

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
		3. API Number 30-025-37718
4. Property Code 34464	5. Property Name SCOOCH STATE COM	6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	23	18S	33E	B	660	N	1650	E	LEA

8. Pool Information

CORBIN,MORROW, SOUTH (GAS)	75080
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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 3892
14. Multiple N	15. Proposed Depth 13900	16. Formation Morrow	17. Contractor	18. Spud Date 3/22/2006
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 checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input 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	350	300	0
Int1	12.25	8.625	32	4900	1400	0
Prod	7.875	5.5	17	13900	950	0

Casing/Cement Program: Additional Comments

Plan to drill 17 1/2 in hole w/fresh wtr, run 13 3/8 in 48 lb H-40 csg & set at 300 ft w/300 sx cmt, circ to surf; drill 12 1/4 in hole from 300-1850 ft w/fresh wtr w/no additives, drill 12 1/4 in hole from 1850-4900 ft w/brine wtr, run 8 5/8 in 32 lb Buttress csg & set at 4900 ft w/1400 sx cmt, circ to surf; drill 7 7/8 in hole 4900-13900 ft w/cut brine wtr, run 5 1/2 in 17 lb S-95/P110 csg & set at TD w/950 sx cmt, bring TOC 500 ft above all oil and gas bearing zones.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	Cameron
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: Paul Kautz	
Title: Production Analyst	Title: Geologist	
Email Address: production@marbob.com	Approved Date: 2/21/2006	Expiration Date: 2/21/2007
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

State of New Mexico

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1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102
 Permit 23932

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37718	2. Pool Code 75080	3. Pool Name CORBIN;MORROW, SOUTH (GAS)
4. Property Code 34464	5. Property Name SCOOCH STATE COM	6. Well No. 002
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3892

10. Surface Location

UL - Lot B	Section 23	Township 18S	Range 33E	Lot Idn B	Feet From 660	N/S Line N	Feet From 1650	E/W Line E	County LEA
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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 320.00	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.
 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: SCOCH STATE COM #002

API: 30-025-37718

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.	2/20/2006
pkautz	In Lea County the minimum surface casing setting depth is 350 feet.	2/21/2006

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: SCOOCHE STATE COM #002

API: 30-025-37718

OCD Reviewer	Condition
pkautz	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
pkautz	prior to any pit construction notify Gary Wink at 505-393-6161 ext 114
pkautz	Minimum surface casing setting depth in Lea County is 350 feet.