Form C-101

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

CISF Stad

APPLICATION FOR PERMIT TO DRILL

| Marbob Energy | OGRID Number 14049 | |
|-----------------------------|---------------------------|-----------------|
| PO Box 227 Artesia, NM 8 | API Number 30-15-32489 | |
| Property Code 25375 | Property Name D STATE | Well No. 013 |

Surface Location

| CE of Edit Section Township Thange Edit Edit | From E/W Line County 90 E Eddy |
|--|--------------------------------|
|--|--------------------------------|

Proposed Pools

ARTESIA; GLORIETA-YESO (O) 96830

| Work Type New Well | Well Type Oil | Cable/Rotary | Lease Type State | Ground Level Elevation 3669 |
|-----------------------|---------------------|-----------------------------|------------------|-----------------------------|
| Multiple N | Proposed Depth 4700 | Formation Yeso Formation | Contractor | Spud Date 2/26/2003 |

Proposed Casing and Cement Program

| Туре | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12.25 | 8.625 | 24 | 500 | 300 | 0 |
| Prod | 7.875 | 5.5 | 17 | 4700 | 600 | 0 |

Casing/Cement Program: Additional Comments

Drill to 500 ft., run & cement 8 5/8 in. csg, reduce hole & drill to 4700 ft., run & cement 5 1/2 in. csg, put well on production. Est TOC on the 5 1/2 in. csg will be sufficient to cover 200 ft. above all known water bearing oil & gas horizons.

Proposed Blowout Prevention Program

| Туре | Working Pressure Test Pressure Manufacturer | | | |
|------------|---|------|---------|--|
| Double Ram | 3000 | 3000 | Cameron | |