

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTDEC - 1 2008
OCD-ARTESIAFORM APPROVED
OMB NO 1004-0137
Expires July 31, 2010

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5 LEASE DESIGNATION AND SERIAL NO

NM67979

1a Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other		6 INDIAN ALLOTTEE OR TRIBE NAME							
b Type of Completion ☒ New Well ☐ Workover ☐ Deepen ☐ Plug Back ☐ Diff' Reserv		7 UNIT AGREEMENT							
Other _____									
2 Name of Operator Marbob Energy Corporations		8 FARM OR LEASE NAME Irish Whiskey Federal #3H							
3 Address P.O. Box 227 Artesia, NM 88211-0227		9 API WELL NO 30-015-35710							
3a Phone No (include area code) 575-748-3303									
4 Location of Well (Report location clearly and in accordance with Federal requirements)* At surface 430' FSL & 1650' FWL, Unit N (SESW) At top prod Interval reported below At total depth 648' FSL & 378' FEL, Unit P (SESE)		10 FIELD NAME Herradura Bend; Delaware, East							
14 Date Spudded 7/25/08		15 Date T D Reached 9/3/08							
16 Date Completed ☐ D & A ☒ Ready to Prod		17 ELEVATIONS (DF, RKB, RT, GR, etc)* 3093' GR 3111' KB							
18 Total Depth MD 9010' TVD 6106'		19 Plug back T D MD 8975' TVD 6105'							
20 Depth Bridge Plug Set MD TVD									
21 Type Electric & other Logs Run (Submit a copy of each) DLL, DSN		22 Was well cored? ☒ No ☐ Yes (Submit analysis) Was DST run? ☒ No ☐ Yes (Submit report) Directional Survey? ☐ No ☒ Yes (Submit copy)							
23 Casing and Liner Record (Report all strings set in well)									
Hole Size	Size/ Grade	Wt (#/ft)	Top (MD)	Bottom(MD)	Stage Cementer Depth	No of Sks. & Type of Cement	Slurry Vol (Bbl)	Cement Top*	Amount Pulled
17 1/2"	13 3/8"	48#	0	356'		550 sx		0	None
12 1/4"	9 5/8"	36#	0	2569'		850 sx		0	None
7 7/8"	5 1/2"	17#	0	9010'		1550 sx		0	None
24 Tubing Record									
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	
2 7/8"	5668'								
25 Producing Intervals									
Formation	Top	Bottom	26 Perforation Record						
A) Delaware	8350'	8950'	8350-8950'	Size	No. of Holes	Perf Status			
B)									
C)									
D)									
27 Acid, Fracture Treatment, Cement Squeeze, Etc									
Depth Interval	Amount and Type of Material								
8350-8950'	Acidz w/3000 gal 7 1/2% acid; Frac w/235220 gal fluid & 338443# Ottawa 16/30 sand								
28 Production- Interval A									
Date First Produced	Test Date	Hours Tested	Test Production	Oil Bbl	Gas MCF	Water Bbl	Oil Gravity Corr API	Gas Gravity	Production Method
10/25/08	10/29/08	24	→	1	2	264			Pumping
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil Bbl	Gas MCF	Water Bbl	Gas Oil Ratio	Well Status	
			→					Producing	
28a Production- Interval B									
Date First Produced	Test Date	Hours Tested	Test Production	Oil Bbl	Gas MCF	Water Bbl	Oil Gravity Corr API	Gas Gravity	Production Method
			→						
Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil Bbl	Gas MCF	Water Bbl	Gas Oil Ratio	Well Status	
			→						

* See instructions and spaces for additional data on page 2)

Accepted for record - NMOCD

28b Production- Interval C									
Date First Produced	Test Date	Hours Tested	Test Production →	Oil Bbl	Gas MCF	Water Bbl	Oil Gravity Corr API	Gas Gravity	Production Method
Choke Size	Tbg Press Flow SI	Csg Press	24 Hr Rate →	Oil Bbl	Gas MCF	Water Bbl	Gas Oil Ratio	Well Status	

28c Production- Interval D									
Date First Produced	Test Date	Hours Tested	Test Production →	Oil Bbl	Gas MCF	Water Bbl	Oil Gravity Corr API	Gas Gravity	Production Method
Choke Size	Tbg Press Flow SI	Csg Press	24 Hr Rate →	Oil Bbl	Gas MCF	Water Bbl	Gas Oil Ratio	Well Status	

29 Disposition of Gas (Sold, used for fuel, vented, etc.)

30 Summary of Porous Zones (include Aquifers) Show all important zones of porosity and contents thereof Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries				31 Formation (Log) Markers	
Formation	Top	Bottom	Descriptions Contents, Etc	Name	Top Measured Depth
				Top of Salt Base of Salt Delaware Bone Spring	476' 2479' 2714' 6275'
					TD 9010'

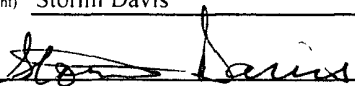
32 Additional remarks (include plugging procedure)

33 Indicate which items have been attached by placing a check in the appropriate boxes

☒ Electrical/ Mechanical Logs (1 full set required)	☐ Geologic Report	☐ DST Report	☒ Directional Survey
☐ Sundry Notice for plugging and cement verification	☐ Core Analysis	☒ Other	

34 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Stormi Davis Title Production Assistant

Signature  Date 11/24/08

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

DIRECTIONAL SURVEY REPORT

MARBOB ENERGY

BLACK VELVET FED #1H

LEA COUNTY, NEW MEXICO

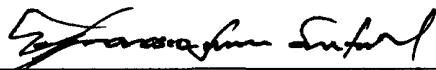
PREPARED BY: FRANCISCO SINISTERRA

DIRECTIONAL SURVEY COMPANY REPORT:

1. NAME OF SURVEYING COMPANY: PATHFINDER ENERGY SERVICES
2. NAME OF PERSON(S) PERFORMING SURVEY:
A) KRIS HATLEY
3. POSITION OF SAID PERSON(S): (A-F) SURVEYORS (FIELD ENGINEERS)
4. DATE(S) ON WHICH SURVEY WAS PERFORMED: 8/12/08 TO 9/2/08
5. STATE IN WHICH SURVEY WAS PERFORMED: NEW MEXICO
6. LOCATION OF WELL: LEA COUNTY, NM
7. TYPE OF SURVEY(S) PERFORMED: MWD
8. COMPLETE IDENTIFICATION OF WELL:

MARBOB ENERGY CORPORATION.
BLACK VELVET FEDERAL #1H
LEA COUNTY, NM
RIG: PATRIOT #6
9. SURVEY CERTIFIED FROM: 5629 TO 8937 FEET MEASURED DEPTH.

THIS IS TO VERIFY THAT ATTACHED DOCUMENTS SHOWING THE WELL TO BE DISPLACED AT 3259.62 FEET ON A BEARING OF 86.16 DEGREES FROM THE CENTER OF THE ROTARY TABLE AT A PROJECTED BIT DEPTH OF 9010 FEET, ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.



FRANCISCO SINISTERRA
M/LWD SERVICE COORDINATOR

PathFinder Energy Services, Inc.

BHL Report

Page 01/01
Tie-in Date: 08/10/2008
Date Completed: 09/02/2008

MARBOB ENERGY
BLACK VELVET #1H
LEA COUNTY, NM
Rig: PATRIOT 6
PathFinder Office Supervisor: FRANCISCO SINISTERRA
PathFinder Field Engineers: J. EIMERS
K. HATLEY

Survey Horiz. Reference: WELLHEAD
Ref Coordinates: LAT: 32.21.27.1762 N LON: 104.3.40.0848 W
GRID Reference: NAD27 new mexico east Transverse Mercator
Ref GRID Coord: X: 584051.2000 Y: 493898.6000
North Aligned To: GRID NORTH
Total Magnetic Correction: 8.00° EAST TO GRID
Vertical Section Plane: 89.61
Survey Vert. Reference: 17.00' Kelly Bushing To Ground
Altitude: 3109.00' Ground To MSL

Measured Depth	9010.00	(feet)
Inclination	88.72	(deg)
Azimuth	83.82	(deg)
True Vertical Depth	6105.93	(feet)
Vertical Section	3253.71	(feet)
Survey X cord	587303.48	(feet)
Survey Y cord	494116.87	(feet)
Survey Lat	32.35812576 N	(deg)
Survey Lon	104.05060043 W	(deg)
Rectangular Corr. N/S	218.28 N	(feet)
Rectangular Corr. E/W	3252.30 E	(feet)
Closure Distance	3259.62	(feet)
Direction of Closure	86.16	(deg)
Dogleg Severity	0.00	(deg/100ft)

PathFinder Energy Services, Inc.

Survey Report

MARBOB ENERGY
BLACK VELVET #1H
LEA COUNTY, NM
Rig: PATRIOT 6

PathFinder Office Supervisor: FRANCISCO SINISTERRA
PathFinder Field Engineers: J. EIMERS
K. HATLEY

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Survey Vert. Reference: 17.00' Kelly Bushing To Ground
Altitude: 3109.00' Ground To MSL

Survey Calculations by RX4 using Minimum Curvature

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft) (ft)		Closure Dist Dir (ft) (deg)		DLS (dg/100ft)
TIE-IN TO GYRO SURVEY @ 5598.50' MD.										
5598.50	0.52	141.51	5595.24	0.00	107.30	13.49 S	107.39 E	108.23@	97.16	0.00
THE FOLLOWING ARE PATHFINDER MWD SURVEYS.										
5629.00	5.45	92.68	5625.69	30.50	108.83	13.67 S	108.92 E	109.78@	97.15	16.79
5661.00	10.11	90.32	5657.39	32.00	113.16	13.75 S	113.25 E	114.08@	96.92	14.59
5693.00	15.12	89.51	5688.61	32.00	120.14	13.73 S	120.24 E	121.02@	96.52	15.66
5724.00	19.61	89.29	5718.18	31.00	129.39	13.63 S	129.49 E	130.20@	96.01	14.49
5756.00	23.30	89.75	5747.96	32.00	141.10	13.54 S	141.19 E	141.84@	95.48	11.54
5787.00	27.17	90.31	5776.00	31.00	154.31	13.55 S	154.40 E	155.00@	95.02	12.51
5819.00	30.60	91.03	5804.01	32.00	169.76	13.74 S	169.86 E	170.41@	94.62	10.77
5851.00	33.59	90.83	5831.12	32.00	186.76	14.01 S	186.86 E	187.38@	94.29	9.35
5882.00	37.64	90.18	5856.32	31.00	204.80	14.17 S	204.90 E	205.39@	93.95	13.12
5914.00	42.38	89.37	5880.82	32.00	225.37	14.08 S	225.47 E	225.91@	93.57	14.90
5946.00	46.17	89.66	5903.73	32.00	247.71	13.89 S	247.81 E	248.19@	93.21	11.86
5977.00	48.89	89.94	5924.66	31.00	270.57	13.81 S	270.67 E	271.02@	92.92	8.80
6009.00	50.21	89.39	5945.42	32.00	294.92	13.67 S	295.02 E	295.34@	92.65	4.33
6041.00	53.38	89.55	5965.21	32.00	320.06	13.44 S	320.16 E	320.44@	92.40	9.91
6073.00	56.45	88.98	5983.60	32.00	346.24	13.10 S	346.34 E	346.59@	92.17	9.70
6105.00	60.15	88.57	6000.41	32.00	373.46	12.51 S	373.56 E	373.77@	91.92	11.61
6136.00	63.84	88.98	6014.96	31.00	400.83	11.93 S	400.92 E	401.09@	91.70	11.96
6168.00	67.27	89.48	6028.20	32.00	429.95	11.54 S	430.04 E	430.19@	91.54	10.81
6199.00	71.05	89.89	6039.23	31.00	458.92	11.38 S	459.01 E	459.15@	91.42	12.26
6231.00	73.25	89.34	6049.04	32.00	489.38	11.18 S	489.46 E	489.59@	91.31	7.07
6262.00	76.06	89.66	6057.24	31.00	519.27	10.92 S	519.35 E	519.47@	91.20	9.12
6293.00	78.79	90.18	6063.99	31.00	549.52	10.88 S	549.61 E	549.71@	91.13	8.96
6325.00	82.57	90.46	6069.17	32.00	581.09	11.05 S	581.18 E	581.28@	91.09	11.84

PathFinder Energy Services, Inc.

Survey Report

MARBOB ENERGY
BLACK VELVET #1H
LEA COUNTY, NM
RIG: PATRIOT 6

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Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft) (ft)		Closure Dist Dir (ft) (deg)		DLS (dg/100ft)
6357.00	86.53	91.05	6072.21	32.00	612.93	11.47 S	613.02 E	613.13@	91.07	12.51
6388.00	90.22	92.07	6073.09	31.00	643.90	12.32 S	643.99 E	644.11@	91.10	12.35
6419.00	91.36	92.51	6072.66	31.00	674.86	13.56 S	674.97 E	675.10@	91.15	3.94
6451.00	90.66	93.23	6072.10	32.00	706.80	15.16 S	706.92 E	707.08@	91.23	3.14
6483.00	89.52	91.84	6072.05	32.00	738.76	16.57 S	738.89 E	739.07@	91.28	5.62
6515.00	89.16	90.02	6072.42	32.00	770.75	17.09 S	770.88 E	771.07@	91.27	5.80
6546.00	89.78	89.74	6072.70	31.00	801.74	17.03 S	801.88 E	802.06@	91.22	2.20
6578.00	89.69	88.63	6072.85	32.00	833.74	16.57 S	833.87 E	834.04@	91.14	3.48
6610.00	90.40	87.25	6072.83	32.00	865.73	15.42 S	865.85 E	865.99@	91.02	4.85
6642.00	91.36	86.83	6072.33	32.00	897.69	13.77 S	897.81 E	897.91@	90.88	3.27
6673.00	91.71	86.10	6071.50	31.00	928.63	11.86 S	928.74 E	928.81@	90.73	2.61
6705.00	91.01	84.99	6070.74	32.00	960.54	9.37 S	960.63 E	960.68@	90.56	4.10
6750.00	91.01	85.13	6069.95	45.00	1005.39	5.50 S	1005.46 E	1005.47@	90.31	0.31
6781.00	91.36	85.84	6069.31	31.00	1036.31	3.06 S	1036.35 E	1036.36@	90.17	2.55
6813.00	91.80	85.97	6068.43	32.00	1068.23	0.78 S	1068.26 E	1068.26@	90.04	1.43
6844.00	91.45	85.78	6067.55	31.00	1099.15	1.45 N	1099.17 E	1099.17@	89.92	1.29
6876.00	88.90	86.19	6067.45	32.00	1131.08	3.69 N	1131.08 E	1131.09@	89.81	8.07
6908.00	88.37	86.82	6068.21	32.00	1163.03	5.64 N	1163.02 E	1163.03@	89.72	2.57
6940.00	90.13	87.13	6068.63	32.00	1194.99	7.33 N	1194.97 E	1194.99@	89.65	5.58
6971.00	90.31	87.40	6068.51	31.00	1225.96	8.81 N	1225.93 E	1225.96@	89.59	1.05
7003.00	90.66	87.56	6068.24	32.00	1257.94	10.22 N	1257.90 E	1257.94@	89.53	1.20
7035.00	89.96	86.63	6068.07	32.00	1289.91	11.84 N	1289.86 E	1289.91@	89.47	3.64
7066.00	89.78	85.99	6068.14	31.00	1320.86	13.84 N	1320.79 E	1320.86@	89.40	2.14
7130.00	90.04	86.85	6068.24	64.00	1384.76	17.83 N	1384.67 E	1384.78@	89.26	1.40
7225.00	90.13	86.45	6068.10	95.00	1479.63	23.38 N	1479.50 E	1479.69@	89.09	0.43
7319.00	89.16	85.78	6068.68	94.00	1573.45	29.75 N	1573.28 E	1573.57@	88.92	1.25

PathFinder Energy Services, Inc.

Survey Report

MARBOB ENERGY
BLACK VELVET #1H
LEA COUNTY, NM
RIG: PATRIOT 6

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Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft) (ft)		Closure Dist Dir (ft) (deg)		DLS (dg/100ft)
7414.00	88.37	85.34	6070.73	95.00	1668.19	37.10 N	1667.98 E	1668.39@	88.73	0.95
7446.00	88.64	85.55	6071.56	32.00	1700.09	39.64 N	1699.86 E	1700.33@	88.66	1.07
7477.00	87.76	85.15	6072.54	31.00	1730.99	42.16 N	1730.75 E	1731.26@	88.60	3.12
7572.00	88.64	85.49	6075.52	95.00	1825.68	49.90 N	1825.38 E	1826.06@	88.43	0.99
7665.00	89.60	85.44	6076.95	93.00	1918.42	57.26 N	1918.08 E	1918.93@	88.29	1.03
7697.00	89.69	85.26	6077.15	32.00	1950.34	59.85 N	1949.97 E	1950.89@	88.24	0.63
7761.00	89.52	85.00	6077.59	64.00	2014.14	65.28 N	2013.74 E	2014.80@	88.14	0.49
7825.00	88.37	84.95	6078.77	64.00	2077.92	70.89 N	2077.48 E	2078.69@	88.05	1.80
7888.00	86.09	83.63	6081.81	63.00	2140.57	77.15 N	2140.09 E	2141.48@	87.94	4.18
7984.00	86.09	83.14	6088.36	96.00	2235.78	88.18 N	2235.23 E	2236.97@	87.74	0.51
8078.00	87.05	84.42	6093.98	94.00	2329.12	98.35 N	2328.51 E	2330.58@	87.58	1.70
8109.00	88.64	84.58	6095.15	31.00	2359.98	101.32 N	2359.34 E	2361.52@	87.54	5.16
8173.00	89.08	84.72	6096.42	64.00	2423.72	107.28 N	2423.05 E	2425.42@	87.46	0.72
8268.00	89.78	83.81	6097.37	95.00	2518.30	116.77 N	2517.57 E	2520.27@	87.34	1.21
8362.00	91.28	82.97	6096.50	94.00	2611.74	127.59 N	2610.93 E	2614.05@	87.20	1.83
8456.00	89.96	82.47	6095.48	94.00	2705.06	139.50 N	2704.17 E	2707.77@	87.05	1.50
8519.00	89.87	82.56	6095.57	63.00	2767.57	147.71 N	2766.63 E	2770.57@	86.94	0.20
8551.00	90.04	81.85	6095.60	32.00	2799.31	152.05 N	2798.34 E	2802.46@	86.89	2.28
8646.00	87.67	80.74	6097.50	95.00	2893.28	166.42 N	2892.22 E	2897.00@	86.71	2.75
8678.00	87.93	80.36	6098.72	32.00	2924.86	171.67 N	2923.76 E	2928.79@	86.64	1.44
8709.00	88.46	80.52	6099.70	31.00	2955.45	176.82 N	2954.31 E	2959.60@	86.57	1.79
8740.00	88.55	81.18	6100.51	31.00	2986.07	181.75 N	2984.91 E	2990.43@	86.52	2.15
8771.00	88.55	81.03	6101.29	31.00	3016.72	186.54 N	3015.52 E	3021.29@	86.46	0.48
8803.00	88.81	80.77	6102.03	32.00	3048.35	191.60 N	3047.11 E	3053.13@	86.40	1.15
8835.00	88.99	80.64	6102.65	32.00	3079.95	196.77 N	3078.69 E	3084.97@	86.34	0.69
8865.00	88.99	81.98	6103.17	30.00	3109.64	201.30 N	3108.34 E	3114.85@	86.29	4.47

PathFinder Energy Services, Inc.

Survey Report

MARBOB ENERGY
BLACK VELVET #1H
LEA COUNTY, NM
RIG:PATRIOT 6

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Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets		Closure Dist Dir		DLS
						(ft)	(ft)	(ft)	(deg)	(dg/100ft)
8897.00	89.08	82.62	6103.71	32.00	3141.37	205.59 N	3140.04 E	3146.77@	86.25	2.02
8927.00	89.34	83.18	6104.13	30.00	3171.16	209.29 N	3169.81 E	3176.71@	86.22	2.06
8937.00	88.72	83.82	6104.30	10.00	3181.10	210.43 N	3179.75 E	3186.70@	86.21	8.91
STRAIGHT-LINE PROJECTION TO BIT @ 9010' MD.										
9010.00	88.72	83.82	6105.93	73.00	3253.71	218.28 N	3252.30 E	3259.62@	86.16	0.00



Job Number: 101007738
Company: Marbob
Lease/Well: Black Velvet #1H
Location: ☐
Rig Name: Patriot 6
RKB: 3127
G.L. or M.S.L.: 3109

State/Country: NM/USA
Declination: ☐
Grid: ☐
File name: C:\WINSERVE\7738.SVY
Date/Time: 11-Aug-08 / 06:11
Curve Name: ACTUAL SURVEYS

Pathfinder Energy Services

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 89.61
Vertical Section Referenced to Wellhead
Rectangular Coordinates Referenced to Wellhead

<i>Measured Depth FT</i>	<i>Incl Angle Deg</i>	<i>Drift Direction Deg</i>	<i>True Vertical Depth</i>	<i>N-S FT</i>	<i>E-W FT</i>	<i>Vertical Section FT</i>	<i>C L O S U R E Distance FT</i>	<i>Direction Deg</i>	<i>Dogleg Severity Deg/100</i>
Tie In from gyro									
5598.50	.52	141.51	5595.24	-13.49	107.39	107.30	108.23	97.16	.00

PathFinder Energy Services, Inc.

Magnetic & Grid Calculations

MARBOB ENERGY
BLACK VELVET # 1H
LEA COUNTY, NEW MEXICO
Rig: PATRIOT 6

Thu Aug 07 14:10:34 2008

Coordinates

Latitude: 32.357549 N (32 deg. 21 min. 27.1762 sec.)
Longitude: 104.061135 W (-104 deg. 3 min. 40.0848 sec.)
Elevation: 3109.00 feet.
Calculation Date: Aug/07/2008

Magnetic Calculations

Model: IGRF2005
Dip Angle: 60.3073 degrees
Total Magnetic Field: 0.48955 gauss
Magnetic Declination: 8.148193 degrees
Horizontal Intensity: 0.242495 gauss
To Convert a Magnetic Dir. to a TRUE North Dir. Add 8.148193 Degr

Transverse Mercator Grid Calculations NAD27

Grid System: Transverse Mercator: new mexico east
Ellipsoid: Clarke 1866
X: 584051.2000 feet
Y: 493898.6000 feet
True to Grid: (convergence) -0.145682 degrees
Magnetic to Grid: 8.002511 degrees
To Convert a Magnetic Dir. to a GRID dir. Add 8.002511 Degr.

DISTRICT I
1626 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1620 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

JUL 19 2007
OCD-ARTESIA

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 36617	Pool Code 30670	Pool Name Herradura Bend, East; Delaware
Property Code 36617	Property Name BLACK VELVET FEDERAL	Well Number 1H
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3093'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	26	22-S	28-E		430	SOUTH	1650	WEST	EDDY

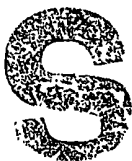
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	26	22-S	28-E		430	SOUTH	330	EAST	EDDY

Dedicated Acres 120	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

	OPERATOR CERTIFICATION <i>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.</i> Signature: <u>William Miller</u> Date: <u>5/17/2007</u> Printed Name: <u>William Miller</u>	
	SURVEYOR CERTIFICATION <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> Date Surveyed: <u>APRIL 20, 2007</u> LA Signature & Seal of Professional Surveyor: <u>GARY G. EIDSON</u> Certificate No. <u>07-14-0536</u>	
	Certificate No. <u>GARY EIDSON</u> 12641	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

JUL 19 2007

EA-07-964

FORM APPROVED
OMB No 1004-0136
Expires January 31, 2004

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of Work ☒ DRILL ☐ REENTER		5 Lease Serial No NM-67979
1b Type of Well ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6 If Indian, Allottee or Tribe Name
2 Name of Operator Marbob Energy Corporation		7 If Unit or CA Agreement, Name and No
3a Address P O Box 227, Artesia, NM 88211-0227		8 Lease Name and Well No Black Velvet Federal #1 H
3b Phone No (include area code) 505-748-3303		9 API Well No 30-015-35710
4 Location of Well (Report location clearly and in accordance with any State requirements *) At surface 430' FSL & 1650' FWL At proposed prod zone 430' FSL & 330' FEL CARLSBAD CONTROLLED WATER BASIN		10 Field and Pool, or Exploratory Herradura Bend, East, Delaware
14 Distance in miles and direction from nearest town or post office*		11 Sec, T, R, M, or Blk and Survey or Area Section 26, T22S - R28E
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line, if any)	16 No of Acres in lease	12 County or Parish Eddy County
17 Spacing Unit dedicated to this well 120	18 Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft	13 State NM
19 Proposed Depth 6400'	20 BLM/BIA Bond No on file NM-B00412	
21 Elevations (Show whether DF, KDB, RT, GL, etc.) 3093'	22 Approximate date work will start* July 4th, 2007	23 Estimated duration 25 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form

- | | |
|---|--|
| 1 Well plat certified by a registered surveyor | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) |
| 2 A Drilling Plan | 5 Operator certification |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/or plans as may be required by the authorized officer |

25 Signature 	Name (Printed Typed) William Miller	Date 5/17/07
Title Landman		
Approved by (Signature) 	Name (Printed Typed) Don Peterson	Date JUL 17 2007
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon
Conditions of approval, if any, are attached

APPROVAL FOR TWO YEARS

Title 18 U S C Section 1001 and Title 43 U S C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

*(Instructions on reverse)

SEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHEDIf earthen pits are used in
association with the drilling of this
well, an OCD pit permit must be
obtained prior to pit construction.