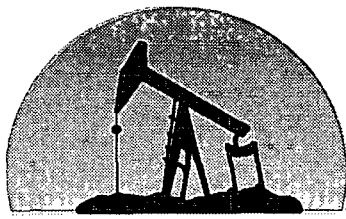


DHC 1/19/00

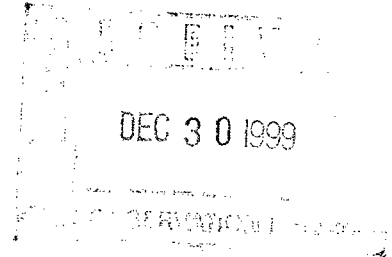


marbob
energy corporation

2666

December 28, 1999

Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505-6429



RE: Application for Downhole Commingling
Samedan State No. 2 - API #30-015-30773

Gentlemen:

Marbob Energy Corporation respectfully submits, for administrative approval, the enclosed Form C-107-A. This application requests approval to down hole commingle production from the Queen, Grayburg, San Andres, Glorietta, and Yeso formations.

Please do not hesitate to contact me should you have any questions or require any additional information.

Sincerely,

Dean Chumbley
Land Department

DC/mm
Enclosures

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First St., Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410
DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107-A
Revised August 1999

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Marbob Energy Corporation P. O. Box 227 Artesia, NM 88211-0227
Operator Address
Samedan State 2 0-27-17S-28E Eddy
Lease Well No. Unit Ltr. - Sec - Twp - Rge County
Spacing Unit Lease Types: (check 1 or more)
OGRID NO. 014049 Property Code 6533 API NO. 30-015-30773 Federal State X, (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	3230 Artesia, Queen, Grbg, SA		Artesia, Glorieta, Yeso
2. Top and Bottom of Pay Section (Perforations)	approximately 2430' - 2770'		3630' - 3864'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current)	a.	a.
	b. (Original)	b.	b.
6. Oil Gravity (EAPI) or Gas BTU Content	34.2		37.0
7. Producing or Shut-in?	Waiting on Perforations		Producing
Production Marginal? (yes or no) * If Shut-in, give 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 * If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Yes		Yes
	Date: Rates: N/A	Date: Rates:	Date: Rates: N/A
	Date: Rates: N/A	Date: Rates:	Date: 12-15-99 Rates: 0-17, G-30, W-207
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 62 % Gas: 68 %	Oil: % Gas: %	Oil: 38 % Gas: 32 %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No

11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No

13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)

14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S).

16. 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, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Dean Chumley TITLE LAND DEPARTMENT DATE 12-28-1999

TYPE OR PRINT NAME DEAN CHUMLEY TELEPHONE NO. (505) 748-3303

DISTRICT I

Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

SEP 13 1999

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 3230	Pool Name ARTESIA QUEEN GRBG SA
Property Code 6533	Property Name SAMEDAN STATE	Well Number 2
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3670

Surface Location

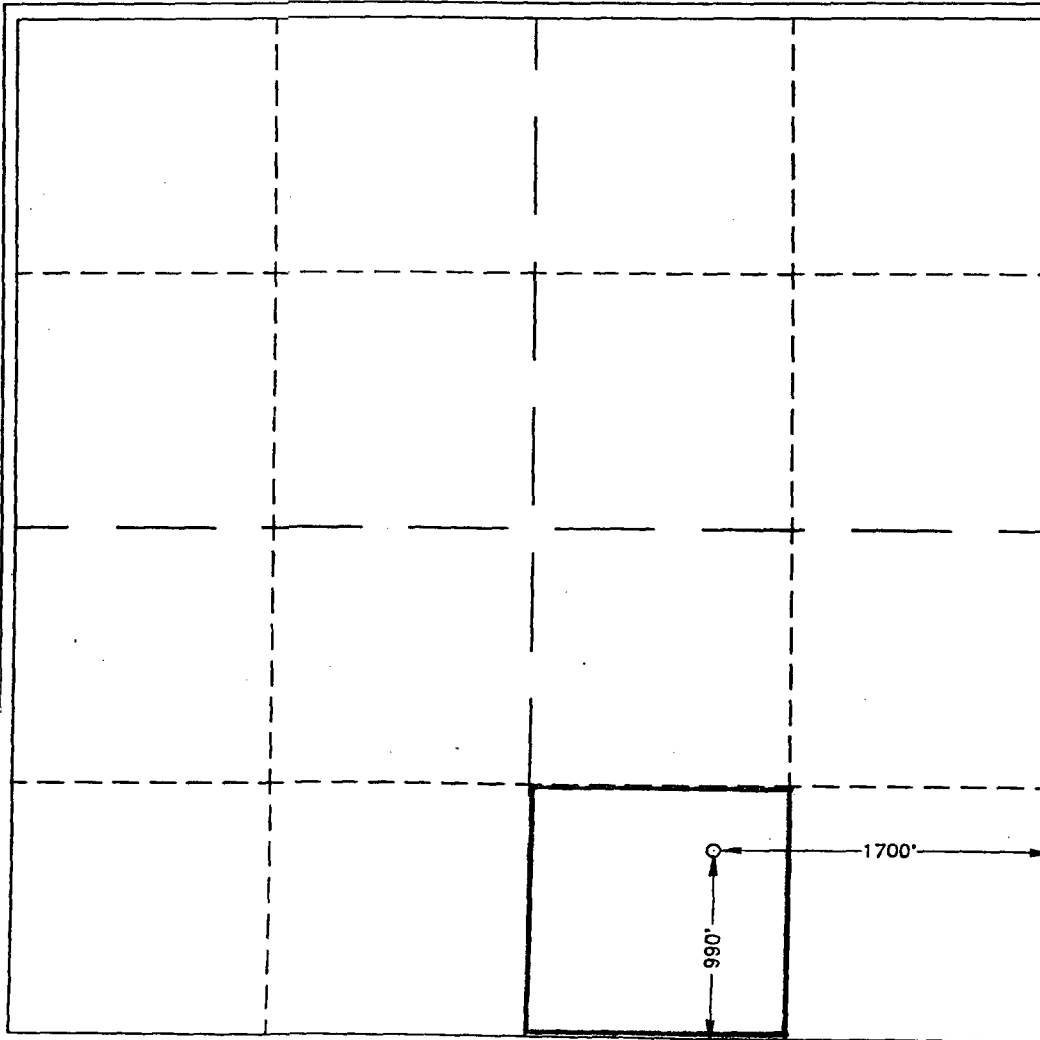
UL or lot No. 0	Section 27	Township 17 S	Range 28 E	Lot Idn	Feet from the 990	North/South line SOUTH	Feet from the 1700	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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



OPERATOR CERTIFICATION

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

Robin Cockrum
Signature

ROBIN COCKRUM
Printed Name

PRODUCTION ANALYST
Title

10-4-99
Date

SURVEYOR CERTIFICATION

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.

SEPTEMBER 8, 1999

Date Surveyed JLP

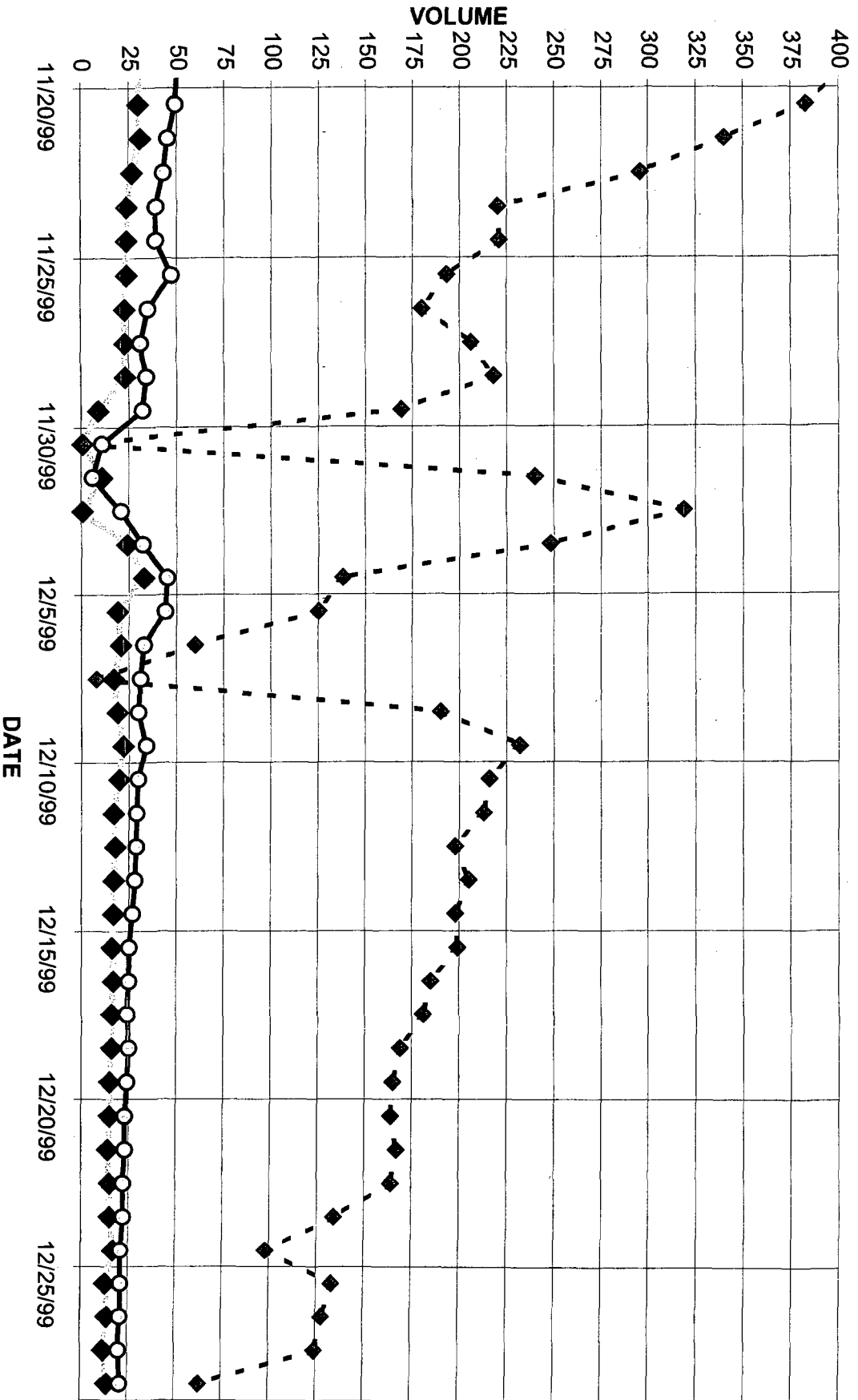
Signature of Ronald E. Edson
Professional Surveyor

Ronald E. Edson
P.O. Num. 99-126718

Certificate No. RONALD E. EDSON, 3239
GARY E. EDSON, 12641
PROFESSIONAL SURVEYOR McDONALD, 12185

SAMEDAN 2 PRODUCTION

◆ SAMEDAN STATE #2 OIL - ◆ SAMEDAN STATE #2 WATER —○— SAMEDAN STATE #2 GAS



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-127
Supersedes O-126
Effective 1-1-77

All distances must be from the outer boundaries of the Section.

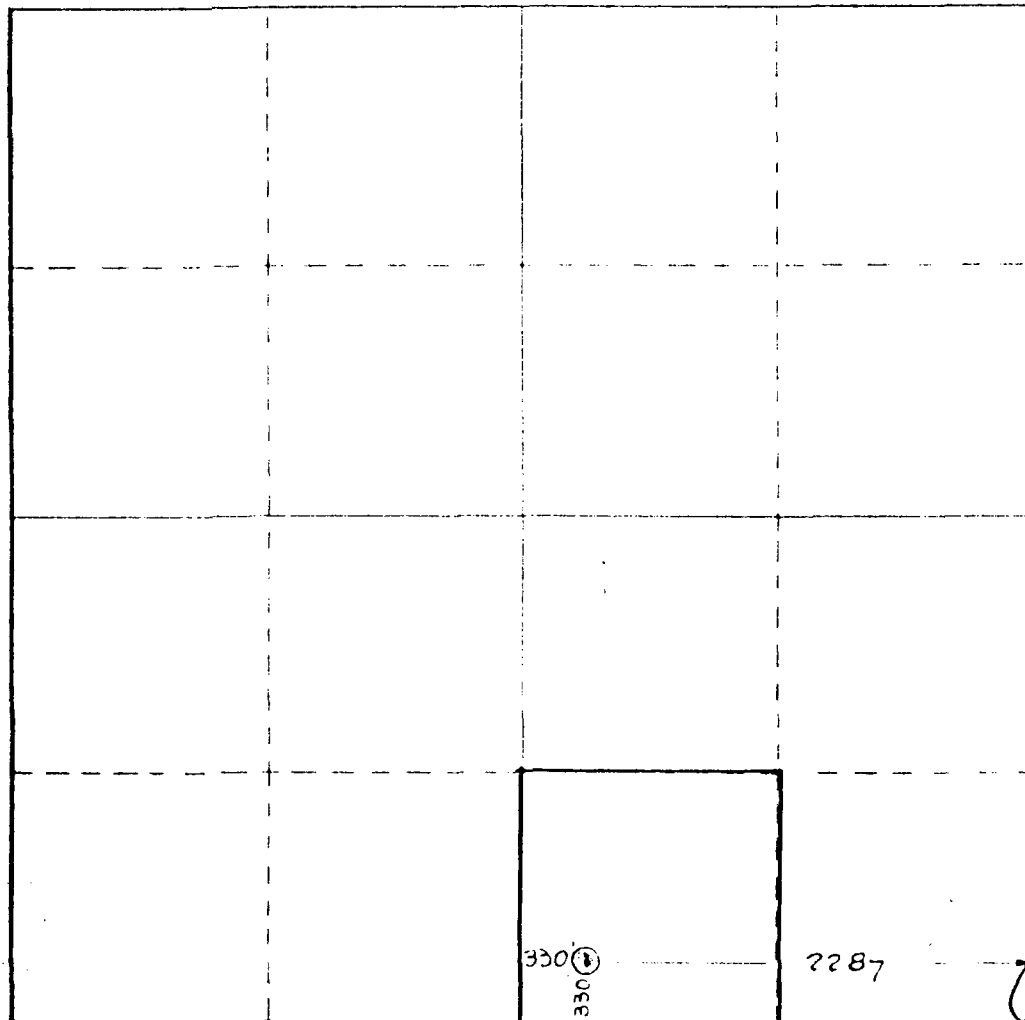
Operator MARBOR ENERGY CORPORATION		Lease Samedan St.		Well No. 1
Unit Letter 0	Section 27	Township 17 South	Range 28 East	County EDDY
Actual Footage Location of Well				
330	feet from the	South	2287	feet from the
Ground Level Elev. 3675		Established Location San Andres	Artesia Queen GB SA	Well Depth 40

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Carolyn Orris

Carolyn Orris

Agent

Marbob Energy Corporation

9/26/83

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 knowledge and belief.

Date Surveyed

July 22 & 23, 1976

Registered Professional Engineer
and of Land Surveyor

John W. Shuman

Certificate No.

1559

Copy to



Oil&Gas Production Curve of Well: *SAMEDAN STATE*

No.: 001(98,99)

