State of New Mexico

Form C-101 Permit 84335

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

	Operator Name and Address ARBOB ENERGY CORP	2. OGRID Mumber 14049
	PO Box 227 Artesia , NM 88211	3. API Number 30-015-36737
4. Property Code 37288	5. Property Name SHARBRO STATE	6. Well No. 003

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	32	18S	30E	D	330	N	990	W	EDDY

8. Pool Information

SANTO NINO:BONE SPRING	54600
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Additional Well Information

9. Work Type New Well	10. Well Typ OIL	pe 11. Cable/Rotan	y 12. Lease Type State	13. Ground Level Elevation 3430	
14. Montriple N	15. Proposed I	Depth 16. Formation Bone Sprin		18. Spud Date 11/30/2008	
Depth to Ground 250	water	Distance from neares	st fresh water well	Distance to nearest surface water	
it: Liner: Synthetic [Closed Loop System	_	thick Clay Pit Volume:	bbls Drilling Method: Fresh Water Brine	Diesel/Oil-based Gas/Air	

19. Proposed Casing and Cement Program

Туре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	400	400	0
Int1	12.25	9.625	36	1500	800	0
Prod	7.875	5.5	17	9200	800	1000

Casing/Cement Program: Additional Comments

We propose to drill 17 1/2 inch hole to 400 ft with fresh water, run 54.5 lb J-55 13 3/8 inch csg and set at 400 ft with 400 sx cmt, circ to surface; drl 12 1/4 inch hole to 1500 ft with brine water, run 36 lb J-55 9 5/8 inch csg and set at 1500 ft with 800 sx cmt, circ to surface; drl 7 7/8 inch hole to 9200 ft with cut brine water, run 5 1/2 inch 17 lb N-80 csg and set at 9200 ft with 800 sx cmt, 1000°.

Proposed Blowout Prevention Program

Туре	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	OIL CONSERVATION DIVISION				
NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .	Approved By: Tim Gum				
Printed Name: Electronically filed by Diana Briggs	Title: District Supervisor				
Title: Production Analyst	Approved Date: 11/10/2008 Expiration Date: 11/10/2010				
Email Address: production@marbob.com					
Date: 10/31/2008 Phone: 505-748-3303					

District I

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

<u>District II</u>

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

District III

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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

Form C-102 Permit 84335

Energy, Minerals and Natural Resources Oil Conservation Division

1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

	LDD Do cittion in D inch				
1. API Number	ue				
30-015-36737	54600	SANTO NINO;BONE SPRING			
4. Property Code	5. Property	5. Property Name			
37288	SHARBRO	SHARBRO STATE 003			
7. OGRID No.	8. Operator Name		9. Elevation		
14049	MARBOB ENE	MARBOB ENERGY CORP			

10. Surface Location

										_
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County]
D	32	18S	30E	D	330	И	990	w	EDDY	l

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Т	ownship	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
0.757.0753	ated Acres		13. 3	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

- X	0		
32 X			
328			

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: 10/31/2008

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: 10/18/2008 Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049 Well: SHARBRO STATE #003

API: 30-015-36737

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.	10/31/2008