

District I.
1625 N. French 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

RECEIVED

FEB 18 2003

APPLICATION TYPE

☒ Single Well

☒ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING
DIVISION

MARBOB ENERGY CORPORATION, P. O. BOX 227, ARTESIA, NM 88211-0227

Operator Address
TH STATE #1 F-34-T17S-R28E EDDY
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 014049 Property Code 24888 API No. 30-015-30762 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	ARTESIA QN-GB-SA		ARTESIA GLORIETA/YESO
Pool Code	3230		96830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2317-3474' PERFORATED		3785-4073' 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)	50 PSI PRODUCING BHP		100 PSI PRODUCING BHP
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36°		39°
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: N/A Rates:	Date: Rates:	Date: DEC 2002 Rates: 4 BOPD 11 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 85 % 69 %	Oil Gas % %	Oil Gas 15 % 31 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? 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: ADMINISTRATIVE ORDER DHC-2906

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 13 FEB 2003
TYPE OR PRINT NAME BRIAN COLLINS TELEPHONE NO. (505) 748-3303

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 3230	Pool Name ARTESIA QUEEN GRBG SA
Property Code	Property Name T H STATE	Well Number 1
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3669

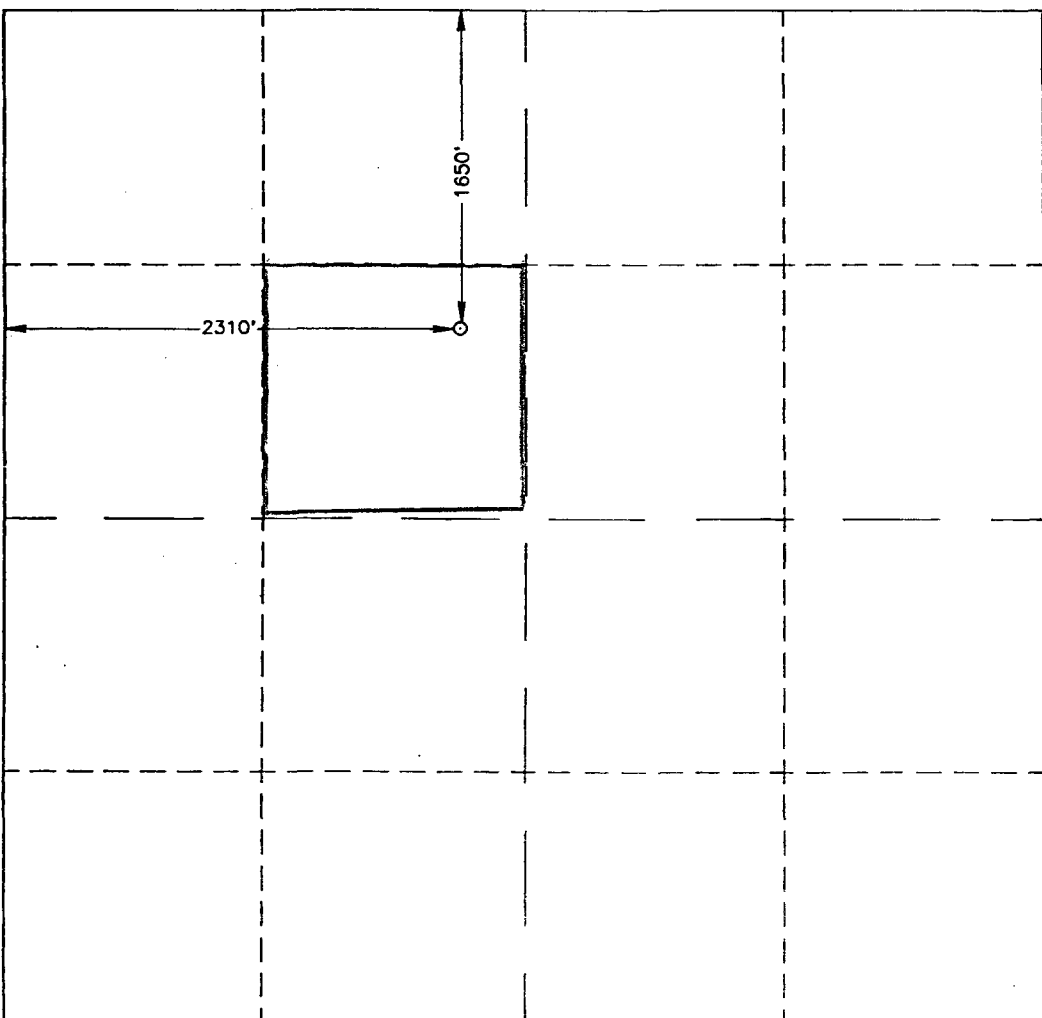
Surface Location

UL or lot No. F	Section 34	Township 17 S	Range 28 E	Lot Idn	Feet from the 1650	North/South line NORTH	Feet from the 2310	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Robin Cockrum</u> Signature</p> <p>ROBIN COCKRUM Printed Name</p> <p>PRODUCTION ANALYST Title</p> <p>9/16/99 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>SEPTEMBER 8, 1999</p> <p>Date Surveyed Signature & Seal of Professional Surveyor NEW MEXICO RONALD O. McDONALD W.O. Num. 89-11-0717 Certificate No. RONALD O. McDONALD, 3239 GARY G. EDSON, 12641 RONALD O. McDONALD, 12185</p>
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Engineering Summary
Form C-107A
Application for Downhole Commingling

Marbob Energy Corporation
TH State No. 1
F-34-T17S-R28E

As shown on the attached production plots, the estimated RUR for the Yeso is 4.9 MBO/18 MMCF and the estimated per well EUR for the San Andres is 28.8 MBO/40.7 MMCF.

Oil: Yeso = $\frac{4.9 \text{ MBO}}{4.9+28.8}$ = 15%

San Andres 1-.15 = 85%

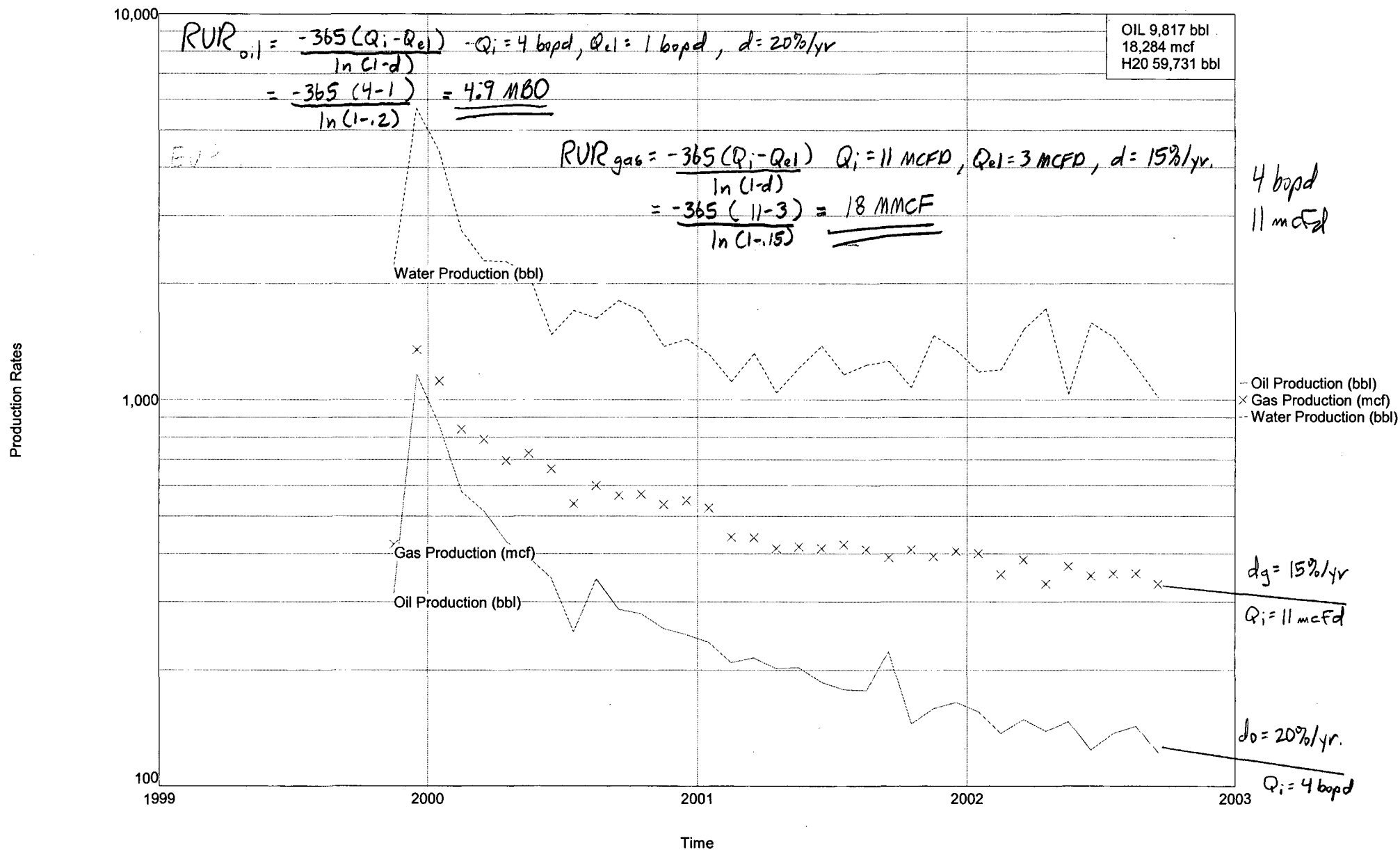
Gas: Yeso = $\frac{18 \text{ MMCF}}{18+40.7}$ = 31%

San Andres 1-.31 = 69%

Yeso

Lease Name: TH STATE
County, State: EDDY, NM
Operator: MARBOB ENERGY CORPORATION
Field: ARTESIA
Reservoir: GLORIETA YESO
Location: 34 17S 28E SE NW

TH STATE - [1 GLORIETA YESO

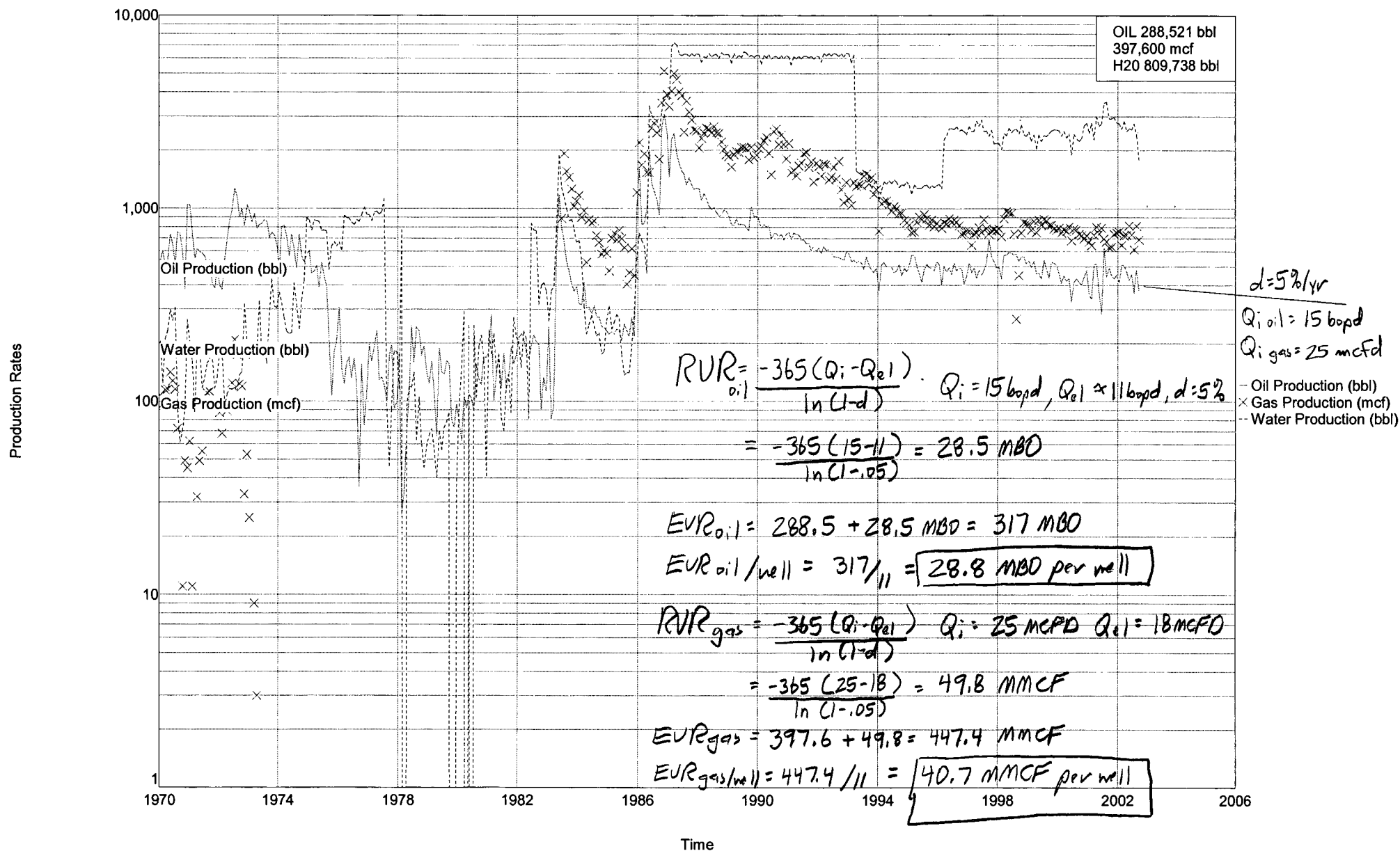


11 San Andres Wells in Unit F and Adjoining Units

Sec. 34-17s-28e

Lease Name: MULTIPLE
County, State: EDDY, Unknown
Operator: MULTIPLE
Field: ARTESIA
Reservoir: QUEEN-GRAYBURG-SAN A
Location:

MULTIPLE - [QUEEN-GRAYBURG-SAN A





marbob
energy corporation

February 13, 2003

New Mexico State Land Office
Oil, Gas & Minerals Division
P. O. Box 1148
Santa Fe, NM 87504-1148

Attn: Ms. Jamie Bailey

Re: C-107A Downhole Commingling Application
TH State #1 (F-34-17S-28E)
Eddy County, New Mexico

Dear Ms. Bailey:

Enclosed is the \$30.00 application fee and copy of Form C-107A Application for Downhole Commingling that we submitted to the NMOCD for the TH State #1 well located in Eddy County.

We are seeking approval to downhole commingle the San Andres and Yeso zones to extend the economic life of the well and maximize the financial benefit to the State of New Mexico.

If you have any questions, please call me at 505-748-3303.

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosures