

OCD-ARTESIA
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMBNO 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

Lease Serial No
NMNM1104646

1a. Type of Well Oil Well Gas Well Dry Other

b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resv. Other _____

2. Name of Operator **Marbob Energy Corporation**

3. Address **PO Box 227
Artesia, NM 88211-0227** 3a. Phone No. (include area code) **505-748-3303**

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface **990 FNL 2287 FEL, Lot 2**
At top prod interval reported below **Same**
At total depth **Same**

5. Date Spudded **04/18/2007** 15. Date T.D. Reached **04/29/2007** 16. Date Completed **05/21/2007**
 D & A Ready to Prod

6. If Indian, Allottee or Tribe Name _____

7. Unit or CA Agreement Name and No. _____

8. Lease Name and Well No. **Michalada Federal #3-D**

9. AFI Well No. **30-015-35157**

10. Field and Pool, or Exploratory **Wildcat; Bone Spring**

11. Sec., T., R., M., on Block and Survey or Area **Sec. 3-T22S-R25E**

12. County or Parish **Eddy** 13. State **NM**

14. Date Spudded **04/18/2007** 15. Date T.D. Reached **04/29/2007** 16. Date Completed **05/21/2007**
 D & A Ready to Prod

17. Elevations (DF, RKB, RT, GL)* **3599' GL**

18. Total Depth: MD **4500'** 19. Plug Back T.D. MD **4476'** 20. Depth Bridge Plug Set: MD
TVD **4500'** TVD **4476'** TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) **DLL, Csg**

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit report)
Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17 1/2"	13 3/8"	48#	0	250'		350 sx		0	None
12 1/4"	8 5/8"	24#	0	1900'		1125 sx		0	None
7 7/8"	5 1/2"	17#	0	4497'		650 sx		0	None

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8"	4413'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No Holes	Perf. Status
A) Bone Spring	4336'	4348'	4336' - 4348'		26	Open
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
4336' - 4348'	Acid w/ 1000 gal NE Fe 7 1/2% HCl. Frac w/ 501K# sand & 881 bbls fluid.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
05/21/2007	05/22/2007	24	→	39	73	138			Pumping
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						Producing

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

ACCEPTED FOR RECORD

JUN 23 2007

Wesley W. Ingram

**WESLEY W. INGRAM
PETROLEUM ENGINEER**

*(See instructions and spaces for additional data on page 2)

28b Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press Flwg SI	Csg. Press	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press Flwg SI	Csg. Press.	24 Hr Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

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

Sold

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

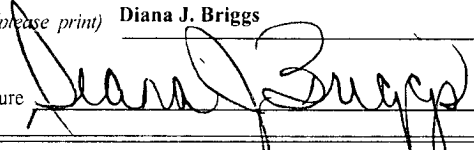
Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				Capitan Delaware Bone Spring	498' 1631' 4207'

32. Additional remarks (include plugging procedure):

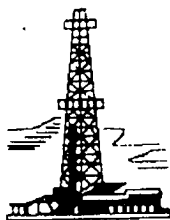
33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)
 Geologic Report
 DST Report
 Directional Survey
 Sundry Notice for plugging and cement verification
 Core Analysis
 Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Diana J. Briggs Title Production Analyst
 Signature  Date 06/08/2007

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.



Permian Drilling Corporation

P. O. Box 726 (505)397-3798 Fax (505)393-2448 Hobbs, New Mexico 88241

INCLINATION REPORT

DATE: 5/3/2007

WELL NAME AND NUMBER: Michalada Fed #3-D
LOCATION: Eddy Co., NM
OPERATOR: MARBOB ENERGY CORP.
DRILLING CONTRACTOR: PERMIAN DRILLING CORPORATION

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
1.50	205				
0.25	285				
1.25	730				
1.75	1230				
2.00	1638				
2.75	1870				
2.25	2131				
1.25	2550				
0.75	3042				
0.75	3512				
1.00	3990				
0.50	4457				

Drilling Contractor:
Permian Drilling Corporation

By: Sherry Coskrey
Sherry Coskrey
Regulatory Clerk

Subscribed and sworn to before me on this May day of 17, 2007.

My Commission Expires:

June 12th, 2010

Angela B. Black