

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10739

APPLICATION OF MARBOB ENERGY
CORPORATION FOR AN UNORTHODOX
OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO.



PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Marbob Energy Corporation _____
c/o Raye Miller _____
Post Office Drawer 217 _____
Artesia, New Mexico 88211-0217
(505) 748-3303 _____
name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq. _____
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____
(505) 988-4421 _____

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Marbob Energy Corporation, applicant in the above-captioned cause, seeks approval to drill its Burch C Federal Well No. 49 at an unorthodox location 2510 feet from the North line and 330 feet from the East line (Unit E) of Section 23, Township 17 South, Range 29 East. The SW/4 NW/4 of said Section 23 is to be dedicated to said well. Applicant further requests approval of the unorthodox location as to all prospective pools or formations including but not limited to the Grayburg Jackson Seven Rivers, Queen, Grayburg, San Andres Pool spaced on 40-acres.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

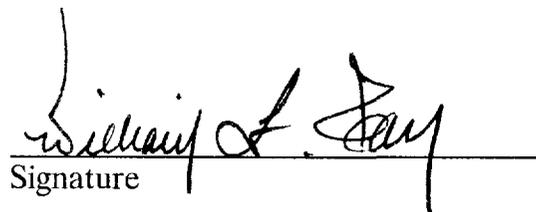
| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|-----------------|
| Johnny Gray | 10 Min. | Approximately 4 |

OPPOSITION

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|-----------|----------|
|-----------------------------------|-----------|----------|

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)


Signature



OIL CONSERVATION DIVISION
MAY 10 1993
SANTA FE, NEW MEXICO

May 10, 1993

Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

10739

Attention: Mr. Mike Stogner

Dear Mr. Stogner:

Marbob Energy Corporation respectfully requests a hearing with notice for an unorthodox well location on the Burch C Federal lease. The well location's legal description is as follows:

Burch C Federal No. 49
2510 FNL, 330 FWL
Section 23, T-17S, R-29E
Eddy County, New Mexico

This well will be completed in the Grayburg San Andres formations in the Grayburg Jackson Seven Rivers, Queen, Grayburg, San Andres Pool. Note that this location is within 130 feet to an outer boundary of a lease line.

Attached to this application are the following exhibits:

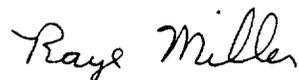
- A.) Well location and acreage dedication plat (form C-102) filed with the Artesia office of the Oil Conservation Division (Exhibit A).
- B.) A plat showing the proposed unorthodox location, the respective proration unit, and the offsetting proration units including their ownership (Exhibit B).
- C.) Copies of the letter of notification sent to operators or owners of proration units offsetting the proration unit containing the proposed unorthodox location (Exhibit C).

The letters attached as Exhibit "C" have been sent to each offset operator by

certified mail and they have been requested to notify you if they have any objections. Note that with the exception of the operators notified, Marbob Energy Corporation is the operator of all offsetting proration units.

Thank you very much for your help in this matter. Should you need additional information or have any questions about the material enclosed, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Raye Miller".

Raye Miller
Land Department

RM/mm
Enclosures

cc: Mr. Bill Carr
Campbell, Carr, Berge, Sheridan
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

"EXHIBIT A"

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

E

| | | | | | |
|--|----------------------|-----------------------------|--------------------------|------|-----------------------|
| Operator MARBOB ENERGY CORPORATION | | | Lease Burch C Federal | | Well No. 49 |
| Unit Letter E | Section 23 | Township 17 SOUTH | Range 29 EAST | NMPM | County EDDY |

Actual Footage Location of Well:
2510 feet from the **NORTH** line and **330** feet from the **WEST** line

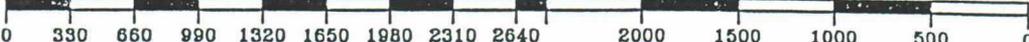
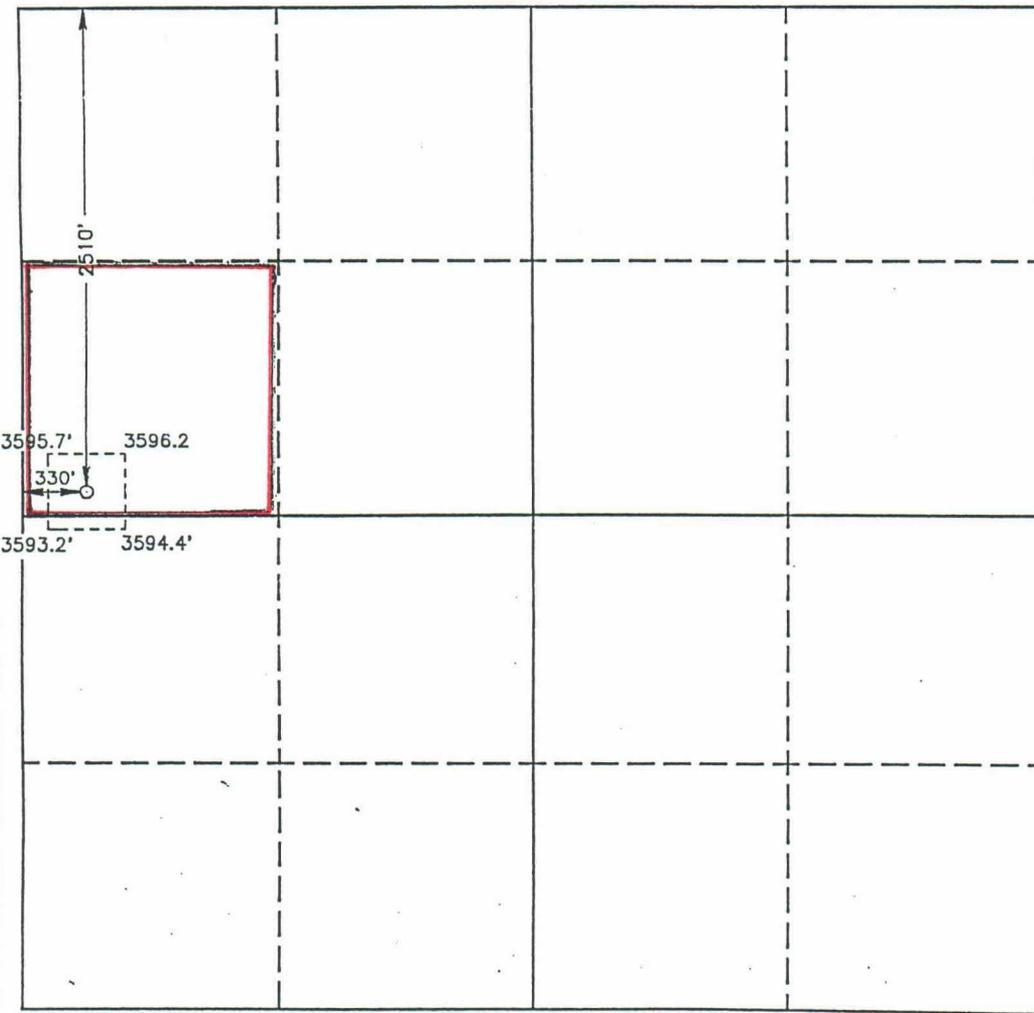
| | | | |
|--------------------------------------|---|--|---------------------------------------|
| Ground Level Elev. 3595.0' | Producing Formation Grayburg San Andres | Pool Grbg Jackson SR Q Grbg SA | Dedicated Acreage: 40 Acres |
|--------------------------------------|---|--|---------------------------------------|

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary. _____)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Rhonda Nelson

Printed Name
Rhonda Nelson

Position
Production Clerk

Company
Marbob Energy Corporation

Date
April 29, 1993

SURVEYOR CERTIFICATION

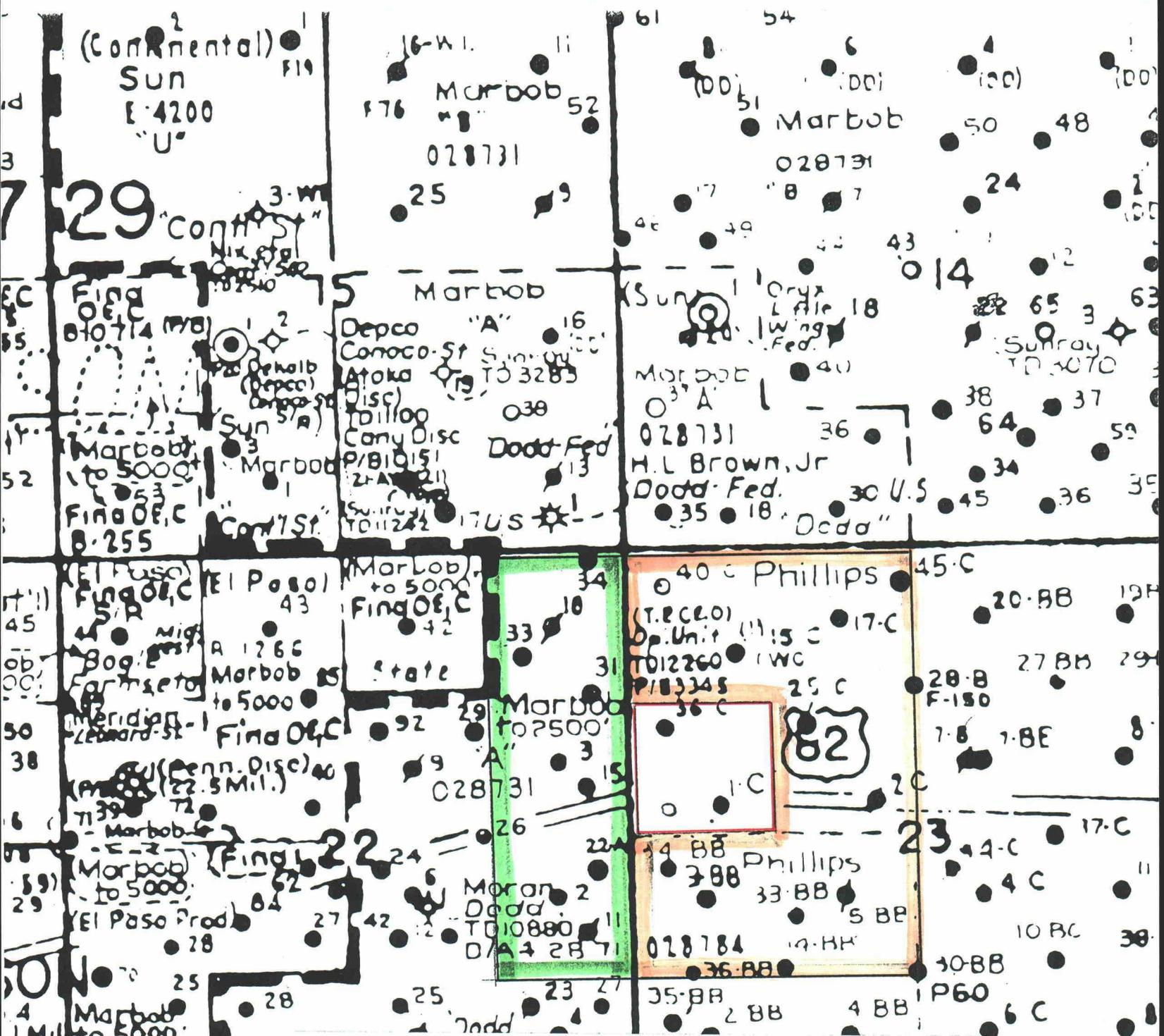
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
FEBRUARY 11, 1993

Signature & Seal of
Professional Surveyor

Certificate No. **JOHN W. WEST, 676**
RONALD J. EDSON, 3239
GARY L. JONES, 7977

3-47-93-0137



"EXHIBIT B"

- Marbob Energy Corporation and H. L. Brown, Jr.
- Marbob Energy Corporation
- Proration unit for location Burch C Federal No. 49
2510 FSL, 330 FWL
Section 23, Township 17S, Range 29E
Eddy County, New Mexico

LA.H.L.A.

Z.F.C.



May 10, 1993

Bureau of Land Management
1717 West Second Street
Roswell, New Mexico 88201-2019

Attention: Armando Lopez

RE: Unorthodox Well Location
Burch C Federal No. 49
2510 FSL, 330 FWL
Sec. 23, T-17S, R-29E,
Eddy County, New Mexico

Gentlemen:

Marbob Energy Corporation, as operator of the Burch C Federal Lease, hereby notifies you that we have applied to the New Mexico Oil Conservation Division for a hearing on the above referenced location.

You are being notified as an operator or owner of a proration unit offsetting the above referenced unorthodox location in the Grayburg Jackson Seven Rivers, Queen, Grayburg San Andres Pool. If you have no objection to the drilling of this well, please sign below and forward one copy to the NMOCD, P.O. Box 2088, Santa Fe, New Mexico, 87501, one copy to this office, and retain one copy for your files.

If you should have an objection, please contact Marbob and the NMOCD before June 15, 1993 and state your objection. The NMOCD has set the hearing date for June 17, 1993. Thank you very much for your help in this matter. Please do not hesitate to contact me should you have any questions.

Sincerely,

Raye Miller
Land Department

RM/mm

We do not object to the above
proposed location:

By: _____



marbob
energy corporation

May 10, 1993

H. L. Brown, Jr.
P. O. Box 2237
Midland, Texas 79702

RE: Unorthodox Well Location
Burch C Federal No. 49
2510 FSL, 330 FWL
Sec. 23, T-17S, R-29E,
Eddy County, New Mexico

Gentlemen:

Marbob Energy Corporation, as operator of the Burch C Federal Lease, hereby notifies you that we have applied to the New Mexico Oil Conservation Division for a hearing on the above referenced location.

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Sincerely,

Raye Miller
Land Department

RM/mm

We do not object to the above
proposed location:

By: _____