Submit To Appropriate District Office
State Lease - 6 copies
Fee Lease - 5 copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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-105
Revised June 10, 2003

WELL API NO. 30-015-33399

5. Indicate Type of Lease STATE [X] FEE [ ]

State Oil & Gas Lease No. VA2964

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL [X] GAS WELL [ ] DRY [ ] OTHER

b. Type of Completion: NEW WELL [X] WORK OVER [ ] DEEPEN [ ] PLUG BACK [ ] DIFF. RESVR. [ ] OTHER

7. Lease Name or Unit Agreement Name: WILLOW STATE

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2. Name of Operator: MARBOB ENERGY CORPORATION

8. Well No. 2

3. Address of Operator: PO BOX 227, ARTESIA, NM 88211-0227

9. Pool name or Wildcat: WILLOW LAKE; DELAWARE, SW

4. Well Location

Unit Letter O : 330 Feet From The SOUTH Line and 2570 Feet From The EAST Line

Section 3 Township 25S Range 28E NMPM EDDY County

10. Date Spudded	11. Date T.D. Reached	12. Date Compl. (Ready to Prod.)	13. Elevations (DF& RKB, RT, GR, etc.)	14. Elev. Casinghead
5/21/04	6/2/04	7/17/04	2983' GL	

15. Total Depth	16. Plug Back T.D.	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools	Cable Tools
6425'	5968'			0 - 6425'	

19. Producing Interval(s), of this completion - Top, Bottom, Name: 5650 - 5100' DELAWARE

20. Was Directional Survey Made: YES

21. Type Electric and Other Logs Run: GAMMA RAY

22. Was Well Cored: NO

23. **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
9 5/8"	36#	824'	12 1/4"	550 SX, CIRC	NONE
5 1/2"	17#	6016'	7 7/8"	1950 SX, CIRC	NONE

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 7/8"	4345'	

26. Perforation record (interval, size, and number)

4 SAND JETTED SHOTS @ EACH OF THE FOLLOWING DEPTHS: 5650', 5375', & 5100' (12 HOLES)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
5650' - 5100'	FRAC @ 5650' W/ 300 SX, 5375' W/ 600 SX & 5100' W/ 1010 SX

28. **PRODUCTION**

Date First Production	Production Method (*Flowing, gas lift, pumping - Size and type pump*)	Well Status (*Prod. or Shut-in*)
7/17/04	PUMPING	PROD

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
7/21/04	24			172	115	100	

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (*Corr.*)

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

Test Witnessed By: LENDELL HAWKINS

30. List Attachments: LOG, DEVIATION SURVEY, DIRECTIONAL SURVEY, GYROSCOPIC SURVEY

31. *I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief*

Signature [signature] Printed Name DIANA J. CANNON Title PRODUCTION ANALYST Date 7/26/04

E-mail Address PRODUCTION@MARBOB.COM

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt 2305'	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T.Tubb	T. Delaware Sand 2555'	T.Todilto	T
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....

No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology

L & M DRILLING, INC.

OIL WELL DRILLING CONTRACTORS
PO BOX 1370 ARTESIA, NEW MEXICO 88211-1370
(505) 746-4405 746-3518 748-2205

June 15, 2004

JUN 17 2004

Marbob Energy Corporation
PO Drawer 227
Artesia, NM 88211-0227

RE: Willow State #2
330' FSL & 2570' FEL
Sec. 3, T25S, R28E
Eddy County, New Mexico

Gentlemen:

The following is a Deviation Survey for the above captioned well.

DEPTH	DEVIATION	DEPTH	DEVIATION
221'	1/4°	1408'	1 3/4°
484'	2°	1634'	2°
800'	3°	1759'	1 1/2°
944'	3°	2534'	1/2°
971'	2°	3006'	1/2°
1003'	2°	3507'	1/2°
1220'	1 3/4°	4007'	3/4°

additional surveys supplied by DD operator

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JUL 28 2004
OCD-ARTESIA

Very truly yours,

Eddie C. LaRue
Vice President

STATE OF NEW MEXICO }
COUNTY OF EDDY }

The foregoing was acknowledged before me
this 15th day of June, 2004.

Regina L. Garner
Notary Public

OFFICIAL SEAL
REGINIA L. GARNER
NOTARY PUBLIC - NEW MEXICO
NOTARY BOND FILED WITH SECRETARY OF STATE
My commission expires Aug. 30, 2004

Scientific Drilling

MARBOB ENERGY

Field: Willow, SW
Site: Eddy County, NM
Well: Willow State #2
Wellpath: VH - Job #32K0504333
Survey: 05/27/04

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This survey is correct to the best of my knowledge and is supported by actual field data.

.....Company Representative

Notorized this date 7th of June, 2004.

Deborah Sue Bynum
Notary Signature
County of Midland
State of Texas

DEBORAH SUE BYNUM
Notary Public, State of Texas
My Commission Expires
5/9/08

Scientific Drilling

Scientific Drilling
Survey Report

Company:	MARBOB ENERGY	**Date:** 6/7/2004	**Time:** 17:10:02	**Page:**	1
Field:	Willow, SW	**Co-ordinate(NE) Reference:**	Site: Eddy County, NM, Grid North		
Site:	Eddy County, NM	**Vertical (TVD) Reference:**	SITE 0.0		
Well:	Willow State #2	**Section (VS) Reference:**	Well (0.00N,0.00E,270.49Azi)		
Wellpath:	VH - Job #32K0504333	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Sybase

Survey:	05/27/04 KSRG 0'-4301'	**Start Date:**	5/27/2004
Company:	Scientific Drilling	**Engineer:**	Carter/Webb
Tool:	Keeper,Keeper Gyro	**Tied-to:**	From Surface

Survey

MD ft	Incl deg	Azim deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.0	0.00
100.0	0.58	116.31	100.0	-0.5	-0.2	0.5	0.58	0.5	116.31
200.0	0.90	116.02	200.0	-1.6	-0.8	1.6	0.32	1.8	116.18
300.0	1.31	123.37	300.0	-3.3	-1.8	3.3	0.43	3.7	118.35
400.0	1.69	133.26	399.9	-5.3	-3.4	5.3	0.46	6.3	122.71
500.0	2.58	158.01	499.9	-7.3	-6.5	7.2	1.26	9.7	132.01
600.0	3.95	174.94	599.7	-8.5	-12.0	8.4	1.66	14.6	145.17
700.0	3.71	176.93	699.5	-9.0	-18.7	8.8	0.27	20.7	154.68
800.0	3.30	178.90	799.3	-9.3	-24.8	9.1	0.43	26.4	159.91
900.0	2.76	188.52	899.2	-9.0	-30.1	8.8	0.74	31.3	163.74
1000.0	2.09	203.75	999.1	-8.0	-34.1	7.7	0.92	35.0	167.32
1100.0	1.13	265.59	1099.0	-6.3	-35.9	6.0	1.85	36.3	170.56
1200.0	1.49	293.45	1199.0	-4.1	-35.4	3.8	0.72	35.6	173.90
1300.0	1.65	290.95	1299.0	-1.5	-34.4	1.2	0.17	34.4	177.93
1400.0	1.86	280.75	1398.9	1.4	-33.6	-1.7	0.38	33.6	182.89
1500.0	2.13	274.33	1498.9	4.9	-33.1	-5.1	0.35	33.5	188.82
1600.0	2.06	271.75	1598.8	8.5	-32.9	-8.8	0.12	34.1	194.95
1700.0	1.69	272.24	1698.7	11.8	-32.8	-12.1	0.37	35.0	200.18
1800.0	1.13	272.27	1798.7	14.2	-32.7	-14.5	0.56	35.8	203.94
1900.0	0.95	272.08	1898.7	16.1	-32.6	-16.3	0.18	36.5	206.60
2000.0	0.79	298.78	1998.7	17.5	-32.3	-17.8	0.43	36.9	208.85
2100.0	0.49	0.89	2098.7	18.1	-31.5	-18.4	0.71	36.5	210.25
2200.0	0.81	60.77	2198.7	17.5	-30.8	-17.8	0.70	35.5	210.01
2300.0	1.06	72.31	2298.7	16.0	-30.1	-16.3	0.31	34.2	208.36
2400.0	0.99	79.69	2398.6	14.3	-29.7	-14.5	0.15	33.1	206.08
2500.0	0.55	97.75	2498.6	13.0	-29.6	-13.2	0.49	32.4	204.04
2600.0	0.12	221.33	2598.6	12.5	-29.8	-12.8	0.63	32.4	203.28
2700.0	0.36	195.74	2698.6	12.7	-30.1	-13.0	0.26	32.8	203.26
2800.0	0.26	250.31	2798.6	13.0	-30.5	-13.2	0.30	33.3	203.48
2900.0	0.27	302.11	2898.6	13.4	-30.5	-13.7	0.23	33.4	204.16
3000.0	0.28	267.81	2998.6	13.8	-30.3	-14.1	0.16	33.5	204.93
3100.0	0.54	302.75	3098.6	14.5	-30.1	-14.7	0.35	33.5	206.10
3200.0	0.59	297.35	3198.6	15.3	-29.6	-15.6	0.07	33.5	207.78
3300.0	0.76	300.47	3298.6	16.4	-29.0	-16.6	0.17	33.5	209.79
3400.0	0.85	302.03	3398.6	17.6	-28.3	-17.8	0.09	33.4	212.19
3500.0	0.84	288.80	3498.6	18.9	-27.7	-19.1	0.19	33.7	214.67
3600.0	0.92	285.28	3598.6	20.4	-27.2	-20.6	0.10	34.2	217.12
3700.0	1.23	287.30	3698.6	22.2	-26.7	-22.4	0.31	34.9	220.01
3800.0	1.26	285.82	3798.5	24.3	-26.1	-24.5	0.04	35.8	223.20
3900.0	1.44	281.84	3898.5	26.6	-25.5	-26.8	0.20	37.0	226.37
4000.0	1.20	280.21	3998.5	28.8	-25.1	-29.0	0.24	38.4	229.18
4100.0	1.29	277.73	4098.5	31.0	-24.7	-31.2	0.10	39.8	231.57
4200.0	1.22	269.35	4198.4	33.2	-24.6	-33.4	0.20	41.5	233.59
4300.0	0.98	266.18	4298.4	35.1	-24.7	-35.3	0.25	43.1	235.04
4301.0	0.98	266.14	4299.4	35.1	-24.7	-35.3	0.25	43.1	235.05

Scientific Drilling

Field: Willow, SW
Site: Eddy County, NM
Well: Willow State #2
Wellpath: VH - Job #32K0504333
Survey: 05/27/04

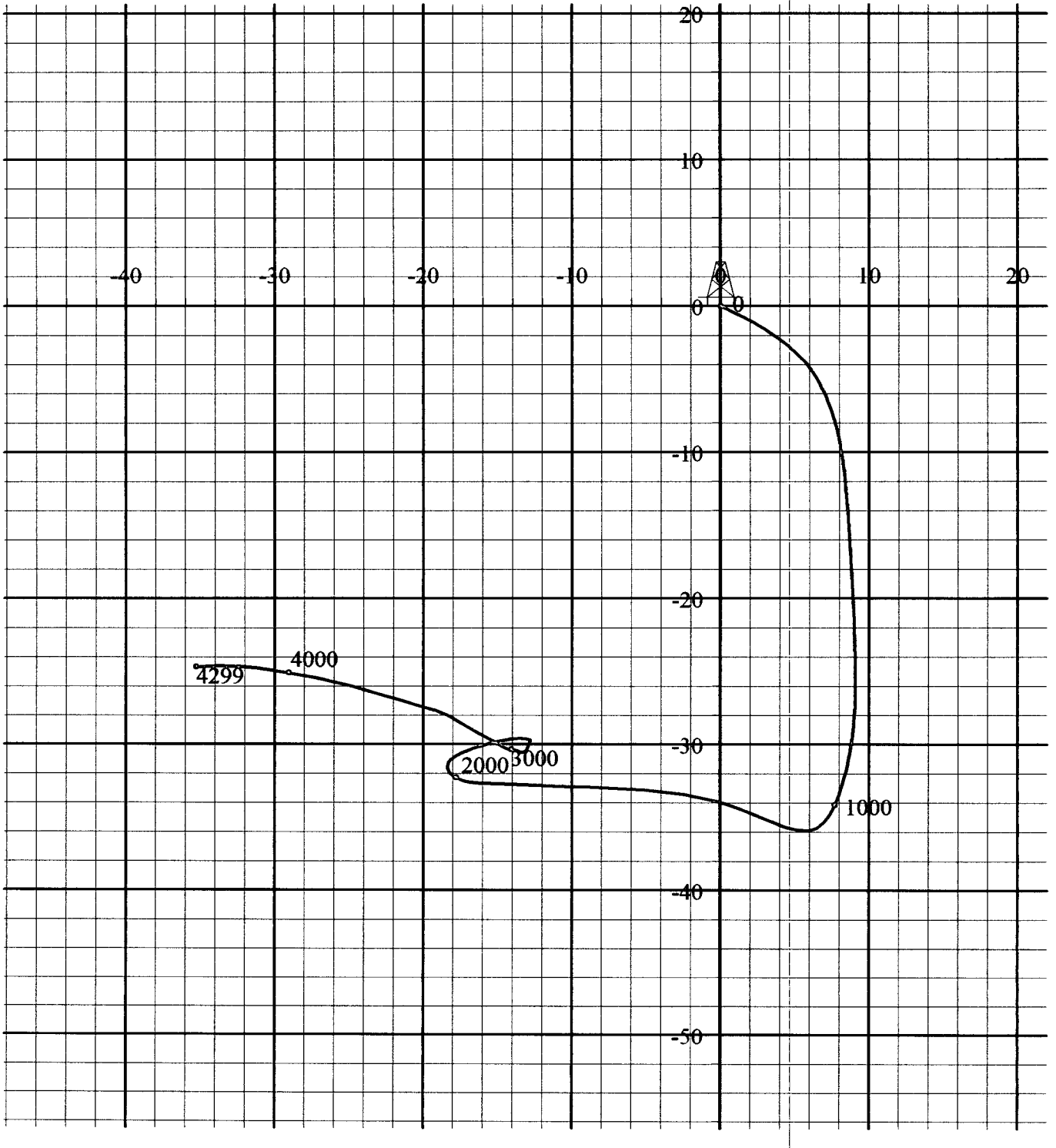
G/T/M

Azimuths to Grid North
True North: 0.00°
Magnetic North: 0.00°

Magnetic Field
Strength: 0nT
Dip Angle: 0.00°
Date: 6/7/2004
Model: igrf2000

West(-)/East(+) [10ft/in]

South(-)/North(+) [10ft/in]



PathFinder Energy Services

Survey Report

Job No: J-WT-0405-0058
Date: 6/4/2004
Time: 1:04 pm
Wellpath ID: willowsv
Date Created: 5/27/2004
Last Revision: 6/4/2004

Calculated using the Minimum Curvarture Method
Computed using PDS VER2.2.6
Vertical Section Plane: 270.49 deg.

Survey Reference: WELLHEAD
Vertical Section Reference: USER DEFINED
Closure Reference: WELLHEAD
TVD Reference: WELLHEAD

Marbob Energy Corp.
Willow State # 2
L & M # 1
Eddy County, New Mexico
willowstate2

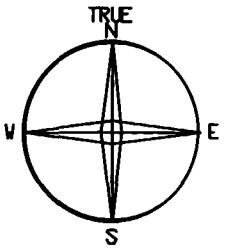
Measured Depth (ft)	Incl (deg.)	Drift Dir. (deg.)	TVD (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft)	(ft)	DLS (dg/100ft)	Build Rate (dg/100ft)
Tie Into SDI Gyro								
4301.00	0.98	266.14	4299.41	35.09	24.67 S	35.30W	0.00	0.00
Start of Pathfinder MWD Surveys								
4334.00	1.49	274.65	4332.40	35.80	24.65 S	36.01W	1.64	1.55
4364.00	3.78	288.45	4362.37	37.13	24.31 S	37.34W	7.87	7.63
4396.00	7.03	286.69	4394.22	40.01	23.41 S	40.21W	10.17	10.16
4427.00	10.99	286.78	4424.83	44.67	22.01 S	44.86W	12.77	12.77
4458.00	15.39	286.95	4455.01	51.46	19.96 S	51.63W	14.19	14.19
4490.00	20.22	286.69	4485.47	60.84	17.13 S	60.99W	15.10	15.09
4521.00	24.80	284.75	4514.10	72.30	13.94 S	72.42W	14.97	14.77
4552.00	28.84	281.33	4541.76	85.95	10.81 S	86.04W	13.95	13.03
4584.00	32.45	280.36	4569.29	101.99	7.75 S	102.06W	11.39	11.28
4616.00	36.05	280.54	4595.73	119.73	4.48 S	119.77W	11.25	11.25
4647.00	39.48	280.89	4620.23	138.41	0.95 S	138.42W	11.09	11.06
4678.00	42.03	280.18	4643.72	158.33	2.74 N	158.31W	8.36	8.23
4708.00	44.58	278.60	4665.55	178.66	6.09 N	178.61W	9.24	8.50
4740.00	47.13	277.37	4687.83	201.42	9.28 N	201.35W	8.43	7.97
4771.00	50.12	276.40	4708.32	224.54	12.06 N	224.44W	9.93	9.65
4802.00	53.02	275.61	4727.59	248.71	14.60 N	248.59W	9.57	9.35
4833.00	55.66	274.65	4745.66	273.81	16.85 N	273.68W	8.88	8.52
4865.00	57.95	274.12	4763.18	300.52	18.89 N	300.37W	7.29	7.16
4896.00	60.32	273.94	4779.08	327.08	20.76 N	326.92W	7.66	7.65
4927.00	63.93	274.91	4793.57	354.41	22.88 N	354.23W	11.97	11.65
4958.00	68.06	274.65	4806.18	382.65	25.24 N	382.45W	13.34	13.32
4990.00	72.55	273.50	4816.96	412.71	27.37 N	412.49W	14.43	14.03
5022.00	77.65	272.63	4825.19	443.59	29.02 N	443.36W	16.15	15.94

PathFinder Energy Services

Survey Report

Measured Depth (ft)	Incl (deg.)	Drift Dir. (deg.)	TVD (ft)	Vertical Section (ft)	TOTAL Rectangular Offsets (ft)	(ft)	DLS (dg/100ft)	Build Rate (dg/100ft)
5053.00	82.48	271.92	4830.53	474.10	30.24 N	473.86W	15.74	15.58
5084.00	85.91	269.64	4833.67	504.94	30.65 N	504.69W	13.26	11.06
5115.00	87.67	268.49	4835.40	535.88	30.15 N	535.64W	6.78	5.68
5146.00	88.37	268.93	4836.47	566.84	29.45 N	566.61W	2.67	2.26
5176.00	90.92	269.73	4836.66	596.83	29.10 N	596.61W	8.91	8.50
5207.00	91.54	269.64	4836.00	627.82	28.93 N	627.60W	2.02	2.00
5269.00	91.89	269.73	4834.14	689.79	28.59 N	689.57W	0.58	0.56
5331.00	90.31	269.20	4832.95	751.77	28.01 N	751.55W	2.69	-2.55
5394.00	90.92	269.99	4832.27	814.75	27.56 N	814.55W	1.58	0.97
5457.00	90.22	269.11	4831.65	877.74	27.07 N	877.54W	1.78	-1.11
5520.00	89.43	267.88	4831.84	940.70	25.41 N	940.52W	2.32	-1.25
5581.00	89.96	267.62	4832.16	1001.63	23.02 N	1001.47W	0.97	0.87
5645.00	86.26	265.77	4834.27	1065.44	19.33 N	1065.31W	6.46	-5.78
5708.00	87.41	267.00	4837.75	1128.18	15.37 N	1128.09W	2.67	1.83
5738.00	87.76	267.18	4839.02	1158.10	13.85 N	1158.03W	1.31	1.17
5770.00	88.02	266.83	4840.19	1190.02	12.18 N	1189.96W	1.36	0.81
5801.00	89.08	267.62	4840.98	1220.96	10.68 N	1220.91W	4.26	3.42
5831.00	89.78	269.02	4841.28	1250.94	9.80 N	1250.90W	5.22	2.33
5894.00	91.98	274.65	4840.31	1313.88	11.81 N	1313.83W	9.59	3.49
5957.00	92.59	275.96	4837.80	1376.61	17.63 N	1376.51W	2.29	0.97
6020.00	92.33	275.88	4835.09	1439.27	24.12 N	1439.11W	0.43	-0.41
6083.00	94.18	276.40	4831.52	1501.86	30.85 N	1501.65W	3.05	2.94
6145.00	93.65	274.12	4827.28	1563.49	36.52 N	1563.24W	3.77	-0.85
6208.00	91.63	273.07	4824.38	1626.33	40.47 N	1626.04W	3.61	-3.21
6271.00	90.48	272.10	4823.22	1689.28	43.31 N	1688.97W	2.39	-1.83
6334.00	91.28	271.48	4822.25	1752.25	45.27 N	1751.93W	1.61	1.27
6365.00	91.80	271.31	4821.42	1783.24	46.03 N	1782.91W	1.76	1.68
Projected to TD								
6425.00	91.80	271.31	4819.53	1843.20	47.40 N	1842.86W	0.00	0.00

MarBob Energy
Willow State #2
L&M #1
Eddy, Co. NM
Sec. 3-T25S-R28E Eddy, NM
Wellplan #2



6/4/2004 1:06 pm

HORIZONTAL VIEW
SCALE 200 ft. / DIVISION
SURVEY REF: WELLHEAD

PROPOSED BHL	
TVD	4838.00
MD	6963.15
VS	2330.09
N/S	20.00 N
E/W	2330.00 W

VERTICAL VIEW
SCALE 200 ft. / DIVISION
TVD REF: WELLHEAD
VERTICAL SECTION REF: WELLHEAD

CRITICAL POINT DATA	MD	Inc	Azi.	TVD	N/S	E/W
KOP / TIE IN / START OF BUILD @ 12.00°/100 ft	4361	0.00°	270.49°	4361	0 N	0 E
EOC & 8 3/4" hole / Start lateral & 7 7/8" hole	5111	90.00°	270.49°	4838	4 N	477 W
Proposed BHL	6963	90.00°	270.49°	4838	20 N	2330 W