Form 3160-3

OIL X

2. NAME OF OPERATOR

M,M. Oil Cons. DIV-Qist. 2

6-18 1301 W. Grand A. Inue

(July 1992)

UNITED STATES DEPARTMENT OF THE INTERIOR

Artesia. Nivi::88

2223242526

MAY 2002

RECEIVED

3**03003** - ARTESIA

£1101 681

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO

NM 0557371 6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8, FARM OR LEASE NAME, WELL NO.

30-015- 32309

SEC. 1-T18S-R27E

12. COUNTY OR PARISH 13. STATE

RED LAKE; GLORIETA YESO, 11. SEC., T., R., M., OR BLK. NORTHEAST AND SURVEY OR AREA

NM

AAO FEDERAL #3

10. FIELD AND POOL, OR WILDCAT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

BUREAU OF LAND MANAGEMENT

1a, TYPE OF WORK DEEPEN DRILL X b. TYPE OF WELL

OTHER

330'

MARBOB ENERGY CORPORATION 3. ADDRESS AND TELEPHONE NO.

GAS

505 ARTESIA, NM 88211-0227 PO BOX 227, 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface 330 FNL 1690 FEL, LOT 2 At proposed prod. zone

SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

SEE SURFACE USE PLAN 15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drig, unit line, if any)

3649' GR

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 21. ELEVATIONS (Show whether DF, RT, GR, etc.)

16. NO. OF ACRES IN LEASE

10501

8

617

440.30 19. PROPOSED DEPTH

40001

9. API WELL NO.

17. NO. OF ACRES ASSIGNED TO THIS WELL

40.20 20. ROTARY OR CABLE TOOLS

> ROTARY 22. APPROX. DATE WORK WILL START

<u>5/5/02</u>

23. PROPOSED CASING AND CEMENTING PROGRAM QUANTITY OF CEMENT SETTING DEPTH WEIGHT PER FOOT GRADE, SIZE OF CASING SIZE OF HOLE 1320' 17 1/2" 8 5/8" J55 24# 300 SX TO SURFACE 5 1/2" J55 17# 4000' 750 SX 7 7/8"

PAY ZONE WILL BE SELECTIVELY PERFORATED AND STIMULATED AS NEEDED FOR OPTIMUM PRODUCTION.

ATTACHED ARE:

- WELL LOCATION AND ACREAGE DEDICATION PLAT
- SUPPLEMENTAL DRILLING DATA 2.
- 3. SURFACE USE PLAN

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

Reswell Controlled Water Ba

| IN ABOVE SPACE DESCRIB | E PRO | GRAN | fi: If proposal is to deepen, give data on present productive zo a subsurface locations and measured and true vertical depths | one and propo s. Give blowou | sed new p it prevente | roductive zone. If proposal is to drill or rprogram, if any. |
|--------------------------------|-------|------|--|---------------------------------|--------------------------|--|
| deepen dijectionally, give pen | | | subsurface locations and measured and true vertical depths | | | and the second s |

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY

/s/ Mary J. Rugwell

TITLE FIELD MANAGER

MAY 2 3 2002 DATE

4/12/02

APPROVED BY

*See Instructions On Reverse Side

*See Instructions On Reverse Side APPROVAL FOR Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BUNEAU OF U.S. MGMT.

10:01 HA 2189 SOOZ

HECEINED