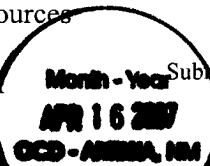


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

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



Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Marbob Energy Corporation PO Box 227 Artesia, NM 88211-0227		² OGRID Number 14049
		³ API Number 30 - 015-34067
³ Property Code 34757	⁵ Property Name Salada Vista State	⁶ Well No. 1
⁹ Proposed Pool 1 Wildcat; Delaware		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	19S	30E		660	North	990	East	Eddy

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3423' GL
¹⁶ Multiple N	¹⁷ Proposed Depth 12510'	¹⁸ Formation Bone Spring	¹⁹ Contractor	²⁰ Spud Date 3/25/06
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____bbls Drilling Method: _____				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
26"	20"	94#	255'	750 sx	0
17 1/2"	13 3/8"	54.5#	1877'	1500 sx	0
12 1/4"	9 5/8"	36/40#	4061'	1350 sx	0
7 7/8"	5 1/2"	17#	12503'	2025 sx	3200'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Marbob Energy Corporation proposes to perforate, acidize, test & possibly frac the following Delaware zone:

Plug back technique to be determined based on results of previous zone(s).

Delaware Sand 5162' - 5172' (22 shots) 750 gal NE Fe 7 1/2% HCl

²³ 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 NMOC guidelines ☐, a general permit ☐, or an (attached) alternative OGD-approved plan ☐.

Signature:

Printed name: Diana J. Briggs

Title: Production Analyst

E-mail Address: production@marbob.com

Date: 4/12/07

Phone: (505) 748-3303

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT

DISTRICT II GEOLOGIST

Title:

Approval Date: APR 17 2007 Expiration Date: APR 17 2008

Conditions of Approval Attached ☐

Submit 3 Copies To Appropriate District Office
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
Conservation Division
20 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-34067
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Marbob Energy Corporation		6. State Oil & Gas Lease No.
3. Address of Operator PO Box 227, Artesia, NM 88211-0227		7. Lease Name or Unit Agreement Name Salada Vista State
4. Well Location Unit Letter <u>A</u> : <u>660</u> feet from the <u>North</u> line and <u>990</u> feet from the <u>East</u> line Section <u>36</u> Township <u>19S</u> Range <u>30E</u> NMPM <u>Eddy</u> County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3423' GL		9. OGRID Number 14049
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		10. Pool name or Wildcat Gatuna Canyon; Bone Spring (Oil)
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Recomplete</u> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Marbob Energy Corporation proposes to perforate, acidize, test & possibly frac the following Bone Spring zones:

Set CIBP @ 8775' w/ 35' cement
Upper 2nd Bone Spring Sand 8410' - 8426' (34 shots) 1000 gal NE Fe 7 1/2% HCl

Plug back method to be determined based on results of previous zone(s)
1st Bone Spring Sand 7918' - 7930' (26 shots) 750 gal NE Fe 7 1/2% HCl

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Diana J. Briggs TITLE Production Analyst DATE 4/12/07

Type or print name Diana J. Briggs E-mail address: production@marbob.com Telephone No. (505) 748-3303

For State Use Only

BRYAN G. ARRANT
DISTRICT II GEOLOGIST

APPROVED BY: _____ TITLE _____ DATE APR 17 2007
Conditions of Approval (if any): _____

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 86240

DISTRICT II
1301 W. GRAND AVENUE, 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 Department

S

WATER CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

Month-Year
APR 16 2007
OCD - ARTESIA, NM

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-34067	Pool Code	Pool Name Wild cat
Property Code 34757	Property Name SALADA VISTA STATE	Well Number 1
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3423'

Surface Location

UL or lot No. A	Section 36	Township 19-S	Range 30-E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 990	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	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

	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=590291.9 N X=627357.0 E</p> <p>LAT.=32°37'19.69" N LONG.=103°55'10.85" W</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Diana J. Briggs</i> Signature</p> <p>DIANA J. BRIGGS Printed Name</p> <p>PRODUCTION ANALYST Title</p> <p>APRIL 12, 2007 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>DECEMBER 27, 2004</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Gary E. Edson</i> 04.11.1703</p> <p>Certificate No. GARY EDSON 12641</p>		