

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-101

### APPLICATION FOR PERMIT TO DRILL

<b>Operator Name and Address</b> Marbob Energy Corporation PO Box 227 Artesia, NM 88211-0227		<b>OGRID Number</b> 14049
<b>Property Code</b> 32869		<b>API Number</b> 30-15-32999
<b>Property Name</b> CLUE 21 STATE COM		<b>Well No.</b> 001

### Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	21	19S	28E		1650	N	1980	E	Eddy

### Proposed Pools

MILLMAN;MORROW, SOUTH (GAS) 81365
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Work Type	Well Type	Cable/Rotary	Lease Type	Ground Level Elevation
New Well	Gas		State	3430
Multiple	Proposed Depth	Formation	Contractor	Spud Date
N	11500	Morrow		9/30/2003

### Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	400	0
Intl	12.25	9.625	36	2500	900	0
Prod	8.75	5.5	17	11500	1200	0

### 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.

Electronically Signed By: Diana Cannon

Title: Production Analyst

Date: 9/11/2003

Phone: 505-748-3303

### OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 9/15/2003 Expiration Date: 9/15/2004

Conditions of Approval:  
There are conditions. See Attached.

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Form C-102

Oil Conservation Division

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Santa Fe, NM 87505

### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-15-32999	Pool Name MILLMAN;MORROW, SOUTH (GAS)	Pool Code 81365
Property Code 32869	Property Name CLUE 21 STATE COM	Well No. 001
OGRID No. 14049	Operator Name Marbob Energy Corporation	Elevation 3430

### Surface And Bottom Hole Location

UL or Lot G	Section 21	Township 19S	Range 28E	Lot Idn .	Feet From 1650	N/S Line N	Feet From 1980	E/W Line E	County Eddy
Dedicated Acres 320		Joint or Infill		Consolidation Code		Order No.			

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#### OPERATOR CERTIFICATION

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

Electronically Signed By: Diana Cannon

Title: Production Analyst

Date: 9/11/2003

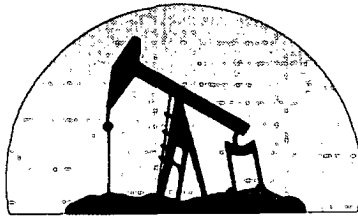
#### SURVEYOR CERTIFICATION

*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.*

Electronically Signed By: Ronald Eidson

Date of Survey: 7/10/2003

Certificate Number: 3239



**marbob**  
energy corporation

September 15, 2003

New Mexico Oil Conservation Division  
1301 W. Grand Ave.  
Artesia, NM 88210

Attention: Mr. Bryan Arrant

Re: H<sub>2</sub>S Contingency Plan  
Clue 21 State Com #1 – Application to Drill  
Section 21, T19S, R28E, Eddy Co., NM



Dear Mr. Arrant:

An H<sub>2</sub>S contingency plan is not needed for this well because it doesn't meet the potentially hazardous volume (PHV) criteria because: 1) the 100 ppm ROE doesn't include any public area; 2) the 500 ppm ROE doesn't include any public road; and 3) the 100 ppm ROE doesn't exceed 3000 feet.

Marbob Energy doesn't expect to encounter any H<sub>2</sub>S during the drilling, completion, and production operations on the captioned well. Our geologic targets are the Strawn, Atoka, and Morrow, all of which are sweet. The Seven Rivers and Grayburg-San Andres are productive in the area, are sour (up to 40,000 ppm H<sub>2</sub>S), but will not be produced because we don't have shallow rights in this well. The shallow zones don't present any drilling problems and no H<sub>2</sub>S is expected during the drilling phase.

For the sake of illustration, the 100 ppm and 500 ppm radii of exposure for 40,000 ppm H<sub>2</sub>S gas escaping at 250,000 SCF/day are 425 feet and 195 feet respectively. It would be highly unlikely to have a shallow oil well in this area capable of producing 250 MCFD of casinghead gas.

Please call me at 748-3303 if you have questions.

Sincerely,

Brian Collins  
Petroleum Engineer

BC/mp

## APD Conditions Of Approval

**Operator:** 14049 Marbob Energy Corporation

**Well:** CLUE 21 STATE COM 001

OCD Reviewer	Condition
BARRANT	Operator to set surface casing above any potential salt sections. Please refer to off-set well information for further details.