

|  |                                 |                               |
|--|---------------------------------|-------------------------------|
| 1. Operator Name and Address<br>MARBOB ENERGY CORP<br>PO BOX 227<br>ARTESIA , NM 882110227 |                                 | 2. OGRID Number<br>14049      |
|  |                                 | 3. API Number<br>30-015-37239 |
| 4. Property Code<br>37798  | 5. Property Name<br>SAUSAGE SWD | 6. Well No.<br>001            |

|               |              |                 |              |              |                   |               |                   |               |                |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|-------------------|---------------|----------------|
| UL - Lot<br>G | Section<br>7 | Township<br>25S | Range<br>30E | Lot Idn<br>G | Feet From<br>2310 | N/S Line<br>N | Feet From<br>1650 | E/W Line<br>E | County<br>EDDY |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|-------------------|---------------|----------------|

|                 |       |
|-----------------|-------|
| SWD:BONE SPRING | 96095 |
|-----------------|-------|

|  |                            |  |                         |                                    |
|--|----------------------------|--|-------------------------|------------------------------------|
| 9. Work Type<br>New Well   | 10. Well Type<br>OIL       | 11. Cable/Rotary                       | 12. Lease Type<br>State | 13. Ground Level Elevation<br>3182 |
| 14. Multiple<br>N  | 15. Proposed Depth<br>7500 | 16. Formation<br>Bone Spring           | 17. Contractor          | 18. Spud Date<br>9/19/2009         |
| Depth to Ground water  |                            | Distance from nearest fresh water well |                         | Distance to nearest surface water  |
| Pit: Liner: Synthetic <input type="checkbox"/> mills thick      Clay <input type="checkbox"/> Pit Volume:      bbls      Drilling Method:<br>Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> |                            |  |                         |                                    |

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5      | 13.375      | 54.5             | 725           | 500             | 0             |
| Int1 | 11        | 8.625       | 24               | 3450          | 700             | 0             |
| Prod | 7.875     | 5.5         | 17               | 7400          | 700             | 3200          |

Plan to drill 17 1/2 inch hole to 725' with fresh water, set 13 3/8 inch casing, cement with 500 sk, TOC 0. Drill 11 inch hole to 3450' with brine, set 8 5/8 inch casing, cement with 700 sk, TOC 0. Drill 7 7/8 inch hole to 7400' with cut brine, set 5 1/2 inch casing, cement with 700 sk, TOC 3200'.

| Type      | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 3000             | 3000          | Cameron      |

|                 |                     |
|-----------------|---------------------|
| Date: 8/19/2009 | Phone: 575-748-3303 |
|-----------------|---------------------|

**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 100869

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |  |                                 |
|-------------------------------|--|---------------------------------|
| 1. API Number<br>30-015-37239 | 2. Pool Code<br>96095                  | 3. Pool Name<br>SWD;BONE SPRING |
| 4. Property Code<br>37798     | 5. Property Name<br>SAUSAGE SWD        | 6. Well No.<br>001              |
| 7. OGRID No.<br>14049         | 8. Operator Name<br>MARBOB ENERGY CORP | 9. Elevation<br>3182            |

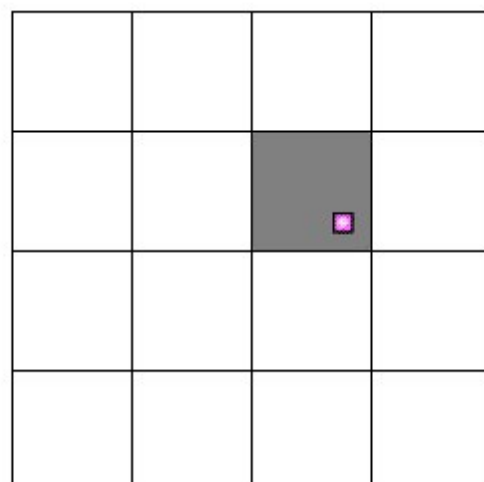
**10. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| G        | 7       | 25S      | 30E   |         | 2310      | N        | 1650      | 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<br>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 Manager  
 Date: 8/19/2009

**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: 8/14/2009  
 Certificate Number: 3239

## Permit Comments

**Operator:** MARBOB ENERGY CORP , 14049

**Well:** SAUSAGE SWD #001

**API:** 30-015-37239

| 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. | 8/18/2009    |