

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 CORP PO Box 227 Artesia, NM 88211-0227		OGRID Number 14049
		API Number 30-015-33158
Property Code 33435	Property Name NMBP STATE	Well No. 001

Surface Location

UL or Lot L	Section 2	Township 18S	Range 27E	Lot Idn L	Feet From 2185	N/S Line S	Feet From 990	E/W Line W	County Eddy
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Proposed Pools

RED LAKE; GLORIETA YESO, NORTHEAST 96836				
Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3549
Multiple N	Proposed Depth 4000	Formation Yeso Formation	Contractor	Spud Date 01/10/2003

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	350	350	0
Prod	7.875	5.5	17	4000	750	0

Casing/Cement Program: Additional Comments

Surface casing - circulate Production casing - will bring TOC 500 above all oil and gas bearing zones

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	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: 12/29/2003

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 01/05/2004 Expiration Date: 01/05/2005

Conditions of Approval:
No Conditions

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Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33158	Pool Name RED LAKE; GLORIETA YESO, NORTHEAST	Pool Code 96836
Property Code 33435	Property Name NMBP STATE	Well No. 001
OGRID No. 14049	Operator Name MARBOB ENERGY CORP	Elevation 3549

Surface And Bottom Hole Location

UL or Lot L	Section 2	Township 18S	Range 27E	Lot Idn L	Feet From 2185	N/S Line S	Feet From 990	E/W Line W	County Eddy
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			

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: 12/29/2003

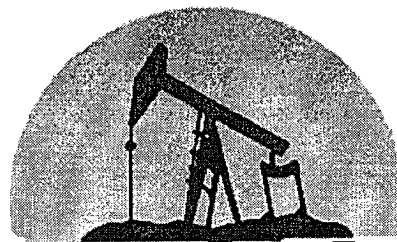
SURVEYOR CERTIFICATION

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.

Surveyed By: Ronald Eidson

Date of Survey: 07/18/2003

Certificate Number: 3239



marbob
ENERGY CORPORATION
ARTESIA, NEW MEXICO

January 5, 2004

Oil Conservation Division
1301 W. Grand Ave.
Artesia, NM 88210

Attention: Bryan Arrant

Re: NMBP State #1
2185' FSL & 990' FWL, Unit L
Section 2, T18S, R27E
Eddy County, New Mexico

Dear Bryan:

In reviewing the requirement of an H₂S contingency plan on the above referenced well we have determined the following: Based on an escape rate of 100 mcf/d, using your 50000 ppm H₂S concentration, the ROE of 100 ppm is 276' and the ROE of 500 ppm is 126'. These ROE's do not reach any public road. Our understanding is that lease roads do not qualify as public roads since they are not federal, state, municipal or county roads.

If you have questions or need further information, please call.

Sincerely,

Melanie J. Parker
Land Department

/mp