

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 1127

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address MARBOB ENERGY CORP PO Box 227 Artesia, NM 88211-0227		OGRID Number 14049
		API Number 30-015-33480
Property Code 25375	Property Name D STATE	Well No. 038

Surface Location

UL or Lot L	Section 35	Township 17S	Range 28E	Lot Idn L	Feet From 1655	N/S Line S	Feet From 990	E/W Line W	County Eddy
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Proposed Pools

ARTESIA; GLORIETA-YESO (O) 96830

Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3651
Multiple N	Proposed Depth 5000	Formation Yeso Formation	Contractor	Spud Date 07/01/2004

Proposed Casing and Cement Program

Type	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	5000	600	0

Casing/Cement Program: Additional Comments

Drill to 500 ft. with fresh water, run & cement 8 5/8 in. csg. reduce hole & drill to 4700 ft. with brine water, 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

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

Title: Production Analyst

Date: 06/21/2004

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 06/30/2004

Expiration Date: 06/30/2005

Conditions of Approval:

There are conditions. See Attached.