DATE IN 8/28/06	SUSPENSE 9/12/06	ENGINEER W. Jones	LOGGED IN 8/31/06	TYPE SWD 1043	APP NO. pTDS0624350562

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [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

[D] Other: Specify _____

[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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date

e-mail Address

RECEIVED
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
AUG 28 2006

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

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

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, ENGINEER 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: AUG 7, 2006

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

Application for Authorization to Inject
Delaware Federal 16 SWD
Unit M, Section 18-T19S-R32E

V. Map is attached.

VI. Five wells within the 1/2 mile radius area of review penetrate the proposed injection zone. A wellbore diagram of each one is attached.

VII. 1. Proposed average daily rate = 2500 BWPD
Proposed maximum daily rate = 10000 BWPD
2. Proposed maximum injection pressure = 2252 psi (0.2 psi/ft)
3. System is closed
4. Analysis of produced water is attached. Majority of injection fluid will be Bone Spring produced water.
5. Analysis of disposal zone water is attached. The Strawn is depleted and is not productive within a mile of the Delaware Federal No. 16. We operate a Strawn water disposal well just east of the proposed well (Lusk Deep Unit A-19, N-17-19S-32E, SWD-821).

VIII. The injection zone is the Strawn Limestone from 11260' - 11306'. Underground sources of drinking water will be shallower than 804 feet deep.

IX. The proposed injection zone will be acidized with 10,000 gallons 15% HCL acid, if necessary.

X. Logs are filed with the Division. A section of the neutron-density log is attached.

XI. There are no fresh water wells within one mile of the Delaware Federal No. 16.

XII. After examining available geologic and engineering data, there is 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 is attached.

III.

WELL DATA

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Marbob Energy Corp

WELL NAME & NUMBER: Delaware Federal No. 16 (Formerly Lusk Deep Unit A-16)

WELL LOCATION: 785' FSL, 660' FWL (FOOTAGE LOCATION) | M (UNIT LETTER) | 18 (SECTION) | 19S (TOWNSHIP) | 32E (RANGE)

WELLBORE SCHEMATIC

Attached

Will squeeze cement and pressure test perforations above the proposed Strawn SWD interval.

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8" @ 804'

Cemented with: 650 sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 12 1/4" Casing Size: 8 5/8" @ 4520'

Cemented with: 2535 sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circulated (Topped out with 1" tbg. run down annulus)

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2" @ 12740'

Cemented with: 1850 sx. *or* _____ ft³

Top of Cement: 1550' Method Determined: Temperature Survey

Total Depth: 12785'

Injection Interval

11260' feet to 11306'

(Perforated or Open Hole; indicate which)

Side 2

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: Plastic

Type of Packer: Nickel plated 10K double grip retreivable

Packer Setting Depth: 11200' ±

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

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 and gas production.

2. Name of the Injection Formation: Strawn

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

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. Yes

   See attached wellbore schematic

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

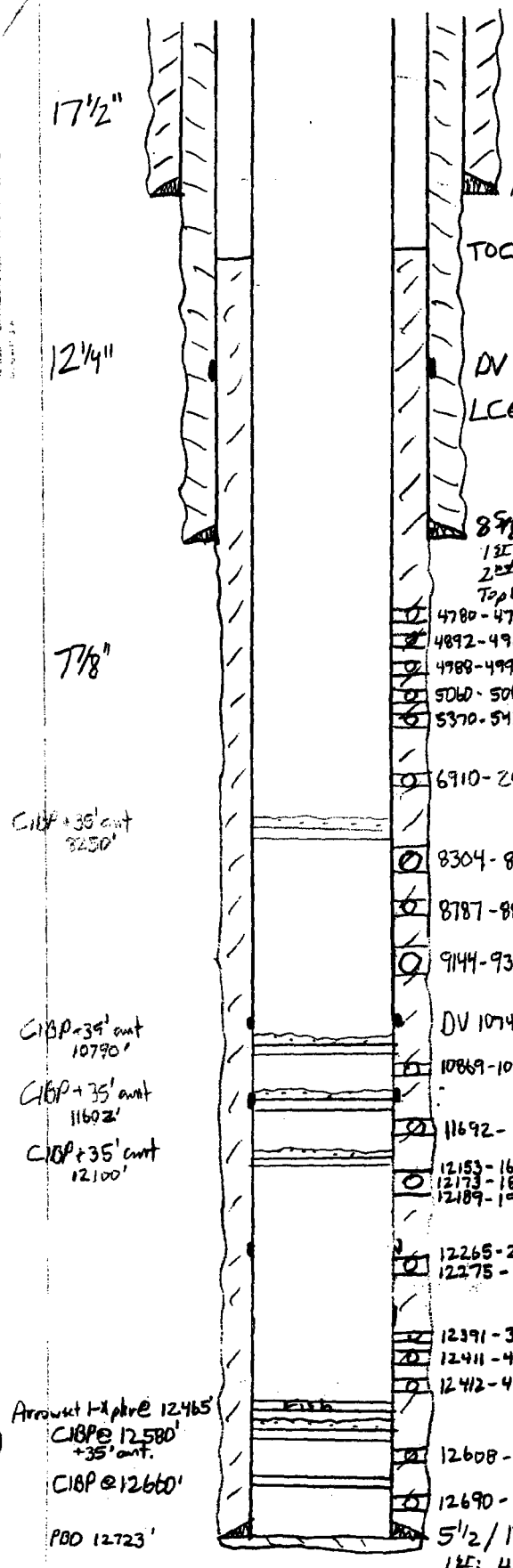
   Overlying: Yates Seven Rivers 2500' ±, Delaware 4800' ±, Bone Spring 8000' ±
   Wolfcamp ±10400'

   Underlying: Atoka 11600' ±, Morrow 12100' ±

Lusk Deep Unit A-16 (Delaware Fed. 16)

785' FSL, 660' FWL
M-18-19s-32e
Lea Co., NM

KB = 3595'
GL = 3578'
Zero = 17' AGL



5½"/17/595/LTC 0-1442'
/17/L80/LTC 1442'-11031'
/17/595/LTC 11031'-12740'

DST #1 Bone Spr. 9798-9844'
DP: 102 BW w/ oil shim 96000 Cl⁻
Sampler: 0.15 cfg
100 cc oil
1900 cc wtr 96000 Cl⁻
GTS 8" into Final Flow 4' Flare
ISI = 3708 BHT = 149°F

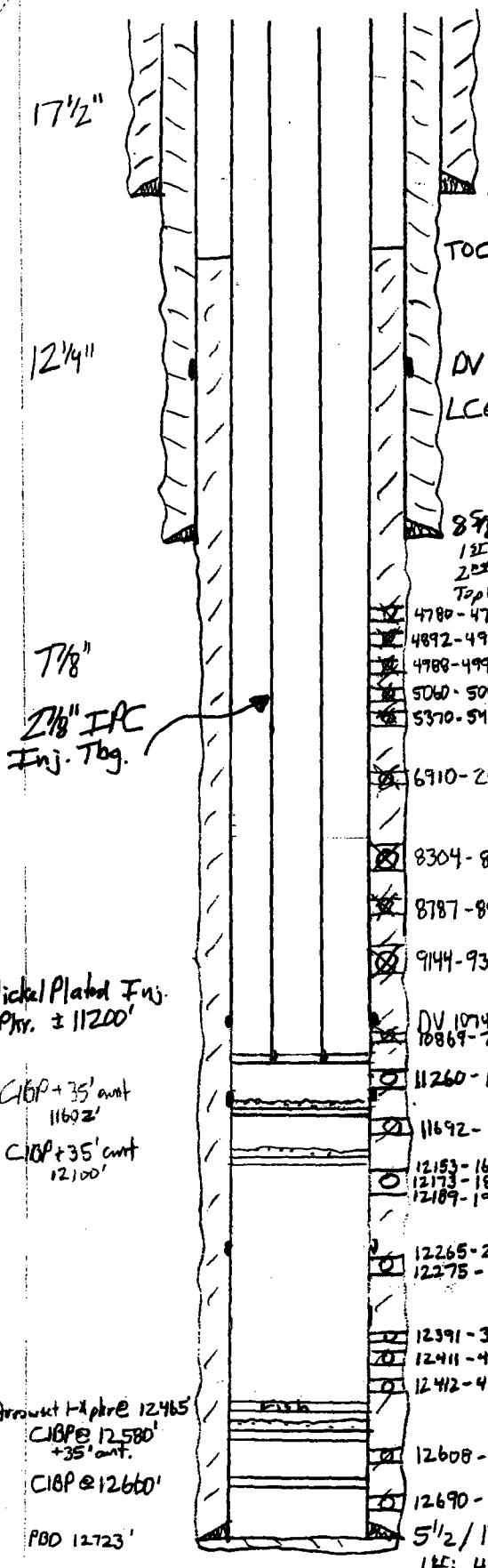
DST #2 Mrrw 12118-12208'
DP: Gas
Sampler: 12.25 cfg Press = 1825 psi
ISI = 5236 FSI = 5183 BHT = 170°F
Qmax = 2376 MCFD

BEFORE

Lusk Deep Unit A-16 (Delaware Fed. 16)

785' FSL, 660' FWL
M-18-19s-32e
Lea Co., NM

KB = 3595'
GL = 3578'
Zero = 17' AGL



13⅜"/48/H40/ / @ 804'
400 HLC + 250 C Circ 170 sx

TOC 1550' TS

DV 2732'

LC @ 3016' Capitan Reef

8⅝"/24,32/J55/ @ 4520'
1st: 500 InterFill C + 200 C Did not circ.
2nd: 1000 InterFill C + 200 C Did not circ.
Top Out: 635 sx C w/ 1" TOC 1380' Tag 1284'

4780-4794' (16) Del 7
4892-4910' (20) Del 6
4988-4996' (10) Del 5
5060-5068' (10) Del 4
5370-5412' (24) Del 3
} Cement Squeezed & Pressure Tested

6910-24' (16) Del. 1

8304-8531' (15) 1st BS Sd
8787-8807' (11) Stray BS Dolo
} Cement Squeezed & Pressure Tested

9144-9310' (16) 2nd BS Sd

DV 10740'
10869-72' (12) Canyon } Cement Squeezed Tested

11260-11306' (188) Strawn

11692-11696' (30) Atoka

12153-160'
12173-191'
12189-192' (6 spf) Mrrw

12265-272'
12275-286' (6 spf) Mrrw

12391-396' (31)
12411-413' (8)
12412-420' (49) Mrrw

12608-12618' (40) Austin

12690-12708' (109) Austin

5½/17/L80,595/LTC @ 12740'
1st: 450 sx Super H circ 130 sx
2nd: 900 sx HLC + 500 sx Super H

5½"/17/595/LTC 0-1442'
/17/L80/LTC 1442'-11031'
/17/595/LTC 11031'-12740'

DST #1 Bone Spr. 9798-9844'
OP: 102 BW w/ oil shim 96000 Cl⁻
Sampler: 0.15 cfg
100 cc oil
1900 cc wtr 96000 Cl⁻
GTS 8" into Final Flow 4' Flare
ISI = 3708 BHT = 149°F

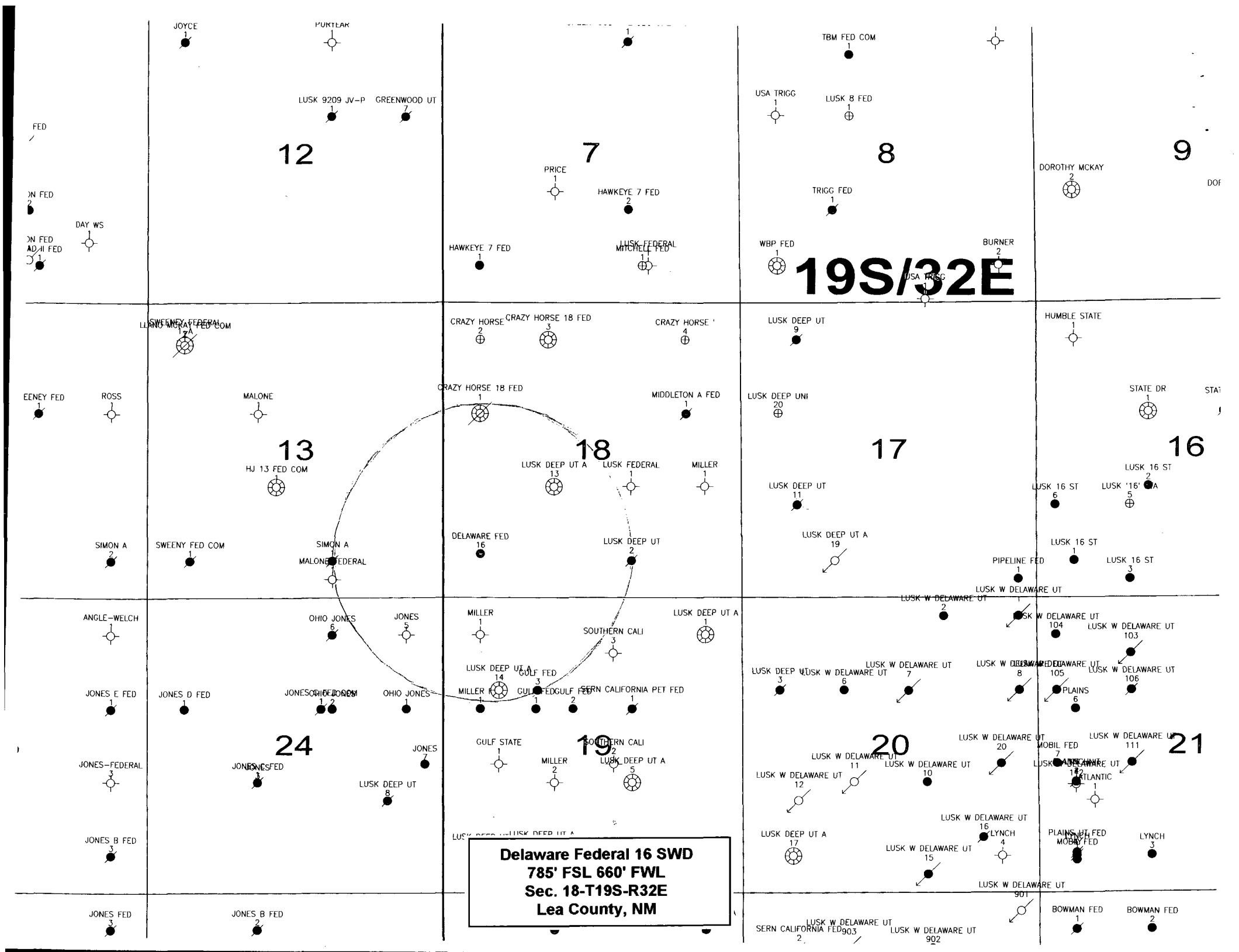
DST #2 Mrrw 12118-12208'
OP: Gas
Sampler: 12.25 cfg Press = 1825 psi
ISI = 5236 FSI = 5183 BHT = 170°F
Qmax = 2376 MCFD

AFTER

V.

MAP

Wells within 1/2 Mile Radius


19S/32E
12
7
8
9
13
18
17
16
24
19
20
21
Delaware Federal 16 SWD
785' FSL 660' FWL
Sec. 18-T19S-R32E
Lea County, NM
JOYCE 1
PURYEAR 1
LUSK 9209 JV-P 1
GREENWOOD UT 7
TBM FED COM 1
USA TRIGG 1
LUSK B FED 1
TRIGG FED 1
DOROTHY MCKAY 2
PRICE 1
HAWKEYE 7 FED 2
HAWKEYE 7 FED 1
LUSK FEDERAL MITCHELL FED 1
WBP FED 1
BURNER 2
USA TRIGG 1
DAY WS 1
SWEENEY FEDERAL LLANO MCKAY FED COM 1A
CRAZY HORSE 2
CRAZY HORSE 18 FED 3
CRAZY HORSE 4
LUSK DEEP UT 9
HUMBLE STATE 1
EENEY FED 1
ROSS 1
MALONE 1
CRAZY HORSE 18 FED 1
MIDDLETON A FED 1
LUSK DEEP UNI 20
STATE DR 1
HJ 13 FED COM 1
LUSK DEEP UT A 13
LUSK FEDERAL 1
MILLER 1
LUSK DEEP UT 11
LUSK 16 ST 2
LUSK 16 ST 6
LUSK '16' A 5
SIMON A 2
SWEENY FED COM 1
SIMON A MALONE FEDERAL 1
DELAWARE FED 16
LUSK DEEP UT 2
LUSK DEEP UT A 19
LUSK 16 ST 1
LUSK 16 ST 3
PIPELINE FED 1
LUSK W DELAWARE UT 1
LUSK W DELAWARE UT 2
ANGLE-WELCH 1
OHIO JONES 6
JONES 5
MILLER 1
SOUTHERN CALI 3
LUSK DEEP UT A 1
LUSK W DELAWARE UT 104
LUSK W DELAWARE UT 103
LUSK DEEP UT 3
LUSK W DELAWARE UT 6
LUSK W DELAWARE UT 7
LUSK W DELAWARE UT 8
LUSK W DELAWARE UT 105
LUSK W DELAWARE UT 106
JONES E FED 1
JONES D FED 1
OHIO JONES 1
LUSK DEEP UT A 14
GULF FED 3
MILLER 1
GULF FED 1
GULF FED 2
SERN CALIFORNIA PET FED 1
PLAINS 6
LUSK W DELAWARE UT 20
LUSK W DELAWARE UT 111
MOBIL FED 7
LUSK W DELAWARE UT 11
LUSK W DELAWARE UT 10
LUSK W DELAWARE UT 12
ATLANTIC 1
JONES 7
GULF STATE 1
MILLER 2
SOUTHERN CALI 2
LUSK DEEP UT A 5
JONES-FEDERAL 3
LUSK DEEP UT 8
LUSK W DELAWARE UT 16
LYNCH 4
LUSK DEEP UT A 17
LUSK W DELAWARE UT 15
PLAINS UT FED
LYNCH 3
JONES B FED 3
LUSK W DELAWARE UT 901
JONES FED 3
JONES B FED 2
LUSK W DELAWARE UT 903
LUSK W DELAWARE UT 902
SERN CALIFORNIA FED 2
BOWMAN FED 1
BOWMAN FED 2

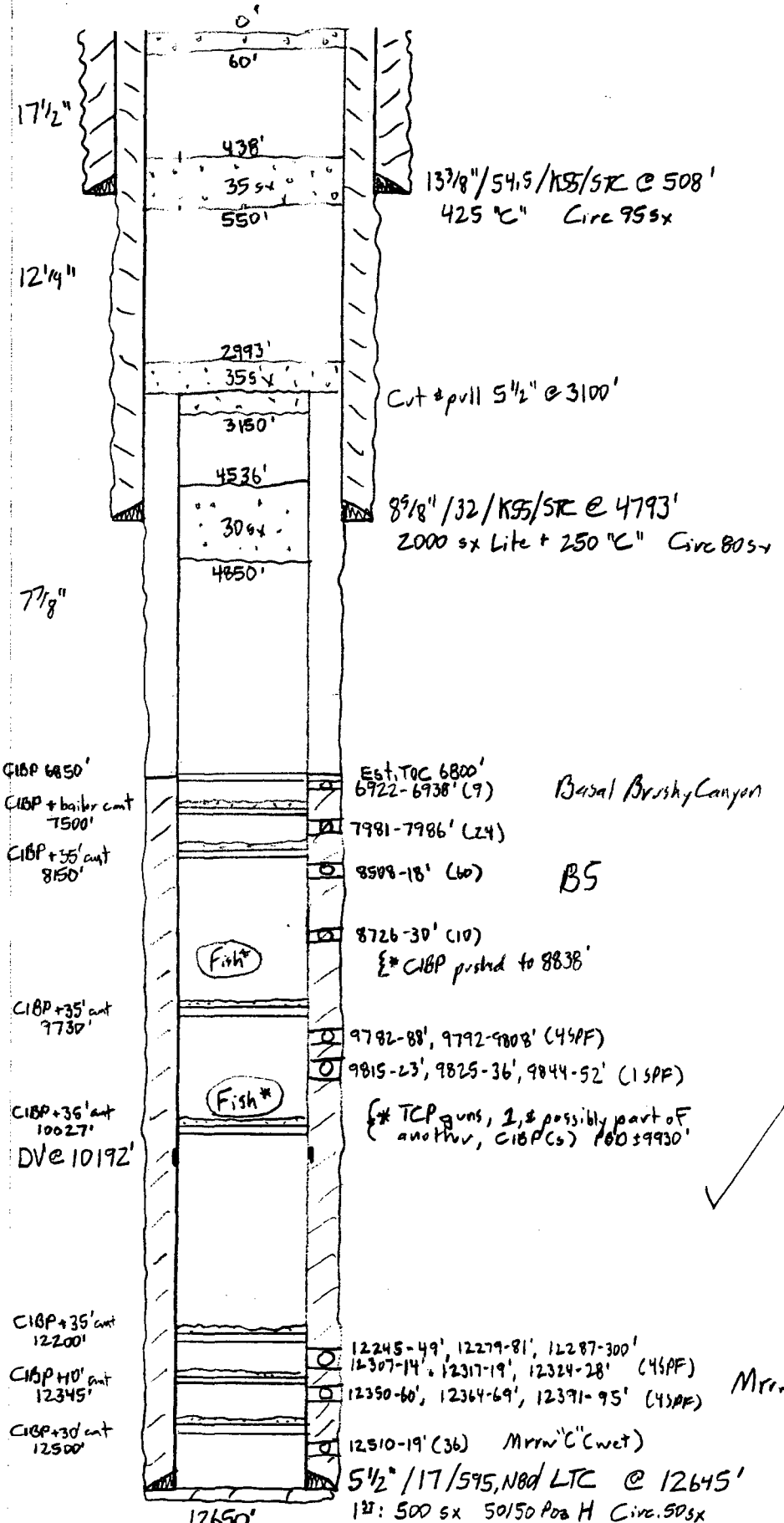
VI.

Well Data on Wells Penetrating Strawn within 1/2 Mile Radius Area of Review

Crazy Horse 18 Fed. 1

1980' FNL, 660' FWL
E-18-19s-32e
Lea Co., NM

KB = 3594'
GL = 3576'
Zero = 18' AGL



KSCullin 2904-00

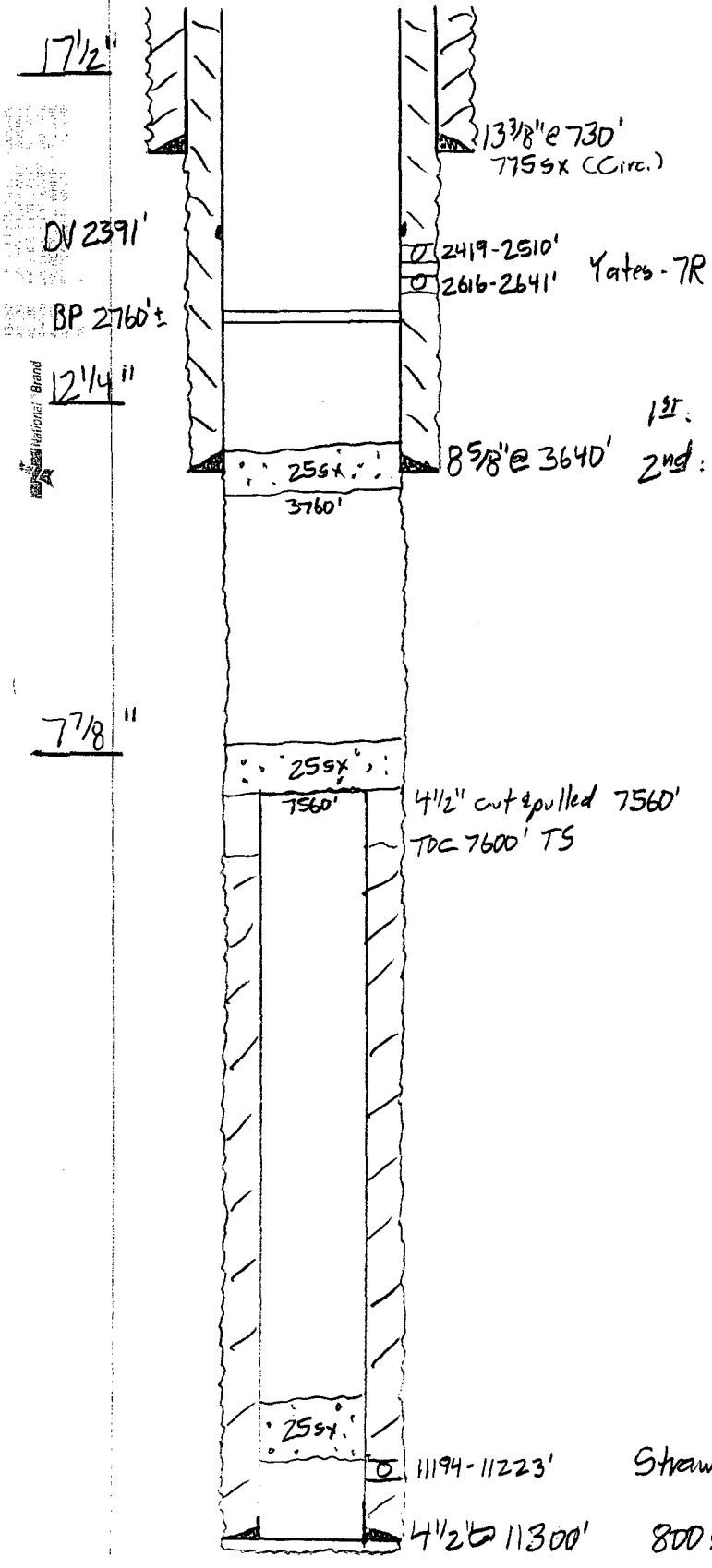
Well: Golf Federal 3
(Formerly Lusk Deep Unit A-10)

Location: 1650' FNL, 1678' FWL
F-19-19s-32e
Lea NM
30-025-20876

Zero: _____
KB: _____
GL: 3553.5

Casing Program:

Size	Wt.	Grade	Conn.	Depth
13 3/8"	54.5	H40	STC	730'
8 5/8"	32	J55	STC	3640'
4 1/2"	11.6, 13.5	N80	LTC	11300'

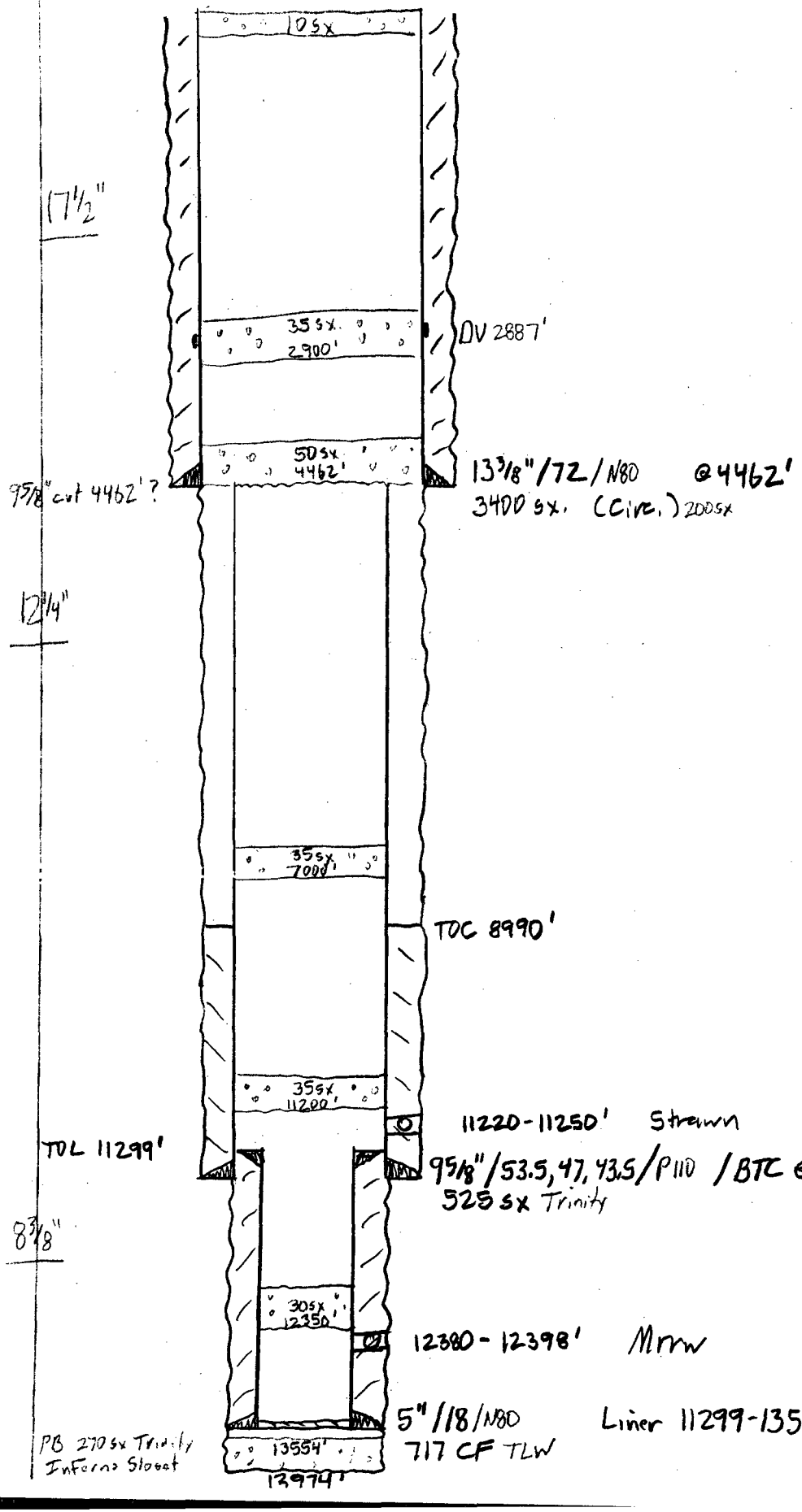


— Sketch Not To Scale —

KBC 11/ms/

Lusk Deep Unit 2

660' FSL, 1980' FEL
Sec. 18 - 19s - 32e
Lea Co., NM



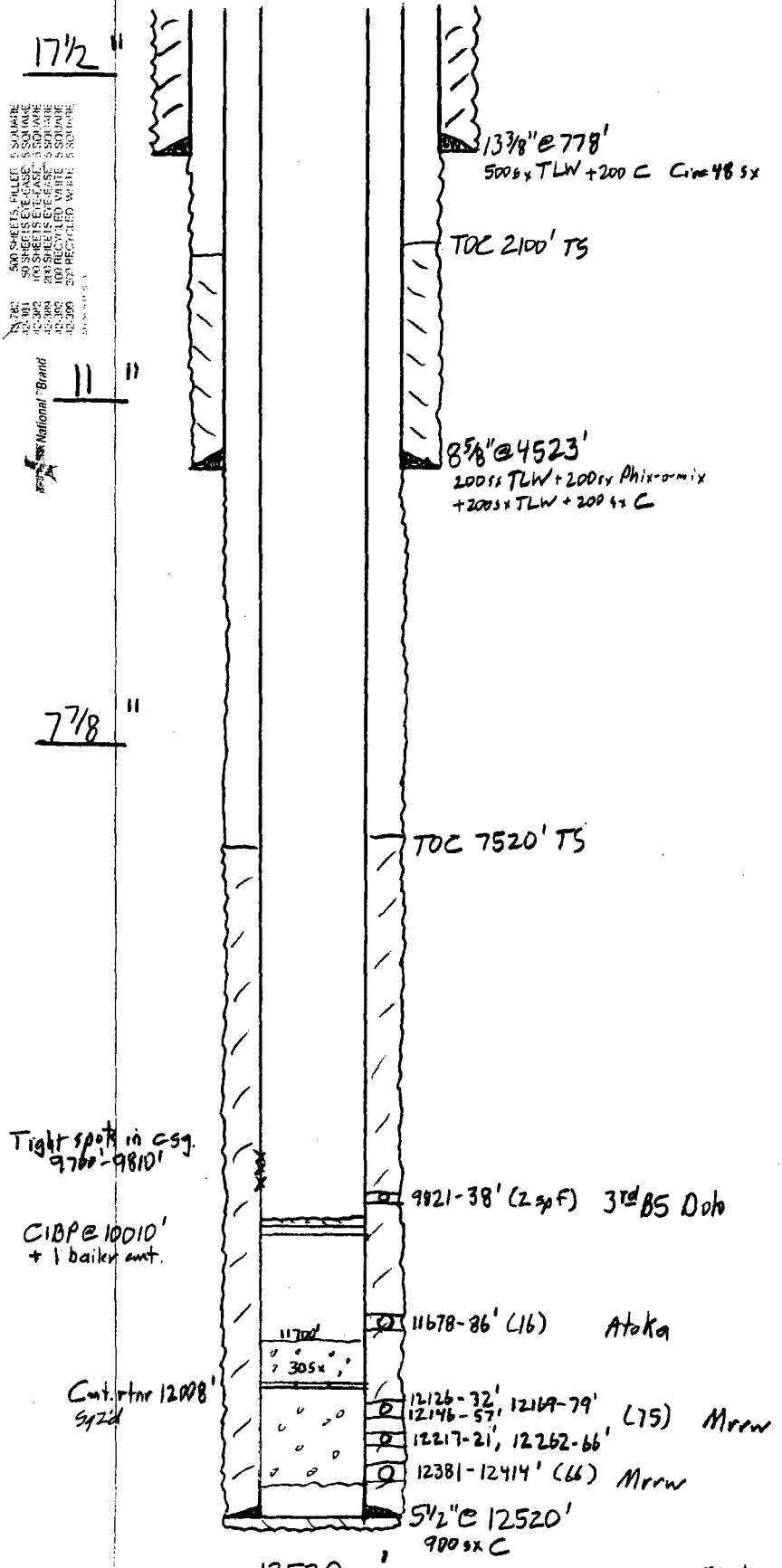
Well: Lusk Deep Unit A #3

Location: 1980' FSL, 1980' FWL
K-18-19s-32e
Lea NM

Zero: 23' AGL
KB: 3610'
GL: 3587'

Casing Program:

Size	Wt.	Grade	Conn.	Depth
13 3/8"	54.5	K55	STC	778'
8 5/8"	32	K55	LTC	4523'
5 1/2"	17	N80	BTC	5270'
	17	N80	Mod. LTC	9620'
	20	N80	LTC	12520'
2 7/8"	6.5	N80	EVE	



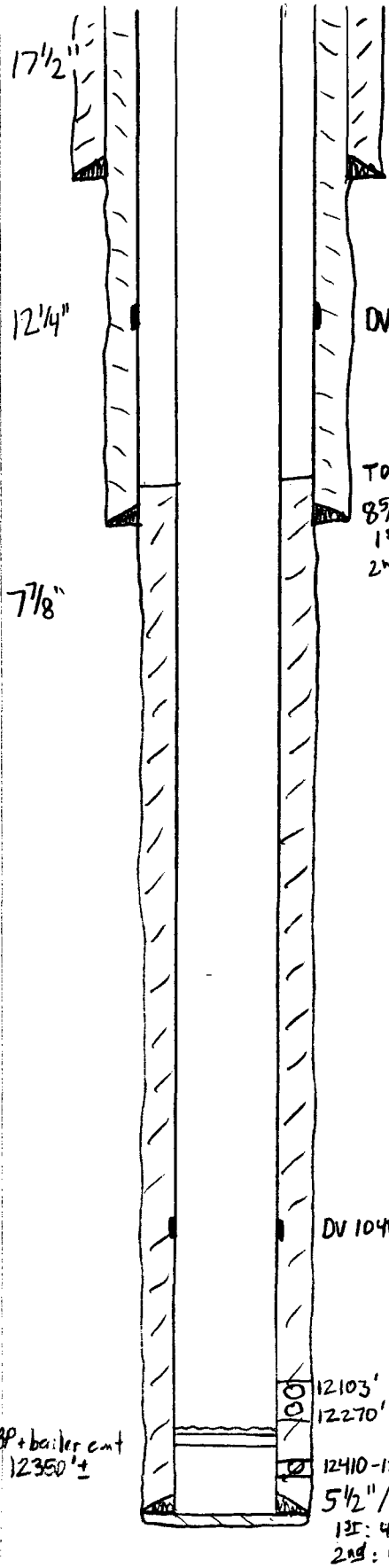
— Sketch Not To Scale —

KBCollins/

Lusk Deep Fed. 14

1650' FNL, 990' FWL
E - 19 - 19s - 32e
Lea Co., NM

KB = 3573'
GL = 3556'
Zero = 17' AGL



5½" / 17 / S95 / LTC 0 - 1041'
/ 17 / L80 / LTC 1041 - 10747'
/ 17 / S95 / LTC 10747 - 12540'

2⅞" / 4.7 / L80 / EUE

VII.

WATER ANALYSIS

HALLIBURTON

CENTRAL OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBS, NEW MEXICO

COMPANY Marbob

REPORT W01-112
DATE November 26, 2001
DISTRICT Artesia/Hobbs

Produced Water

SUBMITTED BY

WELL
COUNTY

DEPTH
FIELD

FORMATION
SOURCE

SAMPLE	Luske 13		Lusk 19		WPB 1			
Sample Temp.	66	°F	66	°F	66	°F		°F
RESISTIVITY	0.058		0.06		0.058			
SPECIFIC GR.	1.135		1.120		1.135			
pH	6.14		6.19		6.54			
CALCIUM	7,600	mpl	8,200	mpl	4,100	mpl		mpl
MAGNESIUM	5,160	mpl	6,900	mpl	3,000	mpl		mpl
CHLORIDE	134,355	mpl	106,470	mpl	129,285	mpl		mpl
SULFATES	Mod	mpl	light	mpl	Light	mpl		mpl
BICARBONATES	31	mpl	61	mpl	122	mpl		mpl
SOLUBLE IRON	light	mpl	light	mpl	light	mpl		mpl
Sodium		mpl		mpl		mpl	0	mpl
TDS		mpl		mpl		mpl	0	mpl
OIL GRAVITY	@	°F	@	°F	@	°F	@	°F

REMARKS

Injection Zone Water

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

ANALYST: John Eubank

Produced and injection zone waters are very similar to one another. No compatibility problems anticipated.

X.

LOG SECTIONS

Proposed Strawn Disposal Interval

Tops - Calcs - Perfs

HALLIBURTON
EXCELL 2000

SPECTRAL DENSITY
DUAL SPACED NEUTRON
FOUR ARM CALIPER LOG

WELL LUSK DEEP UNIT FEDERAL NO.16
FIELD LUSK MORROW
COUNTY LEA STATE NM

COMPANY MARBOB ENERGY CORPORATION
WELL LUSK DEEP UNIT FEDERAL NO.16
FIELD LUSK MORROW
COUNTY LEA STATE NM

API No. 30-025-35053
Location 785 FSL AND 660 FWL

Other Services
DLL-MSFL-GR
SFTT
FACT

Sect 18 Twp 19-S Rge 32-E

...rmanent Datum G.L. Elev 3578.0
...g measured from K.B. 17.0 ft. above perm. datum
...illing measured from K.B.

Elev.: K.B. 3595.0
D.F. 3594.0
G.L. 3578.0

...te	07-27-00			
...n No.	ONE			
...pth – Driller	12785			
...pth – Logger	12769			
...ttom – Logged Interval	12752			
...p – Logged Interval	300			
...sing – Driller	8.625 @ 4520	@	@	@
...sing – Logger	4513			
... Size	7.875"			
...pe Fluid in Hole	BRINE/GEL/STAR			
...ns. | Visc.	9.9 | 36.0	|	|	|
... | Fluid Loss	10.0 | 7.8	|	|	|
...urce of Sample	MUD PIT			
...n @ Meas. Temp.	0.158 @ 78 F	@	@	@
...nf @ Meas. Temp.	0.158 @ 78 F	@	@	@
...nc @ Meas. Temp.	NC @	@	@	@
...urce Rmf | Rmc	MEAS | MEAS	|	|	|
...n @ BHT	0.071 @ 182 F	@	@	@
...ne Since Circ.	1130@JUL27			
...ne on Bottom	2140@JUL27			
...x. Rec. Temp.	182 @ TD	@	@	@
...uip. | Location	53527 | ODTX	|	|	|
...corded By	LAUFER			
...tnessed By	M. JOYCE			

— Fold Here —

Service Ticket No.: 772586 API Serial No.: 30-025-35053 PGM Version: XL v4.20

CHANGE IN MUD TYPE OR ADDITIONAL SAMPLES		
Date | Sample No.	07-27-00 | ONE	|
Depth – Driller	12780	
Type Fluid		
in Hole	BRINE/GEL/STAR	
Dens. | Visc.	9.9 | 36.0	|
Ph | Fluid Loss	10.0 | 7.8	|
Source of Sample	MUD PIT	
Rm @ Meas. Temp.	@	@
Rmf @ Meas. Temp.	@	@
Rmc @ Meas. Temp.	@	@
Source Rmf | Rmc	CALC | CALC	|
Rm @ BHT	0.07 @ 182 F	@
Rmf @ BHT	0.07 @ 182 F	@
Rmc @ BHT	0.07 @ 182 F	@

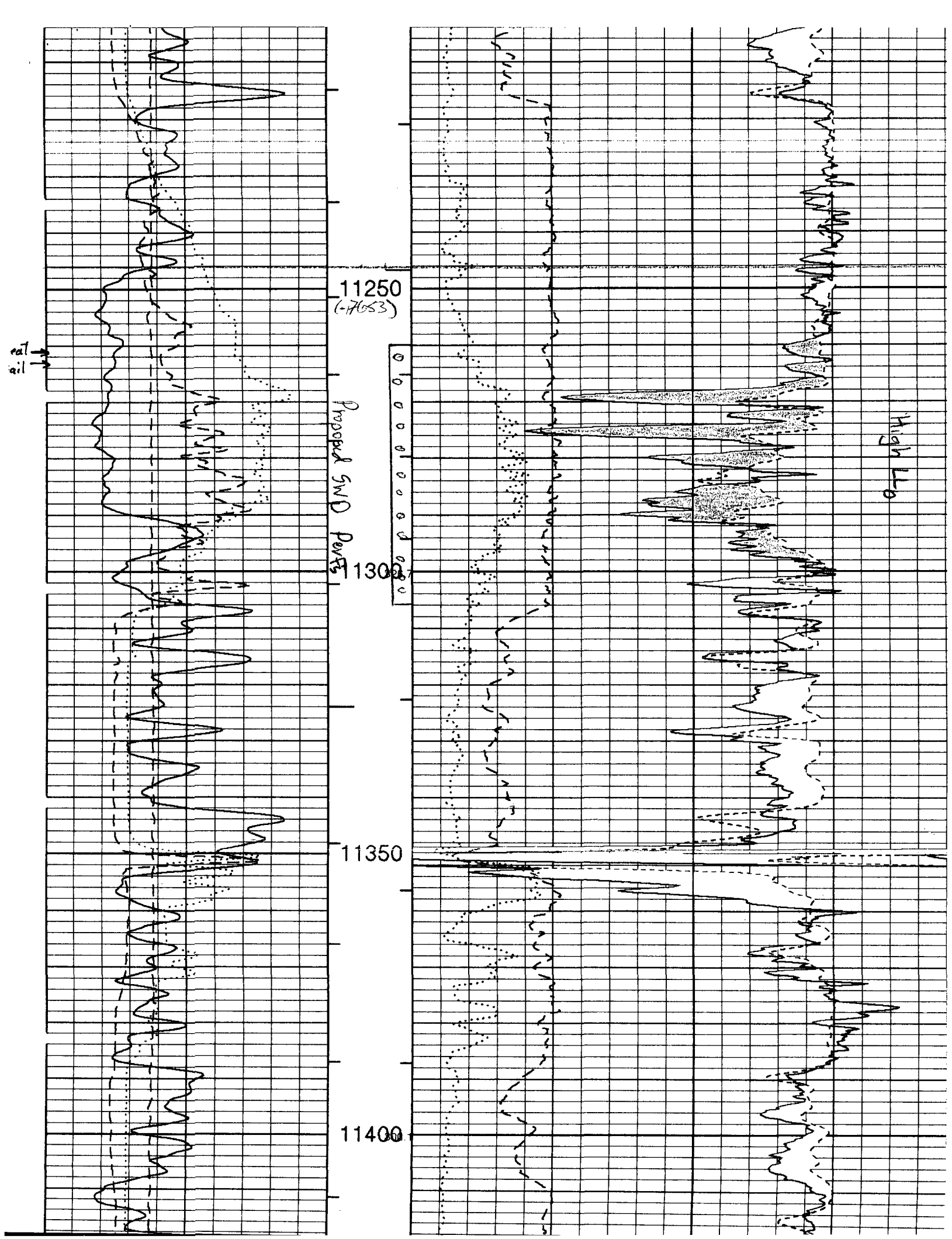
Type Log	Depth	Scale Up Hole	Scale Down Hole
RESISTIVITY SCALE CHANGES			

RESISTIVITY EQUIPMENT DATA

Run No.	Tool Type & No.	Pad Type	Tool Pos.	Other

EQUIPMENT DATA

GAMMA		ACOUSTIC		DENSITY		NEUTRON	
Run No.	ONE	Run No.		Run No.	ONE	Run No.	ONE
Serial No.	108591	Serial No.		Serial No.	112620	Serial No.	108772
Model No.	NGRT-A	Model No.		Model No.	SDLT-B	Model No.	DSNT_A
Diameter	3.625"	No. of Cent.		Diameter	4.5"	Diameter	3.625"
Detector Model No.	M-102	Spacing		Log Type	G/G	Log Type	N/N
Type	SCINT.			Source Type	CS-137	Source Type	AMBE-241
Length	4"	LSA [Y / N]		Serial No.	SDL-2557	Serial No.	DSN-39


11250
(-17053)
11300
11350
11400
Proposed SNO perfs
High Ty

marbob
energy corporation

August 7, 2006

Hobbs News-Sun
201 N. Thorp
Hobbs, NM 88240

Re: Legal Notice
Salt Water Disposal Well

Gentlemen:

Enclosed is a legal notice regarding New Mexico Oil Conservation Division C-108 Application for Authorization to Inject for a salt water disposal 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

Post Office Box 227 • Artesia, New Mexico 88211-0227 • (505) 748-3303 • Fax (505) 746-2523

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 Delaware Federal No. 16 is located 785' FSL and 660' FWL, Section 18, Township 19 South, Range 32 East, Lea County, New Mexico. Disposal water will be sourced from area wells producing from the Bone Spring formation. The disposal water will be injected into the Strawn formation at a depth of 11260' - 11306' at a maximum surface pressure of 2252 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, 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 Hobbs News-Sun, Hobbs, New Mexico, on _____, 2006.

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160 - 3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

5. Lease Serial No.
NMNM038690

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☐ Gas Well ☑ Other

8. Well Name and No.
DELAWARE FEDERAL 16 SWD

2. Name of Operator **MARBOB ENERGY CORPORATION**

9. API Well No.
30-025-35053

3a. Address
P O BOX 227, ARTESIA, NM 88211-0227

3b. Phone No. *(include area code)*
505-748-3303

10. Field and Pool, or Exploratory Area
LUSK DELAWARE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*

SEC. 18-T19S-R32E, LOT 4
785 FSL 660 FWL, SW/4SW/4

11. County or Parish, State
LEA COUNTY, NM

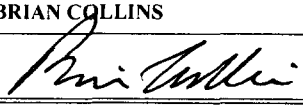
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☑ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SUBMITTED FORM C-108 TO NMOCD - COPY ATTACHED

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
BRIAN COLLINS Title **ENGINEER**

Signature  Date **08/07/2006**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

marbob
energy corporation

August 7, 2006

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

Re: Application to Inject
Delaware Federal 16 SWD
Township 19 South, Range 32 East, NMPM
Section 18: 785 FSL 660 FWL
Lea 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: _____

Post Office Box 227 • Artesia, New Mexico 88211-0227 • (505) 748-3303 • Fax (505) 746-2523

marbob
energy corporation

August 7, 2006

Tom R. Cone
1304 W. Broadway Pl.
Hobbs, NM 88240

Re: Application to Inject
Delaware Federal 16 SWD
785 FSL 660 FWL, Sec. 18
Township 19 South, Range 32 East, NMPM
Lea County, New Mexico

Gentlemen:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well into a water injection 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 within a one-half mile radius of one or more of the referenced wells. Please note this is a courtesy notification, as the proposed injection zone is not within the depth rights that you own.

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

Sincerely,

Brian Collins
Engineer

BC/dlw
enclosures

Post Office Box 227 • Artesia, New Mexico 88211-0227 • (505) 748-3303 • Fax (505) 746-2523

marbob
energy corporation

August 7, 2006

Lothian Oil Texas, Inc.
405 N. Marienfeld, Ste. 300
Midland, TX 79701

Re: Application to Inject
Delaware Federal 16 SWD
785 FSL 660 FWL, Sec. 18
Township 19 South, Range 32 East, NMPM
Lea County, New Mexico

Gentlemen:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well into a water injection 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 within a one-half mile radius of one or more of the referenced wells. Please note this is a courtesy notification, as the proposed injection zone is not within the depth rights that you own.

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Sincerely,

Brian Collins
Engineer

BC/dlw
enclosures

Post Office Box 227 • Artesia, New Mexico 88211-0227 • (505) 748-3303 • Fax (505) 746-2523

Inactive Well List

Total Well Count:1033 Inactive Well Count:0 Since:6/8/2005

Printed On: Friday, September 01 2006

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	Days in TA

WHERE Ogrid:14049, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15

marbob
energy corporation

August 7, 2006

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

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Application to Inject
Delaware Federal 16 SWD
785 FSL 660 FWL, Sec. 18
Township 19 South, Range 32 East, NMPM
Lea County, New Mexico

Gentlemen:

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

Sincerely,

Brian Collins
Engineer

BC/dlw
Enclosures

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

By: /s/ DAVID R. GLASS

Title: PETROLEUM ENGINEER

Date: AUG 25 2006

Injection Permit Checklist

SWD Order Number 1043 Dates: Division Approved _____ District Approved _____

Information Request Letter or Email sent _____

Well Name/Num: Delaware Federal #16 ~~SWD~~ Date Spudded: _____

API Num: (30-) 025-35053 County: Lea

Footages 785 FSL 660 FWL Sec 18 Tsp 19S Rge 32E

Operator Name: Marbob Energy Corp. Contact Brian Collins

Operator Address: P.O. Box 227 Artesia NM 88211-0227

	Hole/Pipe Sizes		Depths	Cement	Top/Method
Surface	17 1/2	13 3/8	804	650	CIRC
Intermediate	12 1/4	8 5/8	4520	2535	Bottom PID NOT CIRC. CIRC after TOP OUT w/ 1" TUBING
Production	7 7/8	5 1/2	12740	1850	1550 T.S. / Bottom CIRCED 130sx
Last DV Tool			10740	@ 2732'	
Open Hole/Liner					
Plug Back Depth			12785		

Diagrams Included (Y/N): Before Conversion ✓ After Conversion ✓

Checks (Y/N): Well File Reviewed ✓ ELogs in Imaging ✓

WILL SQZ CMT & Test Perfs above STRAWN

Intervals:	Depths	Formation	Producing (Yes/No)
Salt/Potash			
Capitan Reef	→ 3016 = LOST CIRC Zone		
~~Cliff House, Etc:~~			
Formation Above	10400	W.C.	
Top Inj Interval	11260	STRAWN Lime	
Bottom Inj Interval	11306		
Formation Below	11600'	ATOKA	

Yates @ 2500'
Del @ 4800'
B.S. @ 8000'
WC @ 10400'

2252 PSI Max. WHIP

NO Open Hole (Y/N)

NO Deviated Hole (Y/N)

Fresh Water Site Exists (Y/N) ~~NO~~ Analysis Included (Y/N): _____

Salt Water Analysis: Injection Zone (Y/N/NA) ✓ Disposal Waters (Y/N/NA) ✓ Types: _____

Affirmative Statement Included (Y/N): ✓ Newspaper Notice Adequate (Y/N) ✓ Well Table Adequate (Y/N) ✓

Surface Owner BLM Noticed (Y/N) ✓ Mineral Owner(s) BLM

AOR Owners: _____ Noticed (Y/N) ✓

CID/Potash/Etc Owners: _____ Noticed (Y/N) ✓

AOR Num Active Wells 3 Repairs? _____ Producing in Injection Interval in AOR NO

AOR Num of P&A Wells 2 Repairs? _____ Diagrams Included? ✓

Data to Generate New AOR Table NO New Table Generated? (Y/N)

	STR	E-W Footages	N-S Footages
Wellsite			
Northeast			
North			
Northwest			
West			
Southwest			
South			
Southeast			
East			

Conditions of Approval:

1. _____
2. _____
3. _____
4. _____

RBDMS Updated (Y/N) _____

UIC Form Completed (Y/N) _____

This Form completed _____