

Submit To Appropriate District Office
State Lease - 6 copies
Fee Lease - 5 copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-105
Revised June 10, 2003

WELL API NO.

30-015-34514

5. Indicate Type of Lease

STATE ☐ FEE ☒

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:

OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐

b. Type of Completion:

NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF.
WELL OVER BACK RESVR. ☐ OTHER

2. Name of Operator

Marbob Energy Corporation

AUG 21 2007

OCD-ARTESIA

3. Address of Operator

PO Box 227
Artesia, NM 88211-0227

7. Lease Name or Unit Agreement Name

Eddy Fee

8. Well No.

1

9. Pool name or Wildcat

Esperanza; Delaware

4. Well Location

Unit Letter J : 2310 Feet From The South Line and 1650 Feet From The East Line

Section 10 Township 22S Range 27E NMPM Eddy County

10. Date Spudded
6/10/07

11. Date T.D. Reached
6/18/07

12. Date Compl. (Ready to Prod)
7/18/07

13. Elevations (DF& RKB, RT, GR, etc.)
3103' GL

14. Elev. Casinghead

15. Total Depth
5470'

16. Plug Back T.D.
5452'

17. If Multiple Compl How Many
Zones?

18. Intervals
Drilled By

Rotary Tools

Cable Tools

0 - 5470'

19. Producing Interval(s), of this completion - Top, Bottom, Name

4275' - 5238' Delaware

20. Was Directional Survey Made
Yes

21. Type Electric and Other Logs Run

DLL, Csg

22. Was Well Cored

No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	360'	12 1/4"	350 sx	None
5 1/2"	17#	5469'	7 7/8"	1100 sx	None

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 7/8"	5280'	

26. Perforation record (interval, size, and number)

5102' - 5238' (11 shots)
4774' - 4927' (15 shots)
4275' - 4494' (15 shots)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
5102' - 5238'	Acidz w/ 1500 gal 7 1/2%, Frac w/ 56070# sand
4774' - 4927'	Acidz w/ 1500 gal 7 1/2%, Frac w/ 137190# sand
4275' - 4494'	Acidz w/ 1500 gal 7 1/2%

28. PRODUCTION

Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)			Well Status (Prod. or Shut-in)		
7/19/07		Pumping			Producing		
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil – Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
7/21/07	24			8	0	351	
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

Test Witnessed By

Tito Aguirre

30. List Attachments

Logs, Deviation Survey, Directional Survey

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

Signature *Diana J. Briggs*

Printed Name

Diana J. Briggs

Title Production Analyst

Date 8/20/07

E-mail Address production@marbob.com

Completion of a
and a summary
y drilled well
m is to be fil

Completion of a
and a summary
y drilled well
m is to be fil

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	T. Miss		T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian		T. Menefee	T. Madison
T. Queen	T. Silurian		T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya		T. Mancos	T. McCracken
T. San Andres	T. Simpson		T. Gallup	T. Ignacio Otzte
T. Glorieta	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	1898'	T. Todilto	T.
T. Drinkard	T. Bone Springs	5326'	T. Entrada	T.
T. Abo	T. Cherry Canyon	2780'	T. Wingate	T.
T. Wolfcamp	T. Brushy Canyon	4115'	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

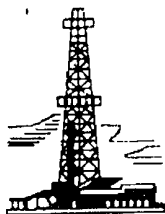
Include data on rate of water inflow and elevation to which water rose in hole.

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



Permian Drilling Corporation

P. O. Box 726

(505)397-3798

Fax (505)393-2448

Hobbs, New Mexico 88241

INCLINATION REPORT



DATE: 6/26/2007

WELL NAME AND NUMBER: Eddy Fee #1
LOCATION: Eddy Co., NM
OPERATOR: MARBOB ENERGY CORP.
DRILLING CONTRACTOR: PERMIAN DRILLING CORPORATION

AUG 21 2007
OCD-ARTESIA

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

DEGREE	DEPTH	DEGREE	DEPTH	DEGREE	DEPTH
1.00	355	0.70	2055		
2.75	856	0.44	2340		
3.00	997	0.62	2467		
4.00	1085	0.62	2593		
1.67	1296	0.62	2846		
1.49	1359	0.38	2972		
1.41	1422	0.75	3427		
1.41	1612	0.75	3899		
0.62	1675	1.25	4375		
0.53	1771	1.25	4850		
0.53	1865	1.00	5470		
0.79	1960				

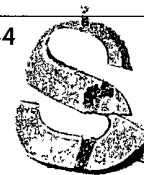
Drilling Contractor:
Permian Drilling Corporation

By: Sherry Coskrey
Sherry Coskrey
Regulatory Clerk

Subscribed and sworn to before me on this 27th day of June, 2007.

My Commission Expires:
June 12, 2010

Angel B. Bled



AUG 21 2007
OCD-ARTESIA

DIRECTIONAL SURVEY REPORT

MARBOB ENERGY

EDDY FEE #1

EDDY COUNTY, NEW MEXICO

PREPARED BY: FRANCISCO SINISTERRA

DIRECTIONAL SURVEY COMPANY REPORT:

1. NAME OF SURVEYING COMPANY: PATHFINDER ENERGY SERVICES
2. NAME OF PERSON(S) PERFORMING SURVEY:
A) CHRIS PARSONS
3. POSITION OF SAID PERSON(S): (A-F) SURVEYORS (FIELD ENGINEERS)
4. DATE(S) ON WHICH SURVEY WAS PERFORMED: 6/13/07 TO 06/15/07
5. STATE IN WHICH SURVEY WAS PERFORMED: NEW MEXICO
6. LOCATION OF WELL: EDDY COUNTY, NM
7. TYPE OF SURVEY(S) PERFORMED: MWD
8. COMPLETE IDENTIFICATION OF WELL:

MARBOB ENERGY CORPORATION.
EDDY FEE #1
EDDY COUNTY, NM
RIG: PERMIAN #4
9. SURVEY CERTIFIED FROM: 1053 TO 2972 FEET MEASURED DEPTH.

THIS IS TO VERIFY THAT ATTACHED DOCUMENTS SHOWING THE WELL TO BE DISPLACED AT 17.75 FEET ON A BEARING OF 119.45 DEGREES FROM THE CENTER OF THE ROTARY TABLE AT A PROJECTED BIT DEPTH OF 3022 FEET, ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.


Francisco Sinisterra
M/LWD SERVICE COORDINATOR

PathFinder Energy Services, Inc.

BHL Report

Page 01/01
Tie-in Date: 06/13/2007
Date Completed: 06/15/2007

MARBOB ENERGY
EDDY FEE #1
EDDY COUNTY, NM
Rig:PERMIAN #4
PathFinder Office Supervisor: MARCUM MITCHAM
PathFinder Field Engineers:C.PARSONS

Survey Horiz. Reference:WELLHEAD
Ref Coordinates: LAT:32.24.57.2040 N LON:104.10.36.7680 W
GRID Reference:NAD27 new mexico east Transverse Mercator
Ref GRID Coord: X: 548279.5420 Y: 515050.3174
North Aligned To:GRID NORTH
Total Magnetic Correction: 8.26° EAST TO GRID
Vertical Section Plane: 0.00
Survey Vert. Reference: 0.00' Kelly Bushing To Ground
Altitude:3103.00' Ground To MSL

Measured Depth	3022.00	(feet)
Inclination	0.35	(deg)
Azimuth	265.43	(deg)
True Vertical Depth	3021.47	(feet)
Vertical Section	-8.73	(feet)
Survey X cord	548295.00	(feet)
Survey Y cord	515041.59	(feet)
Survey Lat	32.41586595 N	(deg)
Survey Lon	104.17682994 W	(deg)
Rectangular Corr. N/S	8.73 S	(feet)
Rectangular Corr. E/W	15.46 E	(feet)
Closure Distance	17.75	(feet)
Direction of Closure	119.45	(deg)
Dogleg Severity	0.00	(deg/100ft)

PathFinder Energy Services, Inc.

Survey Report

MARBOB ENERGY

EDDY FEE #1

EDDY COUNTY, NM

Rig:PERMIAN #4

PathFinder Office Supervisor: MARCUM MITCHAM

PathFinder Field Engineers: C.PARSONS

Survey Horiz. Reference:WELLHEAD

Ref Coordinates: LAT:32.24.57.2040 N LON:104.10.36.7680 W

Reference:NAD27 new mexico east Transverse Mercator

Ref GRID Coord: X: 548279.5420 Y: 515050.3174

North Aligned To:GRID NORTH

Total Magnetic Correction: 8.26° EAST TO GRID

Vertical Section Plane: 0.00

Survey Vert. Reference: 0.00' Kelly Bushing To Ground

Altitude:3103.00' Ground To MSL

Survey Calculations by PathCalc v1.95U using Minimum Curvature

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Retangular Offsets (ft) (ft)		Closure Dist Dir (ft) (deg)		DLS (dg/100ft)
ASSUMED STRIGHT HOLE @ 993' MD.										
993.00	0.00	0.00	993.00	0.00	0.00	0.00	0.00	0.00@	0.00	0.00
THE FOLLOWING ARE PATHFINDER MWD SURVEYS.										
1053.00	4.04	100.98	1052.95	60.00	-0.40	0.40 S	2.08 E	2.11@	100.98	6.73
1106.00	3.43	84.90	1105.84	53.00	-0.62	0.62 S	5.49 E	5.52@	96.42	2.28
1138.00	3.34	76.90	1137.78	32.00	-0.32	0.32 S	7.35 E	7.36@	92.50	1.50
1201.00	2.37	70.05	1200.70	63.00	0.54	0.54 N	10.36 E	10.38@	87.02	1.63
1233.00	2.20	68.73	1232.68	32.00	0.99	0.99 N	11.56 E	11.60@	85.11	0.56
1296.00	1.67	76.90	1295.64	63.00	1.63	1.63 N	13.58 E	13.67@	83.13	0.95
1359.00	1.49	77.34	1358.62	63.00	2.02	2.02 N	15.27 E	15.40@	82.46	0.29
1422.00	1.41	83.23	1421.60	63.00	2.29	2.29 N	16.84 E	16.99@	82.24	0.27
1517.00	1.32	93.60	1516.57	95.00	2.36	2.36 N	19.09 E	19.24@	82.95	0.28
1612.00	1.41	96.77	1611.55	95.00	2.16	2.16 N	21.34 E	21.45@	84.23	0.12
1675.00	0.62	144.84	1674.54	63.00	1.79	1.79 N	22.31 E	22.38@	85.42	1.74
1771.00	0.53	190.72	1770.53	96.00	0.92	0.92 N	22.53 E	22.55@	87.65	0.47
1865.00	0.53	201.27	1864.53	94.00	0.09	0.09 N	22.29 E	22.29@	89.76	0.10
1960.00	0.79	210.23	1959.52	95.00	-0.88	0.88 S	21.80 E	21.82@	92.32	0.29
2055.00	0.70	219.29	2054.51	95.00	-1.90	1.90 S	21.10 E	21.19@	95.14	0.16
2151.00	0.53	218.41	2150.51	96.00	-2.70	2.70 S	20.45 E	20.63@	97.52	0.18
2245.00	0.53	200.83	2244.50	94.00	-3.45	3.45 S	20.03 E	20.32@	99.76	0.17
2340.00	0.44	228.86	2339.50	95.00	-4.10	4.10 S	19.60 E	20.02@	101.81	0.26
2467.00	0.62	194.94	2466.49	127.00	-5.08	5.08 S	19.05 E	19.72@	104.93	0.28
2593.00	0.62	196.52	2592.49	126.00	-6.39	6.39 S	18.68 E	19.75@	108.89	0.01
2720.00	0.70	224.21	2719.48	127.00	-7.61	7.61 S	17.95 E	19.49@	112.97	0.26

PathFinder Energy Services, Inc.

Survey Report

MARBOB ENERGY
 EDDY FEE #1
 EDDY COUNTY, NM
 RIG:PERMIAN #4

Page 02/02

Measured Depth (ft)	Incl (deg)	Drift Dir. (deg)	TVD (ft)	Course Length (ft)	Vertical Section (ft)	TOTAL Retangular Offsets (ft) (ft)		Closure Dist Dir (ft) (deg)		DLS (dg/100ft)
2846.00	0.62	247.94	2845.47	126.00	-8.42	8.42 S	16.78 E	18.77@	116.64	0.22
2972.00	0.35	265.43	2971.47	126.00	-8.70	8.70 S	15.76 E	18.01@	118.90	0.24
STRAIGHT LINE PROJECTION TO BIT.										
3022.00	0.35	265.43	3021.47	50.00	-8.73	8.73 S	15.46 E	17.75@	119.45	0.00

**ENERGY SERVICES****TIE-IN SURVEY INFORMATION SHEET****CLIENT INFORMATION**

CLIENT:	MARBOB ENERGY		
LEASE / WELL No.:	EDDY FEE	#1	
WELL LOCATION:	NEW MEXICO		
COUNTY / STATE / COUNTRY:	EDDY FEE	NM	USA
RIG:	PERMIAN #4		
API WELL No:	30-015-34514		
JOB No:	101006519-WT-WT		
P.O. / AFE No.			
DIRECTIONAL COMPANY:	PES		

WELL SITE INFORMATION

MAGNETIC DECLINATION:			
On Wall Plat:	8.26	LWD Calculated:	8.26
		Agreed Upon:	8.26
X =	548279.542000	Feet	Y = 515050.317400
			Feet
SITE LATITUDE:	32.41589	SITE LONGITUDE:	104.17688
GRID SYSTEM:	TRUE ☐ UTM ☐ LAMBERT ☐	ZONE:	NEW MEXICO EAST
PROPOSED DRIFT DIRECTION:	0		
KELLY BUSHING ELEVATION:	12		
ALTITUDE:	3103	Feet	WATER DEPTH: N/A
			Feet

TIE-IN SURVEY

MEASURED DEPTH:	1,053		
DRIFT ANGLE:	4.04		
DRIFT DIRECTION:	100.98		
TRUE VERTICAL DEPTH:	1053		
VERTICAL SECTION:	0		
RECTANGULAR COORDINATE (N / S) :	0		
RECTANGULAR COORDINATE (E / W) :	0		
CLOSURE DISTANCE / DIRECTION:			
SURVEY CALCULATION METHOD:	AA ☐	MC ☒	RC ☐ BT ☐
SOURCE OF TIE-IN DATA (COMPANY):	PES		
COPY OF TIE-IN SURVEY REPORT	☒ YES ☐ NO		

WELL PLAN

KICKOFF DEPTH:	TOTAL DEPTH:	3022
KICKOFF ANGLE:	MAX ANGLE:	0.52

PES Engineers: CHRIS PARSONS

**Signature of both field engineers required if applicable

Directional Driller: P.A. GONZALEZ

DATE: 13-Jun-2007

PATHFINDER

ENERGY SERVICES

MAGNETIC DECLINATION / TOOLFACE OFFSET WORKSHEET

Client:	MARBOB ENERGY	LWD Run No:	
Well:	EDDY FEE #1	DTA No:	
Location:	NEW MEXICO	HDAS No:	
Rig:	PERMIAN #4	TrkrElec No:	
Job No:	101006519-WT-WT		

Magnetic Declination:

GRID SYSTEM USED: TRUE ☐ UTM ☐ LAMBERT ☐ ZONE: NEW MEXICO EAST

X = 548279.542 Y = 515050.3174

SITE LATITUDE: 32.41589 SITE LONGITUDE: 104.17688

Magnetic Declination:

On Wall Plat: 8.26

LWD Calculated: 8.26

Agreed Upon: 8.26

Directional Driller Approval: P.A. GONZALEZ

LWD Engineers Approval: CHRIS PARSONS

Supervisor Approval:

ToolFace Offset Calculation:

- 1: Ensure all connections between M/LWD are torqued correctly.
- 2: Estimate toolface offset.
- 3: Measure the distance from the M/LWD scribe line to the motor scribe line in a clockwise direction looking down hole.
- 4: Measure the circumference of the tool.
- 5: Calculate Tool Face Offset using.

$$\text{TOOL FACE OFFSET} = \frac{\text{Distance from M/LWD to Motor}}{\text{Circumference}} \times 360^\circ$$

ToolFace Offset Using Protractor:

- 1: Hook protractor onto the M/LWD tool.
- 2: Read Tool Face Offset from top of protractor where the motor scribe line intersects protractor.
- 3: If motor scribe line does not intersect protractor flip protractor over and repeat steps 1 and 2.

Distance from M/LWD to Motor: 0

Circumference: 0

OTF Estimate: 0 OTF Calculated: 0 OTF Protractor: 0

Offset Tool Face Used = 0

M/LWD Engineer #1: CHRIS PARSONS

M/LWD Engineer #2:

Directional Driller: P.A. GONZALEZ

PathFinder Energy Services, Inc.

Magnetic & Grid Calculations

MARBOB ENERGY
EDDY FEE # 1H
EDDY Co., NM
Rig:PERMIAN # 4

Wed Jun 13 01:53:38 2007

Coordinates

Latitude: 32.415890 N (32 deg. 24 min. 57.2040 sec.)
Longitude: 104.176880 W (-104 deg. 10 min. 36.7680 sec.)
Elevation: 3103.00 feet.
Calculation Date: Jun/13/2007

Magnetic Calculations

Model: IGRF2005
Dip Angle: 60.3636 degrees
Total Magnetic Field: 0.49086 gauss
Magnetic Declination: 8.340546 degrees
Horizontal Intensity: 0.242729 gauss

To Convert a Magnetic Dir. to a TRUE North Dir. Add 8.340546 Degr.

Transverse Mercator Grid Calculations NAD27

Grid System: Transverse Mercator: new mexico east
Ellipsoid: Clarke 1866
X: 548279.5420 feet
Y: 515050.3174 feet
True to Grid: (convergence) -0.083869 degrees
Magnetic to Grid: 8.256677 degrees

To Convert a Magnetic Dir. to a GRID dir. Add 8.256677 Degr.

District I

1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Form C-102
 Permit 20634

Energy, Minerals and Natural Resources**Oil Conservation Division**

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34514	2. Pool Code 22640	3. Pool Name ESPERANZA, DELAWARE
4. Property Code 35336	5. Property Name Eddy Fee	6. Well No. 001
7. OGRID No. 14049	8. Operator Name MARBOB ENERGY CORP	9. Elevation 3103

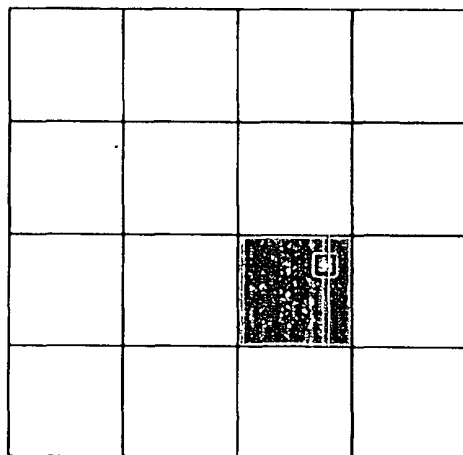
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	10	22S	27E		2310	S	1650	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill	14. Consolidation Code	15. Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Diana Briggs

Title: Production Analyst

Date: 12/30/2005

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Gary Eidson

Date of Survey: 12/20/2005

Certificate Number: 12641