

DATE IN 1/16/09	SUSPENSE	ENGINEER W. Jones	LOGGED IN 1/16/09	TYPE PC	APP NO. PKA0901658335
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



30-015-29058
Foster Eddy 013
MARBOB Energy
14049

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office **SEE ATTACHED FORM DMS 1004-0137**
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

RECEIVED
 2009 JAN 16 PM 2 55

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

William F. Carr _____ 1/16/09
 Print or Type Name Signature Title Date

 wccarr@hollandhart.com
 e-mail Address



RECEIVED

JAN 16 2009

HOLLAND & HART LLP

January 14, 2009

Oil Conservation Division
1220 St. Francis Drive
Santa Fe, New Mexico 87504

Attention: Mr. Mark Fesmire

RE: Surface Commingling
Administrative Approval Request
Foster Eddy Fed. #13
1295' FNL 1650' FWL
Section 17, T-17S R-30E
Eddy County, New Mexico

Dear Mr. Fesmire:

Marbob Energy Corporation requests approval for the Foster Eddy Fed. #13 Surface Commingling.
Enclosed is the application.

Thank you for your help in this matter..

Sincerely,
Raye Miller
Raye Miller
Land Department

RM/wm
Attachment

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Marbob Energy Corporation
OPERATOR ADDRESS: P.O. Box 227 Artesia, NM 88211-0227
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Grayburg Jackson 7R-Q-GB-SA	35.1	37.117	Same	22.1%
Cedar Lake Yeso	37.9		Same	77.9%
Current Battery			Same	
Resulting Battery after commingling		37.28	Same	21.1% Grayburg Jackson 7R-Q-GB-SA 78.9% Cedar Lake Yeso

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify) Well Test
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Raye Miller TITLE: Attorney-in fact DATE: 1/14/09
TYPE OR PRINT NAME: Raye Miller TELEPHONE NO.: 575 748 3303
E-MAIL ADDRESS: marbob@marbob.com

AUG 3 1 1989

Submit to Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

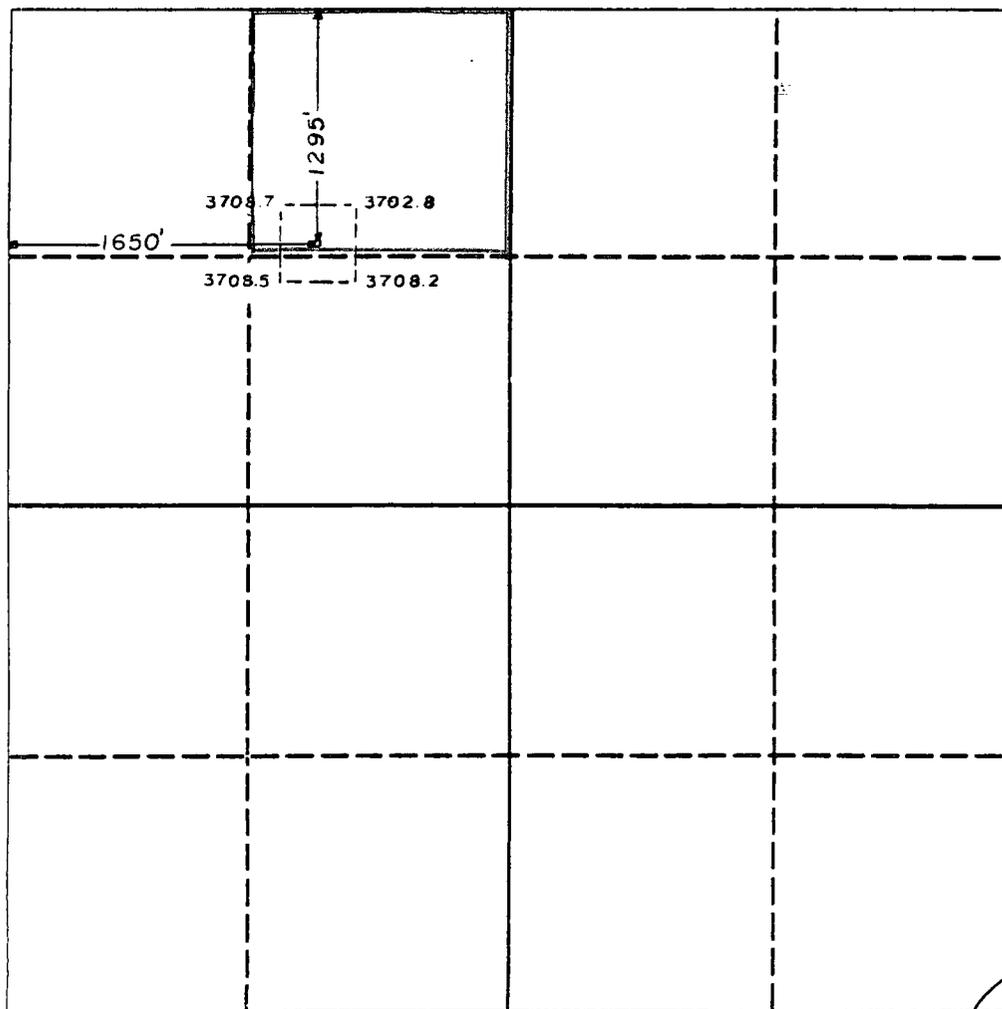
All Distances must be from the outer boundaries of the section

Operator Ogrid #14049 Marbob Energy Company			Lease Foster Eddy Prop # 6514		Well No. 13
Unit Letter C	Section 17	Township 17 South	Range 31 East	County Eddy	

Actual Footage Location of Well: Unit Letter C
1650 feet from the West line and 1295 feet from the North line

Ground level Elev. 3705.1	Producing Formation San Andres	Pool Pool #28509 Grbg Jackson SR Q Grbg SA	Dedicated Acreage: 40 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
 Yes No If answer is "yes" type of consolidation _____
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

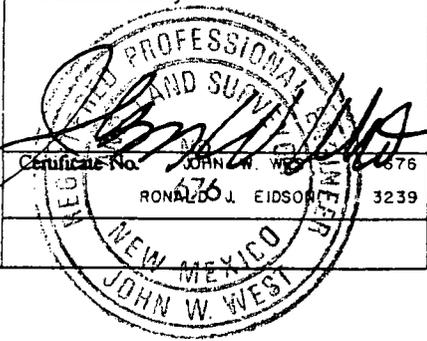
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Rhonda Nelson*
 Printed Name: Rhonda Nelson
 Position: Production Clerk
 Company: Marbob Energy Corporation
 Date: 6/10/96

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: August 29, 1989
 Signature & Seal of Professional Surveyor





January 14, 2009

Oil Conservation Division
1220 St. Francis Drive
Santa Fe, New Mexico 87504

Attention: Mr. Mark Fesmire

RE: Surface Commingling
Administrative Approval Request
Foster Eddy Fed. #13
1295' FNL 1650' FWL
Section 17, T-17S R-30E
Eddy County, New Mexico

Dear Mr. Fesmire:

The owners in the proposed Foster Eddy Fed #13 Surface Commingling are identical percentages in working interest owners, royalty owners and overriding royalty owners ownership. I have reviewed the Division Order Title Opinion dated May 6, 2002 No. 7140 and I certify that all owners in the perforated and producing formations are identical for the Cedar Lake Yeso pool and the Grayburg Jackson 7R-Q-GB-SA pool for the Marbob Energy Corporation Foster Eddy wells which are involved in this application.

Thank you for your help in this matter.

Sincerely,
Ray Miller
Ray Miller
Land Department

RM/wm

Lease Name**Lease No.**

Foster Eddy Federal

NMLC-049998 (A)

Well Name**Legal Description****API**Foster Eddy Federal #13
3001529058

1295' FNL 1650' FWL, Unit C Sec. 17 T17S R31E

Current Battery Location

1980' FSL 1980' FEL Sec. 17 T17S R31E

Current Wells Producing on Foster Eddy LeaseFoster Eddy Federal #2
3001505196

1980' FSL 1980' FEL, Unit J Sec. 17 T17S R31E

Foster Eddy Federal #3
3001505197

1980' FNL 1980' FWL, Unit F Sec. 17 T17S R31E

Foster Eddy Federal #5
3001505199

660' FNL 1980' FEL, Unit B Sec. 17 T17S R31E

Foster Eddy Federal #6
3001525981

990' FNL 2310' FWL, Unit C Sec. 17 T17S R31E

Foster Eddy Federal #7
3001526230

330' FNL 1650' FEL, Unit B Sec. 17 T17S R31E

Foster Eddy Federal #8
3001526187

330' FNL 1650' FWL, Unit C Sec. 17 T17S R31E

Foster Eddy Federal #9
3001526273

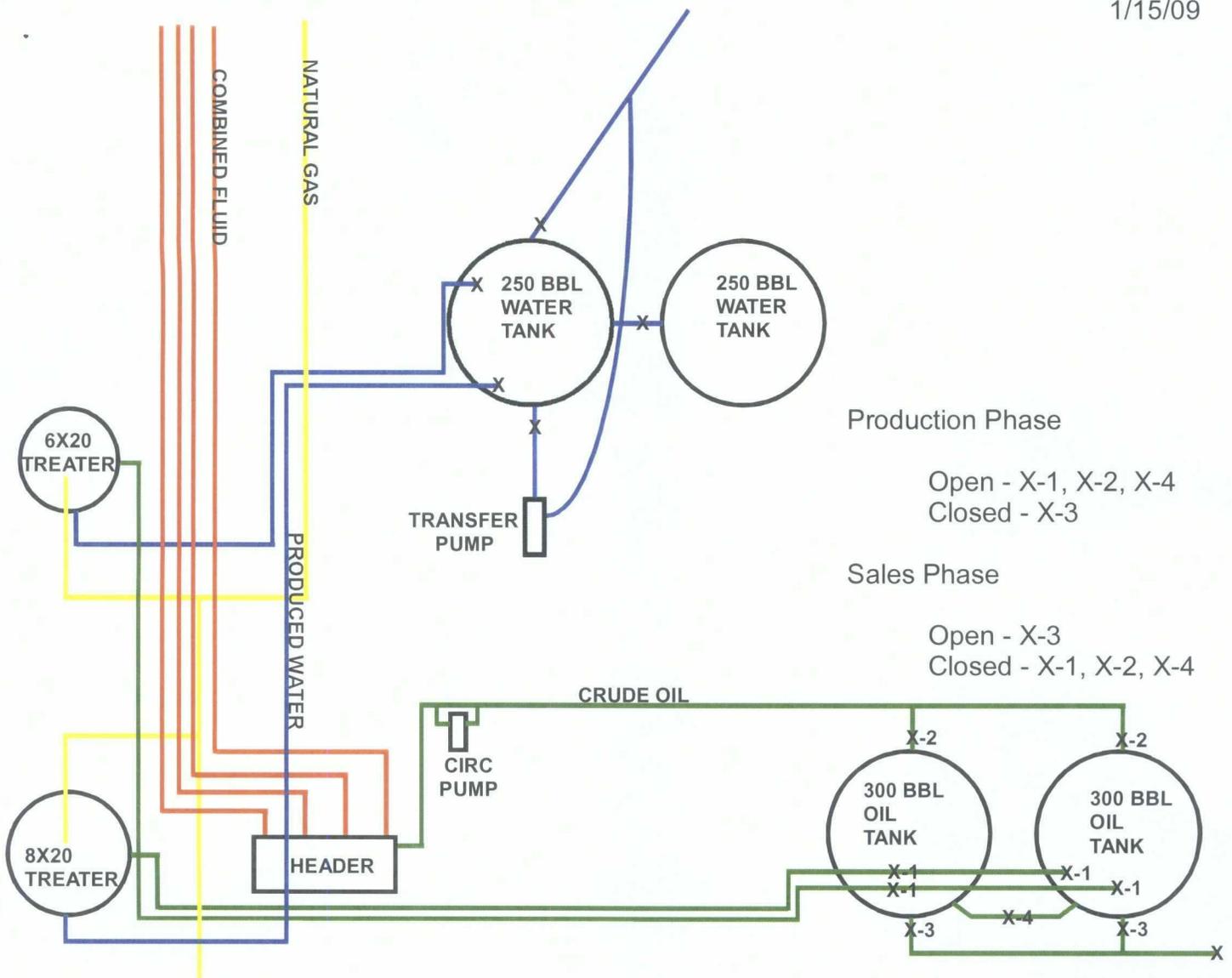
2310' FSL 1650' FEL, Unit J Sec. 17 T17S R31E

Foster Eddy Federal #10
3001526308

2310' FNL 1650' FWL, Unit F Sec. 17 T17S R31E

Foster Eddy Federal #11
3001526231

1650' FSL 2160' FEL, Unit J Sec. 17 T17S R31E



SITE FACILITY DIAGRAM

Foster Eddy Battery

Section 17, Township 17S, Range 31E
 Eddy County, New Mexico
 LC 049998 (A)

Marbob Energy Corporation
 2208 West Main Street
 Artesia, New Mexico
 575-748-3303