

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 30-015-36127
4. Property Code 6528	5. Property Name NEW MEXICO DC STATE	6. Well No. 006

7. Surface Location

UL - Lot O	Section 18	Township 19S	Range 29E	Lot Idn O	Feet From 660	N/S Line S	Feet From 1980	E/W Line E	County EDDY
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	-------------------	---------------	----------------

8. Pool Information

MILLMAN;YATES-SR-QN-GB-SA, EAST	46555
---------------------------------	-------

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3377
14. Multiple N	15. Proposed Depth	16. Formation Grayburg	17. Contractor	18. Spud Date 3/19/2008
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	350	250	0
Prod	7.875	5.5	17	2650	350	0

Casing/Cement Program: Additional Comments

We propose to drill 12 1/4 inch hole to 350 ft with fresh water, run 24 lb J55 8 5/8 inch csg and set at 350 ft with 250 sx cmt, TOC 0; drl 7 7/8 inch hole to 2650 ft with cut brine water, run 17 lb J55 csg and set at 2650 ft with 350 sx cmt, TOC 0.

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 NMOCB 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: 2/19/2008

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Approved By: Bryan Arrant

Title: Geologist

Approved Date: 2/20/2008

Expiration Date: 2/20/2010

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
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 69880

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-36127	2. Pool Code 46555	3. Pool Name MILLMAN;YATES-SR-QN-GB-SA, EAST
4. Property Code 6528	5. Property Name NEW MEXICO DC STATE	6. Well No. 006
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3377


10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	18	19S	29E	O	660	S	1980	E	EDDY

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: 2/19/2008

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: 2/7/2008
 Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: NEW MEXICO DC STATE #006

API: 30-015-36127

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.	2/19/2008
MARBOB4	Marbob will be using a closed mud loop system with fresh water pits.	2/19/2008

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: NEW MEXICO DC STATE #006

API: 30-015-36127

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	Operator must use fresh water mud when drilling surface hole.
BArrant	Please notify the OCD of the time of spud, and to witness the cementing of all casing strings.