

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

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

**CASE NOS. 13350 and 13349**

**APPLICATION OF MARBOB ENERGY  
CORPORATION FOR STATUTORY  
UNITIZATION OF THE DODD FEDERAL UNIT  
AREA AND TO AUTHORIZE UNORTHODOX  
WELL LOCATIONS IN THE DODD FEDERAL  
UNIT, EDDY COUNTY, NEW MEXICO.**

2004 OCT 1 PM 1 01

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Mr. Raye Miller  
Marbob Energy Corporation  
Post Office Box 227  
Artesia, New Mexico 88211-0227  
(505) 748-3303

**ATTORNEY**

William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

**STATEMENT OF CASE**

APPLICANT

Applicant in the above-styled cause, seeks an order unitizing, for the purpose of an enhanced recovery project, all mineral interest in the Seven Rivers, Queen Grayburg, San Andres, formations, Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool and the Glorieta and Yeso/Paddock formations, East Empire-Yeso Pool, underlying 2400.00 acres, more or less, of Federal lands in the following acreage:

**TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM**

Section 10:	E/2, E/2 W/2
Section 11:	All
Section 14:	All
Section 15:	E/2
Section 22:	SE/4, SE/4 SW/4, E/2 NE/4, SW/4 NE/4

Said unit to be designated the Dodd Federal Unit.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Said unit area is located approximately 3.3 miles West of Loco Hills, New Mexico.

Further, applicant seeks authority to drill producing wells at unorthodox locations within its Dodd Federal Unit located in portions of Township 17 South, Range 29 East, NMPM, provided said locations shall be no closer than 330 feet to the outer boundary of the Unit Area nor closer than 25 feet to any quarter section line or quarter-quarter section line. Said unit to be designated the Dodd Federal Unit.

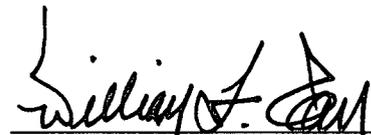
**PROPOSED EVIDENCE**

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Raye Miller (Practical Oil Man)	Approx. 25 Minutes	Approx. 16

**PROCEDURAL MATTERS**

Marbob Energy Corporation requests that case 13349 and 13350 be merged for purposes of hearing.

  
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William F. Carr  
Attorney for Marbob Energy Corporation