

May 12, 2009

HAND-DELIVERED

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

Case 14327

RECEIVED
2009 MAY 12 PM 3 54

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 a legal advertisement. Marbob Energy Corporation requests that this matter be placed on the docket for the June 11, 2009 Examiner hearings.

Very truly yours,



William F. Carr
Attorney for Marbob Energy Corporation

Enclosures

cc: Mr. Ross Duncan
Marbob Energy Corporation
Post Office Box 227
Artesia, New Mexico 88211-0227

**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. 14327

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. § 70-2-17, (1978), for an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the N/2 of Section 2, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated West Lusk-Morrow Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Undesignated Lusk-Strawn Pool; the N/2 NE/4 for all formations and/or pools developed on 80-acre spacing; and the NE/4 NE/4 for all formations and/pools developed on 40-acre spacing which includes but is not limited to the Undesignated Shugart-Yates-Seven Rivers-Queen-Grayburg Pool; Undesignated Northeast Hackberry-Delaware Pool; Undesignated Greenwood-Bone Spring Pool; Undesignated Greenwood-Wolfcamp Pool and the Undesignated Greenwood-Strawn Pool, and in support of its application states:

1. Marbob is a working interest owner in the N/2 of said Section 2, Township 19 South, Range 31 East, NMPM, on which it proposes to drill its Corsair State Com Well No. 1 at a standard gas well location 660 feet from the North and East lines of the section to an approximate total depth of 12,600 feet to test any and all formations from the surface to the base of the Morrow formation.

2. Marbob has sought and been unable to obtain either a voluntary agreement for the development of this acreage from Occidental Permian Limited Partnership, Attn: Patrick Sparks, Post Office Box 4294, Houston, Texas 77046, an owner of interest in the N/2 of Section 2.

3. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

4. To permit 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 should be designated the operator of the well.

WHEREFORE, Marbob Energy Corporation. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 11, 2009, 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 the unit and the well to be drilled thereon,
- C. authorizing Marbob 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 200% penalty for the risk assumed by the Marbob in drilling and completing the well against any working interest owner who does not voluntarily participate in the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

William F. Carr
Ocean Munds-Dry
Post Office Box 2208

Santa Fe, New Mexico 87504

ATTORNEYS FOR MARBOB ENERGY
CORPORATION

Case 14327: **Application of Marbob Energy Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks a an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the N/2 of Section 2, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated West Lusk-Morrow Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Undesignated Lusk-Strawn Pool; the N/2 NE/4 for all formations and/or pools developed on 80-acre spacing; and the NE/4 NE/4 for all formations and/pools developed on 40-acre spacing which includes but is not limited to the Undesignated Shugart-Yates-Seven Rivers-Queen-Grayburg Pool; Undesignated Northeast Hackberry-Delaware Pool; Undesignated Greenwood-Bone Spring Pool; Undesignated Greenwood-Wolfcamp Pool and the Undesignated Greenwood-Strawn Pool. Applicant proposes to dedicate the pooled units to its Corsair State Com Well No. 1 to be drilled at a standard gas well location 660 feet from the North and East lines of said Section 2. Also to be considered will be the cost of drilling and completing said well as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 12.1 miles southeast of Loco Hills, New Mexico.