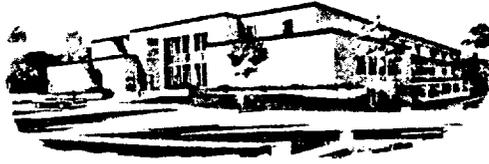


# State of New Mexico



JIM BACA  
COMMISSIONER

## Commissioner of Public Lands

February 12, 1986

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148  
Express Mail Delivery Use:  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Marbob Energy Corporation  
P. O. Drawer 217  
Artesia, New Mexico 88211-0217

Re: Request for Administrative  
Approval to Grant an Exception  
to Rule 303-A for Surface  
Commingling of Pools on State  
Lease No. B-8318-76

ATTENTION: Mr. Ron Head

Gentlemen:

Reference is made to your application dated January 30, 1986, wherein you have requested our approval for the surface commingling of the production of oil from the Red Lake Queen Grayburg San Andres Pool on the Spurck State Well Nos. 7 & 8, and from the Empire Yates Seven Rivers Pool on the Spurck State Well Nos. 4 and 6Y, located on the NE $\frac{1}{2}$ SE $\frac{1}{2}$  of Section 24, Township 17 South, Range 27 East, Eddy County, New Mexico.

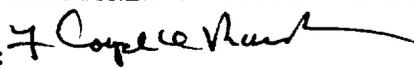
You are hereby given approval to the above request. This approval is subject to being withdrawn at the discretion of the Commissioner of Public Lands, if in his opinion, the operation proves to be unsound or otherwise against the best interests of the State of New Mexico. Our approval is also subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is an approved copy of your application. If we may be of further help please do not hesitate to call on us.

Please remit a filing fee in the amount of Thirty (\$30.00) Dollars.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil and Gas Division  
AC 505/827-5744

JB/FCP/pm  
encis.

cc: OCD-Santa Fe, New Mexico  
State of New Mexico Oil and Gas Lease No. B-8318-76



**marbob**  
energy corporation

1986 JUN 31 10 10

January 30, 1986

RECEIVED  
FEB 15 1986  
NEW MEXICO DEPARTMENT OF PUBLIC LANDS

Commissioner of Public Lands  
P. O. Box 1449/148  
Santa Fe, New Mexico 87501

RE: Request for Administrative Approval to Grant an Exception to Rule 303-A for Surface Commingling of Pools on State Lease B-8318 - 7 &

Dear Sir:

Marbob Energy Corporation respectfully requests that they be allowed to commingle oil production on the above referenced lease by placing oil produced from the various pools into a common tank battery.

We are presently producing oil from the Red Lake Queen Grayburg San Andres Pool on the Spurck State No. 7 & 8 wells, and from the Empire Yates Seven Rivers Pool on the Spurck State No. 4 & 6Y wells.

We are presently producing approximately 60 barrels per month of 32.8 gravity oil from the Red Lake Queen Grayburg San Andres Pool and approximately 40 barrels per month of 32.0 gravity oil from the Empire Yates Seven Rivers Pool. The value of production as of December 31, 1985 from the Red Lake Queen Grayburg San Andres Pool was \$26.77 per barrel and from the Empire Yates Seven Rivers Pool the value of production is \$26.65 per barrel. The expected levels of gravity, volume, and values once the wells are commingled will not vary significantly from that achieved with separate production.

Ownership on the lease B-8318 is as follows:

U.S.A.	.125 RI
Vada Spurck	.125 ORI
Helen Thompson	.075 WI
Marbob Energy Corporation	.675 WI

All parties have been notified by registered mail of our proposal to commingle this production.

Please find enclosed the following:

RECEIVED  
BUREAU OF LANDS

1. Schematic Diagram of Proposed Installation
2. Plat showing well locations and lines
3. Copy of letter to Commissioner of Public Lands

If you have any questions, please contact me.

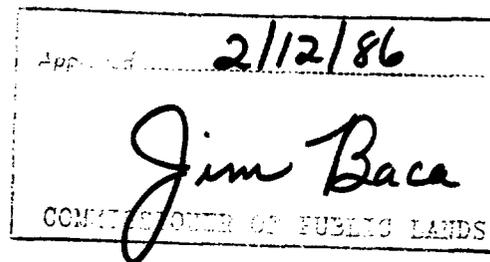
Sincerely,

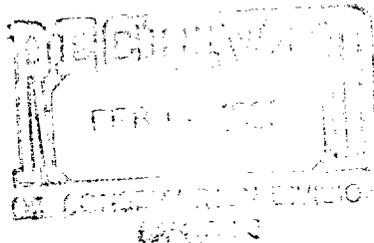
*Ron Head*

Ron Head  
Land Department

RH/rr

Enclosures





January 30, 1986

Richard L. Stamets  
Director  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

RE: Request for Administrative Approval to Grant an Exception to Rule 303-A for Surface Commingling of Pools on State Lease B-8318

Dear Sir:

Marbob Energy Corporation respectfully requests that they be allowed to commingle oil production on the above referenced lease by placing oil produced from the various pools into a common tank battery.

We are presently producing oil from the Red Lake Queen Grayburg San Andres Pool on the Spurck State No. 7 & 8 wells, and from the Empire Yates Seven Rivers Pool on the Spurck State No. 4 & 6Y wells.

We are presently producing approximately 60 barrels per month of 32.8 gravity oil from the Red Lake Queen Grayburg San Andres Pool and approximately 40 barrels per month of 32.0 gravity oil from the Empire Yates Seven Rivers Pool. The value of production as of December 31, 1985 from the Red Lake Queen Grayburg San Andres Pool was \$26.77 per barrel and from the Empire Yates Seven Rivers Pool the value of production is \$26.65 per barrel. The expected levels of gravity, volume, and values once the wells are commingled will not vary significantly from that achieved with separate production.

Ownership on the lease B-8318 is as follows:

<del>U.S.A.</del>	.125 RI
<i>State of New Mexico</i>	.125 ORI
Vada Spurck	.075 WI
Helen Thompson	.675 WI
Marbob Energy Corporation	

All parties have been notified by registered mail of our

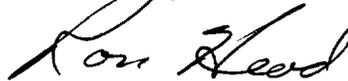
proposal to commingle this production.

Please find enclosed the following:

1. Schematic Diagram of Proposed Installation
2. Plat showing well locations and lines
3. Copy of letter to Commissioner of Public Lands

If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Ron Head". The signature is written in black ink and is positioned below the word "Sincerely,".

Ron Head  
Land Department

RH/rr

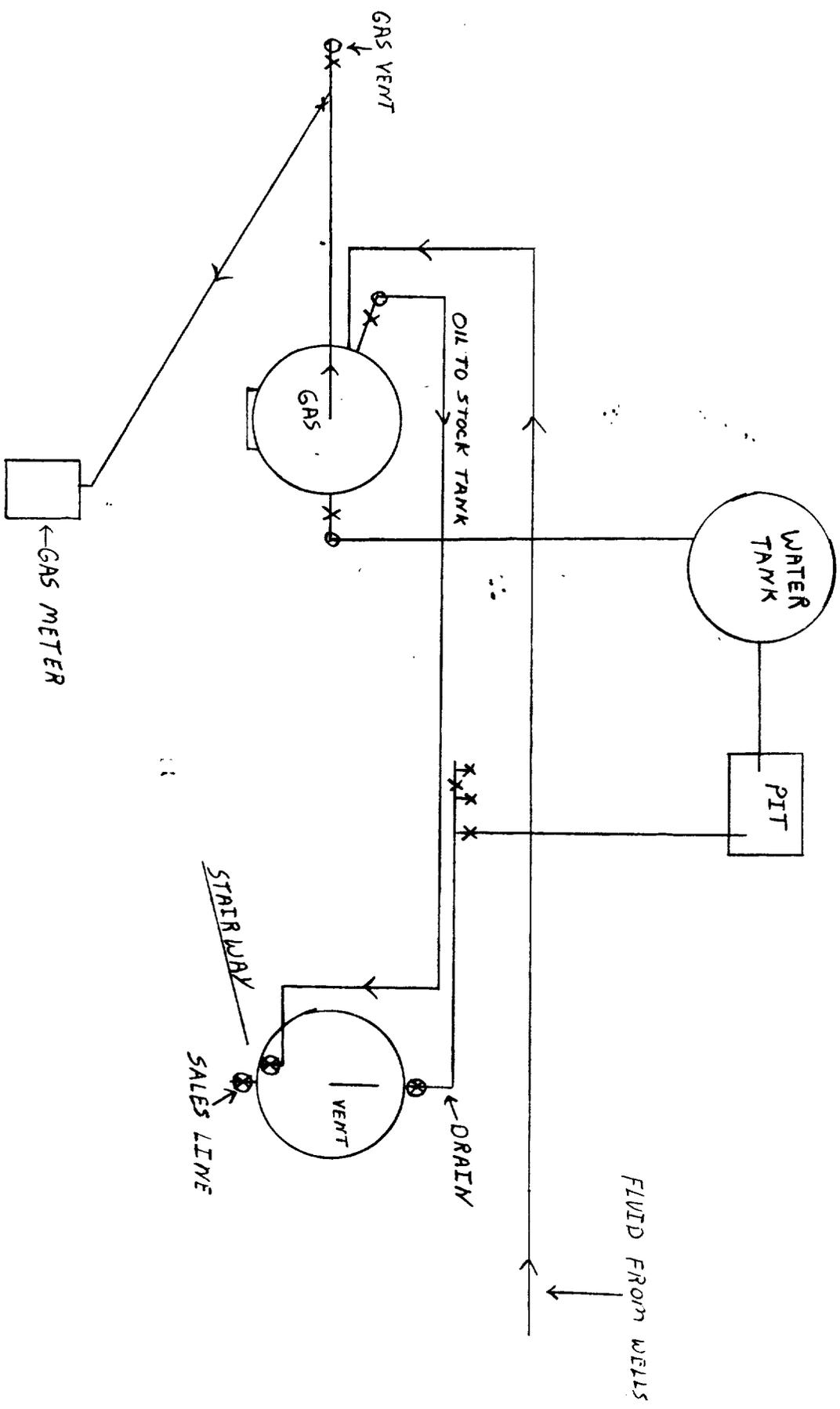
Enclosures

SITE FACILITY DIAGRAM

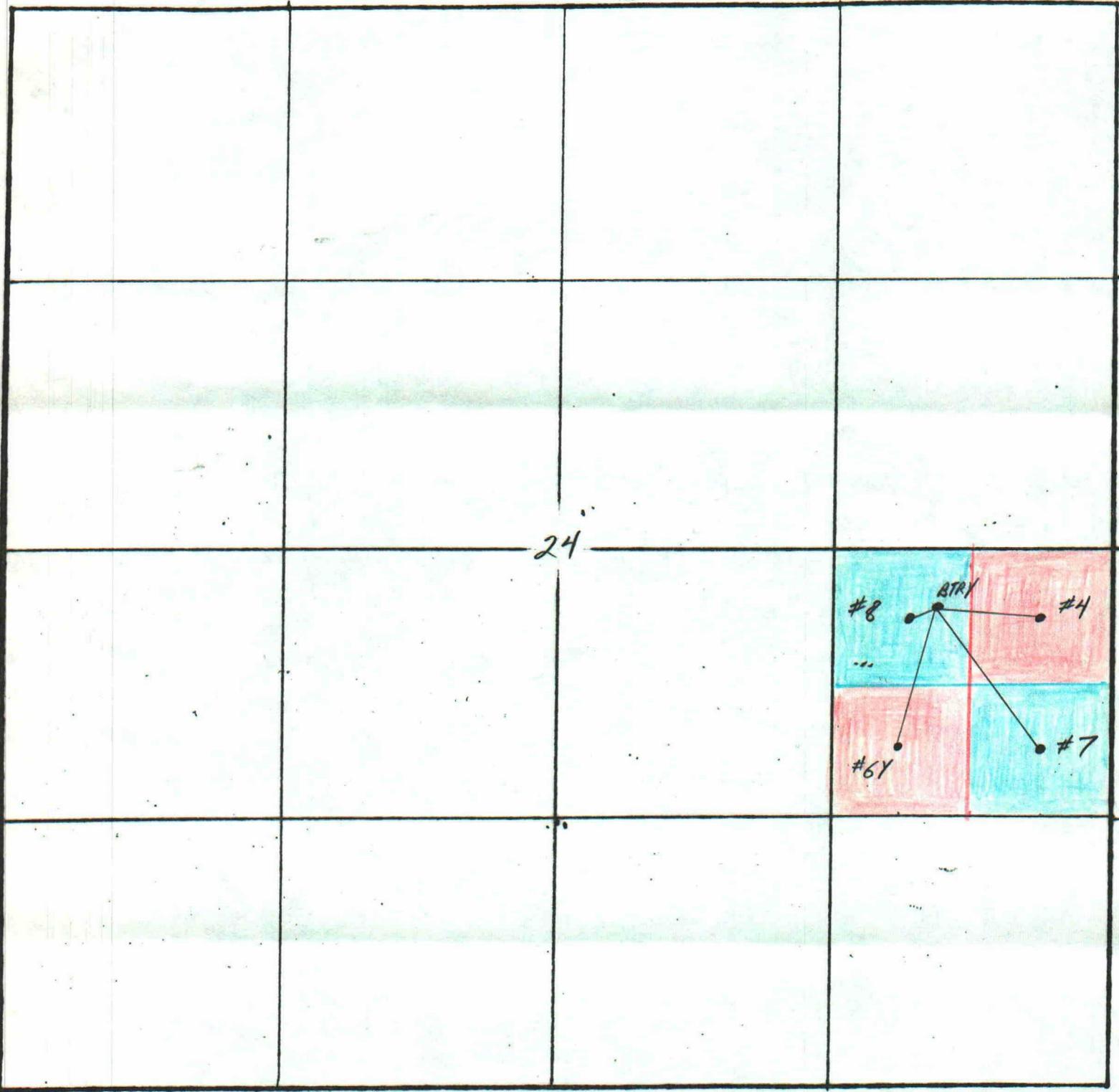
MARBOb ENERGY

LEASE: SPURK STATE LR B-8318

SITE LOCATION: N<sup>W</sup> 1/4 SE 1/4 SEC. 24-T/2S-R22E  
Eddy County, New Mexico



This site facility diagram is subject to the Site Security Plan dated August 9, 1983 which is located and available for inspection by authorized B.L.M. personnel at the corporate offices of Marbob Energy Corporation, 6 miles east of Artesia, New Mexico.



**LEGEND**

(1cm = 264')

- Empire Yates Seven Rivers
- Red Lake Queen Grayburg
- San Andres



Marbob Energy Corporation  
 Spurck State Lease B-8318  
 Sec. 24-17S-27E  
 Eddy County, New Mexico