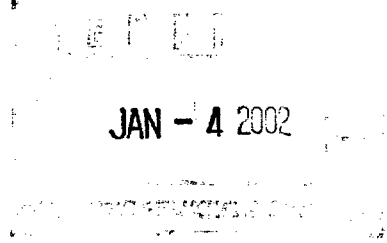




January 2, 2002

New Mexico Oil and Gas Conservation Division
 1220 South Saint Francis Drive
 Santa Fe, New Mexico 87504



RE: Application for Administrative Approval of an Unorthodox Location

Gentlemen:

Marbob Energy Corporation respectfully submits the following Application for Administrative Approval of an Unorthodox Location. Marbob Energy Corporation requests approval for a Cedar Lake Yeso test at our Coffee Federal No. 2. The location of the Coffee Federal No. 2 is 2410' FNL and 2046' FWL in Section 18 of Township 17 South, Range 31 East in Eddy County, New Mexico.

The original orthodox location was too close to an existing high-pressure natural gas pipeline. At an on site consultation, the Bureau of Land Management placed the location at a spot south of the pipeline, but unorthodox. The reasons for moving south instead of north were to avoid damage to a large dune area north of the pipeline. Access to the Coffee Federal No. 2 location could be made from an existing location on the south side of the pipeline. Also, the south side of the pipeline was practically level, therefore, avoiding a lot of cut and fill.

The Coffee Federal No. 2 is unorthodox by 100 feet as it encroaches on the south line of Unit F. Operating Rights to the Cedar Lake Yeso is the same in the Coffee Federal No. 2 proration unit and all offsetting units. Marbob Energy Corporation is the operator of both the offset and affected units. The federal royalty rate is the same in all of the involved units. The Bureau of Land Management has been notified of this Application via certified mail. The following items have been attached to aid in your review of this Application:

- A.) Coffee Federal No. 2 Form C-102
- B.) Proration Unit Plat
- C.) Topographical Map of Area
- D.) Well Pad Layout
- E.) Lot Dimensions Plat
- F.) Yeso Well Spot Plat

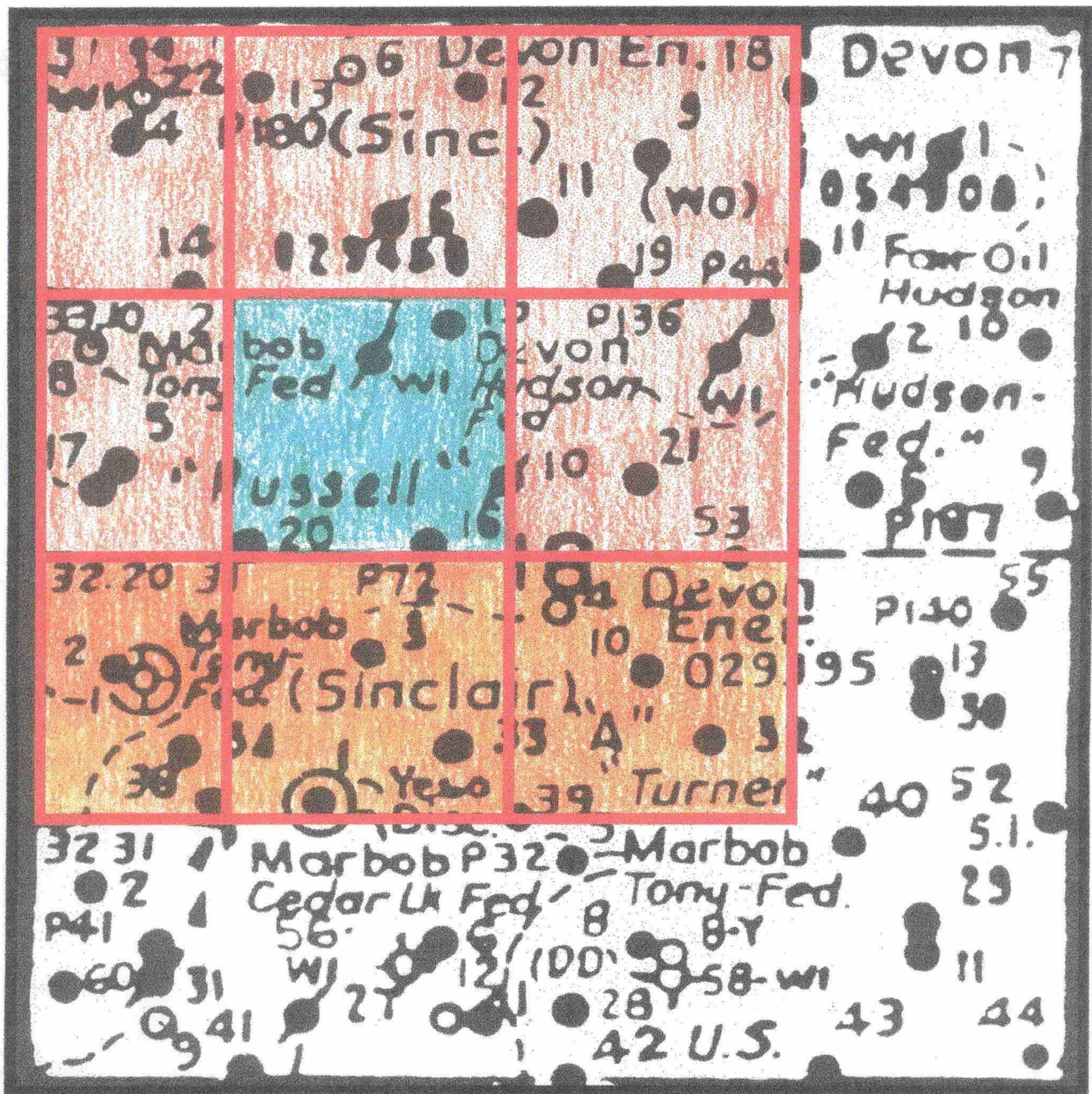
Please do not hesitate to contact us should you have any questions or need further information. Thank you for reviewing this Application.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean Chumbley". The signature is fluid and cursive, with a large initial "D" and "C".

Dean Chumbley
Land Department

DC/mm



PRORATION UNIT PLAT

- Coffee Federal No. 2
- Offset Units
- Affected Units

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 10, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-31058	Pool Code 96831	Pool Name CEDAR LAKE YESO
Property Code	Property Name COFFEE FEDERAL	Well Number 2
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3749

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	18	17 S	31E		2410	NORTH	2046	WEST	EDDY

Bottom Hole Location If Different From Surface

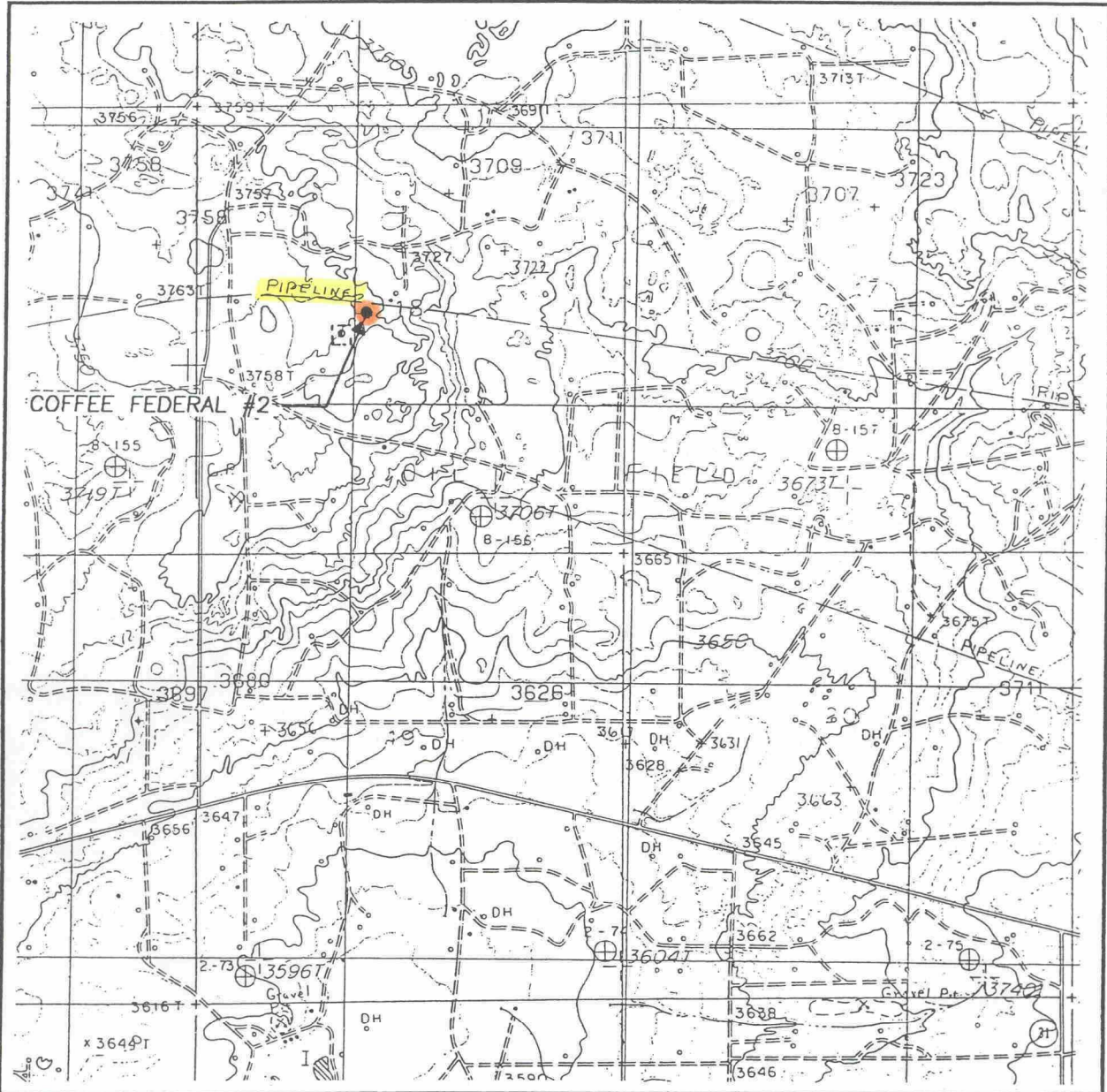
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Robin Cockrum</i> Signature ROBIN COCKRUM</p> <p>Printed Name PRODUCTION ANALYST</p> <p>Title 2/28/00</p> <p>Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 25, 2000</p> <p>Date Surveyed _____ LMP</p> <p>Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 1-26-00 00-11-0062</p> <p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12841 MACON McDONALD 12185</p>

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
LOCAL HILLS, N.M. - 10'

SEC. 18 TWP. 17-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2410' FNL & 2046' FWL

ELEVATION 3749

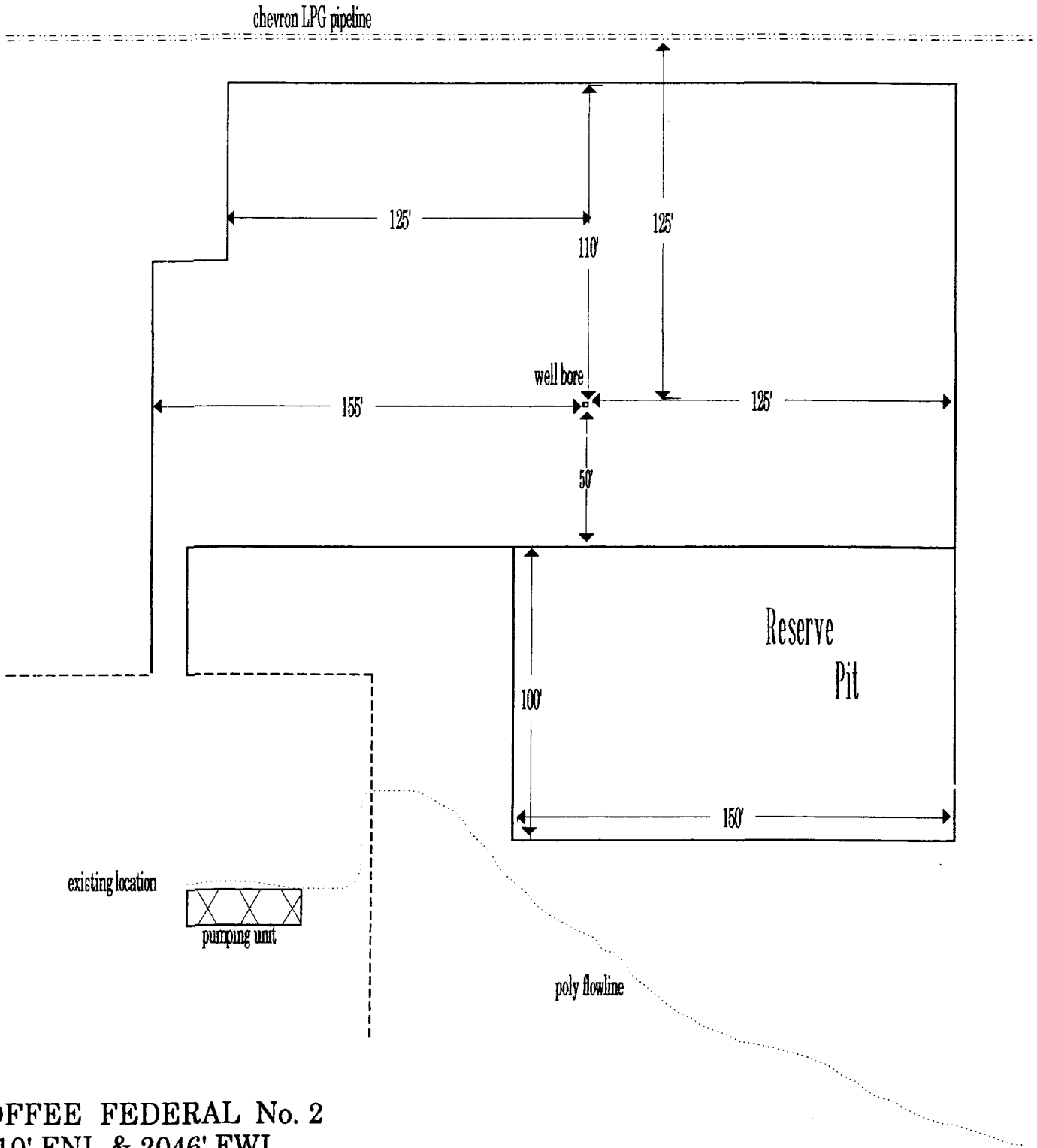
OPERATOR MARBOB ENERGY CORPORATION

LEASE COFFEE FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
LOCAL HILLS, N.M.

**JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505 393-3117)**

North

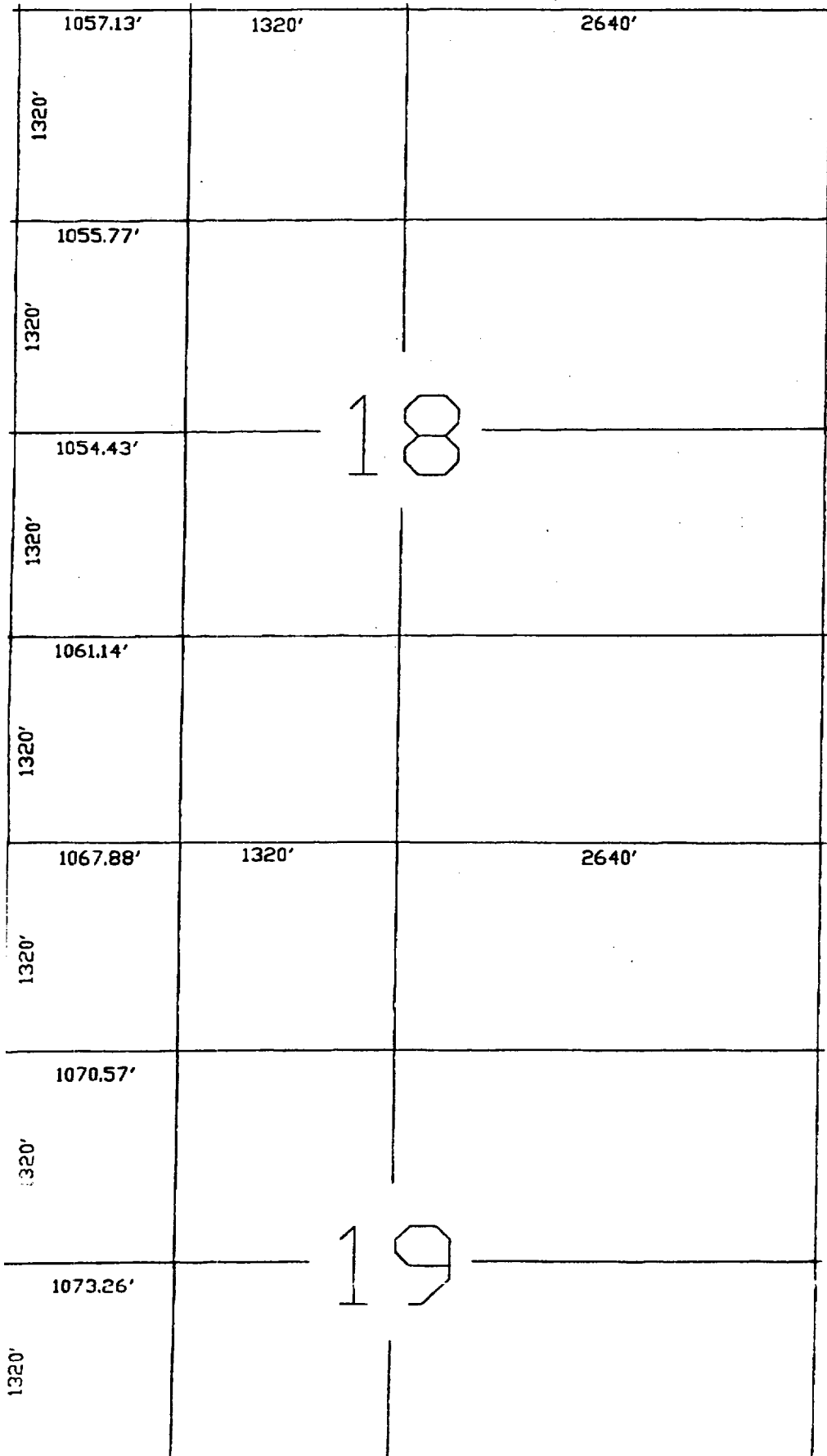


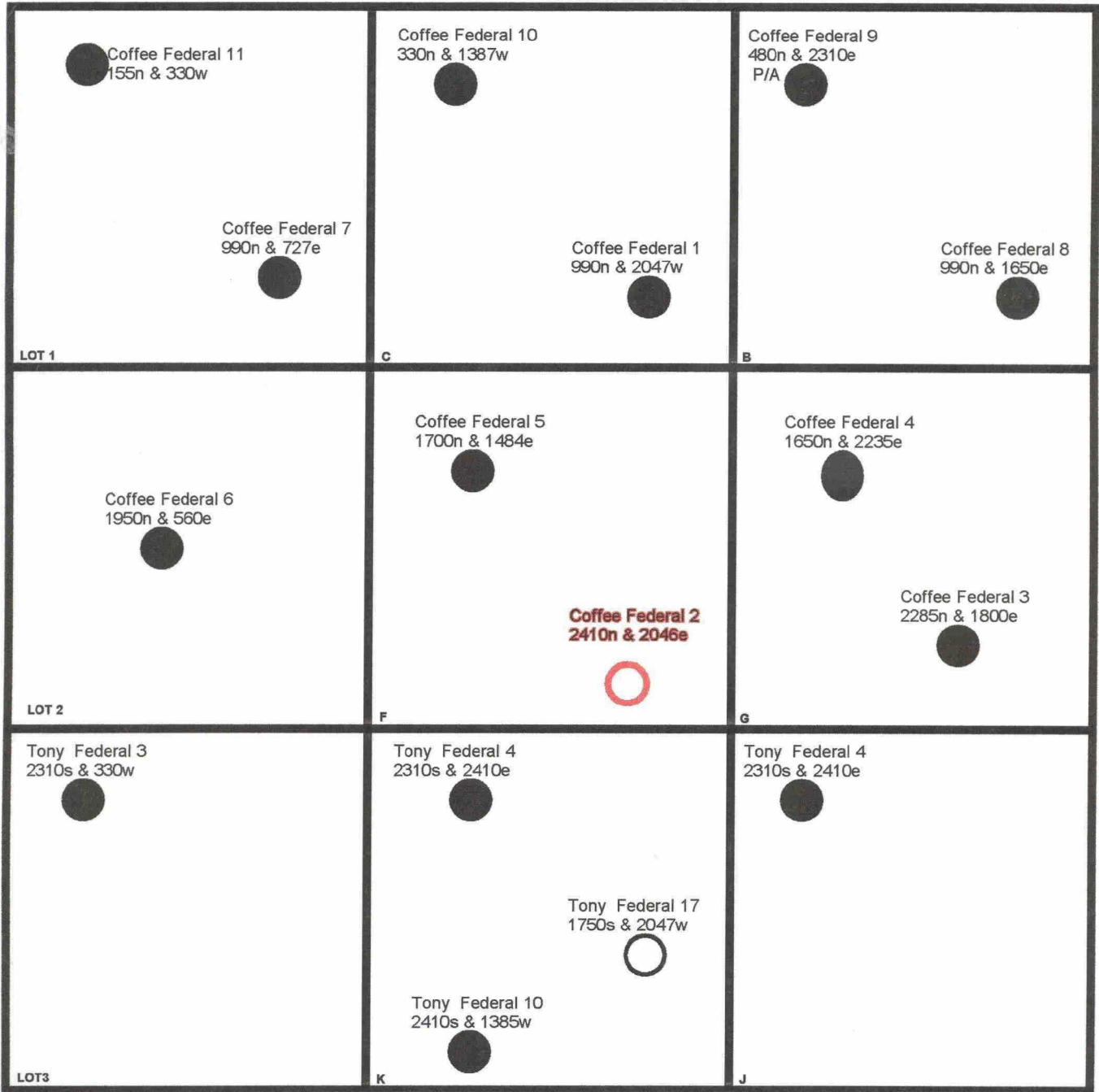
COFFEE FEDERAL No. 2
2410' FNL & 2046' FWL
Section 18; T17S - R31E
Eddy County, New Mexico

Exhibit Four

DIMENSIONS OF LOTS BASED ON GLO PLAT



T17S R31E





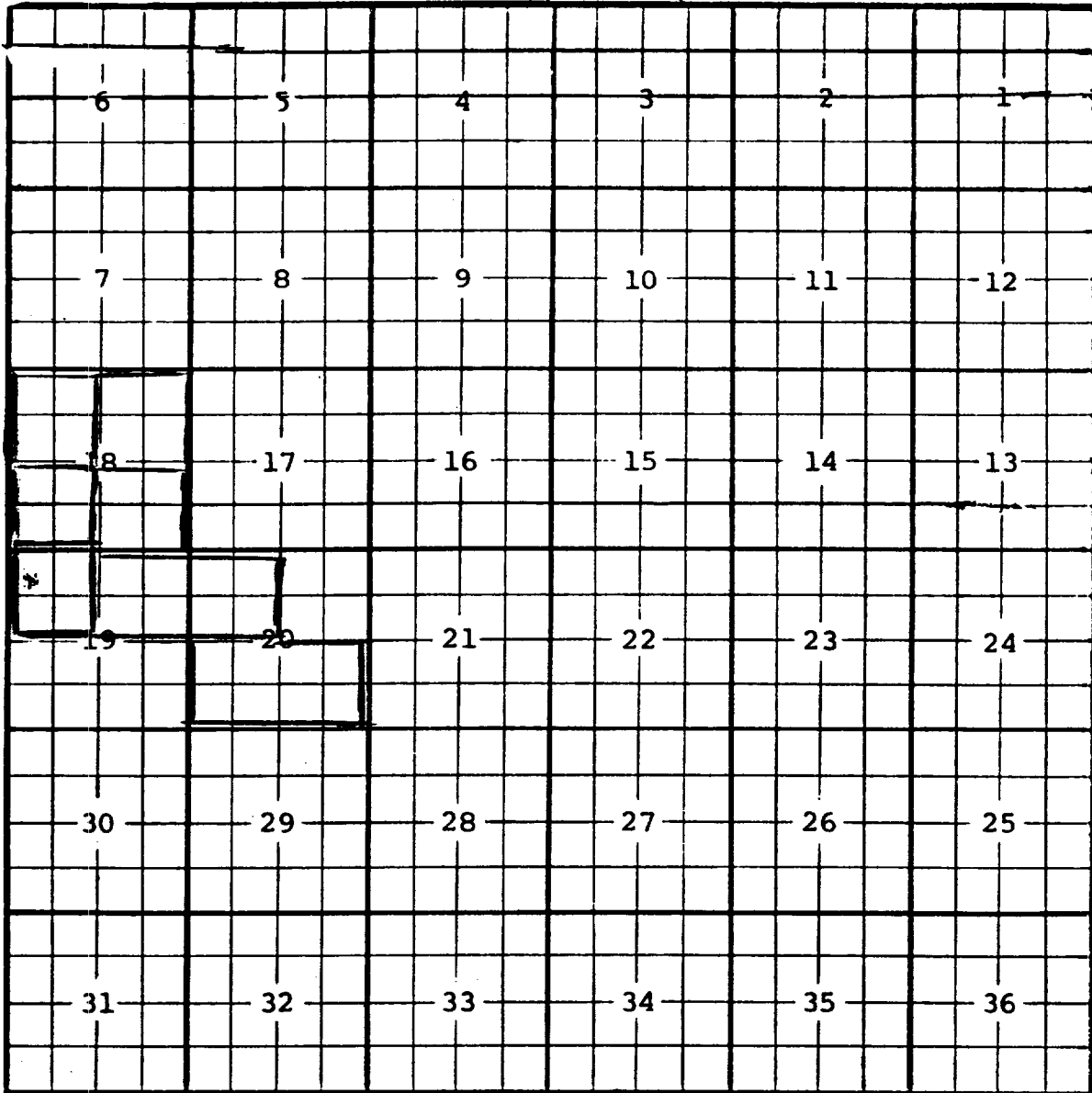
Section 18: Township 17s, Range 31e

Plat showing Yeso wellspots

-  Proposed Location
-  Producing Well

County Eddy Pool Cedar Lake-Yeso 96831

TOWNSHIP 17 South Range 31 East NMPM



Description: $SW\frac{1}{4}$ Sec. 18 (R-11067, 10-20-98)

Ext: $NW\frac{1}{4}$ Sec. 19 (R-11120, 1-21-99) EXT: $NE\frac{1}{4}$ Sec. 19, $NW\frac{1}{4}$ Sec. 20 (R-11220, 7-12-99)

Ext: $SE\frac{1}{4}$ Sec. 18, $S\frac{1}{2}$ Sec. 20 (R-11244, 9-15-99) EXT: $NW\frac{1}{4}$ Sec. 18 (R-11534, 2-8-01)

Ext: $NE\frac{1}{4}$ Sec. 18 (R-11691, 11-28-01)

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/07/02 13:41:
OGOMES -TP
PAGE NO:

Sec : 18 Twp : 17S Rng : 31E Section Type : NORMAL

1 31.99	C 40.00	B 40.00	A 40.00
Federal owned A A A A	Federal owned A A A A A	Federal owned A A A A A	Federal owned A A A
2 32.10	F 40.00	G 40.00	H 40.00
Federal owned A A A A A	Federal owned A A A A A A	Federal owned A A A A	Federal owned A A A A

Handwritten note: A double-headed arrow points from the 'A A A A A' row of section 2 to the 'A A A A A' row of section 1, with the number '1056' written above it.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/07/02 13:41:
OGOMES -TP
PAGE NO:

Sec : 18 Twp : 17S Rng : 31E Section Type : NORMAL

3 32.20	K 40.00	J 40.00	I 40.00
Federal owned A A A A	Federal owned A A A	Federal owned A A A A A	Federal owned A A A A A
4 32.31	N 40.00	O 40.00	P 40.00
Federal owned A A A	Federal owned A A A A	Federal owned A A A A A	Federal owned A A A A A

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD : ONGARD 01/07/02 13:42:
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TP

OGRID Idn : 14049 API Well No: 30 15 31058 APD Status(A/C/P): A
Opr Name, Addr: MARBOB ENERGY CORP Aprvl/Cncl Date : 03-29-20
PO BOX 227
ARTESIA,NM 88211-0227

Prop Idn: 25605 COFFEE FEDERAL Well No: 2

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn :	F	18	17S	31E			FTG 2410 F N	FTG 2046 F W
OCD U/L :	F		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) :
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3749

State Lease No: Multiple Comp (S/M/C) : N
Prpsd Depth : 6000 Prpsd Frmtn : CEDAR LAKE YESO

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

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

01/07/02 13:42:
OGOMES -TP

API Well No : 30 15 31332 Eff Date : 05-25-2001 WC Status : A
Pool Idn : 96831 CEDAR LAKE; YESO (O)
OGRID Idn : 14049 MARBOB ENERGY CORP
Prop Idn : 25605 COFFEE FEDERAL

Well No : 005
GL Elevation: 3747

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: F	18	17S	31E	FTG 1700 F N	FTG 1484 F W	P

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

01/07/02 14:21:
OGOMES -TP

API Well No : 30 15 31332 Eff Date : 05-25-2001 WC Status : A
Pool Idn : 96831 CEDAR LAKE; YESO (O)
OGRID Idn : 14049 MARBOB ENERGY CORP
Prop Idn : 25605 COFFEE FEDERAL

Well No : 005
GL Elevation: 3747

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: F	18	17S	31E	FTG 1700 F N	FTG 1484 F W	P

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 01/07/02 14:21:
OG6ACRE C102-DEDICATE ACREAGE OGOMES -TP
Page No :

API Well No : 30 15 31332 Eff Date : 05-25-2001
Pool Idn : 96831 CEDAR LAKE; YESO (O)
Prop Idn : 25605 COFFEE FEDERAL Well No : 00
Spacing Unit : 54614 OCD Order : Simultaneous Dedication:
Sect/Twp/Rng : Acreage : 40.00 Revised C102? (Y/N) :
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
			F	18	17S 31E	40.00	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

01/07/02 14:21:
OGOMES -TP
Page No:

OGRID Identifier : 14049 MARBOB ENERGY CORP
Pool Identifier : 96831 CEDAR LAKE; YESO (O)
API Well No : 30 15 31332 Report Period - From : 01 2000 To : 11 2001

API Well No	Property Name	Prodn. MM/YY	Days Prod	Production Gas	Production Oil	Production Water	Well St
30 15 31332	COFFEE FEDERAL	06 01	25	1649	4208	39766	P
30 15 31332	COFFEE FEDERAL	07 01	31	1267	4206	39168	P
30 15 31332	COFFEE FEDERAL	08 01	31	1713	2933	22726	P
30 15 31332	COFFEE FEDERAL	09 01	30	2206	1579	8614	P
30 15 31332	COFFEE FEDERAL	10 01	31	2074	1805	9339	P

Reporting Period Total (Gas, Oil) : 8909 14731 119613

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12