

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**
 [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

RECEIVED

JAN 10 2006

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 Oil Conservation Division
 1220 S. St. Francis Drive
 Santa Fe, NM 87505

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

- [2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

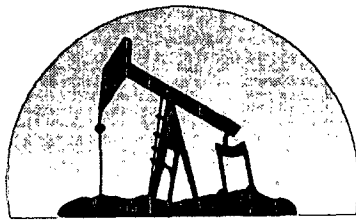
Print or Type Name

Signature

Title

Date

e-mail Address



marbob
energy corporation

January 16, 2006

RECEIVED

JAN 19 2006

New Mexico Oil Conservation Division
1220 St. Francis Drive
Santa Fe, New Mexico 87504

Attention: Mr. Michael Stogner
Petroleum Engineer

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Unorthodox Location
Administrative Approval Request
LPC 31 Federal #1
1980' FNL & 2280' FEL
1890' FNL & 2432' FEL
Bottom Hole Location
Section 31 T-18S R-32E
Lea County, New Mexico

Dear Mike:

Marbob Energy Corporation respectfully requests administrative approval for an unorthodox location of the LPC 31 Federal #1 well as referenced above. Attached is an OCD Form C-102 showing the proposed oil well spacing unit along with a map showing the adjoining spacing units. The well is unorthodox to the west boundary of the SW/4NE/4. The affected spacing unit is included in the same federal lease as the well location and the ownership is identical. A courtesy notice of this application has been sent to the BLM who as the royalty owner of all the proration units as well as the surface owner, and Lynx Petroleum who operates the N/2SE/4 and NE/4SW/4.

The location encountered some significant drilling problems possibly caused by a fault structure that caused the bottom hole location to deviate a fair distance from vertical. Long string casing was run and the well completed as a marginal producer in the Bone Springs formation. We would request your approval of this unorthodox location.

Thank you for your consideration of this. If you need to talk with me further please call me at 800-748-1550.

* 3:30 PM 2-16-2006
- Left a message for Raye Miller
to submit directional drilling survey

Sincerely,

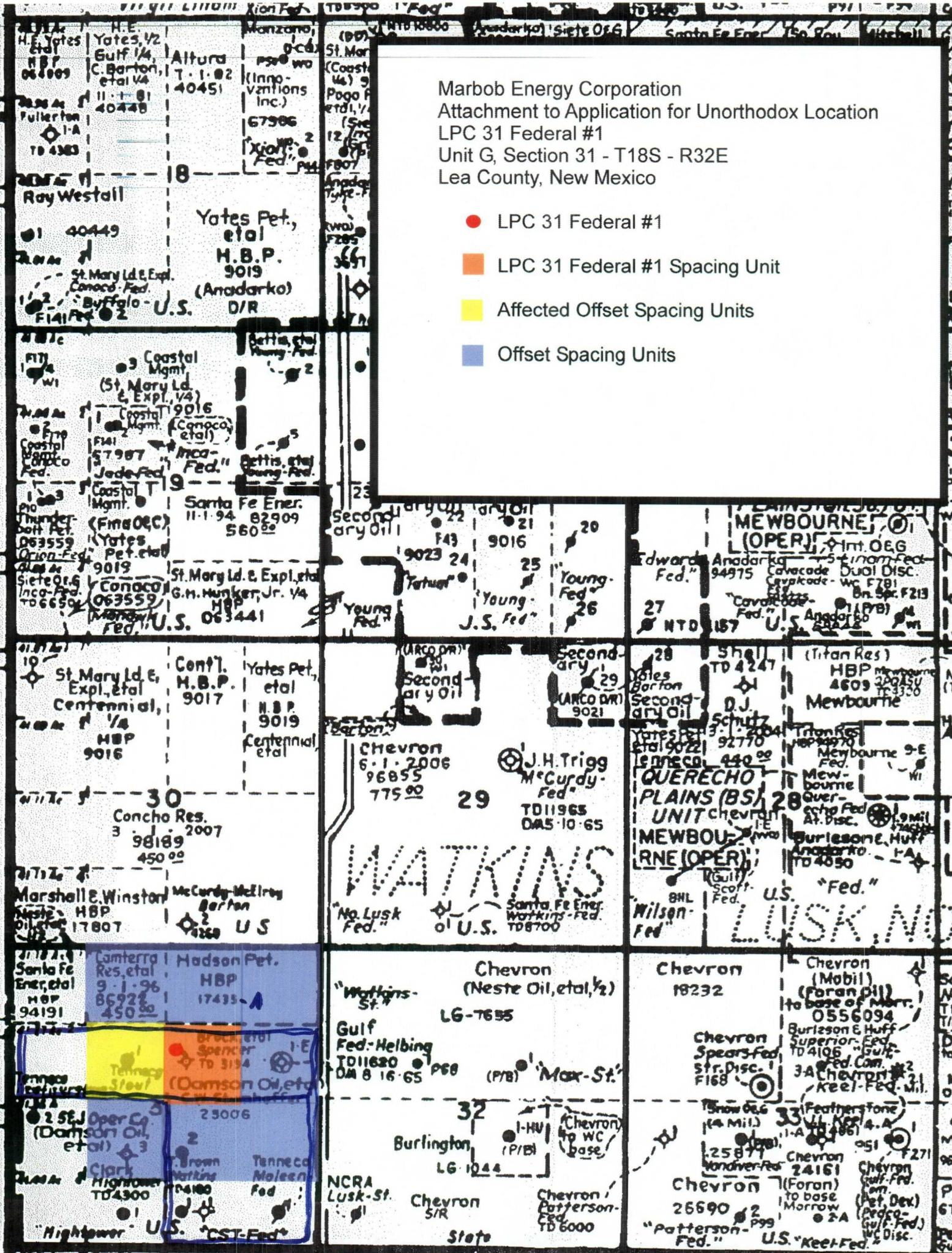
Raye Miller

* 4:25 PM 2-16-2006
talked w/ Raye Miller about
RM/nb ownership
Attachments

Raye Miller
Land Department

Marbob Energy Corporation
Attachment to Application for Unorthodox Location
LPC 31 Federal #1
Unit G, Section 31 - T18S - R32E
Lea County, New Mexico

- LPC 31 Federal #1
- LPC 31 Federal #1 Spacing Unit
- Affected Offset Spacing Units
- Offset Spacing Units



State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <u>30-025-37440</u>	Pool Code 41450	Pool Name LUSK; BONE SPRING, NORTH
Property Code	Property Name LPC FEDERAL	Well Number 1
GRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3683'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	31	18-S	32-E		1980	NORTH	2280	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	31	18-S	32-E		1890	NORTH	2432	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>LOT 1</p> <p>41.18 AC LOT 2</p> <p>41.27 AC LOT 3</p> <p>41.35 AC LOT 4</p> <p>41.44 AC</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=620869.2 N X=662829.3 E</p> <p>LAT.=32°42'20.70" N LONG.=103°48'14.32" W</p> <p>Well location marked with a dot and dimensions: 3684.0', 3681.9', 3678.8', 3688.8', 600', 2280', 1980'.</p>	<h3>OPERATOR CERTIFICATION</h3> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Nancy T. Bratcher</u> Signature</p> <p><u>Nancy T. Bratcher</u> Printed Name</p> <p><u>Land Department</u> Title</p> <p><u>January 16, 2006</u> Date</p> <h3>SURVEYOR CERTIFICATION</h3> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><u>JULY 6, 2005</u></p> <p>Date Surveyed <u>LA</u></p> <p>Signature & Seal of Professional Surveyor <u>GARY EIDSON</u></p> <p>Certificate No. <u>GARY EIDSON</u> 12641</p>
--	---



marbob
energy corporation

January 16, 2006

New Mexico Oil Conservation Division
1220 St. Francis Drive
Santa Fe, New Mexico 87504

Attention: Mr. Michael Stogner
Petroleum Engineer

Re: Unorthodox Location
Administrative Approval Request
LPC 31 Federal #1
1980' FNL & 2280' FEL
1890' FNL & 2432' FEL
Bottom Hole Location
Section 31 T-18S R-32E
Lea County, New Mexico

Dear Mike:

Marbob Energy Corporation respectfully requests administrative approval for an unorthodox location of the LPC 31 Federal #1 well as referenced above. Attached is an OCD Form C-102 showing the proposed oil well spacing unit along with a map showing the adjoining spacing units. The well is unorthodox to the west boundary of the SW/4NE/4. The affected spacing unit is included in the same federal lease as the well location and the ownership is identical. A courtesy notice of this application has been sent to the BLM who as the royalty owner of all the proration units as well as the surface owner, and Lynx Petroleum who operates the N/2SE/4 and NE/4SW/4.

The location encountered some significant drilling problems possibly caused by a fault structure that caused the bottom hole location to deviate a fair distance from vertical. Long string casing was run and the well completed as a marginal producer in the Bone Springs formation. We would request your approval of this unorthodox location.

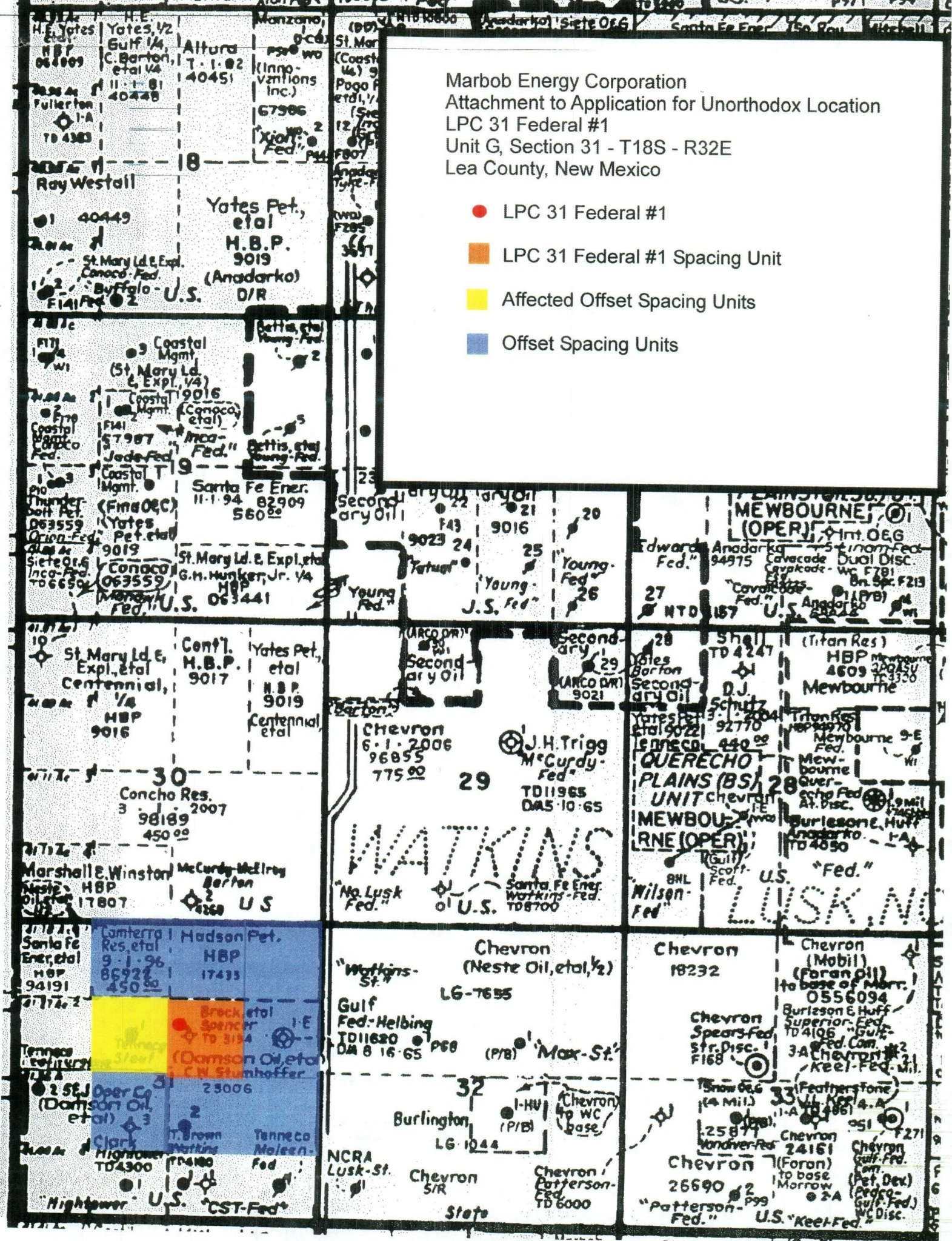
Thank you for your consideration of this. If you need to talk with me further please call me at 800-748-1550.

Sincerely,

Raye Miller
Land Department

RM/nb
Attachments

- LPC 31 Federal #1
- LPC 31 Federal #1 Spacing Unit
- Affected Offset Spacing Units
- Offset Spacing Units



DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 41450	Pool Name LUSK; BONE SPRING; NORTH
Property Code	Property Name LPC FEDERAL	Well Number 1
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3683'

Surface Location

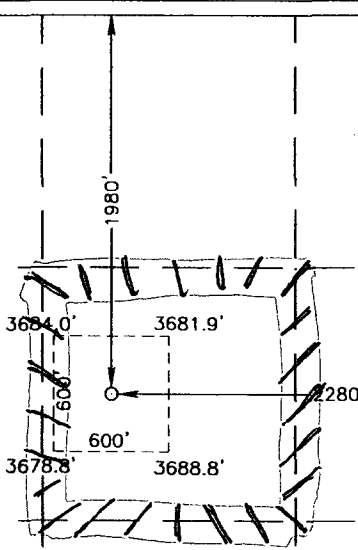
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	31	18-S	32-E		1980	NORTH	2280	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	31	18-S	32-E		1890	NORTH	2432	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1		OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>Nancy T. Bratcher</i> Signature Nancy T. Bratcher Printed Name Land Department Title January 16, 2006 Date	
41.18 AC LOT 2		SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. JULY 6, 2005 Date Surveyed LA	
41.27 AC LOT 3		Professional Surveyor GARY E. EDSON NEW MEXICO 7/11/05 05.11.1053 Certification No. GARY E. EDSON 12641	
41.35 AC LOT 4			
41.44 AC			



marbob
energy corporation

January 16, 2006

New Mexico Oil Conservation Division
1220 St. Francis Drive
Santa Fe, New Mexico 87504

Attention: Mr. Michael Stogner
Petroleum Engineer

Re: Unorthodox Location
Administrative Approval Request
LPC 31 Federal #1
1980' FNL & 2280' FEL
1890' FNL & 2432' FEL
Bottom Hole Location
Section 31 T-18S R-32E
Lea County, New Mexico

Dear Mike:

Marbob Energy Corporation respectfully requests administrative approval for an unorthodox location of the LPC 31 Federal #1 well as referenced above. Attached is an OCD Form C-102 showing the proposed oil well spacing unit along with a map showing the adjoining spacing units. The well is unorthodox to the west boundary of the SW/4NE/4. The affected spacing unit is included in the same federal lease as the well location and the ownership is identical. A courtesy notice of this application has been sent to the BLM who as the royalty owner of all the proration units as well as the surface owner, and Lynx Petroleum who operates the N/2SE/4 and NE/4SW/4.

The location encountered some significant drilling problems possibly caused by a fault structure that caused the bottom hole location to deviate a fair distance from vertical. Long string casing was run and the well completed as a marginal producer in the Bone Springs formation. We would request your approval of this unorthodox location.

Thank you for your consideration of this. If you need to talk with me further please call me at 800-748-1550.

Sincerely,

Raye Miller

Raye Miller
Land Department

RM/nb
Attachments

- LPC 31 Federal #1
- LPC 31 Federal #1 Spacing Unit
- Affected Offset Spacing Units
- Offset Spacing Units

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 41450	Pool Name LUSK; BONE SPRING, NORTH
Property Code	Property Name LPC FEDERAL	Well Number 1
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	Elevation 3683'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	31	18-S	32-E		1980	NORTH	2280	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	31	18-S	32-E		1890	NORTH	2432	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>LOT 1</p> <p>41.18 AC</p> <p>LOT 2</p> <p>41.27 AC</p> <p>LOT 3</p> <p>41.35 AC</p> <p>LOT 4</p> <p>41.44 AC</p>	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=620869.2 N X=662829.3 E</p> <p>LAT.=32°42'20.70 N LONG.=103°48'14.32\" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Nancy T. Bratcher</i> Signature</p> <p>Nancy T. Bratcher Printed Name</p> <p>Land Department Title</p> <p>January 16, 2006 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JULY 6, 2005</p> <p>Date Surveyed</p> <p>Signature of GARY EIDSON Professional Surveyor</p> <p>NEW MEXICO GARY EIDSON 7/11/05 05.11.1053</p> <p>Certified No. GARY EIDSON 12641</p>
---	--	---



7005 1820 0000 6614 0952
7005 1820 0000 6614 0952

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To Lynx Petroleum Attention: Mr. Larry Scott P.O. Box 1708 Hobbs, N.M. 88241	
PS Form 3800, June 2002 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee
1. Article Addressed to:	B. Received by (Printed Name) C. Date of Delivery
Lynx Petroleum Attention: Mr. Larry Scott P.O. Box 1708 Hobbs, N.M. 88241	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
PS Form 3811, February 2004	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes

7005 1820 0000 6614 0952

Domestic Return Receipt

102595-02-M-1540

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL

7005 1820 0000 6614 0976
7005 1820 0000 6614 0976

U.S. Postal Service
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To

BLM

Street, Apt. No.,
or PO Box No. 620 E. Greene St.

City, State, ZIP+4 Carlsbad, NM 88220

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

BLM
620 E. Greene St.
Carlsbad, NM 88220

2. Article Number
(Transfer from service label)

7005 1820 0000 6614 0976

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☐ Agent
X ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes