

11/16/07 DATE IN	SUSPENSE	BROOKS ENGINEER	11/19/07 LOGGED IN	NSL TYPE	PKUR0732327632 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



Marbob Energy Corp  
Kickapoo Federal #1  
5748

## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A]  Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

- [D] Other: Specify \_\_\_\_\_

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A]  Working, Royalty or Overriding Royalty Interest Owners  
[B]  Offset Operators, Leaseholders or Surface Owner  
[C]  Application is One Which Requires Published Legal Notice  
[D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
[E]  For all of the above, Proof of Notification or Publication is Attached, and/or,  
[F]  Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address



**marbob**  
energy corporation

RECEIVED

2007 NOV 16 PM 1 47

November 14, 2007

Oil Conservation Division  
1220 St. Francis Drive  
Santa Fe, NM 87504

**Attention: Mr. Will Jones**

RE: Unorthodox Location Application  
Kickapoo Federal #1  
2094' FSL 1773' FEL  
Sec. 22 T26S R24E N.M.P.M.  
Eddy County, New Mexico

Dear Mr. Jones:

Marbob Energy Corporation would request administrative approval for the re-entry and deepening of the above location at an unorthodox location. This location is on Federal land and was drilled and plugged in the year 2000. At that time, it was drilled to a depth of 8370' subsurface and the well never produced and was plugged. Both Marbob and the BLM failed to recognize that the location was unorthodox and as a result no unorthodox approval was obtained. Marbob has requested approval from the BLM to re-entry and deepen this well to test the Barnett shale. The BLM has approved the proposal subject to an unorthodox approval by the Oil Conservation Division. Enclosed please find Exhibit "A" which is a copy of the plat files with the application to re-entry. As you will note, the location is standard to the exterior boundaries but is unorthodox by 114 feet to the internal boundary between the NW/4SE/4 and SW/4NE/4. The well is not actually a communitized well as the entire east half of the section is Federal Lease # NMNM100316. Marbob Energy Corporation is the operator of the entire Federal lease. Also, enclosed is a copy of a land map showing the area as Exhibit "B". That map shows the offset proration units which surround the proposed proration unit. Marbob Energy Corporation has entered into a Joint Operating Agreement with Carrizo Oil and Gas Inc. naming Marbob Energy Corporation as the operator under lands owned by Carrizo Oil and Gas Inc. in Township 26 South Range 24 East. A copy of the front page, signature page, and first page of Exhibit A is enclosed to evidence this information. As a result all of the offset proration units except the three tracts south of the proposed proration unit are operated by Marbob Energy. The south proration units contain two federal leases NM 114954 and

NM 114955, which are both owned 1/3 Yates Drilling Company, 1/3 Abo Petroleum Corporation, 1/3 Myco Industries Inc. Those three entities are part of the Yates Petroleum Corporation related entities and as such notice of this application has been sent to the Landman (Janet Richardson) who handles this area for all three entities. A copy of our notice to them is included as Exhibit "C" and a fax confirmation of the fax of the notice is enclosed as well.

Marbob Energy Corporation would request you timely approving this application after the notice period has expired. If you need more information or have any question about this material please contact me at (575) 838-3303 or [wmliller@marbo.com](mailto:wmliller@marbo.com) Thank your for your help on this matter.

Sincerely ,

A handwritten signature in black ink, appearing to read 'W. Miller', with a long horizontal stroke extending to the right.

William Miller  
Land Department

/wm

Enclosures

DISTRICT I  
P.O. Box 1880, Hobbs, NM 88241-1880

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

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

DISTRICT IV  
P.O. Box 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

FEB 09 1999

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-30770</b>	Pool Code	Pool Name <b>WILDCAT; BARNETT SHALE</b>
Property Code	Property Name <b>KICKAPOO FEDERAL COM</b>	Well Number <b>1</b>
OGRID No. <b>14049</b>	Operator Name <b>MARBOB ENERGY CORPORATION</b>	Elevation <b>3954</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	22	26 S	24 E		2094	SOUTH	1773	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

**OPERATOR CERTIFICATION**

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

*Nancy T. Agnew*  
Signature

Nancy T. Agnew  
Printed Name

Land Department  
Title

8/31/07  
Date

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**SURVEYOR CERTIFICATION**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.*

FEBRUARY 3, 1999

Date Surveyed \_\_\_\_\_ DMCC

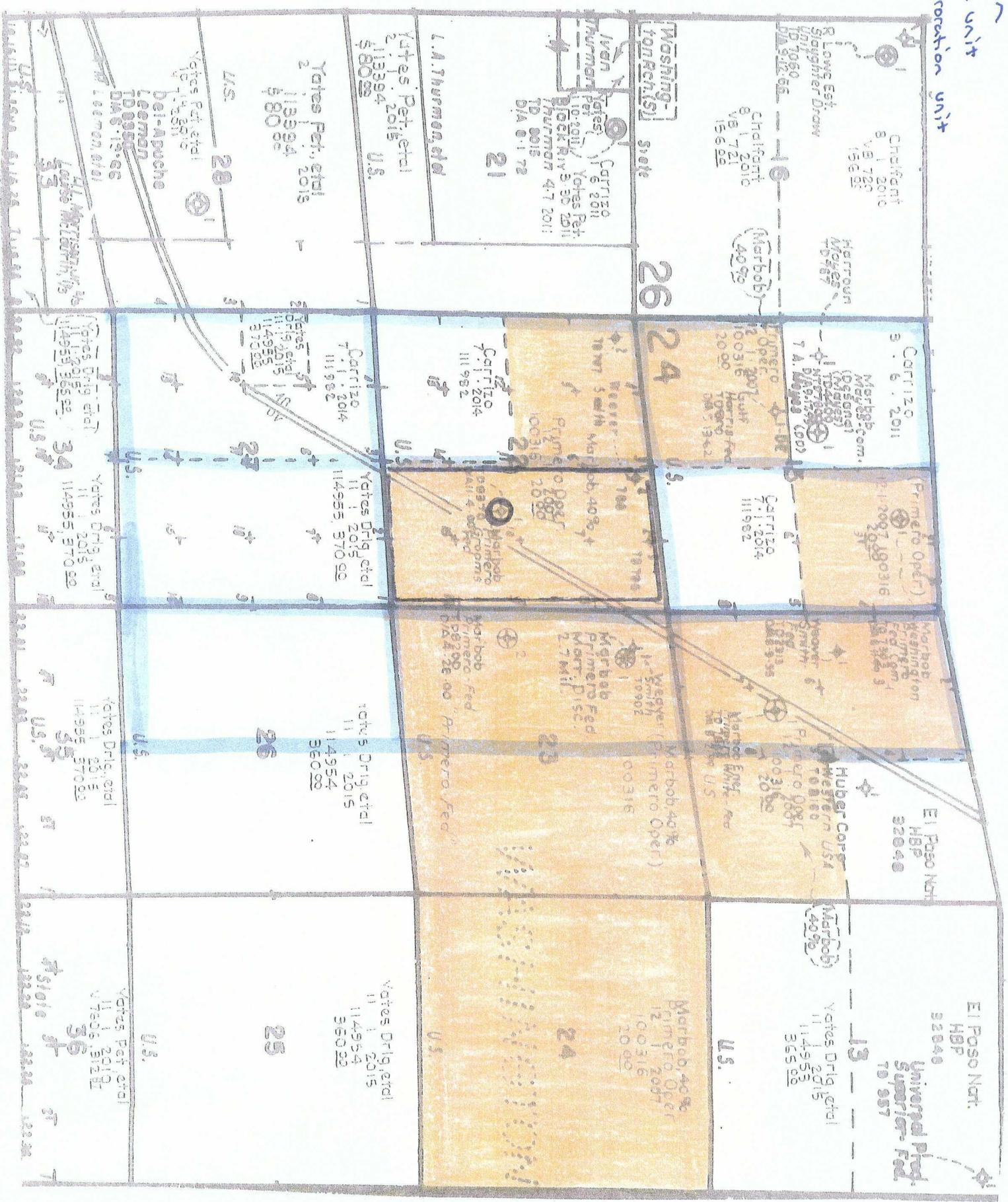
Signature of Seal of Professional Surveyor  
*Ronald C. Edison*  
Professional Surveyor

Professional Seal: RONALD C. EDISON, NEW MEXICO, 3259, 02-08-99, 86-11-0027

Certificate No. RONALD C. EDISON 3259  
CAROL EDISON 12641  
PROFESSOR McDONALD 12185

- Location
- Precraction unit
- Offset precraction unit

EXHIBIT "B"



A.A.P.L. FORM 610-1982

MODEL FORM OPERATING AGREEMENT

**Heckarewii Working Interest Unit**

OPERATING AGREEMENT

DATED

September 1 , 2007 ,  
year

OPERATOR Marbob Energy Corporation

CONTRACT AREA Township 25 South, Range 24 East

Township 26 South, Range 24 East

COUNTY OR PARISH OF Eddy STATE OF New Mexico

COPYRIGHT 1982 - ALL RIGHTS RESERVED  
AMERICAN ASSOCIATION OF PETROLEUM  
LANDMEN, 4100 FOSSIL CREEK BLVD., FORT  
WORTH, TEXAS, 76137-2791, APPROVED  
FORM. A.A.P.L. NO. 610 - 1982 REVISED

ARTICLE XVI.  
MISCELLANEOUS

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This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors and assigns.

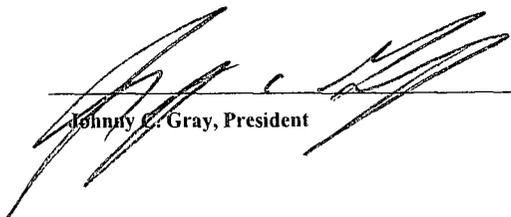
This instrument may be executed in any number of counterparts, each of which shall be considered an original for all purposes.

IN WITNESS WHEREOF, this agreement shall be effective as of 1st day of September, (year) 2007

Marbob Energy Corporation, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and with the exception listed below, is identical to the AAPL Form 610-1982 Model Form Operating Agreement, as published in diskette form by Forms On A Disk, Inc. No changes, alterations, or modifications, other than those in Articles \_\_\_\_\_, have been made to the form.

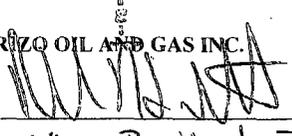
OPERATOR

MARBOB ENERGY CORPORATION

  
\_\_\_\_\_  
Johnny C. Gray, President

NON-OPERATORS

CARRIZO OIL AND GAS INC.

By:  \_\_\_\_\_  
Title: Vice President, Richard H. Smith

BRANEX RESOURCES INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

SLASH FOUR ENTERPRISES INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_

DAVID J. SORENSON

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT "A"**

Attached to a made a part of that certain Joint Operating Agreement dated September 1, 2007, by and between Marbob Energy Corporation, as Operator, and Carrizo Oil & Gas Inc, as Non-Operators.

**I. CONTRACT AREA:**

Township 25 South, Range 24 East, NMPM

Township 26 South, Range 24 East, NMPM

**II. RESTRICTIONS AS TO DEPTH AND FORMATIONS AND SUBSTANCES:**

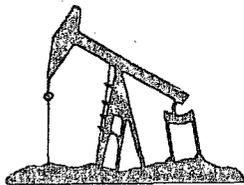
\*\*Excluding the Primero Federal #1 Well located at 850' North & 847' West in Section 23 Township 26 South Range 24 East in Eddy County, New Mexico

\*\*Excluding the Morrow Formation in the N/2 of Sec. 23 Township 26 South Range 24 East

**III. NAME, WORKING INTEREST PERCENTAGES, AND ADDRESSES OF THE PARTIES FOR NOTICE PURPOSES:**

<b>WORKING INTEREST OWNER</b>	<b>WORKING INTEREST PERCENTAGE</b>
Carrizo Oil & Gas, Inc. 1000 Louisiana Street, Suite 1500 Houston, Texas 77002 Attn: V.P. Land 713-328-1000 713-328-1035 Fax	58.1106%
Marbob Energy Corp. P.O. Box 227 Artesia, New Mexico 88211-0227 Attn: Raye Miller 505-748-3303 505-746-2523 Fax	36.1087%
Branex Resources, Inc. P.O. Box 2990 Ruidoso, New Mexico 88355-2990 Attn: F. Andrew Grooms 505-630-0152 505-630-0153 Fax	1.9269%
Slash Four Enterprises, Inc.	1.9269%
David J. Sorenson	<u>1.9269%</u>

100%



**marbob**  
energy corporation

November 14, 2007

Abo Petroleum Corporation  
105 S. 4<sup>th</sup> Street  
Artesia, NM 88210

MYCO Industries Inc.  
105 S. 4<sup>th</sup> Street  
Artesia, NM 88210

Yates Drilling Company  
105 S. 4<sup>th</sup> Street  
Artesia, NM 88210

**Attention: Ms. Janet Richardson**

RE: Notice of Application for  
Unorthodox Location  
Kickapoo Federal #1  
2094' FSL 1773' FEL  
Sec. 22 T26S R24E N.M.P.M.  
Eddy County, New Mexico

Dear Janet:

Enclosed is a copy of our complete application for the above described unorthodox location. An original has also been mailed to you, so the colors will show up. This fax serves as your notice as an offset owner to this proposal. If you have any objections please contact OCD Santa Fe writing the required time frame. If you have any questions regarding this, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Miller', with a long horizontal flourish extending to the right.

William Miller  
Land Department

/wm

Enclosures

\*\*\*\*\*  
 \* P. 01 \*  
 \* TRANSACTION REPORT \*  
 \* NOV-14-2007 WED 01:48 PM \*  
 \* FOR: MARBOB ENERGY CORP 15057462523 \*  
 \* SEND \*  
 \* DATE START RECEIVER TX TIME PAGES TYPE NOTE M# DP \*  
 \* NOV-14 01:46 PM 15057484572 1'14" 10 FAX TX OK 825 \*  
 \* TOTAL : 1M 14S PAGES: 10 \*  
 \*\*\*\*\*



**FAX COVER SHEET**

To:	Yates Petroleum	From:	William Miller
Date:	November 14, 2007	Pages:	10
Fax No.:	505 748-4572		

**Attention: Ms. Janet Richardson**

Enclosed is the Unorthodox Kickapoo Application.

Thanks,  
 William Miller

If you have trouble receiving this fax, please call  
 Nancy at 505-748-3303.