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February 21, 2000

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

OIL CONSERVATION DIV
CO FEB 21 PM 4:15

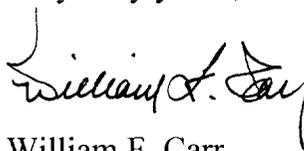
12355

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

Dear Ms. Wrotenbery:

Enclosed in triplicate is an Application of Marbob Energy Corporation in the above-referenced case as well as a copy of a legal advertisement. Marbob Energy Corporation respectfully requests that this matter be placed on the docket for the March 16, 2000 Examiner hearings.

Very truly yours,



William F. Carr

WFC/md

Enclosures

cc: Raye Miller

**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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 12358

APPLICATION

MARBOB ENERGY CORPORATION ("Marbob"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all mineral interests in all formations below the base of the Atoka formation developed on 320-acre spacing in S/2 of Section 15, Township 17 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Marbob is a working interest owner in the S/2 of said Section 15 and has the right to drill thereon.
2. Marbob proposes to dedicate the above-referenced spacing or proration unit to its Giles State Com Well No. 1 to be drilled at a standard location in the NE/4 SE/4 of said Section 15, to a depth sufficient to test any and all formations to the base of the Morrow formation, Undesignated North Vacuum Atoka-Morrow Gas Pool.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing units identified on Exhibit A to this application.

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

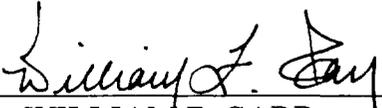
5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Marbob Energy Corporation should be designated the operator of the well to be drilled.

WHEREFORE, Marbob Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 16, 2000, 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 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,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

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

ATTORNEY FOR MARBOB ENERGY CORPORATION

EXHIBIT A

**APPLICATION OF
MARBOB ENERGY CORPORATION
FOR COMPULSORY POOLING
S/2 OF SECTION 15, TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO**

Exxon Mobil Production Company
396 West Greens Road
Houston, Texas 77067-4530

CASE 12358

Application of Marbob Energy Corporation for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests below the base of the Atoka formation underlying the S/2 of Section 15, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico. Applicant proposes to dedicate these pooled units to its Giles State Com. Well No. 1 to be drilled at a standard location 1900 feet from the South line and 660 feet from the East line of said Section 15 to a depth to test all formations to the base of the Morrow formation, Undesignated North Vacuum-Atoka-Morrow Gas Pool. Also to be considered will 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately ___ miles _____ of _____, New Mexico.

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OIL CONSERVATION DIV.

**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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 12358

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OIL CONSERVATION DIV.

APPLICATION

MARBOB ENERGY CORPORATION ("Marbob"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order pooling all mineral interests **in all formations below the base of the Atoka formation** developed on 320-acre spacing in S/2 of Section 15, Township 17 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Marbob is a working interest owner in the S/2 of said Section 15 and has the right to drill thereon.
2. Marbob proposes to dedicate the above-referenced spacing or proration unit to its Giles State Com Well No. 1 to be drilled at a standard location in the NE/4 SE/4 of said Section 15, **to a depth sufficient to test any and all formations to the base of the Morrow formation**, Undesignated North Vacuum Atoka-Morrow Gas Pool.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing units identified on Exhibit A to this application.

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 Applicant 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 March 16, 2000, after notice and hearing as required by law, the Division enter its order:

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- B. designating Marbob Energy Corporation operator of these units 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,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

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

ATTORNEY FOR MARBOB ENERGY CORPORATION

EXHIBIT A

**APPLICATION OF
MARBOB ENERGY CORPORATION
FOR COMPULSORY POOLING
S/2 OF SECTION 15, TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO**

Exxon Mobil Production Company
396 West Greens Road
Houston, Texas 77067-4530

CASE 123458

Application of Marbob Energy Corporation for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests below the base of the Atoka formation underlying the S/2 of Section 15, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico. Applicant proposes to dedicate these pooled units to its Giles State Com. Well No. 1 to be drilled at a standard location 1900 feet from the South line and 660 feet from the East line of said Section 15 to a depth to test all formations to the base of the Morrow formation, Undesignated North Vacuum-Atoka-Morrow Gas Pool. Also to be considered will 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately ___ miles _____ of _____, New Mexico.

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OIL CONSERVATION DIV

**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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 12358

OIL CONSERVATION DIV
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APPLICATION

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1. Marbob is a working interest owner in the S/2 of said Section 15 and has the right to drill thereon.
2. Marbob proposes to dedicate the above-referenced spacing or proration unit to its Giles State Com Well No. 1 to be drilled at a standard location in the NE/4 SE/4 of said Section 15, to a depth sufficient to test any and all formations to the base of the Morrow formation, Undesignated North Vacuum Atoka-Morrow Gas Pool.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing units identified on Exhibit A to this application.

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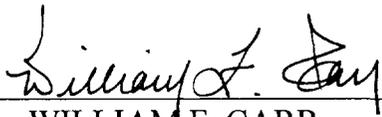
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CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

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

ATTORNEY FOR MARBOB ENERGY CORPORATION

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S/2 OF SECTION 15, TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.
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Exxon Mobil Production Company
396 West Greens Road
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CASE 12358

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