

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
May 27, 2004

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

Submit to appropriate District Office

☐ 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 37394		⁴ API Number 30-015-35536
⁵ Property Name Spanish Cedar State		⁶ Well No. 1
⁷ Proposed Pool 1 WILCUT Bone Spring 96403		⁸ Proposed Pool 2

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
O	3	24S	27E		720	South	1970	East	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

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3143' GL
¹⁶ Multiple N	¹⁷ Proposed Depth 12640'	¹⁸ Formation Morrow	¹⁹ Contractor	²⁰ Spud Date 8/19/07
Depth to Groundwater		Distance from nearest fresh water well		Distance from 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 ☐				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8" existing	48#	538'	450 sx	0
12 1/4"	9 5/8" existing	36#	2094'	650 sx	0
8 3/4"	7" existing	23#	9012'	1550 sx	0
6 1/8"	4 1/2" existing	11.6#	12639'	325 sx	9100' TS

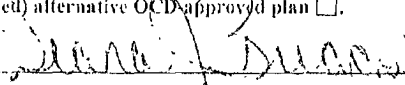
²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Marbob Energy Corporation proposes to perforate, acidize, test & possibly frac the following Bone Spring zones:

Set CIBP @ 5650'. Sqz off Delaware zones @ 5011' - 5598', 3175' - 3184' & 2320' - 2329'.

1 st Bone Spring Sand	6874' - 6885' (36 shots)	750 gal NE Fe 7 1/2% HCl acid	frac w/ 150,000# sand
Upper Bone Spring	5909' - 6373' (30 shots)	2500 gal NE Fe 7 1/2% HCl acid	frac w/ 400,000# sand

Any zone to be abandoned will be done with a CIBP + 35' cmt set within 50' - 100' of the top perf. Marginally producing zones will be downhole commingled with NMOCD approval. A pkr/RBP, pkr/comp BP and/or pkr/CIBP combination will be used when testing each zone.

²³ 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 NMOCD guidelines ☐ , a general permit ☐ , or an (attached) alternative OCD approved plan ☐ .		OIL CONSERVATION DIVISION	
Signature: 		Approved by: 	
Printed name: Diana J. Briggs		Title: DIST. II SUPERVISOR	
Title: Production Manager		Approval Date: 09/20/2010 Expiration Date:	
E-mail Address: dbriggs@marbob.com			
Date: 6.1.10	Phone: (575) 748-3303	Conditions of Approval Attached ☐	

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 15, 2009

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-35536	² Pool Code	³ Pool Name Bone Spring
⁴ Property Code 37394	⁵ Property Name Spanish Cedar State	⁶ Well Number 1
⁷ OGRID No. 14049	⁸ Operator Name Marbob Energy Corporation	⁹ Elevation 3143' GL

¹⁰ Surface Location

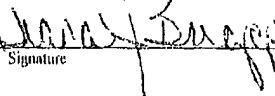
U.L. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

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			17 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 undivided mineral interest in the land including the proposed bottom hole location 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>  Signature June 1, 2010 Date Diana J. Briggs Printed Name Production Manager
			18 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> February 2, 2007 Date of Survey Signature and Seal of Professional Surveyor <u>REFER TO ORIGINAL PLAT</u> Gary Jackson 12611 Certificate Number