

1. Operator Name and Address MARBOB ENERGY CORP PO BOX 227 ARTESIA , NM 882110227		2. OGRID Number 14049
		3. API Number 30-015-37927
4. Property Code 38200	5. Property Name HEARSE STATE	6. Well No. 001

UL - Lot E	Section 36	Township 19S	Range 25E	Lot Idn E	Feet From 2310	N/S Line N	Feet From 990	E/W Line W	County EDDY
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SEVEN RIVERS: YESO	55670
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3438
14. Multiple N	15. Proposed Depth 3500	16. Formation Yeso Formation	17. Contractor	18. Spud Date 6/25/2010
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: 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	12.25	9.625	36	950	650	0
Prod	8.75	7	23	3500	550	900

Marbob proposes to drill 12 1/4" hole to 950' with fresh water, run 36# J-55 9 5/8 casing and cement to surface. Drill 8 3/4" hole to 3500' with cut brine, run 7" 23# N-80 casing and cement to 900'.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	Cameron

Conditions of Approval Attached

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 115437

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-37927	2. Pool Code 55670	3. Pool Name SEVEN RIVERS;YESO
4. Property Code 38200	5. Property Name HEARSE STATE	6. Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3438

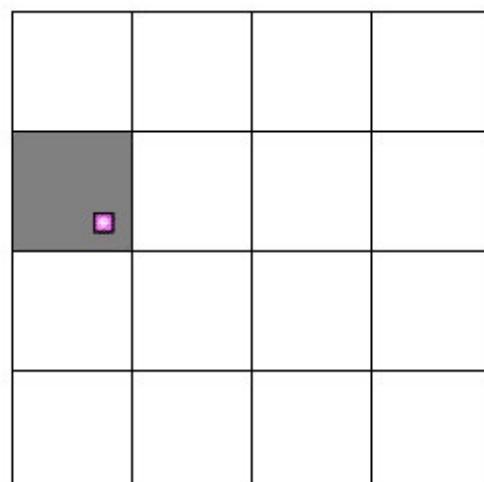
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	36	19S	25E		2310	N	990	W	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 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: 6/10/2010

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: Ronald Eidson
 Date of Survey: 5/28/2010
 Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: HEARSE STATE #001

API: 30-015-37927

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.	6/10/2010
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.	6/10/2010

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: HEARSE STATE #001

API: 30-015-37927

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string