



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



May 1, 2009

Marbob Energy Corporation
Attn: Mr. William Miller
P.O. Box 227
Artesia, NM 88211-0227

Administrative Order NSL-6030

Re: Hawg Federal Well No. 1
API No. 30-025-38351
1650 feet FNL and 660 feet FWL
Unit E, Section 25-19S-34E
Lea County, New Mexico

Dear Mr. Miller:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-09859668**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 8, 2009, and

(b) the Division's records pertinent to this request.

Marbob Energy Corporation (Marbob) has requested to re-complete the above-referenced well at an unorthodox oil well location described above in the caption of this letter. The W/2 NW/4 of Section 25 will be dedicated to this well in order to form a standard 80-acre spacing unit in the Lea Bone Spring Pool (37580). Spacing in this pool is governed by Rules 2 and 3 of the Special Rules and Regulations for the Lea-Bone Spring Pool, as adopted by Order R-1827 issued on December 8, 1960, which provide for 80-acre units with wells to be located within 150 feet of the center of a quarter/quarter section. This location is more than 150 feet from the geographic center of the SW/4 NW/4 of Section 25.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).



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It is our understanding that you are seeking this location in order to utilize an existing wellbore.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, 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 5.9.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
United States Bureau of Land Management - Carlsbad