DATE IN 8/25/06	SUSPENSE 9/10/06	ENGINEER WILL JONES	LOGGED IN 8/28/06	TYPE SWD 1042	APP NO. pTDS0624051012

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

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

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, ENGINEER 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: _____ DATE: AUG 7, 2006

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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

2006 AUG 8 PM 2 09

Application for Authorization to Inject
Lusk Deep Unit 2 SWD
Unit O, Section 18-T19S-R32E

V. Map is attached.

VI. Three wells within the 1/2 mile radius area of review penetrate the proposed injection zone. A wellbore diagram of each one is attached.

VII. 1. Proposed average daily rate = 2500 BWPD
Proposed maximum daily rate = 10000 BWPD
2. Proposed maximum injection pressure = 2244 psi (0.2 psi/ft)
3. System is closed
4. Majority of injected water will be Bone Spring produced water. Analysis of produced water is attached.
5. Analysis of disposal zone water is attached. The Strawn is depleted and is not productive within a mile of the Lusk Deep Unit 2. There is a Strawn disposal well just east of the proposed well (Lusk Deep Unit A-19, N-17-19S-32E, SWD-821.)

VIII. The injection zone is the Strawn limestone from 11220' to 11250'. Underground sources of drinking water will be shallower than 850 feet deep.

IX. The proposed injection zone will be acidized with 10,000 gallons 15% HCL acid, if necessary.

X. Logs are filed with the Division. A section of the sonic log is attached.

XI. There are no fresh water wells within one mile of the Lusk Deep Unit 2.

XII. After examining available geologic and engineering data, there is no evidence 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.

III.

WELL DATA

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Marbob Energy Corp.

WELL NAME & NUMBER: Lusk Deep Unit 2

WELL LOCATION:	660' FSL, 1980' FEL	O	18	19s	32e
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

Attached

Propose to reenter well, clean out to top 5" liner @ 11299', run 5½" 17 ppF P110 casing to 11299', cement with sufficient Super H cement to bring TOC to 9000'± and perforate the original Strawn zone 11220'-11250' for SWD service.

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17½" Casing Size: 13⅜" @ 4462'

Cemented with: 3400 sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 12¼" Casing Size: 9⅝" 4462'-11400'

Cemented with: 525 sx. *or* _____ ft³

Top of Cement: 8990' Method Determined: Temperature Survey

Production Casing

Hole Size: 8⅜" Casing Size: 5" 11299-13551'

Cemented with: _____ sx. *or* 717 ft³

Top of Cement: 11299' Method Determined: Drilled cement down to liner top 11299'

Total Depth: 13974'

Injection Interval

11220' feet to 11250'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

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

Type of Packer: Nickel plated 10K double grip retrievable

Packer Setting Depth: 11175' ±

Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

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

   If no, for what purpose was the well originally drilled? Oil and gas production.

2. Name of the Injection Formation: Strawn

3. Name of Field or Pool (if applicable): Lusk

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. Yes

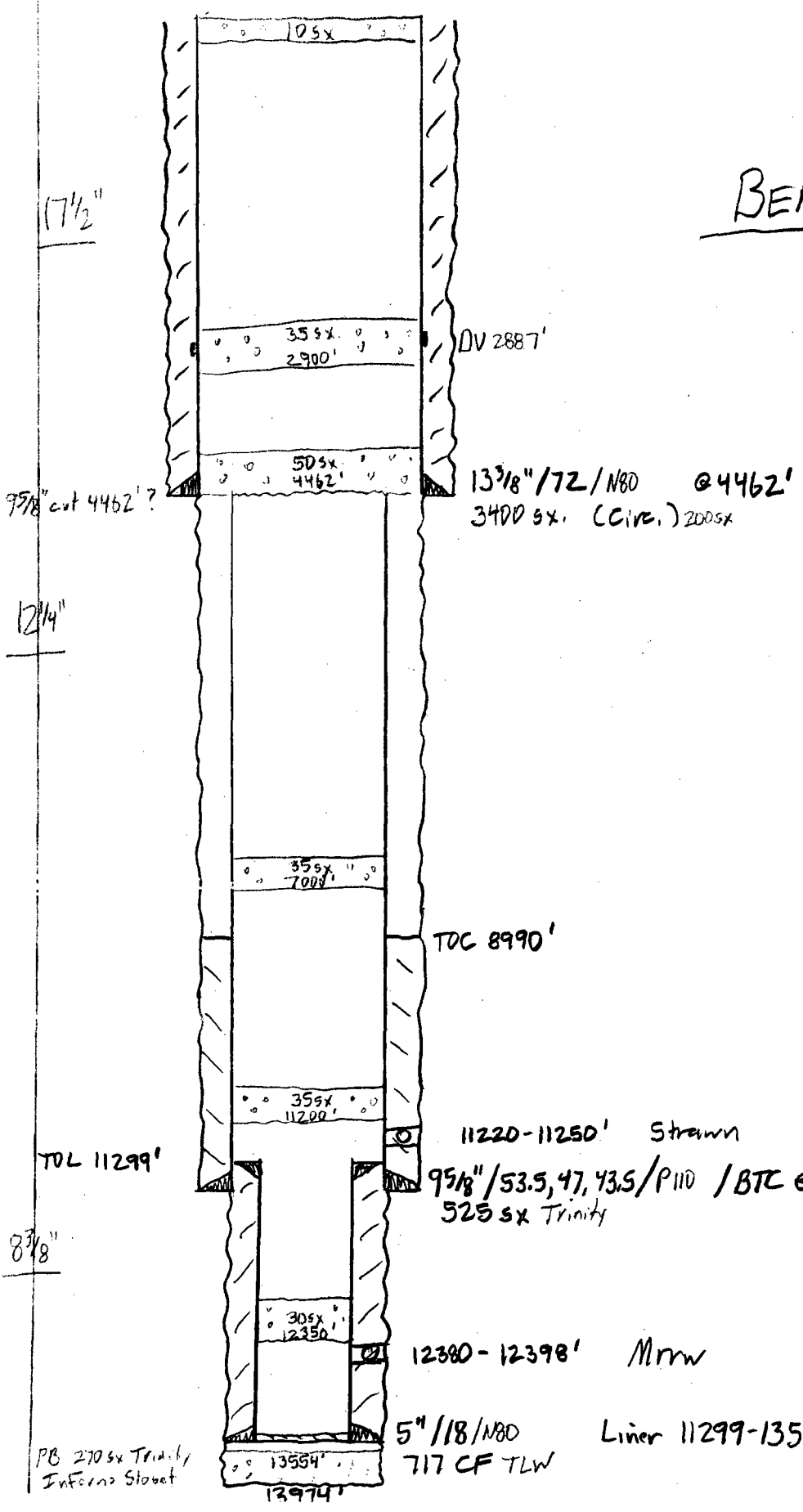
   See attached wellbore schematic.

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

   Overlying: Yates Seven Rivers ±2500', Delaware ±4800'
   Bone Spring ±8000', Wolfcamp ±10400'
   Underlying: Atoka ± 11600', Morrow ±12100'

Lusk Deep Unit 2

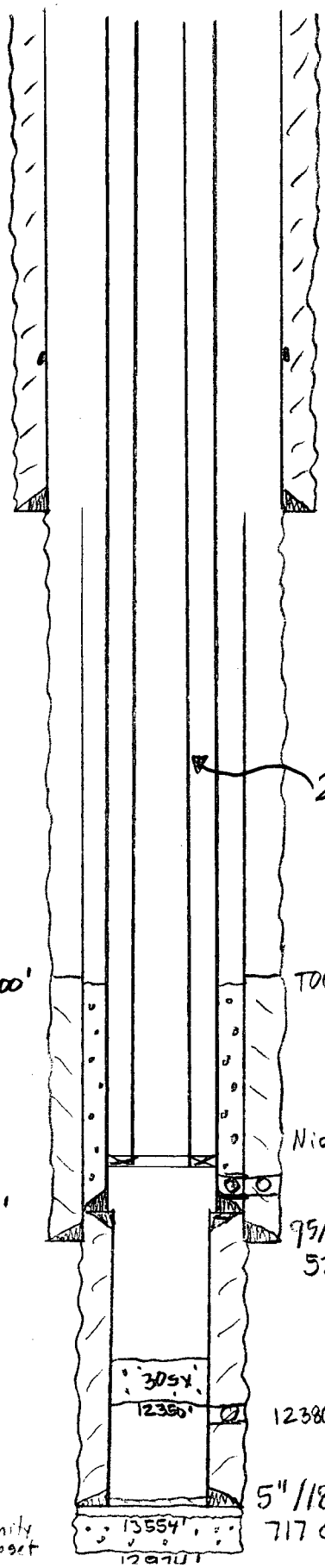
660' FSL, 1980' FEL
Sec. 18 - 19s - 32e
Lea Co., NM



BEFORE

Lusk Deep Unit 2
660' FSL, 1980' FEL
Sec. 18 - 19s - 32e
Lea Co., NM

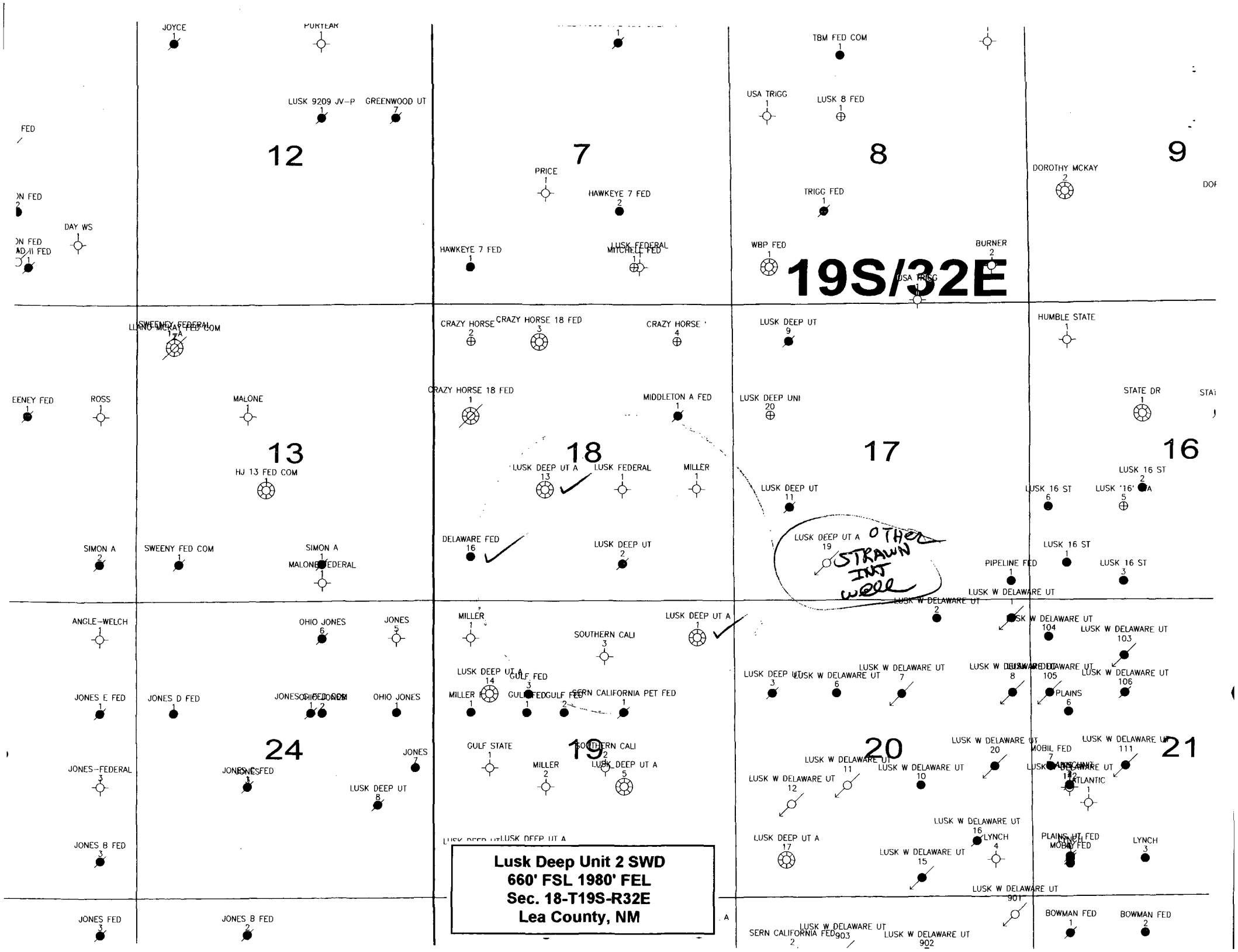
AFTER



V.

MAP

Wells within 1/2 Mile Radius


JOYCE 1
PURYEAR
LUSK 9209 JV-P 1
GREENWOOD UT 7
12
FED
ON FED
DAY WS 1
ON FED
AD II FED 1
1
7
PRICE 1
HAWKEYE 7 FED 2
HAWKEYE 7 FED 1
LUSK FEDERAL MITCHELL FED 11
TBM FED COM 1
USA TRIGG 1
LUSK 8 FED 1
8
TRIGG FED 1
WBP FED 1
BURNER 2
USA TRIGG 1
19S/32E
9
DOROTHY MCKAY 2
DOI
SWEENEY FEDERAL
LLANO MCKAY FED COM 1A
EENEY FED 1
ROSS 1
MALONE 1
13
HJ 13 FED COM 1
SIMON A 2
SWEENY FED COM 1
SIMON A
MALONE FEDERAL 1
CRAZY HORSE 2
CRAZY HORSE 18 FED 3
CRAZY HORSE 4
CRAZY HORSE 18 FED 1
MIDDLETON A FED 1
18
LUSK DEEP UT A 13
LUSK FEDERAL 1
MILLER 1
DELAWARE FED 16
LUSK DEEP UT 2
LUSK DEEP UT 9
LUSK DEEP UNI 20
17
LUSK DEEP UT 11
LUSK DEEP UT A 19
OTHER STRAWN INT WELL
HUMBLE STATE 1
STATE DR 1
16
LUSK 16 ST 2
LUSK 16 ST 6
LUSK '16' ST A 5
LUSK 16 ST 1
LUSK 16 ST 3
PIPELINE FED 1
LUSK W DELAWARE UT 1
LUSK W DELAWARE UT 2
ANGLE-WELCH 1
OHIO JONES 6
JONES 5
JONES E FED 1
JONES D FED 1
JONES OHIO FED COM 1 2
OHIO JONES 1
24
JONES-FEDERAL 3
JONES FED 3
JONES 7
LUSK DEEP UT 8
JONES B FED 3
MILLER 1
SOUTHERN CALI 3
LUSK DEEP UT A 14
MILLER 1
GULF FED 3
GULF FED 1
GULF FED 2
SERN CALIFORNIA PET FED 1
GULF STATE 1
MILLER 2
SOUTHERN CALI 2
LUSK DEEP UT A 5
19
LUSK DEEP UT A 1
LUSK DEEP UT 3
LUSK W DELAWARE UT 6
LUSK W DELAWARE UT 7
LUSK W DELAWARE UT 8
LUSK W DELAWARE UT 105
LUSK W DELAWARE UT 106
LUSK W DELAWARE UT 103
LUSK W DELAWARE UT 104
PLAINS 6
LUSK W DELAWARE UT 20
LUSK W DELAWARE UT 11
LUSK W DELAWARE UT 12
LUSK W DELAWARE UT 10
MOBIL FED 7
ATLANTIC 1
LUSK W DELAWARE UT 111
20
21
LUSK DEEP UT A 17
LUSK W DELAWARE UT 15
LUSK W DELAWARE UT 16
LYNCH 4
PLAINS UT FED
MOBIL FED
LYNCH 3
LUSK W DELAWARE UT 901
JONES FED 3
JONES B FED 2
SERN CALIFORNIA FED 2
LUSK W DELAWARE UT 903
LUSK W DELAWARE UT 902
BOWMAN FED 1
BOWMAN FED 2
Lusk Deep Unit 2 SWD
660' FSL 1980' FEL
Sec. 18-T19S-R32E
Lea County, NM

VI.

Well Data on Wells Penetrating Strawn within 1/2 Mile Radius Area of Review

Well: Lusk Deep Unit A-1

Location: 660' FNL, 660' FEL
A-19-19s-32e
Lea NM

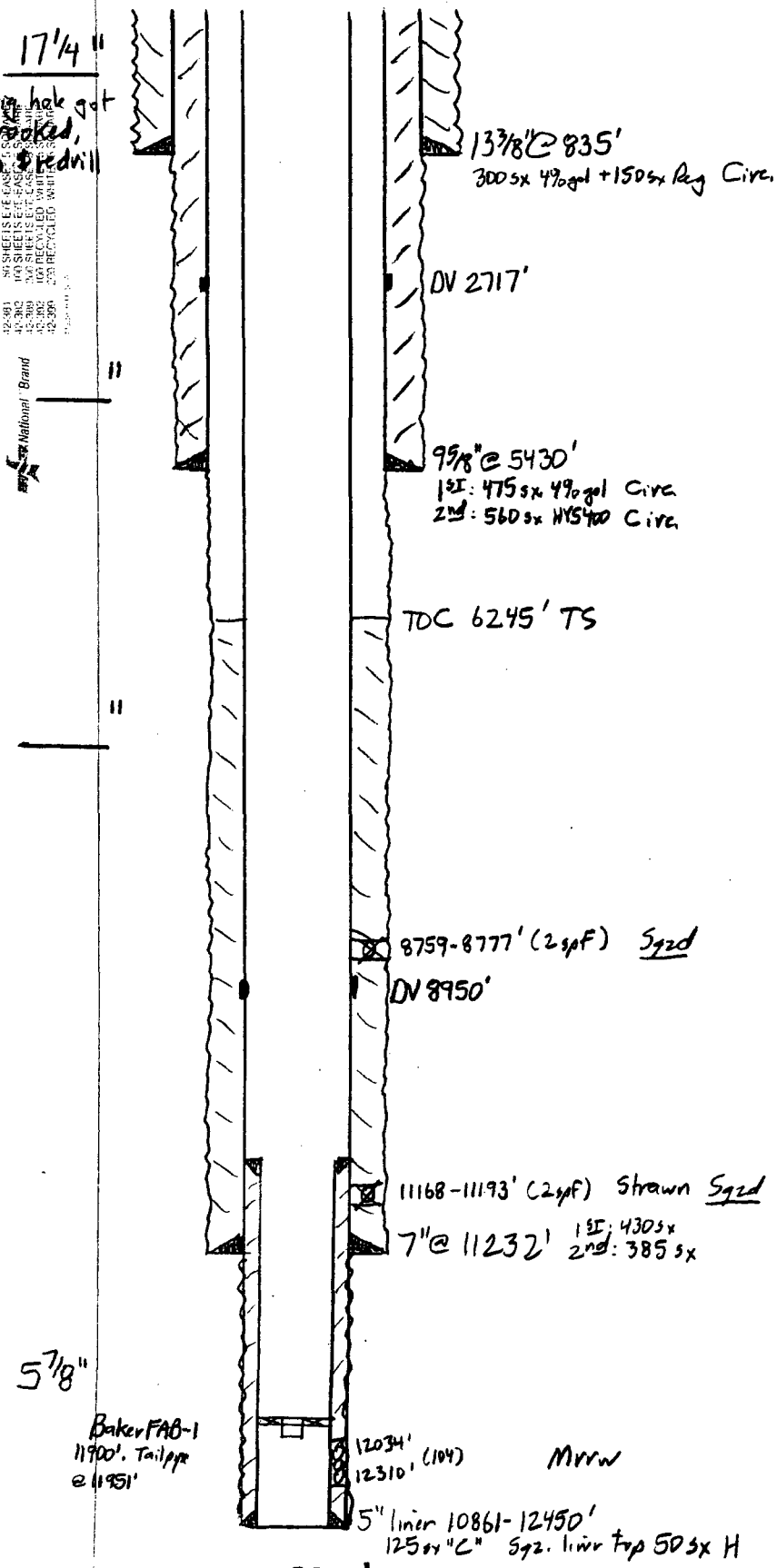
Zero: 23' AGL
KB: 3603'
GL: 3580'

Casing Program:

Size	Wt.	Grade	Conn.	Depth
13 3/8"	54.5			835'
9 5/8"	43.5, 40			5430'
7"	32			11232'
5"	17.93	C75	HSFJ	10861-12450'
2 3/8	4.7	N80	Reg + Bevel	11900'

DST #1 6625-6656'
DST #2 7394-7454'
DST #3 8280-8375'
DST #4 8757-8825'
DST #5 8825-8895'
DST #6 9007-9056'
DST #7 10408-10469'
DST #8 11114-11148'
DST #9 11173-11198'
DST #10 11198-11223'

Core: 11148-11173'
11173-11198'
11198-11223'



— Sketch Not To Scale —

KBCollins / 7 Dec 00

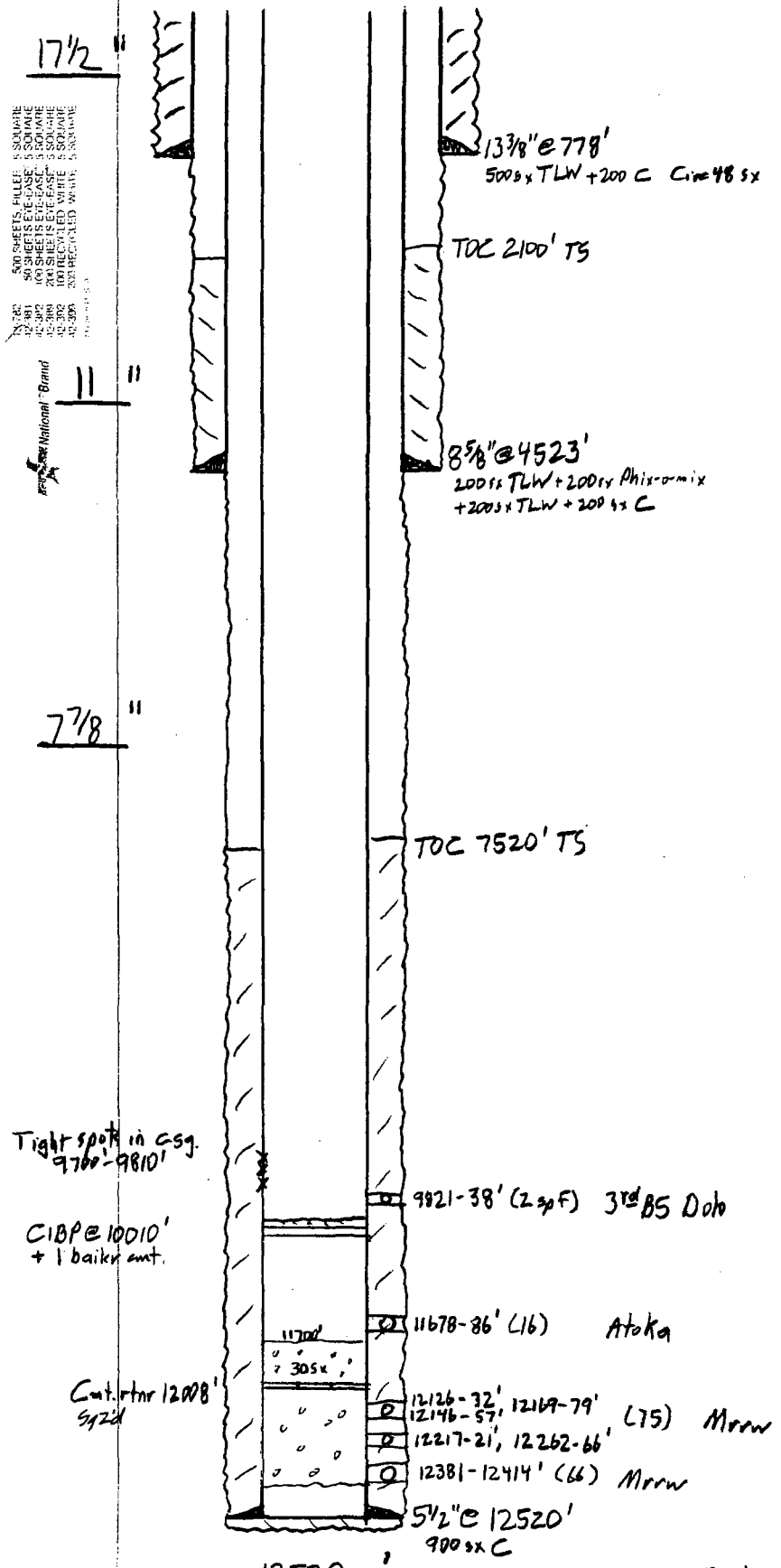
Well: Lusk Deep Unit AH 3

Location: 1980' FSL, 1980' FWL
K-18-19s-32e
Lea NM

Zero: 23' AGL
KB: 3610'
GL: 3587'

Casing Program:

Size	Wt.	Grade	Conn.	Depth
13 3/8"	91.5	K55	STC	778'
8 5/8"	32	K55	LTC	4523'
5 1/2"	17	N80	BTC	5270'
	17	N80	Mod. LTC	9620'
	20	N80	LTC	12520'
2 7/8"	6.5	N80	EUE	



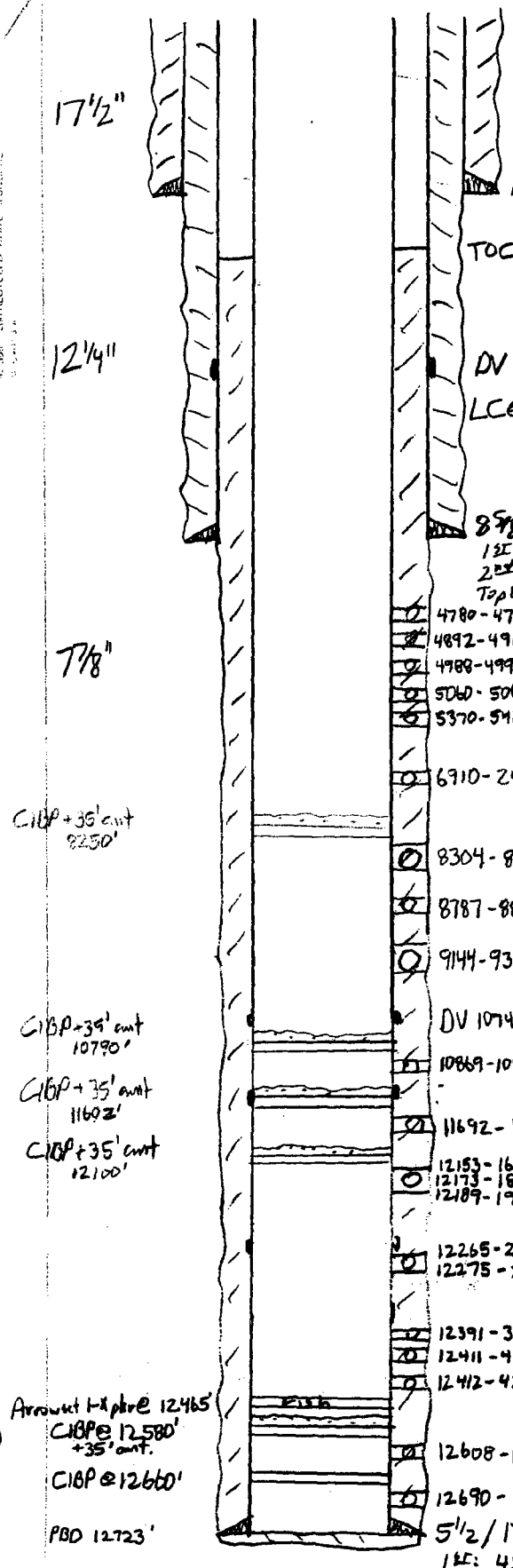
— Sketch Not To Scale —

KBCollins/

Lusk Deep Unit A-16

785' FSL, 660' FWL
M-18-19s-32e
Lea Co., NM

KB = 3595'
GL = 3578'
Zero = 17' AGL



5 1/2"/17/595/LTC 0-1442'
/17/L80/LTC 1442'-11031'
/17/595/LTC 11031'-12740'

DST #1 Bone Spr. 9798-9844'
OP: 102 BW w/ oil shim 96000 Cl⁻
Sampler: 0.15 cfg
100 cc oil
1900 cc wtr 96000 Cl⁻
GTS 8" into Final Flow 4' Flare
ISI = 3708 BHT = 149°F

DST #2 Mrrw 12118-12208'
OP: Gas
Sampler: 12.25 cfg Press = 1825 psi
ISI = 5236 FSI = 5183 BHT = 170°F
Qmax = 2376 MCFD

(*) Sqzd

" "

AFTER

VII.

WATER ANALYSIS

Injection Water

HALLIBURTON

CENTRAL OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBS, NEW MEXICO

COMPANY	Marbob	REPORT	W01-112
		DATE	November 26, 2001
		DISTRICT	Artesia/Hobbs

Produced Water

SUBMITTED BY

WELL
COUNTY
DEPTH
FIELD
FORMATION
SOURCE

SAMPLE	Luske 13		Lusk 19		WPB 1			
Sample Temp.	66	°F	66	°F	66	°F		°F
RESISTIVITY	0.058		0.06		0.058			
SPECIFIC GR.	1.135		1.120		1.135			
pH	6.14		6.19		6.54			
CALCIUM	7,600	mpl	8,200	mpl	4,100	mpl		mpl
MAGNESIUM	5,160	mpl	6,900	mpl	3,000	mpl		mpl
CHLORIDE	134,355	mpl	106,470	mpl	129,285	mpl		mpl
SULFATES	Mod	mpl	light	mpl	Light	mpl		mpl
BICARBONATES	31	mpl	61	mpl	122	mpl		mpl
SOLUBLE IRON	light	mpl	light	mpl	light	mpl		mpl
Sodium		mpl		mpl		mpl	0	mpl
TDS		mpl		mpl		mpl	0	mpl
OIL GRAVITY	@	°F	@	°F	@	°F	@	°F

REMARKS

Injection Zone Water

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

ANALYST: John Eubank

Produced and injection zone waters are very similar to one another. No compatibility problems anticipated.

X.

LOG SECTION

Strawn Disposal Zone

18-19-32T

Dev.

E 3605
R 732+2873

De 4435 - 830
BSLm 7024-3419
1BS 8320-4715
3BS 9834-6229
Wc Carb 10334-6729
B/Wc Carb 10615-7010
Strn Lm 11104-7499
B/Strn Lm 11280-7675
Atoka 11504-7899
Atoka Lm 11762-8157
Mor A 12064-8459
Mor B 12150-8545
Mor C 12332-8727
B/C 12410-8805
Ches 12508-8903
L.Miss 12752-9147
Dev. 13420-9815

SCHLUMBERGER — **SONIC LOG**

SCHLUMBERGER WELL SURVEYING CORPORATION
Houston, Texas

COUNTY LEA
FIELD or LOCATION WILDCAT
WELL LUSK DEEP UNIT #2
COMPANY EL PASO NAT. GAS CO.

COMPANY EL PASO NATURAL GAS COMPANY
WELL LUSK DEEP UNIT #2
FIELD WILDCAT
LOCATION SEC. 18-19S-32E
COUNTY LEA
STATE NEW MEXICO

Other Surveys
IES-ML
CDM

Location of Well
1980' FEL
660' FSL

Elevation: K.B.: 3605
D.F.:
or G.L.: 3585

Log Depths Measured From K.B.=19.6 Ft. above GROUND LEVEL

RUN No.	1	2	3
Date	11-1-65	1-26-61	3-14-61
First Reading	4458	11396	13971
Last Reading	88	4465	11396
Feet Measured	4370	6931	2575
Csg. Schlum.	-	4465	11397
Csg. Driller	88	4462	11400
Depth Reached	4461	11399	13974
Bottom Driller	4462	11400	13974
Mud Nat.	SALT GEL	GEL-CRISCOSE-CAUSTIC=SPERSENE	
Dens. | Visc.	9.2 | 41	11.4 | 50	10.4 | 63
Mud Resist.	.075 @ 78 °F	1.62 @ 92 °F	1.2 @ 58 °F
" Res. BHT	.059 @ 99 °F	.9 @ 161 °F	38 @ 182 °F
" pH	- @ °F	11.5 @ °F	12 @ °F
" Wtr. Loss	- CC 30 min	5.6 CC 30 min	5 CC 30 min
" Rmf M	.058 @ 78 °F	1.03 @ 60 °F	.78 @ 63 °F
Bit Size	12 1/4"	12 1/4"	8 3/8"
Spacing:			
T 3 R1 1 R2	CSG To 4458	4465 To 11396	11396 To 13974
T 3 R1 3 R2	To	To	To
Opr. Rig Time	3 HOURS	5 HOURS	4 HOURS
Truck No.	2522 ARTESIA	1555 ARTESIA	2522 ARTESIA
Recorded By	HURST	EASLEY	HURST
Witness	LINDAU	LINDAU	LINDAU

Cor TD Dev

West Texas Electrical Log Service

Dallas 2, Texas

Accum
... 65
62660
BO

REFERENCE W-1870-H

ELSI

29 COMPLETION RECORD Dual Comp } Mor "C" 4000 MCF / Strn F640 BO

SPUD DATE 3/31/61

COMP DATE P+A 9/24/71

DST RECORD

CASING RECORD

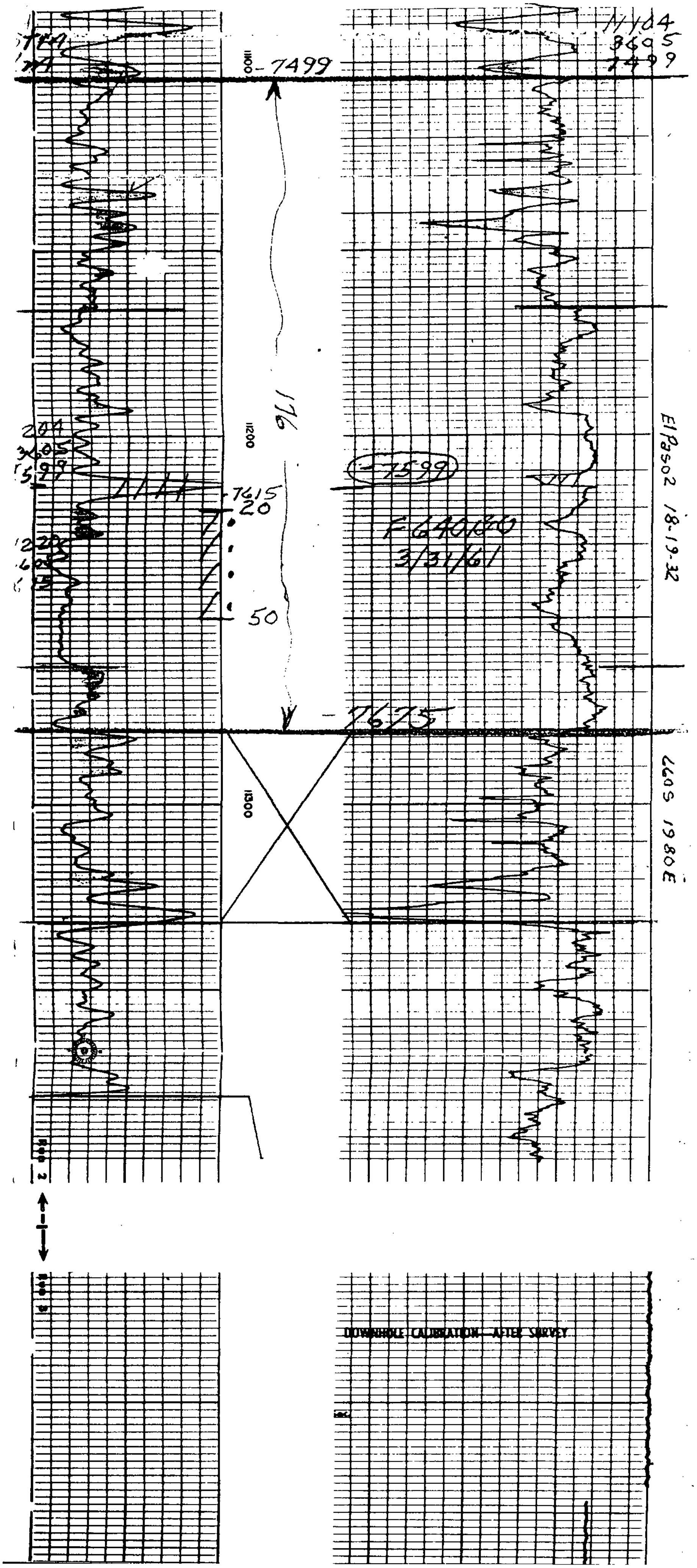
PERFORATING RECORD

ACID. FRAC SHOT

IP

GOR GR

TP CP


-7499
11100
11200
176
-7599
-7615
20
50
F640180
3/31/61
-7625
11300
El Paso 2 18-19-32
660S 1980E
DOWNHOLE CALIBRATION—AFTER SURVEY

marbob
energy corporation

August 7, 2006

Hobbs News-Sun
201 N. Thorp
Hobbs, NM 88240

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 Lusk Deep Unit No. 2 is located 660' FSL and 1980' FEL, Section 18, Township 19 South, Range 32 East, Lea County, New Mexico. Disposal water will be sourced from area wells producing from the Bone Spring formation. The disposal water will be injected into the Strawn formation at a depth of 11220' - 11250' at a maximum surface pressure of 2244 psi and a maximum rate of 10,000 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 Hobbs News-Sun, Hobbs, New Mexico, on _____, 2006.

Form 3160-5
(April 2004)

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.

5. Lease Serial No.
NMLC064198A

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
LUSK DEEP UNIT 2 SWD

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

9. API Well No.
30-025-00900

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

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

10. Field and Pool, or Exploratory Area
LUSK STRAWN

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
SEC. 18-T19S-R32E, UNIT O
660 FSL 1980 FEL, SW/4SE/4

11. County or Parish, State
LEA COUNTY, NM

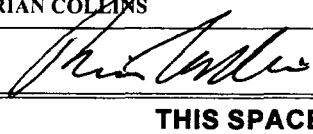
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☑ 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.)

SUBMITTED FORM C-108 TO NMOCD - COPY ATTACHED

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
BRIAN COLLINS Title **ENGINEER**

Signature  Date **08/07/2006**

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)

marbob
energy corporation

August 7, 2006

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

Re: Application to Inject
Lusk Deep Unit 2 SWD
Township 19 South, Range 32 East, NMPM
Section 18: 660 FSL 1980 FEL
Lea 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

Bureau of Land Management has no objection to the proposed disposal well:

By: _____

Title: _____

Date: _____

Post Office Box 227 • Artesia, New Mexico 88211-0227 • (505) 748-3303 • Fax (505) 746-2523

marbob
energy corporation

August 7, 2006

Tom R. Cone
1304 W. Broadway Pl.
Hobbs, NM 88240

Re: Application to Inject
Lusk Deep Unit 2 SWD
660 FSL 1980 FEL, Sec. 18
Township 19 South, Range 32 East, NMPM
Lea County, New Mexico

Gentlemen:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well into a water injection 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 within a one-half mile radius of one or more of the referenced wells. Please note this is a courtesy notification, as the proposed injection zone is not within the depth rights that you own.

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

Sincerely,

Brian Collins
Engineer

BC/dlw
enclosures

Post Office Box 227 • Artesia, New Mexico 88211-0227 • (505) 748-3303 • Fax (505) 746-2523

marbob
energy corporation

August 7, 2006

Cimarex Energy
1700 Lincoln St., Ste. 1800
Denver, CO 80203

Re: Application to Inject
Lusk Deep Unit 2 SWD
660 FSL 1980 FEL, Sec. 18
Township 19 South, Range 32 East, NMPM
Lea County, New Mexico

Gentlemen:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well into a water injection 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 within a one-half mile radius of one or more of the referenced wells. Please note this is a courtesy notification, as the proposed injection zone is not within the depth rights that you own.

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

Sincerely,

Brian Collins
Engineer

BC/dlw
enclosures

Post Office Box 227 • Artesia, New Mexico 88211-0227 • (505) 748-3303 • Fax (505) 746-2523

Jones, William V., EMNRD

From: Brian Collins [engineering@marbob.com]
Sent: Friday, September 01, 2006 9:29 AM
To: Jones, William V., EMNRD
Subject: Re: SWD Application: Lusk Deep Unit #2 API No. 30-025-00900 Strawn Oil Zone Injection Proposal

Will: I've got answers to your questions on the Lusk 2 SWD proposal.

1)Logs: We sent a copy of the small scale porosity and resistivity logs to Hobbs OCD.

2) FW sources: There are no fresh water wells within a mile of the Lusk 2.

3) Salt: Top of salt is 860', base of salt is 2350'. Per our geologist, the Capitan reef is not developed in this well. This is confirmed by the fact that the 13-3/8" surface casing was set at 4462' and cemented to surface.

4) Delaware: The top of the Delaware Sand is 4495' in the Lusk 2. The 4800' depth I used reflects the approximate depth of the uppermost Delaware sands tested for oil and gas production in the area.

5) Corrosion: Corrosion in the Bone Spring and Delaware doesn't seem to be a problem in this area, at least in our wells. The Lusk 2 has 9-5/8" casing in place, but not cemented, from 9000' to 4462'. This is a barrier to any potential corrosion of the 5-1/2" casing. The Lusk Deep 13 and 16 don't have any pressure or flows from the bradenhead or other annuli.

6) Strawn Production: Historically there were 42 wells that were tested and/or produced from the Strawn within a 2 mile radius of the Lusk 2 (15.6 MMBO, 66.6 BCFG, 1.8 MMBW cumulative production -- approximately 60 MM bbls reservoir voidage). Currently four wells produce from the Strawn within this area. The nearest, our Lusk Unit 17 (M-20-19s-32e), is 1.1 miles south. The Elliott Hall A-1 (A-30-19s-32e) is 1.23 miles south, the Delhi Fed 1 (C-30-19s-32e) is 1.21 miles south and the Continental Fed 1 (O-6-19s-32e) is 2 miles north. At these distances, I don't expect disposal into the Lusk 2 or 16 to affect the existing producing wells. If the injection did affect a producing well, it's not unreasonable to think that the water would sweep new oil to the producing well. The Strawn oil is high gravity (42.5 deg API) and would have a favorable mobility ratio due to its low viscosity.

7) Ownership: The BLM is the surface owner and Marbob is the operator of the Strawn rights within the half mile radius area of review.

We currently operate a Strawn SWD, the Lusk Deep 19, located in N-17-19s-32e. Injection into this well has not affected any of the existing producing wells. Let me know if you have more questions. Hope things are going well for you. Take care.

Brian Collins
Marbob Energy

----- Original Message -----

From: Jones, William V., EMNRD
To: engineering@marbob.com
Cc: Ezeanyim, Richard, EMNRD
Sent: Tuesday, August 29, 2006 9:19 PM
Subject: SWD Application: Lusk Deep Unit #2 API No. 30-025-00900 Strawn Oil Zone Injection Proposal

Hello Brian:
A few minor picky questions and requests. The application seems fine.

1) The logs do not appear on our web site. Please send a copy of the logs to the Hobbs district office.
2) Are there any windmills or other fresh water wells within 1 mile? If so, please send an analysis.

3) Please send the estimated top and bottom of the Salado Fm and the top and bottom of the Capitan Reef in this well.
4) The C-108 says the Delaware starts at 4800 feet but most wells here seem to have a casing set at 4400 or 4500 feet. Why did they set there?
5) I understand that this well and two other nearby wells are not/ will not be cemented over an interval in the Delaware. Are you not worried about future corrosion to your new 5-1/2 inch P-110 casing above 9000 feet? Does the LDU A-13 or the LDU A-16 have any bradenhead flows or constant pressure?
6) The Strawn oil is depleted in this well. Is the Strawn still a producer in any nearby wells and if so, will this injection harm or help that production? (Usually I ask for a short PE statement if injecting into a producing interval).
7) Is BLM the surface owner and Marbob the only "operator of record" or "lessee" of the Pennsylvanian (Strawn) within the 1/2 mile radius?

Thanks for always sending a readable application and good luck with the well.

William V. Jones Engineering Bureau **Oil Conservation Division** Santa Fe

Injection Permit Checklist

SWD Order Number 1042 Dates: Division Approved _____ District Approved _____

Information Request Letter or Email sent _____

Well Name/Num: Lusk Deep Unit #2 Date Spudded: 1961 OLD Plugged in 1971

API Num: (30-) 025-00900 County: LEA

Footages 660 FSL, 1980 FEL Sec 18 Tsp 19S Rge 32E

Operator Name: Marbob Energy Corporation Contact Brian Collins

Operator Address: PO Box 227 Artesia NM 88211-0227

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	17 1/2 13 3/8	4462	3400	CIRC (DVC 2887')
Intermediate	12 1/4 9 5/8	4462-11400	525	8990 T.S.
Production	8 3/8 5"	11299-13551	717 ft³	11299 ✓
Last DV Tool				
Open Hole/Liner				
Plug Back Depth		13974 TD		

Diagrams Included (Y/N): Before Conversion ✓ After Conversion ✓

Checks (Y/N): Well File Reviewed _____ ELogs in Imaging _____

re-entry, new 5 1/2" (CMT TO 9,000')

Intervals:	Depths	Formation	Producing (Yes/No)
Salt/Potash			Yates @ 2500'
Capitan Reef	Yes		Delaware @ 4800'
~~Cliff House, Etc:~~			
Formation Above	10400	W.C.	
Top Inj Interval	11220	STRAWN	
Bottom Inj Interval	11250	"	
Formation Below	11600	ATOKA	
	12380	MORROW ← Was a Producer	

STRAWN was OIL

R-1978 old order

2244 PSI Max. WHIP

NO Open Hole (Y/N)

NO Deviated Hole (Y/N)

Fresh Water Site Exists (Y/N) _____ Analysis Included (Y/N): _____

Salt Water Analysis: Injection Zone (Y/N/NA) ✓ Disposal Waters (Y/N/NA) ✓ Types: Bone Spring

Affirmative Statement Included (Y/N): ✓ Newspaper Notice Adequate (Y/N) ✓ Well Table Adequate (Y/N) ✓

Surface Owner BLM Noticed (Y/N) ✓ Mineral Owner(s) BLM

AOR Owners: None in Noticed (Y/N) ___

CID/Potash/Etc Owners: _____ Noticed (Y/N) ___

AOR Num Active Wells 3 Repairs? ✓ Producing in Injection Interval in AOR NO

AOR Num of P&A Wells 0 Repairs? ✓ Diagrams Included? ✓

Data to Generate New AOR Table No New Table Generated? (Y/N)

	STR	E-W Footages	N-S Footages
Wellsite			
Northeast			
North			
Northwest			
West			
Southwest			
South			
Southeast			
East			

Conditions of Approval:

1. Send LOGS To Hobbs ✓
2. F.W. analysis ? ✓
3. Top/Bottom of Salt ✓
4. Top/Bottom of Reef ✓

RBDMS Updated (Y/N) _____

UIC Form Completed (Y/N) ✓

This Form completed _____

Inactive Well List

Total Well Count:1033 Inactive Well Count:0 Since:6/8/2005

Printed On: Friday, September 01 2006

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	Days in TA

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