

Release / July 13 1985

By DEC



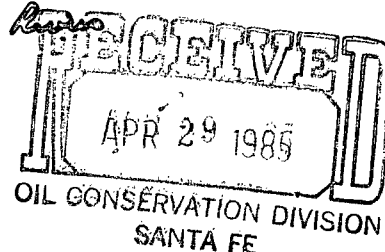
marbob
energy corporation

April 24, 1985

8-wells

NSL-2085
RUE-R-7808-(3)

*Grayburg Jackson Seam
Queen Creek San Andres
Pool*



Richard L. Stamets
Director
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501
Attention: Gilbert Quintana

Dear Mr. Stamets:

The purpose of this letter is to request administrative approval without notice and hearing of unorthodox well locations pursuant to Order R-7808 of the New Mexico Oil Conservation Division. The following is a list of the footage locations for which administrative approval of unorthodox well locations are sought:

G-J WEST CO-OP UNIT NO. 68
990 FNL 1295 FEL
Section 28, T-17S, R-29E
Eddy County, New Mexico

Ded- 40 Acres - NE 1/4 NE 1/4

G-J WEST CO-OP UNIT NO. 69
25 FSL 990 FEL
Section 21, T-17S, R-29E
Eddy County, New Mexico

- SE 1/4 SE 1/4

G-J WEST CO-OP UNIT NO. 70
1345 FSL 330 FWL
Section 22, T-17S, R-29E
Eddy County, New Mexico

- NW 1/4 SW 1/4

G-J WEST CO-OP UNIT NO. 71
2615 FSL 25 FWL
Section 22, T-17S, R-29E
Eddy County, New Mexico

- NW 1/4 SW 1/4

G-J WEST CO-OP NO. 72
2360 FNL 1350 FWL
Section 22, T-17S, R-29E
Eddy County, New Mexico

- SE 1/4 NW 1/4

M. DODD B NO. 50
1425 FNL 2615 FWL
Section 14, T-17S, R-29E
Eddy County, New Mexico

- SE 1/4 NW 1/4

M. DODD "B" NO. 51
1245 FNL 1245 FWL
Section 14, T-17S, R-29E
Eddy County, New Mexico

NW 1/4 NW 1/4

M. DODD "B" NO. 52
1225 FNL 225 FEL
Section 15, T-17S, R-29E
Eddy County, New Mexico

NE 1/4 NE 1/4

The wells will be completed in the Grayburg San Andres formation in the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool. Note that these locations are no closer than 330 feet to an outer boundary of a lease, or in the case of a unit, unitized area, nor closer than 10 feet to any quarter quarter section line or subdivision inner boundary.

Attached to this application as Exhibits A through L are the following:

- A. Well location and Acreage
Dedication Plats (Forms C-102)
filed with the Artesia office
of the Oil Conservation Division
(Exhibits "A"-"H").
- B. A plat showing the proposed
unorthodox locations, the respective
proration units, and the offsetting
proration units including ownership
of the offsetting proration units in
the Grayburg San Andres formation in
the Grayburg Jackson Seven Rivers
Queen Grayburg San Andres
Pool (Exhibit "I").
- C. Copies of letters of notification
sent to operators or owners of
proration units offsetting proration
units containing the proposed
unorthodox locations in the Grayburg
Jackson Seven Rivers Queen Grayburg
San Andres Pool (Exhibit "J").

The letters attached as Exhibit "J" have been sent to the offset operators by certified mail and each has been requested to notify you if they have no objections. Note that with the exception of

the two operators notified Marbob Energy Corporation is the operator of all offsetting proration units in the Grayburg San Andres formation of the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool.

Thank-you very much for your help in this matter. Should you have any further questions or be in need of any additional information, please contact Kevin Bliss or Raye P. Miller.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mack C. Chase".

Mack C. Chase
President

MCC:kmh

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLATForm C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

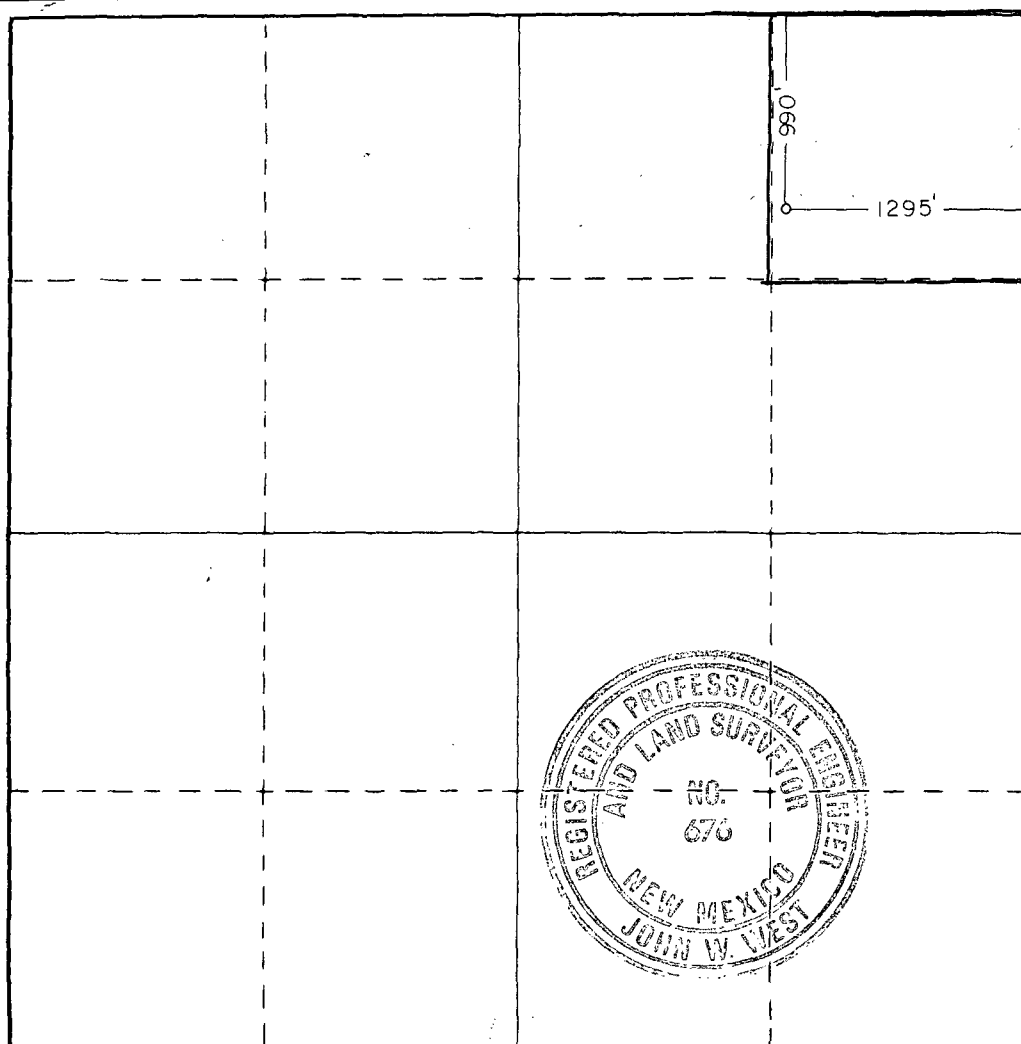
Operator MARBOB ENERGY CORP.			Lease G-J WEST CO-OP UNIT			Well No. 68		
Unit Letter A	Section 28	Township 17 SOUTH	Range 29 EAST	County EDDY				
Actual Footage Location of Well: 990 feet from the NORTH line and 1295 feet from the EAST line								
Ground Level Elev. 3559.3	Producing Formation San Andres		Pool Grbg Jackson SR Qn Grbg SA			Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Carolyn Purcella

Position

Production Clerk

Company

Marbob Energy Corporation

Date

4/19/85

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 knowledge and belief.

Date Surveyed

MARCH 21, 1985

Registered Professional Engineer
and/or Land Surveyor

Certificate No. JOHN W. WEST,

676

RONALD J. EIDSON, 3239

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLATForm C-102
Supersedes C-128
Effective 1-1-65

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Operator MARBOB ENERGY CORP.		Lease G-J WEST CO-OP UNIT		Well No. 69
Unit Letter P	Section 21	Township 17 SOUTH	Range 29 EAST	County EDDY
Actual Footage Location of Well: 25 feet from the SOUTH line and 990 feet from the EAST line				
Ground Level Elev. 3560.0	Producing Formation San Andres	Pool Grbg Jackson SR Qn Grbg SA	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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Date Surveyed

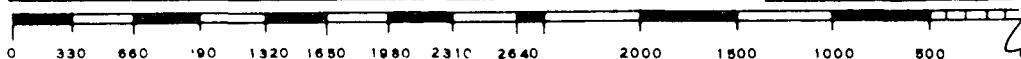
MARCH 21, 1985

Registered Professional Engineer
and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239



**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

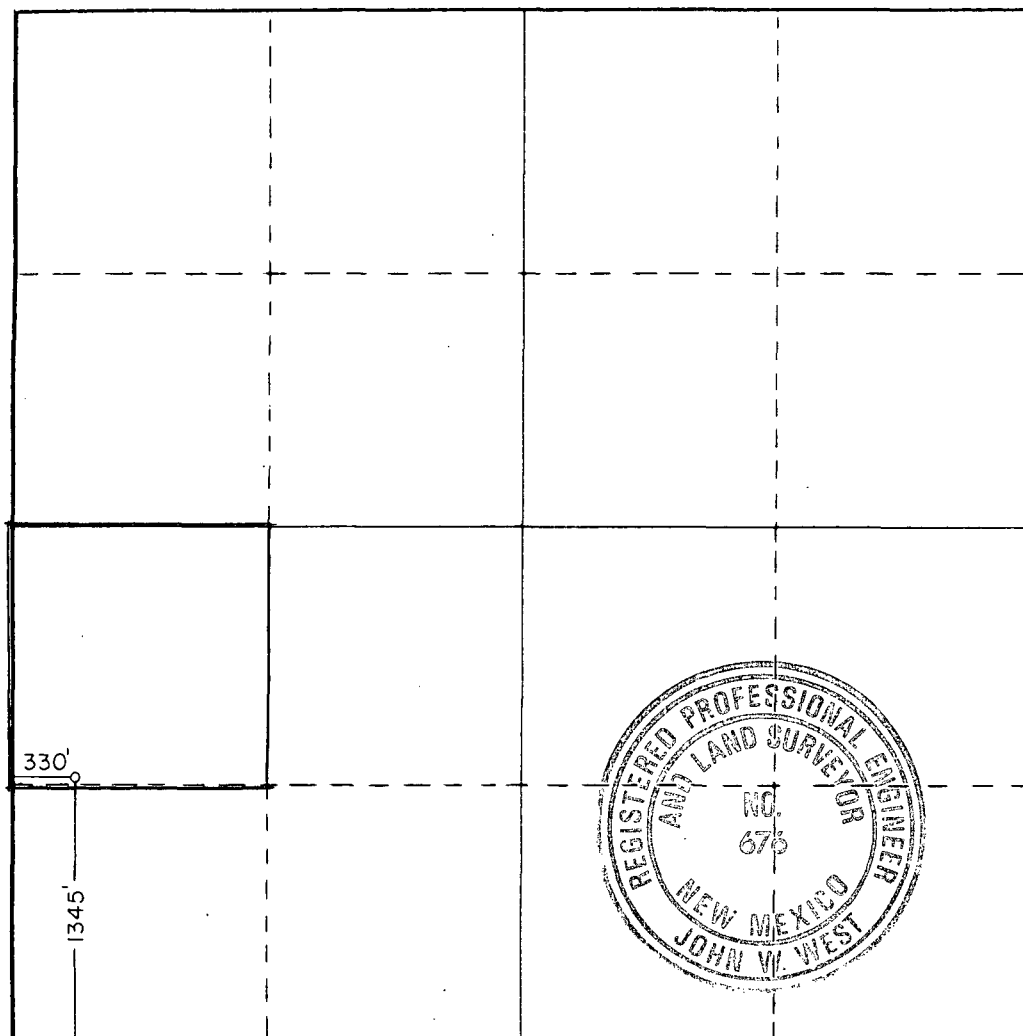
Operator MARBOB ENERGY CORP.			Lease G-J WEST CO-OP UNIT		Well No. 70
Unit Letter L	Section 22	Township 17 SOUTH	Range 29 EAST	County EDDY	
Actual Footage Location of Well: 1345 feet from the SOUTH line and 330 feet from the WEST line					
Ground Level Elev. 3548.6	Producing Formation San Andres		Pool Grbg Jackson SR Qn Grbg SA	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



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Carolyn Purcella

Name

Carolyn Purcella

Position

Production Clerk

Company

Marbob Energy Corporation

Date

4/19/85

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Date Surveyed

MARCH 21, 1985

Registered Professional Engineer
and/or Land Surveyor

John W. West

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLATForm C-102
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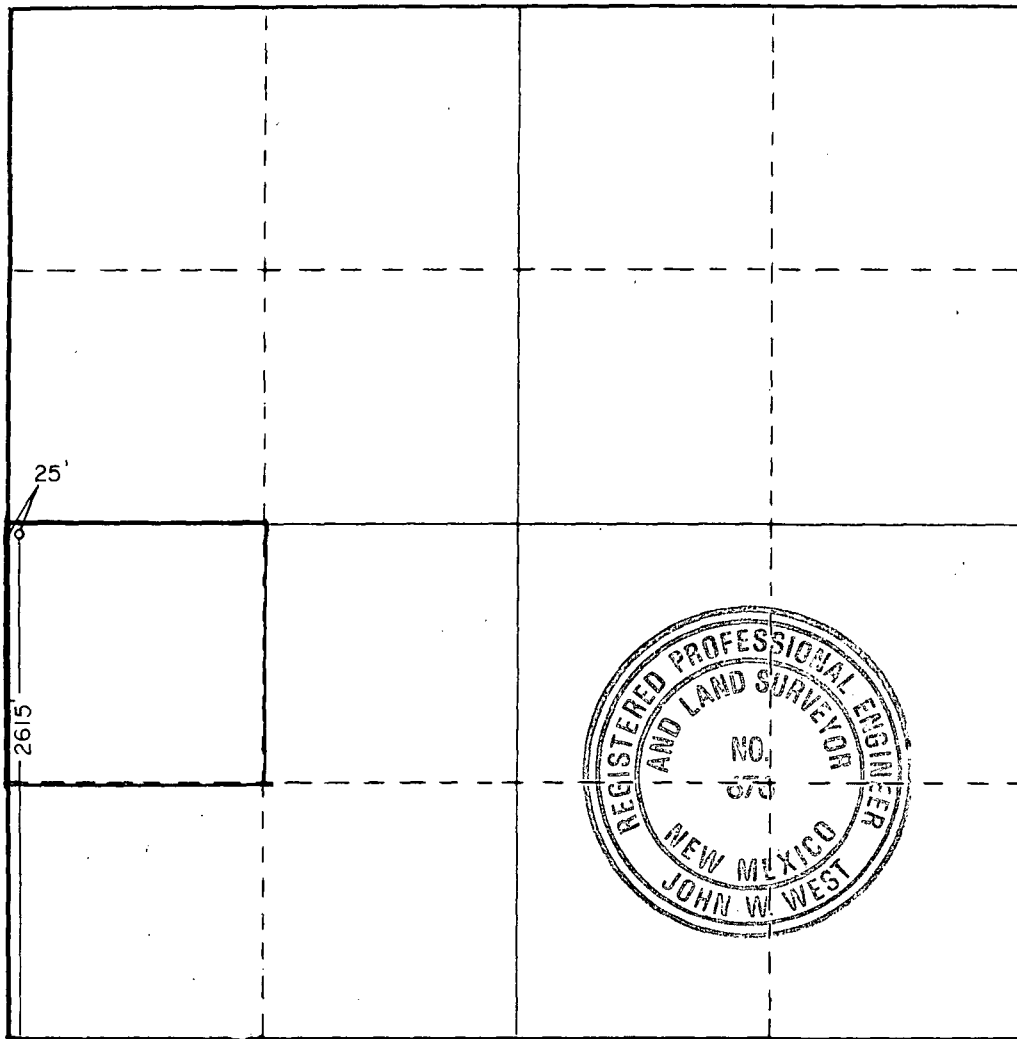
Operator MARBOB ENERGY CORP.		Lease G-J WEST CO-OP UNIT		Well No. 71
Unit Letter L	Section 22	Township 17 SOUTH	Range 29 EAST	County EDDY
Actual Footage Location of Well: 2615 feet from the SOUTH line and 25 feet from the WEST line				
Ground Level Elev. 3558.0	Producing Formation San Andres	Pool Grbg Jackson SR Qn Grbg SA	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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CERTIFICATION

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Carolyn Purcella
Name

Carolyn Purcella

Position
Production Clerk

Company
Marbob Energy Corporation

Date
4/19/85

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 knowledge and belief.

Date Surveyed
MARCH 21, 1985

Registered Professional Engineer
and/or Land Surveyor

John W. West
Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

EXHIBIT "E"

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLATForm C-102
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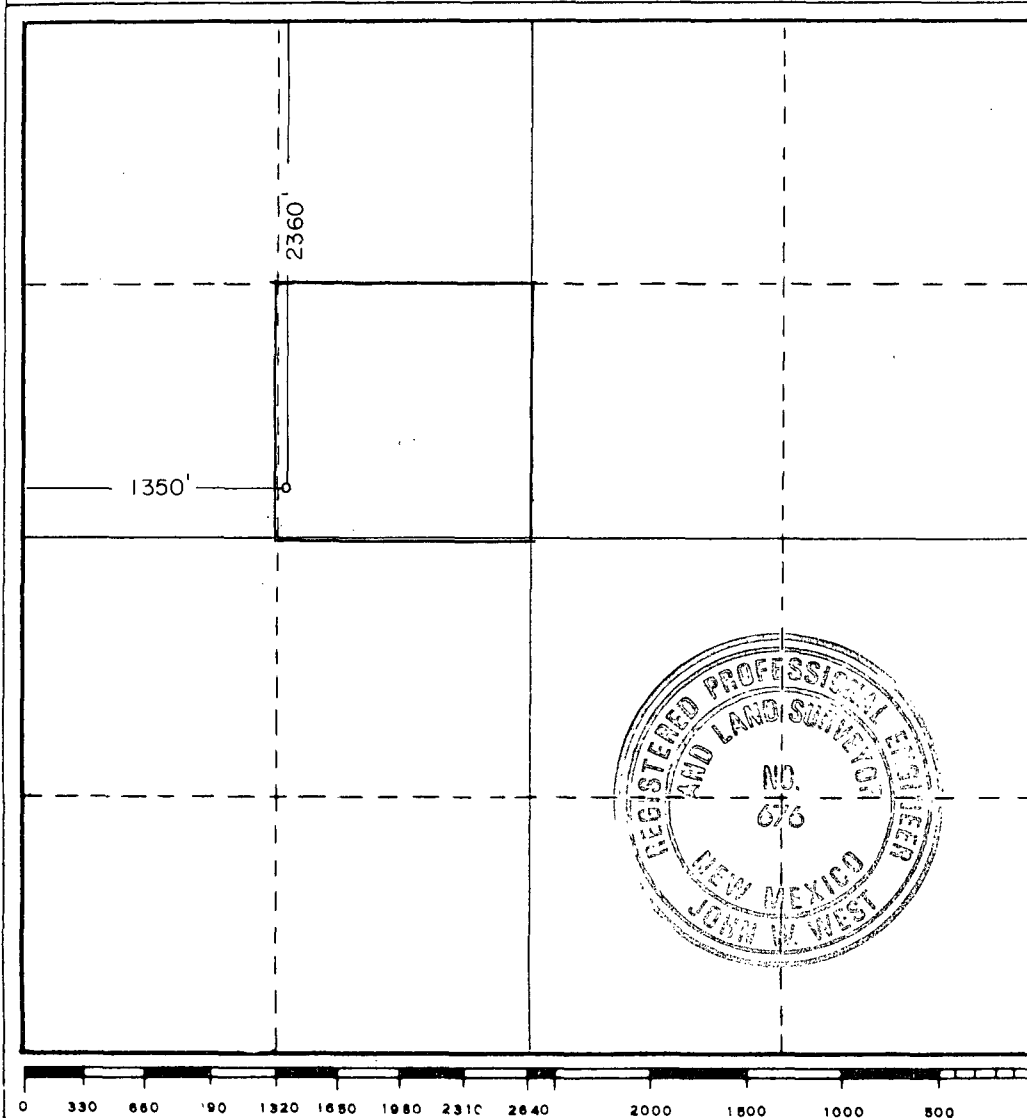
Operator MARBOB ENERGY CORP.		Lease GJ WEST CO-OP UNIT		Well No. 72
Unit Letter F	Section 22	Township 17S	Range 29E	County EDDY
Actual Footage Location of Well: 2360 feet from the NORTH line and 1350 feet from the WEST line				
Ground Level Elev. 3541.4	Producing Formation San Andres	Pool Grbg Jackson SR Qn Grbg SA	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Carolyn Purcella

Position

Production Clerk

Company

Marbob Energy Corporation

Date

4/19/85

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Date Surveyed

4/3/85

Registered Professional Engineer
and/or Land Surveyor

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

EXHIBIT "F"

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLATForm C-102
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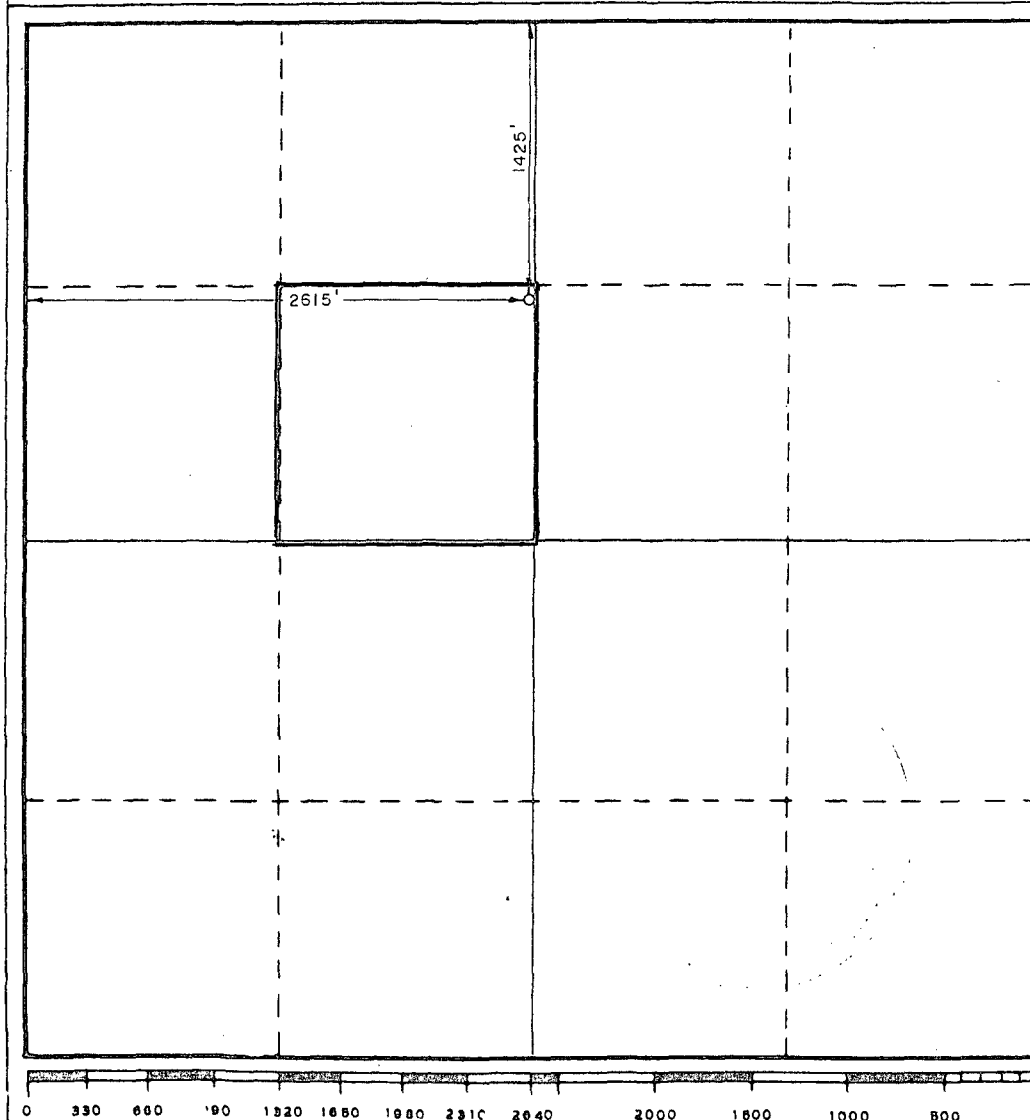
Operator Marbob Energy Corp.			Lease M. Dodd "B"		Well No. 50
Unit Letter F	Section 14	Township 17 South	Range 29 East	County Eddy	
Actual Footage Location of Well: 1425 feet from the north line and 2615 feet from the west line					
Ground Level Elev. 3625.9'	Producing Formation San Andres		Pool Grbg Jackson SR Qn Grbg SA		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
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CERTIFICATION

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Carolyn Purcella

Name

Carolyn Purcella

Position

Production Clerk

Company

Marbob Energy Corporation

Date

4/19/85

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 knowledge and belief.

Date Surveyed

September 24, 1984

Registered Professional Engineer
and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST,

676

RONALD J. EIDSON, 3239

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
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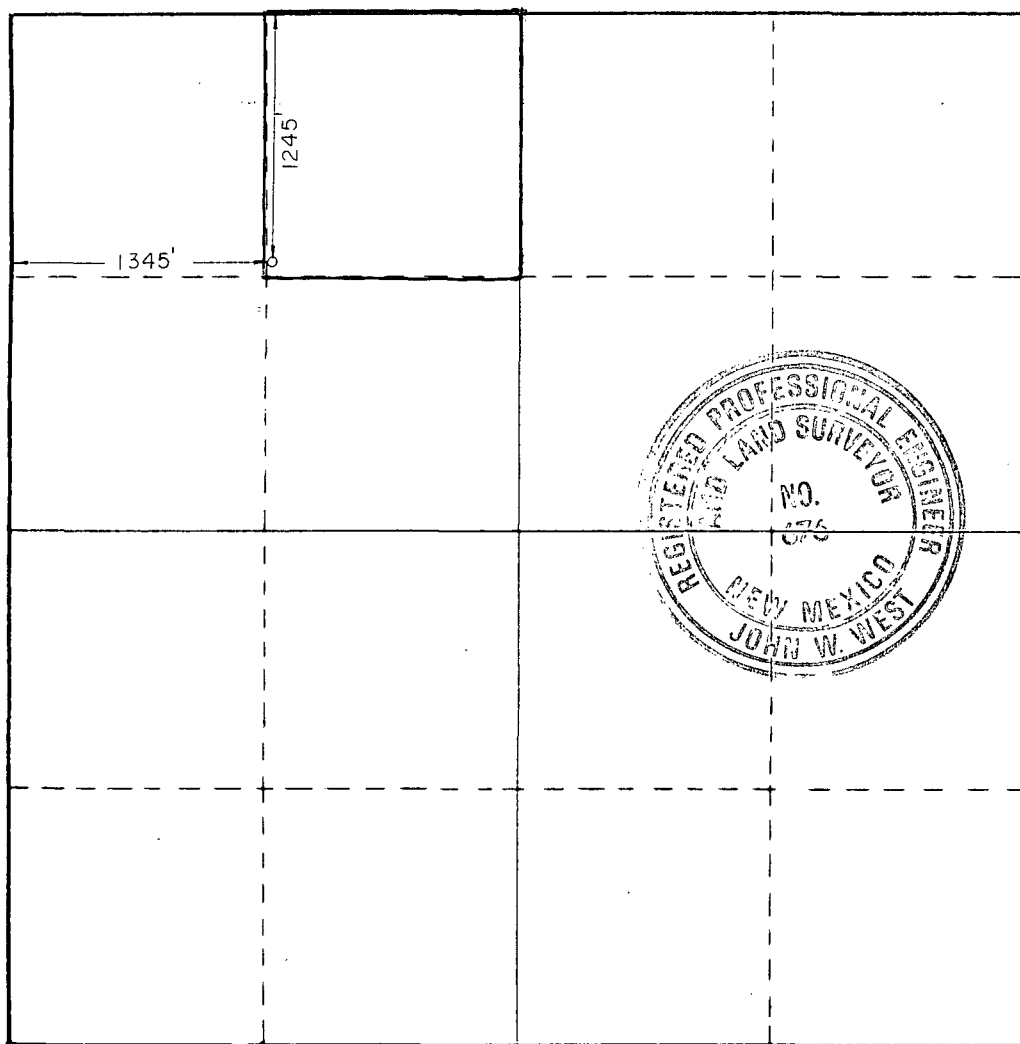
Operator MARBOB ENERGY CORP.			Lease M DODD B		Well No. 51
Unit Letter C	Section 14	Township 17S	Range 29E	County EDDY	
Actual Footage Location of Well: 1245 feet from the NORTH line and 1345 feet from the WEST line					
Ground Level Elev. 3616.0	Producing Formation San Andres		Pool Grbg Jackson SR Qn Grbg SA		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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CERTIFICATION

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Name

Carolyn Purcella
Carolyn Purcella

Position

Production Clerk

Company

Marbob Energy Corporation

Date

4/19/85

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 knowledge and belief.

Date Surveyed

4/16/85

Registered Professional Engineer
 and/or Land Surveyor

John W. West
 Certificate No. **JOHN W. WEST,**

676

RONALD J. EIDSON,

3239

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

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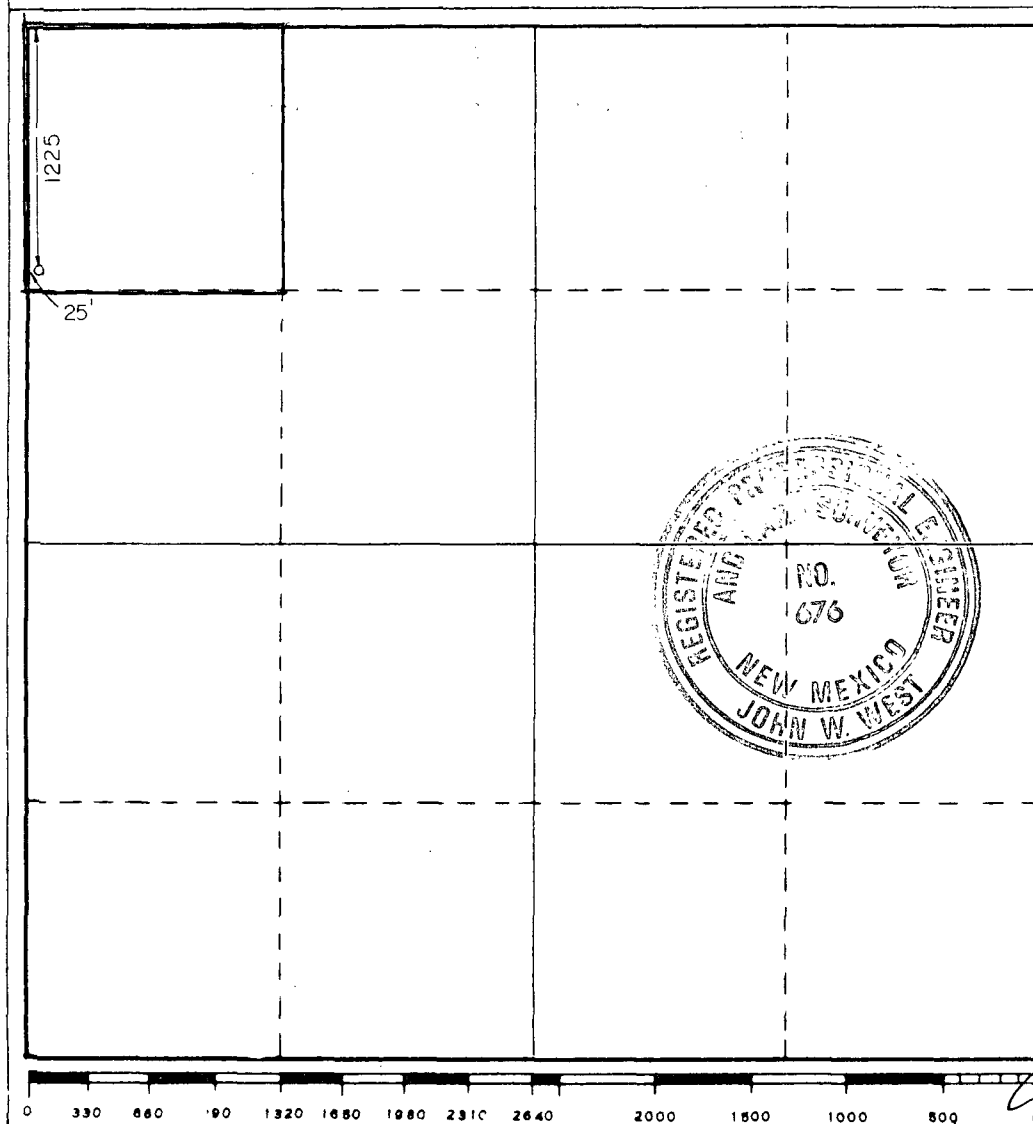
Operator Marbob Energy Corp.			Lease M. Dodd "B"		Well No. 52
Unit Letter D	Section 14	Township 17 South	Range 29 East	County Eddy	
Actual Footage Location of Well: 1225 feet from the north line and 25 feet from the west line					
Ground Level Elev. 3612.6	Producing Formation San Andres		Pool Grbg Jackson SR Qn Grbg SA		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Carolyn Purcella

Position

Production Clerk

Company

Marbob Energy Corporation

Date

4/19/85

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 knowledge and belief.

Date Surveyed

April 16, 1985

Registered Professional Engineer and/or Land Surveyor

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8433
Order No. R-7808

APPLICATION OF MARBOB ENERGY
CORPORATION FOR AN EXCEPTION TO
GENERAL RULE 104 F I AND FOR INFILL
WELL FINDINGS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 10, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 5th day of June, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Marbob Energy Corporation, seeks approval of an administrative procedure for the approval of unorthodox oil well locations within the lands described in Exhibit "A", attached hereto and made a part hereof, hereafter referred to as the "Subject Area".

(3) The applicant also seeks a finding that infill wells within the Subject Area, completed in the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool, are necessary to effectively and efficiently drain portions of the reservoir which cannot be drained by any existing wells in the Subject Area.

(4) Section 271.305(b) of the Rules of the Federal Energy Regulatory Commission promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new, onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the

reservoir covered by the proration unit which cannot be so drained by any existing well within the proration unit.

(5) The lateral continuity of the Grayburg-San Andres pay zone throughout the Subject Area is considered to be good in a gross sense, but localized barriers to fluid flow exist between wells because of the lenticular nature of the reservoir rock.

(6) Applicant's drilling of nineteen "Infill" wells (as described in Exhibit "B" attached hereto and made a part hereof), have increased the estimated ultimate recovery of the Subject Area by 833,100 barrels of oil and 1,781,000 mcf of gas.

(7) The current 40-acre spacing and proration units in the Subject Area have been inadequately drained of recoverable reserves by the existing wells and "Infill" wells are necessary to effectively and efficiently drain reserves from said proration units.

(8) The applicant plans to drill additional "Infill" wells within the Subject Area.

(9) Much of the Subject Area has previously been subject to secondary recovery.

(10) The applicant plans to drill additional wells in the Subject Area at orthodox and unorthodox locations both to increase current recovery and to increase the efficiency of a planned secondary recovery project.

(11) Prior to initiation of active secondary recovery operations in the subject Area, an administrative procedure should be established for approval of the drilling of wells at unorthodox locations therein provided that no well should be located closer than 330 feet to the boundary of any lease or unitized area nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

(12) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected pool, will prevent economic loss caused by the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(13) The application should be approved.

IT IS THEREFORE ORDERED THAT:

(1) The nineteen infill wells drilled by the applicant, Marbob Energy Corporation, and described in Exhibit "B" attached to this order, are hereby found to be necessary for the effective and efficient drainage of reserves underlying the Subject Area, as described in Exhibit "A" attached to this order within the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool, Eddy County, New Mexico, which could not be drained by any other well.

(2) Future infill wells within the Subject Area are hereby found to be necessary for the effective and efficient drainage of reserves underlying said Subject Area which could not be drained by existing wells therein.

(3) The Division Director shall have authority to grant approval of unorthodox well locations in the area subject to this order, provided that any such unorthodox location within such project is no closer than 330 feet to the outer boundary of the lease, or the unitized area, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

(4) Applications for administrative approval of unorthodox locations shall be filed in triplicate and shall be accompanied by plats, showing the ownership of all leases offsetting the proration or spacing unit for which the unorthodox location is sought, and also all wells completed thereon.


(5) The Oil Conservation's district office at Artesia and all operators of proration or spacing units offsetting the unit for which the unorthodox location is sought shall be notified of the application by certified or registered mail, and the application shall state that such notification has been given. The Division Director may approve the unorthodox location upon receipt of waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Director has received the application.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-4-
Case No. 8433
Order No. R-7808

DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS,
Director

S E A L

"SUBJECT AREA"

All of the leases and lands described in this Exhibit "A" are located in Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico. Unless otherwise shown below, Applicant is operator of the entire Grayburg-San Andres formation:

M. Dodd A Lease (LC-028731 A)

Section 14: SE/4 SW/4, W/2 SW/4
Section 22: SE/4 SE/4, SE/4 SW/4, W/2 SE/4
Section 15: SE/4, only to a subsurface depth of
4,000 feet
Section 22: NE/4 SE/4, SW/4 NE/4, E/2 NE/4, only
to a subsurface depth of 4,000 feet

M. Dodd B Lease (LC-028731 B)

Section 10: E/2 W/2, E/2
Section 11: W/2
Section 14: N/2, NE/4 SW/4, SE/4
Section 15: NE/4

Boyd-Dodd Lease (LC-058362)

Section 11: SE/4

Continental State (E-4200)

Section 15: NW/4, only to a subsurface depth of
3,500 feet
E/2 SW/4, only to a subsurface depth of
3,403 feet

Folk Federal Lease (NM-0397623)

Section 17: N/2, N/2 SW/4

Folk State Lease (B-10714)

Section 17: N/2 SE/4

Grayburg-Jackson West Co-Op Unit

Section 16: All
Section 21: All
Section 28: All
Section 15: W/2 SW/4
Section 22: NW/4, NW/4 NE/4, NE/4 SW/4,
W/2 SW/4
Section 27: W/2 SW/4

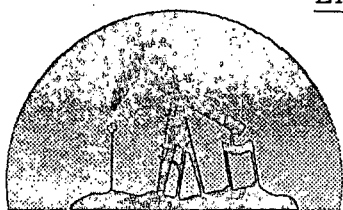
Only to a subsurface depth of 3,600 feet. (The Grayburg Jackson West Cooperative Unit covers that portion of the Grayburg-San Andres formation encountered between the depths of 2,220 feet and 3,600 feet.)

EXHIBIT "A"
ORDER NO. R-7808

INFILL WELLS DRILLED AND COMPLETED FROM
OCTOBER 82 TO OCTOBER 84 BY MARBOB ENERGY CORPORATION

<u>WELL NO.</u>	<u>FOOTAGE LOCATION</u>	<u>SEC.-TWN-RGE</u>
M. Dodd A No. 21	660' FSL & 1934' FEL	15-17-29
M. Dodd A No. 22	2310' FSL & 330' FEL	22-17-29
M. Dodd A No. 23	2615' FSL & 1345' FEL	22-17-29
M. Dodd A No. 24	2310' FSL & 2310' FEL	22-17-29
M. Dodd A No. 25	990' FSL & 2210' FEL	22-17-29
M. Dodd A No. 26	2615' FSL & 1345' FEL	22-17-29
M. Dodd A No. 27	940' FSL & 330' FEL	22-17-29
M. Dodd A No. 28	990' FSL & 1652' FWL	22-17-29
M. Dodd A No. 29	1650' FNL & 1370' FEL	22-17-29
M. Dodd A No. 31	1350' FNL & 330' FEL	22-17-29
M. Dodd A No. 32	1650' FNL & 2210' FEL	22-17-29
M. Dodd A No. 33	990' FNL & 990' FEL	22-17-29
M. Dodd B No. 36	330' FSL & 1345' FEL	14-17-29
M. Dodd B No. 37	1345' FSL & 1295' FEL	14-17-29
M. Dodd B No. 38	1345' FSL & 2310' FEL	14-17-29
M. Dodd B No. 39	330' FEL & 1345' FSL	14-17-29
M. Dodd B No. 40	1650' FSL & 1650' FWL	14-17-29
M. Dodd B No. 41	2615' FNL & 330' FEL	14-17-29
M. Dodd B No. 42	2615' FNL & 1345' FEL	14-17-29

EXHIBIT "B"
ORDER NO. R-7808



marbob
energy corporation

April 22, 1985

Midwest Investment Company
P. O. Box 597
Roswell, New Mexico 88201

RE: GJ West Co-Op Unit No. 72
2360 FNL, 1350 FWL
Sec. 22, T-17S, R-29E.
Eddy County, New Mexico
Grayburg Jackson Seven Rivers
Queen Grayburg San Andres Pool.

Gentlemen:

Marbob Energy Corporation as operator of the above well hereby notifies you that we have applied to the New Mexico Oil Conservation Division for administrative approval without notice and hearing of an unorthodox location pursuant to order R-7808 of the New Mexico Oil Conservation Division.

You are being contacted as an operator or owner of a proration unit offsetting the above described location in the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool. If you have no objections to the drilling of this well please sign below and forward one copy to the NMOCD in Santa Fe, one copy to this office, and retain one copy for your files. I have provided addressed stamped envelopes for your convenience.

Thank-you very much for your cooperation in this matter.
Please do not hesitate to contact me should you have any
questions.

Sincerely,



Kevin J. Bliss
Land Department

APPROVAL

COMPANY: _____
BY: _____
TITLE: _____
DATE: _____

CRRR: