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BEFORE THE

OIL CONSERVATION DIVISION

Oil Conservation Division

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

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

CASE NO. 11239

APPLICATION

MARBOB ENERGY CORPORATION, through its undersigned attorneys, hereby makes application for an order approving an unorthodox well location, and in support thereof states:

1. Applicant is the operator of the NW/4 SE/4 of Section 11, Township 13 South, Range 27 East, N.M.P.M., Chaves County, New Mexico on which it proposes to reenter and drill its Havasu Federal No. 1 Well as a wildcat well in the Devonian formation, at a location of 2588 feet from the South line and 2309 feet from the East line in Unit J of said Section 11.
2. Applicant seeks an exception to Division's well location requirements to permit the drilling of said well in the Devonian formation at the above-described location.
3. Although a standard 40-acre oil spacing and proration unit comprised of the NW/4 SE/4 of said Section 11 initially will be dedicated to the well, as soon as adequate engineering data can be obtained from the well to support wider Devonian spacing, Marbob anticipates filing an application for special pool rules and the creation of a 160-acre spacing unit comprised of the NW/4 SE/4, SW/4 NE/4, SE/4 NW/4 and the NE/4 SW/4 of Section 11.

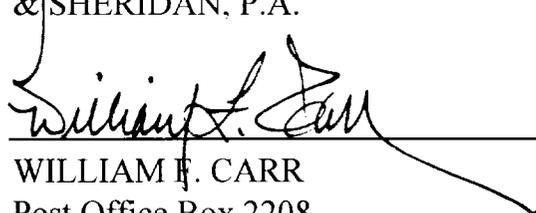
4. Approval of this application will afford Applicant the opportunity to produce its just and equitable share of the gas in then Devonian formation and will otherwise be in the best interest of the conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Applicant requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on April 6, 1995 that notice be given as required by law, the Division enter its order granting this application and providing such other relief as is proper.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: _____



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

ATTORNEYS FOR MARBOB
ENERGY CORPORATION