Form 3160-5 il 2004)

Month - Year MAR - 5 2007 OCD - ARTESIA, NIM

UNITED STATES DEPARTMENT OF THE INTERIOR

ARTESIA

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

BUREAU OF LAND MANAGEMENT Lease Serial No. NMNM115417 SUNDRY NOTICES AND REPORTS ON WEL If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE- Other instructions on reverse side. 1. Type of Well

✓ Oil Well Gas Well Other 8. Well Name and No. Pappy's Preference Federal #1 2. Name of Operator Marbob Energy Corporation API Well No. 30-015-32196 3a Address 3b. Phone No. (include area code) 505-748-3303 PO Box 227, Artesia, NM 88211-0227 10. Field and Pool, or Exploratory Area Brushy Draw; Delaware 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 495 FNL 1980 FWL, Sec. 4-T26S-R29E Eddy Co, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Reclamation Well Integrity Fracture Treat ✓ Other Site Facility Diagram Casing Repair New Construction Recomplete Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) Enclosed, please find an original and one copy of the current Site Facility Diagram for the above referenced lease. Accepted for Record Purposes. Approval Subject to Onsite Inspections. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Jeannie Sillas Title Production Assistant

which would entitle the applicant to conduct operations thereon. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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 anymatter within its jurisdiction.

Title

Office

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

02/23/2007

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease

Signature

NATURAL GAS

COMBINED FLUID

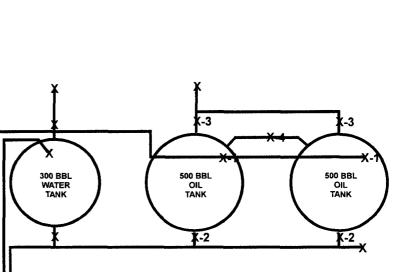
WELL



OPEN - X-1, X-2, X-4 CLOSED - X-3

SALES PHASE

OPEN - X-3 CLOSED - X-1, X-2, X-4



SITE FACILITY DIAGRAM

Pappy's Preference Federal #1

Unit C - Section 4, Township 26S, Range 29E Eddy County, New Mexico Lease No. NMNM 115417

CIRC PUMP

> Marbob Energy Corporation 2208 West Main Street Artesia, New Mexico 88210 505-748-3303