

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 30-025-38599
4. Property Code 36523	5. Property Name RUGBURN 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
K	23	18S	33E	K	2310	S	1650	W	LEA

8. Pool Information

CORBIN DELAWARE, WEST	13195
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Additional Well Information

Additional Well Information				
9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3877
14. Multiple N	15. Proposed Depth	16. Formation Delaware	17. Contractor	18. Spud Date 12/1/2007
Depth to Ground water 250		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic ☐ mls thick Clay ☐ Pit Volume: bbls Drilling Method:				
Closed Loop System ☒ Fresh Water Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	1600	650	0
Prod	7.875	5.5	17	6500	700	1400

Casing/Cement Program: Additional Comments

We propose to drill 12 1/4 inch hole to 1600 ft with fresh water, run 24 lb J-55 8 5/8 inch csg and set at 1600 ft with 650 sx cmt, TOC 0; drl 7 7/8 inch hole to 6500 ft with brine water, run 17 lb J-55 5 1/2 inch csg and set at 6500 ft with 700 sx cmt, TOC 1400

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	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 ☐ .		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: 11/2/2007 Expiration Date: 11/2/2008	
Date: 11/1/2007	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

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 63613

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38599	2. Pool Code 13195	3. Pool Name CORBIN,DELAWARE, WEST
4. Property Code 36523	5. Property Name RUGBURN STATE	6. Well No. 002
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3877

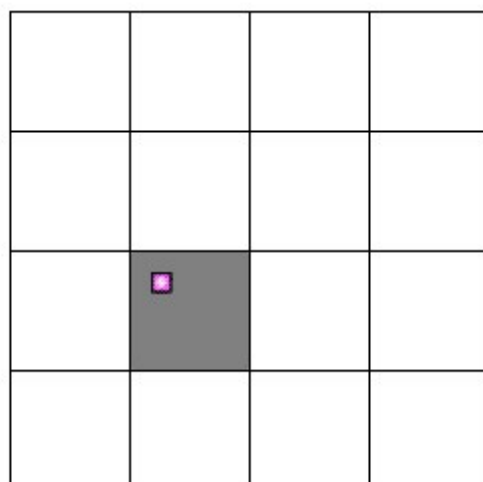
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	23	18S	33E	K	2310	S	1650	W	LEA

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: 11/1/2007

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: 9/18/2007
 Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: RUGBURN STATE #002

API: 30-025-38599

Created By	Comment	Comment Date
MARBOB4	This is a closed mud loop system with fresh water pits.	11/1/2007
MARBOB4	Marbob Energy has conducted a review to determine if an H2S contingency plan is required for the above referenced well. We were able to conclude that any potential hazardous volume would be minimal. H2S concentrations of wells in this area from surface to TD are low enough; therefore we do not believe that an H2S Contingency Plan would be necessary.	11/1/2007

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: RUGBURN STATE #002

API: 30-025-38599

OCD Reviewer	Condition
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, D.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines