

October 26, 2004

BY HAND DELIVERY

Mr. Mark E. Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13385

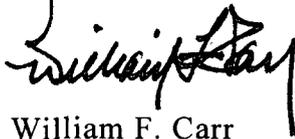
2004 OCT 26 PM 3 49

Re: Application of Marbob Energy Corporation for authorization to conduct waterflood operations in the Dodd Federal Unit Area through existing and future injection wells, Eddy County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the application of Marbob Energy Corporation in the above-referenced case as well as a copy of a legal advertisement. Marbob Energy Corporation requests that this matter be placed on the docket for the November 18, 2004 Examiner hearings.

Very truly yours,


William F. Carr

Enclosures

cc: Mr. Raye Miller
Marbob Energy Corporation

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

IN THE MATTER OF THE APPLICATION OF MARBOB ENERGY CORPORATION FOR AUTHORIZATION TO CONDUCT WATERFLOOD OPERATIONS IN THE DODD FEDERAL UNIT AREA THROUGH EXISTING AND FUTURE INJECTION WELLS, EDDY COUNTY, NEW MEXICO.

CASE NO. 13385

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APPLICATION

MARBOB ENERGY CORPORATION ("Marbob"), through its undersigned attorneys, makes application to the New Mexico Oil Conservation Division for an order authorizing Marbob Energy Corporation to conduct waterflood operations in the Dodd Federal Unit Area, comprised of 2400 acres, more or less, of Federal lands located in Eddy County, New Mexico, and in support of its application states:

1. In Oil Conservation Division Case No. 13350, heard by a Division Examiner on October 7, 2004, Marbob Energy Corporation seeks an order pursuant to the Statutory Unitization Act providing for unitized management, operation and further development of a portion of the Seven Rivers, Queen, Grayburg and San Andres, formations, Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool and the Glorieta Yeso (Paddock) formation, East Empire-Yeso Pool from the surface to a depth not to exceed 5000 feet. The proposed unit area is comprised of 2400.00 acres, more or less, of Federal lands located in Eddy County, New Mexico, and is more particularly described as follows:

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

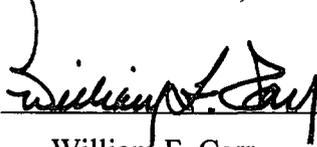
2. The vertical limits of the unitized formation to be included within the proposed Unit Area extends from the top of the Seven Rivers Formation to the base of the Glorieta Yeso (Paddock) formation as reflected on the Spectral Density Dual Spaced Neutron Log for the Marbob Energy Corporation's Mary Dodd "B" Deep No. 2 Well located 1980 feet from the South line and 1295 feet from the East line of Section 14, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

3. Marbob proposes to conduct waterflood operations in the unit area using injections wells that have previously approved by the Division and additional wells to be drilled or converted to injection at a later date. the current injection wells are identified on Exhibit A to this application.

4. Approval of this application and the implementation of waterflood operations within the unit area of the proposed Dodd Federal Unit will result in the recovery of hydrocarbons that otherwise would be wasted and will be in the best interest of conservation and the protection of correlative rights.

WHEREFORE, Marbob Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 18, 2004 and that, after notice and hearing as required by law, the Division enter its order authorizing Marbob to conduct waterflood operations in the Dodd Federal Unit Area.

Respectfully submitted,
HOLLAND & HART, L.L.P.

By: 

William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR MARBOB ENERGY
CORPORATION

EXHIBIT A

**OIL CONSERVATION DIVISION APPROVED INJECTION WELLS
PROPOSED DODD FEDERAL UNIT
EDDY COUNTY, NEW MEXICO.**

<u>Injection Well</u>	<u>U-S-T-R</u>	<u>API No.</u>	<u>Order No.</u>	<u>Order Date</u>
Mary Dodd A #19	J-15-17S-29E	30-015-02989	R-3013	12/03/65
Mary Dodd A #20	L-14-17S-29E	30-015-02981	R-3013	12/03/65
Mary Dodd B #08	D-14-17S-29E	30-015-02980	WFX-254	02/02/67
Mary Dodd B #16	B-15-17S-29E	30-015-02994	WFX-258	03/25/67
Mary Dodd B #20	P-10-17S-29E	30-015-20028	WFX-258	03/25/67
Mary Dodd B #21	N-11-17S-29E	30-015-20029	WFX-258	03/25/67
Mary Dodd B #27	L-11-17S-29E	30-015-20081	WFX-268	04/25/68
Mary Dodd B #28	J-10-17S-29E	30-015-20162	WFX-268	04/25/68
Mary Dodd B #30	H-10-17S-29E	30-015-20165	WFX-268A	09/13/68
Mary Dodd B #32	F-11-17S-29E	30-015-20167	WFX-298	10/02/68
Boyd Dodd B #04	J-11-17S-29E	30-015-02948	WFX-288	04/25/68
Boyd Dodd B #05	P-11-17S-29E	30-015-02950	WFX-288	04/25/68

CASE 13385: **Application of Marbob Energy Corporation for authorization to conduct waterflood operations in the Dodd Federal Unit Area through existing and future injection wells, Eddy County, New Mexico.** Applicant in the above-styled cause, seeks an order authorizing waterflood operations in its proposed Dodd Federal Unit Area 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 area is located approximately 3.3 miles West of Loco Hills, New Mexico.

October 28, 2004

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

TO ALL AFFECTED INTEREST OWNERS

Re: Application of Marbob Energy Corporation for authorization to conduct waterflood operations in the Dodd Federal Unit Area through existing and future injection wells, Eddy County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Marbob Energy Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking authorization to conduct waterflood operations in its proposed Dodd Federal Unit Area through existing and future wells. The proposed unitized interval includes all formations from the top of the Seven Rivers formation to the base of the Glorieta Yeso (Paddock) formation, underlying 2400.00 acres, more or less, of Federal lands comprised of the following described 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

This application has been set for hearing before a Division Examiner on November 18, 2004. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-hearing Statement three days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all

HOLLAND & HART^{LLP}



witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read 'William F. Carr'.

William F. Carr

ATTORNEY FOR MARBOB ENERGY CORPORATION

cc: Mr. Raye Miller
Marbob Energy Corporation