

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

F-21
392

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM0107698
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator MARBOB ENERGY CORPORATION Contact: DIANA CANNON E-Mail: production@marbob.com		7. If Unit or CA Agreement, Name and No.
3a. Address P. O. BOX 227 ARTESIA, NM 88211-0227		8. Lease Name and Well No. SL DEEP FEDERAL COM 2
3b. Phone No. (include area code) Ph: 505.748.3303 Fx: 505.746.2523		9. API Well No. 30-025-36257
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW Lot F 1800FNL 1980FWL At proposed prod. zone SENW Lot F 1800FNL 1980FWL		10. Field and Pool, or Exploratory LUSK MORROW
14. Distance in miles and direction from nearest town or post office* SEE SURFACE USE PLAN		11. Sec., T., R., M., or B/LK. and Survey or Area Sec 30 T19S R32E Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1800'	16. No. of Acres in Lease 120.00	12. County or Parish LEA
17. Spacing Unit dedicated to this well 642.40	13. State NM	14. Distance in miles and direction from nearest town or post office* SEE SURFACE USE PLAN
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 12500 MD	15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1800'
20. BLM/BIA Bond No. on file	21. Elevations (Show whether DF, KB, RT, GL, etc.) 3532 GL	16. No. of Acres in Lease 120.00
22. Approximate date work will start 04/28/2003	23. Estimated duration 40 DAYS	17. Spacing Unit dedicated to this well 642.40

24. Attachments

Capitan Controlled Water Basin

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) DIANA CANNON	Date 03/12/2003
Title AUTHORIZED REPRESENTATIVE		
Approved by (Signature) /S/ JOE G. LARA	Name (Printed/Typed) /S/ JOE G. LARA	Date APR 17
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

Application approval does not warrant or certify the applicant has legal or equitable title to these rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1242, 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 on any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #19458 verified by the BLM Well Information System
For MARBOB ENERGY CORPORATION, sent to the Hobbs
Committed to AFMSS for processing by Armando Lopez on 03/12/2003 (03AL0068AE)

DECLARED WATER BASIN
CEMENT BEHIND THE 13 3/8"
CASING MUST BE CIRCULATED

DECLARED WATER BASIN
CEMENT BEHIND THE 8 3/8"
CASING MUST BE TIED BACK CIRCULATED

** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED **

Additional Operator Remarks:

PAY ZONE WILL BE SELECTIVELY PERFORATED AND STIMULATED AS NEEDED FOR OPTIMUM PRODUCTION.

ATTACHMENT INCLUDES:

1. WELL LOCATION AND ACREAGE DEDICATION PLAT
2. DRILLING PROGRAM (3 PGS)
3. SURFACE USE AND OPERATING PLAN (4 PGS)
4. HYDROGEN SULFIDE DRILLING OPERATIONS PLAN (4 PGS)
5. ADDITIONAL REQUIRED INFORMATION - EXHIBITS #1 (3 PGS) - #4

DISTRICT I
P.O. Box 1860, Hobbs, NM 88241-1860

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0712

FEB 07 2003

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

Santa Fe, New Mexico 87504-2088
WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-36257	Pool Code 80759	Pool Name LUSK MORROW (GAS)
Property Code 26214	Property Name S.L. DEEP FEDERAL COM	Well Number 2
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3532'

Surface Location

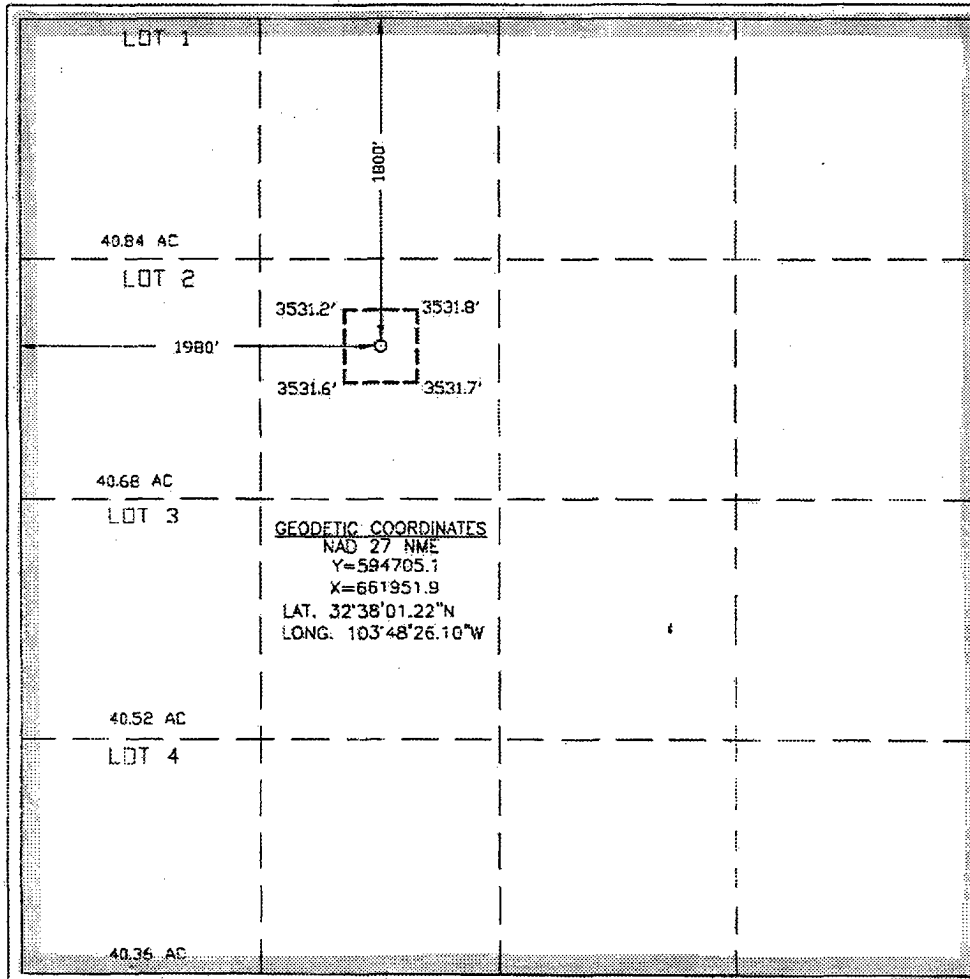
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	30	19-S	32-E		1800'	NORTH	1980'	WEST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
642.40			

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.

Diana J. Cannon
Signature

DIANA J. CANNON
Printed Name

PRODUCTION ANALYST
Title

MARCH 11, 2003
Date

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.

February 05, 2003
Date Surveyed

A.W.B.
Signature & Seal of Professional Surveyor

Ronald J. Eibson
03.11.0156

Certificate No. **RONALD J. EIBSON 3239**
GARY EIDSON 12641

DRILLING PROGRAM

Attached to Form 3160-3
Marbob Energy Corporation
SL Deep Federal No. 2
1800' FNL and 1980' FWL
Section 30-19S-32E
Lea County, New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Permian	Surface	Delaware Sd.	4400'
Anhy.	725'	Bone Springs	7010'
Tansill	2285'	Wolfcamp	10230'
Yates	2410'	Strawn	11,100'
Seven Rivers	2750'	Atoka	11,500'
San Andres	4200'	Morrow	12050'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Yates	2435'	Oil
Bone Spring	7180'	Oil
Strawn	11,198'	Oil
Morrow	12,350'	Gas

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 13 3/8 casing at 800' 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 show joint into the 13 3/8 production casing which will be run at TD.

DRILLING PROGRAM
PAGE 2

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD Casing</u>	<u>Wt. Grade, Jt. Cond. Type</u>		
17 1/2	0-800	13 3/8	48#	H-40	STC
12 1/4	0-4500	8 5/8	32#	J-55	Buttruss
7 7/8	0-12500	5 1/2	17#	S-95	P110

Cement Program:

13 3/8 Surface Casing: Cemented to surface with 450 sx of Class C w/2% cc.

8 5/8 Intermediate Casing: Cemented to surface with 2200 sx of Class C w/2% cc.

5 1/2 Production Casing: Cemented sufficient to cover 200' above all oil and gas horizons.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment is shown in Exhibit #1. The BOP will be nipped up on the 13 3/8 with a 2M system tested to 1211# (70% of burst) with the rig pumps. A 5M system will be nipped up on the 8 5/8 and tested by an independent tester to 5000#.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and a 3" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 5000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with cut brine. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Waterloss</u>
0-800	Fresh Water (Spud)	8.5	28	N.C.
800-4500	Brine	9.8-10.2	40 - 45	N.C.
4500-TD	Cut Brine	8.6-9.4	28 - 36	N.C. / 10cc

7. Auxiliary Well Control and Monitoring Equipment:

A. A kelly cock will be kept in the drill string at all times.

B. A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

DRILLING PROGRAM

PAGE 3

8. Logging, Testing, and Coring Program:
 - A. Drill Stem tests will be used as determined during drilling.
 - B. The electric logging program will consist of Dual Laterolog Micro SFL, Spectral Density Dual Spaced Neutron Csng Log, and Depth Control Log.
 - C. No conventional coring is anticipated.
 - D. Further testing procedures will be determined after the 5 1/2" production casing has been cemented at TD based on drill shows, and log evaluation, and drill stem test results.

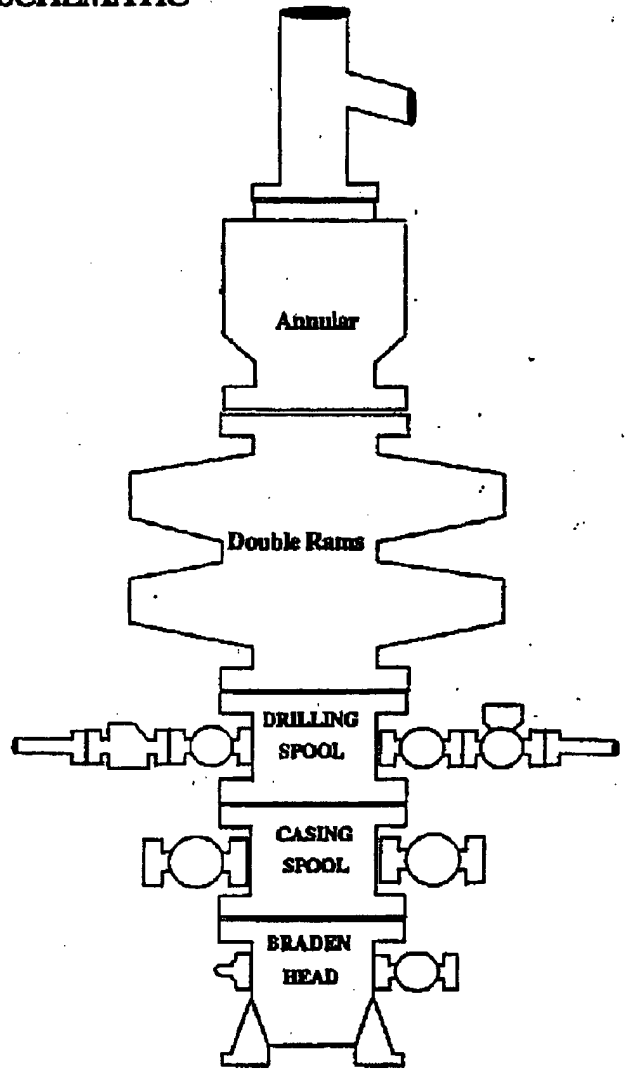
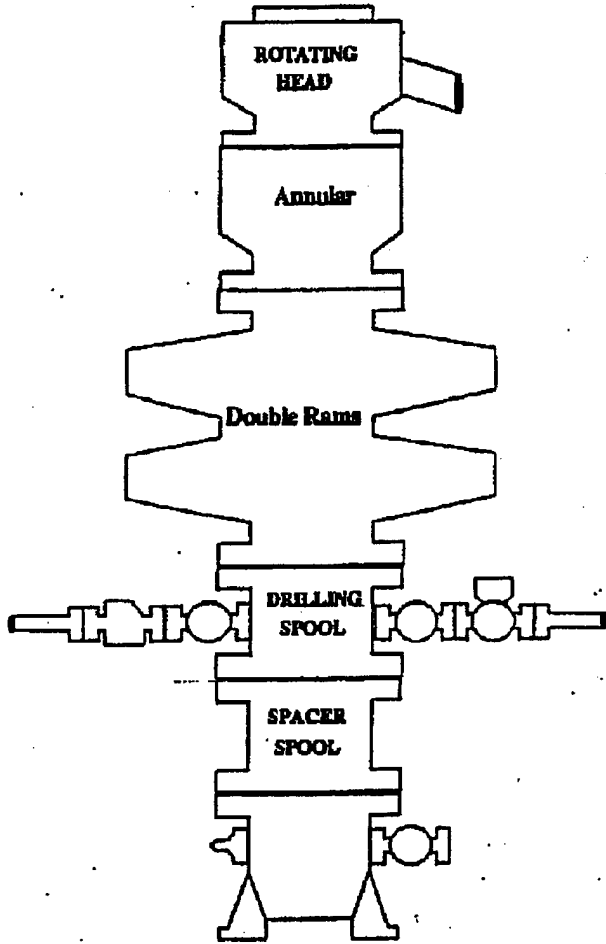
9. Abnormal Conditions, Pressures, Temperatures, and Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 150' and estimated bottom hole pressure (BHP) is 4500 psig.

10. Anticipated Starting Date and Duration of Operations:

Location and road work will not begin until approval has been received from the BLM. The anticipated spud date is April 28, 2003. Once commenced, the drilling operation should be finished in approximately 40 days. If the well is productive, an additional 20 to 30 days will be required for completion and testing before a decision is made to install permanent facilities.

BOPE SCHEMATIC



Choke Manifold

