

I. M. Oil Cons. Division

811 S. 1ST ST.

ARTESIA, NM 88210-2834

Form 3160-3 (July 1992)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE (Other instructions on reverse side)

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

Handwritten initials 'OKF'

Handwritten number '741'

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

Form fields 1a-23 including TYPE OF WORK (DRILL X), NAME OF OPERATOR (MARBOb ENERGY CORPORATION), ADDRESS, LOCATION OF WELL, DISTANCE FROM PROPOSED LOCATION, and APPROX. DATE WORK WILL START (08/23/99).

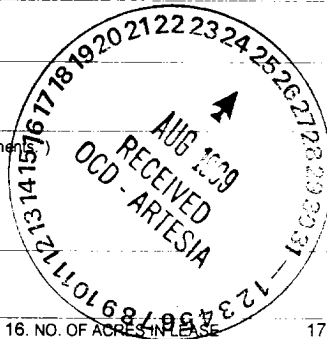


Table with 5 columns: SIZE OF HOLE, GRADE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Includes data for 12 1/4" and 7 7/8" holes.

PAY ZONE WILL BE SELECTIVELY PERFORATED AND STIMULATED AS NEEDED FOR OPTIMUM PRODUCTION ATTACHED ARE: 1. WELL LOCATION AND ACREAGE DEDICATION PLAT 2. SUPPLEMENTAL DRILLING DATA 3. SURFACE USE PLAN

Post ID-1 8-27-99 API + Loc

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE PRODUCTION ANALYST DATE 07/23/99

(This space for Federal or State office use) PERMIT NO. APPROVAL DATE 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. Acting

APPROVED BY (ORIG. SGD.) ARMANDO A. LOPEZ TITLE Assistant Field Office Manager, Lands and Minerals DATE 8/24/99 *See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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 or to furnish any information which is false, fictitious or fraudulent.

RECEIVED

JUL 26 1999

BLAN
ROSWELL, NM

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0710

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96610	Pool Name EAST EMPIRE YESO
Property Code 23171	Property Name B-440 FEDERAL	Well Number 6
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3557

Surface Location

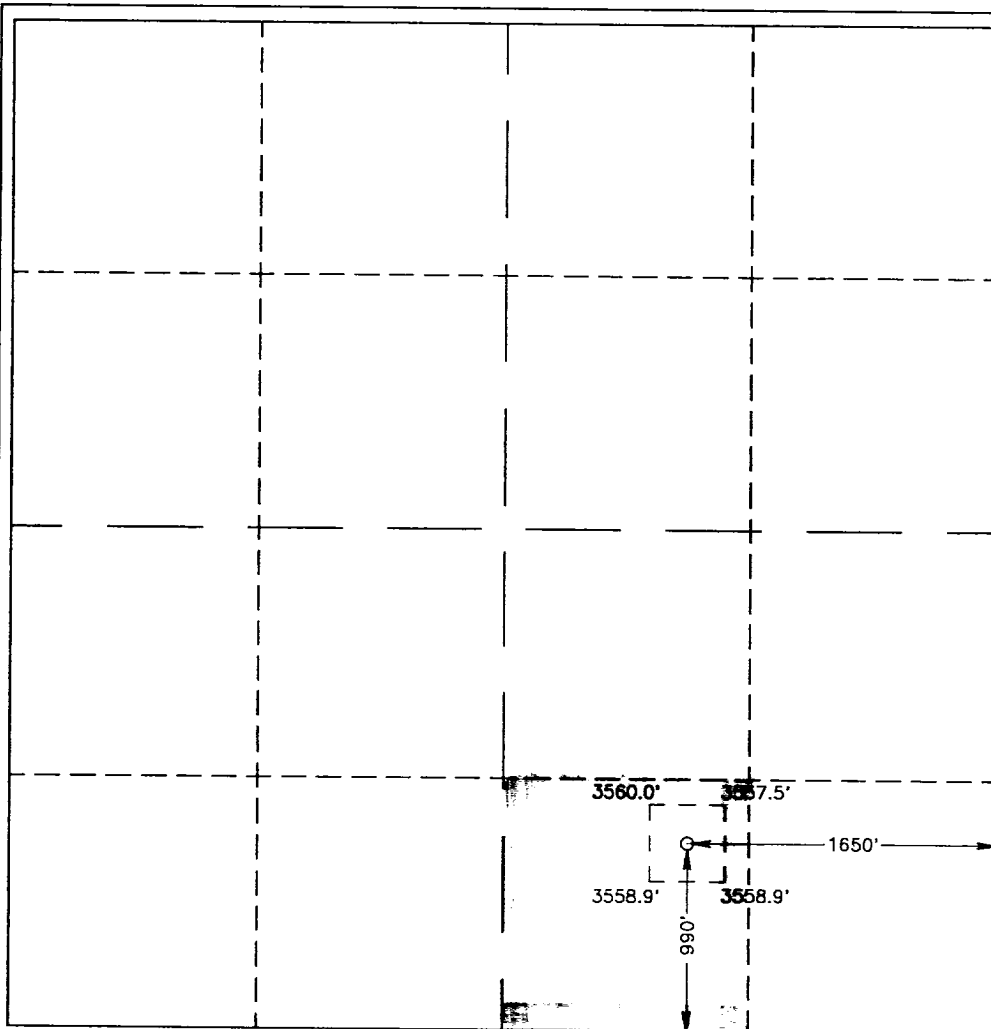
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	27	17 S	29 E		990	SOUTH	1650	EAST	EDDY

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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.

Robin Cockrum
Signature
ROBIN COCKRUM
Printed Name
PRODUCTION ANALYST
Title
7/23/99
Date

SURVEYOR CERTIFICATION

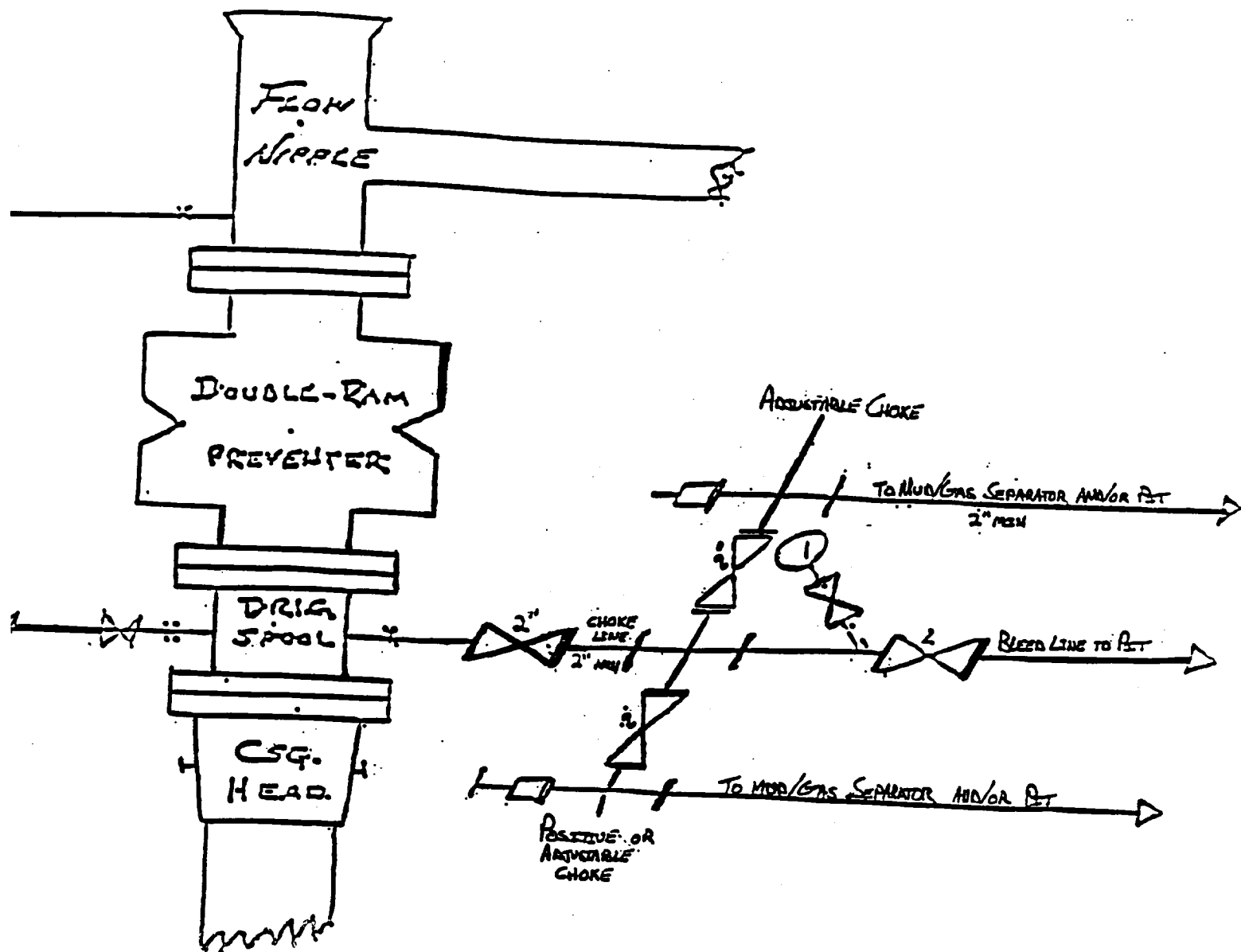
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JULY 14, 1999
Date Surveyed JLP

Signature of Surveyor
Professional Surveyor
RONALD J. EDSON
3239
W.C. Num. 98-11-0582
7-19-99

Certificate No. RONALD J. EDSON, 3239
GARY EDSON, 12841
EDSON MEDONALD, 12185

BLOW OUT PREVENTER AND CHOKE MANIFOLD



10" / 900 Cameron SS Space Saver
 3000# Working Pressure
 3000# Working Pressure Choke Manifold

B 440 Federal No. 6
 990' FSL & 1650' FEL
 Section 27; T17S - R29E
 Eddy County, New Mexico

Attachment to Exhibit #1
NOTES REGARDING THE BLOWOUT PREVENTERS

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 3000 psi W.P. minimum.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi W.P. minimum.
6. All choke and fill lines to be securely anchored, especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on kelly.
9. Extension wrenches and hand wheels to be properly installed.
10. Blow out preventer control to be located as close to driller's position as feasible.
11. Blow out preventer closing equipment to include minimum 40 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.