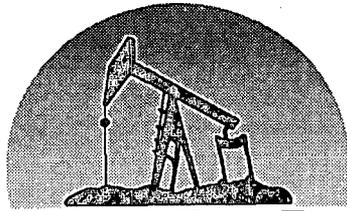
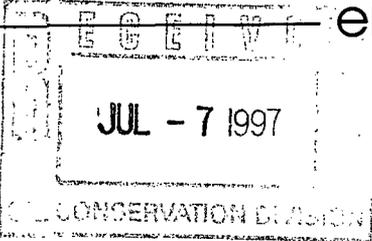


NSL 7/28/97



marbob
energy corporation

NS
NSL - GAS. CW



July 2, 1997

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

Attention: Mr. Mike Stogner

RE: APPLICATION FOR ADMINISTRATIVE APPROVAL
OF UNORTHODOX LOCATION
Marbob Energy Corporation
#1 Mary Dodd "B" Deep-Federal
1980' FNL & 1295' FEL
Section 14 - T17S - R29E
Eddy County, New Mexico

Dear Mr. Stogner:

Marbob Energy Corporation (Marbob) hereby makes application pursuant to Oil Conservation Division Rule 104.F(2) for administrative approval to drill the above referenced #1 Dodd "B" well to the Morrow formation at an unorthodox location.

Marbob proposes to drill its #1 Dodd "B" well to a unorthodox bottomhole location of 1980 feet from the north line and 1295 feet from the east line of Section 14, Township 17 South, Range 31 East, N.M.P.M., Eddy County, New Mexico with the intent of testing the Morrow formation. The proposed bottomhole location is unorthodox only as to the inner governmental quarter-quarter line and does not encroach on any lease or spacing unit boundaries.

Marbob proposes to dedicate to the #1 Dodd "B" well a standard spacing/proration unit comprised of East/2 of said Section 14.

Marbob is the operator and lessee of record of the East/2 of said section 14.

Application For Unorthodox Location

Exhibit "A" is a plat showing the proposed unorthodox well location (red symbol), the spacing unit for the #1 Dodd "B" well (outlined in red), nearby San Andres producers (small black symbols) and nearby Morrow producers (larger black symbols).

Marbob originally permitted, and received approval from the BLM, this well as the Mary Dodd "B"-Federal #68. The Dodd "B" #68 was permitted as a 5000' Glorieta test and was located as an in-field well centered between 8 offsetting San Andres-Grayburg producers. 10 acre spacing has proven most efficient in this area resulting in increased recoverable reserves from the shallower formations

Upon further geologic review, Marbob has decided that a Morrow test is warranted in the E/2 of section 14.

The Dodd "B" #68 location is the logical location for a Morrow test in the E/2 of section 14 based on the following considerations (1) should the Morrow be non-productive the well is located at our desired location for a very low risk Grayburg-San Andres test, (2) the well is located at a geologically acceptable location at a legal location within the proposed proration unit, (3) already received archeological clearance, (4) the location for the #68 has already been built, (5) a rig capable of drilling a Morrow test has recently become available to Marbob (which is extremely important in the present rig market).

As there is common ownership, both from the working interest ownership and royalty interest ownership standpoints, across the lands affected by the proposed unorthodox location of the #1 Dodd "B", there would be no encroachment on correlative rights.

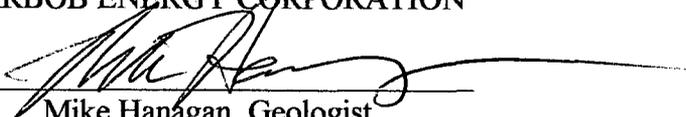
Based on the information contained herein, Marbob requests that the Division Director grant exception to Oil Conservation Division Rules 104.B(1b) and 104.C(1) ,without notice and hearing, so that Marbob may drill its #1 Dodd "B" well at the proposed unorthodox location.

Thank you for your time and for your consideration of this application. Should you have any questions, please feel free to give me a call at 623-5053 or 622-6182.

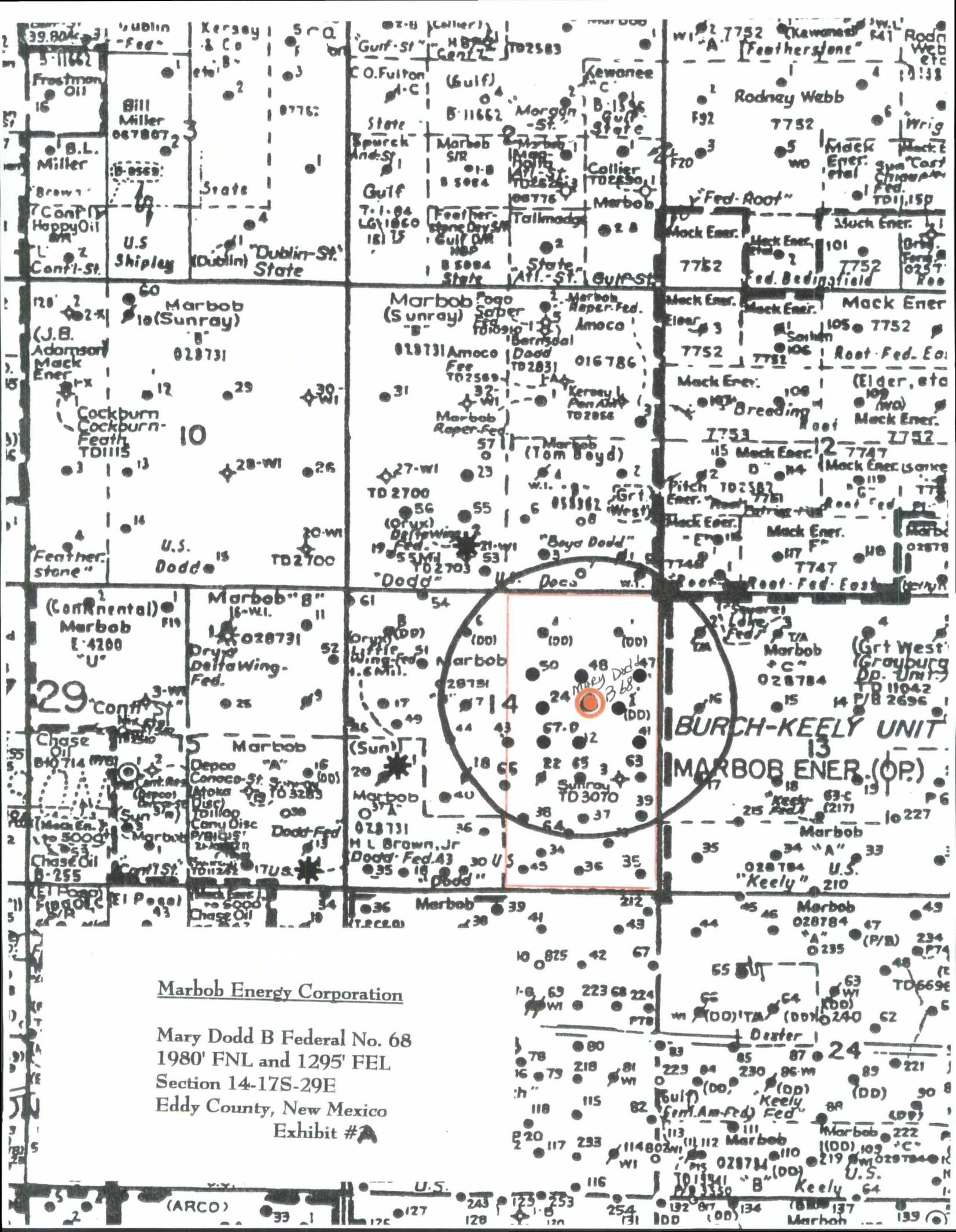
Respectfully Submitted,

MARBOB ENERGY CORPORATION

By:


Mike Hanagan, Geologist

CC: Mr. Tim Gumm, OCD District II, Artesia



Marbob Energy Corporation

Mary Dodd B Federal No. 68
 1980' FNL and 1295' FEL
 Section 14-17S-29E
 Eddy County, New Mexico
 Exhibit #A

BURCH-KEELY UNIT
MARBOb ENER. (OP.)

(ARCO)

U.S.

Keely

U.S.

Marbob

Morrow

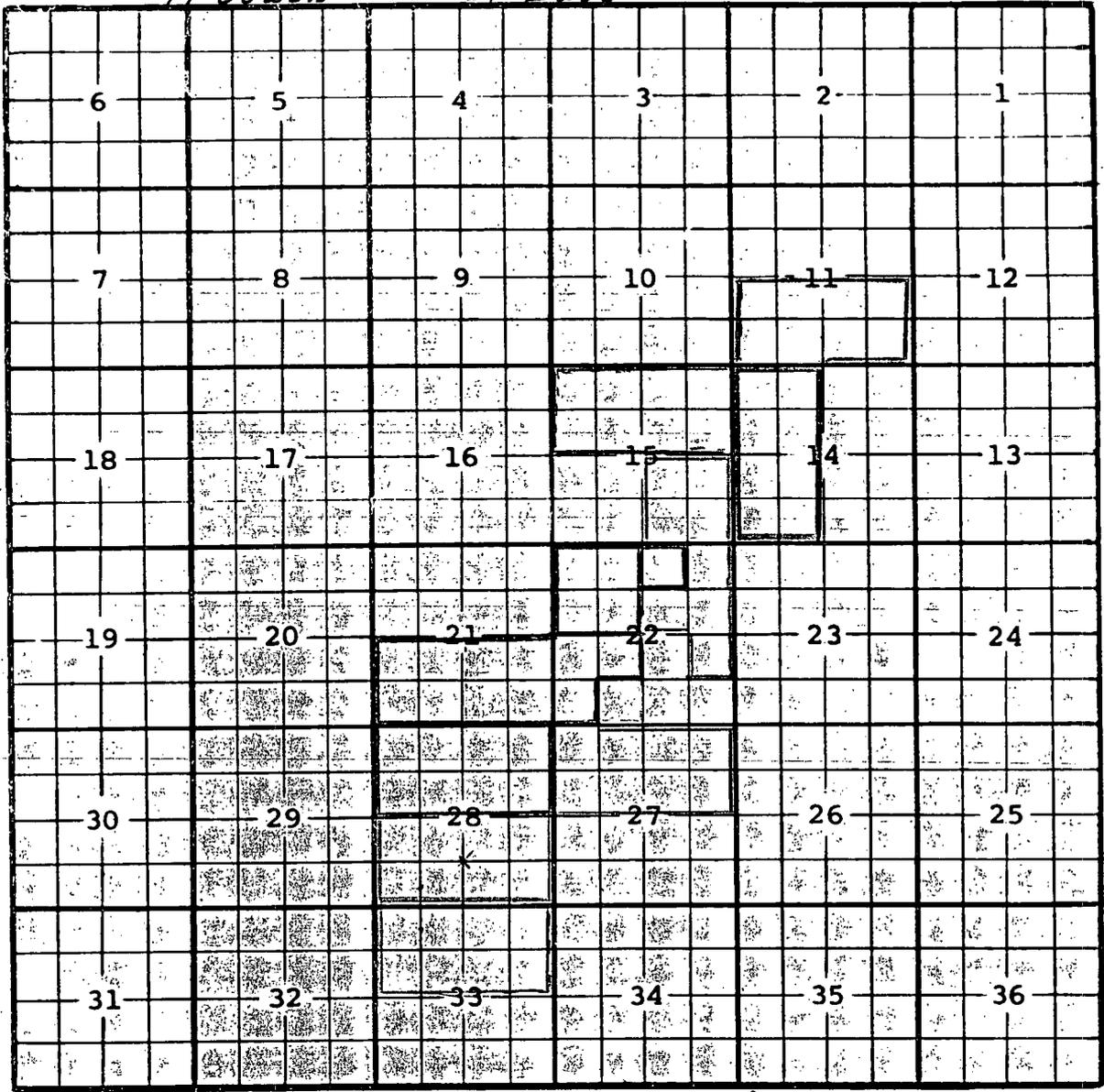
COUNTY Eddy

POOL Grayburg ~~Atoka~~ Gas

TOWNSHIP 17-South

RANGE 29-East

NMPM



Description: NW/4 Sec. 22, (R-1129, 2-20-58).
Redefine vertical limits as Morrow formation and redesignate (R-4137, 5-6-71)
Ext: S/2 Sec. 21; NW/4, NE/4, N/4, SW/4, SE/4, SW/4 Sec. 22 (R-4232, 1-1-72)
N/2 Sec. 28 (R-4540, 6-1-73); Ext: S/2 Sec. 28 (R-4734, 3-1-74)
Ext: SE/4 Sec. 15, E/2, NE/4, SW/4, NE/4, NE/4, SE/4 Sec. 22 (R-4809, 6-18-74)
Ext: N/2 Sec. 33 (R-4937, 2-1-75) Ext: N/2 Sec. 27 (R-5511, 9-1-77)
Ext: W/2 Sec. 14 (R-9171, 6-1-90) Ext: N/2 Sec. 15 (R-9418, 2-1-91)
Ext: S/2 Sec. 11 (R-9578, 9-10-91)

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

08/07/97 09:54:14
OGOMES -EMEG

OGRID Idn : 14049 API Well No: 30 15 29286 APD Status(A/C/P): A
Opr Name, Addr: **MARBOB ENERGY CORP** Aprvl/Cncl Date : 05-01-1997
PO BOX 227
ARTESIA,NM 88211-0227

Prop Idn: 20888 **M DODD B DEEP FEDERAL** Well No: 68

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: H	14	17S	29E			FTG 1980 F N	FTG 1295 F E
OCD U/L	: H		API County	: 15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3625

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 5000 Prpsd Frmtn : SAN ANDRES

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

NMOGA's 69th ANNUAL MEETING

October 5-6-7, 1997, Santa Fe, NM

Saturday, October 4

6 - 8 pm. at La Fonda Hotel
Cocktail Party Sponsored by BJ Services Company

Sunday, October 5

8 a.m.
Cochiti Golf Course
NMOGA 28th Annual
Golf Tournament
Sponsored by:
Dawson Production Serv. &
Schlumberger Oilfield Serv.

10 a.m. - 6 p.m.
Eldorado Hotel
Annual Meeting Registration

6:30 - 8:30 p.m.
Eldorado Hotel
Annual Meeting
Opening Night Reception

Monday, October 6

7 - 9 a.m.
La Fonda Hotel
27th Annual Roadrunner
Breakfast Sponsored by:
A.A. Oilfield Services, Inc.,
Nolan Brunson, Inc.,
& Nova, Inc.

9 - 11:30 a.m.
Eldorado Hotel
General Session
Includes Guest Speakers:
Dr. Lowell Catlett
Peter Robertson

7:30 a.m. - 2 p.m.
Eldorado Hotel
Annual Meeting Registration

12 Noon Sweeney Center Membership Luncheon with Art Buchwald

2 - 4 p.m.
Eldorado Hotel
General Membership Meeting
Federal & Industry Issues:
Ben Dillon, VP Public Resources, IPAA
State & Industry Issues
(Agenda to Be Announced)

6 - 8 p.m.
La Fonda Hotel
Fiesta del Presidente
Reception Honoring
The 1997 Executive Committee

Tuesday, October 7

7 - 9 a.m.
La Fonda Hotel
NMOGA Buffet Breakfast
Sponsored by BankOne,
Texas, NA

8 a.m. - Noon
Eldorado Hotel
Concurrent Workshops
State & Industry Issues
Environmental Affairs, Legislative Affairs,
Tax Issues.
(Agenda to Be Announced)

12 Noon Adjournment

NSL-GAS MS

August 7, 1997

Rec: 7-7-97

Sup: 7-28-97

Released: 8-7-97

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

Attention: Mike Hanagan

3842

Administrative Order NSL-****

Dear Mr. Hanagan:

Reference is made to your application dated July 2, 1997 for approval of an unorthodox gas well location in the Undesignated Grayburg-Morrow Gas Pool for the proposed Mary Todd "B" Federal Deep Well No. 1 or Mary Todd "B" Federal Deep Well No. 68 (API No. 30-015-29286) to be drilled 1980 feet from the North line and 1295 feet from the East line (Unit H) of Section 14, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico. The E/2 of said Section 14 shall be dedicated to the well to form a standard 320-acre gas spacing and proration unit for said pool.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11/351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad