



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 9, 2009

Marbob Energy Corporation
Attn: Mr. William Miller
P.O. Box 227
Artesia, NM 88211-0227

Administrative Order NSL-6002

Re: Dime State Well No. 1
API No. 30-015-33659
1980 FSE and 1580 FEL
Unit J, Section 30-18S-28E
Eddy County, New Mexico

Dear Mr Miller:

Reference is made to the following:

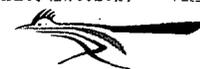
(a) your application (**administrative application reference No. pKAA09-06849176**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 9, 2009, and

(b) the Division's records pertinent to this request.

Marbob Energy Corporation (Marbob) has requested to re-complete the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The NW/4 NE/4 of Section 30 will be dedicated to this well in order to form a standard 40-acre wildcat oil spacing unit in the Bone Spring formation. This formation is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the eastern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location in order to utilize an existing wellbore.



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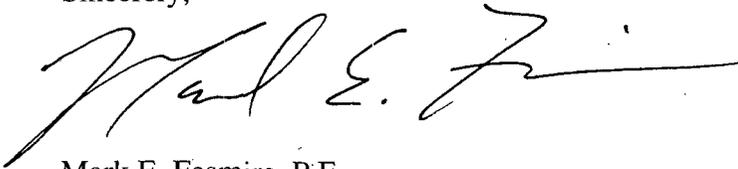
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe