DATE IN 1/26/09	SUSPENSE	ENGINEER W. Jones	LOGGED IN 1/27/09	TYPE SWD	APP NO. pKAA0902733916

ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED
2009 JAN 26 PM 1 10

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

West Brushy 8 Federal 1 SWD
Marbob Energy
14049

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.

BRIAN COLLINS		PETROLEUM ENGINEER	8Jan09 ~~07/08/09~~
Print or Type Name	Signature	Title	Date

bcollins@marbob.com
e-mail Address

SWD - 1167

1167

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: 575-748-3303

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).

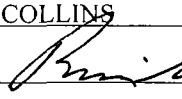
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

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: PETROLEUM ENGINEER

SIGNATURE:  DATE: 01/07/09

E-MAIL ADDRESS: bcollins@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
West Brushy 8 Federal 1 SWD
660' FNL 330' FEL
A-8-26S-29E, Eddy County

Marbob Energy Corporation proposes to re-enter the captioned well, clean out to 5425', squeeze off the Williamson Sand 4886-4940' and convert it to salt water disposal service into the Delaware Sand from 4338-4666' and 5206-5386'.

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 = 1000 BWPD
Proposed maximum daily injection rate = 3000 BWPD

2. Closed system

3. Proposed maximum injection pressure = 867 psi
(0.2 psi/ft. x 4338 ft.)

4. Source of injected water will be Delaware Sand and Bone Spring Sand produced water. No compatibility problems are expected. Analyses of Delaware and Bone Spring waters from source wells are attached.

VIII. The injection zone is the Delaware Sandstone, a fine-grained sandstone from 4338' to 5386'. Any underground water sources will be shallower than 600'.

IX. The Delaware sand injection interval will be acidized with approximately 20 gals/ft. of 7 1/2% HCl acid. If necessary, the injection interval may be fraced with up to 300,000 lbs. of 20/40 mesh sand.

X. Well logs have been filed with the Division. A section of the neutron-density porosity log showing the injection intervals is attached.

XI. There are no fresh water wells within a mile of the proposed SWD well. The Pecos River is approximately 4200' to the west. A 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.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Marbob Energy

WELL NAME & NUMBER: West Brushy 8 Fed. 1 SWD

WELL LOCATION: 660' FNL, 330' FEL (FOOTAGE LOCATION) | A (UNIT LETTER) | 8 (SECTION) | 26S (TOWNSHIP) | 29E (RANGE)

WELLBORE SCHEMATIC

See Attached
Before & After
Wellbore Schematics

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 11" Casing Size: 8 5/8" @ 957'

Cemented with: 470 sx. *or* - ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ sx. *or* _____ ft³

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2" @ 5473'

Cemented with: 730 sx. *or* - ft³

Top of Cement: 3400' Method Determined: Calculated using caliper log plus 25% washout factor.

Total Depth: 5475'

Injection Interval

4338' feet to 5386'

(Perforated or Open Hole; indicate which)

Side 2

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: Plastic / Duoline 20

Type of Packer: Nickel plated 10K double grip retreivable

Packer Setting Depth: ± 4300'

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): Bryushy Draw Delaware

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 Sd 5222-5300', 4886-4940' 30sx @ 5308', CIBP + 25sx 4828-4410', 50sx 2950-2755', 315 sx 1007-0'

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Williamson Sand ±4900'. Plan to squeeze off the Williamson Sand 4886-4940' and dispose of water from 4338-4666' and 5206-5386'.

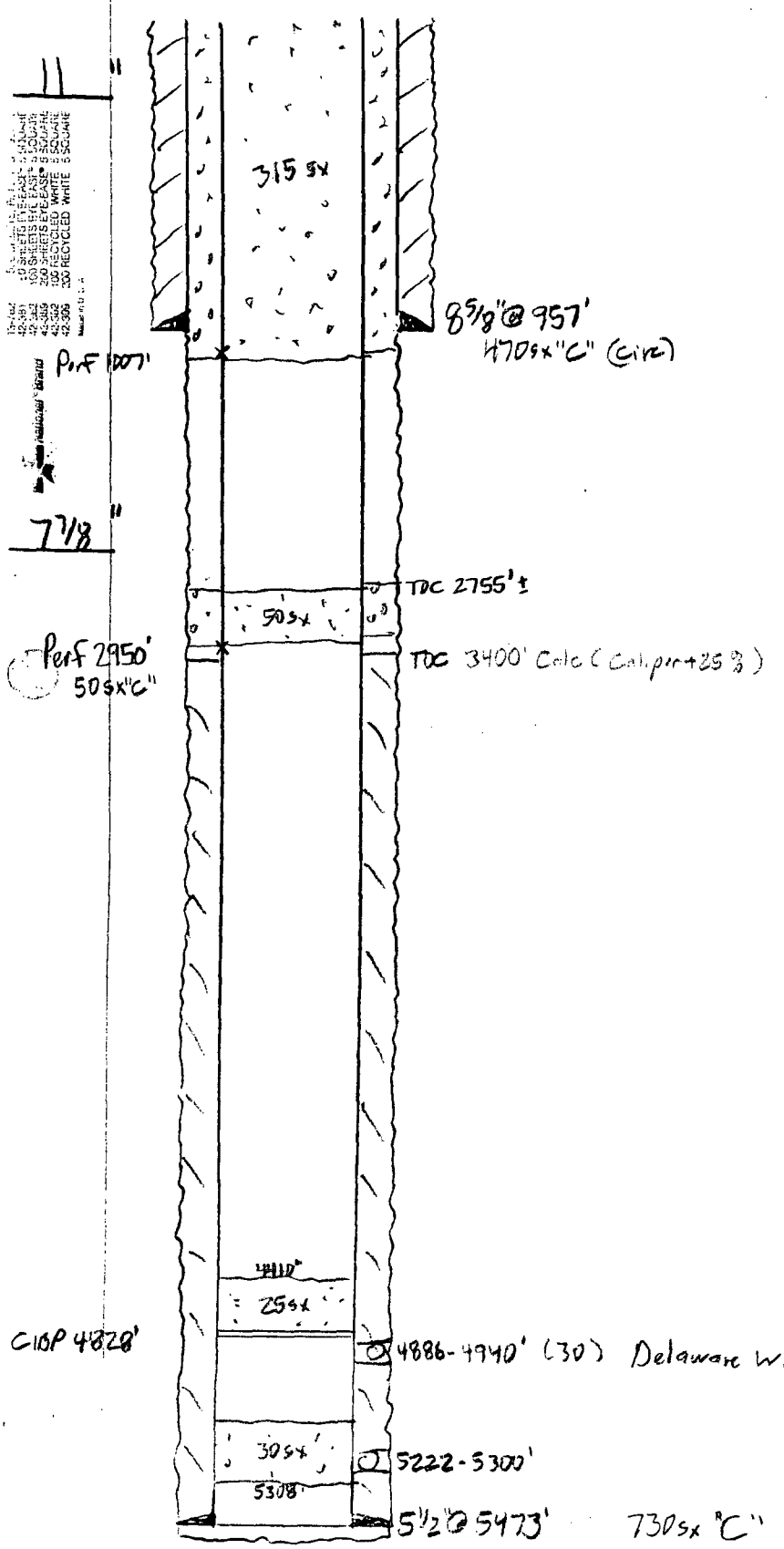
Well: (West Brushy 8 Fed. 1)

Location: 660' FNL, 330' FEL
A-8-26S-29E
Eddy N/M
30-015-31675

Zero: 11' AGL
KB: 2929'
GL: 2918'

Casing Program:

Size	Wt.	Grade	Conn	Depth
8 5/8"	24	J55	STC	957'
5 1/2"	15.5	J55	LTC	5473'



Before SWD Conversion

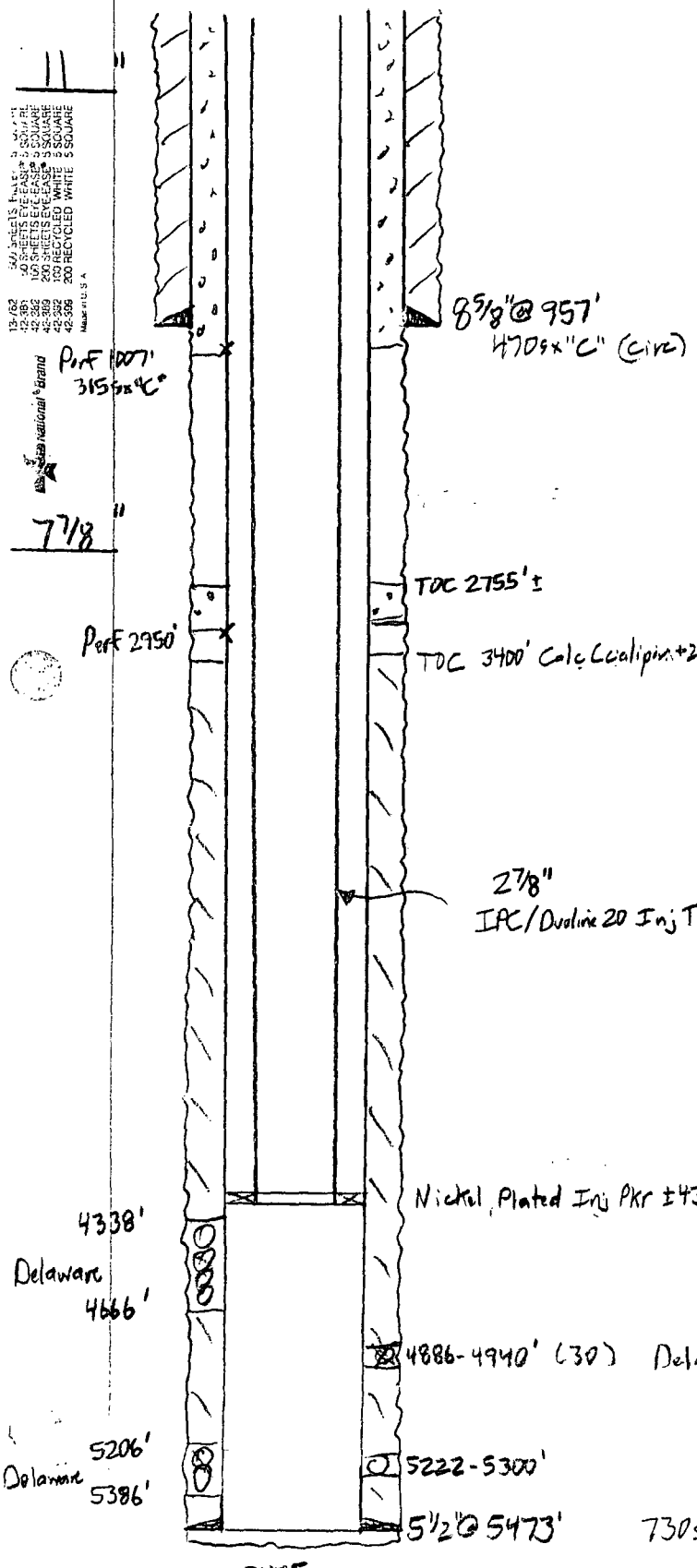
Well: West Brushy 8 Fed. 1 SWD

Location: 660' FNL, 330' FEL
A-8-26S-29E
Eddy NM
30-015-31675

Zero: 11' AGL
KB: 2929'
GL: 2918'

Casing Program:

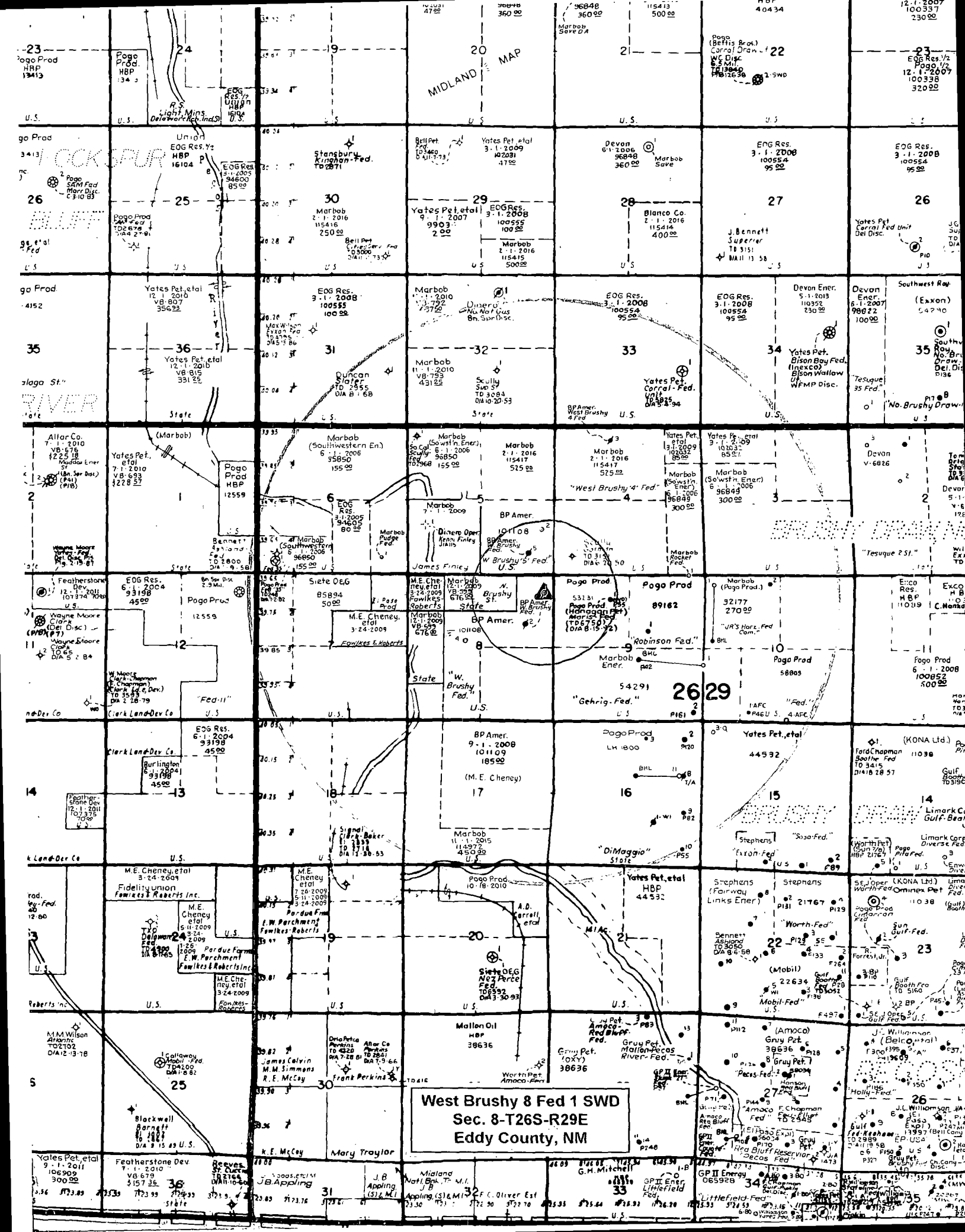
Size	Wt.	Grade	Conn	Depth
8 5/8"	24	J55	STC	957'
5 1/2"	15.5	J55	LTC	5473'
2 7/8"	6.5	J55	EVE	±4300'
		IPC/Duoline 20		



After SWD Conversion

V.

MAP


MIDLAND MAP
West Brushy 8 Fed 1 SWD
Sec. 8-T26S-R29E
Eddy County, NM

VI.

Wells Within 1/2 Mile Area of Review That Penetrate Proposed Disposal Zone

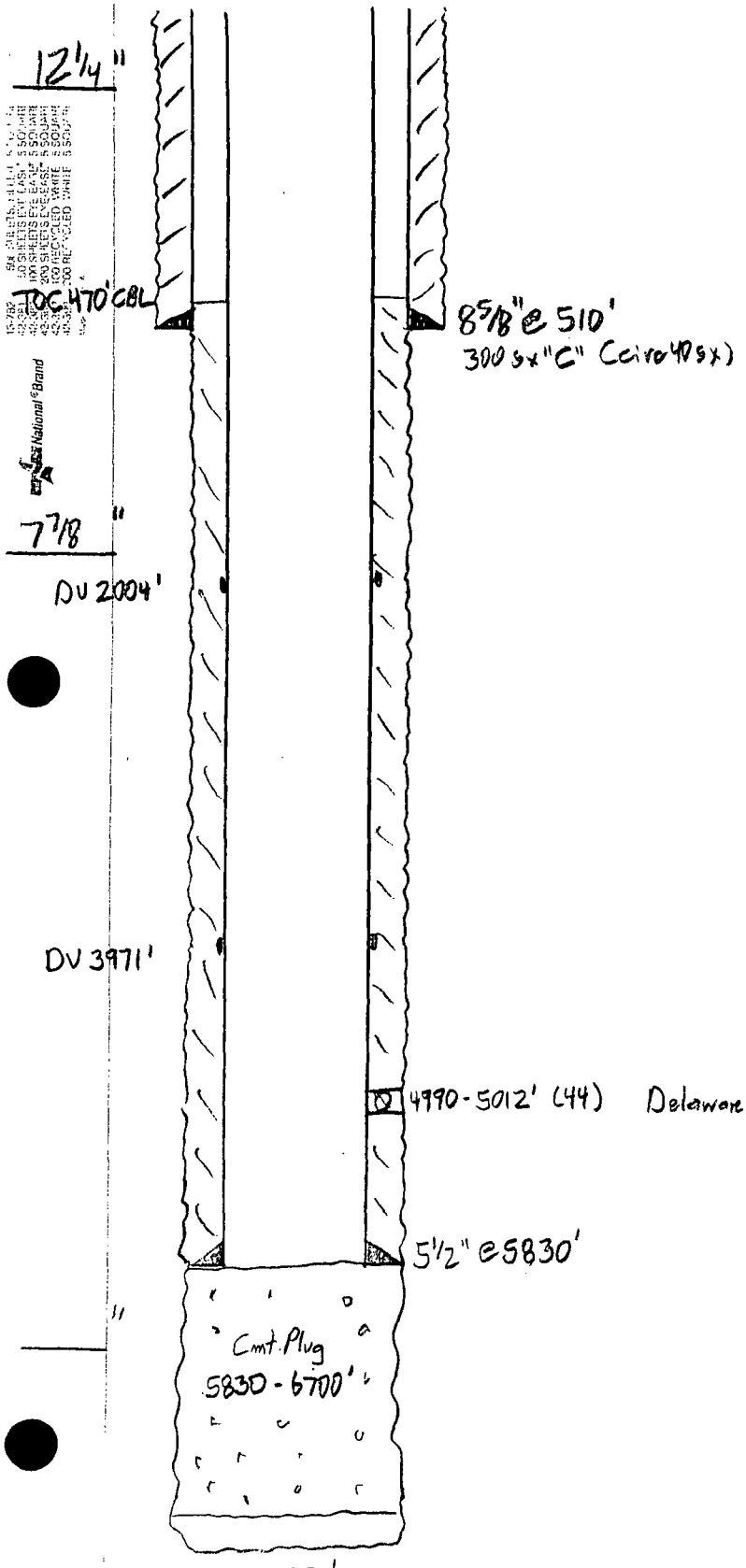
Well: Maris Fed. 1

Location: 870' FNL, 1980' FWL
C-9-26s-29e
Eddy NM
30-015-27011

Zero: 13' AGL
KB : 2743.3'
GL : 2930.3'

Casing Program:

Size	Wt.	Grade	Conn.	Depth
8 9/8"	24	J55	STC	510'
5 1/2"	15.5	J55	LT	5830'



1st: 100 sx HLC + 375 sx "C" Circ 108 sx)

2nd: 400 sx HLC + 100 sx "C" Circ 10 sx)

3rd: 500 sx HLC + 50 sx "C"

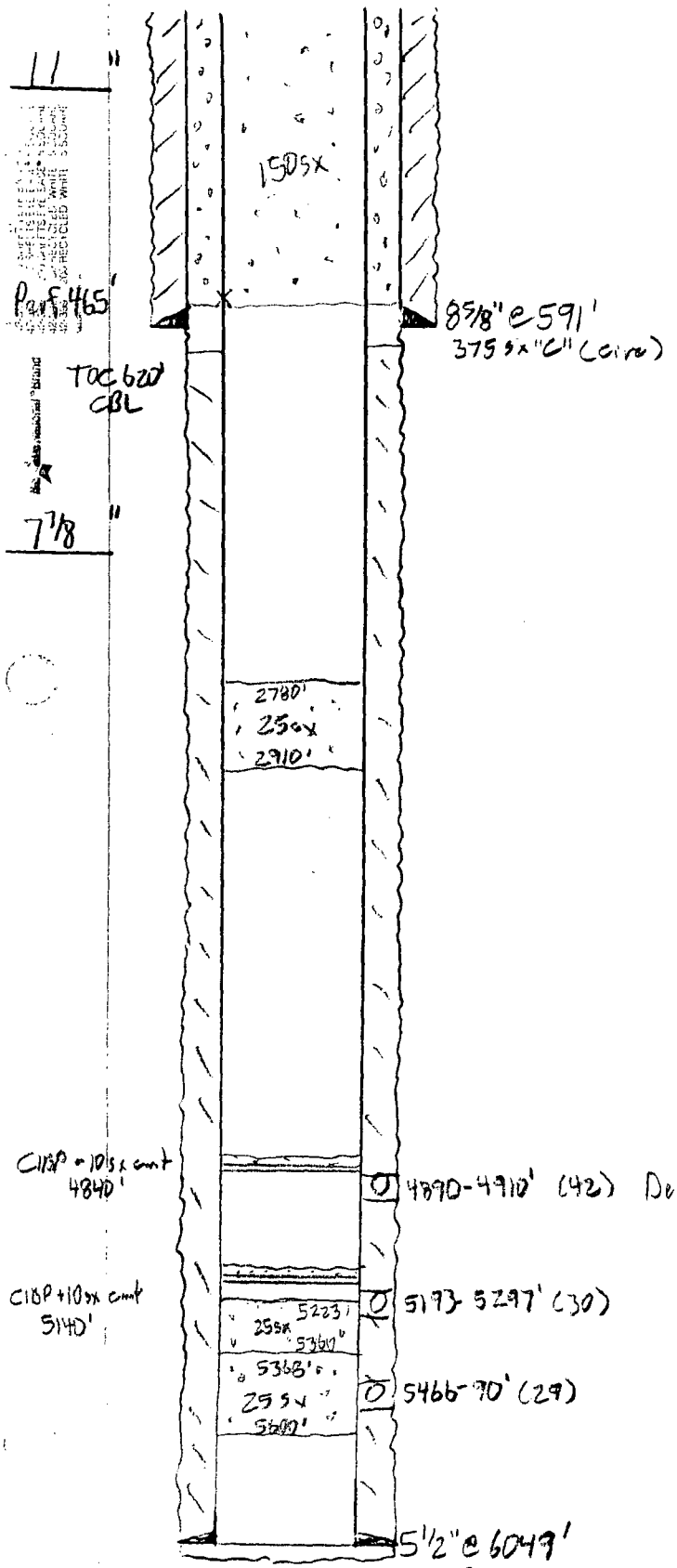
Well: West Brushy 5 Fed 5

Location: 660' FSL, 850' FEL
P-5-26S-29E
Eddy NM
30-015-31869

Zero: 12' AGL
KB: 2893'
GL: 2881'

Casing Program:

Size	Wt.	Grade	Conn	Depth
8 5/8"	24	J55	STC	591'
5 1/2"	15.5	J55	STC	6049'



Before SWD Conversion

.1926 CF/F 8 5/8 x 5 1/2
.1370 CF/F 5 1/2"

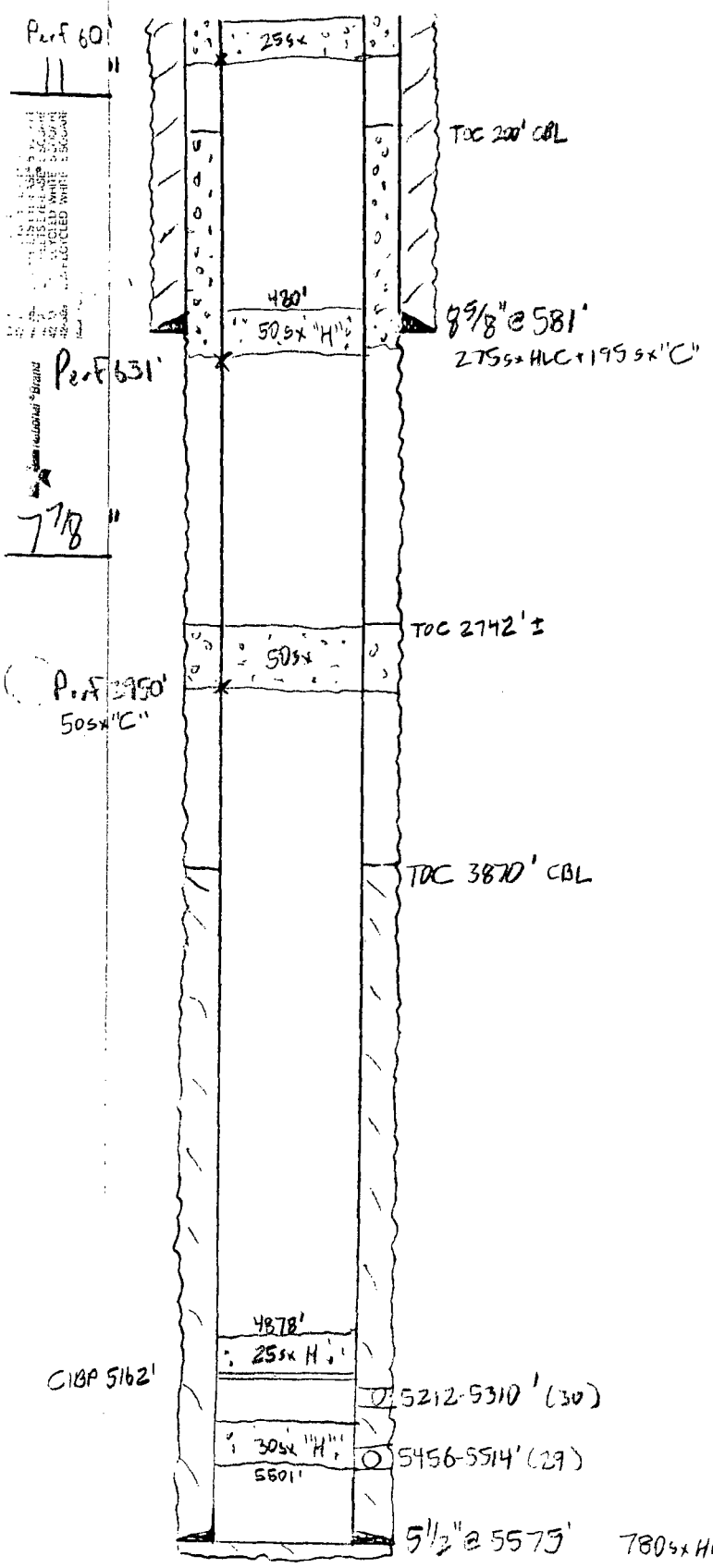
Well: (West Bradley BE Fed 2)

Location: 1750' FNL 990' FEL
H-8-26s-27e
Eddy NM
30-015-31866

Zero: 11' AGL
KB: 2938'
GL: 2927'

Casing Program:

Size	Wt.	Grade	Conn	Depth
8 5/8"	24	J55	STC	581'
5 1/2"	15.5	J55	LTC	5575'



Before SWD Conversion

VII.

WATER ANALYSIS

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

204350

Analyst: Art Carrasco - Technical Advisor

HALLIBURTON SERVICES

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY
WATER ANALYSIS REPORT
HOBBS, NEW MEXICO

COMPANY Marbob

REPORT W08-156
DATE November 25, 2008
DISTRICT Hobbs

SUBMITTED BY Bone Spring Sand Produced Water

WELL Save DA 21 Fed. #1 DEPTH FORMATION
COUNTY FIELD SOURCE

SAMPLE				
Sample Temp.	70 °F	°F	°F	°F
RESISTIVITY	0.068			
SPECIFIC GR.	1.095			
pH	6.53			
CALCIUM	7500 mpl	mpl	mpl	mpl
MAGNESIUM	6000 mpl	mpl	mpl	mpl
CHLORIDE	83125 mpl	mpl	mpl	mpl
SULFATES	Light mpl	mpl	mpl	mpl
BICARBONATES	231 mpl	mpl	mpl	mpl
SOLUBLE IRON	0 mpl	mpl	mpl	mpl
KCL	Negative			
Sodium	mpl	0 mpl	0 mpl	0 mpl
TDS	mpl	0 mpl	0 mpl	0 mpl
OIL GRAVITY	@ °F	@ °F	@ °F	@ °F

REMARKS

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

ANALYST: MA/MB/JH

X.

NEUTRON DENSITY LOG

Across Proposed Delaware Sand Portion of Injection Interval

HALLIBURTON

EXCELL 2000

SPECTRAL DENSITY DUAL SPACED NEUTRON LOG

WELL WEST BRUSHY FEDERAL NO. 1

FIELD BRUSHY DRAW (DELAWARE)

COUNTY EDDY STATE NM

COMPANY ARCO PERMIAN

WELL WEST BRUSHY FEDERAL NO. 1

FIELD BRUSHY DRAW (DELAWARE)

COUNTY EDDY STATE NM

API No. 30-015-31675 • 2

Location 660 FNL & 330 FEL

Sect 8 Twp T26S Rge R29E

Other Services DLL/MGRD/GR

Permanent Datum	GROUND LEVEL	Elev. 2918		Elev.: K.B.	2929
Log Measured from	K.B. 11	ft. above perm. datum		D.F.	2928
Drl Measured from	K.B.			G.L.	2918
Date	07-08-01				
Run No.	ONE				
Depth – Driller	5475	@			
Depth – Logger	5464				
Btm. Logged Interval	5462				
Top Logged Interval	2900				
Casing – Driller	8.625 @ 956	@			
Casing – Logger	954				
Bit Size	7.875"				
Type Fluid in Hole	SALT MUD				
Dens. | Visc.	10 | 34				
Fluid Loss	8.5 | 12				
Source of Sample	FLOWLINE				
Rm @ Meas. Temp.	.097 @ 70 F	@			
Rmf @ Meas. Temp.	N/A @ N/A	@			
Rmc @ Meas. Temp.	N/A @ N/A	@			
Rm @ BHT	0.057 @ 124 F	@			
Time Since Circ.	11.5 HRS.				
Max. Rec. Temp.	124 @ T.D.	@			
Equip. Location	53527 | HOBBS				
Recorded By	R. MC WHORTER				

RECEIVED
AUG 2001
OCD ARTESIA

Fold Here

Service Ticket No.: 1383415 API Serial No.: 30-015-31675 PGM Version: XL v4.20

CHANGE IN MUD TYPE OR ADDITIONAL SAMPLES

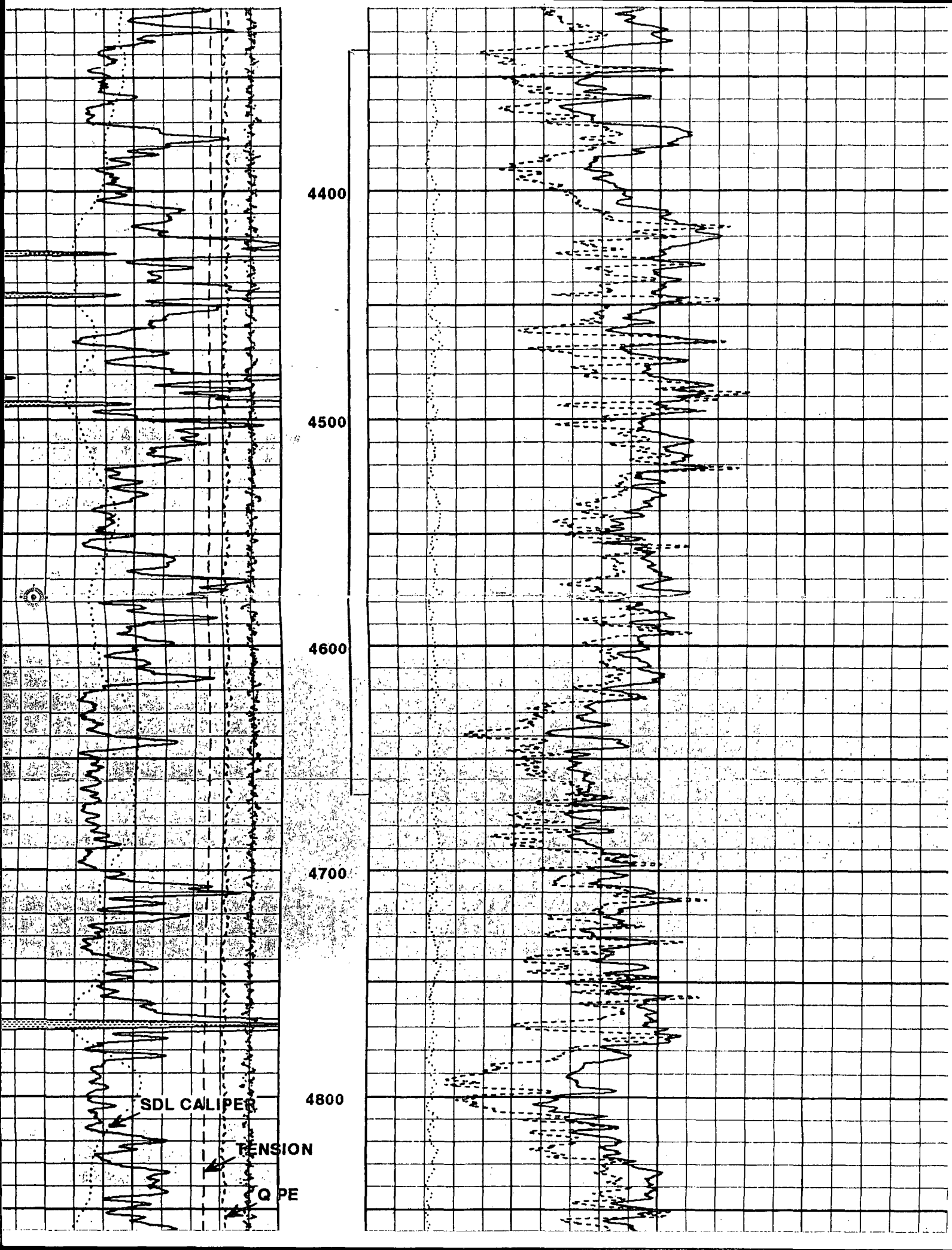
Date | Sample No.	07-08-01 | ONE			Type Log	Depth	Scale Up Hole	Scale Down Hole
Depth – Driller	5475						
Type Fluid in Hole	SALT MUD					RESISTIVITY SCALE CHANGES	
Dens. | Visc.	10 | 34						
Ph | Fluid Loss	8.5 | 12						
Source of Sample	FLOWLINE			RESISTIVITY EQUIPMENT DATA			
Rm @ Meas. Temp.	.097 @ 70 F	@		Run No.	Tool Type & No.	Pad Type	Tool Pos. / Other
Rmf @ Meas. Temp.	N/A @ N/A	@					
Rmc @ Meas. Temp.	N/A @ N/A	@					
Source Rmf | Rmc	CALC | CALC						
Rm @ BHT	0.057 @ 124 F	@					
Rmf @ BHT	N/A @ N/A	@					
Rmc @ BHT	N/A @ N/A	@					

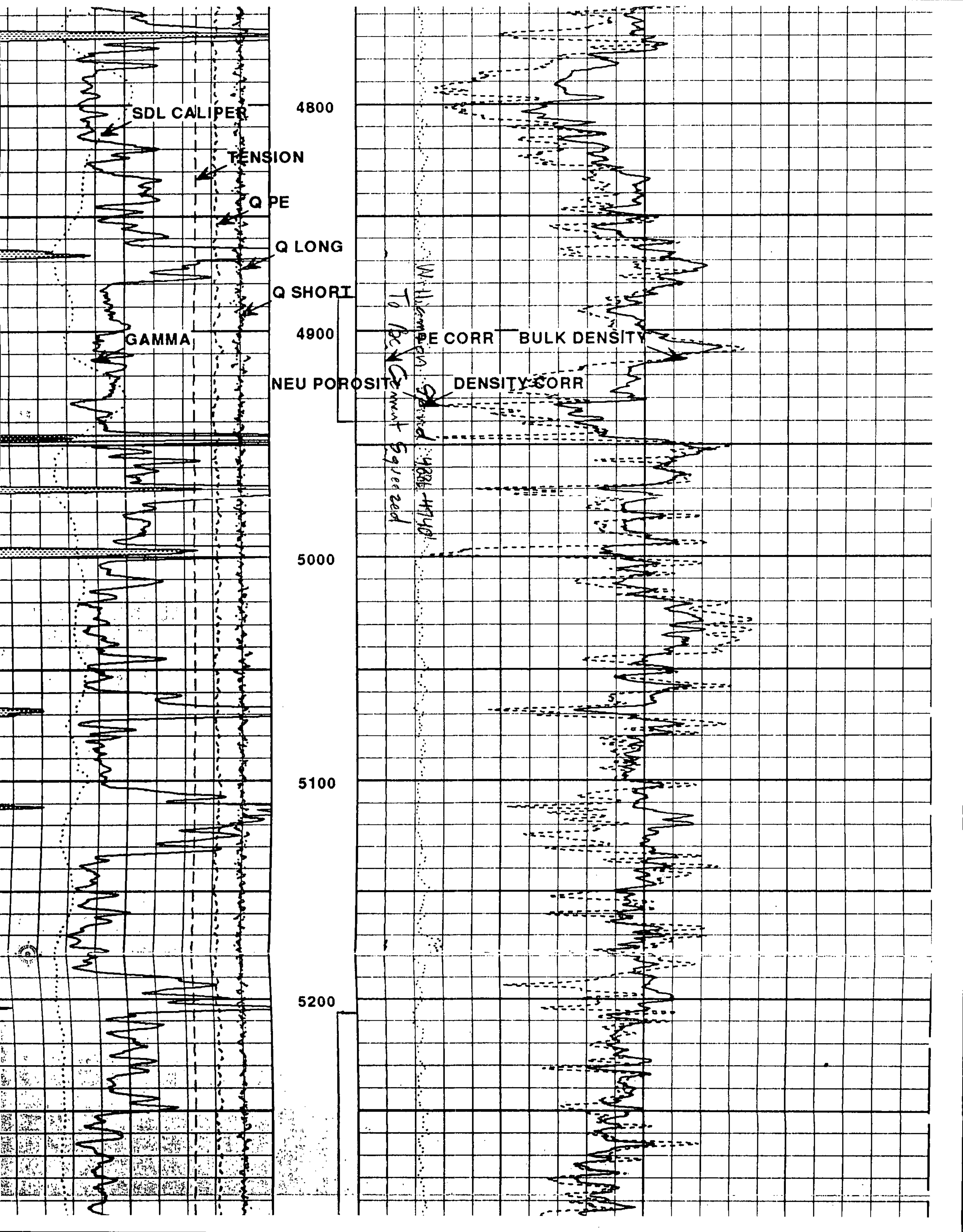
EQUIPMENT DATA

GAMMA		ACOUSTIC		DENSITY		NEUTRON	
Run No.	ONE	Run No.		Run No.	ONE	Run No.	ONE
Serial No.	108590	Serial No.		Serial No.	112620	Serial No.	A042
Model No.	A024	Model No.		Model No.	465	Model No.	434
Diameter	432	No. of Cent.		Diameter	4.5"	Diameter	3.625"
Detector Model No.	3.625"	Spacing		Log Type	G-G	Log Type	N-N
Type	102A			Source Type	CS-137	Source Type	AM241BE
Length	4"	LSA [Y / N]		Serial No.	2549GW	Serial No.	DSN-90
Distance to Source	N/A	FWDA [Y / N]		Strength	1.5 CI	Strength	18.5 CI

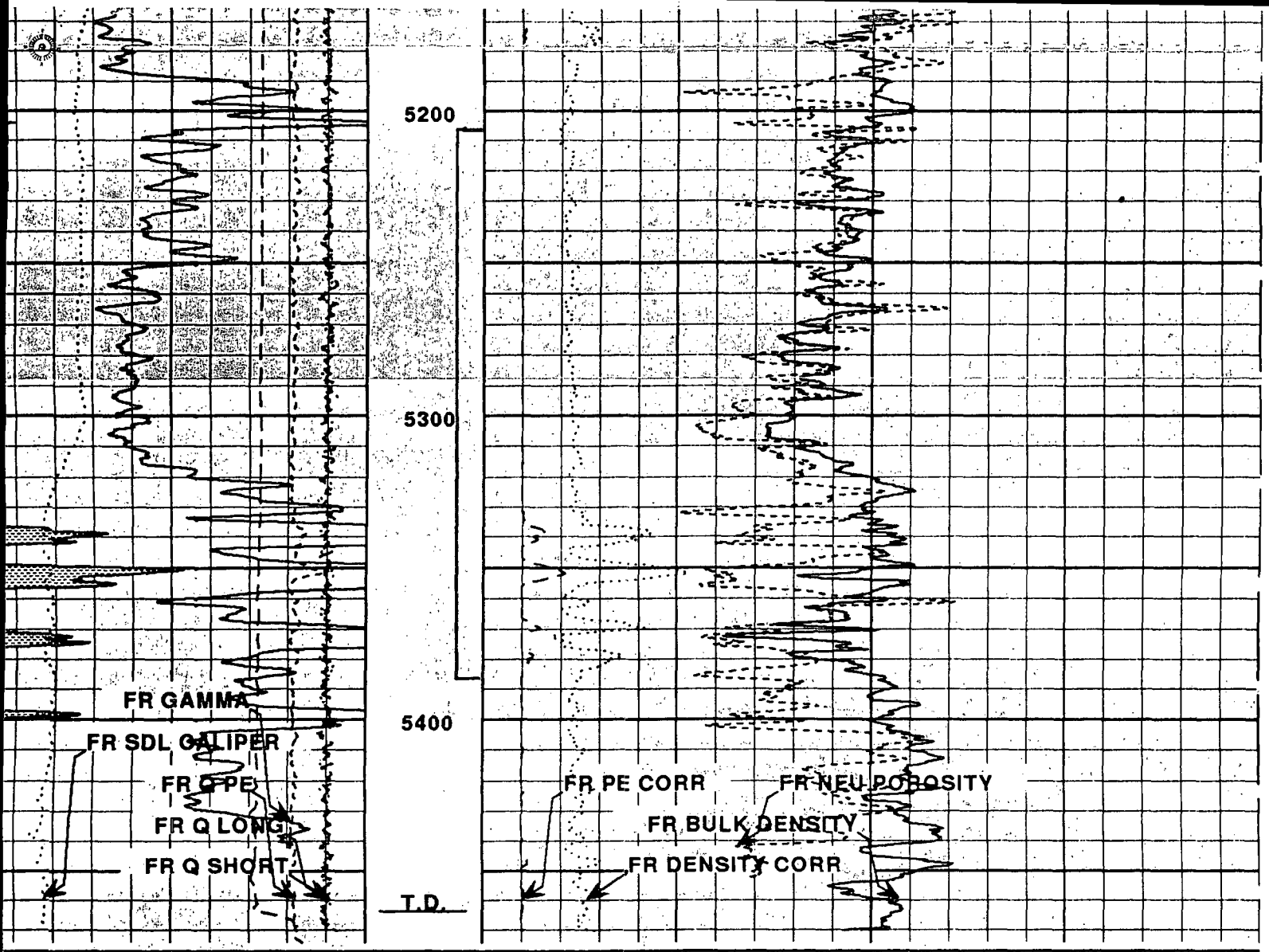
LOGGING DATA

GENERAL	GAMMA	ACOUSTIC	DENSITY	NEUTRON


4400
4500
4600
4700
4800
SDL CALIPER
TENSION
Q PE



SDL CALIPER
TENSION
Q PE
Q LONG
Q SHORT
GAMMA
4800
4900
5000
5100
5200
PE CORR
BULK DENSITY
NEU POROSITY
DENSITY CORR



TENSION		
000 POUNDS		0
Q PE		
		-2
Q LONG		
		-.5
Q SHORT		
.5		.5
GAMMA		
API		100
SDL CALIPER		
INCHES		16

PE CORR		
-.5		4.5
DENSITY CORR		
-.2	GM/CC	.8
BULK DENSITY		
2	GM/CC	3
NEU POROSITY		
30.	% MTX=LIME	-10

1:600
FT.

HALLIBURTON
EXCELL+

Version No: 4.20 | hc:3.0
Data File: 1383415_sdl.3.cls
Format File: plot_01_1.spc
Plot Time: 07-08-2001 02:46:13
Log Time: 07-08-2001 02:46:05

Top Depth: ------
Bottom Depth: 5474.00

MAIN SECTION 5" = 100'

XI.

Fresh Water Well Analysis

Pecos River 4200' West

Analytical Laboratory Report for:

MARBOB ENERGY CORPORATION

BJ Chemical Services

Account Representative:
William D Polk

Production Water Analysis

Listed below please find water analysis report from: , Pecos River

Lab Test No:	2008151012	Sample Date:	12/04/2008
Specific Gravity:	1.005		
TDS:	6402		
pH:	7.19		

Cations:	mg/L	as:
Calcium	672	(Ca^{++})
Magnesium	207	(Mg^{++})
Sodium	1340	(Na^{+})
Iron	0.08	(Fe^{++})
Potassium	53.0	(K^{+})
Barium	0.08	(Ba^{++})
Strontium	7.88	(Sr^{++})
Manganese	0.04	(Mn^{++})
Anions:	**mg/L**	**as:**
Bicarbonate	222	(HCO_3^{-})
Sulfate	1400	($SO_4^{=}$)
Chloride	2500	(Cl^{-})
Gases:		
Carbon Dioxide		(CO_2)
Hydrogen Sulfide		(H_2S)

Lab Comments:

Lab measured pH
Lab measured alkalinity

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 26S Range: 29E Sections: 4,5,6,7,8,9,15,16,17

NAD27 X: Y: Zone: Search Radius:

County: ED Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All

POD / Surface Data Report | Avg Depth to Water Report | Water Column Report

Clear Form | iWATERS Menu | Help

POD / SURFACE DATA REPORT 11/26/2008

(acre ft per annum) (quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest X Y are in Feet

DB File Nbr	Use	Diversion	Owner	POD Number	Source	Tws	Rng	Sec	q	q	q	Zone	X	Y
SP 03254	COM	6418	RED BLUFF WATER CONTROL DIST.	SP 03254		26S	29E	05	1	3				

Record Count: 1

(Pecos River)

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 26S Range: 28E Sections: 6,7

NAD27 X: Y: Zone: Search Radius:

County: ED Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic All

POD / Surface Data Report | Avg Depth to Water Report | Water Column Report

Clear Form | iWATERS Menu | Help

POD / SURFACE DATA REPORT 11/26/2008

DB File Nbr	Use	(acre ft per annum) Diversion	Owner	POD Number	Source	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest Tws	Rng	Sec	q	q	q	X Y are in Feet Zone	X	Y

No Records found, try again

Affidavit of Publication

NO. 20532

STATE OF NEW MEXICO

County of Eddy:

GARY D. SCOTT being duly

sworn,says: That he is the **PUBLISHER** of The

Artesia Daily Press, a daily newspaper of general

circulation, published in English at Artesia, said county

and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said

Artesia Daily Press,a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive week/days on the same

day as follows:

First Publication January 13, 2009

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

13 Day January 2009

OFFICIAL SEAL
Jo Morgan
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 6/26/2012

Notary Public, Eddy County, New Mexico

Copy of Publication:

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 West Brushy 8 Fed 1, is located 660' FNL and 330' FEL, Sec. 8, Township 26 South, Range 29 East, Eddy County, New Mexico. Disposal water will be sourced from area wells producing from the Delaware and Bone Spring formations. The disposal water will be injected into the Delaware formation at a depth of 4338-5386' at a maximum surface pressure of 867 psi and a maximum rate of 3000 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 575-748-3303. Published in the Artesia Daily Press, Artesia, NM January 13, 2009. Legal No. 20532

marbob
energy corporation

January 21, 2009

OXY USA, Inc.
5 Greenway Plaza #110
Houston, TX 77046-0521

Re: Application to Inject
West Brushy 8 Federal 1 SWD
Township 26 South, Range 29 East, NMPM
Section 8: 660 FNL 330 FEL, Unit A
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well to salt water disposal. 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.

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

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

Post Office Box 227 • Artesia, New Mexico 88211-0227 • (575) 748-3303 • Fax (575) 746-2523

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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 page 2.*

5. Lease Serial No.
NM01108

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
WEST BRUSHY 8 FED 1 SWD

2. Name of Operator
MARBOB ENERGY CORPORATION

9. API Well No.
30-015-31675

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

3b. Phone No. *(include area code)*
575-748-3303

10. Field and Pool or Exploratory Area
BRUSHY DRAW DELAWARE

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
SEC. 8-T26S-R29E, UNIT A
660 FNL 330 FEL, NE/4NE/4

11. Country or Parish, State
EDDY COUNTY NM

12. CHECK THE 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
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other _____
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	_____
☐ Final Abandonment Notice	☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

MARBOB ENERGY CORPORATION PROPOSES TO RE-ENTER THE WELL, CLEAN OUT TO 6000', SQUEEZE THE WILLIAMSON SAND 4886-4940' AND CONVERT TO SALT WATER DISPOSAL SERVICE INTO THE DELAWARE SAND FROM 4338-4666' AND 5206-5386'.

SEE ATTACHED OCD FORM C-108 "APPLICATION FOR AUTHORIZATION TO INJECT".

APD WILL BE SUBMITTED AFTER C-108 IS APPROVED BY NMOCD.

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

Title PETROLEUM ENGINEER

Signature

Date 01/09/2009

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)

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PS Form 3800, June 2002 See Reverse for Ins

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W Brushy S
W Brushy 8

Se
Sti
or
City,

BUREAU OF LAND MANAGEMENT
2909 W 2ND ST
ROSWELL NM 88201

PS Form 3800, June 2002 See Reverse for