

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

SEP 28 2009

Form C-103
June 19, 2008

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

WELL API NO. 30-015-37239
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SAUSAGE SWD
8. Well Number 1
9. OGRID Number 14049
10. Pool name or Wildcat BONE SPRING

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 ☐ Gas Well ☐ Other SALT WATER DISPOSAL

2. Name of Operator
MARBOB ENERGY CORPORATION

3. Address of Operator P O BOX 227
ARTESIA NM 88211-0227

4. Well Location
Unit Letter G : 2310 feet from the NORTH line and 1650 feet from the EAST line
Section 7 Township 25S Range 30E NMPM EDDY County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3182' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: EVALUATION OF PROD POTENTIAL ☒

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.

The proposed injection interval (SWD-1184) from 4400' to 6750' had no mudlog shows (cut or fluorescence). The water saturations calculated from the porosity and resistivity logs ranged from 65% to 95%. It is our opinion that this interval is non-hydrocarbon productive because of the lack of mudlog shows and the high water saturations. Please note that the interval from 5516' to 5954' has been excluded from the injection interval at the request of an offset operator (this interval had no mudlog shows). The actual injection interval 4452-5438' and 6028-6708' is not hydrocarbon productive in this area.

*Please see attached mudlog and log sections.

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

SIGNATURE Brian Collins TITLE PETROLEUM ENGINEER DATE 09/24/09

Type or print name BRIAN COLLINS E-mail address: bcollins@marbob.com PHONE: 575-748-3303

For State Use Only

APPROVED BY: Jaqueline TITLE Geologist DATE 9/30/09

Conditions of Approval (if any):