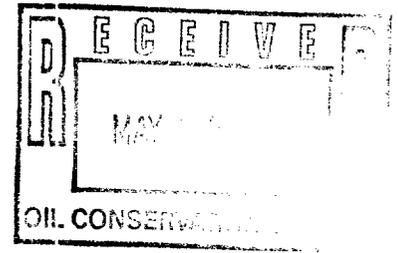


BEFORE THE
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MARBOB ENERGY CORPORATION
FOR DIRECTIONAL DRILLING AND AN
UNORTHODOX BOTTOMHOLE LOCATION,
CHAVES COUNTY, NEW MEXICO.

CASE NO. 11307

APPLICATION

Marbob Energy Corporation, through its undersigned attorneys, hereby makes application pursuant to Oil Conservation Division Rule 111 to directionally drill its Marathon Federal No. 2 Well to the Devonian formation, South Lone Wolf-Devonian Pool, and in support of this application states:

1. Applicant is the operator of the SE/4 NW/4 of Section 33, Township 13 South, Range 29 East, N.M.P.M., Chaves County, New Mexico.
2. Applicant proposes to directionally drill it Marathon Federal No. 2 Well from a surface location of 1650 feet from the North line and 1980 feet from the West line of said Section 33, to a proposed unorthodox bottomhole location within 50 feet of a point 1353 feet from the North line and 1914 feet from the West line of said Section 33, with the intent of testing the Devonian formation.
3. Applicant proposes to dedicate to the Marathon Federal No. 2 Well a standard spacing or proration unit comprised of the SE/4 NW/4 of said Section 33.

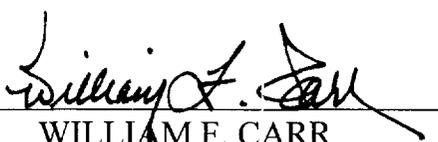
4. Directionally drilling this well will enable Marbob Energy Corporation to utilize this existing wellbore, kick-off at a depth of 9185 feet, drill in a northwesterly direction to the proposed unorthodox bottomhole location, and produce the reserves which underlie the above-described spacing or proration unit.

5. Approval of this application will enable the Applicant to produce hydrocarbons that otherwise would not be produced and will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on June 15, 1995, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

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