

DATE IN 8/27	SUSPENSE	ENGINEER Jones	LOGGED IN 8/27	TYPE SWD	PTGW APP NO. 0923954274
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Mar bob (14049)
 SROS SWD #1

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-26105

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

Eddy

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 _____

2009 AUG 27 A 11:43
 RECEIVED OCD

[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.

BRIAN COLLINS		PETROLEUM ENGINEER	19 Aug 09
Print or Type Name	Signature	Title	Date
		bcollins@marbob.com	
		e-mail Address	

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance _____ Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No

II. OPERATOR: MARBOB ENERGY CORPORATION

ADDRESS: P O BOX 227, ARTESIA, NM 88211-0227

CONTACT PARTY: BRIAN COLLINS PHONE: 575-748-3303

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 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).

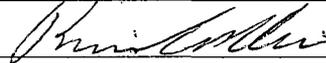
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

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: PETROLEUM ENGINEER

SIGNATURE:  DATE: 19 Aug 09

E-MAIL ADDRESS: bcollins@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
SRO 5 SWD #1
1980' FNL, 1980' FEL
G-5-T26S-R28E, Eddy County

Marbob Energy Corporation proposes re-enter the captioned well for salt water disposal service into the Delaware Sand from 4100' to 5500'.

- V. Map is attached.
- VI. One well is located just outside the ½ mile radius area of review. A wellbore schematic is attached.
- VII.
 - 1. Proposed average daily injection rate = 2000 BWPD
Proposed maximum daily injection rate = 5000 BWPD
 - 2. Closed system
 - 3. Proposed maximum injection pressure = 820 psi
(0.2 psi/ft. x 4100' ft.)
 - 4. Source of injected water will be Delaware Sand and Bone Spring Sand produced water. No compatibility problems are expected. Analyses of Delaware and Bone Spring waters from analogous source wells are attached.
- VIII. The injection zone is the Delaware Sandstone, a fine-grained sandstone from 4100' to 5500'. Any underground water sources will be shallower than 450'.
- IX. The Delaware sand injection interval will be acidized with approximately 20 gal/ft of 7 ½ % HCl acid. If necessary, the injection interval may be fraced with up to 300,000 lbs. of 20/40 mesh sand.
- X. Well logs are filed with the Division. A section of the dual laterolog resistivity log showing the injection interval is attached.
- XI. There is a stock tank within a mile of the proposed SWD well. Water analysis is attached. There is no windmill, no electricity and couldn't find the well shown on attached State Engineer's Point of Diversion report.
- 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.

INJECTION WELL DATA SHEET

OPERATOR: Marbob Energy Corp

WELL NAME & NUMBER: SRO 5 SMD No. 1 (Formerly East Apple State Unit 1)

WELL LOCATION: 1980' FNL 1980' FEL

UNIT LETTER: G

SECTION: 5

TOWNSHIP: 26S

RANGE: 28E

WELLBORE SCHEMATIC

See attached before and after schematics. Marbob proposes to reenter well, clean out to 5700', tie back 5 1/2" casing 1175' to surface and convert well to SMD in Delaware Sand 4100-5500'.

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 13 7/8" @ 450'
Cemented with: 500 sx. or - ft³

Top of Cement: Surface Method Determined: Circulated
Intermediate Casing

Hole Size: 11" Casing Size: 8 7/8" @ 2340'
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" @ 8300'
Cemented with: 975 sx. or - ft³

Top of Cement: 1200' Method Determined: Free point @ 1200'
When Cut @ 11 5 1/2"

Total Depth: 8300'

Injection Interval

4100' feet to 5500'

Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: IFC or Duoline 20
 Type of Packer: 10K nickel plated double grip retrievable
 Packer Setting Depth: 4050' ±
 Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? Yes No
 If no, for what purpose was the well originally drilled? Oil and gas

2. Name of the Injection Formation: Delaware Sand

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

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. See wellbore schematic

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
Underlying: Possible Bone Springs 6812-7955', Possible Penn ± 10500'
Possible Strawn ± 11800', Possible Atoka ± 12,100'
Possible Morrow ± 12,500'

Overlying: None

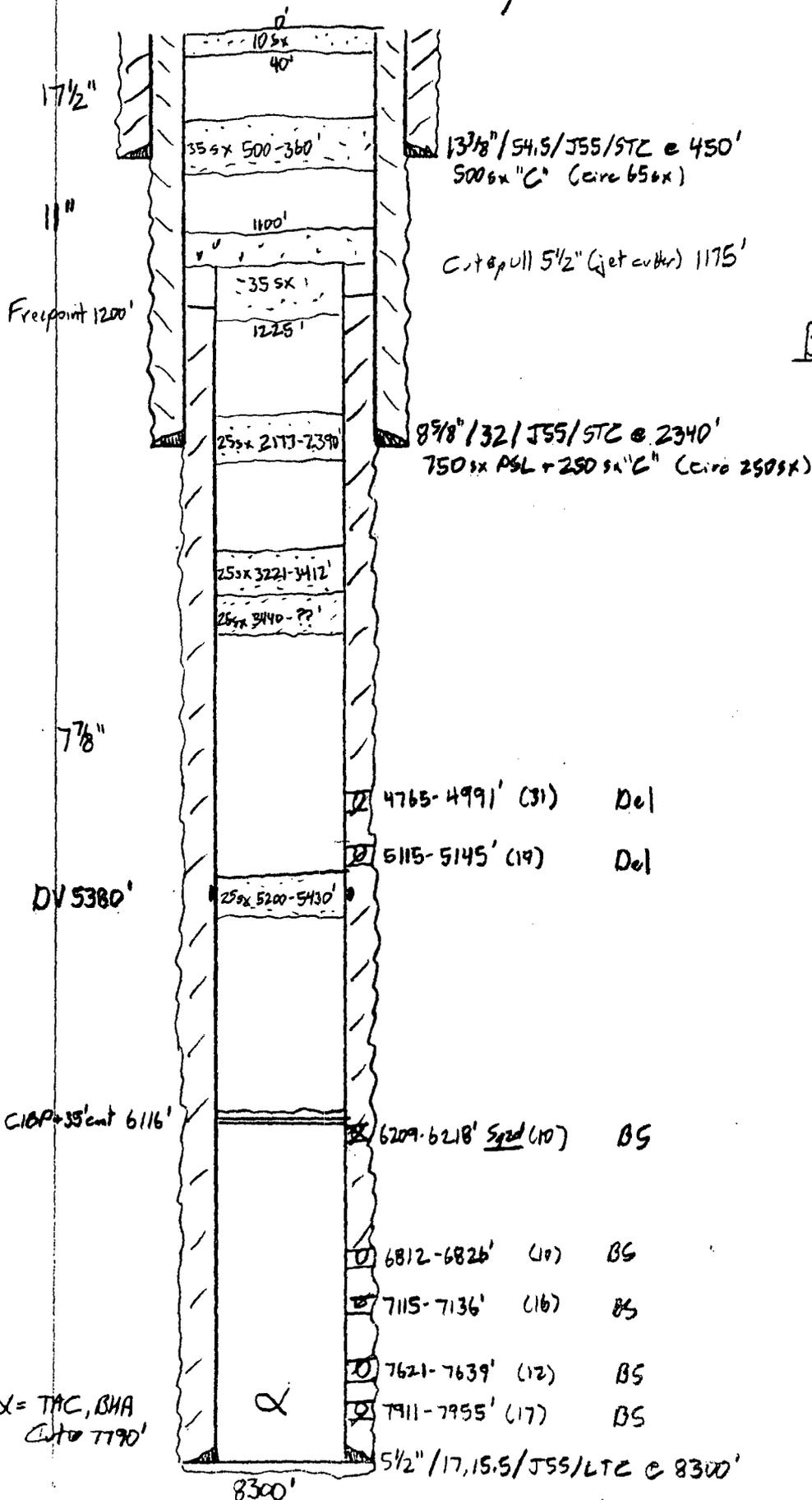
30-015-26105

(Formerly East Applk. Stalk Unit 1)

1980' FNL, 1980' FEL

G-5-26s-28e

Eddy NM



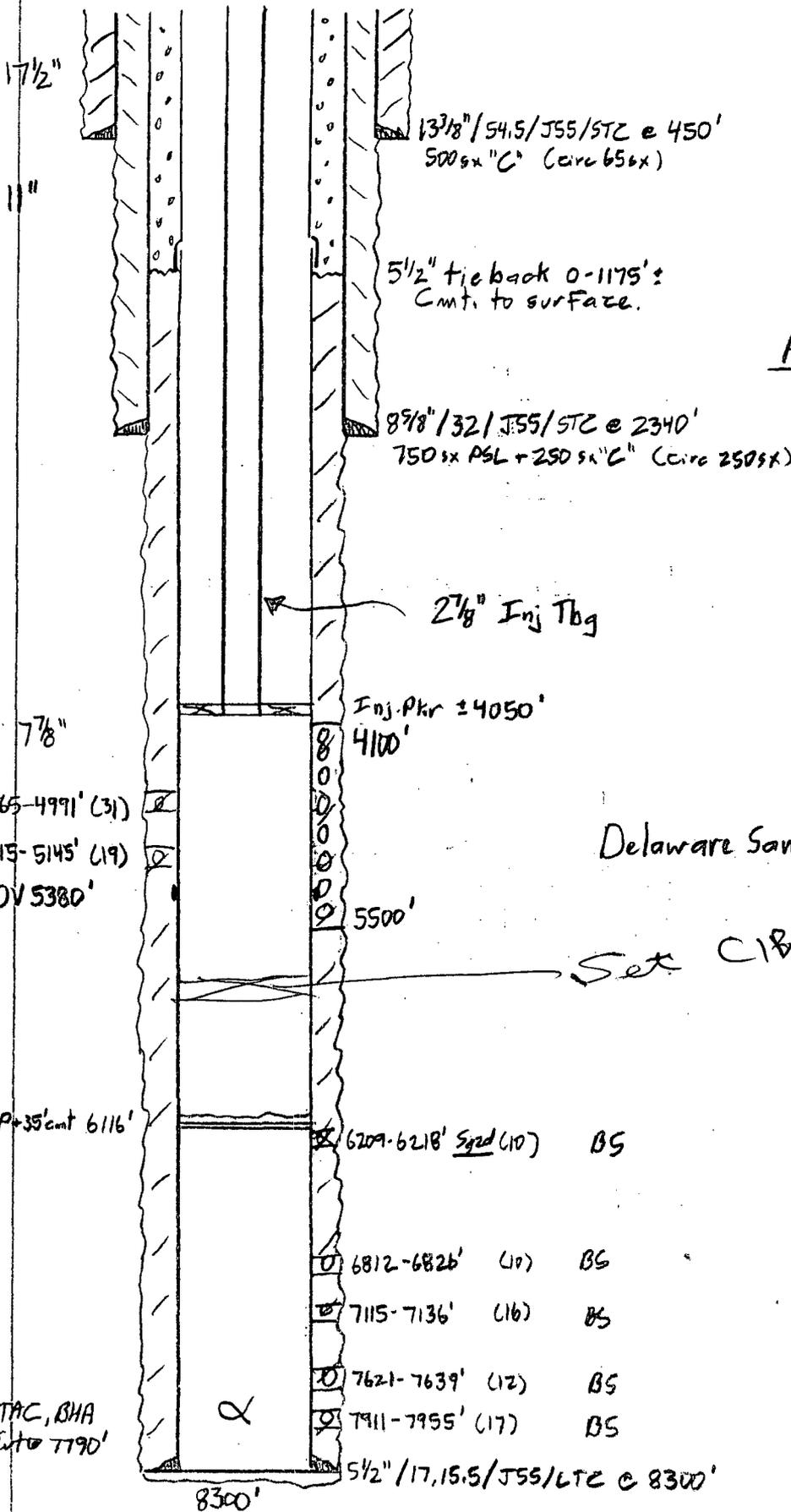
Before SWD Conversion

1st: 385 5/8 Super H

2nd: 590 5/8 Super H

30-015-26105

SRO 5 SWD No. 1
(Formerly East Appl. State Unit 1)
1980' FNL, 1980' FEL
G-5-26s-28e
Eddy NM



After SWD Conversion

Delaware Sand

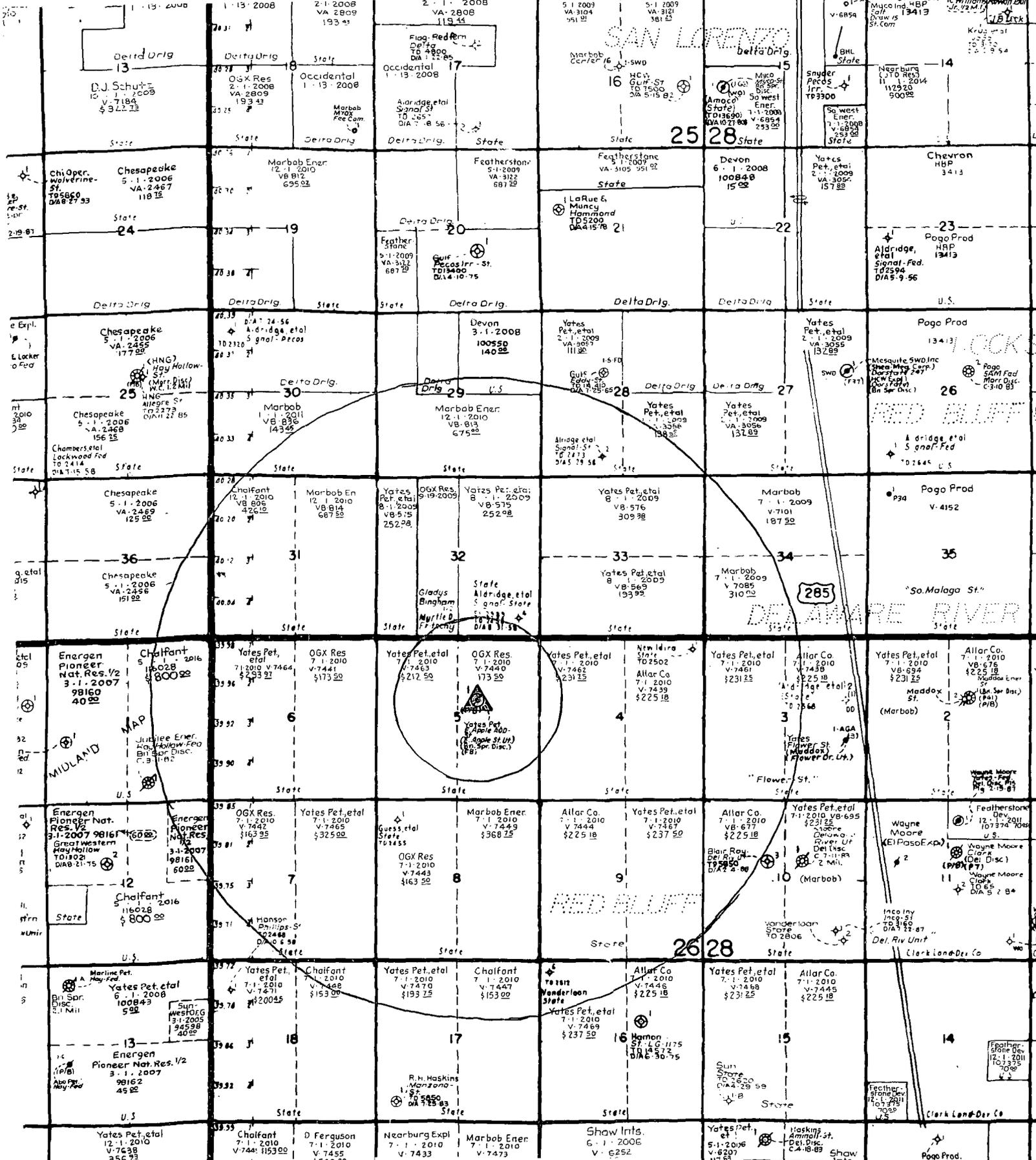
Set CIBP WITHIN 200'

α = TAC, BHA
C to 7190'

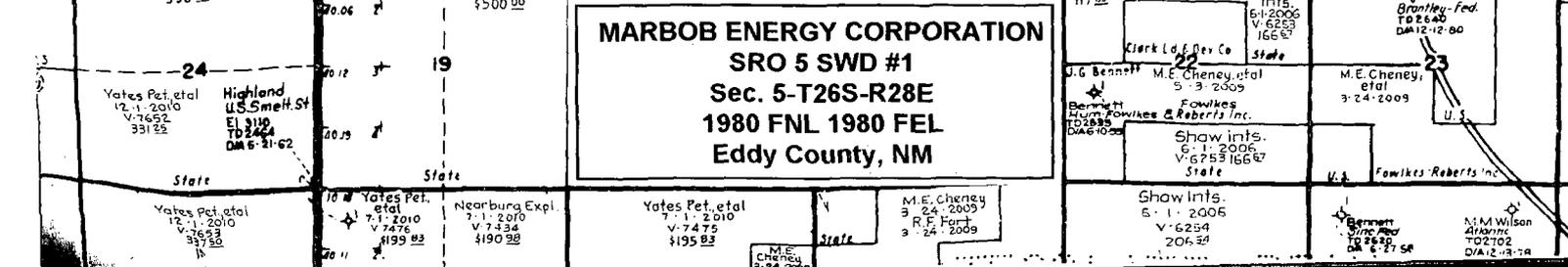
1st: 385 x 5 1/2" x 11' H
2nd: 590 x 5 1/2" x 11' H

V.

MAP



MARBOS ENERGY CORPORATION
SRO 5 SWD #1
Sec. 5-T26S-R28E
1980 FNL 1980 FEL
Eddy County, NM



VI.

**Well Located Just
Outside 1/2 Mile Area of
Review**

VII.

WATER ANALYSIS

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY WATER ANALYSIS REPORT HOBBS, NEW MEXICO

COMPANY Marbob REPORT W09-055
 DATE July 12, 2009
 DISTRICT Artesia

Delaware Produced Water

SUBMITTED BY _____

WELL	DEPTH	FORMATION	
COUNTY	FIELD	SOURCE	
TANK			
SAMPLE			
	<u>Black River</u>	<u>Spanish Cedar 1</u>	<u>Wtr. Well C-00516</u>
Sample Temp.	<u>70</u> °F	<u>70</u> °F	<u>70</u> °F
RESISTIVITY	<u>15.8</u>	<u>0.054</u>	<u>3.41</u>
SPECIFIC GR	<u>1.000</u>	<u>1.154</u>	<u>1.002</u>
pH	<u>7.85</u>	<u>5.43</u>	<u>7.33</u>
CALCIUM	<u>750</u> mpl	<u>30,000</u> mpl	<u>1,000</u> mpl
MAGNESIUM	<u>300</u> mpl	<u>17,100</u> mpl	<u>450</u> mpl
CHLORIDE	<u>104</u> mpl	<u>140,306</u> mpl	<u>240</u> mpl
SULFATES	<u>Light</u> mpl	<u>Light</u> mpl	<u>Heavy</u> mpl
BICARBONATES	<u>153</u> mpl	<u>61</u> mpl	<u>262</u> mpl
SOLUBLE IRON	<u>0</u> mpl	<u>25</u> mpl	<u>0</u> mpl
<CL	<u>N</u>	<u>N</u>	<u>N</u>
Sodium	_____ mpl	_____ mpl	_____ mpl
TDS	_____ mpl	_____ mpl	_____ mpl
OIL GRAVITY	<u>@</u> °F	<u>@</u> °F	<u>@</u> °F

REMARKS _____

MPL = Milligrams per liter
 Resistivity measured in Ohm'm2/in

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ANALYST _____

MALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY
 WATER ANALYSIS REPORT
 HOBBS, NEW MEXICO

COMPANY Marbob

REPORT W08-156
 DATE November 25, 2008
 DISTRICT Hobbs

SUBMITTED BY Bone Spring Sand Produced Water

WELL Save DA 21 Fed. #1 DEPTH _____ FORMATION _____
 COUNTY _____ FIELD _____ SOURCE _____

SAMPLE

Sample Temp.	70 °F	°F	°F	°F	°F
RESISTIVITY	0.068				
SPECIFIC GR	1.095				
pH	6.53				
CALCIUM	7500	mpl	mpl	mpl	mpl
MAGNESIUM	6000	mpl	mpl	mpl	mpl
CHLORIDE	83125	mpl	mpl	mpl	mpl
SULFATES	Light	mpl	mpl	mpl	mpl
BICARBONATES	231	mpl	mpl	mpl	mpl
SOLUBLE IRON	0	mpl	mpl	mpl	mpl
KCL	Negative				
Sodium		mpl	0	mpl	0
TDS		mpl	0	mpl	0
OIL GRAVITY	@	°F	@	°F	@

REMARKS

MPL - Milligrams per liter
 Resistivity measured in Ohm-cm

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ANALYST MAMBURH

X.

**Dual Laterolog Across
Across Proposed
Delaware Sand Portion
of Injection Interval**



DUAL LATEROLOG MICRO-SFL

COMPANY YATES PETROLEUM CORPORATION
WELL EAST APPLE STATE UNIT NO. 1
FIELD WILDCAT
COUNTY EDDY **STATE** NEW MEXICO
LOCATION 1900' PBL & PBL
WELL EAST APPLE STATE UNIT NO. 1
COMPANY YATES PETROLEUM CORPORATION

POSITION Q1
LOG MEASURED FROM ICS
DRILLING MEASURED FROM ICS
DATE 10-JUN-1999

APR SERIAL NO. V-1085
SECT. 5
TRIP. 28-S
RANGE 28-E
Other Services: LDT/CHE, DIL/RXO, CYBER, LOGNET

Pressure Datum Q1
Log Measured From ICS
Drilling Measured From ICS
Pressure Datum 30260.0 F
Log F above Perm. Datum
Drilling F above Perm. Datum

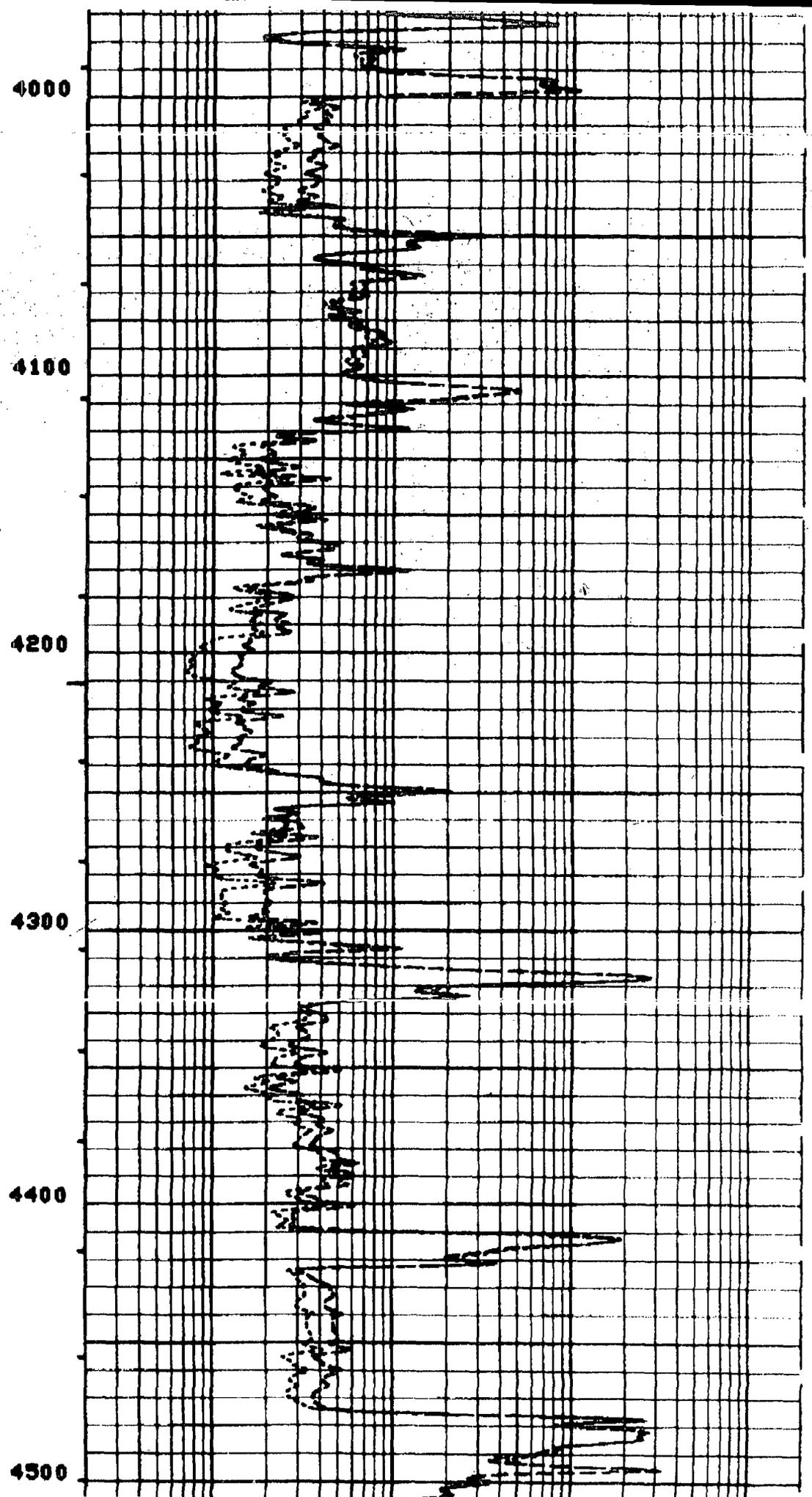
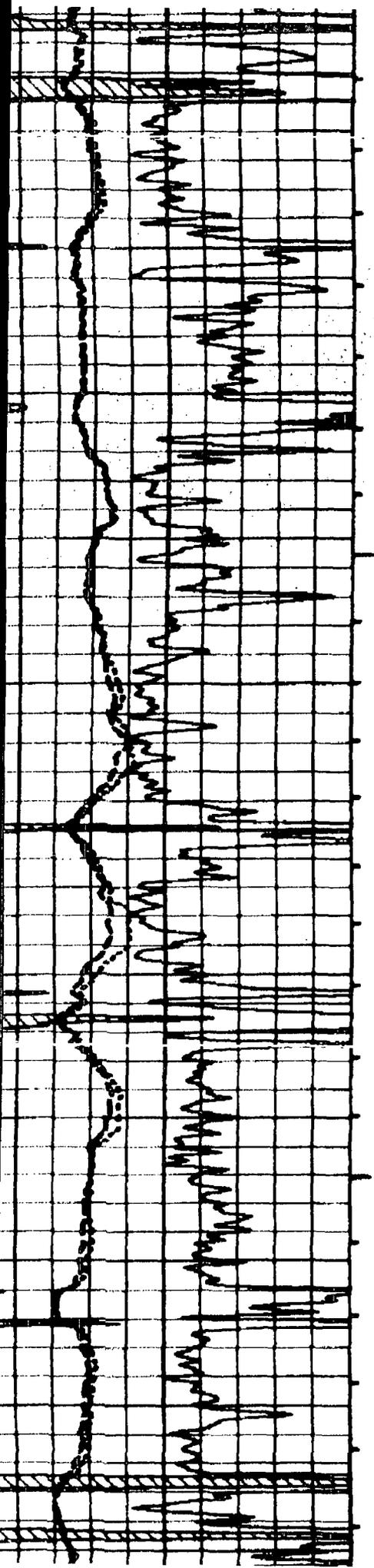
Confidential

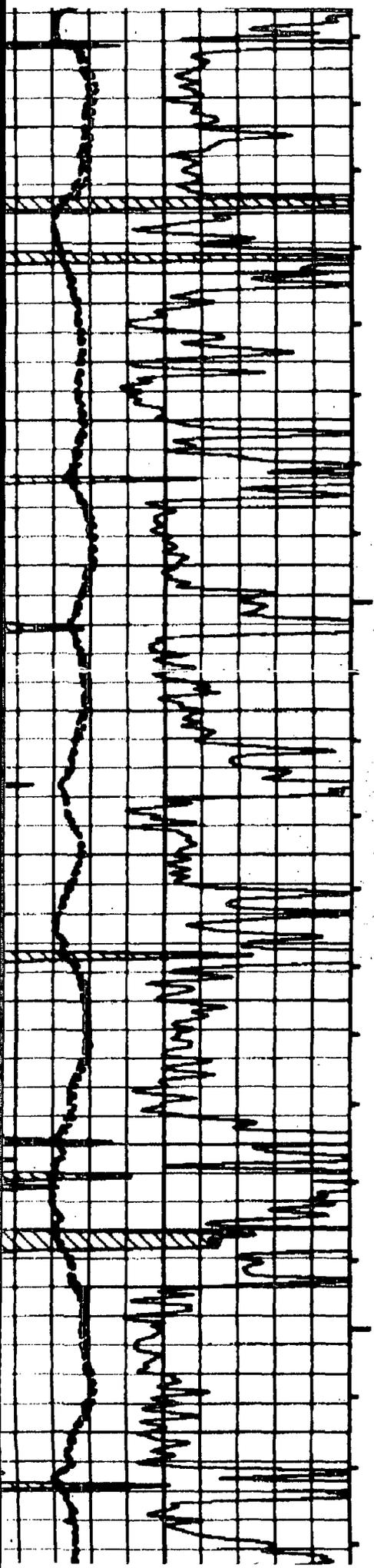
Run @ Speed, Temp.	080 CHAM	78.0 DEG
Run @ Speed & Temp.	078 CHAM	78.0 DEG
Run @ Speed, Temp.	076 CHAM	78.0 DEG
Run @ Speed, Temp.	074 CHAM	78.0 DEG
Run @ Speed, Temp.	072 CHAM	78.0 DEG
Run @ Speed, Temp.	070 CHAM	78.0 DEG
Run @ Speed, Temp.	068 CHAM	78.0 DEG
Run @ Speed, Temp.	066 CHAM	78.0 DEG
Run @ Speed, Temp.	064 CHAM	78.0 DEG
Run @ Speed, Temp.	062 CHAM	78.0 DEG
Run @ Speed, Temp.	060 CHAM	78.0 DEG
Run @ Speed, Temp.	058 CHAM	78.0 DEG
Run @ Speed, Temp.	056 CHAM	78.0 DEG
Run @ Speed, Temp.	054 CHAM	78.0 DEG
Run @ Speed, Temp.	052 CHAM	78.0 DEG
Run @ Speed, Temp.	050 CHAM	78.0 DEG
Run @ Speed, Temp.	048 CHAM	78.0 DEG
Run @ Speed, Temp.	046 CHAM	78.0 DEG
Run @ Speed, Temp.	044 CHAM	78.0 DEG
Run @ Speed, Temp.	042 CHAM	78.0 DEG
Run @ Speed, Temp.	040 CHAM	78.0 DEG
Run @ Speed, Temp.	038 CHAM	78.0 DEG
Run @ Speed, Temp.	036 CHAM	78.0 DEG
Run @ Speed, Temp.	034 CHAM	78.0 DEG
Run @ Speed, Temp.	032 CHAM	78.0 DEG
Run @ Speed, Temp.	030 CHAM	78.0 DEG
Run @ Speed, Temp.	028 CHAM	78.0 DEG
Run @ Speed, Temp.	026 CHAM	78.0 DEG
Run @ Speed, Temp.	024 CHAM	78.0 DEG
Run @ Speed, Temp.	022 CHAM	78.0 DEG
Run @ Speed, Temp.	020 CHAM	78.0 DEG
Run @ Speed, Temp.	018 CHAM	78.0 DEG
Run @ Speed, Temp.	016 CHAM	78.0 DEG
Run @ Speed, Temp.	014 CHAM	78.0 DEG
Run @ Speed, Temp.	012 CHAM	78.0 DEG
Run @ Speed, Temp.	010 CHAM	78.0 DEG
Run @ Speed, Temp.	008 CHAM	78.0 DEG
Run @ Speed, Temp.	006 CHAM	78.0 DEG
Run @ Speed, Temp.	004 CHAM	78.0 DEG
Run @ Speed, Temp.	002 CHAM	78.0 DEG
Run @ Speed, Temp.	000 CHAM	78.0 DEG

The well name, location and borehole reference data were furnished by the customer.

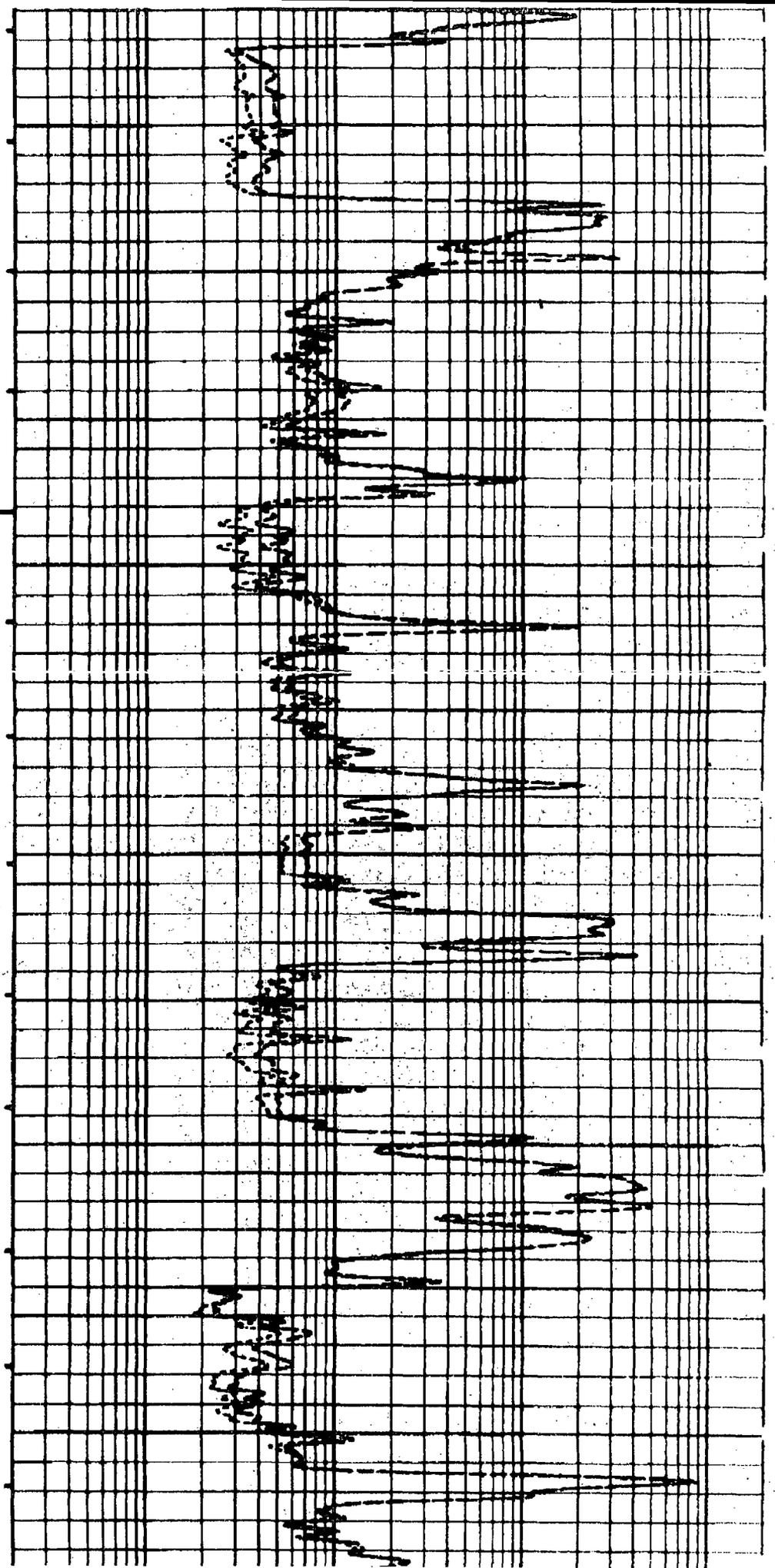
All interpretations are opinions based on inferences from electrical or other measurements and we cannot, and do not guarantee the accuracy or correctness of any interpretations, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages or expenses incurred or sustained by anyone resulting from any interpretations made by any of our officers, agents or employees. These interpretations are also subject to Clause 4 of our General Terms and Conditions as set out in our current Price Schedule.

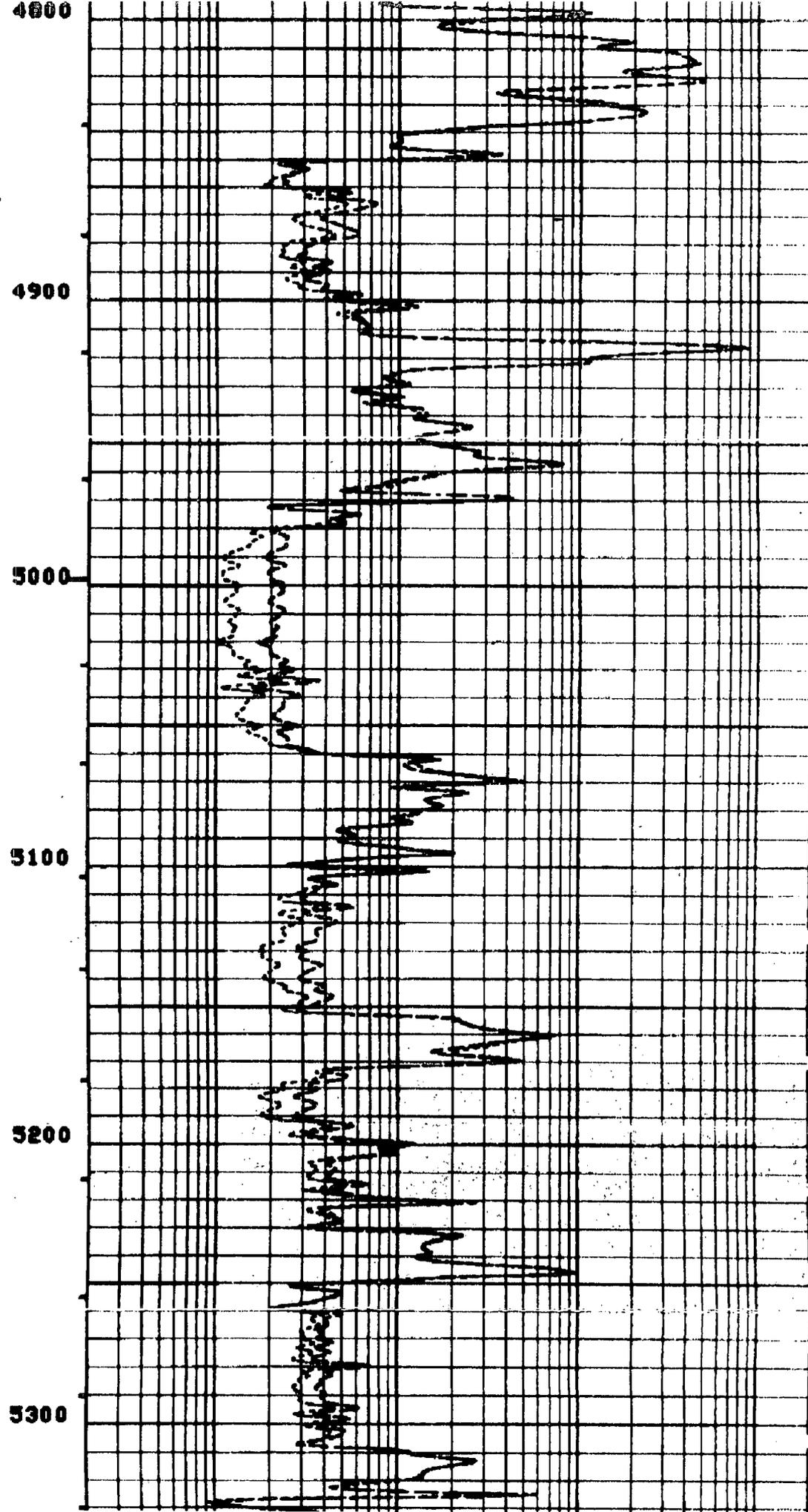
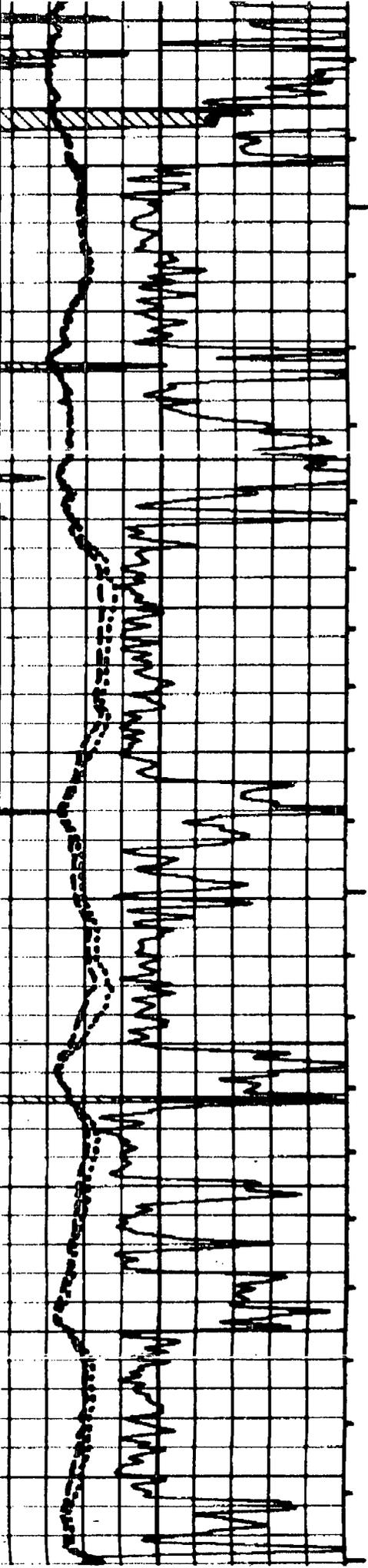
Well No.	ONE
Order No.	484043
Logging Field Level	
Depth	68000.0 FPM
Run @ BHT	048 CHAM @ 78.0 DEG
Run @ BHT	062 CHAM @ 78.0 DEG
Logging Speed	2000.0 F/H
SUPPLY DATA	
Tool Number 1	DRS 8801
Tool Number 2	NBC 8818
Tool Number 3	PDH 8854
Tool Number 4	PGD 8884
Tool Number 5	GBR 8879
Tool Number 6	NBR 8888
Tool Number 7	CNC 881
Tool Number 8	SL5 800
Tool Number 9	DLS 888
Tool Number 10	DLC 8234
Tool Number 11	CNS 8328
Tool Number 12	LCM 1788

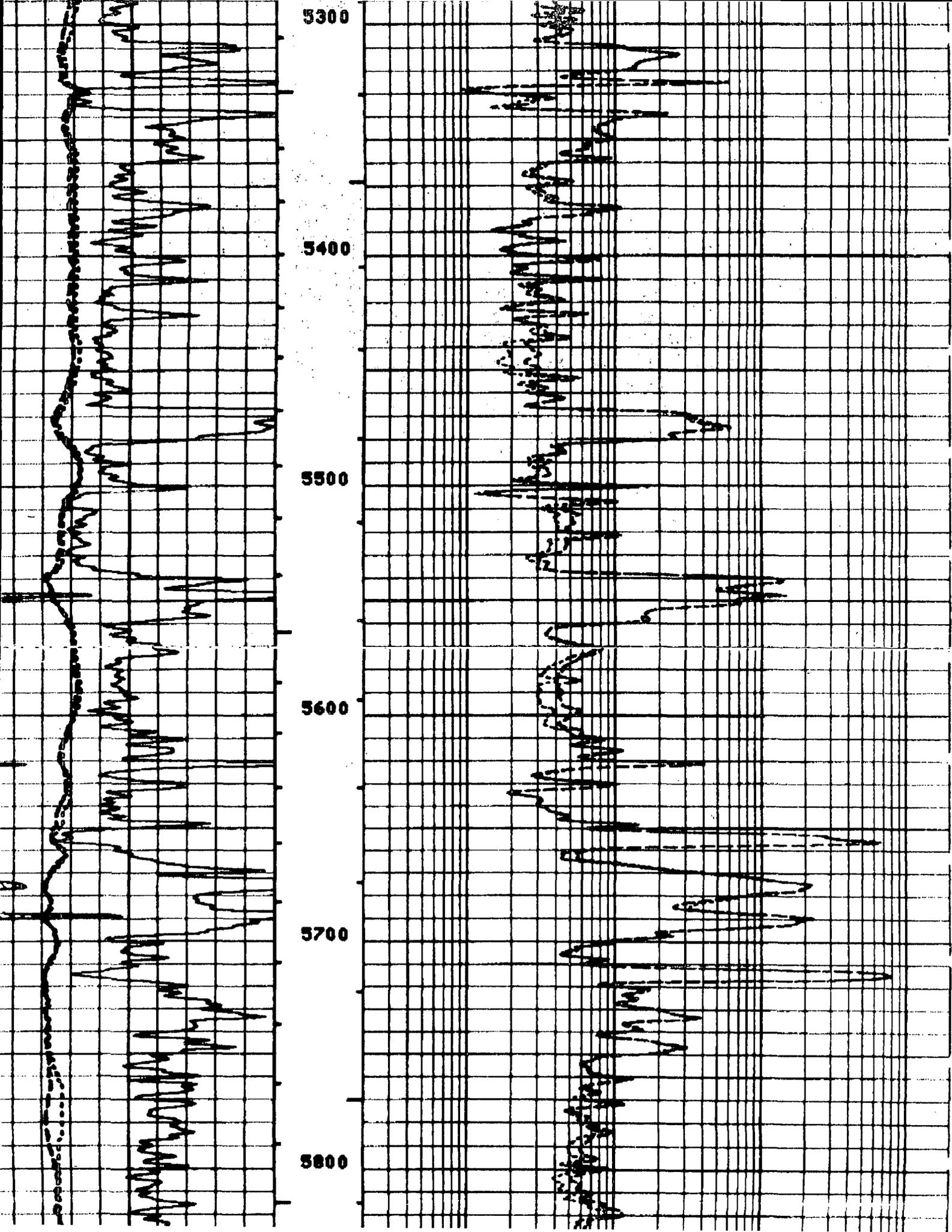


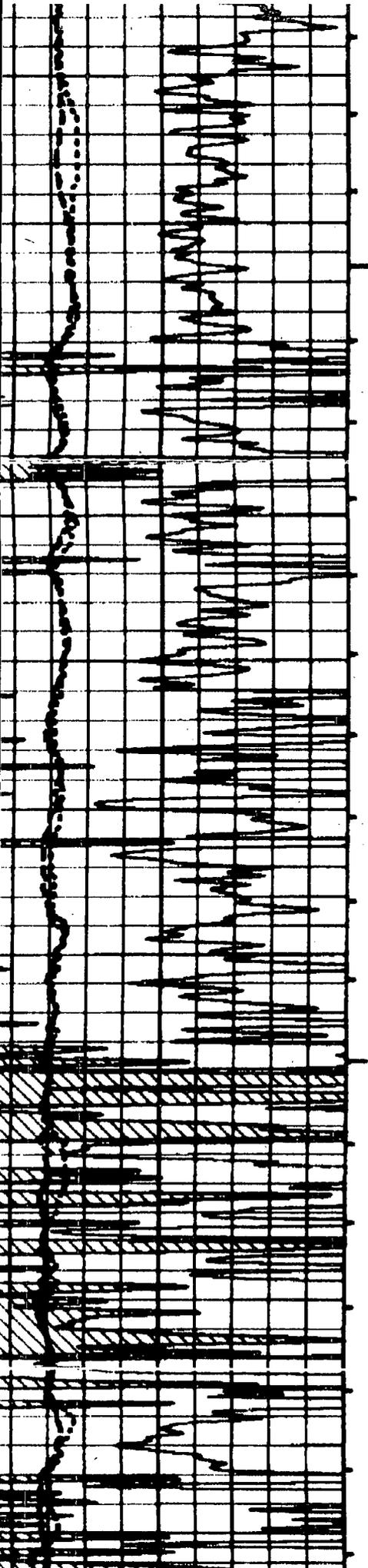


4500
4600
4700
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4900









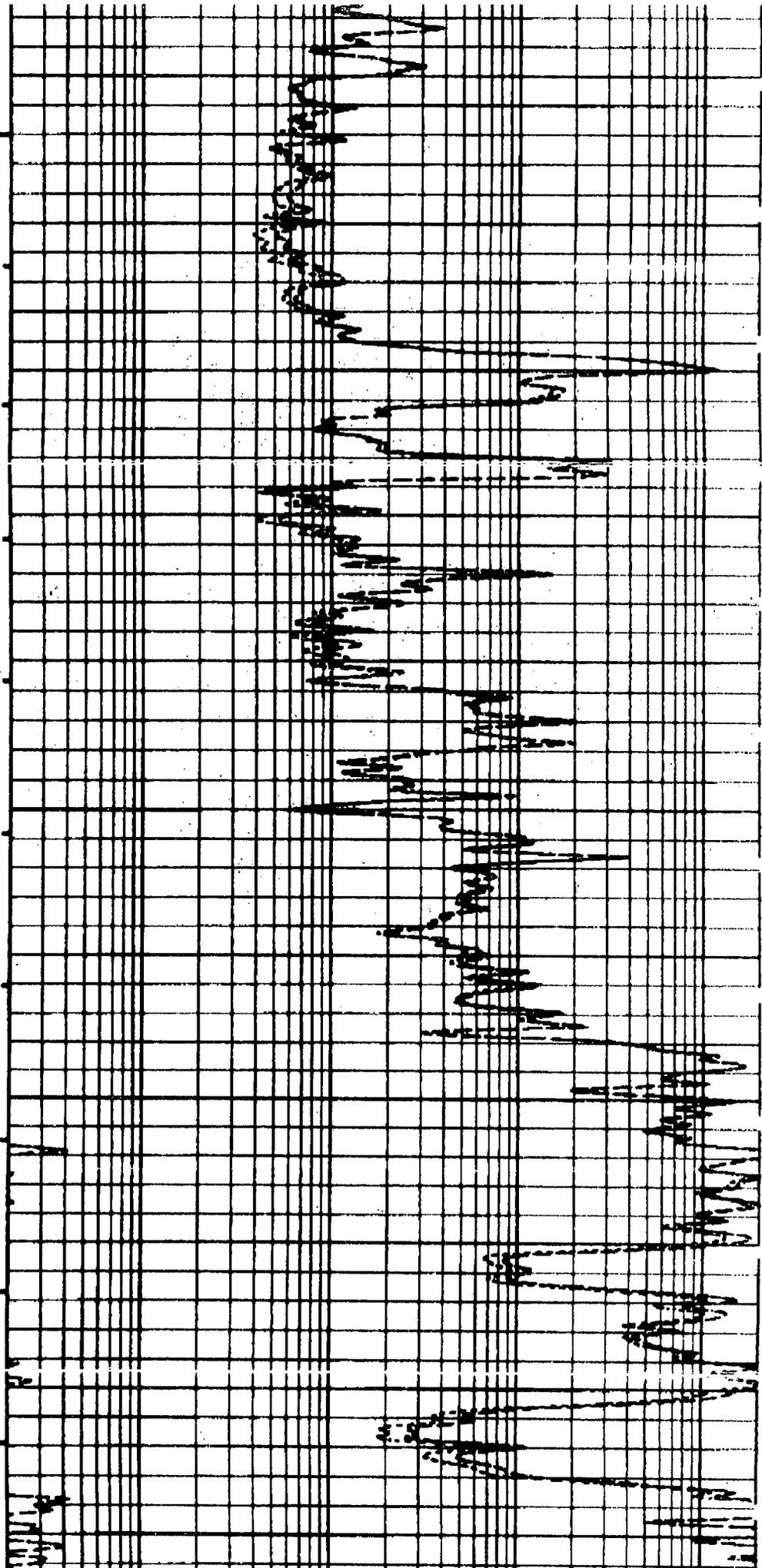
5800

5900

6000

6100

6200



XI.

Fresh Water Sample Analyses

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY
 WATER ANALYSIS REPORT
 HOBBS, NEW MEXICO

COMPANY Marbob
Stock Tank Water
NE14 NW14 Sec. 5-26s-28e

REPORT DATE W09-059
July 30, 2009
 DISTRICT Hobbs

SUBMITTED BY _____

WELL Stock Tanks DEPTH _____ FORMATION _____
 COUNTY _____ FIELD _____ SOURCE _____

SAMPLE	5-26S-28C	C-2160 5-S	C03413	
Sample Temp.	70 °F	70 °F	70 °F	°F
RESISTIVITY	15.8	3.41	3.41	
SPECIFIC GR.	1.000	1.002	1.002	
pH	8.57	8.12	7.89	
CALCIUM	700 mpl	1,000 mpl	1,150 mpl	mpl
MAGNESIUM	390 mpl	750 mpl	750 mpl	mpl
CHLORIDE	45 mpl	1,222 mpl	316 mpl	mpl
SULFATES	Light mpl	Moderate mpl	Moderate mpl	mpl
BICARBONATES	170 mpl	366 mpl	292 mpl	mpl
SOLUBLE IRON	0 mpl	0 mpl	0 mpl	mpl
KCL	Negative	Negative	Negative	
Sodium	_____ mpl	_____ mpl	_____ mpl	0 mpl
TDS	_____ mpl	_____ mpl	_____ mpl	0 mpl
OIL GRAVITY	@ °F	@ °F	@ °F	@ °F

REMARKS _____

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

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ANALYST: JH



New Mexico Office of the State Engineer

Point of Diversion by Location

(with Drilling Information)

WR File Nbr	Sub basin	Use	Diversion	County	POD Number	Grant	Source	q q q		(NAD83 UTM in meters)		Finish Date	(in feet)	
								1	2	X	Y		Well	Depth
C 02478	STK	3	ED	C 02478		6416 4	2 1 05 26S 28E	583848	3549325*	12/31/1916		100		

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

Record Count: 1

POD Search:

POD Basin: Carlsbad

PLSS Search:

Section(s): 4-9 Township: 26S Range: 28E

Sorted by: File Number

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



New Mexico Office of the State Engineer

Point of Diversion by Location

(with Drilling Information)

POD Search:

POD Basin: Carlsbad

PLSS Search:

Section(s): 31-33

Township: 25S

Range: 28E

No PODs found.



marbob
energy corporation

August 18, 2009

Artesia Daily Press
P. O. Box 190
Artesia, NM 88211-0190

Re: Legal Notice
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 SRO 5 SWD#1, is located 1980' FNL 1980' FEL, Sec. 5, Township 26 South, Range 28 East, Eddy County, New Mexico. Disposal water will be sourced from area wells producing from the Delaware and Bone Spring formations. The disposal water will be injected into the Devonian formation at a depth of 4100-5500' at a maximum surface pressure of 820 psi and a maximum rate of 5000 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 575-748-3303.

Published in the Artesia Daily Press, Artesia, New Mexico
_____, 2009.



marbob
energy corporation

August 11, 2009

New Mexico State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

Re: Application to Inject
SRO 5 SWD #1
Township 26 South, Range 28 East, NMPM
Section 5: 1980 FNL 1980 FEL, Unit G
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well to salt water disposal. 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.

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

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

Jones, William V., EMNRD

From: Debora Wilbourn [geology@marbob.com]
Sent: Thursday, September 03, 2009 3:35 PM
To: Jones, William V., EMNRD; Kathy Grantham
Subject: Affidavits of Publication
Attachments: Affidavit of Publication.pdf; Affidavit of Publication.pdf

SRO 5 Unit SWD #1
SRO 10 Unit SWD #1

Debora L Wilbourn, GeoTech
geology@marbob.com
Marbob Energy Corporation
PH 575-748-3303

This inbound email has been scanned by the MessageLabs Email Security System.

Affidavit of Publication

NO. 20831

STATE OF NEW MEXICO

County of Eddy:

GARY D. SCOTT being duly

sworn, says: That he is the PUBLISHER of The

Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive week/days on the same

day as follows:

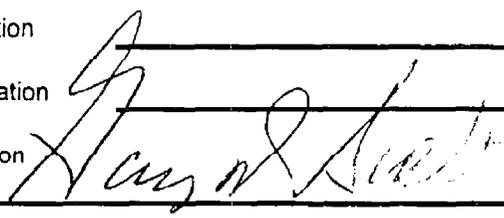
First Publication September 1, 2009

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____



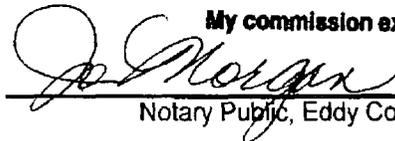
Subscribed and sworn to before me this

1 Day September 2009



OFFICIAL SEAL
Jo Morgan
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 6/26/2012



Notary Public, Eddy County, New Mexico

Copy of Publication:

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 SFD-3 SWD#1, is located 1990' FNL 1990' FEL, Sec. 5, Township 28 South, Range 28 East, Eddy County, New Mexico. Disposal water will be sourced from area wells producing from the Delaware and Bone Spring formations. The disposal water will be injected into the Delaware formation at a depth of 4100-5500' at a maximum surface pressure of 820 psi and a maximum rate of 5000 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 575-748-3308.

Published in the Artesia Daily Press, Artesia, NM September 1, 2009
Legal No. 20831

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

clsf
pp

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

RECEIVED
AUG 19 1991

WELL API NO. 30-015-26105
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-1085

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

O. C. D.
ARTESIA OFFICE

1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	Approved by Order DHC-808	7. Lease Name or Unit Agreement Name East Apple State Unit
---	------------------------------	---

2. Name of Operator YATES PETROLEUM CORPORATION	8. Well No. 1
--	------------------

3. Address of Operator 105 South 4th St., Artesia, NM 88210	9. Pool name or Wildcat Delaware River-Bone Springs Undes. Delaware Pool
--	--

4. Well Location Unit Letter <u>G</u> : 1980 Feet From The <u>North</u> Line and 1980 Feet From The <u>East</u> Line Section <u>5</u> Township <u>26S</u> Range <u>28E</u> NMPM <u>Eddy</u> County
--

10. Elevation (Snow whether DF, RKB, RT, GR, etc.) 3026' GR
--

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Downhole Commingle <input checked="" type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

7-23-91. POOH w/rods, pump and tubing. WIH w/overshot. Pulled RBP to 5050'. Went back in hole w/on/off tool. Latched onto RBP @ 6000'. Opened by-pass. POOH with RBP. Put well on pump.

Well is commingled by Administrative Order DHC-808 producing from perforations as follows:
 Delaware perforations: 4765-5145'
 Bone Spring perforations: 6812-7955'

Assignment of allocation of production will be as follows:
 Delaware Pool: Oil 65%, Gas 0%
 Bone Spring Pool: Oil 35%, Gas 100%

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

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 8-16-91

TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

ORIGINAL SIGNED BY
 MIKE WILLIAMS
 SUPERVISOR, DISTRICT II

APPROVED BY _____ TITLE _____ DATE SEP 24 1991

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

clst
DP

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AUG 29 '89

O. C. D.

WELL API NO.
30-015-26105

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
V-1085

7. Lease Name or Unit Agreement Name

East Apple State Unit

8. Well No.
1

9. Pool name or Wildcat
Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL GAS WELL OTHER
Change well status to oil.

2. Name of Operator
YATES PETROLEUM CORPORATION

3. Address of Operator
105 South 4th St., Artesia, NM 88210

4. Well Location
Unit Letter G : 1980 Feet From The North Line and 1980 Feet From The East Line

Section 5 Township 26S Range 28E NMPM Eddy County

10. Elevation (Show whether DP, RKB, RT, GR, etc.)
3026' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

- | | | | |
|--|---|--|---|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | | CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: <u>Perforate, Treat</u> <input checked="" type="checkbox"/> | |

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

7-18-89. Acidized perms 6812-26' w/2000 gals 15% NEFE acid and 10 ball sealers. (Amended)
 7-21-89. Acidized perms 6209-18' w/1500 gals 7 1/2% Spearhead acid. (Amended treatment report.)
 7-28-89. Frac'd perms w/20000 gals 40# Mini-Max III and 40000# 20/40 sand + 50 tons CO2.
 Recovered load and tested well.
 8-8-89. Set cement retainer at 7138'. Cemented w/75 sx Class C. Squeezed to 2500 psi.
 8-10-89. Drilled retainer and 15' cement. Circulated. Drilled thru perms 6209-18'. Cleaned out to RBP at 6270'. Circulated sand off top of plug. Pulled RBP from 6270'. WIH and perforated 7621-39' w/12 .42" holes as follows: 7621, 22, 23, 24, 25, 30, 31, 32, 33, 35, 36, and 7639'. Dropped bar. No show at surface. Acidized perms 7621-7639' (12 holes) w/1500 gals 7 1/2% Spearhead acid.
 8-23-89. WIH and perforated 7911-7955' w/17 .42' holes as follows: 7911, 12, 13, 14, 16, 17, 18, 19, 45, 46, 47, 48, 49, 50, 53, 54 and 7955'. Acidized perms 7911-7955' w/2000 gals 7 1/2% Spearhead acid.

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

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 8-25-89

TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

ORIGINAL SIGNED BY
MINERALS AND
ENERGY DISTRICT II

APPROVED BY _____ TITLE _____ DATE AUG 29 1989

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

als
Dp +

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

WELL API NO. 30-015-26105
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-1085
7. Lease Name or Unit Agreement Name East Apple State Unit
8. Well No. 1
9. Pool name or Wildcat Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE APPLICATION FOR PERMITS RECEIVED (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> JUL 20 '89
2. Name of Operator YATES PETROLEUM CORPORATION C.C.D.
3. Address of Operator 105 South 4th St., Artesia, NM 88210 ARTESIA, OFFICE
4. Well Location Unit Letter G : 1980 Feet From The North Line and 1980 Feet From The East Line Section 5 Township 26S Range 28E NMPM Eddy County 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3026' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: Production Casing, Perforate, Treat <input checked="" type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

TD 8300'. Reached TD 10:00 PM 6-15-89. Ran 198 joints 5-1/2" as follows: 17 joints 5 1/2" 17# J-55 LT&C; 142 joints 5 1/2" 15.5# J-55 and 39 joints 5 1/2" 17# J-55 LT&C casing set 8300'. Float shoe set 8300', float collar set 8258'. DV tool set 5380'. Cemented in two stages as follows: Stage I - 385 sx Super "H", 5#/sx Salt, 5#/sx Hiseal, 1/2#/sx Celloseal (yield 2.03, wt 12.0). PD 1:20 PM 6-17-89. Opened DV tool and circulated 4-1/2 hrs. Stage II - 590 sx Super "H", 5#/sx Salt, 5#/sx Hiseal, 1/2#/sx Celloseal (yield 2.03, wt 12.0). PD 6:45 PM 6-17-89. Bumped plug to 1000 psi for 30 minutes, released pressure float and casing held OK. WOCU 17 days. Drilled out DV tool at 5380' and cleaned out hole to 8250'. Tested casing to 1000 psi. Perforated 7115-7136' w/16 .41" holes as follows: 7115-25' (11 Holes-1 SPF); 7132-36' (5 holes-1 SPF). Treated perforations 7115-7136' w/ 1500 gals 7 1/2% Spearhead acid and 15 ball sealers. Frac perforations 7115-7136' w/20000 gals Mini-Max 40, 50000# 20/40 sand and 55 tons of CO2. WIH and perforated 6812, 13, 15, 17, 18, 19, 20, 23, 24, 26'(10-.41" holes) 6209-6218' (10-.41"holes-1SPF). Treat perms w/2000 gal NEFE acid and 10 ball sealers.

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

SIGNATURE Juanita Goodlett TITLE Production Supervisor DATE 7-19-89

TYPE OR PRINT NAME Juanita Goodlett TELEPHONE NO. 505/748-1471

(This space for State Use)

ORIGINAL SIGNED BY _____ DATE JUL 21 1989

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

RECEIVED

OCT - 3 '89

YATES PETROLEUM CORPORATION

EAST APPLE STATE UNIT #1, V-1085
Unit G, 1980' FNL & 1980' FEL
Sec. 5-T26S-R28E, Eddy County, NM

C. C. D.
ADDRESS HERE

DRILL STEM TESTS

DST #1 4975-5003' DELAWARE: TIMES: TO 15', SI 60'; TO 60", SI 180".
Opened with very weak blow, less than 1" in bucket. SI. Reopened with
no blow in bucket. RECOVERY - 3' (100%) oil on top. Bottom recovered
267' (100%) drilling mud, Cl 50,000. SAMPLER: .1 cfg, 1900 cc mud at
70 psi. Rw .12 @90°, Cl 50,000. BHT: 110°. PRESSURES: IHP 2278,
IFP 41-50, ISIP 2278, FFP 59-106, FSIP 2278, FHP 2278.

DST #2 7060-7139' (79') BONE SPRINGS: TIMES: TO 15", SI 60"; TO
60", SI 180"; TO 60", SI 30". Opened tool on bubble hose to bottom
bucket, increased to 2.25 psi. SI 60 minutes. Opened 2nd flow with
36 oz, increased to 40 oz in 10 mins then decreased to 34 oz in 60 mins.
SI 60 mins. Opened for final flow with 63 oz then decreased to 5 oz. SI
30 mins. RECOVERY: 90' drilling fluid and 5' oil (39 API @60°). SAMPLER:
.2 cfg, 300 cc mud and 26 psi. PRESSURES: IHP 3348, IFP 135-102, ISIP
760; 2nd FP 92-98, 2nd SIP 1769; FFP 107-102, FSIP 426, FHP 3363.

DST #3 7976-7789' 2ND BONE SPRING (187'): TO 15", good blow to bottom
of bucket from 1 oz to 3 oz. SI 60". TO 60" - good blow, 2 oz. SI 180".
FF TO 60" - good blow, 1 oz. SI 30". RECOVERY: 38' gas cut drilling
mud, Rw .12 at 60°, CL 80000. SAMPLER: .03 cfg, 1550 cc mud total (1300
cc gas cut drilling mud + 250 cc oil gas cut) at 65 psi, Rw .11 at 60°,
Cl 80000. PRESSURES: BOTTOM: IHP 3688, 1st FP 140-128, 1st SI 278,
2nd FP 115-115, 2nd SI 465, FFP 115-78, FSIP 190, FHP 3688.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, September 15, 2009 1:13 PM
To: 'Brian Collins'
Cc: Ezeanyim, Richard, EMNRD
Subject: SWD application from Marbob: SRO 5 SWD #1 30-015-26105

Hello Mr. Brian:

Only a couple questions:

1. The ½ mile Midland map shows OGX and Yates as lessees within ½ mile of this well. Please ask your Landman and let me know if Marbob is now the lessee or controls the minerals in the Delaware in this well and in the surrounding ½ mile including all the old Yates and OGX acreage?
2. As part of the conversion procedure, the OCD requires a CIBP within 200 feet of the lowermost injection perforation – one was not shown on your diagram.
3. It appears that portions of this proposed Delaware interval was producing (per DHC-808). Do you know anything about the cumulative production from this interval?

Take Care,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

Jones, William V., EMNRD

From: Ross Duncan [rduncan@marbob.com]
Sent: Wednesday, September 16, 2009 1:53 PM
To: Jones, William V., EMNRD
Cc: 'Brian Collins'
Subject: FW: SWD application from Marbob: SRO 10 SWD #1 30-015-25864

William:

Please see below for information regarding your questions to Brian Collins on the SRO 10 SWD #1 and SRO 5 SWD #1:

SRO 10 SWD #1 – We have YPC under a Joint Operating Agreement, Marbob as Operator, covering the lands and depths in question.

SRO 5 SWD #1 – We have YPC and Legend (Legend purchased OGX) under a Joint Operating Agreement, Marbob as Operator, covering the lands and depths in question.

Please let me know if you need anything else.

Thanks,
Marbob Energy Corporation

Ross Duncan

From: Brian Collins [mailto:bcollins@marbob.com]
Sent: Wednesday, September 16, 2009 9:57 AM
To: Ross Duncan
Subject: Fw: SWD application from Marbob: SRO 10 SWD #1 30-015-25864

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

From: Jones, William V., EMNRD
To: Brian Collins
Cc: Ezeanyim, Richard, EMNRD ; Reeves, Jacqueta, EMNRD
Sent: Wednesday, September 16, 2009 9:05 AM
Subject: SWD application from Marbob: SRO 10 SWD #1 30-015-25864

Hello Brian:

You must have found the logs for this one – I see a resis log on the web site.

Only a notice question for this one:

The ½ mile Midland map shows Yates as lessee within ½ mile of this well. Please ask your Landman and let me know if Marbob is now the lessee (or controls the minerals) in the Delaware in this well and in the surrounding ½ mile including all the old Yates acreage?

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505

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This inbound email has been scanned by the MessageLabs Email Security System.

Jones, William V., EMNRD

From: Brian Collins [bcollins@marbob.com]
Sent: Wednesday, September 16, 2009 9:25 AM
To: Jones, William V., EMNRD
Subject: Re: SWD application from Marbob: SRO 5 SWD #1 30-015-26105

Will:

1. Our land guys will send you an explanation of the lease/operator situation.
2. If you incorporate CIBP requirement into SWD order, I'll put it in the conversion procedure.
3. The cumulative Delaware production was 2364 BO/ 0 MCF/ 40497 BW.

Let me know if you need anything else. Take care.

Brian Collins
Marbob Energy
bcollins@marbob.com

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

From: Jones, William V., EMNRD
To: Brian Collins
Cc: Ezeanyim, Richard, EMNRD
Sent: Tuesday, September 15, 2009 1:12 PM
Subject: SWD application from Marbob: SRO 5 SWD #1 30-015-26105

Hello Mr. Brian:

Only a couple questions:

1. The ½ mile Midland map shows OGX and Yates as lessees within ½ mile of this well. Please ask your Landman and let me know if Marbob is now the lessee or controls the minerals in the Delaware in this well and in the surrounding ½ mile including all the old Yates and OGX acreage?
2. As part of the conversion procedure, the OCD requires a CIBP within 200 feet of the lowermost injection perforation – one was not shown on your diagram.
3. It appears that portions of this proposed Delaware interval was producing (per DHC-808). Do you know anything about the cumulative production from this interval?

Take Care,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

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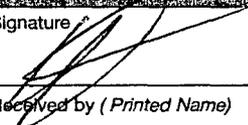
Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the MessageLabs Email Security System.

This inbound email has been scanned by the MessageLabs Email Security System.

SRO 5 SWD #1
1980 FNL 1980 FEL
SEC. 5-T26S-R28E
EDDY COUNTY, NM

Proof of Notice of surface owner

2009 SEP - 3 P 12
RECEIVED

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p><input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p style="text-align: center;">SEP 02 2009</p> <p style="text-align: center;">NM STATE LAND OFFICE P O BOX 1148 SANTA FE NM 87504-1148</p>	<p>A. Signature <input type="checkbox"/> Agent X  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center;">AUG 28 2009</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input checked="" type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <u>7006 0810 0000 8979 6988</u></p>	
<p>PS Form 3811, February 2004 DW Domestic Return Receipt SRO-S 102595-02-M-1540</p>	

Injection Permit Checklist (8/14/09)

Case SWD 1192 WFX PMX IPI Permit Date 9/16/09 UIC (J.A.S.)

Wells 1 Well Name: SRO 5 SWD #1

API Num: (30-) 015-26105 Spud Date: 1989 New/Old N (UIC primacy March 7, 1982)

Footages 1980 FNL/1980 FEL Unit G Sec 5 Tsp 26S Rge 28E County EDDY

Operator: Marbor Energy Corp. Contact Brian Collins

OGRID: 14049 RULE 5.9 Compliance (Wells) 1/1274 (Finan Assur) OK OK

Operator Address: P.O. Box 227, Arroyo NM 88211-0227

Current Status of Well: PEA

Planned Work to Well: Re-entering Planned Tubing Size/Depth: 2 7/8 @ 4050'

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing <input checked="" type="checkbox"/> Surface	17 1/2 13 3/8	450	500	CIRC
Existing <input checked="" type="checkbox"/> Intermediate	11 8 5/8	2340	1000	CIRC
Existing <input checked="" type="checkbox"/> Long String	7 7/8 5 1/2	8300	975	1200' F.P.

DV Tool 5380 Open Hole Total Depth 8300'

Well File Reviewed

Diagrams: Before Conversion After Conversion Elogs in Imaging File:

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)			
Injection..... Interval TOP:	<u>4100</u>	<u>Del</u>	<u>820</u> PSI Max. WHIP
Injection..... Interval BOTTOM:	<u>5500</u>	<u>Del</u>	Open Hole (Y/N)
Below (Name and Top)			Deviated Hole?

Sensitive Areas: Capitan Reef Cliff House Salt Depths
 Potash Area (R-111-P) Potash Lessee Noticed?

Fresh Water: Depths: Del/BS Wells Yes Analysis? Yes Affirmative Statement

Disposal Fluid Sources: Del/BS Analysis?

Disposal Interval Production Potential/Testing/Analysis Analysis:

Notice: Newspaper (Y/N) SLD Surface Owner SLD Mineral Owner(s)

RULE 26.7(A) Affected Parties: Water TOGX = ?

Area of Review: Adequate Map (Y/N) and Well List (Y/N)
 Active Wells 0 Num Repairs 0 Producing in Injection Interval in AOR -
 ..P&A Wells 0 Num Repairs 0 All Wellbore Diagrams Included? -

Questions to be Answered:
Statement about ownership
Del Prod History

Required Work on This Well: Request Sent Reply:
 AOR Repairs Needed: Request Sent Reply:
 Request Sent Reply: