

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 882110227		2. OGRID Number 14049
4. Property Code 35333		3. API Number 30-015-34512
5. Property Name S.S. SNAKEBITE FEE		6. Well No. 003

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	9	22S	27E	G	2290	N	1675	E	EDDY

8. Pool Information

ESPERANZA,DELAWARE	22640
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3081
14. Multiple N	15. Proposed Depth 5340	16. Formation Delaware	17. Contractor	18. Spud Date 12/31/2005
Depth to Ground water 15		Distance from nearest fresh water well > 1000		Distance to nearest surface water 200
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 3000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	375	350	0
Prod	7.875	5.5	17	5340	550	0

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	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 NMOCD guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Diana Briggs Title: Production Analyst Email Address: production@marbob.com Date: 12/20/2005	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">OIL CONSERVATION DIVISION</td> </tr> <tr> <td colspan="2">Approved By: Bryan Arrant</td> </tr> <tr> <td colspan="2">Title: Geologist</td> </tr> <tr> <td>Approved Date: 12/29/2005</td> <td>Expiration Date: 12/29/2006</td> </tr> <tr> <td colspan="2">Conditions of Approval Attached</td> </tr> </table>	OIL CONSERVATION DIVISION		Approved By: Bryan Arrant		Title: Geologist		Approved Date: 12/29/2005	Expiration Date: 12/29/2006	Conditions of Approval Attached	
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Approved By: Bryan Arrant											
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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

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Form C-102
 Permit 20354

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34512	2. Pool Code 22640	3. Pool Name ESPERANZA,DELAWARE
4. Property Code 35333	5. Property Name S.S. SNAKEBITE FEE	6. Well No. 003
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3081

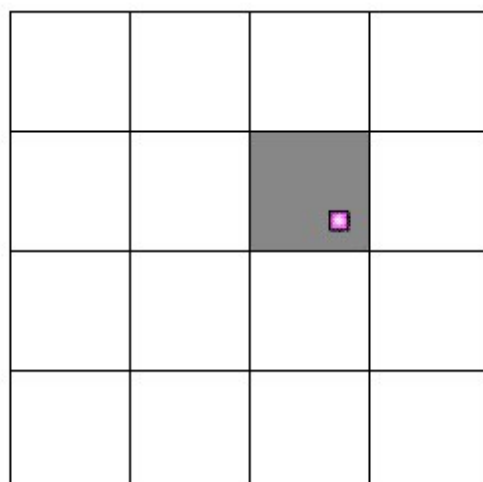
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	9	22S	27E		2290	N	1675	E	EDDY

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 40.00		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: 12/20/2005

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: Ronald Eidson
 Date of Survey: 11/9/2005
 Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: S.S. SNAKEBITE FEE #003

API: 30-015-34512

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.	12/20/2005
MARBOB4	We propose to drl 12 1/4 inch hole to 400 ft w/fresh water, run 12 1/4 inch 24 lb J-55 csg, set at 400 ft w/350 sx cmt, circ to surface; drl 7 7/8 inch hole w/brine water to 5340 ft, run 5 1/2 inch 17 lb J-55 csg, set at 5340 ft w/550 sx cmt, circ to surface.	12/20/2005

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: S.S. SNAKEBITE FEE #003

API: 30-015-34512

OCD Reviewer	Condition
BArrant	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	Please refer to offset geology of other wells in area indentifying the top of the Salado formation. The setting of your surface casing at 400' may be too deep. Surface casing needs to be set above Salado.
BArrant	As noted, operator to drill surface hole w/ 'fresh water' mud.