

### Permit Comments

**Operator: MARBOB ENERGY CORP , 14049**

**Well: SALADA VISTA STATE #001**

30-015-34067

User Name	Comment	Comment Date
MARBOB4	We plan to complete this well in the Morrow and do not anticipate cutting any formations that contain H2S gas during the drilling of this well. Therefore we do not believe an H2S contingency plan is necessary.	2/24/2005

## Arrant, Bryan

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**From:** Arrant, Bryan  
**Sent:** Friday, February 25, 2005 10:55 AM  
**To:** 'land2@marbob.com'  
**Subject:** Salada Vista State #1/MM Squirrel Fee # 1

Hi Melanie,

I am in the process of reviewing the above noted well and I intend to make the following adjustments. Please forward this to Brent or Martin so that they can review and make any comments if needed.

- The surface casing needs to be set in the basal part of the Rustler, which in reviewing offset logs I have believe this should come in @ 450'.  
I have limited logs to go by as the ones we had walked off. The ones I do have strongly indicate that the top of the Rustler should come in @ this depth. I'll tweak it before approval.
- The Int1 casing needs to be set a little deeper as it appears that the top of the reef comes in @ 2200'. Providing that this area is not within the LMR or buffer zone of R-111-P, then this casing string may need to go to @ 2100'.

Melanie,

Can you submit to the lease holder of the appropriate potash company a request for a waiver?

In the R-111-P order there is a statement that reads in part: "applications for 'deep' well shall be drilled no closer than one-half (1/2) mile from the LMR".

I am looking at the potash map and it appears that this well is 'nestled' up to 1st mined areas just to the southwest of this location.

You can read about this statement in R-111-P under "Designation of drillable location for wells" 3.b.

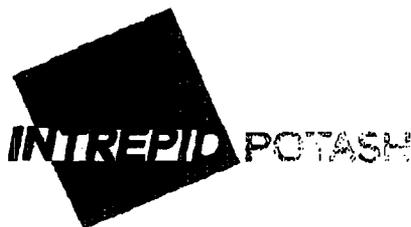
I'll submit to the State Land Office and the BLM our customary 'potash letters' and cc these to you.

Also, I have reviewed "geologically" the MM Squirrel Fee # 1 and everything is a go for this well except that the location as is non-standard for an oil well.

As soon as Santa Fe 'blesses' this well for an administrative approval, can you give me a heads up so that I can get this thing going for you.

Thanks and I'll visit with you later.

Bryan



April 15, 2005

**MARBOB ENERGY CORPORATION**  
P.O. Box 227  
Artesia, NM 88211-0227  
Attention: Mr. Brent May

Re: **Morrow Gas Test**  
660' FNL and 990' FEL  
Section 36, T-19-S, R-30-E  
Eddy County, New Mexico

Dear Mr. May:

In accordance with the State of New Mexico, Energy, Minerals and Natural Resources Department Oil Conservation Commission Order R-111-P, Intrepid Potash - NM, LLC. offers no objection to the proposed drilling location of the aforementioned Morrow Gas Test by the Marbob Energy Corporation.

Sincerely,

A handwritten signature in black ink that reads "Thomas A. McGuire".

**Thomas A. McGuire**  
Senior Mine Engineer

cc: **Oil Conservation Division**  
Attention: Mr. Tim Gum  
1301 W. Grand Avenue  
Artesia, NM 88210

**P.O. BOX 101 • 35 MILES EAST HIGHWAY 62-180 • CARLSBAD, NEW MEXICO • 88220**

**PHONE: (505) 234-3814 • FAX: (505) 887-0929**



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

February 25, 2005  
Bureau of Land Management  
620 East Greene Street  
Carlsbad, NM 88220-7292  
Attn: Mr. Craig Cranston or to Whom It may Concern

RECEIVED

MAR 15 2005

OOB-ARTESIA

**RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA**

**OPERATOR:** Marbob Energy Corporation  
**LEASE NAME:** Salada Vista State # 1  
**LOCATION:** SEC. 36, TOWNSHIP 19 SOUTH, RANGE 30 EAST,  
660' FNL & 990' FEL (Surface Hole Location)  
EDDY COUNTY, NM, NMPM

**PROPOSED DEPTH: 12,500**

Dear Craig or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of-Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.

Thank you for your assistance.

Sincerely,

**Bryan G. Arrant**  
PES, District II Artesia NMOCD

In LMR Yes \_\_\_\_\_ No \*  
In Buffer Zone Yes \* No \_\_\_\_\_

Comments:

In Title 1/4 Mile Buffer

Signature:

Date: 3-12-05



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**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

February 25, 2005  
New Mexico State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87504-1148  
Attn: Mr. Joe Mraz or To Whom It may Concern

RECEIVED  
MAR 02 2005  
OOB-ARTESIA

**RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA**

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Thank you for your assistance.

Sincerely,

**Bryan G. Arrant**  
PES, District II Artesia NMOCD

In LMR Yes \_\_\_\_\_ No X  
In Buffer Zone Yes X No \_\_\_\_\_

*Jm*  
*2-25-05*

Comments:

Signature: *[Signature]* Date: 2/25/05