



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

July 27, 1999

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

Telefax No. (505) 746-2523

Administrative Order NSL-4335(SD)

Dear Mr. Chumbley:

Reference is made to the following: (i) your application dated July 2, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Marbob Energy Corporation's ("Marbob") request for an unorthodox infill oil well location within an existing standard 40-acre oil spacing and proration unit comprising the NW/4 SE/4 (Unit J) of Section 17, Township 17 South, Range 30 East, NMPM, Loco Hills-Paddock Pool, Eddy County, New Mexico.

This 40-acre unit is currently dedicated to Marbob's Red Federal Well No. 2 (API No. 30-015-30143) located at a standard oil well location 1650 feet from the South line and 2310 feet from the East line of Section 17.

The application has been duly filed under the provisions of Division 104.F.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox infill oil well location within the NW/4 SE/4 (Unit J) of Section 17 is hereby approved:

Red Federal Well No. 4
2310' FSL & 1575' FEL
(API No. 30-015-30698).

Further, both the existing Red Federal Well No. 2 and the proposed Red Federal Well No. 4 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad