

DATE IN 1/16/09	SUSPENSE	ENGINEER W. Jones	LOGGED IN 1/16/09	TYPE PC	APP NO. PKA0901658335
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



30-015-29058  
Foster Eddy 013  
MARBOB Energy  
14049

## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify \_\_\_\_\_

### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
[B] ☐ Offset Operators, Leaseholders or Surface Owner  
[C] ☐ Application is One Which Requires Published Legal Notice  
[D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,  
[F] ☐ Waivers are Attached

SEE ATTACHED  
FORM DMS 1004-0137

### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

William F. Carr  
Print or Type Name

William F. Carr  
Signature

Attorney  
Title

1/16/09  
Date

wcarr@hollandhart.com  
e-mail Address

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2009 JAN 16 PM 2 55



**RECEIVED**

JAN 16 2009

**HOLLAND & HART LLP**

January 14, 2009

Oil Conservation Division  
1220 St. Francis Drive  
Santa Fe, New Mexico 87504

Attention: Mr. Mark Fesmire

RE: Surface Commingling  
Administrative Approval Request  
Foster Eddy Fed. #13  
1295' FNL 1650' FWL  
Section 17, T-17S R-30E  
Eddy County, New Mexico

Dear Mr. Fesmire:

Marbob Energy Corporation requests approval for the Foster Eddy Fed. #13 Surface Commingling.  
Enclosed is the application.

Thank you for your help in this matter..

Sincerely,  
*Raye Miller*  
Raye Miller  
Land Department

RM/wm  
Attachment

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave, 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-107-B  
Revised June 10, 2003

**OIL CONSERVATION DIVISION**

1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Marbob Energy Corporation  
OPERATOR ADDRESS: P.O. Box 227 Artesia, NM 88211-0227  
APPLICATION TYPE:

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☐ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Grayburg Jackson 7R-Q-GB-SA	35.1	37.117		Same	22.1%
Cedar Lake Yeso	37.9			Same	77.9%
Current Battery				Same	
Resulting Battery after commingling		37.28		Same	21.1% Grayburg Jackson 7R-Q-GB-SA
					78.9% Cedar Lake Yeso

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.  
(4) Measurement type: ☐ Metering ☒ Other (Specify) Well Test  
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Pool Name and Code.  
(2) Is all production from same source of supply? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No  
(4) Measurement type: ☐ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

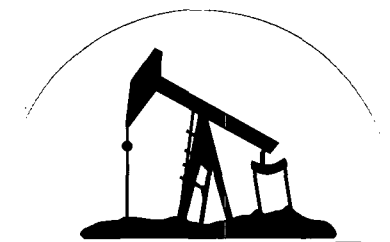
SIGNATURE: Raye Miller  
TYPE OR PRINT NAME: Raye Miller  
E-MAIL ADDRESS: marbob@marbob.com

TITLE: Attorney-in fact

DATE: 1/14/09

TELEPHONE NO.: 575 748 3303





**marbob**  
energy corporation

January 14, 2009

Oil Conservation Division  
1220 St. Francis Drive  
Santa Fe, New Mexico 87504

Attention: Mr. Mark Fesmire

RE: Surface Commingling  
Administrative Approval Request  
Foster Eddy Fed. #13  
1295' FNL 1650' FWL  
Section 17, T-17S R-30E  
Eddy County, New Mexico

Dear Mr. Fesmire:

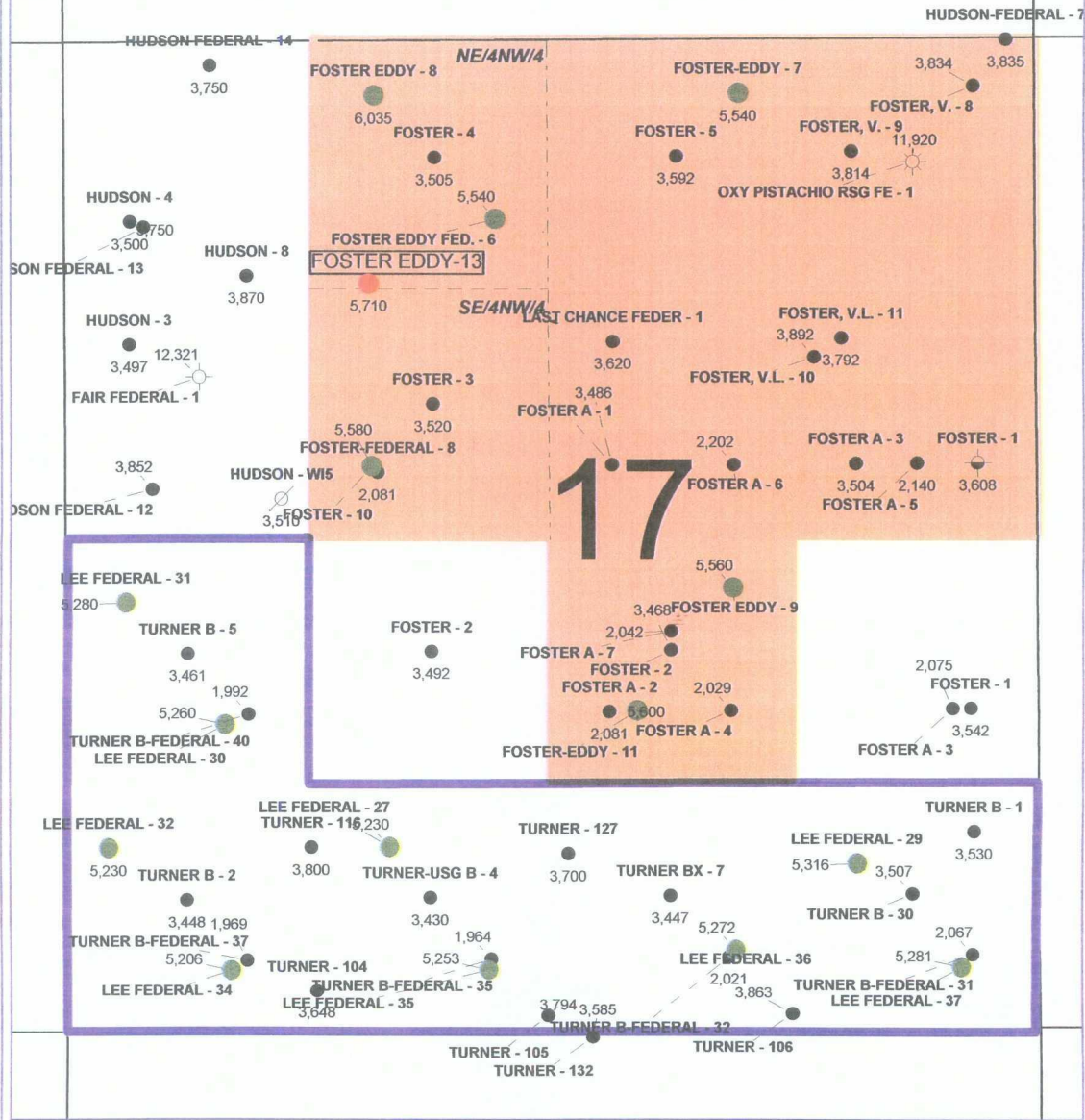
The owners in the proposed Foster Eddy Fed #13 Surface Commingling are identical percentages in working interest owners, royalty owners and overriding royalty owners ownership. I have reviewed the Division Order Title Opinion dated May 6, 2002 No. 7140 and I certify that all owners in the perforated and producing formations are identical for the Cedar Lake Yeso pool and the Grayburg Jackson 7R-Q-GB-SA pool for the Marbob Energy Corporation Foster Eddy wells which are involved in this application.

Thank you for your help in this matter.

Sincerely,  
*Raye Miller*  
Raye Miller  
Land Department

RM/wm

# T17S-R31E EDDY COUNTY, NM



PETRA 1/13/2009 10:44:31 AM

## MARBOB ENERGY CORPORATION

### Foster Eddy Lease

Foster Eddy Federal Lease - Orange Fill

Lee Federal Lease - Blue Outline

Yeso Producers - Green & Red Well Spots

By: dlw



January 13, 2009

<u>Lease Name</u>	<u>Lease No.</u>
Foster Eddy Federal	NMLC-049998 (A)

<u>Well Name</u> <u>API</u>	<u>Legal Description</u>
Foster Eddy Federal #13 3001529058	1295' FNL 1650' FWL, Unit C Sec. 17 T17S R31E

**Current Battery Location**

1980' FSL 1980' FEL Sec. 17 T17S R31E

**Current Wells Producing on Foster Eddy Lease**

Foster Eddy Federal #2 3001505196	1980' FSL 1980' FEL, Unit J Sec. 17 T17S R31E
Foster Eddy Federal #3 3001505197	1980' FNL 1980' FWL, Unit F Sec. 17 T17S R31E
Foster Eddy Federal #5 3001505199	660' FNL 1980' FEL, Unit B Sec. 17 T17S R31E
Foster Eddy Federal #6 3001525981	990' FNL 2310' FWL, Unit C Sec. 17 T17S R31E
Foster Eddy Federal #7 3001526230	330' FNL 1650' FEL, Unit B Sec. 17 T17S R31E
Foster Eddy Federal #8 3001526187	330' FNL 1650' FWL, Unit C Sec. 17 T17S R31E
Foster Eddy Federal #9 3001526273	2310' FSL 1650' FEL, Unit J Sec. 17 T17S R31E

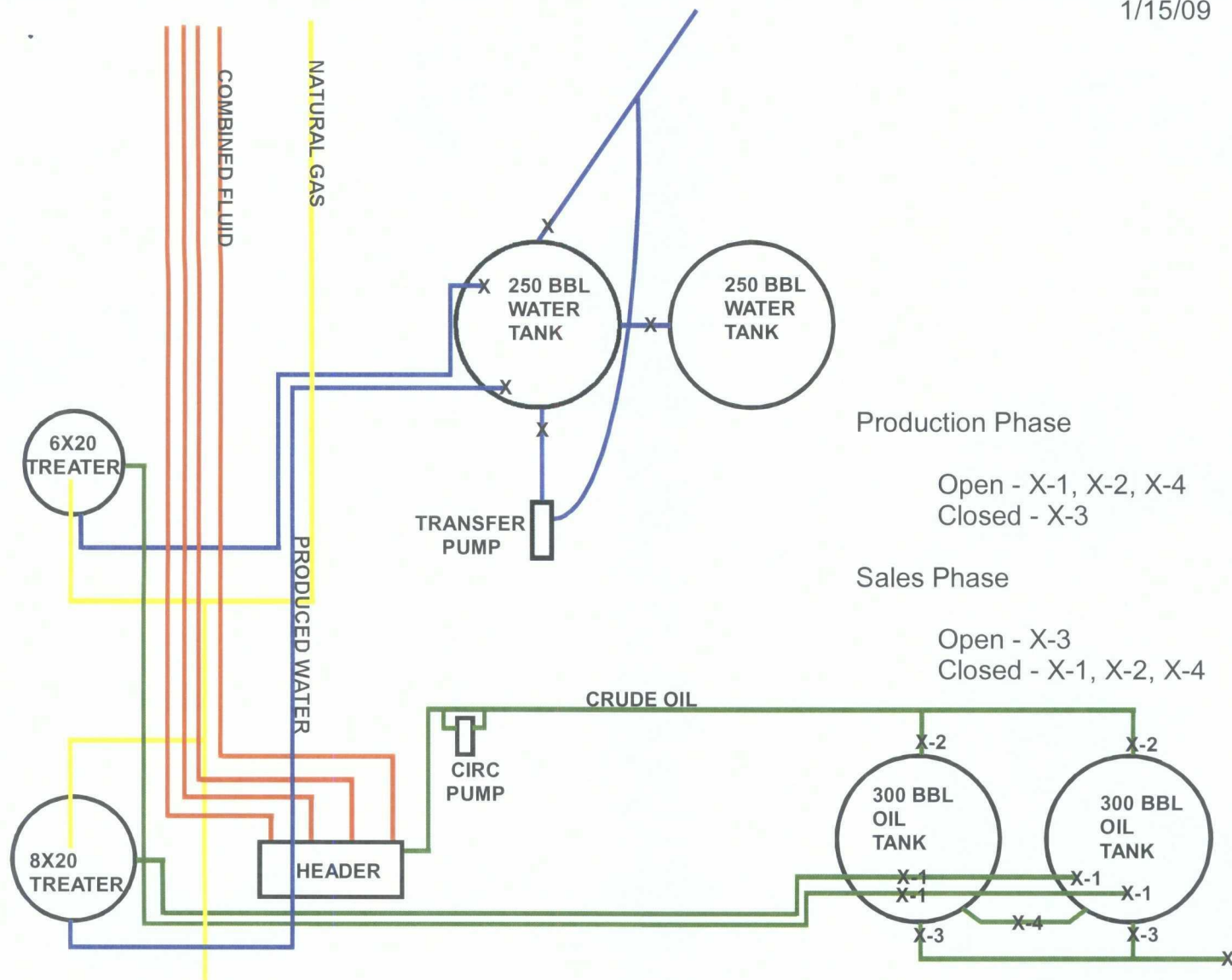
Foster Eddy Federal # 10  
3001526308

2310' FNL 1650' FWL, Unit F Sec. 17 T17S R31E

Foster Eddy Federal #11  
3001526231

1650' FSL 2160' FEL, Unit J Sec. 17 T17S R31E





## **SITE FACILITY DIAGRAM**

### **Foster Eddy Battery**

Section 17, Township 17S, Range 31E  
 Eddy County, New Mexico  
 LC 049998 (A)

*Marbob Energy Corporation*  
 2208 West Main Street  
 Artesia, New Mexico  
 575-748-3303