



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

February 22, 2006

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Marbob Energy Corporation
P. O Box 227
Artesia, New Mexico 88211-0227

Attention: Raye Miller
marbob@marbob.com

Administrative Order NSL-5339

Dear Mr. Miller:

Reference is made to the following: (i) your application (*administrative application reference No. pTDS0-603039941*) dated January 16, 2006 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on January 19, 2006; and (ii) and the Division's records in Hobbs and Santa Fe, including the files in Division Cases No. 3343, 13350, 13385, and 13386: all concerning Marbob Energy Corporation's ("MEC") request for a non-standard infill oil well location within its Dodd Federal Unit Waterflood Project Area, established by Division Order No. R-12255, issued in Case No. 13385 and dated January 3, 2005, for your proposed Dodd Federal Unit Well No. 501 to be drilled 2410 feet from the South line and 280 feet from the East line (Unit I) of Section 22, Township 17 South, Range 29 East, NMPM, Grayburg-Jackson Pool (**28509**), Dodd Federal Unit (see Division Order No. R-12228, issued in Case No. 13350 on November 1, 2004), Eddy County, New Mexico.

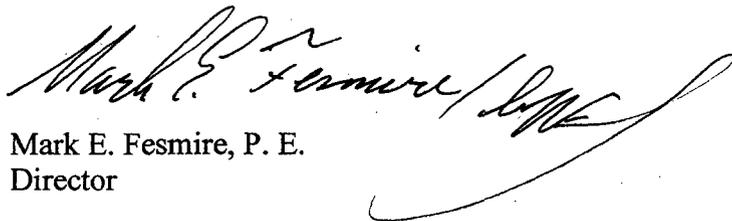
Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

The NE/4 SE/4 of Section 22, being a standard 40-acre oil spacing and proration unit within this pool, is currently dedicated to MEC's: (i) Dodd Federal Unit Well No. 82 (**API No. 30-015-29757**), located at a standard oil well location 1750 feet from the South line and 990 feet from the East line of Section 22; (ii) Dodd Federal Unit Well No. 83 (**API No. 30-015-03029**), located at a standard oil well location 1980 feet from the South line and 660 feet from the East line of Section 22; (iii) Dodd Federal Unit Well No. 84 (**API No. 30-015-24353**), located at a standard oil well location 2310 feet from the South line and 330 feet from the East line of Section 22; and (iv) Dodd Federal Unit Well No. 85 (**API No. 30-015-03046**), located at a standard oil well location 1650 feet from the South line and 330 feet from the East line of Section 22.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location for MEC's proposed Dodd Federal Unit Well No. 501 is hereby approved.

Pursuant to Division Rule 104.B (1), Grayburg-Jackson production from all five of the aforementioned Dodd Federal Wells No. 82, 83, 84, 85, and 105 are to be simultaneously dedicated to this 40-acre unit.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management - Carlsbad