

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 30-015-36033
4. Property Code 36932	5. Property Name Y ENERGY STATE COM	6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	32	18S	30E	L	2235	S	990	W	EDDY

8. Pool Information

TURKEY TRACK BONE SPRING	60660
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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 3400
14. Multiple N	15. Proposed Depth	16. Formation Bone Spring	17. Contractor	18. Spud Date 2/10/2008
Depth to Ground water 250		Distance from nearest fresh water well		Distance to nearest surface water

Pit: Liner: Synthetic ☐ mils thick Clay ☐ Pit Volume: bbls Drilling Method: Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐
Closed Loop System ☒

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	3400	800	0
Prod	7.875	5.5	17	7700	600	4000

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; dnl 12 1/4 inch hole to 3400 ft with brine water, run 36 lb J-55 9 5/8 inch csg and set at 3400 ft with 800 sx cmt, circ to surface; dnl 7 7/8 inch hole to 7700 ft with cut brine water, run 5 1/2 inch 17 lb S95/P110 csg and set at 7700 ft with 600 sx cmt, 200' above all oil & gas zones.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	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 <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Diana Briggs Title: Production Analyst Email Address: production@marbob.com Date: 1/10/2008 Phone: 505-748-3303	OIL CONSERVATION DIVISION	
	Approved By: Bryan Arrant	
	Title: Geologist	
	Approved Date: 1/10/2008	Expiration Date: 1/10/2009
	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
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1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 67289

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-36033	2. Pool Code 60660	3. Pool Name TURKEY TRACK;BONE SPRING
4. Property Code 36932	5. Property Name Y ENERGY STATE COM	6. Well No. 001H
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3400

10. Surface Location

UL - Lot L	Section 32	Township 18S	Range 30E	Lot Idn L	Feet From 2235	N/S Line S	Feet From 990	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 32	Township 18S	Range 30E	Lot Idn M	Feet From 330	N/S Line S	Feet From 890	E/W Line W	County EDDY
12. Dedicated Acres 80.00		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

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>E-Signed By: Diana Briggs Title: Production Analyst Date: 1/10/2008</p>		
	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Ronald Eidson Date of Survey: 1/5/2008 Certificate Number: 12641</p>		

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: Y ENERGY STATE COM #001H

API: 30-015-36033

Created By	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.	1/10/2008
MARBOB4	Marbob will be using a closed mud loop system with fresh water pits.	1/10/2008

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: Y ENERGY STATE COM #001H

API: 30-015-36033

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.