

DATE IN 3-24-10	SUSPENSE	ENGINEER RE.	LOGGED IN 3-24-10	TYPE PC	PTGW APP NO. 1008354482
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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



Mar bob

Lara Michelle State 1-5

**ADMINISTRATIVE APPLICATION CHECKLIST**

Wells

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
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

#5 Well No reported prod. since 2004

[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 Miller  
 Print or Type Name

WAM  
 Signature

Landman  
 Title

3/19/2010  
 Date

wmiller@marbob.com  
 e-mail Address

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: \_\_\_\_\_  
OPERATOR ADDRESS: \_\_\_\_\_  
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
SEE Attached					

(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) \_\_\_\_\_  
(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: William Miller   TITLE: Landman   DATE: 3/19/2010  
TYPE OR PRINT NAME: William Miller   TELEPHONE NO.: 575 7483303  
E-MAIL ADDRESS: wmiller@marbob.com

Surface Commingling

Well

Calculated Gravity

Lara Michelle State #1-4

36.4 (18.73 barrels)

Lara Michelle State #5

38.3 (27 barrels)

Well

Calculated BTU

Lara Michelle State #1-4

1431 (37.94)

Lara Michelle State #5

1333 (66)

Commingled Gravity

Commingled BTU

37.52

1368.743

**Surface Commingling**  
**Production per day**

**Lara Michelle State #1 API# 3001524910**

Pool Name and Code: Artesia;Queen-Grayburg-San Andres {3230}

Oil	Gas
5.13	5.07
Gravity-36.4	BTU-1431

**Lara Michelle State #2 API# 3001525493**

Pool Name and Code: Artesia;Queen-Grayburg-San Andres {3230}

Oil	Gas
4.53	4.10
Gravity-36.4	BTU-1431

**Lara Michelle State #3 API# 3001522418**

Pool Name and Code: Artesia;Queen-Grayburg-San Andres {3230}

Oil	Gas
7.67	28.77
Gravity-36.4	BTU-1431

**Lara Michelle State #4 API# 3001524446**

Pool Name and Code: Artesia;Queen-Grayburg-San Andres {3230}

Oil	Gas
1.40	0
Gravity-36.4	N/A

**Lara Michelle State #5 API# 3001501711**

Pool Name and Code: Artesia;Glorieta-Yeso {18790}

Oil	Gas
27	66
Estimated Gravity 38.3	Estimated BTU 1333



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**marbob**  
energy corporation

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April 5, 2010

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

Attention: Mr. Richard Ezeanyim

RE: Surface Commingling

Dear Mr. Ezeanyim:

I hereby certify that the ownership in the Lara Michelle State #1, #2, #3, #4, #5 is all uniform. The working interest and royalty ownership is also all the same.

Sincerely,

Raye Miller  
Attorney-in-fact

RM/wm



**FAX COVER SHEET**

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To:	OCD- Richard Ezeanyim	From:	William Miller
Date:	April 5, 2010	Pages:	3
Fax No.:	505 476-3462		

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Mr. Ezeanyim

Attached are the papers for the Lara Michelle State Commingling.

Thanks,  
William Miller

If you have trouble receiving this fax, please call  
Nancy at 505-748-3303.