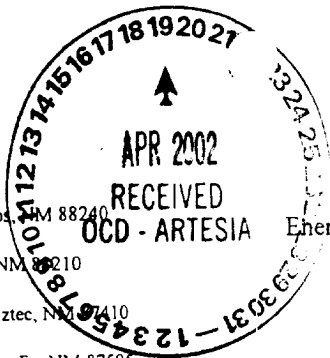


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505



State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ 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- 32280
⁴ Property Code 26661	⁵ Property Name PANAGRA COM	⁶ Well No. 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	11	23S	26E		1118	FNL	860	FEL	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
⁹ Proposed Pool 1 CARLSBAD EDDY SOUTH					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3260' GR
¹⁶ Multiple NO	¹⁷ Proposed Depth 12,100	¹⁸ Formation Morrow	¹⁹ Contractor	²⁰ Spud Date 5/15/02

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	* 450'	300 SX	CIRC
12 1/4"	9 5/8"	36#	1900'	900 SX	CIRC
8 3/4"	7"	23#	9000'	1650 SX	ATTEMPT TO CIRC
6 1/8"	4 1/2"	11.6#	12100'	350 SX	CIRC

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.

DRILL 17 1/2" HOLE TO 450'. SET 13 3/8" CSG & CIRC CMT. NU BOPE & DRILL
12 1/4" HOLE TO 1900'. SET 9 5/8" CSG & CIRC CMT. NU & TEST BOPE. DRILL
8 3/4" HOLE TO 9000'. SET 7" CSG & ATTEMPT TO TIE BACK. NU & TEST BOPE.
DRILL 6 1/8" HOLE TO 12100'. DST POTENTIALLY PRODUCTIVE HORIZONS.

* Setting depth of 13 3/8" casing no less than 450' or top of Salado.

²³ I hereby certify that the information given above is true and complete to the best of
my knowledge and belief.

Signature:

Printed name: DIANA J. CANNON

Title: PRODUCTION ANALYST

Date: APRIL 18, 2002

Phone: (505) 748-3303

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

Title:

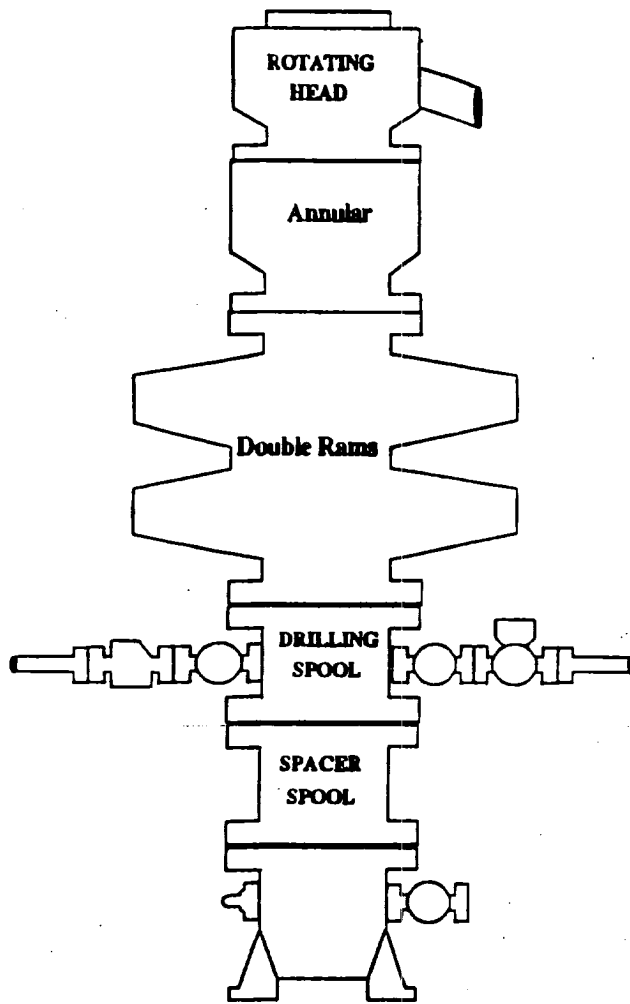
Approval Date: APR 26 2002 Expiration Date: APR 26 2003

Conditions of Approval:

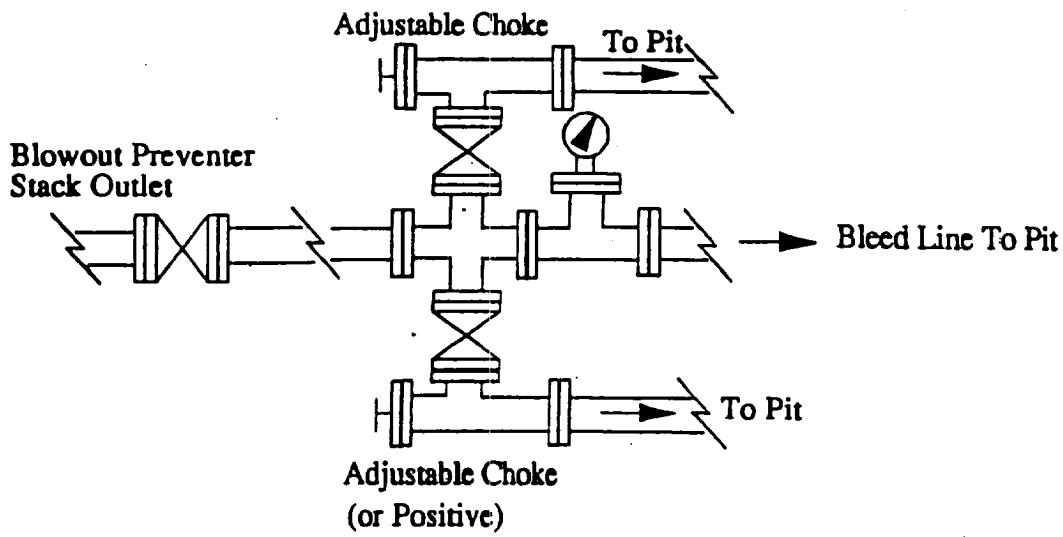
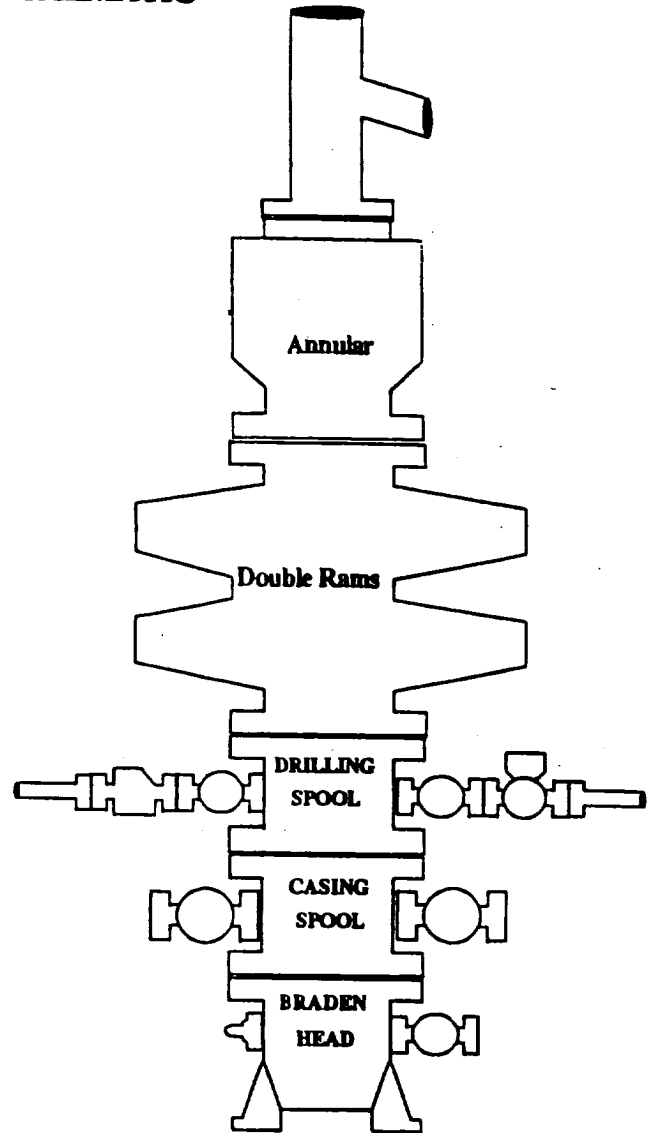
Attached ☐

<div style="text-align: center;"> <p>GEODETIC COORDINATES NAD 27 NME Y=481346 X=523491</p> <p>LAT= 32°19'23.93"N LONG= 104°15'26.22"W</p> </div> <div style="position: relative; height: 150px; margin-top: 20px;"> <div style="position: absolute; top: 0; right: 0; text-align: right;"> 1118' 860' </div> </div>		<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center; margin: 0;">OPERATOR CERTIFICATION</p> <p style="font-size: small; margin: 5px 0;">I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <div style="margin-top: 10px;"> <p style="text-align: center; margin: 0;">Signature</p> </div> <div style="margin-top: 10px;"> <p style="text-align: center; margin: 0;">DIANA J. CANNON</p> <p style="text-align: center; margin: 0;">Printed Name</p> </div> <div style="margin-top: 10px;"> <p style="text-align: center; margin: 0;">PRODUCTION ANALYST</p> <p style="text-align: center; margin: 0;">Title</p> </div> <div style="margin-top: 10px;"> <p style="text-align: center; margin: 0;">APRIL 18, 2002</p> <p style="text-align: center; margin: 0;">Date</p> </div> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="text-align: center; margin: 0;">SURVEYOR CERTIFICATION</p> <p style="font-size: small; margin: 5px 0;">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 style="text-align: center; margin: 10px 0;">MARCH 12, 2002</p> <p style="text-align: right; margin: 0;">WKT</p> </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p style="margin: 0;">Date Surveyed</p> <p style="margin: 0;">Signature & Seal of Professional Surveyor</p> <div style="text-align: center; margin-top: 20px;"> <p style="margin: 0;">02-14-0200</p> </div> </div> <div style="border: 1px solid black; padding: 5px;"> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; border: none;">Certificate No.</td> <td style="width: 20%; border: none;">RONALD J. EIDSON GARY EIDSON</td> <td style="width: 20%; border: none; text-align: right;">3239 12641</td> </tr> </table> </div>	Certificate No.	RONALD J. EIDSON GARY EIDSON	3239 12641
Certificate No.	RONALD J. EIDSON GARY EIDSON	3239 12641			

BOPE SCHEMATIC

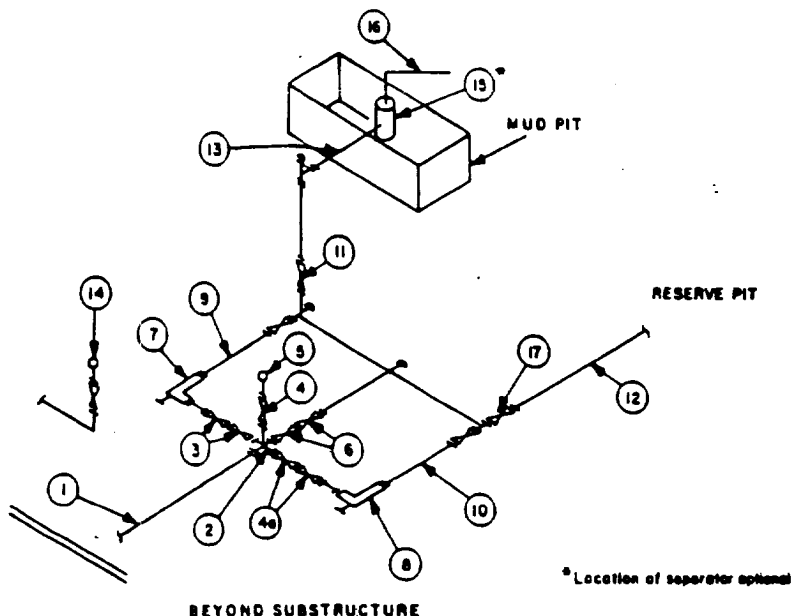


Choke Manifold



MINIMUM CHOKE MANIFOLD
3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP



MINIMUM REQUIREMENTS										
No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			
	Cross 3"x3"x3"x3"									10,000
3	Valves (1) Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"		10,000
4a	Valves (1)	2-1/16"		3,000	2-1/16"		5,000	3-1/8"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke (3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
11	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
12	Lines		3"	1,000		3"	1,000		3"	2,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2'x5'			2'x5'			2'x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

(1) Only one required in Class 3M.

(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.