



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3227

Marbob Energy Corporation
PO Box 227
Artesia, New Mexico 88211

Attention: Brian Collins

*AAO Federal Well No. 4
API No. 30-015-32310
Lot 1, Section 1, Township 18 South, Range 27 East, NMPM,
Eddy County, New Mexico
Red Lake-Queen Grayburg San Andres (Oil 51300), and
Northeast Red Lake-Glorieta Yeso (Oil 96836) Pools*

Dear Mr. Collins:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the well bore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., 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 and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled oil pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis unless amended with permission of the Artesia District Office and copied to this office.

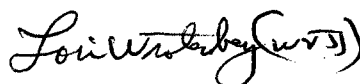
Red Lake-Queen Grayburg San Andres Oil Pool	Oil-71%	Gas-68%
Northeast Red Lake-Glorieta Yeso Oil Pool	Oil-29%	Gas-32%

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 24th day of December 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Division Director

LW/wvjj

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