

# 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 882110227		2. OGRID Number 14049
		3. API Number 30-015-34619
4. Property Code 35445	5. Property Name JEFE GRANDE STATE	6. Well No. 001

## 7. Surface Location

UL - Lot M	Section 2	Township 22S	Range 28E	Lot Idn M	Feet From 660	N/S Line S	Feet From 660	E/W Line W	County EDDY
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## 8. Pool Information

INDIAN FLATS;MORROW, SW (GAS)	79100
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## Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3154
14. Multiple N	15. Proposed Depth 12700	16. Formation Morrow	17. Contractor	18. Spud Date 3/15/2006
Depth to Ground water 200		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	17.5	13.375	48	400	400	0
Int1	12.25	9.625	36	2650	650	0
Int2	8.75	7	23	9850	700	2400
Prod	6.125	4.5	11.6	12700	350	9600

## Casing/Cement Program: Additional Comments

We propose to drill 17 1/2 inch hole to 400 ft with fresh water, run 48 lb H-40 13 3/8 inch csg and set at 400 ft with 400 sx crnt, circ to surface; drl 12 1/4 inch hole to 2650 ft with brine water, run 36 lb J-55 9 5/8 inch csg and set at 2650 ft with 650 sx crnt, circ to surface; drl 8 7/8 inch hole to 9850 ft with cut brine water, run 7 inch 23 lb N80/J-55 csg and set at 9850 ft with 700 sx crnt, tie in; drl 6 1/8 inch hole to 13100 ft with cut brine water, run 11.60 lb P110 4 1/2 inch csg and set at 13100 ft with 350 sx crnt, Tie into 7 inches.

## Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	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 NMOCD guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Bryan Arant	
	Title: Geologist	
	Approved Date: 2/15/2006	Expiration Date: 2/15/2007
	Conditions of Approval Attached	

Printed Name: Electronically filed by Diana Briggs

Title: Production Analyst

Email Address: production@marbob.com

Date: 2/13/2006

Phone: 505-748-3303

**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

**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 23119

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-34619	2. Pool Code 79100	3. Pool Name INDIAN FLATS;MORROW, SW (GAS)
4. Property Code 35445	5. Property Name JEFE GRANDE STATE	6. Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3154

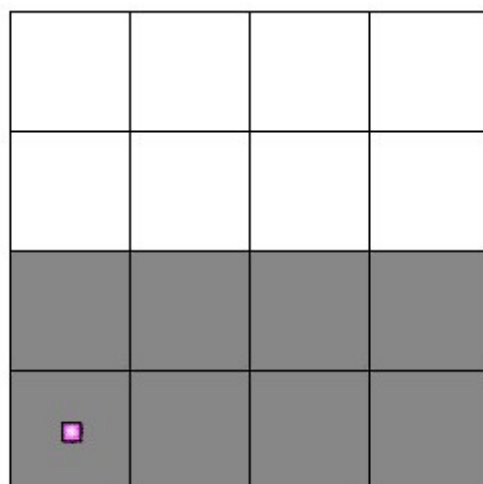
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	2	22S	28E		660	S	660	W	EDDY

**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 320.00		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**



**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

E-Signed By: Diana Briggs  
 Title: Production Analyst  
 Date: 2/13/2006

**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: Ronald Eidson  
 Date of Survey: 12/27/2005  
 Certificate Number: 3239

## Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: JEFE GRANDE STATE #001

API: 30-015-34619

Created By	Comment	Comment Date
MARBOB4	We plan to complete this well in the Morrow and do not anticipate cutting any formations during drilling that contain H2S gas. Therefore we do not believe an H2S contingency plan is necessary.	2/13/2006

# Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: JEFE GRANDE STATE #001

API: 30-015-34619

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	Operator to set surface casing above the Salado. Please refer to offset geology for more information.