miles turn right and go east-northeast approx 0.5 miles. Veer left and continue northeast 0.3 miles to a proposed road survey. Follow road survey southeast approx. 670 feet to this location.

2. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. Marbob Energy Corporation proposes a collection facility, if well is productive, to be located on Black Velvet Federal #1 well pad.

3. METHODS OF HANDLING WASTE DISPOSAL:

A. Drill cuttings will be disposed of in the lined pit.

B. Drilling fluids will be allowed to evaporate in the lined pit until the pit is dry.

C. Water produced during completion may be disposed into the lined reserve pit.

D. All trash and debris will be removed from the wellsite within 30 days after finishing drilling and/or completion operations. All waste material will be contained to prevent scattering by the wind.

4. WELLSITE LAYOUT:

A. Exhibit 3 shows the relative location and dimensions of the well pad, the pit.

B. The reserve pit will be lined with high quality plastic sheeting.

5. PLANS FOR RESTORATION:

A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.

B. Reserve pit will be fenced until they have dried and been leveled.

C. All rehabitation and/or vegetation requirements of the BLM will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

6. SURFACE OWNERSHIP:

The well site and lease are located on Federal surface

A. The area around the well site is grassland and the top soil is sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca, and prickly pear.

B. A Cultural Resources Examination has been requested and will be forwarded to your office in the near future.

7. OTHER INFORMATION:

A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.

8. OPERATOR'S REPRESENTATIVE:

A. Through A.P.D. Approval:

Dean Chumbley, Landman
Marbob Energy Corporation
P. O. Box 227
Artesia, NM 88211-0227
Phone (505)748-3303
Cell (505)748-5988

B. Through Drilling Operations

Sheryl Baker, Drilling Supervisor
Marbob Energy Corporation
P. O. Box 227
Artesia, NM 88211-0227
Phone (505)748-3303
Cell (505)748-5489

CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Marbob Energy Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

5/17/2007
Date

William Miller
Land Department

CONDITIONS OF APPROVAL - DRILLING

Operator's Name:	**Marbob Energy Corp.**
Well Name & No.	**Black Velvet Federal # 1H**
Location:	**430'FSL, 1650'FWL, SEC26, T22S, R28E, Eddy County, NM**
BHL:	**430'FSL, 330'FEL, SEC26, T22S, R28E, Eddy County, NM**
Lease:	**NM-67979**

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

- Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822

B. A Hydrogen Sulfide (H2S) Drilling Plan is N/A.

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.

II. CASING:

A. The **9.625** inch surface casing shall be set **above the salt should it occur more shallow, at least 25 feet into the Rustler Anhydrite @ approximately 350 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, 24 hours in the potash area, 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.

B. The minimum required fill of cement behind the **5.5** inch production casing is cement shall circulate to 200 feet above the shoe of the 9.625 inch surface casing.

C. 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.

B. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be _**2000**_ psi.

C. 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 in accordance with API RP 53, section 17. 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.

IV. HAZARDS:

A. Our geologist has indicated that there is potential for lost circulation in the Delaware and Bone Spring.

Engineering can be reached at 505-706-2779 for any variances necessary.

FWright 6/13/07