



marbob
energy corporation

2006 JUN 9 AM 11 49

June 7, 2006

NM Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87605-4000

Attn: Mr. William Jones

Re: Administrative Order DHC-3676
D State #21
API 30-015-30975
Unit I, Sec. 25, T17S-R28E
Eddy County
Request to Change Zonal Allocation

DHC-3676

Dear Mr. Jones,

Marbob Energy requests that the zonal allocation between the Yeso and San Andres be changed from that submitted and approved on Administrative Order DHC-3676. Swab testing of the San Andres interval 2870-3059' yielded discouraging results, so we decided not to fracture stimulate the San Andres. The best engineering estimate is that the San Andres will produce about 5 BFPD with a 5% oil cut and the same GOR as the Yeso. The Yeso produces 11 BOPD/27 MCFPD.

The proposed zonal allocation is:

San Andres: $\frac{0.25 \text{ BOPD}}{11+0.25 \text{ BOPD}} = .0222$, say 2% (oil and gas)

Yeso: $1-.02 = .98$, say 98% (oil and gas)

Please call if you have questions.

Sincerely,

Brian Collins
Engineer

BC/dlw