

1. Operator Name and Address MARBOB ENERGY CORP PO BOX 227 ARTESIA , NM 882110227		2. OGRID Number 14049
		3. API Number 30-015-37687
4. Property Code 38083	5. Property Name LOVELADY STATE	6. Well No. 002H

UL - Lot H	Section 16	Township 25S	Range 25E	Lot Idn H	Feet From 1980	N/S Line N	Feet From 330	E/W Line E	County EDDY
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WILDCAT BONE SPRING	0
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3456
14. Multiple N	15. Proposed Depth 9800	16. Formation Bone Spring	17. Contractor	18. Spud Date 4/5/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> miles thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method:				
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	48	200	200	0
Int1	12.25	9.625	36	1200	350	0
Prod	7.875	5.5	17	9800	950	1000

Propose to drill 17 1/2" hole to 200' with fresh, run 13 3/8 48# H-40 casing and cement to surface with 200sk. Drill 12 1/4" hole to 1200' with brine, run 36# J-55 9 5/8" casing and cement to surface with 350sk. Drill 7 7/8" hole with cut brine to 8200', run electric logs then plug back and drill to new bottom hole location with TVD of 5300' and a measured depth of 9800', run 5 1/2" 17# N80 casing and cement to 1000' with 950sk cement.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

OIL CONSERVATION DIVISION

Approved By: Jacqueta Reeves

Title: District Geologist

Approved Date: 3/23/2010	Expiration Date: 3/23/2012
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Date: 3/11/2010 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 110660

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-37687	2. Pool Code	3. Pool Name WILDCAT BONE SPRING
4. Property Code 38083	5. Property Name LOVELADY STATE	6. Well No. 002H
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3456

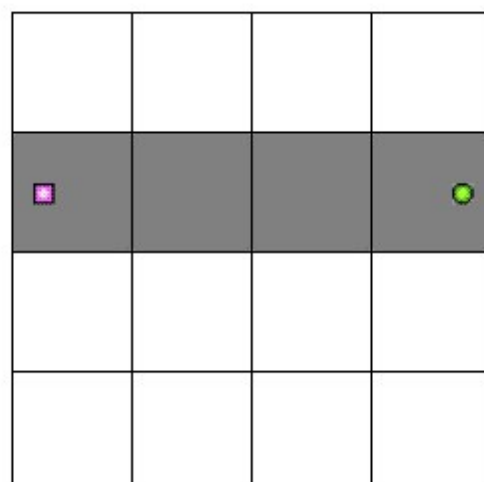
10. Surface Location

UL - Lot H	Section 16	Township 25S	Range 25E	Lot Idn	Feet From 1980	N/S Line N	Feet From 330	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

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UL - Lot E	Section 16	Township 25S	Range 25E	Lot Idn E	Feet From 1980	N/S Line N	Feet From 330	E/W Line W	County EDDY
12. Dedicated Acres 160.00		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: 3/11/2010

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: Gary Eidson
 Date of Survey: 2/22/2010
 Certificate Number: 12641

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: LOVELADY STATE #002H

API: 30-015-37687

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.	3/11/2010