

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 30-015-36029
4. Property Code 36930	5. Property Name COURSAR STATE COM	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
A	2	19S	31E	1	660	N	660	E	EDDY

8. Pool Information

SHUGART,MORROW (GAS)	85300
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3627
14. Multiple N	15. Proposed Depth	16. Formation Morrow	17. Contractor	18. Spud Date 2/3/2007
Depth to Ground water 250		Distance from nearest fresh water well		Distance to nearest surface water

Pit: Liner: Synthetic ☐ miles thick Clay ☐ Pit Volume: bbls Drilling Method: Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐
Closed Loop System ☒

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17	13.375	54.5	825	500	0
Int1	12.25	9.625	36	3000	600	600
Prod	7.875	5.5	17	12300	950	2800

Casing/Cement Program: Additional Comments

We propose to drill 17 inch hole to 825 ft with fresh water, run 54.5 lb J-55 13 3/8 inch csg and set at 825 ft with 500 sx cmt, circ to surface; drl 12 1/4 inch hole to 3000 ft with brine water, run 36 lb J-55 9 5/8 inch csg and set at 3000 ft with 600 sx cmt, TOC 600'; drl 7 7/8" inch hole to 12300 ft with cut brine water, run 5 1/2 inch 17 lb S95/P110 csg and set at 12300 ft with 950 sx cmt, TOC 2800'

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	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 ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Printed Name: Electronically filed by Diana Briggs

Title: Production Analyst

Email Address: production@marbob.com

Date: 1/3/2008 Phone: 505-748-3303

OIL CONSERVATION DIVISION

Approved By: Bryan Arrant

Title: Geologist

Approved Date: 1/9/2008 Expiration Date: 1/9/2009

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

State of New Mexico
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Santa Fe, NM 87505

Form C-102
 Permit 66793

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-36029	2. Pool Code 85300	3. Pool Name SHUGART MORROW (GAS)
4. Property Code 36930	5. Property Name COURSAIR STATE COM	6. Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3627

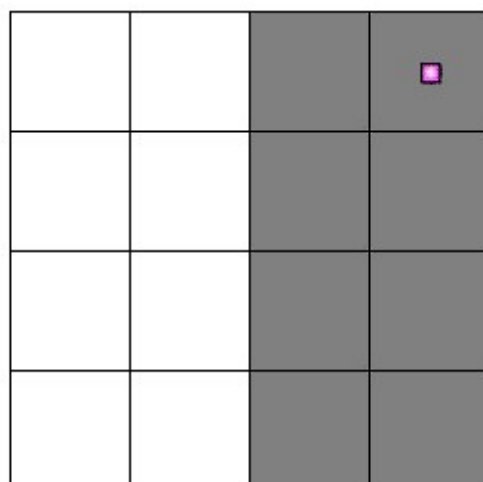
10. Surface Location

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 319.79		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: 1/3/2008

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: 9/27/2007
 Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: COURSAIR STATE COM #001

API: 30-015-36029

Created By	Comment	Comment Date
MARBOB4	Marbob will be using a closed mud loop system with fresh water pits.	12/31/2007
MARBOB4	We plan to complete this well in the Morrow which is sweet and we don't anticipate cutting any formations that contain H2S gas during the drilling of the above referenced well. Therefore, we do not believe that an H2S contingency plan is necessary.	12/31/2007

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: COURSAIR STATE COM #001

API: 30-015-36029

OCD Reviewer	Condition
BArrant	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
BArrant	As noted, operator to drill surface hole w/fresh water mud.