



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 13, 2000

Marbob Energy Corporation
P. O. Box 227
Artesia, New Mexico 88211-0227
Attention: Dean Chumbley

Telefax No. (505) 746-2523

Administrative Order NSL-4433

Dear Mr. Chumbley:

Reference is made to your application dated March 21, 2000 for an unorthodox oil well location within the East Empire-Yeso Pool for Marbob Energy Corporation's ("Marbob") proposed BR-549 State Well No. 3 (API No. 30-015-31037) to be drilled 1600 feet from the North line and 990 feet from the West line (Unit E) of Section 27, Township 17 South, Range 29 East, NMPM, Undesignated Empire-Yeso Pool, Eddy County, New Mexico. The SW/4 NW/4 of Section 27 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for this pool.

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.

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

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
Mr. Alvin "Junior" Samples, Lead Technical Advisor, Derrick-Anchor Man, and Silent Partner to Marbob - Artesia
Mr. William F. Carr, Legal Counsel for Marbob - Santa Fe