

Form C-105 Revised June 10, 2003

State of New Mexico Energy, Minerals and Natural Resources Conservation Division

1625 N French Dr, Hobbs, NM 88240

1301 W Grand Avenue, Artesia, NM 88210

1000 Rio Brazos Rd, Aztec, NM 87400

1220 S St Francis Dr, Santa Fe, NM 87505

WELL API NO. 30-025-38827

5. Indicate Type of Lease STATE [X] FEE []

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL [] GAS WELL [X] DRY [] OTHER []

b. Type of Completion: NEW [X] WORK [] DEEPEN [] PLUG [] DIFF. WELL OVER BACK RESVR [] OTHER []

2. Name of Operator MARBOB ENERGY CORPORATION

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

4. Well Location Unit Letter K 1980 Feet From The SOUTH Line and 1980 Feet From The WEST Line Section 32 Township 19S Range 32E NMPM LEA County

10 Date Spudded 5/16/08 11. Date T.D. Reached 6/21/08 12. Date Compl. (Ready to Prod.) 8/20/08 13 Elevations (DF& RKB, RT, GR, etc) 3533' GR 14. Elev. Casinghead

15 Total Depth 12945' 16. Plug Back T D 12235' 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By 1900 SX (TOC@ 3460' TS) Cable Tools 0-12945'

19. Producing Interval(s), of this completion - Top, Bottom, Name 11892-11920' ATOKA 20. Was Directional Survey Made NO

21. Type Electric and Other Logs Run DSN, DLL 22. Was Well Cored NO

23. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB /FT | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|---------------|-----------|-----------|-------------------------|---------------|
| 13 3/8" | 54.5# | 876' | 17 1/2" | 800 SX | NONE |
| 9 5/8" | 36# & 40# | 4011' | 12 1/4" | 2100 SX | NONE |
| 5 1/2" | 17# | 12945' | 7 7/8" | 1900 SX (TOC@ 3460' TS) | NONE |

24. LINER RECORD 25. TUBING RECORD

| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | SIZE | DEPTH SET | PACKER SET |
|------|-----|--------|--------------|--------|--------|-----------|------------|
| | | | | | 2 3/8" | 11820' | 11810' |

26. Perforation record (interval, size, and number)

12573-12606' (35) - CBP + 10' CMT @ 12550'

12309-12481' (42) - CIBP + 35' CMT @ 12270'

11892-11920' (48)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

| DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED |
|----------------|--|
| 12573-12606' | ACDZ W/1000 GAL NEFE 7 1/2% HCL MORROW; FRAC W/358 BBLS FLUID & 16K# VERSAPROP |
| 12309-12481' | ACDZ W/4000 GAL 7 1/2% HCL |
| 11892-11920' | ACDZ W/1500 GAL 7 1/2% HCL; FRAC W/278 BBLS FLUID & 7631# PROPPANT |

28. PRODUCTION

| Date First Production | Production Method (Flowing, gas lift, pumping - Size and type pump) | Well Status (Prod. or Shut-in) |
|-----------------------|---|--------------------------------|
| 8/30/08 | FLOWING | PRODUCING |

| Date of Test | Hours Tested | Choke Size | Prod'n For Test Period | Oil - Bbl | Gas - MCF | Water - Bbl. | Gas - Oil Ratio |
|--------------|--------------|------------|------------------------|-----------|-----------|--------------|-----------------|
| 8/31/08 | 24 | | | 138 | 437 | 0 | |

| Flow Tubing Press | Casing Pressure | Calculated 24-Hour Rate | Oil - Bbl. | Gas - MCF | Water - Bbl. | Oil Gravity - API - (Corr.) |
|-------------------|-----------------|-------------------------|------------|-----------|--------------|-----------------------------|
| | | | | | | |

29 Disposition of Gas (Sold, used for fuel, vented, etc.) SOLD Test Witnessed By TITO AGUIRRE

30. List Attachments LOGS, DEVIATION REPORT

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

Signature [Signature] Printed Name: STORMI DAVIS Title: PRODUCTION ASSISTANT Date 9/4/08

E-mail Address: SDAVIS@MARBOB.COM

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 999' | T. Strawn 11218' | T. Kirtland-Fruitland | T. Penn. "C" |
| B. Salt 2322' | T. Atoka 11626' | T. Pictured Cliffs | T. Penn. "D" |
| T. Yates 2382' | T. Miss | T. Cliff House | T. Leadville |
| T. 7 Rivers 2739' | T. Devonian | 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 4604' | T. Todilto | T. |
| T. Drinkard | T. Bone Spring 7300' | T. Entrada | T. |
| T. Abo | T. Rustler 867' | T. Wingate | T. |
| T. Wolfcamp 10502' | T. Capitan 2873' | T. Chinle | T. |
| T. Penn | T. Morrow 12281' | T. Permian | T. |
| T. Cisco (Bough C) | T. Yeso | 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 |
|------|----|----------------------|-----------|
| | | | |

| From | To | Thickness In Feet | Lithology |
|------|----|----------------------|-----------|
| | | | |

REFERENCE SHEET FOR
UNDESIGNATED WELLS

| | Fm | Pm | N | Pc |
|---------|----|----|---|----|
| 17-21 W | XX | XX | | XX |
| | | | | |
| | | | | |
| | | | | |

paragraph

| | |
|--|--|
| 1. Date: | 9/19/2008 |
| 2. Type of Well: | |
| Oil: | Gas: XX |
| 3. County: LEA | |

| | | |
|---|---|------------------|
| 4 | Operator | API NUMBER |
| | MARBOB ENERGY CORP | 30 - 025 - 38827 |
| 5 | Address of Operator | |
| | PO BOX 227 ARTESIA NM 88211-0227 | |
| 6 | Lease name or Unit Agreement Name | Well Number |
| | MAGNUM PRONTO STATE COM | # - 2 |
| 8 | Well Location | |
| | Unit Letter: <u>K</u> <u>1980</u> feet from the <u>S</u> line and <u>1980</u> feet from the <u>W</u> line | |
| | Section <u>32</u> Township <u>19S</u> Range <u>32E</u> | |

| | | | | |
|-----------------------------------|--------------------------|--------|--------|-------|
| 9 Completion Date | 11 Perfs | Top | Bottom | TD |
| 8/20/2008 | | 11892 | 11920 | 12945 |
| 10 Name of Producing Formation(s) | 12 Open Hole Casing shoe | Bottom | PBTD | |
| ATOKA | | | 12235 | |

| | | | | |
|---|------|----|---|-------------|
| 13 C-123 Filed | Date | 15 | Name of Pool Requested or temporary Wildcat designation | Pool ID num |
| Y N XX | | | LUSK;ATOKA, SOUTHEAST (GAS) | 96326 |
| 16 Remarks | | | | |
| EXTEND | | | | |

| | | |
|---|-----------------------------|-------------|
| TO BE COMPLETED BY DISTRICT GEOLOGIST | | |
| 17 Action taken | 18 Pool Name | Pool ID num |
| EXTEND | LUSK;ATOKA, SOUTHEAST (GAS) | 96326 |
| <p style="text-align: center;">T 19 S, R 32 E</p> <p style="text-align: center;">SEC 32: NE/4 and S/2</p> | | |

| | |
|--|--------------------|
| 19 Advertised for HEARING | 20 Case Number |
| | |
| 21 Name of pool for which was advertised | Pool ID num |
| LUSK;ATOKA, SOUTHEAST (GAS) | 96326 |
| 22 Placed in Pool | 23 By order number |
| | R- |