

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 30-025-38865
4. Property Code 37139	5. Property Name LEAR 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
I	32	18S	32E	I	2308	S	330	E	LEA

8. Pool Information

LUSK, BONE SPRING, NORTH	41450
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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 3696
14. Multiple N	15. Proposed Depth	16. Formation Bone Spring	17. Contractor	18. Spud Date 5/25/2008
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:
 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	17.5	13.375	54.5	1125	650	0
Int1	12.25	9.625	36	2950	600	900
Prod	7.875	5.5	17	11125	700	2500

Casing/Cement Program: Additional Comments

We propose to drill 17 1/2" hole to 1125 ft w/fresh water, run 13 3/8" 54.5 lb. J-55 csg and cement to surface; drill 12 1/4" hole to 2950' with brine, run 9 5/8" 36 lb. J-55 csg and cmt w/600 sx cmt, est TOC 900; drill 7 7/8" hole to 10200 ft, log well, then plug back to 8800 ft, then drill a horizontal well to new BHL with cut brine, run 5 1/2" 17 lb. N-80 and cmt w/700 sx cmt, est TOC 2500 ft.

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 NMOCDD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/>.	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: 4/28/2008	Expiration Date: 4/28/2010
Date: 4/25/2008	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 73596

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38865	2. Pool Code 41450	3. Pool Name LUSK;BONE SPRING, NORTH
4. Property Code 37139	5. Property Name LEAR STATE	6. Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3696

10. Surface Location

UL - Lot I	Section 32	Township 18S	Range 32E	Lot Idn I	Feet From 2308	N/S Line S	Feet From 330	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 32	Township 18S	Range 32E	Lot Idn P	Feet From 330	N/S Line S	Feet From 380	E/W Line E	County LEA
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

	OPERATOR CERTIFICATION			
	<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>			
	E-Signed By: Diana Briggs Title: Production Analyst Date: 4/25/2008			
	SURVEYOR CERTIFICATION			
<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>				
Surveyed By: Ronald Eidson Date of Survey: 4/8/2008 Certificate Number: 3239				

Permit Comments

Operator: MARBOB ENERGY CORP , 14049

Well: LEAR STATE #001

API: 30-025-38865

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.	4/21/2008
MARBOB4	We plan to complete this well in the Bone Spring and do not anticipate cutting any formations during drilling that contain H2S gas. Therefore we do not believe an H2S contingency plan is necessary.	4/24/2008

Permit Conditions of Approval

Operator: MARBOB ENERGY CORP , 14049

Well: LEAR STATE #001

API: 30-025-38865

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