

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Artesia, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

DEC 4 2007

Form C-107A  
Revised June 10, 2003



Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

OCD-ARTESIA

APPLICATION TYPE  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

MARBOB ENERGY CORPORATION P O BOX 227 ARTESIA, NM 88211-0227  
Operator Address  
DIME STATE #1 J-30-18S-28E EDDY COUNTY, NM  
Lease Well No Unit Letter-Section-Township-Range County  
OGRID No. 14049 Property Code 35056 API No. 30-015-33659 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	WILDCAT CANYON	WILDCAT STRAWN	WILDCAT ATOKA
Pool Code	96072	96081	96049
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9058-9104' PERF	9529-9750' PERF	9937-10129' PERF
Method of Production (Flowing or Artificial Lift)	FLOWING	FLOWING	FLOWING
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	EST 500 PSI PRODUCING BHP	EST 500 PSI PRODUCING BHP	EST 500 PSI PRODUCING BHP
Oil Gravity or Gas BTU (Degree API or Gas BTU)	N/A	N/A	N/A
Producing, Shut-In or New Zone	NEW ZONE	NEW ZONE	NEW ZONE
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date:  Rates:	Date: 28 NOV 07  Rates: 29 MCFD	Date: 19 NOV 07  Rates: 54 MCFD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 20 % 20 %	Oil Gas 28 % 28 %	Oil Gas 54 % 54 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐  
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐  
Will commingling decrease the value of production? Yes ☐ No ☒  
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐  
NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.  
Production curve for each zone for at least one year. (If not available, attach explanation.)  
For zones with no production history, estimated production rates and supporting data.  
Data to support allocation method or formula  
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.  
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required

List of other orders approving downhole commingling within the proposed Pre-Approved Pools  
List of all operators within the proposed Pre-Approved Pools  
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application  
Bottomhole pressure data

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

SIGNATURE Brian Collins TITLE ENGINEER DATE 30 NOV 07  
TYPE OR PRINT NAME BRIAN COLLINS TELEPHONE NO. ( 575 ) 748-3303  
E-MAIL ADDRESS engineering@marbob.com

**Engineering Summary**  
**Form C-107A**  
**Application for Downhole Commingling**  
**Marbob Energy Corporation**  
**Dime State No. 1 (J-30-18S-28E)**

Marbob Energy proposes to downhole commingle the Atoka, Strawn and Canyon zones. No crossflow will occur because this well will be produced into a pipeline at a flowing pressure significantly lower than the surface shut-in pressures of each zone.

The Atoka, Strawn and Canyon reserves are calculated as follows:

**Atoka:**

The Atoka tested approximately 54 MCFD after being acidized (155 psia on 1/8" choke). Best engineering estimate is that Atoka will come in at 54 MCFD and that all zones will decline at the same rate. The zonal allocation will be based on initial Atoka production rate. The best engineering estimate is that any oil produced will be produced in the same ratio as the gas production.

**Strawn:**

The Strawn tested at approximately 29 MCFD after being acidized (83 psia on 1/8" choke). Best engineering estimate is that Strawn will come in at 29 MCFD and that all zones will decline at the same rate. The zonal allocation will be based on initial Strawn production rate.

**Canyon:**

The Canyon wasn't tested yet at the time this application was prepared. Best engineering estimate is that Canyon will come in at 20 MCFD and that all zones will decline at the same rate. The zonal allocation will be based on initial Canyon production rate.

The proposed allocation follows. If actual tests are significantly different than shown in allocation below, a new allocation will be submitted.

Atoka Gas	$\frac{54 \text{ MCFD}}{54+29+20 \text{ MCFD}}$	= 52%
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Oil		= 52%
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Strawn Gas	$\frac{29 \text{ MCFD}}{54+29+20 \text{ MCFD}}$	= 28%
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Oil		= 28%
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Canyon Gas	$\frac{20 \text{ MCFD}}{54+29+20 \text{ MCFD}}$	= 20%
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Oil		= 20%
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## DISTRICT I

1625 N. FRENCH DR., ROBBIE, NM 88240

## DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

## State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
		74640	CEMETARY MORROW (GAS)
Property Code	Property Name		Well Number
	HANG'EM HIGH FEDERAL		1
OGRID No.	Operator Name		Elevation
14049	MARBOB ENERGY CORPORATION		3472'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	19-S	25-E		660	NORTH	1980	EAST	EDDY

## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
320									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=590160.3 N X=463243.4 E</p> <p>LAT.=32°37'20.63" N LONG.=104°27'09.79" W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Amy Reid</i> Signature</p> <p>AMY REID Printed Name</p> <p>LAND DEPARTMENT Title</p> <p>JUNE 21, 2005 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>APRIL 22, 2005 Date</p> <p><i>Cary Gibson</i> Signature &amp; Seal of Professional Surveyor</p> <p>05.11.0646 Certificate No.</p> <p>CARY GIBSON 12641</p>