

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised March 17, 1999

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

SEP 28 2004

ODD-ARTESIA

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 33435 | | ⁴ API Number 30-015-33158 |
| ⁵ Property Name NMBP 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 2 | 18S | 27E | | 2185 | SOUTH | 990 | 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 (51300) | | | | | | ¹⁰ Proposed Pool 2 | | | |

| | | | | |
|-----------------------------------|---------------------------------------|---------------------------------------|------------------------------------|--------------------------------------------------|
| ¹¹ Work Type Code P | ¹² Well Type Code O | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3549' GL |
| ¹⁶ Multiple Y | ¹⁷ Proposed Depth 3950' | ¹⁸ Formation SAN ANDRES | ¹⁹ Contractor | ²⁰ Spud Date |

EXISTING

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# | 364' | 600 SX | 0 |
| 7 7/8" | 5 1/2" | 17# | 3939' | 850 SX | 0 |
| | | | | | |
| | | | | | |
| | | | | | |

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:

SET CIBP OR 5K COMPOSITE BP @ APPX 3100'. PERF LOWER SAN ANDRES @ 2629'-2957' (13), AND UPPER SAN ANDRES @ 2041'-2442' (20). ACIDIZE LOWER SAN ANDRES @ 2629'-2957' W/ 2000 GAL NEFE 15% HCL ACID. SWAB TEST. ACIDIZE UPPER SAN ANDRES @ 2041'-2442' W/ 3000 GAL NEE 15% HCL ACID. SWAB TEST. 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:

9/27/04

Phone:

(505) 748-3303

OIL CONSERVATION DIVISION

Approved by:

TIM W. GUM

Title:

DISTRICT II SUPERVISOR

Approval Date:

SEP 28 2004

Expiration Date:

SEP 28 2005

Conditions of Approval:

Attached ☐

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|----------------------------|--------------------------------------------|--------------------------------------------------|
| API Number 30-015-33158 | Pool Code 51300 | Pool Name RED LAKE; QUEEN GRAYBURG SAN ANDRES |
| Property Code 33435 | Property Name NMBP STATE | Well Number 1 |
| OGRID No. 14049 | Operator Name MARBOB ENERGY CORPORATION | Elevation 3549' |

Surface Location

| | | | | | | | | | |
|--------------------|--------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| UL or lot No. L | Section 2 | Township 18 S | Range 27 E | Lot Idn | Feet from the 2185 | North/South line SOUTH | Feet from the 990 | East/West line WEST | County 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 ACRES | 39.53 ACRES | 39.44 ACRES | 39.38 ACRES |
| <p>990'</p> <p>2185'</p> | | | |
| <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Diana J. Cannon</i> Signature DIANA J. CANNON Printed Name PRODUCTION ANALYST Title SEPTEMBER 27, 2004 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JULY 18, 2003 Date Surveyed Signature and Seal of Professional Surveyor RONALD J. EIDSON Certificate No. 3238 GARY EIDSON 12641</p> | | | |