State of New Mexico

Form C-101 Permit 119356

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

MARBOB	Name and Address ENERGY CORP	OGRID Number 14049	
C. 4-2-2-2-3-3-3-3-3-3-3-3-3-3-3-3-3-3-3-3-	BOX 227 , NM 882110227	3. API Number 30-025-39882	
4. Property Code 38303	5. Property Name FSJ STATE	6. Wett No. 001H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	7	24S	33E	1	380	N	330	W	LEA

8. Pool Information

TRIPLE VERANE ARRESTS WEAT	0.667.4
TRIPLE X;BONE SPRING, WEST	96674

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lesse Type State	13. Ground Level Elevation 3607 18. Spud Date 9/26/2010	
14. Multiple N	15. Proposed De 14169	th 16. Formation Bone Spring	17. Contractor		
Depth to Ground	water	Distance from nearest fresh	h water well	Distance to nearest surface water	
Liner: Synthetic Closed Loop Syste	mils t	ick Clay Pit Volume:	bbls Drilling Method:	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	17.5	13.375	54.5	1225	1300	0
Int1	12.25	9.625	40	4900	1200	1000
Prod	7.875	5.5	17	14169	950	4700

Casing/Cement Program: Additional Comments

Plan to drill 17 1/2" hole with fresh water to 1225', run 13 3/8" 54.5# J-55 casing and cement to surface. Drill 12 1/4" hole with brine water to 4900', run 1900' of 40# 9 5/8" J-55 & 3500 of 36# 9 5/8" J-55 and cement to 1200'. Drill 7 7/8" hole to 12500' with cut brine, run electric logs then plug back to 9300' and drill horizontally to new bottom hole location at a TVD of 9800', run 5 1/2" 17# N80 and cement to 4700'.

Proposed Blowout Prevention Program

Γ	Type	Working Pressure	Test Pressure	Manufacturer
	DoubleRam	3000	3000	Cameron

of my knowledge and belief.	given above is true and complete to the best wit will be constructed according to	OIL CONSERVATION DIVISION Approved By: Paul Kautz		
	permit , or an (attached) alternative			
Printed Name: Electronically i	iled by Diana Briggs	Title: Geologist		
Title: Production Manager		Approved Date: 8/31/2010	Expiration Date: 8/31/2012	
Email Address: production@r	narbob.com			
Date: 8/26/2010 Phone: 575-748-3303		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 <u>District IV</u>

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 119356

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

CLE LOCATION IND MCI	WHOL BEDICHTION II	***	
2. Pool Code	3. Pool Name		
96674	TRIPLE X;BONE SPRING, WEST		
5. Property	y Name	6. Well No.	
FSJ STATE		001H	
8. Operato	r Name	9. Elevation	
MARBOB ENERGY CORP		3607	
	2. Pool Code 96674 5. Property FSJ ST. 8. Operato	96674 TRIPLE X;BON 5. Property Name FSJ STATE 8. Operator Name	

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	7	248	33E	1	380	N	330	W	LEA

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
A	7	24S	33E	A	380	N	330	E	LEA
	cated Acres 8.31	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

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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: 8/26/2010

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: 8/5/2010 Certificate Number: 3239

Permit Comments

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

API: 30-025-39882

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.	8/26/2010
DMULL	OCD Hobbs has received C-144CLEZ. OCD Permit Number P1-02399.	8/31/2010

Permit Conditions of Approval

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

API: 30-025-39882

OCD Reviewer	Condition
DMULL	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
DMULL	Will require a directional survey with the C-104