

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies <b>District I</b> 1625 N. French Dr., Hobbs, NM 88240 <b>District II</b> 1301 W. Grand Avenue, Artesia, NM 88210 <b>District III</b> 1000 Rio Brazos Rd., Aztec, NM 87410 <b>District IV</b> 1220 S. St. Francis Dr., Santa Fe, NM 87505	<b>State of New Mexico</b> <b>Energy, Minerals and Natural Resources</b>  <b>Oil Conservation Division</b> <b>1220 South St. Francis Dr.</b> <b>Santa Fe, NM 87505</b>	<b>Form C-105</b> Revised June 10, 2003  <b>WELL API NO.</b> <div style="text-align: center;">30-015-33158</div> <b>5. Indicate Type of Lease</b> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> <b>State Oil &amp; Gas Lease No.</b> BO-7244																																				
<b>WELL COMPLETION OR RECOMPLETION REPORT AND LOG</b>																																						
<b>1a. Type of Well:</b> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> OTHER _____  <b>b. Type of Completion:</b> NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. WELL OVER BACK RESVR. <input type="checkbox"/> OTHER _____		<b>7. Lease Name or Unit Agreement Name</b>  <div style="text-align: center; font-weight: bold;">RECEIVED</div> <div style="text-align: center;">NMBP STATE      AUG 27 2004</div>																																				
<b>2. Name of Operator</b> MARBOB ENERGY CORPORATION		<b>8. Well No.</b> <div style="text-align: center;">1</div>																																				
<b>3. Address of Operator</b> PO BOX 227, ARTESIA, NM 88211-0227		<b>9. Pool name or Wildcat</b> RED LAKE; GLORIETA-YESO, NE																																				
<b>4. Well Location</b> Unit Letter <u>L</u> : <u>2185</u> Feet From The <u>SOUTH</u> Line and <u>990</u> Feet From The <u>WEST</u> Line Section <u>2</u> Township <u>18S</u> Range <u>27E</u> NMPM <u>EDDY</u> County																																						
<b>10. Date Spudded</b> 6/21/04	<b>11. Date T.D. Reached</b> 6/30/04	<b>12. Date Compl. (Ready to Prod.)</b> 8/20/04																																				
<b>13. Elevations (DF&amp; RKB, RT, GR, etc.)</b> 3549' GL		<b>14. Elev. Casinghead</b>																																				
<b>15. Total Depth</b> 3950'	<b>16. Plug Back T.D.</b> 3913'	<b>17. If Multiple Compl. How Many Zones?</b>																																				
<b>18. Intervals Drilled By</b> 0 - 3950'		<b>19. Producing Interval(s), of this completion - Top, Bottom, Name</b> 3196' - 3604' YESO																																				
<b>20. Was Directional Survey Made</b> NO		<b>21. Type Electric and Other Logs Run</b> DLL, CSNG																																				
<b>22. Was Well Cored</b> NO		<b>23. CASING RECORD (Report all strings set in well)</b> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>CASING SIZE</th> <th>WEIGHT LB./FT.</th> <th>DEPTH SET</th> <th>HOLE SIZE</th> <th>CEMENTING RECORD</th> <th>AMOUNT PULLED</th> </tr> </thead> <tbody> <tr> <td>8 5/8"</td> <td>24#</td> <td>364'</td> <td>12 1/4"</td> <td>600 SX, CIRC</td> <td>NONE</td> </tr> <tr> <td>5 1/2"</td> <td>17#</td> <td>3939'</td> <td>7 7/8"</td> <td>850 SX, CIRC</td> <td>NONE</td> </tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED	8 5/8"	24#	364'	12 1/4"	600 SX, CIRC	NONE	5 1/2"	17#	3939'	7 7/8"	850 SX, CIRC	NONE																		
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<b>26. Perforation record (interval, size, and number)</b> 3196' - 3604' (20 SHOTS)		<b>27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.</b> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> </thead> <tbody> <tr> <td>3196'-3604'</td> <td>ACDZ W/ 2000 GAL NEFE 15% HCL</td> </tr> <tr> <td>3196'-3604'</td> <td>FRAC W/ 109K# SAND</td> </tr> </tbody> </table>	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	3196'-3604'	ACDZ W/ 2000 GAL NEFE 15% HCL	3196'-3604'	FRAC W/ 109K# SAND																														
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<b>28. PRODUCTION</b>																																						
<b>Date First Production</b> 8/22/04	<b>Production Method (Flowing, gas lift, pumping - Size and type pump)</b> PUMPING																																					
<b>Well Status (Prod. or Shut-in)</b> PROD		<b>Date of Test</b> 8/25/04																																				
<b>Hours Tested</b> 24	<b>Choke Size</b>	<b>Prod'n For Test Period</b>																																				
<b>Oil - Bbl</b> 0	<b>Gas - MCF</b> 1	<b>Water - Bbl.</b> 459																																				
<b>Gas - Oil Ratio</b>	<b>Flow Tubing Press.</b>	<b>Casing Pressure</b>																																				
<b>Calculated 24-Hour Rate</b>	<b>Oil - Bbl.</b>	<b>Gas - MCF</b>																																				
<b>Water - Bbl.</b>	<b>Oil Gravity - API - (Corr.)</b>																																					
<b>29. Disposition of Gas (Sold, used for fuel, vented, etc.)</b> SOLD		<b>Test Witnessed By</b> LENDELL HAWKINS																																				
<b>30. List Attachments</b> LOSS, DEVIATION SURVEY																																						
<b>31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief</b>																																						
<b>Signature</b> <b>Printed Name</b> DIANA J. CANNON <b>Title</b> PRODUCTION ANALYST <b>Date</b> 8/26/04																																						
<b>E-mail Address</b> PRODUCTION@MARBOB.COM																																						

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers 364'	T. Devonian	T. Menefee	T. Madison
T. Queen 904'	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres 1666'	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta 3108'	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T
T. Blinbry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T. BOWERS 704'	T. Wingate	T.
T. Wolfcamp	T. YESO 3210'	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

No. 1, from.....to.....  
No. 2, from.....to.....  
No. 3, from.....to.....  
No. 4, from.....to.....

**Include data on rate of water inflow and elevation to which water rose in hole.**

No. 1, from.....to.....feet.....  
 No. 2, from.....to.....feet.....  
 No. 3, from.....to.....feet.....

From	To	Thickness In Feet	Lithology

From	To	Thickness In Feet	Lithology



# Artesia Fishing Tool Co., Inc.

Oil Well Drilling Contractors  
PO Box 1370 Artesia, NM 88211-1370  
505/746-6651 746-3518 fax 748-2205

July 12, 2004

Marbob Energy Corporation  
PO Drawer 227  
Artesia, NM 88211-0227

JUL 13 2004

RE: NMBP State #1  
2185' FSL & 990' FWL  
Sec. 2, T18S, R27E  
Eddy County, New Mexico

Gentlemen:

The following is a Deviation Survey for the above captioned well.

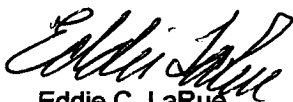
DEPTH	DEVIATION	DEPTH	DEVIATION
362'	1/4°	2174'	1 3/4°
599'	3/4°	2403'	1 3/4°
1084'	1 1/4°	2611'	1 3/4°
1312'	1 3/4°	2829'	1 3/4°
1406'	1 3/4°	3329'	1 3/4°
1553'	1 3/4°	3829'	1 3/4°
1677'	1 1/4°	3950'	1 3/4°
1926'	1 1/2°		

RECEIVED

AUG 27 2004

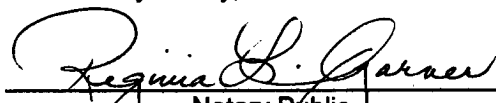
OOB-ARTESIA

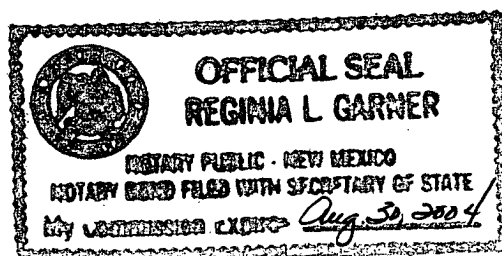
Very truly yours,

  
Eddie C. LaRue  
Vice President

STATE OF NEW MEXICO }  
COUNTY OF EDDY }

The foregoing was acknowledged before me  
this 12<sup>th</sup> day of July, 2004.

  
Notary Public



04-1285

*Serving Southeast New Mexico and West Texas Since 1974*