

| 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. <div style="text-align: right;">30-015-34390</div> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | State Oil & Gas Lease No. | | 7. Lease Name or Unit Agreement Name <div style="text-align: right;">TOP DOLLAR STATE</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/> | | 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. OTHER <input type="checkbox"/> | | 2. Name of Operator <div style="text-align: center;">MARBOB ENERGY CORPORATION</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Address of Operator <div style="text-align: center;">PO BOX 227, ARTESIA, NM 88211-0227</div> | | 4. Well Location Unit Letter <u>0</u> <u>990</u> Feet From The <u>SOUTH</u> Line and <u>1980</u> Feet From The <u>EAST</u> Line Section <u>16</u> Township <u>19S</u> Range <u>31E</u> NMPM <u>EDDY</u> County | | 9. Pool name or Wildcat <div style="text-align: center;">LUSK; MORROW, NORTH (GAS)</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10. Date Spudded <div style="text-align: center;">6/24/06</div> | | 11. Date T.D. Reached <div style="text-align: center;">7/29/06</div> | | 12. Date Compl. (Ready to Prod.) <div style="text-align: center;">8/25/06</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13. Elevations (DF& RKB, RT, GR, etc.) <div style="text-align: center;">3488' GL</div> | | 14. Elev. Casinghead | | 15. Total Depth <div style="text-align: center;">12500'</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16. Plug Back T.D. <div style="text-align: center;">11985'</div> | | 17. If Multiple Compl. How Many Zones? | | 18. Intervals Drilled By <div style="text-align: center;">0 - 12500'</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name <div style="text-align: center;">11944' - 11946' MORROW</div> | | 20. Was Directional Survey Made <div style="text-align: center;">NO</div> | | 21. Type Electric and Other Logs Run <div style="text-align: center;">DLL, CSNG</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22. Was Well Cored <div style="text-align: center;">NO</div> | | 23. CASING RECORD (Report all strings set in well) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>CASING SIZE</th> <th>WEIGHT LB./FT.</th> <th>DEPTH SET</th> <th>HOLE SIZE</th> <th>CEMENTING RECORD</th> <th>AMOUNT PULLED</th> </tr> <tr> <td>13 3/8"</td> <td>54#</td> <td>520'</td> <td>17 1/2"</td> <td>500 SX</td> <td></td> </tr> <tr> <td>9 5/8"</td> <td>36#</td> <td>3860'</td> <td>12 1/4"</td> <td>1575 SX</td> <td></td> </tr> <tr> <td>5 1/2"</td> <td>17#</td> <td>12495'</td> <td>7 7/8"</td> <td>2000 SX</td> <td></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table> | | CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED | 13 3/8" | 54# | 520' | 17 1/2" | 500 SX | | 9 5/8" | 36# | 3860' | 12 1/4" | 1575 SX | | 5 1/2" | 17# | 12495' | 7 7/8" | 2000 SX | | | | | | | | <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th colspan="3">24. LINER RECORD</th> <th colspan="3">25. TUBING RECORD</th> </tr> <tr> <th>SIZE</th> <th>TOP</th> <th>BOTTOM</th> <th>SIZE</th> <th>DEPTH SET</th> <th>PACKER SET</th> </tr> <tr> <td> </td> <td> </td> <td> </td> <td>2 3/8"</td> <td>11917'</td> <td> </td> </tr> </table> | | 24. LINER RECORD | | | 25. TUBING RECORD | | | SIZE | TOP | BOTTOM | SIZE | DEPTH SET | PACKER SET | | | | 2 3/8" | 11917' | |
| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | | | 2 3/8" | 11917' | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26. Perforation record (interval, size, and number) 12331'-12333' (18) 12061'-12162' (81) 12004'-12009' (24) 11944'-11946' (12) | | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>12331'-12333'</td> <td>ACDZ W/ 250 GAL CLAY SAFE H</td> </tr> <tr> <td>12061'-12162'</td> <td>ACDZ W/ 1500 GAL CLAY SAFE H</td> </tr> <tr> <td>12004'-12009'</td> <td>ACDZ W/ 250 GAL CLAY SAFE H</td> </tr> </table> | | | | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED | 12331'-12333' | ACDZ W/ 250 GAL CLAY SAFE H | 12061'-12162' | ACDZ W/ 1500 GAL CLAY SAFE H | 12004'-12009' | ACDZ W/ 250 GAL CLAY SAFE H | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12331'-12333' | ACDZ W/ 250 GAL CLAY SAFE H | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12061'-12162' | ACDZ W/ 1500 GAL CLAY SAFE H | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12004'-12009' | ACDZ W/ 250 GAL CLAY SAFE H | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 28. PRODUCTION 11944'-11946' ACDZ W/ 250 GAL CLAY SAFE H | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date First Production <div style="text-align: center;">9/20/06</div> | | Production Method (Flowing, gas lift, pumping - Size and type pump) <div style="text-align: center;">FLOWING</div> | | Well Status (Prod. or Shut-in) <div style="text-align: center;">PRODUCING</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date of Test <div style="text-align: center;">9/22/06</div> | | Hours Tested <div style="text-align: center;">24</div> | | Choke Size | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Flow Tubing Press. | | Casing Pressure | | Calculated 24-Hour Rate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oil - Bbl. <div style="text-align: center;">2</div> | | Gas - MCF <div style="text-align: center;">189</div> | | Water - Bbl. <div style="text-align: center;">8</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oil - Bbl. | | Gas - MCF | | Water - Bbl. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oil Gravity - API - (Corr.) | | 29. Disposition of Gas (Sold, used for fuel, vented, etc.) <div style="text-align: center;">SOLD</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 30. List Attachments <div style="text-align: center;">LOSS, DEVIATION SURVEY</div> | | 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 <div style="text-align: right;">TITO AGUIRRE</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Signature | | Printed Name <div style="text-align: center;">DIANA J. BRIGGS</div> | | Title <div style="text-align: center;">PRODUCTION ANALYST</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E-mail Address <div style="text-align: center;">PRODUCTION@MARBOB.COM</div> | | Date <div style="text-align: center;">10/17/06</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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 | 10957' | T. Kirtland-Fruitland | T. Penn. "C" |
| B. Salt | T. Atoka | 11330' | T. Pictured Cliffs | T. Penn. "D" |
| T. Yates | T. Miss | 2220' | T. Cliff House | T. Leadville |
| T. 7 Rivers | T. Devonian | 2585' | 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 | 4118' | T. Todilto | T. |
| T. Drinkard | T. Bone Springs | 6704' | T. Entrada | T. |
| T. Abo | T. RUSTLER | 458' | T. Wingate | T. |
| T. Wolfcamp | T. MORROW | 12284' | 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 |
|------|----|----------------------|-------------------------|
| | | 8/11/06 | SET CIBP + CMT @ 12300' |
| | | 8/17/06 | SET CIBP + CMT @ 12050' |
| | | 8/22/06 | SET CIBP @ 11985' |