

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 8977

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address MARBOB ENERGY CORP PO Box 227 Artesia, NM 88211-0227		OGRID Number 14049
		API Number 30-015-34037
Property Code 34725	Property Name SPANISH DAGGER STATE	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	12	19S	27E	G	1980	N	1980	E	Eddy

Proposed Pools

ANGEL RANCH;ATOKA-MORROW (GAS) 70310

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3506
Multiple N	Proposed Depth 11100	Formation Morrow	Contractor	Spud Date 04/15/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	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	2100	500	0
Prod	8.75	5.5	17	11100	600	0

Casing/Cement Program: Additional Comments

We propose to drill 17 1/2 inch hole to 300 ft with fresh water, run 48 lb H-40 13 3/8 inch csg and set at 300 ft with 300 sx cmt, circ to surface; drill 12 1/4 inch hole to 2100 ft with brine water, run 36 lb J-55 9 5/8 inch csg and set at 2100 ft with 500 sx cmt, circ to surface; drill 8 3/4 inch hole to 11100 ft with cut brine water, run 5 1/2 inch 17 lb S-95/P110 csg and set at 11100 ft with 600 sx cmt, TOC 500 above all oil and gas bearing 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.

Electronically Signed By: Diana Briggs

Title: Production Analyst

Date: 03/29/2005

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 03/31/2005

Expiration Date: 03/31/2006

Conditions of Approval:

There are conditions. See Attached.