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William F. Carr

wcarr@hollandhart.com

July 1, 2003

**HAND-DELIVERED**

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

**RECEIVED**

JUL 1 2003

Oil Conservation Division

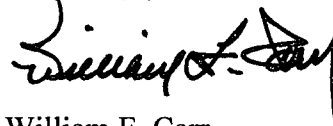
*Case 13/09*

Re: Application of Marbob Energy Corporation for an unorthodox well location, Eddy  
County, New Mexico.

Dear Ms. Wrotenbery:

Enclosed in duplicate is the Application of Marbob Energy Corporation in the above-referenced case as well as a copy of the legal advertisement. Marbob Energy Corporation requests that this matter be placed on the docket for the July 24, 2003 Examiner hearings.

Very truly yours,



William F. Carr

Enclosures

cc: Mr. Raye Miller  
Mr. Brent may  
Mr. Dean Chumbley  
Marbob Energy Corporation  
Post Office Box 227  
Artesia, New Mexico 88211-0227

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

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JUL 1 2003

Oil Conservation Division

**IN THE MATTER OF THE APPLICATION  
OF MARBOB ENERGY CORPORATION  
FOR AN UNORTHODOX WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 13109**

**APPLICATION**

MARBOB ENERGY CORPORATION, ("Marbob") through its undersigned attorneys, hereby makes application for an exception to Oil Conservation Division Rule 104.B(1), revised by Division Order No. R- 11231, issued in Case 12119, dated August 12, 1999, for its Zarafa "FF" Federal Well No. 2 at an unorthodox well location 1650 feet from the South line and 2550 feet from the West line (Unit K) of Section 12, Township 21 South, Range 24 East, NMPM, in the Undesignated Southeast Cemetery-Morrow Gas Pool, Eddy County, New Mexico, and in support of its application states:

1. Marbob Energy Corporation is a working interest owner in the W/2 of said Section 12 and has the right to drill thereon.
2. By administrative application dated May 19, 2003, Marbob sought approval of an unorthodox well location for its proposed Zarafa "FF" Federal Well No. 2 which it proposes to drill at a point 1650 feet from the South line and 2550 feet from the West line of said Section 12 to test the Morrow formation, Undesignated Southeast Cemetery-Morrow Gas Pool. This location will also be unorthodox in formations developed on 160-acre spacing, 80-acre spacing, if any, and 40-acre spacing.
3. Marbob originally staked this well at a standard well location 1980 feet from the North and West line of the section but the BLM required the well be moved for topographic reasons and will only approve the proposed unorthodox location for the well on this spacing unit. All acreage dedicated to the well is federal land and the BLM has approved the APD for the well.
4. There is substantial risk associated with the drilling of the proposed well and the additional costs associated with directional drilling of the well to a standard location would the well economically impractical and it would not be drilled.

5. The well is unorthodox only toward the eastern boundary of the dedicated spacing unit and the only "affected party" is Como Petroleum Corporation. Como Petroleum Corporation is a partner with Marbob in this area and has waived objection to the proposed location.

6. Approval of this location will be in the best interest of conservation, will prevent waste and will not impair the correlative rights of any interest owner.

WHEREFORE, Marbob Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 24, 2003 and, after notice and hearing as required by law, the Division enter its order granting an exception to the provisions of Rule 104.B(1) and approving an unorthodox location for its Zarafa "FF" Federal Well No. 2 at a point 1650 feet from the South line and 2550 feet from the West line (Unit K) of Section 12, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.

Respectfully submitted,  
HOLLAND & HART LLP

By: 

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

ATTORNEYS FOR MARBOB ENERGY  
CORPORATION

**EXHIBIT A**

**APPLICATION OF  
MARBOB ENERGY CORPORATION.  
FOR AN UNORTHODOX WELL LOCATION  
W/2 OF SECTION 12, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M.  
EDDY COUNTY, NEW MEXICO.**

Como Petroleum Corporation  
Post Office Box 1227  
Roswell New Mexico 88202  
Attention: Mark Robinson

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
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6043

William F. Carr  
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July 3, 2003

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Como Petroleum Corporation  
Post Office Box 1227  
Roswell, New Mexico 88202

Re: Application of Marbob Energy Corporation for an unorthodox well location, Eddy  
County, New Mexico.

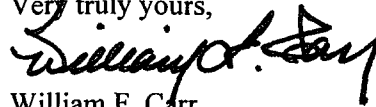
Ladies and Gentlemen:

This letter is to advise you that Marbob Energy Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking approval of an unorthodox well location for its proposed Zarafa "FF" Federal Well No. 2 to be drilled at an unorthodox well location 1650 feet from the South line and 2550 feet from the West line (Unit K) of Section 12, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico to test all formations to the base of the Morrow-formation, Undesignated Southeast Cemetery-Morrow Gas Pool. The W/2 of Section 12 will be dedicated to the well and the location is unorthodox in all formations.

This application has been set for hearing before a Division Examiner on July 24, 2003. 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 with the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all 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,



William F. Carr

cc: Raye Miller