9/18/03 10/3/03 Suspense pWVJ0329265394

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.

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.).

SEP 2003 RECEIVED OCD - ARTESIA

*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

C-108 Application for Authorization to Inject
South Malaga L-15-25-28 SWD
(Formerly Myco 15 State No. 1)
1980' FSL 660' FWL
L-15-25S-28E, Eddy County

30-015-23067

1980

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

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.

only 1 well, it is PLUGGED

VII. 1. Proposed average daily injection rate = 500 BWPD
Proposed maximum daily injection rate = 2500 BWPD

2. Closed system

3. Proposed maximum injection pressure = 553 psi
(0.2 psi/ft. x 2765 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 2765' to 3800'. Any underground water sources will be shallower than 408'.

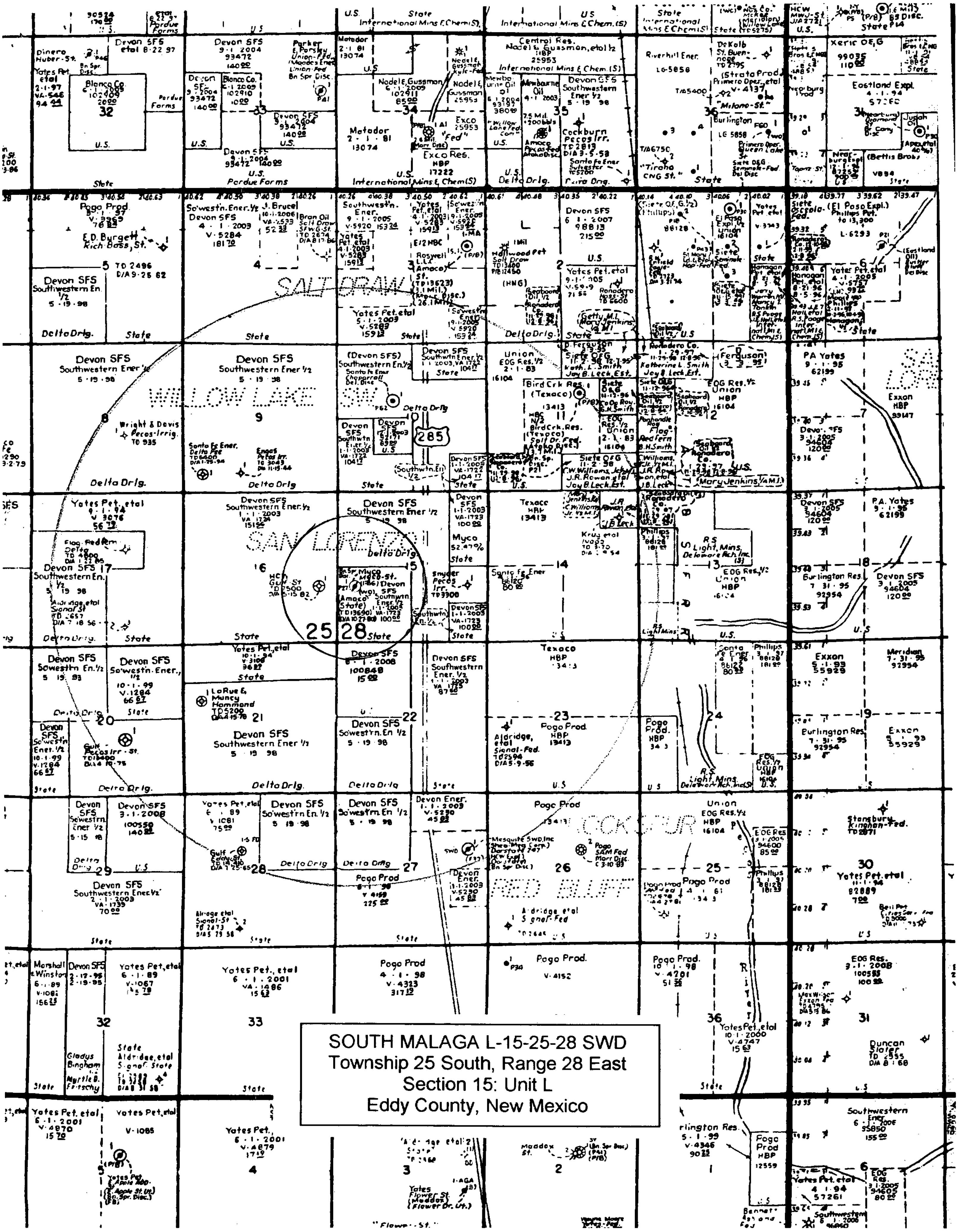
IX. The Delaware sand injection interval will be acidized with approximately 20 gals/ft. of 7 1/2% HCl acid. If necessary, the Delaware injection interval may be fraced with up to 300,000 lbs. of 16/30 mesh sand.

X. Well logs have been filed with the Division.

XI. There are no fresh water wells within one mile of the proposed SWD well.

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 L-15-25-28 SWD
Township 25 South, Range 28 East
Section 15: Unit L
Eddy County, New Mexico
SALT DRAW
WILLOW LAKE
SAN LORENZO
RED BLUFF
25 28

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Marbob Energy Corporation

WELL NAME & NUMBER: South Malaga L-15-25-28 SWD (formerly Myco 15 State No. 1)

WELL LOCATION: 1980' FSL, 660' FWL | L | 15 | 25s | 28e

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC

See attached BEFORE and AFTER wellbore schematics

Liner

Hole Size: 8½" Csg. Size: 7⅝" 9245-12200'

Cemented with: 820 sx

Top of cement: 9245' Method Determined: Circulated

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 26" Casing Size: 20" @ 408'

Cemented with: 750 sx. *or* - ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 17½" Casing Size: 13⅜" @ 2530'

Cemented with: 2300 sx. *or* - ft³

Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 12¼" Casing Size: 9⅝" From 2050-9730'

Cemented with: 2660 sx. *or* - ft³

Top of Cement: 2280' Method Determined: CBL

Total Depth: 13690'

Injection Interval

2765 feet to 3800

(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

Packer Setting Depth: 2700'

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): N/A

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. 11864-11916', CIBP+35' cmt @ 11790', 11064-11080', CIBP+35' cmt @ 9200', 8912-20', CIBP+35' cmt @ 8850', 7692-8012', CIBP+35' cmt @ 7500', 6361-7164', CIBP+35' cmt @ 6300', CIBP+35' cmt @ 5000', 2741-3123', Sqzd 800 sx

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'

Myco 15 St. #1

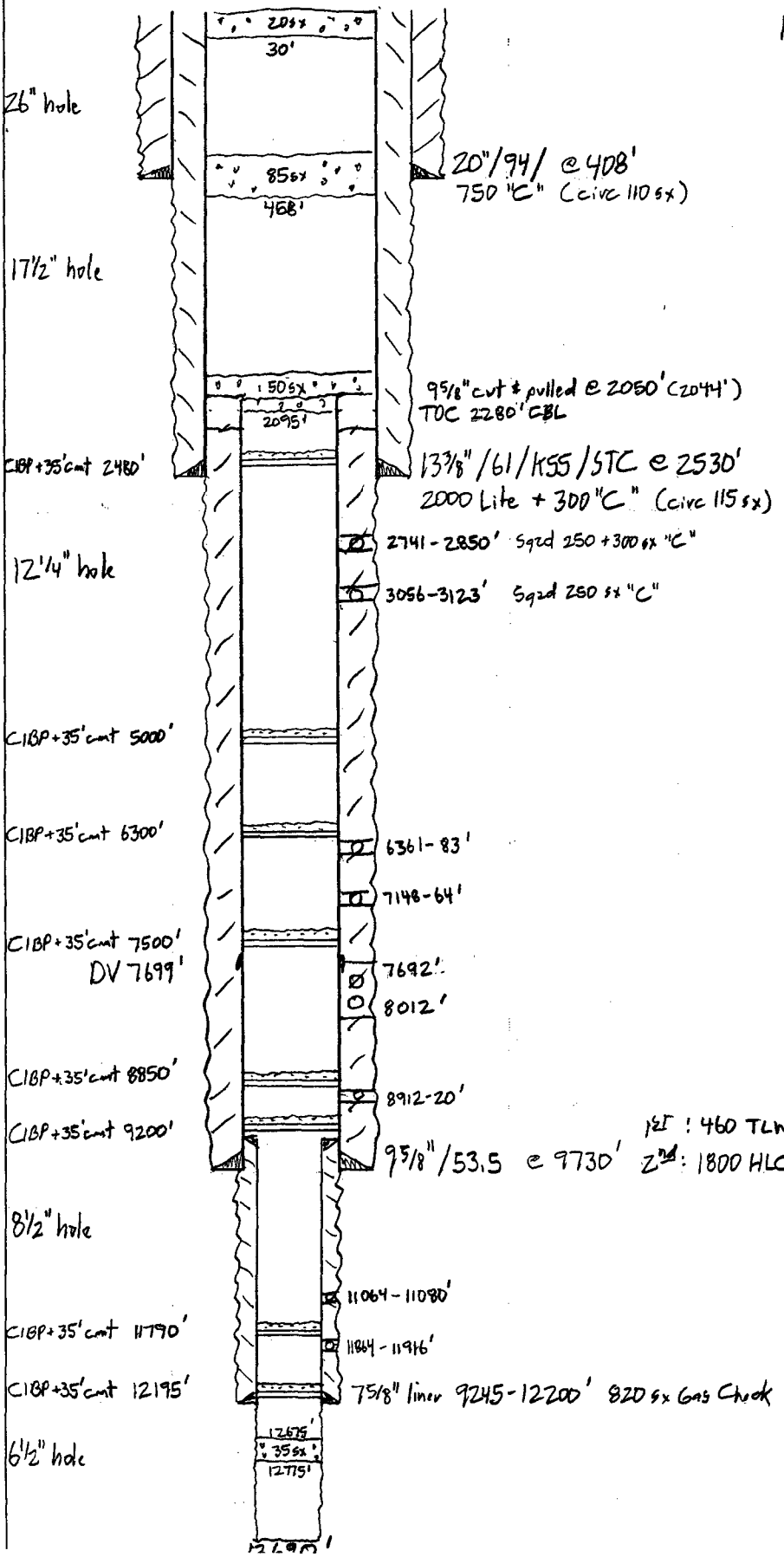
(Amoco St. GG Com. #1)

1980' FSL, 660' FWL

L-15-25s-28e

Eddy, NM

P&A: 12/94



BEFORE

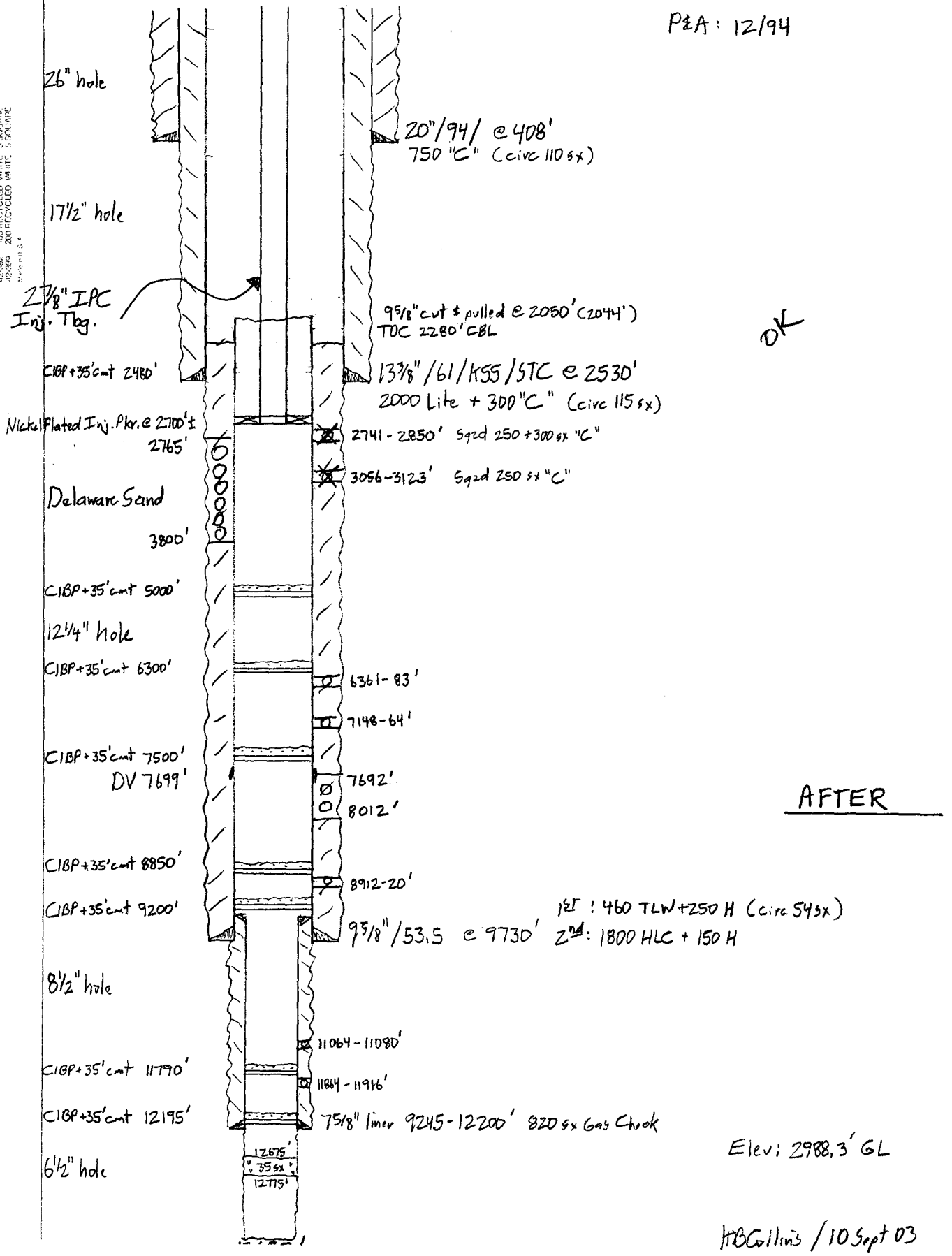
Elev: 2988.3' GL

HBCollins / 10 Sept 03

South Malaga L-15-25-28 SWD

1980' FSL, 660' FWL
L-15-25s-28e
Eddy, NM

P&A: 12/94



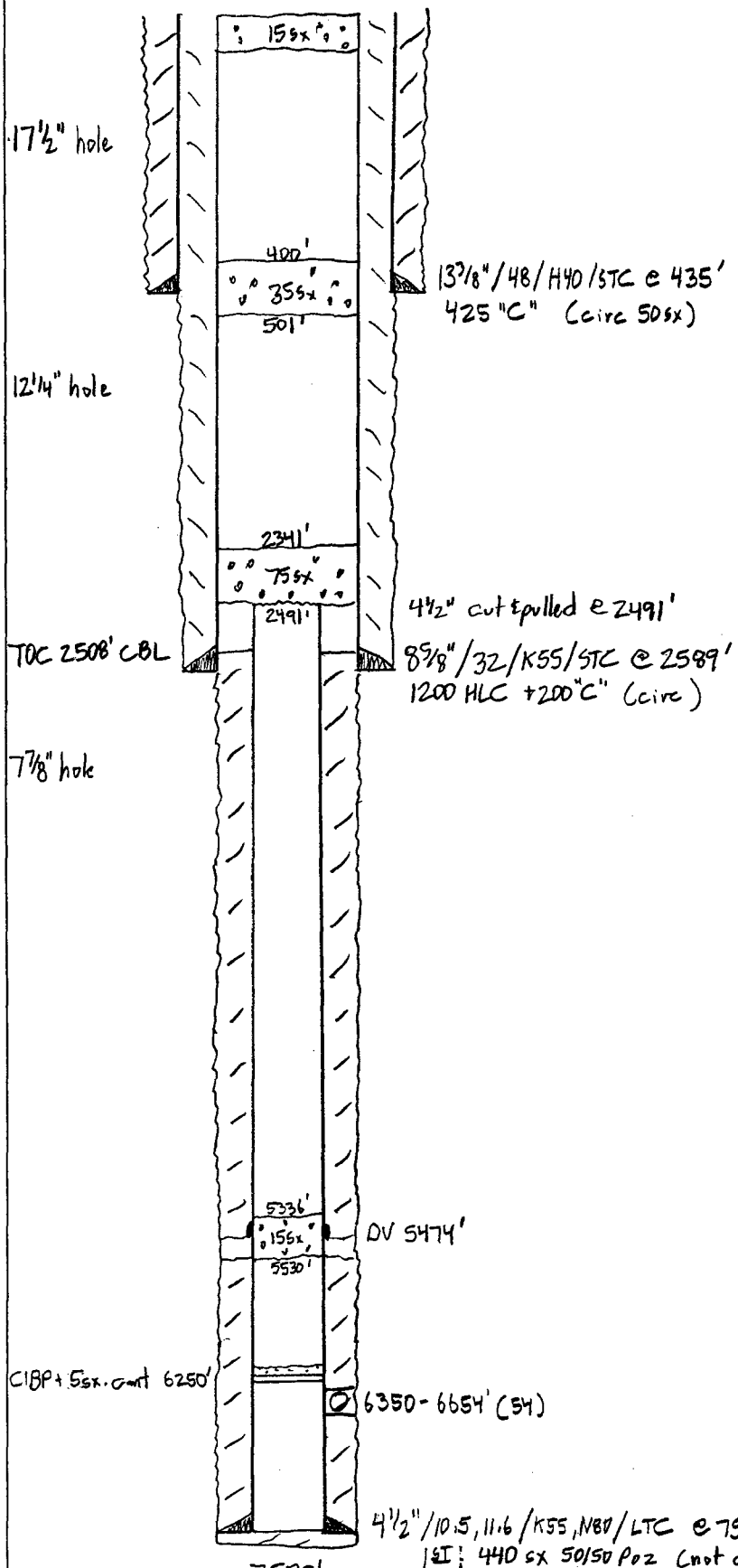
Elev: 2988.3' GL

HBCollins / 10 Sept 03

HCW Gulf 16 St. No. 1

1980' FSL, 660' FEL
I-16-25s-28e
Eddy, NM

P&A : 5/82



Within Area of Review

Elev: 2981' GL

HBCollins/10Sept03

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	
pH	7.0	
Calcium	24,250	
Magnesium	9,000	
Chlorides	170,000	
Sulfates	250	
Bicarbonates	350	
Soluble Iron	+ 500	

Water Analysis Representative of Produced Delaware Water to be Injected and of Delaware Water in the Proposed Injection Interval

Remarks:

Art Carrasco

Respectfully submitted

Analyst: Art Carrasco - Technical Advisor

HALLIBURTON SERVICES

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 Myco 15 State #1 is located 1980' FSL and 660' FWL, Section 15, 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 2675' - 3800' at a maximum surface pressure of 553 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 2030 0001 8346 6367

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Total Postage & Fees	$

ARTESIA NM 88210 SEP 18 2003 USPS Postmark Here

C-108 Myco IS Stip 1

Sent To: Devon SFS Operating
Street, Apt. No.; or PO Box No.: 20 N Broadway, Ste. 1500
City, State, ZIP+4: Oklahoma City, OK 73102

PS Form 3800, June 2002 — See Reverse for Instructions

7002 0860 0006 7055 8390

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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

ARTESIA NM 88210 SEP 18 2003 USPS Postmark

C-108 Myco IS Stip 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

marbob
energy corporation

September 16, 2003

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

Re: Application to Inject
Myco 15 State No. 1
Township 25 South, Range 28 East, NMPM
Section 35: 1980' FSL 660' FWL, Unit L
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

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

Devon SFS Operating
20 N. Broadway, Ste. 1500
Oklahoma City, OK 73102

Re: Application to Inject
Myco 15 State No. 1
Township 25 South, Range 28 East, NMPM
Section 35: 1980' FSL 660' FWL, Unit L
Eddy County, New Mexico

Gentlemen:

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

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

Devon SFS Operating 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