

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies 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 Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-015-36133 Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> State Oil & Gas Lease No.																														
WELL COMPLETION OR RECOMPLETION REPORT AND LOG																																
1a Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b Type of Completion NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF <input type="checkbox"/> WELL OVER BACK RESVR <input type="checkbox"/> OTHER _____		7 Lease Name or Unit Agreement Name COMMODO HUGGER FEE COM																														
2 Name of Operator MARBOB ENERGY CORPORATION		8 Well No 2																														
3 Address of Operator P.O. BOX 227, ARTESIA, NM 88211-0227		9 Pool name or Wildcat CARLSBAD; MORROW, SOUTH (PRO GAS)																														
4. Well Location Unit Letter <u>C</u> <u>990</u> Feet From The <u>NORTH</u> Line and <u>1980</u> Feet From The <u>WEST</u> Line Section <u>14</u> Township <u>22S</u> Range <u>26E</u> NMPM <u>EDDY</u> County																																
10 Date Spudded 5/28/08	11 Date T D Reached 7/7/08	12 Date Compl (Ready to Prod) 9/9/08																														
13 Elevations (DF& RKB, RT, GR, etc) 3197' GR																																
14 Elev Casinghead																																
15 Total Depth 11770'	16 Plug Back T D 11460'	17 If Multiple Compl How Many Zones?																														
18 Intervals Drilled By		19 Rotary Tools 0-11770'																														
19 Producing Interval(s), of this completion - Top, Bottom, Name 11078-11346' MORROW		20 Was Directional Survey Made YES																														
21. Type Electric and Other Logs Run DLL, DSN		22 Was Well Cored NO																														
23. CASING RECORD (Report all strings set in well) <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>CASING SIZE</th> <th>WEIGHT LB /FT</th> <th>DEPTH SET</th> <th>HOLE SIZE</th> <th>CEMENTING RECORD</th> <th>AMOUNT PULLED</th> </tr> </thead> <tbody> <tr> <td>20"</td> <td>94#</td> <td>310'</td> <td>26"</td> <td>750 SX</td> <td>NONE</td> </tr> <tr> <td>9 5/8"</td> <td>36#</td> <td>1988'</td> <td>12 1/4"</td> <td>1250 SX</td> <td>NONE</td> </tr> <tr> <td>7"</td> <td>23#</td> <td>8898'</td> <td>8 3/4"</td> <td>1100 SX (TOC@75'-TS)</td> <td>NONE</td> </tr> <tr> <td>4 1/2"</td> <td>11.6#</td> <td>11769'</td> <td>6 1/8"</td> <td>325 SX (TOC@7800'-TS)</td> <td>NONE</td> </tr> </tbody> </table>			CASING SIZE	WEIGHT LB /FT	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED	20"	94#	310'	26"	750 SX	NONE	9 5/8"	36#	1988'	12 1/4"	1250 SX	NONE	7"	23#	8898'	8 3/4"	1100 SX (TOC@75'-TS)	NONE	4 1/2"	11.6#	11769'	6 1/8"	325 SX (TOC@7800'-TS)	NONE
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28 PRODUCTION																																
Date First Production 9/18/08		Production Method (Flowing, gas lift, pumping - Size and type pump) FLOWING																														
		Well Status (Prod or Shut-in) PRODUCING																														
Date of Test 9/19/08	Hours Tested 24	Choke Size																														
Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 1036																														
	Water - Bbl 0	Gas - Oil Ratio																														
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate																														
	Oil - Bbl	Gas - MCF																														
	Water - Bbl	Oil Gravity - API - (Corr)																														
29 Disposition of Gas (Sold, used for fuel, vented, etc) SOLD		Test Witnessed By MIKE SHANNON																														
30 List Attachments LOGS, DIRECTIONAL SURVEY																																
31 I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief																																
Signature <u>Storm Davis</u>		Printed Name: <u>STORMI DAVIS</u> Title: <u>PRODUCTION ASSISTANT</u> Date <u>9/25/08</u>																														
E-mail Address: <u>SDAVIS@MARBOB.COM</u>																																

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn 10068'	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka 10598'	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand 2297'	T. Todilto	T.
T. Drinkard	T. Bone Spring 5061'	T. Entrada	T.
T. Abo	T. Capitan 303'	T. Wingate	T.
T. Wolfcamp 8784'	T. Cherry Canyon	T. Chinle	T.
T. Penn	T. Brushy Canyon	T. Permian	T.
T. Cisco (Bough C)	T. Morrow 11213'	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 3, from.....to.....

No. 2, from.....to.....

No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology

DIRECTIONAL SURVEY REPORT

MARBOB ENERGY

COMMODE HUGGER FEE COM #2

EDDY COUNTY, NEW MEXICO

PREPARED BY: FRANCISCO SINISTERRA

DIRECTIONAL SURVEY COMPANY REPORT:

1. NAME OF SURVEYING COMPANY: PATHFINDER ENERGY SERVICES
2. NAME OF PERSON(S) PERFORMING SURVEY:
A) J FAULKNER
3. POSITION OF SAID PERSON(S): (A-F) SURVEYORS (FIELD ENGINEERS)
4. DATE(S) ON WHICH SURVEY WAS PERFORMED: 6/26/08 TO 7/1/08
5. STATE IN WHICH SURVEY WAS PERFORMED: NEW MEXICO
6. LOCATION OF WELL: EDDY COUNTY, NM
7. TYPE OF SURVEY(S) PERFORMED: MWD
8. COMPLETE IDENTIFICATION OF WELL:

MARBOB ENERGY CORPORATION.
COMMODE HUGGER FEE COM #2
EDDY COUNTY, NM
RIG: PATRIOT #2
9. SURVEY CERTIFIED FROM: 9339 TO 10478 FEET MEASURED DEPTH.

THIS IS TO VERIFY THAT ATTACHED DOCUMENTS SHOWING THE WELL TO BE
DISPLACED AT 23.26 FEET ON A BEARING OF 225.28 DEGREES FROM THE
CENTER OF THE ROTARY TABLE AT A PROJECTED BIT DEPTH OF 10603 FEET,
ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.


Cody Mebane
M/LWD SERVICE COORDINATOR

PathFinder Energy Services, Inc.

BHL Report

Page 01/01
Tie-in Date: 06/26/2008
Date Completed: 07/01/2008

EDDY COUNTY, NM

Rig: PATRIOT #2

PathFinder Office Supervisor: FRANCISCO SINISTERRA

PathFinder Field Engineers: J.M. FAULKNER

Survey Horiz. Reference: WELLHEAD
Ref Coordinates: LAT: 32.23.59.5284 N LON: 104.15.58.1004 W
GRID Reference: NAD27 new mexico east Transverse Mercator
Ref GRID Coord: X: 520738.9851 Y: 509193.3790
North Aligned To: GRID NORTH
Total Magnetic Correction: 8.22° EAST TO GRID
Vertical Section Plane: 0.00
Survey Vert. Reference: 30.00' Kelly Bushing To Ground
Altitude: 3197.00' Ground To MSL

Measured Depth	10603.00	(feet)
Inclination	0.26	(deg)
Azimuth	237.28	(deg)
True Vertical Depth	10602.72	(feet)
Vertical Section	-16.37	(feet)
Survey X cord	520722.49	(feet)
Survey Y cord	509177.17	(feet)
Survey Lat	32.39982448 N	(deg)
Survey Lon	104.26619248 W	(deg)
Rectangular Corr. N/S	16.37 S	(feet)
Rectangular Corr. E/W	16.53 W	(feet)
Closure Distance	23.26	(feet)
Direction of Closure	225.28	(deg)
Dogleg Severity	0.03	(deg/100ft)

PathFinder Energy Services, Inc.

Survey Report

Page 01/01
Tie-in Date: 06/26/2008
Date Completed: 07/01/2008

EDDY COUNTY, NM
Rig: PATRIOT #2
PathFinder Office Supervisor: FRANCISCO SINISTERRA
PathFinder Field Engineers: J.M. FAULKNER

Survey Horiz. Reference: WELLHEAD
Ref Coordinates: LAT: 32.23.59.5284 N LON: 104.15.58.1004 W
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Ref GRID Coord: X: 520738.9851 Y: 509193.3790
North Aligned To: GRID NORTH
Total Magnetic Correction: 8.22° EAST TO GRID
Vertical Section Plane: 0.00
Survey Vert. Reference: 30.00' Kelly Bushing To Ground
Altitude: 3197.00' Ground To MSL

Survey Calculations by RX5 V5.11i using Minimum Curvature

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft) (ft)		Closure Dist Dir (ft) (deg)	DLS (dg/100ft)	
TIED IN AT A MEASURE DEPTH OF 9239' MD.										
9239.00	0.00	0.00	9239.00	0.00	0.00	0.00	0.00	0.00@ 0.00	0.00	
THE FOLLOWING ARE PATHFINDER MWD SURVEYS.										
9339.00	2.99	229.53	9338.95	100.00	-1.69	1.69 S	1.98 W	2.61@ 229.53	2.99	
9393.00	1.93	218.35	9392.90	54.00	-3.32	3.32 S	3.62 W	4.91@ 227.47	2.15	
9457.00	0.70	262.51	9456.89	64.00	-4.22	4.22 S	4.68 W	6.30@ 227.96	2.36	
9553.00	0.88	248.71	9552.88	96.00	-4.56	4.56 S	5.94 W	7.49@ 232.51	0.27	
9649.00	0.97	228.28	9648.87	96.00	-5.37	5.37 S	7.24 W	9.01@ 233.43	0.35	
9776.00	1.14	226.60	9775.85	127.00	-6.95	6.95 S	8.96 W	11.34@ 232.19	0.14	
9903.00	1.14	219.32	9902.82	127.00	-8.80	8.80 S	10.68 W	13.83@ 230.51	0.11	
10030.00	1.23	215.75	10029.79	127.00	-10.88	10.88 S	12.27 W	16.40@ 228.44	0.09	
10158.00	1.67	210.26	10157.75	128.00	-13.61	13.61 S	14.02 W	19.54@ 225.85	0.36	
10286.00	0.35	223.81	10285.73	128.00	-15.50	15.50 S	15.23 W	21.73@ 224.49	1.04	
10478.00	0.26	246.06	10477.73	192.00	-16.10	16.10 S	16.03 W	22.72@ 224.88	0.08	
STRAIGHT LINE PROJECTION TO BIT @ 10603' MD.										
10603.00	0.26	237.28	10602.72	125.00	-16.37	16.37 S	16.53 W	23.26@ 225.28	0.03	

FINDER

ENERGY SERVICES

TIE-IN SURVEY INFORMATION SHEET

CLIENT INFORMATION

CLIENT:	MARBOB ENERGY		
LEASE / WELL No.:	COMMODE HUGGER FEE COM	#2	
WELL LOCATION:	EDDY COUNTY, NM		
COUNTY / STATE / COUNTRY:	EDDY COUNTY	NM	USA
RIG:	PATRIOT #2		
API WELL No:	30-015-36133		
JOB No:	101007614 WT-WT		
P.O. / AFE No.			
DIRECTIONAL COMPANY:	PATHFINDER ENERGY SERVICES		

WELL SITE INFORMATION

MAGNETIC DECLINATION:			
On Wall Plat:	8.22	LWD Calculated:	8.220701
		Agreed Upon:	8.22
X =	520739.019300	Feet	Y = 509193.540700
			Feet
SITE LATITUDE:	32.399869 N	SITE LONGITUDE:	104.266139 W
GRID SYSTEM:	TRUE <input type="checkbox"/> UTM <input checked="" type="checkbox"/>	LAMBERT <input type="checkbox"/>	ZONE: NEW MEXICO EAST
PROPOSED DRIFT DIRECTION:			
KELLY BUSHING ELEVATION:	30		
ALTITUDE:	3197	Feet	WATER DEPTH:
			Feet

TIE-IN SURVEY

MEASURED DEPTH:	9239		
DRIFT ANGLE:	0		
DRIFT DIRECTION:	0		
TRUE VERTICAL DEPTH:	0		
VERTICAL SECTION:	0		
RECTANGULAR COORDINATE (N / S) :	0		
RECTANGULAR COORDINATE (E / W) :	0		
CLOSURE DISTANCE / DIRECTION:	0	0	
SURVEY CALCULATION METHOD:	AA <input type="checkbox"/>	MC <input checked="" type="checkbox"/>	RC <input type="checkbox"/> BT <input type="checkbox"/>
SOURCE OF TIE-IN DATA (COMPANY):	PATHFINDER ENERGY SERVICES		
COPY OF TIE-IN SURVEY REPORT	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		

WELL PLAN

KICKOFF DEPTH:	N/A	TOTAL DEPTH:	N/A
KICKOFF ANGLE:	N/A	MAX ANGLE:	N/A

PES Engineers:

J.M. Faulkner

**Signature of both field engineers required if applicable

Directional Driller:

[Signature]

DATE: 26-Jun-2008

PathFinder Energy Services, Inc.

Magnetic & Grid Calculations

MARBOB ENERGY
COMMODE HUGGER FEE COM # 2
EDDY COUNTY, NEW MEXICO
Rig: PATRIOT 2

Thu Jun 26 10:14:03 2008

Coordinates

Latitude: 32.399869 N (32 deg. 23 min. 59.5300 sec.)
Longitude: 104.266139 W (-104 deg. 15 min. 58.1000 sec.)
Elevation: 3197.00 feet.
Calculation Date: Jun/26/2008

Magnetic Calculations

Model: IGRF2005
Dip Angle: 60.3115 degrees
Total Magnetic Field: 0.48966 gauss
Magnetic Declination: 8.256705 degrees
Horizontal Intensity: 0.242522 gauss
To Convert a Magnetic Dir. to a TRUE North Dir. Add 8.256705 Degr

Transverse Mercator Grid Calculations NAD27

Grid System: Transverse Mercator: new mexico east
Ellipsoid: Clarke 1866
X: 520739.0193 feet
Y: 509193.5407 feet
True to Grid: (convergence) -0.036004 degrees
Magnetic to Grid: 8.220701 degrees
To Convert a Magnetic Dir. to a GRID dir. Add 8.220701 Degr.

PathFinder Energy Services, Inc.

Magnetic & Grid Calculations

MARBOB ENERGY
COMMODE HUGGER FEE COM #2
EDDY COUNTY, NEW MEXICO
Rig: PATRIOT #2

Sat Jun 28 00:47:38 2008

Coordinates

Latitude: 32.399869 N (32 deg. 23 min. 59.5284 sec.)
Longitude: 104.266139 W (-104 deg. 15 min. 58.1004 sec.)
Elevation: 3227.00 feet.
Calculation Date: Jun/26/2008

Magnetic Calculations

Model: IGRF2005
Dip Angle: 60.3114 degrees
Total Magnetic Field: 0.48990 gauss
Magnetic Declination: 8.258348 degrees
Horizontal Intensity: 0.242642 gauss
To Convert a Magnetic Dir. to a TRUE North Dir. Add 8.258348 Degr

Transverse Mercator Grid Calculations NAD27

Grid System: Transverse Mercator: new mexico east
Ellipsoid: Clarke 1866
X: 520738.9851 feet
Y: 509193.3790 feet
True to Grid: (convergence) -0.036004 degrees
Magnetic to Grid: 8.222343 degrees
To Convert a Magnetic Dir. to a GRID dir. Add 8.222343 Degr.

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address MARBOB ENERGY CORP PO Box 227 Artesia, NM 88211		2. OGRID Number 14049
		3. API Number 30-015-36133
4. Property Code 36127	5. Property Name COMMODE HUGGER FEE COM	6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	14	22S	26E	C	990	N	1980	W	EDDY

8. Pool Information

CARLSBAD;MORROW, SOUTH (PRO GAS)	73960
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3197
14. Multiple N	15. Proposed Depth	16. Formation Morrow	17. Contractor	18. Spud Date 3/20/2008
Depth to Ground water 20		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> miles thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	26	20	94	300	450	0
Int1	12.25	9.625	36	2000	700	0
Int2	8.75	7	23	8500	750	0
Prod	6 1/2	4.5	1160	11800	200	

Casing/Cement Program: Additional Comments

We propose to drill 26 inch hole to 300 ft with fresh water, run 94 lb H-40 20 inch csg and set at 300 ft with 450 sx cmt, circ to surface; dnl 12 1/4 inch hole to 2000 ft with fresh water, run 36 lb J-55 9 5/8 inch csg and set at 2000 ft with 700 sx cmt, circ to surface; dnl 8 3/4 inch hole to 8500 ft with cut brine water, run 23 lb N80/J55 7 inch csg and set at 8500 ft with 750 sx cmt, circ to surface; dnl 6 1/8 inch hole to 11800 ft with cut brine water, run 1160 lb S-95/P110 4 1/4 inch csg and set at 11800 ft with 200 sx cmt, TOC 500 above all oil and gas bearing zones.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	Cameron

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

I further certify that the drilling pit will be constructed according to NMOCB guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Printed Name: Electronically filed by Diana Briggs

Title: Production Analyst

Email Address: production@marbob.com

Date: 2/20/2008

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Approved By: Bryan Arrant

Title: Geologist

Approved Date: 2/20/2008

Expiration Date: 2/20/2010

Conditions of Approval Attached

District I

1625 N. French Dr., Hobbs, NM 88240
Phone (505) 393-6161 Fax: (505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3470 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form O-104
Permit 69946

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-36133	2. Pool Code 73960	3. Pool Name CARLSBAD, MORROW, SOUTH (PRO GAS)
4. Property Code 36127	5. Property Name COMMODO HUGGER FEE COM	6. Well No. 002
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3197

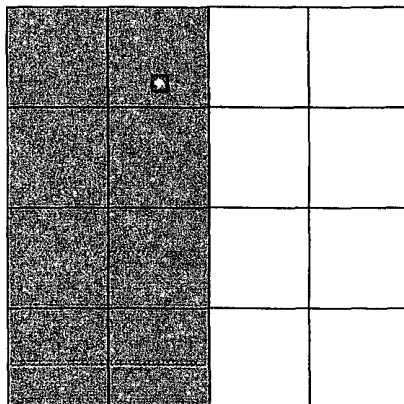
10. Surface Location

UL - Lot C	Section 14	Township 22S	Range 26E	Lot Idn C	Feet From 990	N/S Line N	Feet From 1980	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	13. Joint or Infill	14. Consolidation Code	15. Order No.						

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 contained 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(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Diana Briggs

Title: Production Analyst

Date: 2/20/2008

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.

Surveyed By: Ronald Eidson

Date of Survey: 11/14/2007

Certificate Number: 3239