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March 22, 2000

**HAND-DELIVERED**

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

Call 12370

OIL CONSERVATION DIV  
00 MAR 22 PM 1:55

***Re: Application of Marbob Energy Corporation for an unorthodox well location, Eddy County, New Mexico***

Dear Ms. Wrottenbery:

Enclosed in triplicate is the application of Marbob Energy Corporation in the above-referenced case and a proposed legal advertisement for this case. Marbob requests that this matter be set for hearing before a Division Examiner on April 20, 2000.

If you have questions concerning this matter, please advise.

Very truly yours,

  
Paul R. Owen

Enclosure

cc: Mr. Dean Chumbley (w/enclosures)

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

**IN THE MATTER OF THE APPLICATION OF MARBOB  
ENERGY CORPORATION FOR AN UNORTHODOX WELL  
LOCATION, EDDY COUNTY, NEW MEXICO.**

OIL CONSERVATION DIV.  
00 MAR 22 PM 5:56  
CASE NO. 2370

**APPLICATION**

MARBOB ENERGY CORPORATION (“Marbob”), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox well location, and in support of this application states:

1. Marbob is a working interest owner in the S/2 of Section 23, Township 26 South, Range 24 East, N.M.P.M., Eddy County, New Mexico, and proposes to drill its Primero Federal Well #2 to the Morrow formation, Washington Ranch Morrow South Gas Pool, at an unorthodox gas well location 2116 feet from the South line and 542 feet from the West line (Unit L) of said Section 26.

2. The proposed location is necessitated by the United States Department of the Interior, Bureau of Land Management’s (“BLM”) requirement that the proposed well be located at the subject location. Marbob originally proposed the subject well at a standard location in the S/2 of Section 26. However, the BLM determined that due to the existence of three “special management areas,” sensitive soils, cave karst, and visual, at the standard location, the BLM required that the well be drilled at the location sought by this Application. This location in the Morrow formation is unorthodox because it is governed by the Division’s statewide rules which provide for wells on 320-acre spacing units to be located no closer than 660 feet to the nearest section line. Accordingly,

Marbob seeks an exception to Rule 104 C(2)(a) of the General Rules and Regulations of the Oil Conservation Division to permit the drilling of this well at this unorthodox gas well location.

3. A standard spacing unit comprised of the S/2 of Section 23 should be dedicated to the well.

4. Approval of this application will afford the interest owners in this spacing unit the opportunity to produce their just and equitable share of the reserves under the subject unit and will otherwise 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 April 20, 2000, that notice be given as required by law and the rules of the Division, and that the Division enter its order granting this application.

Respectfully submitted,

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

By: 

WILLIAM F. CARR  
PAUL R. OWEN  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
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ATTORNEYS FOR MARBOB  
ENERGY CORPORATION

CASE 12370: Application of Marbob Energy Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant in the above-styled cause seeks authorization to drill its Primero Federal Well #2 to the Morrow formation, Washington Ranch Morrow South Gas Pool, at an unorthodox well location 2116 feet from the South line and 542 feet from the West line (Unit L) of Section 23, Township 26 South, Range 24 East, N.M.P.M., Eddy County, New Mexico. The S/2 of Section 23 is to be dedicated to said well. Said unit is located approximately 13 miles South of Whites City, New Mexico.