

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-101

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address Marbob Energy Corporation PO Box 227 Artesia, NM 88211-0227		OGRID Number 14049
		API Number 30-15-32873
Property Code 14049	Property Name Darthrow 19 State	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	19	20S	30E		330	N	330	W	Eddy

Proposed Pools

DOS HERMANOS;MORROW (GAS) 76080

Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type State	Ground Level Elevation 3315
Multiple N	Proposed Depth 12500	Formation Morrow	Contractor	Spud Date 5/22/2003

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	24	20	94	300	300	0
Int1	17.5	13.375	48	1250	900	0
Int2	12.25	8.625	32	3600	1400	0
Prod	7.875	5.5	17	12500	500	0

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Diana Cannon

Title: Production Analyst

Date: 7/10/2003

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 7/15/2003

Expiration Date: 7/15/2004

Conditions of Approval:

There are conditions. See Attached.

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Form C-102

Oil Conservation Division

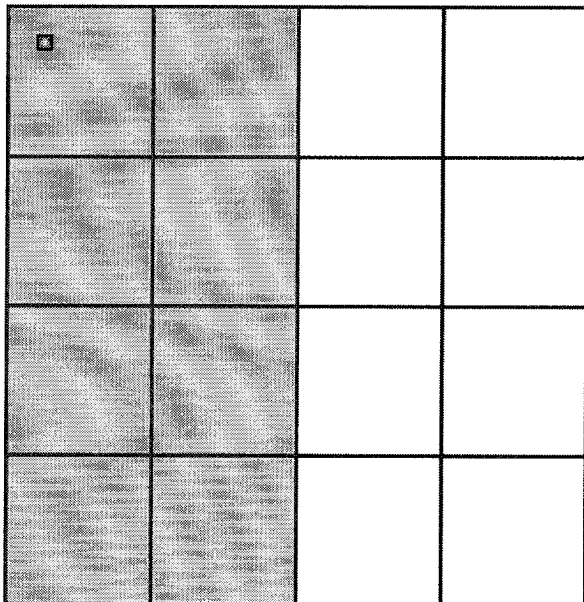
1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-15-32873	Pool Name DOS HERMANOS;MORROW (GAS)	Pool Code 76080
Property Code 14049	Property Name Darthrow 19 State	Well No. 001
OGRID No. 14049	Operator Name Marbob Energy Corporation	Elevation 3315

Surface And Bottom Hole Location

UL or Lot D	Section 19	Township 20S	Range 30E	Lot Idn	Feet From 330	N/S Line N	Feet From 330	E/W Line W	County Eddy
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Diana Cannon

Title: Production Analyst

Date: 7/10/2003

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.

Electronically Signed By: Ronald J. Eidson

Date of Survey: 4/21/2003

Certificate Number: 3239

APD Conditions Of Approval

Operator: 14049 Marbob Energy Corporation

Well: Darthrow 19 State 001

OCD Reviewer	Condition
BARRANT	Notify OCD spud & time to witness the cementing of ALL casings.
BARRANT	Operator to supply OCD detailed mud program on all hole sizes.

June 26, 2003

Marbob Energy Corporation
P. O. Box 227
Artesia, New Mexico 88211-0227

Attention: Dean Chumbley
land@marbob.com

Administrative Order NSL-4904

Dear Mr. Chumbley:

Reference is made to the following: (i) your application dated May 19, 2003 (*administrative application reference No. pKRV0-314336291*); and (ii) the New Mexico Oil Conservation Division's ("Division") records in Santa Fe and Artesia: all concerning Marbob Energy Corporation's ("Marbob") request for an unorthodox Morrow gas well location for its proposed Darthrow "19" State Well No. 1 to be drilled 330 feet from the North and West lines (Lot 1/Unit D) of Section 19, Township 20 South, Range 30 East, NMPM, Undesignated Getty-Morrow Gas Pool (77400), Eddy County, New Mexico.

The subject application has been duly filed under the applicable provisions of the rules governing this pool and the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

In accordance with Division Rule 104.C (2), as revised, Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 19 is to be dedicated to this well in order to form a standard 317.84-acre stand-up gas spacing unit for deep gas production in southeast New Mexico.

Even though the proposed Darthrow "19" State Well No. 1 is outside the Oil/Potash "R-111-P" area, the proposed spacing unit includes and is within one-half mile of mine workings, or life of mine reserves ("LMR"); furthermore, this location is mutually acceptable by the potash lessee, Mississippi Potash, Inc. and Marbob (see "*The Rules and Regulations Governing the Exploration and Development of Oil and Gas in Certain Areas Herein Defined, Which are Known to Contain Potash Reserves*," as promulgated by Division Order No. R-111-P, issued in Case No. 9316 on April 21, 1988).

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location within the Undesignated Getty-Morrow Gas Pool is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/mes

cc: New Mexico Oil Conservation Division – Artesia
New Mexico State Land Office - Santa Fe



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

Bureau of Land Management
620 East Greene St.
Carlsbad, NM 88220-6292
Attn: Craig Cranston or To Whom It May Concern

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Marbob Energy Corporation
LEASE NAME: Darthow '19' State #1
LOCATION: SEC. 19, TOWNSHIP 20 SOUTH, RANGE 30 EAST,
330' FNL & 330' FWL, Surface Location
EDDY COUNTY, NM, NMPM

PROPOSED DEPTH: 12,500'.

Dear Craig or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of-Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.

Thank you for your assistance.

Sincerely,

Bryan G. Arrant
PES, District II Artesia NMOC

In LMR	Yes _____	No <u>X</u> _____
In Buffer Zone	Yes _____	No <u>X</u> _____

Comments: The proposed well is further than ½ mile from the abandoned mine workings of Eddy Potash.

Signature: Craig C. Cranston

Date: May 14, 2003