| | 9/18/03 10/3/03 pWVJ 0329205536 |
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| ENE | IE OF NEW MEXICOOil Conservation DivisionFORM C-108RGY, MINERALS AND NATURAL1220 South St. Francis Dr.Revised June 10, 2003DURCES DEPARTMENTSanta Fe, New Mexico 87505 |
| | APPLICATION FOR AUTHORIZATION TO INJECT |
| I. | PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage Application qualifies for administrative approval? X Yes No |
| П. | 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 X 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: |
| | Attach data on the proposed operation, including: Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than opinion at a sone 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, and the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, and the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, and the proposed wells, etc.). |
| *V111 | 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). |
| *Xl. | 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. 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 |
| X11. | 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_COLLINSTITLE: PETROLEUM ENGINEER |
| | SIGNATURE: DATE: 16 Sept 03 |
| * | 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 P-35-24-28 SWD (Formerly Sylvester No. 1) 330' FSL 330' FEL P-35-24S-28E, Eddy County

1980

10.000,000

Marbob Energy Corporation proposes to re-enter the captioned well and convert it to salt water disposal service into the Delaware Sand. Marbob proposes to clean out to approximately 4100' and run 5 1/2" casing to 4100'.

- 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. Please note that the Tirano CNG State 2 (SW/4SW/4, Sec. 36-T24S-R28E) was <u>never drilled</u>. The lease map incorrectly shows the well at a location 990' FSL 990' FWL, having a TD of 6750'. A drilling pad was built and reclaimed at a location 330' FSL 330' FWL, as shown on the attached expired application to drill.
- 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 2675 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 2675' to 3900'. Any underground water sources will be shallower than 605'.
- 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 one fresh water well approximately one mile west of the proposed SWD well. The fresh water well is located NE/4NE/4, Sec. 3-T25S-R28E. A water analysis is attached.

- XIII. 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.

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| Side 1 | · · · · · · | INJECTION WELL DATA SE | <u>ILLI</u> | | | - |
|-----------------|--------------------------|------------------------|-----------------|----------------------------|------------|----------|
| OPERATOR: | arbob Energy G | prporation | | | | _ |
| WELL NAME & NUM | 1BER: South Malaga | P-35-24-28 SWD (1 | Formerly Sylves | ter No.1) | | |
| WELL LOCATION: | 330' FSL , 330' FEL | Р | 35 | 245 | 28e | |
| | FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE | |
| WE | <u>ELLBORE SCHEMATIC</u> | | | TRUCTION DAT ace Casing | | |
| | · • | Hole Size: | 1214 " | Casing Size: 8 | ī⁄β″e 605′ | |
| | | Cemented wi | th: 400 | sx. <i>or</i> | - | ft³ |

Top of Cement: Surface

See attached BEFORE and APTER wellbore schematics.

| Hole Size: | MLA | Casing Size | | |
|----------------|--------|---------------------------------|-------------------------|-----|
| Cemented with: | | SX. OF | | ft³ |
| Top of Cement: | | Method De | termined: | |
| | C | Production Casing Proposed) | g | |
| Hole Size: 7 | 7/8" | Casing Size | : 51/2" e 4100' | |
| Cemented with: | 475 | SX. <i>or</i> | | ft³ |
| Top of Cement: | 2000' | Method De | termined: <u>By Des</u> | 'gn |
| Total Depth: | 52.00' | | | |
| | | Injection Interva | <u>1</u> | |
| 2679 | 5 | feet to3 | 900 | |

Intermediate Casing

Method Determined: Circulated

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

| Tubing Size: 27/8 | | ning Material: <u>In</u> | | |
|----------------------------|------------------------|--------------------------|-------------|--------|
| Type of Packer: <u>IDK</u> | nickel plated | double grip | retrievable | packer |
| Packer Setting Depth:_ | 2625' | | | |
| Other Type of Tubing/0 | Casing Seal (if applic | able): <u>///</u> | <u></u> | |

Additional Data

1. Is this a new well drilled for injection? Yes <u>Y</u>No

If no, for what purpose was the well originally drilled? Dil & Gas

2. Name of the Injection Formation: <u>Delaware</u> Sand

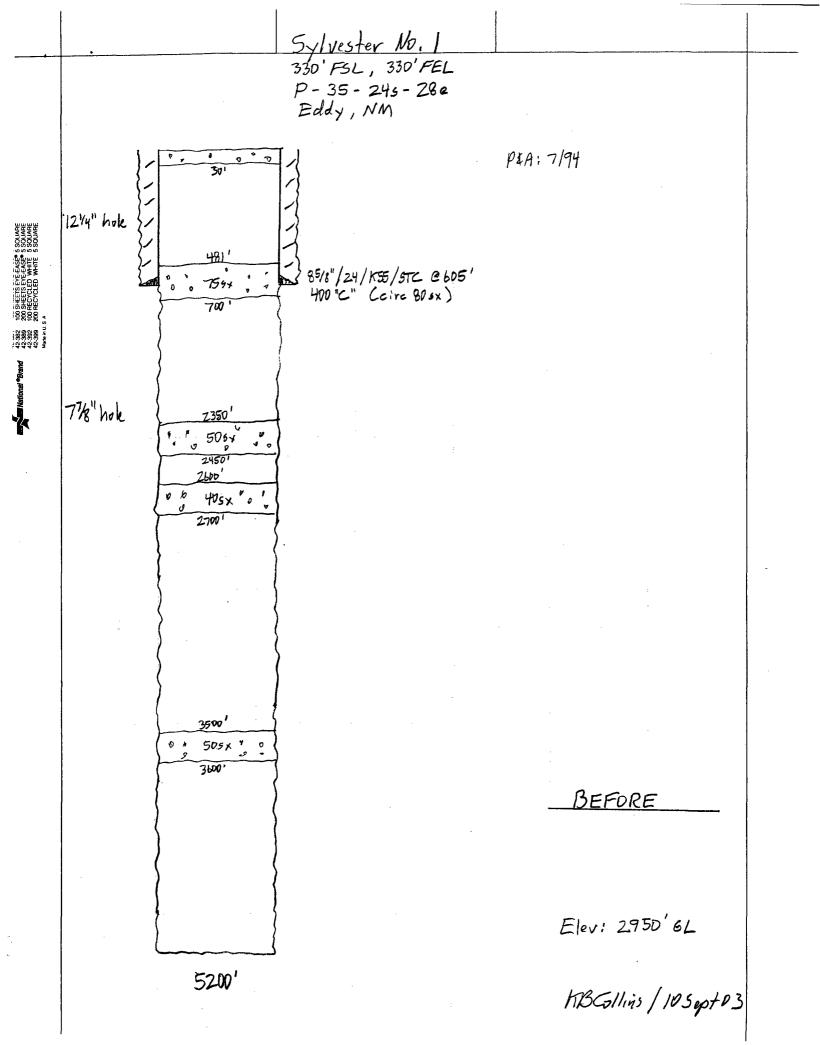
3. Name of Field or Pool (if applicable): <u>MA</u>

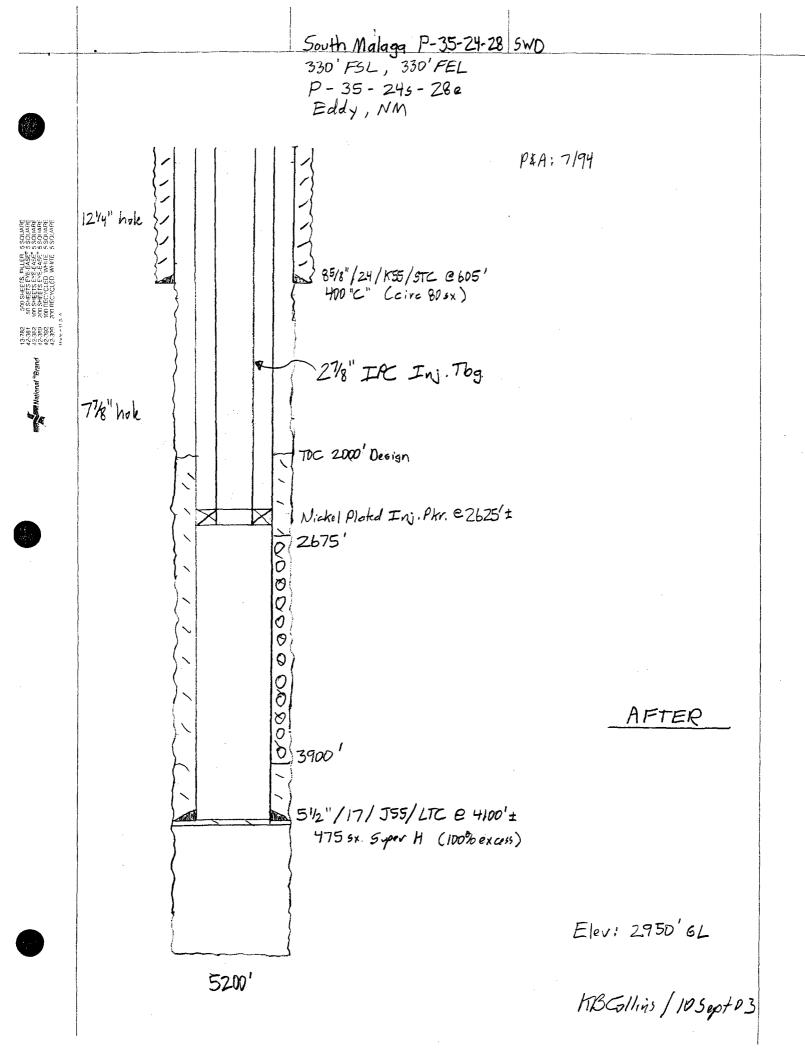
4.

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. No

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

| Underlying: | Delaware: 4500-6000' | · |
|-------------|--------------------------|---|
| | Bone Spring 6000 - 8000' | · |
| | Atoka 11700-12300' | |





Tirano CNG State No. 1 1980' FWL, 660' FSL N- 36- 245-28e Eddy County 171/2" hole 1338"/48/H40/STC @ 570' 250 HLC + 200°C' (cive 455x) 1214" hole TOC 2250' (cak 7%" hole + 50% exuss) 878"/24,32 @ 2574' 900 PSL + 200 "C" (Circ 805x) 73" hole 592 Holes 3000' 150 x "C" Within Area of Review \$ 4620-33' Sgod 150 5x 0 4817-22' Delaware 5 4900-10" 8,4984-97' Sgid 150 sx. Report 4984-97' 0 5244-48' CIBP+10'cmt 5350' SgzHoles 5372' 400 x "C" DV 5572' 576001-10' Bone Spring 6368 Elev: 2944'6L 51/2"/17/J55 @ 6539' 151: 385 "6" 6543' 2nd: Didn't prop ITBCollins / 12 Sept 03

| | | ~ | | | . ' | .: - | ~~~~ | | | (|
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Well Not Drilled. Drilling Pad Built, But Reclaimed. (Confirmed by personal visit to the proposed wellsite.) District I PO Box 1988, Bobbs, NM \$\$241-1988 District II PO Drawer DD, Artesia, NM \$2211-0719 District 🔟 1000 Rio Brazos Rd., Aster, NM \$7418 District IV PO Box 2088, Sabla Fe, NM 87504-2088

State of New Mexico Energy, Mineral & Natural Report Forest

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

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Form C-102 Revised February 10, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies ••

AMENDED REPORT

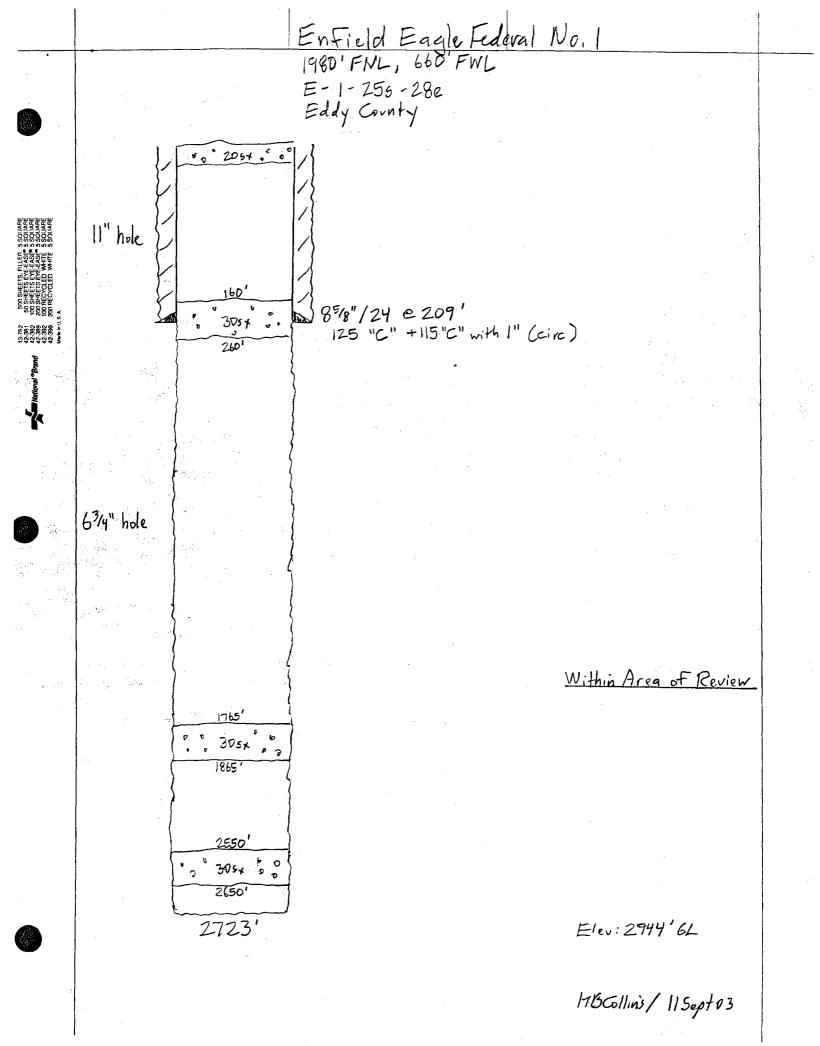
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WELL LOCATION AND ACREAGE DEDICATION PLAT .

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Tirano CNG State No.3 1980'FSL, 990'FWL L- 36-245-28e Eddy County 12'4" hole TOC 500'TS 85%"/28/K55/OTC e 550' 350 5x (circ 54 5x) 77/8" hole Within Area of Review ? DV 0 4612-22' CIBP+2 5x 4800' U 4822-26' Delaware KIBP 4890' 9 4906' 2 5000' CIBP 4969 ' 5"2"/15.5/K55/LTC e 5365' Elev: 2947.8'6L 151: 355 5x. 50/50 Poz 5365' 219: 780 HLC + 100"C" MBGILINS / 12 Sept 03



Coastal Hopi Federal No. 2 850' FNL, 1500' FWL Lot 3 - 1 - 255 - 28e Eddy County 12'4" hole 85/8"/24 @ 562' 490 °C" (cive) 13-782 42-381 42-382 42-389 42-399 42-399 42-399 77/8" hole Within Area of Review 8 4816' Delaware 51/2"/15,5 e 5111 ' 935 '5x (circ) Elev: 2934'62 5115' HBGILIAS/ 11 Sept 03

HALLIBURTON DIVISION LABORAT

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

No. W45-93

| TO | Hanagan Pe | troleum | | . | DateFebruary 7, 1993 |
|----------------------------|-----------------------------|---------|---|--|---|
| | P. O. Box : Roswell, N | | | lhereof, nor a ci the express wr | re proporty al Haliburton Services and nasher 4 nor any part top Prevait is to be published ar declosed wahout first securing them approval al toborstory management, 4 may howards, ba |
| Subaitte | | | | (singloy net Pro | te d'regulor bueness operatione by any person or concern and ear receiving such report team Heltburton Bernical |
| | | | | | Formation Delaware |
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| Specific | Gravity | 1.1856 | | Nater A | nalysis Representative |
| рН | •••••• | 7.0 | | of Prod | vced Delaware Water |
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| Magnesium | 1 | 9,000 | | <u>)elaware</u> | Water in the |
| Chloridea | | 170,000 | P | poposed | Injection Interval |
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| Remarks: | | | | | |

Respectfully submitted

Analyst: Art Carrasco - Technical Advisor

HALLIBURTON SERVICES



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 liable for any loss or damage, regardless of cause, including any act or omission of Haliburton, resulting from the use hereof HALLBURTON PERMAIN BASIN OPERATIONS LABORATORY

WATER ANALYSIS REPORT HOBBS, NEW MEXICO

| COMPANY | Marbob | | REPORT DATE DISTRICT | W03-189 September 10, 2003 Hobbs |
|---|---|--|----------------------------|--|
| SUBMITTED BY | DE | ter Analyses 255- | FORMATION | |
| COUNTY Wind SAMPLE | Eddy FIE dmill NE/4 NE/4 Sec.3 St. MA-1 SWD | Windmill NE/4 SE/4 Sec.4 SE SWE Well | SOURCE | |
| Sample Temp. RESISTIVITY SPECIFIC GR. pH | <u>78</u> °F <u>3.34</u> <u>1.001</u> 7.71 | 78 °F 2.99 1.001 7.42 | °F | °F |
| CALCIUM MAGNESIUM CHLORIDE | 900 mpl 540 mpl 90 mpl | - <u>1,250</u> mpl <u>135</u> mpl <u>473</u> mpl | mpł mpł mpł | mpl mpl mpl |
| SULFATES BICARBONATES SOLUBLE IRON KCL | light mpl 92 mpl 0 mpl | light mpl 61 mpl 0 mpl | mpi mpi mpi | mpl |
| Sodium TDS OIL GRAVITY | mpl mpl @°F | mpl mpl @°F | 0 mpl 0 mpl @ °F | 0 mpl 0 mpl @ ^F |
| REMARKS | | | | |

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.

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

ANALYST: Mike Armstrong



September 17, 2003

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

> Re: Legal Notices Salt Water Disposal Wells

Gentlemen:

Enclosed are legal notices regarding New Mexico Oil Conservation Division C-108 Application for Authorization to Inject for four salt water disposal wells.

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

Sincerely,

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Brian Collins Petroleum Engineer

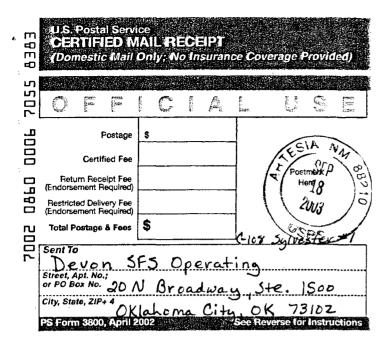
BC/dlw

enclosure

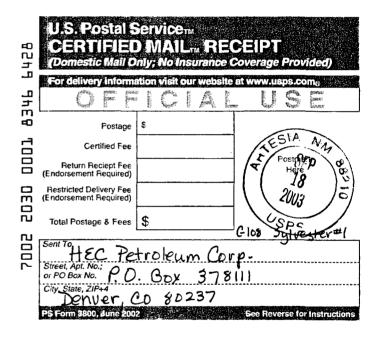
ARTESIA DAILY PRESS LEGAL NOTICES

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 Sylvester No. 1 is located 330' FSL and 330' FEL, Section 35, Township 24 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 2675' - 3900' 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 ______, 2003.







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September 16, 2003

Devon SFS Operating 20 N. Broadway, Ste. 1500 Oklahoma City, OK 73102

> Re: Application to Inject Sylvester No. 1 <u>Township 24 South, Range 28 East, NMPM</u> Section 35: 330' FSL 330' FEL, Unit P 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,

Inthin

Brian Collins Petroleum Engineer

BC/dlw enclosure

Devon SFS Operating has no objection to the proposed disposal well:

| By: | |
|--------|--|
| Title: | |
| Date: | |



September 16, 2003

HEC Energy Co. P. O. Box 378111 Denver, CO 80237

> Re: Application to Inject Sylvester No. 1 <u>Township 24 South, Range 28 East, NMPM</u> Section 35: 330' FSL 330' FEL, Unit P Eddy County, New Mexico

Gentlemen:

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

Sincerely,

Brian Collins Petroleum Engineer

BC/dlw enclosure

HEC Energy Co. has no objection to the proposed disposal well:

| By: | |
|--------|--|
| Title: | |
| Date: | |



September 16, 2003

St. Mary Land & Exploration 1776 Lincoln St., Ste. 1100 Denver, CO 80203-1080

> Re: Application to Inject Sylvester No. 1 <u>Township 24 South, Range 28 East, NMPM</u> Section 35: 330' FSL 330' FEL, Unit P 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,

Min

Brian Collins Petroleum Engineer

BC/dlw enclosure

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

| By: | |
|--------|--|
| Title: | |
| Date: | |