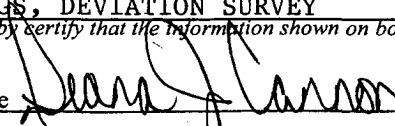


Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies <b>District I</b> 1625 N. French Dr., Hobbs, NM 88240 <b>District II</b> 1301 W. Grand Avenue, Artesia, NM 88210 <b>District III</b> 1000 Rio Brazos Rd., Aztec, NM 87410 <b>District IV</b> 1220 S. St. Francis Dr., Santa 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> 30-015-33454  <b>5. Indicate Type of Lease</b> STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> <b>State Oil &amp; Gas Lease No.</b> E-647
<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. <input type="checkbox"/> WELL OVER BACK RESVR. <input type="checkbox"/> OTHER _____		<b>7. Lease Name or Unit Agreement Name</b>  <div style="text-align: right; font-weight: bold;">RECEIVED</div> <div style="text-align: right;">DAD STATE OCT 13 2004</div>
<b>2. Name of Operator</b> MARBOB ENERGY CORPORATION		<b>8. Well No.</b> 40
<b>3. Address of Operator</b> PO BOX 227, ARTESIA, NM 88211-0227		<b>9. Pool name or Wildcat</b> ARTESIA; GLORIETA-YESO (OIL)
<b>4. Well Location</b> Unit Letter <u>N</u> : <u>990</u> Feet From The <u>SOUTH</u> Line and <u>2135</u> Feet From The <u>WEST</u> Line Section <u>26</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>EDDY</u> County		
<b>10. Date Spudded</b> 7/2/04	<b>11. Date T.D. Reached</b> 7/11/04	<b>12. Date Compl. (Ready to Prod.)</b> 9/23/04
<b>13. Elevations (DF&amp; RKB, RT, GR, etc.)</b> 3676' GL		<b>14. Elev. Casinghead</b>
<b>15. Total Depth</b> 4350'	<b>16. Plug Back T.D.</b> 4322'	<b>17. If Multiple Compl. How Many Zones?</b>
<b>18. Intervals Drilled By</b> Rotary Tools 0 - 4350'		<b>19. Producing Interval(s), of this completion - Top, Bottom, Name</b> 3768' - 4082' 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>		
CASING SIZE	WEIGHT LB/FT.	DEPTH SET
8 5/8"	24#	497'
5 1/2"	17#	4345'
<b>24. LINER RECORD</b>		
SIZE	TOP	BOTTOM
<b>25. TUBING RECORD</b>		
SIZE	DEPTH SET	PACKER SET
2 7/8"	3655'	
<b>26. Perforation record (interval, size, and number)</b> 3768' - 4082' (20 SHOTS)		
<b>27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.</b> DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED 3768' - 4082' ACDZ W/ 2000 GAL 15% HCL ACID		
<b>28. PRODUCTION</b>		
<b>Date First Production</b> 9/24/04	<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> 9/30/04	<b>Hours Tested</b> 24	<b>Choke Size</b>
<b>Prod'n For Test Period</b>	<b>Oil - Bbl</b> 156	<b>Gas - MCF</b> 227
<b>Water - Bbl.</b> 490	<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> JONATHAN GRAY
<b>30. List Attachments</b> LOGS, 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> 10/11/04		
<b>E-mail Address</b> PRODUCTION@MARBOB.COM		

# INSTRUCTIONS

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.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

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 602'	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers 842'	T. Devonian	T. Menefee	T. Madison
T. Queen 1421'	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres 2144'	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta 3648'	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	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 1199'	T. Wingate	T.
T. Wolfcamp	T. YESO 3740'	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

## OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 2, from.....to.....

No. 3, from.....to.....

No. 4, from.....to.....

## IMPORTANT WATER SANDS

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.....

## LITHOLOGY RECORD (Attach additional sheet if necessary)

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 22, 2004

JUL 28 2004

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

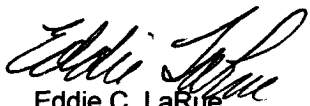
RE: DAD State #40  
990' FSL & 2135' FWL  
Sec. 26, T17S, R28E  
Eddy County, New Mexico

Gentlemen:

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

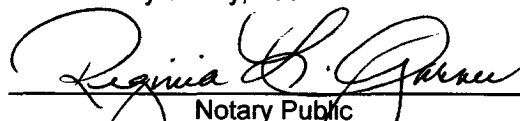
DEPTH	DEVIATION
226'	1/2°
477'	1/2°
595'	3/4°
1064'	1/4°
1578'	3/4°
2091'	1 1/2°
2591'	1 1/4°
3085'	1 1/4°
3615'	1°
4210'	1 1/4°
4350'	1 1/2°

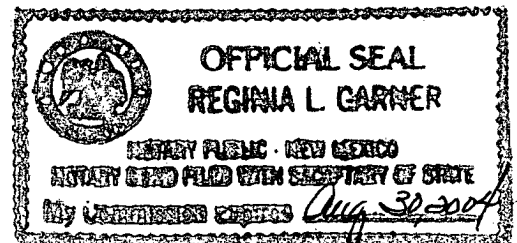
Very truly yours,

  
Eddie C. LaRue  
Vice President

STATE OF NEW MEXICO }  
COUNTY OF EDDY }

The foregoing was acknowledged before me  
this 22<sup>nd</sup> day of July, 2004.

  
Regina L. Garner  
Notary Public



04-1286

*Serving Southeast New Mexico and West Texas Since 1974*