

1. Operator Name and Address MARBOB ENERGY CORP PO BOX 227 ARTESIA , NM 882110227		2. OGRID Number 14049
		3. API Number 30-015-37255
4. Property Code 37806	5. Property Name DOWN SOUTH STATE COM	6. Well No. 003

UL - Lot I	Section 19	Township 26S	Range 28E	Lot Idn I	Feet From 2180	N/S Line S	Feet From 330	E/W Line E	County EDDY
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HAY HOLLOW BONE SPRING	30215
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3030
14. Multiple N	15. Proposed Depth 6550	16. Formation Bone Spring	17. Contractor	18. Spud Date 9/21/2009
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic ☐ miles thick Clay ☐ Pit Volume: bbls Drilling Method:				
Closed Loop System ☐ Fresh Water ☒ Brine ☐ Diesel Oil-based ☐ Gas/Air ☐				

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	400	0
Int1	12.25	9.625	36	2300	600	0
Prod	7.875	5.5	17	10500	750	2000

Plan to drill 17 1/2 hole to 400' with fresh water, set 13 3/8 casing cement with 400 sk toc 0. Drill 12 1/4 hole to 2300 with Brine water, set 9 5/8 casing cement with 600 sk cement toc 0. Drill 7 7/8 pilot hole to 9400' with cut Brine run electric logs then plug back and drill Horizontal at TVD of 6550 to new BHL run 5 1/2 casing, cement with 750 sk cement TOC 2000

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

Date: 8/25/2009	Phone: 575-748-3303
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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 101110

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-37255	2. Pool Code 30215	3. Pool Name HAY HOLLOW;BONE SPRING
4. Property Code 37806	5. Property Name DOWN SOUTH STATE COM	6. Well No. 003
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3030

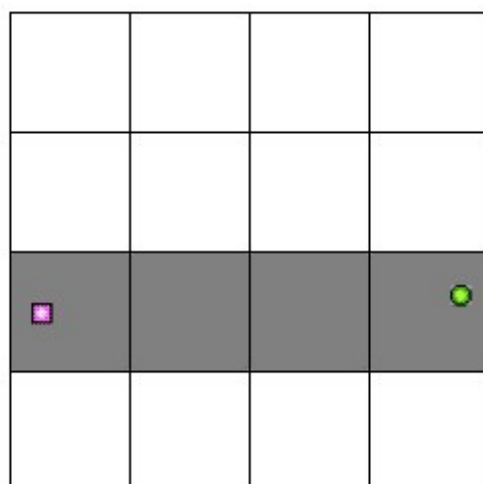
10. Surface Location

UL - Lot I	Section 19	Township 26S	Range 28E	Lot Idn	Feet From 2180	N/S Line S	Feet From 330	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot L	Section 19	Township 26S	Range 28E	Lot Idn 3	Feet From 1980	N/S Line S	Feet From 330	E/W Line W	County EDDY
12. Dedicated Acres 160.12		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: 8/25/2009

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 J. Eidson
 Date of Survey: 8/3/2009
 Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: DOWN SOUTH STATE COM #003

API: 30-015-37255

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.	8/21/2009