

29. May. 07

June 4, 07
W. Jones

31. May. 07

SWD

PCLP0715131005

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration 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]

1. TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

2. NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or

[F] ☐ Waivers are Attached

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

CERTIFICATION: I hereby certify that the information submitted with this application for administrative accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance ☒ Disposal Storage
Application qualifies for administrative approval? ☒ Yes No
- II. OPERATOR: MARBOB ENERGY CORPORATION
ADDRESS: P O BOX 227, ARTESIA, NM 88211-0227
CONTACT PARTY: Brian Collins PHONE: 505-748-3303
- III. 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 ☒ 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, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. 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.).
- *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
SIGNATURE: [Signature] DATE: 25 May 07
E-MAIL ADDRESS: engineering@marbob.com
- * 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.
- 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
 - 3. 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.

OPERATOR: Marbob Energy Corp

WELL NAME & NUMBER: South Malaga I-2-25-28 SWD (Formerly Hess BHK St #1 30-015-28002)

WELL LOCATION: 1980' FSL 660' FEL UNIT LETTER I SECTION 2 TOWNSHIP 25s RANGE 28e

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8" @ 550'
 Cemented with: 425 sx. or - ft³
 Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 12 1/4" Casing Size: 8 5/8" @ 2561'
 Cemented with: 1375 sx. or - ft³
 Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2" @ 660'
 Cemented with: 835 sx. or - ft³
 Top of Cement: Surface Method Determined: Circulated
 Total Depth: 6600'

Injection Interval

2677 feet to 3958'

(Perforated or Open Hole; indicate which)

Before & After Schematics Attached

INJECTION WELL DATA SHEET

Tubing Size: 2 1/8" Lining Material: Duoline 20 or IPCType of Packer: 10K nickel plated or stainless steel double grip retrievablePacker Setting Depth: 2625' ±Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? Yes ☒ No ☐If no, for what purpose was the well originally drilled? oil & gas2. Name of the Injection Formation: Delaware Sand3. Name of Field or Pool (if applicable): San Lorenzo 204. 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. 6406-84', C16P+35' cement @ 6370',6216-29', C10P+35' cement @ 6170', 4626-5918', C10P+255x cement @ 4576', 305x cement 2322-2629',305x cement 322-594', 205x cement 0-60'

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

Overlying: NoneUnderlying: Delaware 4500'-6000' ±, Bone Spring 6000'-8000' ±Atoka 11700-12300' ±

WELL NAME: Hoss BHK State No. 1 FIELD: San Lorenzo

LOCATION: 1,980' FSL & 660' FEL Sec 2-25S-28E Eddy County, NM

GL: 2,946' ZERO: KB: 2,958'

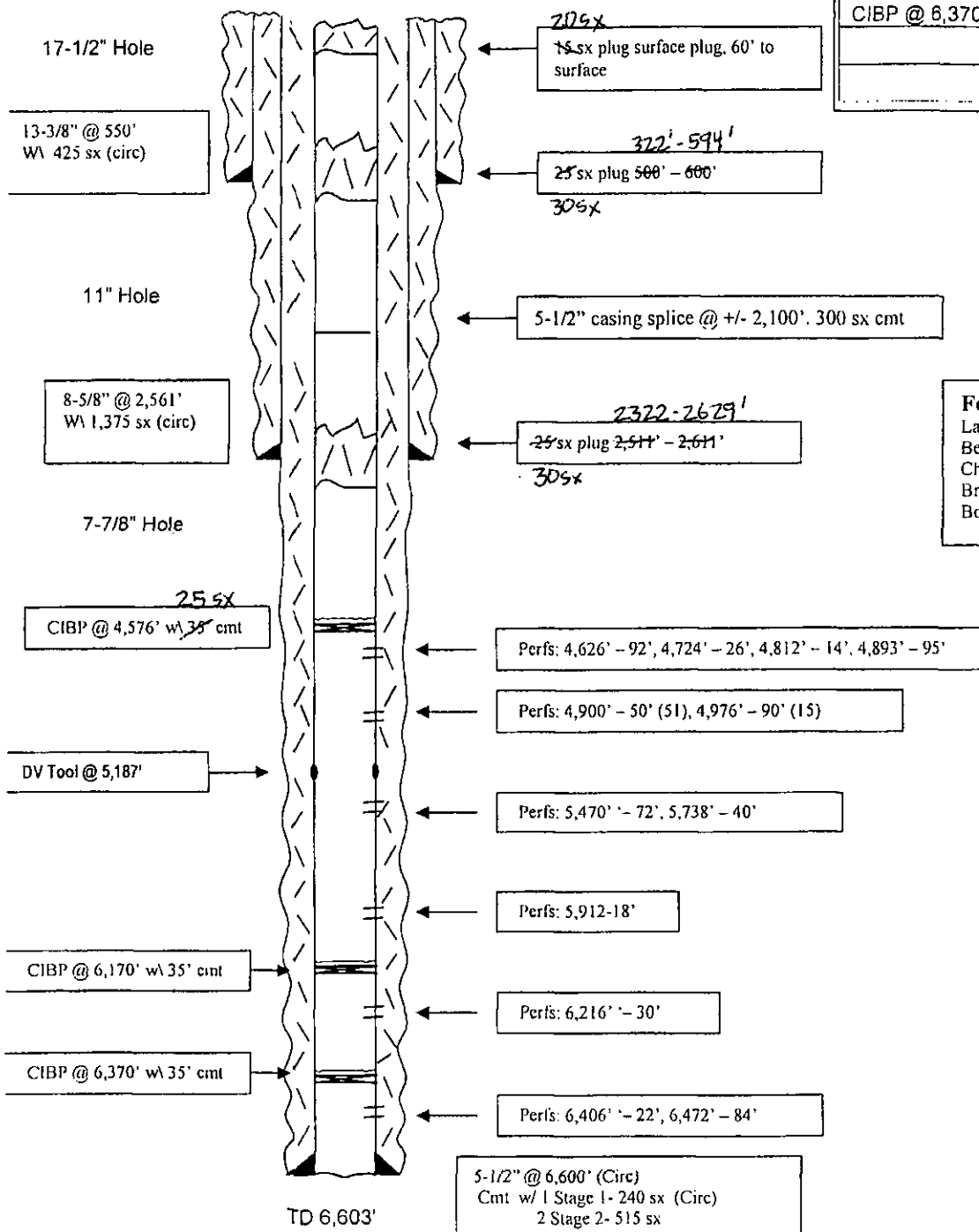
SPUD DATE: 11-21-94 COMPLETION DATE: 12-09-94

COMMENTS: API #30-015-28002

P & A 6/17/98 (Formerly Bonadero Hoss St. #1)

CASING PROGRAM

| | |
|--------------------------|--------|
| 13-3/8" 48# H40 ST&C | 550' |
| 8-5/8" 24 & 32# J55 ST&C | 2,561' |
| 5-1/2" 17# J55 LT&C | 6,600' |
| CIBP @ 6,170' w/35' cmt | |
| CIBP @ 6,370' w/35' cmt | |
| | |
| | |



BEFORE

Formation tops

| | |
|---------------|---------|
| Lamar | : 2615' |
| Bell Canyon | : 2670' |
| Cherry Canyon | : 3554' |
| Brushy Canyon | : 4831' |
| Bone Springs | : 6320' |

Not to Scale
1/24/07
MFH

South Malaga I-2-25-28 SWD

1980' FSL, 660' FEL

I-2-25-28e

Eddy, NM

P&A: 4/98, 4/07

17 1/2" hole

13 3/8" / 48 / H40 / STC @ 550'

225 HLC + 200 "C" (circ 85 sx)

12 1/4" hole

5 1/2" cut & pulled @ 2100' (5 1/2" / 17 tieback @ 2100', cont. 300 sx "C", Circulated)
TOC 2154' CBL

8 5/8" / 24, 32 / J55 @ 2561'

1175 HLC + 200 "C" (circ 145 sx)

Nickel Plated Inj. Pkr
@ 2625' ±

2677'

7 7/8" hole

Delaware Sand

3958'

CIBP 4576' + 25' ± cont

4372'
25' ±

4626-29'

4724-26'

4812-14'

4893-95'

4900-50'

4976-90'

DV 5178'

5470-72'

5738-40'

5912-18'

CIBP + 35' cont 6170'

6216-29'

CIBP + 35' cont 6370'

6406'-22'

6472-84'

5 1/2" / 17 / J55 @ 6600'

1st: 240 "C" (circ 20 sx)

2nd: 275 HLC + 240 "C"

6600'

AFTER

Elev: 2946' 6L

KBCollins / 9 Sept 03
22 May 07

13,782 500 SHEETS FILLER 5 SQUARE
42,381 50 SHEETS EYE-EASE 5 SQUARE
42,382 100 SHEETS EYE-EASE 5 SQUARE
42,383 200 SHEETS EYE-EASE 5 SQUARE
42,384 100 RECYCLED WHITE 5 SQUARE
42,385 200 RECYCLED WHITE 5 SQUARE
Made in U.S.A.



10/1/71

Submit 3 Copies To Appropriate District
Office
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

Form C-103
May 27, 2004

S OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-015-28002 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VO-5919 |
| 7. Lease Name or Unit Agreement Name Hoss BHK State |
| 8. Well Number 1 |
| 9. OGRID Number 025575 |
| 10. Pool name or Wildcat Willow Lake; Delaware, Southwest |

| | |
|---|--|
| SUNDRY NOTICES AND REPORTS ON WELLS (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.) | |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other P&A <input type="checkbox"/> | |
| 2. Name of Operator Yates Petroleum Corporation | |
| 3. Address of Operator 105 S. 4 th Street, Artesia, NM 88210 | |
| 4. Well Location Unit Letter <u>I</u> : <u>1980</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>2</u> Township <u>25S</u> Range <u>28E</u> NMPM <u>Eddy</u> County | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2946'GR | |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | |
| Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ | |
| Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ | |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|--|---|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input checked="" type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL. <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

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: Attach wellbore diagram of proposed completion or recompletion.

4/2/07 - Set a CIBP at 4576'. Tagged CIBP. Circulated mud. Spotted 25 sx cement on top of CIBP. Spotted 30 sx cement at 2629'. WOC.
4/3/07 - Tagged at 2322'. Spotted 30 sx cement at 594'. WOC. Tagged at 322'. Circulated 20 sx cement 60' to surface. Cut off wellhead. Installed dry hole marker. **WELL IS PLUGGED AND ABANDONED. FINAL REPORT.**

**Plugging of the well bore.
Liability under bond is retained
until surface restoration,
environmental remediation and
final inspection is completed.**

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

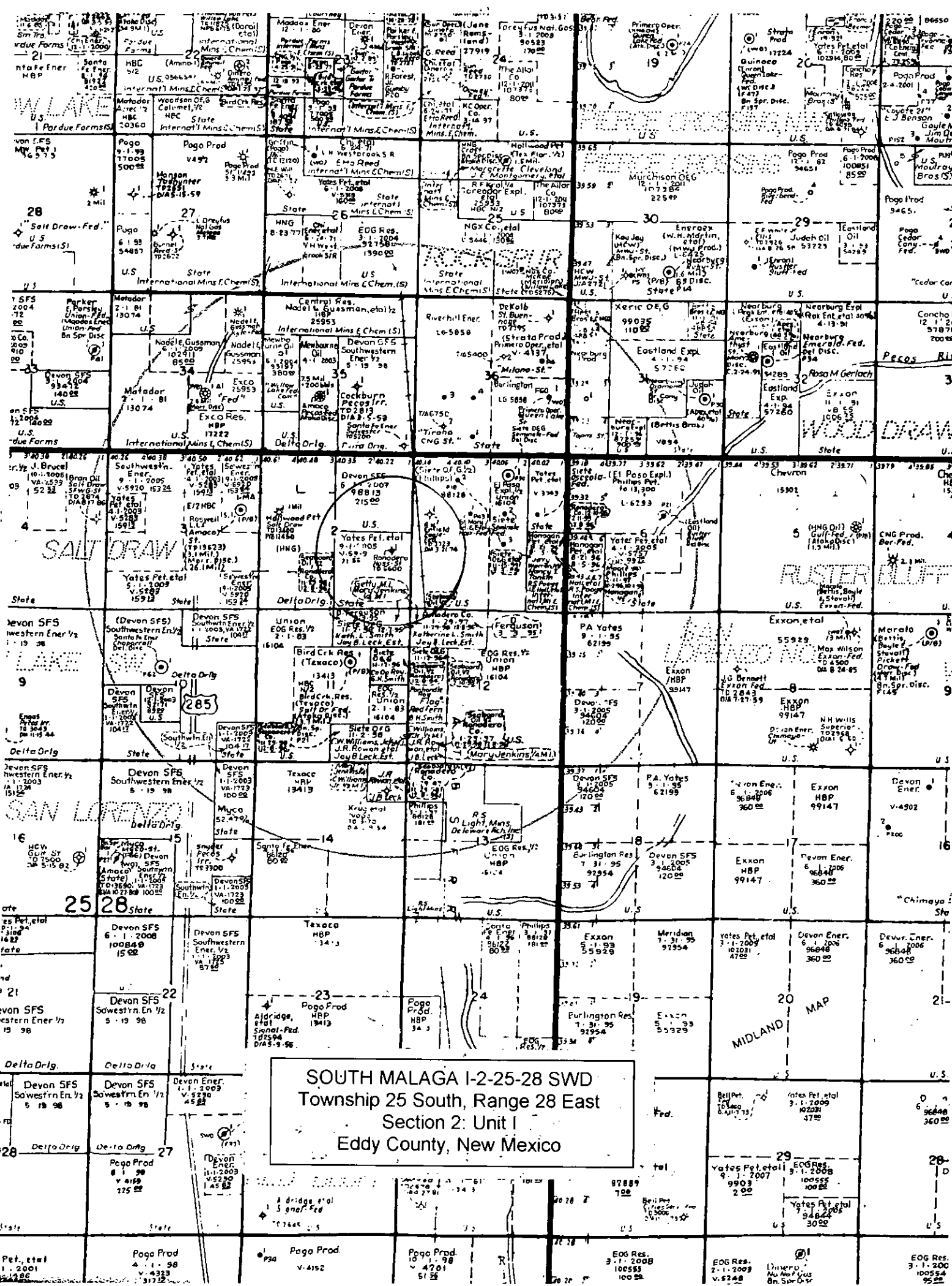
SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE April 10, 2007

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only
APPROVED BY: Garry Guye TITLE Deputy Field Inspector DATE APR 11 2007
Conditions of Approval (if any): District II - Artesia

V.

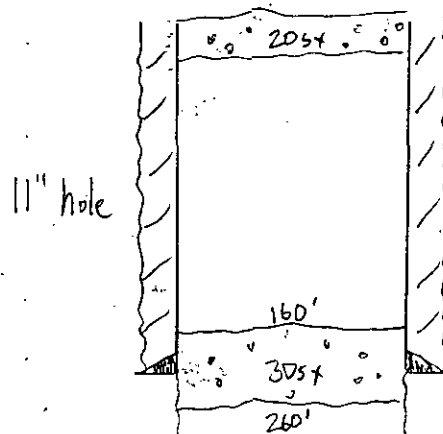
MAP



VI.

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

Eddy County



8⁵/₈" / 24 @ 209'

.125 "C" + 115 "C" with 1" (circ)

6 3/4" hole

Within Area of Review

Elev: 2944' 6L

MB Collins / 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 Springs | 6100' |

Drilling in
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 | Interval | OD Casing | Wt | Grade |
|-----------|-----------|--------------|-----|-------|
| 12 1/4" | 0-600' | 9 5/8" | 36# | J-55 |
| 8 3/4" | 600-6800' | 5 1/2" | 17# | J-55 |

Proposed Cement Program:

9 5/8" Surface Casing: Cement w/ 500 sx. Circulate to surface.  Cement to Surface

5 1/2" Production Casing: Cement w/ 1500 sx. Tie into surface. 

Will be horizontal Delaware Sand well @ ±4900' TVD.

VII.

WATER ANALYSIS

HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

No. W45-93TO Hanagan PetroleumDate February 7, 1993P. O. Box 1737Roswell, NM 88201

This report is the property of Halliburton Services 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 Services.

Submitted by _____ Date Rec. _____

Well No. Gehrig #2 Depth 5050' Formation Delaware
Field Brushy Draw 9-26s-29e County Eddy Source Produced Water

Resistivity052Specific Gravity .. 1.1856pH 7.0Calcium 24,250Magnesium 9,000Chlorides 170,000Sulfates 250Bicarbonates 350Soluble Iron + 500

Remarks:

Art Carrasco
Respectfully submitted

Analyst: Art Carrasco - Technical Advisor

HALLIBURTON SERVICES

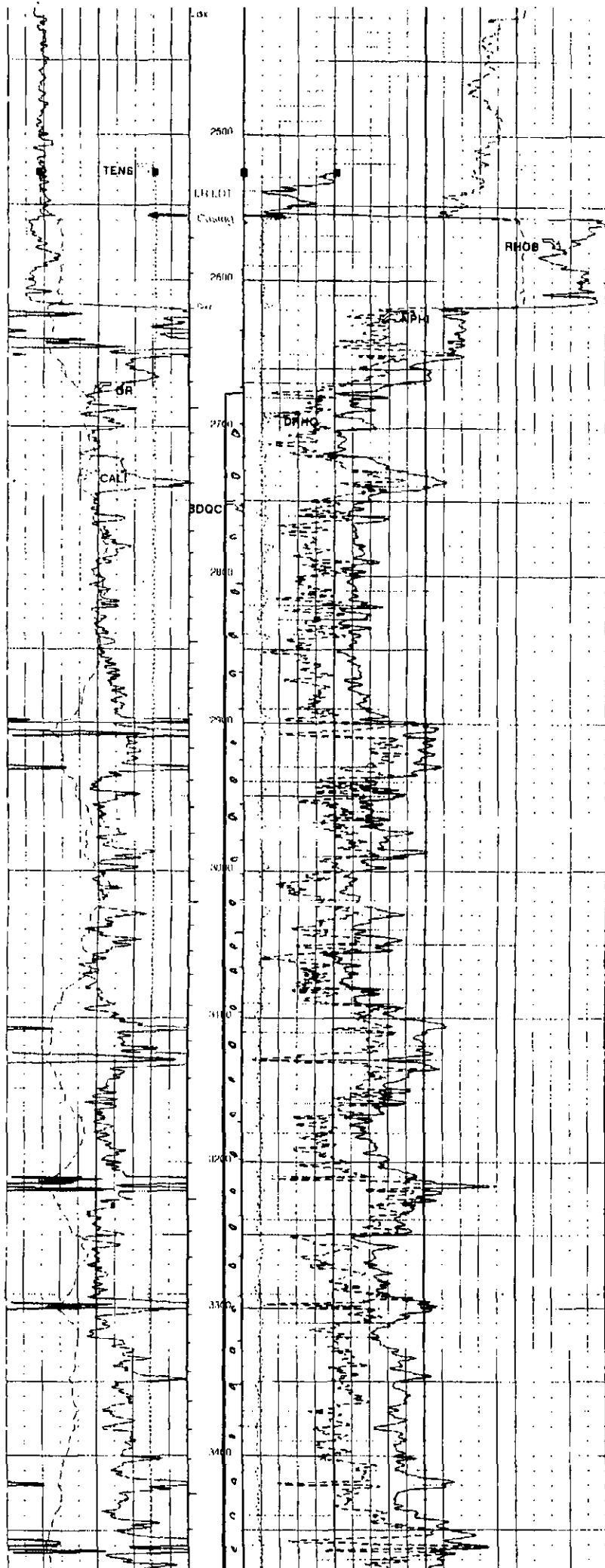
NOTICE:

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

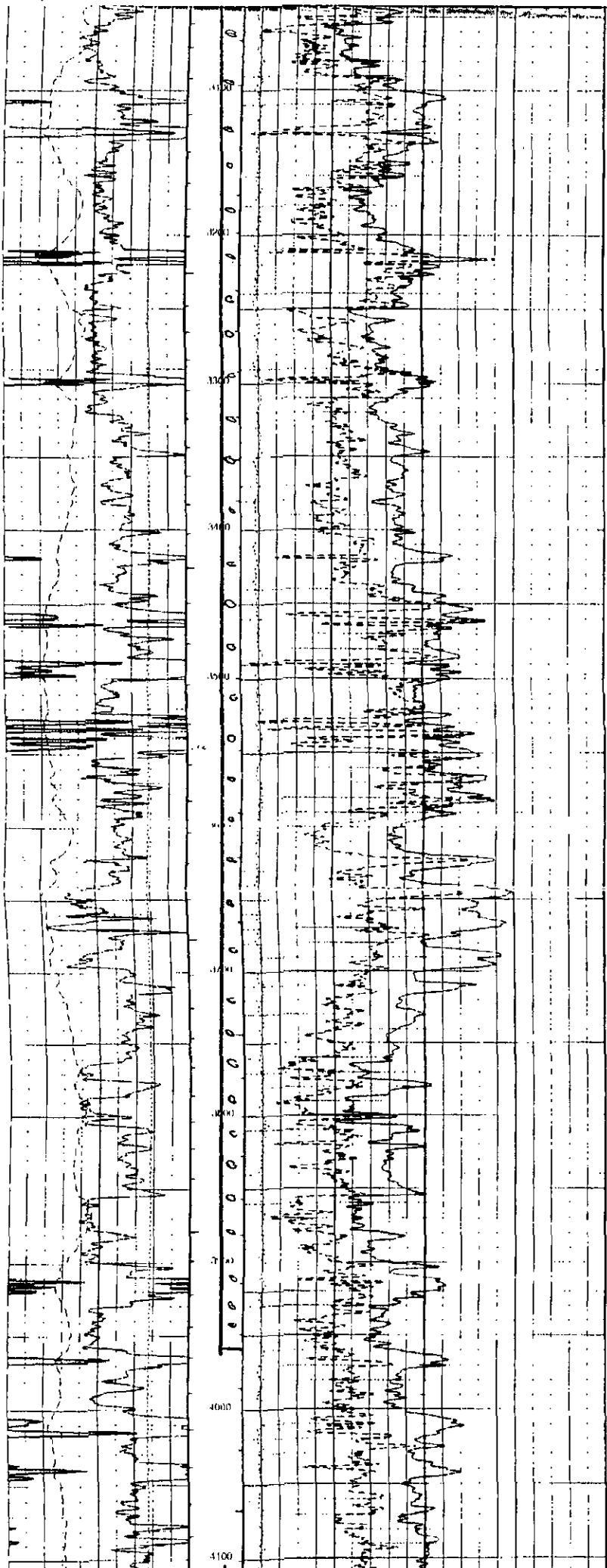
X.

**NEUTRON
DENSITY LOG**

**Across Proposed
Disposal Interval**



Gross Delaware
Disposal Interval
2677-3958'



XI.

FRESH WATER WELL ANALYSIS

**Windmill NE/4NE/4
Sec. 3**

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY WATER ANALYSIS REPORT HOBBS, NEW MEXICO

COMPANY Marbob

REPORT W03-189
DATE September 10, 2003
DISTRICT Hobbs

SUBMITTED BY Fresh Water Analyses 25s-28e

| WELL | DEPTH | FORMATION |
|---------------------------------|---------------------------------|-------------|
| COUNTY | FIELD | SOURCE |
| <u>Eddy</u> | | |
| <u>Windmill NE/4 NE/4 Sec.3</u> | <u>Windmill NE/4 SE/4 Sec.4</u> | |
| SAMPLE | St. MA-1 SWD | SE SWE Well |
| Sample Temp. | 78 °F | 78 °F |
| RESISTIVITY | 3.34 | 2.99 |
| SPECIFIC GR. | 1.001 | 1.001 |
| pH | 7.71 | 7.42 |
| CALCIUM | 900 mpl | 1,250 mpl |
| MAGNESIUM | 540 mpl | 135 mpl |
| CHLORIDE | 90 mpl | 473 mpl |
| SULFATES | light mpl | light mpl |
| BICARBONATES | 92 mpl | 61 mpl |
| SOLUBLE IRON | 0 mpl | 0 mpl |
| KCL | | |
| Sodium | mpl | 0 mpl |
| TDS | mpl | 0 mpl |
| OIL GRAVITY | @ °F | @ °F |

REMARKS

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

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ANALYST: Mike Armstrong



marbob
energy corporation

May 22, 2007

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,

Brian Collins
Petroleum Engineer

BC/dlw

enclosure

ARTESIA DAILY PRESS
LEGAL NOTICES

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 the Publisher of The

Artesia Daily Press, a daily newspaper of general

circulation, published in English at Artesia, said county

and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive week/days on the same

day as follows:

First Publication May 31 2007

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

31st Day May 2007

Amanda K. Lamb

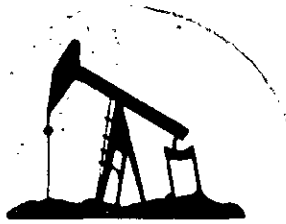
Notary Public, Eddy County, New Mexico

My Commission expires April 5, 2011

Copy of Publication:

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Legal 19767



marbob

energy corporation

May 22, 2007

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)
Township 25 South, Range 28 East, NMPM
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,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

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

By: _____

Title: _____

Date: _____



marbob
energy corporation

May 22, 2007

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

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

Gentlemen:

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,

Brian Collins
Petroleum Engineer

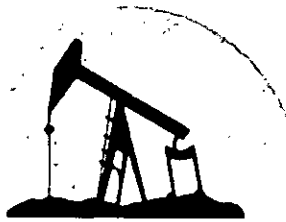
BC/dlw
enclosure

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

By: _____

Title: _____

Date: _____



marbob
energy corporation

May 22, 2007

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)
Township 25 South, Range 28 East, NMPM
Section 2: 1980 FSL 660 FEL, Unit I
Eddy County, New Mexico

Gentlemen:

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,

Brian Collins
Petroleum Engineer

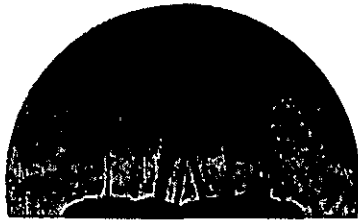
BC/dlw
enclosure

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

By: _____

Title: _____

Date: _____



marbob

energy corporation

May 22, 2007

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)
Township 25 South, Range 28 East, NMPM
Section 2: 1980 FSL 660 FEL, Unit I
Eddy County, New Mexico

Gentlemen:

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,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

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

By: _____

Title: _____

Date: _____

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

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| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

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Sent To
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4
5 Malaga DW
**NM STATE LAND OFFICE
P O BOX 1148
SANTA FE NM 87504-1148**

PS Form 3800, June 2002

See Reverse for Instructions

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| Postage | \$ |
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| Total Postage & Fees | \$ |

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Sent To
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4
5 Malaga DW
**EVELYN COOKSEY
COOKSEY RANCH
P O BOX 91
ORLA TX 79970-0091**

PS Form 3800, June 2002

See Reverse for Instructions

U.S. Postal Service™
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OFFICIAL USE

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|---|----|
| Postage | \$ |
| Certified Fee | |
| Return Receipt Fee (Endorsement Required) | |
| Restricted Delivery Fee (Endorsement Required) | |
| Total Postage & Fees | \$ |

Postmark
Here

Sent To
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4
5 Malaga DW
**ST MARY LAND & EXPLORATION
1776 LINCOLN ST STE 1100
DENVER CO 80203-0180**

PS Form 3800, June 2002

See Reverse for Instructions

PLACE STICKER AT TOP OF
OF THE RETURN ADDRESS

CERTIFIED



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7004 0550 0000 7457 8660

(Endorsement Required)
Restricted Delivery Fee
(Endorsement Required)
Total Postage & Fees
\$

PS Form 3800, June 2002
See Reverse for Instructions
Sent To
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4
5 Malaga DW
**VERNON E FAULCONER INC
P O BOX 7995
TYLER TX 75711**

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

| | |
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| LAND OFFICE | |
| OPERATOR | |

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-103
Revised 10-1-78

| | |
|---|------------------------------|
| 5a. Indicate Type of Lease | |
| State <input checked="" type="checkbox"/> | Fee <input type="checkbox"/> |
| 5. State Oil & Gas Lease No. VA-808 | |
| 7. Unit Agreement Name | |
| 8. Farm or Lease Name HOSS STATE | |
| 9. Well No. 1 | |
| 10. Field and Pool, or Widcon San Lorenzo BS North | |
| 12. County Eddy | |

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DECEASE OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT - I" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL ☐ WELL GAS ☐ WELL OTHER ☒

2. Name of Operator
RONADERO COMPANY, INC.

3. Address of Operator
P O Box 430, Roswell, NM 88202-0430

4. Location of Well
UNIT LETTER I 1980 FEET FROM THE South LINE AND 660 FEET FROM
THE East LINE, SECTION 2 TOWNSHIP 25S RANGE 28E NMPM.

15. Elevation (Show whether DF, RT, GR, etc.)
2,946' GR

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

| | | | |
|--|---|--|---|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPS. <input checked="" type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | OTHER <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input type="checkbox"/> | OTHER <input type="checkbox"/> |

17. 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.

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# & 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 & circ. 20 sxs to pit, WOC 6 hrs
2nd stage:
275 sxs H/L followed by 240 sxs "P+".

DEC 14 1994

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Robert W. Hanagan Robert W. Hanagan TITLE President DATE 12/13/94

SUPERVISOR, DISTRICT II

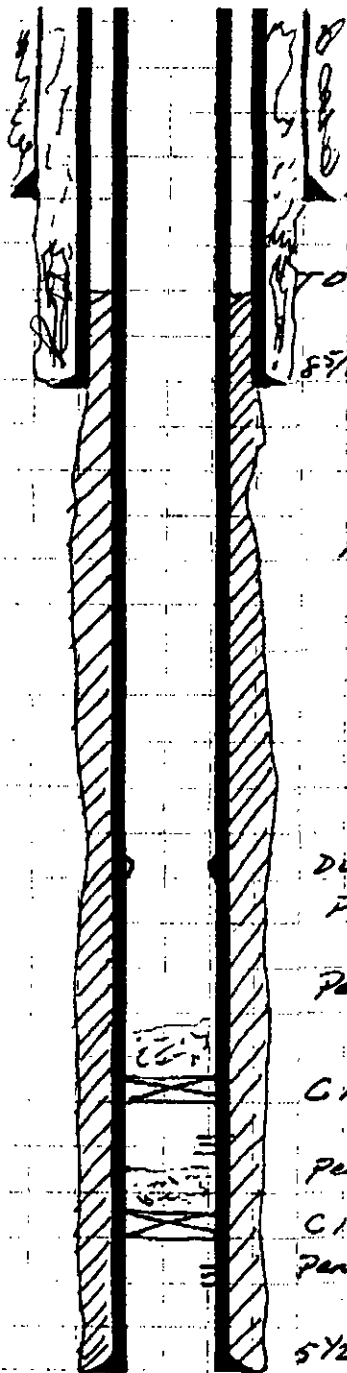
APPROVED BY _____ TITLE _____ DATE JAN 3 1995

CONDITIONS OF APPROVAL, IF ANY:

Cur #
RONADENO COMPANY, INC.

LEASE & WELL NO. HOSS STATE #1
 FORMATION SEC 2-25-28 1980 FSL + 660 FBO
 COUNTY & STATE EDDY CO. N.M.

WRH inc.
Rental Tools
 6482 Southeast Main
 Roswell, NM 88201
 Shop: (505) 347-4810
 Office: (505) 622-4772



13 3/4" @ 502' 225SX H/L + 200 @ 2% CMC 855XS

TOL BY BOND LOG @ 2154'

8 5/8" @ 2561' 1195SX H/L + 200 @ 2% CMC 1455XS

Pumps 4626-92
 4724-26
 4812-14
 4893-95
 4900-02

DUTOL @ 5178'

Pumps 5470-72

Pumps 5738-40

CIBPC 6170 + 35' CMT

Pumps 6216-30

CIBPC 6370 + 35' CMT

Pumps 6406-22 + 6472-84

5 1/2" @ 6600 1st STAGE 240SX CMC 20SX DAF DUTOL

TD 6603

2nd STAGE 275SX H/L + 240SX

* Brine gel between cmt plugs.
 Procedure OK. M.S.

FAX 625-
 2512

BILL HANSEN
 C-103
 needed.

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.
3001528002

5. Indicate Type of Lease ☒ STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
VA - 0808

SUNDRY NOTICES AND REPORTS ON WELLS
(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.)

1. Type of Well:
OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. Name of Operator
Ronadero Co.

7. Lease Name or Unit Agreement Name

Hoss State

8. Well No.
#1

3. Address of Operator
P.O. Box 430 Roswell, NM 88202-0430

9. Pool name or Wildcat
San Lorenzo B.S.

4. Well Location
Unit Letter I : 1980 Feet From The FSL Line and 660 Feet From The FEL Line

Section 2 Township 25S Range 28E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
2958 KB 2946 GL

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☒
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

12. 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.

- 1) set CIPB @ 4580' + 35' cmt
- 2) circ hole w/10# brine gell
- 3) cut 5 1/2 casing @ 2100' LD 57 1/2 JTS casing
- 4) spot plugs @ follows:
 - a) 2672-2419 25sxs "C" + 3% CACL₂ Tagged @ 2498'
 - b) 2144 - 1987 35sxs "C" + 3% CACL₂ Tagged @ 1998'
 - c) 559-448' 35sxs "C" neat
 - d) 30'-surface 10 sxs "C" neat

Installed marker, clean location, level pits.

Post ID-2
5-15-98
fr-ft

RECEIVED
OCD - ARTESIA

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

SIGNATURE William R. Hansen TITLE Agent DATE 4/13/98

TYPE OR PRINT NAME William R Hansen TELEPHONE NO. 622-4772

(This space for State Use)

APPROVED BY _____ TITLE _____ 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,

Lori Wrotenbery
Division Director

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

Accepted for record - NMOC

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

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-015-28002 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VO-5919 |
| 7. Lease Name or Unit Agreement Name Hoss BHK State |
| 8. Well Number 1 |
| 9. OGRID Number 025575 |
| 10. Pool name or Wildcat Willow Lake; Delaware |

SUNDRY NOTICES AND REPORTS ON WELLS
(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.)
1. Type of Well: Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 S. 4th Street, Artesia, NM 88210

4. Well Location
Unit Letter I : 1980 feet from the South line and 660 feet from the East line
Section 2 Township 25S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
2946'GR

Pit or Below-grade Tank Application ☐ or Closure ☐
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
CASING/CEMENT JOB ☐

OTHER: Re-entry procedures ☒

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: Attach wellbore diagram of proposed completion or recompletion.

8/31/05 - Began re-entry procedures.

9/1/05 - 9/28/05 - TIH with 7-7/8" mill tooth bit to drill through plugs. Drilled cement to 2100'. Tag cut off 5-1/2" casing at 2100'. Circulated hole clean. Drill cement from 2100' to a depth of 2141'. Circulated hole clean. Tagged 5-1/2" casing at 2100'. Cut over 5-1/2" casing stub and dressed off top of casing. TIH with slip joint and 50 joints of 5-1/2" 17# casing. Slip over 5-1/2" casing stub at 2100'. Cemented 2100' of 5-1/2" casing in place with 300 sx Class "C" with 2% CaCl₂. Cement circulated. Drilled CIBP from 4580' to 4581'. Bit stopped drilling. Tagged CIBP at 4581'. Drill on CIBP. Drilling CIBP and steel. TIH with 4-5/8" magnet on sandline. Unable to run magnet past 2100' (slip joint connection). Milled until no drag was detected. Continue milling, CIBP released. Pushed CIBP to 6120'. Circulated hole clean.

9/29/05 - Perforate Delaware 4900'-4950' (51) and 4976'-4990' (15).

9/30/05 - Acidize Delaware 4976'-4990' with 500g 7-1/2% HCL acid. Communicated up to next zone on last 4 bbls pumped. Acidize Delaware 4900'-4990' with 750g 7-1/2% HCL acid. Set packer at 4600'.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE October 4, 2005

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only

FOR RECORDS ONLY

OCT 06 2005

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Submit 3 Copies To Appropriate District Office
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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-015-28002 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VO-5919 |
| 7. Lease Name or Unit Agreement Name Hoss BHK State |
| 8. Well Number 1 |
| 9. OGRID Number 025575 |
| 10. Pool name or Wildcat Willow Lake; Delaware |

| | |
|---|--|
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2946'GR | |
|---|--|

| |
|--|
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> |
| Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ |
| Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ |

SUNDY NOTICES AND REPORTS ON WELLS
(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.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 S. 4th Street, Artesia, NM 88210

4. Well Location
Unit Letter I : 1980 feet from the South line and 660 feet from the East line
Section 2 Township 25S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
2946'GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|--|---|--|---|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: Re-entry procedures <input checked="" type="checkbox"/> | |

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: Attach wellbore diagram of proposed completion or recompletion.

8/31/05 - Began re-entry procedures.

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SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE October 4, 2005

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only
APPROVED BY: _____ TITLE _____ DATE OCT 06 2005
Conditions of Approval (if any): _____

Submit 3 Copies To Appropriate District Office
District I
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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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-015-28002 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VO-5919 |
| 7. Lease Name or Unit Agreement Name Hoss BHK State |
| 8. Well Number 1 |
| 9. OGRID Number 025575 |
| 10. Pool name or Wildcat Willow Lake; Delaware |

SUNDRY NOTICES AND REPORTS ON WELLS
(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.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 S. 4th Street, Artesia, NM 88210

4. Well Location
Unit Letter I : 1980 feet from the South line and 660 feet from the East line
Section 2 Township 25S Range 28E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
2946'GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|---|--|---|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: Frac Delaware <input checked="" type="checkbox"/> | |

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: Attach wellbore diagram of proposed completion or recompletion.

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 complete to the best of my knowledge and belief. I further certify 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 OCD-approved plan ☐.

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE October 20, 2005

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only
APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

FOR RECORDS ONLY

OCT 31 2005

| | | |
|---|---|---|
| Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, 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 South St. Francis Dr. Santa Fe, NM 87505 | Form C-105 Revised June 10, 2003 |
| | | WELL API NO: 30-015-28002 |
| | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| | | State Oil & Gas Lease No. VO-5919 |
| WELL COMPLETION OR RECOMPLETION REPORT AND LOG | | |
| 1a. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____ b. Type of Completion: NEW <input type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> RE-ENTRY WELL OVER BACK RESVR. | | 7. Lease Name or Unit Agreement Name Hoss BHK State RECEIVED NOV 29 2005 |
| 2. Name of Operator Yates Petroleum Corporation | | 8. Well No. 1 |
| 3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471 | | 9. Pool name or Wildcat Willow Lake, Delaware <i>SL</i> |
| 4. Well Location Unit Letter <u>I</u> <u>1980</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>2</u> Township <u>25S</u> Range <u>28E</u> NMPM <u>Eddy</u> County | | |
| 10. Date Spudded RE 8/31/05 | 11. Date T.D. Reached 12/7/94 | 12. Date Compl. (Ready to Prod.) 10/20/05 |
| 13. Elevations (DF& RKB, RT, GR, etc.) 2946'GR 2958'KB | | 14. Elev. Casinghead |
| 15. Total Depth 6600' | 16. Plug Back T.D. 6120' | 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By Rotary Tools Pulling Unit Cable Tools |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name 4626'-5740' Delaware | | 20. Was Directional Survey Made No |
| 21. Type Electric and Other Logs Run None for Re-entry | | 22. Was Well Cored No |
| 23. CASING RECORD (Report all strings set in well) | | |
| CASING SIZE | WEIGHT LB./FT. | DEPTH SET |
| 13-3/8" | 48# | 550' |
| 8-5/8" | 24# & 32# | 2561' |
| 5-1/2" | 17# | 2100'-6600' |
| 5-1/2" | 17# | 0-2100' |
| 24. LINER RECORD | | 25. TUBING RECORD |
| SIZE | TOP | BOTTOM |
| | | SACKS CEMENT |
| | | SCREEN |
| | | SIZE |
| | | DEPTH SET |
| | | PACKER SET |
| 26. Perforation record (interval, size, and number) | | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. |
| 4900'-4950' (51) | | DEPTH INTERVAL |
| 4976'-4990' (15) | | AMOUNT AND KIND MATERIAL USED |
| | | 4976'-4990' |
| | | Acidize w/500g 7-1/2% HCL acid |
| | | 4900'-4990' |
| | | Acidize w/750g 7-1/2% HCL acid |
| | | 4626'-4990' |
| | | Frac w/XL waterfrac, 1029 bbls fluid, 50,000# 20/40 White sand 50,400# 20/40 Super LC |
| 28. PRODUCTION | | |
| Date First Production 10/21/05 | | Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping |
| | | Well Status (Prod. or Shut-in) Producing |
| Date of Test 10/31/05 | Hours Tested 24 hrs | Choke Size NA |
| Prod'n For Test Period | Oil - Bbl 15 | Gas - MCF 26 |
| | Water - Bbl. 253 | Gas - Oil Ratio NA |
| Flow Tubing Press. NA | Casing Pressure NA | Calculated 24-Hour Rate |
| | Oil - Bbl. 15 | Gas - MCF 26 |
| | Water - Bbl. 253 | Oil Gravity - API - (Corr.) NA |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold | | Test Witnessed By Scott Johnson-Contract Pumping |
| 30. List Attachments None | | |
| 31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief | | |
| Signature <i>Tina Huerta</i> Printed Name <u>Tina Huerta</u> | | Title <u>Regulatory Compliance Supervisor</u> Date <u>November 21, 2005</u> |
| E-mail Address <u>tinah@ypcnm.com</u> | | |



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. 4th 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,

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



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

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

6/22/2006

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

RECEIVED
JUN 22 2006
OCC-ARTESIA

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@ypcnm.com.

Sincerely,

Mike Stubblefield
Environmental Regulatory Agent

Submit 3 Copies To Appropriate District Office
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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-015-28002 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VO-5919 |
| 7. Lease Name or Unit Agreement Name Hoss BHK State |
| 8. Well Number 1 |
| 9. OGRID Number 025575 |
| 10. Pool name or Wildcat Willow Lake; Delaware, Southwest |

| | |
|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS (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.) | |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other P&A <input type="checkbox"/> | |
| 2. Name of Operator Yates Petroleum Corporation | |
| 3. Address of Operator 105 S. 4 th Street, Artesia, NM 88210 | |
| 4. Well Location Unit Letter <u>I</u> : <u>1980</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>2</u> Township <u>25S</u> Range <u>28E</u> NMPM Eddy County | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2946'GR | |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | |
| Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ | |
| Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ | |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|--|---|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDON <input checked="" type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL. <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: <input type="checkbox"/> | |

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: Attach wellbore diagram of proposed completion or recompletion.

4/2/07 - Set a CIBP at 4576'. Tagged CIBP. Circulated mud. Spotted 25 sx cement on top of CIBP. Spotted 30 sx cement at 2629'. WOC.

4/3/07 - Tagged at 2322'. Spotted 30 sx cement at 594'. WOC. Tagged at 322'. Circulated 20 sx cement 60' to surface. Cut off wellhead. Installed dry hole marker. **WELL IS PLUGGED AND ABANDONED. FINAL REPORT.**

**Plugging of the well bore.
Liability under bond is retained
until surface restoration,
environmental remediation and
final inspection is completed.**

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify 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 OCD-approved plan ☐.

SIGNATURE Tina Huerta TITLE Regulatory Compliance Supervisor DATE April 10, 2007

Type or print name Tina Huerta E-mail address: tinah@ypcnm.com Telephone No. 505-748-1471

For State Use Only
APPROVED BY: Gerry Guye TITLE Deputy Field Inspector DATE APR 11 2007
Conditions of Approval (if any): District II - Artesia

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 evidenced 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.

6/13/2007

Jones, William V., EMNRD

From: Jones, William V., EMNRD
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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Thank You,

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

6/12/2007

Injection Permit Checklist 2/8/07

SWD Order Number 1085 Dates: Division Approved _____ District Approved _____
 Well Name/Num: South Malaga I-2-25-28 Date Spudded: Was Hoss BHK State #1
 API Num: (30-) 015-28002 County: EDDY 11/21/94
 Footages 1980 FSL / 660 FEL Sec 2 Tsp 255 Rge 28E
 Operator Name: Marble Energy Corporation Contact Brian Collins
 Operator Address: P.O. BOX 227, ALTESA, NM, 88211-0227
 Current Status of Well: P&A 6/17/98 Planned Work: _____ Inj. Tubing Size: 27/8 @ 2625'

| | Hole/Pipe Sizes | Depths | Cement | Top/Method |
|-----------------|-----------------|-----------|--------|-----------------|
| Surface | 17 1/2 13 3/8 | 550' | 425 | CIRC |
| Intermediate | 12 1/2 8 5/8 | 2561 | 1375 | CIRC (OLD) |
| Production | 7 1/8 5 1/2 | 6600' | 835 | CIRC (2654' CB) |
| Last DV Tool | | DVE 5178' | | CIRC |
| Open Hole/Liner | | | | |
| Plug Back Depth | | 6600' | | |

Diagrams Included (Y/N): Before Conversion ☒ After Conversion ☒
 Checks (Y/N): Well File Reviewed ☒ ELogs in Imaging ☒

| Intervals: | Depths | Formation | Producing (Yes/No) |
|---------------------|--------|-----------|--------------------|
| Salt/Potash | OK | | |
| Capitan Reef | OK | | |
| Cliff House, Etc: | | | |
| Formation Above | 2615 | Lamar LS. | |
| Top Inj Interval | 2677 | Bell C. | |
| Bottom Inj Interval | 3958 | Cherry C. | |
| Formation Below | 4831 | Brushy C. | |

SWD 900 issued
10/19/03
in error

Fresh Water: Depths: _____ Wells (Y/N) Yes Analysis Included (Y/N): Yes Affirmative Statement ☒

Salt Water Analysis: Injection Zone (Y/N/NA) Del E DisPWaters (Y/N/NA) Yes Types: Del

Notice: Newspaper (Y/N) _____ Surface Owner Proposed! Mineral Owner(s) _____

Other Affected Parties: COOKSEY, SCHEFF, Faulkner

AOR/Repairs: NumActiveWells 1 Repairs? No Producing in Injection Interval in AOR NO

AOR Num of P&A Wells 1 Repairs? No Diagrams Included? Yes RBDMS Updated (Y/N) ☒

Well Table Adequate (Y/N) Yes AOR STRs: Sec _____ Tsp _____ Rge _____ UIC Form Completed (Y/N) ☒

New AOR Table Filename _____ Sec _____ Tsp _____ Rge _____ This Form completed 6/12/07

Conditions of Approval: Sec _____ Tsp _____ Rge _____ Data Request Sent 6/12/07

Send Newspaper NOTICE TO S.F.
Still Y PC? as operator?
Do they still object, as they did in 10/03?
 AOR Required Work: _____

Required Work to this Well: _____

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 |
|----------|-----|------|-------|----------|-------|----------|------------|-----------|-----------------|-----------------|--------|------------|
|----------|-----|------|-------|----------|-------|----------|------------|-----------|-----------------|-----------------|--------|------------|

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