



January 22, 1988

William J. LeMay
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
and 309-A

Dear Mr. LeMay:

Marbob Energy Corporation respectfully requests that they be permitted to commingle oil production on State Lease #B-8814 into a common tank battery. This lease is currently being produced out of two different pools and stored in two different tank batteries.

We are currently producing oil from a depth of 1995 feet to 2016 feet (Premier) on the State "B" No. 1 located 660' FSL and 660' FWL and the T.J. State No. 1 located 990' FSL and 990' FWL and from a depth of 787 feet to 807 feet (Seven Rivers) on the State "B" No. 2 located 990' FSL and 330' FWL. All of these wells are located in Section 27, T-17S, R-28E.

Gravity of oil produced from the State "B" No. 1 and the T.J. State No. 1 is 34.9 and gravity of oil produced from the State "B" No. 2 is 33. We are currently producing about four (4) barrels of oil per month from the State "B" No. 1, about 30 barrels of oil per month from the T.J. State No. 1, and about six (6) barrels of oil per month from the State B. No. 2. Value of production from the State B No. 1 and the T.J. State No.1 is \$16.33 per barrel and \$15.84 per barrel for the State B No. 2. The expected levels of gravity, volume, and value once the wells are commingled will not vary significantly from that achieved with separate production.

Ownership of the State B No. 1, No. 2, and the T.J. State No. 1 are common and are listed below:

| | | |
|---------------------------|-----------|------|
| State of New Mexico | .1250 | R.I. |
| Amoco Producing Company | .05468750 | ORRI |
| Marbob Energy Corporation | .8203125 | W.I. |

Amoco Production Company has been notified by registered mail of our proposal to commingle this production.

Enclosed with this letter is a:

1. Schematic Diagram of proposed installation.
2. Plat showing well locations.
3. Copy of letter to Amoco Production Company.
4. Copy of letter to Commissioner of Public Lands.

Please contact me if you should have any questions concerning this request. Thank you for your help in this matter.

Sincerely,



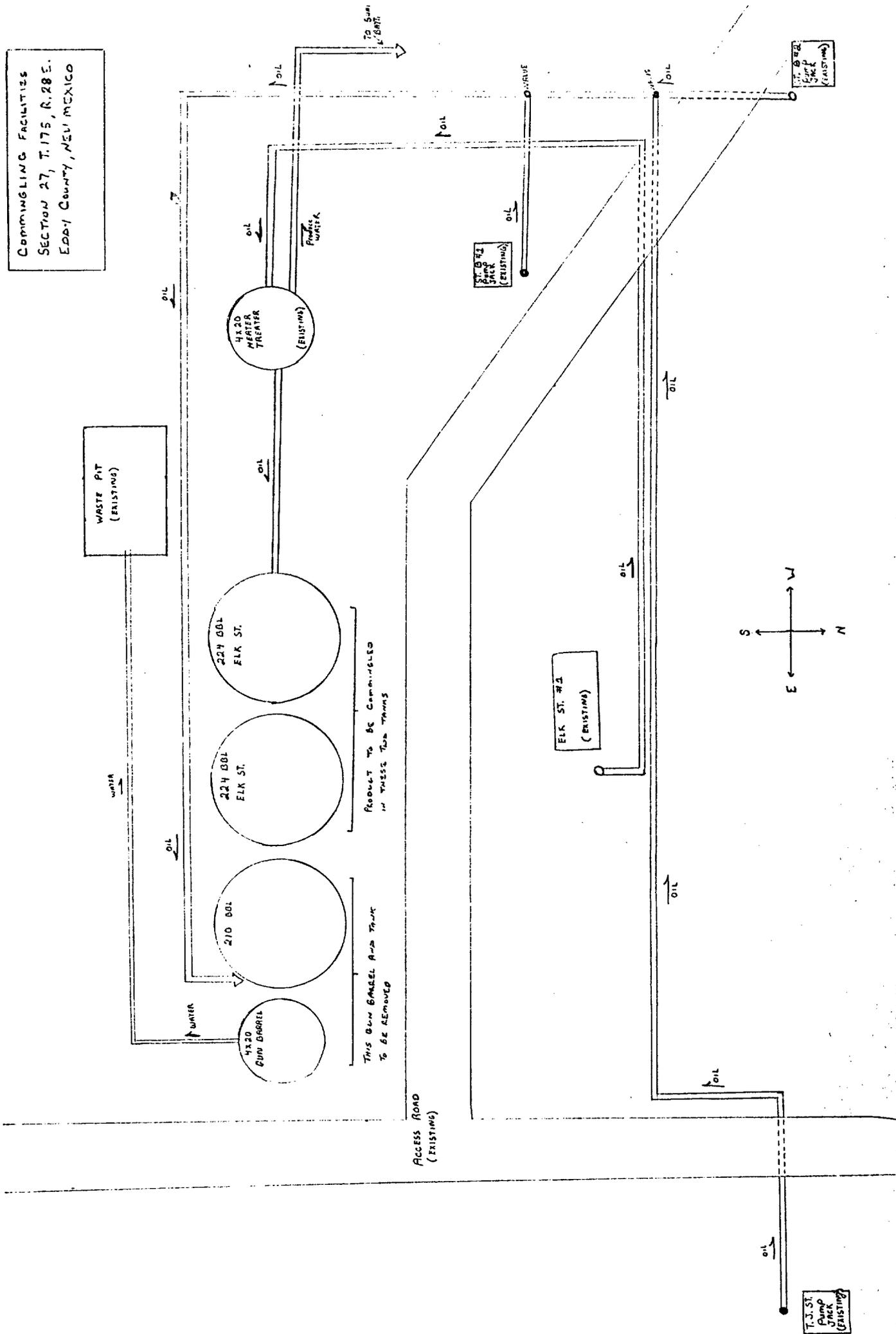
David Martin
Land Department

DM/dr

Enclosures

*T-5 - State - No. 1
Red Lake Queen Craypuy San Antonio
State "B" No. 1
Red Lake Queen Craypuy San Antonio - 27*

COMMINGLING FACILITIES
 SECTION 27, T. 175, R. 28 E.
 EDDY COUNTY, NEW MEXICO



WASTE PIT
(EXISTING)

4x20
HEATER
TREATER
(EXISTING)

224 BBL
ELK ST.

224 BBL
ELK ST.

210 BBL

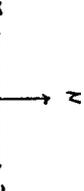
4x20
PUMP
BARREL

PRODUCT TO BE COMMINGLED
 IN THESE TWO TANKS

THIS 210 BARREL AND TANK
 TO BE REMOVED

ACCESS ROAD
(EXISTING)

ELK ST. #2
(EXISTING)



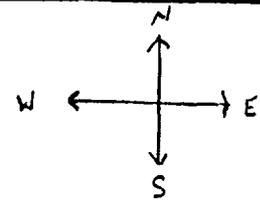
T. ST. #2
(EXISTING)

T.J. ST.
PUMP
JACK
(EXISTING)

T. ST. #2
(EXISTING)

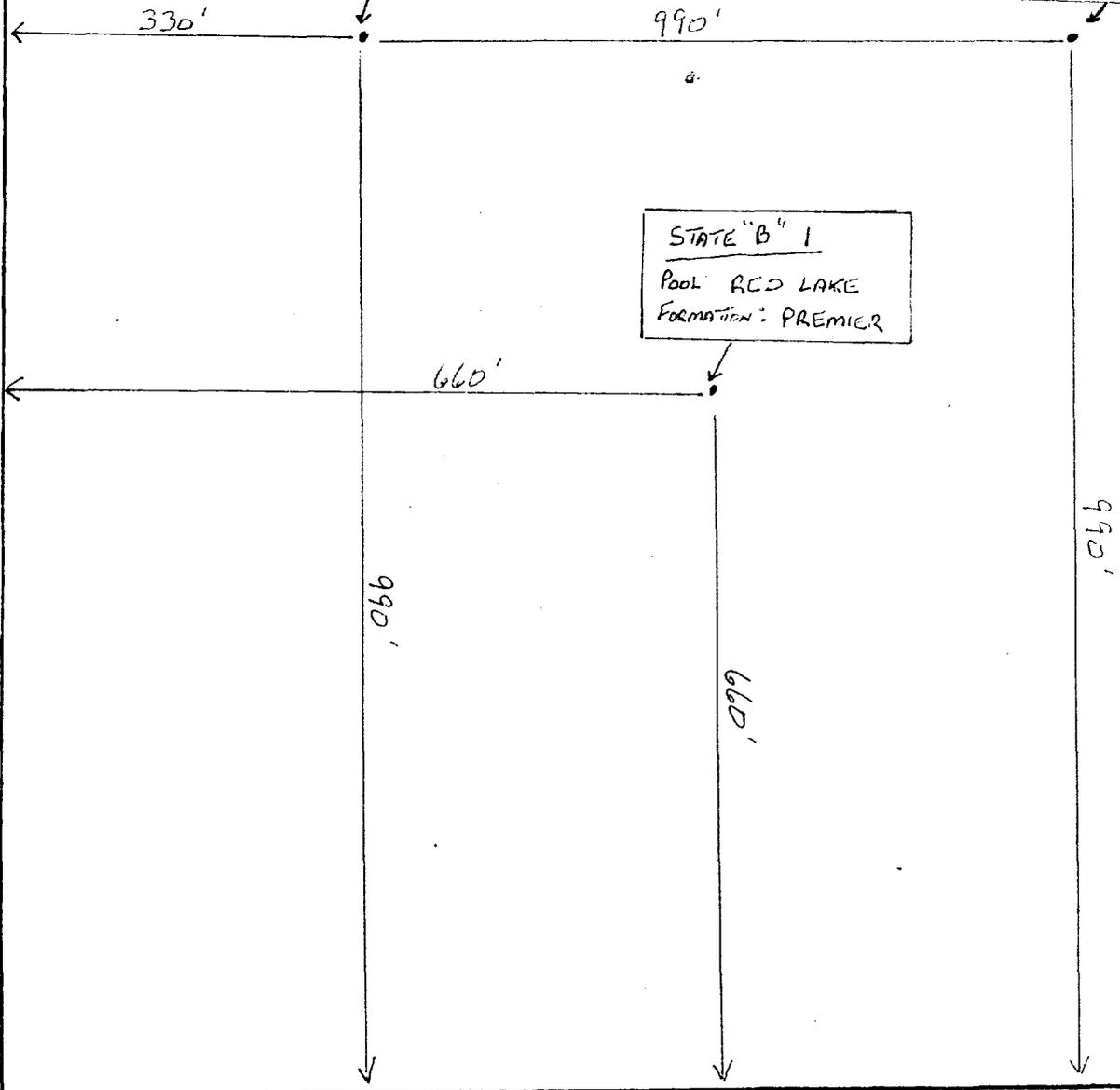
TO SURFACE

SECTION 27, T.17S., R.28E., N.M.P.M.



STATE "B" 2
POOL: GREAT SANDY CREEK 7-RIVERS
FORMATION: 7-RIVERS

T-J STATE
POOL: RED LAKE
FORMATION: QUEEN GB/SA



STATE "B" 1
POOL: RED LAKE
FORMATION: PREMIER

LEGEND
1cm = 20 ft.

SUP Exhibit
SKETCH OF ALL WELLS ON LEASE
TO BE COMMINGLED



January 22, 1988

Mr. William Humphries
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87501

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David Martin
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