

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 & Natural Resources

Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505

RECEIVED

Form C-104
Revised Feb. 26, 2007

Submit to Appropriate District Office
5 Copies

HOBBS OGD

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Marbob Energy Corporation PO Box 227 Artesia, NM 88211-0227		² OGRID Number 14049
		³ Reason for Filing Code/ Effective Date RC Effective 6/27/08 (SWD)
⁴ API Number 30 - 025-38442 ✓	⁵ Pool Name SWD; Bone Spring	⁶ Pool Code 96095 ✓
⁷ Property Code 36031 ✓	⁸ Property Name Curly Federal	⁹ Well Number 2

II. ¹⁰ Surface Location

Ul or lot no. I	Section 34	Township 17S	Range 32E	Lot Idn	Feet from the 1650	North/South Line South	Feet from the 330	East/West line East	County Lea ✓
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¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Lse Code F ✓	¹³ Producing Method Code SWD	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

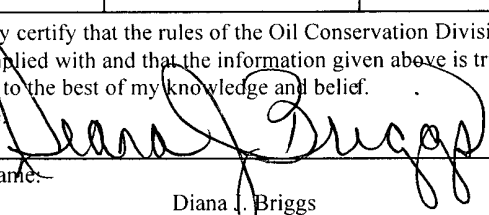
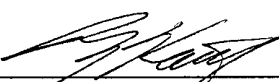
III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
	Non-well Prod # 2836973	

IV. Well Completion Data

²¹ Spud Date 8/5/07	²² Ready Date 6/27/08	²³ TD 9630'	²⁴ PBDT 9518'	²⁵ Perforations 8572' - 9509'	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
17 1/2"	13 3/8"	395'	475 sx		
12 1/4"	9 5/8"	2608'	1000 sx		
7 7/8"	5 1/2"	9597'	1200 sx		
	2 7/8"	8483'			

V. Well Test Data

³¹ Date New Oil	³² Gas Delivery Date	³³ Test Date	³⁴ Test Length	³⁵ Tbg. Pressure	³⁶ Csg. Pressure
³⁷ Choke Size	³⁸ Oil	³⁹ Water	⁴⁰ Gas		⁴¹ Test Method
⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: 			OIL CONSERVATION DIVISION		
Printed name: Diana J. Briggs			Approved by: 		
Title: Production Analyst			Title: PETROLEUM ENGINEER		
E-mail Address: production@marbob.com			Approval Date: AUG 20 2008		
Date: 8/1/08		Phone: (575) 748-3303			

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order SWD-1128
June 2, 2008

APPLICATION OF MARBOB ENERGY CORP FOR PRODUCED WATER DISPOSAL, LEA COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Marbob Energy Corp (OGRID 14049) made application to the New Mexico Oil Conservation Division for permission to utilize for produced water disposal its Curly Federal Well No. 2 (API No. 30-025-38442) located 1650 feet from the South line and 330 feet from the East line of Section 34, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met;
- (4) No objections have been received within the waiting period prescribed by said rule; and
- (5) The operator is in compliance with the Division's Rule 40.

IT IS THEREFORE ORDERED THAT:

Marbob Energy Corp is hereby authorized to utilize its Curly Federal Well No. 2 (API No. 30-025-38442) located 1650 feet from the South line and 330 feet from the East line of Section 34, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of produced water for disposal



purposes into the Bone Spring formation through perforations from 8572 feet to 9510 feet and through plastic-lined tubing set with a packer located within 100 feet of the top of the injection interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

If the well is perforated below 9,203 feet, the operator shall swab test those perforations (attempt to swab down and obtain oil cut) prior to injection and report those results to the Division by sundry form.

After installing injection tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 1,714 psi**. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.


The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall provide written notice of the date of commencement of injection to the Hobbs district office of the Division.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator received by the Division prior to the termination date, may grant an extension thereof for good cause shown.


MARK E. FESMIRE, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Hobbs
Bureau of Land Management - Carlsbad