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|------------------------|----------|----------------------|--------------------------|-----------------|---------------------------|
| DATE IN <u>5-26-10</u> | SUSPENSE | ENGINEER <u>P.B.</u> | LOGGED IN <u>5-25-10</u> | TYPE <u>NSL</u> | APP NO. <u>1014654011</u> |
|------------------------|----------|----------------------|--------------------------|-----------------|---------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Marbob
Rock Fed # 3H
6214

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

RECEIVED OGD
2010 MAY 26 4:10:51

[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.

William Miller

Print or Type Name

WAB

Signature

Landman

Title

5/24/10

Date

wmiller@marbob.com
e-mail Address



Certified Receipt Return

May 24, 2010

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

Attention: Mr. David Brooks

RE: Unorthodox Location
Administrative Approval Request
Rocket Federal #3H
SHL:330' FSL 230' FWL
BHL:1650' FNL380' FWL
Section 3, T-26S R-29E
Eddy County, New Mexico

Dear Mr. Brooks:

Marbob Energy Corporation requests approval for the Rocket Federal #3H unorthodox location described above. The well is unorthodox because the Bureau of Land Management moved our original location (330' FSL 330' FWL) to this unorthodox location. The BLM moved the location due to surface issues. This puts the location 100' unorthodox to the west line of the SW/4SE/4.

Notice will be give to OXY USA INC., who is the operator of the affected proration unit(s) in the NE/4NE/4 of Section 9 T26S R29E. Marbob Energy Corp. is the operator of the N/2 of Sec. 10 T26S R29E and the E/2SE/4 of Sec. 4 T26S R29E. Enclosed is a copy of form C-102 showing the location and proposed proration unit. Also, enclosed is a map showing affected spacing unit(s).

Thank you for your help in this matter.

Sincerely,

William Miller
Landman

Attachments

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

11885 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|--------------------|--|--|
| API Number | Pool Code 96217 | Pool Name WILLOW LAKE; BONE SPRING SE |
| Property Code | Property Name ROCKET FEDERAL | Well Number 3H |
| OGRID No. 14049 | Operator Name MARBOB ENERGY CORPORATION | Elevation 2989' |

Surface Location

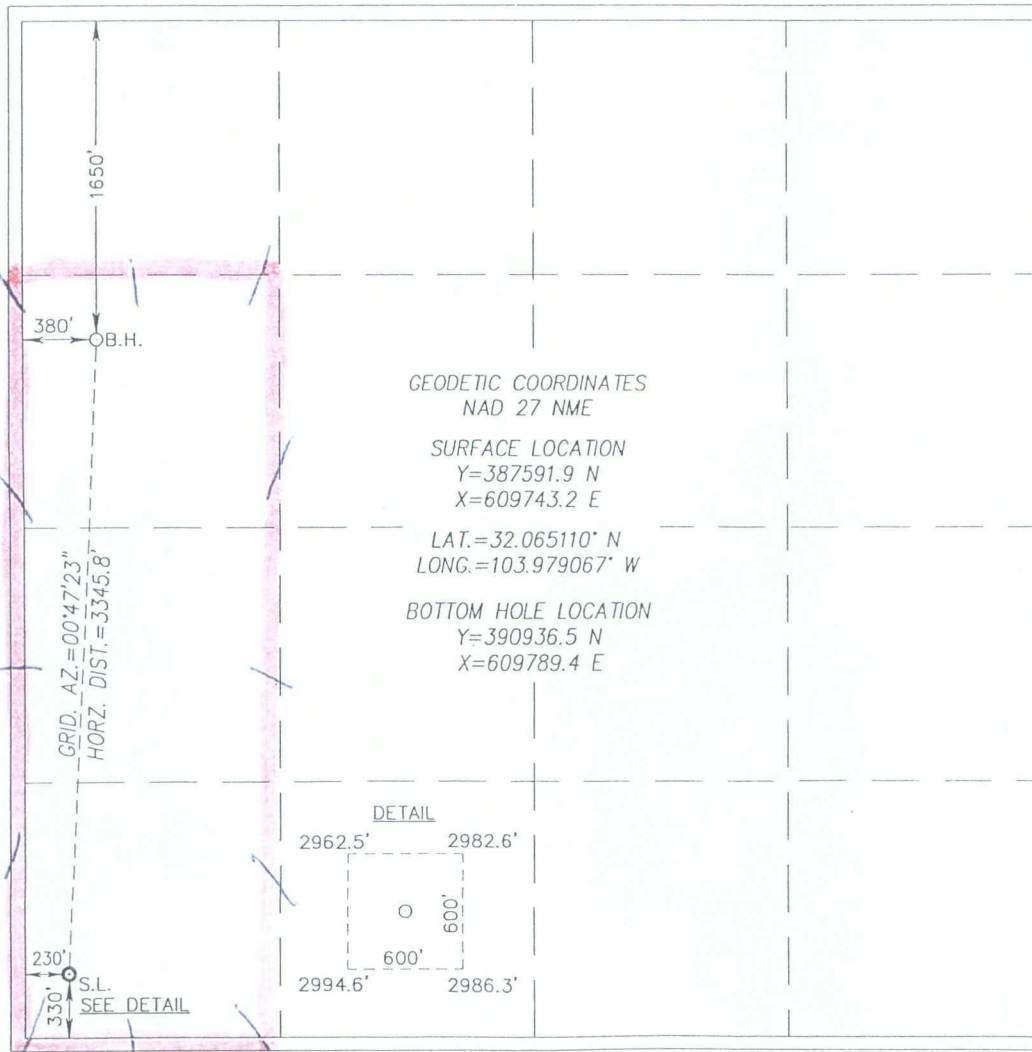
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 3 | 26-S | 29-E | | 330 | SOUTH | 230 | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | 3 | 26-S | 29-E | | 1650 | NORTH | 380 | WEST | EDDY |

| | | | |
|------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 120 | Joint or Infill | 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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Nancy T. Agnew 3/22/10
Signature Date

Nancy T. Agnew
Printed Name

SURVEYOR CERTIFICATION

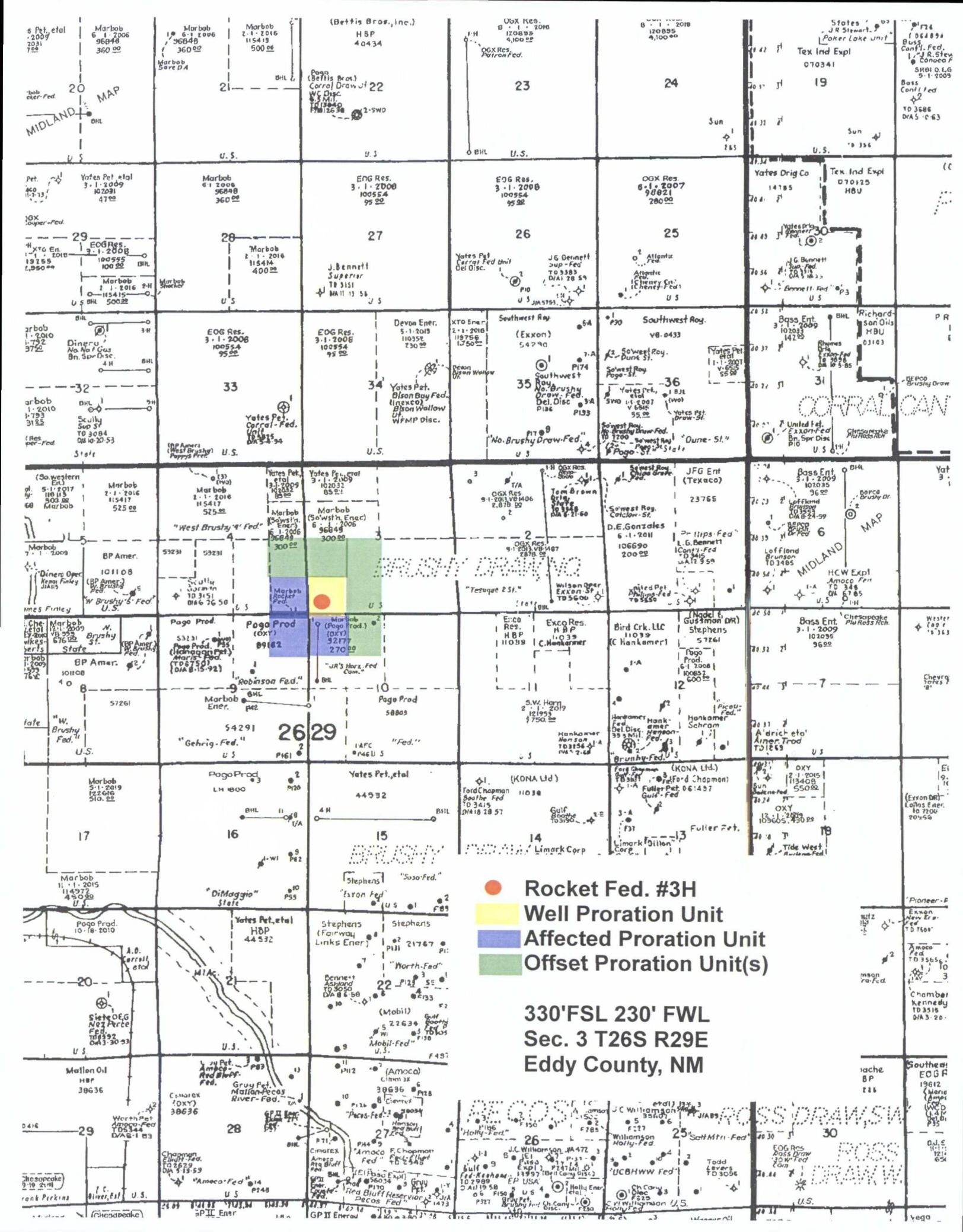
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

FEBRUARY 12, 2010

Date Surveyed
Signature & Seal of Professional Surveyor

Gary G. Eidson 3/15/10
10.13.0321

Certificate No. GARY G. EIDSON 12641
RONALD J. EIDSON 3239





May 24, 2010

Fax & Certified Mail

Occidental O & G Corporation
5 Greenway Plaza, Suite 110
P.O. Box 27570
Houston, TX 77227

RE: Unorthodox Location
Administrative Approval Request
Rocket Federal #3H
SHL:330' FSL 230' FWL
BHL:1650' FNL380' FWL
Section 3, T-26S R-29E
Eddy County, New Mexico

To Whom It May Concern:

OXY USA INC. is the operator of leasehold within the notice area of this proposed location. This letter serves as notice of our application for approval of this project. A copy of the full application is enclosed for your review. If you have any objection to this application please timely file your objection with New Mexico Oil Conservation Division (NMOCD) in Santa Fe within 20 days of this notice. If you have any questions regarding our application please contact me.

Sincerely,

William Miller
Land Department

/wm
Attachments

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, May 27, 2010 11:04 AM
To: 'William Miller'
Subject: Rocket Federal #3H and Rocket Federal #5H NSL applications

Dear Mr. Mill

I have looked at the referenced applications.

For each of these horizontal wells, we need to know the footage location of the "penetration point" of the Bone Spring formation, as that term is defined in Rule 16.7.F.

Also, where the applicant is the operator of an affected spacing unit, Rule 4.12.A(2)(b) requires that notice be given to working interest owners unless working interest ownership in the affected unit is identical to that in the unit where the well will be located. In the #5H application, you have included proof of notice to Yates whom you indicate is a working interest owner in one or more of the affected units, but you have not expressly stated whether Yates is the only such working interest owner. In the #3H application, I find no statement concerning working interest ownership in the affected units.

We will appreciate your supplying the above-requested information.

Sincerely

David K. Brooks
Legal Examiner

Brooks, David K., EMNRD

From: William Miller [wmiller@marbob.com]
Sent: Tuesday, June 01, 2010 12:17 PM
To: Brooks, David K., EMNRD
Subject: Rocket Fed. #3H
Attachments: yates Rocket #3.pdf

Mr. Brooks,

Attached is a copy of the letter mailed to Yates. The entire application is attached to Yates but I have only provided you the letter to them. Thank you.

William Miller
Marbob Energy Corp.



marbob
energy corporation

June 1, 2010

Fax & Certified Mail

Yates Petroleum Corp.
105 South 4th Street
Artesia, NM 88210

RE: Unorthodox Location
Administrative Approval Request
Rocket Federal #3H
SHL:330' FSL 230' FWL
BHL:1650' FNL380' FWL
Section 3, T-26S R-29E
Eddy County, New Mexico

To Whom It May Concern:

Yates Petroleum Corp. is a working interest owner within the notice area of this proposed location. This letter serves as notice of our application for approval of this project. A copy of the full application is enclosed for your review. If you have any objection to this application please timely file your objection with New Mexico Oil Conservation Division (NMOCD) in Santa Fe within 20 days of this notice. If you have any questions regarding our application please contact me.

Sincerely,

William Miller
Land Department

/wm
Attachments

Brooks, David K., EMNRD

From: William Miller [wmiller@marbob.com]
Sent: Tuesday, June 01, 2010 11:44 AM
To: Brooks, David K., EMNRD
Subject: RE: Rocket Federal #3H and Rocket Federal #5H NSL applications

Mr. Brooks,

The penetration point for both wells will be the same as the surface location.

As far as the working interest owners, notice will be sent and a copy furnished to you. The N/2N/2 of sec. 10 is Yates & Marbob. Yates has been notified. The NE/4 of sec. 9 is OXY, Yates, Marbob. Oxy has been notified already and I will send notification to Yates. The E/2SE/4 is all marbob. Thank you.

William Miller
Marbob Energy Corp.

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Thursday, May 27, 2010 11:04 AM
To: William Miller
Subject: Rocket Federal #3H and Rocket Federal #5H NSL applications

Dear Mr. Mill

I have looked at the referenced applications.

For each of these horizontal wells, we need to know the footage location of the "penetration point" of the Bone Spring formation, as that term is defined in Rule 16.7.F.

Also, where the applicant is the operator of an affected spacing unit, Rule 4.12.A(2)(b) requires that notice be given to working interest owners unless working interest ownership in the affected unit is identical to that in the unit where the well will be located. In the #5H application, you have included proof of notice to Yates whom you indicate is a working interest owner in one or more of the affected units, but you have not expressly stated whether Yates is the only such working interest owner. In the #3H application, I find no statement concerning working interest ownership in the affected units.

We will appreciate your supplying the above-requested information.

Sincerely

David K. Brooks
Legal Examiner

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