OCD-ARTESIA

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR

| APR | 2 | 8 | 2009 |
|-----|---|---|------|
|-----|---|---|------|

FORM APPROVED OMB No. 1004-0137

Expires: July 31, 2010

| SUNDRY N Do not use this to abandoned well. | 6. If Indian, Allottee on | | | | | |
|---|------------------------------|--------------------------------|---------------|---|-----------------------------------|--|
| SUBMI | T IN TRIPLICATE – Other | instructions on page 2. | | 7. If Unit of CA/Agree | ement, Name and/or No. | |
| 1. Type of Well | | | | | | |
| Oil Well Gas W | /ell | | _ | 8. Well Name and No. WEST BRUSHY 8 F | ED 2 SWD | |
| 2. Name of Operator MARBOB ENERGY CORPORATIO | N | | | 9. API Well No. 30-015-31866 | | |
| 3a. Address | | 3b. Phone No. (include area co | ode) | 10. Field and Pool or E | Exploratory Area | |
| P O BOX 227 ARTESIA NM 88211-0227 575-748-3303 | | | | BRUSHY DRAW DE | ELAWARE | |
| 4. Location of Well <i>(Footage, Sec., T.,,</i> SEC. 8-T26S-R29E, UNIT H 1750 FNL 990 FEL, SE/4NE/4 | R.,M., or Survey Description | | | 11. Country or Parish, EDDY COUNTY, NA | | |
| 12. CHEG | K-THE-APPROPRIATE-BO | X(ES) TO INDICATE NATUR | E OF NOTIC | CE, REPORT OR OTHE | ER DATA | |
| TYPE OF SUBMISSION | | TY | PE OF ACT | ION | | |
| ✓ Notice of Intent | Acidize Alter Casing | Deepen Fracture Treat | _ | uction (Start/Resume) amation | ☐ Water Shut-Off ☐ Well Integrity | |
| Subsequent Report | Casing Repair . | New Construction | Reco | mplete | Other | |
| ouosoquent Keport | Change Plans | Plug and Abandon | Temp | porarily Abandon | | |
| Final Abandonment Notice | Convert to Injection | Plug Back | ✓ Wate | er 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 5525' AND CONVERT TO SALT WATER DISPOSAL SERVICE INTO THE DELAWARE SAND FROM 4338-5514'.

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

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

| - SWD-1166 APROVED 3/12/09. | See Httached |
|--|---------------------------------|
| - ALL OLDER REQUIREMENTS MUST | Conditions |
| - NOTIFICATIONS TO DUST. II OFFICE MUST SUBMITTED ON FORM CIO?. IN THAT MIT TEST MUST BE WITNESS | DBY NMOED. Pleutono hour 5/1/09 |
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) | |
| BRIAN COLLINS | Title PETROLELIM ENGINEER |

| BRIAN CULLINS | itle PETRULEUM EI | NGINEER | | |
|--|-------------------------|-----------|-------------------|------------|
| Signature Primelli. | ate 01/08/2009 | TAC | CEPTED FOR REC | ORD |
| THIS SPACE FOR FEDERA | AL OR STATE C | FFICE USE | | 1 |
| Approved by | Tıtle | | APR 2 8 2009 | |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or cert that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | | WESLEY W. INGRAM | |
| Title 18 U.S.C Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any personal fictitious or fraudulent statements or representations as to any matter within its jurisdiction. | n knowingly and willful | | PETROLEUM ENGINES | arry falst |

(Instructions on page 2)

| ' | | | | İ | |
|---------|----------|----------|-----------|------|--------|
| DATE IN | SUSPENSE | ENGINEER | LOGGED IN | TYPE | APP NO |

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -



| | ication Acronyi [NSL-Non-St [DHC-Dov [PC-F | andard Location] [NSP-Non-Standard Pr wnhole Commingling] [CTB-Lease Com Pool Commingling] [OLS - Off-Lease St | ONS FOR EXCEPTIONS TO DIVISION RULES A E DIVISION LEVEL IN SANTA FE oration Unit] [SD-Simultaneous Dec mingling] [PLC-Pool/Lease Comm orage] [OLM-Off-Lease Measurem ressure Maintenance Expansion] njection Pressure Increase] | lication] ningling] ent] |
|-------|---|---|--|--------------------------------|
| [1] | TYPE OF A | PPLICATION - Check Those Which Ap Location - Spacing Unit - Simultaneou | | |
| | | ☐ NSL ☐ NSP ☐ SD | | |
| | Chec [B] | ck One Only for [B] or [C] Commingling - Storage - Measurement | <u>.</u> | |
| | | ☐ DHC ☐ CTB ☐ PLC ☐ | PC OLS OLM | |
| | [C] | Injection - Disposal - Pressure Increase ☐ WFX ☐ PMX ☒ SWD [| | |
| | [D] | Other: Specify | ************************************** | |
| [2] | NOTIFICA' [A] | FION REQUIRED TO: - Check Those W Working, Royalty or Overriding R | | |
| | [B] | ☐ Offset Operators, Leaseholders or | Surface Owner | |
| | [C] | Application is One Which Require | es Published Legal Notice | |
| | [D] | Notification and/or Concurrent Ap U S Bureau of Land Management - Commissioner o | pproval by BLM or SLO f Public Lands, State Land Office | |
| | [E] | For all of the above, Proof of Noti | fication or Publication is Attached, ar | d/or, |
| | ` [F] | ☐ Waivers are Attached | | |
| [3] | | CCURATE AND COMPLETE INFORM ATION INDICATED ABOVE. | MATION REQUIRED TO PROCE | SS THE TYPE |
| | val is accurate | ATION: I hereby certify that the information and complete to the best of my knowledge equired information and notifications are s | . I also understand that no action wi | |
| | Note | e: Statement must be completed by an individual | | |
| | N COLLINS | Knildle | | 8 Jan 09 |
| Print | or Type Name | Signature | Title | Date |
| | | | bcollins@marbob.com | |

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: POBOX 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: |
| I | Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, 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: |
| * | E-MAIL ADDRESS: <u>bcollins@marbob.com</u> 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: |

C-108 Application for Authorization to Inject West Brushy 8 Federal 2 SWD 1750' FNL 990' FEL H-8-26S-29E, Eddy County

Marbob Energy Corporation proposes to re-enter the captioned well, clean out to 5525' and convert it to salt water disposal service into the Delaware Sand from 4338-4682' and 5212-5514'.

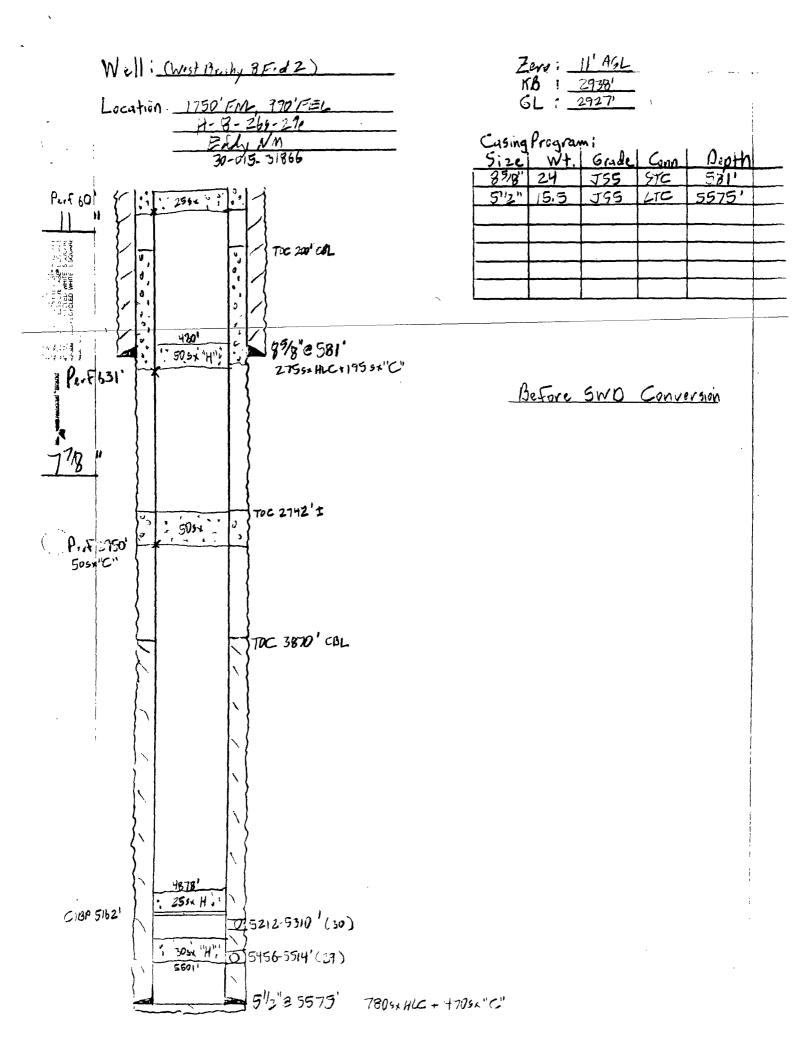
- V. Map is attached.
- VI. Wellbore schematics are attached for all the wells that penetrate the proposed injection zone within the 1/2 mile radius area of review.
- VII. 1. Proposed average daily injection rate = 1000 BWPD

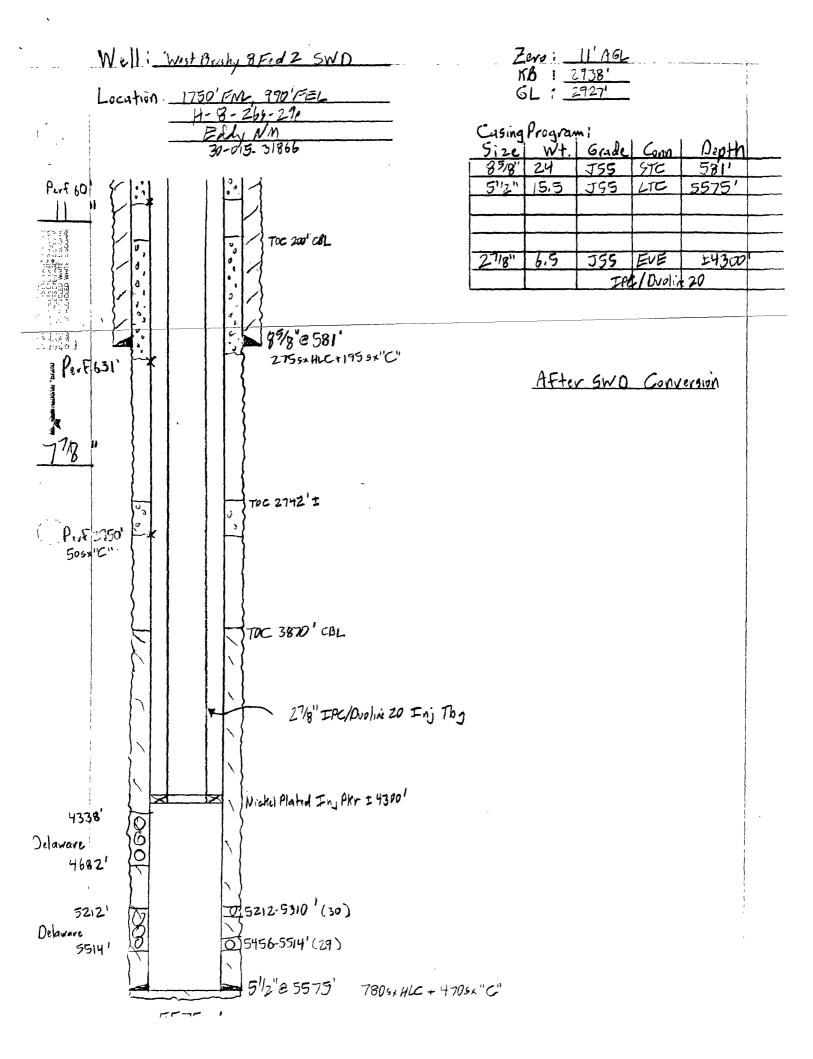
 Proposed maximum daily injection rate = 3000 BWPD
 - 2. Closed system
 - 3. Proposed maximum injection pressure = 867 psi (0.2 psi/ft. x 4338 ft.)
 - 4. Source of injected water will be Delaware Sand and Bone Spring Sand produced water. No compatibility problems are expected. Analyses of Delaware and Bone Spring waters from source wells are attached.
- VIII. The injection zone is the Delaware Sandstone, a fine-grained sandstone from 4338' to 5514'. 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 3500' 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.

INJECTION WELL DATA SHEET

| OPERATOR: Marbob Energy | | | | |
|--|------------------|-----------------------|-----------------------|----------------------|
| WELL NAME & NUMBER: West Brushy & Fee | 1 2 SWD | | | |
| WELL LOCATION: 1750' FNL 990' FEL FOOTAGE LOCATION | H UNIT LETTER | 8 SECTION | 26s TOWNSHIP | 29 <i>e</i> range |
| WELLBORE SCHEMATIC | | | ONSTRUCTION DAT | |
| • | Hole Size: | | Casing Size: 85/8 | |
| | | 470 sx. | | ft ³ |
| See Attached | Top of Cement: _ | Surface | | d: <u>Circulated</u> |
| Before \$ After | | <u>Intermedia</u> | te Casing | • |
| Wellbore Schematics | Hole Size: | | Casing Size: | |
| | Cemented with: | sx. | or | ft³ |
| | Top of Cement: | | Method Determine | d: |
| | | Productio | n Casing | |
| | Hole Size: | 77g" | Casing Size: 51/2 | "C 5575" |
| | Cemented with: | 1250 sx. | or | ft ³ |
| | Top of Cement: | 3870' | Method Determine | d: Cmt. Boud La |
| | Total Depth: | 5575' | | _ |
| | | Injection | Interval | |
| | 4338 | fee | t to 5514 | <i></i> |
| | | (Perforated or Open I | lole; indicate which) | |

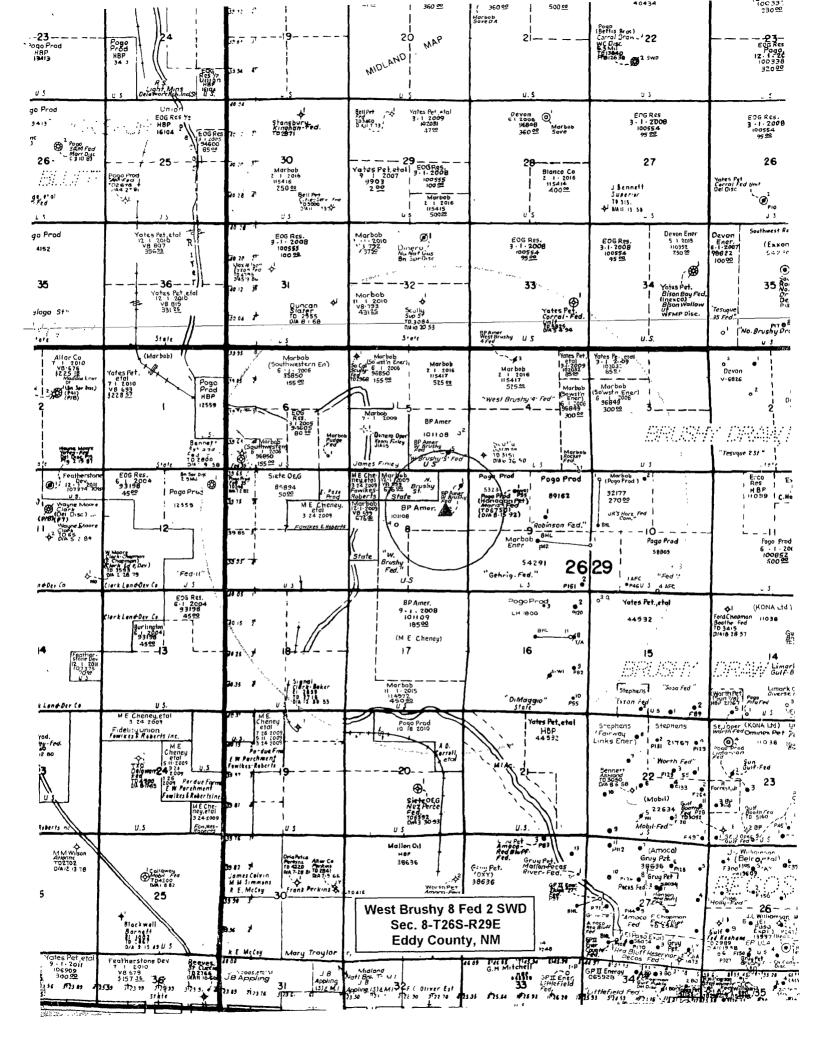
INJECTION WELL DATA SHEET Tubing Size: plated IOK double grip retreivable Packer Setting Depth: ± 4300 Other Type of Tubing/Casing Seal (if applicable): Additional Data Yes X No Is this a new well drilled for injection? If no, for what purpose was the well originally drilled? Oil 699 Name of the Injection Formation: __ Brushy Draw Delaware Name of Field or Pool (if applicable): 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 5456. 5514', 5212-5310' 30 x e 5501', CIGP +25 x 5162-4878', 50 x 2950-2742', 50 x 631-480', 25 x surface plug 5. Give the name and depths of any oil or gas zones underlying or overlying the proposed Williamson Sand injection zone in this area: Williamson Sand ±4900. Water from 4338-4682





V.

MAP

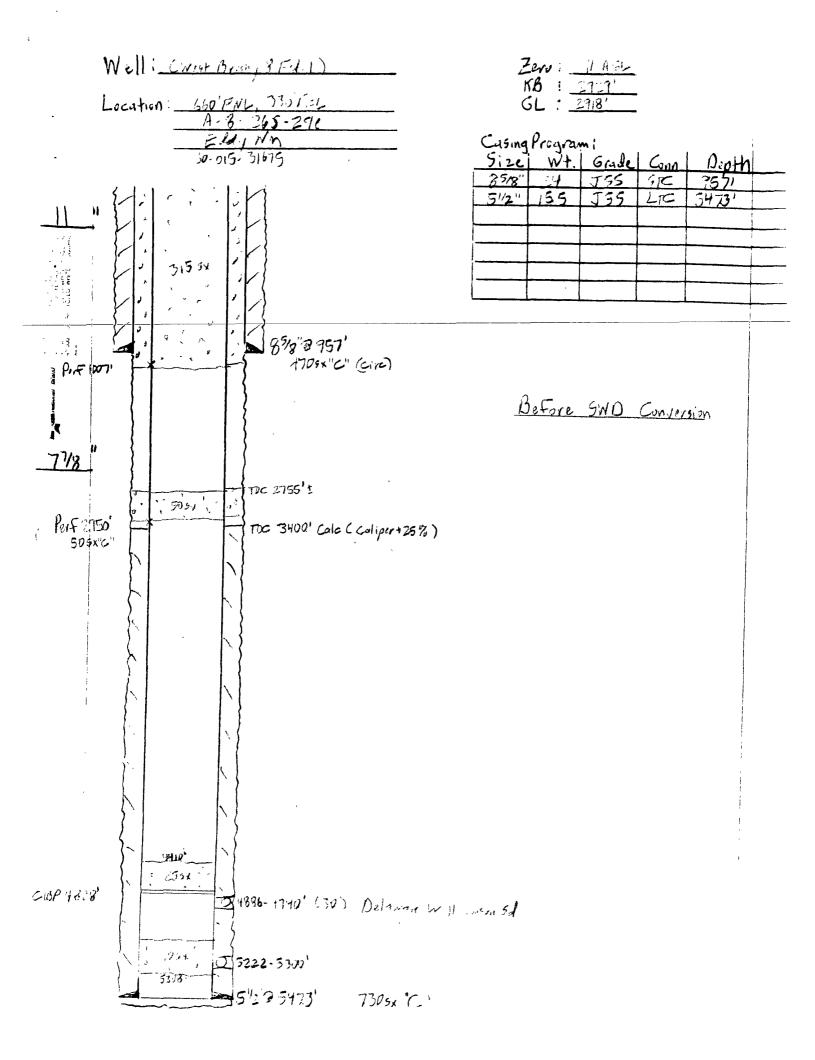


VI.

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

| Welli-Wist Brishy 5 Fin 5 Location 380' F3L, 880' FEL P-5-265-270 Eddy NM 30-015-31869 | Zero: 12'A6L KB: 2813' GL: 2881' Casing Program: Size Wt. Grade Conn Dipth 89/8" 24 J35 975 371' |
|--|---|
| 5/1/1 · 10/1/5 | 59/8" 24 J35 975 371 51/2" 15.5 J35 35 60491 |
| | 72 73 73 75 75 77 |
| | |
| 1505% (S) | |
| | |
| P. 5. 465 858' e 591' | |
| Toc 620 375 9x"C"(cin) | |
| ger) | |
| | Before SWD Conversion |
| 778 " | |
| | |
| 2780' | |
| 25.4 | |
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| | t . |
| Clist - loss ent | |
| CHY - 105x cont (4840' (42) Delana Willia | ingen 5d |
| | |
| 51+10 x cont { 25xx 52231 0 5173 5247' (30) | • |
| 29 54 5 5466- 70° (29) | |
| 1 - 50' | |
| | 1726 77/6 878 - 272 |
| 512"2 6047' | * 14 C V = 177 |

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VII.

WATER ANALYSIS

HALLIBURTON DIVISION LABORAT/ "Y

HALLIBURTON SERVICES ARTESIA DISTRICT

LABO

| TOTOTOTOTOTOTOTOTOTOTOTOTOTOTOTOTOTOTO | RATORY | REPORT | No. | W45-93 |
|--|--------|--------|-----|--------|
|--|--------|--------|-----|--------|

| Hanagan | Petroleum | , , , , , , , , , , , , , , , , , , , | Date February 7, 1993 |
|--|-------------------------|---------------------------------------|--|
| P. O. E | Box 1737 | ^ | _ |
| Roswell | , NM 88201 | Pered, ner a | the property of Heffauton Services and neither 6 her any perf copy thereof is to be published or declosed without first securing undern approved of laboratory menagement, 6 may however, be |
| · ———————————————————————————————————— | | wat a beau | urse of regular business operations by any parties of concern and ereof receiving such report from Helicouries Services |
| Submitted by | | Date | Rec |
| Well No. Gehrig | #2 | Depth 5050' | Formation Delaware |
| Pield Brushy Dra | aw 9-265-29e | County Eddy | Source Produced Water |
| Resistivity | 052 | | |
| Specific Gravity | 1.1856 | Water A | nalysis Representative |
| рн | 7.0 | of Proa | luced Delaware Water |
| Calcium | 24,250 | _ to be | Injected and of |
| Magnesium | 9,000 | | e Water in the |
| Chlorides | 170,000 | A | Injection Interval |
| Sulfates | 250 | | · · · · · · · · · · · · · · · · · · · |
| Bicarbonates | 350 | | |
| Soluble Iron | + 500 | | |
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| | Respec | reary annualities | |

NOTICE:

Inalyst: Art Carrasco - Technical Advisor

This report is for information only and the content is limited to the sample described. Haliburton makes no warranties, express or implied, as to the accuracy of the contents or results. Any user of this report agrees Haliburton shall not be kable for any loss or damage, regardless of cause, including any act or omission of Haliburton, resulting from the use hereof

HALLIBURTON SERVICES

HALLIBURTON

PERMAIN BASIN OPERATIONS LABORATORY WATER ANALYSIS REPORT HOBBS, NEW MEXICO

| COMPANY | Marbob | | | | REPORT DATE DISTRICT | W08-156 Novembe Hobbs | <u>r 25, 2008</u> | <u>3</u> |
|--|------------------------------|-------------------|--|------------|----------------------------|-----------------------------|-------------------|----------|
| SUBMITTED BY | | Bone ? Produce | d Wat | Jand er | | | | |
| WELL Save | DA 21 Fed. #1 | DEPTH FIELD | | | FORMATION SOURCE | | | |
| SAMPLE | | | ······································ | | | | | |
| Sample Temp. RESISTIVITY SPECIFIC GR. pH | 70 0.068 1.095 6.53 | °F | | °F | °F | | | °F |
| CALCIUM | 7500 | | | mpl | mr | ol | | mpl |
| MAGNESIUM | 6000 | mpl — | | mpl | m _k | | **** | mpl |
| CHLORIDE | 83125 | mpl | | mpl | mp | ol | | mpl |
| SULFATES | Light | mpl | | mpl | mp | ol | | mpl |
| BICARBONATES | 231 | mpl | | mpl | mp | ol | | mpl |
| SOLUBLE IRON | 0 | mpl | | mpl | mp | ol | | mpl |
| KCL | Negative | | | | | | | |
| Sodium | | mpl | 0 | mpl | 0mr | ol | 0 | mpl |
| TDS | | mpl | 0 | mpl | 0 mp |)l | 0 | mpl |
| OIL GRAVITY | @ | °F | | °F | @°F | ····· | . @ | °F |
| REMARKS | | | | | | | | |
| | | | | | | | | |

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

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management, it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Co

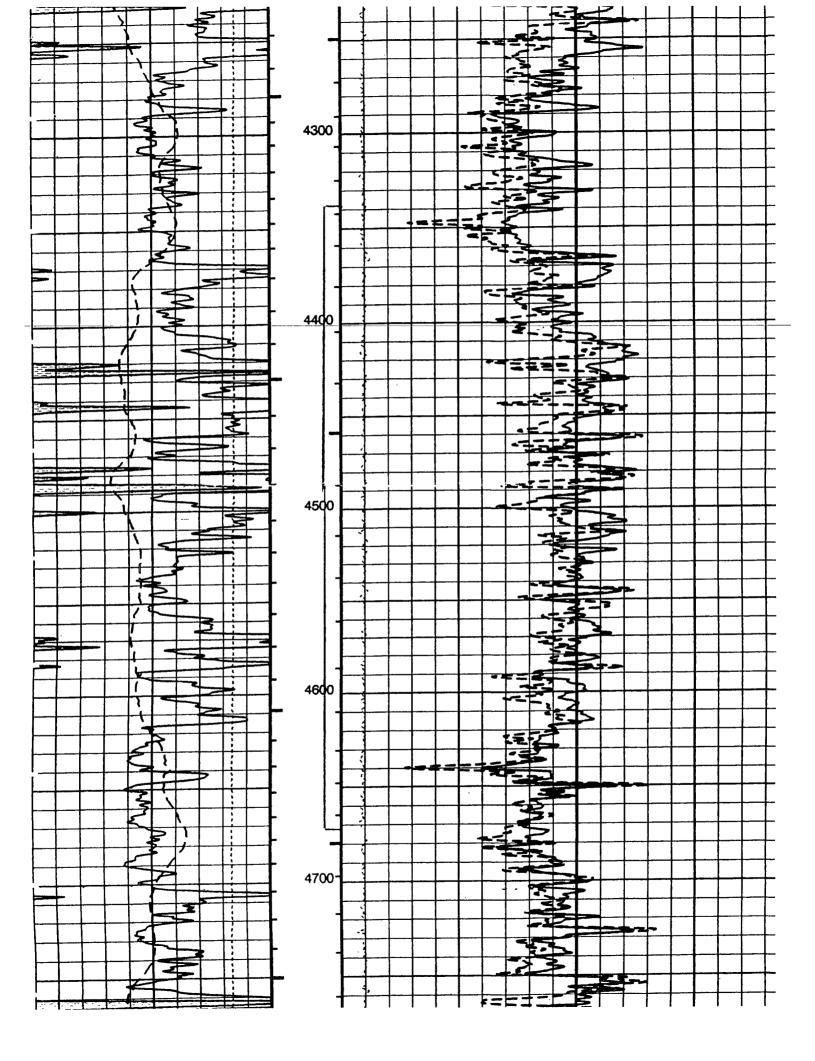
ANALYST: MA/MB/JH

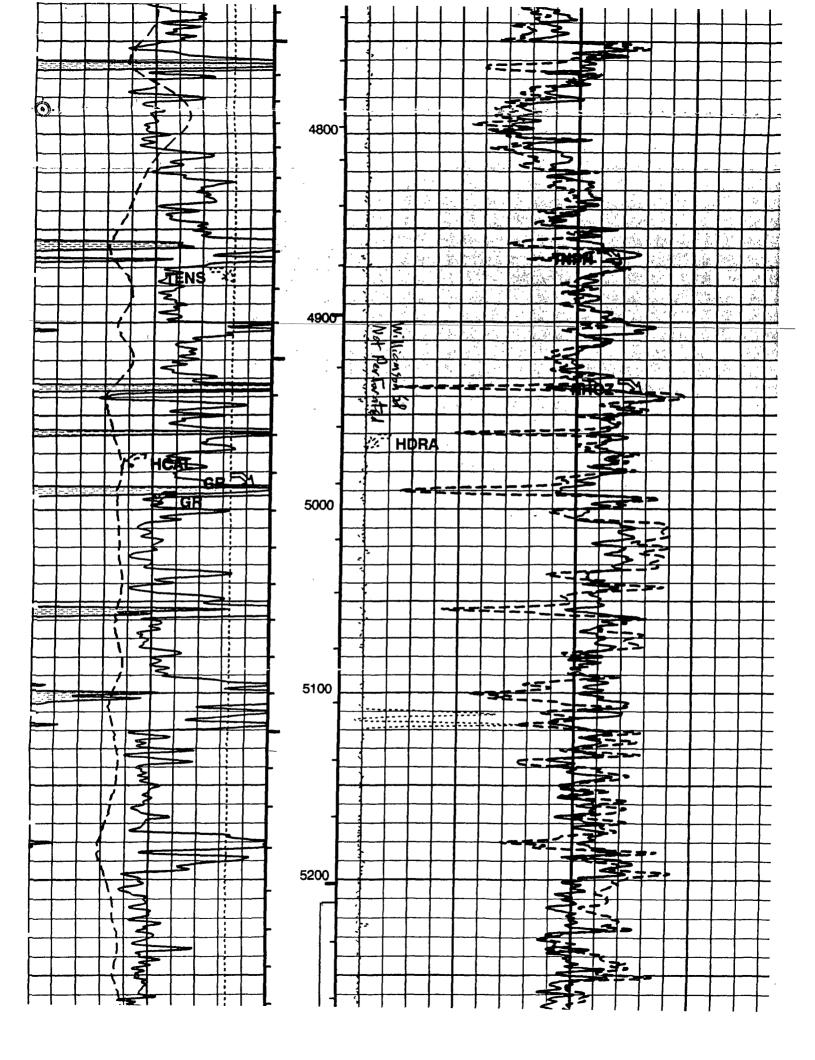
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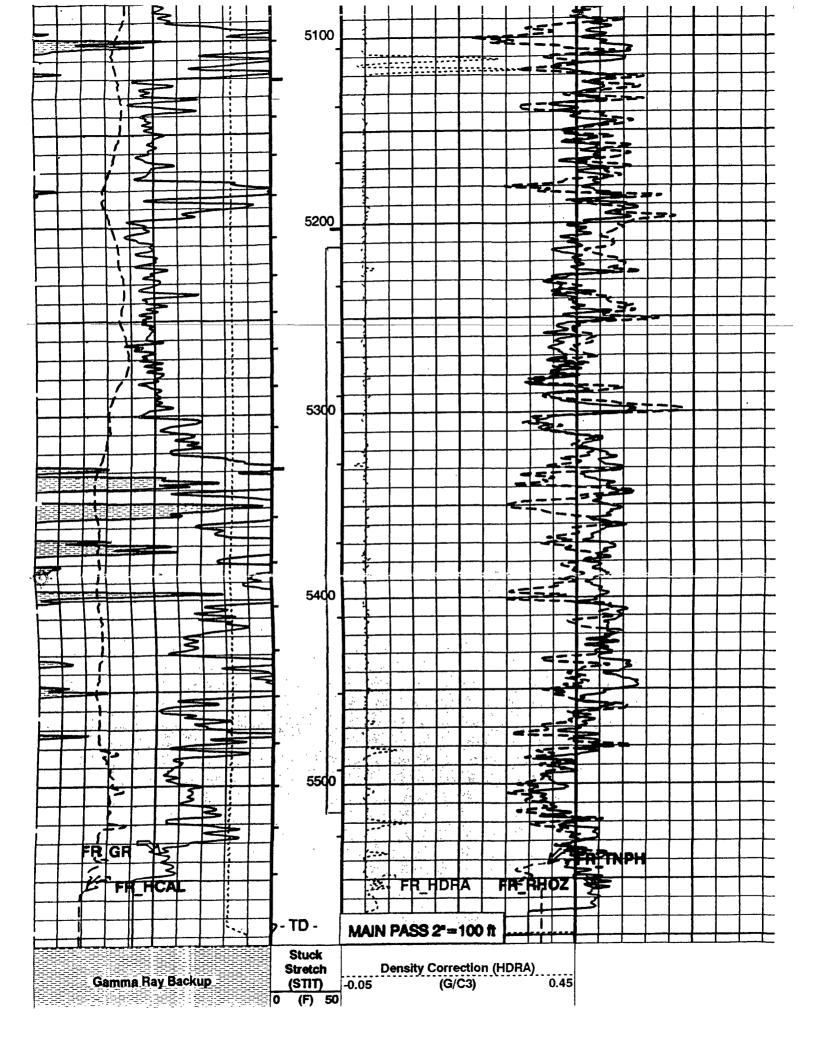
NEUTRON DENSITY LOG

Across Proposed
Delaware Sand
Portion of
Injection Interval

| | st Br | ushy Fe | | | | | | - | | | 1 | T |
|--------------------------------------|----------------------------|-------------------|----------|--|--|---|-----------------------|--|-------------|---------------------------------------|--|--|
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| 8 F 5 250. E | 1 | | Com | pens | ated Neuti | ron - Gi | 3 | | | | | |
| 5 750'I | NL & 990 | FEL | | | Elev.: K.B. | 2938 ft | | | | | | 1 |
| o > Σ com/ | | rship 26-S, Range | 20 F | | G.L. | 2927 ft | ; | , | | | 1 | |
| ≈ & E Z Section | on o, rown | iship 20-5, Hange | 29-E | | | | ; | | | | † | |
| Z & C E | | | | | D.F. | 2937 ft | | | | | | |
| West Brushy ARCO PERM LOCATION ABOUT | anent Datu | ım: GRO | UND LEVE | EL | Elev.: 2927 | ft | | | · | | | |
| | Measured F | | Y BUSHIN | | | Perm. Datu | i.10 | | | | | |
| | | · | | 1 | 11.0 ft above | or em. Date | 411 | | | <u> </u> | | |
| Drillin Sombany: | ig Measure | ed From: KELL | A BOSHIV | | | | <u>'</u> | <u></u> | | | | |
| ig ∺ α μ | API Seri | al No | SECTI | ON | TOWNSHIP | RANG | i= | | | | | |
| 20-05 Sell: | 15-3 | 1866 .2 | 8 | Ţ'' | 26-S | 29-E | | | | | | |
| ging Date | | 22-JUL-2001 | | | | | , _ , | Logging Date | | | _ | |
| Number | | One | | + | | | | Run Number | | | | |
| th Driller | | 5579 ft | | + | | | | Depth Driller | | ` | | |
| lumberger Depth | | 5575 ft | | + | 2526272 | | 1 | Schlumberger Depth | | | | |
| om Log Interval | | 5557 ft | | + | 1247320272830 | | | Bottom Log Interval | | | | |
| Log Interval | | 2700 ft | | + | /0/3 | | () | Top Log Interval | | | | |
| | | 8.625 in | | 590 ft | | | | Casing Driller Size @ I | | | | |
| ing Driller Size @ Dep | <u> </u> | | @ | 590 10 | | | | Casing Schlumberger | эөрш | | @ | |
| ing Schlumberger | | 576 ft | | | S OCH | (Kr. 12) | 7 | Bit Size | | | · | |
| Size | | 7.875 in | | | 6 | PIESIA | -w - | Type Fluid In Hole | | | | - |
| e Fluid In Hole | | Salt Gel / Starch | | | /8 7 | 1 600 | - 67/- | | cosity | | | |
| nsity Viscosi | <u> </u> | 10.1 lbm/gal | 33 s | | \Z.o. | - JA | <u>.</u> | Density Visc | Josity | | | |
| id Loss PH | | 15 cm3 | 9 | <u> </u> | 70, | 1 | · / | Source Of Sample | | | | |
| urce Of Sample | | Circulation Pit | | o do-E | E 919151 E | 1 ST MON | | RM @ Measured Temp | oraturo | | _ | + |
| @ Measured Tempera | | 0.049 ohm.m | | 0 degF | | @ | | | | | <u> </u> | |
| | | 0 degF | F @ | | | RMF @ Measured Temperature | | <u>@</u> | | | | |
| IC @ Measured Temperature @ | | - | <u>@</u> | | | RMC @ Measured Temperature Source RMF RMC | | @ | | | | |
| urce RMF RMC | | Calculated | 0.000 | 0.455 | | | | | | | + | + |
| @ MRT RMF@ | | 0.037 @ 108 | 0.028 | @ 108 | @ | ļ@ | <u> </u> | Maximum Recorded T | F@MAT | @ | | |
| ximum Recorded Temperatures 108 degF | | | 10.55 | | | | | | | | | |
| culation Stopped Time 22-JUL-2001 | | | | 16:00 | | | | Circulation Stopped | Time | 2 11 1 | , 23 (s) + | |
| gger On Bottom Time 22-JUL-2001 | | | 11:30 | 0 | | | Logger On Bottom Time | | | | + | |
| | ation | | , New Me | XICO | | | | | Location | | | |
| corded By | | R. Maldonado, | | | ļ | | | Recorded By | · | | Sec. September | |
| tnessed By | tnessed By Mr. Lynn Charuk | | | | | | G :- | Witnessed By | | | t og stjeder | |





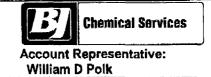


XI.

Fresh Water Well Analysis

Pecos River 3500' West

Analytical Laboratory Report for: MARBOB ENERGY CORPORATION



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

6402

TDS: pH:

7.19

| Cations: | mg/L | as: |
|------------------|------|---------------------|
| Calcium | 672 | (Ca ^{**}) |
| Magnesium | 207 | (Mg ⁺⁺⁾ |
| Sodium | 1340 | (Na) |
| Iron | 80.0 | (Fe ⁺) |
| Potassium | 53.0 | (K [†]) |
| Barium | 0.08 | (Ba ⁺⁺) |
| Strontium | 7.88 | (Sr**) |
| Manganese | 0.04 | (Mnີ່) |
| Anlons: | mg/L | as: |
| Bicarbonate | 222 | (HCO,) |
| Sulfate | 1400 | (SO, ") |
| Chloride | 2500 | (Cl) |
| Gases: | • • | |
| Carbon Dioxide | | (CO ₂) |
| Hydrogen Sulfide | | (H ₂ S) |

Lab Comments:

Lab measured pH Lab measured alkalinity

New Mexico Office of the State Engineer POD Reports and Downloads

| | Fownsh | ip 26S | Range | 29E | Sections | 4,5,6,7,8,9 | ,15,16,17 | | | |
|-----------|---------------|----------|---------|--------|------------|-------------|-----------|--------|--------------|-------|
| | NAD27 . | (| Y | | Zone | - | Search | Radius | | |
| County E | ED . | · Bas | ın | | | · Num | nber. | S | utfix | |
| Owner Nar | ne (First) | '- | | (Last) | · | •• | Non-Do | mestic | Domestic | • All |
| PO | D / Surface [| ata Repo | n (| Avç | Depth to W | ater Report | | Water | Column Repor | |
| | | ſ | Clear F | orm | WATER | S Menu | Help | | | |

POD / SURFACE DATA REPORT 11/26/2008

 (quarters are biggest to smallest
 X Y are in Feet

 Source
 Tws
 Rng/Sec q q q
 Zone
 X

 26S
 29E
 05
 1
 3
 (acre ft per annum)
Use Diversion Owner POD Number
COM 6418 RED ALUFF WATER CONTROL DIST. SP 03254 DB File Nbr

Record Count:

http://iwaters.ose.state.nm.us:7001/iWATERS/WellAndSurfaceDisnatcher

New Mexico Office of the State Engineer POD Reports and Downloads

| | Towns | ship | 26 S | Range | 28E | Sections | 6,7 | | | | | |
|------------|-----------|--------|-------------|-----------|--------|--------------|--------|--------|----------|---------------------|--------------|--------|
| N | AD27 | X | | Y | | Zone. | | - s | Search I | Radius [.] | | |
| County. ED | | | Basır | ı | | | | Numbe | er | S | Suffix | |
| Owner Name | e (Firs | t)į́ _ | | • • | (Last) | / mm - #1 /m | | N | on-Don | nestic | Domestic | •• All |
| POD | / Surface | Data | Report | \supset | Ανς | Depth to W | ater F | Report | | Water | Column Repor | |
| | | | | Clear F | orm C | WATERS | Men | u F | lein | | | |

POD / SURFACE DATA REPORT 11/26/2008

(acre ft per annum)
DB File Nbr Use Diversion Owner

POD Number

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are biggest to smallest X Y are in Feet Source Tws Rng Sec q q q Zone X

· No Records tound, try again

Affidavit of Publication

| NO. | 205 | 29 | | | | | | | |
|---|-------------|----|--------|---------|--|--|--|--|--|
| STATE OF NEW MEXICO | 2 4 8 2 | | _ | 2222 | | | | | |
| County of Eddy: | NAL | 1 | 5 | 2009 | | | | | |
| GARY D. SCOTT | | | be | ing dul | | | | | |
| sworn,says: That he is the | PUBLISH | ER | | of The | | | | | |
| Artesia Daily Press, a daily newspaper of ge | neral | | | | | | | | |
| circulation, published in English at Artesia, s | aid county | | | | | | | | |
| and county and state, and that the here to at | tached | | | | | | | | |
| Legal Notice | | | | | | | | | |
| was published in a regular and entire issue of | 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 | | | // | 1 | | | | | |
| Fifth Publication | | 1 |) W | 1/ | | | | | |
| Subscribed and sworn to before me this | | - | | , | | | | | |
| 13 Day January | | | | 2009 | | | | | |
| Jo Morgan NOTARY PUBLIC-STATE OF NEW My commission expires: | y MEXICO | | | | | | | | |
| My commission expires: | | | | | | | | | |

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 2, is located 1750' FNL and 990' 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 4338-5514' 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 (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. 20529



January 21, 2009

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

Re: Application to Inject

West Brushy 8 Federal 2 SWD

Township 26 South, Range 29 East, NMPM

Section 5: 1750 FNL 990 FEL, Unit H

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

West Brushy 5 Fed 5 SWD 30-015-31869 Marbob Energy Corporation April 27, 2009 Conditions

- 1. An APD will be required. Therefore, this document is being accepted for record, but not approved.
- 2. The lease has expired. A ROW will be required and an individual well bond of \$25,000.
- 3. A fee per barrel will be assessed if this well is used for commercial disposal.
- 4. Provide a copy of the CBL that shows that the TOC is 3870'.
- 5. All other requirements for the re-entry will be covered in the COA for the APD.

WWI 042809