

1. Operator Name and Address MARBOB ENERGY CORP PO BOX 227 ARTESIA , NM 882110227		2. OGRID Number 14049
		3. API Number 30-015-38063
4. Property Code 38271	5. Property Name CORSAIR STATE	6. Well No. 003H

UL - Lot H	Section 2	Township 19S	Range 31E	Lot Idn H	Feet From 2260	N/S Line N	Feet From 330	E/W Line E	County EDDY
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WATKINS SEVEN RIVERS (ABOLISHED)	63650
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3630
14. Multiple N	15. Proposed Depth 12000	16. Formation Bone Spring	17. Contractor	18. Spud Date 8/30/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mills 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"/>				

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	825	825	0
Int1	12.25	9.625	36	2900	800	0
Prod	7.875	5.5	17	12000	925	2800

Plan to drill 17 1/2" hole to 825' with fresh water, run 13 3/8" 54.5# J-55 casing and cement to surface. Drill 12 1/4" to 2900' with brine, run 9 5/8" 36# J-55 casing and cement to surface. Drill 7 7/8" hole with cut brine to 8500' then pick up directional tools and drill to new BHL at TVD of 9020' and measured depth of 12000', run 5 1/2 17# N-80 casing and cement to 2800'.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

OIL CONSERVATION DIVISION

Approved By: Randy Dade

Title: District Supervisor

Approved Date: 8/11/2010	Expiration Date: 8/11/2012
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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

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
 Permit 118078

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-38063	2. Pool Code 63650	3. Pool Name WATKINS SEVEN RIVERS (ABOLISHED)
4. Property Code 38271	5. Property Name CORSAIR STATE	6. Well No. 003H
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3630

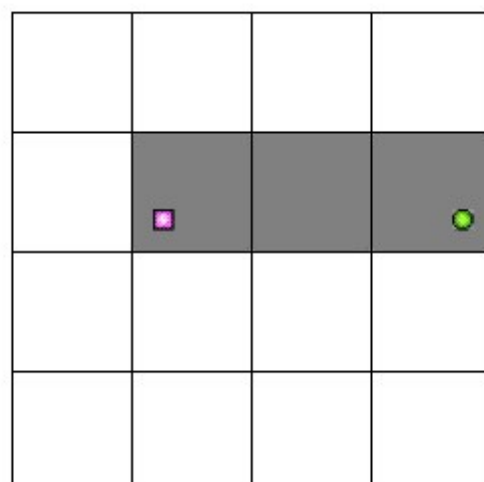
**10. Surface Location**

UL - Lot H	Section 2	Township 19S	Range 31E	Lot Idn	Feet From 2260	N/S Line N	Feet From 330	E/W Line E	County EDDY
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**11. Bottom Hole Location If Different From Surface**

11. Bottom Hole Location If Different From Surface									
UL - Lot F	Section 2	Township 19S	Range 31E	Lot Idn F	Feet From 2260	N/S Line N	Feet From 1650	E/W Line W	County EDDY
12. Dedicated Acres 120.00		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 Manager  
 Date: 7/29/2010

**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: 7/13/2010  
 Certificate Number: 3239

## Permit Comments

**Operator:** MARBOB ENERGY CORP , 14049

**Well:** CORSAIR STATE #003H

**API:** 30-015-38063

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.	7/29/2010

# Permit Conditions of Approval

**Operator:** MARBOB ENERGY CORP , 14049

**Well:** CORSAIR STATE #003H

**API:** 30-015-38063

OCD Reviewer	Condition
Artesia	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