State of New Mexico

Form C-101 Permit 116556

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

MARBO	or Name and Address B ENERGY CORP	2. OGRID Number 14049
C. 44-77-78-77	D BOX 227 A , NM 882110227	3. API Number 30-015-37973
4. Property Code 5. Property Name 38233 CRYPT STATE		6. Weti No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	30	198	26E	3	2310	S	330	W	EDDY

8. Pool Information

WILDCAT G-01 S192617K;GLOR-YESO 97788

Additional Well Information

9. Work Type	10. Well Type	11. Cable/Rotary	12. Lesse Type	13. Ground Level Elevation
New Well	OIL		State	3411
14. Multiple	15. Proposed Depth	16. Formation	17. Contractor	18. Spud Date
N	4500	Yeso Formation		7/13/2010
Depth to Ground	water	Distance from nearest fresh	water well	Distance to nearest surface water
Pit: Liner: Synthetic Closed Loop Syste	mils thick	Clay Pit Volume:	bbls Dritting Method: Fresh Water X Brine	Diesel/Oil-based Gas/Air

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	1000	675	0
Prod	8.75	7	23	4500	700	1000

Casing/Cement Program: Additional Comments

Marbob proposes to drill 12 1/4" hole to 1000' with fresh water, run 9 5/8" 36# casing and cement to surface. Drill 8 3/4" hole to 4500' with cut brine, run 7" 23# N80 casing and cement to 1000'.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer]
DoubleRam	2000	2000	Cameron	1

I hereby certify that the information give of my knowledge and belief. I further certify that the drilling pit t	en above is true and complete to the best	OIL CONSERVATION DIVISION			
NMOCD guidelines , a general per OCD-approved plan .		Approved By: Randy Dade			
Printed Name: Electronically file	d by Diana Briggs	Title: District Supervisor			
Title: Production Manager	NAME OF TAXABLE PARTY.	Approved Date: 7/8/2010	Expiration Date: 7/8/2012		
Email Address: production@mai	bob.com		* 2 - 20 		
Date: 6/28/2010	Phone: 575-748-3303	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

<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410

Phone:(505) 334-6178 Fax:(505) 334-6170 <u>District IV</u>

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 116556

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

***	LLL LOCATION AND AC	CLAGE DEDICATION	LLA	
1. API Number	2. Pool Code		3. Pool Name	
30-015-37973	97788	1 \$192617K;GLOR-YESO		
4. Property Code	5. Property Name		6. Well No.	
38233	CRYPT	CRYPT STATE		
7. OGRID No.	8. Operat	9. Elevation		
14049	MARBOB EN	ERGY CORP	3411	

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	30	198	26E		2310	S	330	W	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
25.00 P. 10.00	cated Acres	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 Manager

Date: 6/28/2010

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: 6/22/2010 Certificate Number: 3239

Permit Comments

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

API: 30-015-37973

Created By	Comment	Comment Date
MARBOB4	Marbob Energy has conducted a review to determine if an H2S contingency plan is required for the above referenced well. We were able to conclude that any potential hazardous volume would be minimal. H2S concentrations of wells in this area from surface to TD are low enough; therefore we do not believe that an H2S Contingency Plan would be necessary.	6/28/2010

Permit Conditions of Approval

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

API: 30-015-37973

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string