

HOLLAND & HART LLP



RECEIVED

2007 NOV 30 PM 4 48

Kristina Martinez

kmartinez@hollandhart.com

November 30, 2007

HAND-DELIVERED

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

Case 14056

Re: Application of Marbob Energy Corporation for compulsory pooling, 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 requests that this matter be placed on the docket for the Examiner hearing on January 10, 2008.

Sincerely,

Kristina Martinez
Attorney for Marbob Energy Corporation

Enclosures

cc: Ross Duncan, Sr. Landman
Marbob Energy Corporation

2007 NOV 30 PM 3 04

RECEIVED

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

**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 COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 14056

APPLICATION

MARBOB ENERGY CORPORATION, ("Marbob") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests below 5,000 feet to the base of the Morrow formation in the following described spacing and proration units located in the N/2 of Section 6, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico: the NW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not limited to the Undesignated Anderson-Pennsylvanian Gas Pool; and the SE/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not limited to the Square Lake-Garyburg-San Andres Pool and the Undesignated Grayburg-Jackson-Queen-Grayburg-San Andres-SR Pool. In support of its application, Marbob states:

1. Marbob is a working interest owner in the N/2 of said Section 6 and has the right to drill thereon.
2. Marbob proposes to dedicate the above-referenced spacing or proration units to its Six Pack Federal well. This well is located in Section 6, Township 17 South, Range 30 East, N.M.P.M., and will be drilled to test the Morrow formation, Wildcat-Morrow Pool, from a standard surface location 1980 feet from the North line and 1980 feet from the West line in the

RECEIVED
2007 NOV 30 PM 4:46

SE/4 NW/4 (Unit F) of Section 6 to test the Morrow formation at a depth of approximately 11,200 feet.

3. Marbob has sought and been unable to locate and obtain a voluntary agreement for the development of these lands from certain interest owners in the subject spacing units.

These owners are identified on **Exhibit A** to this application.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Marbob to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Marbob should be designated the operator of the wells to be drilled.

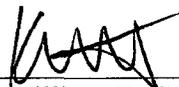
WHEREFORE, Marbob Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 10, 2008 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units;
- B. designating Marbob Energy Corporation operator of these units and the wells to be drilled thereon;
- C. authorizing Marbob Energy Corporation to recover its costs of drilling, equipping and completing the wells;
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

E. imposing a penalty for the risk assumed by Marbob Energy Corporation in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 
William F. Carr
Kristina Martinez
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 COMPULSORY POOLING
N/2 OF SECTION 6, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO.**

Doug Laufer
Principal Properties
4425 S. MOPAC, Building II, Suite 103
Austin, TX 78735

David J. Andrews
Andrews Oil L.P.
2219 Westlake Drive, Suite 150
Austin, TX 78746

Chi Energy, Inc.
212 N. Main, Suite 200
Midland, TX 79702

Pioneer Natural Resources USA, Inc.
P.O. Box 3178
Midland, TX 79702

CASE 14056 Application of Marbob Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from 5,000 feet to the base of the Morrow formation in certain spacing and proration units located in the N/2 of Section 6, Township 17 South, Range 30 East, N.M.P.M., Rio Eddy County, New Mexico. Said pooled units are to be dedicated to Marbob's Six Pack Federal well, and will be drilled to test the Morrow formation, Wildcat-Morrow Pool, from a standard surface location 1980 feet from the North line and 1980 feet from the West line in the SE/4 NW/4 (Unit F) of Section 6 at a depth of approximately 11,200 feet. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as actual operating costs and charges for supervision, designation of Marbob Energy Corporation as operator of the well, and a charge for risk involved in drilling said well. Said area is located approximately 3.78 miles Northwest of Loco Hills, New Mexico.