

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised May 08, 2003

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|---|
| WELL API NO. 30-015-32374 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name WALTERTHON FEE |
| 8. Well Number 2 |
| 9. OGRID Number 14049 |
| 10. Pool name or Wildcat CARLSBAD; MORROW, SOUTH |

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|---|--|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | RECEIVED FEB 03 2005 OCU-ARTESIA |
| 2. Name of Operator MARBOB ENERGY CORPORATION | |
| 3. Address of Operator PO BOX 227, ARTESIA, NM 88211-0227 | |
| 4. Well Location Unit Letter <u>D</u> : <u>855</u> feet from the <u>NORTH</u> line and <u>660</u> feet from the <u>WEST</u> line Section <u>21</u> Township <u>22S</u> Range <u>27E</u> NMPM County <u>EDDY</u> | |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3115' GL | |

| | |
|--|--|
| 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data | |
| NOTICE OF INTENTION TO: | SUBSEQUENT REPORT OF: |
| PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input type="checkbox"/> |
| OTHER: ADD PAY <input checked="" type="checkbox"/> | OTHER: <input type="checkbox"/> |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

ADD MORROW SAND PAY AS FOLLOWS:

PERF THE MORROW SAND @ 11466' - 11476' (44 SHOTS). ACIDIZE WITH
1000 GAL CLAY SAFE H ACID. FLOW/SWAB TEST.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Diana J. Cannon TITLE PRODUCTION ANALYST DATE 2/2/05

Type or print name DIANA J. CANNON

Telephone No. (505) 748-3303

(This space for State use)

APPROVED BY TIM W. GUM
DISTRICT II SUPERVISOR
Conditions of approval, if any:

FEB 08 2005
DATE