

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 _____



2005 APR 4 PM 1 29

marbob
energy corporation

March 28, 2005

New Mexico Oil Conservation Division
1220 St. Francis Drive
Santa Fe, New Mexico 87504

Attention: Mr. Michael Stogner
Petroleum Engineer

30-015-33662

Re: Unorthodox Location
Administrative Approval Request
Rio Siete Federal No. 1
1050' FSL & 1320' FEL, Unit P
Section 1, T21S, R24E
Eddy County, New Mexico

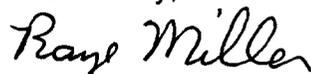
Dear Mike:

Marbob Energy Corporation respectfully requests administrative approval for an unorthodox location of the Rio Siete Federal No. 1 well as referenced above. This well was originally drilled as an orthodox gas well on 320 acre spacing. The well was tested in several Morrow sections but none were commercially productive. Also the well was tested in the Atoka and the Wolfcamp. Finally the last zone tested was the Bone Spring. This zone appears to contain commercial production. We are not aware of any Bone Spring production in this area and did not anticipate the 40 acre proration unit. This well was originally permitted by Pecos Production Company. Marbob Energy Corporation and Como Petroleum Company operate three wells in this area and none of them appear to be potentially productive in the Bone Springs. We worked an agreement with Pecos whereby all three entities are partners in this well with Marbob being operator. The Bone Springs has a proration unit of 40 acres. Attached is an OCD Form C-102 showing the proposed oil well spacing unit along with a map showing the adjoining spacing units. The well is unorthodox to the north and west inside boundary of the SE/4SE/4. The south half of Section 1 is federal lease NM-10156. The ownership is identical under that lease. Notice of this unorthodox approval request has been sent to each of

the working interest owners in the well, the overriding royalty owner (Marathon Oil Company) and the royalty owner (BLM). Each of the offset proration units outside of the south half of Section 1 are owned by the same parties and as such, no additional notice is required. Copies of the notice receipts will be forwarded to you as soon as we received them. We will further commit that future wells we drill in this area will be located where they would be orthodox for a gas well and an oil well if at all possible.

Thank you for your consideration of this. If you need to talk with me further please call me at 800-748-1550.

Sincerely,

A handwritten signature in cursive script that reads "Raye Miller".

Raye Miller
Land Department

RM/mp
Attachments

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number		Pool Code	Pool Name
		97031	Cementary; Morrow, SE
Property Code	Property Name		Well Number
	RIO SIETE FEDERAL		1
OGRD No.	Operator Name		Elevation
215758	PECOS PRODUCTION COMPANY		3626'

Surface Location

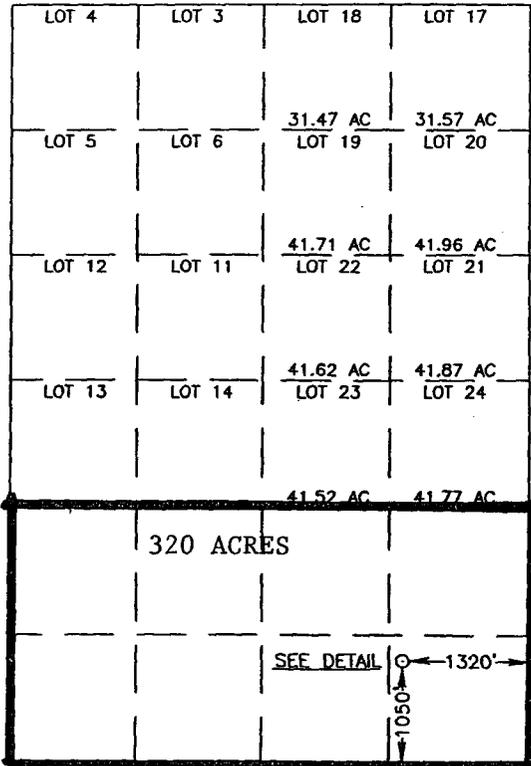
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	1	21-S	24-E		1050'	SOUTH	1320'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



GEODETIC COORDINATES
NAD 27 NME

Y=547207.9 N
X=465018.3 E

LAT.=32°30'15.60" N
LONG.=104°26'48.50" W

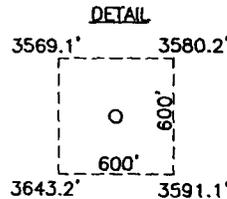


Exhibit #2

OPERATOR CERTIFICATION

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

Dora Lara
Signature

Dora Lara
Printed Name

Engr Asst.
Title

7-28-04
Date

SURVEYOR CERTIFICATION

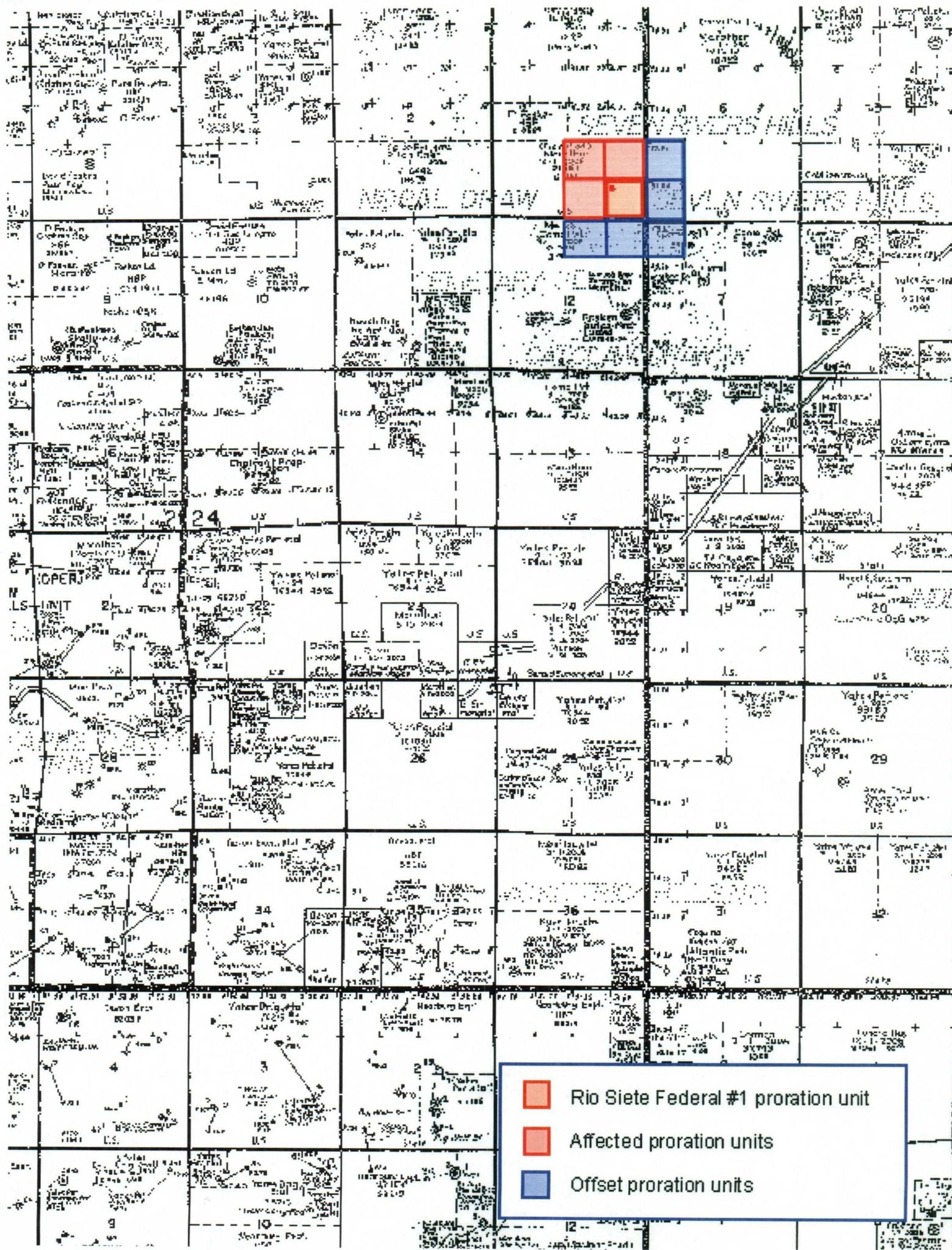
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

JUNE 25, 2004

Date Surveyed
Signature & Seal
Professional Surveyor

Gary Edson
NEW MEXICO
6/29/04
04.11.0800

Certificate No. GARY EDSON 12641



- Rio Siete Federal #1 proration unit
- Affected proration units
- Offset proration units



marbob
energy corporation

March 30, 2005

Bureau of Land Management
2909 W. 2nd Street
Roswell, NM 88201

RE: Unorthodox Location Application
Rio Siete Federal #1
1050' FSL & 1320' FEL, Unit P
Section 1-T21S-R24E
Eddy County, New Mexico

Gentlemen:

Marbob Energy Corporation has submitted an Application to the Oil Conservation Division for the unorthodox location for the above described well. A copy of the Application is enclosed for your review.

Please accept this letter as the required notification to you as royalty interest owner in this well and the offset proration units. Objections may be filed within 15 days with:

Mr. Mike Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Should you have any questions regarding the Application, please contact me.

Sincerely,

Raye Miller
Land Department

RM/mp
Enclosure



marbob
energy corporation

March 30, 2005

Marathon Oil Company
Southern Business Unit
P.O. Box 3487
Houston, TX 77253-3487

Attention: Mr. Joe Rusnak

RE: Unorthodox Location Application
Rio Siete Federal #1
1050' FSL & 1320' FEL, Unit P
Section 1-T21S-R24E
Eddy County, New Mexico

Dear Joe:

Marbob Energy Corporation has submitted an Application to the Oil Conservation Division for the unorthodox location for the above described well. A copy of the Application is enclosed for your review.

Please accept this letter as the required notification to you as an overriding royalty interest owner in this well and the offset proration units. Objections may be filed within 15 days with:

Mr. Mike Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Should you have any questions regarding the Application, please contact me.

Sincerely,

Raye Miller
Land Department

RM/mp
Enclosure



marbob
energy corporation

March 30, 2005

Como Petroleum Corporation
1308 South Sunset
Roswell, NM 88201

RE: Unorthodox Location Application
Rio Siete Federal #1
1050' FSL & 1320' FEL, Unit P
Section 1-T21S-R24E
Eddy County, New Mexico

Gentlemen:

Marbob Energy Corporation has submitted an Application to the Oil Conservation Division for the unorthodox location for the above described well. A copy of the Application is enclosed for your review.

Please accept this letter as the required notification to you as a working interest owner in this well and the offset proration units. Objections may be filed within 15 days with:

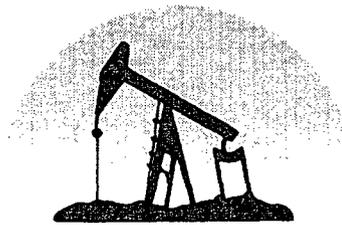
Mr. Mike Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Should you have any questions regarding the Application, please contact me.

Sincerely,

Raye Miller
Land Department

RM/mp
Enclosure



marbob
energy corporation

March 30, 2005

Pecos Production Company
400 West Illinois, Suite 1070
Midland, TX 79701-4639

RE: Unorthodox Location Application
Rio Siete Federal #1
1050' FSL & 1320' FEL, Unit P
Section 1-T21S-R24E
Eddy County, New Mexico

Gentlemen:

Marbob Energy Corporation has submitted an Application to the Oil Conservation Division for the unorthodox location for the above described well. A copy of the Application is enclosed for your review.

Please accept this letter as the required notification to you as a working interest owner in this well and the offset proration units. Objections may be filed within 15 days with:

Mr. Mike Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Should you have any questions regarding the Application, please contact me.

Sincerely,

Raye Miller
Land Department

RM/mp
Enclosure

N.M. Oil Cons. Div
 UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT
 Grand Avenue
 Artesia, NM 88210

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 **RECEIVED**

2. Name of Operator **MARBOB ENERGY CORPORATION** **JAN 21 2005**

3a. Address **P O BOX 227** 3b. Phone No. (include area code)
ARTESIA, NM 88211-0227 **505-748-3303**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC. 1-T21S-R24E, SE/4SE/4
1050' FSL' 1320' FEL

5. Lease Serial No.
NMNM101561

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
RIO SIETE FEDERAL #1

9. API Well No.
30-015-33662

10. Field and Pool, or Exploratory Area
CEMETERY

11. County or Parish, State
EDDY 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	CSG/CMT
	<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 recomplate 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 recompletion 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 8 3/4" HOLE @1:15 PM ON 01/11/05. DRLD 8 3/4" HOLE TO 10420'. RAN 244 JTS (10423.39') 4 1/2" 11.6# M-95 CSG TO 10420'. CMTD W/650 SX SUPER H, PD @12:00 NOON ON 01/13/05; DID NOT CIRC, RAN TEMP SURVEY - TOC @6100'. WOC 18 HRS. TSTD CSG TO 1500# F/30 MIN.

ACCEPTED FOR RECORD

LES BABYAK
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed) **DEBORA L. WILBOURN** Title **GEOTECH**
 Signature *Debra L. Wilbourn* Date **01/18/05**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ 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 43 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)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B 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 14-T21S-R24E; SE/4SE/4
 1050 FSL 1320 FEL**

5. Lease Serial No.

NMNM101561

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

RIO SIETE FEDERAL #1

9. API Well No.

30-015-33662

10. Field and Pool, or Exploratory Area
CEMETERY

11. County or Parish, State

EDDY 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 SPUD 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 recompletable 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 recompletable 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.)

SPUD WELL @5:00 AM ON 12/12/04. DRED 12 1/4" HOLE TO 1537' @4:45 PM ON 12/17/04. RAN 34 JTS (1545.35') 9 5/8" 36# J-E CSG TO 1537'. CMTD W/100 SX P+ & 450 SX HLPP, TAILED IN W/250 SX P+, PD @1:30 AM ON 12/18/04, DID NOT CIRC, 1" TTL 270 SX P+, CIRC 20 SX TO PIT, WOC 18 HRS, TSTD CSG TO 600# 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

Debora L. Wilbourn

Date **12/21/04**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 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)

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		RECEIVED DEC 28 2004	5. Lease Serial No. NMNM101561
2. Name of Operator MARBOB ENERGY CORPORATION			6. If Indian, Allottee or Tribe Name
3a. Address P O BOX 227 ARTESIA, NM 88211-0227		3b. Phone No. (907) 497-5252	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R. M., or Survey Description) SEC 1-T21S-R24E, SE/4SE/4 1050 FSL 1320 FEL			8. Well Name and No. RIO SIETE FEDERAL #1
			9. API Well No. 30-015-33662
			10. Field and Pool, or Exploratory Area CEMETERY
			11. County or Parish, State EDDY 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 SPUD 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 recomplete 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 recompletion 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.)

SPUD WELL @5:00 AM ON 12/12/04. DRLD 12 1/4" HOLE TO 1537' @4:45 PM ON 12/17/04. RAN 34 JTS (1545.35') 9 5/8" 36# J-E CSG TO 1537'. CMTD W/100 SX P+ & 450 SX HLPP, TAILED IN W/250 SX P+, PD @1:30 AM ON 12/18/04, DID NOT CIRC, 1" TTL 270 SX P+, CIRC 20 SX TO PIT, WOC 18 HRS, TSTD CSG TO 600# F/30 MIN - HELD OK.

ACCEPTED FOR RECORD

DEC 27 2004

acs
ALEXIS C. SWOBODA
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) DEBORA L. WILBOURN	Title GEOTECH
Signature <i>Debora L. Wilbourn</i>	Date 12/21/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by ----- 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.	Title -----	Date -----
	Office -----	

Title 18 U.S.C. Section 1001 and Title 43 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)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. RIO SIETE FEDERAL 1
2. Name of Operator MARBOB ENERGY CORPORATION		9. API Well No. 30-015-33662-00-X1
3a. Address P O BOX 227 ARTESIA, NM 88211-0227	3b. Phone No. (include area code) Ph: 505-748-3303	10. Field and Pool, or Exploratory CEMETERY
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T21S R24E SESE 1050FSL 1320FEL		11. County or Parish, and State EDDY COUNTY, NM

RECEIVED
DEC - 8 2004
OCC-ARTESIA

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original PD
	<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 recomplete 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 recompletion 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.)

MARBOB ENERGY CORPORATION PROPOSES TO CHANGE THE ORIGINAL APPROVED CASING PROGRAM AS FOLLOWS:

SURF CSG FROM: 11" HOLE, F/O-1550', 8 5/8" CSG
TO: 12" HOLE, F/O-1550', 9 5/8" CSG

PROD CSG FROM: 7 7/8" HOLE, F/O-10500', 4 1/2" CSG
TO: 8 3/4" HOLE, F/O-10500', 4 1/2" CSG

14. I hereby certify that the foregoing is true and correct. Electronic Submission #51519 verified by the BLM Well Information System For MARBOB ENERGY CORPORATION, sent to the Carlsbad Committed to AFMSS for processing by LINDA ASKWIG on 12/06/2004 (05LA0143SE)	
Name (Printed/Typed) DEBBIE WILBOURN	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 12/03/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By LES BABYAK	Title PETROLEUM ENGINEER	Date 12/06/2004
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 Carlsbad

Title 18 U.S.C. Section 1001 and Title 43 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.

District II
1301 W. Grand Ave., Artesia, NM
88210

State of New Mexico
Energy, Minerals and Natural Resources

Form C-104A
Permit 2752

Oil Conservation Division

1220 S. St Francis Dr.
Santa Fe, NM 87505

RECEIVED

NOV 19 2004

OOB:ARTESIA

Change of Operator

Previous Operator Information

OGRID: 215758
Name: PECOS PRODUCTION COMPANY
Address: 400 W Illinois
Address: Suite 1070
City, State, Zip: Midland, TX 79701

New Operator Information

Effective Date: 11/01/2004
OGRID: 14049
Name: MARBOB ENERGY CORP
Address: PO Box 227
Address:
City, State, Zip: Artesia, NM 88211-0227

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Previous Operator

Signature: Dora Lara
Printed Name: DORALARA
Title: Engr. Asst.
Date: 11/17/04 Phone: 432-620-8480

New Operator

Signature: Melanie Parker
Printed Name: Melanie J Parker
Title: Land Department
Date: 11/18/04 Phone: 505-748-3303

NMOCD Approval

Electronic Signature: Tim Gum, District II
Date: December 07, 2004

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

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1. Type of Well
 Oil Well Gas Well Other

OCT 0 6 2004

2. Name of Operator
Pecos Production Company

RECEIVED

3a. Address
400 W. ILLINOIS, STE 1070, MIDLAND, TX 79701

3b. Phone No. (include area code)
432-620-8480

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1050' FSL & 1320' FEL, SEC 1, T21S, R24E

5. Lease Serial No.
NM101561

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
RIO SIETE FEDERAL #1

9. API Well No.

10. Field and Pool, or Exploratory Area
CEMENTARY; MORROW, SE

11. County or Parish, State
EDDY CO, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input checked="" 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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input type="checkbox"/> Other _____

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 recomplate 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 recompletion 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.)

THE ORIGINAL APPROVED APD FOR THIS WELL ALLOWS THE SURFACE HOLE TO BE DRILLED WITH FRESH WATER TO 1550'.

DUE TO THE NATURE OF THE DRILLSITE AND THE PROBABILITY OF LOST RETURNS IN THE SURFACE HOLE, PECOS PRODUCTION PROPOSES TO DRILL THE SURFACE HOLE WITH AIR AND AERATED FRESH WATER INSTEAD.

THE PROPOSED CHANGE WOULD PREVENT WASTE BY GREATLY REDUCING THE AMOUNT OF FRESH WATER THAT WOULD BE REQUIRED TO DRILL THIS SECTION OF HOLE.

APPROVED
OCT - 4 2004
LES BABYAK
PETROLEUM ENGINEER

RECEIVED
SEP 31 PM 1 56
ALBUQUERQUE FIELD OFFICE

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

DORA LARA

Title Engr Asst.

Signature

Dora Lara

Date

09/29/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

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 43 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)

8057

Larry

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-3
(April 2004)

0822

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: DRILL REENTER
1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
Pecos Production Company

3a. Address 400 W. Illinois, Suite 1070, Midland, TX 79701
3b. Phone No. (include area code) 432-620-8480 U/des.

4. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface 1050' FSL & 1320' FEL
At proposed prod. zone 1050' FSL & 1320' FEL
RECEIVED
SEP 15 2004

14. Distance in miles and direction from nearest town or post office*
OOD-ARTESIA

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1050'
16. No. of acres in lease 320

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. NA
19. Proposed Depth 10,500'

21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3626' GL
22. Approximate date work will start* Upon Approval

24. Attachments
CARLSBAD CONTROLLED WATER BASIN

- The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:
- 1. Well plat certified by a registered surveyor.
 - 2. A Drilling Plan.
 - 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
 - 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
 - 5. Operator certification
 - 6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *William R. Huck* Name (Printed/Typed) William R. Huck Date 07/27/2004
Title VP- Engr. & Operations

Approved by (Signature) /s/ Joe G. Lara Name (Printed/Typed) /s/ Joe G. Lara Date 13 SEP 2004
Title FIELD MANAGER Office CARLSBAD FIELD OFFICE

Application approval 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.
Conditions of approval, if any, are attached.
APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 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)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Witness Surface Casing.

DISTRICT I
1625 N. FRENCH DR., BOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
1901 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
	97031	Cementary; Morrow, SE
Property Code	Property Name	Well Number
	RIO SIETE FEDERAL	1
OGRID No.	Operator Name	Elevation
215758	PECOS PRODUCTION COMPANY	3626'

Surface Location

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	1	21-S	24-E		1050'	SOUTH	1320'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

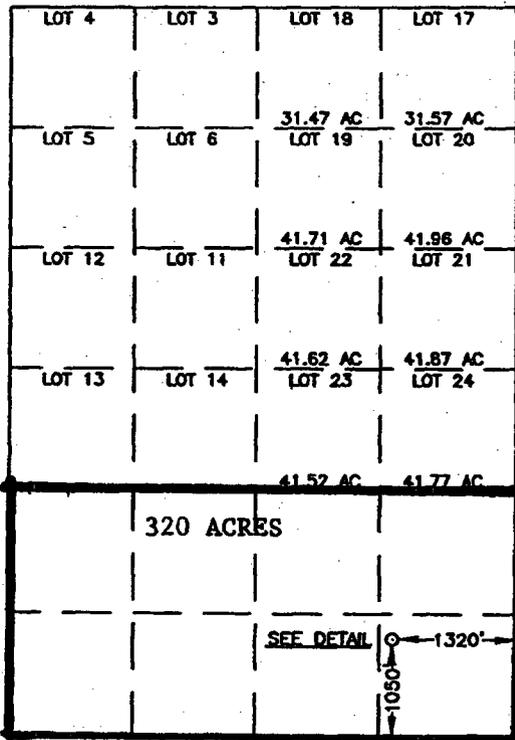


Exhibit #2

GEODETIC COORDINATES
NAD 27 NME

Y=547207.9 N
X=465018.3 E

LAT.=32°30'15.60" N
LONG.=104°26'48.50" W

OPERATOR CERTIFICATION

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

Dora Lara
Signature

Dora Lara
Printed Name

Engr Asst.
Title

7-28-04
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JUNE 25, 2004

Date Surveyed
Signature of Surveyor
Professional Surveyor

GARY EIDSON
GARY EIDSON
NEW MEXICO
04.11.0800
6/29/04
Certificate No. GARY EIDSON 12641

