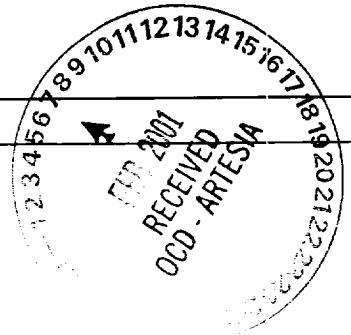


**marbob**  
energy corporation

February 6, 2001



Oil Conservation Division – District II  
811 South First Street  
Artesia, New Mexico 88210

Attention: Bryan Arrant, Geologist

RE: City of Carlsbad Lease  
Section 25-22S-26E  
Eddy County, New Mexico

Dear Mr. Arrant:

Please accept this letter as notice of Marbob Energy Corporation's intentions for the above referenced lease. Recently you expressed concerns regarding Marbob producing two wells from the same formation within the same quarter section. Let me assure you that Marbob operates within the Rules and Regulations set forth by the NMOCD. Our plans are to drill the City of Carlsbad Com No. 2 as a Morrow test. If the No. 2 is capable of producing from the Morrow, it will be completed as such. At this time, Marbob would recomplete the existing No. 1 well at a shallower formation. In the event that the No. 2 well is not capable of producing in the Morrow formation, the No. 1 well would remain as a Morrow producer. Please do not hesitate to contact Brent May or myself should you have any questions.

Attached is a copy of the proposed mud program you requested. Thank you for your assistance with this matter.

Sincerely,

Dean Chumbley  
Land Department

*Tim -  
THERE WERE NO  
ATTACHMENTS.  
W*

DC/mm  
Attachment