



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

*AMENDED COMMINGLING ORDER PC-733*

Marbob Energy Corporation  
P.O. Drawer 217  
Artesia, NM 88210

Attention: Raye Miller

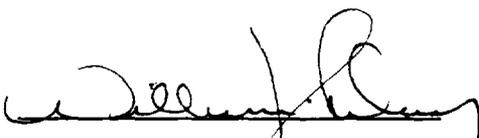
LEASE NAME: Petrus "D" State Lease  
DESCRIPTION: NE/4 SE/4 Section 10, E/2 NE/4, NW/4 SW/4, SW/4 SE/4 Section 11, SW/4 SE/4 Section 13, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico.

The above-named company is hereby authorized to commingle Maljamar Grayburg San Andres and Sanmal Queen Pool production in a common tank battery and in a common gas sales line and to determine the production from each pool by well tests. (All commingled production must be of marginal nature; further the operator shall notify the Santa Fe Office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.)

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: This amended order deletes the NW/4 SE/4 of said Section 10, the NE/4 SW/4 and the N/2 SE/4 of Section 11 and adds the E/2 NE/4 and SW/4 SE/4 of said Section 11 and the SW/4 SE/4 of said Section 13.

DONE at Santa Fe, New Mexico, on this 13th day of March, 1990.

  
WILLIAM J. LEMAY,  
Division Director



January 22, 1990

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico

Attention: Mr. Michael Stogner

RE: Commingling Order PC-733  
State Lease No. B-2516  
T-17S, R-33E, N.M.P.M.  
Lea County, New Mexico

Dear Mr. Stogner:

Marbob Energy Corporation has acquired the lease covered in the above described Commingling Order from Bridge Oil Company effective January 1, 1990. The lease name has also been changed effective that same date to the "Petrus D State". Marbob Energy would propose to change the facility diagram to the one attached. The layout of the current facility is somewhat different than was shown in the February 15, 1988 diagram. Marbob would propose to test the wells by individually shutting each well down for a period to determine each wells oil and gas production. While the original proposal by Petrus alluded to commingling of both the gas and oil production to date only the oil has been commingled. We propose to commingle the gas from wells 4, 5, and 7 with this new facility. Wells 4 and 5 are in the Sanmal Queen Field and 7 is in the Maljamar Grayburg San Andres Field. Currently, those wells are under gas contract to Warren and wells 1, 2, and 3 (all in the Maljamar Grayburg San Andres Field) are under gas contract to Phillips. We would also make note that if our current request is granted then at some time in the future as production volumes decline, we will probably consolidate all gas through one treater and to one purchaser, if you agree.

*- Comm Interest -*

Marbob Energy Corporation would request that you review the current Commingling Order PC-733 to see if we can make these changes under the current order or if the order can be amended to accommodate this proposal.

I have enclosed three copies of this letter and the new facility diagram for your files. Thank you for your help in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Raye Miller".

Raye Miller  
Secretary/Treasurer

DM/dr

Enclosures

## State of New Mexico

FEB 08 1991



W.R. HUMPHRIES  
COMMISSIONER



## Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

February 2, 1990

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

RE: Request for Approval to Surface Commingle  
Lea County, New Mexico  
T-17-S, R-33-E  
State Lease 2516-41: Section 10: Well #3  
Section 11: Wells #2 and 5  
Section 13: Well #7  
State Lease 2516-46: Section 11: Wells #1 and 4

ATTN: Mr. Raye Miller

Gentlemen:

Reference is made to your letter of January 25, 1990 wherein you request approval for surface commingling of oil and gas production from Petrus D State Lease Wells 1, 2, 3, 4, 5, and 7 on New Mexico State Lease B-2516-41 and B-2516-46. We received your complete application package including the \$30.00 filing fee.

Approval is hereby granted to commingle the oil and gas produced from the six wells as described above. Please be advised that any deviation from your proposed request will be grounds to rescind our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

If you have any questions, please do not hesitate to contact us.

W.R. HUMPHRIES,  
COMMISSIONER OF PUBLIC LANDS

BY:

*Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5749

enclosure



January 25, 1990

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

Attention: Mr. David Catanach

New Mexico State Land Office  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Mrs. Susan N. Howarth

RE: Commingling Petrus  
D State Lease  
Lea County, New Mexico

Gentlemen:

Enclosed please find an application by Marbob Energy Corporation to commingle the Petrus D State Lease along with Exhibits B-1, B-2, C, D, E, F, and H. The exhibits are labeled to correlate to State Land Office Rule 1.055 check off sheet.

If you have any questions regarding this, please call me.

Sincerely,

Raye Miller  
Secretary/Treasurer

RM/dr

Enclosures



OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO

9 56 AM JAN 25 1990

January 25, 1990

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

Attention: Mr. David Catanach

New Mexico State Land Office  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Mrs. Susan M. Howarth

RE: Application for  
Commingling Petrus  
D State Lease,  
Lease B-2516  
T-17S, R-33E, N.M.P.M.  
Lea County, New Mexico

Gentlemen:

Marbob Energy Corporation respectfully requests to make formal application to commingle the oil and casinghead gas production on the above described lease in common facilities for the three wells producing in the Maljamar Grayburg San Andres Field, the two wells producing in the Sanmal Queen Fields and the one well producing from both fields. Some of these wells are currently covered by Commingling Order PC-733. Marbob Energy Corporation makes this request because of the low volumes of production, uniformity of interest and ownership, the overall reduction in waste and enhancement of values, and consolidation of production facilities which can be obtained if this commingling is approved.

Attached is the thirty dollar (\$30.00) application fee required by the State Land Office.

Your expeditious handling of this matter is greatly appreciated.

Sincerely,

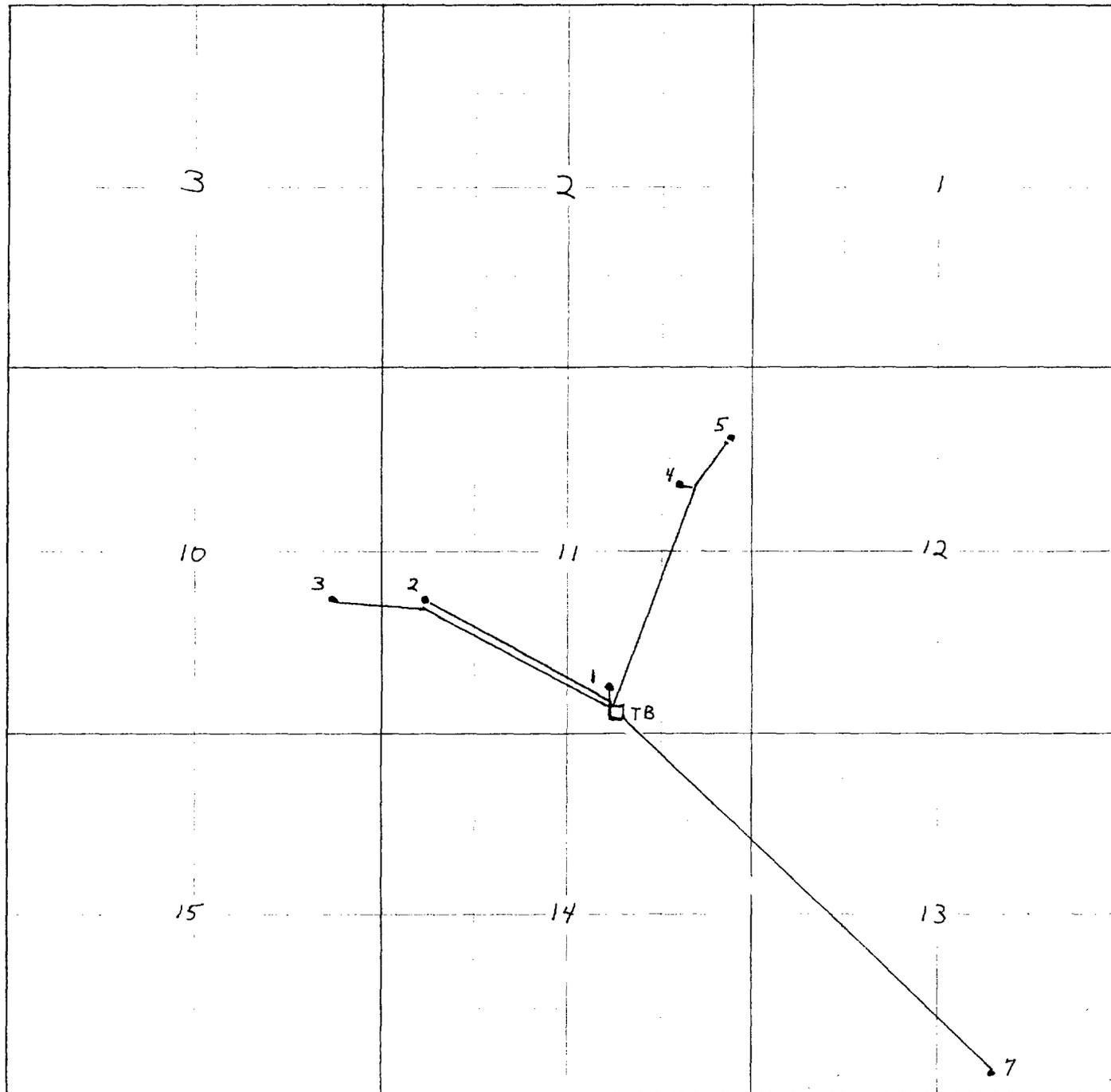
Raye Miller  
Secretary/Treasurer

RM/dr



# Exhibit B-2

TOWNSHIP 17 S RANGE 33 E COUNTY Lea STATE N. M.



PRINTED IN U. S. A.

All flow lines are on the surface  
(see schematic diagram for more detailed  
drawing of tank battery (TB) layout)

EXHIBIT C

Only one State lease involved:

B-2516 dated February 10, 1934

Township 17 South, Range 33 East, N.M.P.M.

Section 10: NE/4 SE/4

Section 11: NW/4 SW/4, E/2 NE/4,  
SW/4 SE/4

Section 13: SW/4 SE, 4

State Beneficiary: Common Schools

EXHIBIT D

Well #1	Maljamar Grayburg San Andres
Well #2	Maljamar Grayburg San Andres and Sanmal Queen by Administrative Order DHC-695
Well #3	Maljamar Grayburg San Andres
Well #4	Sanmal Queen
Well #5	Sanmal Queen
Well #7	Maljamar Grayburg San Andres

EXHIBIT E

The commingling of the oil and gas will result in no loss of revenue to the State of New Mexico. Oil is currently sold to Navajo Refining Company. While the gravity of the oil may be somewhat different from the two fields the weight net average gravity will yield exactly the same value as would be received if the oil was sold separately since both are sour crudes. Likewise, the commingled gas will yield the same value as the weighted average of the separate gas sales. Current gas production from the #7 well is metered separately to Warren Petroleum. Due to low volume the State of New Mexico will actually lose value if this gas cannot be commingled with the other gas being sold to Warren on this lease. The net result of the commingled will be an equal to or profit situation for the State of New Mexico

Exhibit F  
 (all lines are above ground)

MARBOB ENERGY CORPORATION  
 MAIJAMAR CENTRAL TANK BATTERY  
 PETRUS D STATE LEASE  
 SECTION 11, TOWNSHIP 17S, RANGE 33E  
 LEA COUNTY, NEW MEXICO

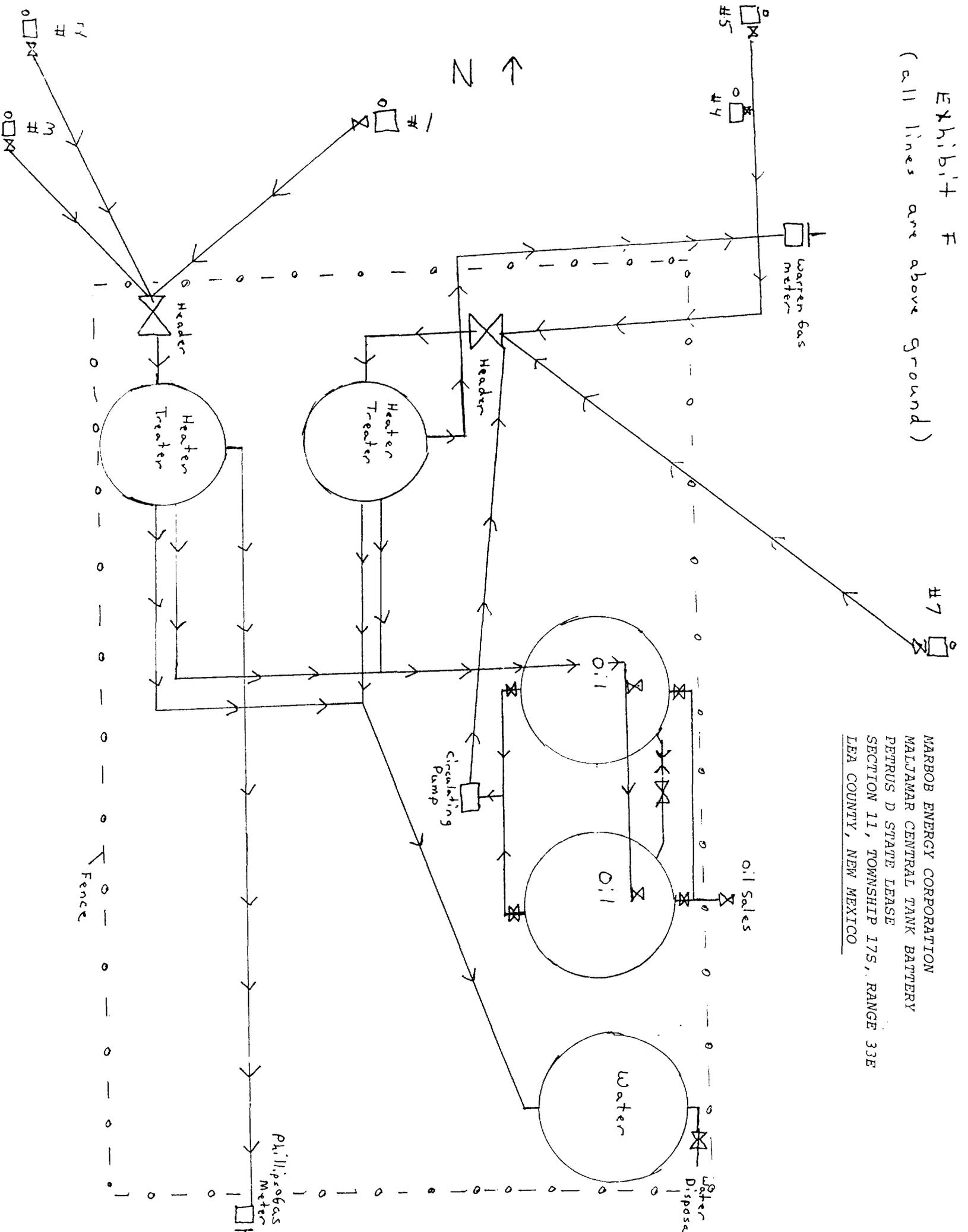


EXHIBIT H

Well numbers 1, 2, and 3 would tie into a header, enter a heater treater where the gas would be separated to Phillips, the oil would dump into the oil tank, and the water into the water tank. Wells 4, 5, and 7 would tie into a header, enter a heater treater where the gas would be separated to Warren, the oil would dump into the same oil tank, and the water would go into the same water tank. A circulating pump tied into the back of the oil tanks would tie back into one heater treater. Individual well test for reporting purposes could be accomplished by shutting individual wells down for a period of time and subtracting the reduced production levels from the normal levels. Eventually the headers could be consolidated to one heater when there is a common gas purchaser.

COUNTY

POOL

TOWNSHIP

RANGE

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

5.  
4.

3.  
2.  
1.

7.

*Maljamaa Grayby SA*  
*Sammal Queen Pool*