

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 MARBOB ENERGY CORP PO Box 227 Artesia, NM 88211		2. OGRID Number 14049
		3. API Number 30-025-38600
4. Property Code 36819	5. Property Name PICK STATE	6. Well No. 002

7. Surface Location

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

8. Pool Information

CORBIN,DELAWARE, WEST	13195
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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 3871
14. Multiple N	15. Proposed Depth	16. Formation Delaware	17. Contractor	18. Spud Date 12/1/2007
Depth to Ground water 250	Distance from nearest fresh water well		Distance to nearest surface water	
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input 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	12.25	8.625	24	1600	650	0
Prod	7.875	5.5	17	6500	700	1400

Casing/Cement Program: Additional Comments

We propose to drill 12 1/4 inch hole to 1600 ft with fresh water, run 24 lb J-55 8 5/8 inch csg and set at 1600 ft with 650 sx cmt, TOC 0; dnl 7 7/8 inch hole to 6500 ft with brine water, run 17 lb J-55 5 1/2 inch csg and set at 6500 ft with 700 sx cmt, TOC 1400

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. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Paul Kautz	
Printed Name: Electronically filed by Diana Briggs	Title: Geologist	
Title: Production Analyst	Approved Date: 11/2/2007	Expiration Date: 11/2/2008
Email Address: production@marbob.com		
Date: 11/1/2007	Phone: 505-748-3303	Conditions of Approval Attached

District IIDistrict IIIDistrict IV

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38600	2. Pool Code 13195	3. Pool Name CORBIN,DELA WARE, WEST
4. Property Code 36819	5. Property Name PICK STATE	
6. Well No. 002	7. OGRID No. 14049	
8. Operator Name MARBOB ENERGY CORP	9. Elevation 3871	

10. Surface Location

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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

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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: 11/1/2007

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: 9/26/2007

Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: PICK STATE #002

API: 30-025-38600

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.	11/1/2007
MARBOB4	This is a closed mud loop system with fresh water pits.	11/1/2007

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: PICK STATE #002

API: 30-025-38600

OCD Reviewer	Condition
pkautz	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