

ADMINISTRATIVE APPLICATION CHECKLIST

Tł	HIS CHECKLIST IS M	ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGI WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE	JLATIONS
Applic	ation Acronym		
	[DHC-Down [PC-Po	ndard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication nhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling ol Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] lified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]	0
[1]	TYPE OF AP	PLICATION - Check Those Which Apply for [A]	
	[A]	Location - Spacing Unit - Simultaneous Dedication	NH, COUL
	Check	One Only for [B] or [C]	
	[B]	Commingling - Storage - Measurement	
		DHC CTB PLC X PC OLS OLM	1
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery	
		WFX PMX SWD IPI EOR PPR	
	[D]	Other: Specify	55
[2]	NOTIFICAT	ION REQUIRED TO: - Check Those Which Apply, or Does Not Apply	СЛ · · ·
[2]	[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	1004-0137
	[E]	For all of the above, Proof of Notification or Publication is Attached, and/or,	
	[F]	Waivers are Attached	
[3]	SUBMIT AC	CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS TH	Е ТҮРЕ

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	william & Say	ANDEREY	1/14/09
Print or Type Name	Signature	Title	Date
		- 1	

e-mail Address





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

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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.

1

Sincerely Raye Miller Land Department

RM/wm Attachment

1625 N. French Drive, Hobbs, NM 88240 District II	Energy, Minerals an	d Natural Resources Depart	tment	Revised	I June 10, 2003
1301 W. Grand Ave, Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Road, Aztec. NM 87410 <u>District IV</u> 1220 S. St Francis Dr, Santa Fe, NM 87505	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.	
	FOR SURFACE	COMMINGLING (D	IVERSE	OWNERSHIP)	
OPERATOR NAME: Marbob	Energy Corporation				
OPERATOR ADDRESS: P.O. Bo	x 227 Artesia, NM 88	211-0227			
APPLICATION TYPE:					
Pool Commingling Lease Commingli	ng Pool and Lease Co	mmingling	ige and Measure	ement (Only if not Surface	e Commingled)
LEASE TYPE: 🗌 Fee 🗌	State 🛛 🛛 Fede	eral			
Is this an Amendment to existing Orde Have the Bureau of Land Management ⊠Yes □No					ingling
		DL COMMINGLING ts with the following infor	mation		
(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			Same	22.1%
Cedar Lake Yeso	37.9	_		Same	77.9%
Current Battery		37.117		Same	
Resulting Battery after commingling		37.28		Same	21.1%Graybu rg Jackson 7R-Q-GB-SA
(2) Are any wells producing at top allow	ables? Ves XI No				78.9% Cedar Lake Yeso

State of New Mexico

icing at top allowables? L Y es

(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.

Measurement type: Metering X Other (Specify) Well Test (4)

(5) Will commingling decrease the value of production? TYes KNo If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING Please attach sheets with the following information

Yes No

(1)	I OUI 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?

(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING Please attach sheets with the following information

Complete Sections A and E. (1)

Deal Name and Cad

District I

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

Is all production from same source of supply? (1)□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

A schematic diagram of facility, including legal location. (1)

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

Lease Names, Lease and Well Numbers, and API Numbers. (3)

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

TITLE: Attorney-in Fact DATE: 1/14/09 TELEPHONE NO.: 575 748 3303 Kaye SIGNATURE: Raye TYPE OR PRINT NAME M. E-MAIL ADDRESS: Marbob Marboh.com

AUG	3	1	1(
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Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

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125630

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Azzec, NM 87410 Santa Fe, New Mexico 87504-2088

State of New Mexico

OIL CONSERVATION DIVISION

P.O. Box 2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

C 17 17 South 31 East NMPM Eddy Jual Footage Location of Well: 1650 feet from the West line and 1295 feet from the North line wind level Elev. Orth line Producing Formation Pool Pool #28509 Dedicated Acreage:	perator	1 #1/0/0	·····	Lease	· · · · · · · · · · · · · · · · · · ·			Weil No.
Lieter Section Tormship Toruge 2000 2	Ogri Marbo	ob Energy C	ompany		Foster Eddy	Prop #	6514	13
In Process Location of Weil: Unit Letter C Liss and 1295 food from the North line 1650 Not from the Prode liss Romance Crbs Jackson SR O Crbs SA 40 Acc 3705.1 San Andres Crbs Jackson SR O Crbs SA 40 Acc 1. Oxidia the average decidence to the subject well by colored peeril or hadrage marks on the plat below. 2.1 Income han one lease is dedicated to fish well, well, bave the interime the of cloth as to working interest and royably). 3. If more han one lease of different overrhip is dedicated to the well, have the interest of all overm bees compliated by communitizing, minimum to be well well and there are an analytic to be well, have the interest ave be non-adapted to the well well, have the interest avel be consultated. (Une reverse ade of the form if the overtime and tend descriptions which have analytic bea cosmolidated. (Une reverse ade of the form if the overtime and tend descriptions which have analytic bea cosmolidated. (Une reverse ade of the form if the overtime and tend descriptions which have analytic bea cosmolidated. (Une reverse ade of the form if the overtime and tend descriptions which have analytic bea cosmolidated. (Une reverse ade of the form if the overtime and tend descriptions and tend descriptions which have analytic bea cosmolidated. (Une reverse ade of the form if the overtime and tend descriptions which have analytic bea cosmolidated. (Une reverse ade of the form if the overtime and the core is a start of all accounts and tend descriptions and tend descriptions.) 3705.5.1 - - 3706.2 - - -	Init Letter			Range				· · · · · · · · · · · · · · · · · · ·
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Basel level Producing Formation Pool	1650			line and	1295	fect from t	he Nor	th line
Louis the screage dedicated to the subject well by colored pescil or backure marks on the plat below. Lif more than one lease is dedicated to the well, couline each and identify the oreservhip thereof (both as to working interest and royalty). Si if more than one lease of different orwarship is dedicated to the well, have the interest of all owners been consolidated by communuitization, unitization, force-pooling, and the well was actually been consolidated (by communuitization, forced-pooling, or otherwise) The terms and truct descriptions which have actually been consolidated. (Use reverse aide of this form if necessary. No disreaded unit, eliminating ach interest, has been approved by the Division. OPERATOR CERTIFICAT I arrow to account of the science of the	round level Elev.		ing Formation	Pool	Pool #28509			Dedicated Acreage:
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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:

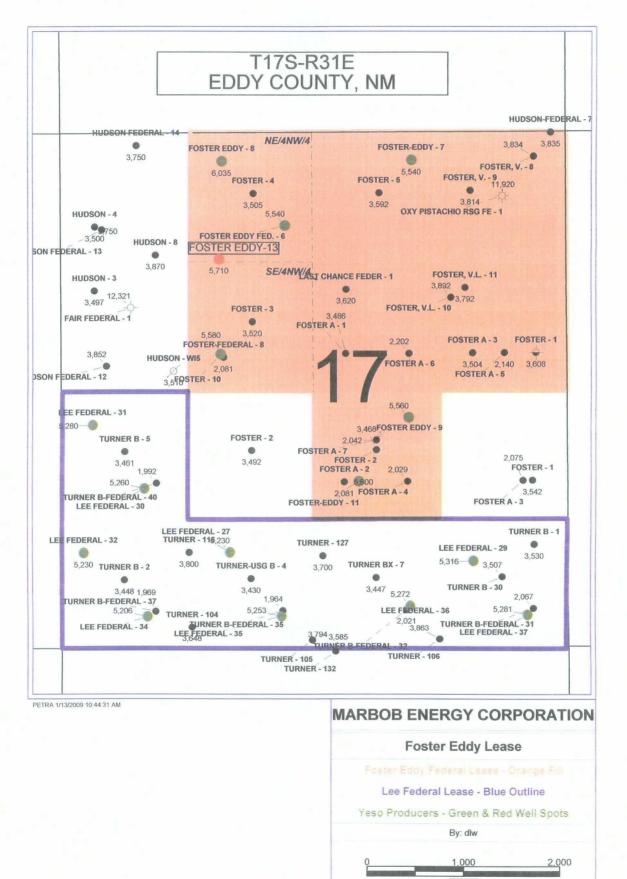
The owners in the proposed Foster Eddy Fed #13 Surface Commingling are identical percentages in working interest owners, royalty owners and overrididing royalty owners ownership. I have reviewed the Division Order Title Opinion dated May 6, 2002 No. 7140 and I certify that all owners in the perforated 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.

Sincerel Rave Miller

Land Department

RM/wm



FEET

January 13, 2009

Lease Name Lease No.

Foster Eddy Federal NMLC-049998 (A)

Well NameLegal DescriptionAPI

Foster Eddy Federal #13 1295' FNL 1650' FWL, Unit C Sec. 17 T17S R31E 3001529058

Current Battery Location

1980' FSL 1980' FEL Sec. 17 T17S R31E

Current Wells Producing on Foster Eddy Lease

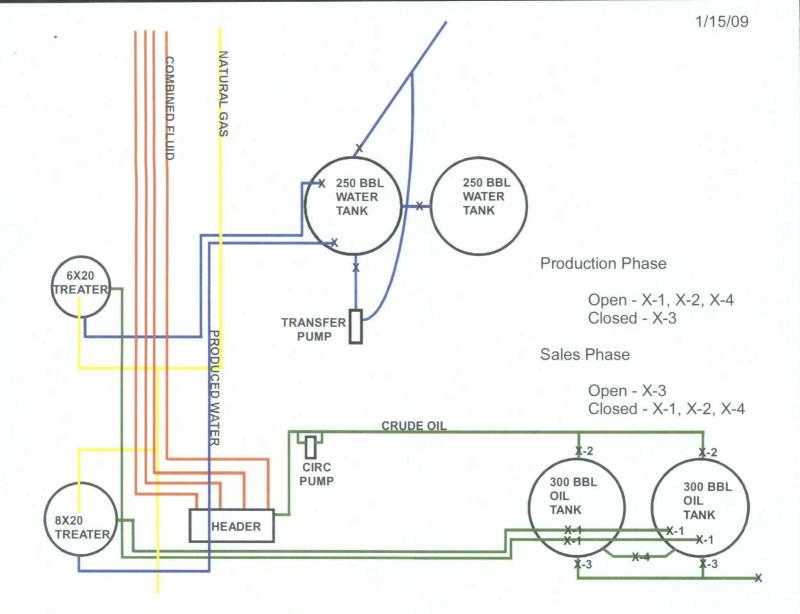
Foster Eddy Federal #2 3001505196	1980' FSL 1980' FEL, Unit J Sec. 17 T17S R31E
Foster Eddy Federal #3 3001505197	1980' FNL 1980' FWL, Unit F Sec. 17 T17S R31E
Foster Eddy Federal #5 3001505199	660' FNL 1980' FEL, Unit B Sec. 17 T17S R31E
Foster Eddy Federal #6 3001525981	990' FNL 2310' FWL, Unit C Sec. 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 2310' FNL 1650' FWL, Unit F Sec. 17 T17S R31E 3001526308

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Foster Eddy Federal #11 1650' FSL 2160' FEL, Unit J Sec. 17 T17S R31E 3001526231



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