

Zarafa FF Federal #2
 1650' FSL & 2550' FWL
 Section 12, T21S, R24E
 Eddy County, New Mexico

- Zarafa FF Federal #2 Proration Unit
- Affected Proration Unit
- Offset Proration Unit

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Case No. 13109 Exhibit No. 1
 Submitted by:
MARBOB ENERGY CORPORATION
 Hearing Date: July 24, 2003

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

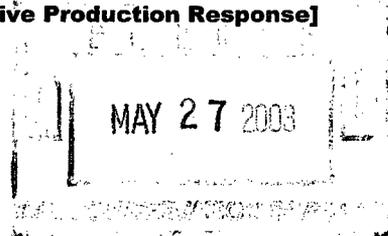
- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____



- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Dean Chumbley
 Print or Type Name

Signature

Land Department
 Title

5/21/03
 Date

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico

Case No. 13109 Exhibit No. 2

Submitted by:

MARBOB ENERGY CORPORATION

Hearing Date: July 24, 2003

land@marbob.com
 e-mail Address



May 19, 2003

New Mexico Oil and Gas Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87504

RE: Application for Administrative Approval of an Unorthodox Location

Gentlemen:

Marbob Energy Corporation respectfully submits the following Application for Administrative Approval of an Unorthodox Location. Marbob Energy Corporation requests approval to drill a Cemetary South Morrow gas well at our Zarafa Federal No. 2 location. The location of the Zarafa Federal No. 2 was staked at 1650' FSL and 2550' FWL in Section 12 of Township 21 South, Range 24 East in Eddy County, New Mexico. The orthodox location at 1980' FNL and 1980' FWL was moved by the BLM due to topographical issues.

The only affected party is Como Petroleum Corporation, who is a partner with Marbob Energy in this area. Attached is a Waiver indicating no opposition to this unorthodox location. Offset operators have been notified of this application via certified mail. The following items have been attached to aid in your review of this application:

- A.) Zarafa Federal No. 2 Form C-102 current location
- B.) Zarafa Federal No. 2 Form C-102 original location
- C.) Plat of well spots and proration units
- D.) Waiver of Como Petroleum Corp. (Affected Party)

Please do not hesitate to contact us should you have any questions or need further information. Thank you for reviewing this Application.

Sincerely,

Dean Chumbley
Land Department

DC/mp
Enclosures

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

MAR 25 2003

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
	97031	CEMETARY; MORROW, SOUTHEAST
Property Code	Property Name	Well Number
25211	ZARAF A FF FEDERAL	2
OGRID No.	Operator Name	Elevation
14049	MARBOB ENERGY CORPORATION	3591'

Surface Location

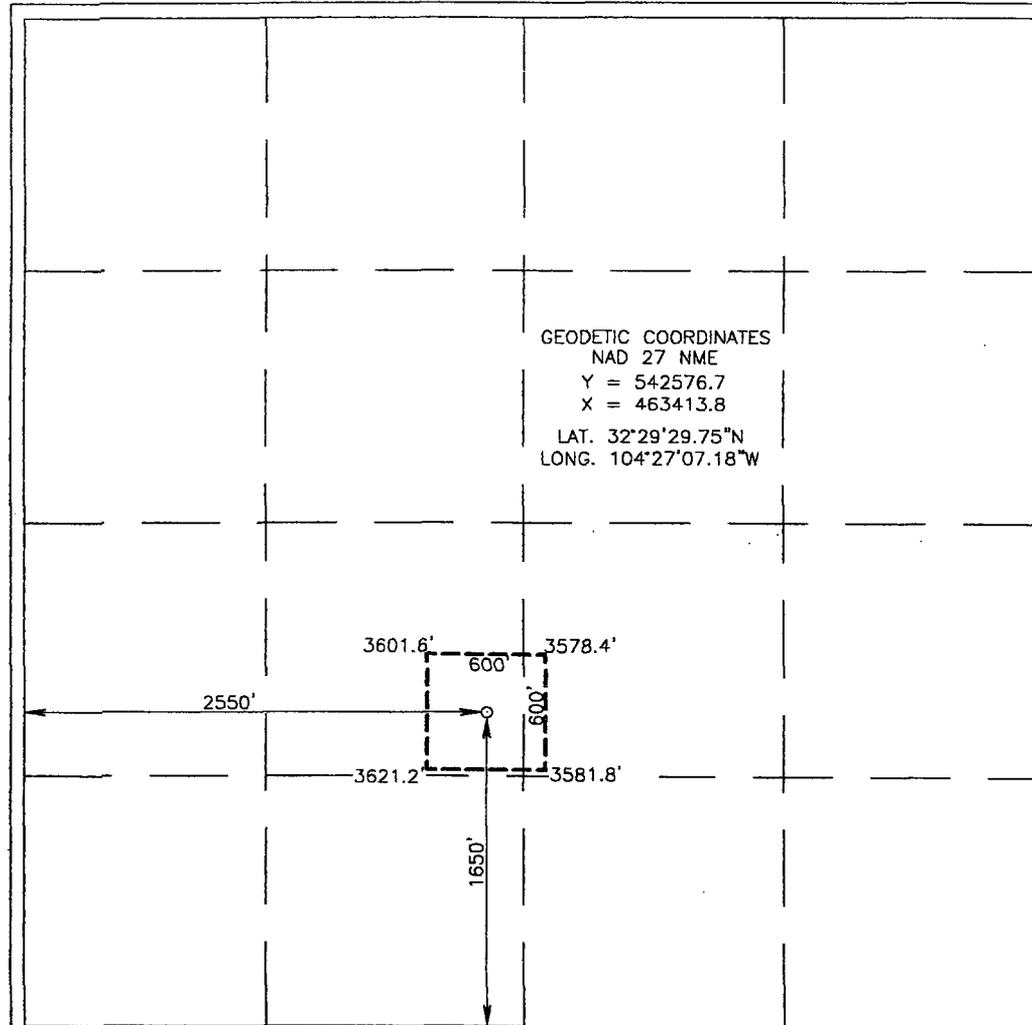
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	12	21-S	24-E		1650	SOUTH	2550	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



GEODETC COORDINATES
NAD 27 NME
Y = 542576.7
X = 463413.8
LAT. 32°29'29.75"N
LONG. 104°27'07.18"W

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Melanie J. Parker
Signature

Melanie J. Parker
Printed Name

Land Department
Title

05/08/03
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 20, 2003

Date Surveyed L.A.

Signature & Seal of Professional Surveyor

Gary E. Eidsen
3/24/03
03.11.0330

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088

MAY 20 2003

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name ZARAF A "FF" FEDERAL	
OGRID No.	Operator Name MARBOB ENERGY CORPORATION	Well Number 2
		Elevation 3654'

Surface Location

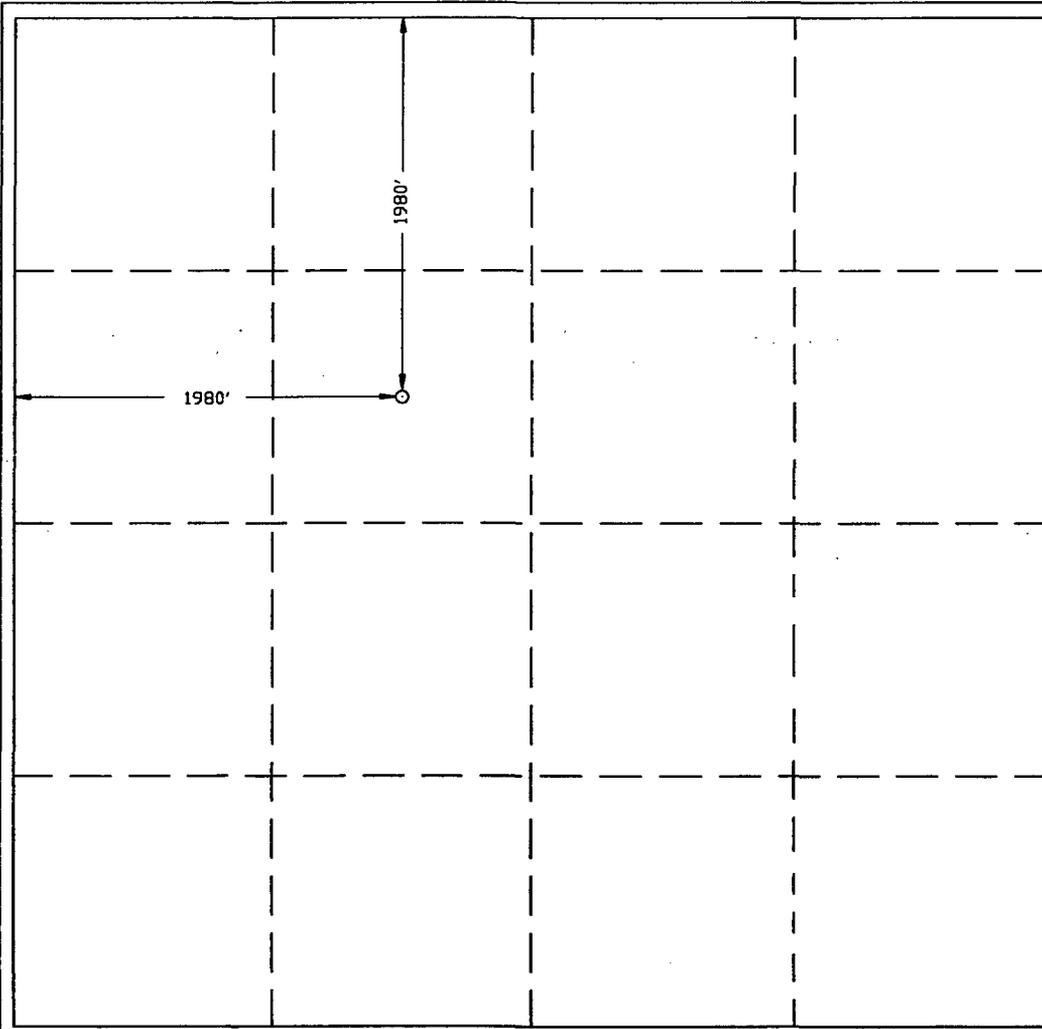
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	12	21-S	24-E		1980'	NORTH	1980'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature _____

Printed Name _____

Title _____

Date _____

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

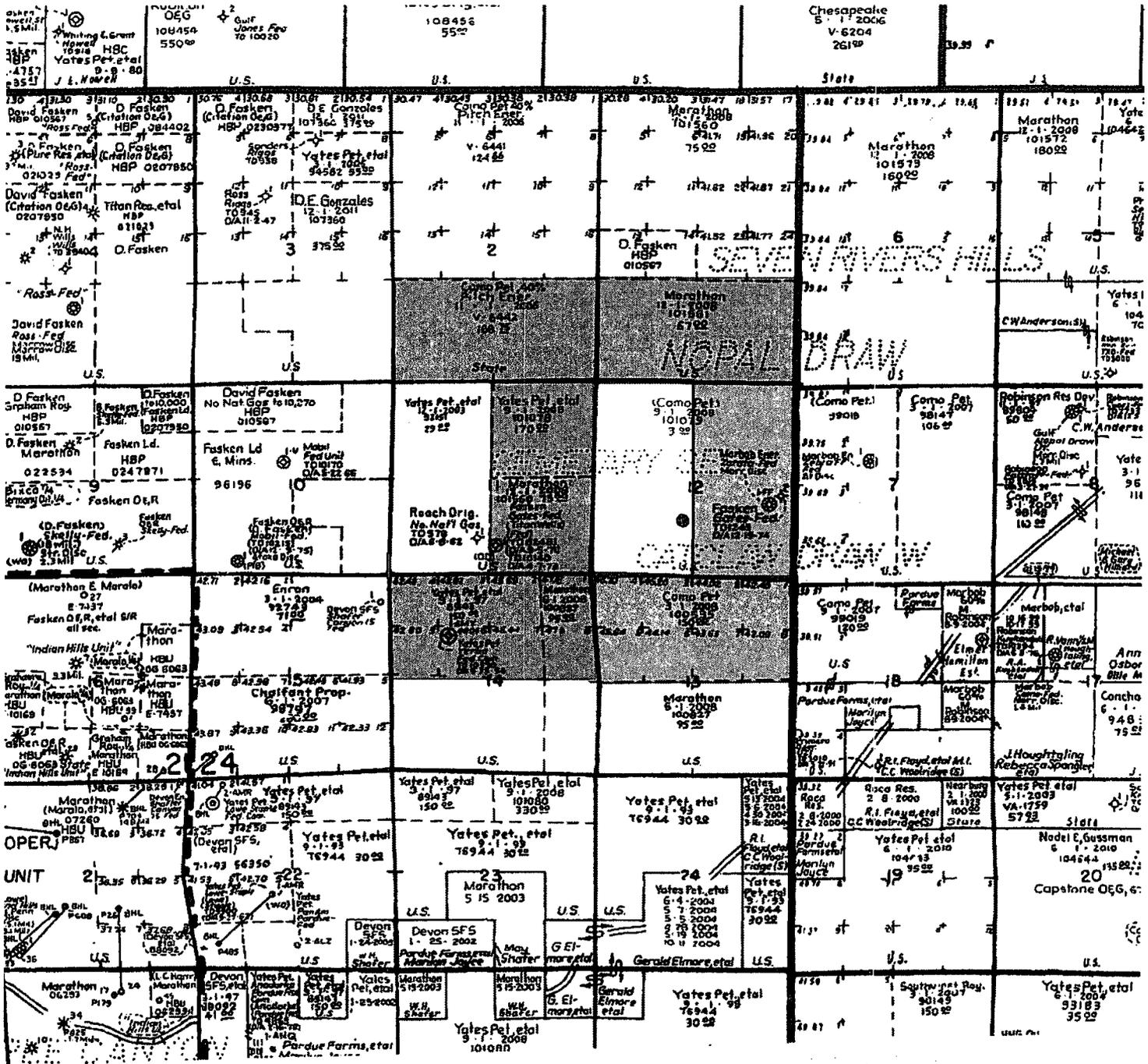
December 12, 2002

Date Surveyed _____ A.W.B

Signature & Seal of Professional Surveyor

Ronald C. Edson 5/19/03
03.11.0950

Certificate No. RONALD C. EDSON 3239
CARY EDSON 12641



Zarafa FF Federal #2
 1650' FSL & 2550' FWL
 Section 12, T21S, R24E
 Eddy County, New Mexico

- Zarafa FF Federal #2 Proration Unit
- Affected Proration Unit
- Offset Proration Unit

WAIVER

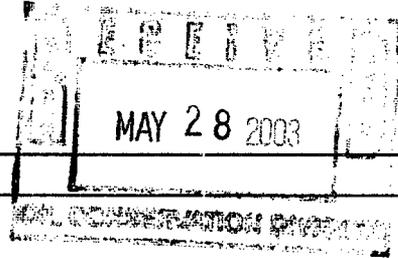
Como Petroleum Corporation hereby waives any and all objections to Marbob Energy Corporation drilling the Zarafa FF Federal No. 2 well at 1650' FSL & 2550' FWL of Section 12-21S-24E, Eddy County, New Mexico

By: Mark L. Robinson

Name: MARK L. ROBINSON

Title: PRESIDENT, COMO PETROLEUM CORP.

Date: 5/21/03



May 23, 2003

New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87504

RE: Unorthodox Location Application
Zarafa FF Federal No. 2
1650' FSL & 2550' FWL
Section 12-21S-24E
Eddy County, New Mexico

Attention: Mr. Michael Stogner

Dear Mr. Stogner

Marbob Energy Corporation submitted an Application to the Oil Conservation Division for the unorthodox location for the above described well earlier this week. When I sent the application, I did not send the copies of proof of notification to the offset operators. Enclosed is a copy of the notices.

Should you have need anything further, please contact me.

Sincerely,

Melanie Parker
Land Department

mp
Enclosure

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> <i>Steve Benson</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: <p style="text-align: center;">MARATHON OIL COMPANY PO BOX 552 MIDLAND TX 79702</p>		B. Received by (<i>Printed Name</i>) <i>STEVE BENSON</i>	
2. Article Number <i>Zarafa NSL</i> (Transfer from service label)		C. Date of Delivery MAY 22 2003	
PS Form 3811, August 2001		D. Is delivery address different from item 1? <input type="checkbox"/> Yes if YES, enter delivery address below: <input type="checkbox"/> No <p style="text-align: center;">MAY 22 2003</p>	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		4. Restricted Delivery? (<i>Extra Fee</i>) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label)		7002 0860 0006 7056 1192	
PS Form 3811, August 2001		Domestic Return Receipt	
		2ACPRI-03-P-4081	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> <i>Kathy Donaghy</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: <p style="text-align: center;">YATES PETROLEUM CORP. 105 S 4TH ST ARTESIA NM 88210</p>		B. Received by (<i>Printed Name</i>) KATHY DONAGHY	
2. Article Number <i>Zarafa NSL</i> (Transfer from service label)		C. Date of Delivery MAY 23 2003	
PS Form 3811, August 2001		D. Is delivery address different from item 1? <input type="checkbox"/> Yes if YES, enter delivery address below: <input type="checkbox"/> No <p style="text-align: center;">MAY 23 2003</p>	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		4. Restricted Delivery? (<i>Extra Fee</i>) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label)		7002 0860 0006 7056 1208	
PS Form 3811, August 2001		Domestic Return Receipt	
		2ACPRI-03-P-4081	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		A. Signature <input checked="" type="checkbox"/> <i>M. J. R.</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: <p style="text-align: center;">COMO PETROLEUM CORPORATION PO BOX 1227 ROSWELL NM 88202-1227</p>		B. Received by (<i>Printed Name</i>) 	
2. Article Number <i>Zarafa #2 NSL Notification</i> (Transfer from service label)		C. Date of Delivery 5-21-03	
PS Form 3811, August 2001		D. Is delivery address different from item 1? <input type="checkbox"/> Yes if YES, enter delivery address below: <input type="checkbox"/> No 	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.		4. Restricted Delivery? (<i>Extra Fee</i>) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label)		7002 0860 0006 7056 0126	
PS Form 3811, August 2001		Domestic Return Receipt	
		2ACPRI-03-P-4081	



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

June 25, 2003

Lori Wrotenbery
Director
Oil Conservation Division

Marbob Energy Corporation
P. O. Box 227
Artesia, New Mexico 88211-0227

Attention: Dean Chumbley

Re: *Administrative application (administrative application reference No. pKRV0-315428161) for an exception to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for Marbob Energy Corporation's proposed Zarafa "FF" Federal Well No. 2 at an unorthodox gas 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, Undesignated Southeast Cemetery-Morrow Gas Pool, Eddy County, New Mexico, within a standard 320-acre stand-up gas spacing unit comprising the W/2 of Section 12.*

Dear Mr. Chumbley:

I have reviewed the subject application and the records of the New Mexico Oil Conservation Division ("Division") concerning this matter, please be advised that:

- (1) with the inception of Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, enacted under Section 70-2-11, NMSA 1978, of the Oil and Gas Act ("Act"), which serves to protect correlative rights while simultaneously promoting the orderly development of oil and gas resources, operators have been given greater flexibility in locating deep gas wells thereby allowing an operator to drill at an optimal location within a 320-acre unit while avoiding surface obstructions; and
- (2) from the information provided, or lack thereof, there appear to be vast areas within the 320-acre unit not affected by "topographical issues" and that adequately meet the perimeters necessary for drilling at a standard deep gas well location within the W/2 of Section 12.

Under Division Rule 104.F (2) your application is neither justified nor warranted; therefore, this application is hereby denied.

As a reminder our pool rules are serious matters for the purpose of orderly development of New Mexico's valuable oil and gas resources. It is very easy to get into a mode of thinking that considers these rules as minor inconveniences and applications for exceptions as "open and shut" issues. Since the primary objective of the recent amendments to the location requirements for deep gas wells in southeast New Mexico (see the record in Case No. 12119) were to grant operators increased flexibility in locating wells and to decrease the number of applications for unorthodox locations, all future location exceptions will require substantial justification, *i.e.*, unusual circumstances. Also, please refer to the findings in Division Order No. R-11364, issued in Case No. 12370 and dated April 28, 2000 (see copy attached) that addressed this issue further.

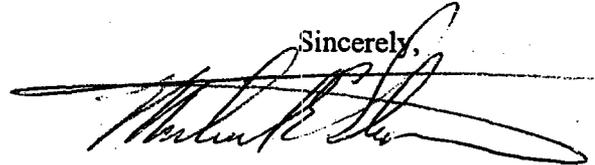
Marbob Energy Corporation

June 25, 2003

Page 2

Thank you for your understanding, cooperation, and continued support in making this newly improved portion of New Mexico's conservation rules a meaningful success.

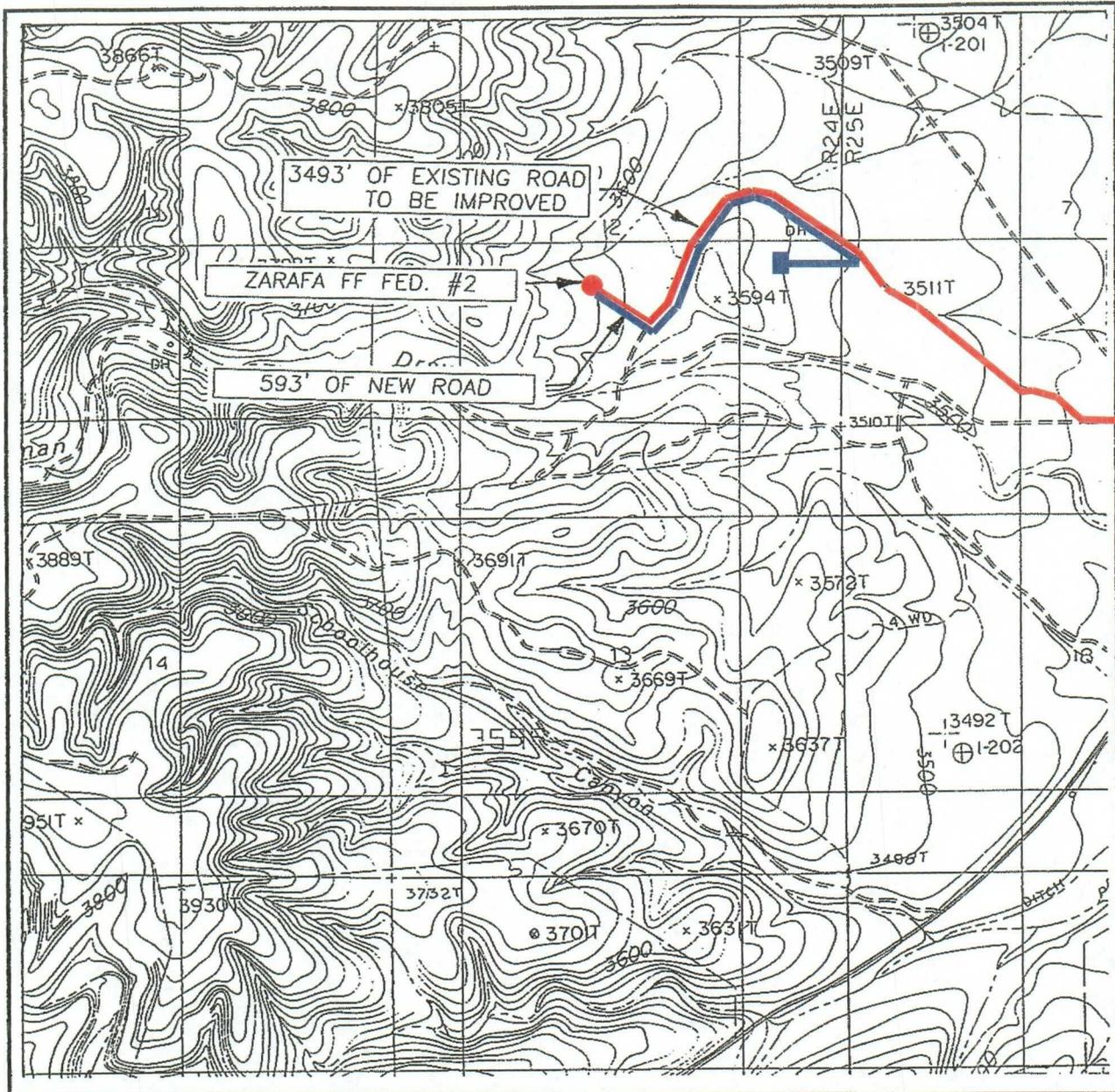
Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
Raye Miller, Marbob Energy Corporation - Artesia
William F. Carr, Legal Counsel for Marbob Energy Corporation - Santa Fe

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
AZOTEA PEAK, N.M.

SEC. 12 TWP. 21-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1650' FSL & 2550' FWL

ELEVATION 3591'

OPERATOR MARBOB ENERGY

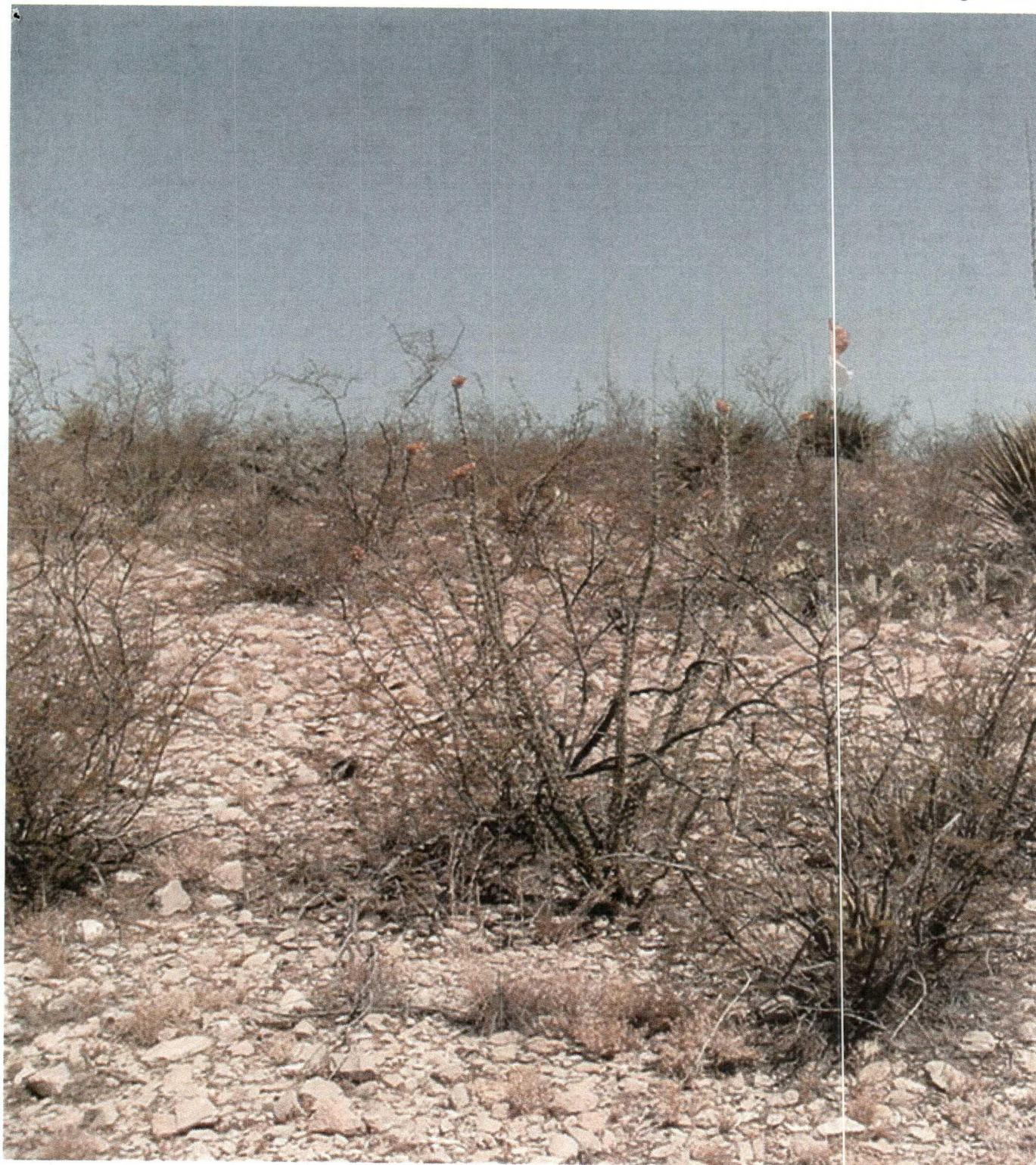
LEASE ZARAFA FF FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
AZOTEA PEAK, N.M.

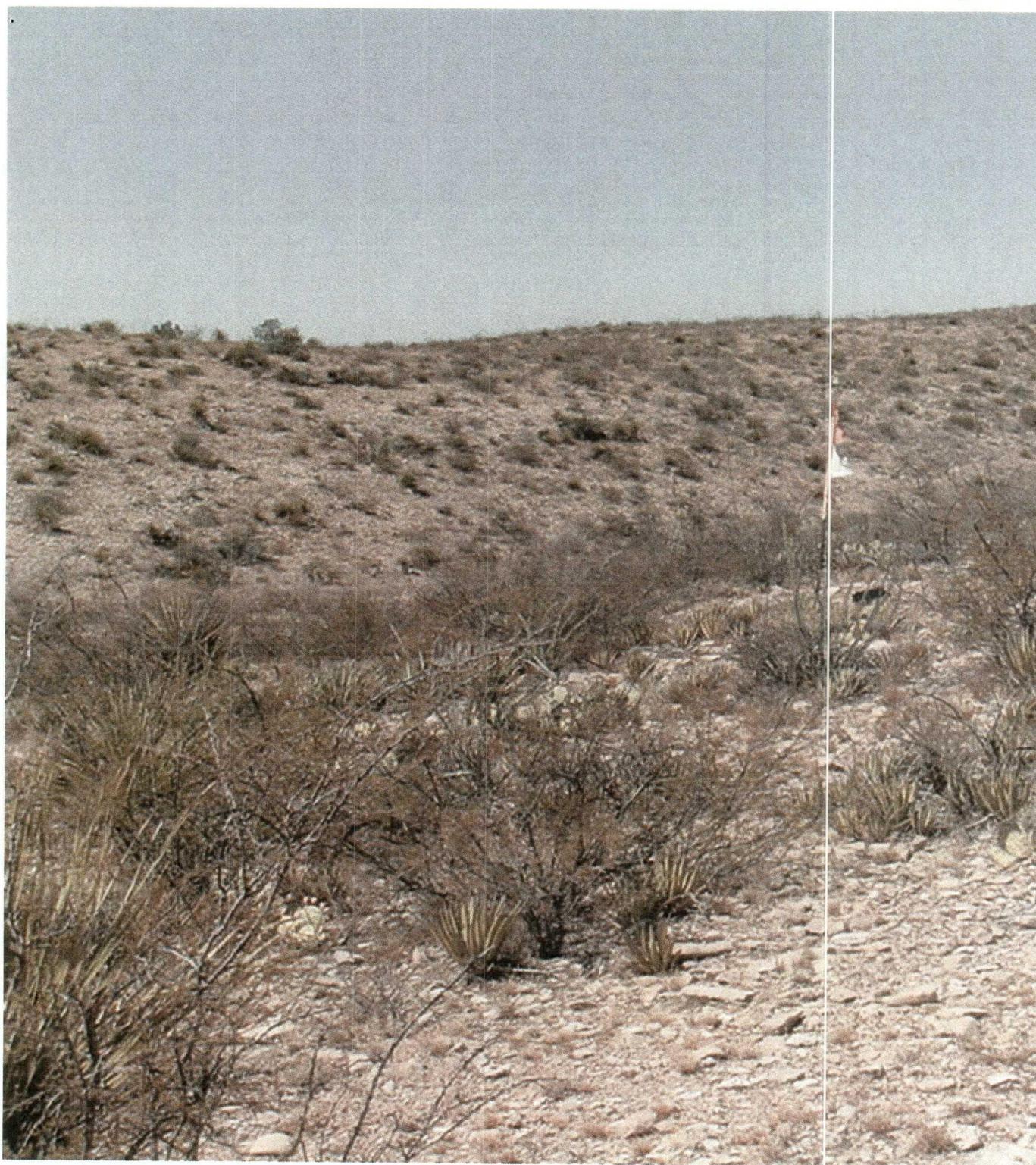
 Road
 Flowline

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

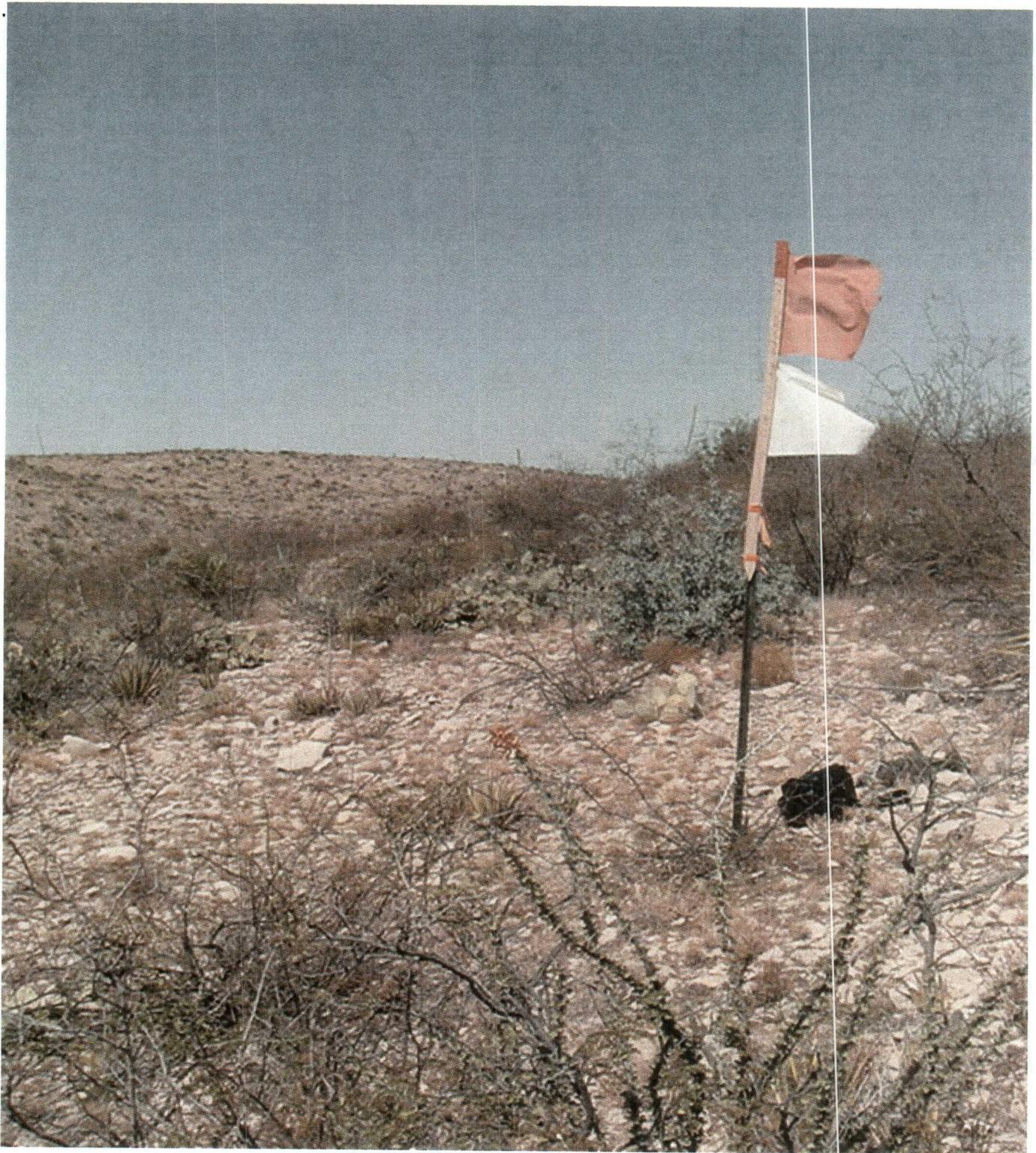
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13109 Exhibit No. 4
Submitted by:
MARBOB ENERGY CORPORATION
Hearing Date: July 24, 2003



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13109 Exhibit No. 5
Submitted by:
MARBOB ENERGY CORPORATION
Hearing Date: July 24, 2003



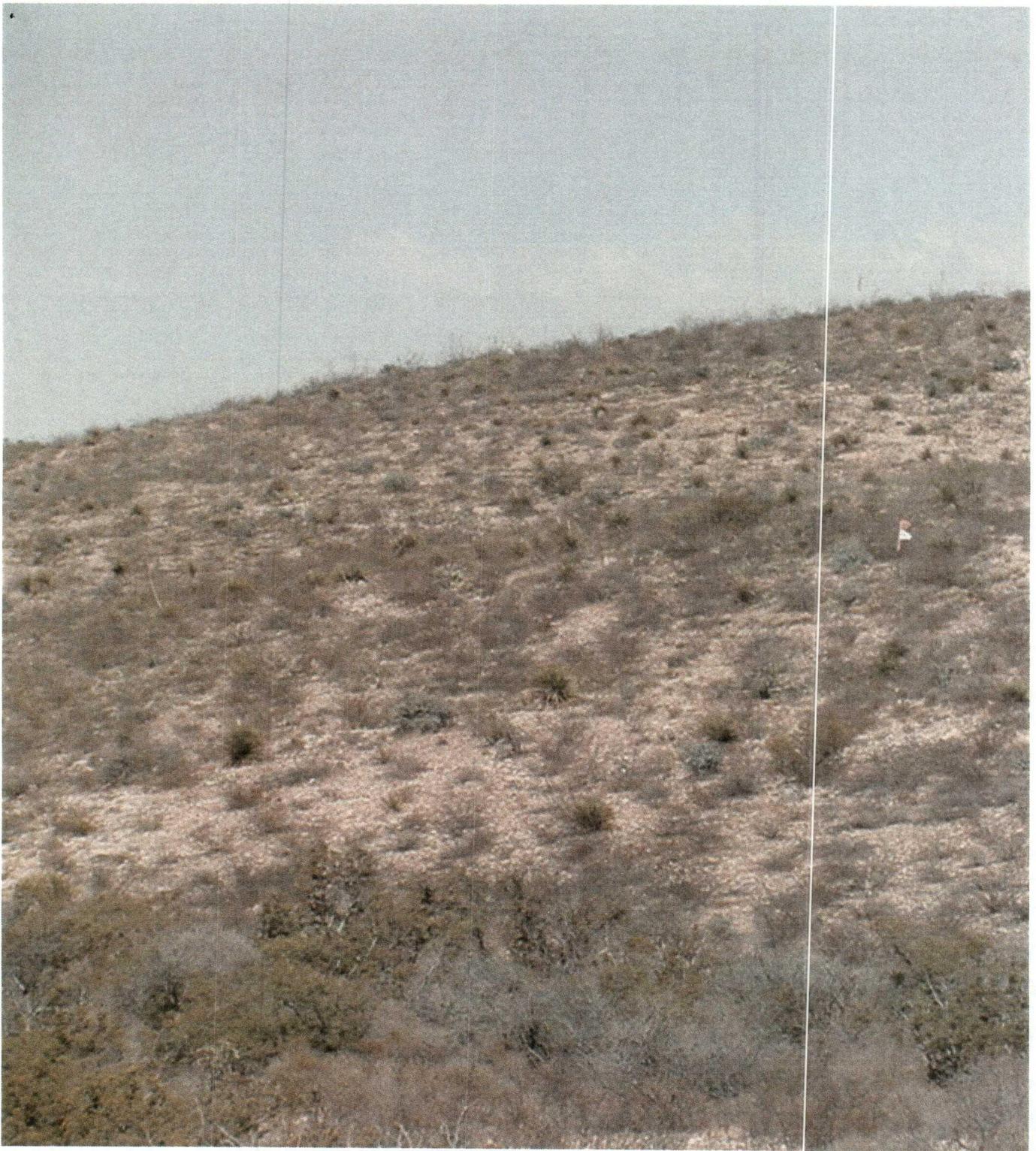






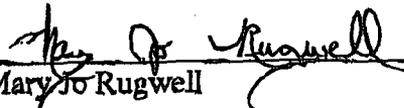




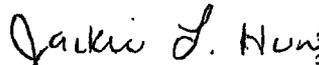


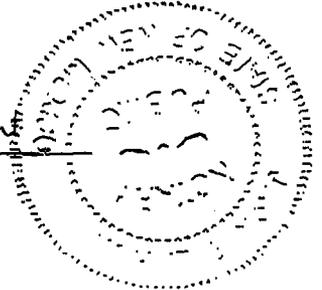
7. The well location proposed by Marbob Energy Corporation for the Zarafa "F?" Federal Well No. 2 at a point 1650 feet from the South line and 2550 feet from the West line of Section 12, Township 21 South, Range 24 East, NMPM, meets BLM surface resources concerns and the BLM has approved Marbob's Application for Permit to Drill the well at this location.

FURTHER AFFIANT SAYETH NOT.


Mary Jo Rugwell

SUBSCRIBED AND SWORN before me on this 22nd day of June 2003.


Notary Public



My Commission Expires:
9-23-06

AUTHORITY FOR EXPENDITURE

AFE NO.	2003-072	LEASE	Zarafa FF	WELL NO.	2
DESCRIPTION	1650' FSL & 2550' FWL, Sec 12-T21S-R24E	COUNTY	Eddy		
STATE	NM	AREA	Cemetary SE	OPERATOR	Marbob Energy Corporation
FORMATION	Morrow			PREPARED BY	Sheryl Baker
TOTAL DEPTH	10,400'	DATE	July 21, 2003		

DRILLING INTANGIBLES

STAKING PERMITS LEGAL FEES ROW
 SITE PREPARATION ROADS & LOC
 DRILLING FOOTAGE CONTRACT
 DRILLING DAYWORK/MOBILIZATION
 EQUIP RNTL MACHINERY/MAN HIRE
 DRILLING WATER, HAULING FUEL
 DRILING MUD & CHEMICALS
 CEMENT SURFACE CASING
 FISHING TOOL SERVICES
 OTHER DRILLING COSTS/MATERIALS
 CORING & FORMATION TESTING
 MUD LOGGING & GEOLOGICAL SVCS
 ELEC LOGGING, WIRELINE, PERF
 DRILLING OVERHEAD CHARGE
 DRILLING WELLSITE SUPERVISION
 CONTINGENCY 5%
TOTAL DRILLING

(30000 mob)
(8500/day/36days)

SUB	DRY HOLE W/O PIPE	COMPLETED WELL	ACTUAL COST	OVER UNDER
100	20,000			
110	42,500	3,500		
200				
210	336,000			
220	85,000			
250	30,000			
260	32,500			
280	15,000			
295				
299				
300	9,500			
310	22,000			
350	25,000	18,000		
950	5,000			
955	23,400			
	32,295	1,075		
	678,195	22,575		

COMPLETION INTANGIBLES

CEMENT PRODUCTION CASING
 FORMATION FRACTURING
 FORMATION ACIDIZING
 COMPLETION UNIT
 CONTRACT LABOR/PROFESSIONAL SVCS
 COMPLETION WATER, POWERM FUEL
 BATTERY CONST/SER/MATERIALS
 COMPLETION EQUIP RNTS/SERVICES
 DRIL/COM OVERHEAD CHARGE
 DRIL/COM OVERHEAD CHARGE
 MISCELLANEOUS IDC EXPENSES
 CONTINGENCY 5%

400		40,000		
410		76,000		
420		8,500		
450		9,500		
500		12,500		
905		3,500		
910		15,500		
915		18,000		
950		5,000		
955				
900		2,500		
		9,550		
	0	200,550		
	678,195	223,125		

TOTAL COMPLETION
TOTAL INTANGIBLES

DRILLING AND COMPLETION TANGIBLES

SURFACE & INTERMEDIATE CASING
 PRODUCTION CASING
 TUBING & ATTACHMENTS
 PUMPING WELL HOOK UP
 WELLHEAD EQUIPMENT
 PUMP JACKS & PUMPS
 TREATER, SEPAR, EQ, METER/ELEC
 TANKS & STORAGE FACILITIES
 MISCELLANEOUS L&W EQUIPMENT
 CONTINGENCY 5%

200	21,200			
250		83,200		
300		35,200		
350				
400	7,500	15,000		
500				
600		20,000		
700		20,000		
900		7,500		
	1,435	9,045		
	30,135	189,945		
	708,330	413,070		
		1,121,400		

TOTAL EQUIPMENT COST

TOTAL WELL COST

LEASE ACRES @ PER ACRE

TOTAL WELL COST

APPROVALS:

OPERATOR	Marob Energy Corporation	BY	WI	DATE	07/21/03
COMPANY		BY	WI	DATE	
PRINT NAME		TITLE			

EXHIBIT A

Como Petroleum Corp.
P.O. Box 1227
Roswell, NM 88202

3110904_1.DOC

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D.C.

P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-
6043

William F. Carr
wcarr@hollandhart.com

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.

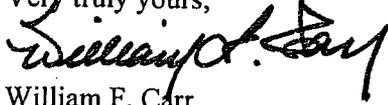
Ladies and Gentlemen:

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

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage)

OFFICIAL U

WFC	Postage	\$.60
Marbob/Zanafu	Certified Fee	2.30
44503.0002	Return Receipt Fee (Endorsement Required)	1.75
	Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees		\$ 4.65



Sent To Como Petroleum Corp.
 Street, Apt. No., or PO Box No. P.O. Box 1227
 City, State, ZIP+4 Roswell, NM 88202

SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

Como Petroleum Corp
P.O. Box 1227
Roswell, NM 88202

2. Article Number (Copy fr

7001 1140 0002 5601 7557

COMPLETE THIS SECTION ON DELIVERY

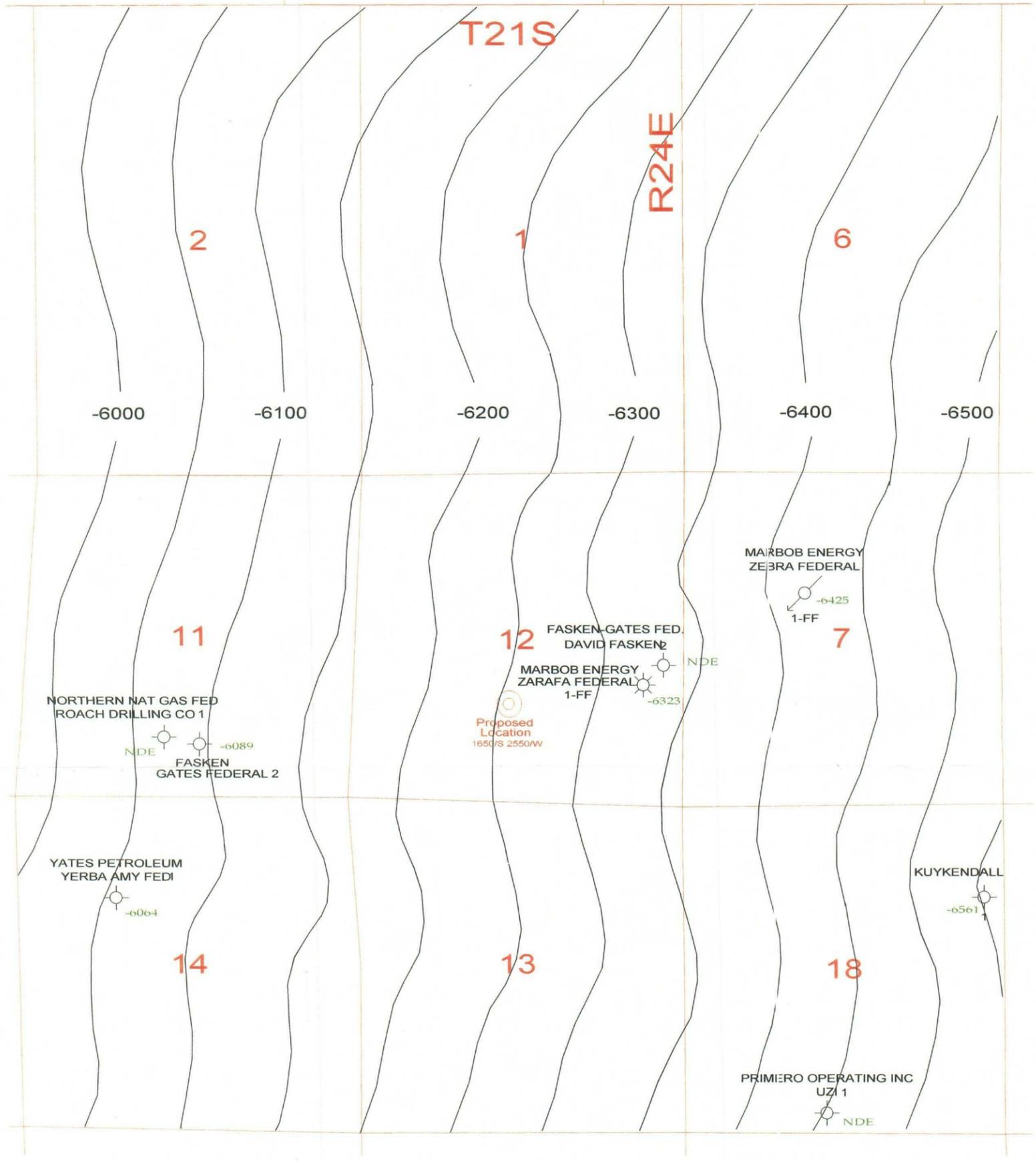
A. Received by (Please Print Clearly) _____ B. Date of Delivery 7-7-03

C. Signature X Mark Rhum Agent Addressee

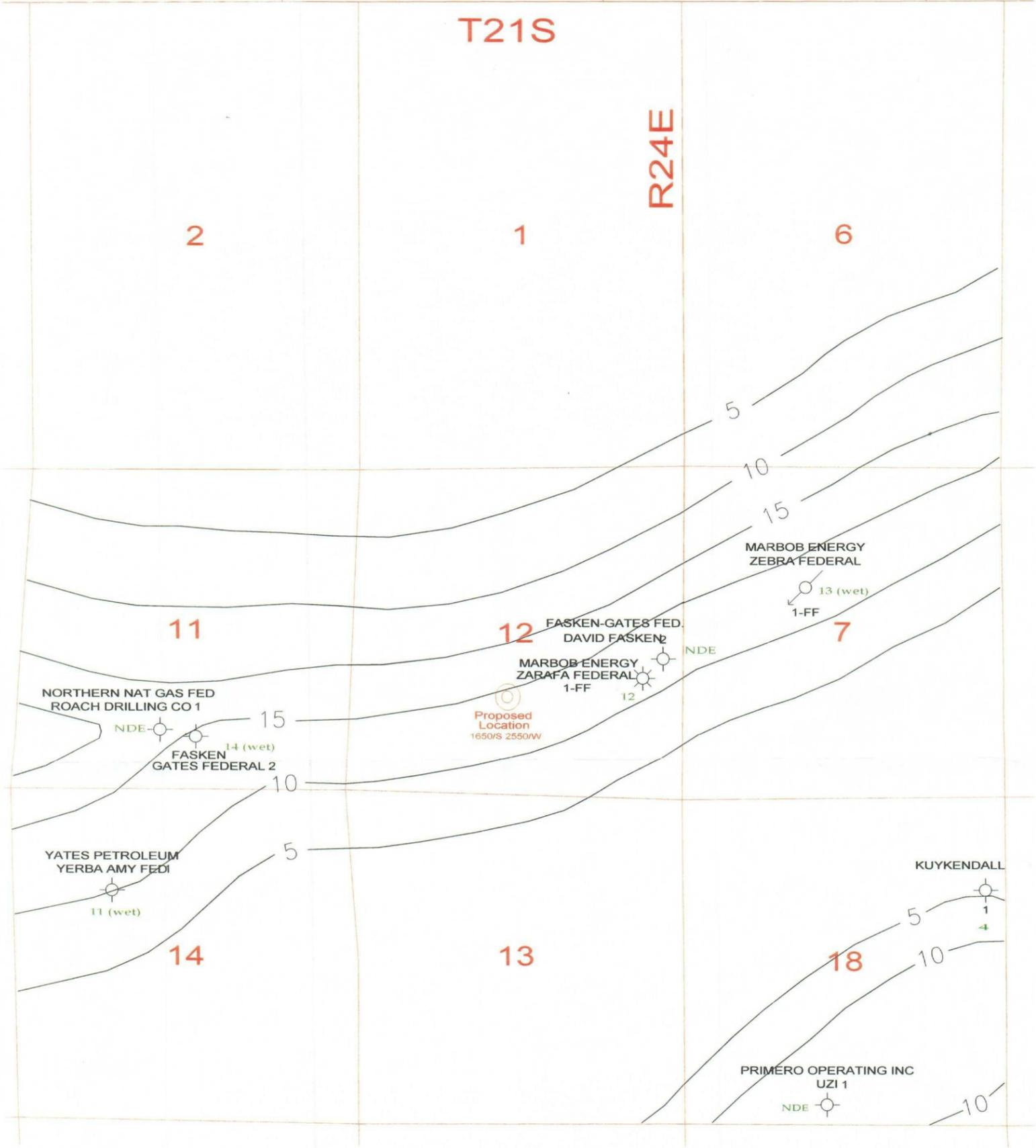
D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



Marbob Energy Corp.		
EDDY COUNTY, NM STRUCTURE MAP Top of Zarafa Sand		
Brent May		7/21/2003
	Scale 1:24000.	



Marbob Energy Corp.		
EDDY COUNTY, NM ZARAFSA SAND Gamma Ray \leq 50 API		
Brent May		7/21/2003
	Scale 1:24000.	