

DATE IN 8/11/06	SUSPENSE 8-31-06	ENGINEER MIKE STAGNER	LOGGED IN 8/11/06	TYPE NSL	APP NO. PTD50622356421
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
 Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
 [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
e-mail Address			



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AUG 11

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

August 9, 2006

New Mexico Oil Conservation Division
1220 St. Francis Drive
Santa Fe, New Mexico 87504

Attention: Mr. Michael Stogner
Petroleum Engineer

Re: Unorthodox Location
Administrative Approval Request
Scared Hawk State Com #1
330' FNL & 25' FEL
BHL: 430' FNL & 2310' FEL
Section 4 T-25S R-28E
Eddy County, New Mexico

30-015-35102

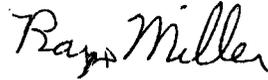
Dear Mike:

Marbob Energy Corporation respectfully requests administrative approval for an unorthodox location of the Scared Hawk State Com #1 well as referenced above. Attached is an OCD Form C-102 showing the proposed oil well spacing unit along with a map showing the adjoining spacing units. The well is unorthodox to the East boundary of the N/2NE/4. This location will permit us to drill a longer horizontal lateral through the formation within the orthodox offsets of 330 feet from the exterior boundaries. It takes about 450 feet to build our curve. This location keeps us on lease but maximizes the orthodox length of the lateral. This location is a west offset to the Slyhawk #4 which was also drilled as a horizontal Delaware well in the N/2NW/4 of Section 3 under OCD order number NSL-5273. The Western Hawk #2 is the Southeast offset well and is also a horizontal Delaware in the SW/4NW/4 and NW/4SW/4 of Section 3 drilled under OCD order number NSL-5391. The vertical portion of the Western Hawk #2 is the closest offset to the proposed location. Enclosed please find a copy of the mudlog and open hole log of the Western Hawk #2. As you can see we encountered no shows of oil in the Delaware formation until we reached the targeted zone. As a result we do not anticipate ever perforating the vertical section of the well bore. The affected proration unit is operated by Marbob Energy Corporation and our partner in that proration unit is Southwestern Energy Production Company. The royalty owner for both the proposed proration unit and the affected proration unit is the Commissioner of Public Lands. The overriding royalty on both the proposed and affected proration units are identical. The Northeast offset operator is Chesapeake. The North offset and Northwest offset have no wells but are owned by Marbob Energy Corporation and OGX Resources LLC. The West offset, Southwest offset, South offset are operated by Marbob Energy Corporation with our partner in each unit being Southwestern Energy Corporation. Each of the parties named above including the Commissioner of Public Lands have been notified of this application. A copy of the notice letters are enclosed for your review. Copies of the fax

confirmations are enclosed to evidence our notice. We would request your approval of this unorthodox location.

Thank you for your consideration of this. If you need to talk with me further please call me at 800-748-1550.

Sincerely,

A handwritten signature in black ink that reads "Raye Miller". The signature is written in a cursive style with a large, looped "M".

Raye Miller
Land Department

RM/nb
Attachments



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August 9, 2006

OGX Resources, LLC
P.O. Box 2064
Midland, Texas 79702

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Scared Hawk State Com #1
330' FNL & 25' FEL
BHL: 430' FNL & 2310' FEL
Section 4 T-25S R-28E
Eddy County, New Mexico

Gentlemen:

Enclosed is a copy of the unorthodox location that has been sent to the New Mexico Oil Conservation Division for an unorthodox location on the above referenced well. We would request you sign the waiver below and fax it back to us so we can submit it with the application. If you object to our application please notify OCD Santa Fe Attention: Mr. Michael Stogner.

If you have any questions please feel free to contact me. Thank you and have a great day!

Sincerely,

Nancy Bratcher
Land Department

OGX Resources, LLC as a working interest owner in the North and Northwest offset proration units has no objection to the proposed location.

By: _____

Name: _____

Title: _____

Date: _____

TRANSACTION REPORT

P. 01

AUG-09-2006 WED 01:26 PM

FOR: MARBOB ENERGY CORP

15057462523

SEND

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
AUG-09	01:25 PM	14326851320	1' 18"	7	FAX TX	OK	318	

TOTAL : 1M 18S PAGES: 7



FAX COVER SHEET

To:	From:	Nancy Bratcher
Company: OGX Resources LLC	Date:	August 9, 2006
Fax No.: 432-685-1320	Pages:	8
Re: Scared Hawk State Com #1		

Gentlemen:

Enclosed is an application for unorthodox location on the above referenced. Please sign and return as soon as possible if you have no objection so I can send this waiver in with the application. The originals are in the mail.

Thank you,

Nancy Bratcher
Land Department

If you have trouble receiving this fax, please call
Nancy at 505-748-3303.



marbob
energy corporation

August 9, 2006

Commissioner of Public Lands
P.O. Box 1148
Santa Fe, N.M. 87504-1148

Attention: Mr. Pat Lyons

Re: Scared Hawk State Com #1
330' FNL & 25' FEL
BHL: 430' FNL & 2310' FEL
Section 4 T-25S R-28E
Eddy County, New Mexico

Dear Mr. Lyons:

This is a notice regarding the enclosed application that has been sent to the New Mexico Oil Conservation Division for an unorthodox location on the above referenced well. A copy of the application is enclosed for your review.

If you have any questions please feel free to contact me. Thank you and have a great day!

Sincerely,

Nancy Bratcher
Land Department



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AUG 11

August 9, 2006

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Chesapeake Energy Corporation
P.O. Box 18496
Oklahoma City, OK 73154

Re: Scared Hawk State Com #1
330' FNL & 25' FEL
BHL: 430' FNL & 2310' FEL
Section 4 T-25S R-28E
Eddy County, New Mexico

Gentlemen:

Enclosed is a copy of the unorthodox location that has been sent to the New Mexico Oil Conservation Division for an unorthodox location on the above referenced well. We would request you sign the waiver below and fax it back to us so we can submit it with the application. If you object to our application please notify OCD Santa Fe Attention: Mr. Michael Stogner.

If you have any questions please feel free to contact me. Thank you and have a great day!

Sincerely,

Nancy Bratcher
Land Department

Chesapeake Energy Corporation as operator of the Northeast offset proration unit has no objection to the proposed location.

By: _____

Name: _____

Title: _____

Date: _____

TRANSACTION REPORT

AUG-09-2006 WED 01:24 PM

FOR: MARBOB ENERGY CORP

15057462523

SEND

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
AUG-09	01:23 PM	14057674251	58"	7	FAX TX	OK	317	

TOTAL : 58S PAGES: 7



FAX COVER SHEET

To:		From:	Nancy Bratcher
Company:	Chesapeake Energy Corp.	Date:	August 9, 2006
Fax No.:	405-767-4251	Pages:	8
Re:	Scared Hawk State Com #1		

Gentlemen:

Enclosed is an application for unorthodox location on the above referenced. Please sign and return as soon as possible if you have no objection so I can send this waiver in with the application. The originals are in the mail.

Thank you,

Nancy Bratcher
Land Department

If you have trouble receiving this fax, please call
Nancy at 505-748-3303.



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August 9, 2006

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Southwestern Energy Production Company
2350 W. Sam Houston Parkway, Suite 300
Houston, Texas 77032

Attention: Mr. Chuck Cornish

Re: Scared Hawk State Com #1
330' FNL & 25' FEL
BHL: 430' FNL & 2310' FEL
Section 4 T-25S R-28E
Eddy County, New Mexico

Dear Mr. Cornish:

Enclosed is a copy of the unorthodox location that has been sent to the New Mexico Oil Conservation Division for an unorthodox location on the above referenced well. We would request you sign the waiver below and fax it back to us so we can submit it with the application. If you object to our application please notify OCD Santa Fe Attention: Mr. Michael Stogner.

If you have any questions please feel free to contact me. Thank you and have a great day!

Sincerely,

Nancy Bratcher
Land Department

Southwestern Energy Production Company as a working interest owner in the proration unit and several of the offset proration units has no objection to the proposed location and in fact supports the drilling of this location.

By: _____

Name: _____

Title: _____

Date: _____

TRANSACTION REPORT

AUG-09-2006 WED 01:23 PM

FOR: MARBOB ENERGY CORP

15057462523

SEND

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
AUG-09	01:22 PM	12816184757	1'04"	7	FAX TX	OK	316	

TOTAL : 1M 4S PAGES: 7



FAX COVER SHEET

To: Mr. Chuck Cornish From: Nancy Bratcher
 Company: Southwestern Energy Prod. Co. Date: August 9, 2006
 Fax No.: 281-618-4757 Pages: 8
 Re: Scared Hawk State Com #1

Dear Chuck:

Enclosed is an application for unorthodox location on the above referenced. Please sign and return as soon as possible if you have no objection so I can send this waiver in with the application. The originals are in the mail.

Thank you,

Nancy Bratcher
Land Department

If you have trouble receiving this fax, please call Nancy at 505-748-3303.

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State of New Mexico

Energy, Minerals and Natural Resources Department

AUG 11 Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

Oil Conservation Division

1220 S. ST. FRANCIS DRIVE

Santa Fe, NM 87505

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 96855	Pool Name Willow Lake; Delaware, SW
Property Code	Property Name SCARED HAWK STATE COM	Well Number 1
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3009'

Surface Location

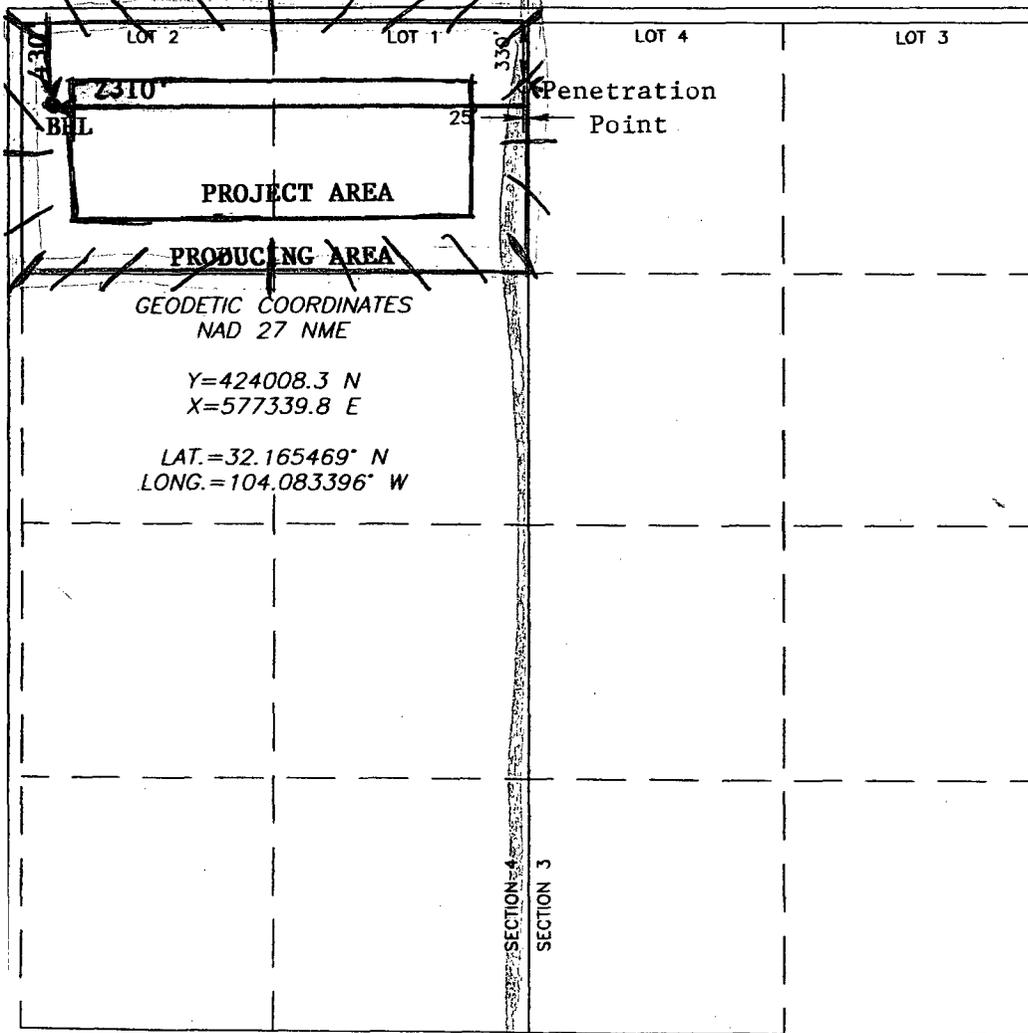
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	4	25-S	28-E		330	NORTH	25	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	4	25S	28E	B	430	North	2310	East	Eddy

Dedicated Acres 80.64	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR, A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Nancy T. Bratcher 8/9/06
Signature Date

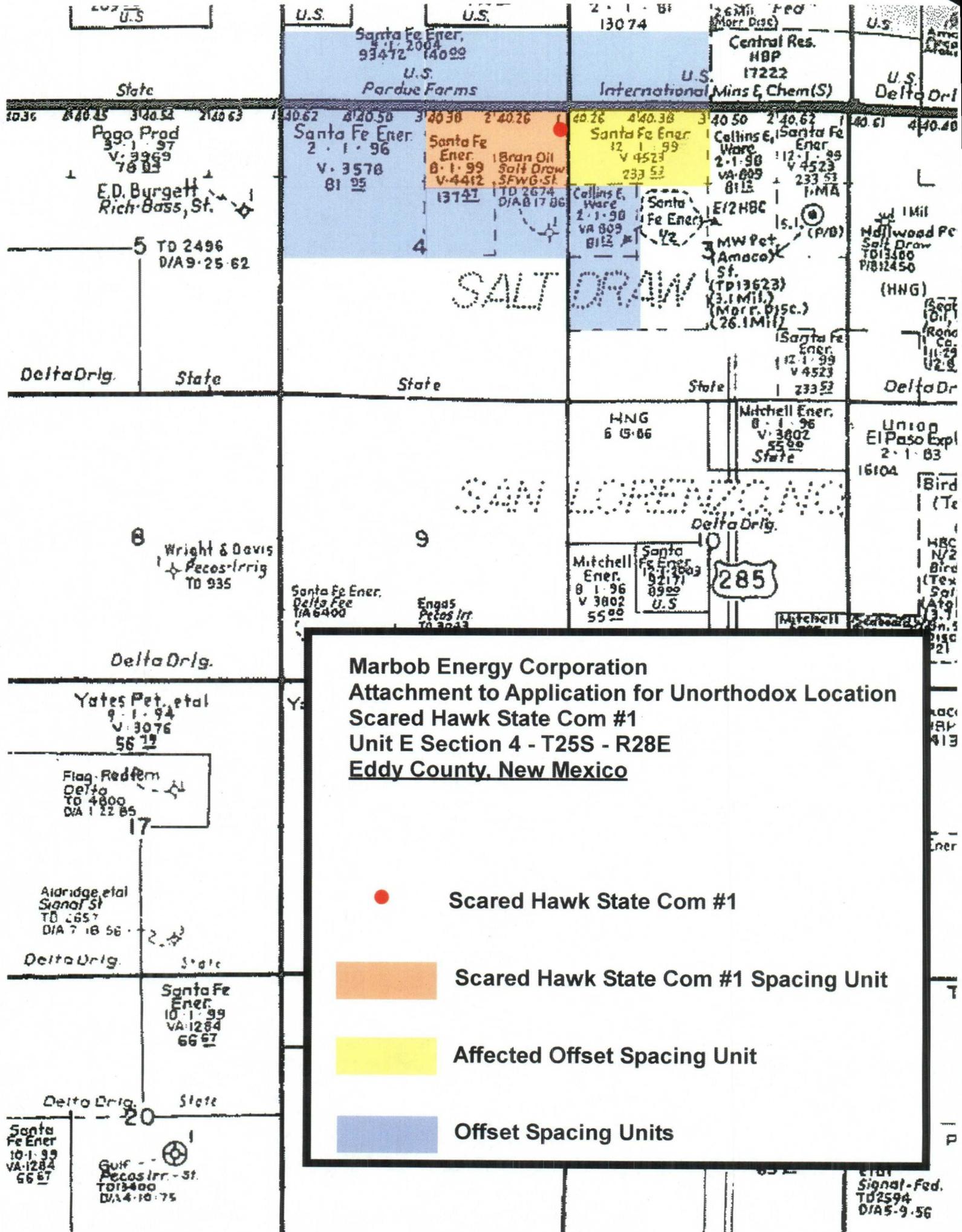
Nancy T. Bratcher
Printed Name

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 belief.

Date Surveyed: 8/9/06
Signature & Seal of Professional Surveyor: *Gary G. Eidson*
Professional Surveyor

Certificate No. GARY EIDSON 12841



**Marbob Energy Corporation
 Attachment to Application for Unorthodox Location
 Scared Hawk State Com #1
 Unit E Section 4 - T25S - R28E
 Eddy County, New Mexico**

- Scared Hawk State Com #1
- Scared Hawk State Com #1 Spacing Unit
- Affected Offset Spacing Unit
- Offset Spacing Units

Signal-Fed.
 T02594
 DIA5-9-56