



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 9, 2006

Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211-0227

Attention: Mr. Raye Miller

Re: **George Federal Com Well No. 2**
API No. 30-025-38115
570' FNL & 1700' FWL, Unit C, (Lot 3)
Section 5, T-20 South, R-32 East, NMPM,
Lea County, New Mexico

Administrative Order NSL-5482

Dear Mr. Miller:

Reference is made to the following:

- (a) Marbob Energy Corporation's ("Marbob") application for a non-standard well location (*administrative application referenece No. pTDS0629349599*) for the George Federal Com Well No. 2 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on October 20, 2006; and
- (b) the Division's records pertinent to your request.

Marbob requests authority to drill its George Federal Com Well No. 2 in the **Southeast Greenwood-Morrow Gas Pool** (Gas – 97224) at an unorthodox gas well location 570 feet from the North line and 1700 feet from the West line (Unit C, Lot 3) of Section 5, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico. The well is to be dedicated to an existing 320-acre gas spacing and proration unit comprising the N/2 of Section 5. The Southeast Greenwood-Morrow Gas Pool is currently governed by Division Rule 19.15.3.104.C(2).

Division records show that the George Federal Com Well No. 2 will be the second well drilled in the Southeast Greenwood-Morrow Gas Pool within the N/2 of Section 5. The existing well on this unit is the Marbob George Federal Com Well No. 1 (API No. 30-025-37415) located 990 feet from the North line and 1450 feet from the East line (Unit B, Lot 2) of Section 5.

Marbob has presented evidence to demonstrate that the affected offset operators/and or interest owners were provided notice of this application. No objection to the application has been received by the Division within the 20-day waiting period prescribed by Division Rule 19.15.3.104(F).

Marbob's evidence demonstrates that the proposed non-standard well location is necessitated by topographic considerations within the NW/4 of Section 5

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox gas well location in the Southeast Greenwood-Morrow Gas Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/drc

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