State of New Mexico

Form C-101 Permit 119298

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

1. Operator	2. OGRID Number		
MARBOB	14049		
PO BOX 227		3. API Number	
ARTESIA , NM 882110227		30-025-39884	
4. Property Code	5. Property Name	6. Wett No.	
38304	MACHO STATE	001H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	2	24S	33E	4	330	N	330	W	LEA

8. Pool Information

BELL LAKE;BONE SPRING 5130

Additional Well Information

9. Work Type	10. Wett Type	11. Cable/Rotary	12. Lesse Type	13. Ground Level Elevation	
New Well	OIL		State	3654	
14. Multiple	15. Proposed Depth	16. Formation	17. Contractor	18. Spud Date	
N	13800	Bone Spring		9/25/2010	
Depth to Ground	water	Distance from nearest fresh	water well	Distance to nearest surface water	
Pit: Liner: Synthetic Closed Loop Syste	mils thick	Clay Pit Volume:	bbls 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	17.5	13.375	54.5	1325	1000	0
Int1	12.25	9.625	36	5000	1200	1000
Prod	7.875	5.5	17	13800	950	4800

Casing/Cement Program: Additional Comments

Plan to drill 17 1/2" hole with fresh water to 1325', run 13 3/8" 54.5# J-55 casing and cement to surface. Drill 12 1/4" hole with Brine to 5000' then run 1500' of 9 5/8" J-55 40# casing followed by 3500' of 36# 9 5/8" J-55 and cementing to 1200'. Drill 7 7/8" hole with cut brine to 12400', running electric logs then plugging back to 8900' and drilling to new bottom hole location horizontally at a true vertical depth of 9400', then running 5 1/2" 17# N-80 casing and cementing to 4800'.

Proposed Blowout Prevention Program

Γ	Type	Working Pressure	Test Pressure	Manufacturer
	DoubleRam	3000	3000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to	OIL CONSERVATION DIVISION		
NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .	Approved By: Paul Kautz		
Printed Name: Electronically filed by Diana Briggs	Title: Geologist		
Title: Production Manager	Approved Date: 8/31/2010 Expiration Date: 8/31/2012		
Email Address: production@marbob.com			
Date: 8/25/2010 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

<u>District III</u> 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

Energy, Minerals and Natural Resources

Form C-102

Permit 119298

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
30-025-39884	5130	BELL LAKE; BONE SPRING
4. Property Code	5. Property	Name 6. Wett No.
38304	MACHO S'	TATE 001H
7. OGRID No.	8. Operator	Name 9. Elevation
14049	MARBOB ENER	RGY CORP 3654

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	2	24S	33E	1.0	330	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	2	24S	33E	1	380	N	330	E	LEA
	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: 8/25/2010

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: 8/13/2010 Certificate Number: 3239

Permit Comments

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

API: 30-025-39884

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.	8/25/2010
DMULL	OCD Hobbs has received form C-144CLEZ. OCD Permit Number P1-02401.	8/31/2010

Permit Conditions of Approval

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

API: 30-025-39884

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