



OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5 Lease Serial No.
NMNM113927

6 If Indian, Allottee or Tribe Name

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

8. Well Name and No
HANG 'EM HIGH FEDERAL #1

9. API Well No
30-015-34294

10. Field and Pool, or Exploratory Area
CEMETARY

11 County or Parsh. State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2 Name of Operator **MARBOB ENERGY CORPORATION** **AUG 15 2007**
OCD-ARTESIA

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

3b Phone No (include area code) **505-748-3303**

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
SEC. 35-T19S-R25E, UNIT B
660 FNL 1980 FEL., NW/4NE/4

12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other DOWNHOLE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	COMMINGLING
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recomplate 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SEE ATTACHED NMOCD C-107A APPLICATION FOR DOWNHOLE COMMINGLING.

THE PROPOSED ALLOCATION IS CEMETARY ATOKA NORTH - OIL 4% - GAS 4%
 CEMETARY STRAWN - OIL 0.5% - GAS 0.5%
 UNDESIGNATED CANYON - OIL 95.5% - GAS 95.5%

NEW ALLOCATIONS WILL BE SUBMITTED IF ACTUAL WELL PRODUCTION IS SIGNIFICANTLY DIFFERENT THAN THAT ABOVE.

SUBJECT TO LIKE APPROVAL BY STATE

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

BRIAN COLLINS

Title **ENGINEER**

Signature

Date

08/07/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Title

Office

Date

APPROVED
AUG 14 2007
FREDERICK WRIGHT
PETROLEUM ENGINEER

Title 18 USC Section 1001 and Title 43 USC 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)

Engineering Summary
Form C-107A
Application for Downhole Commingling
Marbob Energy Corporation
Hang 'em High Federal No. 1 (B-35-19S-25E)

Marbob Energy proposes to downhole commingle the Atoka, Strawn and Canyon zones. No crossflow will occur because this well will be produced into a pipeline at a flowing pressure significantly lower than the surface shut-in pressures of each zone.

The Atoka, Strawn and Canyon reserves are calculated as follows:

Atoka:

The Atoka tested approximately 40 MCFD after being acidized. Best engineering estimate is that Atoka will come in at 40 MCFD and that all zones will decline at the same rate. The zonal allocation will be based on initial Atoka production rate. The best engineering estimate is that any oil produced will be produced in the same ratio as the gas production.

Strawn:

The Strawn tested an estimated 5 MCFD after being acidized (best estimate of gas flow rate from field personnel). Best engineering estimate is that Strawn will come in at 5 MCFD and that all zones will decline at the same rate. The zonal allocation will be based on initial Strawn production rate.

Canyon:

The Canyon tested approximately 955 MCFD after being acidized. Best engineering estimate is that Canyon will come in at 955 MCFD and that all zones will decline at the same rate. The zonal allocation will be based on initial Canyon production rate.

The proposed allocation follows. If actual tests are significantly different than shown in allocation below, a new allocation will be submitted.

Atoka Gas	$\frac{40 \text{ MCFD}}{40+5+955 \text{ MCFD}}$	= 4%
Oil		= 4%
Strawn Gas	$\frac{5 \text{ MCFD}}{40+5+955 \text{ MCFD}}$	= 0.5%
Oil		= 0.5%
Canyon Gas	$\frac{955 \text{ MCFD}}{40+5+955 \text{ MCFD}}$	= 95.5%
Oil		= 95.5%

State of New Mexico

DISTRICT I
1625 N FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S ST FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
	74640	CEMETARY MORROW (GAS)
Property Code	Property Name	Well Number
	HANG'EM HIGH FEDERAL	1
OGRID No.	Operator Name	Elevation
14049	MARBOB ENERGY CORPORATION	3472'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	19-S	25-E		660	NORTH	1980	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

GEODETTIC COORDINATES
NAD 27 NME

Y=590160.3 N
X=463243.4 E

LAT.=32°37'20.63" N
LONG.=104°27'09.79" W

OPERATOR CERTIFICATION

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

Amy Reid
Signature

AMY REID
Printed Name

LAND DEPARTMENT
Title

JUNE 21, 2005
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APRIL 22, 2005
Date Surveyed

Signature & Seal of Professional Surveyor
Cary Edson

05.11.0646

Certificate No. CARY EDSON 12641