

March 4, 2005

**BY HAND DELIVERY**

Oil Conservation Commission  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Attention: Florene Davidson

Re: New Mexico Oil Conservation Division Case 13348 (DE NOVO):  
Application of Marbob Energy Corporation for compulsory pooling, Eddy  
County, New Mexico.

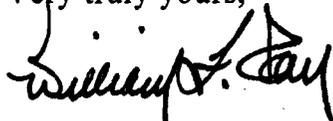
2005 MAR 4 PM 3 28

Dear Ms. Davidson;

Enclosed for filing are the Pre-Hearing Statement and exhibits that Marbob Energy Corporation will present at the March 8, 2005 Oil Conservation Commission hearing in the above-referenced case.

By copy of this letter, I have provided copies of these exhibits to Commissioners Mark E. Fesmire, P. E., Jamie Bailey, and Frank Chaves and to David K. Brooks, Esq., Attorney for the Oil Conservation Commission, James Bruce, Esq., attorney for Mary T. Ard, *et al.*

Very truly yours,



William F. Carr  
Attorney for Marbob Energy Corporation

Enc.

Mark E. Fesmire, P. E., Chairman  
Oil Conservation Commission  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**HOLLAND & HART** 

**Jami C. Bailey, Commissioner  
Oil Conservation Commission  
New Mexico State Land Office  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87504**

**Frank Chaves, Commissioner  
2104 East 17th Street  
Farmington, New Mexico 87401**

**David K. Brooks, Esq.  
Assistant Attorney General  
Oil Conservation Commission  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505**

**James Bruce, Esq.  
Attorney at Law  
369 Montezuma, No. 213  
Santa Fe, New Mexico 87501**

**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 NO. 13348  
DE NOVO**

**APPLICATION OF MARBOB ENERGY CORPORATION FOR  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.**

**2005 MAR 4 PM 3:28**

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Rules of 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

**OPPOSITION**

Mary T. Ard, Mary T. Ard, Trustee of the  
Edward Hudson Trust 4, Ard Energy Group,  
Ltd., and Ard Oil, Ltd.

**ATTORNEY**

James Bruce, Esq.  
369 Montezuma, No. 213  
Santa Fe, New Mexico 87501  
(505) 982-2043

**STATEMENT OF CASE**

**APPLICANT**

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 12, Township 17 South, Range 31 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Fren-Morrow Gas Pool,; the SW/4 for all formations and/or pools developed on 160-acre spacing; and the NE/4 SW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool and the Undesignated East Fren-Paddock Pool. Said units are to be dedicated to its Knockabout Federal Well No. 1 to be drilled at a standard gas well location 1830 feet from the South line and 1980 feet from the West line (Unit K) of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Hudson Oil Company of Texas as operator of the well and a charge for risk involved in drilling said well

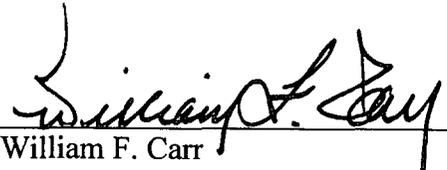
**PROPOSED EVIDENCE**

**APPLICANT**

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Raye Miller (Practical Oil Man)	Approx. 20 Minutes	Approx. 5
Randall Hudson (May Call)		None

**PROCEDURAL MATTERS**

Marbob Energy Corporation has none at this time.

  
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William F. Carr  
Attorney for Marbob Energy Corporation

**CERTIFICATE OF SERVICE**

I certify that on March 4, 2005, I served a copy of the foregoing document by hand delivery to the following:

James Bruce, Esq.  
Attorney for Mary T. Ard *et al.*  
369 Montezuma, No. 213  
Santa Fe, New Mexico 87501

David K. Brooks, Esq.  
Oil Conservation Commission  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

  
\_\_\_\_\_  
William F. Carr