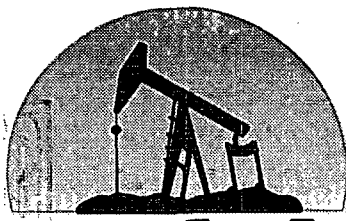
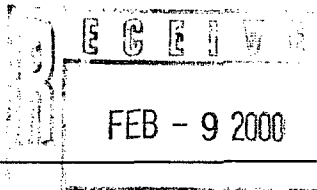


DHC

2/29/00

**marbob**  
energy corporation

February 8, 2000

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

Attn: David Catanach  
Engineer

RE: Samedan State No. 2  
Down Hole Commingling Application

Dear Mr. Catanach:

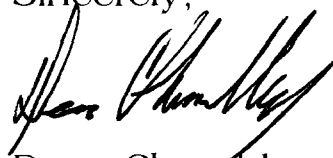
Marbob Energy Corporation submitted for NMOCD approval an Application for Down Hole Commingling on December 28, 1999. We are seeking approval to commingle production from the Q-SR-SA with Yeso production in the above referenced well.

Since submitting, you have requested further information on our method of determining the submitted allocation percentages. Crude allocation was determined from the beginning Yeso production curve from the Samedan No. 2 located at 990' FSL and 1660' FEL, Section 27-17S-28E versus established Q-SR-SA production curve from the Samedan State No. 1 located at 330' FSL and 2287' FEL, Section 27-17S-28E. A copy of the No. 1 is attached. As you can see, the ultimate recovery from this well should be about 34,865 barrels of oil and 81,339 mcf of gas. We believe that the density of spacing of the new well will result in an ultimate recovery from that zone of about 72% of the ultimate of the #1 well. That would equate to 25,103 barrels of oil and 58,564 mcf of gas. This percentage was chosen because of the impact which was seen in the decline curve in October, 1986. That was the drilling of the offset well to the south,

the Flemming State No. 2. That well was 781' from the Samedan #1 while the #2 is 910' away from the Samedan #1. The ultimate recovery from the Yeso was based on the initial production from the zone applied to the decline curves for our Yeso production to the east. That resulted in an anticipated recovery from the Yeso of 15,380 barrels of oil and 27,560 mcf of gas. These estimated ultimates then became our basis for the allocation percentages.

If you need any additional information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean Chumbley", written over the printed name.

Dean Chumbley  
Land Department

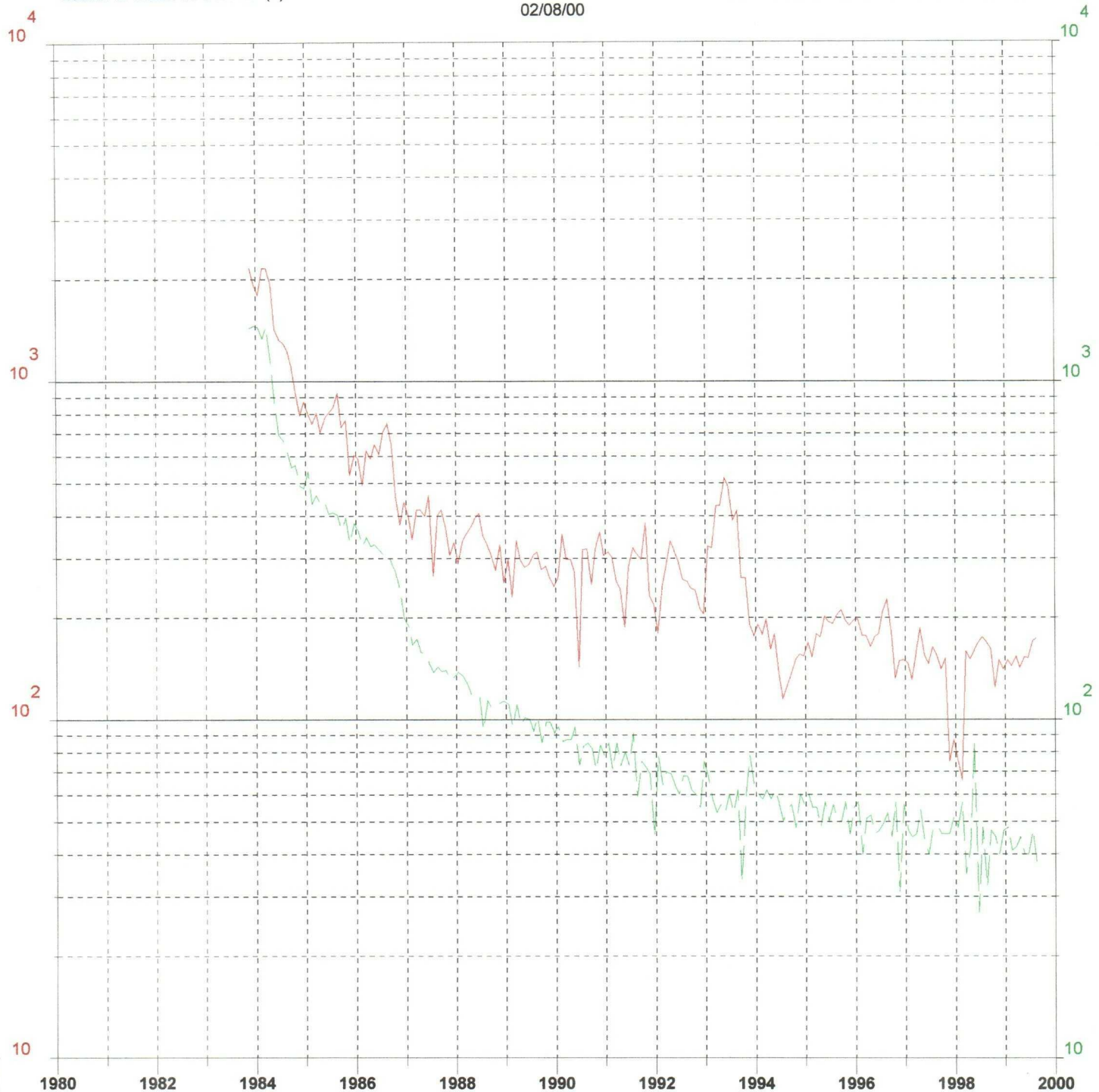
DC/mm

# Dwights

Lease: SAMEDAN STATE (1)

02/08/00

Retrieval Code: 150,015,17S28E27OM2QS



Gas (mcf/mo)

County: EDDY, NM

F.P. Date: 11/83

Oil (bbl/mo)

Field: ARTESIA (QUEEN GRAYBURG S

Oil Cum: 32.94 mbbl

Reservoir: QUEEN GRAYBURG SAN A

Gas Cum: 73.91 mmcf

Operator: MARBOB ENERGY CORP

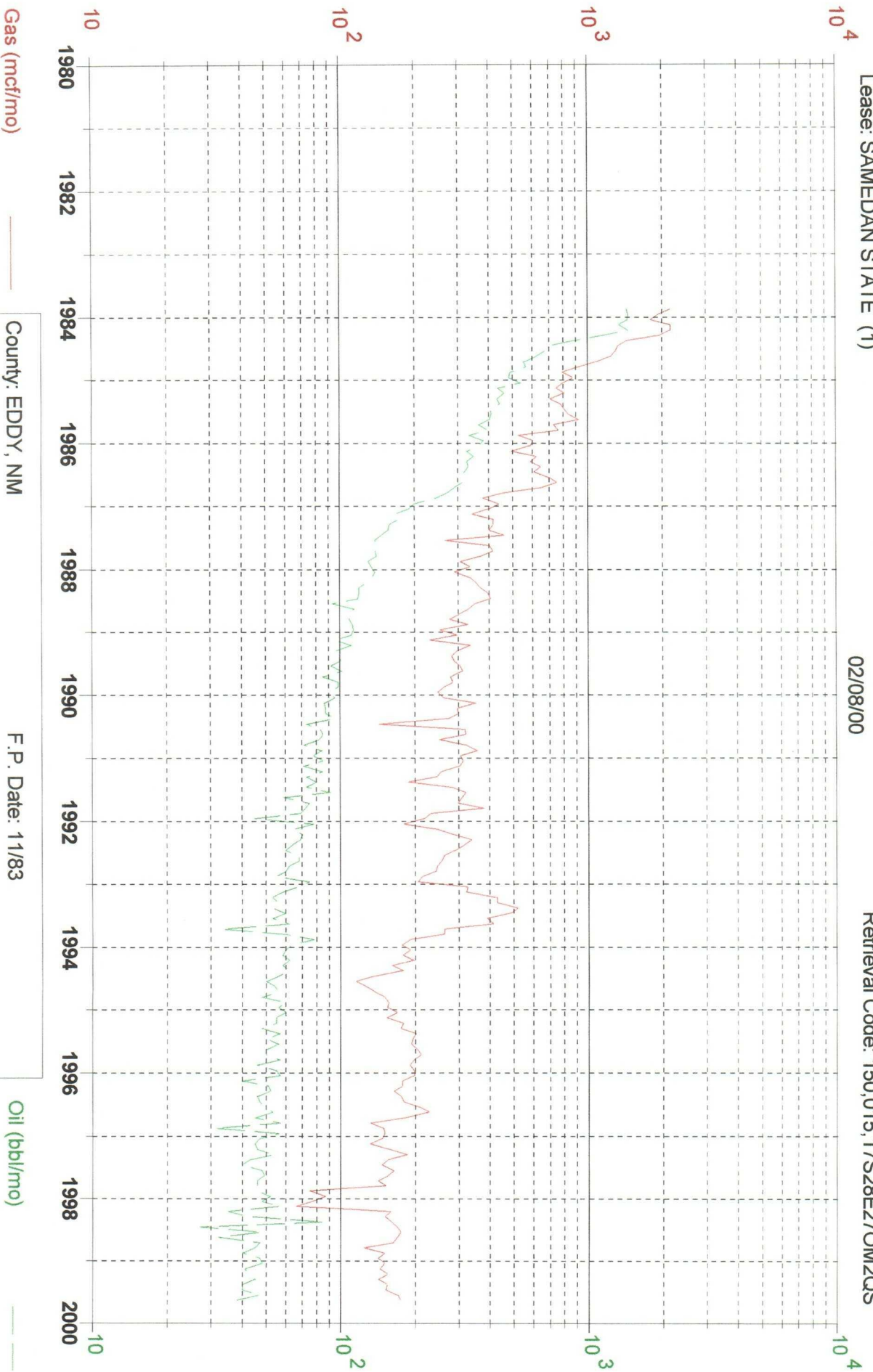
Location: 27O 17S 28E

# Dwights

Lease: SAMEBAN STATE (1)

02/08/00

Retrieval Code: 150,015,17S28E27OM2QS



County: EDDY, NM

F.P. Date: 11/83

Field: ARTESIA (QUEEN GRAYBURG S

Oil Cum: 32.94 mbbl

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