

PRKVU235338654 C-10

THOS
NA [REDACTED] WUJ

State of New Mexico

Form C-107-B
200-

District I
1625 N. French Drive, Hobbs, NM 88240

Energy, Minerals and Natural Resources Department

District II
1301 W. Grand Ave, Artesia, NM 88210

DEC 18 2002

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.

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St Francis Dr, Santa Fe, NM 87505

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.
Has the Comm. of Public Lands (BLM) and State Land office (SLO) consented in writing to 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 | Value of Non-Commingled Production | Calculated Value of Commingled Production | Volumes |
|--------------------------|--|---|------------------------------------|---|---------|
| | | | | | |
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| | | | | | |

- (2) Are any wells producing at top allowables? Yes No
- (3) Are all working, royalty and overriding royalty interests common between pools? Yes No
- (4) Include proof of notice to all interests if the answer to No. 3 is "No".
- (5) Measurement type: Metering Well Test Subtraction Method
- (6) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

2pm 12/19/02
Phone call to POC
requesting POC/COE
and statement about value
not leaving,
Will you

(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 *all oil,*
- (3) Are all working, royalty and overriding royalty interests common between leases? Yes No
- (4) Include proof of notice to all interests if the answer to No. 3 is "No".
- (5) Measurement type: Metering Well Test Subtraction Method (only when No. 3 is "Yes")

(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.
- (4) If production is to be measured by well test, include testing frequency.

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

SIGNATURE: [Signature]

TITLE: LANDMAN

DATE: 12-10-2002

TYPE OR PRINT NAME: DEAN CHUMBLEY

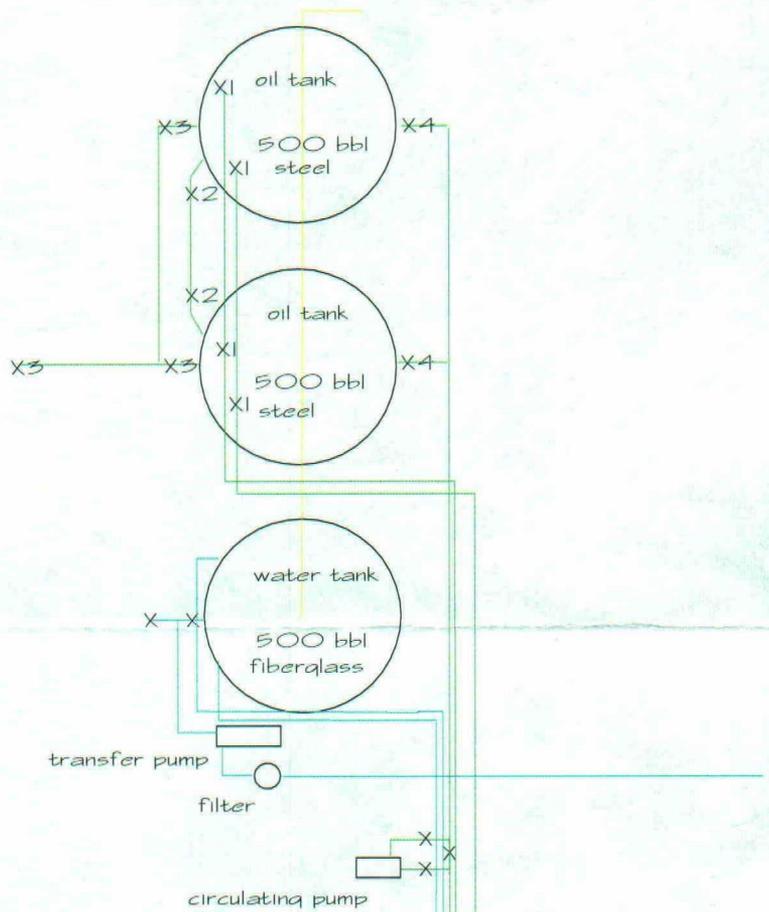
TELEPHONE NO.: 748-3303

PRODUCTION PHASE:

Valves #1 & #2 open
 Valves #3, #4 closed and sealed

SALES PHASE:

Valves #1, #2, #4, closed and sealed
 Valves #3 open

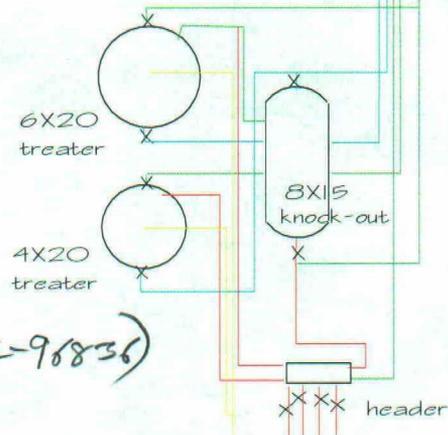


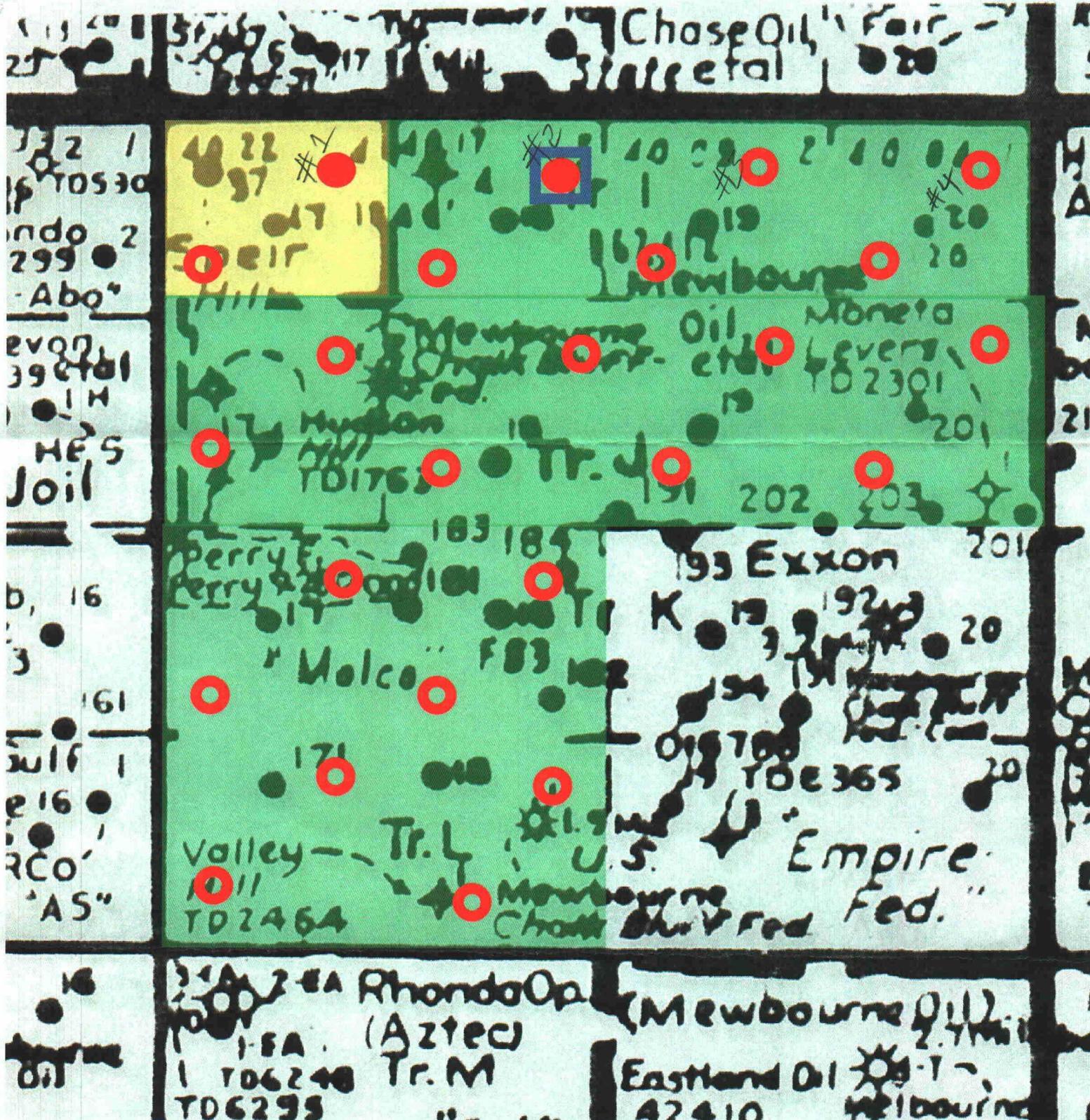
- crude oil
- produced water
- natural gas
- combined fluids
- X valve

A A O Federal Tank Battery
 430' FNL & 2310' FWL
~~Section I: T17s - R30e~~
 Eddy County, New Mexico
 NM-0557371

*Marbob
 Well #2*

*Northeast Red Lake; FLORIETA Yaso (OIL-98836)
 40.17 acres*





LC 062412

NM 055737I

Yeso Producer

Proposed Yeso

Tank Battery

LC-062412

AAO Federal No. 1 ✓
330' FNL – 990' FWL ✓
Section 1-18S-27E
30-015-32307

NM-0557371

AAO Federal No. 2 ✓
430' FNL – 2310' FWL ✓
Section 1-18S-27E ✓
30-015-32308

AAO Federal No. 3 ?
330' FNL – 1690' FEL ✓
Section 1-18S-27E
30-015-32309

AAO Federal No. 4 ✓
990' FNL – 990' FEL ✓
Section 1-18S-27E ✓
30-015-32310