HOLLAND&HART

William F. Carr wcarr@hollandhart.com

September 14, 2004

HAND-DELIVERED

Mark E. Fesmire, P. E. Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Case 13349

Re: Application of Marbob Energy Corporation to authorize unorthodox well locations within the Dodd Federal Unit, Eddy County, New Mexico.

Dear Mr. Fesmire:

Enclosed in triplicate is the Application of Marbob Energy Corporation in the abovereferenced case as well as a copy of the legal advertisement. Marbob Energy Corporation requests that this matter be placed on the docket for the October 7, 2004 Examiner hearings.

ry truly yours William F. Carr

Enclosures

Holland & Hart LLP

cc: Mr. Raye Miller Marbob Energy Corporation

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF MARBOB ENERGY CORPORATION TO AUTHORIZE UNORTHODOX WELL LOCATIONS WITHIN THE DODED FEDERAL UNIT, EDDY COUNTY, NEW MEXICO. CASE NO. /33/9

APPLICATION

MARBOB ENERGY CORPORATION ("Marbob"), through its undersigned attorneys,

hereby makes application pursuant to the New Mexico Oil Conservation Division for an order authorizing unorthodox well locations within its Dodd Federal Unit and in support of its application states:

1. Marbob will be the operator of the proposed Dodd Federal Unit which is comprised of 2400 acres, more or less, of federal lands that are the subject of a companion case in which Marbob seeks an order statutorily unitizing the unit area which is more particularly described as follows:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 10:	E/2, E/2 W/2
Section 11:	All
Section 14:	All
Section 15:	E/2
Section 22:	SE/4, SE/4 SW/4,
	E/2 NE/4, SW/4 NE/4

Waterflood operations have been conducted in portions of the area covered by this proposed unit since 1985 pursuant to Division order No. R-7900, dated April 25, 1985.

2. Marbob intends to seek authority to extend the existing waterflood project into additional portions of the proposed Unit and is currently engaged in work in the unit area to determine the exact needs for such request.

3. To complete this evaluation and to implement an efficient injection pattern within the unit area, Marbob will drill new wells in the unit area. Many of these wells will be at unorthodox locations.

4. To avoid unnecessary applications for approval of unorthodox well locations within the unit area, Marbob seeks authorization to drill producing wells at unorthodox locations within the unit area provided that such locations are at least 330 feet from the outer boundary of the Dodd Federal Unit and are at least twenty-five (25) feet from any quarter section line or quarter-quarter section line.

5. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Marbob Energy Corporation requests that this application be set for hearing before an examiner of the Oil Conservation Division on October 7, 2004, and, that after notice and hearing as required by law, the Division enter its order granting this application and authorizing Marbob Energy Corporation to drill unorthodox well locations within its Dodd Federal Unit under the conditions and limitations set forth herein.

Respectfully submitted,

HOLLAND & HART LLP By:

William F. Carr Post Office Box 2208 Santa Fe, New Mexico 87504 Telephone: (505) 988-4421

ATTORNEYS FOR MARBOB ENERGY CORPORATION

CASE <u>/33 4</u>9

- 1

Application of Marbob Energy Corporation for authorization of unorthodox well locations within its Dodd Federal Unit, Eddy County, New Mexico. Applicant seeks authority to drill producing wells at unorthodox locations within its Dodd Federal Unit located in portions of Township 17 South, Range 29 East, NMPM, provided said locations shall be no closer than 330 feet to the outer boundary of the Unit Area nor closer than 25 feet to any quarter section line or quarter-quarter section line. Said unit is located approximately 3.3 miles west of Loco Hills, New Mexico. Application of Marbob Energy Corporation for Statutory Unitization and to Authorize Unorthodox Well Locations Within the Dodd Federal Unit Area Eddy County, New Mexico

<u>Exhibit A</u>

Minerals Management Service P. O. Box 5810 T A Denver, CO 80217-5810

Stanley William Rosenfield Trust Stanley W. Rosenfield Trustee 2029 Century Park East Los Angeles, CA 90667

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Minerals Management of Interior – MMS Royalty Management Program Post Office Box 5750 Denver, CO 80217-5760

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S. E. Murphree Jr. Apt. 103 9333 Memorial Drive Houston, TX 77024-5735

Central Texas Operating Inc. Attn: Gregg Goodall P. O. Box 1152 Breckenridge, TX 76424-1152

OOPS Inc. Attn: Anne D. Owen 5120 Woodway Drive, Suite 9001 Houston, TX 77056-1724

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Tex Zia Properties Loneta S. Curtis Trustee Loneta S. Curtis Lvg Trust 605 S. 15th Artesia, NM 88210 HOLLAND&HART.

September 14, 2004

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS:

Re: Application of Marbob Energy Corporation to authorize unorthodox well locations within the Dodd Federal Unit, Eddy County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Marbob Energy Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the authorization to drill wells at unorthodox well locations under conditions set out in the application within its Dodd Federal Unit located in Sections 10, 11, 14, 15 and 22 of Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

This application has been set for hearing before a Division Examiner on October 7, 2004. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

William F. Carr

cc: Raye Miller Marbob Energy Corporation