

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

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

CASE NO. 13509

AFFIDAVIT OF RAYE MILLER

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13509 Exhibit No. 1

Submitted by:

Marbob Energy Corporation

Hearing Date: June 30, 2005

STATE OF NEW MEXICO)
) ss.
COUNTY OF EDDY)

I, Raye Miller, being first duly sworn on oath, states as follows:

1. My name is Raye Miller. I reside in Artesia, New Mexico. I am the Secretary-Treasurer of Marbob Energy Corporation ("Marbob") and I am familiar with the status of the lands in Section 30, Township 18 South, Range 28 East, N.M.P.M., Lea County, New Mexico.

2. Marbob seeks an order pooling a working interest owner in the N/2 of Section 30 from a depth 500 feet below the top of the San Andres formation to the base of the Morrow formation to form a standard N/2 320-acre spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently includes but is not necessarily limited to the North Illinois Camp-Morrow Gas Pool.

3. Marbob owns a working interest in the N/2 of said Section 30 and has dedicated this proposed spacing unit to its Nichols State Well No. 1 (API 30-015-33372) that has been drilled a standard gas well location 1370 feet from the North line and 1500 feet from the East line (Unit G) of said Section 30 to an approximate depth of 10,831 feet. Attachment A is a plat of the subject lands showing the proposed spacing unit and the well location.

4. **The proposed Unit consists entirely of State of New Mexico oil and gas leases.-** Attachment B lists the nature and percentage of the ownership interests in the subject spacing and proration unit. A diligent search was conducted of all public records in the county where the well is located and of phone directories, including computer searches.

5. All mineral owners in the Unit have voluntarily agreed to pool their interests. This application has been instituted solely to pool the interest of a record title owner, Margaret Boller Nichols, P.O. Box 25227, Dallas, Texas 75225, who has committed her interest to the unit but has not executed the communitization agreement. Marbob has made the following attempts to secure Ms. Nichol's signature:

- a. Certified mail dated 2/7/05, signed for 2/22/05
- b. Follow up fax dated 4/22/05
- c. Certified mail dated 5/19/05

6. Marbob has been informed by the New Mexico State Land Office that to before it can approve a communitization agreement, it will be necessary to have Ms. Nichols sign this agreement, however, if her signature cannot be obtained, the New Mexico State Land Office requires that Marbob obtain a pooling order from the Oil Conservation Division.

7. Marbob proposes overhead charges (combined fixed rates) of \$505.00 per month while producing.

8. Attachment C is a copy of the authorization for expenditure (AFE) submitted to all interest owners.

9. Since Marbob has been unable to obtain Mrs. Nichols signature on the Communitization Agreement, Marbob requests that Ms. Nichols interest be pooled and Marbob designated operator of the well and spacing unit.

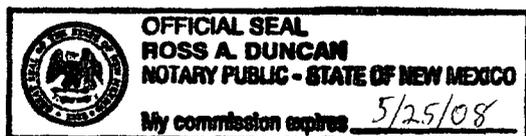
10. Attachment D is the letter giving proper notice of this hearing to Ms. Nichols.

11. Approval of this application will avoid the drilling of unnecessary wells, will prevent waste, will protect correlative rights, and allow Marbob and the other interest owners in the N/2 of Section 30 an opportunity to obtain their just and fair share of the oil and gas under the subject lands.

FURTHER AFFIANT SAYETH NOT.

Ray Miller

SUBSCRIBED AND SWORN before me on this 15th day of June, 2005.



[Signature]
Notary Public

My Commission Expires:
5/25/08