



May 22, 2007

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 13938

2007 MAY 22 PM 4:33

Re: Application of Marbob Energy Corporation for Compulsory Pooling, Eddy County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the Application of Marbob Energy Corporation in the above-referenced case as well as a copy of the legal advertisement. Marbob Energy Corporation requests that this matter be placed on the docket for the June 21, 2007 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Dean Chumbley
Marbob Energy Corporation
Post Office Box 227
Artesia, New Mexico 88211-02270

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

IN THE MATTER OF THE APPLICATION OF MARBOB ENERGY CORPORATION FOR
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 130938

APPLICATION

MARBOB ENERGY CORPORATION, ("Marbob") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of N.M.Stat. Ann. § 2-17, (1978), for an order pooling all mineral interests from a depth 500 feet below the top of the San Andres formation to the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 32, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the North Turkey Track-Morrow Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing; and the NE/4 SE/4 for all formations and/or pools developed on 40-acre spacing; and in support of its application states:

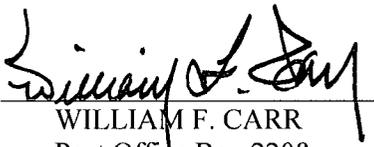
1. Marbob Energy Corporation is a working interest owner in the S/2 of said Section 32 and has the right to drill thereon.
2. Marbob proposes to dedicate the above-referenced spacing or proration units to its Man State Well No. 1 (API No. 30-015-35282) to be drilled as a gas well at a standard location 1780 feet from the South line and 660 feet from the East line (Unit I) of said Section 32, to an approximate depth of 11,500 feet to test any and all formations from a depth 500 feet below the top of the San Andres to the base of the Morrow formation.
3. Marbob has sought and been unable to obtain a voluntary agreement for the development of these lands from Lobos Energy Partners, LLC, 3817 NW Expressway, Suite 950, Oklahoma City, Oklahoma 73112 (Attn: Chip Taylor).
4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Marbob to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Marbob Energy Corporation should be designated the operator of the well to be drilled.

WHEREFORE, Marbob Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 21, 2007 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Marbob Energy Corporation operator of these units and the well to be drilled thereon,
- C. authorizing Marbob Energy Corporation to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by Marbob Energy Corporation in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

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 13738

Application of Marbob Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from a depth of 500 feet below the top of the San Andres formation to the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 32, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the North Turkey Track-Morrow Gas Pool, the SE/4 for all formations and/or pools developed on 160-acre spacing; the NE/4 SE/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Man State Well No. 1 (**API No. 30-015-35282**) to be drilled as a gas well at a standard location 1780 feet from the South line and 660 feet from the East line (Unit I) of said Section 32, to test any and all formations from 500 feet below the top of the San Andres to the base of the Morrow formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Marbob Energy Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 10 miles southeast of the Artesia, New Mexico.