

DATE IN <u>5-26-10</u>	SUSPENSE	ENGINEER <u>DB-</u>	LOGGED IN <u>5-25-10</u>	TYPE <u>NSL</u>	PTG-W APP NO. <u>1014654380</u>
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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*  
*Rocket Fed #5H*

### ADMINISTRATIVE APPLICATION CHECKLIST 30-015-37778

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.

<u>William Miller</u>	<u>WATZ</u>	<u>Landman</u>	<u>5/24/10</u>
Print or Type Name	Signature	Title	Date
		<u>wmiller@marbob.com</u>	
		e-mail Address	

RECEIVED OOD  
2010 MAY 26 A 10:51



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**marbob**  
energy corporation

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**Certified Receipt Return**

May 20, 2010

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

Attention: Mr. David Brooks

RE: Unorthodox Location  
Administrative Approval Request  
Rocket Federal #5H  
SHL:180' FSL 1980' FEL  
BHL:330' FNL1980' FEL  
Section 3, T-26S R-29E  
Eddy County, New Mexico

Dear Mr. Brooks:

Marbob Energy Corporation requests approval for the Rocket Federal #5H unorthodox location described above. The well is unorthodox because the Bureau of Land Management moved our original location (330' FSL 1980') to this unorthodox location. The BLM moved the location due to surface issues. This puts the location 150' unorthodox to the south line of the SW/4SE/4.

Marbob is the operator of the affected proration unit(s) in the NW/4NE/4, NE/4NE/4, NE/4NW/4 of Section 10 T26S R29E. No notification will be given to another operator because Marbob is the operator of the affected proration unit(s). Out of caution, Marbob will send Yates Petroleum notice due to the fact they are working interest owners in the affected proration unit(s). Enclosed is a copy of form C-102 showing the location and proposed proration unit. Also, enclosed is a map showing affected spacing unit(s).

Thank you for your help in this matter.

Sincerely,

William Miller  
Landman

Attachments

DISTRICT I  
1625 N. FRENCH DR., BOBBS, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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 October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-015-37778</b>	Pool Code <b>96217</b>	Pool Name <b>WILLOW LAKE, BONE SPRING SE</b>
Property Code	Property Name <b>ROCKET FEDERAL</b>	Well Number <b>5H</b>
OGRID No. <b>14049</b>	Operator Name <b>MARBOB ENERGY CORPORATION</b>	Elevation <b>2980</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
0	3	26-S	29-E		180	SOUTH	1980	EAST	EDDY

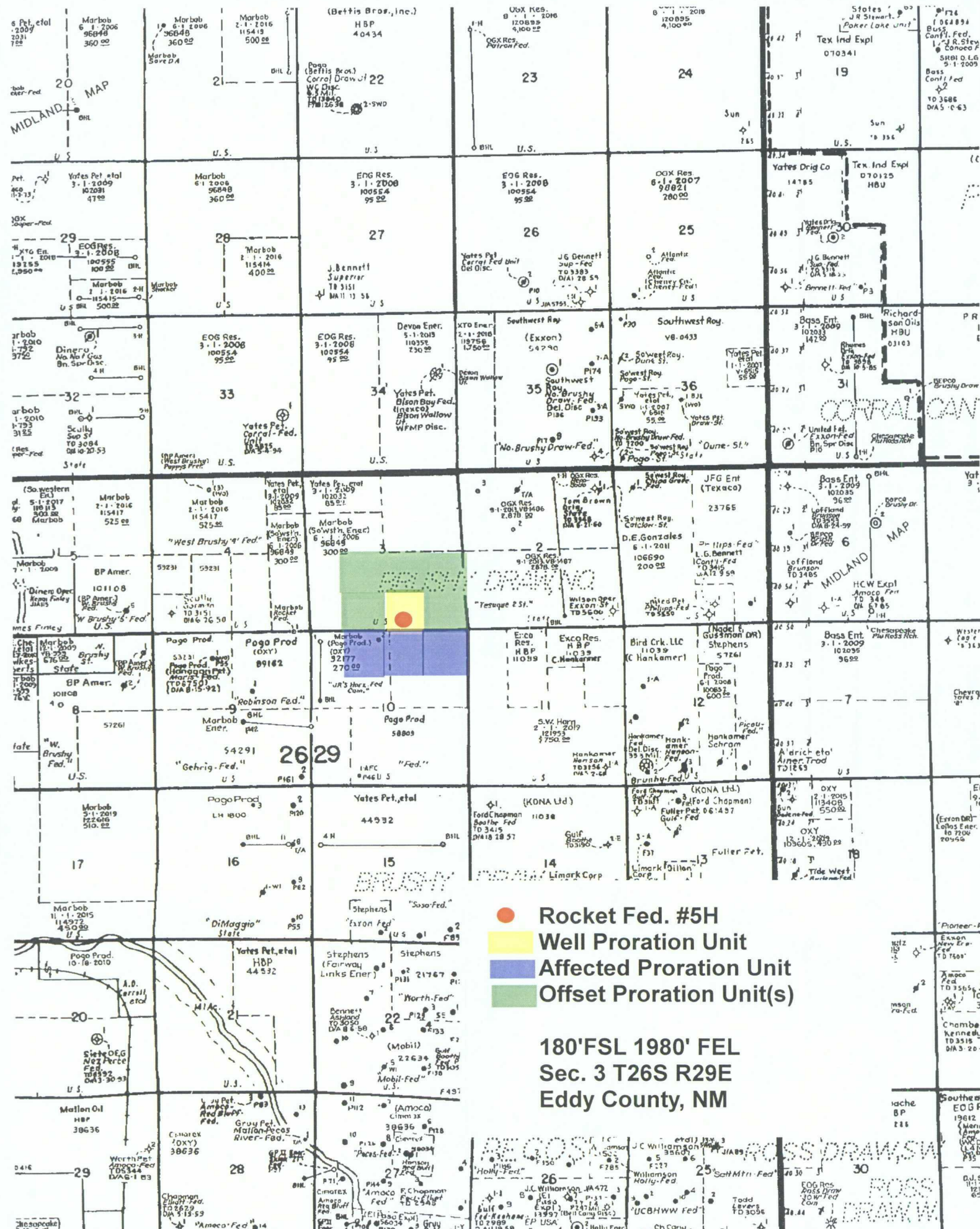
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	3	26-S	29-E		330	NORTH	1980	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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

<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=387428.2 N X=612924.0 E</p> <p>LAT.=32.064631° N LONG.=103.968801° W</p> <p>BOTTOM HOLE LOCATION Y=392268.0 N X=612696.1 E</p> <p>DETAIL</p> <p>2970.6' 2981.3' 600' 2981.8' 2984.6'</p> <p>SEE DETAIL</p>	<p>330'</p> <p>B.H.</p> <p>1980'</p> <p>NM-13997</p> <p>GRID. AZ. -357°18'08" HORZ. DIST. -4846.4'</p> <p>NM-96849</p> <p>S.L.</p> <p>180'</p> <p>1980'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><u>Nancy T. Agnew</u> 2-19-10 Signature Date</p> <p>NANCY T. AGNEW Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 12, 2010 LA</p> <p>Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><u>Ronald Eidsen</u> 01/15/2010</p> <p>Certificate No. RONALD EIDSON 3239</p>
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- Rocket Fed. #5H
- Well Proration Unit
- Affected Proration Unit
- Offset Proration Unit(s)

180'FSL 1980' FEL  
Sec. 3 T26S R29E  
Eddy County, NM



May 24, 2010

Fax & Certified Mail


Yates Petroleum Corp.  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

RE: Unorthodox Location  
Administrative Approval Request  
Rocket Federal #5H  
SHL:180' FSL 1980' FEL  
BHL:330' FNL1980' FEL  
Section 3, T-26S R-29E  
Eddy County, New Mexico

To Whom It May Concern:

Yates Petroleum Corp. is a working interest owner of leasehold 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 New Mexico Oil Conservation Division (NMOCD) in Santa Fe within 20 days of this notice. If you have any questions regarding our application please contact me.

Sincerely,

  
William Miller  
Land Department

/wm  
Attachments

**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Thursday, May 27, 2010 11:04 AM  
**To:** 'William Miller'  
**Subject:** Rocket Federal #3H and Rocket Federal #5H NSL applications

Dear Mr. Mill

I have looked at the referenced applications.

For each of these horizontal wells, we need to know the footage location of the "penetration point" of the Bone Spring formation, as that term is defined in Rule 16.7.F.

Also, where the applicant is the operator of an affected spacing unit, Rule 4.12.A(2)(b) requires that notice be given to working interest owners unless working interest ownership in the affected unit is identical to that in the unit where the well will be located. In the #5H application, you have included proof of notice to Yates whom you indicate is a working interest owner in one or more of the affected units, but you have not expressly stated whether Yates is the only such working interest owner. In the #3H application, I find no statement concerning working interest ownership in the affected units.

We will appreciate your supplying the above-requested information.

Sincerely

David K. Brooks  
Legal Examiner

**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Tuesday, June 01, 2010 1:32 PM  
**To:** "William Miller"  
**Subject:** RE: Rocket Federal #3H and Rocket Federal #5H NSL applications

Dear Mr. Miller

Thanks for your prompt attention to my request.

When you have sent the notices, please furnish either a copy of the cover letter, or a statement conforming to Rule 15.13.D, that notice was sent.

Sincerely

David K. Brooks  
Legal Examiner

---

**From:** William Miller [mailto:wmiller@marbob.com]  
**Sent:** Tuesday, June 01, 2010 11:44 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Rocket Federal #3H and Rocket Federal #5H NSL applications

Mr. Brooks,

The penetration point for both wells will be the same as the surface location.

As far as the working interest owners, notice will be sent and a copy furnished to you. The N/2N/2 of sec. 10 is Yates & Marbob. Yates has been notified. The NE/4 of sec. 9 is OXY, Yates, Marbob. Oxy has been notified already and I will send notification to Yates. The E/2SE/4 is all marbob. Thank you.

William Miller  
Marbob Energy Corp.

---

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Thursday, May 27, 2010 11:04 AM  
**To:** William Miller  
**Subject:** Rocket Federal #3H and Rocket Federal #5H NSL applications

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Sincerely

David K. Brooks  
Legal Examiner

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**Brooks, David K., EMNRD**

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**From:** Brooks, David K., EMNRD  
**Sent:** Thursday, June 17, 2010 9:54 AM  
**To:** 'William Miller'  
**Subject:** Rocket Federal #5H; NSL Application

Dear Mr. Miller

This will serve as a reminder that I have not received the proof of notice to Yates and OXY for this application, as per your email of June 1.

Thanks

David K. Brooks  
Legal Examiner

**Brooks, David K., EMNRD**

---

**From:** William Miller [wmiller@marbob.com]  
**Sent:** Thursday, June 17, 2010 10:22 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Rocket Federal #5H; NSL Application  
**Attachments:** Rocket #5.pdf; rocket #5-1.pdf

Mr. Brooks,

Yates is the only required party in the Rocket Fed #5H notification. Oxy has interest in NE/4 of sec. 9 but they are not in the affected proration units or offset proration units. Attached is the notice given to Yates. Thank you.

William Miller  
Marbob Energy Corp

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**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Thursday, June 17, 2010 9:54 AM  
**To:** William Miller  
**Subject:** Rocket Federal #5H; NSL Application

Dear Mr. Miller

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Thanks

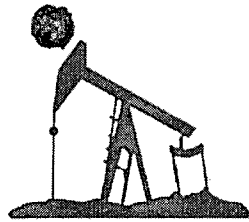
David K. Brooks  
Legal Examiner

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<b>OFFICIAL USE</b>	
Postage \$	Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Attn: Land Department	
Sent to Yates Petroleum Corporation	
Street, Apt. No., or PO Box No. 105 South Fourth Street	
City, State, ZIP+4 Artesia, NM 88210	
Rocket Fed #5H / NSL	
PS Form 3811, August 2004	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature <i>Amber Hamilton</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <b>AMBER HAMILTON</b> C. Date of Delivery <b>MAY 25 2010</b></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p><b>MAY 28 2010</b></p>
<p>1. Article Addressed to:</p> <p>Attn: Land Department Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210 Rocket Fed #5H / NSL</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label) 7009 3410 0001 6899 3910</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	



**marbob**  
energy corporation

May 24, 2010

Fax & Certified Mail

Yates Petroleum Corp.  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

RE: Unorthodox Location  
Administrative Approval Request  
Rocket Federal #511  
SHL:180' FSL 1980' FEL  
BHL:330' FNL1980' FEL  
Section 3, T-26S R-29E  
Eddy County, New Mexico

To Whom It May Concern:

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Sincerely,

William Miller  
Land Department

/wm  
Attachments

7009 3410 0001 6899 3910

U.S. Postal Service	
<b>CERTIFIED MAIL RECEIPT</b>	
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<b>OFFICIAL USE</b>	
Postage \$	Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Attn: Land Department	
Sent to Yates Petroleum Corporation	
Street, Apt. No., or PO Box No. 105 South Fourth Street	
City, State, ZIP+4 Artesia, NM 88210	
Rocket Fed #5H / NSL	
PS Form 3811, February 2004	

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<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature <i>Amber Hamilton</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <b>AMBER HAMILTON</b> C. Date of Delivery <b>MAY 28 2010</b></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p><b>MAY 28 2010</b></p>	
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<p>2. Article Number (Transfer from service label) 7009 3410 0001 6899 3910</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>			