

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Marbob Energy

ADMINISTRATIVE APPLICATION CHECKLIST SR016 SWD #1

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

30-015-21398

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] OPERATOR/Applicant Name: _____ OGRD: _____
 (If one well) Lease/Well Name: _____
 Well API No. 30- _____

Amendment To Lower Bottom Disposal Interval

[2] 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

[3] 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
U.S. Bureau of Land Management
- [E] Notification and/or Concurrent Approval by SLO
Commissioner of Public Lands, State Land Office
- [F] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [G] Waivers are Attached

[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	



RECEIVED
2010 JAN 26 AM 8 29

January 20, 2010

Mr. Will Jones
New Mexico Energy, Minerals & Resources Department
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: Request to Amend C-108
Administrative Order SWD-1195
Marbob Energy SRO 16 SWD No. 1
1980' FNL, 1980' FEL
Unit G, Section 16, T26S-R28E
Eddy County
API #30-015-21398

Dear Mr. Jones:

Marbob Energy requests approval to modify the captioned SWD Order -1195 to increase the bottom of the Devonian open hole injection interval from 15100' to 15400', a 300' increase in depth. While deepening to the originally proposed TD of 15100', we encountered 200' of slow drilling, tight limestone. This effectively reduced our proposed open hole disposal interval by 200'. We decided to drill the well 300' deeper in hopes of getting back into porous dolomite to ensure that we will have a high capacity, long term Devonian SWD well that justifies the over \$3,000,000 we have spent on it. We did get into porous dolomite in the bottom portion of the well as hoped.

We believe that we are still in the Devonian formation and did not see any significant shows while deepening below the intended target depth (mudlog is attached). There are no producing intervals below the Pennsylvanian aged Morrow in this area. This well was originally drilled as a Devonian test in 1974. The Devonian tested water on a DST and the well was plugged.

A copy of our newspaper notice request and letters to the State Land Office and Yates Petroleum Corporation are attached. Please email me at bcollins@marbob.com or call me at 575-748-3303 if you have questions.

Sincerely,


Brian Collins
Petroleum Engineer

BC/dlw
Attachments

Jones, William V., EMNRD

From: Brian Collins [bcollins@marbob.com]
Sent: Monday, January 18, 2010 6:53 AM
To: Jones, William V., EMNRD
Subject: SRO 16 SWD 1 Order SWD-1195

Will:

We encountered less dolomite and more limestone than expected when drilling the Devonian from 14572-15100' as originally permitted. We're drilling a little deeper to see if we can pick up some more dolomite and I was wondering how you wanted me to handle modifying the C-108 on this well. I'm going to re-submit the newspaper notice and the letter notifying the State Land Office today or tomorrow. We will not complete the well or inject any water until we get final approval from you.

We've drilled deeper (I'll find out this morning how deep we went and let you know) because we've sunk about \$3,500,000 into this well and we have to use the drilling rig for deepening due to the depth of the well. I'll be on a frac job today and can be reached on my cell phone at 575-748-5558 if you need to visit with me. Thanks.

Brian Collins
Marbob Energy
bcollins@marbob.com
575-748-3303

This inbound email has been scanned for malicious software and transmitted safely to you using Webroot Email Security.



January 20, 2010

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

Re: Administrative order SWD-1195
Application to Inject
SRO 16 SWD #1
Township 26 South, Range 28 East, NMPM
Section 16: 1980 FNL 1980 FEL, Unit G
Eddy County, New Mexico

Ladies and Gentlemen:

We are giving you a courtesy notification that we have increased the depth of the bottom of the Devonian disposal interval from 15100' to 15400' to ensure we have enough dolomite present for SWD service. We encountered approximately 200' of tight limestone in the original proposed interval and needed to drill deeper to get back into porous dolomite.

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

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure



January 20, 2010

Yates Petroleum Corporation
104 S. 4th St.
Artesia, NM 88210

Re: Administrative order SWD-1195
Application to Inject
SRO 16 SWD #1
Township 26 South, Range 28 East, NMPM
Section 16: 1980 FNL 1980 FEL, Unit G
Eddy County, New Mexico

Ladies and Gentlemen:

We are giving you a courtesy notification that we have increased the depth of the bottom of the Devonian disposal interval from 15100' to 15400' to ensure we have enough dolomite present for SWD service. We encountered approximately 200' of tight limestone in the original proposed interval and needed to drill deeper to get back into porous dolomite.

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: Monday, February 01, 2010 1:43 PM
To: Jones, William V., EMNRD
Subject: SRO 16 SWD #1 - Amended depth
Attachments: Affidavit of Publication - amend depth.pdf; Proof of Notice NMSL & YPC - amended.pdf

Will,

Here are the proofs of notice and the Affidavit of Publication for the referenced well.

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

This inbound email has been scanned for malicious software and transmitted safely to you using Webroot Email Security.

Marbob

From: "Debora Wilbourn" <geology@marbob.com>
To: "Artesia Daily Press Legals" <legals@artesianews.com>
Sent: Wednesday, January 20, 2010 2:16 PM
Attach: Legal Notice.doc
Subject: SRO 16 SWD #1

Jo,

Could you please run this legal ASAP?

Thanks,

Debora L Wilbourn, GeoTech

geology@marbob.com

Marbob Energy Corporation

PH 575-748-3303

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 16 SWD #1, is located 1980' FNL 1980' FEL, Sec. 16, 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 14525-15400' at a maximum surface pressure of 2905 psi and a maximum rate of 20,000 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 575-748-3303.

Published in the Artesia Daily Press, Artesia, New Mexico
_____, 2010

JAN 29 2010

Affidavit of Publication

NO. 20991

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:

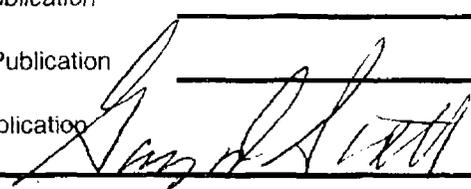
First Publication January 22, 2010

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____



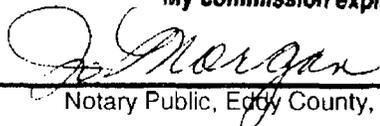
Subscribed and sworn to before me this

22 Day January 2010



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:

LEGAL NOTICE

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
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seeking administrative
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well, the SRO 16 SWD #1, is
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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,
January 22, 2010.
Legal No. 20991

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

JAN 28 2010

NM STATE LAND OFFICE
P O BOX 1148
SANTA FE NM 87504-1148

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from Item 1? Yes
If YES, enter delivery address below: No

JAN 26 2010
SF
SF

3. Service Type

Certified Mail Express Mail

Registered Return Receipt for Merchandise

Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

2. Article Number

(Transfer from service label)

7006 0810 0000 8979 7046

PS Form 3811, February 2004

DW

Domestic Return Receipt

SRO 16-Depth

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

YATES PETROLEUM CORPORATION
105 S 4TH ST
ARTESIA NM 88210

JAN 26 2010

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

CLARISSA LUNA

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

JAN 25 2010

D. Is delivery address different from Item 1? Yes
If YES, enter delivery address below: No

3. Service Type

Certified Mail Express Mail

Registered Return Receipt for Merchandise

Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

Article Number

(Transfer from service label)

7006 0810 0000 8979 7039

Form 3811, February 2004

DW

Domestic Return Receipt

SRO 16-Depth

102595-02-M-1540

KENNETH L. JOHNSON

MUDLOGGING / SAMPLE EVALUATION

P. O. Box 13131
ODESSA, TEXAS 79768
(432) 528-4228

COMPANY: MARBOB ENERGY CORP. WELL: SRO 16 SWD #1

FIELD: SWD; DEVONIAN COUNTY: EDDY STATE: NM

LOCATION: 1980' FNL&EL
SEC 16-T26S-R28E

Interval Logged: 14570' To: 15,400' G.L.: 3023.8' K.B.: 3040.8'

Date Logged: 27-DEC 09 To: 18 JAN '10 Spud Date: DEC '09

Rig: PATRIOT3

Csg Record: 7" 14570'

Api No.: 30-015-21398

Filename: SRO16SWD.mlw

Geologist: BRENT MAY Engineer: SHERYL BAKER

Abbreviations:

NB...New Bit	DST...Drill Stem Test
CO...Circ Out	DS...Directional Survey
NR...No Returns	CG...Connection gas
TG...Trip Gas	LAT...Logged After Trip
WOB...Wt on Bit	PP...Pump Pressure
RPM...Rev/Min	SPM...Strokes/Min
SG...Survey Gas	DTG...Down Time Gas

Mud Data

WT...Weight	V...Viscosity
PH...Acidity	F...Filtrate
CHL...Chlorides	SC...Solids Content

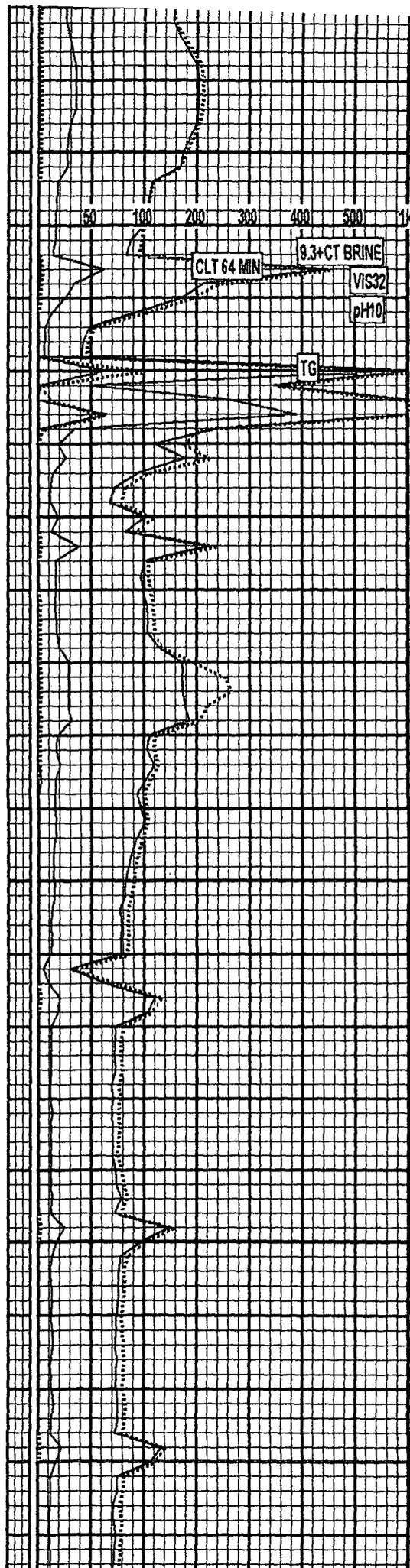
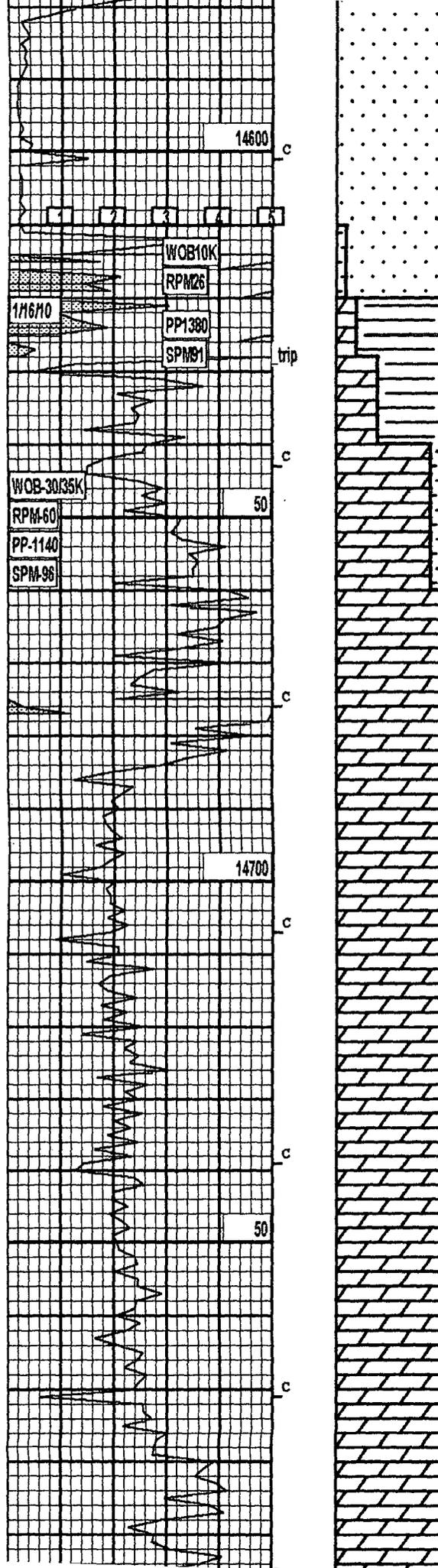
Lithology Symbols:

Anhydrite	Salt	Granite
Siltstone	Chert	Sandstone
Dolomite	Conglomerate	Limestone
Coal	Shale	Bentonite
Carb Shale	Granite Wash	Quartz Wash
Accessories		
Glaucinite	Pyrite	Fossils
Fractures	Cement	Oolites

Gas Chromatograph Analysis:

HW
C1	_____
C2	_____
C3
IC4	_____
NC4	_____

Drilling Rate MINFT	Vis Por	Lithology	% OB Cut	Total Gas/Chromatograph	Descriptions/Remarks																					
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1	2	3	4	5																						
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p	f	g	g	g																						
50	100	200	300	400	500	1k																				
<div style="border: 1px solid black; padding: 2px; display: inline-block;">12/27 & 28/09</div>					<p>14570' REENTER JAKE HARMON, WELL PLUGGED IN THE LATE 70s, ORIGINAL TD</p>																					



1/8" Varel, DH1GMRS, jets open

CEMT:

SH:dkgy gy bk,blky
hd to frm,diss pyr,
carb,calc ip

14629' TOOH bit 10, TIH
NB11,6&1/8",HFC,STX50DX
JETS 3X16

DOL:wh crm tn,micro to
fxln,hd to frm,cln to
sl/arg,succ ip, tr pyr,
faint mnrl fluor

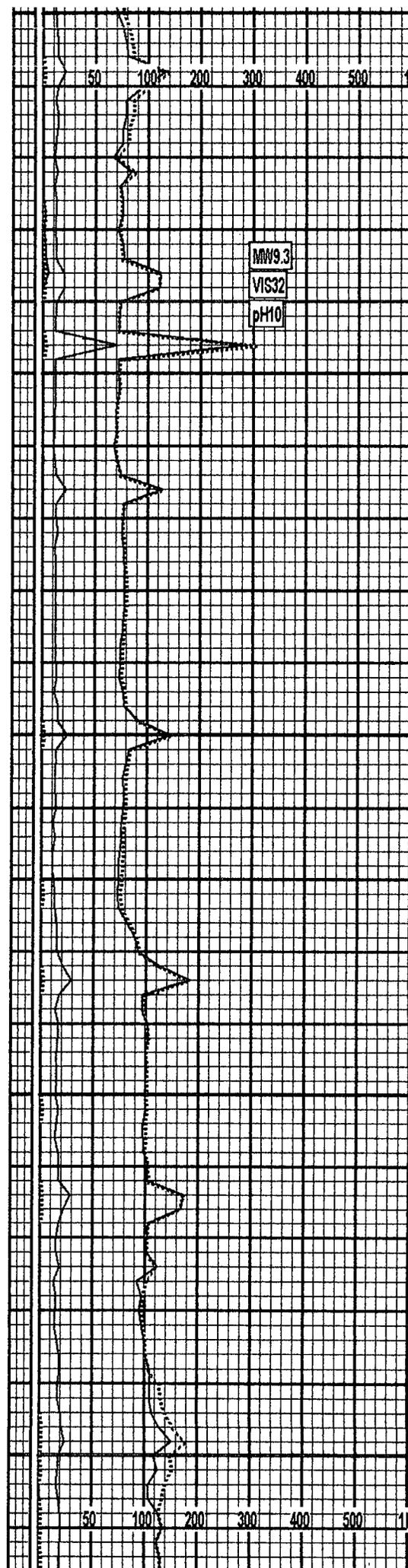
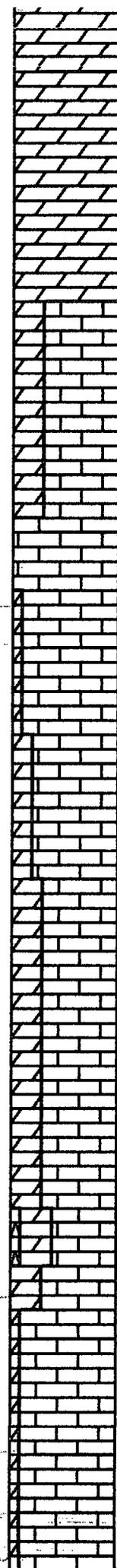
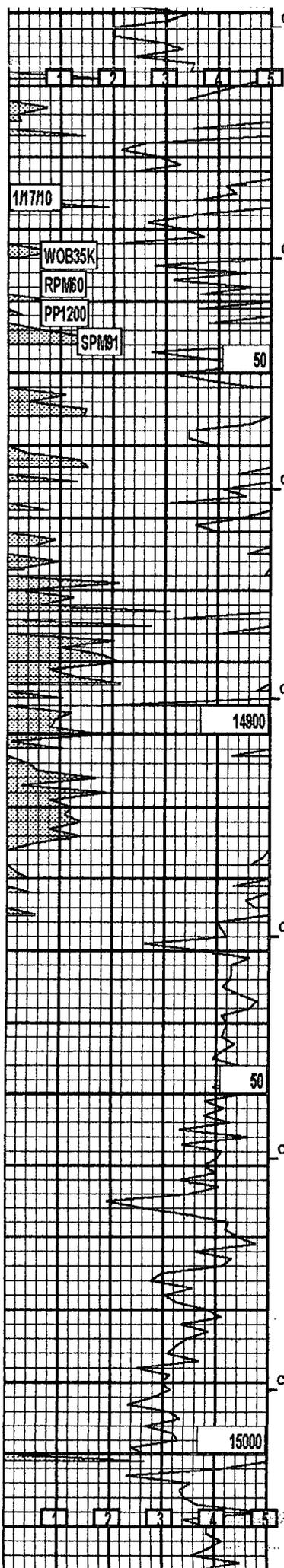
DOL:wh trnsl tn,micro
to fxln,sft to hd,cln,
succ,faint mnrl fl

DOL:wh tn crm,micro to
vxln,hd to sft,succ ip,
occ dns,cln

DOL:wh tn bn,micro to
fxln,hd to sft,succ ip
cln

DOL:wh trnsl occ crm,
micro to fxln,hd to sft
succ ip,cln

DOL:wh trnsl crm tn,
micro to fxln,hd to sft
succ ip,cln



DOL:wh bn trnsl,micro to fxln,hd to sft,succ ip,sm dns,cln

LS:bn tn,micro to vfx,hd to sft,cln,sl dol ip,no fl

LS:ltbn tn crm,micro to vfx,hd to sft,cln,tr dolomitic,no fl

DOL:wh crm,micro to fxln,hd to frm,limy sl/succ ip,no fl

LS:tn crmwh,micro to vfx,hd to sft, tr chlky sm dolomitic ip, tr pyr no fl

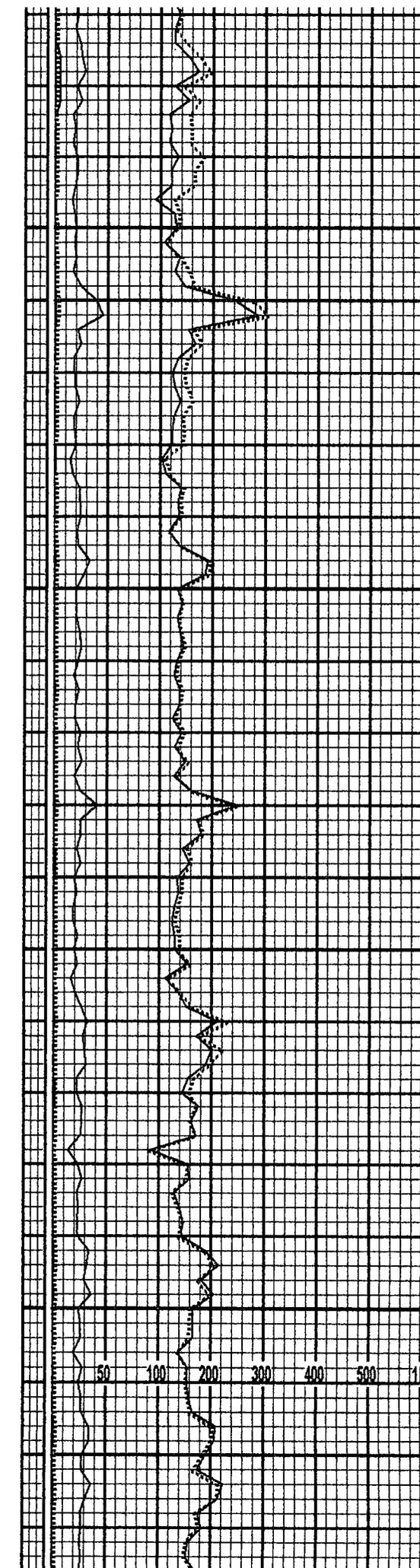
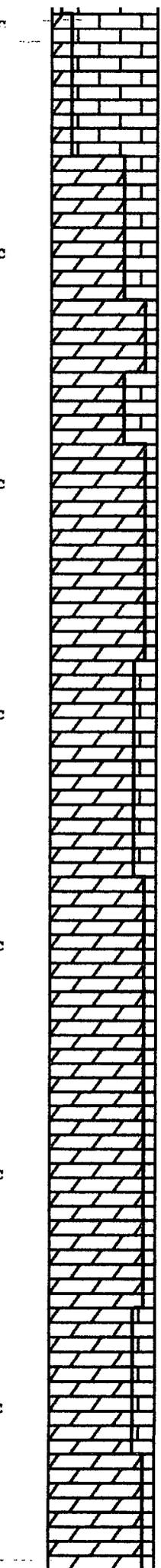
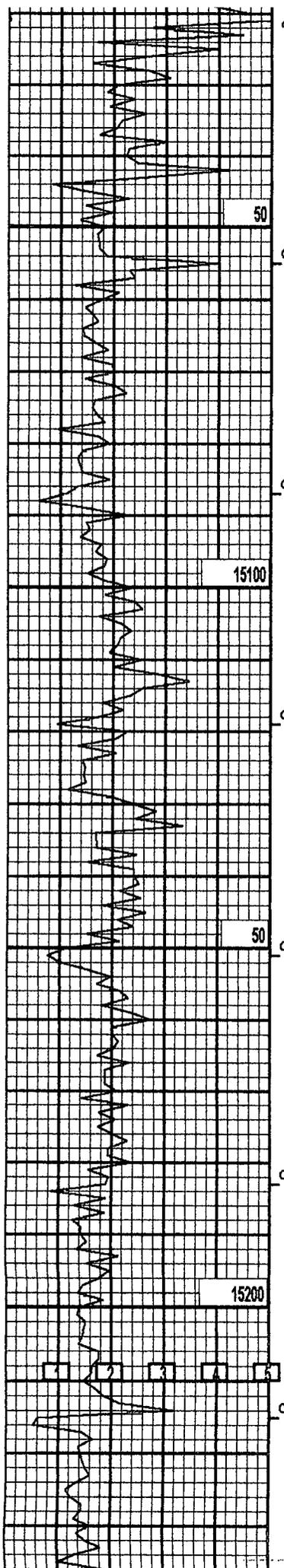
DOL:wh trnsl crm,vfx fxln,sft to hd,succ ip, limy,no fl

CHT:mklywh,tnsl,tr pyr calc ip

LS:wh crm tn,micro to vfx,hd to sft & chlky, dolomitic ip,cln, no fl

DOL:wh crm,micro to vfx hd to fmodst,sl/succ limy,no fl

Top Limn 14840'



Baseline
15040'

DOL:wh trnsl,micro to
fxln,hd t sft,sli limey
succ ip,no fl

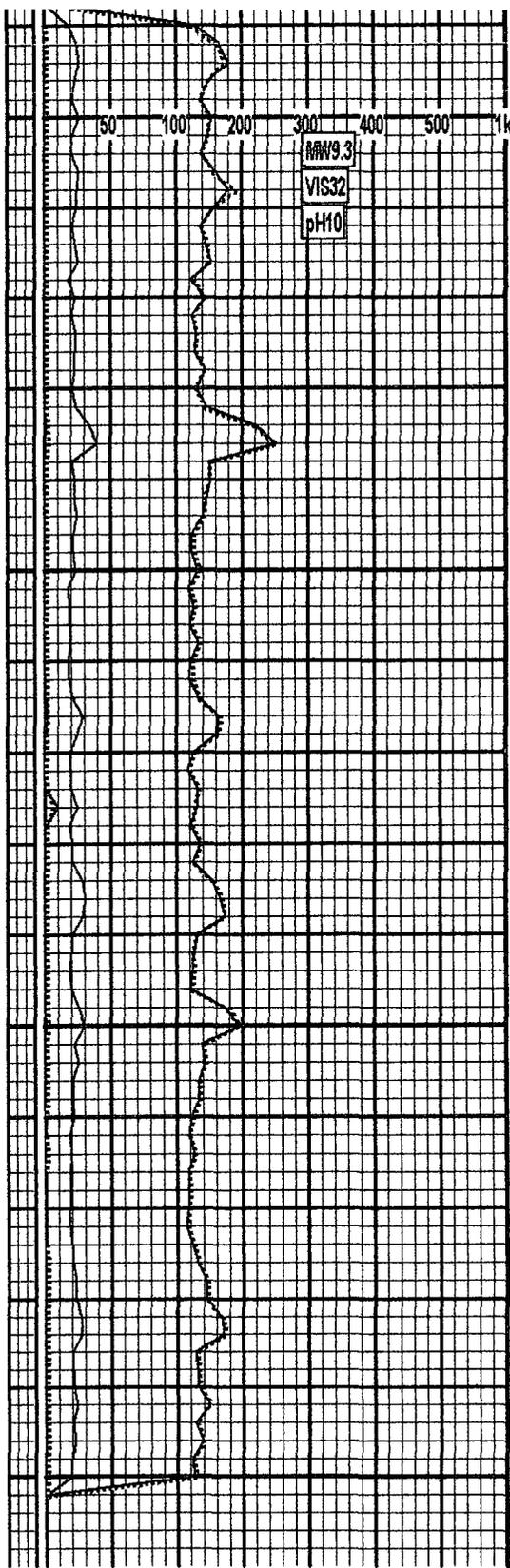
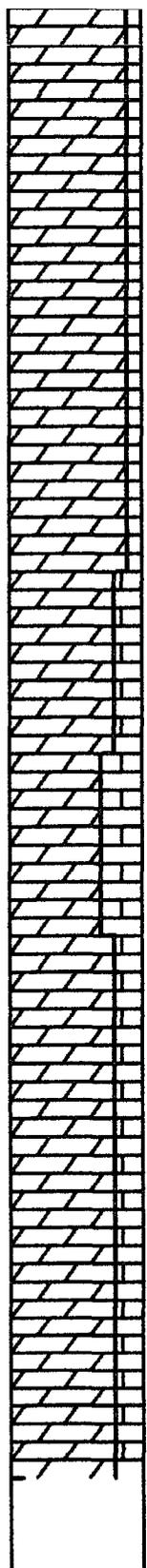
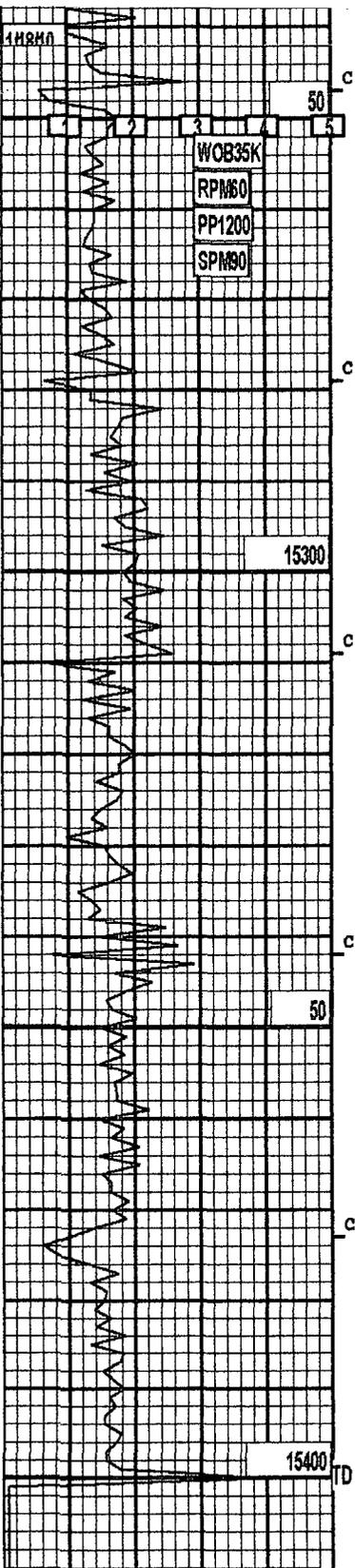
LS:bn tn crm,micro to
fxln,hd to sft &chlky
dolo ip,cln,no fl

DOL:wh trnsl,micro to
fxln,hd to sft,succ ip,
limey,cln,fnf scatered
mnr1 fl

DOL:wh trnsl,micro to
fxln,hd to sft,succ ip,
sli limey,cln,no fl

LS:wh bn crm,micro
to fxln,hd to sft &
chlky,succ ip,cln,no
fl

DOL:wh trnsl,micro to
fxln,hd to sft,succ ip,
cln,sli limey,no fl



DOL:wh trnsl,micro
to vxlh,hd to sft,succ
ip,cln,sli limey,no fl

LS:bn tn crm,micro to
vfx,hd to sft & chlky,
succ ip,dolomitic ip,
cln,no fl

DOL:wh trnsl,micro to
fxln,pred hd,dns,cln,
no fl,sli limey

DOL:wh,micro tofxln
hd to mod sft,sl/succ
text,cln,limy ip, no
fl

Drillers TD 15,400'