NSR 5/18/98

ONSERVATION DIVISION



2040 South Pacheco Santa Fe, New Mexico 87505

Attention: Mr. Mike Stogner

RE: Application For Administrative Approval of Unorthodox Location and Non-Standard Spacing Unit Cedar Lake Federal #1 1385' FSL and 1410' FWL Section 18-17S-31E Eddy County, New Mexico

Dear Mike:

Marbob Energy Corporation (Marbob) hereby makes application pursuant to Oil Conservation Division Rule 104.F.(2) and Rule 104.D.(2) for administrative approval to drill the above referenced Cedar Lake Federal #1 to the Morrow Formation based on geologic/surface terrain considerations.

Marbob proposes to drill the Cedar Lake #1 well at an unorthodox location 1385 feet from the south line and 1410 feet from the west line of Section 18, Township 17 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. The proposed proration unit is the south half and this would make the location have greater than the standard setback of 660 feet, but be unorthodox to the west setback by 240 feet. Additionally, the W/2SW/4 is described as Lot 3 and Lot 4 which comprise 32.20 acres and 32.31 acres respectively. Since this section is not a standard 640 acres, we would request the south half proration unit comprising 304.51 acres be dedicated to this well.

Marbob is the operator for the well with the rights in the lease being owned by Marbob and Atlantic Richfield Company. The spacing unit which this well will encroach upon is either the S/2 of Section 13, Township 17 South, Range 30 East or the E/2 of Section 13, Township 17 South, Range 30 East depending on where they might place their location. There are currently no deep wells in Section 13 so no proration units have been established. Burnett Oil Company is the operator in

Section 13, and they have been supplied with a copy of this application. We identify all adjoining proration units on Exhibit B'' with a list of the operators or listed lease owners for each tract. Each party listed has been notified and supplied with a copy of this application.

Exhibit "A" is a plat showing the proposed unorthodox well location and the proposed spacing unit for the Cedar Lake Federal #1. The spacing unit is outlined in red. Exhibit "C" shows the locations which were picked by our geologist from 3-D Seismic covering this section as the range of target for the Morrow sand channel. The red line describes the possible locations which he felt were ideal. As you will note, the northeast coordinate would have resulted in a location which was unorthodox, but only to the internal boundaries. We initially staked this as our drill site. Upon inspection by the BLM and our regulatory personnel, it was determined that the proximity of the GPM and Gas Company of New Mexico high pressure gas lines to that location (shown by the blue line) and the slope of the terrain, that if we built the location there, we would potentially undermine the sandy terrain around the lines which could result in a leak in the future.

Since this unorthodox location would avoid that potential problem, this location was final selected because of its suitable terrain. As you can see on the map of Exhibit "B", this is an area of considerable oilfield development. Finding locations that do not impact existing wells and facilities can be very difficult a times. Based on our geologic work, we believe that this location is identical in potential with the interior unorthodox location. This location has been reviewed by the BLM surface manager and our archeologist, and has been approved by both groups.

We affirm that notice has been sent to the offset operators or lease owners. We also believe that since our location is 1410 feet from the west line, it does not generate any serious encroachment on the Burnett acreage.

We would request that you consider approval of this unorthodox location and non standard spacing unit. Thank you for your help in this matter. If you have any questions, please contact me.

Sincerely,

Rays Miller

Raye Miller Land Department

cc: Mr. Tim Gumm OCD District II 811 S. 1st St. Artesia, NM 88210 ISTRICT I P.O. Box 1980, Hobbs. NH 68241-1980

1.1

DISTRICT II P.O. Druwer DD, Artesia, NM 88211-0719

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 67410 C

DISTRICT IV P.O. BOX 2008, SANTA FR, N.M. 87504-2088 State of New Mexico

Energy, Minerale and Matural Resources Department Exhibit "A" Form C-102 Revised February 10, 1964 Submit to Appropriate District Office State Lease - 4 Conten Fee Lease - 3 Copies

OIL CONSERVATION DIVISION P.0. Box 2088

Santa Fe, New Mexico 87504-2088

I AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API	Number	:		Pool (Code			CEDA	Fool Name R LAKE: MORE	OW			
Property	Code		L		CEDA			Well Number 1					
OGRID No. 14049	D.		· · · · ·	MAR	BOB						. •		
CEDAR LAKE; MORROW Property Data CEDAR LAKE; MORROW Property Bane Weil Number 00RD No. 140049 1 ORED No. Operator Bane Berniton 140049 MARBOB ENERGY CORPORTION 3755' Surface Location Berniton 3755' Ut or lot No. Social Tormahip Bange Lat Ida Feet From the Social Tormahip Bange Botton Tormahip Bange Lat Ida Feet from the Social Tormahip Bange Lat Ida Feet from the Social Tormahip Com Botton Tormahip Bange Lat Ida Feet from the Social Tormahip East/Veet line Com Bedinated Acres Joint or Infill Competitioning Compatibility of Standarding Competitioning Competitioning Competitioning Competitioning Competiting Competiting Competitioning Competitioning Competitioning Comp													
		-	-	Lot	Idn		-	· ·		F	County		
ĸ	18	1/ 5	<u> </u>	T -1-				l	l	WEST	EDDY.		
UL or lot No.	Section	Township								East/West line	County		
											· ·		
	Joint o	r Infill Co	nsolidation (Code	Order	r No.							
	WABLE W									EEN CONSOLIDA	ATED		
31.99 AC					32	14	IST IST		I horeb contained heref best of my know Vignature RHONDA NH Printed Nam PRODUCTIC Title APRIL 9, Date	ny cortify the the in n is true and compl wiedge and belief. <u>JAA</u> <u>ELSON</u> te <u>ON CLERK</u> 1998	formation ets to the		
32.20 AC	3751.6'	3747.9'		NI		255 510 927			I hereby certify on this plat we actual surveys supervisons an correct to th AP Date Surveys Signature ve Protessional Protessional	that the well locati as plotted from field made by me or d that the same is e best of my belle RIL 1, 1998 ME 1, 1998 ME 1, 1998	on shown I notes of under my frue and CDG		

EXHIBIT "B"

Section 13: N/2 Burnett Oil Company Section 13: S/2 Burnett Oil Company Section 17: S/2 Atlantic Richfield Company Marbob Energy Corporation **Trinity University** E. M. Closuit, Sr. Trust Section 18: S/2 Atlantic Richfield Company Marbob Energy Corporation Section 18: N/2 Atlantic Richfield Company Fair Oil, Ltd Richard L. Ray **Rogers** Aston Sunwest Bank Albuquerque, N.A. Agent for the Aston Partnership Lincoln Aston Sharon A. Olsen, Trustee u/t/a dated 7/31/81 Ray Westall

Section 17: N/2 Marbob Energy Corporation Fair Oil, Ltd Richard L. Ray Rogers Aston Sunwest Bank Albuquerque, N.A., Agent for the Aston Partnership Lincoln Aston Sharon A. Olsen, Trustee u/t/a dated 7/31/81 Ray Westall

Section 19: N/2 Atlantic Richfield Company Section 20: N/2 Atlantic Richfield Company Section 24: N/2 Burnett Oil Company

Courtesy Notice: Devon Energy (shallow operator)





10. j.	Cour	ntý	2	Ede	14					Pod	o1	Cec	lar	· 1	ak	e.		101	70	Ŵ	G	2 <u>5</u>	i 126 anii 137 anii		
	20 4 4 1	1.1	TEAL	W. Bistori	1488	1.1.1	4	19.24	24 6	1. S.	Second	(1994)	1.1	127.86	C 13.	1. 1. 1. 1.	5W A	98-01	50.8.10	22. 19 22	1 . A	6. (2 %	MER		N
		識之								癫		10 M	が						調整	in the second se	ġ.		10.10 10.10 10.10 10.10 10.10	ē.	
							5	語				意								畿			<u>لَّ</u>		N.S.
19 19	(B)		瀏		激	的影响		戀		推制						Ì٤.				ġ,		17		资 :	1 1 1
語言	翻	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	讔				湯	顟						徽		ž۵			離		憲行	<i>.</i> , ,	j.	(² -4)	
1	ф¢.	報道											鯼				影				ана Да ^{ран} а	* 3		3	沢豊富
1	24	х ж					 B	聯			 9.—		N		0-			-1	1	1910		-1	2-	194 194	
1. 1 . 1.		38 ⁸³ -0 20 7					(B)		1903 1907							anne.		1295a 1	No.				457	Ċ.	
1. 1. 1.																1. A. A.						1993) 1995)			
											No.		の時代						Cut at 7						
			8-				l, 7				l. .6—				5-	-		-1	4 —				8 -		
	1. N.		JKa 1	6 10 10 10 10 10 10 10 10 10 10 10 10 10						ininini Malaki	NO.						998-3 6926-3	がた							漢語
				in the second						128140		1994 - 1994 -	Ellen.	(and the second	antision antision				and a second		iĝąť esa	Sec. 1		207): 1	
	Ner d		1991年 「東京の一			2000	0123.0			流行		が設定	25 are 1		AND A	and and a second	and the second s								
		-1	9-		189 1890		20			2	1 = 1			2	2			Г	23 -		39999 	-2	4—		
					rigia Mail			認識	200 200	1500 Militi			認知				。 和 的 的				彩。) [編:]				344 () 1
										TANK Galer	296) 1966)		開始	和建立			新闻		新設。 新設の	朝夏日 1986年				an a	が、海
				建							際設			調整	(1999) 1999)	徽在			· [1]		AC.				
			0.		派 位 1990年		9			2	28	魏		2	7-			-2	6		教会	2	5		
	該				2990.2 2002	和影响	際語		2800 後後													響機			cini.
	neros 1 de ju										調査	19.4 19.4						靈麗	認識	1.1			5204" Čiš		定規
			調約		and and a	影响				不可能 的的			<u>後</u>	<u>13</u> 年	調整										
		- 3	1 <u>—</u>		1999年 1999年 1999年	3	2-			-3	3 			3	4	NA I		3	5			r 3	ð	ter terste st filter	
		Will House																						1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	

320

Description NE4 Sec. 36(1-2187, 3-1-62)

<u>Ext: W/2 Sec. 25. E/2 Sec. 26. NW/4 Sec. 36 (R-5987 4-1-79)</u> <u>Ext: W/2 Sec. 34</u> <u>N/2 Sec. 35 (R-7009, 6-19-82)</u> <u>Ext: S/2 Sec. 34 (R-7958, 6-12-85) Ext: S/2 Sec. 32 (R-10314, 3-7-95)</u>

COUNTY	Eddy	

POOL North Cedar Lake - Morrow Gas

TC	WNS	SHI I	! ,= P /	T Se	ut	6	(W)	RAN	IGE	31	Ea.	st			NM	IPM ·	; ~		× ×				·· .
		• • • • • • • •		1.1 m 310 7		11.7	7	đ. a	УМС- 1	ίų	·	<i>1</i> 7		·., ·	•	а. 1	8 .						
							1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.				-	1	at .	 2	 नेत	¥.	1. 1949	2	· · ·	٠,			1 <u>0</u>
		b –	福音	調査)	121	ar.	1. 1911 - 19	4 		通 計	i de la compañía de	۔ ا		7		Ľ	•	۰.			
•				物					12			4 3*	14.44 1.17 1.17	ing i Ster	ь .,	5 - 2 2	•			2	•		si. A
		and a second	844 - 74 8	1 ⁹ 10 - 3		ale e					Ľ.	i ta di M	142 1		2	: •	- 27 154 154	,		1		÷	·
≹ - 1 -		l _{ii} - 7	Ne i			⊸. 3 —	影子); 9 —			131 1990) 1990)	 0 -	·	1		, 1	1	•	1	2	Ĺ
. •				fiyi -		, ⁶ ¹ /					ŀ	Ň,	•∎ ,49	<u> </u>	i. L	"	7	▲ ·	• .	4	* 	~	<u>, 1</u>
	4 ³⁴	7	il.						3	Ϋ́́ι,		Ì	મ		Ĭ,								
	"			17					影	新新				注 法 注	2. 2			- A - A	n He			·.	ŀ
4 4 1		} .8 –	94 1			7 -	(第) (第)	の語	二 二 1	6		10		 5 —		i.	1	 4 —		ĘŢ. :	1	3—	
		4	int -	All an		1945 - 14 1945 - 14 1947 - 14	()))))))))))))))))))))))))))))))))))))		當時	1. 1. 1.					5:霍-	¥.,	<u>y</u>		14 185		<u>.</u>		
		yî B		時間				樂	潮情	靈				¥7.						¥.	.5	ii Ç). *1
1		<u>л</u> , -	ри. Ри		翻译		£ 1	4.813 4.813		躛	_	an a	5			j.,		, 1 ₁ 47 ,	i se	۰Ÿ	۰.		
	4	a 🗀	Yest		。 - 2	ان الم الم			2. · ·	1-	3	a.	- 2	2-	;z-		1] 3一	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	14 14 14	- 2	ا 4	4. 34
111 131		ų.		南南	織	Stary A.	数字 1	· ***	1	灏	18	7 4 :		辨						御	~ ~ ∿nt[∵		
	ગ		·按 1992		ない	4.4		読む	靡"		;**	tigi Section			14 1. 15 15	<u>.</u>			•	1:	·	, <u>.</u>	<u> </u>
		潮行	遨	徽	霸.,	·西洋学			1999 1999		14	and the second s	à.		14. 15	¥.	1	.	<u>;</u>			7. 1	1.2
	2	l 0 –	100	n film by Alternation	-2	9 –	響	瘤	録って	8-			凛 っ	7-	語	3	2	6-	NS 1	Ŵ		ا 5 –	
憾	ЭŶ.	. ^ا لله ا	·贾,				操作		nin'	號~	-Se	žinr-		Ì	っ <u>で</u> 第1		244 T		÷	ŝ	,		·ť
54) 3	尊			游	ı. M	(19 Å 10		識時			4.00 A	* 97 2/0 ²¹						3	ан 1		5	v
К.		藏		影	豪			藏		Karl	15	1. 11		Ą.	1. All and the second s	ste -	۵	Э.	;		3.4g		雷告 (行)
*		》。 1—	· 18 張、	湯治	- 3	2'-	赵 。	íť,		3	9. N		Rest of the second seco	4 –	·深秋	4.	/考 	 5	<u>,</u>	流	- 3	6 —	
<u>а</u> й.	骤	S.	18 18		18		""						R.	280 -	龗	19:55	×.	<u>ث</u>	¥			5.	er:
	19	燕	感	影		影			in the second se		÷.		1		¢۴		Э	34 2*	.бя 1957 г.	5.5	32		<u> </u>
De		pt	ion	<u>,</u> 5	25	? 10 % # C	19 [<u>e-3</u>	051	4-	1-66)			"" "你你		Kar						5 .
e lis	()物)	(1994) 10-11-14		in X		1×.	1010 14 00 1	和林	的新闻		1158	Ta his				ŵ.Q				調料			<u>,</u>
										2 69154 1919 1919	e i			R. San	ank;		tin the o	nt illitaj		the second se	<u></u>		
	1 C. + 3 (* 1 J (* 1 1 1 1 1 1 1 1.	249, 1 1	Y		1992 (S. 1993 (S. 1984 - 17			Nain Back	N KANA N N N	10 (1) 						67.47 1976	in the second						
P _p t v ^S	学校	and y			enterio Kilona Kilona				19521 (1.) 		1989 8 			ANNE -		NA 1	2.31-444 			n fan fan fan fan fan fan fan fan fan fa		• ¹⁸ ;	
						5-11) 5-11)				19249 634			翻译		(清朝代) 19-12	1999 - 1999 1999 - 1999 1999 - 1999	برنجي الا ز يني 	ન્યુ હ			5		
area a	K.	1950	<i>礼</i> 地					124	ere i stat Filmer				N/ AS	Ç ⁹⁷ için	in in	精学的					n i f		1.12 . 1 1.12 . 1.12 1.12 . 1.12

1.435 - 1 and the second states

清洁: "你们的问题。" 1.11 演奏 م محمد می در مشکر محمد می در مشکر **新州** 2 . **.**† "神秘"。"这个人的问题,"你们的问题" ALC: NO DE PRINT

320

ŝ,

1

1-7 156 έĻβ.