

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

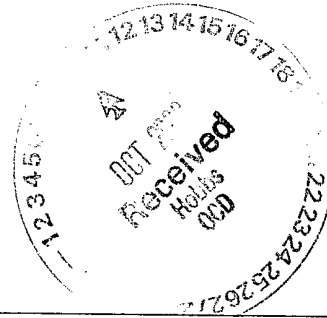
1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other		5. Lease Serial No. NMNM038690
2. Name of Operator Marbob Energy Corporation		6. If Indian, Allottee or Tribe Name
3a. Address PO Box 227, Artesia, NM 88211-0227	3b. Phone No. (include area code) 505-748-3303	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 785 FSL 660 FWL, Sec. 4-T19S-R32E, Lot 4		8. Well Name and No. Delaware Federal #16
		9. API Well No. 30-025-35053
		10. Field and Pool, or Exploratory Area Lusk; Delaware, West
		11. County or Parish, State Lea Co., NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☒ Convert to Injection	☐ Plug Back	☐ 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.)

Marbob Energy Corporation proposes to convert the above referenced well to a Salt Water Disposal in accordance with OCD's Administrative Order SWD-1043. (See attached SWD Conversion Procedure).



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Diana J. Briggs		Title Production Analyst
Signature 	Date 09/22/2006	

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 WESLEY W. INGRAM PETROLEUM ENGINEER	Date OCT 4 2006
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Title 18 U.S.C. Section 1001 and Title 43 U.S.C. 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)

GWW

**Delaware Fed 16 SWD
M-18-19s-32e
Lea Co., NM**

**SWD Conversion Procedure
21 Sept 06**

Basic Data:

13-3/8" @ 804' Circ. Cmt.
8-5/8" @ 4520' Circ. Cmt. With 1"
5-1/2" @ 12740' TOC @ 1550' temp. survey

5.5"/17ppf/S95/LTC Burst=9190 psi, 7352 psi at 80% Nom. ID=4.892" Drift ID=4.767"
/17ppf/L80/LTC Burst=7740 psi, 6192 psi at 80%

Objective: Convert well to SWD service in Strawn. NMOCD Order SWD-1043. Notify OCD prior to starting operations and prior to running MIT.

Procedure:

1. Pull pump and rods. NU BOP and pull tubing laying down tubing. Pick up 2-7/8"/6.5/L or N80 workstring, 4-3/4" bit and collars. RU reverse unit and drill out the following:

CIBP + cement at 8250'
CIBP + cement at 10790'
Clean out to 11500'

2. Set retainers and squeeze as follows:

Squeeze Canyon 10869-72', retainer 10850', 25 sx "H" with FLA, 25-50 sx "H" neat available if needed
Squeeze 2nd BS Sd 9144-9310', retainer 9125', 100 sx "H" with FLA, 50-100 sx "H" neat available if needed
Squeeze 1st BS Sd 8304-8531', retainer 8275', 100 sx "H" with FLA, 50-100 sx "H" neat available if needed
Squeeze Delaware 6910-24', retainer 6875', 50 sx "H" with FLA, 50-100 sx "H" neat available if needed
Squeeze Delaware 5370-5412', retainer 5350', 50 sx "H" with FLA, 50 sx "H" neat available if needed
Squeeze Delaware 4780-5068', retainer 4750', 100 sx "H" with FLA, 50-100 sx "H" neat available if needed

3. Drill out each retainer and cement and test squeeze to 1500 psi. Resqueeze any interval that doesn't test. After everything drilled out and tested, run scraper to 11500' and circulate the well full of clean fresh water (242 bbls capacity with tubing in hole).
4. RU lubricator and perf the Strawn with 2 spf at any phasing at the depths shown below using a 3-3/8" or 4" casing gun.

Strawn: 11260-11306' (94 shots) OH Log
Strawn: 11257-11303' (94 shots) GR/CCL

5. RIH with packer on 2-7/8" workstring, set packer, test annulus to 1000 psi, open bypass, pump acid close to packer, close bypass and acidize Strawn with 5000 gals. NE Fe 15% HCl acid at 4-7 bpm while limiting treating pressure to 8000 psi and holding 2000 psi on annulus. Drop 200 ball sealers through job. Flush

with 250 bbls clean fresh water. Bleed pressure off, knock balls off perfs and TOOH laying down workstring.

6. RIH with nickel plated 5.5" retrievable packer on 2-7/8"/6.5/L80/EUE Duoline Technologies Duoline 20 lined tubing with connection seal elements from George Young Sales. Plastic coat all subs and crossovers used. Space out to set packer near 11200', pump 175 bbls clean fresh water containing corrosion inhibitor, biocide and oxygen scavenger down annulus, set packer, tree well up and load annulus the rest of the way to surface with clean fresh water containing corrosion inhibitor, biocide and oxygen scavenger (total annular volume is 170 bbls). Bleed air if/as necessary and test the annulus to 500 psi for 30 minutes using a chart recorder after giving the OCD 24 hrs notice to witness MIT.
7. Plumb 2-7/8" x 5.5" annulus to surface and install a gauge so the annular pressure can be monitored. Build injection tree assembly and start water disposal. Install pressure limiting device and limit injection pressure to 2252 psi.

Kbc/Delaware fed 16 swd

Lusk Deep Unit A-16 (Delaware Fed. 16)

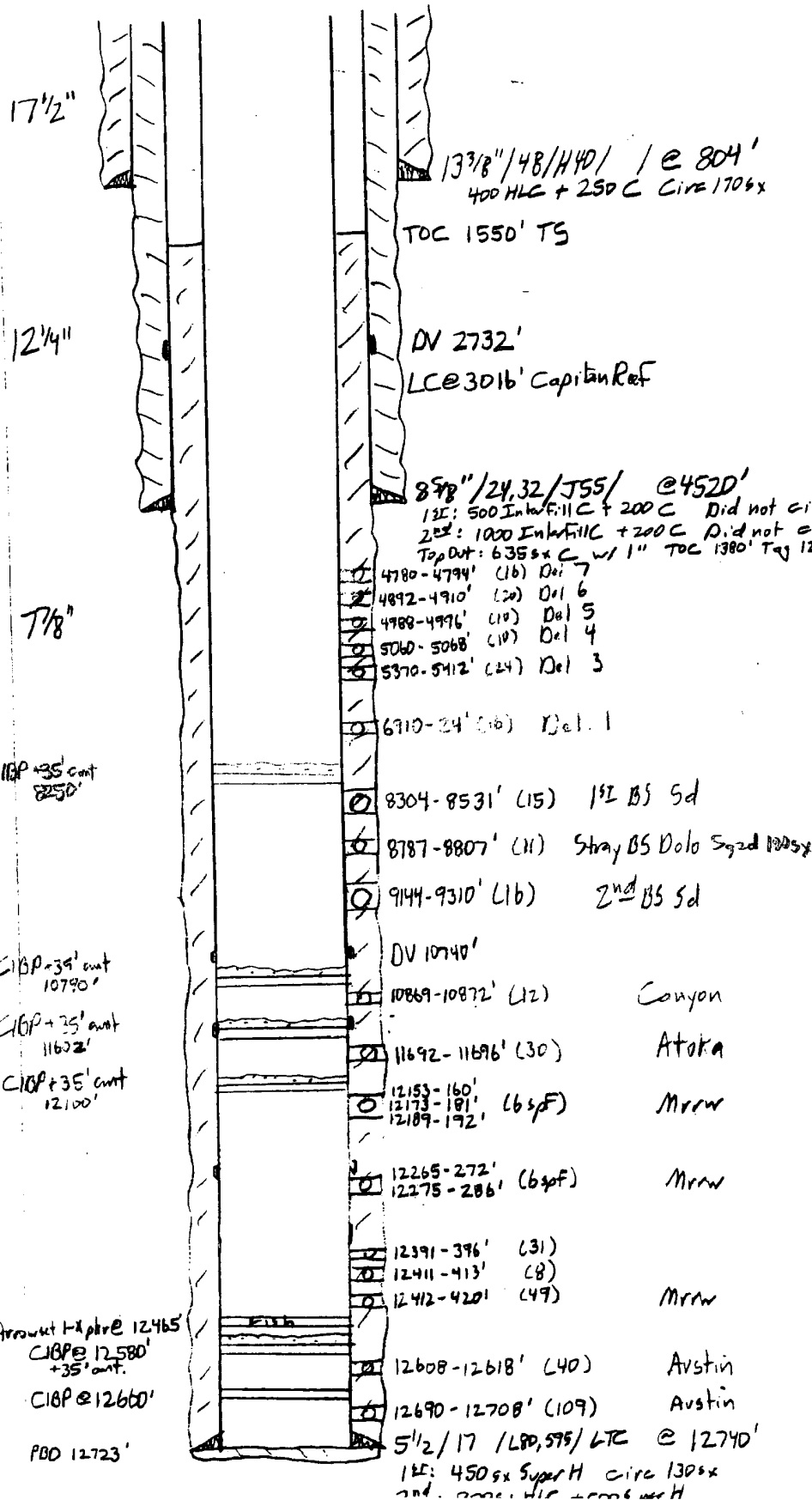
785' FSL, 660' FWL
M-18-195-32e
Lea Co., NM

KB = 3595'
GL = 3578'
Zero = 17' AGL

5 1/2' / 17 / 595 / LTC 0-1442'
1 / 17 / L80 / LTC 1442'-11031'
1 / 17 / 595 / LTC 11031'-12740'

DST #1 Bone Spr. 9798-9844'
DP: 102 BN w/ oil skin 96000 C1-
Sampler: 0.15 cFg
100 cc oil
1900 cc wtr 96000 C1-
GTS 8" into Final Flow 4' Flare
ISI = 3708 BHT = 1490°F

DST #2 Mrrw 12118-12208'
DP: Gas
Sampler: 12.25 cFg Press = 1825 psi
ISI = 5236 FSI = 5183 BHT = 170°F
Qmax = 2376 MCFD



Delaware Fed 16 SWD

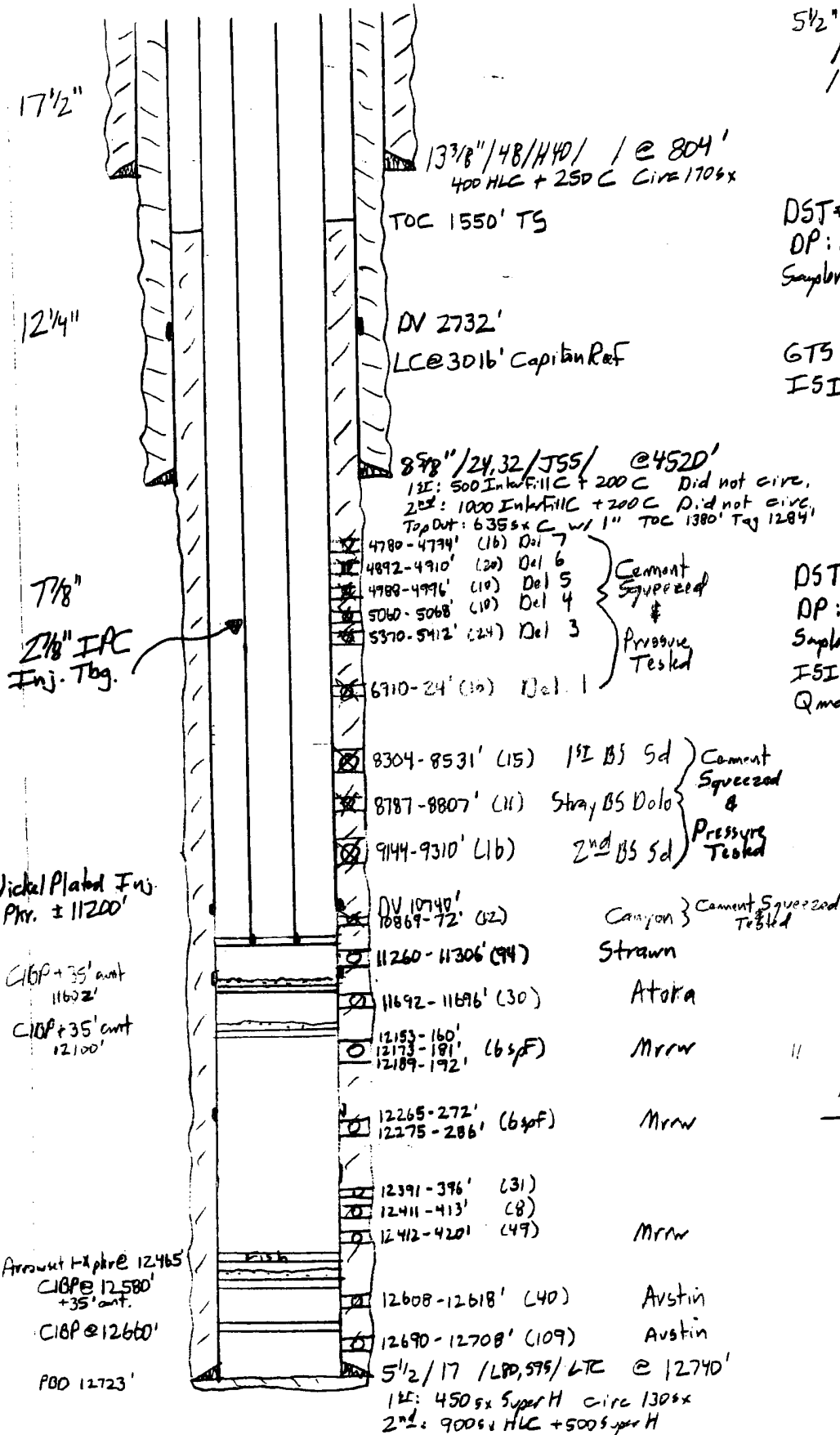
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AFTER