

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order DHC-4139

Order Date: 1/9/2009

Application Reference Number: pKAA0836542211

MARBOB ENERGY CORP
PO Box 227,
Artesia, NM 88211

Attention: BRIAN COLLINS, PETROLEUM ENGINEER

FOSTER EDDY Well No. 008
API No: 30-015-26187
Unit C, Section 17, Township 17 South, Range 31 East, NMPM
Eddy County, New Mexico

| | | |
|--------|----------------------------------|-----------|
| Pool: | UNDES. CEDAR LAKE; GLORIETA-YESO | Oil 96831 |
| Names: | GRAYBURG JACKSON;SR-Q-G-SA | Oil 28509 |

Reference is made to your recent application for an exception to Rule 12.9A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 12.11A., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 12.11A.(6), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

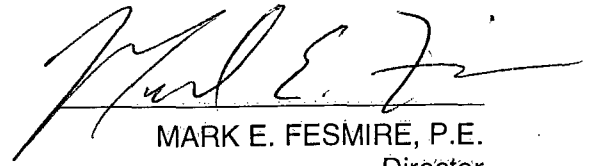
Assignment of allowable and allocation of production from the well shall be as follows:

| | | |
|---------------------------------------|-------------|-------------|
| UNDES. CEDAR LAKE; GLORIETA-YESO Pool | Pct Gas: 95 | Pct Oil: 73 |
| GRAYBURG JACKSON;SR-Q-G-SA Pool | Pct Gas: 5 | Pct Oil: 27 |

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.



Pursuant to Rule 12.11B., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



MARK E. FESMIRE, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Carlsbad