



NMOCD

marbob
energy corporation

January 17, 2003

30-015-32307
AAD Fed #1



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Bureau of Land Management
2909 W. 2nd St.
Roswell, NM 88201

Attn: Mr. Armando Lopez

Re: Downhole Commingling Application
AAO Federal #1 - Lot 4, Sec. 1-T18S-R27E
AAO Federal #2 - Lot 3, Sec. 1-T18S-R27E
Eddy County, New Mexico

NMLC 002412
NM 0557371

Dear Mr. Lopez:

Enclosed are copies of the downhole commingling applications submitted to the NMOCD for the captioned well.

No crossflow will occur because the wells will be artificially lifted in a pumped-down condition. Commingling will not decrease the value of the wells' production.

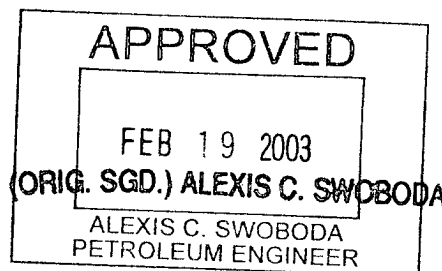
Please contact me at 505-748-3303 if you have any questions.

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure

R-11363
Pre-Appr Pool



District I
1023 N. Francis Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, 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-107A
Revised May 15, 2000

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Marbob Energy Corporation

P. O. Box 227, Artesia, NM 88210-0227

Operator

Address

AAO Federal 1

Lot 4-1-18S-27E

Eddy County

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 014049 Property Code 29793 API No. 30-015-32307 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Red Lake Q-GB-SA		Red Lake Glorieta Yeso NE
Pool Code	51300		96836
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2355-3060' est. perforated		3340-3618' perforated
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Est. 50 psi producing BHP		Est. 100 psi producing BHP
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.5°		41.8°
Producing, Shut-In or New Zone	New zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates: N/A	Date: Rates:	Date: 1/15/03 Rates: 22 bopd 54 mcfpd
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 71 % 68 %	Oil Gas % %	Oil Gas 29 % 32 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: R-11363 Pre-approved Pool

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Brian Collins TITLE Engineer DATE 20 Jan 03

TYPE OR PRINT NAME Brian Collins TELEPHONE NO. (505) 748-3303