

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -

822

ADMINISTRATIVE APPLICATION COVER SHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [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 - Directional Drilling

- NSL NSP DD SD

Check One Only for [B] and [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

DEC - 6 2001

[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Brian Collins
 Print or Type Name

Brian Collins
 Signature

Engineer
 Title

3 Dec 01
 Date



marbob
energy corporation

November 30, 2001

New Mexico Energy, Minerals
and Natural Resources Department
Oil Conservation Division
1220 South Saint Francis Street
Santa Fe, New Mexico 87504

Attention: Engineering Bureau

RE: Chalk AKH Federal Com No. 1 (30-015-26116)
1980' FSL - 660' FEL
Section 22-18S-27E
Eddy County, New Mexico

Gentlemen:

Enclosed herewith is the Marbob Energy Corporation Application for Authorization to Inject concerning the above referenced well. Application is made pursuant to Rule 701C of the Division Rules and Regulations for Administrative Approval for Disposal into the Canyon formation. The waters to be disposed of will consist of produced waters from the Seven Rivers, Grayburg, San Andres, and Yeso formations. There were no fresh water wells found within one mile of the proposed salt-water disposal well. Publication of Marbob Energy Corporation's intent to utilize the subject well for water disposal has been made in the Artesia Daily Record, and copies of this Application have been mailed to each leasehold operator and surface owner within one half mile of the well via certified mail. As you will notice, Marbob Energy Corporation is proposing to rename the above referenced well. We would like to change the name to the Scoggins Draw SWD No. 1. If acceptable, documents should reflect the new name. If you need any further data or have any questions, please do not hesitate to contact Brian Collins in our office.

Marbob Energy Corporation respectfully requests your approval of the before mentioned Application at the expiration of the fifteen day waiting period. Thank you for your assistance with this matter.

Sincerely,

Dean Chumbley
Land Department

DC/mm
Enclosures

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: Post Office Box 227, Artesia, NM 88211-0227

CONTACT PARTY: Brian Collins PHONE: 505-748-3303

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

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

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Brian Collins TITLE: Engineer

SIGNATURE: *Brian Collins* DATE: 3 Dec 01

* 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

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
 - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
 - (3) A description of the tubing to be used including its size, lining material, and setting depth.
 - (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
- (1) The name of the injection formation and, if applicable, the field or pool name.
 - (2) The injection interval and whether it is perforated or open-hole.
 - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
 - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
 - (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

**APPLICATION FOR AUTHORIZATION TO INJECT
MARBOB ENERGY CORPORATION
CHALK AKH FEDERAL COM NO. 1**

V: The map is attached.

VI: Only one well, the Yates Beauregard Com No. 1, penetrates the proposed injection interval within the ½ mile radius area of review. The wellbore schematic is attached.

VII: Injection Well Data

1. Proposed Rate of Injection:

1. Average daily rate of injection: 2,000 barrels
2. Maximum daily rate of injection: 10,000 barrels

2. Type of System:

System will be closed

3. Anticipated Injection Pressure:

Proposed maximum injection pressure = 1530 psi

4. Source of Injection Water:

A typical Yeso produced water analysis is attached. Marbob Energy Corporation has numerous Canyon SWD wells receiving Seven Rivers, Grayburg, San Andres, and Yeso waters. There have been no compatibility problems.

5. Disposal Zone Water Analysis:

Water analysis of the Canyon formation water are attached.

VIII: Geologic Data

The injection zone is the Canyon Dolomite from 7660' to 8500'. No underground source of drinking water underlies the proposed Canyon disposal zone. The possibility of underground drinking water exists down to about 275' from the surface.

IX: Proposed Conversions / Stimulation Program

If a decision is made to treat the Canyon, we will probably acidize with 20,000 gals. 20% HCl acid.

X: Logging Data

Well logs have been submitted to the Division.

XI: Fresh Water Analysis

There are no fresh water source wells within one mile of the proposed salt water disposal well.

XII: Open Faults

After examining available geologic and engineering data, we found 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

Proof of notice is attached.

OPERATOR: Marbob Energy Corporation

WELL NAME & NUMBER: Chalk AKH Federal Com No. 1 (propose to rename as Scoggins Draw SWD No. 1)

WELL LOCATION: 1980' FSL - 660' FEL I 22 18S 27E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

See Attached

Hole Size: 12 1/4" Casing Size: 8 5/8" @ 1800'

Cemented with: 1075 sx. or ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ sx. or ft³

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2" @ 8590'

Cemented with: 1075 sx. or ft³

Top of Cement: 1550' Method Determined: Calculated

Total Depth: 10050'

Injection Interval

7660' feet to 8500'

Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

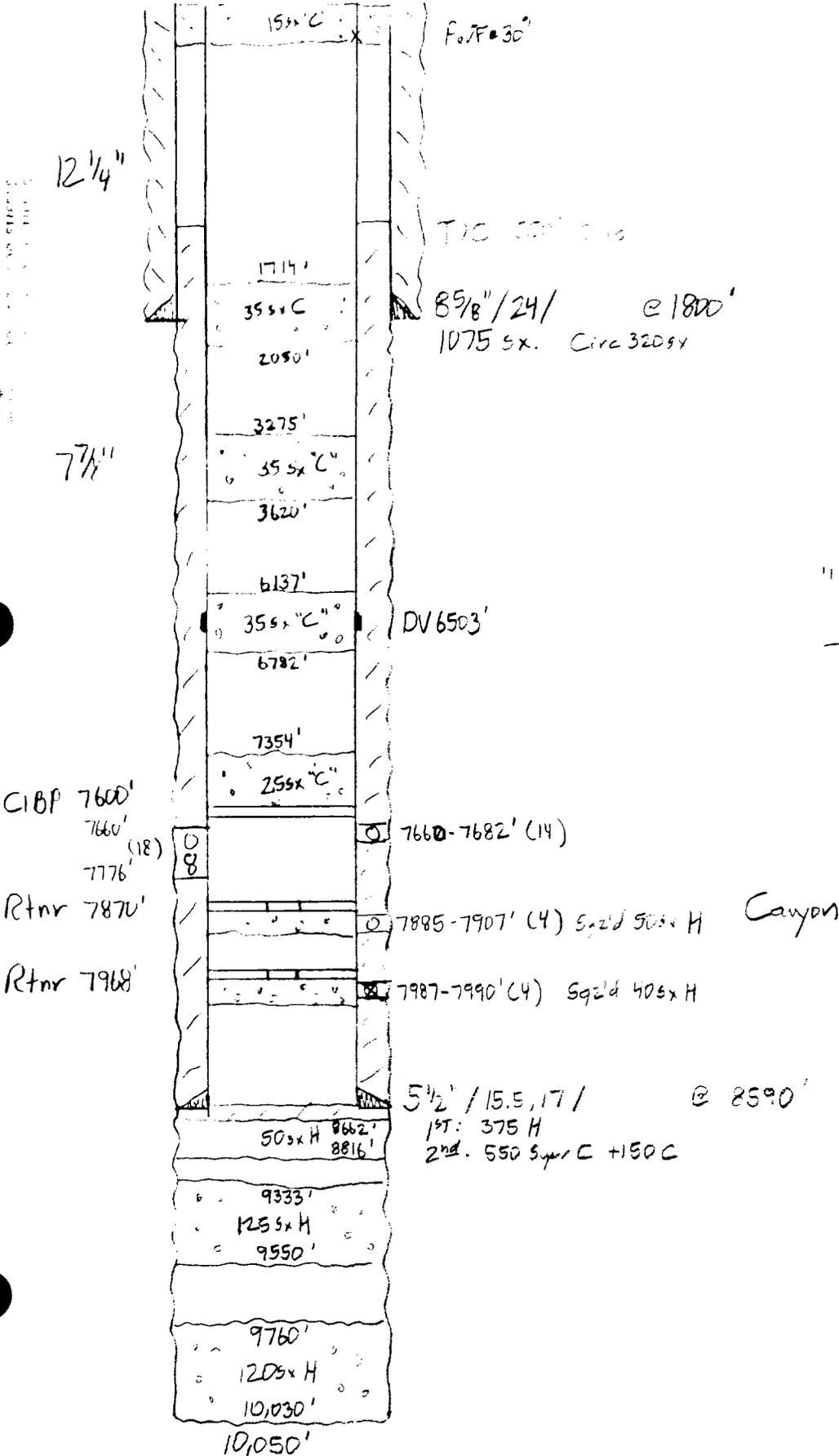
Tubing Size: 2 7/8" Lining Material: Plastic
 Type of Packer: Nickel plated double grip retrievable (Baker Lokset, Guiberson Uni-6, or equivalent)
 Packer Setting Depth: 7600 +
 Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

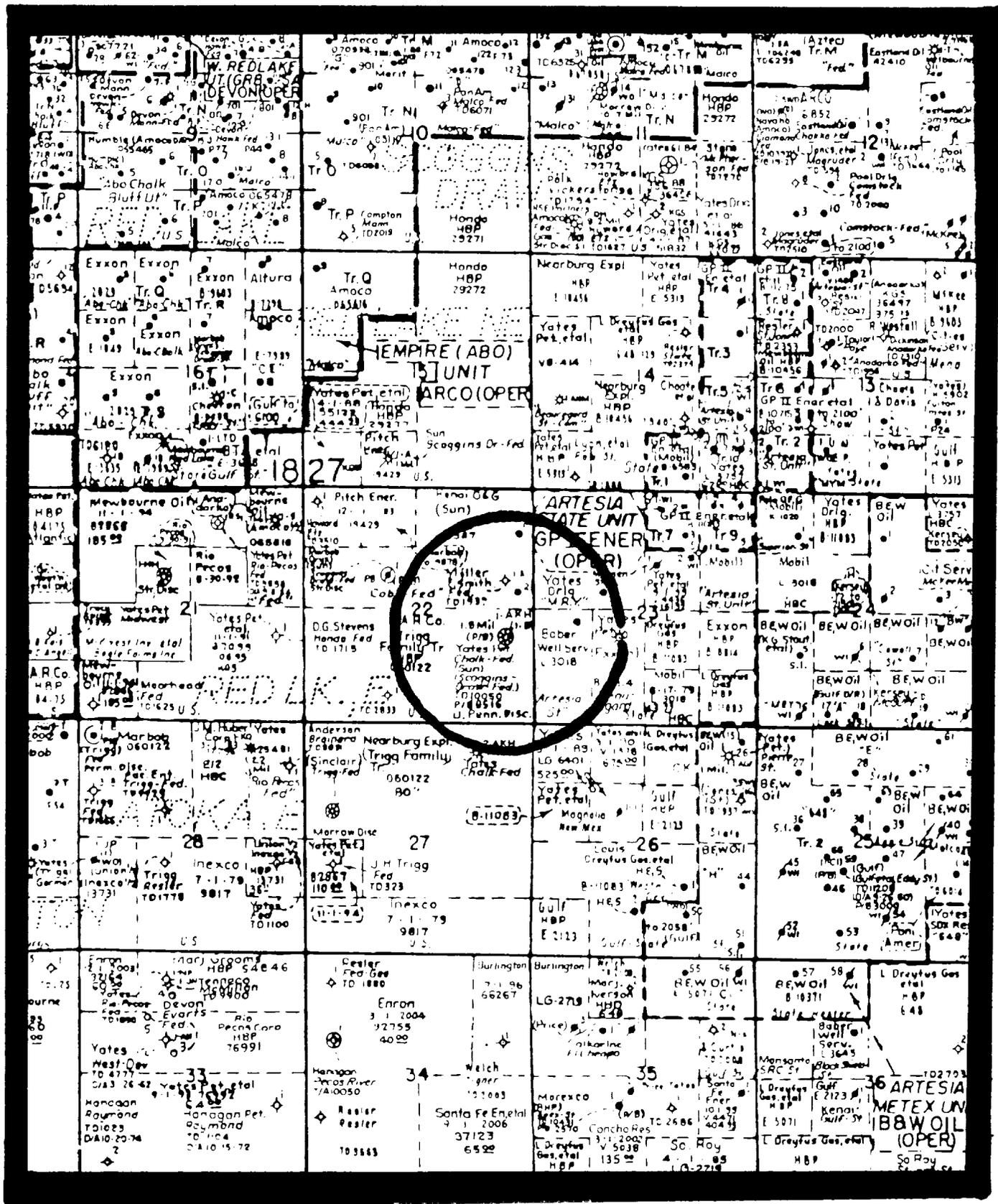
1. Is this a new well drilled for injection? Yes No
 If no, for what purpose was the well originally drilled? Oil and Gas production
2. Name of the Injection Formation: Canyon Dolomite
3. Name of Field or Pool (if applicable): _____
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Canyon 7660' - 7990'. See wellbore sketch for details.
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Morrow and Atoka underlie the Canyon (neither zone is productive in this well). Wolfcamp, Abo, and Grayburg overlie the Canyon (only the Grayburg has produced within the 1/2 mile radius area of review).

Chalk AKH Fed. Conn. 1

1980' FSL, 660' FEL
 I-22-18s-27e
 Eddy, NM



"BEFORE"



AREA OF REVIEW MAP

"PROPOSED - Scoggins Draw SWD No. 1"

Chalk AKH Federal Com. No. 1

1980' FSL & 660' FEL

Sec. 22; T18s - R27e

Eddy County, New Mexico

Typical Yeso
Produced Water

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

No. W167 & W168-93

TO Marbob Energy Corporation

Date May 20, 1993

P. O. Box 304

Artesia, NM 88210

This report is the property of Halliburton Services and neither it nor any part thereof, nor a copy thereof, is to be published or disclosed without first securing the express written approval of laboratory management. It may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Services.

Submitted by _____ Date Rec. _____

Well No. _____ Depth _____ Formation _____

Field _____ County _____ Source _____

Burch Keely

Mary Dodd A

Resistivity 0.066 @ 70° _____ 0.060 @ 70°

Specific Gravity .. 1.0979 @ 70° _____ 1.1250 @ 70°

pH 7.0 _____ 7.0

Calcium 4,379 _____ 3,332

Magnesium 2,081 _____ 2,890

Chlorides 84,000 _____ 111,000

Sulfates 1,000 _____ 400

Bicarbonates 976 _____ 1,403

Soluble Iron 0 _____ 0

Remarks:

Eric Jacobson
Respectfully submitted

Analyst: Eric Jacobson - Operations Engineer

HALLIBURTON SERVICES

NOTICE:

This report is for information only and the content is limited to the sample described. Halliburton makes no warranties, express or implied, as to the accuracy of the contents or results. Any user of this report agrees Halliburton shall not be liable for any loss or damage, regardless of cause, including consequential damages.

APR 13 1992

DRILLING REPORT - RE-ENTRY

Page 5

Yates Petroleum - Chalk "AKH" Federal Com #1 (Unit I) 22-18S-27E Eddy Co.

*****New Mexico***

Resistivity	0.21 @ 66	0.23 @ 66
Sulfates	2233	2233
Sod & Pot	11,344	11,323
Chlorides	23,296	22,325
CALC	38,403	36,803
Calcium	2993	2566
Bicarbonates	1421	1492
Magnesium	1014	967
KCL	slight trace	slight trace
Tot. Hardness as CaCO3	11,661	10,398
Tot. Dissolved Solids	49,955	47,771

Water Analyses From Eddy Co
Deepwell Interval

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 Chalk AKH Federal Com No. 1 is located 1980' FSL and 660' FEL, Section 22, Township 18 South, Range 27 East, Eddy County, New Mexico. Disposal water will be sourced from area wells producing from the Seven Rivers, Grayburg, San Andres, and Yeso formations. The disposal water will be injected into the Canyon formation at a depth 7,660' - 8,500'. A maximum surface pressure of 1530 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, 2040 South Pacheco Street, Santa Fe, New Mexico 87505 within fifteen (15) days of this notice. Any interested party with questions or comments may contact Raye Miller at Marbob Energy Corporation, Post Office Box 227, Artesia, New Mexico 88211-0227 or call 505/748-3303.

Published in the Artesia Daily Press, Artesia, New Mexico
_____, 2001.

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:

Trigg Family Trust
 P O Box 520
 Roswell, NM 88202-0520

Chalk AKH

2 7001 1940 0006 6411 4048

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

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? YesIf 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**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:

Baber Well Service
 P O Box 1772
 Hobbs, NM 88241

Chalk AKH

2 7001 0320 0001 7640 2102

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

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- Addressee

B. Received by (Printed Name)

C. Date of Delivery

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- Registered
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-
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-
- C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes**SENDER: COMPLETE THIS SECTION**

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- 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:

CFM Oil Company
 P O Box 1176
 Artesia, NM 88211-1176

Chalk AKH

2 7001 0320 0001 7640 2089

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

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? YesIf 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

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 Drilling Company
119 W. Main St.
Artesia, NM 88210

Chalk AKH

2. 7001 1940 0006 6411 4130

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent AddresseeB. Received by (*Printed Name*)

C. Date of Delivery

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**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

Chalk AKH

2. 7001 1940 0006 6411 4147

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent AddresseeB. Received by (*Printed Name*)

C. Date of Delivery

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**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:

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

Chalk AKH

2. 7001 1940 0006 6411 4154

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-2509

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent AddresseeB. Received by (*Printed Name*)

C. Date of Delivery

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



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 12, 2001

Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211-0227

Attention: Mr. Dean Chumbley

Re: Form C-108
Chalk "AKH" Federal Com No. 1
Section 22, T-18S, R-27E,
Eddy County, New Mexico

Dear Mr. Chumbley:

I have reviewed your application to inject into the subject well, and it appears to be satisfactory. Please forward a copy of the newspaper advertisement from the Artesia Daily Record in order to complete the application.

Sincerely,

A handwritten signature in black ink, appearing to read "David Catanach".

David Catanach
Engineer