

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 30-015-34863
4. Property Code 35698	5. Property Name WESTERN HAWK STATE COM	6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	3	25S	28E	E	1350	N	990	W	EDDY

8. Pool Information

WILLOW LAKE, DELAWARE, SW	96859
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Additional Well Information

9. Well Type New Well	10. Well Type OIL	11. Cable/ Rotary	12. Lease Type State	13. Ground Level Elevation 3020
14. Multiple N	15. Proposed Depth 6825	16. Formation Delaware	17. Contractor	18. Spud Date 6/10/2006
Depth to Ground water 250		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
PE: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils 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	9.625	36	550	500	
Prod	7.875	5.5	17	7275	1100	

Casing/Cement Program: Additional Comments

We propose to drill 12 1/4 inch hole to 550 ft w/fresh water, run 9 5/8 inch 36 lb J-55 csg, set at 550 ft w/500 sx cmt, circ to surface; drill 7 7/8 inch hole w/brine water to 7275 ft, run 5 1/2 inch 17 lb J-55 csg, set at 7275 ft w/1100 sx cmt, 200 ft above all oil and gas zones.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	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 checked="" type="checkbox"/> or an (attached) alternative OCB-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Bryan Arant	
	Title: Geologist	
	Approved Date: 5/16/2006	Expiration Date: 5/16/2007
	Printed Name: Electronically filed by Diana Briggs	
Title: Production Analyst		
Email Address: production@marbob.com		
Date: 5/10/2006	Phone: 505-748-3303	Conditions of Approval Attached

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 30-015-34863	2. Pool Code 96855	3. Pool Name WILLOW LAKE; DELAWARE, SW
4. Property Code 35698	5. Property Name WESTERN HAWK STATE COM	6. Well No. 002
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3020

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	3	25S	28E	E	1350	N	990	W	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
L	3	25S	28E	L	1650	S	900	W	EDDY
12. Dedicated Acres 80.00		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	
	<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>E-Signed By: Diana Briggs Title: Production Analyst Date: 5/10/2006</p>	
	SURVEYOR CERTIFICATION	
	<p><i>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.</i></p> <p>Surveyed By: Ronald Eidson Date of Survey: 5/3/2006 Certificate Number: 3239</p>	

Permit Comments

Operator: MARBOB ENERGY CORP , 14049
Well: WESTERN HAWK STATE COM #002
API: 30-015-34863

Created By	Comment	Comment Date
MARBOB4	Marbob Energy has conducted a review to determine if an H2S contingency plan is required for the 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.	5/10/2008

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: WESTERN HAWK STATE COM #002

API: 30-015-34863

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	Will require a directional survey with the C-104
BArrant	As noted, operator to drill surface hole with 'fresh water' mud.
BArrant	Please note that this is a drill only well, as location of well for the penetration of the DMG is non-standard.

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., BOBBS, NM 86240

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

1220 SOUTH ST. FRANCIS DR.

State Lease - 4 Copies

Santa Fe, New Mexico 87505

Fee Lease - 3 Copies

DISTRICT III

1000 El Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-34863	Pool Code 96855	Pool Name WILLOW LAKE; DELAWARE, SW
Property Code 35698	Property Name WESTERN HAWK STATE	Well Number 2
GRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3020'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	3	25-S	28-E		1350	NORTH	990	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	3	25-S	28-E		1650	SOUTH	900	WEST	EDDY

Dedicated Acres 80.00	Joint or Infill	Consolidation Code	Order No.
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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

LOT 2

GEODETIC COORDINATES
NAD 27 NME

Y=422993.5 N
X=578365.3 E

LAT.=32°09'45.62" N
LONG.=104°04'48.32" W

OPERATOR CERTIFICATION

I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Nancy T. Bratcher 5/16/06
Signature Date

Nancy T. Bratcher
Printed Name

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.

MAY 03, 2006

Date Surveyed MR

Signature & Seal of Professional Surveyor

Ronald J. Eidson 5/11/06
06.11.0757

Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

BOTTOM HOLE
Y=420627.4 N
X=578286.5 E

Pathfinder Energy

Planning Report - Geographic

Company: Marbob Energy	Date: 4/27/2006	Time: 15:01:32	Page: 1
Field: Western Hawk State	Co-ordinate(NE) Reference: Well: Western Hawk State #2, Grid North		
Site: Western Hawk State #2	Vertical (TVD) Reference: System: Mean Sea Level		
Well: Western Hawk State #2	Section (VS) Reference: Well (0.00N, 0.00E, 182.26Az)		
Wellpath: Original Hole	Plan: Plan #1 4-27-06		

Field: Western Hawk State 990' FWL 1350' FNL Sec. 3; T25S; R28E Eddy County, New Mexico	Map Zone: New Mexico, Eastern Zone
Map System: US State Plane Coordinate System 1827	Coordinate System: Well Centre
Geo Datum: NAD27 (Clarke 1866)	Geomagnetic Model: igrf2005
Sys Datum: Mean Sea Level	

Site: Western Hawk State #2 Eddy County, New Mexico 990' FWL 1350' FNL Sec. 3; T25S; R28E			
Site Position:	Northing:	ft	Latitude:
From: Lease Line	Easting:	ft	Longitude:
Position Uncertainty: 0.00 ft			North Reference: Grid
Ground Level: 3650.00 ft			Grid Convergence: 0.00 deg

Well: Western Hawk State #2 Horizontal	Slot Name:
Well Position: +N-S 0.00 ft	Northing: 0.00 ft
+E-W 0.00 ft	Easting: 0.00 ft
Position Uncertainty: 0.00 ft	Latitude: 30 59 24.512 N
	Longitude: 105 55 44.137 W

Wellpath: Original Hole			
Current Datum: Mean Sea Level	Height: 0.00 ft	Drilled From: Surface	Tie-on Depth: 0.00 ft
Magnetic Data: 4/27/2006		Above System Datum: Mean Sea Level	Declination: 0.00 deg
Field Strength: 0 nT		Mag Dip Angle:	0.00 deg
Vertical Section: Depth From (TVD)	+N-S	+E-W	Direction
ft	ft	ft	deg
0.00	0.00	0.00	182.26

Plan: Plan #1 4-27-06	Date Composed: 4/27/2006
Principal: Yes	Version: 1
	Tied-to: From Surface

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N-S ft	+E-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	182.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4722.54	0.00	182.26	4722.54	0.00	0.00	0.00	0.00	0.00	0.00	
5472.54	90.00	182.26	5200.00	-477.09	-18.83	12.00	12.00	0.00	182.26	
7276.85	90.00	182.26	5200.00	-2280.00	-90.00	0.00	0.00	0.00	0.00	PBHL Western Hawk #2

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N-S ft	+E-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
0.00	0.00	182.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4000.00	0.00	182.26	4000.00	0.00	0.00	0.00	0.00	0.00	0.00	182.26
4200.00	0.00	182.26	4200.00	0.00	0.00	0.00	0.00	0.00	0.00	182.26
4400.00	0.00	182.26	4400.00	0.00	0.00	0.00	0.00	0.00	0.00	182.26
4600.00	0.00	182.26	4600.00	0.00	0.00	0.00	0.00	0.00	0.00	182.26
4722.54	0.00	182.26	4722.54	0.00	0.00	0.00	0.00	0.00	0.00	182.26

Section 2 : Start Build 12.00

MD ft	Incl deg	Azim deg	TVD ft	+N-S ft	+E-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
4723.00	0.06	182.26	4723.00	0.00	0.00	0.00	12.00	12.00	0.00	0.00
4800.00	9.30	182.26	4799.66	-6.27	-0.25	6.27	12.00	12.00	0.00	0.00
5000.00	33.30	182.26	4984.64	-78.32	-3.09	78.38	12.00	12.00	0.00	0.00
5200.00	57.30	182.26	5124.31	-219.32	-8.66	219.49	12.00	12.00	0.00	0.00
5400.00	81.30	182.26	5194.50	-404.89	-15.98	405.21	12.00	12.00	0.00	0.00
5472.54	90.00	182.26	5200.00	-477.09	-18.83	477.46	12.00	12.00	0.00	0.00

Pathfinder Energy

Planning Report - Geographic

Company: Marbob Energy	Date: 4/27/2006	Time: 15:01:32	Page: 2
Field: Western Hawk State	Co-ordinate(NE) Reference: Well: Western Hawk State #2, Grid North		
Site: Western Hawk State #2	Vertical (TVD) Reference: System: Mean Sea Level		
Well: Western Hawk State #2	Section (VS) Reference: Well (0.00N,0.00E,182.26Azl)		
Wellpath: Original Hole	Plan: Plan #1 4-27-06		

Section 3 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/S ft	+E/W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
5473.00	90.00	182.26	5200.00	-477.56	-18.85	477.93	0.00	0.00	0.00	0.00
5800.00	90.00	182.26	5200.00	-604.46	-23.86	604.93	0.00	0.00	0.00	0.00
5800.00	90.00	182.26	5200.00	-804.30	-31.75	804.93	0.00	0.00	0.00	0.00
6000.00	90.00	182.26	5200.00	-1004.15	-39.64	1004.93	0.00	0.00	0.00	0.00
6200.00	90.00	182.26	5200.00	-1203.99	-47.53	1204.93	0.00	0.00	0.00	0.00
6400.00	90.00	182.26	5200.00	-1403.84	-55.41	1404.93	0.00	0.00	0.00	0.00
6600.00	90.00	182.26	5200.00	-1603.68	-63.30	1604.93	0.00	0.00	0.00	0.00
6800.00	90.00	182.26	5200.00	-1803.53	-71.19	1804.93	0.00	0.00	0.00	0.00
7000.00	90.00	182.26	5200.00	-2003.37	-79.08	2004.93	0.00	0.00	0.00	0.00
7200.00	90.00	182.26	5200.00	-2203.21	-86.97	2204.93	0.00	0.00	0.00	0.00
7276.85	90.00	182.26	5200.00	-2280.00	-90.00	2281.78	0.00	0.00	0.00	0.00

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/S ft	+E/W ft	Map Northing ft	Map Easting ft	← Latitude →		← Longitude →					
								Deg	Min	Sec	Deg	Min	Sec		
4000.00	0.00	182.26	4000.00	0.00	0.00	0.00	0.00	30	59	24.512	N	105	55	44.137	W
4200.00	0.00	182.26	4200.00	0.00	0.00	0.00	0.00	30	59	24.512	N	105	55	44.137	W
4400.00	0.00	182.26	4400.00	0.00	0.00	0.00	0.00	30	59	24.512	N	105	55	44.137	W
4600.00	0.00	182.26	4600.00	0.00	0.00	0.00	0.00	30	59	24.512	N	105	55	44.137	W
4722.54	0.00	182.26	4722.54	0.00	0.00	0.00	0.00	30	59	24.512	N	105	55	44.137	W
4723.00	0.06	182.26	4723.00	0.00	0.00	0.00	0.00	30	59	24.512	N	105	55	44.137	W
4800.00	9.30	182.26	4799.66	-6.27	-0.25	-6.27	-0.25	30	59	24.450	N	105	55	44.139	W
5000.00	33.30	182.26	4984.64	-78.32	-3.09	-78.32	-3.09	30	59	23.736	N	105	55	44.160	W
5200.00	57.30	182.26	5124.31	-219.32	-8.66	-219.32	-8.66	30	59	22.340	N	105	55	44.201	W
5400.00	81.30	182.26	5194.50	-404.89	-15.98	-404.89	-15.98	30	59	20.503	N	105	55	44.254	W
5472.54	90.00	182.26	5200.00	-477.09	-18.83	-477.09	-18.83	30	59	19.788	N	105	55	44.275	W
5473.00	90.00	182.26	5200.00	-477.56	-18.85	-477.56	-18.85	30	59	19.784	N	105	55	44.275	W
5800.00	90.00	182.26	5200.00	-604.46	-23.86	-604.46	-23.86	30	59	18.527	N	105	55	44.312	W
5800.00	90.00	182.26	5200.00	-804.30	-31.75	-804.30	-31.75	30	59	16.549	N	105	55	44.369	W
6000.00	90.00	182.26	5200.00	-1004.15	-39.64	-1004.15	-39.64	30	59	14.571	N	105	55	44.427	W
6200.00	90.00	182.26	5200.00	-1203.99	-47.53	-1203.99	-47.53	30	59	12.592	N	105	55	44.485	W
6400.00	90.00	182.26	5200.00	-1403.84	-55.41	-1403.84	-55.41	30	59	10.614	N	105	55	44.542	W
6600.00	90.00	182.26	5200.00	-1603.68	-63.30	-1603.68	-63.30	30	59	8.635	N	105	55	44.600	W
6800.00	90.00	182.26	5200.00	-1803.53	-71.19	-1803.53	-71.19	30	59	6.657	N	105	55	44.658	W
7000.00	90.00	182.26	5200.00	-2003.37	-79.08	-2003.37	-79.08	30	59	4.678	N	105	55	44.716	W
7200.00	90.00	182.26	5200.00	-2203.21	-86.97	-2203.21	-86.97	30	59	2.700	N	105	55	44.773	W
7276.85	90.00	182.26	5200.00	-2280.00	-90.00	-2280.00	-90.00	30	59	1.939	N	105	55	44.795	W

Targets

Name	Description Dip.	Dir.	TVD ft	+N/S ft	+E/W ft	Map Northing ft	Map Easting ft	← Latitude →		← Longitude →					
								Deg	Min	Sec	Deg	Min	Sec		
PBHL Western Hawk #2			5200.00	-2280.00	-90.00	-2280.00	-90.00	30	59	1.939	N	105	55	44.795	W

Annotation

MD ft	TVD ft	
4723.00	4723.00	KOP @ 4723'MD /TVD
4723.00	4723.00	Begin 12" / 100' Build
5473.00	5200.00	End Of Build @ 90° Inc 5473' MD 5200' TVD


Marbob Energy Corporation



Field: Western Hawk State
Site: Western Hawk State #2
Well: Western Hawk State #2
Wellpath: Original Hole
Plan: Plan #1 4-27-06

SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N-S	+E-W	DLeg	TFace	VSec	Target
1	0.00	0.00	182.26	0.00	0.00	0.00	0.00	0.00	0.00	
2	4722.54	0.00	182.26	4722.54	0.00	0.00	0.00	0.00	0.00	
3	5472.54	90.00	182.26	5200.00	-477.09	-18.83	12.00	182.26	477.46	
4	7276.85	90.00	182.26	5200.00	-2280.00	-90.00	0.00	0.00	2281.78	PBHL Western Hawk #2

COMPANY DETAILS
 Marbob Energy
 2208 W. Main St.
 Artesia, New Mexico
 Calculation Method: Minimum Curvature
 Error System: Systematic Edgewise
 Scale Method: Constant Approach 2D
 Error Surface: Elliptical Constant
 Warning Method: Error Rate

GTIM

 Azimuths to Grid North
 True North: 0.00°
 Magnetic North: 0.00°
 Magnetic Field
 Strength: 0uT
 Dip Angle: 0.00°
 Date: 4/27/2006
 Model: Ipr2005

FIELD DETAILS
 Western Hawk State
 997 FWL 1150 TML, Sec. 3, T15S, R18E
 Eddy County, New Mexico
 Geodetic System: US State Plane Coordinate System 1977
 Edgewise: NAD83 (Clarke 1866)
 Zone: New Mexico, Eastern Zone
 Magnetic Model: Ipr2005
 System Datum: Mean Sea Level
 Local North: Grid North

