

DATE IN <u>3-24-10</u>	SUSPENSE	ENGINEER <u>RE.</u>	LOGGED IN <u>3-24-10</u>	TYPE <u>PC</u>	PTGW APP NO. <u>1008354482</u>
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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



Mar 60 b

Lara Michelle State 1-5

ADMINISTRATIVE APPLICATION CHECKLIST

wells

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

#5 well No reported prod. since 2004

[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 Miller
Print or Type Name

WAM
Signature

Landman
Title

3/19/2010
Date

wmiller@marbob.com
e-mail Address

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: _____

OPERATOR ADDRESS: _____

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
SEE Attached					

(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)

(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: W. Miller TITLE: Landman DATE: 3/19/2010
TYPE OR PRINT NAME William Miller TELEPHONE NO.: 575 7483303
E-MAIL ADDRESS: wmiller@marbob.com

Surface Commingling

<u>Well</u>	<u>Calculated Gravity</u>
Lara Michelle State #1-4	36.4 (18.73 barrels)
Lara Michelle State #5	38.3 (27 barrels)

<u>Well</u>	<u>Calculated BTU</u>
Lara Michelle State #1-4	1431 (37.94)
Lara Michelle State #5	1333 (66)

<u>Commingled Gravity</u>	<u>Commingled BTU</u>
37.52	1368.743

Surface ComminglingProduction per dayLara Michelle State #1 API# 3001524910

Pool Name and Code: Artesia;Queen-Grayburg-San Andres {3230}

Oil	Gas
5.13	5.07
Gravity-36.4	BTU-1431

Lara Michelle State #2 API# 3001525493

Pool Name and Code: Artesia;Queen-Grayburg-San Andres {3230}

Oil	Gas
4.53	4.10
Gravity-36.4	BTU-1431

Lara Michelle State #3 API# 3001522418

Pool Name and Code: Artesia;Queen-Grayburg-San Andres {3230}

Oil	Gas
7.67	28.77
Gravity-36.4	BTU-1431

Lara Michelle State #4 API# 3001524446

Pool Name and Code: Artesia;Queen-Grayburg-San Andres {3230}

Oil	Gas
1.40	0
Gravity-36.4	N/A

Lara Michelle State #5 API# 3001501711

Pool Name and Code: Artesia;Glorieta-Yeso {18790}

Oil	Gas
27	66
Estimated Gravity 38.3	Estimated BTU 1333



marbob
energy corporation

April 5, 2010

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

Attention: Mr. Richard Ezeanyim

RE: Surface Commingling

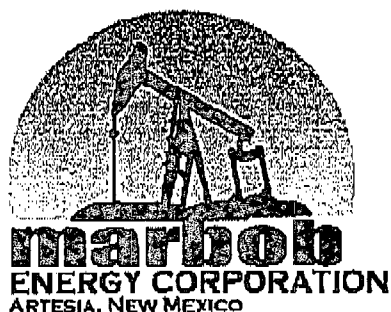
Dear Mr. Ezeanyim:

I hereby certify that the ownership in the Lara Michelle State #1, #2, #3, #4, #5 is all uniform. The working interest and royalty ownership is also all the same.

Sincerely,

Raye Miller
Attorney-in-fact

RM/wm

**FAX COVER SHEET**

To:	OCD- Richard Ezeanyim	From:	William Miller
Date:	April 5, 2010	Pages:	3
Fax No.:	505 476-3462		

Mr. Ezeanyim

Attached are the papers for the Lara Michelle State Commingling.

Thanks,
William Miller

If you have trouble receiving this fax, please call
Nancy at 505-748-3303.