

NEW N EXICO ENERGY, MI. ERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor Jennifer A. Salisbury **Cabinet Secretary**

July 31, 2000

Lori Wrotenbery Director Oil Conservation Division

Marbob Energy Corporation P. O. Box 227 Artesia, New Mexico 88211-0227 Attention: Dean Chumbley

Telefax No. (505) 746-2523 RECEIVED OCD - ARTESI

Administrative Order NSL-4496

Dear Mr. Chumbley:

Reference is made to the following: (i) your original application dated May 9, 2000; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated May 26, 2000 from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe withdrawing this application; (iii) your telephone conversation with Mr. Stogner on Wednesday, June 14, 2000; (iv) your re-submittal of this application to the Division on June 15, 2000, and (iv) the Division's records in Santa Fe: all concerning Marbob Energy Corporation's ("Marbob") request for an unorthodox oil well location to be applicable to both the Artesia-Queen-Grayburg-San Andres Pool and the Undesignated Artesia-Glorieta-Yeso Pool for Marbob's proposed L. P. State Well No. 2 (API No. 30-015-31109), to be drilled 2310 feet from the North line and 230 feet from the West line (Unit E) of Section 5, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

The SW/4 NW/4 (Unit E) of Section 5 is to be dedicated to this well in order to form a standard 40acre oil spacing and proration unit for both intervals.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location for both the Artesia-Queen-Grayburg-San Andres Pool and the Undesignated Artesia-Glorieta-Yeso Pool is hereby approved.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia

New Mexico State Land Office - Santa Fe