

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 88211		2. OGRID Number 14049
		3. API Number 30-025-38067
4. Property Code 35924	5. Property Name RHOID STATE	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
D	24	18S	33E	D	330	N	330	W	LEA

8. Pool Information

MESCALERO ESCARPE;BONE SPRING	45793
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3903
14. Multiple N	15. Proposed Depth 9200	16. Formation 2nd Bone Spring Sand	17. Contractor	18. Spud Date 9/15/2006
Depth to Ground water 195		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	350	0
Int1	12.25	8.625	32	1550	700	0
Int1	12.25	8.625	32	3050	700	0
Prod	7.875	5.5	17	9200	700	200

Casing/Cement Program: Additional Comments

We propose to drill 17 1/2 inch hole to 300 ft with fresh water, run 48 lb H-40 13 3/8 inch csg and set at 300 ft with 300 sx cmt, circ to surface; drl 12 1/4 inch hole to 1550 ft with fresh water then down to 3050 ft with brine water, run 32 lb J-55 8 5/8 inch csg and set at 3050 ft with 700 sx cmt, circ to surface; drl 7 7/8 inch hole to 9200 ft with cut brine water, run 5 1/2 inch 17 lb J-55/N80 csg and set at 9200 ft with 700 sx cmt, 200' above all oil & gas 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 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: Paul Kautz		
	Title: Geologist		
	Printed Name: Electronically filed by Diana Briggs	Approved Date: 8/15/2006	Expiration Date: 8/15/2007
	Title: Production Analyst		
Email Address: production@marbob.com			
Date: 8/15/2006	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 36259

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38067	2. Pool Code 45793	3. Pool Name MESCALERO ESCARPE;BONE SPRING
4. Property Code 35924	5. Property Name RHOD STATE	6. Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3903


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 40.00		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: 8/15/2006

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: 8/1/2006
 Certificate Number: 12641

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: RHOID STATE #001

API: 30-025-38067

Created By	Comment	Comment Date
pkautz	minimum setting depth surface casing is 350'	8/15/2006

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: RHOID STATE #001

API: 30-025-38067

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