State of New Mexico

Form C-101 Permit 20634

Energy, Minerals and Natural Resources

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	2. OGRID Number	
	ENERGY CORP	14049 3. API Number	
1500 700 1000 1000 1000 1000 1000 1000 1	BOX 227 , NM 882110227		
ARTESIA	, 14141 802110227	30-015-34514	
4. Property Code	5. Property Name	6. Well No.	
35336	001		

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	10	22S	27E	J	2310	S	1650	E	EDDY

8. Pool Information

ESPERANZA DELAWARE	22640
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Additional Well Information

9. Work Type New Well	10. We	ll Type IL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3103
14. Multiple N	100000	osed Depth 400	16. Formation Delaware	17. Contractor	18. Spud Date 1/29/2006
Depth to Ground v 40	vater		Distance from nearest fresh water v > 1000	well	Distance to nearest surface water > 1000
Pit: Liner: Synthetic X Closed Loop System	_	mils thick	Clay Pit Volume: 3000 bbls	Drilling Method: Fresh Water Brine	Diesel/Oil-based 🗆 Gas/Air 🗙

19. Proposed Casing and Cement Program

Туре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	360	350	0
Prod	7.875	5.5	17	5400	550	0

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer	
DoubleRam	2000	2000	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	OIL CONSERVATION DIVISION				
NMOCD guidelines , a general permit X, or an (attached) alternative OCD-approved plan .	Approved By: Bryan Arrant				
Printed Name: Electronically filed by Diana Briggs	Title: Geologist				
Title: Production Analyst	Approved Date: 12/30/2005 Expiration Date: 12/30/2006				
Email Address: production@marbob.com					
Date: 12/30/2005 Phone: 505-748-3303	Conditions of Approval Attached				

District I

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

<u>District II</u>

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

<u>District III</u>

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

Form C-102 Permit 20634

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34514	2. Pool Code 22640	3. Pool Name ESPERANZA:DELAWARE				
4. Property Code 35336	5. Property P EDDY STA	erty Name 6. Well No.				
7. OGRID No. 14049	8. Operator 1 MARBOB ENER					

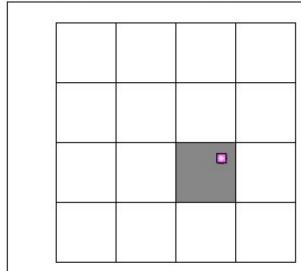
10. Surface Location

Š	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	J	10	22S	27E		2310	S	1650	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	T	ownship	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
3075735	icated Acres 0.00		13. 3	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: 12/30/2005

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: Gary Eidson Date of Survey: 12/20/2005 Certificate Number: 12641

Permit Comments

Operator: MARBOB ENERGY CORP , 14049
Well: EDDY STATE #001

API: 30-015-34514

Created By	Comment	Comment Date
	Propose to drill 12 1/4 inch hole w/fresh water to 400 ft, run 8 5/8 inch csg set at 400 ft w/350 sx cmt, circ to surf, drill 7 7/8 inch hole w/brine water to 5400 ft, run 5 1/2 inch csg, set at 5400 ft w/550 sx cmt, circ to surf.	12/29/2005

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP, 14049
Well: EDDY STATE #001

30-015-34514 API:

OCD Reviewer	Condition
IH Arrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	Operator to set surface casing above Salado formation. Please refer to offset well records for more information.