State of New Mexico

Form C-101 Permit 119361

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. 4-2-2-2-3-2-2	BOX 227 , NM 882110227	3. API Number 30-025-39883	
4. Property Code 38303	5. Property Name FSJ STATE	6. Well No. 002H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	7	24S	33E	2	2260	N	330	W	LEA

8. Pool Information

TRIPLE X:BONE SPRING, WEST	96674
THE LE PLOTE OF THE O, WEST	70074

Additional Well Information

	901		Traditional II CH Intoll	HUVION		
9. Work Type New Well	Waxawa.			12. Lesse Type State	13. Ground Level Elevation 3592	
14. Multiple N	200000000000000000000000000000000000000	osed Depth 4182	16. Formation Bone Spring	17. Contractor	18. Spud Date 9/26/2010	
Depth to Ground	water		Distance from nearest fresh wat	er well	Distance to nearest surface water	
Liner: Synthetic Closed Loop Syste	m [mils thick Cl	ay Pit Volume: bb	ls Drilling Method: Fresh Water X Brine D	hiesel/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	14182	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

I hereby certify that the information gi of my knowledge and belief. I further certify that the drilling pi	ven above is true and complete to the best t will be constructed according to	OIL CONSERVATION DIVISION			
	ermit , or an (attached) alternative	Approved By: Paul Kautz			
Printed Name: Electronically fil	ed by Diana Briggs	Title: Geologist			
Title: Production Manager		Approved Date: 8/31/2010	Expiration Date: 8/31/2012		
Email Address: production@m	arbob.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

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 119361

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 30-025-39883			ame PRING, WEST
4. Property Code 38303	5. Property Name FSJ STATE		6. Well No. 002H
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP		9. Elevation 3592

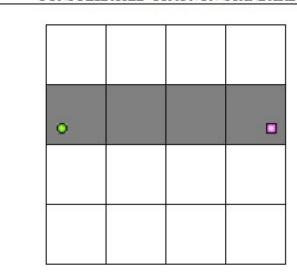
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	7	24S	33E	II. In a control of	2260	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
H	7	24S	33E	H	2260	N	330	E	
	cated 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: 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 #002H API: 30-025-39883

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 form C-144CLEZ. OCD permit Number P1-02400.	8/31/2010

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049 Well: FSJ STATE #002H

API: 30-025-39883

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