

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 30-015-34395
4. Property Code 25353	5. Property Name ARCO 26 A STATE	6. Well No. 009

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	26	17S	28E	D	451	N	491	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 3591
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, run 500 ft 8 5/8 inch 24 lb J-55 casing and set at 500 ft with 300 sx cmt, circ to surface. Drl 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 NMOCB guidelines <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCB-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Bryan Arrant	
	Title: Geologist	
	Approved Date: 10/28/2005 Expiration Date: 10/28/2006	
	Email Address: production@marbob.com	
Date: 10/27/2005	Phone: 505-748-3303	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 17474

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34395	2. Pool Code 96830	3. Pool Name ARTESIA; GLORIETA-YESO (O)
4. Property Code 25353	5. Property Name ARCO 26 A STATE	6. Well No. 009
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3591




10. Surface Location

UL - Lot D	Section 26	Township 17S	Range 28E	Lot Idn D	Feet From 451	N/S Line N	Feet From 491	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

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Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: ARCO 26 A STATE #009

API: 30-015-34395

Created By	Comment	Comment Date
MARBOB4	We plan to complete this well in the Yezo formation, and do not anticipate cutting any formations during the drilling process that contain H2S gas. Therefore we do not believe an H2S contingency plan is necessary.	10/24/2005
BArrant	Please correct the pit system information as it indicates the you plan to use a closed loop system, yet the data entry also talks about using a pit liner. thanks, Bryan	10/25/2005

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: ARCO 26 A STATE #009

API: 30-015-34395

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	Please note that production casing is to be tied back to surface casing or circulated to surface.