

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address MARBOB ENERGY CORP PO Box 227 Artesia, NM 88211-0227		2. OGRID Number 14049
		3. API Number 30-015-34394
4. Property Code 35184	5. Property Name ARCO STATE	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	34	17S	28E	D	990	N	330	W	EDDY

8. Pool Information

ARTESIA; GLORIETA-YESO (O)	96830
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3681
14. Multiple N	15. Proposed Depth 5000	16. Formation Yeso Formation	17. Contractor	18. Spud Date 11/15/2005
Depth to Ground water 150		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 3000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	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

We plan to drill to 500 ft with fresh water, 8 5/8 inch 24 lb J-55 casing and set at 500 ft with 300 sx cmt, circ to surface. Drill to 5000 ft with brine water, run 5 1/2 inch 17 lb J-55 casing to TD and set with 600 sx cmt with TOC being 200 ft above all oil and gas bearing zones.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC D guidelines ☐ a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

Printed Name: Electronically filed by Diana Briggs

Title: Production Analyst

Email Address: production@marbob.com

Date: 10/24/2005

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Approved By: Bryan Arrant

Title: Geologist

Approved Date: 10/25/2005 | Expiration Date: 10/25/2006

Conditions of Approval Attached

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
Permit 17479

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34394	2. Pool Code 96830	3. Pool Name ARTESIA; GLORIETA-YESO (O)
4. Property Code 35184	5. Property Name ARCO STATE	6. Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3681

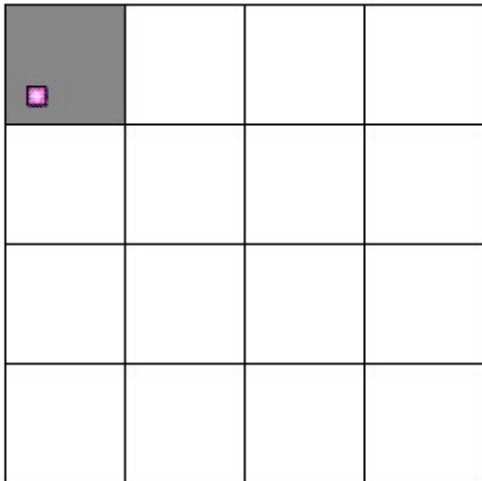
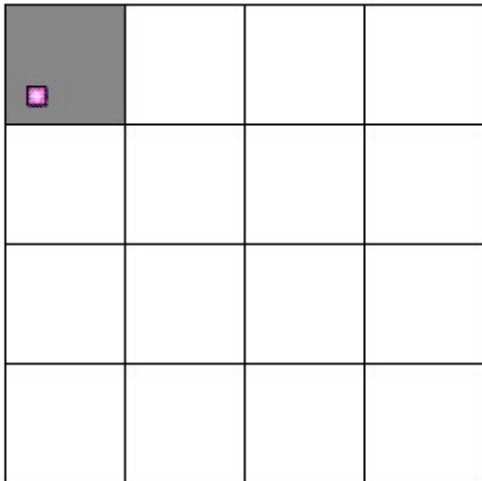
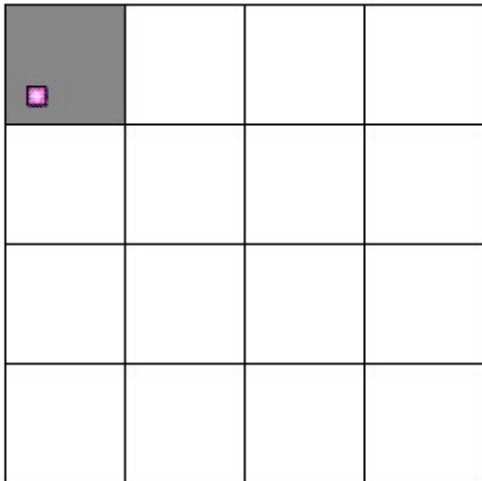
10. Surface Location

UL - Lot D	Section 34	Township 17S	Range 28E	Lot Idn D	Feet From 990	N/S Line N	Feet From 330	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill	14. Consolidation Code	15. Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<table><tr><td></td></tr></table>		<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>E-Signed By: Diana Briggs Title: Production Analyst Date: 10/24/2005</p> <hr/> <p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: RON EIDSON Date of Survey: 10/12/2005 Certificate Number: 3239</p>
		

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: ARCO STATE #001

API: 30-015-34394

Created By	Comment	Comment Date
MARBOB4	We plan to complete this well in the Yezo formation and do not anticipate cutting any formations that contain H2S gas during the drilling of this well. Therefore we do not believe an H2S contingency plan is necessary.	10/24/2005

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: ARCO STATE #001

API: 30-015-34394

OCD Reviewer	Condition
BArrant	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 AND PRODUCTION CASING TO HAVE CEMENT CIRCULATED TO SURFACE AS NOTED ON C-101.