



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Marbob Energy Corporation

P. O. Box 227

Artesia, New Mexico 88211-0227

Attention: **Raye Miller**
marbob@marbob.com

January 22, 2004

Lori Wrotenbery
Director
Oil Conservation Division

Administrative Order NSL-4985

Dear Mr. Miler:

Reference is made to the following: (i) your initial application submitted to the New Mexico Oil Conservation Division ("Division") on January 2, 2004 (*administrative application reference No. pMES0-400634517*); (ii) your letter dated January 13, 2004 with supplemental data attached to support this application; (iii) Ms. Melanie J. Parker's letter dated January 16, 2004 amending your original application; and (iv) the Division's records in Santa Fe: all concerning Marbob Energy Corporation's ("Marbob") request for a non-standard gas well location within a proposed 320-acre standard deep stand-up gas spacing unit comprising the W/2 of Section 20, Township 15 South, Range 33 East, NMPM, Lea County, New Mexico, for wildcat Morrow gas production.

This unit is to be dedicated to the plugged and abandoned Gulf Oil Corporation ("Gulf") Lea "VP" State Well No. 1 (API No. 30-025-28038), to be redesignated the Featherhoser State Well No. 1, located 1980 feet from the North line and 2310 feet from the West line (Unit F) of Section 20.

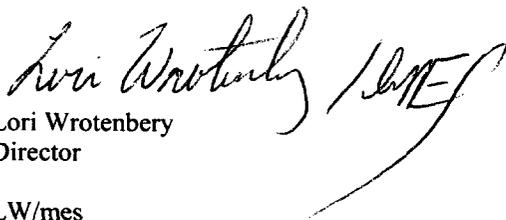
This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is the Division's understanding this well was originally drilled by Gulf in 1982/1983 to a total depth of 14,075 feet in order to test the deeper Devonian formation for gas within a standard 320-acre lay-down gas spacing unit comprising the N/2 of Section 20. At that time, this location was considered to be standard for a lay-down 320-acre unit. According to the Division's records, this well tested dry and was subsequently plugged and abandoned in March, 1983.

It is further understood that Marbob now intends to reenter this well and attempt a completion in the shallower Morrow formation and to reorient the dedicated acreage to a stand-up 320-acre unit.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox Morrow gas well location for Marbob's Featherhoser State Well No. 1 within the W/2 of Section 20 is hereby approved.

Sincerely,



Lori Wrotenbery
Director

LW/mes

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe