

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
		3. API Number 30-015-38169
4. Property Code 37898	5. Property Name SRO STATE UNIT COM	6. Well No. 011H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	34	25S	28E	M	330	S	660	W	EDDY

8. Pool Information

RED BLUFF;BONE SPRING	50990
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 2947
14. Multiple N	15. Proposed Depth 11300	16. Formation Bone Spring	17. Contractor	18. Spud Date 9/27/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls 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	700	0
Prod	7.875	5.5	17	11300	900	2000

Casing/Cement Program: Additional Comments

Drill 17 1/2" hole to 400' with fresh water, run 48# H40 casing and cement to surface. Drill 12 1/4" hole with Brine to 2450', run 36# J55 9 5/8 and cement to surface. Drill 7 7/8" hole to 9700' with cut brine, run electric logs then plug back and drill to new bottom hole location at TVD of 6800', then run 17# N80 5 1/2" casing and cement to 2000'.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	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
Printed Name: Electronically filed by Diana Briggs	Approved By: Randy Dade
Title: Production Manager	Title: District Supervisor
Email Address: production@marbob.com	Approved Date: 9/16/2010 Expiration Date: 9/16/2012
Date: 9/7/2010 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

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
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1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 119804

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-38169	2. Pool Code 50990	3. Pool Name RED BLUFF;BONE SPRING
4. Property Code 37898	5. Property Name SRO STATE UNIT COM	6. Well No. 011H
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 2947

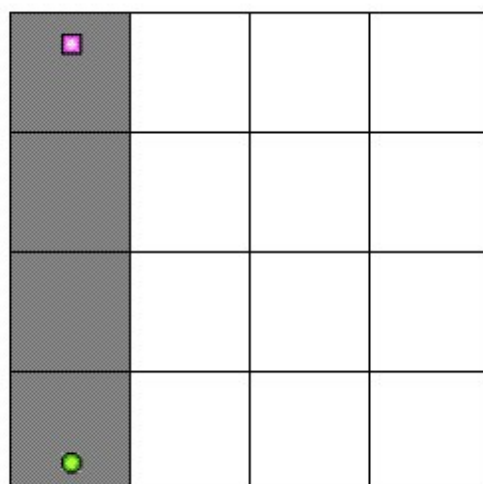
10. Surface Location

UL - Lot M	Section 34	Township 25S	Range 28E	Lot Idn	Feet From 330	N/S Line S	Feet From 660	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 34	Township 25S	Range 28E	Lot Idn D	Feet From 330	N/S Line N	Feet From 660	E/W Line W	County EDDY
12. Dedicated Acres 160.00		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: 9/7/2010

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: 8/4/2010
Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: SRO STATE UNIT COM #011H

API: 30-015-38169

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.	9/7/2010

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: SRO STATE UNIT COM #011H

API: 30-015-38169

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