

PLX 0322528825

Form C-107A
Revised June 10, 2003

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

APPLICATION TYPE
X Single Well
lish Pre-Approved Pools
EXISTING WELLBORE
X Yes ___ No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator		Address			
FEDERAL CE GAS COM 2		LOT 3-1-T17S-R27E		EDDY	
Lease	Well No.	Unit Letter-Section-Township-Range			County
OGRID No. 14049	Property Code	API No. 30-015-32613	Lease Type: X	Federal	State Fee

DATA ELEMENT	UPPER ZONE <i>South Diamond Mound - Atoka</i>	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	CROW FLATS ATOKA?	<i>97002</i>	CROW FLATS MORROW
Pool Code	?		75720
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9152-9186' PERFORATED		9378-9519' PERFORATED
Method of Production (Flowing or Artificial Lift)	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. 3815 PSI		EST. 3930 PSI
Oil Gravity or Gas BTU (Degree API or Gas BTU)	EST. 1050 BTU		EST. 1050 BTU
Producing, Shut-In or New Zone	NOT PERFORATED YET		TESTING WELL AFTER FRAC JOB
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: N/A Rates:	Date: Rates:	Date: 5 AUGUST 2003 Rates: EST. 200 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 67 % 67 %	Oil Gas % %	Oil Gas 33 % 33 %

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.

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Oil Conservation Division

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 Kevin Collins TITLE ENGINEER DATE 7 Aug 03

TYPE OR PRINT NAME BRIAN COLLINS TELEPHONE NO. (505) 748-3303

E-MAIL ADDRESS engineering@marbob.com

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
511 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

JUN 19 2003

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 75720	Pool Name CROW FLATS-MORROW (GAS)
Property Code	Property Name FEDERAL CE GAS COM	Well Number 2
OGRID No. 168489	Operator Name RICKS EXPLORATION INC.	Elevation 3561'

Surface Location

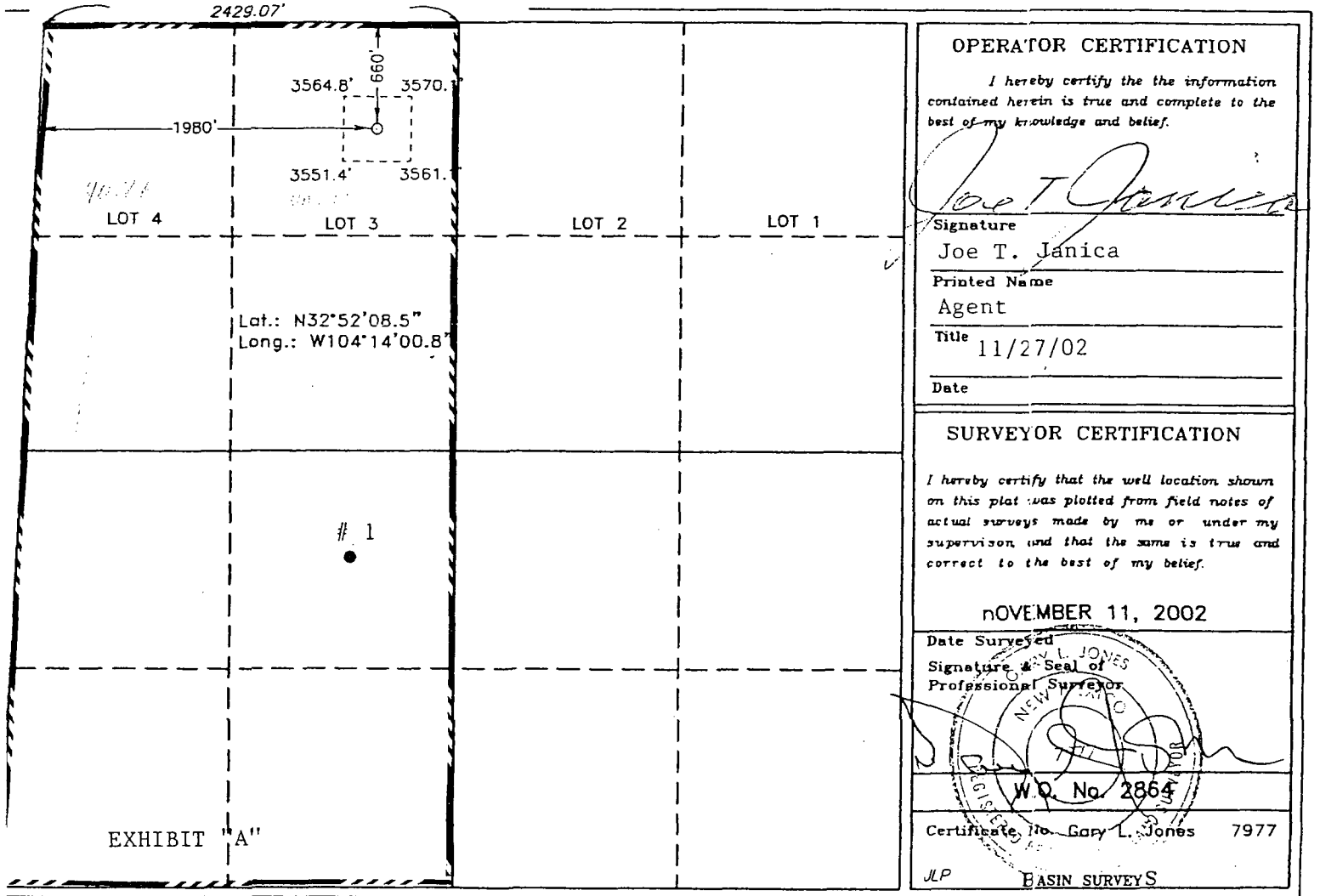
UL or lot No. LOT 3	Section 1	Township 17-S	Range 27-E	Lot Idn	Feet from the 660'	North/South line NORTH	Feet from the 1980'	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

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 321	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.

Signature
Joe T. Janica

Printed Name
Agent

Title
11/27/02

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.

NOVEMBER 11, 2002

Date Surveyed

Signature & Seal of
Professional Surveyor

W.D. No. 2864

Certificate No. Gary L. Jones 7977

JLP BASIN SURVEYS

**Engineering Summary
Downhole Commingling Application
Federal CE Gas Com No. 2
Lot 3, Section 1, T17S-R27E
Eddy County, New Mexico**

The Federal CE Gas Com No. 2 looks poor in both the Morrow and Atoka zones. Marbob Energy believes that the Morrow and Atoka will have to be produced together for commercial production to occur. We expect the Morrow and Atoka to have similar reservoir pressures, gas compositions and long-term production characteristics.

We are testing the Morrow at about 200 MCFD after pumping a sand frac. We plan to test the Atoka Sand uphole and anticipate approximately 400 MCFD from the Atoka. The best engineering estimate is that the Morrow and Atoka will exhibit the same production decline rate, therefore the reserves for each zone will be proportional to the initial production rate for each zone. The proposed zonal allocation follows.

Morrow Initial Production = 200 MCFD

Atoka Initial Production = 400 MCFD

$$\text{Morrow Production Allocation} = \frac{200 \text{ MCFD}}{200 + 400 \text{ MCFD}} = .33 = 33\%$$

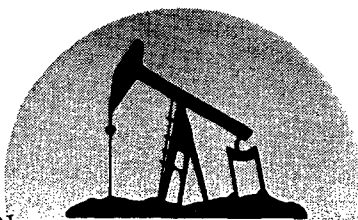
$$\text{Atoka Production Allocation} = 1 - .33 = .67 = 67\%$$

If the Atoka tests at a rate significantly different than that assumed above, a revised allocation will be submitted.

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OIL CONSERVATION
DIVISION



marbob
energy corporation

COPY

August 7, 2003

Bureau of Land Management
2909 W. 2nd St.
Roswell, NM 88201

Attn: Mr. Armando Lopez

Re: Downhole Commingling Application
Federal CE Gas Com No. 2, Lot 3, Sec. 1-T17S-R27E
Eddy County, New Mexico

Dear Mr. Lopez:

Enclosed is a copy of the downhole commingling application submitted to the NMOCD for the captioned well.

Please contact me at 505-748-3303 if you have any questions.

Sincerely,

Brian Collins
Petroleum Engineer

BC/dlw
enclosure