STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

JUL 27 2007
OCD-ARTESIA

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

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

II. OPERATOR: MARBOB ENERGY CORPORATION

ADDRESS: P O 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 __X__ 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: 17 Jul 07

E-MAIL ADDRESS: engineering@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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

C-108 Application for Authorization to Inject
High Net SWD No. 1
(Formerly Marbob High Net Federal No. 1)
100' FNL 2140' FEL
B-2-25S-28E, Eddy County

Marbob Energy Corporation proposes to re-enter the captioned well, deepen to 8100' and convert it to salt water disposal service into the Delaware Sand and Bone Spring Sand from 5200' to 8000'.

V. Map is attached.

VI. Wellbore schematics are attached for all the wells that penetrate the proposed injection zone within the 1/2 mile radius area of review.

VII. 1. Proposed average daily injection rate = 1000 BWPD
Proposed maximum daily injection rate = 3000 BWPD

2. Closed system

3. Proposed maximum injection pressure = 1040 psi
(0.2 psi/ft. x 5200 ft.)

4. Source of injected water will be Delaware Sand produced water. The Delaware produced water is the same as the Delaware water in the receiving formation. There is an active Bone Spring SWD well taking Delaware produced water about a mile west of the proposed SWD (State MA-1, H-3-25S-28E). No compatibility problems are expected. An analysis of Delaware water from an analogous field is attached.

5. Disposal zone formation water is essentially the same as the injection water.

VIII. The injection zone is the Delaware and Bone Spring Sandstone, a fine-grained sandstone from 5200' to 8000'. Any underground water sources will be shallower than 600'.

IX. The Delaware/Bone Spring sand injection interval will be acidized with approximately 20 gals/ft. of 7 1/2% HCl acid. If necessary, the injection interval may be fraced with up to 300,000 lbs. of 20/40 mesh sand.

X. Well logs have been filed with the Division. Will file logs across Bone Spring after well has been deepened.

XI. There is a windmill located NE/4NE/4, Sec. 3, T25S-R28E about 4100' southwest of the proposed SWD well. The water analysis is attached.

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.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Marbob Energy Corp

WELL NAME & NUMBER: High Net SWD No. 1 (Formerly High Net Federal No. 1)

WELL LOCATION: 100' FNL 2140' FEL | B | 2 | 25s | 28e

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC

See Attached Before & After Schematics

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12 1/4" Casing Size: 9 5/8" @ 604'

Cemented with: 450 sx + 2yd redimix 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

Proposed Configuration

Hole Size: 8 3/4" x 7 7/8" Casing Size: 5 1/2" @ ±8100'

Cemented with: _____ sx. *or* ±4000 ft³

Top of Cement: Surface Method Determined: By design

Total Depth: ±8100'

Injection Interval

5200' feet to 8000'

(Perforated) or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: Plastic or Duoline 20

Type of Packer: Nickel plated 10K retrievable double grip

Packer Setting Depth: ± 5150'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? ____ Yes X No

   If no, for what purpose was the well originally drilled? oil & gas

2. Name of the Injection Formation: Bone Spring & Delaware

3. Name of Field or Pool (if applicable): Salt Draw

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. No.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

   Overlying: None

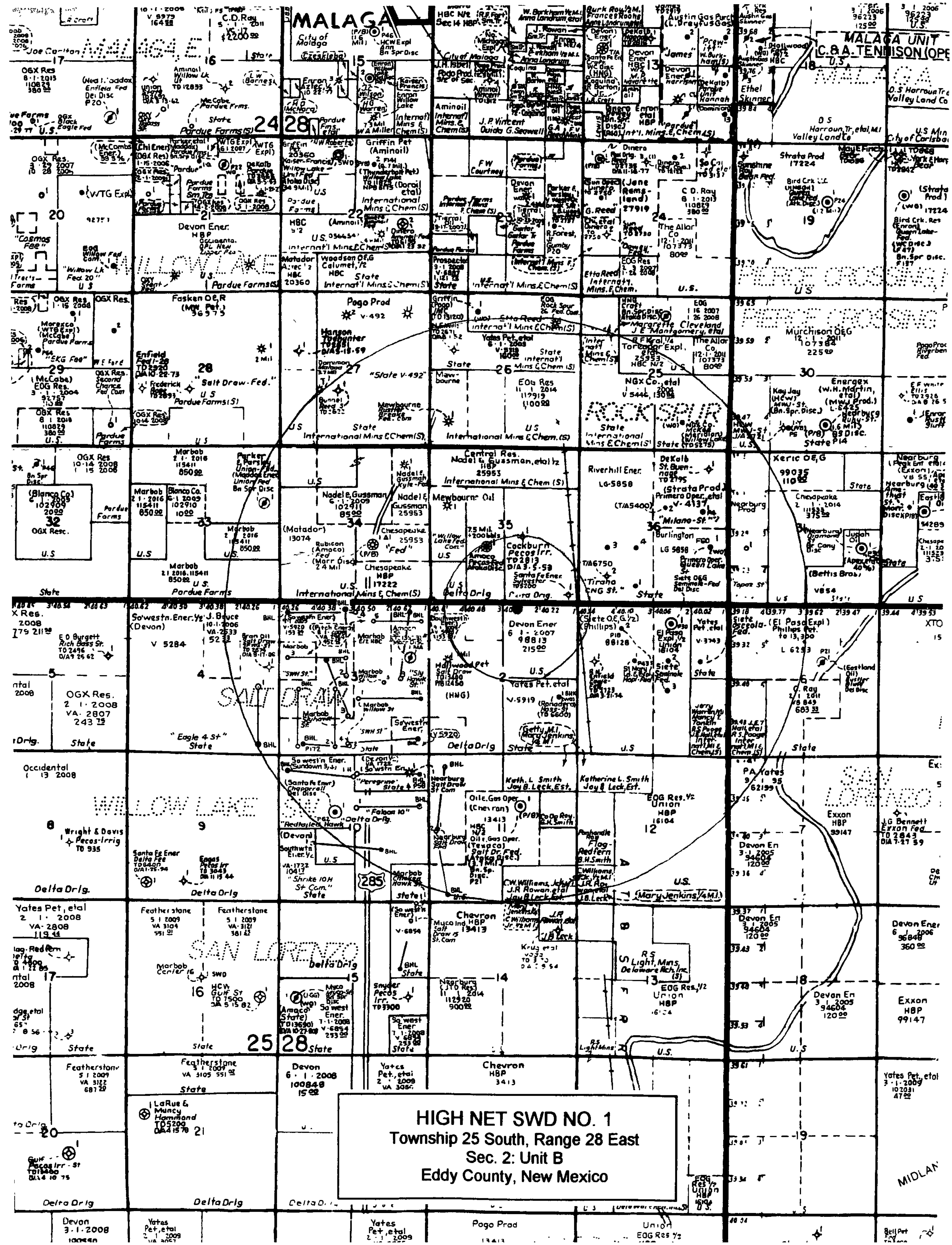
   Underlying: Atoka ±11800' Scattered Bone Spring ± 7000-8000' range

   Delaware ±4600-5000' to the east (±4000' away)

   ±4800-4900' to the west (±4000' away)

V.

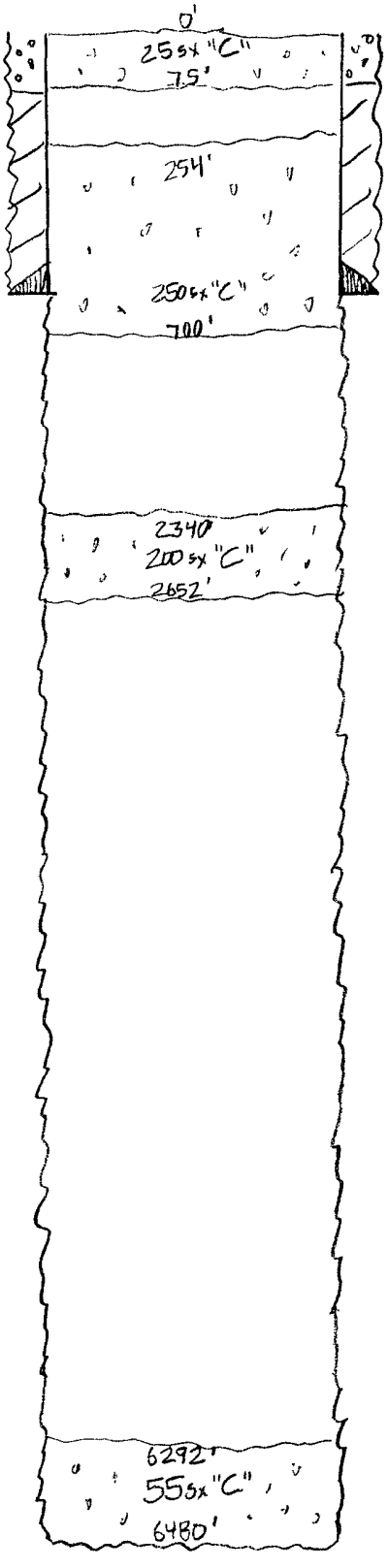
MAP


HIGH NET SWD NO. 1
Township 25 South, Range 28 East
Sec. 2: Unit B
Eddy County, New Mexico
MALAGA
MALAGA UNIT
C.& A. TENNISON (OPE
WILLOW LAKE
SALT DRAW
SAN LORENZO
ROCK SPUR
PIERCE CROSSING
MIDLAN

High Net SWD No. 1
(Formerly High Net Federal No. 1)
100' FNL, 2140' FEL
B-2-25s-28e
Eddy, NM

30-015-35602

Zero: 14' AGL
KB: 2974'
GL: 2960'



9 5/8" /36/J55/STC @ 604'
450 sx "C" + 2yds redimix

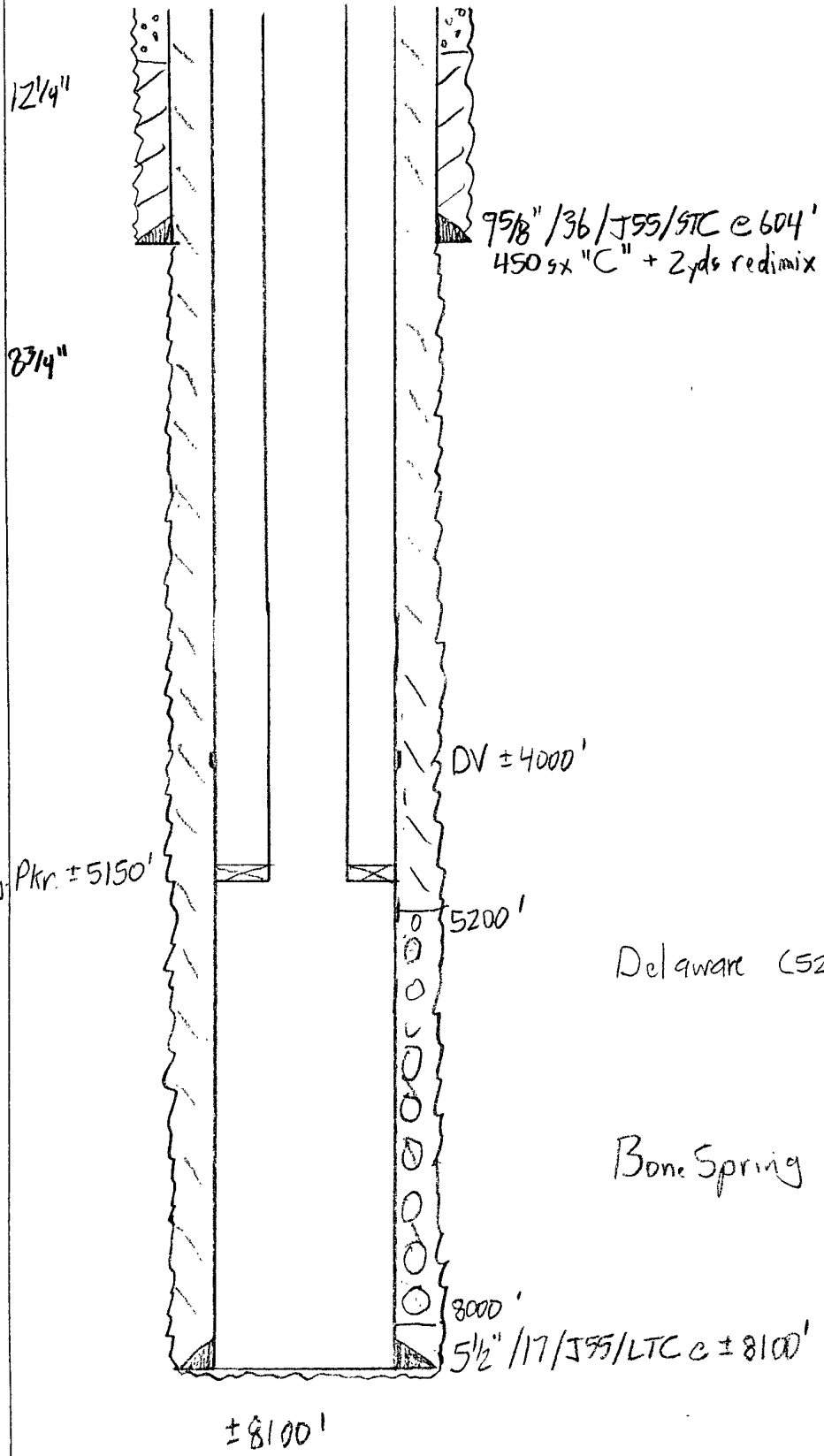
BEFORE

6480'

High Net SWD No. 1
(Formerly High Net Federal No. 1)
100' FNL, 2140' FEL
B-2-25s-28e
Eddy, NM

30-015-35602

Zero: 14' AGL
KB: 2974'
GL: 2960'



AFTER

Delaware (5200-6428')

Bone Spring (6428-8000')

1st: 1325 CF
2nd: 2675 CF

VI.

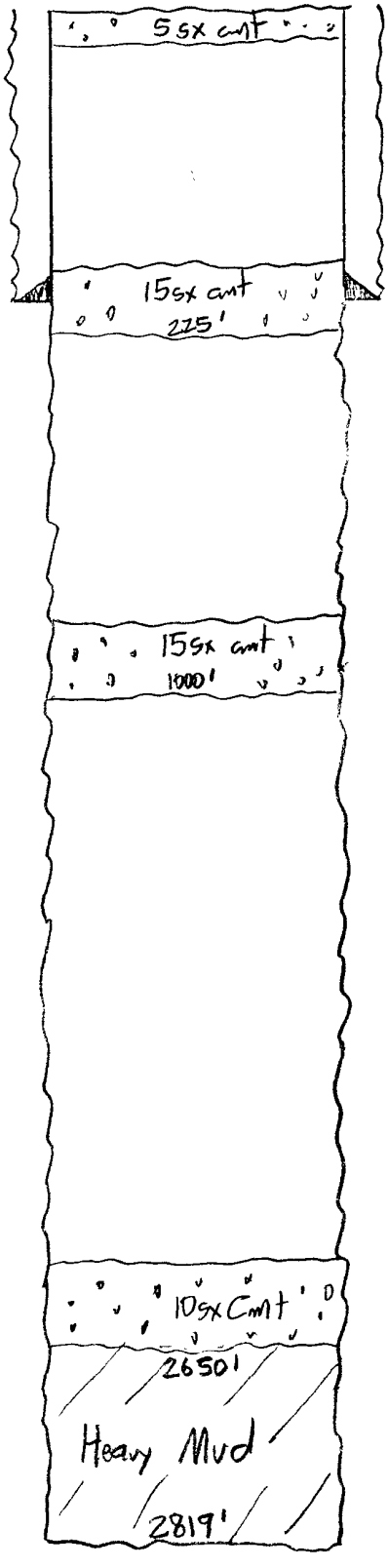
Wells Within 1/2 Mile Area of Review That Penetrate Proposed Disposal Zone

Pecos Irrigation Co. No. 1

2310' FSL, 1980' FEL
J-35-24s-28e
Eddy, NM

GL: 2964'

D&A 10/48



← Records unclear, possibk that 10" surface casing was pulled when well was abandoned.

10" @ 195'
Probably mudded in place.

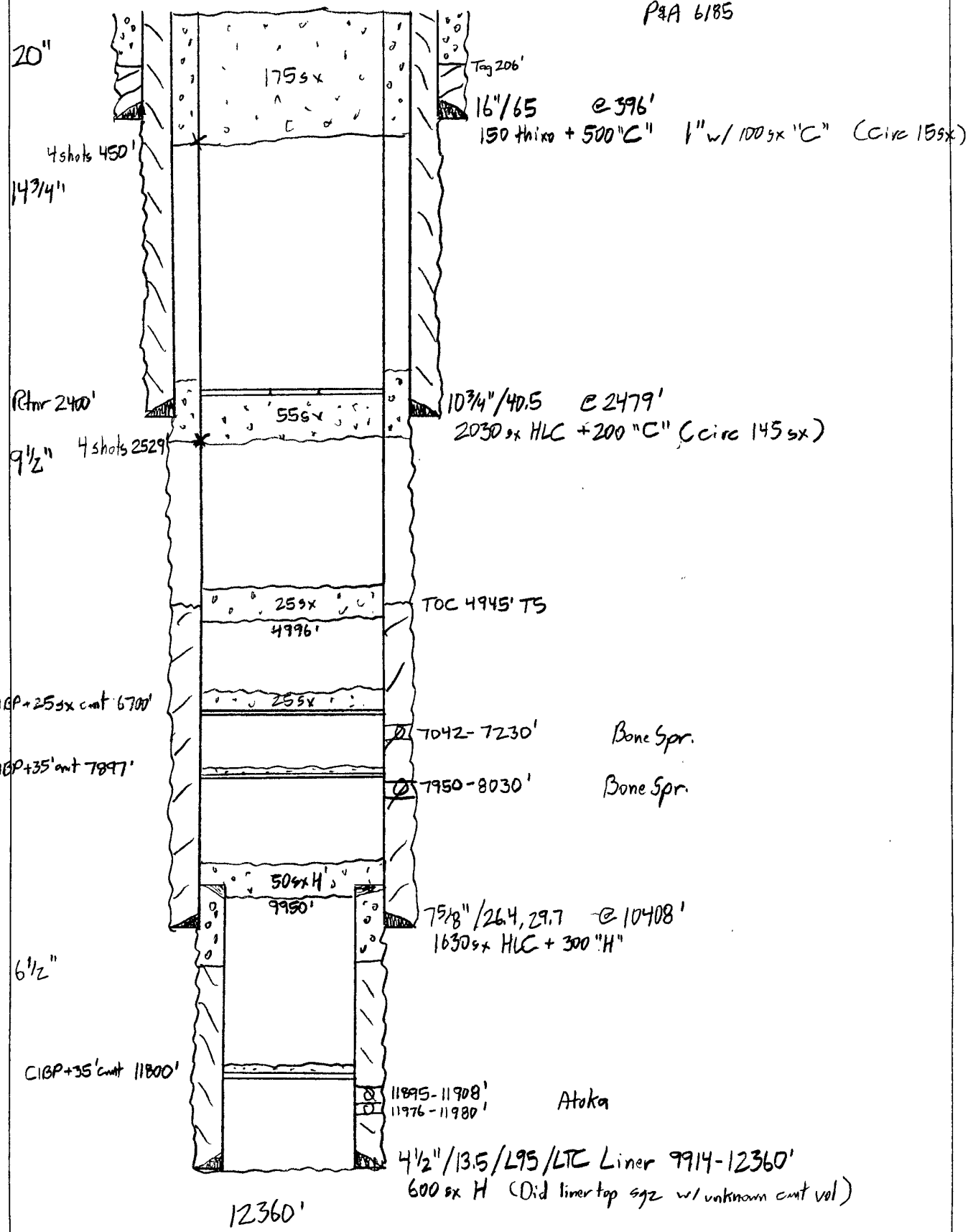
Pecos 1

1980' FSL, 1980' FWL
K-35-24S-28E
Eddy, NM

GL: 2965.4'

30-015-22962

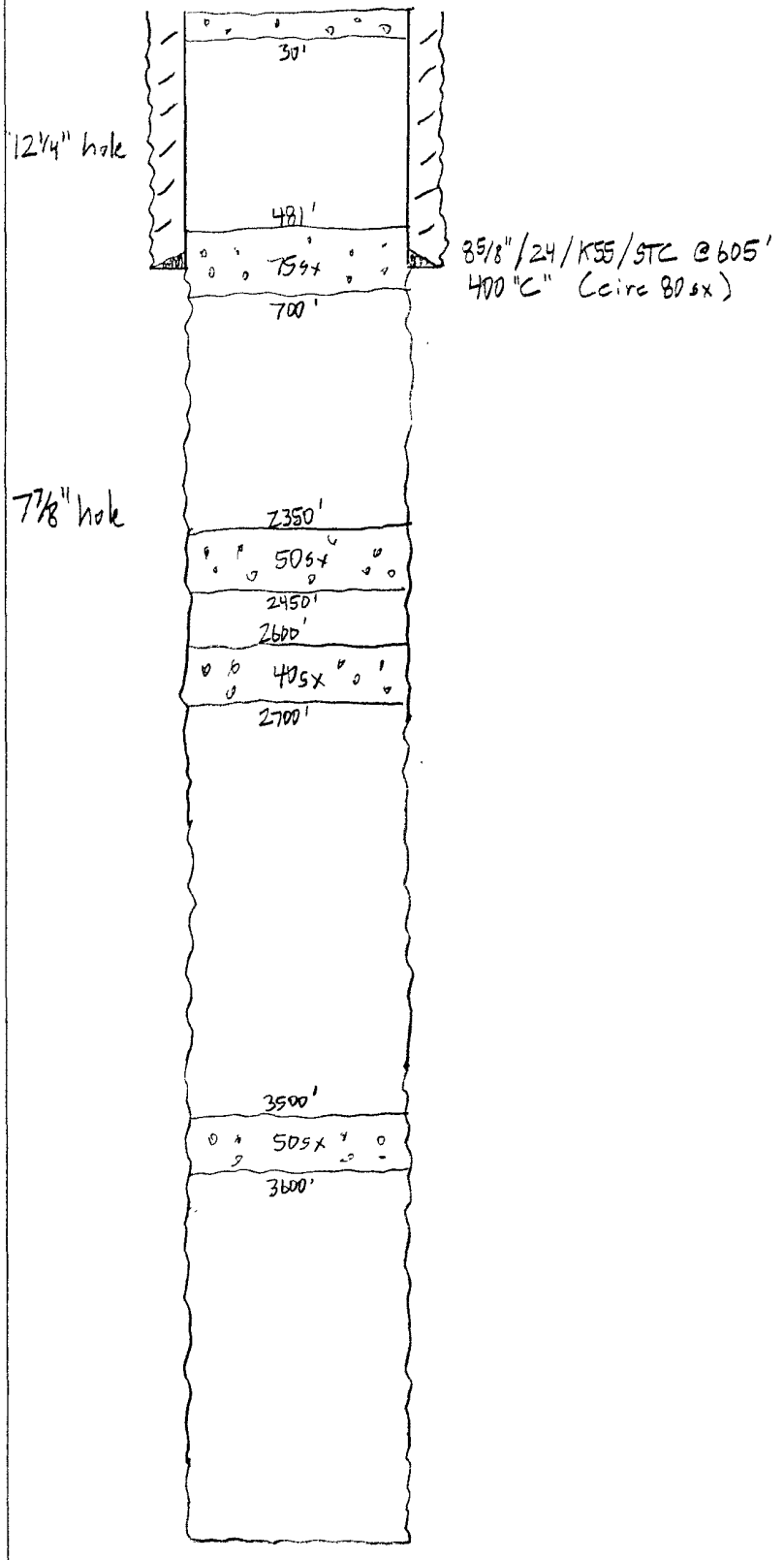
P&A 6185



Sylvester No. 1

330' FSL, 330' FEL
P-35-24s-28e
Eddy, NM

P&A: 7/94



Elev: 2950' GL

KBGillis / 10Sept03

VII.

WATER ANALYSIS

HALLIBURTON DIVISION LABORATORY

HALLIBURTON SERVICES

ARTESIA DISTRICT

LABORATORY REPORT

No. W45-93

TO Hanagan Petroleum

P. O. Box 1737

Roswell, NM 88201

Date February 7, 1993

Submitted by _____ Date Rec. _____

Well No. Gehrig #2 Depth 5050' Formation Delaware

Field Brushy Draw 9-26s-29e County Eddy Source Produced Water

Resistivity	.052	
Specific Gravity ..	1.1856	Water Analysis Representative
pH	7.0	of Produced Delaware Water
Calcium	24,250	to be Injected and of
Magnesium	9,000	Delaware Water in the
Chlorides	170,000	Proposed Injection Interval
Sulfates	250	
Bicarbonates	350	
Soluble Iron	+ 500	

Remarks:

Art Carrasco

Respectfully submitted

Analyst: Art Carrasco - Technical Advisor

HALLIBURTON SERVICES

X.

NEUTRON DENSITY LOG

Across Proposed Delaware Sand Portion of Injection Interval

WELL: **High Net Federal #1**

FIELD: **Willow State, Delaware**

County: **Eddy** State: **New Mexico**

Company: Marbob Energy Corporation
Well: High Net Federal #1
Location: 100' FNL & 2150' FEL
Field: Willow State, Delaware
County: Eddy

Schlumberger

Platform Express
Three Detector Litho-Density
Compensated Neutron / GR

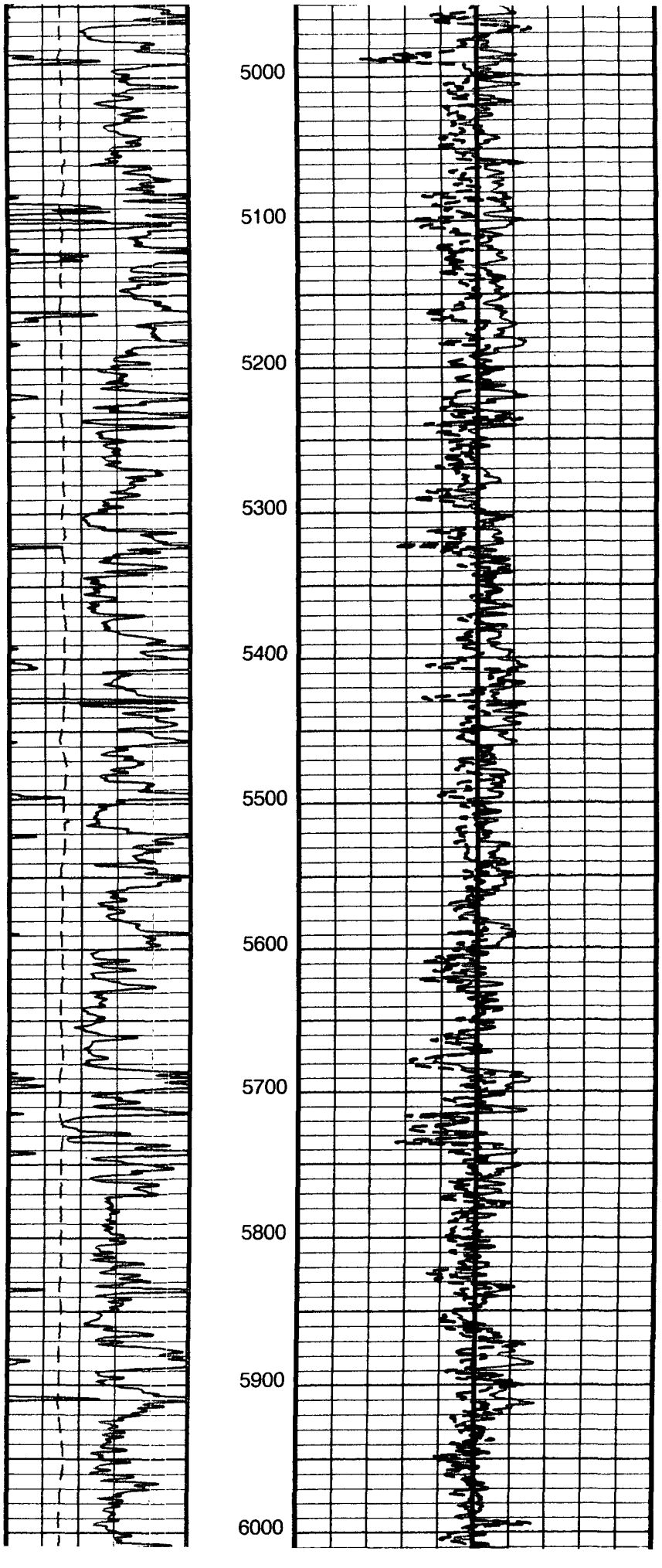
LOCATION: 100' FNL & 2150' FEL

Elev.: K.B. 2974 ft
G.L. 2960 ft
D.F. 2973 ft

Permanent Datum: Ground Level — Elev.: 2960 ft
Log Measured From: Kelly Bushing — 14.0 ft above Perm. Datum
Drilling Measured From: Kelly Bushing

API Serial No.	Section	Township	Range
30-015-35602	2	25S	28E

Logging Date			5-Jun-2007					Logging Date	
Run Number			One					Run Number	
Depth Driller			6480 ft					Depth Driller	
Schlumberger Depth			6476 ft					Schlumberger Depth	
Bottom Log Interval			6428 ft					Bottom Log Interval	
Top Log Interval			200 ft					Top Log Interval	
Casing Driller Size @ Depth			9.625 in @ 615 ft			@		Casing Driller Size @ Depth	@
Casing Schlumberger			610 ft					Casing Schlumberger	
Bit Size			8.750 in					Bit Size	
Type Fluid in Hole			Brine					Type Fluid in Hole	
MUD	Density	Viscosity	10 lbm/gal	29 s				MUD Density	Viscosity
MUD	Fluid Loss	PH		10				MUD Fluid Loss	PH
MUD	Source Of Sample		Circulation Tank					MUD Source Of Sample	
RM @ Measured Temperature			0.045 ohm.m @ 74 degF			@		RM @ Measured Temperature	@
RMF @ Measured Temperature			0.045 ohm.m @ 74 degF			@		RMF @ Measured Temperature	@
RMC @ Measured Temperature			@			@		RMC @ Measured Temperature	@
Source RMF	RMC		Measured					Source RMF	RMC
RM @ MRT	RMF @ MRT		0.031 @ 110	0.031 @ 110		@	@	RM @ MRT	RMF @ MRT @ @
Maximum Recorded Temperatures			110 degF					Maximum Recorded Temperatures	
Circulation Stopped		Time	5-Jun-2007		6:00			Circulation Stopped	Time
Logger On Bottom		Time	5-Jun-2007		14:17			Logger On Bottom	Time
Unit Number	Location		2357 Roswell					Unit Number	Location
Recorded By			John Thibodeaux					Recorded By	
Witnessed By			Martin Joyce					Witnessed By	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5200
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5600
5700
5800
5900
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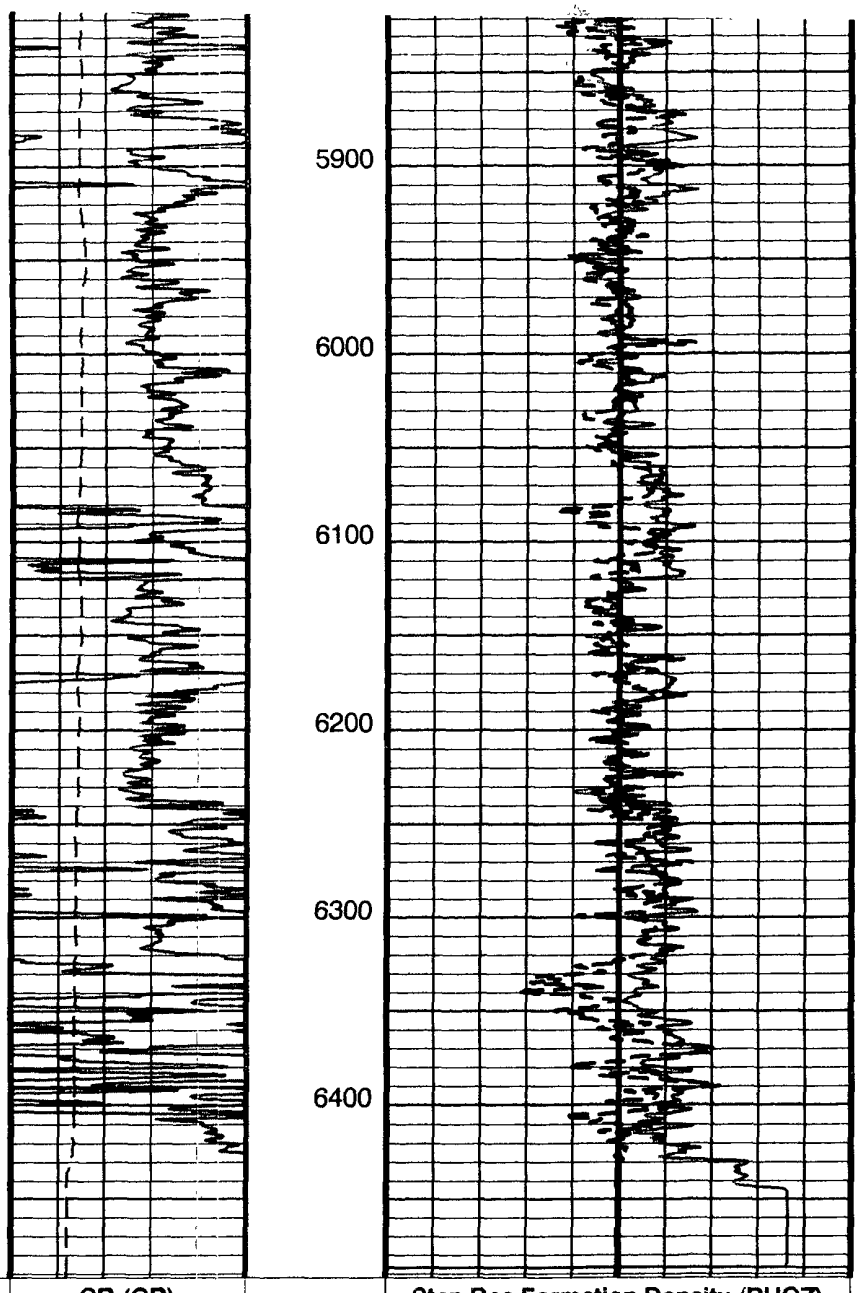

PIP SUMMARY

Time Mark Every 60 S

ormat: 1_nuc Vertical Scale: 1" per 100' Graphics File Created: 05-Jun-2007 15:54

OP System Version: 14C0-302

MCM

:MRT-B	14C0-302	HILTB-FTB	14C0-302
)TC-H	SKK-3066-EDTCB		

Output DLIS Files

DEFAULT	CMR_TLD_MCFL_CNL_014LUP	FN:13	PRODUCER	05-Jun-2007 15:54

XI.

FRESH WATER WELL ANALYSIS

Windmill NE/4NE/4 Sec. 3

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBS, NEW MEXICO

COMPANY Marbob

REPORT W03-189
DATE September 10, 2003
DISTRICT Hobbs

SUBMITTED BY Fresh Water Analyses 25s-28e

WELL | DEPTH | FORMATION
COUNTY Eddy | FIELD | SOURCE

	Windmill NE/4 NE/4 Sec.3		Windmill NE/4 SE/4 Sec.4					
SAMPLE	St. MA-1 SWD		SE SWE Well					
Sample Temp.	78	°F	78	°F		°F		°F
RESISTIVITY	3.34		2.99					
SPECIFIC GR.	1.001		1.001					
PH	7.71		7.42					
CALCIUM	900	mpl	1,250	mpl		mpl		mpl
MAGNESIUM	540	mpl	135	mpl		mpl		mpl
CHLORIDE	90	mpl	473	mpl		mpl		mpl
SULFATES	light	mpl	light	mpl		mpl		mpl
BICARBONATES	92	mpl	61	mpl		mpl		mpl
SOLUBLE IRON	0	mpl	0	mpl		mpl		mpl
PCL								
Sodium		mpl		mpl	0	mpl	0	mpl
TDS		mpl		mpl	0	mpl	0	mpl
OIL GRAVITY	@	°F	@	°F	@	°F	@	°F

REMARKS

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

ANALYST: Mike Armstrong

marbob
energy corporation

July 16, 2007

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 water injection 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 High Net SWD No. 1 (formerly the Marbob High Net Federal No. 1) is located 100' FNL and 2140' FEL, Section 2, Township 25 South, Range 28 East, Eddy County, New Mexico. Disposal water will be sourced from area wells producing from the Delaware formation. The disposal water will be injected into the Delaware and Bone Spring formations at a depth of 5200' - 8000' at a maximum surface pressure of 1040 psi and a maximum rate of 3000 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 505-748-3303.

Published in the Artesia Daily Press, Artesia, New Mexico
_____, 2007.

marbob
energy corporation

July 16, 2007

Devon Energy Corporation
20 N. Broadway
Oklahoma City, OK 73102-8260

Re: Application to Inject
High Net Federal #1
Township 25 South, Range 28 East, NMPM
Section 2: 100 FNL 2140 FEL
Eddy County, New Mexico

Gentlemen:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well into a saltwater disposal well. 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. If you have no objections to our application, please indicate below and return one copy of this letter to our office.

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

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

Devon Energy Corporation has no objection to the proposed disposal well:

By: _____

Title: _____

Date: _____

P.O. Box 227 • Artesia, New Mexico 88211-0227 • (505) 748-3303 • Fax (505) 746-2523

marbob
energy corporation

July 16, 2007

RKI Exploration & Production
3817 NW Expressway, Ste. 950
Oklahoma City, OK 73112

Re: Application to Inject
High Net Federal #1
Township 25 South, Range 28 East, NMPM
Section 2: 100 FNL 2140 FEL
Eddy County, New Mexico

Gentlemen:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well into a saltwater disposal well. 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. If you have no objections to our application, please indicate below and return one copy of this letter to our office.

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

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

RKI Exploration & Production has no objection to the proposed disposal well:

By: _____

Title: _____

Date: _____

marbob
energy corporation

July 16, 2007

St. Mary Land & Exploration
1776 Lincoln St., Ste. 1100
Denver, CO 80203-0180

Re: Application to Inject
High Net Federal #1
Township 25 South, Range 28 East, NMPM
Section 2: 100 FNL 2140 FEL
Eddy County, New Mexico

Gentlemen:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well into a saltwater disposal well. 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. If you have no objections to our application, please indicate below and return one copy of this letter to our office.

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

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

St. Mary Land & Exploration has no objection to the proposed disposal well:

By: _____

Title: _____

Date: _____

marbob
energy corporation

July 16, 2007

Vernon E. Faulconer, Inc.
P. O Box 7995
Tyler, TX 75711

Re: Application to Inject
High Net Federal #1
Township 25 South, Range 28 East, NMPM
Section 2: 100 FNL 2140 FEL
Eddy County, New Mexico

Gentlemen:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well into a saltwater disposal well. 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. If you have no objections to our application, please indicate below and return one copy of this letter to our office.

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

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

Vernon E. Faulconer, Inc. has no objection to the proposed disposal well:

By: _____

Title: _____

Date: _____

marbob
energy corporation

July 16, 2007

NM State Land Office
Oil, Gas & Mineral Division
P. O. Box 1158
Santa Fe, NM 87504-1148

Re: Application to Inject
High Net Federal #1
Township 25 South, Range 28 East, NMPM
Section 2: 100 FNL 2140 FEL
Eddy County, New Mexico

Gentlemen:

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

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

NM State Land Office has no objection to the proposed disposal well:

By: _____

Title: _____

Date: _____

P.O. Box 227 • Artesia, New Mexico 88211-0227 • (505) 748-3303 • Fax (505) 746-2523

marbob
energy corporation

July 16, 2007

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

Re: Application to Inject
High Net Federal #1
Township 25 South, Range 28 East, NMPM
Section 2: 100 FNL 2140 FEL
Eddy County, New Mexico

Gentlemen:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well into a saltwater disposal well. 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. If you have no objections to our application, please indicate below and return one copy of this letter to our office.

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

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

Bureau of Land Management has no objection to the proposed disposal well:

By: _____

Title: _____

Date: _____

P.O. Box 227 • Artesia, New Mexico 88211-0227 • (505) 748-3303 • Fax (505) 746-2523

marbob
energy corporation

July 16, 2007

Mewbourne Oil Company
P. O. Box 7698
Tyler, TX 75711

Re: Application to Inject
High Net Federal #1
Township 25 South, Range 28 East, NMPM
Section 2: 100 FNL 2140 FEL
Eddy County, New Mexico

Gentlemen:

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

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

Mewbourne Oil Company has no objection to the proposed disposal well:

By: _____

Title: _____

Date: _____