

marbob
energy corporation

March 22, 2007

Bold Energy LP
415 W. Wall, Suite 500
Midland, TX 79701

30-025-30909

Re: Application to Inject
Buffalo 34 Federal #1
Township 18 South, Range 33 East, NMPM
Section 34: 1980 FSL 660 FWL
Lea County, New Mexico

Gentlemen:

Enclosed for your review is a copy of Marbob Energy Corporation's application to convert the referenced well into a saltwater disposal well. As a requirement of the New Mexico Oil Conservation Division, we are notifying you because you have been identified as an operator or surface owner. Any objections must be submitted in writing to NMOCD, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505. Objections must be received within fifteen (15) days of receipt of this letter. If you have no objections to our application, please indicate below and return one copy of this letter to our office.

Please do not hesitate to contact us should you have any questions.

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

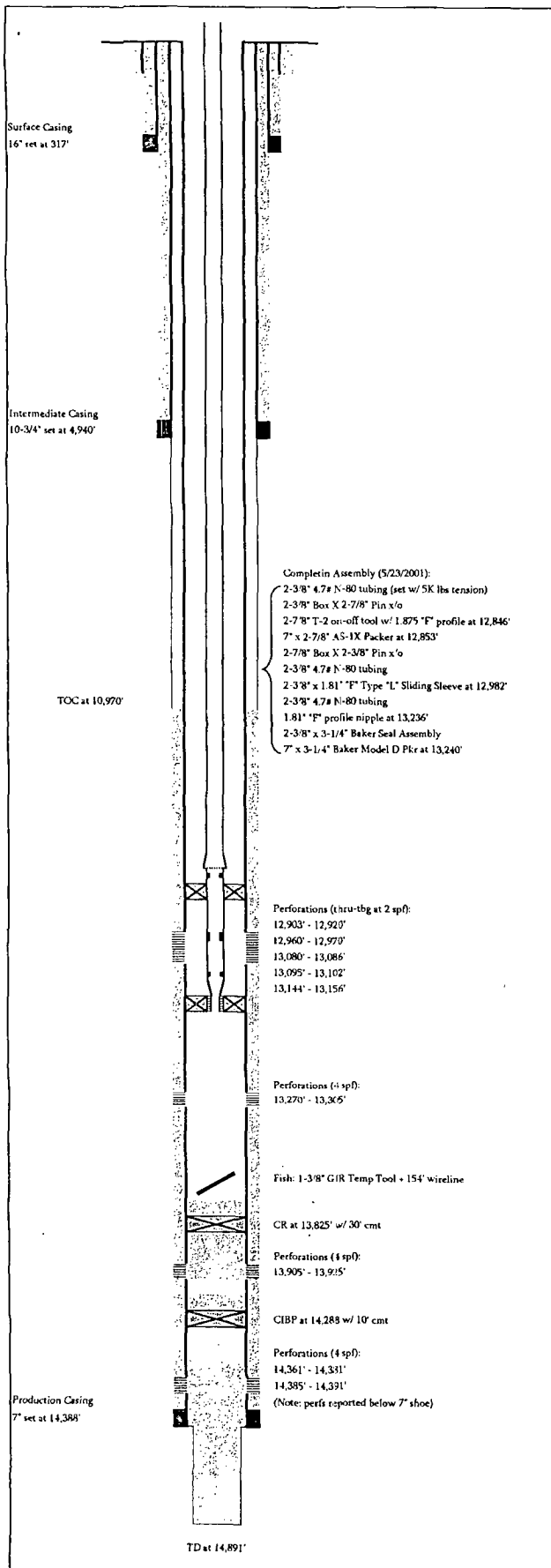
Not Done

Bold Energy, LP has no objection to the proposed disposal well:

By: _____

Title: _____

Date: _____



BOLD ENERGY, LP

Buffalo Federal Unit #4

W/L 75.0%
 Elevation: 3,725' (GL)
 KB: 17'
 Mesa TD: 14,891'
 TVD: 14,891'
 PBD: 13,795' (CR w/cmt)
 Zone: Penn

NRI: 62.9%
 APL: 30-025-01661
 Surface Location: 1980' FNL & 660' FEL
 Legal Description: Section 4 - T19S - R33E
 Field: Buffalo - Penn
 County: Les County
 State: New Mexico

Casing	Hole	Weight	Grade	Top	Bottom	Burst	80% Burst	TOC
16"	20"			0'	317'			Surface (circ)
10-3/4"	13-3/4"	40.5 / 45.5 / 51#	J-55 / N-80	0'	4,940'	3,130	2,504	Surface (circ)
7"	8-3/4"	23 / 26 / 29#	N-80 / S-95	0'	14,338'	6,340	5,072	10,970'
OH	6"			14,338'	14,891'			

Date Event
 9/2/1957 Spud
 3/21/1958 TD'd well

Successful DST's:
 12,896' - 12,905' GTS in 55 min flowing 6 mscfd. Rec 1,500' GC WB + 40' GCM.
 13,075' - 13,180' GTS in 38 min flowing 457 mscfd. Rec 1,500' GC WB + 30' GCM.
 13,460' - 13,530' Slight blow only and died. Rec 1,500' WB + 90' Mud. No Show.
 13,908' - 13,956' GTS in 16 min flowing 1,290 mscfd. Rec 22 bbls distillate + 17 bbls SW.
 14,361' - 14,391' GTS in 4 hrs flowing 1.5 mscfd. Rec 608 ft of wtr. No oil show.
 14,399' - 14,477' String blow dying in 2 hours. Rec 100 ft of wtr. No oil show.
 14,650' - 14,880' Weak blow. Rec mud and 100' sulphur water.

3/24/1958 Perforated 14,361' - 14,381' w/ 4 spf. Acidize w/ 1,000 gallons. No show of oil or gas.
 3/28/1958 Perforated 14,385' - 14,391'. Acidized w/ 2,000 gallons 15% HCL.
 3/31/1958 Reduced to 6" at 14,399' and drilled to new TD at 14,891'.
 4/10/1958 Spotted CMT in hole and set CIBP at 14,288' w/ 10' cmt cap. Perforated 13,905' - 13,925' w/ 4 spf.
 Perforated 13,905' - 13,925' w/ 4 spf.
 4/14/1958 Sp'd perf 13,905' - 13,925' w/ approximately 44 ex into formation. Left 30' above retainer.
 Perforated 13,270' - 13,305' w/ 4 spf. Well kicked off.
 Well flowed 4.5 mmscfd on 40/64" ck at 760 psi FTP.
 4/29/1958 Pumped 500 gal MCA down tubing.
 5/5/1958 Well completed. CAOF = 7.3 mmscfd. 24 hr flow test = 480 bc/d + 0 bw/d + 6.3 mmscfd.
 GOR at 81 bbls per million (54 deg API distillate). Gas SG estimated at 0.70.
 8/11/1961 Circulated mud from casing and set Baker Model "D" pkr at 13,240'. Acidized perf 13,270' - 13,305' w/ 1,000 gals MCA. Prior to treatment well dead. After treatment flowed 1.12 mmscfd + 22 bc/d.
 7/12/1962 Acidized perf 13,280' - 13,305' w/ 2,000 gals MCA. Dead prior to acidizing. Flowed 640 mscfd on 48/64" ck after.
 8/21/1972 Changed out 2-7/8" tbg for 2-3/8" tbg and placed well on intermittent.
 Flow rate before = 134 mscfd + 1 bc/d. Flow rate after = 227 mscfd + 7.5 bc/d.
 11/7/1983 Recompletion. POOH w/ tbg and SN. RIH w/ tbg & pkr w/tail pipe. Set pkr at 12,695' w/ EOT at 12,790'.
 Perforate w/ thru-tbg guns at 2 spf.
 12,903' - 12,920'
 12,960' - 12,970'
 13,080' - 13,086'
 13,095' - 13,102'
 13,144' - 13,156'
 Acidized perf w/ 5,000 gals 7-12% MSR acid and flush w/ 69 bbls wtr. Swab back 189 bbls load.
 Turn to sales producing 370 mscfd + 30 BC/PD + 12 BW/PD at 700 psi FTP.
 5/23/2001 Ran current completion assembly as shown on diagram.

Completion Assembly (5/23/2001):
 2-3/8" 4.7# N-80 tubing (set w/ 5K lbs tension)
 2-3/8" Box X 2-7/8" Pin x/o
 2-7/8" T-2 on-off tool w/ 1.875" "F" profile at 12,846'
 7" x 2-7/8" AS-1X Packer at 12,853'
 2-7/8" Box X 2-3/8" Pin x/o
 2-3/8" 4.7# N-80 tubing
 2-3/8" x 1.81" "F" Type "L" Sliding Sleeve at 12,982'
 2-3/8" 4.7# N-80 tubing
 1.81" "F" profile nipple at 13,236'
 2-3/8" x 3-1/4" Baker Seal Assembly
 7" x 3-1/4" Baker Model D Pkr at 13,240'

Perforations (thru-tbg at 2 spf):
 12,903' - 12,920'
 12,960' - 12,970'
 13,080' - 13,086'
 13,095' - 13,102'
 13,144' - 13,156'

Perforations (4 spf):
 13,270' - 13,305'

Fish: 1-3/8" G/R Temp Tool + 154' wireline

CR at 13,825' w/ 30' cmt

Perforations (4 spf):
 13,905' - 13,925'

CIBP at 14,288' w/ 10' cmt

Perforations (4 spf):
 14,361' - 14,381'
 14,385' - 14,391'
 (Note: perf reported below 7" shoe)

TD at 14,891'

Marbob Energy Corporation

C-108 Application for Authorization to Inject
SWD 34-18-33
L-34-18S-33E
Lea County, NM

Outline: Marbob Energy Corporation proposes to reenter the Buffalo 34 Federal No. 1 (30-025-30909), clean out the 9 5/8" casing and open hole to the original TD 7500', run 5 1/2" casing, cement the casing from 7500' to 1250' (275' overlap into 9 5/8") and complete the well as a Delaware Sand SWD well from 6220' to 7400'. We propose to call the well the "SWD 34-18-33".

- V. Map is attached.
- VI. No wells within the 1/2 mile radius area of review penetrate the proposed injection zone.
- VII.
 - 1. Proposed average daily injection rate = 1000 BWPD
Proposed maximum daily injection rate = 5000 BWPD
 - 2. Closed system
 - 3. Proposed maximum injection pressure = 1244 psi
(0.2 psi/ft. x 6220 ft.)
 - 4. Source of injected water will be Delaware, Bone Spring and Atoka produced water. Water analyses are attached. No compatibility problems are expected.
 - 5. Disposal zone formation water is essentially the same as the Delaware injection water. A water analysis is attached.
- VIII. The injection zone is the Delaware Sandstone, a fine grained sandstone from 6220' to 7400'. Any underground water sources will be shallower than 1525'.
- IX. Delaware sand injection interval will be acidized with of 7 1/2% HCl acid. If necessary, the Delaware injection interval may be fraced with up to 250,000 lbs of 20/40 mesh sand.
- X. Well logs have been filed with the Division.
- XI. There are no fresh water wells within one mile of the proposed SWD.
- XII. After examining the available geologic and engineering data, no evidence was found of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Proof of Notice is attached.

INJECTION WELL DATA SHEET

OPERATOR: Marbob Energy CorpWELL NAME & NUMBER: SWD 34-18-33 (Formerly Buffalo 34 Federal No. 1)WELL LOCATION: 1980' FSL 660' FWL L 34 185 33e
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGEWELLBORE SCHEMATICWELL CONSTRUCTION DATASurface CasingHole Size: 13 1/2" Casing Size: 9 5/8" e 1525'
Cemented with: 1270 sx. or - ft³
Top of Cement: Surface Method Determined: Circulated

See Attached

Well Bore Schematics

Intermediate CasingHole Size: _____ Casing Size: _____
Cemented with: _____ sx. or _____ ft³
Top of Cement: _____ Method Determined: _____Production CasingHole Size: 7 7/8" Casing Size: Proposed 5 1/2" e 7500'
Cemented with: - sx. or 4000 ft³
Top of Cement: 1250' ± Method Determined: Design TAC
Total Depth: 7500'Injection Interval6220' feet to 7400'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: Plastic or Duoline 20
 Type of Packer: Nickel plated or stainless steel 10K retrievable double grip
 Packer Setting Depth: ± 6175'
 Other Type of Tubing/Casing Seal (if applicable): —

Additional Data

1. Is this a new well drilled for injection? Yes — No X
 If no, for what purpose was the well originally drilled? Oil and gas
2. Name of the Injection Formation: Delaware Sand
3. Name of Field or Pool (if applicable): Buffalo
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No — well originally D&A @ 7500' June '90
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
Underlying: Bone Spring 8300'±, Atocha 1300'±, Marrow 13300'±
Overlying: Delaware 5600'±, Penrose 4700'±, Queen 4400'±
Yates ± 3500'

Buffalo 34 Fed. 1
 1980' FSL, 660' FWL
 L- 34- 185- 33e
 Lea NM
 30-025- 30909

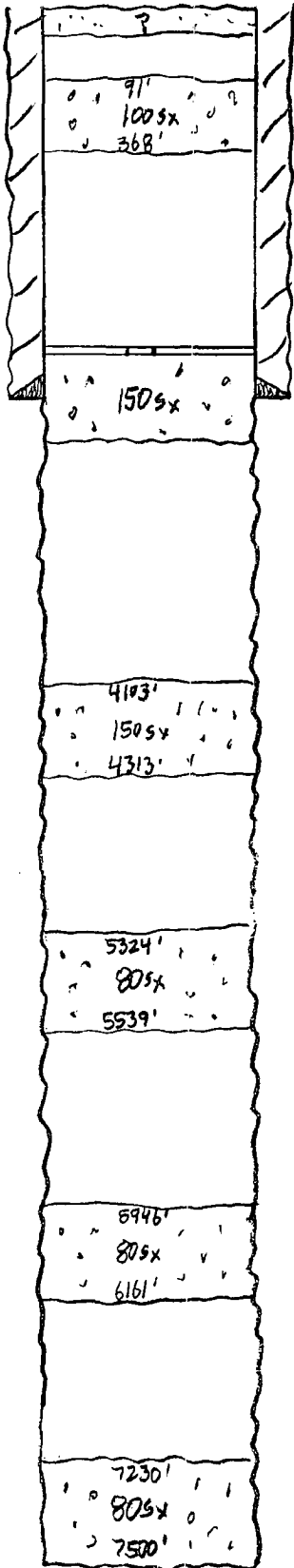
50 SHEETS 5" EASE 5 SQUARE
 42-381 100 SHEETS 5" EASE 5 SQUARE
 42-382 200 SHEETS 5" EASE 5 SQUARE
 42-383 100 SHEETS 5" EASE 5 SQUARE
 42-384 200 SHEETS 5" EASE 5 SQUARE
 42-385 100 RECYCLED WHITE 5 SQUARE
 42-386 200 RECYCLED WHITE 5 SQUARE
 Made in U.S.A.



13 1/2"

Rtnr 1419'

7 1/8"



7 5/8" / 36 e 1525'
 1270" C" (circ)

Before

30-025-30909

13-782	500 SHEETS, FILLER	5 SQUARE
12-381	50 SHEETS EYE-EASE®	5 SQUARE
12-382	100 SHEETS EYE-EASE®	5 SQUARE
12-389	200 SHEETS EYE-EASE®	5 SQUARE
12-392	100 RECYCLED WHITE	5 SQUARE
12-399	200 RECYCLED WHITE	5 SQUARE



Design TDC 1250

7 5/8" / 36 e 1525'
1270" C" (circ)

 $7\frac{7}{8}''$

27/8" Inj. Tbg

Inj. Pkr. $\pm 6175'$
6220'

7400'

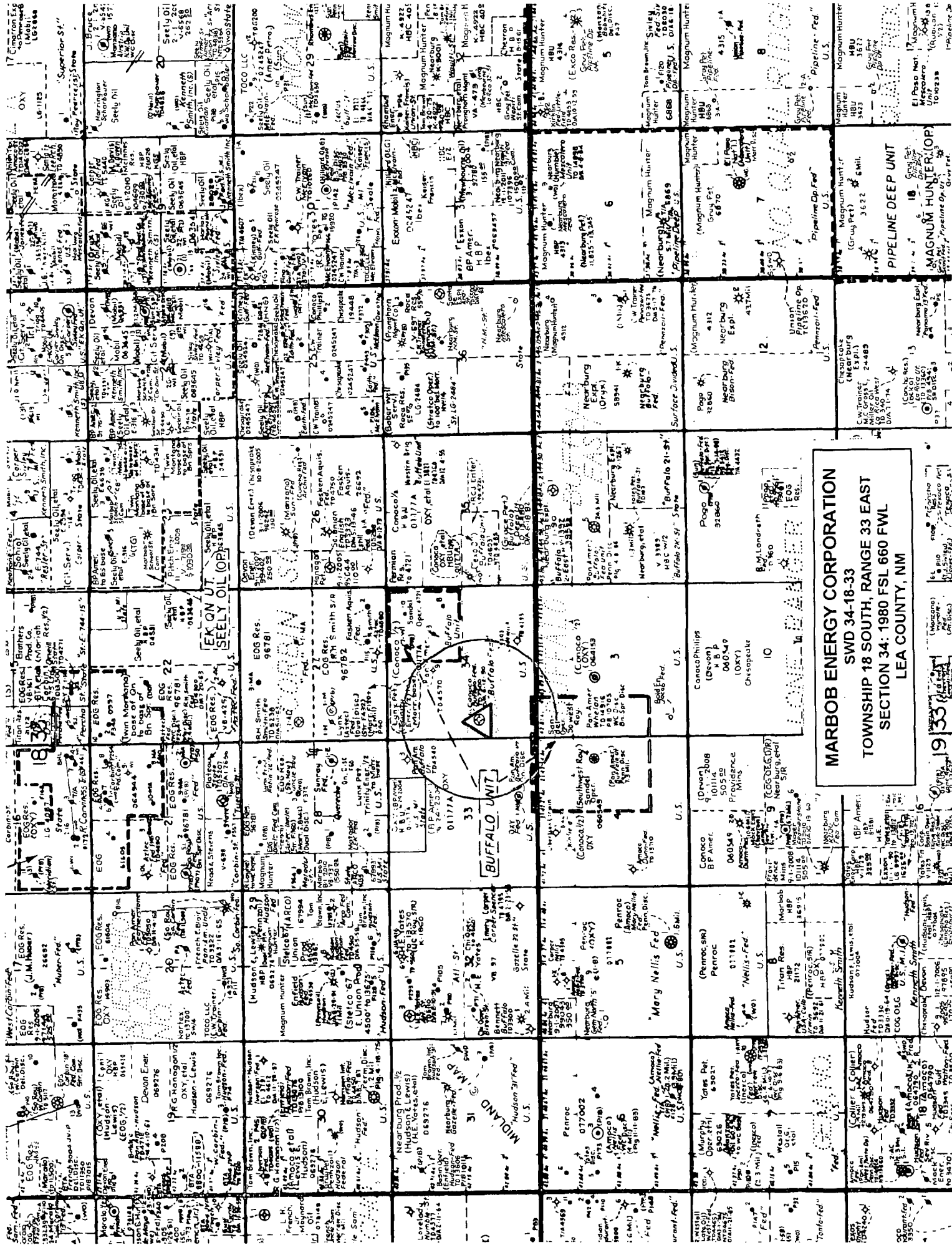
5 1/2" / 17 / J55 / LTC @ 7500' ±

7500'

Cement with 4000 CF slurry to bring TAC inside $9\frac{5}{8}$ "

Delaware Sd.

After



MARBOB ENERGY CORPORATION

SWD 34-18-33

TOWNSHIP 18 SOUTH, RANGE 33 EAST

SECTION 34: 1980 FSL 660 FWL

LEA COUNTY, NM

1933

Injection Permit Checklist 2/8/07

SWD Order Number 1348 Dates: Division Approved _____ District Approved _____

Well Name/Num: SWD 34-18-33 #1 Date Spudded: 6-90

API Num: (30-) 025-30909 County: Lea

Footages 1980 FSL/660 FWL Sec 34 Tsp 18S Rge 33E

Operator Name: Marbled Energy Corp. Contact Brian Collins

Operator Address: P.O. Box 227 ARTESIA, NM 88211-0227

Current Status of Well: DEA Planned Work: Clean out / Run 5 1/2" CMT Inj. Tubing Size: 2 1/8

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	13 1/2 9 5/8	1525	1270	CIRCed
Intermediate				
Production	7 7/8 5 1/2	7500'	(4700 CF.)	~ 1250' Design
Last DV Tool				
Open Hole/Liner	(old hole was also @ 7500')			
Plug Back Depth				

Diagrams Included (Y/N): Before Conversion ☒ After Conversion ☒

Checks (Y/N): Well File Reviewed ☒ ELogs in Imaging ☒

Intervals:	Depths	Formation	Producing (Yes/No)
Sal/Potash	1570' - ?		
Capitan Reef	North of the Reef		
Chin House Fm			
Formation Above	5600'	Dal	
Top Inj Interval	1220	Dal	
Bottom Inj Interval	7400'	Dal	
Formation Below	8300'	B.S.	

Fresh Water: Depths: _____ Wells (Y/N) No Analysis Included (Y/N) ☒ Affirmative Statement ☒

Salt Water Analysis: Injection Zone (Y/N/NA) DEA DisPWaters (Y/N/NA) Y Types: DEL/BS/ATOKA

Notice: Newspaper (Y/N) ☒ Surface Owner BLM Mineral Owner(s) ☒

Other Affected Parties: RCT, BOLD, SORREL, SWROY, COP, OXY, AER, DEVON

AOR/Repairs: NumActiveWells 0 Repairs? --- Producing in Injection Interval in AOR ☒

AOR Num of P&A Wells 0 Repairs? --- Diagrams Included? ---

RBDMS Updated (Y/N) ☒

Well Table Adequate (Y/N) ☒ AOR STRs: Sec _____ Tsp _____ Rge _____

UIC Form Completed (Y/N) Y 4/1/07

New AOR Table Filename _____ Sec _____ Tsp _____ Rge _____

This Form completed 4/1/07

Conditions of Approval: Sec _____ Tsp _____ Rge _____

Data Request Sent 4/1/07

members of DEL?

Get Newspaper notice

May have trouble CMTY into STATE

AOR Required Work: _____

Required Work to this Well: _____

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, April 11, 2007 6:01 PM
To: Brian Collins (engineering@marbob.com)
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD
Subject: SWD Application: SWD 34-18-33 #1 API No. 30-025-30909 (was the Buffalo 34 Fed #1)

Hello Brian Collins:

We received your application on behalf of Marbob to inject into the Delaware in this plugged well from 6220 to 7400 feet and have a couple questions and comments:

- 1) Send a copy of the notice as actually posted in the Newspaper.
- 2) Please have your geologist send tops of the members of the Delaware. The tops on the imaged log were different than tops on the application and this is north of the Reef area.
- 3) To cement casing from 7500 feet to 1270 feet over the San Andres and the Salt intervals may be unpredictable without the use of a DV tool?

Overall the application looks fine. Please reply as soon as possible and I can release this - probably on April 22.

Thank You,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

Conceded
4/17/07

4/11/2007

BOLD ENERGY, LP 1 30
415 W. WALL, SUITE 500
MIDLAND, TEXAS 79701

MAIN: 432-686-1100
FAX: 432-686-1104

April 9, 2007

NMOCD
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505 ✓

Marbob Energy Corporation
Attn: Bryan Collins
P.O. Box 227
Artesia, New Mexico 88211-0227

RE: Application to Inject
Buffalo 34 Federal # 1
T18S, R33E, NMPM
Sec. 34, 1980' FSL & 660' FWL
Lea County, NM

Gentlemen:

Bold Energy objects to the request of Marbob to convert the referenced well into a saltwater disposal well. Bold Energy, LP is operator of the offset well, Buffalo Federal Unit #4, which is currently producing. We have attached, a well diagram showing that Bold does not have cement covering the proposed disposal depth and as a result believe that injection into this interval may compromise the integrity of this wellbore.

If you have any questions, please call at the number given above.

Sincerely,



Peggy Kerr-Worthington
Land Manager

CC: Shannon Klier