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NSL

12/10/01



OIL CONSERVATION DIV.

01 NOV 19 PM 2:34

marbob

energy corporation

November 15, 2001

New Mexico Oil and Gas Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87504

RE: Application for Administrative Approval of an Unorthodox Location

Gentlemen:

Marbob Energy Corporation respectfully submits the following Application for Administrative Approval of an unorthodox location. Marbob Energy requests approval to drill a Cedar Lake Yeso well at our Tony Federal No. 13 location. The Tony Federal No. 13 was staked at 1550' FSL and 230' FEL in Section 18 of Township 17 South, Range 31 East after it was determined by BLM wildlife biologists that the orthodox location would impact a nearby playa. Marbob Energy was unsuccessful in persuading the BLM to allow the orthodox location, therefore, requiring this application. The Tony Federal No. 13 unorthodox location encroaches on the east line by 100' as well as on the south line by 100'. Additionally, the Tony Federal No. 13 is 230' from the lease boundary. While Administrative Order NSL-4034-A allows for district approval, it does not allow approval if location is closer than 330' to outer lease boundary. Operating Rights to the Cedar Lake Yeso is the same in the Tony Federal lease and affected proration units. The federal royalty rates are the same in all the involved proration units. One affected proration unit has the same overriding royalty burdens as the Tony Federal No. 13 proration unit. The remaining two proration units have no overriding royalties burdening them. Affected parties have been notified of this application via certified mail. The following items have been attached to aid in your review of this application:

- A.) Tony Federal No. 13 Form C-102
- B.) Plat of well spots and proration units
- C.) Topographical Map of Area
- D.) June 27, 2000 letter from Artesia OCD Geologist
- E.) Proof of Notification
- F.) Plat of Yeso well spots

Thank you for reviewing this application. Please do not hesitate to contact us should you have any questions.

Sincerely,

Dean Chumbley
Land Department

DC/mm

DISTRICT I
P.O. Box 1990, Hobbs, NM 88241-1990

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-31328	Pool Code 96831	Pool Name CEDAR LAKE YESO
Property Code 23629	Property Name TONY FEDERAL	Well Number 13
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3696

Surface Location

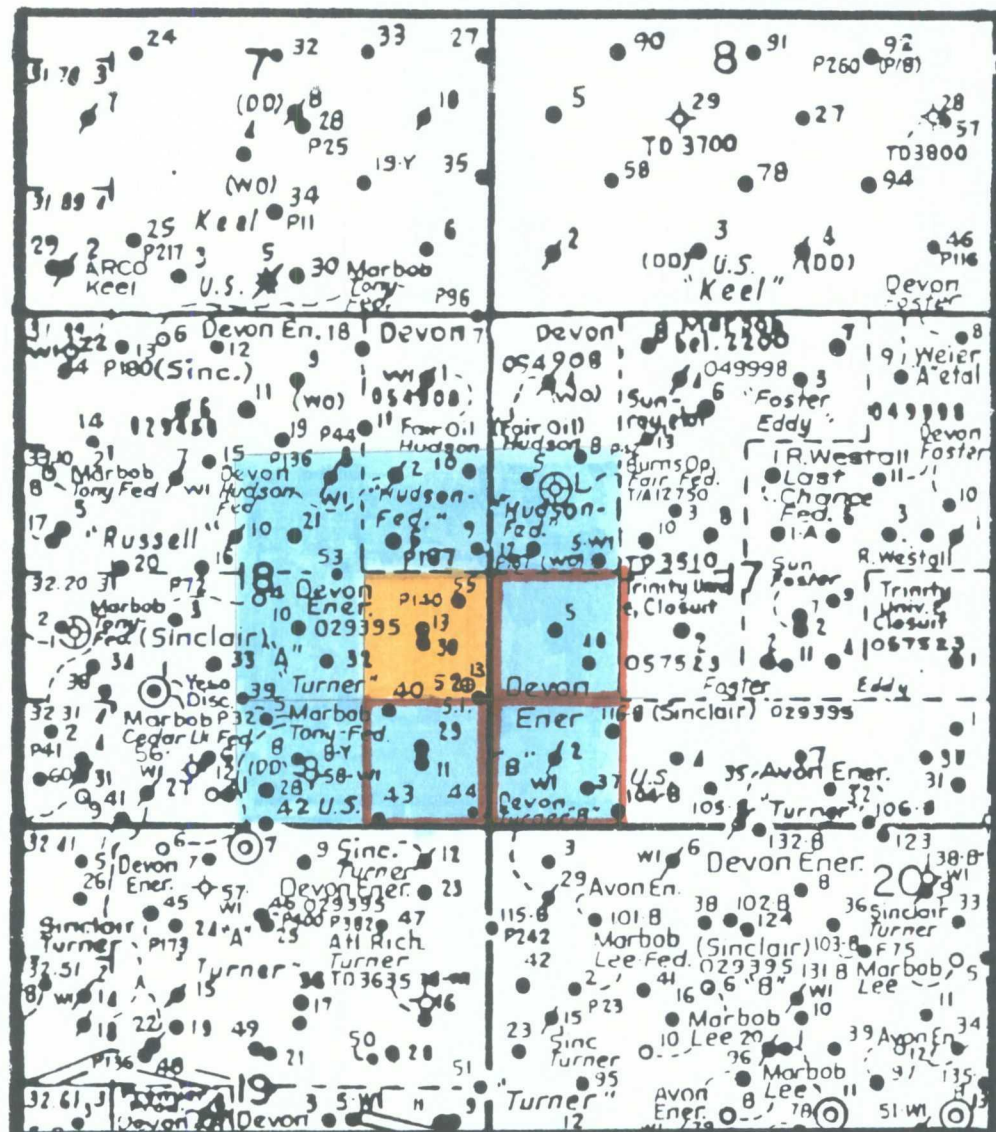
UL or lot No. 1	Section 18	Township 17 S	Range 31 E	Lot Idn	Feet from the 1550	North/South line SOUTH	Feet from the 230	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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

				<div>3682.7' — 3672.4' 3685.9' — 3698.6' DETAIL</div>		<div>SEE DETAIL</div>	OPERATOR CERTIFICATION <i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> <div>Signature <i>Robin Cockrum</i> ROBIN COCKRUM Printed Name PRODUCTION ANALYST Title 4/25/00 Date</div>	
							SURVEYOR CERTIFICATION <i>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.</i> MARCH 27, 2000 Date Surveyed LMP Signature & Seal of Professional Surveyor <i>Ronald J. Edson</i> 3/28/06 00-11-0387 Certificate No. RONALD J. EDSON 3239 GARY EDSON 12841 MACON McDONALD 12185	



Proration Unit Plat

Tony Federal No. 13 Unit

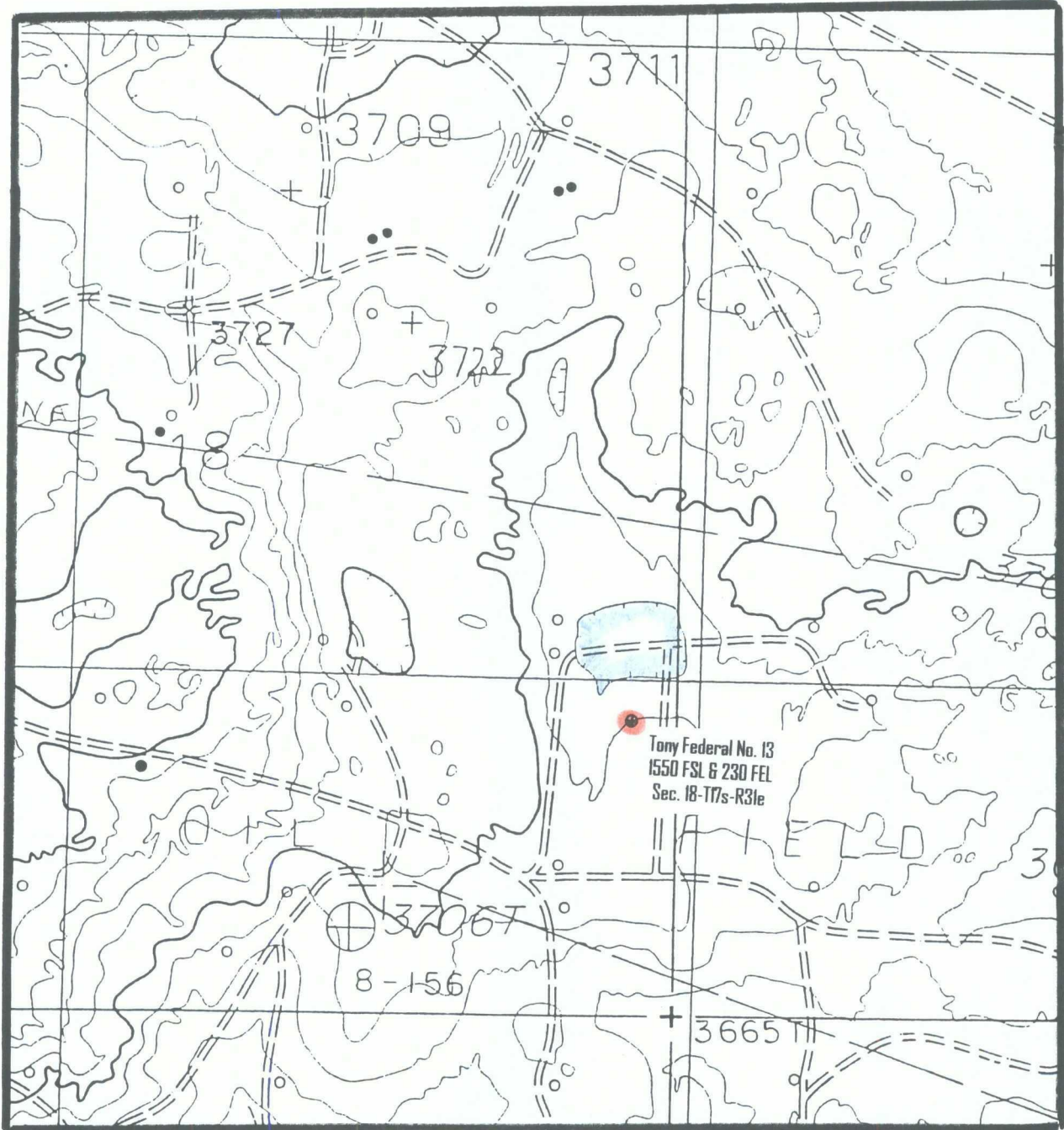


Offsetting Units



Affected Units





Topographical Map of Area



JUN 28 2000

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wretenberg

Director

Oil Conservation Division

June 27, 2000

Marbob Energy Corporation
P.O. Box 227
Artesia, NM 88211-0227
Attn: Raye Miller

RE: *Marbob's application to drill two unorthodox wells to be completed in the Paddock formation within the Cedar Lake Federal Lease:*

*Tony Federal Well No.13 to be located in Section 18, Township 17 South, Range 31 East
1550 FSL & 230 FEL in Unit (I), Eddy County, New Mexico*

*Tony Federal Well No. 18 to be located in Section 18, Township 17 South, Range 31 East
205 FSL & 330 FEL in Unit (P), Eddy County, New Mexico*

Dear Raye,

In regards to the above referenced wells, the Supervisor of the Division's District Office in Artesia is authorized to approve the location of the Tony Federal Well No. 18 by Administrative Order NSL-4034-A. The Tony Federal No. 18 meets set back requirements set forth by the order, which in part includes provisions "... unorthodox location is no closer than the required minimum orthodox distance (330 feet) to the outer boundary of the Cedar Lake Federal Lease....".

Marbob Energy Corporation will need to apply for a NSL for the Tony Federal No. 13 well, as the permitted location for this well is 230 feet from the outer lease boundary.

Respectfully yours,

Bryan G. Arrant
District II Geologist
Artesia OCD

cc: Tim Gum, District Supervisor-Artesia
Mike Stogner, Chief Hearing Examiner-Santa Fe



marbob
energy corporation

November 15, 2001

Certified Mail

#7001 0320 0001 7640 3840

Devon SFS Operating
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

RE: Application for Administrative Approval of an Unorthodox Location

Gentlemen:

Marbob Energy Corporation is making application for Administrative Approval of an unorthodox location to the New Mexico Oil Conservation Division. Marbob Energy requests approval to drill a Cedar Lake Yeso well at our Tony Federal No. 13 unorthodox location.

As required by the NMOCD, a notice must be sent advising you that if you plan to object to the enclosed application, you must do so within twenty days of receipt of this notice.

Upon review of the enclosed application, if you have any questions, please feel free to contact us. Thank you for your attention to this matter.

Sincerely,




Dean Chumbley
Land Department

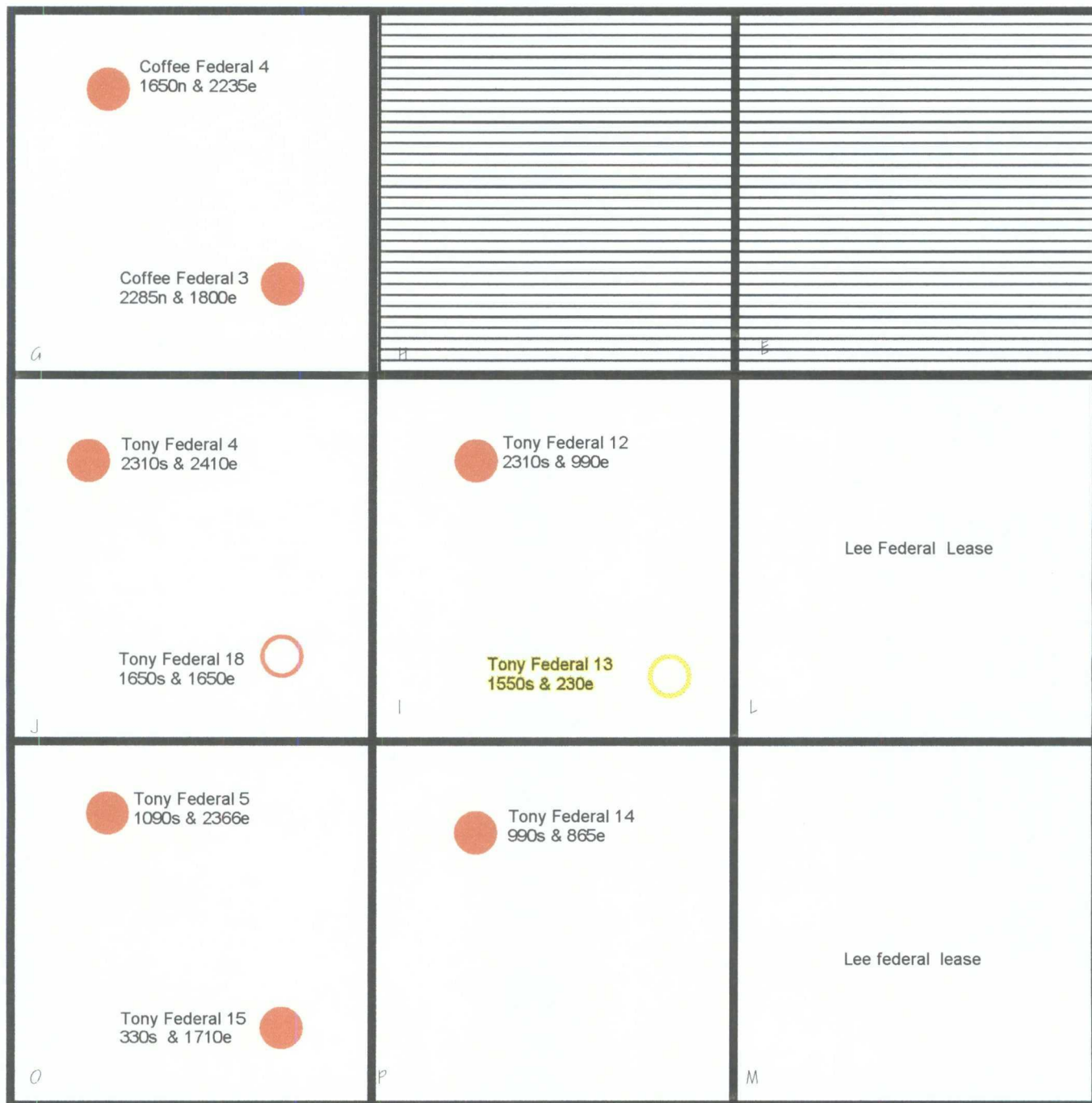
DC/mm



Section 18 < > Section 17
Township 17s, Range 31e




Plat showing Yeso wellspots

-  Proposed Location
-  Producing Well
-  Non-Marbob Operated Lease



Section 18 < > Section 17
 Township 17s, Range 31e

Plat showing Yeso wellspots

-  Proposed Location
-  Producing Well
-  Non-Marbob Operated Lease

County Eddy

Pool Cedar Lake-Yeso

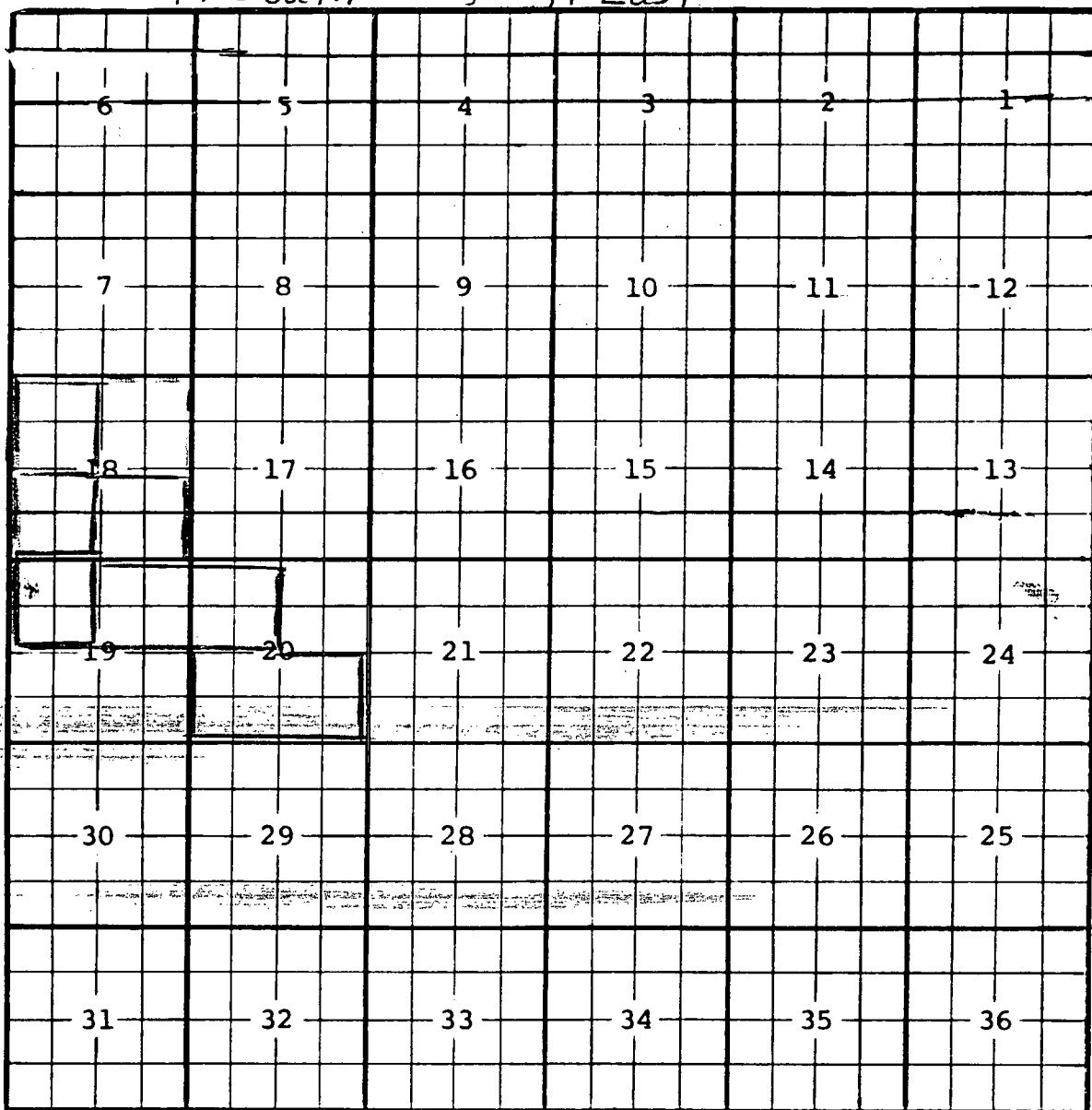
TOWNSHIP

17 South

Range

31 East

NMPM



Description: SW 1/4 Sec. 18 (R-11067, 10-20-98)

Ext: NW 1/4 Sec. 19 (R-11120, 1-21-99) EXT: NE 1/4 Sec. 19, NW 1/4 Sec. 20 (R-11220, 7-12-99)

Ext: SE 1/4 Sec. 18, S 1/2 Sec. 20 (R-11244, 9-15-99) EXT: NW 1/4 Sec. 18 (R-11534, 2-8-01)

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

11/27/01 10:46:
OGOMES -TP
PAGE NO:

Sec : 18 Twp : 17S Rng : 31E Section Type : NORMAL

3 32.20	K 40.00	J 40.00	I 40.00
Federal owned	Federal owned	Federal owned	Federal owned
A A A A	A A A	A A A A A	A A A A A
4 32.31	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned	Federal owned	Federal owned
A A A	A A A A	A A A A A	A A A A A

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

11/27/01 10:47:
OGOMES -TP

API Well No : 30 15 31253 Eff Date : 10-27-2000 WC Status : A
Pool Idn : 96831 CEDAR LAKE; YESO (O)
OGRID Idn : 14049 MARBOB ENERGY CORP
Prop Idn : 23629 TONY FEDERAL

Well No : 012
GL Elevation: 3700

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	---	---	---	---	---
B.H. Locn : I	18	17S	31E	FTG 2310	F S FTG 990	F E	P
Lot Identifier:							
Dedicated Acre: 40.00							
Lease Type : F							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG6ACRE

ONGARD
C102-DEDICATE ACREAGE

11/27/01 10:47:
OGOMES -TP
Page No :

API Well No : 30 15 31253 Eff Date : 10-27-2000
Pool Idn : 96831 CEDAR LAKE; YESO (O)
Prop Idn : 23629 TONY FEDERAL
Spacing Unit : 53832 OCD Order :
Sect/Twp/Rng : Acreage : 40.00
Dedicated Land:

Well No : 01
Simultaneous Dedication:
Revised C102? (Y/N) :

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	I	18		17S	31E	40.00	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 LAND	PF11 NXTSEC	PF12 RECONF

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

11/27/01 10:47:
OGOMES -TP
Page No:

OGRID Identifier : 14049 MARBOB ENERGY CORP
Pool Identifier : 96831 CEDAR LAKE; YESO (O)
API Well No : 30 15 31253 Report Period - From : 01 2000 To : 09 2001

API Well No	Property Name	Prodn. MM/YY	Days Prod	Production Gas	Production Oil	Production Water	Volumes	We St
30 15 31253	TONY FEDERAL	11 00	30	2516	1969	9024		P
30 15 31253	TONY FEDERAL	12 00	31	3244	2516	11386		P
30 15 31253	TONY FEDERAL	01 01	30	3262	2135	9085		P
30 15 31253	TONY FEDERAL	02 01	28	2839	1602	4803		P
30 15 31253	TONY FEDERAL	03 01	31	3029	1872	5477		P
30 15 31253	TONY FEDERAL	04 01	30	3038	1595	4752		P
30 15 31253	TONY FEDERAL	05 01	31	2693	1591	5391		P

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 NXTPOOL	PF11 NXTOGD	PF12

CMD : ONGARD 11/27/01 10:47:
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TP
 Page No:
 OGRID Identifier : 14049 MARBOB ENERGY CORP
 Pool Identifier : 96831 CEDAR LAKE; YESO (O)
 API Well No : 30 15 31253 Report Period - From : 01 2000 To : 09 2001

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	We St
30 15 31253	TONY FEDERAL	06 01 30	2781 1174 3246	P
30 15 31253	TONY FEDERAL	07 01 31	2756 976 2661	P
30 15 31253	TONY FEDERAL	08 01 31	2584 681 1544	P
30 15 31253	TONY FEDERAL	09 01 30	1881 1198 6539	P

Reporting Period Total (Gas, Oil) : 30623 17309 63908

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 11/27/01 10:47:
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TP

OGRID Idn : 14049 API Well No: 30 15 31328 APD Status(A/C/P): A
Opr Name, Addr: MARBOB ENERGY CORP Aprvl/Cncl Date : 09-05-20
PO BOX 227
ARTESIA,NM 88211-0227

Prop Idn: 23629 TONY FEDERAL Well No: 13

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
Surface Locn	: I	18	17S	31E		FTG 1550 F S	FTG 230 F E
OCD U/L	: I		API County	: 15			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) :
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3696

State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 6000 Prpsd Frmtn : CEDAR LAKE YESO

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

New Mexico Oil Conservation Division---Engineering Bureau
Administrative Application Process Documentation

Date Application Received: 11-19-2001

Date of Preliminary Review: 11-27-2001
(Note: Must be within 10-days of received date)

Results: ✓ Application Complete Application Incomplete

Date Incomplete Letter Sent: NA

Deadline to Submit Requested Information: NA

Phone Call Date: NA
(Note: Only applies if requested data is not submitted within the 7-day deadline)

Phone Log Completed? Yes No

Date Application Processed:

Date Application Returned:
(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)