

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 35798		3. API Number 30-015-34965
5. Property Name COMMODE HUGGER		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
N	14	22S	26E	N	660	S	1850	W	EDDY

8. Pool Information

CARLSBAD,MORROW, SOUTH (PRO GAS)	73960
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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 3219
14. Multiple N	15. Proposed Depth 11800	16. Formation Morrow	17. Contractor	18. Spud Date 7/26/2006
Depth to Ground water 20		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	26	20	94	300	450	0
Int1	12.25	9.625	36	2000	700	0
Int2	8.75	7	23	8500	750	0
Prod	6.125	4.5	1160	11800	200	

Casing/Cement Program: Additional Comments

We propose to drill 26 inch hole to 300 ft with fresh water, run 94 lb H-40 20 inch csg and set at 300 ft with 450 sx cmt, circ to surface; drl 12 1/4 inch hole to 2000 ft with fresh water, run 36 lb J-55 9 5/8 inch csg and set at 2000 ft with 700 sx cmt, circ to surface; drl 8 3/4 inch hole to 8500 ft with cut brine water, run 23 lb N80/J55 7 inch csg and set at 8500 ft with 750 sx cmt, circ to surface; drl 6 1/8 inch hole to 11800 ft with cut brine water, run 1160 lb S-95/P110 4 1/2 inch csg and set at 11800 ft with 200 sx cmt, TOC 500 above all oil and gas bearing zones.

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 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
Printed Name: Electronically filed by Diana Briggs	Approved By: Bryan Arant
Title: Production Analyst	Title: Geologist
Email Address: production@marbob.com	Approved Date: 6/27/2006 Expiration Date: 6/27/2007
Date: 6/26/2006 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 32819

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34965	2. Pool Code 73960	3. Pool Name CARLSBAD,MORROW, SOUTH (PRO GAS)
4. Property Code 35798	5. Property Name COMMODE HUGGER	6. Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3219

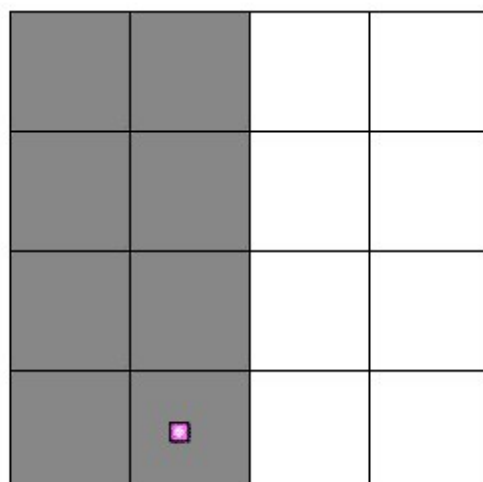
10. Surface Location

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 320.00		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: 6/26/2006

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: 6/8/2006
 Certificate Number: 12641

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: COMMODE HUGGER #001

API: 30-015-34965

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.	6/26/2006

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: COMMODE HUGGER #001

API: 30-015-34965

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 & time to witness the cementing to surface of the 20",9 5/8" & the 7" casing to surface.
BArrant	Operator to submit H2S well contingency plan, document on how BOPs will be tested daily and noted distance to public dwelling before well is spudded.