

DATE IN 5/2/08	SUSPENSE	ENGINEER W Jones	LOGGED IN 5/2/08	TYPE SWD 1128	APP NO. PKUR0812358653
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2008 MAY 2 PM 2:00 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS 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

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

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

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

Raye P. Miller
 Print or Type Name

Raye Miller
 Signature

Secretary/Treasurer
 Title

4/28/08
 Date

marbob@marbob.com
 E-Mail Address

April 25, 2008

Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. Mark E. Fesmire, Director

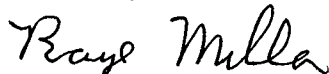
Re: Form C-108
Marbob Energy Corporation
Curly Federal Well No. 2
API No. 30-025-38442, 1650' FSL & 330' FEL, Unit I
Section 34, T-17S, R-32E, NMPM,
Lea County, New Mexico

Dear Mr. Fesmire,

Enclosed please find a Division Form C-108 (Application for Authorization to Inject) for the Marbob Energy Corporation ("Marbob") Curly Federal Well No. 2. **We request that the subject well be classified as a disposal well.** The well, which was drilled and completed in the North Young-Bone Spring Pool (Oil – 65350) in 2007, has watered out in that interval. Approval of the application will prevent the drilling of unnecessary wells by allowing Marbob to utilize the well in order to dispose of Bone Spring produced water from wells that it operates in this area. Production from the North Young-Bone Spring Pool in Section 34, and in offsetting Sections 35, T-17S, R-32E, and Sections 3 and 4, T-18S, R-32E, is marginal. In addition, the Curly Federal Well No. 2 is located at a structurally low position in this water-drive reservoir. For these reasons, and because of the limited amount of fluids that will be injected into this well, Marbob believes that approval of this application will not impair the correlative rights of offset operators, and will not adversely affect the Bone Spring reservoir.

I believe that all the information necessary to approve the application is enclosed. If additional information is needed, please contact me at (505) 748-3303.

Sincerely,



Mr. Raye P. Miller
Secretary-Treasurer
Marbob Energy Corporation

Xc: OCD-Hobbs

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No
- II. OPERATOR: Marbob Energy Corporation
ADDRESS: P.O. Box 227 Artesia, New Mexico 88211-0227
CONTACT PARTY: Mr. Raye P. Miller 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:
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: Raye P. Miller TITLE: Secretary-Treasurer
SIGNATURE: Raye Miller DATE: 4/28/08
E-MAIL ADDRESS: marbob@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: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108 Application
Marbob Energy Corporation
Curly Federal Well No. 2
API No. 30-025-38442 1650' FSL & 330' FEL (Unit I)
Section 34, T-17S, R-32E, NMPM
Lea County, New Mexico

- I. The purpose of the application is to request approval to convert the Curly Federal Well No. 2 to a produced water disposal well in the Bone Spring formation, North Young-Bone Spring Pool (65350).
- II. Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211-0227
Contact Party: Mr. Raye P. Miller
- III. Injection well data sheet is attached. In addition, a wellbore schematic is attached showing the proposed wellbore configuration.
- IV. This is not an expansion of an existing project.
- V. Map is attached and identified as Attachment A. This map shows all wells/leases within a 2-mile radius of the Curly Federal No. 2. Also shown on the map is a ½ mile radius circle (area of review) drawn around the Curly Federal No. 2.
- VI. Area of review well data is attached and identified as Attachment B. There are three wells, two active and one plugged and abandoned, within the area of review that penetrate the Bone Spring formation. Well construction data for the two active wells is presented, as well as a schematic diagram for the plugged and abandoned well showing all plugging detail (Attachment C).
- VII
 1. The average injection rate is anticipated to be approximately 200 BWPD. The maximum rate will be approximately 500 BWPD. If the average or maximum rates increase in the future, the Division will be notified.
 2. This will be a closed system.
 3. The injection pressure will initially be in conformance with the Division's gradient of 0.2 psi/ft. or 1714 psi. If a higher injection pressure is necessary, Marbob Energy Corporation will conduct a step rate injection test to determine the fracture pressure of the Bone Spring formation.
 4. Produced water from the Bone Spring formation originating from wells/leases that Marbob Energy Corporation operates in this area will be injected into the subject well. A Bone Spring formation water analysis

obtained from the New Mexico Tech web site shows total dissolved solids to be 163,926 mg/L within the Nadel & Gussman Heyco, LLC Young Deep Unit Well No. 9 (API No. 30-025-28400) located in Unit L of Section 3, Township 18 South, Range 32 East, NMMP. This water analysis is attached and identified as Attachment D

5. Injection is to occur into a formation that is oil productive.

- VIII. The Curly Federal No. 2 is located on the northern flank of the North Young-Bone Spring Pool. The Bone Spring formation in this area is approximately 3,496 feet thick, and is composed of a massive section of primarily tight dolomites and limestones with very little sand. Tight, non-permeable sections provide barriers to vertical migration of fluids from the proposed injection interval.

According to data obtained from the New Mexico Office of the State Engineer, there are no fresh water wells within one-mile of the Curly Federal No. 2. The closest fresh water well appears to be located in Section 4, Township 18 South, Range 32 East, NMMP. Data obtained from the New Mexico Office of the State Engineer, (Attachment E), shows this well to be approximately 133 feet deep, with fresh water present at a depth of 65 feet. Ground water resources are sparse in this area, and if present, are alluvial fill from the surface to a depth of approximately 100 feet.

- IX. No stimulation is planned.
- X. Logs were filed at the time of drilling.
- XI. As stated above, there are no fresh water wells located within one mile of the Curly Federal No. 2.
- XII. Affirmative statement is attached.
- XIII. Proof of Notice is attached.

INJECTION WELL DATA SHEET

OPERATOR: Marbob Energy Corporation

WELL NAME & NUMBER: Curly Federal Well No. 2

WELL LOCATION: 1650' FSL & 330' FEL 1 34 17 South 32 East
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

See Attached Wellbore Schematic

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8"

Cemented with: 475 Sx. or ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 12 1/4" Casing Size: 9 5/8"

Cemented with: 1000 Sx. or ft³

Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2"

Cemented with: 1st Stage-350 Sx. or ft³
2nd Stage-850 Sx.

Top of Cement: 1,500' Method Determined: T.S.

Total Depth: 9,630'

Injection Interval

Bone Spring: 8,572'-8,742' Existing Perforations
ABO 9,080'-9,203' Existing Perforations
9,204'-9,510' Possible Perforations

UAC. = 9520(TOP)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: Internally Plastic Coated

Type of Packer: Halliburton Nickel Coated Packer

Packer Setting Depth: 8,472' or within 100' of the uppermost injection perforations

Other Type of Tubing/Casing Seal (if applicable): None

Additional Data

1. Is this a new well drilled for injection: Yes X No

If no, for what purpose was the well originally drilled: Well was initially drilled as a Bone Spring producing well. The well has since watered out in the Bone Spring formation.

2. Name of the Injection Formation: Bone Spring

3. Name of Field or Pool (if applicable): North Young-Bone Spring Pool (65350)

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.

9,080'-9,203' Lower Bone Spring perforations are currently isolated by CIBP set @ 9,060'. CIBP will be drilled out.

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

Within Section 34: Queen--3,759'- Pearsall-Queen Pool; Grayburg/San Andres--4,108'-Maljamar Grayburg-San Andres Pool; Delaware--4,577', East Tamano-Delaware Pool

Marbob Energy Corporation

Curly Federal No. 2

API No. 30-025-38442

1650' FSL & 330' FEL (Unit I)

Section 34, T-17S, R-32E, NMPM,

Lea County, New Mexico

Well was originally drilled in August, 2007 and was completed as a producing well in the Bone Spring formation. Perforations from 9,080'-9,203' tested wet and non-productive in the Bone Spring interval. CIBP @ 9,060' will be drilled out and injection will occur into the Bone Spring formation from 8,572'-8,742' and 9,080'-9,203'. Additional permeable intervals within the Bone Spring formation may be perforated from 9,204'-9,510'.

AFTER

17 1/2" Hole; 13 3/8" 48# H-40 Csg.
Set @ 395'. Cemented w/ 475 Sx. P+.
Cement Circulated to Surface.

TOC by T.S. @ 1,500'

12 1/4" Hole; 9 5/8" 36# J-55 Csg.
Set @ 2,608'. Cemented w/ 750 Sx. HLPP +
250 Sx. P+. Cement Circulated to Surface.

D.V. Tool @ 6,986'

2 7/8" IPC Tubing Set
in a Halliburton Nickel
Coated Packer @ 8,472'

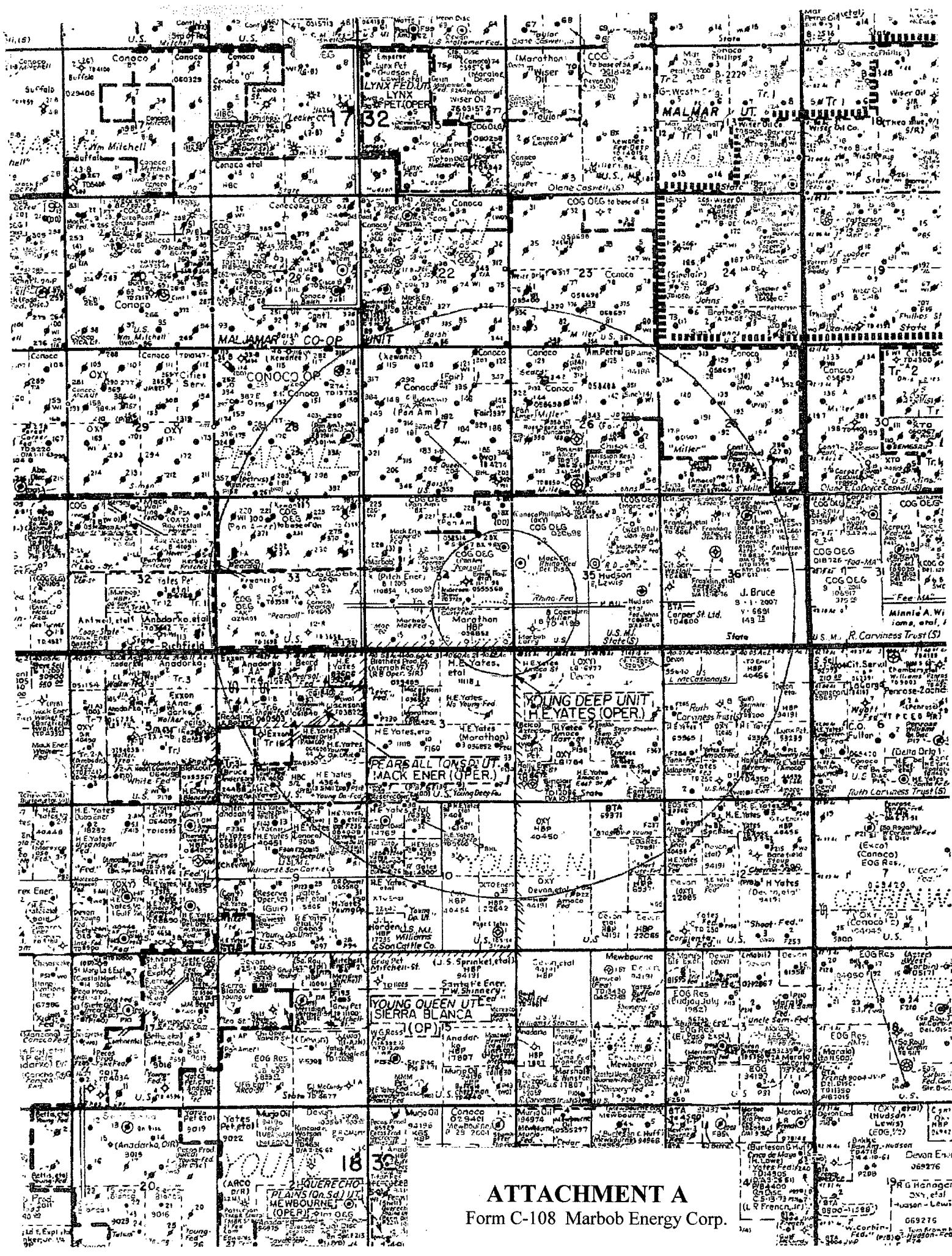
Existing Bone Spring Injection Perfs. 8,572'-8,742'

Existing Bone Spring Injection Perfs: 9,080'-9,203';

Possible Additional Bone Spring
Injection Perforations: 9,204'-9,510'

7 7/8" Hole; 5 1/2" 17# J-55, N-80 Csg. Set @ 9,596'.
Cemented 1st Stage: 150 Sx. HLP + 200 Sx. PB Super H.
Circulated 43 sx. to Pit. 2nd Stage: 750 Sx. HLP + 100 Sx.
PB Super H. TOC by Temperature Survey—1,500'

T.D. 9,630'

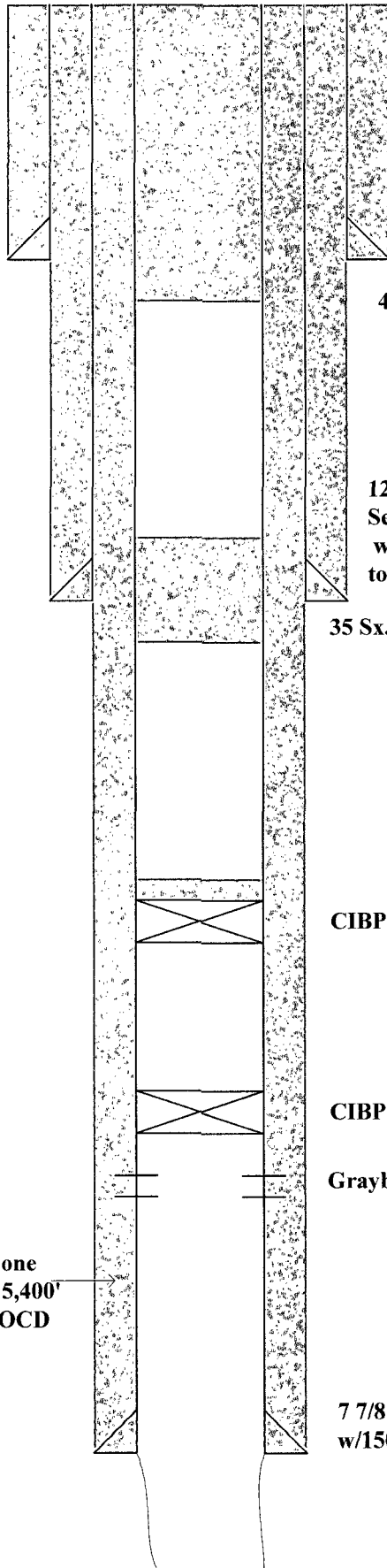


ATTACHMENT A
Form C-108 Marbob Energy Corp.

API NUMBER	OPERATOR	LEASE NAME	WELL NO.	WELL ST. TYPE	FTG. N/S	FTG. E/W	E/W UNIT	SEC.	TSHP	RNG	DATE DRILLED	TOTAL DEPTH	HOLE SIZE	CSG SIZE	SET AT	SX CMT.	CMT. TOP	METHOD	COMPLETION		
30-025-38133	Marbob Energy Corp.	Curly Federal	1	O	A	1650	S	1650	E	J	34	17S	32E	9.650'	17 1/2"	13 3/8"	425'	475'	Surface	Circ. 8,985'-9,249' Perf. Bone Spring Perforations 9,358"-9,407" isolated by CIBP @ 9,345'	
30-025-38362	Marbob Energy Corp.	Moe Federal	5	O	A	1650	S	2310	W	K	34	17S	32E	9.663'	12 1/4"	8 5/8"	1248'	580'	Surface	Circ. 8,596'-8,606' Perf. Bone Spring Perforations 9,178"-9,192" isolated by CIBP @ 9,150"	
30-025-38443	Marbob Energy Corp.	Larry Federal	1	N/A	N/A	330	S	1650	E	O	34	17S	32E								
30-025-38444	Marbob Energy Corp.	Larry Federal	2	N/A	N/A	330	S	330	E	P	34	17S	32E								
30-025-36511	Mack Energy Corp.	Pearall "BX"	7	O	PA	1800	N	1650	E	G	34	17S	32E	2004	6.020'	17 1/2" 12 1/4" 7 7/8"	13 3/8" 9 5/8" 5 1/2"	320' 2,347' 5,971'	376' 850' 1500'	Surface Circ. Circ.	4,356'-5,095' Perf. San Andres

ATTACHMENT B--FORM C-108
MARBOB ENERGY CORPORATION

**Mack Energy Corporation
Pearsall "BX" No. 7
API No. 30-025-36511
1800' FNL & 1650' FEL (Unit G)
Section 34, T-17S, R-32E, NMPM,
Lea County, New Mexico**



17 1/2" Hole; 13 3/8" Csg. Set @ 320' Cemented
w/376 Sx. Cement Circulated to Surface.

46 Sx. 372'-Surface

12 1/4" Hole; 9 5/8" Csg.
Set @ 2,347'. Cemented
w/ 850 Sx. Cement Circulated
to Surface.

35 Sx. @ 2,400' Tagged @ 2,132'

CIBP @ 3,575' w/35' of Cement on Top

CIBP @ 5,050'

Grayburg/San Andres Perforation: 4,356'-5,095'

7 7/8" Hole; 5 1/2" Csg. Set @ 5,971' Cemented
w/1500 Sx. Cement Circulated to Surface.

Well was drilled in 2004 and
completed in the Grayburg/San
Andres formation. Well was
subsequently plugged and abandoned
June 15, 2005.

Top Bone
Spring: 5,400'
As per OCD

T.D. 6,020'

ATTACHMENT C
Form C-108 Marbob Energy Corp.

NM WAIDS

[DATA](#)[MAPS](#)[HOME](#)[SCALE](#)

Water Samples for Well YOUNG DEEP UNIT 009

API = 3002528400

Formation = B SPG

Field = YOUNG NORTH

Current Water Production Information

Instructions:

Click 

For general information about this sample.

Click 

For scale calculation pages (Stiff-Davis or Oddo Tomson methods).

Click To select **this water sample** for water mixing. It will lead to the main page, and add the sample I table.Click 664Click the hyperlinked sample number to make a .csv for that sample, **or** select several check boxes for multiple samples

The ions are in (mg/L) units.

SampleID	T	R	S	SO4	CL	CO3	HCO3 K	Na	Ca
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6017



18S 32E 03 3012 98373 0 336 980 55438 5787

☒ SELECT/DESELECT ALL

ATTACHMENT D

Form C-108 Marbob Energy Corp.

Township: 18S Range: 32E Sections: 4

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) ☐ Non-Domestic ☐ Domestic
☒ All

POD / Surface Data Report

Avg Depth to Water Report

Water Column Report

[Clear Form](#)

iWATERS Menu

Help

WATER COLUMN REPORT 04/16/2008

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are biggest to smallest)

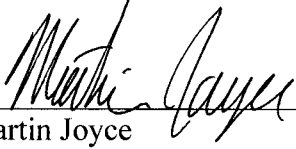
POD Number	Tws	Rng	Sec	q	q	q	Zone	X	Y	Well	Water	Column
CP 00566	18S	32E	04	1	4	4				133	65	6

Record Count: 1

Form C-108 Marbob Energy Corp.

Form C-108
Affirmative Statement
Marbob Energy Corporation
Curly Federal Well No. 2
API No. 30-025-38442 1650' FSL & 330' FEL (Unit I)
Section 34, T-17S, R-32E, NMPM
Lea County, New Mexico

Available geologic and engineering data have been examined and no evidence of open faults or hydrological connection between the disposal zone and any underground sources of drinking water has been found.

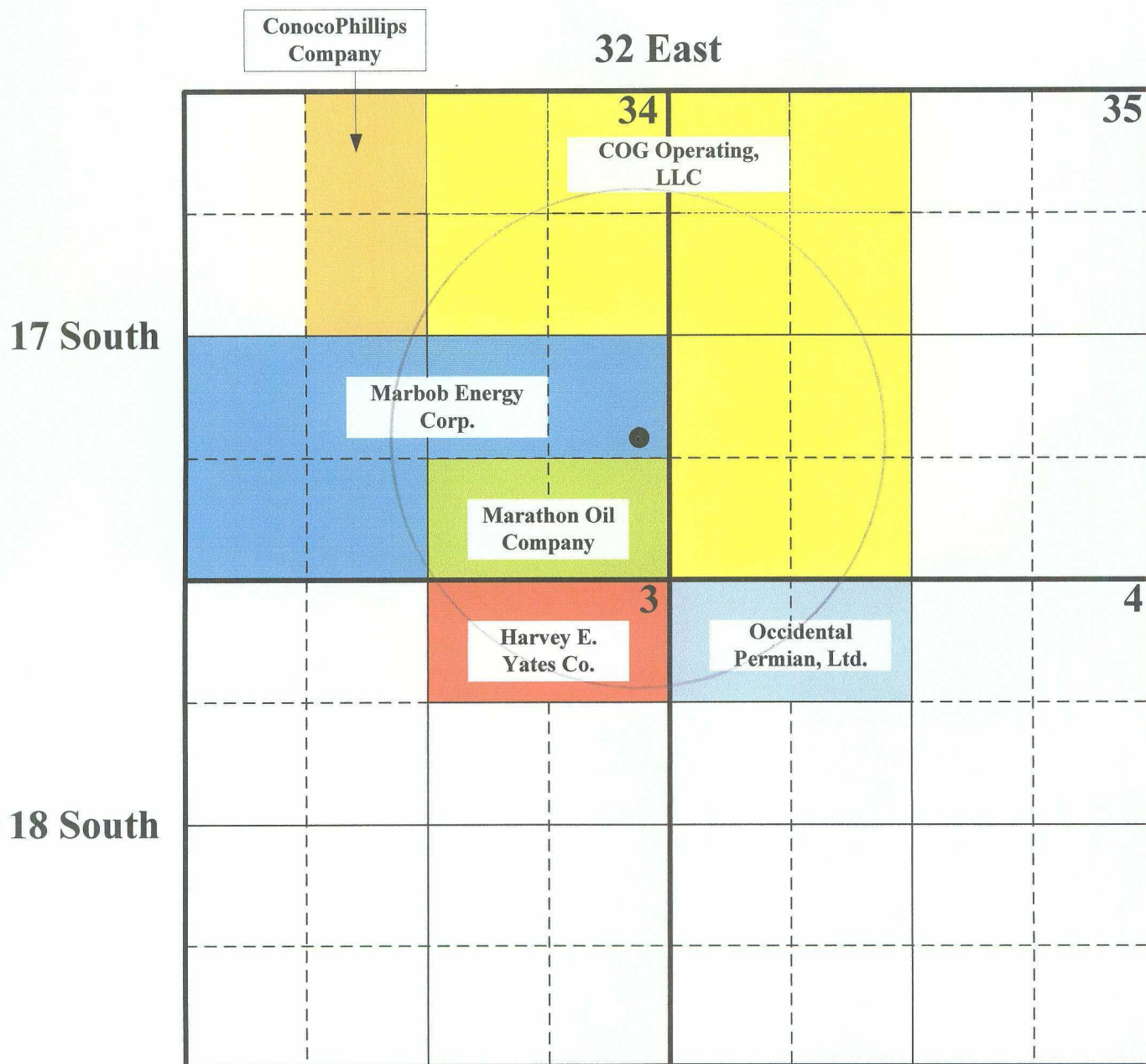


Martin Joyce
Geologist, Marbob Energy Corporation

4/28/08

Date

Form C-108
Marbob Energy Corporation
Curly Federal No. 2



Offset Leasehold Operator
Identification

Form C-108
Marbob Energy Corporation
Curly Federal Well No. 2
API No. 30-025-38442 1650' FSL & 330' FEL (Unit I)
Section 34, T-17S, R-32E, NMPM
Lea County, New Mexico

Offset Leasehold Operator Notification List

Harvey E. Yates Company
Box 1933
Roswell, New Mexico 88202

✓

Marathon Oil Company
5555 San Felipe Road
Houston, Texas 77056-2723

✓

Devon Energy Production Company, LP
20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

COG Operating, LLC
550 W. Texas Ave.
Suite 1300
Midland, Texas 79701

✓

ConocoPhillips Company
Box 2197
WL3 6106
Houston, Texas 77252

Occidental Permian, Ltd.
Box 4294
Houston, Texas 77210-4294

✓

Surface Owner

Bureau of Land Management
Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220

✓

April 25, 2008

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: OFFSET LEASEHOLD OPERATORS & SURFACE OWNER

Re: Marbob Energy Corporation
Form C-108 (Application for Authorization to Inject)
Curly Federal Well No. 2
API No. 30-025-38442
1650' FSL & 330' FEL, Unit I, Section 34, T-17S, R-32E, NMPM,
Lea County, New Mexico

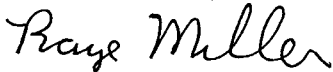
Ladies & Gentlemen:

Enclosed please find a copy of Oil Conservation Division Form C-108 (Application for Authorization to Inject) for the Marbob Energy Corporation Curly Federal Well No. 2. You are being provided a copy of the application as an offset operator, offset leaseholder or surface owner. Marbob Energy Corporation proposes to convert the subject well to a disposal well, injection to occur into the Bone Spring formation through perforations from 8,572'-8,742', 9,080'-9,203' and 9,204'-9,510'.

Objections must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days.

If you should have any questions, please contact me at (505) 748-3303.

Sincerely,



Raye P. Miller
Secretary-Treasurer
Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211-0227

Enclosure

Form C-108
Marbob Energy Corporation
Curly Federal Well No. 2
API No. 30-025-38442 1650' FSL & 330' FEL (Unit I)
Section 34, T-17S, R-32E, NMPM
Lea County, New Mexico

Legal notice will be published on May 2, 2008 in the:

*Hobbs News Sun
201 N. Thorp
Hobbs, New Mexico 88240*

Marbob Energy Corporation, P.O. Box 227, Artesia, New Mexico 88211-0227 has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to convert its Curly Federal Well No. 2 (API No. 30-025-38442) located 1650 feet from the South line and 330 feet from the East line (Unit I) of Section 34, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, to a produced water disposal well. Injection of produced water originating from the Bone Spring formation in the vicinity of the disposal well will be injected into the Bone Spring formation, North Young-Bone Spring Pool, through the perforated intervals from 8,572'-8,742', 9,080'-9,203' and 9,204'-9,510'. The maximum injection rate is anticipated to be 500 barrels of produced water per day at a maximum surface injection pressure of 1714 psi.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication.

Additional information can be obtained by contacting Mr. Raye P. Miller, Marbob Energy Corporation, at (505) 748-3303.

Note: Original publication will be forwarded to the Oil Conservation Division when published.

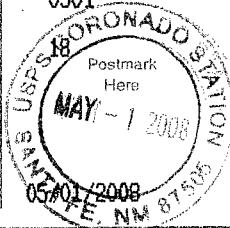
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PS Form 3800, August 2006

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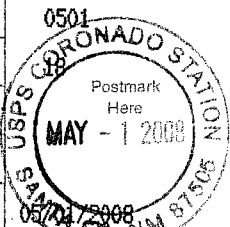
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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.28

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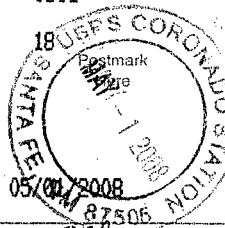
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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 4.13

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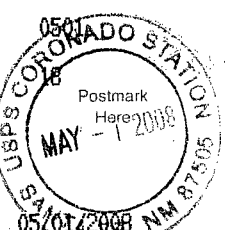
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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.28

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PS Form 3800, August 2006

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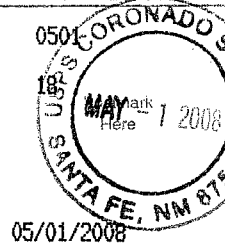
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PS Form 3800, August 2006

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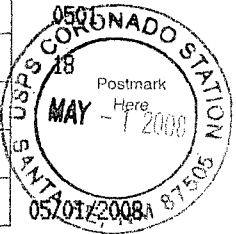
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Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.28



Sent To Harvey E. Yates Co.
Street, Apt. No.,
or PO Box No. Box 1933
City, State, ZIP+4 Roswell, New Mexico 88202

PS Form 3800, August 2008 See Reverse for Instructions

RECEIVED

2008 MAY 19 PM 3 58 May 15, 2008

Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Mr. William V. Jones

Re: Publication Notice
Marbob Energy Corporation
Curly Federal Well No. 2
API No. 30-025-38442
Section 34, T-17S, R-32E, NMPM,
Lea County, New Mexico

Mr. Jones:

Enclosed please find the publication notice for the Curly Federal Well No. 2. A Division Form C-108 was submitted for this well on May 2, 2008.

Thank You,

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

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

PUBLISHER

of the Hobbs News-Sun, a
newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of _____ 1 _____

_____ weeks.

Beginning with the issue dated

_____ May 2 _____ 2008

and ending with the issue dated

_____ May 2 _____ 2008

Kathi Bearden

PUBLISHER

Sworn and subscribed to before

me this _____ 2nd _____ day of

_____ May _____ 2008

Dora Montz
Notary Public.

My Commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: _____

LEGAL NOTICE
May 2, 2008

Marbob Energy Corporation, P.O. Box 227, Artesia, New Mexico 88211-0227 has filed a Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division seeking administrative approval to convert its Curly Federal Well No. 2 (API No. 30-025-38442) located 1650 feet from the South line and 330 feet from the East line (Unit 1) of Section 34, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, to a produced water disposal well. Injection of produced water originating from the Bone Spring formation in the vicinity of the disposal well will be injected into the Bone Spring formation, North Young-Bone Spring Pool, through the perforated intervals from 8,572' - 8,742', 9,080' - 9,203' and 9,204' - 9,510'. The maximum injection rate is anticipated to be 500 barrels of produced water per day at a maximum surface injection pressure of 1714 psi.

Interested parties must file objections with the New Mexico Oil Conservation Division, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505, within 15 days of the date of this publication.

Additional information can be obtained by contacting Mr. Raye P. Miller, Marbob Energy Corporation, at (505) 748-3303.

#24040

OCD-HOBBS
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

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

2. Name of Operator **MARBOB ENERGY CORPORATION**

3a. Address
P O BOX 227, ARTESIA, NM 88211-0227

3b. Phone No. (include area code)
505-748-3303

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**SEC. 34-T17S-R32E, UNIT 1
1650 FSL 330 FEL, NE/4SE/4**

5. Lease Serial No.

NMNM0555568

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

CURLY FEDERAL #2

9. API Well No.

30-025-38442

10. Field and Pool, or Exploratory Area

YOUNG; BONE SPRING, NORTH

11. County or Parish, State

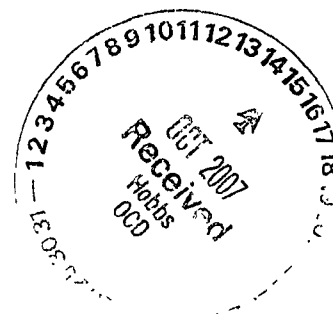
LEA COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other TD CSG/CMT
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

TD WELL @2:00 PM ON 08/29/07, DRLD 7 7/8" HOLE TO 9630', RAN 243 JTS (9492.15') 5 1/2" 17# CSG (6983.55' J-55 & 2608.60' N-80) TO 9596.60'. CMTD 1ST STG W/150 SX HLP, TAILED IN W/200 SX PB SUPER H, CIRC 43 SX TO PIT, PD @1:54 PM ON 08/31/07. CMTD 2ND STG W/750 SX HLP, TAILED IN W/100 SX PB SUPER H, DP @7:24 PM ON 08/31/07, DNC. RAN TEMP SURVEY - TOC @1500'. REL RIG @MIDNIGHT ON 08/31/07. WOC 18 HRS, TSTD CSG TO 1500# F/30 MIN - HELD OK.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

DEBORA L. WILBOURN

Title **GEOTECH**

Signature

Deborah L. Wilbourn

Date

09/04/2007

ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Title

Date

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

Office

Title 18 U.S.C. Section 1001 and Title 42 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

G W W

WELL LOGS

K Z

API number:	30-025-38442		
OGRID:		Operator:	MARBOB ENERGY CORP
		Property:	CURLY FEDERAL # 2

surface	ULSTR:	I	34	T	17S	R	32E
			1650	FSL	330	FEL	

BH Loc	ULSTR:	I	34	T	17S	R	32E
			1650	FSL	330	FEL	

Ground Level:	3930	DF:	3947	KB:	3948	
Datum:	KB			TD:	3946	

Land: **FEDERAL**

Completion Date: (1) **10/12/2007**
 Date Logs Received: **11/28/2007** ***LATE***
 Date Logs Due in: (2) **11/1/2007**

Confidential:	NO			Date out:		
---------------	----	--	--	-----------	--	--

Confidential period. 90 Days for State & Fee, 1 Year for federal

Date Due In: (1) is equal to Completion Date (1) + 20 days

Logs	Depth interval		
DSN/SDL	200	9613	Spectral Density Dual Spaced Neutron
DLL/MGRD	2600	9613	Dual Laterolog Micro Guard Log

K Z

OCD TOPS

Rustler	1196	Strawn		
Tansill		Atoka		
Yates	2622	Morrow		
7R	3076			
T. Bowers Sd	3457	Austin		
B. Bowers Sd	3552	Chester		
Queen	3759	Miss Lime		
Penrose				
Grayburg				
Getaway Bank				
Delaware Sd	4577			
Bone Spring	5400			
1st Sd				
2nd Carb				
2nd Sd	7778			
3rd Carb	8283			
3rd Sd	8783			
Abo	9060			
Wolfcamp	9520			

Injection Permit Checklist 2/8/07

SWD Order Number 1128 Dates: Division Approved _____ District Approved _____

Well Name/Num: Curly Federal #2 Date Spudded: 2007

API Num: (30-) 025-38442 County: Lea

Footages 1650 FSL/330 FEL Sec 34 Tsp 17S Rge 32E

Operator Name: Marbob Energy Corp Contact RAYE P. MILLER

Operator Address: PO Box 227, ARTESA, NM, 88211-0227

Current Status of Well: Watered OUT Planned Work: _____ Inj. Tubing Size: 2 7/8" 8472'

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	17 1/2" 13 3/8"	395'	75	CIRC
Intermediate	12 1/4" 9 5/8"	2608'	1000	CIRC.
Production	7 7/8" 5 1/2"	963'	1=350 2=850	1500' T.S. above D.V. CIRC below D.V.
Last DV Tool		6,786'		
Open Hole/Liner				
Plug Back Depth				

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	1300 - 2400'		
Capitan Reef			
Cliff House, Etc.			
Formation Above	QW/BGSA/DEL = Producing		
Top Inj Interval	8572	B.S.	Yes
Bottom Inj Interval	9510	B.S.	Yes
Formation Below	9540 - W.C.		

(5572-8742)
BS
- Water Drive/Watered OUT
- STRUT. LOW
- LIMITED INT
- BS = OIL
ABO perf and TASP
1714 PSI Max. WHIP
NO Open Hole (Y/N)
NO Deviated Hole (Y/N)

Fresh Water: Depths: 0-133' Wells (Y/N) None Analysis Included (Y/N): _____ Affirmative Statement ☒

Salt Water Analysis: Injection Zone (Y/N/NA) Bone Spring Disposition (Y/N/NA) yes Types: Bone Spring

Notice: Newspaper (Y/N) ☒ Surface Owner BLM Mineral Owner(s) _____

Other Affected Parties: HEICO/CO. ARMS/Down/OXT/COG OPER./Maurice

AOR/Repairs: NumActiveWells 2 Repairs? NO Producing in Injection Interval in AOR Yes

AOR Num of P&A Wells 0 Repairs? _____ 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 ☒

Conditions of Approval: Sec _____ Tsp _____ Rge _____ Data Request Sent _____

SWAB Test near Perfs.

Lower B.S. inj interval

Paul Kenty Picked

AOR Required Work: ABO below

Required Work to this Well: _____
