9/18/03 pWVJ0329265223 Suspense 10/3/03

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

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.

SEP 2003
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OCD - ARTESIA

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: PETROLEUM ENGINEER

SIGNATURE: Brian Collins DATE: 16 Sept 03

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

30-015-28002

C-108 Application for Authorization to Inject
South Malaga I-2-25-28 SWD
(Formerly Ronadero Hoss State No. 1)
1980' FSL 660' FEL
I-2-25S-28E, Eddy County

Marbob Energy Corporation proposes to re-enter the captioned well and convert it to salt water disposal service into the Delaware Sand.

1980

only 1 well is P&A'ED

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 = 500 BWPD
Proposed maximum daily injection rate = 2500 BWPD

2. Closed system

3. Proposed maximum injection pressure = 535 psi
(0.2 psi/ft. x 2677 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. 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 Sandstone, a fine-grained sandstone from 2677' to 3958'. Any underground water sources will be shallower than 550'.

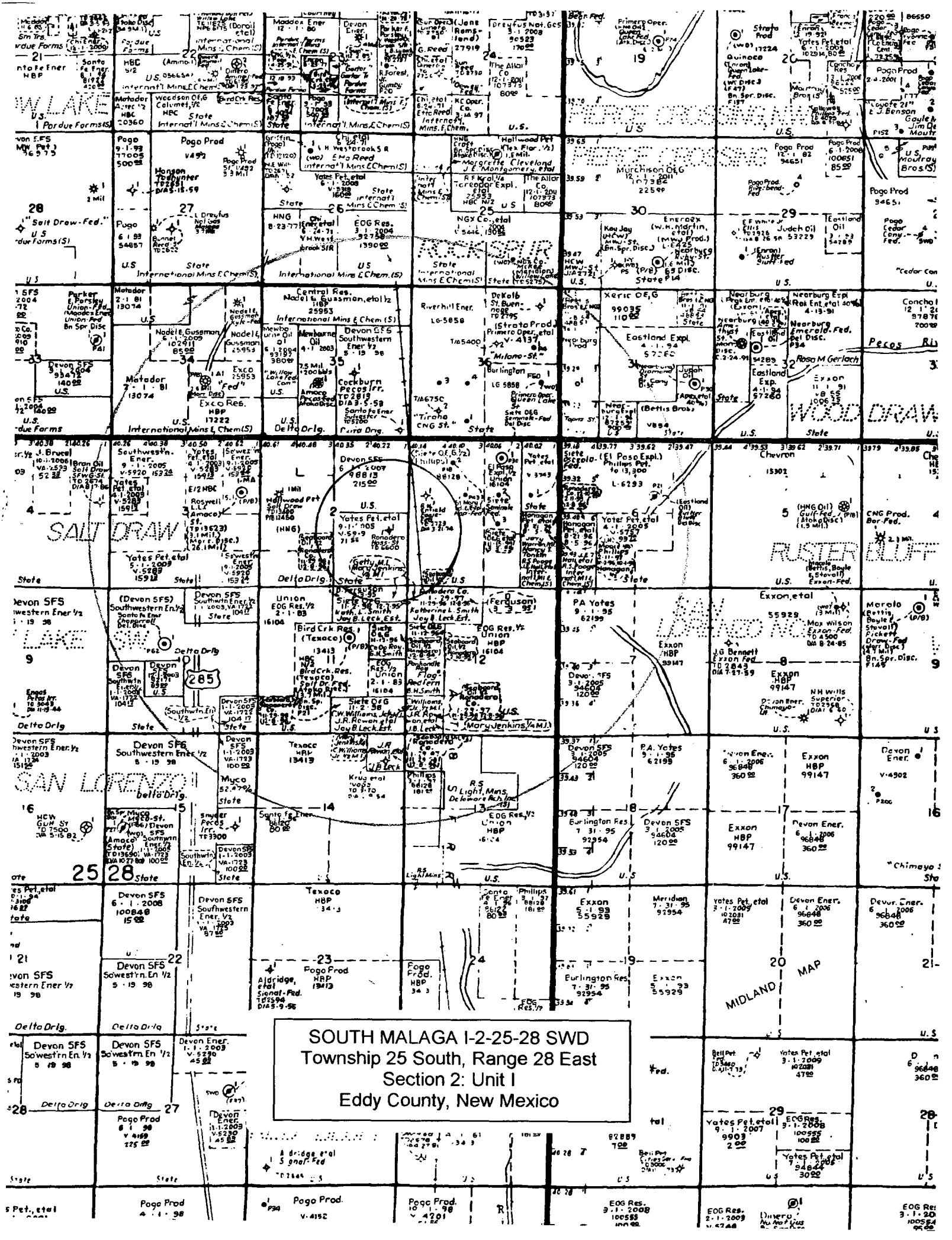
IX. The Delaware sand injection interval will be acidized with approximately 20 gals/ft. of 7 1/2% HCl acid. If necessary, the Delaware injection interval may be fraced with up to 300,000 lbs. of 16/30 mesh sand.

X. Well logs have been filed with the Division.

XI. There is a windmill located NE/4NE/4, Sec. 3, T25S-R28E about a mile northwest 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.


SOUTH MALAGA I-2-25-28 SWD
Township 25 South, Range 28 East
Section 2: Unit I
Eddy County, New Mexico
MAP
MIDLAND

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Marbob Energy Corporation

WELL NAME & NUMBER: South Malaga I-2-25-28 SWD (Formerly Ronadero Hoss State No. 1)

WELL LOCATION: 1980' FSL, 660' FEL | I | 2 | 25s | 28e

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC

See attached Before & After wellbore schematics

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8" @ 550'

Cemented with: 425 sx. *or* - ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 12 1/4" Casing Size: 8 5/8" @ 2561'

Cemented with: 1375 sx. *or* - ft³

Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2" from 2100' to 6600'

Cemented with: 755 sx. *or* - ft³

Top of Cement: 2154' Method Determined: CBL

Total Depth: 6600'

Injection Interval

2677 feet to 3958

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

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

Type of Packer: 10K nickel plated double grip retrievable

Packer Setting Depth: 2625'

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 & Gas

2. Name of the Injection Formation: Delaware Sand

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

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. Delaware & Bone Spring Sands 6406-84', CIBP+35' cmt @ 6370', 6216-29', CIBP+35' cmt @ 6170', 4626-5918', CIBP+35' cmt @ 4580'

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: Delaware : 4500-6000'

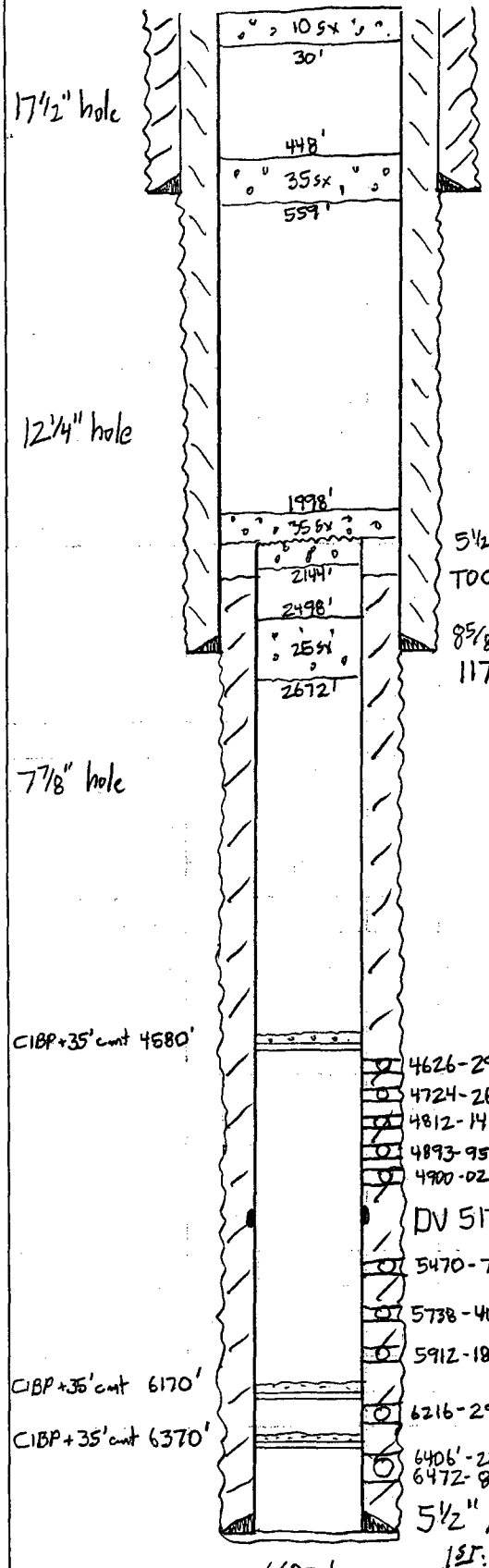
   Bone Spring: 6000-8000'

   Atoka : 11700-12300'

Ronadero Hoss St. No. 1

1980' FSL, 660' FEL
I - 2 - 25s - 28e
Eddy, NM

P&A: 4/98



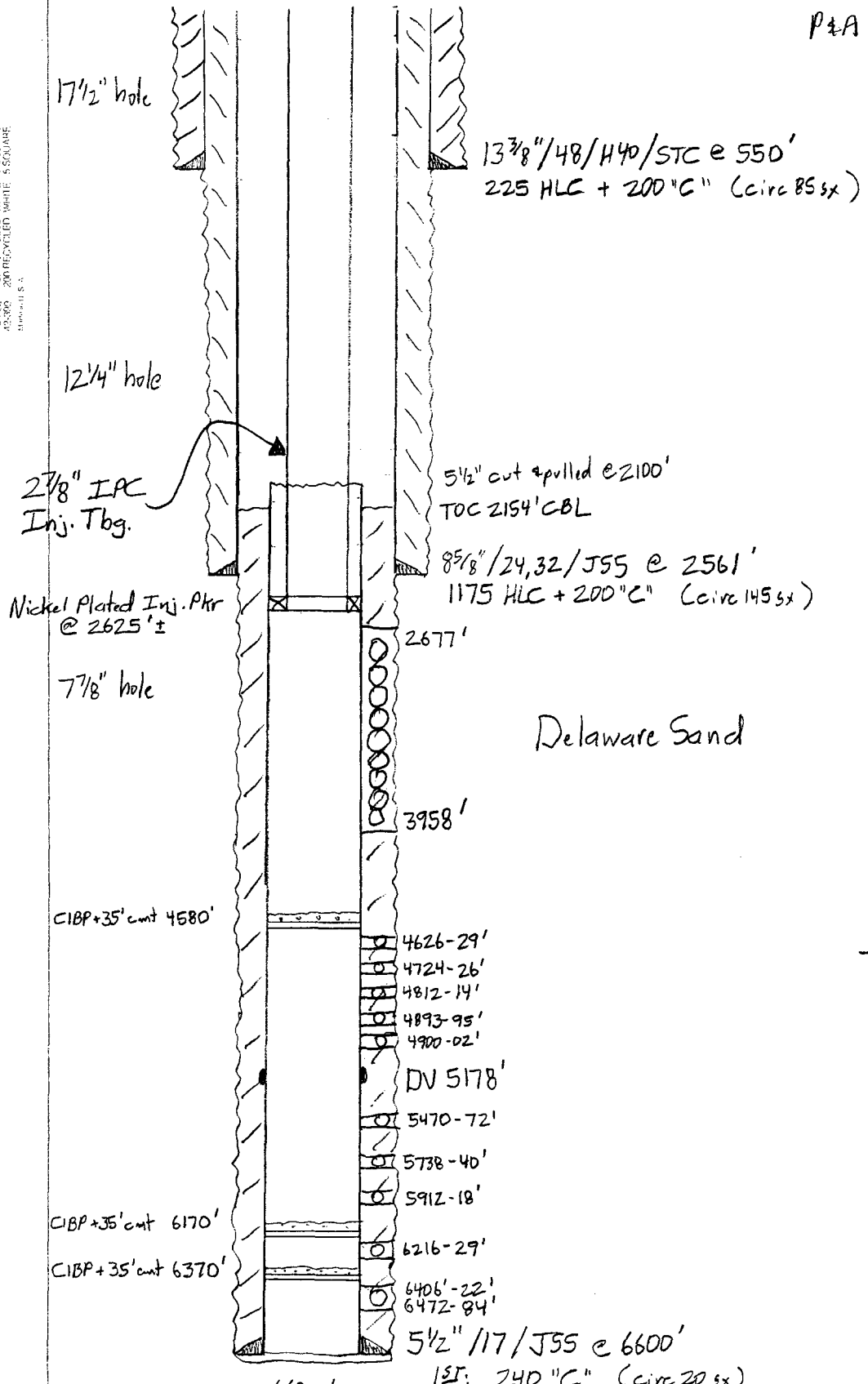
BEFORE

Elev: 2946' GL

KBCollins / 9 Sept 03

South Malaga I-2-25-28 SWD
1980' FSL, 660' FEL
I - 2 - 25s - 28e
Eddy, NM

P&A: 4/98



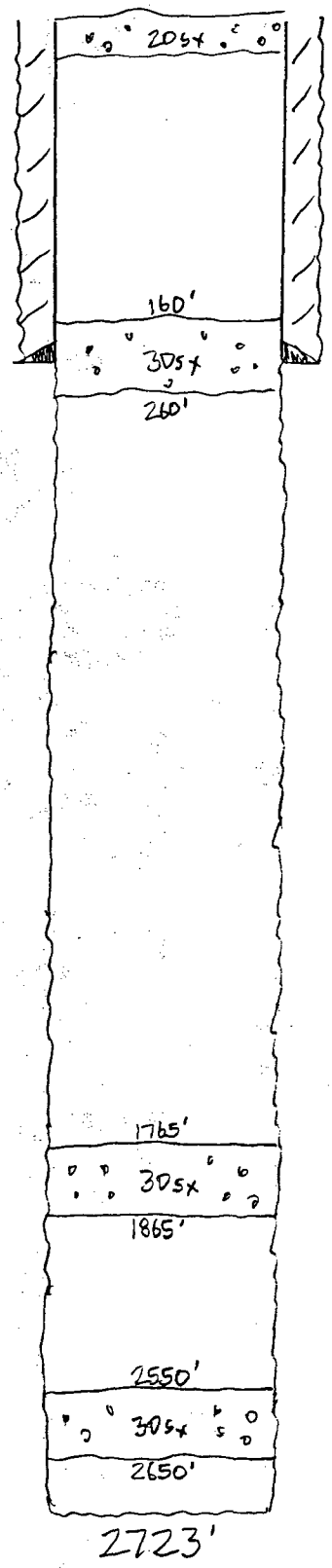
AFTER

Elev: 2946' GL

KBCollins / 9 Sept 03

EnField Eagle Federal No. 1

1980' FNL, 660' FWL
E-1-25s-28e
Eddy County



Within Area of Review

Elev: 2944' GL

MBCollins / 11Sept03

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:

Respectfully submitted

Analyst: Art Carrasco - Technical Advisor

HALLIBURTON SERVICES

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		SOURCE	
COUNTY	Eddy	FIELD			
	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
KCL				
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

September 17, 2003

Artesia Daily Press
P. O. Box 190
Artesia, NM 88211-190

Re: Legal Notices
Salt Water Disposal Wells

Gentlemen:

Enclosed are legal notices regarding New Mexico Oil Conservation Division C-108 Application for Authorization to Inject for four salt water disposal wells.

Please run these notices and return the proofs 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 Hoss State No. 1 is located 1980' FSL and 660' 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 formation at a depth of 2677' - 3958' at a maximum surface pressure of 535 psi and a maximum rate of 2500 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
_____, 2003.

7002 0860 0006 7055 8406

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CERTIFIED MAIL RECEIPT
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OFFICIAL USE

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here: ARTESIA NM 88210 SEP 18 2003 USPS

C-108 Hoss St #1

Sent To: State Land Office
Street, Apt. No.; or PO Box No.: 310 Old Santa Fe Trail
City, State, ZIP+4: Santa Fe, NM 87504

PS Form 3800, April 2002 — See Reverse for Instructions

7002 2030 0001 8346 6404

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here: ARTESIA NM 88210 SEP 18 2003 USPS

C-108 Hoss St #1

Sent To: Evelyn Cooksey / Cooksey Ranch
Street, Apt. No.; or PO Box No.: P.O. Box 91
City, State, ZIP+4: Orla, TX 79770-0091

PS Form 3800, June 2002 — See Reverse for Instructions

7002 2030 0001 8346 6398

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here: ARTESIA NM 88210 SEP 18 2003 USPS

C-108 Hoss St #1

Sent To: HEC Petroleum Corp.
Street, Apt. No.; or PO Box No.: P.O. Box 378111
City, State, ZIP+4: Denver CO 80237

PS Form 3800, June 2002 — See Reverse for Instructions

7002 2030 0001 8346 6381

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here: ARTESIA NM 88210 SEP 18 2003 USPS

C-108 Hoss St #1

Sent To: Yates Petroleum Corp
Street, Apt. No.; or PO Box No.: 105 S. 4th St
City, State, ZIP+4: Artesia, NM 88210

PS Form 3800, June 2002 — See Reverse for Instructions

7002 2030 0001 8346 6374

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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here: ARTESIA NM 88210 SEP 18 2003 USPS

C-108 Hoss St #1

Sent To: St. Mary Land + Exploration
Street, Apt. No.; or PO Box No.: 1776 Lincoln St, Ste. 1100
City, State, ZIP+4: Denver, CO 80203-1080

PS Form 3800, June 2002 — See Reverse for Instructions

marbob
energy corporation

September 16, 2003

St Mary Land & Exploration
1776 Lincoln St., Ste. 1100
Denver, CO 80203-1080

Re: Application to Inject
Hoss State No. 1
Township 25 South, Range 28 East, NMPM
Section 2: 1980' FSL 660' FEL, Unit I
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: _____

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

marbob
energy corporation

September 16, 2003

HEC Petroleum Inc.
P. O. Box 378111
Denver, CO 80237

Re: Application to Inject
Hoss State No. 1
Township 25 South, Range 28 East, NMPM
Section 2: 1980' FSL 660' FEL, Unit I
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

HEC Petroleum Inc. 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

September 16, 2003

Yates Petroleum Corporation
105 S. 4th St.
Artesia, NM 88210

Re: Application to Inject
Hoss State No. 1
Township 25 South, Range 28 East, NMPM
Section 2: 1980' FSL 660' FEL, Unit I
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

Yates Petroleum 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

September 16, 2003

State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87504

Re: Application to Inject
Hoss State No. 1
Township 25 South, Range 28 East, NMPM
Section 2: 1980' FSL 660' FEL, Unit I
Eddy County, New Mexico

Dear 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

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

September 16, 2003

Evelyn Cooksey
Cooksey Ranch
P. O. Box 91
Orla, TX 79970-0091

Re: Application to Inject
Hoss State No. 1
Township 25 South, Range 28 East, NMPM
Section 2: 1980' FSL 660' FEL, Unit I
Eddy County, New Mexico

Dear Ms. Cooksey:

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

Evelyn Cooksey 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