

**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 <b>MARBOB ENERGY CORP</b> PO Box 227 Artesia, NM 88211		2. OGRID Number 14049
		3. API Number 30-025-38424
4. Property Code 36523	5. Property Name RUGBURN STATE	6. Well No. 001

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	23	18S	33E	L	2310	S	330	W	LEA

**8. Pool Information**

MESCALERO ESCARPE;BONE SPRING	45793
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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 3862
14. Multiple N	15. Proposed Depth 6500	16. Formation Delaware	17. Contractor	18. Spud Date 6/30/2007
Depth to Ground water 250		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 3000 _____ 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	350	300	0
Int1	12.25	8.625	32	3050	700	0
Int1	12.25	8.625	32	1550	700	0
Prod	7.875	5.5	17	6500	700	200

**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; drl 12 1/4 inch hole to 1550 ft with fresh water then down to 3050 ft with brine water, run 32 lb J-55 8 5/8 inch csg and set at 3050 ft with 700 sx cmt, circ to surface; drl 7 7/8 inch hole to 6500 ft with cut brine water, run 5 1/2 inch 17 lb J-55 csg and set at 6500 ft with 700 sx cmt, 200' above all oil & gas zones.

**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. <b>I further certify that the drilling pit will be constructed according to NMOCD guidelines</b> <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Diana Briggs	Approved By: Paul Kautz
Title: Production Analyst	Title: Geologist
Email Address: production@marbob.com	Approved Date: 6/4/2007   Expiration Date: 6/4/2008
Date: 5/31/2007   Phone: 505-748-3303	Conditions of Approval Attached

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6161 Fax:(505) 393-0720

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

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102  
 Permit 54475

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-38424	2. Pool Code 45793	3. Pool Name MESCALERO ESCARPE;BONE SPRING
4. Property Code 36523	5. Property Name RUGBURN STATE	6. Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3862

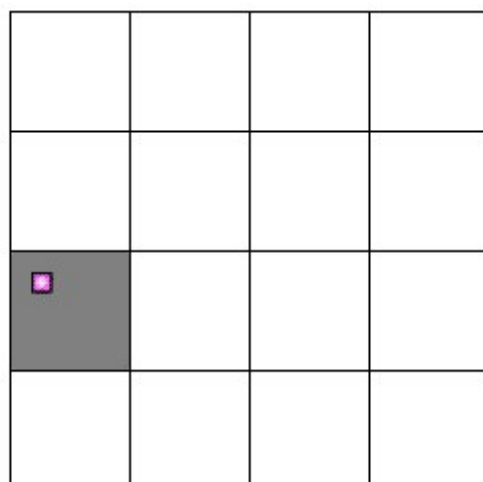
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00		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 Analyst  
 Date: 5/31/2007

**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: 5/15/2007  
 Certificate Number: 3239

## Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: RUGBURN STATE #001

API: 30-025-38424

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.	5/31/2007

# Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: RUGBURN STATE #001

API: 30-025-38424

OCD Reviewer	Condition
DMULL	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	Monimum setting depth surface casing 350'