

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



5489

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
		e-mail Address	



October 26, 2006

Certified Return Receipt

New Mexico Oil Conservation Division
1220 St. Francis Drive
Santa Fe, New Mexico 87504

Attention: Mr. Richard Ezeanyim

RE: Unorthodox Location
Administrative Approval Request
Walterscheid 23 #1
1050' FSL & 660' FWL
Section 23, T-23S R-27E
Eddy County, New Mexico

2006 OCT 30 PM 12 29

Dear Mr. Ezeanyim:

Marbob Energy Corporation respectfully requests administrative approval for an unorthodox location of the Walterscheid 23 #1 for a shallow recompletion. Enclosed is a copy of the OCD Form C-102 showing the location of the well. The well was spudded on October 12, 2005 with Chesapeake Operating Inc. as operator. The well was proposed as a gas well and drilled to a total depth of 12,550 feet subsurface. 5 ½ inch casing was run to 12,537 feet with a completion done at 10216 to 10238 in the Wolfcamp. The Wolfcamp proration unit was 320 acres and the wellbore was orthodox for the gas well completion. Marbob Energy Corporation is now the operator of the well and the Wolfcamp zone is depleted. Marbob Energy Corporation is in the process of recompleting the well to potential shallow horizons which will be on a 40 acre proration unit. The well bore is 60 feet unorthodox for a standard 40 acre spacing unit. Enclosed is a map showing the well location and new proration unit, the offsetting spacing units and the affected spacing unit. The proposed proration unit, the affected proration unit and the east and northeast offset units are fee minerals with the ownership of the royalty being identical for the entire southwest quarter of Section 23. Likewise all additional burdens and working interest owners are identical for the SW/4 of Section 23. The offset owners and/or operators who have been notified of this application are Yates Petroleum Corporation and Chalfant Properties Inc. A copy of the notice letter send to those parties as well as notice to the Commissioner of Public Lands as an offset royalty owner is enclosed with the application.

We will forward copies of the green cards to your attention when we receive them back.
We would request your approval of this unorthodox location.

If you need additional information please contact me.

Sincerely,

A handwritten signature in black ink that reads "Raye Miller". The signature is written in a cursive style with a large, prominent "R" and "M".

Raye Miller
Land Department

RM/na

08/01/2006 14:29 FAX 432 887 2

CHK MIDLAND

003/005

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
1200 N. FRANCIS DR., SANTA FE, NM 87505

DISTRICT II
1000 N. GARDNER AVENUE, ALBUQUERQUE, NM 87102

DISTRICT III
1000 N. GARDNER AVENUE, ALBUQUERQUE, NM 87102

DISTRICT IV
1200 N. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

APN Number 30-015-34353	Pool Code	Pool Name
Property Code	Property Name WALTERSCHEID 23	Well Number 1
OGD No.	Operator Name	Elevation 3136'

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	23-S	27-E		1050	SOUTH	660	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 160	Joint or In/In	Consolidation Code	Order No.
-------------------------------	----------------	--------------------	-----------

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 that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</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>AUGUST 31, 2005</p> <p>Date Surveyed _____ DEL</p> <p>Signature _____</p> <p>Professional Surveyor</p> <p></p> <p>Certified by _____ 12061</p>

GEODETIC COORDINATES
NAD 27 NME

Y=467865.0 N
X=551442.3 E

LAT.=32°17'10.20" N
LONG.=104°10'00.73" W

Township 23 South Range 27 East

8n. Spr. Disc.
P14

(Muskyl Oil)
Forehand
Oil Disc.
P15
P16
P17

3 SWD

Chesapeake
Ogden

"Forehand"

27 Masie Forehand, etal
Roy M. Forehand, Est.

Chesapeake
Forehand
22 St. V-6957
1.4 Mil.

L 711

H.E. Yates
Amoco St
At Disc.
3.4 Mil

H.E. Yates
Amoco St.
WC Disc.
4 Mil.

1/8 (P/B)

22

Proposed
Proration unit (Marhab 42.5%)
Pitch Ener.

Affected proration
unit 12.1.2008
V-6968
484 \$

Offset proration
Units

State

Yates Pet., etal
12.1.2006
V-6475
50 \$

Yates Pet., etal
1.26.2009
2.17.2009
(Chesapeake)
4.29.2007
6.15.2007
11.1.2007

D.S.
Guevara, etal

R.G. Parton
1.15.2007
Yates Pet., etal
1.23.2009
9.20.2009

H.H. Perry, etal
W.H. Sweaengen Est.

Chesapeake
2.4.2006
Chesapeake
1.20.2005
R. Hoiguin

Myco Ind.
West Lov-
ing Ut

Strata Prod., etal
86112

Myco Ind.
West Lov-
ing Ut.

U.S.

Pedro Onsurez

Strata Prod., etal
HBP
86113
65 \$

Yates Pet., etal

"Kylie AYW"

W. Lovelace Jr.
M.E. Phillips

Yates Pet., etal
1.8.2006
Corrasso
(A.B. 2006)

Yates Pet.
Kimbley
1.14.2009

Nadel & Gussman
7.3.2007

24

Read,
Stevens
Jones Org

Marc A. Zugor

Nadel &
9.25
9.24
8.27.
2007

Yates Pet., etal
1.29.2009
3.25.2009



October 26, 2006

Certified Return Receipt

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: Mrs. Kathy Porter

RE: Unorthodox Location
Administrative Approval Request
Walterscheid 23 #1
1050' FSL & 660' FWL
Section 23, T-23S R-27E
Eddy County, New Mexico

Dear Kathy:

Enclosed is a copy of our application for an unorthodox gas well location. Your company is an operator or owner of an offset proration unit. Please review the enclosed application and if you have any questions please contact me. If you object to this proposal please timely contact the Santa Fe OCD office as shown on our application. Thank you for your review of this matter.

Sincerely,

A handwritten signature in cursive script that reads "Raye Miller".

Raye Miller
Land Department

RM/na



October 26, 2006

Certified Return Receipt

Chalfant Properties Inc.
P.O. Box 3123
Midland, TX 79702

RE: Unorthodox Location
Administrative Approval Request
Walterscheid 23 #1
1050' FSL & 660' FWL
Section 23, T-23S R-27E
Eddy County, New Mexico

Dear Gentlemen:

Enclosed is a copy of our application for an unorthodox gas well location. Your company is an operator or owner of an offset proration unit. Please review the enclosed application and if you have any questions please contact me. If you object to this proposal please timely contact the Santa Fe OCD office as shown on our application. Thank you for your review of this matter.

Sincerely,

A handwritten signature in black ink that reads 'Raye Miller'. The signature is written in a cursive, flowing style.

Raye Miller
Land Department

RM/na



October 26, 2006

Certified Return Receipt

Commissioner of Public Lands
P.O. Box 1148
Santa Fe, N.M. 87504-1148

Attention: Ms. Jami Bailey

RE: Unorthodox Location
Administrative Approval Request
Walterscheid 23 #1
1050' FSL & 660' FWL
Section 23, T-23S R-27E
Eddy County, New Mexico

Dear Ms. Bailey:

Enclosed is a copy of our application for an unorthodox oil well location. You are the royalty owner for some of the offset proration units. Please review the enclosed application and if you have any questions please contact me. If you object to this proposal please timely contact the Santa Fe OCD office as shown on our application. Thank you for your review of this matter.

Sincerely,

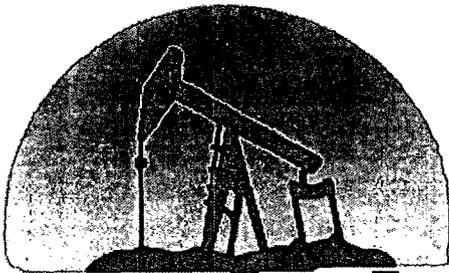
Raye Miller
Land Department

RM/na

RECEIVED

NOV 09 2006

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505



marbob
ENERGY CORPORATION
ARTESIA, NEW MEXICO

Memo

To: Mr. Richard Ezeanyim, Oil Conservation Division
Address: 1220 St. Francis Drive, Santa Fe, NM 87504
From: Nancy Agnew - Marbob Energy Corporation
Date: 11/7/2006
Re: **Walterscheid 23 #1**
Section 23, T-23S R-27E
Eddy County, New Mexico

Dear Mr. Ezeanyim:

Enclosed is a copy of the green cards that we received back from the contacted parties on the above referenced Administrative Approval Request for Unorthodox Location application.

If you need anything else or have any questions please call me at 505-748-3303. Thank you and have a great day!

Sincerely,

Nancy Agnew

Nancy Agnew
Land Department

The attached is being sent to you without benefit of a formal cover letter in the hope that promptness is more important than formality.

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
	B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to: <p style="text-align: center;">Commissioner of Public Lands P.O. Box 1148 Santa Fe, N.M. 87504-1148 Attention: Ms. Jami Bailey</p>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No <div style="text-align: center;">NOV 01 2006</div>	
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
Walterscheid 23 #1 NSL	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
7006 0810 0000 8765 1432		
PS Form 3811, February 2004	Domestic Return Receipt	102595-02-M-1540

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
	B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to: <p style="text-align: center;">Chalfant Properties Inc. P.O. Box 3123 Midland, TX 79702</p>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No <div style="text-align: center;">NOV 02 2006</div>	
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
Walterscheid 23 #1 NSL	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
7006 0810 0000 8765 1630		
PS Form 3811, February 2004	Domestic Return Receipt	102595-02-M-1540

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
	B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to: <p style="text-align: center;">Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210 Attention: Mrs. Kathy Porter</p>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
Walterscheid 23 #1 NSL	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
7006 0810 0000 8765 1647		
PS Form 3811, February 2004	Domestic Return Receipt	102595-02-M-1540