

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

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 80240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 80210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

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

Surface Location

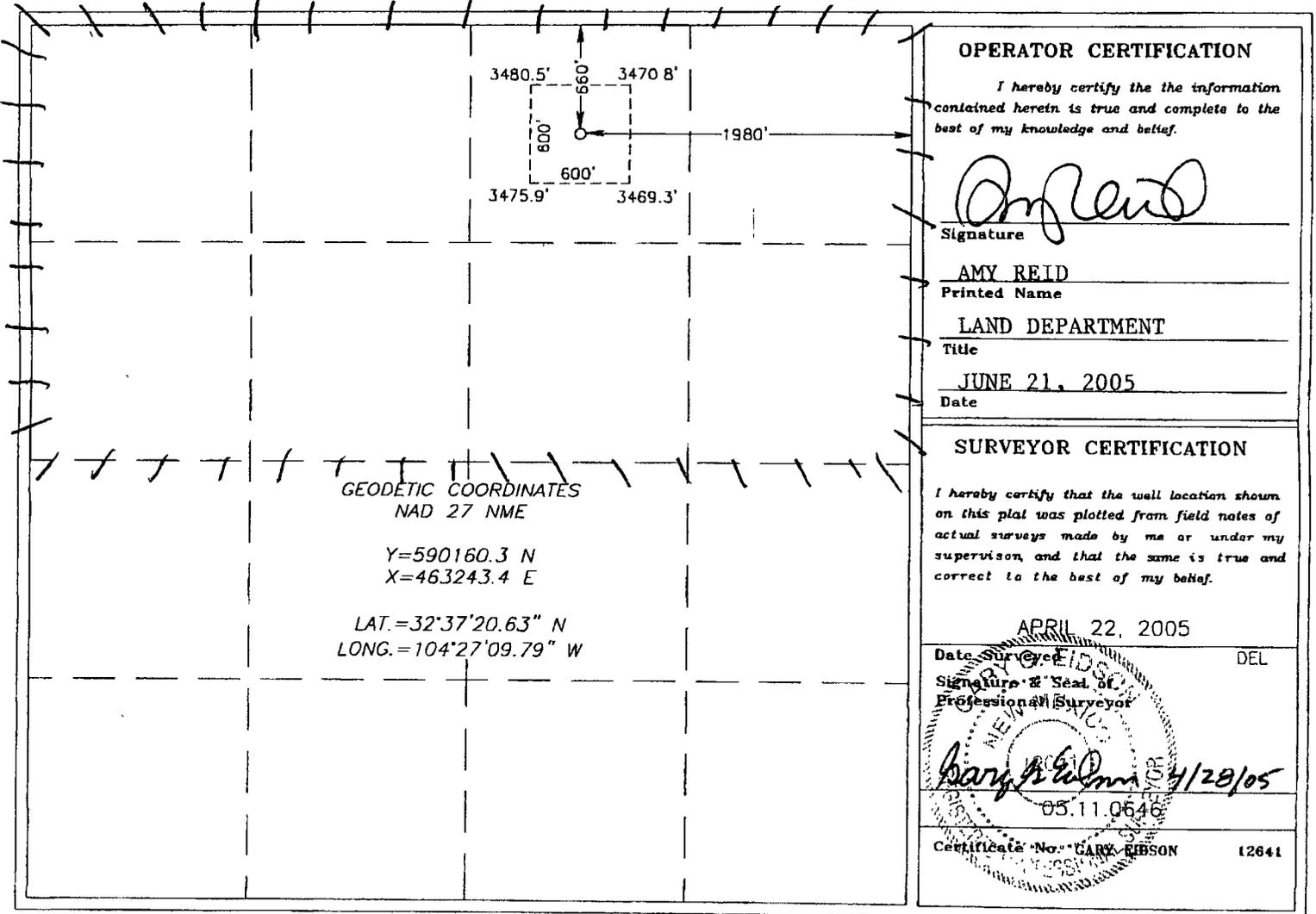
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	19-S	25-E		660	NORTH	1980	EAST	EDDY

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



GEODETIC COORDINATES
NAD 27 NME

Y=590160.3 N
X=463243.4 E

LAT.=32°37'20.63" N
LONG.=104°27'09.79" W

OPERATOR CERTIFICATION

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

Amy Reid
Signature

AMY REID
Printed Name

LAND DEPARTMENT
Title

JUNE 21, 2005
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.

APRIL 22, 2005

Date Surveyed _____ DEL

Signature & Seal of
Professional Surveyor

Bary E. Gibson
05.11.0646

Certificate No. BARY GIBSON 12641