

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 882110227		2. OGRID Number 14049
4. Property Code 35453		3. API Number 30-015-34638
5. Property Name MYOX FEE COM		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
P	18	25S	28E	P	660	S	660	E	EDDY

8. Pool Information

SALT DRAW, MORROW, WEST (G)	96819
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3037
14. Multiple N	15. Proposed Depth 13500	16. Formation Morrow	17. Contractor	18. Spud Date 3/18/2006
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	13.375	48	400	400	0
Int1	12.25	9.625	36	2450	600	0
Int2	8.75	7	23	9900	900	2000
Prod	6.125	4.5	11.6	13500	300	9400

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 cmnt, circ to surface; dnl 12 1/4 inch hole to 2450 ft with brine water, run 36 lb J-55 9 5/8 inch csg and set at 2450 ft with 600 sx cmnt, circ to surface; dnl 8 3/4 inch hole to 9900 ft with cut brine water, run 7 inch 23 lb N80 & J-55 csg and set at 9900 ft with 900 sx cmnt, tie in at 9 5/8 inches; dnl 6 1/8 inch hole to 13500 ft with cut brine water, run 4 1/2 inch 11.60 lb S 95/P110 csg and set at 13500 ft with 300 sx cmnt, tie in at 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
Printed Name: Electronically filed by Diana Briggs	Approved By: Bryan Arant
Title: Production Analyst	Title: Geologist
Email Address: production@marbob.com	Approved Date: 2/20/2006 Expiration Date: 2/20/2007
Date: 2/20/2006 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 23691

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34638	2. Pool Code 96819	3. Pool Name SALT DRAW; MORROW, WEST (G)
4. Property Code 35453	5. Property Name MYOX FEE COM	6. Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3037

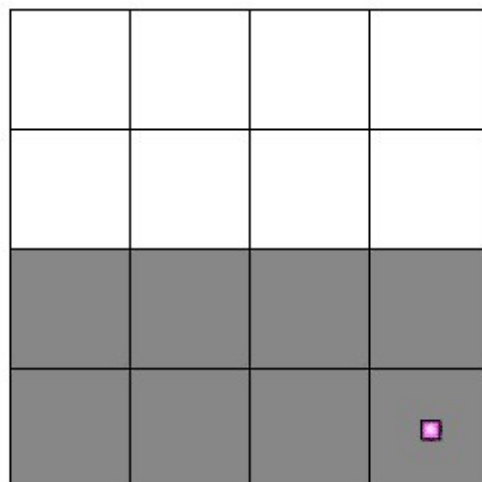
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
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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 320.53		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: 2/20/2006

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: Gary Eidson
 Date of Survey: 1/25/2006
 Certificate Number: 12641

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: MYOX FEE COM #001

API: 30-015-34638

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.	2/17/2006

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: MYOX FEE COM #001

API: 30-015-34638

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 Salado. please refer to offset geology for more information.
BArrant	Operator to follow the "Practices for Oil and Gas Drilling and Operations in Cave and Karst Areas" as set forth in the Appendix 3 from the BLM.