	NEW MENICO OIL CONSERVATIO - Engineering Bureau - 1220 South St. Francis Drive, Santa Fe, NHI 87505
	ADMINISTRATIVE APPLICATION CHECKLIST
<sup>\$</sup> pp	DEFINENT SINANDATORMECRIAL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION PULES AND REGULATIONS A H CHREQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE Institution Acronyms: [NSL-Non-Standard Location] [NSP-Non-Standard Protation Unit] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
	<ul> <li>INPE OF APPLICATION - Check Those Which Apply for [A]</li> <li>[A] Location - Spacing Unit - Simultaneous Dedication</li> <li>[A] NSL NSP SD</li> </ul>
	Check One Only for [B] or [C] [B] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM
	[1]       Injection - Disposal - Pressure Increase - Enhanced Oil Recovery         WFX       PMN         SWD       IPI         EOR       PPR
<u>}</u>	[D] Other: Specify NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
	[A] Working, Royalty or Overriding Royalty Interest Owners
	[B] ① Offset Operators, Leaseholders or Surface Owner
	ICI Application is One Which Requires Published Legal Notice
	[10] D. Notification and/or Concurrent Approval by BLM or SLO US. Europus Leng Management - Commissioner of Public Lands. State Land Office
	[1] For all of the above, Proof of Notification or Publication is Attached, and/or.
	d Waivers are Attached

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CERCENTECATION: 1 cereby certify that the information submitted with this application for administrative accurate the complete to the best of my knowledge. False understand that no action will be taken on the second state of the term attont and notifications are submitted to the Division.

Note - Statement must be completed by an individual with managerial and or sub-avisory capacity

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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

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FORM C-108 Revised June 10, 2003

	APPLICATION FOR AUTHORIZATION TO INJECT
١.	PURPOSE:       Secondary Recovery       Pressure Maintenance       X       Disposal       Storage         Application qualifies for administrative approval?       X       Yes       No
Π.	OPERATOR: <u>MARBOB_ENERGY_CORPORATION</u>
	ADDRESS: P O BOX 227, ARTESIA, NM 88211-0227
	CONTACT PARTY: Brian Collins PHONE: 505-748-3303
111.	WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
IV.	Is this an expansion of an existing project? Yes Yes No If yes, give the Division order number authorizing the project:
V.	Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half-mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
VI.	Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, may report of completion, and a schematic of any plugged well illustrating all plugging detail.
VII.	Attach data on the proposed operation, including: Oil Conservation Division
	<ol> <li>Proposed average and maximum daily rate and volume of fluids to be injected;</li> <li>Whether the system is open or closed;</li> <li>Proposed average and maximum injection pressure;</li> <li>Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected</li> </ol>
Ϋ́ Έ	<ul> <li>sources and an appropriate analysis of injection find and comparisonly with the receiving formation if other than reinjected produced water; and,</li> <li>If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).</li> </ul>
*VIII	Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
IX.	Describe the proposed stimulation program, if any.
*X.	Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
*XI.	Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
XII.	Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
XIII.	Applicants must complete the "Proof of Notice" section on the reverse side of this form.
XIV.	Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
	NAME: Brian Collins TITLE: Engineer
	NAME: Brian Collins TITLE: Engineer SIGNATURE: DATE: 25 May 07
*	E-MAIL ADDRESS: <u>engineering@marbob.com</u> If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal:

C-108 Application for Authorization to Inject South Malaga I-2-25-28 SWD (Formerly Yates Petroleum Corporation Hoss BHK State #1) 1980' FSL 660' FEL I-2-25S-28E, Eddy County

Marbob Energy Corporation proposes to re-enter the captioned well and convert it to salt water disposal service into the Delaware Sand.

V. Map is attached.

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- VI. Wellbore schematics are attached for all the wells that penetrate the proposed injection zone within the 1/2 mile radius area of review.
- VII. 1. Proposed average daily injection rate = 500 BWPD Proposed maximum daily injection rate = 2500 BWPD
  - 2. Closed system
  - Proposed maximum injection pressure = 535 psi (0.2 psi/ft. x 2677 ft.)
  - 4. Source of injected water will be Delaware Sand produced water. The Delaware produced water is the same as the Delaware water in the receiving formation. No compatibility problems are expected. An analysis of Delaware water from an analogous field is attached.
  - 5. Disposal zone formation water is essentially the same as the injection water.
- VIII. The injection zone is the Delaware Sandstone, a fine-grained sandstone from 2677' to 3958'. Any underground water sources will be shallower than 550'.
  - IX. The Delaware sand injection interval will be acidized with approximately 20 gals/ft. of 7 1/2% HCl acid. If necessary, the Delaware injection interval may be fraced with up to 300,000 lbs. of 16/30 mesh sand.
  - X. Well logs have been filed with the Division.
  - XI. There is a windmill located NE/4NE/4, Sec. 3, T25S-R28E about a mile northwest of the proposed SWD well. The water analysis is attached.
- XII. After examining the available geologic and engineering data, no evidence was found of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Proof of Notice is attached.

Side I Marbab Energy Corn	WELL LOCATION: 1980' F51 660' FEL I I Z Z 255 286 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE WELL BORE SCHEMATIC WELL BORE SCHEMATIC	Before & AFter Schematics Attached Top of Cement: <u>425</u> sx. or <u>fi</u> Top of Cement: <u>50, Face</u> Method Determined: <u>Circulated</u>	Hole Size: $2^{l/4}$ Casing Size: $85_{l}^{s'}$ $256l'$ Cemented with: $1375$ sx. or $ R^3$ Top of Cement: $5v Fa e$ Method Determined: $Circulated$ Production Casing	Hole Size: $77/8"$ Casing Size: $51/2"$ $6600'$ Cemented with: $835$ sx. or $ h^3$ Top of Cement: $50\sqrt{Lad}$ Method Determined: $Circula hell$ Total Depth: $6600'$ Injection IntervalIdeet to $3958'$
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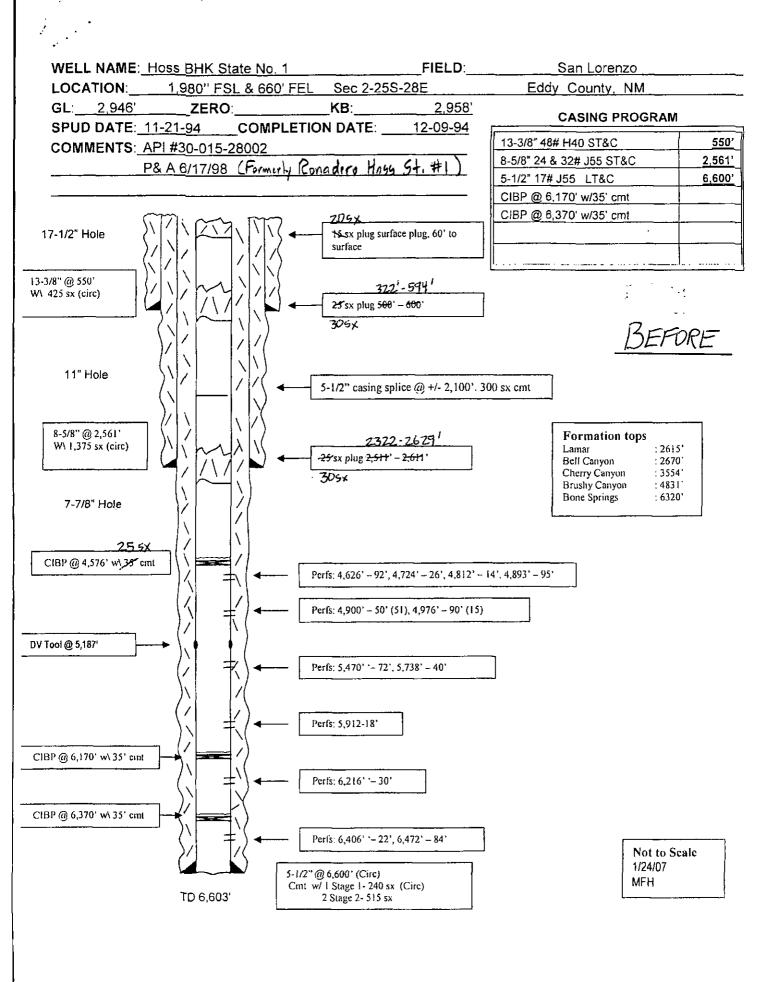
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# INJECTION WELL DATA SHEET

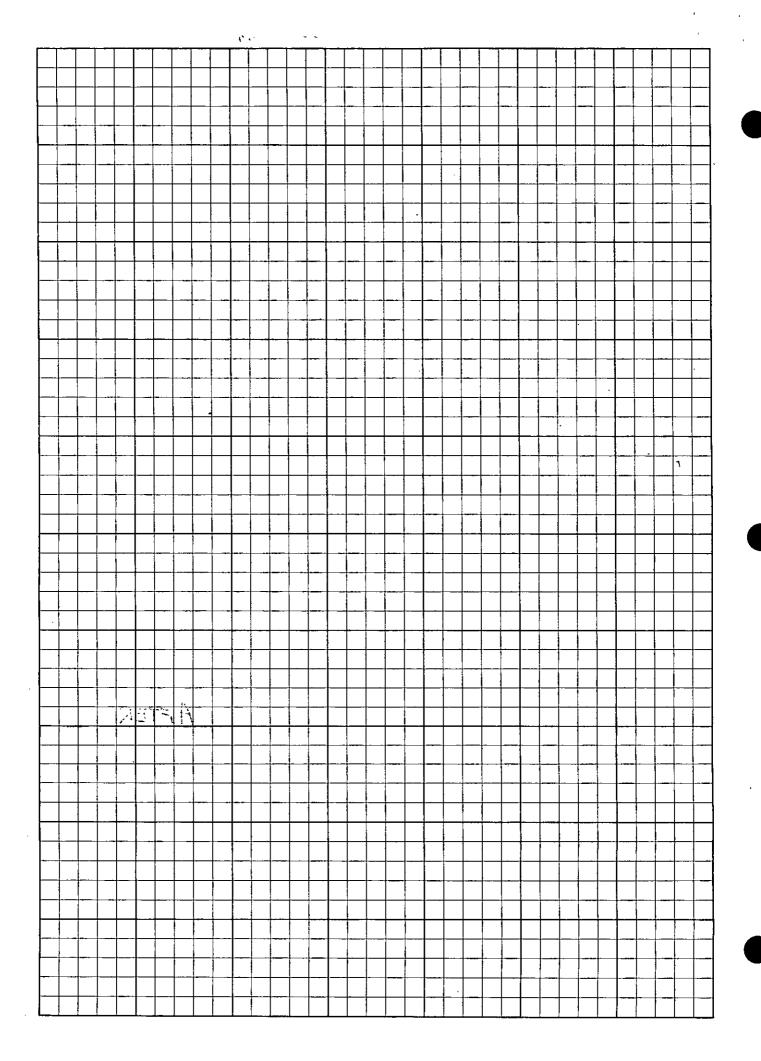
Tubing Size: 27/8 "	Lining Material: Dvoline 20 or IPC
Type of Packer: /OK	Type of Packer: 10K nickel plated or stainlys steel double grip retrievable
Packer Setting Depth: 2625' ±	2625'±
Other Type of Tubing/	Other Type of Tubing/Casing Seal (if applicable): ///A

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Overlying: Nome Underlying: Delawar 4500'-6000't, Boni Spring 6000'-8000't Atoka 11700-12300't	$\frac{6216-29'}{30} \frac{C10P+35'}{cmt9} \frac{6170'}{20} \frac{462b-5918'}{462b-5918'} \frac{C10P+255x cmt9}{457b'} \frac{457b'}{30} \frac{30}{5x} cmt}{322-594'} \frac{2322-2629'}{200}$ Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:	Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. <u><math>6406-34^{+}</math></u> ( $150+35^{+}$ $6370^{+}$ ,	Name of Field or Pool (if applicable): San Loren 20	Name of the Injection Formation: Delaware Sand	Is this a new well drilled for injection? Yes $V$ No If no, for what purpose was the well originally drilled? $\rho_1/4$ gr 5	Additional Data

Side 2



South Malaga I-2-25-28 SWD 1980' FSL, 660' FEL I-Z-255-28e Eddy, NM PtA: 4/98, 4/07 17/12" hole 13 18 / 48/ H40/STC e 550' 225 HLC + 200 "C" (circ 85 sx) 121/4" hole 51/2" out epulled 02100' (51/17 tic back 02100', Cmt. 3005x"C", Circulated) TOC 2154'CBL 85/8"/24.32/J55 @ 2561' 1175 HLC + 200"C" (circ 145 5x) Nickel Plated Inj. Phr @ 2625'± ्र 2677' 2 77/8" hole Delaware Sand 8 3958 / 4322' 25\$\* 11 AFTER CIBP 4576' +2541 with **1**4626-29' \$ 4724-26 4812-14' 4893-95' 4900 - 50' DV 5178 <u>Dt 5470-72'</u> 5912-18 CIBP+35'ant 6170' 0 6216-29' CIBP+35'cut 6370' 6406'-22' 6472-84' র্চ্য 51/2"/17/J35 e 6600' Elev: 2946 6L 151: 240 "C" (circ 20 sx) 6600' KBCollins / 9 Sept 03 zz May 07 2": 275 HLC + 240 'C"



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Submit 3 Copies To Appropriate District State of New Mexico	Form C-103
Cifice Energy, Minerals and Natural Resources	May 27, 2004
1625 N. French Dr., Hobbs, NM 882	WELL API NO.
* <u>District II</u> 1301 W. Grand Ave., Artesia, NM OIL CONSERVATION DIVISION	30-015-28002 5. Indicate Type of Lease
District III 1220 South St. Francis Dr.	STATE STATE
District IV Santa Fe, NM 87505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM 87505	VO-5919
SUNDRY NOTICES AND REPORTS ON WELLS	7. Lease Name or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A	
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	Hoss BHK State
1 Type of Well: Oil Well Gas Well Other P&A	8. Well Number
2. Name of Operator	9. OGRID Number
2. Name of Operator Yates Petroleum Corporation	025575
3. Address of Operator	10. Pool name or Wildcat
	Willow Lake; Delaware, Southwest
4. Well Location	660 foot from the Foot Line
	660 feet from the East line
Section         2         Township         25S         Range         28E           11. Elevation (Show whether DR, RKB, RT, GR, etc.)	NMPM Eddy County
2946'GR	
Pit or Below-grade Tank Application ] or Closure	
Pit type Depth to Groundwater Distance from nearest fresh water well Distance from neare	ance from nearest surface water
Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Co	nstruction Material
12. Check Appropriate Box to Indicate Nature of Notice,	Report or Other Data
NOTICE OF INTENTION TO: SUB	SEQUENT REPORT OF:
PERFORM REMEDIAL WORK D PLUG AND ABANDON REMEDIAL WORK	
TEMPORARILY ABANDON 🔲 CHANGE PLANS 🔲 COMMENCE DRI	
PULL OR ALTER CASING DIMULTIPLE COMPL CASING/CEMENT	ЈОВ 🗋
OTHER: D OTHER:	П
13. Describe proposed or completed operations. (Clearly state all pertinent details, and	give pertinent dates, including estimated date
of starting any proposed work). SEE RULE 1103. For Multiple Completions: Att or recompletion.	ach wellbore diagram of proposed completion
4/2/07 – Set a CIBP at 4576'. Tagged CIBP. Circulated mud. Spotted 25 sx cement on top WOC.	of CIBP. Spotted 30 sx cement at 2629'.
<ul> <li>4/3/07 – Tagged at 2322'. Spotted 30 sx cement at 594'. WOC. Tagged at 322'. Circulate</li> </ul>	d 20 sx cement 60' to surface. Out off
wellhead. Installed dry hole marker. WELL IS PLUGGED AND ABANDONED. FINA	
Plugging of the well bore.	
Liability under bond is retained	
until surface restoration.	
environmental remediation and	
final inspection an completed.	
I hereby certify that the information above is true and complete to the best of my knowledge grade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] of	and belief. I further certify that any pit or below- or an (attached) alternative OCD-approved plan .
SIGNATURE ( Jone Herenta ) TITLE Regulatory Compliance Su	pervisor DATE <u>April 10, 2007</u>
Type or print name <u>Tina Huerta</u> E-mail address: <u>tinah@ypcnm.co</u>	
For State Use Only Mundury Genry Guy	
APPROVED BY:	
Conditions of Approval (if any):	



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### MAP

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# VI.

## Wells Within 1/2 Mile Area of Review That Penetrate Proposed Disposal Zone

Enfield Eagle Federal No. 1 1980' FNL, 660' FWL  $1 \ge 1$ E-1-255-28e Eddy. County 2054 . 0 11" hole 313 160' 85/8"/24 e 209' 125 "C" +115"C" with 1" (cire) 305 % . . 260' 63/4" hole Within Area of Review 1765 °, 305× 6 1865 2550' 305x 5 0 2650' Elev: 2944'6L 27.23' MBCollins/ 11 Sept 03

#### MARBOB ENERGY CORPORATION DRILLING AND OPERATIONS PROGRAM

#### High Net Federal #1 SHL: 100' FNL & 2140' FEL BHL: 2500' FNL & 2140' FEL Section 2, T25S, R28E Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Marbob Energy Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

- 1. The geological surface formation is Permian.
- 2. The estimated tops of geologic markers are as follows:

Rustler	1100′
Top Salt	1300′
Bottom Salt	2400'
Delaware	2600′
Bone Spri <del>n</del> gs	6100′

Progress

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Delaware 2600' Oil

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 13 3/8" casing at 600' and circulating cement back to surface. Any shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across them by inserting a float shoe joint into the 5 1/2" production casing which will be run at TD to sufficiently cover all known oil and gas horizons 200' above.

4. Proposed Casing Program:

Hole Size	Hole Size Interval		Wt	Grade
		Casing		
12 1/4"	0-600'	9 5/8″	36#	J-55
8 3/4"	600-6800′	5 1/2″	17#	J <b>-55</b>

Proposed Cement Program:

Cement w/ 500 sx. Circulate to surface. 9 5/8" Surface Casing: - Cement to Surface Cement w/ 1500 sx. Tie into surface. 5 1/2" Production Casing: Will be horizontal Delaware Sand well @ ±4900' TVD

## VII.

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## WATER ANALYSIS

HALLIBURTON DIVISION LABORAT

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HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

No. W45-93

TO Hanagan Pet	roleum	<u></u>	-	Date February 7, 1993		
P. O. Box Roswell, NN			Pieredt, ner 8 ci Die express se	he property of Halburton Barnces and nasher 4 nor bry part opy Prenof, a lotte published or declosed without first securing riten approval of laboratory menagement. I may however, be ne of require business operations by phy parson of concern and		
Submitted by	Date Rec.					
Well No. Gehrig #2		Depth	5050'	Formation Delaware		
				source Produced Water		
Resistivity	.052	······				
Specific Gravity	1.1856		Nater A	nalysis Representative		
рН	7.0			vced Delaware Water		
Calcium		7	to be I	Injected and of		
Magnesium	9,000			Water in the		
Chlorides	170,000		poposed	Injection Interval		
Sulfates	250					
Bicarbonates	350					
Soluble Iron	+ 500					
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Remarks:						

Respectfully submitted

Analyst: Art Carrasco - Technical Advisor

HALLIBURTON SERVICES



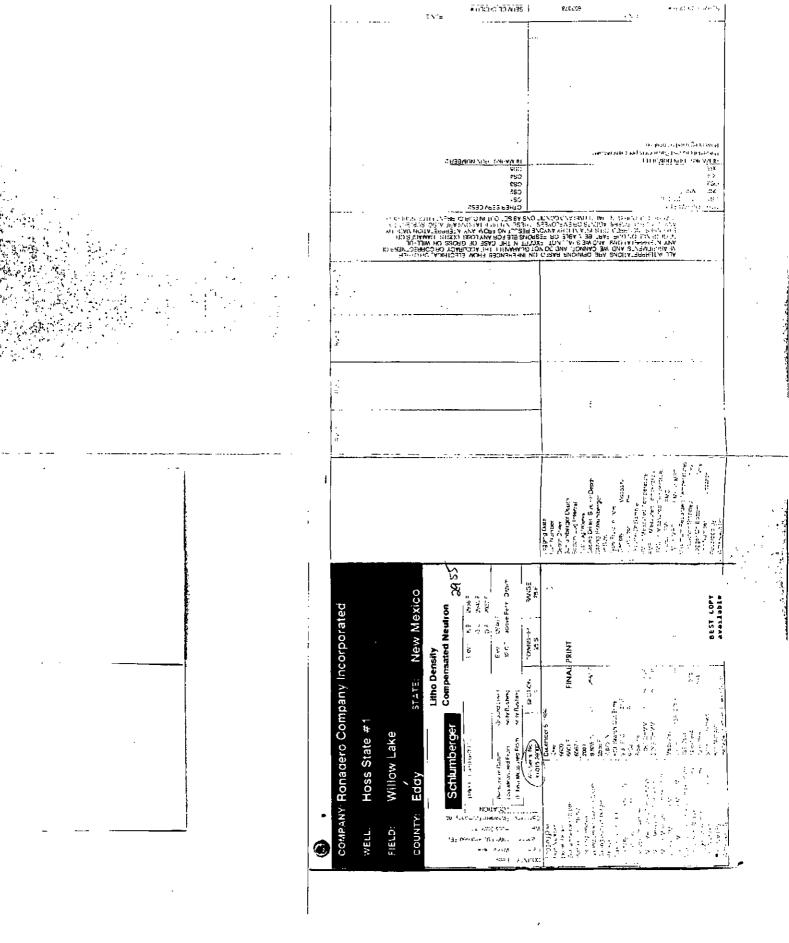
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This report is for information only and the content is limited to the sample described. Haliburton makes no warranties, express or implied, as to the accuracy of the contents or results. Any user of this report agrees Haliburton shall not be hable for any loss or damage, regardless of cause, including any act or omission of Haliburton, resulting from the use hereof



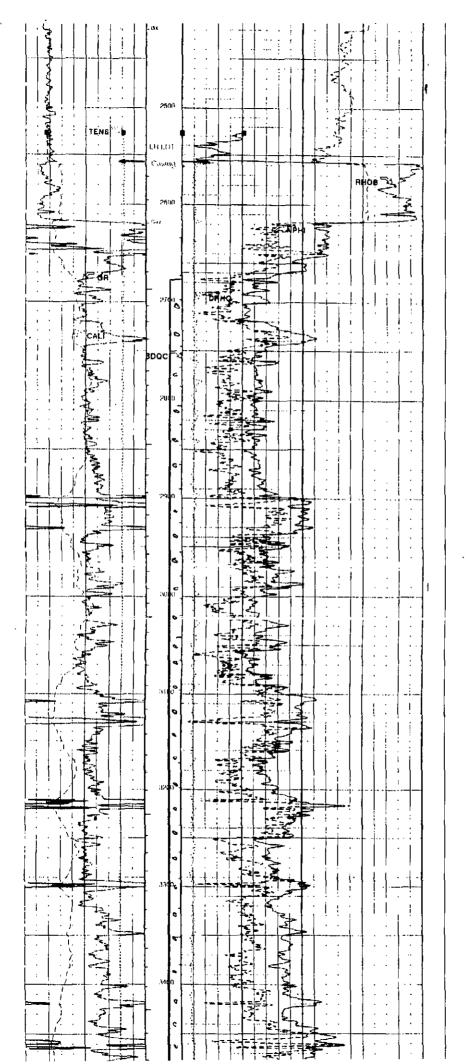
## NEUTRON DENSITY LOG

## Across Proposed Disposal Interval



jchlumberger BlueView :

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Gross Delaware Disposal Interval 2677-3958'

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## FRESH WATER WELL ANALYSIS

## Windmill NE/4NE/4 Sec. 3

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY WATER ANALYSIS REPORT HOBBS, NEW MEXICO

COMPANY					REPORT DATE DISTRICT	-	W03-189 September 10, 2003 Hobbs	<u> </u>
		D6	eter Analyse EPTH ELD	5 255-		 N		-
	Eddy hdmill NE/4 NE/4		Windmill NE/4 5		SOURCE	_		_
SAMPLE	<u>St. MA-1 SWD</u>	- \	SE SWE Wel		<u>,_</u> ,		<u></u>	
Sample Temp.	78	_°F	78	<sup>°</sup> F	o	F	<u> </u>	_°F
RESISTIVITY	3.34	- /	2.99					
SPECIFIC GR.	1.001	- /	1.001					_
рН		- /	7.42		<u></u>			_
CALCIUM	900	- <sup>mpi</sup> 54		mpi	n	npì	<del></del>	mpt
MAGNESIUM	540	_ <sup>mpi</sup> <b>{ `</b>	135	mpt	ກ	lqr		mpl
CHLORIDE	90	_ <sup>mpl</sup>	473	mpl	n	ıpl	<u></u>	mpl
SULFATES	light	- <sup>mpl</sup>	light	mpl	n	npl	·	_mpl
BICARBONATES	92	_ <sup>mpl</sup>	61	mpl	n	npl		mpi
SOLUBLE IRON	0	_ <sup>mpl</sup>	0	mpl	nn	ıpl	<del></del>	mpl
KCL		/					~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	_
Sodium		- <sup>mpl</sup> /		mpl		ipl	0	_ mpl
TDS				mpi		ipl -	0	_mpl
OIL GRAVITY	@	-	@	°F	@°í	-	@	_°F
REMARKS	<u> </u>							
					<u> </u>			

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management: it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Co.

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MPL = Milligrams per litter Resitivity measured in: Ohm/m2/m

ANALYST: Mike Armstrong



Artesia Daily Press P. O. Box 190 Artesia, NM 88211-0190

> Re: Legal Notice Water Disposal Well

Gentlemen:

Enclosed is a legal notice regarding New Mexico Oil Conservation Division C-108 Application for Authorization to Inject for a water injection well.

Please run this notice and return the proof of notice to the undersigned at Marbob Energy Corporation, P. O. Box 227, Artesia, NM 88211-0227.

Sincerely,

ulm' U

Brian Collins Petroleum Engineer

BC/dlw

enclosure

#### <u>ARTESIA DAILY PRESS</u> <u>LEGAL NOTICES</u>

Marbob Energy Corporation, Post Office Box 227, Artesia, New Mexico, 88211-0227, has filed Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a salt water disposal well. The proposed well, the South Malaga I-2-25-28 SWD (formerly the Hoss BHK State No. 1) is located 1980' FSL and 660' FEL, Section 2, Township 25 South, Range 28 East, Eddy County, New Mexico. Disposal water will be sourced from area wells producing from the Delaware formation. The disposal water will be injected into the Delaware formation at a depth of 2677. 3958' at a maximum surface pressure of 535 psi and a maximum rate of 2500 BWPD. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within fifteen (15) days of this notice. Any interested party with questions or comments may contact Brian Collins at Marbob Energy Corporation, Post Office Box 227, Artesia, New Mexico 88211-0227, or call 505-748-3303.

Published in the Artesia Daily Press, Artesia, New Mexico, 2007.

#### Affidavit of Publication NO.

19767

STATE OF NEW MEXICO

County of Eddy:

, ,			
Gary D. Scott			being duly
sworn,says: That he is t	the	Publisher	of The
Artesia Daily Press, a d	aily newspa	per of gener	al
circulation, published in	English at A	Artesia, said	county
and county and state, a	nd that the h	nere to attac	hed
		Legal Not	lice
was published in a regu	llar and enti	re issue of th	ie said
Artesia Daily Press,a da	aily newspap	per duly qual	ified
for that purpose within t	he meaning	of Chapter	167 of
the 1937 Session Laws	s of the state	e of New Me	xico for
1 Consecutive	• week/day	s on the san	ne
day as follows:			
First Publication	Ma	ay 31	2007
Second Publication			
Third Publication	7		
Fourth Publication		2	
Fifth Publication An	2 ~/~	1con	Ħ
Subscribed and sworn t	o before me	e this	
<u>31st</u> Day	May		2007
Omand	1K.	Kam	b
Netary Publi	c, Eddy Cou	unty, New Me	exico

#### My Commission expires April 5, 2011

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#### **Copy of Publication:**

Marbob Energy Corporation, Post Office Box 227, Artesia, New Mexico, 88211-0227, has filed Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a salt water disposal well. The proposed well, the South Malaga I-2-25-28 SWD (formerly the Hoss BHK State No. 1) is located 1980' FSL and 660' FEL, Section 2, Township 25 South, Range 28 East, Eddy County, New Mexico. Disposal water will be sourced from area wells producing from the Delaware formation. The disposal water will be iniected into the Delaware formation at a depth of 2677'-3958' at a maximum surface pressure of 535 psi and a maximum rate of 2500 BWPD. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within fifteen (15) days of this notice. Any interested party with questions or comments may contact Brian Collins at Marbob Energy Corporation, Post Office Box 227. Artesia, New Mexico, 88211-0227, or call 505-748-3303. Published in the Artesia Daily Press, Artesia, N.M. May 31, 2007. Legal 19767



Evelyn Cooksey Cooksey Ranch P. O. Box 91 Orla, TX 79970-0091

> Re: Application to Inject South Malaga I-2-25-28 SWD (formerly the Hoss BHK State No. 1) <u>Township 25 South, Range 28 East, NMPM</u> Section 2: 1980 FSL 660 FEL, Unit I Eddy County, New Mexico

Dear Ms. Cooksey:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well into a saltwater disposal well. As a requirement of the New Mexico Oil Conservation Division, we are notifying you because you have been identified as an operator or surface owner. Any objections must be submitted in writing to NMOCD, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505. Objections must be received within fifteen (15) days of receipt of this letter. If you have no objections to our application, please indicate below and return one copy of this letter to our office.

Please do not hesitate to contact us should you have any questions.

Sincerely,

ellin mil.

Brian Collins Petroleum Engineer

BC/dlw enclosure

Evelyn Cooksey, Cooksey Ranch has no objection to the proposed disposal well:

By:	
Title:	
Date:	



St. Mary Land & Exploration 1776 Lincoln St., Ste. 1100 Denver, CO 80203-0180

> Re: Application to Inject South Malaga I-2-25-28 SWD (formerly the Hoss BHK State No. 1) <u>Township 25 South, Range 28 East, NMPM</u> Section 2: 1980 FSL 660 FEL, Unit I Eddy County, New Mexico

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Please do not hesitate to contact us should you have any questions.

Sincerely,

Brian Collins Petroleum Engineer

BC/dlw enclosure

#### St. Mary Land & Exploration has no objection to the proposed disposal well:

By:	
Title:	
Date:	



Vernon E. Faulconer, Inc. P. O. Box 7995 Tyler, TX 75711

> Re: Application to Inject South Malaga I-2-25-28 SWD (formerly the Hoss BHK State No. 1) <u>Township 25 South, Range 28 East, NMPM</u> Section 2: 1980 FSL 660 FEL, Unit I Eddy County, New Mexico

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Please do not hesitate to contact us should you have any questions.

Sincerely,

m

Brian Collins Petroleum Engineer

BC/dlw enclosure

#### Vernon E. Faulconer, Inc. has no objection to the proposed disposal well:

By:	 	·····	
Title:	 		
Date:	 		



NM State Land Office Oil, Gas & Mineral Division P. O. Box 1158 Santa Fe, NM 87504-1148

> Re: Application to Inject South Malaga I-2-25-28 SWD (formerly the Hoss BHK State No. 1) <u>Township 25 South, Range 28 East, NMPM</u> Section 2: 1980 FSL 660 FEL, Unit I Eddy County, New Mexico

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Please do not hesitate to contact us should you have any questions.

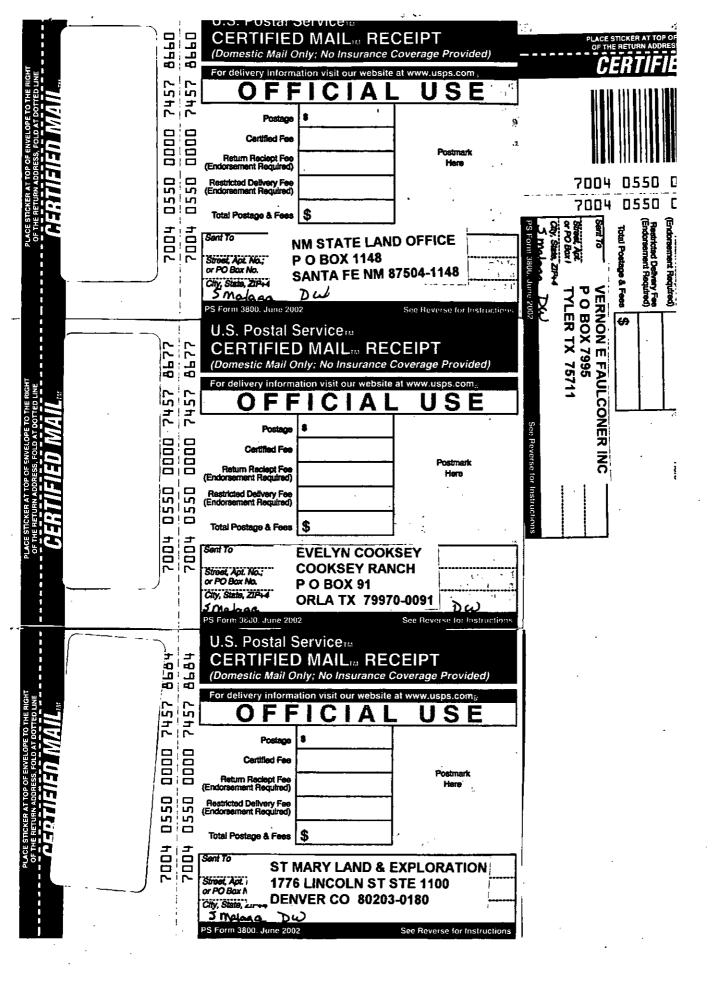
Sincerely,

Brian Collins Petroleum Engineer

BC/dlw enclosure

#### State of New Mexico has no objection to the proposed disposal well:

By:	``````````````````````````````````````
Title:	
Date:	



SANTA FE       SANTA FE, NEW MEXICO 87501         FILE       Santa FE, NEW MEXICO 87501         U.S.G.L.       Santa FE, NEW MEXICO 87501         U.S.G.L.       Santa FE, NEW MEXICO 87501         Santa Surve X       Free         State Oil 6 Gas Lease No.       VA-808         UB HOT USE THIS FOR MOTICES AND REPORTS ON WELLS       VA-808         UB HOT USE THIS FOR ALCOME ON BUG SALES IN STREEMENT ACCESSION       Free         USE HASPELICATION FOR SUBJOALS.       7. Unit Agreement Name         State Oil 6 Gas Lease No.       7.         USE HASPELICATION FOR SUBJOALS.       7. Unit Agreement Name         State Oil Operator       8. Farm or Lease Name         Name of Operator       8. Farm or Lease Name         Notice I       Other State State State         Vell Well       0. Period         UNIT LETTER       1 1980         Feet France       2 Tormising 255         State Oil Agreement Of Operator       10. Plaid and Pool, or Whideen         THE       East       2 Tormising 255         Issee State       2 Tormising 255         State Oil For State State       28E         UNIT LETTER       2 Tormising 255         Issee Calue       12. County         Issee Calue       2.946' GR		<u> </u>	 	<u> </u>	· · · · ·		
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<pre>work) see NuLe 103. 11/21/94 Spud at 4:00 p.m. 11/24/94 Ran 13-3/8" 48# H-40 casing @550'. Cemented w/225 sxs H/L followed by 200 sx Class "C". Circulated 85 sxs to pit. WOC 18 hrs. 11/29/94 Ran 8-5/8" 32# &amp; 24# J-55 casing @ 2,561'. Cemented w/1,175 sxs flocele followed by 200 sx Class "C". Circulated 145 sxs to pit. WOC 12 hrs. 12/09/94 Ran 5-1/2" 17# J-55 casing @ 6,600'. 2 stage cemented - 1st stage: 240 sxs "P+", open DV tool &amp; circ. 20 sxs to pit, WOC 6 hrs 2nd stage: 275 sxs H/L followed by 240 sxs "P+". Thereby certify that the Information above is true and complete to the best of my knewledge and belief. es Automation above is true and complete to the best of my knewledge and belief. as a complete to the laternation above is true and complete to the best of my knewledge and belief. 240 system is the information above is true and complete to the best of my knewledge and belief. 240 system is the information above is true and complete to the best of my knewledge and belief. 240 stage: 240 stage</pre>							
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2nd stage: 275 sxs H/L followed by 240 sxs "P+". I hereby certify that the information above is true and complete to the best of my knowledge and belief. The full may me Robert W. Hanagan rives President pars 12/13/94	-				•	.:	-
I hereby certify that the information above is true and complete to the best of my knowledge and belief. Its fill me for Robert W. Hanagan rives President DATE 12/13/94		•	/ TOOL & CIN	rc. 20 sxs to pi	ιτ, WOC (	b hrs	6
I hereby certify that the information above is true and complete to the best of my knowledge and belief.			by 240 sxs	"P+".		pric 1 in its	14
En feluiter Robert W. Hanagan Title President DATE 12/13/94			·····	•••		-	·.
Rebert W. Hanagan Title President DATE 12/13/94	· .						
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Res Felustullane for Robert W. Hanagan Title President DATE 12/13/94							
Rebert W. Hanagan Title President DATE 12/13/94				·			
<u>Rehublightene gen Robert W. Hanagan</u> TITLE <u>President</u> <u>BATE 12/13/94</u>	I hereby certify that the	information above is true and comple	te to the best of m	w wnowledge and belief.			<u> </u>
	OI to I		-				
JAN 3 1995	10 Kalu Mana for	- Robert W.Hanagan	TITLE Pres	i <u>dent</u>		DATE 12/13	/94
10YEG BY TITLE DATE	SUPEI	VISOR. DISTRICT II	· · ·	· · ·	<u></u>	JAN	3 1995
	OVED BY		TITLE		<u> </u>	0ATE	

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Ronspeno Company LEASE & WELL NO. HOSS STATE DI 50 2-25-28 1980 FSL + 660 FB FORMATION . **Rental Tools** EDDY Co. N.M. COUNTY & STATE \_ 6482 Southeast Main 2250 H/c + 200 c 2% cim 85585 3760 502' Roswell, NM 88201 Shop: (505) 347-4810 Office: (505) 622-4772 BY BOND LOG @ 2154 00 85/10 2561 11755× A/2 + 200 c 2% CIAC 1455XS! FAX 25.12 Bill HANSON 4626-92 4724-26 6103 4812-14 needed. 4893-95 4900-02 DUTOOL C 5178 Penes 5738-40 CIBPC 6170 735' Ca Perefs 6216-30 CIBPC 6370 + 35' CMT Penfs 6406-22 + 6472-84 54217 C 6600 1 5 STADE 2405X CIAL 2052 0A+ DU 2 - STADE 275 5x H/L + 2405x TD 6603 \* Brine get between emit pluss Proceedure ok. M.S. i TOTAL P.01

Submit 3 Copies to Appropriate District Office	State of New Me Energy, Minerals and Natural R			orm C-103 evised 1-1-89
<u>DISTRICT I</u> P.O. Box 1980, Hobbs, NM 88240	OIL CONSERVATIO		WELL API NO. 3001528002	
<u>DISTRICT II</u> P.O. Drawer DD, Artesia, NM 88210	Santa Fe, New Mexico	87504-2088	5. Indicate Type of Lease	······································
DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410	)		STATE 6. State Oil & Gas Lease No. VA - 0808	
{ DO NOT USE THIS FORM FOR P DIFFERENT RES (FORM	TICES AND REPORTS ON WEI ROPOSALS TO DRILL OR TO DEEPEN ERVOIR. USE "APPLICATION FOR PE I C-101) FOR SUCH PROPOSALS.)	OR PLUG BACK TO A	7. Lease Name or Unit Agreemen	nt Name
1. Type of Well: On CAS WELL XX WELL	OTHER		Hoss Stat	e
2 Name of Operator Ronadero Co.			8. Well No. # 1	
3. Address of Operator		~	9. Pool name or Wildcat	
4. Well Location	oswell, NM 88202-043	<u> </u>	San Lorenzo B.	5.
Unit Letter :	980 Feet From The FSL	Line and 66	Feet From The	FEL Line
Section 2		unge 28E	NMPM Eddy	County
	10. Elevation (Show whether 2958 KB 2			
11. Check	k Appropriate Box to Indicate	Nature of Notice, R	eport, or Other Data	
	NTENTION TO:		SEQUENT REPORT (	OF:
		REMEDIAL WORK		
	CHANGE PLANS	COMMENCE DRILLING		
PULL OR ALTER CASING		CASING TEST AND CE	MENT JOB	
OTHER:		OTHER:		🗋
12. Describe Proposed or Completed Ope work) SEE RULE 1103.	erations (Clearly state all persinent details, as	d give pertinent dates, inclu	ling estimated date of starting any p	roposed Post ID .:
4) spot plugs @	/10# brine gell asing @ 2100' LD 57 1	Ų	ζ.	5-15-98 FrA
b) 2144 - 1987 c) 559-448' 35s	35sxs "C" + 3% CACL2		RECEIVED RECEIVED OCD ARTS	SIA
Installed marke	er, clean location, l	evel pits.	00.	
I hereby certify that the information above is to	me and complete porte best of my showledge and	belief.		
SIGNATURE William	K. Gonset II	Agent	DATE	/13/98
TYPE OR PRINT NAME Willia	am R Hansen	<u> </u>	TELEPIKON	ENO. 622-4772
(Thus space for State Use)			·	
APPROVED BY	m	ut	DATE	



#### NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary

October 28, 2003

Lori Wrotenbery Director Oil Conservation Division

Marbob Energy Corporation P.O. Box 227 Artesia, New Mexico 88211-0227

Attention: Mr. Brian Collins

Re: Division Order No. SWD-900 Ronadero Hoss State Well No. 1 API No. 30-015-28002 Unit I, Section 2, T-25S, R-28E, NMPM, Eddy County, New Mexico

RECEIVED NOV - 3 2003 OCD-ARTESIA

Dear Mr. Collins:

Please be advised that Division Order No. SWD-900 that was issued October 19, 2003 was issued in error. This order authorized Marbob to utilize as a disposal well its Ronadero Hoss State Well No. 1. As you may recall, an objection to this application from Yates Petroleum Corporation was received by the Division on October 1, 2003, and after you discussed the situation with Division personnel, Marbob requested that the application be withdrawn. Apparently, an extra copy of the application was processed by another engineer in the Santa Fe office, unaware of the objection.

Division Order No. SWD-900 is hereby cancelled effective immediately. If Marbob wishes to utilize this well for injection at a future time, a new application will be required.

> Sincerely, hou Westerbry by Dec

Lori Wrotenbery Division Director

Xc: OCD-Artesia Yates Petroleum Corporation File-SWD-900

Submit 3 Copies To Appropriate District Office	State of New M			Form C-103
District I	Energy, Minerals and Nat	ural Resources	WELL API NO.	May 27, 2004
1625 N. French Dr., Hobbs, NM 88240 District II			30-015-2	28002
1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION		5. Indicate Type of Lea	
<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. Fra	:	STATE 🖂	FEE
<u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM	Santa Fe, NM 8	/505	6. State Oil & Gas Lea	se No.
87505			VO-59	919
SUNDRY NOT	ICES AND REPORTS ON WELL	<u>Š</u>	7. Lease Name or Unit	
(DO NOT USE THIS FORM FOR PROPO				
DIFFERENT RESERVOIR. USE "APPLI PROPOSALS.)		OK SUCH	Hoss BHI	<u>K</u> State
1. Type of Well: Oil Well 🛛	Gas Well 🔲 Other		8. Well Number	
2. Name of Operator Yates Petroleum Corporati		RECEIVED	9. OGRID Number 0255	75
3. Address of Operator		OCT 0 6 2005	10. Pool name or Wild	
105 S. 4 <sup>th</sup> Street, Artesia, 1	NM 88210	OCD-ANTEBIA		
4. Well Location			L	
Unit Letter <u>I</u> :	1980 feet from the Sout	h line and	660 feet from the	<u>East</u> line
Section 2		ange <u>28E</u>	NMPM Eddy	County
	11. Elevation (Show whether DR 2946	R, <i>RKB</i> , <i>RT, GR, etc.)</i> 5'GR		
Pit or Below-grade Tank Application				n ( mar - ) se din en
Pit type Depth to Groundwate	r Distance from nearest fresh v	vater well Dist	tance from nearest surface wa	ater
Pit Liner Thickness: mil	Below-Grade Tank: Volume	bbls; Co	nstruction Material	
12. Check	Appropriate Box to Indicate N	Vature of Notice,	Report or Other Data	L
NOTICE OF IN	ITENTION TO	SUB:	SEQUENT REPOR	₹ OF <sup>.</sup>
PERFORM REMEDIAL WORK		REMEDIAL WORK		
TEMPORARILY ABANDON	CHANGE PLANS	COMMENCE DRI	LLING OPNS. 🗌 🛛 PLUC	G AND ABANDON 📋
PULL OR ALTER CASING		CASING/CEMENT	r Job 🔲	
OTHER:		OTHER: Re-entry	/ procedures	$\boxtimes$
13. Describe proposed or comp	leted operations. (Clearly state all	pertinent details, and	l give pertinent dates, inc	luding estimated date
of starting any proposed we or recompletion.	ork). SEE RULE 1103. For Multip	ole Completions: At	ach wellbore diagram of	proposed completion
0/21/05 Dec. 1				
8/31/05 – Began re-entry procedure: 9/1/05 – 9/28/05 - TIH with 7-7/8" r		Drilled compart to 2	100' Tag out off 5 1/2"	ansing at 2100?
Circulated hole clean. Drill cement	from 2100' to a depth of 2141'. C	irculated hole clean.	Tagged 5-1/2" casing at	2100'. Cut over 5-
1/2" casing stub and dressed off top				
2100'. Cemented 2100' of 5-1/2" c	asing in place with 300 sx Class "C	" with 2% CaCl2. C	Cement circulated. Drilled	d CIBP from 4580' to
4581'. Bit stopped drilling. Tagged	CIBP at 4581'. Drill on CIBP. D	rilling CIBP and stee	el. TIH with 4-5/8" magr	net on sandline.
Unable to run magnet past 2100' (sl CIBP to 6120'. Circulated hole clea		o drag was detected.	Continue milling, CIBP	released. Pushed
9/29/05 – Perforate Delaware 4900'				
9/30/05 - Acidize Delaware 4976'-4		Communicated up t	to next zone on last 4 bbl	s pumped. Acidize
Delaware 4900'-4990' with 750g 7-	1/2% HCL acid. Set packer at 460	0'.		
I hereby certify that the information	above is true and complete to the t	est of my knowledge	e and belief. I further certi	fy that any pit or below-
grade tank has been/will be constructed or	closed according to NMOCD guidelines	🗌, a general permit 🔲	or an (attached) alternative C	)CD-approved plan 🗍.
SIGNATURE (	Lurter TITLE Regul	atory Compliance Su	pervisor DATE	October 4, 2005
Type or print name Tina Huer	ta E-mail address:	tinah@ypcnm.co	om Telephone No	b. <u>505-748-1471</u>
			F F F	OCT 0 6 2005
For State Use Only FO APPROVED BY:	R RECORDS ONLY TITLE		DA	
Conditions of Approval (if any):			DA	· • •

1 121.00	State of N	ew Mexico	Form C-10
Office <u>District</u>	Energy, Minerals ar	nd Natural Resources	May 27, 20 WELL API NO.
1625 N. French Dr., Hobbs, NM 88240 District II			30-015-28002
1301 W. Grand Ave., Artesia, NM 88210		TION DIVISION	5. Indicate Type of Lease
<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South S	St. Francis Dr.	STATE FEE
District IV	Santa Fe,	NM 87505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM			Ì
87505			VO-5919
	ICES AND REPORTS ON		7. Lease Name or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPO DIFFERENT RESERVOIR. USE "APPL			
PROPOSALS.)			Hoss BHK State 8. Well Number
1. Type of Well: Oil Well	Gas Well [] Other		
2. Name of Operator		RECEIVED	9. OGRID Number
Yates Petroleum Corporat	ion		025575
<ol> <li>Address of Operator 105 S. 4<sup>th</sup> Street, Artesia,</li> </ol>	NR. 00110	OCT 0 6 2005	10. Pool name or Wildcat Willow Lake; Delaware
	NM 88210	OCD-ANTEBIA	Willow Lake; Delaware
4. Well Location	1000 6		
Unit Letter I :	1980 feet from the		660 feet from the <u>East</u> lin
Section 2		S Range 28E	NMPM Eddy County
	II. Elevation (Show whele	her DR, RKB, RT, GR, etc.) 2946'GR	
Pit or Below-grade Tank Application	or Closure	2340 OK	
		it freth water well Die	dance from nearest surface water
Pit Liner Thickness: mi			
TH LINET I DICKNESS: mi	Below-Grade Tank: Volur	ne bbls; Co	
		REMEDIAL WORI	
PERFORM REMEDIAL WORK TEMPORARILY ABANDON PULL OR ALTER CASING OTHER: 13. Describe proposed or composed or composed we or recompletion. 8/31/05 - Began re-entry procedure 9/1/05 - 9/28/05 - TIH with 7-7/8"	CHANGE PLANS MULTIPLE COMPL pleted operations. (Clearly st ork). SEE RULE 1103. For s. mill tooth bit to drill through	REMEDIAL WORI         COMMENCE DRI         CASING/CEMENT         OTHER: Re-entry         Inte all pertinent details, and         Multiple Completions: Att         plugs. Drilled cement to 2	K       ALTERING CASING         LLING OPNS.       PLUG AND ABANDON         T JOB       PLUG AND ABANDON         y procedures       y         d give pertinent dates, including estimated of tach wellbore diagram of proposed complet         100'. Tag cut off 5-1/2" casing at 2100'.
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Submit 3 Copies To Appropriate District Office * District I	State of New Energy, Minerals and N		Form C-103 May 27, 2004
1625 N. French Dr., Hobbs, NM 88240			WELL API NO.
<u>District II</u> 1301 W. Grand Ave., Artesia, NM 88210	OIL CONSERVATION	ON DIVISION	30-015-28002 5. Indicate Type of Lease
<u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410	1220 South St. F		STATE STATE
District IV	Santa Fe, NM	[ 87505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM 87505			VO-5919
SUNDRY NOTI	CES AND REPORTS ON WEI	LLS	7. Lease Name or Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPO DIFFERENT RESERVOIR. USE "APPLIC			C C
PROPOSALS.)	CATION FOR FERMIT (FORM C-10)	,	Hoss BHK State
1. Type of Well: Oil Well 🛛	Gas Well 🔲 Other	RECEIVED	8. Well Number
2. Name of Operator		OCT 2 1 2005	9. OGRID Number
Yates Petroleum Corporati	on	OOD ANTERIA	025575
<ol> <li>Address of Operator 105 S. 4<sup>th</sup> Street, Artesia, I</li> </ol>		000	10. Pool name or Wildcat Willow Lake; Delaware
4. Well Location			<b>h</b>
Unit Letter I :	1980 feet from the So	outh line and	660 feet from the East line
Section 2		Range 28E	NMPM Eddy County
		DR, RKB, RT, GR, etc.) 946'GR	
Pit or Below-grade Tank Application 🗌 o			
Pit type Depth to Groundwate			tance from nearest surface water
Pit Liner Thickness: mil	Below-Grade Tank: Volume	bbls; Co	nstruction Material
12. Check A	Appropriate Box to Indicate	e Nature of Notice,	Report or Other Data
NOTICE OF IN		SUB:	SEQUENT REPORT OF:
	PLUG AND ABANDON	REMEDIAL WORI	
	CHANGE PLANS	COMMENCE DRI	
PULL OR ALTER CASING		CASING/CEMENT	ГЈОВ 🗌
OTHER:	<u>D</u> _	OTHER: Frac De	
			l give pertinent dates, including estimated date tach wellbore diagram of proposed completion

10/6/05 - Frac Delaware 4626'-4990' with XL waterfrac, 1029 bbls fluid, 50,000# 20/40 White sand, 50,400# 20/40 Super LC.

I hereby certify that the information above is true and c grade tank has been/will be constructed or closed according to N	complete to the best of my knowledge and belie MOCD guidelines [], a general permit [] or an (attacl	f. I further certify that any pit or below- ned) alternative OCD-approved plan .
SIGNATURE (Jine Huerta)		DATEOctober 20, 2005
Type or print name <u>Tina Huerta</u>	E-mail address:	Telephone No. 505-748-1471 OCT 3 1 2005
For State Use Only APPROVED BY:FOR RECORDSConditions of Approval (if any):		DATE

Submit To Appropr	iate District Office			State of New M	lexico						Form C-10
State Lease - 6 copi Fee Lease - 5 copies		En		Minerals and Na		sources		Revised			evised June 10, 20
District J	, Hobbs, NM 88240						W	ELL API	NO:	.0	
District II	•		Oil Conservation Division				30	-015-280	)2 rft	<u>Distri:</u>	
District III	nue, Artesia, NM 88210	'	1220 South St. Francis Dr.			3.	Indicate	$\frac{1}{1} \sum_{i=1}^{n} \frac{1}{2} \sum_{i=1}^{n} \frac{1}$		EE	
District IV	i., Aztec, NM 87410		Santa Fe, NM 87505				St	ate Oil &			
· _	Dr., Santa Fe, NM 8750	L					V	D-5919			
		OR RECO	DMPL	ETION REPOR	RT ANE	LOG					
a. Type of Well OIL WEL	X GAS WEL	L DRY		OTHER				Lease Name		reement Na	RECEIVE
b. Type of Com		EPEN 📄 PI	.ug [	DIFF.	RE-EN	TRY	He	ss BHK S	state		NOV 2 9 200
WELL	OVER	B,	ACK	RESVR.				Well No.			OCL-MITE
2. Name of Opera Yates Petroleu	im Corporation						°. 1	WEILIND.			
Address of Ope	erator							ool name o			;;;
105 South Fou	urth Street, Artes	ia, NM 8821	0 (5	05) 748-1471			W	illow Lake	e; Delawa	$\frac{1}{10}$ $\frac{1}{10}$	<u>~</u>
· · · · · · · · · · · · · · · · · · ·			•								
Unit Lette	т <u> </u>	30 Feet Fro	m The _	South	Lin	e and6	560	Feet	From The _	<u> </u>	itLine
Section	2	Townshi	p <u>25</u>	5 <u>5</u>	Range 2			ирм		Ede	
RE 8/31/05	12/7/94	4		mpl. (Ready to Prod.) 10/20/05		294	6'GR	B, RT, GR, 2958'KB			Casinghead
15. Total Depth 6600'	16. Plug B 6120'	ack T.D.		Multiple Compl. How mes?	Many	18. Interv Drilled B		otary Tools		Cable T	ools
	erval(s), of this comp	eletion - Top. Bo				- Drined is	<u>, P</u>	ulling Uni	t 0. Was Dir	ectional Su	rvey Made
4626'-5740' I	Delaware							N	10		
	and Other Logs Run							2. Was Well	Cored		
None for Re-e	illy	CAS		ECORD (Report	all string	e set in w	I *	0			
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<u> </u>	l	1/#		ER RECORD		-//0	25.		UBING R	EOORD	
SIZE	TOP	BOTTOM		SACKS CEMENT	SCREE	N	SIZE	/	DEPTH		PACKER SET
<u> </u>				<b>`</b>		·	2-7/8	,	5220'	<u>.</u>	
· Domformation	record (interval, size	and number)		L	27 40	ID CUOT		TURE, CE	MIDIT O	TIEFZE	
to Perioration	record (interval, size	, and number)				INTERVAL	,	MOUNT A	<u> </u>		
4900'-4950' (	51) .				4976'-			cidize w/			
4976'-4990' (	15)				4900'-	4990'	A	cidize w/	750g 7-1/	2% HCL	acid
					4626'-	4990'					bls fluid, 50,000 )/40 Super LC
.8				PRC	DUC	ΓΙΟΝ					
Date First Produc 10/2	tion 21/05	Production Me	thod (Fla	owing, gas lift, pumpin, Pumping	g - Size an	d type pump	ツ	Well Status		<i>ut-in)</i> Producin	p
Date of Test	Hours Tested	Choke Size	;	Prod'n For	Oil - Bb		Gas - N	CF	Water - E		Gas - Oil Ratio
10/31/05	24 hrs	NA		Test Period	15		26		253		NA
	Casing Pressure	Calculated	24-	J Oil - Bbl.	Gas	• MCF	↓ Wat	я - Bbl.	⊥ 	Gravity - A	PI - (Corr.)
Flow Tubing		Hour Rate		15	26		253		NA	y · n	
Press.	NA -			1					T	······································	
Press. NA	Î	fuel vented etc	1	·					LEST WITTER	sed Hv	
Press. NA 29. Disposition of Sold	Gas (Sold, used for	fuel, vented, etc.	,						Test Witne: Scott Joh		ntract Pumping
Press. NA 29. Disposition of Sold 30. List Attachme	Gas (Sold, used for	fuel, vented, etc.	,	· · · · · · · · · · · · · · · · · · ·							ntract Pumping
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#### NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E. Director Oil Conservation Division

Yates Petroleum Corporation 105 S. 4<sup>th</sup> Street Artesia, NM 88210 ATTN: Environmental Department June 9, 2006

Reference: Hoss BHK State 001 I-2-25s-28e API: 30-015-28002

Operator,

A New Mexico Oil Conservation Division Deputy Inspector made an inspection at the above referenced well site on June 7, 2006. The Inspector observed what appears to be a large area of chloride impacted soils possibly originating at a pit on location. Attached to this correspondence is a photo sheet with photos of observations made.

At this time the New Mexico Oil Conservation Division District 2 Office (OCD) is requesting the following:

- Provide information regarding what appears to be a release of produced fluids at this site.
- Submit a form C-141 if required.
- Submit a copy of pit approval/registration for the pit at this site.

Please provide this information no later than June 23, 2006.

If I can be of assistance in this matter, please contact me.

Sincerely, Alila Benner

Mike Bratcher NMOCD District 2 1301 W. Grand Ave. Artesia, NM 88210 (505) 748-1283 Ext. 108 (505) 626-0857 Mike.Bratcher@state.nm.us MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



S. P. YATES CHAIRMAN OF THE BOARD JOHN A. YATES PRESIDENT PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY G. PATTERSON SECRETARY DENNIS G. KINSEY THEASURER

105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118 TELEPHONE (505) 748-1471

6/22/2006

Oil Conservation Division Att: Mike Bratcher 1301 W. Grand Ave. Artesia, N.M. 88210

NN 2 2 2006

Re: 30-015-28002 Ut I 2-25s-28e Hoss BHK State #1 Letter dated June 9, 2006

Dear Mr. Mike Bratcher,

The Hoss BHK State #1 was originally drilled by Ronodero Company Inc. The well was plugged & abandoned on June 17, 1998 by Ronodero Company Inc. August 26, 2005 Yates Petroleum Corporation submitted a form C-101 with intent to re-enter the Hoss BHK State #1 & test the Delaware formation.

The work over pit found on your field inspection made on June 7, 2006 was registered on this C-101 form filed on August 26, 2005. I have attached a copy of the C-101 form filed on August 26, 2005 with this letter packet.

An inspection was made at the Hoss BHK State #1 on 6/21/2006 by Yates Petroleum Corporation Environmental Regulatory Agent Mike Stubblefield. This site inspection found the Chlorides that were referred to on your letter dated June 9, 2006, were a result of Chlorides leaching from the former drilling pit area on which the Hoss BHK State #1 was constructed upon. A C-141 form will not be filed as there is no release from the work over pit used for the re-entry of the Hoss BHK State #1.

A C-144 form has been filed with O.C.D. for the closure of the work over pit located at the Hoss BHK State #1.

If I can be of further assistance in this matter please do not hesitate to contact me at 505-748-4500 or E-mail me at mikes@ypenm.com.

Sincerely,

marstalliell

Mike Stubblefield Environmental Regulatory Agent

Submit 3.Copies To Appropriate District	State of New 1	Mexico		Form C-103
Clifice	Energy, Minerals and N	atural Resources		May 27, 2004
1625 N. French Dr., Hobbs, NM 882			WELL API NO. 30-015-	28002
1301 W. Grand Ave., Artesia, NM	OIL CONSERVATION		5. Indicate Type of Le	
District III 1000 Rio Brazos Rd., Aztee, NM 8	1220 South St. F		STATE 🛛	FEE
District IV	Santa Fe, NM	87505	6. State Oil & Gas Lea	ise No.
1220 S. St. Francis Dr., Santa Fe, NM 87505			vo-s	010
SUNDRY NOTI	CES AND REPORTS ON WEL	LS	7. Lease Name or Unit	
(DO NOT USE THIS FORM FOR PROPOS				C C
DIFFERENT RESERVOIR. USE "APPLIC PROPOSALS.)	ATION FOR PERMIT" (FORM'C-IUI)	FORSUCH	Hoss BH	K State
1. Type of Well: Oil Well	Gas Well 🗌 Other P&		8. Well Number	
2. Name of Operator		APP 1 Nor	9. OGRID Number	
Yates Petroleum Corporation	011	APR 1 1 2007	0255	
3. Address of Operator	_	OCO-ARTESIA NAN	10. Pool name or Wild	
105 S. 4 <sup>th</sup> Street, Artesia, N	JM 88210		Willow Lake; Dela	ware, Southwest
4. Well Location	1000 Cont Come the Co			The et allowed
			660 feet from the	East line
Section 2		Range 28E	NMPM Eddy	County
	11. Elevation (Show whether 1	<i>JR, RKB, RT</i> , G <i>R, elc.,</i> 46'GR		
Pit or Below-grade Tank Application 🚺 o		40 Q.K		
Pit type Depth to Groundwates		n water well Dis	tance from nearest surface w	ater
Pit Liner Thickness: mil	Below-Grade Tank: Volume			
12 Check A	ppropriate Box to Indicate	Nature of Notice	Report or Other Date	
12. Check P	ippropriate nox to indicate	Ivature of ivotice,	Report of Other Data	1
NOTICE OF IN	TENTION TO:	SUB	SEQUENT REPOR	RT OF:
PERFORM REMEDIAL WORK	PLUG AND ABANDON	REMEDIAL WOR		ERING CASING
TEMPORARILY ABANDON		COMMENCE DRI		G AND ABANDON 🛛
PULL OR ALTER CASING		CASING/CEMEN	T JOB	
OTHER:		OTHER:		П
13. Describe proposed or comp				
	ork). SEE RULE 1103. For Mul	tiple Completions: At	tach wellbore diagram of	proposed completion
or recompletion.				
4/2/07 – Set a CIBP at 4576'. Tagge	d CIBP. Circulated mud. Spott	ed 25 sx cement on top	o of CIBP. Spotted 30 sx	cement at 2629'.
WOC. 4/3/07 – Tagged at 2322'. Spotted 3	0 sy coment at 504' WOC Ta	used at 322' Circulate	ad 20 av coment 60' to su	urface Out off
wellhead. Installed dry hole marker.				mace. Cut on
	<u></u>			
Diversion of	the well have			
	the well bore. er bond is retained			
	restoration.			
	estoration,			
	Reference of the second s	•		
midi mapeve	were were an an pieten.			
I hereby certify that the information	have is true and complete to the	best of my knowledge	and haliaf the	16. 4l. 4
grade tank has been/will be constructed or				
SIGNATURE K	TITLE Reg	latory Compliance Su	pervisor DATE	April 10, 2007
		and a some source of	DAIL_	<u> </u>
Type or print name Tina Huert	a E-mail address	s: <u>tinah@ypcnm.co</u>	m Telephone No	o. <u>505-748-1471</u>
For State Use Only	Dur	Geny Guy		
APPROVED BY:	TITLE	Deputy Field Ins	pector DA	TE-APR-1-1-2007
Conditions of Approval (if any):		District II - Art	9510	ALV T-T-FOOL

#### Jones, William V., EMNRD

From: Brian Collins [engineering@marbob.com]

Sent: Wednesday, June 13, 2007 7:57 AM

- To: Jones, William V., EMNRD
- Subject: Re: SWD Application: South Malaga I-2-25-28 SWD API No. 30-015-28002 Bell and Cherry Canyon Injection from 2677 3958

Will: When Yates plugged this well their lease expired. They are no longer an affected party within the half mile radius. We will send you the affidavit for the advertisement. Hope this answers your questions. Take care. ---Brian Collins

----- Original Message -----From: Jones, William V., EMNRD To: engineering@marbob.com Cc: Ezeanyim, Richard, EMNRD Sent: Tuesday, June 12, 2007 7:00 PM Subject: SWD Application: South Malaga I-2-25-28 SWD API No. 30-015-28002 Bell and Cherry Canyon Injection from 2677 - 3958

Hello Mr. Collins: The Division received your application and after reviewing:

1) Please send copy of posted newspaper notice.

2) In 2003 Marbob proposed this same interval in this well and apparently Yates Petroleum Corporation protested. Since 2003, the Division notice rule has changed:

Is Yates still an affected party as per the latest Rule 701B.(2) copied below? If they are still an owner, were they notified this time?

(2) The applicant shall furnish, by certified or registered mail, a copy of the application to each owner of the surface of the land on which each injection or disposal well is to be located and to each leasehold operator or other "affected person" within any tract wholly or partially contained within one-half mile of the well. Affected person shall mean the (a) division designated operator; (b) in the absence of an operator, any lessee whose interest is evidence by a written conveyance document either of record or known to the applicant as of the date he files the application; and (c) in the absence of an operator or lessee, any mineral interest owner whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date he filed the application.

Thank You,

William V. Jones PE New Mexico Oil Conservation Division 1220 South St. Francis Santa Fe. NM 87505 505-476-3448

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

This inbound email has been scanned by the MessageLabs Email Security System.

#### Jones, William V., EMNRD

From:	Jones, William V., EMNRD	
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Sent: Tuesday, June 12, 2007 7:01 PM

To: Brian Collins (engineering@marbob.com)

Cc: Ezeanyim, Richard, EMNRD

Subject: SWD Application: South Malaga I-2-25-28 SWD API No. 30-015-28002 Bell and Cherry Canyon Injection from 2677 - 3958

Hello Mr. Collins:

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1) Please send copy of posted newspaper notice.

2) In 2003 Marbob proposed this same interval in this well and apparently Yates Petroleum Corporation protested. Since 2003, the Division <u>notice</u> rule has changed:

Is Yates still an affected party as per the latest Rule 701B.(2) copied below? If they are still an owner, were they notified this time?

(2) The applicant shall furnish, by certified or registered mail, a copy of the application to each owner of the surface of the land on which each injection or disposal well is to be located and to each leasehold operator or other "affected person" within any tract wholly or partially contained within one-half mile of the well. Affected person shall mean the (a) division designated operator; (b) in the absence of an operator, any lessee whose interest is evidence by a written conveyance document either of record or known to the applicant as of the date he files the application; and (c) in the absence of an operator or lessee, any mineral interest owner whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date he files the application.

Thank You,

William V. Jones PE New Mexico Oil Conservation Division 1220 South St. Francis Santa Fe, NM 87505 505-476-3448

Injection Permit Checklist 2/8/07         SWD Order Number	
Well Name/Num: South Mologo I-2725-28 Suppare Spudded: API Num: (30-) <u>D15-28032</u> County: <u>EMNY</u> Footages <u>1980 FSL / 660 FEL</u> Sec <u>2</u> Tsp <u>255</u> Rge <u>285</u> Operator Name: <u>Marbol Enougy</u> <u>Consolutions</u> Contact <u>Brian</u> <u>Colline</u> Operator Address: <u>P.O. Box</u> <u>227</u> <u>AATESA</u> , <u>NM</u> , <u>88211-0227</u> <u>Current Status of Well: <u>PÈ A GITAR</u> Planned Work: <u>Inj. Tubing Size: 27/8</u> <u>Hole/Pipe Sizes Depths Cement Top/Method</u> <u>Surface 17/2</u> <u>1378</u> <u>550</u> <u>425</u> <u>CIRC</u> <u>CIRC</u> <u>Intermediate</u> <u>12/2</u> <u>85/8</u> <u>255</u> <u>1375</u> <u>CIRC</u> <u>CIRC</u> <u>Last DV Tool</u> <u>DV e 5178</u> <sup>1</sup> <u>CIRC</u> <u>CIRC</u></u>	
G N. Footages <u>980 FSL /660 FEL</u> Sec <u>2</u> Tsp <u>255</u> Rge <u>285</u> Operator Name: <u>Marbol-Enougy</u> <u>Conjocations</u> <u>Contact</u> <u>Brian</u> <u>Colline</u> Operator Address: <u>P.O. Box</u> <u>227</u> <u>AATESA, NM</u> , <u>88211-0227</u> <u>Current Status of Well: <u>PÈ À 6/17148</u> Planned Work: <u>Inj. Tubing Size: 27/8</u> <u>Hole/Pipe Sizes</u> <u>Depths</u> <u>Cement</u> <u>Top/Method</u> <u>Surface 17/2</u> <u>1375</u> <u>CIRC</u> <u>0 LP</u> <u>Intermediate</u> <u>12/2</u> <u>85/8</u> <u>256</u> <u>1375</u> <u>CIRC</u> <u>0 LP</u> <u>Production</u> <u>7718</u> <u>572</u> <u>6600</u> <u>835</u> <u>CIRC</u> <u>2154</u> <u>C</u></u>	
G V. Footages <u>980 FSL /660 FEL</u> Sec <u>2</u> Tsp <u>255</u> Rge <u>285</u> Operator Name: <u>Marked-Energy Conjocations</u> <u>Contact <u>Bria</u> <u>Colline</u> Operator Address: <u>P.O. Box</u> <u>227</u> <u>AATESA, VM</u>, <u>88211-0227</u> <u>Current Status of Well: <u>PÈ À GITTAR</u> Planned Work: <u>Inj. Tubing Size: 27/8</u> <u>Hole/Pipe Sizes Depths Cement Top/Method</u> <u>Surface 17/2</u> <u>63/8</u> <u>550</u> <u>425</u> <u>CIRC</u> <u>0 UP</u> <u>Intermediate</u> <u>12/2</u> <u>85/8</u> <u>256</u> <u>1375</u> <u>CIRC</u> <u>0 UP</u> <u>Production</u> <u>7718</u> <u>572</u> <u>6600</u> <u>835</u> <u>CIRC</u> <u>2554</u> <u>C</u></u></u>	<b>262</b>
S' N       Footages       980 FSL / 660 FEL Sec 2 Tsp 255 Rge 285         Operator Name:       Manbel Exercy Conjectures Contact Brin Colling         V       Operator Address: $f.0 - Box 227$ AftTESA, NM, 88211-0227         Current Status of Well: $p \ge h$ 6/17/98 Planned Work:       Inj. Tubing Size: 27/80         Hole/Pipe Sizes       Depths       Cement       Top/Method         Surface       17/12       85/8       550       425       CIRC         Production 77/8       5/2       6600'       835       2454 C         Last DV Tool       DV C.5/178'       CIRC       CIRC	<b>26</b> 2
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	<b>262</b>
Current Status of Well:       PE A 6/17/98 Planned Work:       Inj. Tubing Size: 27/8 C         Hole/Pipe Sizes       Depths       Cement       Top/Method         Surface       17/2       1378       550       425       CIRC       0         Intermediate       121/2       85/8       2561       1375       CIRC       0       0         Production       77/8       51/2       6600'       835       0       2459       0         Last DV Tool       DV P.5178'       CIRC       CIRC       CIRC       0       0	<b>26</b> 2
Current Status of Well:       PE A 6/17/98 Planned Work:       Inj. Tubing Size: 27/8 C         Hole/Pipe Sizes       Depths       Cement       Top/Method         Surface 17/2       1378       550       425       CIRC         Intermediate       121/2       85/8       2561       1375       CIRC       0 Line         Production       77/8       51/2       6600'       835       2459       CIRC       2459         Last DV Tool       DV P.5178'       CIRC       CIRC       CIRC       CIRC       CIRC	<b>262</b> 7
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	
Intermediate         121/2         85/8         2561         1375         CIRC         0 LP           Production         77/8         51/2         6600'         835         2159         C           Last DV Tool         DV P.J. 178'         CIRC         0 LP         CIRC         0 LP	
Last DV Tool DV e 5178 CIRC	$\overline{\lambda}$
Last DV Tool DV e.J. 178' CIRC	8
	1
Open Hole/Liner	
Piug Back Depth 6600	
Diagrams Included (Y/N): Before Conversion After Conversion	
Checks (Y/N): Well File ReviewedELogs in Imaging	- a.
Diagrams Included (Y/N): Before Conversion	Nor
Satt/Potaship OK	/
Capitan Reel OK	
Cliff House, Etc.	
Formation Above 2615 Lamor LS.	
Top Inj Interval 2677 Bell C. 535 PSI Max. WHIP	
Bottom Inj Interval 3958 Charry C. No Open Hole (Y/N)	
Formation Below	
4831 Brushy C.	
Fresh Water: Depths: Wells(Y/N)	
Salt Water Analysis: Injection Zone (Y/N/NA) Pel EdispWaters (Y/N/NA) Ker Types: Pel	
Notice: Newspaper(Y/N)Surface Owner	
Other Affected Parties: Cooksey Stoney, Faultoner	/
	1
	/ .
Well Table Adequate (Y/N) New AOR Table Filename AOR STRs: SecTspRgeUIC Form Completed (Y/N) New AOR Table Filename SecTspRge This Form completed 6/12/07	
	_
<u>Conditions of Approval:</u> SecTspRge Data Request Sent <u>0/12/51</u> Send Neurope NoTICE TO S.F.	
CT-10 VPC ? or or or other	フ
Then still officed is they ded in 10/0	31
	-
Required Work to this Well:	

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#### Inactive Well List

#### Total Well Count:1084 Inactive Well Count:0 Since:3/20/2006

Printed On: Wednesday, June 13 2007

District API Well ULSTR OCD Unit OGRID Operator Lease Type Well Type Last Production Formation/Notes Status Days in TA

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WHERE Ogrid:14049, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15