

**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 <b>MARBOB ENERGY CORP</b> PO Box 227 Artesia, NM 88211		2. OGRID Number 14049
		3. API Number 30-015-35890
4. Property Code 36807	5. Property Name GRAHAM CRACKER STATE 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
G	34	25S	28E	G	1980	N	1980	E	EDDY

**8. Pool Information**

ROCK SPUR, MORROW (GAS)	83957
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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 2920
14. Multiple N	15. Proposed Depth 13800	16. Formation Morrow	17. Contractor	18. Spud Date 11/26/2007
Depth to Ground water 250		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	17.5	13.375	48	400	400	0
Int1	12.25	9.625	36	2600	450	0
Int2	8.75	7	23	9700	450	2400
Prod	6.125	4.5	11.6	13800	100	9500

**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 cmt, circ to surface; drl 12 1/4 inch hole to 2600 ft with brine water, run 36 lb J-55 9 5/8 inch csg and set at 2600 ft with 450 sx cmt, circ to surface; drl 8 3/4 inch hole to 9700 ft with cut brine water, run 7 inch 23 lb N80-P110 csg and set at 9700 ft with 450 sx cmt, TOC 2400'. drl 6 1/8 inch hole to 13800 ft with cut brine water, run 4 1/2 inch 11.6 lb S95/P110 csg and set at 13800 ft with 100 sx cmt, TOC 9500'.

**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. <b>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"/>.</b>	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Diana Briggs	Approved By: Bryan Arant
Title: Production Analyst	Title: Geologist
Email Address: production@marbob.com	Approved Date: 10/26/2007   Expiration Date: 10/26/2008
Date: 10/26/2007   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 63133

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-35890	2. Pool Code 83957	3. Pool Name ROCK SPUR,MORROW (GAS)
4. Property Code 36807	5. Property Name GRAHAM CRACKER STATE COM	6. Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 2920

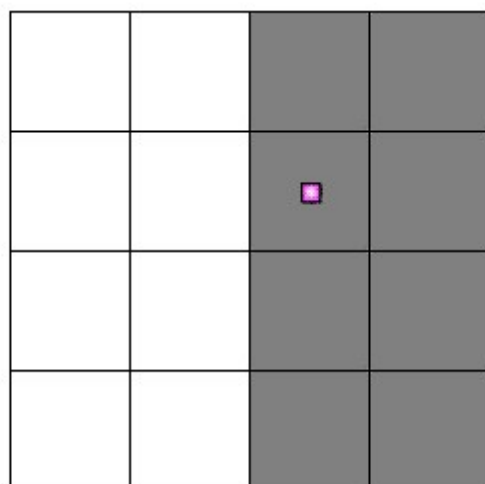
**10. Surface Location**

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: 10/26/2007

**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: 9/24/2007  
 Certificate Number: 3239

## Permit Comments

Operator: MARBOB ENERGY CORP , 14049  
Well: GRAHAM CRACKER STATE COM #001  
API: 30-015-35890

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.	10/25/2007

# Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: GRAHAM CRACKER STATE COM #001

API: 30-015-35890

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	As noted, operator to drill surface hole w/fresh water mud and set surface casing above the Salado formation. Please refer to offset geology for more information.