

1301 W. Grand Avenue
Artesia, NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

C/S F

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.
NMLC-054908
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
FAIR "17" FEDERAL #1

9. API WELL NO.
30-015-28969

10. FIELD AND POOL, OR WILDCAT

WILDCAT MORROW

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

SEC. 17-T17S-R31E

12. COUNTY OR PARISH 13. STATE

EDDY NM

1a. TYPE OF WORK

DRILL X

DEEPEN

b. TYPE OF WELL

OIL
WELL X

GAS
WELL

OTHER

SINGLE
ZONE

MULTIPLE
ZONE

2. NAME OF OPERATOR

MARBOB ENERGY CORPORATION

Under North Cedar Lake, Morrow

3. ADDRESS AND TELEPHONE NO.

PO BOX 227, ARTESIA, NM 88211-0227 505-748-3303

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1792 FNL 727 FWL, UNIT E

At proposed prod. zone

SAME

SUBJECT TO LIKE APPROVAL BY STATE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

SEE SURFACE USE PLAN

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.
(Also to nearest drg. unit line, if any)

727'

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED
TO THIS WELL

32c

18. DISTANCE FROM PROPOSED LOCATION
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

11600'

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3711' GR

Kennel Controlled Water Basin

22. APPROX. DATE WORK WILL START

4/30/02

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE

GRADE, SIZE OF CASING

WEIGHT PER FOOT

SETTING DEPTH

QUANTITY OF CEMENT

17 1/2"

13 3/8" H40

48#

450'

12 1/4"

8 5/8" J55

24#

4700'

7 7/8"

4 1/2" N80

11.6#

11600'

500 SX CLASS H-SUFFICIENT TO BRING
TOC 500' ABOVE ALL PROD INTERVALS

CIRCULATE
CIRCULATE

PAY ZONE WILL BE SELECTIVELY PERFORATED AND STIMULATED AS NEEDED FOR OPTIMUM PRODUCTION.

ATTACHED ARE:

1. WELL LOCATION AND ACREAGE DEDICATION PLAT
2. SUPPLEMENTAL DRILLING DATA
3. SURFACE USE PLAN

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measures and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Deana J. Cannon

TITLE

PRODUCTION ANALYST

DATE

3/25/03

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

/S/ JOE G. LARA

TITLE

FIELD MANAGER

DATE

APR 25 2002

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVAL FOR 1 YEAR