State of New Mexico

Form C-101 Permit 114449

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

| MARBO | itor Name and Address DB ENERGY CORP | 2. OGRID Number 14049 | |
|--|---|-------------------------------|--|
| Charles and Charle | PO BOX 227 IA , NM 882110227 | 3. API Number 30-015-37928 | |
| 4. Property Code 38199 | 5. Property Name LAKEWOOD STATE COM | 6. Well No. 001H | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| L | 30 | 198 | 26E | 3 | 1650 | S | 330 | W | EDDY |

8. Pool Information

WILDCAT G-01 S192617K;GLOR-YESO 97788

Additional Well Information

| | No. | THURST TO CHI THIOL | muuu | | |
|------------------------------------|------------------------|--------------------------------------|---|-----------------------------------|--|
| 9. Work Type New Well | 10. Well Type OIL | e 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3400 | |
| 14. Multiple N | 15. Proposed D 4800 | epth 16. Formation Yeso Formation | | | |
| Depth to Ground water | | Distance from nearest fresh wa | iter well | Distance to nearest surface water | |
| Liner: Synthetic Closed Loop Syste | mils | thick Clay Pit Volume: bi | bls Drilling Method: Fresh Water X Brine I | Diesel/Oil-based Gas/Air | |

19. Proposed Casing and Cement Program

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12.25 | 8.625 | 24 | 900 | 350 | 0 |
| Prod | 7.875 | 5.5 | 17 | 4800 | 525 | 900 |

Casing/Cement Program: Additional Comments

Plan to drill 12 1/4" hole to 900' with fresh water, run 8 5/8 24# J-55 and cement to surface. Drill 7 7/8" hole with cut brine to 4500', run electric logs then plug back and drill to new bottom hole location at TVD of 2950', run 5 1/2" 17# J-55 and cement to 900'.

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer | | | | | | | | |
|--------|------------------|---------------|--------------|--|--|--|--|--|--|--|--|
| Hydril | 2000 | 2000 | Cameron | | | | | | | | |

| of my knowledge and belief. | given above is true and complete to the best pit will be constructed according to | OIL CONSERVATION DIVISION Approved By: Randy Dade | | | |
|------------------------------|--|--|----------------------------|--|--|
| | permit , or an (attached) alternative | | | | |
| Printed Name: Electronically | filed by Diana Briggs | Title: District Supervisor | | | |
| Title: Production Manager | | Approved Date: 6/18/2010 | Expiration Date: 6/18/2012 | | |
| Email Address: production@ | marbob.com | | 6.7 (Y) | | |
| Date: 5/24/2010 | 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

Form C-102 Permit 114449

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number | 2. Pool Code | | 3. Pool Name |
|------------------|--------------------|----------------------------------|--------------|
| 30-015-37928 | 97788 | WILDCAT G-01 \$192617K;GLOR-YESO | |
| 4. Property Code | 5. Property Name | | 6. Well No. |
| 38199 | LAKEWOOD STATE COM | | 001H |
| 7. OGRID No. | 8. Operat | 8. Operator Name | |
| 14049 | MARBOB ENERGY CORP | | 3400 |

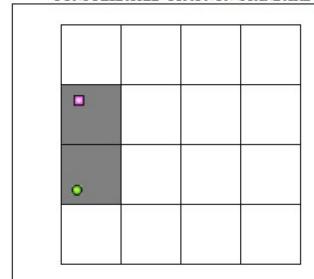
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| L | 30 | 198 | 26E | 3 | 1650 | S | 330 | 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 |
|---|------------|----------|----------------|---------|-------------------|----------|---------------|----------|--------|
| E | 30 | 198 | 26E | 2 | 1650 | N | 380 | W | EDDY |
| 2 S. C. | ated Acres | 13. J | oint 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: 5/24/2010

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: 5/7/2010 Certificate Number: 12641

Permit Comments

Operator: MARBOB ENERGY CORP , 14049 Well: LAKEWOOD STATE COM #001H

API: 30-015-37928

| 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. | 5/21/2010 |