N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue Artesia, NM 88210

Form 3160-5 (September 2001) UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires January 31, 2004

EDDY CO., NM

5. Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS NMNM101079 Do not use this form for proposals to drill or to re-enter an 6. If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side Type of Well RECEIVED Oil Well Gas Well Other 8. Well Name and No. ZARAFA FF FEDERAL #1 Name of Operator OCT - 1 2004 9. API Well No. MARBOB ENERGY CORPORATION 3b. Phone No. (include area code) = SIA 30-015-30900 PO BOX 227, ARTESIA, NM 88211-0227 10. Field and Pool, or Exploratory Area (505) 748-3303 Location of Well (Footage, Sec., T., R., M., or Survey Description) CEMETARY; 3RD BONE SPRING 11. County or Parish, State

12. CHECK AF	PPROPRIATE BOX(ES)	TO INDICATE NATUI	RE OF NOTICE, REPORT, (OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION						
Notice of Intent Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Production (Start/Resume) Reclamation Recomplete Temporarily Abandon Water Disposal	□ Water Shut-Off □ Well Integrity □ Other			

RECOMPLETE TO THE 2ND BONE SPRING SAND AS FOLLOWS:

1980 FSL 660 FEL, SEC. 12-T21S-R24E

SET CIBP @ APPX. 6925' AND DUMP 35' CMT ON TOP. PERF THE 2ND BONE SPRING SAND @ 5634' - 5675' (10 SHOTS). ACIDIZE @ 5634' - 5675' W/ 500 GAL NEFE 7½% HCL. FLOW/SWAB TEST. IF DECISION MADE TO FRAC, WILL FRAC DOWN CSG.

			APPROVED					
			9	SEP 2 9 2004				
14. I hereby certify that the foregoing is true and correct			<u> </u>	LES BABYAK				
Name (Printed/Typed)			PETF	ROLEUM ENGINEER				
DIANA J. CANNON	PRODUCTION ANALYST							
Signature	Date	SEPTEMBER 27, 2004						
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 ward certify that the applicant holds legal or equitable title to those rights in the subject which would entitle the applicant to conduct operations thereon.	Office							
Title 18 U.S.C. Sentine 1001 and Title 22 U.S.C. Sentine 1212 and the sentine for								

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.

^{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.)