

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 35022		3. API Number 30-015-34813
5. Property Name ZEBU STATE		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
D	2	21S	24E	5	660	N	1160	W	EDDY

8. Pool Information

CEMETERY, MORROW, SOUTHEAST (G)	97031
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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 3914
14. Multiple N	15. Proposed Depth 10450	16. Formation Morrow	17. Contractor	18. Spud Date 5/21/2006
Depth to Ground water 260		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 checked="" 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	12.25	9.625	36	1400	650	0
Prod	8.75	5.5	17	10450	1200	

Casing/Cement Program: Additional Comments

PLAN TO DRILL 12.25 HOLE TO 1400 WITH FRESH WATER, SET 9.625 CSG, CMT WITH 650 SX, CIRC TO SURF; DILL 8.75 INCH HOLE TO 10450 WITH CUT BRINE WATER, SET 5.5 INCH CASING WITH 1200 SX CMT, BRING TOC 200 FOOT ABOVE ALL OIL & GAS ZONES

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	CAMERON
DoubleRam	2000	2000	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 ☐ 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: 4/21/2006

Phone: 505-748-3303

OIL CONSERVATION DIVISION

Approved By: Bryan Arrant

Title: Geologist

Approved Date: 4/24/2006

Expiration Date: 4/24/2007

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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Oil Conservation Division
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Santa Fe, NM 87505

Form C-102
 Permit 28138

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34813	2. Pool Code 97031	3. Pool Name CEMETERY; MORROW;SOUTHEAST (G)
4. Property Code 35022	5. Property Name ZEBU STATE	6. Well No. 002
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3914

10. Surface Location

UL - Lot D	Section 2	Township 21S	Range 24E	Lot Idn 4	Feet From 660	N/S Line N	Feet From 1160	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 300.90	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
	<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: 4/21/2006</p>
	SURVEYOR CERTIFICATION
	<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: GARY EIDSON Date of Survey: 4/7/2006 Certificate Number: 12641</p>

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: ZEBU STATE #002

API: 30-015-34813

Created By	Comment	Comment Date
MARBOB4	We plan to complete this well in the Morrow which is sweet and we don't anticipate cutting any formations that contain H2S gas during the drilling of the above referenced well. Therefore, we do not believe that an H2S contingency plan is necessary.	4/21/2006

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: ZEBU STATE #002

API: 30-015-34813

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 notify OCD time of spud and time to witness the cementing to surface of the water protection string of casing.
BArrant	As noted, operator to drill surface hole with fresh water mud.