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Case 14257

November 18, 2008

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Marbob Energy Corp., are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the December 18, 2008 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Marbob Energy Corp.

Parties Being Pooled

Occidental Permian Limited Partnership
P.O. Box 4294
Houston, Texas 77046

Chevron U.S.A. Inc.
P.O. Box 36366
Houston, Texas 77236

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MARBOB ENERGY CORP.
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

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Case No. 14257

APPLICATION

Marbob Energy Corp. applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, and SE $\frac{1}{4}$ (the E $\frac{1}{2}$ equivalent) of Section 6, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E $\frac{1}{2}$ of Section 6, and has the right to drill a well thereon.
2. Applicant proposes to drill its Double Dale Fee Com. Well No. 1, at an orthodox location in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 6, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:
 - (a) The NE $\frac{1}{4}$ SE $\frac{1}{4}$ to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Undesignated Malaga-Delaware Pool;
 - (b) The SE $\frac{1}{4}$ to form a standard 160 acre gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent; and
 - (c) The E $\frac{1}{2}$ to form a standard 319.88 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Malaga-Atoka Gas Pool and Cedar Canyon-Morrow Gas Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$ of Section 6 for the purposes set forth herein.

4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the E½ of Section 6, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 6 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the E½ of Section 6, from the surface to the base of the Morrow formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Marbob Energy Corporation

PROPOSED ADVERTISEMENT

Case No. 14257 : **Application of Marbob Energy Corp. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 6, Township 24 South, Range 29 East, NMPM, and in the following manner: Lots 1, 2, S/2NE/4, and SE/4 (the E/2) to form a standard 319.88-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Malaga-Atoka Gas Pool and Cedar Canyon-Morrow Gas Pool; the SE/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NE/4SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Malaga-Delaware Pool. The units are to be dedicated to the Double Dale Fee Com. Well No. 1, to be drilled at an orthodox location in the NE/4SE/4 of Section 6. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 3-1/2 miles northeast of Malaga, New Mexico.

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