State of New Mexico

Form C-101 Permit 66004

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

	Operator Name and Address ARBOB ENERGY CORP PO Box 227 Artesia , NM 88211	2. OGRID Number 14049 3. API Number 30-015-35974	
4. Property Code	5. Property Name	6. Well No.	
36827	N B TWEEN STATE	002	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	25	17S	28E	N	990	S	2460	W	EDDY

8. Pool Information

ARTESIA; GLORIETA-	YESO (O)	96830
microsin, opoidern-	1230 (0)	70000

Additional Well Information

	501	IIIIIIIII IIIIIIIII		0.6	
9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3680	
14. Montiple N	15. Proposed Depth	16. Formation Glorieta Formation	17. Contractor	18. Spud Date 1/13/2007	
Depth to Ground 250	water	Distance from nearest fresh water w	211	Distance to nearest surface water	
t: Liner: Synthetic [Closed Loop System	mils thick	•	rilling Method: Fresh Water Brine I	Diesel/Oil-based Gas/Air	

19. Proposed Casing and Cement Program

Туре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	350	300	0
Prod	7.875	5.5	17	5600	650	0

Casing/Cement Program: Additional Comments

We propose to drill 12 1/4 inch hole to 350 ft with fresh water, run 24 lb J-55 8 5/8 inch csg and set at 350 ft with 300 sx cmt, TOC 0; drl 7 7/8 inch hole to 5600 ft with brine water, run 17 lb J-55 5 1/2 inch csg and set at 5600 ft with 650 sx cmt, TOC 0

Proposed Blowout Prevention Program

3	Туре	Working Pressure	Test Pressure	Manufacturer	
	DoubleRam	3000	3000	Cameron	

I hereby certify that the information given above is true and complete to the b of my knowledge and belief. I further certify that the drilling pit will be constructed according to	OIL CONSERVATION DIVISION		
NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .	Approved By: Bryan Arrant		
Printed Name: Electronically filed by Diana Briggs	Title: Geologist		
Title: Production Analyst	Approved Date: 12/17/2007 Expiration Date: 12/17/2008		
Email Address: production@marbob.com	02.20		
Date: 12/13/2007 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

<u>District II</u>

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

<u>District III</u> 1000 Rio Brazos Rd., Azzec, 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

Form C-102 Permit 66004

Energy, Minerals and Natural Resources Oil Conservation Division

1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

5.53				
1. API Number	2. Pool Code 3. Pool		ol Name	
30-015-35974	96830	RIETA-YESO (O)		
4. Property Code	5. Property Name		6. Well No.	
36827	N B TWEEN STATE		002	
7. OGRID No.	8. Operator	9. Elevation		
14049	MARBOB ENERGY CORP 3680			

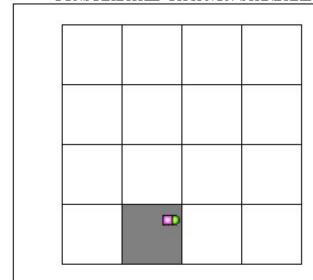
10. Surface Location

à	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	N	25	17S	28E	N	990	S	2460	W	EDDY

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
N	25	17S	28E	N	990	S	2310	W	EDDY
300000000000000000000000000000000000000	cated Acres	13. 1	Joint or Infill	1	4. 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: 12/13/2007

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: 11/17/2007 Certificate Number: 3239

Permit Comments

Operator: MARBOB ENERGY CORP , 14049
Well: N B TWEEN STATE #002

API: 30-015-35974

Created By	II Comment	Comment Date
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.	12/13/2007
MARBOB4	Marbob Energy will be using a closed mud loop system with fresh water pits.	12/13/2007

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP, 14049
Well: N B TWEEN STATE #002

30-015-35974 API:

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 wyfresh water mud.