

State of New Mexico
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 MARBOB ENERGY CORP PO Box 227 Artesia, NM 88211		2. OGRID Number 14049
		3. API Number 30-015-36460
4. Property Code 37289	5. Property Name TEDDY GRAHAM STATE COM	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idh	Feet From	N/S Line	Feet From	E/W Line	County
M	9	26S	28E	M	660	S	660	W	EDDY

8. Pool Information

WILDCAT S153501N,MORROW (GAS)	97268
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3073
14. Multiple N	15. Proposed Depth 13700	16. Formation Morrow	17. Contractor	18. Spud Date 8/23/2008
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" 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	17.5	13.375	48	400	400	0
Int1	12.25	9.625	36	2450	450	0
Int2	8.75	7	23	9400	450	2000
Prod	6.125	4.5	17	13700	400	9200

Casing/Cement Program: Additional Comments

We propose to drill 17 1/2 inch hole to 400 ft with fresh water, run 48 lb H-40 13 3/8 inch csg and set at 400 ft with 400 sx cmt, circ to surface; drl 12 1/4 inch hole to 2450 ft with brine water, run 36 lb J-55 9 5/8 inch csg and set at 2450 ft with 450 sx cmt, circ to surface; drl 8 3/4 inch hole to 9400 ft with cut brine water, run 7 inch 23 lb N80-P110 csg and set at 9400 ft with 450 sx cmt, 2000'. drl 6 1/8 inch hole to 13700 ft with cut brine water, run 4 1/2 inch 17 lb P110 csg and set at 13700 ft with 400 sx cmt, 9200'.

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 NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Tim Gum	
Printed Name: Electronically filed by Diana Briggs	Title: District Supervisor	
Title: Production Analyst	Approved Date: 8/4/2008	Expiration Date: 8/4/2010
Email Address: production@marbob.com		
Date: 7/23/2008	Phone: 505-748-3303	Conditions of Approval Attached

District IIDistrict IIIDistrict IV

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 30-015-36460	2. Pool Code 97268	3. Pool Name WILDCAT S153501N;MORROW (GAS)
4. Property Code 37289	5. Property Name TEDDY GRAHAM STATE COM	
6. Well No. 001	7. OGRID No. 14049	
8. Operator Name MARBOB ENERGY CORP	9. Elevation 3073	

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
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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: 7/23/2008

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: 6/18/2008

Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049
Well: TEDDY GRAHAM STATE COM #001
API: 30-015-36460

Created By	Comment	Comment Date
MARBOB4	We plan to complete this well in the Morrow and do not anticipate cutting any formations during drilling that contain H2S gas. Therefore we do not believe an H2S contingency plan is necessary.	7/9/2008

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: TEDDY GRAHAM STATE COM #001

API: 30-015-36460

OCD Reviewer	Condition
TGUM	An approved C-144 has to be in place before drilling operations start.