

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 30-015-36192
4. Property Code 37050	5. Property Name GRINDSTONE FEE	6. Well No. 001

7. Surface Location

UL - Lot I	Section 20	Township 26S	Range 24E	Lot Idn I	Feet From 1980	N/S Line S	Feet From 660	E/W Line E	County EDDY
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8. Pool Information

WILDCAT 27N8W1K, MISSISSIPPIAN (G)	96733
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3807
14. Multiple N	15. Proposed Depth	16. Formation Devonian	17. Contractor	18. Spud Date 4/7/2008
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	9.625	36	450	225	0
Prod	7.875	5.5	17	8000	900	300

Casing/Cement Program: Additional Comments

We propose to drl 12 1/4 inch hole to 450 ft w/fresh water, run 9 5/8 inch 36 lb J-55 csg, set at 450 ft w/225 sx cmt, circ to surface; drl 7 7/8 inch hole w/cut brine water to 8000 ft, run 5 1/2 inch 17 lb N-80 csg, set at 8000 ft w/900 sx cmt, TOC 300'.

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 NMOCB guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCB-approved plan <input type="checkbox"/>	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Diana Briggs	Approved By: Tim Gum
Title: Production Analyst	Title: District Supervisor
Email Address: production@marbob.com	Approved Date: 3/14/2008 Expiration Date: 3/14/2010
Date: 3/7/2008 Phone: 505-748-3303	Conditions of Approval Attached

District IIDistrict IIIDistrict IV

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-36192	2. Pool Code 96733	3. Pool Name WILDCAT 27N8W1K;MISSISSIPPIAN (G)
4. Property Code 37050	5. Property Name GRINDSTONE FEE	6. Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3807

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	20	26S	24E	I	1980	S	660	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 320.00		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: 3/7/2008

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: 1/9/2008

Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: GRINDSTONE FEE #001

API: 30-015-36192

Created By	Comment	Comment Date
MARBOB4	We plan to complete this well in the Devonian 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.	3/6/2008
MARBOB4	Marbob will be using a closed mud loop system with fresh water pits.	3/6/2008

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: GRINDSTONE FEE #001

API: 30-015-36192

OCD Reviewer	Condition
kmwilson	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
kmwilson	Must use fresh water mud when drilling surface location.