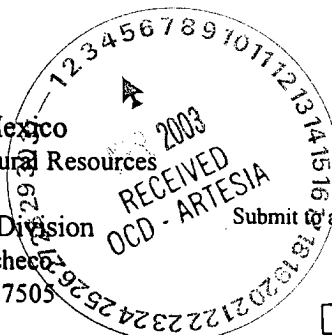


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505



Form C-101
Revised March 17, 1999

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address MARBOB ENERGY CORPORATION PO BOX 227 ARTESIA, NM 88211-0227		² OGRID Number 14049
³ Property Code 29518		⁴ API Number 30- 015-32218
⁵ Property Name SB STATE		⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	2	18S	27E		1650	NORTH	330	WEST	EDDY

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

⁹ Proposed Pool 1

RED LAKE QUEEN GRAYBURG SAN ANDRES

¹⁰ Proposed Pool 2

¹¹ Work Type Code A	¹² Well Type Code M	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3572' GL
¹⁶ Multiple Y	¹⁷ Proposed Depth 3912'	¹⁸ Formation SAN ANDRES	¹⁹ Contractor	²⁰ Spud Date

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	354'	350 SX, CIRC	
7 7/8"	5 1/2"	17#	3912'	800 SX, CIRC	

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.
Describe the blowout prevention program, if any. Use additional sheets if necessary.

ADD PAY IN SAN ANDRES AS FOLLOWS:

1. SET CIBP @ 3075'
2. PERF LOWER, MIDDLE & UPPER SAN ANDRES
LOWER: 2601'-2925' (8), MIDDLE: 2407'-2463' (6), UPPER: 1943'-2273' (20)
3. ACIDIZE W/ NEFE 15% HCL, LOWER 1000 GAL, MIDDLE 1000 GAL, UPPER 3000 GAL
4. FRAC SAN ANDRES DOWN CASING

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: DIANA J. CANNON

Title: PRODUCTION ANALYST

Date: 3/3/03

Phone: (505) 748-3303

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

Title:

Approval Date:

MAR 10 2003

Expiration Date:

MAR 10 2004

Conditions of Approval:

Attached ☐

FEB 15 2002

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0710

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-32218	Pool Code 51300	Pool Name RED LAKE QUEEN GRAYBURG SA
Property Code 29518	Property Name SB STATE	Well Number 1
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3572'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	2	18-S	27-E		1650	NORTH	330	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	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

LOT 4	LOT 3	LOT 2	LOT 1
39.59 AC	39.53 AC	39.44 AC	39.38 AC

1650'

330'

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Diana J. Cannon

Signature

DIANA J. CANNON

Printed Name

PRODUCTION ANALYST

Title

MARCH 3, 2003

Date

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.

FEBRUARY 11, 2002

Date Surveyed

Signature & Seal of Professional Surveyor

NEW MEXICO

02.17.0102

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

RECEIVED
OCD - ARTESIA
MAY 2003

**SB State 1
1650' fnl, 330' fwl
Sec 2-18s-27e
Eddy Co., NM**

13 Jan 03

Workover Procedure—Add Pay

Objective: Add pay in San Andres. The San Andres will be acidized and swab tested in three separate intervals. If each interval yields a good oil show, it is likely that they will be fraced together. If any intervals are not included in the frac, a decision may be made to decrease the size of the attached frac job. The San Andres will be pump tested by itself initially then commingled with the Yeso later.

Well Data: See wellbore sketch.

Procedure:

1. Set CIBP or 5K composite BP at approx. 3075' to cover the Yeso. Test plug to 2000 psi.
2. Perf Lower, Middle and Upper San Andres with one shot at the depths shown below using 4" casing gun with Millenium charges.

Lower San Andres: 2601', 2675', 2713', 2743', 2829', 2852', 2890', 2925' (8)

Middle San Andres: 2407', 2410', 2431', 2437', 2458', 2463' (6)

Upper San Andres: 1943', 1997', 2014', 2020', 2028', 2040', 2052', 2060', 2093', 2113',
2146', 2174', 2195', 2203', 2207', 2214', 2217', 2260', 2265', 2273' (20)

Perfs above picked on Density-Neutron log dated 5-21-02. The Depth Control Log generally appears to be within a foot or so of being on depth – no correction necessary.

3. Acidize the Lower San Andres 2601-2925' with 1000 gal NE Fe 15% HCl with 16 ballsealers. Swab test for oil show. If good oil show, will include in frac job.
4. Acidize the Middle San Andres 2407-2463' with 1000 gal NE Fe 15% HCl with 12 ballsealers. Swab test for oil show. If good oil show, will include in frac job. If wet, decision might be made to squeeze off.
5. Acidize the Upper San Andres 1943-2273' with 3000 gal NE Fe 15% HCl with 40 ballsealers. Swab test for oil show.
6. Frac San Andres down casing per attached frac design. If Lower and/or Middle SA is not to be fraced, a decision might be made to reduce the size of the attached frac job.

Kbc/sb state 1a

Well: SB St. 1

Zero: 12' AGL

KB : 3584'

GL : 3572'

Location: 1650' N, 330' W
E-2-185-27e
Eddy NM

Casing Program:

[illegible]

8/02: Yeso: 3141, 46, 73, 88, 3203, 10, 34, 40, 47, 64, 3304,
09, 14, 86, 92, 99, 3403, 12, 20, 3437' (20)

Acdz 2000g, 15% HCl 6.3 @ 1866 FSI = 111
Ballout x1 FFL 2300' 2-3% oil

HA: 54,000g gal + 35,000g, 20% HCl (12 BS)
Loaded @ 12 bbls, 20.1 @ 1196 ISL- 920

CA: 5,000 g. 15% HCl

PWOP ESP

11/02: Prop rod.

85/8" @ 354'
350"C" Circ 80sx

S. Andres

" AFTER "

Yes

ISI: 250 Super H (circ 826x)

2nd: 450 HLC + 100 super H (Circ 603K)

- Sketch Not To Scale -

KBCollins / 14 Jan 03

13-782	500 SHEETS, FILLER	5 SQUARE
12-381	50 SHEETS, FIVE EASE	5 SQUARE
12-382	100 SHEETS, FIVE EASE	5 SQUARE
12-383	200 SHEETS, FIVE EASE	5 SQUARE
12-384	100 RECYCLED WHITE	5 SQUARE
12-392	200 RECYCLED WHITE	5 SQUARE
12-390	200 RECYCLED WHITE	5 SQUARE

IndyCar® National® Brand

7718

DV 2814'

PBD 3901'

3912

1943' (20)
2223'

2407' (6)
2463'

2601'
2925' (8)

3141' (20)
3437'

5 1/2" @ 3912'