1a. TYPE OF WORK

M.M. Oil Cons DIV-DISL & DEPARTMENT OF THE INTERIOR W. Grangeverse sid BUREAU OF LAND MANAGEMENT Artesia, NM 88210

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

5. LEASE DESIGNATION AND SERIAL NO.

MOUNDS FEDERAL COM #1

24

13. STATE

NM

NM0454018

7. UNIT AGREEMENT NAME

9. API WELL NO

30-015-

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

0. FIELD AND POOL, OR WILDCAT

SEC. 4-T22S-R27E

1. SEC., T., R., M., OR BLK.

12. COUNTY OR PARISH

AND SURVEY OR AREA

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

Carlsbad; b. TYPE OF WELL GAS X OIL OTHER WELL

DRILL X

2. NAME OF OPERATOR MARBOB ENERGY CORPORATION

3. ADDRESS AND TELEPHONE NO.

ARTESIA, NM 88211-0227 PO BOX 227,

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface 1980 FNL 760 FWL, UNIT E

At proposed prod. zone

23

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)

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.)

DEEPEN

₩48-3303 (505)

Mannewysonh

X

SINGLE

ZONE

MULTIPLE

RECEIVED OCD - ARTESIA

4563

16 NO OF ACRES IN LEASE

40 19. PROPOSED DEPTH

12200'

EDDY 17. NO. OF ACRES ASSIGNED

TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

ROTARY

22. APPROX. DATE WORK WILL START*

3155' GL

Carlabad Controlled Water Basin

AUGUST 1, 2002

PROPOSED CASING AND CEMENTING PROGRAM SETTING DEPTH QUANTITY OF CEMENT WEIGHT PER FOOT GRADE SIZE OF CASING SIZE OF HOLE 400' 300 SX TO SURFACE 13 3/8" H40 48# 17 1/2" 900 SX TO SURFACE 1500 12 1/4" 9.5/8" J55 36-34# 8900' 1650 SX TO SURFACE 7" N80 - J53P416 8 3/4" 23# 350 SX TO TIE BACK TO 7" (500') 12200' 1/8" 4 1/2" M95-110 11.6# 6

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

ATTACHED ARE:

- WELL LOCATION AND ACREAGE DEDICATION PLAT
- SUPPLEMENTAL DRILLING DATA

760**¹**

SURFACE USE PLAN

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any

TITLE PRODUCTION ANALYST

7/8/02 DATE

(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/ JOE G. LARA Instructions On Reverse Side

FIELD MANAGER

DATE

AUG 3 0 2002

APPROVED BY

APPROVAL FOR 1

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.