AUG 10 1984

SHORONSERVATION DIVISION

BEFORE THE OIL CONSERVATION DIVISION SANTA FE

OF THE STATE OF NEW MEXICO

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

CASE NO. 5326

APPLICATION

COMES NOW MARBOB ENERGY CORPORATION, by its attorneys, and in support hereof, respectfully states:

1. Applicant is the operator of the Grayburg-San Andres formation, (Red Lake Queen Grayburg San Andres Pool), and underlying:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.

Section 22: SW1/4SE1/4

containing 40 acres, more or less,

and proposes to drill its Collier State No. 15 Well at a point located 1170 feet from the south line and 2310 feet from the east line of Section 22.

- 2. The applicant seeks an exception to the well location requirements of Rule 104-C.1(a) of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Grayburg-San Andres formation.
- 3. The approval of this application will afford applicant the opportunity to produce its just and equitable share of oil and

will otherwise prevent waste and protect correlative rights.

WHEREFORE, applicant prays:

- A. That this application be set for hearing on September 5, 1984 before an examiner and that notice of said hearing be given as required by law.
- B. That upon hearing the Division enter its order granting applicant permission to drill its Collier State No. 15 Well at a point 1170 feet from the south line and 2310 feet from the east line of said Section 22.
- C. And for such other and further relief as may be just in the premises.

MARBOB ENERGY CORPORATION

BY:

Kevin J. Bliss

Attorney for Applicant