

5-19-04
DATE IN

6/3/04
SUSPENSE

ENGINEER Jones

5-20-04
LOGGED IN

TYPE SWD

APP NO. Psem0414129830

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
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.

Print or Type Name _____ Signature _____ Title _____ Date _____

_____ e-mail Address _____

STDS
 ABE = ?
 1 AOR
 1 PEA
 0 ACTVA
 New Drill

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, 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:
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: *Brian Collins* DATE: 5/14/04

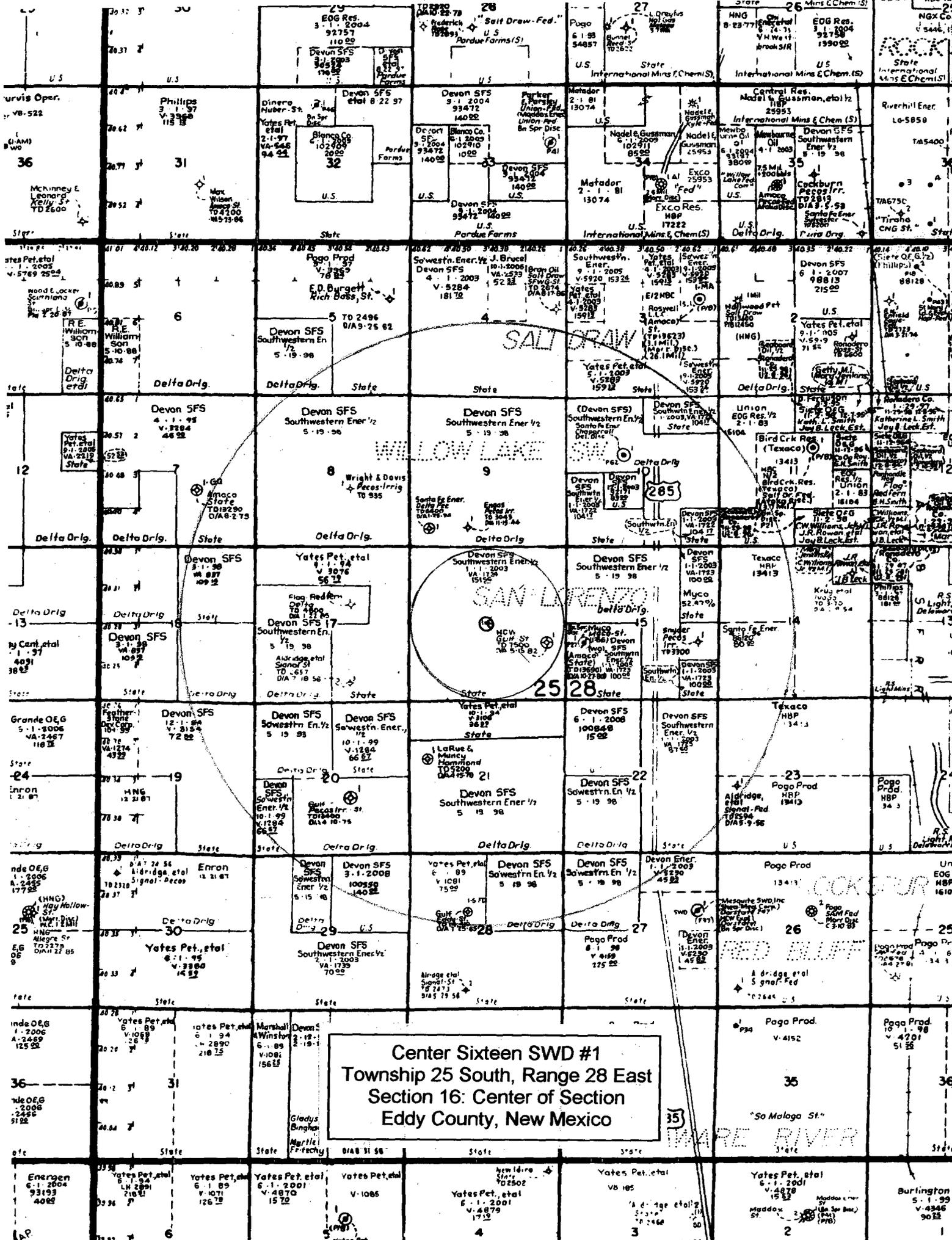
E-MAIL ADDRESS: engineering@marbob.com

* 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
Center Sixteen SWD No. 1
2640' FSL 2640' FWL
Center of Sec. 16-25S-28E, Eddy County

Marbob Energy Corporation proposes to drill 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 = 560 psi
(0.2 psi/ft. x 2800 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 2800' to 3800'. Any underground water sources will be shallower than 400'.
- 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 will be filed with the Division after the well has been drilled.
- XI. There are no fresh water wells within one mile of the proposed SWD well.
- 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.



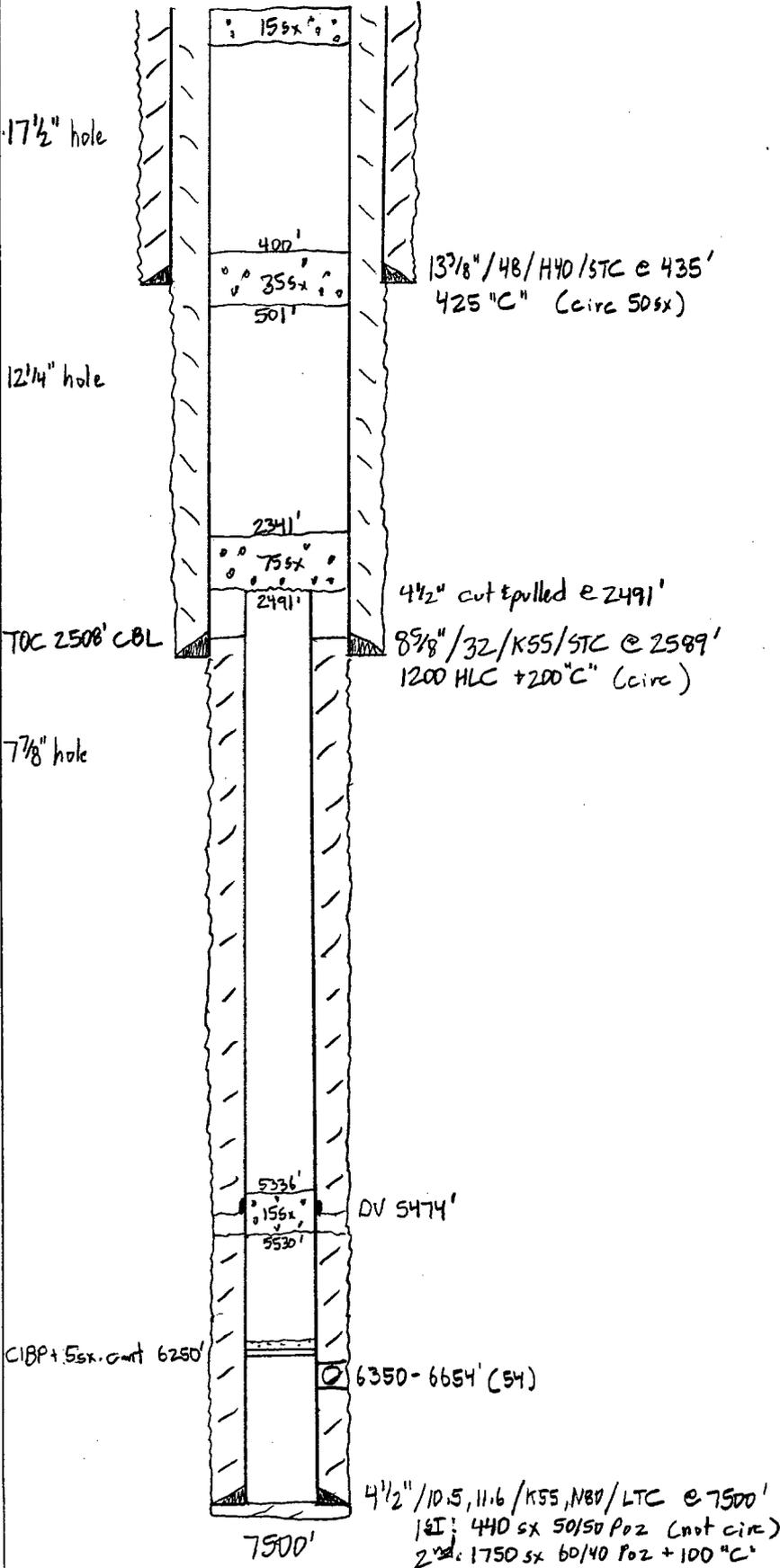
Center Sixteen SWD #1
Township 25 South, Range 28 East
Section 16: Center of Section
Eddy County, New Mexico

35
 So Malaga St.
 MARE RIVER

HCW Gulf 16 St. No. 1

1980' FSL, 660' FEL
 I-16-25s-28e
 Eddy, NM

P&A: 5/82



Within Area of Review

Elev: 2981' GL

HB Collins / 10 Sept 03

200 SHEETS 5 X 8 SQUARE
 100 RECYCLED WHITE
 5 SQUARE
 42-382
 42-389
 200 RECYCLED WHITE
 5 SQUARE
 MADE IN U.S.A.

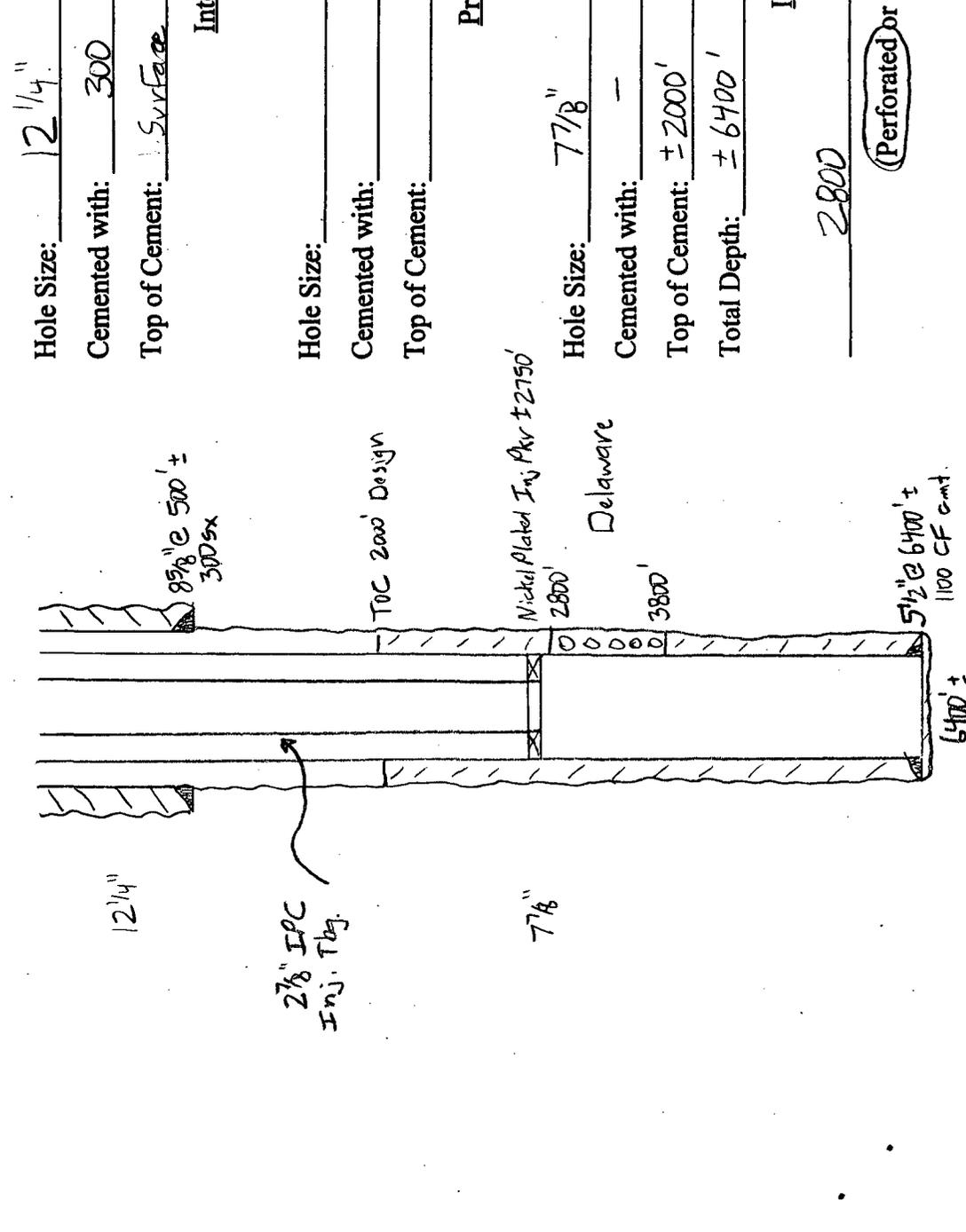


INJECTION WELL DATA SHEET

Side 1

OPERATOR: Marloob Energy Corp.
 WELL NAME & NUMBER: Center Sixteen SWD No. 1
 WELL LOCATION: 2640' FSL, 2640' FWL Center of Section
 FOOTAGE LOCATION: _____ UNIT LETTER: _____ SECTION: 16 TOWNSHIP: 25s RANGE: 28e

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA (Proposed)

Surface Casing

Hole Size: 12 1/4" Casing Size: 8 5/8" @ ± 500'
 Cemented with: 300 sx. or _____ ft³
 Top of Cement: Surface Method Determined: Will be circulated
Intermediate Casing

Hole Size: _____ Casing Size: _____
 Cemented with: _____ sx. or _____ ft³
 Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2" @ ± 6400'
 Cemented with: _____ sx. or 1100 ft³
 Top of Cement: ± 2000' Method Determined: Design
 Total Depth: ± 6400'

Injection Interval

_____ feet to 3800

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: Plastic
Type of Packer: Nickel plated double grip retrievable
Packer Setting Depth: ± 2750'
Other Type of Tubing/Casing Seal (if applicable): -

Additional Data

1. Is this a new well drilled for injection? Yes No
If no, for what purpose was the well originally drilled? _____
2. Name of the Injection Formation: Delaware Sand
3. Name of Field or Pool (if applicable): -
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: None
Underlying: Delaware 4500-6000', Bone Spring 6000-8000'
Atoka 11700-12300

HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

No. W45-93

TO Hanagan Petroleum
P. O. Box 1737
Roswell, NM 88201

Date February 7, 1993

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

Resistivity052
Specific Gravity .. 1.1856
pH 7.0
Calcium 24,250
Magnesium 9,000
Chlorides 170,000
Sulfates 250
Bicarbonates 350
Soluble Iron + 500

Water Analysis Representative
of Produced Delaware Water
to be Injected and of
Delaware Water in the
Proposed Injection Interval

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



marbob
energy corporation

May 14, 2004

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

Re: Legal Notice
Salt Water Disposal Well

Gentlemen:

Enclosed is a legal notice regarding New Mexico Oil Conservation Division C-108 Application for Authorization to Inject for a salt water disposal 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 Center Sixteen SWD No.1 is located 2640' FSL and 2640' FWL, Section 16, 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 2800' - 3800' at a maximum surface pressure of 560 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.



marbob
energy corporation

May 14, 2004

Featherstone Development Corporation
1801 W. Second St.
Roswell, NM 88201

Re: Application to Inject
Center Sixteen SWD No. 1
Township 25 South, Range 28 East, NMPM
Section 16: 2640 FSL 2640 FWL
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

Featherstone Development Corporation has no objection to the proposed disposal well:

By: _____

Title: _____

Date: _____



marbob
energy corporation

May 14, 2004

State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87504

Re: Application to Inject
Center Sixteen SWD No. 1
Township 25 South, Range 28 East, NMPM
Section 16: 2640 FSL 2640 FWL
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 Land Office 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
CERTIFIED MAIL™

7002 2030 0001 8264 1024
 7002 2030 0001 8264 1024

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

C-108 Center 16

Sent To
 NM State Land office
 Street, Apt. No.,
 or PO Box No. PO Box 1148
 City, State, ZIP+4
 Santa Fe, NM 87504-1148

PS Form 3800, June 2002 See Reverse for Instructions

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
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 7002 2030 0001 8264 1031

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

C-108 Center 16

Sent To
 Featherstone Development Corp
 Street, Apt. No.,
 or PO Box No. 1801 W. 2nd
 City, State, ZIP+4
 Roswell, NM 88201

PS Form 3800, June 2002 See Reverse for Instructions