

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-101
Permit 1726

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address MARBOB ENERGY CORP PO Box 227 Artesia, NM 88211-0227		OGRID Number 14049
		API Number 30-015-33664
Property Code 34339	Property Name SLY HAWK STATE	Well No. 003

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	3	25S	28E	H	2590	N	990	E	Eddy

Bottom Holes

Pool: WILLOW LAKE; DELAWARE, SW 96855									
UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	3	25S	28E	1	330	N	660	E	Eddy

Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 2995
Multiple N	Proposed Depth 6825	Formation Delaware	Contractor	Spud Date 11/01/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	550	350	0
Prod	8.75	5.5	17	6825	900	0

Casing/Cement Program: Additional Comments

Propose to drill 12 1/4 in. hole to 550 ft. w/fresh water, set surface csg, circ; drill 8 3/4 in. hole to TD w/brine water, set production csg, cmt w/sufficient cmt to cover 500 feet above all oil and gas bearing zones.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Diana Cannon

Title: Production Analyst

Date: 10/07/2004

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 10/12/2004

Expiration Date: 10/12/2005

Conditions of Approval:

There are conditions. See Attached.