Form 3160-5 (April 2004)

OCD-HOBBS **UNITED STATES** DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007 5. Lease Serial No.

SUNDRY	NOTICES AND REP	ORTS ON W	ELLS	NMNM86710
Do not use th	is form for proposals to ell. Use Form 3160-3 (A	o drill or to re	e-enter an	6. If Indian, Allottee or Tribe Name
SUBMIT IN TRI	PLICATE- Other instr	uctions on rev	erse side.	7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well Oil Well	Gas Well Other			8. Well Name and No.
2. Name of Operator Marbob Ener	rgy Corporation			Bilbrey Federal Com #1 9. API Well No.
3a. Address PO Box 227, Artesia, NM 882	11-0227	3b. Phone No. (incl. 505-748-3303	ude area code)	30-025-27472 10. Field and Pool, or Exploratory Area
4. Location of Well (Footage, Sec., 7	T., R., M., or Survey Description)	!		Bilbrey; Morrow
660 FNL 1980 FWL, Sec. 4-T2	2S-R32E, Unit C			11. County or Parish, State
,	,			Lea Co., NM
12. CHECK AF	PROPRIATE BOX(ES) TO	INDICATE NAT	URE OF NOTICE,	REPORT, OR OTHER DATA
TYPE OF SUBMISSION		Т	YPE OF ACTION	
	Acidize [Deepen	Production (Start/Resume) Water Shut-Off
Notice of Intent	Alter Casing	Fracture Treat	Reclamation	Well Integrity
Subsequent Report	Casing Repair	New Constructio		Other
Final Abandonment Notice	Change Plans	Plug and Abando		
Final Abandonment Notice	Convert to Injection	Plug Back	Water Dispos	al
testing has been completed. Fir determined that the site is ready Marbob Energy Corporati Enclosed please find the W #R-8173.	nal Abandonment Notices shall be for final inspection.) ion requests approval for disposal Inference of the production & Disposal Infe	iled only after all requ	irements, including recla	in in a new interval, a Form 3160-4 shall be filed once amation, have been completed, and the operator has sis and a copy of the state issued permit
14. Thereby certify that the foregoname (Printed/Typed)	going is true and correct			El-TEUE.
Diana J. Briggs		Title	Production Analyst	
Signature	(Anga)	Date		11/3 ^{10/2006} A DDDOV/CD
A COMPANY	THIS SPACE FOR F	EDERAL OR	STATE OFFIC	EUSE T
Approved by			Title	DaDEC 7 2006
Conditions of approval, if any, are at				mar hanne
certify that the applicant holds legal which would entitle the applicant to		the subject lease	Office	WESLEY W. INGRAM
Title 18 U.S.C. Section 1001 and Title States any false, fictitious or fraudule	43 U.S.C. Section 1212, make it a statements or representations a	crime for any person s to any matter within	knowingly and willfull its jurisdiction.	y to make to any department or agency of the United

BILBREY FEDERAL COM #1

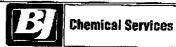
WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1. Names(s) of all formation(s) producing water on the lease.

MORROW .
2. Amount of water produced from all formations in barrels per day. APPROXIMATELY 5 BBLS PER DAY.
APPROXIMATELY 5 BBLS PER DAY .
3. A Current water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates. ANALYSIS ATTACHED
4. How water is stored on the lease.
500 BBL FIBERGLASS TANK
5. How water is moved to the disposal facility. TRUCKED
6. Identify the Disposal Facility by: A. Facility Operator Name RAY WESTALL .
B. Name of facility of well name & number <u>TENNESSEE FEDERAL #1 SWD</u> .
C. Type of facility of well (WDW)(WIW), etc
D. Location by 1/4, 1/4, Section, Township and Range UT 1, SEC. 21-T19S-R31E
7. Attach a copy of the State issued permit for the Disposal Facility. SEE ATTACHED PERMIT #R-8173.
Submit all of the above required information to this office, 414 West Taylor, Hobbs, NN 88240, on a Sundry Notice Form 3160-5, 1 Original and 5 copies, within the required time frame. (This form may be used as an attachment to the Sundry Notice.) Call (505) 393-3612 if you need to further discuss this matter.

Analytical Laboratory Report for:



Marbob Energy

Account Representative: Bill Polk

Production Water Analysis

Listed below please find water analysis report from: Bilbrey Fed. Com, #1

Lab Test No:

2006148262

Sample Date:

11/20/2006

Specific Gravity: 1.035

TDS: pH:

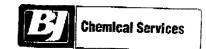
52653 6.53

Cations:	mg/L	as:	
Calcium	1302	(Ca ⁺⁺)	
Magnesium	150	(Mg ⁺⁺)	
Sodium	17826	(Ma [*])	
iron	101.30	(Fe ⁺⁺)	
Potassium	43.0	(K')	
Barium	25.30	(Ba [↔])	
Strontium	214.00	(Sr ⁺)	
Manganese	1.28	(Mn ¹¹)	
Anions:	mg/L	as:	
Bicarbonate	293	(HCO,)	
Sulfate	40	(SO ₄)	
Chloride	32700	(Ci)	
Gases:		(01)	
Carbon Dioxide	5	(CO ₂)	·
Hydrogen Sulfide	0	(H ₂ S)	

Marbob Energy

Lab Test No: 2006148262

DownHole SAT[™] Scale Prediction @ 100 deg. F



Mineral Scale	Saturation Index	Momentary Excess (lbs/1000 bbis)
Calcite (CaCO3) Aragonite (CaCO3) Witherite (BaCO3) Strontianite (SrCO3) Magnesite (MgCO3) Anhydrite (CaSO4) Sypsum (CaSO4*2H2O) Barite (BaSO4) Belestite (SrSO4) Bilica (SiO2) Fucite (Mg(OH)2) Bagnesium silicate Biderite (FeCO3) Balite (NaCI) Con sulfide (FeS)	.925 .784 .00468 .255 .121 .00818 .011 4.61 .0379 0 < 0.001 0 121.69 .0081 < 0.001	00646 0221 -15.18 343 49 -914.59 -829.22 9.18 -183.21 -52.34 -1.05 -120.06 .0919 -179278 -70335 0251

Interpretation of DHSat Results:

The Saturation Index is calculated for each mineral species independently and is a measure of the degree of supersaturation (driving force for precipitation) under the conditions modeled. This value ranges from 0 to infinity with 1.0 representing a condition of equilibrium where scale will neither dissolve nor precipitate. Values less than 1.0 are undersaturated and values greater than 1.0 are supersaturated. The scale is logarithmic, i.e. a Saturation Index of 3 is 10 times more

The Momentary excess is a measure of how much scale would have to precipitate to bring the system back to a non-scaling condition. This value ranges from negative (dissolving) infinity to positive (precipitating) infinity. The Momentary Excess represents the amount of scale possible while the Saturation Level represents the probability that scale will form.