

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
Permit 837

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address MARBOB ENERGY CORP PO Box 227 Artesia, NM 88211-0227		OGRID Number 14049
		API Number 30-015-33397
Property Code 33864	Property Name PRETTY VIEW FEE	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	2	20S	30E	N	660	S	1980	W	Eddy

Proposed Pools

BURTON FLAT;MORROW, EAST (GAS) 73320

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3221
Multiple N	Proposed Depth 12500	Formation Morrow	Contractor	Spud Date 04/15/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	24	20	94	300	300	0
Int1	17.5	13.375	48	1450	1400	0
Int2	12.25	8.625	32	4050	1600	0
Prod	7.875	5.5	17	12500	800	0

Casing/Cement Program: Additional Comments

Surf csg - circulate; Int 1 csg - circulate; Int 2 csg - attempt to tie back. Prod csg - sufficient to cover 200 above all oil and gas bearing zones.

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

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 837

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33397	Pool Name BURTON FLAT;MORROW, EAST (GAS)	Pool Code 73320
Property Code 33864	Property Name PRETTY VIEW FEE	Well No. 001
OGRID No. 14049	Operator Name MARBOB ENERGY CORP	Elevation 3221

Surface And Bottom Hole Location

UL or Lot N	Section 2	Township 20S	Range 30E	Lot Idn N	Feet From 660	N/S Line S	Feet From 1980	E/W Line W	County Eddy
Dedicated Acres 316.88		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: 04/06/2004

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.

Surveyed By: gARY Eidson

Date of Survey: 02/26/2004

Certificate Number: 12641

Permit Conditions Of Approval

C-101, Permit 837

Operator: MARBOB ENERGY CORP , 14049

Well: PRETTY VIEW FEE #001

OCD Reviewer	Condition
VBARTON	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BARRANT	Surface casing to be setnot less than one hundred (100) feet...., above salt section... per/ R-111-P.
BARRANT	Surface, intermediate casing strings 1 & 2 to be circulated to surface. Refer to all rules per.R-111-P.
BARRANT	Notify OCD time of spud and time to witness ALL casing strings which are cemented to surface.
BARRANT	Operator to drill ground water protection zones(s) with fresh water based drilling fluids.



RECEIVED

FEB 03 2004

OCD-ARTESIA

MARBOB ENERGY CORPORATION
P.O. Box 227
Artesia, NM 88211-0227
Attention: Mr. Brent May

January 30, 2004

Re: Morrow Gas Well Test Well
660' FSL and 1,980' FWL &
660' FSL and 1,650' FEL
Section 02, T-20-S, R-30-E
Eddy County, New Mexico

Dear Mr. May:

In accordance with the State of New Mexico, Energy, Minerals and Natural Resources Department Oil Conservation Commission Order R-111-P, Mississippi Potash, Inc. objects to the proposed drilling of the aforementioned wells by the Marbob Energy Corporation. The first well location is situated inside the half mile buffer contour of two mine open works. The second well is located inside the quarter mile buffer contour of these two mine open works. Both mines are owned by Mississippi Potash, Inc.

Sincerely,

Thomas A. McGuire
Senior Mine Engineer

cc: Ms. Lori Wrotenbery, Director
Oil Conservation Division
1220 South Pacheco
Santa Fe, NM 87505

Mr. Tim Gum
Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM 88210

HOLLAND & HART



William F. Carr
wcarr@hollandhart.com

April 13, 2004

VIA HAND DELIVERY

RECEIVED

APR 15 2004

OCD-ARTESIA

Ms. Joanna Prukop, Acting Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 88505

Re: Case No. 13232: Application of Marbob Energy Corporation for an order authorizing the drilling of a well in the Potash Area, Eddy County, New Mexico.

Dear Ms Prukop:

Marbob Energy Corporation filed an application for a permit to drill its proposed Pretty View Com Well No. 1 within the Potash Area in the SE/4 SW/4 of Section 2, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico. The application was set for hearing as the result of an objection from Intrepid Mining NM, LLC (formerly Mississippi Potash, Inc.)

Intrepid Mining has now withdrawn its objection to Marbob's application for permit to Drill. Enclosed are copies of two letters to the New Mexico State Land Office from Intrepid Mining. The first letter, references the OCD Hearing in Case 13232 and states that it "will not appear at the hearing." The second letter references Marbob's proposed well and states that Intrepid Mining is "withdrawing its objection to the proposed well location."

Since there is no longer an objection from an affected potash operator, Marbob Energy Corporation requests that its application be administratively approved and that, pending approval of this application by the Division's District Office in Artesia, this case be continued to the April 29, 2004 examiner hearing docket.

If you have questions concerning these requests, please advise.

Very truly yours,

William F. Carr

Enclosure

cc: Tim Gum
District Supervisor,
Oil Conservation Division District II
Brent May
Marbob Energy Corporation

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

INTREPID MINING NM LLC

Carlsbad, New Mexico

March 24, 2004

New Mexico State Land Office
Oil, Gas and Minerals Division
P.O. Box 1148
Santa Fe, NM 87504-1148

Attention: Mr. Jeff Albers


Re: OCD Hearing – Case 13232
Hearing Date: April 1, 2004
Section 02, T-20-S, R-30-E
Eddy County, New Mexico

Dear Mr. Albers:

The purpose of this letter is to inform the Division, that Intrepid Mining NM (formerly Mississippi Potash, Inc.) will not be appearing at the hearing to object to the proposed well location submitted by Marbob Energy Corporation.

Should you have further questions regarding this issue, please contact me at 505-234-3814.

Sincerely,



Thomas A. McGuire
Senior Mine Engineer

cc:

Harland & Hart LLP
Attention: Mr. William F. Carr
110 North Guadalupe Suite 1
Santa Fe, NM 87501

Marbob Energy Corporation
Attention: Mr. Brent May
P.O. Box 227
Artesia, NM 88211-0227

P.O. BOX 101 • 35 MILES EAST HIGHWAY 62-180 • CARLSBAD, NEW MEXICO • 882

PHONE: (505) 234-3814 • FAX: (505) 887-0929

TOTAL P.02

03/24/2004 WED 09:20 [TX/RX NO 5314] 002

INTREPID MINING NM LLC

Carlsbad, New Mexico

March 30, 2004

New Mexico State Land Office
Oil, Gas and Minerals Division
P.O. Box 1148
Santa Fe, NM 87504-1148

Attention: Mr. Jeff Albers


Re: Marbob Energy Corporation
Pretty View Com. Well No. 1
SE/4 SW/4
Section 02, T-20-S, R-30-E
Eddy County, New Mexico

Dear Mr. Albers:

The purpose of this letter is to inform the Division, that Intrepid Mining NM (formerly Mississippi Potash, Inc.) is withdrawing the objection to the proposed well location submitted by Marbob Energy Corporation.

Should you have further questions regarding this issue, please contact me at 505-234-3814.

Sincerely,



Thomas A. McGuire
Senior Mine Engineer

cc:

Harland & Hart LLP
Attention: Mr. William F. Carr
110 North Guadalupe Suite 1
Santa Fe, NM 87501

Marbob Energy Corporation
Attention: Mr. Brent May
P.O. Box 227
Artesia, NM 88211-0227

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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

STATE LAND OFFICE
SANTA FE, N.M.

Lori Wrotenbery
Director
Oil Conservation Division

April, 8, 2004
New Mexico State Land Office
Oil, Gas and Minerals Division
P.O. Box 1148
Santa Fe, NM 87504-1148
Attn: Joe Mraz or To Whom It May Concern

RECEIVED

APR 15 2004

OCD-ARTESIA

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Marbob Energy Corporation
LEASE NAME: Pretty View Fee # 1
LOCATION: SEC. 2, TOWNSHIP 20 SOUTH, RANGE 30 EAST,
660' FSL & 1980' FWL
EDDY COUNTY, NM, NMPM

PROPOSED DEPTH: 12,500'

Dear Mr. Mraz or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.

Thank you for your assistance.

Sincerely,

Bryan G. Arrant
PES, District II Artesia NMOCD

In LMR	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
In Buffer Zone	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

J.R. MRAZ
4-12-04

Comments:

Signature: [Signature] Date: 4/12/04



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

April, 8, 2004
Bureau of Land Management
620 East Greene St.
Carlsbad, NM 88220-6292
Attn: Craig Cranston or To Whom It May Concern

RECEIVED
APR 15 2004
OCD-ARTESIA

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Marbob Energy Corporation
LEASE NAME: Pretty View Fee #1
LOCATION: SEC. 2, TOWNSHIP 20 SOUTH, RANGE 30 EAST,
660' FSL & 1980' FWL
EDDY COUNTY, NM, NMPM

PROPOSED DEPTH: 12,500'

Dear Craig or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of-Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.
Thank you for your assistance.

Sincerely,

Bryan G. Arrant
PES, District II Artesia NMOCD

In LMR	Yes _____	No <u>X</u>
In Buffer Zone	Yes <u>X</u>	No _____

Comments:

In 1/2 mile LMR Buffer
Craig Cranston BLM Date: 4-13-04