

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 13567

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address MARBOB ENERGY CORP PO Box 227 Artesia, NM 88211-0227		OGRID Number 14049
		API Number 30-015-34243
Property Code 34943	Property Name XTX STATE	Well No. 001

Surface Location

UL or Lot K	Section 32	Township 18S	Range 30E	Lot Idn K	Feet From 1830	N/S Line S	Feet From 1980	E/W Line W	County Eddy
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Proposed Pools

TURKEY TRACK,MORROW, NORTH (GAS) 86500
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Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3374
Multiple N	Proposed Depth 12000	Formation Morrow	Contractor	Spud Date 07/22/2005

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	400	400	0
Int1	12.25	9.625	36	3400	700	0
Prod	8.75	5.5	17	12000	1200	0

Casing/Cement Program: Additional Comments

PLAN TO DRILL 17.5 INCH HOLE TO 400 WITH FRESH WATER, SET 13.375 INCH CSG, CMT WITH 400 SX, CIRC TO SURF; DRILL 12.25 INCH HOLE TO 3400 WITH BRINE WATER, SET 9.625 INCH CASING WITH 700 SXCMT, CIRC TO SURF; DRILL 8.75 INCH HOLE WITH CUT BRINE TO 12000, SET 5.5 INCH CSG WITH 1200 SX SMT, BRING TOC 200 FEET ABOVE ALL OIL AND GAS BEARING ZONES.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	CAMERON
Double Ram	2000	2000	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: 07/15/2005

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 07/28/2005

Expiration Date: 07/28/2006

Conditions of Approval:

There are conditions. See Attached.