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	ADOVE THIS LINE FOR DIMISION USE ONLY NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau - 1220 South St. Francis Drive, Santa Fe, NM 87505 MB	rbob Energy Corf Tween State#2
	ADMINISTRATIVE APPLICATION CHECKLIST	5020
	HIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND RUMER REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE <b>cation Acronyms:</b> [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedicat [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingli [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 OII Recovery Certification] [PPR-Positive Production Respon	lon]
[1]	TYPE OF APPLICATION - Check Those Which Apply for [A]         [A]       Location - Spacing Unit - Simultaneous Dedication         [M]       NSL         [NSL       NSP         [SD         Check One Only for [B] or [C]	
	<ul> <li>[B] Commingling - Storage - Measurement</li> <li>DHC CTB PLC PC OLS OLM</li> <li>[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery</li> <li>WFX PMX SWD IPI EOR PPR</li> <li>[D] Other: Specify</li> </ul>	2000 APR
[2]	NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply         [A]       Working, Royalty or Overriding Royalty Interest Owners         [B]       Ø         Offset Operators, Leaseholders or Surface Owner       Image: Margin Margin Margin         [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	CEIVED 8 AM 8 00
[3]	SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS 7 OF APPLICATION INDICATED ABOVE.	гне түре
	<b>CERTIFICATION:</b> I hereby certify that the information submitted with this application for admoval is accurate and complete to the best of my knowledge. I also understand that no action will be cation 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.

Rayo Miller Signature Attorneyin-fact 4/8/08 Title Date Print or Type Name

Marbob Q marbob com e-mail Address



# **Certified Receipt Return**

March 20, 2008

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

Attention: Mr. Richard Ezeanyim

RE: Unorthodox Location Administrative Approval Request NB Tween State #2 990' FSL 2460' FWL Section 25, T-17S R-28E Eddy County, New Mexico

Dear Mr. Ezeanyim:

Marbob Energy Corporation respectfully request your consideration of an unorthodox location approval for the above described location. We made a grave mistake in drilling this well. In our original application to drill we filed for the unorthodox surface location because there were multiple obstacles on the surface at the orthodox location. We indicated in our application that we would deviate the wellbore to an orthodox location. Our drilling department failed to recognize the need to deviate this hole and drilled it vertically. Five and one half inch casing was run to total depth and cemented before we realized our error. We ran a devation survey to determine true bottom hole location and the bottom hole location is 1057.97 FSL and 2359.38 FWL. This puts the location 49.38 feet unorthodox to the East offset proration unit and also make the location 67.97 feet unorthodox to the North location. Since our surface location was 990 feet from the south line and our deviation surveys conformed the drift to the North is allowed under the OCD rules. Certainly we were lucky that the normal drift of this hole was the west which made our well bore less unorthodox but that does not excuse our error. We have implemented new procedures to try and make sure this event never happens again.

Enclosed as Exhibit A is the plat showing the surface location. Exhibit B is the deviation survey showing the exact bottom hole location. Exhibit C is the normal deviation survey typically filed with the completion report. Exhibit D is a map showing the proration unit, all offset proration units, and the affected offset proration unit. Exhibit E is a list of all the active

wells in the offset proration units and the operator of each well. Exhibit F is our notice letter to offset operations and a copy of the fax conformation which indicates the date they have received ìt.

We would request approval of the unorthodox location after the appropriate notice time frame has expired so that this well bore can be unitized. We apologized for the mistake and if you need anything else for this application, please contact me.

Sincerely, Raye Miller

Raye Miller Land Department

RM/na Attachments

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EXHIBIT "B" NB TWEEN STATE #2.TXT

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Scientific Drilling International Survey Report

Page 2

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Page 3

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EXHIBIT "C"

RECEIVED

MAR 2 5 2008

#### **TEACO DRILLING INC.**

P.O. BOX 1500 (505) 3910699 FAX (505) 391- 3824 HOBBS, NEW MEXICO 88241

#### INCLINATION REPORT

DATE: 3/16/2008

.

WELL NAME AND NUMBER	NB TWEEN STATE # 2
LOCATION	EDDY COUNTY
OPERATOR:	MARBOB ENERGY CORPORATION
DRILLING CONTRACTOR:	TEACO DRILLING INC.

THE UNDERSIGNED HEREBY CERTIFIES THAT HE IS AN AUTHORIZED REPRESENTATIVE OF THE DRILLING CONTRACTOR WHO DRILLED THE ABOVE DESCRIBED WELL AND THAT HE HAS CONDUCTED DEVIATION TEST AND OBTAINED THE FOLLOWING RESULTS:

DEGREE	DEPTH	DEGREE	DEPTH	DEGREE	DEPTH
1	403	1.75	2576	1.75	4957
0.75	835	1.75	2644	1.75	5243
1	1285	1.5	2770	2.5	5592
1.25	1725	1.5_	3058		
2.25		2	3279		
1.75	2233	2.25	3406		
2.5	2293	2	3500		
1.75	2326	2			
2	2420	2	4261		
1.75	2483	2	4676		

DRILLING CONTRACTOR: TEACO DRILLING INCORPORATED

Wegner BY: **BOB WEGNER** 

DRILLING SUPERINTENDENT

SUBSCRIBED AND SWORN TO BEFORE ME ON THE

DAY OF 11/1

MY COMMISSION EXPIRES:

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# Exhibit "E"

Empire Abo Unit D #43	State BV #1	State 647 AC 724 #197 (	Geronimo 36 State #1	Empire Abo Unit C #41	Empire Abo Unit C #43	Artesia Unit #6	Empire Abo Unit D #41 5	Empire Abo Unit C #42	DAD State #33	D State #10	D State #25	D State #1 5	DAD State #41	D State #16 2	D State #28	D State #26	D State #24	Artesia Unit #7	Marathon A 25 State #15	Well Name	
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Sec. 25 T17S R28E	Sec. 25 T17S R28E	Sec. 36 T17S R28E	Sec. 36 T17S R28E	Sec. 25 T17S R28E	Sec. 25 T17S R28E	Sec. 25 T17S R28E	Sec. 25 T17S R28E	Sec. 25 T17S R28E	Sec. 36 T17S R28E	Sec. 36 T17S R28E	Sec. 36 T17S R28E	Sec. 25 T17S R28E	Sec.25 T17S R28E	Sec. 25 T17S R28E	Sec. 25 T17S R28E	Sec. 25 T17S R28E	Sec. 25 T17S R28E	Sec. 36 T17S R28E	T Sec. 25 T17S R28E	tion	
<b>BP</b> America Production Company	Enervest Operating L.L.C	Warren Hanson dba Hanson Energy	<b>RKI Exploration &amp; Production, LLC</b>	<b>BP</b> America Production Company	<b>BP</b> America Production Company	Melrose Operating Company	<b>BP America Production Company</b>	<b>BP</b> America Production Company	Marbob Energy Corp.	SDX Resources, Inc.	SDX Resources, Inc.	Operator									

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March 20, 2008

Fax & Certified Mail

SDX Resources, Inc. 511 W. Ohio Ave, Suite 601 Midland, TX 79701

Attention: Mr. Steve Sell

RE: Unorthodox Location Offset Operator Notice NB Tween State #2 990' FSL & 2460' FWL Section 25 T-17S R-28E Eddy County, New Mexico

Dear Mr. Sell:

BP is the operator of wells within the notice area of this proposed location. This letter serves as notice of our application for approval of this project. A copy of the full application is enclosed for your review. If you have any objection to this application please timely file your objection with OCD in Santa Fe. If you have any questions regarding our application please contact me.

Sincerely,

Ray Miller

Raye Miller Land Department

RM/na Attachments

	TRANSACTION I	REPORT	APR-02-200	8 WED 09:56 A
FOR: MARBOB ENERGY CORP	150574	162523		
SEND				<u> </u>
DATE START RECEIVER	TX TIME	PAGES TYPE	NOTE	M# D
APR-02 09:47 AM 14326850110	8′ 17″	16 FAX TX	OK	523



#### FAX COVER SHEET

To:	SDX Resources	From:	William Miller
Date:	April 2, 2008	Pages:	15
Fax No.:	432 685 0110		

ATTENTION: Mr. Steve Sell

Gentlemen:

Please review the following documents.

Thanks, William Miller



mardod

energy corporation

March 20, 2008

Fax & Certified Mail

RKI Exploration 3817 NW Expressway, Suite 950 Oklahoma City, OK 73112

Attention: Mr. Chip Taylor

RE: Unorthodox Location Offset Operator Notice NB Tween State #2 990' FSL & 2460' FWL Section 25 T-17S R-28E Eddy County, New Mexico

Dear Mr. Taylor:

BP is the operator of wells within the notice area of this proposed location. This letter serves as notice of our application for approval of this project. A copy of the full application is enclosed for your review. If you have any objection to this application please timely file your objection with OCD in Santa Fe. If you have any questions regarding our application please contact me.

Sincerely,

Raye Miller

Raye Miller Land Department

RM/wm Attachments

	TRANSACTION F	REPORT	APR-02-20	)08 WED 09:58 A
FOR: MARBOB ENERGY CORP	150574	462523		
SEND		<u> </u>		. <u> </u>
DATE START RECEIVER	TX TIME	PAGES TYPE	NOTE	M♯ D
APR-02 09:56 AM 14059492223	1′ 51″	16 FAX TX	OK	524
		TOTAL :	1M 51S PAGES:	16



#### FAX COVER SHEET

То:	RKI Exploration	From:	William Miller
Date:	April 2, 2008	Pages:	15
Fax No.:	405 949 2223		

ATTENTION: Mr. Chip Taylor

Gentlemen:

Please review the following documents.

Thanks, William Miller





March 20, 2008

Fax & Certified Mail

BP America Production Company 501 Westlake Park Blvd, Rm. 6197 Houston, TX 77079

Attention: Mr. J.P. Adams

RE: Unorthodox Location Offset Operator Notice NB Tween State #2 990' FSL & 2460' FWL Section 25 T-17S R-28E Eddy County, New Mexico

Dear Mr. Adams:

BP is the operator of wells within the notice area of this proposed location. This letter serves as notice of our application for approval of this project. A copy of the full application is enclosed for your review. If you have any objection to this application please timely file your objection with OCD in Santa Fe. If you have any questions regarding our application please contact me.

Sincerely,

Ray Miller

Raye Miller Land Department

RM/na Attachments

	TRANSACTION I	REPORT	APR-02-20	P.01 108 WED 10:02 AN
FOR: MARBOB ENERGY CORP	150574	462523		
SEND				<u></u>
DATE START RECEIVER	TX TIME	PAGES TYPE	NOTE	M# DF
APR-02 09:58 AM 12813667067	3′ 43″	16 FAX TX	OK	525
		TOTAL :	3M 43S PAGES:	16



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#### FAX COVER SHEET

To:	BP`	From:	William Miller
Date:	April 2, 2008	Pages:	15
Fax No.:	281 366 7067		

ATTENTION: Mr. J.P. Adams

Gentlemen:

Please review the following documents.

Thanks, William Miller





March 20, 2008

Fax & Certified Mail

Hanson Energy R342 S. Haldeman Rd. Artesia, NM 88210

Attention: Mr. Warren Hanson

RE: Unorthodox Location Offset Operator Notice NB Tween State #2 990' FSL & 2460' FWL Section 25 T-17S R-28E Eddy County, New Mexico

Dear Mr. Hanson:

BP is the operator of wells within the notice area of this proposed location. This letter serves as notice of our application for approval of this project. A copy of the full application is enclosed for your review. If you have any objection to this application please timely file your objection with OCD in Santa Fe. If you have any questions regarding our application please contact me.

Sincerely,

Raye Miller

Raye Miller Land Department

RM/wm Attachments

	TRANSACTION I	REPORT	APR-02-2008	WED 10:21 A
FOR: MARBOB ENERGY CORP	150574	462523		
SEND				··
DATE START RECEIVER	TX TIME	PAGES TYPE	NOTE	M♯ D
APR-02 10:17 AM 15057460428	3' 06″	16 FAX TX	OK	527
		TOTAL :	3M 6S PAGES:	16



#### FAX COVER SHEET

To:	Hanson Energy	From:	William Miller
Date:	April 2, 2008	Pages:	15
Fax No.:	505 <b>746 0428</b>		

ATTENTION: Mr. Warren Hanson

Gentlemen:

Please review the following documents.

Thanks, William Miller



March 20, 2008

Fax & Certified Mail

EnerVest Operating L.L.C. 1001 Fannin, Suite 800 Houston, TX 77002

Attention: Mr. Peter Tower

RE: Unorthodox Location Offset Operator Notice NB Tween State #2 990' FSL & 2460' FWL Section 25 T-17S R-28E Eddy County, New Mexico

Dear Mr. Tower:

BP is the operator of wells within the notice area of this proposed location. This letter serves as notice of our application for approval of this project. A copy of the full application is enclosed for your review. If you have any objection to this application please timely file your objection with OCD in Santa Fe. If you have any questions regarding our application please contact me.

Sincerely,

Bay Mille

Raye Miller Land Department

RM/wm Attachments

				APR-02-200	8 WED 09:44 A
FOR: MARBOB EN	IERGY CORP	150574	162523		
SEND					
DATE START RECE	EIVER	TX TIME	PAGES TYPE	NOTE	M♯ D
APR-02 09:42 AM 1713	86593556	1′ 53″	16 FAX TX	ОК	521



#### FAX COVER SHEET

То:	EnerVest Operating	From:	William Miller
Date:	April 2, 2008	Pages:	15
Fax No.:	713 659 3556		

ATTENTION: Mr. Peter Tower

Gentlemen:

Please review the following documents.

Thanks, William Miller





March 20, 2008

Fax & Certified Mail

Melrose Operating Company 5813 NW Grand Blvd, Suite B Oklahoma City, OK 73118

Attention: Mr. Mike Corjay

RE: Unorthodox Location Offset Operator Notice NB Tween State #2 990' FSL & 2460' FWL Section 25 T-17S R-28E Eddy County, New Mexico

Dear Mr. Corjay:

BP is the operator of wells within the notice area of this proposed location. This letter serves as notice of our application for approval of this project. A copy of the full application is enclosed for your review. If you have any objection to this application please timely file your objection with OCD in Santa Fe. If you have any questions regarding our application please contact me.

Sincerely,

Ray Mille

Raye Miller Land Department

RM/na Attachments

	TRANSACTION F	REPORT	APR-02-200	8 WED 09:47 A
FOR: MARBOB ENERGY CORP	150574	462523		
SEND				- <u></u>
DATE START RECEIVER	TX TIME	PAGES TYPE	NOTE	M♯ D
APR-02 09:45 AM 14058483993	2′ 22″	16 FAX TX	OK	522
		TOTAL :	2M 22S PAGES:	16



#### FAX COVER SHEET

To:	Melrose Operating	From:	William Miller
Date:	April 2, 2008	Pages:	15
Fax No.:	405 848 3993		

ATTENTION: Mr. Mike Corjay

Gentlemen:

Please review the following documents.

Thanks, William Miller

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire Division Director Oil Conservation Division



May 20, 2008

Mr. Ray Miller Marbob Energy Corporation FAX NO. 575-746-2523

Re: Marbob Energy Corporation NB Tween State #2 Unit N, Section 25-17S-28E Eddy County NSL Application

Dear Mr. Miller:

I do not find in this application any indication of the formation in which the well is or will be completed. That information is necessary to determine the appropriate unit configuration.

Also, without identification of the formation, I cannot determine the sufficiency of notices. Notice is only required to offsetting operators or owners in the same formation. However, if the applicant operates the offsetting unit in that formation, or if there is no well in that formation in the affected unit, then notice to working interest owners is required.

There are additional problems:

1. I am confused by the indication that the deviation to the north is allowed under OCD Rules. As I read Rule 111.B(3), it seems to say that the deviation may not exceed 50 feet from the surface location, and it seems this well deviated to the north some 67 feet. Please advise if I am misreading the rule, or if some other rule applies. Otherwise, it would seem that Unit J is an affected

2. Since the well would, in any event be closer to Unit I than a well located 330 feet from the north and east lines of Unit O, and Unit I is an adjoining unit [See Rule 7.A(3)], it would seem that Unit I is also an affected unit.

3. The notice letters appear to be defective in two respects. In the first place all of the notice letters start with the statement that "BP is the operator of wells within the notice area." This statement would seem to be likely to confuse offsetting operators other than BP, though perhaps it is cured by attachment of your application. More significant, however, is the omission



May 20, 2008 Page 2

of the statement required by Rule 104.F(4) that objection must be filed within 20 days from the date that OCD receives the application. That provision of the rule is frequently disregarded, and I routinely accept notices that indicate that objection must be filed within 20 days from the date of the notice letter, since a notice filed within that time would be timely. But the notice letters here include no statement as to when protests must be filed to be timely, although the rule expressly requires that statement.

Please advise in what formation or formations this well will be completed, and who are the affected parties in the offsetting units in that formation, and please send corrected notices to affected parties, indicating that protests must be filed within 20 days from the date of the notices, since the notices will be of later date than the date of OCD's receipt of the application.

If you have questions or other concerns, please feel free to contact the undersigned.

Very truly yours,

Janid K. Bushy

David K. Brooks Legal Examiner 505-476-3450 david.brooks@state.nm.us

# Brooks, David K., EMNRD

From: Nancy Agnew [landtech@marbob.com]

Sent: Thursday, May 22, 2008 2:52 PM

To: Brooks, David K., EMNRD

Subject: N B Tween #2 Letter

Attachments: N B Tween #2 OCD 2.pdf

Mr. Brooks if you need anything else contact us. Thank you.

This inbound email has been scanned by the MessageLabs Email Security System.



#### **Certified Receipt Return**

May 22, 2008

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

Attention: Mr. David Brooks

RE: Unorthodox Location Administrative Approval Request NB Tween State #2 990' FSL 2460' FWL Section 25, T-17S R-28E Eddy County, New Mexico

Dear Mr. Brooks:

15-1-1

Marbob Energy Corporation requests approval for the N B Tween State #2 unorthodox location. In our original application, we failed to identify the formation in which we will be completing the well. The formation that we will attempt and believe we will complete in is the Yeso formation. This formation is currently contained in the Artesia Glorietta Yeso pool. We are the operator of all of the offsetting proration units in this pool. We notified additional offset operators in both shallower and deeper horizons as an abundance of caution. We have not had any indication of any objection by any of the parties we notified. We will amend our notice letter on future applications to be clearer and more in compliant to OCD rules.

Thank you for your help in this matter.

Raye Miller

Land Department

RM/na Attachment



# KECEIVED 2008 MAY 27 PM 4 04

# **Certified Receipt Return**

May 22, 2008

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Thank you for your help in this matter.

Raye Miller

Land Department

RM/na Attachment

# Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected. The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

2 Records Found		Displaying Scr	een 1 of 1		
	API Number	ULSTR	Footages		
$\bigcirc$	3001501537	N -25-17S-28E	660 FSL & 1980 FWL		
	Well Name & Number: EMPIRE ABO UNIT No. 042A				
	Operator: BP AME	RICA PRODUCTION COMPANY	/		
$\cap$	3001535974	N -25-17S-28E	990 FSL & 2460 FWL		
"* <i>u*f</i>	Well Name & Number: N B TWEEN STATE No. 002 Operator: MARBOB ENERGY CORP				
2 Red	cords Found	Displaying Scr	een 1 of 1		

Continue

Go Back

# Brooks, David K., EMNRD

From: Nancy Agnew [landtech@marbob.com]

**Sent:** Friday, May 30, 2008 7:23 AM

To: Brooks, David K., EMNRD

Subject: Re: N B Tween #2 Letter

Mr. Brooks,

Melrose doesn't own an interest in this tract but does in the offsets but they were notified of this application. Yates, BP, and RKI own an interest in all the tracts. If you need anything else please contact me.

Sincerely,

Raye Miller

----- Original Message -----From: Brooks, David K., EMNRD To: Nancy Agnew Sent: Thursday, May 29, 2008 5:27 PM Subject: RE: N B Tween #2 Letter

Mr. Raye Miller

Dear Raye

Thanks for re-sending this information. I appreciate the courtesy although I now found the previous email and hard copy letter in another NSL file.

You state that Marbob is the operator of all of the offsetting Yeso units. Please confirm that Marbob is either 100% working interest owner of these units, or that ownership thereof is identical with that of the SE/4 SW/4 of Section 25.

Thanks

David K. Brooks Legal Examiner 505-476-3450

From: Nancy Agnew [mailto:landtech@marbob.com] Sent: Thursday, May 29, 2008 2:54 PM To: Brooks, David K., EMNRD Subject: Fw: N B Tween #2 Letter

----- Original Message -----From: <u>Nancy Agnew</u> To: <u>david.brooks@state.nm.us</u> Sent: Thursday, May 22, 2008 3:52 PM Subject: N B Tween #2 Letter

Mr. Brooks if you need anything else contact us. Thank you.