



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order NSL-5972

December 12, 2008

Marbob Energy Corporation
Attn: Mr. William Miller
Post Office Box 227
Artesia, NM 88211

Marbob's NSL Application: N.B Tween State Well No. 5

1550' FSL, 1650' FWL, Unit K,
Section 25, T17S, R28E, NMPM,
Eddy County, New Mexico

Dear Mr. Miller:

Reference is made to the following:

- (a) your application (***administrative application reference No. pKVR0831737860***) for the subject well that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on November 12, 2008, and
- (b) the Division's records pertinent to your request.

Marbob Energy Corporation (Marbob) has requested authority to drill the above-referenced unorthodox oil well location, described above. The NE/4 SW/4 of Section 25 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Artesia Glorietta Yeso Pool (96830). This pool is governed by statewide Rule Part 15, Section 9.A [19.15.15.13 NMAC], which provides for 40-acre units, with wells located 330 feet from a unit outer boundary. This location is less than 330 feet from the southern unit boundary.

Your application has been duly filed under the provisions of Division Rules Part 15, Section 13 [19.15.15.13 NMAC] and Part 4, Section 12.A(2) [19.15.4.12 NMAC].

It is understood that the N B Tween State Well No. 5 will penetrate the Yeso formation which is currently contained in the Artesia Glorietta Yeso pool. It is our understanding that Marbob is seeking this location because of the interference of U.S. Highway #82.



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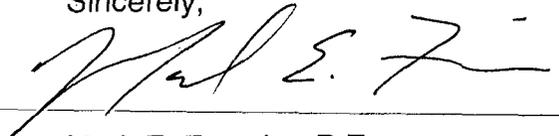
It is also understood that Marbob (OGRID 14049) is the operator and has given due notice of this application to all operators or owners who are "affected persons," in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule Part 15, Section 13.B [19.15.15.13 NMAC], the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule Part 5, Section 9 [19.15.5.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/tw

cc: New Mexico Oil Conservation Division – Artesia
New Mexico State Land Office – Santa Fe