

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 30-15-32998
Property Code 32868	Property Name HINT 15 STATE	Well No. 001

Surface Location

UL or Lot E	Section 15	Township 19S	Range 28E	Lot Idn	Feet From 1650	N/S Line N	Feet From 990	E/W Line W	County Eddy
-----------------------	----------------------	------------------------	---------------------	---------	--------------------------	----------------------	-------------------------	----------------------	-----------------------

Proposed Pools

MILLMAN;MORROW, SOUTH (GAS) 81365
--

Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type State	Ground Level Elevation 3503
Multiple N	Proposed Depth 11500	Formation Morrow	Contractor	Spud Date 9/30/2003

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	400	0
Intl	12.25	9.625	36	2500	900	0
Prod	8.75	5.5	17	11500	1200	0

Casing/Cement Program: Additional Comments

Surf csg - circ; Intermediate csg - attempt to tie back; Production csg - attempt to tie back
--

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: 9/11/2003

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 9/15/2003

Expiration Date: 9/15/2004

Conditions of Approval:

There are conditions. See Attached.

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

Form C-102

Oil Conservation Division

1220 S. St Francis Dr.

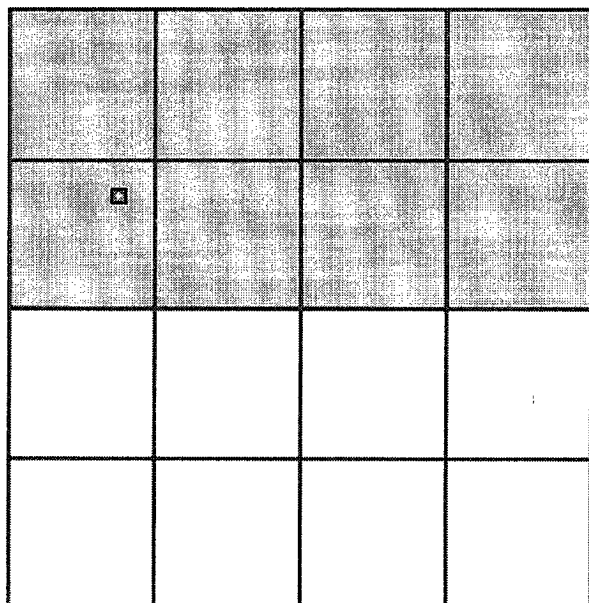
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-15-32997	Pool Name MILLMAN;MORROW, SOUTH (GAS)	Pool Code 81365
Property Code 32868	Property Name HINT 15 STATE	Well No. 001
OGRID No. 14049	Operator Name Marbob Energy Corporation	Elevation 3503

Surface And Bottom Hole Location

UL or Lot E	Section 15	Township 19S	Range 28E	Lot Idn	Feet From 1650	N/S Line N	Feet From 990	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: 9/11/2003

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 Eidson

Date of Survey: 7/10/2003

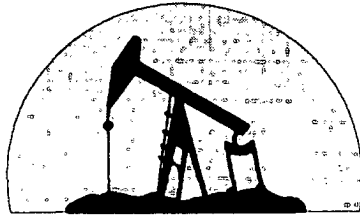
Certificate Number: 3239

APD Conditions Of Approval

Operator: 14049 Marbob Energy Corporation

Well: HINT 15 STATE 001

OCD Reviewer	Condition
BARRANT	Operator to set surface casing above any salt section. Please refer to off-set well data for further information.



marbob
energy corporation

September 15, 2003

New Mexico Oil Conservation Division
1301 W. Grand Ave.
Artesia, NM 88210

Attention: Mr. Bryan Arrant

Re: H₂S Contingency Plan
Hint 15 State #1 – Application to Drill
Section 15, T19S, R28E, Eddy Co., NM



Dear Mr. Arrant:

An H₂S contingency plan is not needed for this well because it doesn't meet the potentially hazardous volume (PHV) criteria because: 1) the 100 ppm ROE doesn't include any public area; 2) the 500 ppm ROE doesn't include any public road; and 3) the 100 ppm ROE doesn't exceed 3000 feet.

Marbob Energy doesn't expect to encounter any H₂S during the drilling, completion, and production operations on the captioned well. Our geologic targets are the Strawn, Atoka, and Morrow, all of which are sweet. The Seven Rivers and Grayburg-San Andres are productive in the area, are sour (up to 40,000 ppm H₂S), but will not be produced because we don't have shallow rights in this well. The shallow zones don't present any drilling problems and no H₂S is expected during the drilling phase.

For the sake of illustration, the 100 ppm and 500 ppm radii of exposure for 40,000 ppm H₂S gas escaping at 250,000 SCF/day are 425 feet and 195 feet respectively. It would be highly unlikely to have a shallow oil well in this area capable of producing 250 MCFD of casinghead gas.

Please call me at 748-3303 if you have questions.

Sincerely,

Brian Collins
Petroleum Engineer

BC/mp