

District II
1301 W Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

Form C-101
Permit 105754

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
4. Property Code 37957		3. API Number 37465
5. Property Name HONEYGRAHAM STATE		6. Well No. 001 H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	29	26S	28E	D	660	N	330	W	EDDY

8. Pool Information

WC:BONE SPRING	96053 ✓
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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 3005
14. Multiple N	15. Proposed Depth 6550	16. Formation Bone Spring	17. Contractor	18. Spud Date 1/16/2010
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	300	300	0
Int1	12.25	9.625	36	2250	500	0
Prod	7.875	5.5	17	10100	950	2000

Casing/Cement Program: Additional Comments

DRILL 17 1/2 HOLE TO 300' WITH FRESH WATER, RUN 13 3/8 48# H-40 CASING AND CEMENT TO SURFACE. DRILL 12 1/4" HOLE TO 2250' WITH BRINE, RUN 9 5/8 36# J-55 CASING AND CEMENT TO SURFACE. DRILL 7 7/8" HOLE TO 6050' WITH CUT BRINE THEN DRILL LATERAL TO NEW BHL WITH TVD OF 6550' MEASURED DEPTH OF 10100' 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 Approved By: Title: Approved Date: Expiration Date:
Printed Name: Electronically filed by Diana Briggs	
Title: Production Manager	
Email Address: production@marbob.com	
Date: 12/16/2009 Phone: 575-748-3303	

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

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 105754

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code 96053	3. Pool Name WC:BONE SPRING
4. Property Code	5. Property Name HONEYGRAHAM STATE	6 Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3005

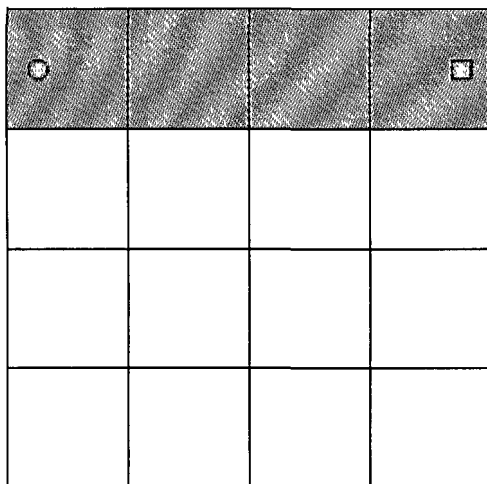
10. Surface Location

UL - Lot D	Section 29	Township 26S	Range 28E	Lot Idn	Feet From 660	N/S Line N	Feet From 330	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 29	Township 26S	Range 28E	Lot Idn	Feet From 660	N/S Line N	Feet From 330	E/W Line E	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: 12/16/2009

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: 11/10/2009

Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: HONEYGRAHAM STATE #001

API:

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.	11/25/2009