

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

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IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:

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

CASE NO. 14388

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

Marbob Energy Corporation
Ross Duncan
Post Office Box 227
Artesia, New Mexico 88211
(505) 748-3303

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

STATEMENT OF CASE

APPLICANT:

Applicant in the above-styled cause seeks an order (1) creating a non-standard spacing unit comprised of the E/2 E/2 of Section 36, Township 18 South, Range 31 East, NMPM, and (2) pooling all mineral interests in the Bone Spring formation in this non-standard spacing and proration unit which spacing unit will be the project area for the Nervous Horz State Com Well No. 2 to be horizontally drilled from a surface location 330 feet from the North line and 530 feet from the East line (Unit A) and then in a southerly direction as a wildcat well in the Bone Spring formation to a bottom hole terminus at a location 330 feet from the South line and 430 feet from the East line (Unit P) of said Section 36. 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 Marbob Energy Corporation as operator of the well and a

charge for risk involved in drilling said well. Said area is located approximately 12.31 miles southeast of Loco Hills, New Mexico.

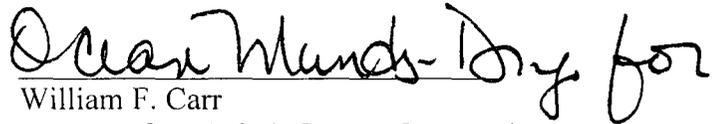
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Ross Duncan Landman	20 Minutes	10

PROCEDURAL MATTERS

Marbob Energy Corporation has none at this time.


William F. Carr
Attorney for Marbob Energy Corporation