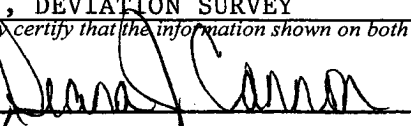


Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico 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. 30-015-33450 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> State Oil & Gas Lease No.
WELL COMPLETION OR RECOMPLETION REPORT AND LOG		
1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" type="checkbox"/> OTHER <u>SWD</u> b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> WELL OVER BACK RESVR. <input type="checkbox"/> OTHER		7. Lease Name or Unit Agreement Name CENTER SIXTEEN SWD
2. Name of Operator MARBOB ENERGY CORPORATION		8. Well No. 1
3. Address of Operator PO BOX 227, ARTESIA, NM 88211-0227		9. Pool name or Wildcat SWD; DELAWARE
4. Well Location Unit Letter <u>K</u> : <u>2640</u> Feet From The <u>SOUTH</u> Line and <u>2640</u> Feet From The <u>WEST</u> Line Section <u>16</u> Township <u>25S</u> Range <u>28E</u> NMPM <u>EDDY</u> County		
10. Date Spudded 7/7/04	11. Date T.D. Reached 7/17/04	12. Date Compl. (Ready to Prod.) 8/13/04
13. Elevations (DF& RKB, RT, GR, etc.) 2991' GL		14. Elev. Casinghead
15. Total Depth 6280'	16. Plug Back T.D. 3910'	17. If Multiple Compl. How Many Zones? 0 - 6280'
18. Intervals Drilled By		19. Producing Interval(s), of this completion - Top, Bottom, Name 2820' - 3763' DELAWARE
20. Was Directional Survey Made NO		21. Type Electric and Other Logs Run DLL, CSNG
22. Was Well Cored NO		23. CASING RECORD (Report all strings set in well)
CASING SIZE	WEIGHT LB./FT.	DEPTH SET
8 5/8"	24#	808'
5 1/2"	17#	6270'
HOLE SIZE		CEMENTING RECORD
12 1/4"		475 SX, CIRC
7 7/8"		1525 SX, CIRC
AMOUNT PULLED		
NONE		NONE
NONE		
24. LINER RECORD		
SIZE	TOP	BOTTOM
SACKS CEMENT		SCREEN
25. TUBING RECORD		
SIZE	DEPTH SET	PACKER SET
2 7/8"	2752'	
26. Perforation record (interval, size, and number) 2820' - 3763' (20 SHOTS)		
27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.		
DEPTH INTERVAL		AMOUNT AND KIND MATERIAL USED
2820'-3763'		ACDZ W/ 2000 GAL 7 1/2% HCL ACID
2820'-3763'		FRAC W/ 90K GAL FLUID & 200K# SAND
28. PRODUCTION		
Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	
	SWD	
Date of Test	Hours Tested	Choke Size
Prod'n For Test Period	Oil - Bbl	Gas - MCF
Water - Bbl.	Gas - Oil Ratio	
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.)		Test Witnessed By
30. List Attachments LOGS, DEVIATION 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 	Printed Name DIANA J. CANNON	Title PRODUCTION ANALYST
E-mail Address PRODUCTION@MARBOB.COM		Date 8/25/04

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 2314'	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 2510'	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T. RUSTLER 488'	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. 2, from.....to.....
 No. 3, from.....to.....
 No. 4, from.....to.....

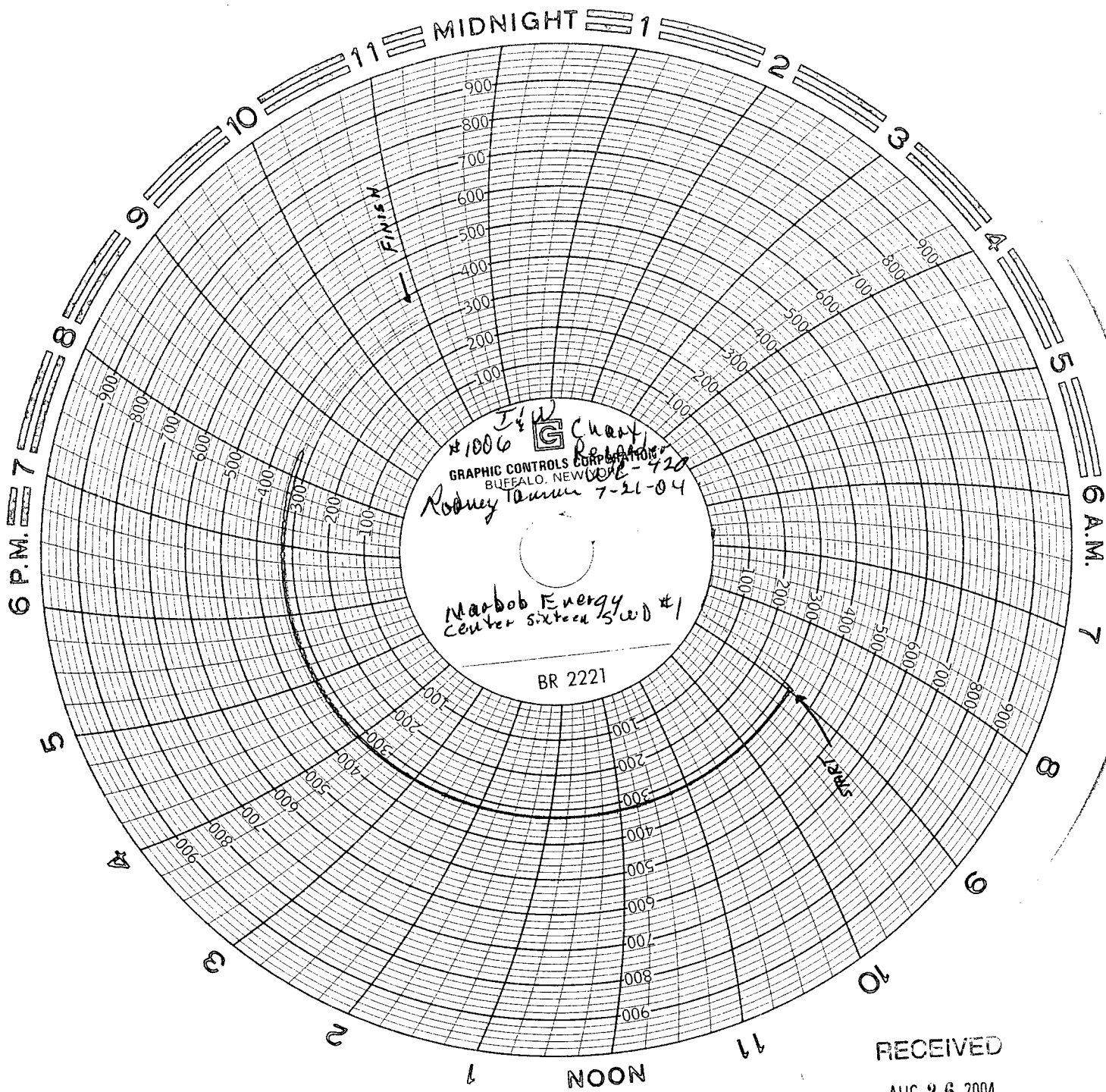
IMPORTANT WATER SANDS

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
			1. CIBP SET @ 3910' WHICH IS WITHIN 147' OF BOTTOM PERF.				
			2. ESTIMATED ORIGINAL RESERVOIR PRESSURE IN INJECTION INTERVAL IS APPROXIMATELY 1760 PSI. THIS PRESSURE CALCULATED USING A FORMATION FLUID DENSITY OF 8.6 PPG, AVERAGE DEPTH OF 3292', SHUT IN FLUID LEVEL AT SURFACE AND SHUT IN TUBING PRESSURE OF 270 PSI.				
			3. SEE ATTACHED CHART FOR MIT INFORMATION.				



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OCD-ARTECIA

L & M DRILLING, INC.

OIL WELL DRILLING CONTRACTORS

PO BOX 1370

ARTESIA, NEW MEXICO 88211-1370

(505) 746-4405 746-3518 748-2205

July 22, 2004

JUL 23 2004

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

RE: Center Sixteen SWD #1
2640' FSL & 2640' FWL
Sec. 16, T25S, R28E
Eddy County, New Mexico

Gentlemen:

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

DEPTH	DEVIATION	DEPTH	DEVIATION
235'	3/4°	2264'	3 3/4°
339'	1°	3454'	3/4°
615'	3/4°	3928'	1 1/4°
800'	1 3/4°	4400'	1°
1021'	2°	4899'	3/4°
1268'	1°	5196'	1°
1517'	1/2°	5867'	1 1/2°
1766'	1°	6245'	1 1/4°
2076'	1/2°	6280'	1 1/4°

Very truly yours,



Eddie C. LaRue
Vice President

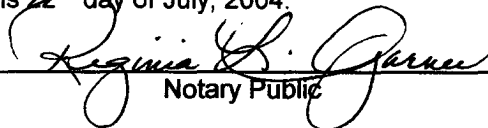
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AUG 26 2004

OOD-ARTESIA

STATE OF NEW MEXICO }
COUNTY OF EDDY }

The foregoing was acknowledged before me
this 22nd day of July, 2004.


Notary Public