

DATE IN 11/6/06	SUSPENSE 11/27/06	ENGINEER D. CATANACH	LOGGED IN 11/6/06	TYPE NSL	APP NO. PTD 0631050229
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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
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [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.

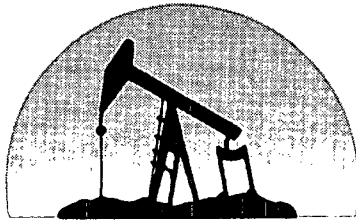
Print or Type Name

Signature

Title

Date

e-mail Address



2006 NOV 6 AM 11 31

marbob
energy corporation

November 6, 2006

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

Attention: Mr. Richard Ezeanyim

RE: Unorthodox Surface Location
Administrative Approval Request
Sly Hawk State #5
150' FNL & 330' FEL
BHL: 2310' FNL & 430' FEL
Section 3, T-25S R-28E
Eddy County, New Mexico

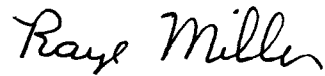
Dear Mr. Ezeanyim:

Marbob Energy Corporation respectfully requests administrative approval for an unorthodox location of the Sly Hawk #5 as referenced above. Attached is an OCD Form C-102 showing the proposed oil well spacing unit. The well is unorthodox to the North boundary of the E/2NE/4. This location will permit us to drill a longer horizontal lateral through the formation within the orthodox offsets of the 330 feet from the exterior boundaries. It takes roughly 450 feet to build our curve. This location keeps us on lease but maximizes the orthodox length of the lateral. We would have gone slightly further north but there is a buried gas line along the section line which we avoided. Our most recent well in this section which was similar to this proposal was the Western Hawk #2 which was located in the SW/4NW/4 and NW/4SW/4 of section 3 under OCD order number NSL-5391. A copy of the Western Hawk mudlog and open hole log was submitted with the unorthodox application for the Scared Hawk #1 approved under OCD order number NSL-5444. I would request you review that log and mudlog as it is representative of the Delaware section above the pay zone. We believe there are no productive zones above our horizontal depth and our completion will only be in the horizontal interval. Also enclosed is a schematic of the proposed well bore and a diagram of the proposal from the deviation company. The affected proration unit is operated by Chesapeake. The other offset proration units are operated by Chesapeake, Mewbourne, Vernon E. Falconer, Inc. and Marbob. A notice

including this application has been sent to each of them. Southwestern Energy is a working interest owner in the proposed proration unit and several of the offsets and a notice has also been sent to them. A copy of the notice letters are enclosed with the application. A copy of the green cards will be sent to you when we receive them all back. We would request your approval of the unorthodox location.

Thank you for your consideration of this request. If you need any additional information please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Raye Miller".

Raye Miller
Land Department

RM/na
Enclosures

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

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

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

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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	96855	Willow Lake; Delaware, SW
Property Code	Property Name	Well Number
	SLY HAWK STATE	5
OGRID No.	Operator Name	Elevation
14049	MARBOB ENERGY CORPORATION	2993'

Surface Location

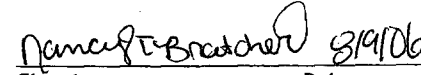
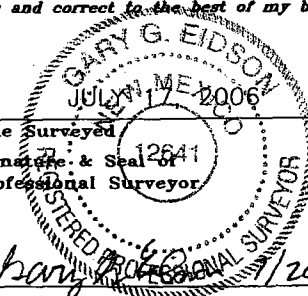
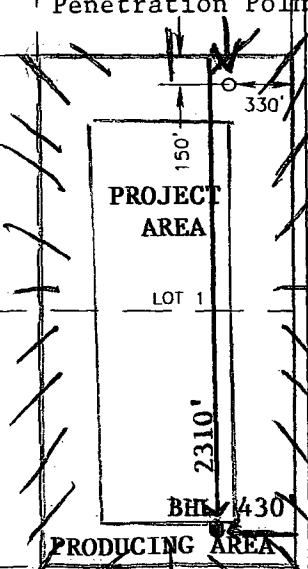
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	3	25-S	28-E		150	NORTH	330	EAST	EDDY

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
H	3	25S	28E	H	2310	North	430	East	Eddy

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80.62			

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

				OPERATOR CERTIFICATION <i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Signature _____ Date _____ Nancy T. Bratcher Printed Name	
GEODETIC COORDINATES NAD 27 NME Y=424213.0 N X=582395.0 E LAT.=32.165998° N LONG.=104.067058° W				SURVEYOR CERTIFICATION <i>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.</i>  Date Surveyed _____ JR Signature & Seal of _____ Professional Surveyor 06.11.1174 Certificate No. GARY EIDSON 12641	
SECTION 34 SECTION 3				Penetration Point 	
LOT 4	LOT 3	LOT 2	LOT 1		

13-782	500 SHEETS, FILLER	5 SQUARE
42-381	50 SHEETS EYE-EASE	5 SQUARE
42-382	200 SHEETS EYE-EASE	5 SQUARE
42-389	200 SHEETS EYE-EASE	5 SQUARE
42-382	100 RECYCLED WHITE	5 SQUARE
42-399	200 RECYCLED WHITE	5 SQUARE

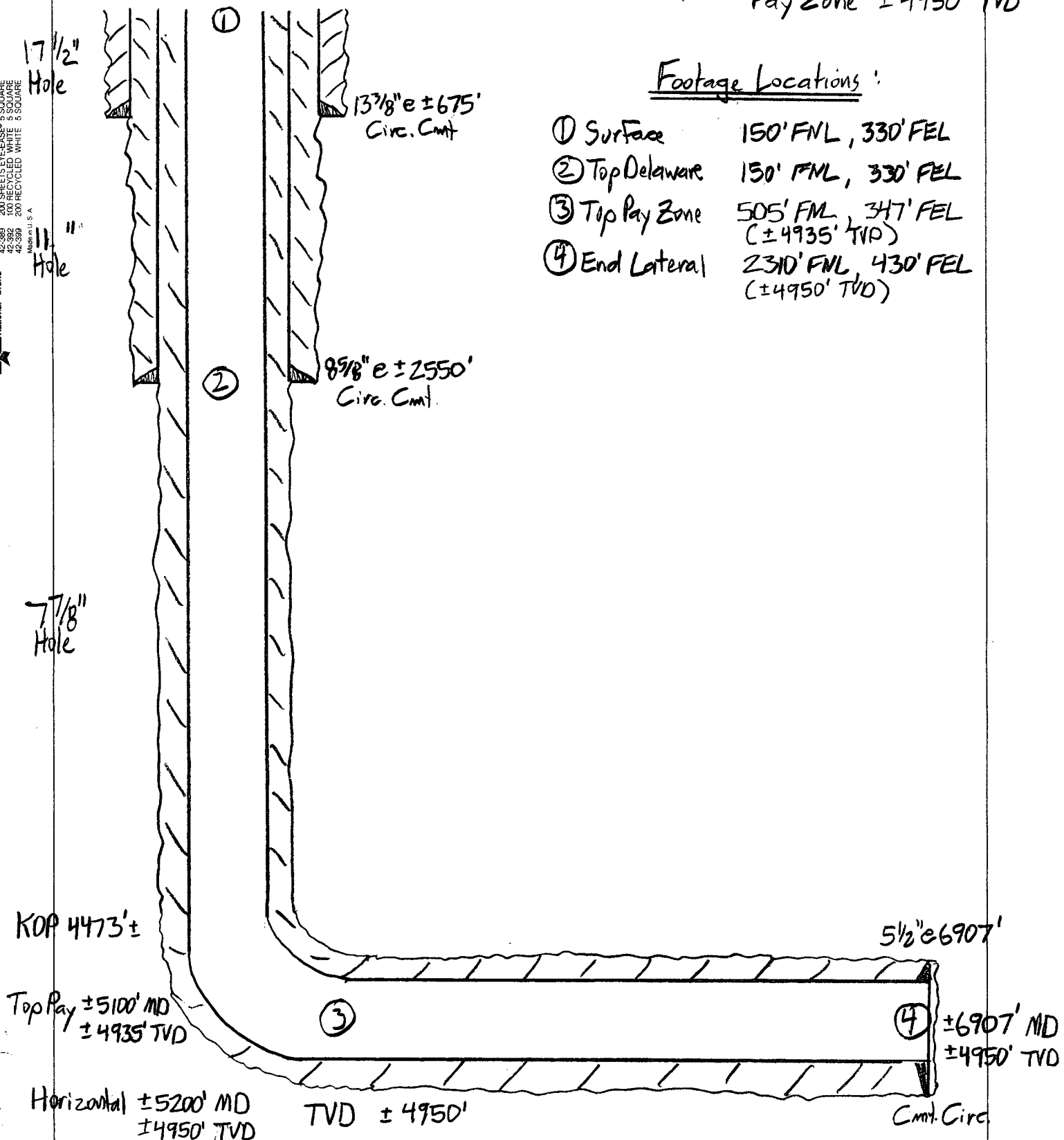
Made in U. S. A.

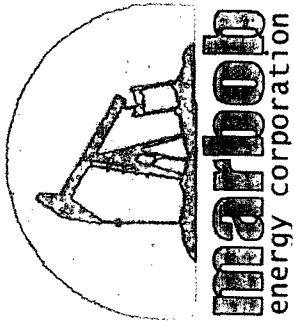


National[®] Brand

Footage Locations:

- | | |
|----------------|-------------------------------------|
| ① Surface | 150' FML, 330' FEL |
| ② Top Delaware | 150' FML, 330' FEL |
| ③ Top Pay Zone | 505' FML, 347' FEL
(±4935' TYP) |
| ④ End Lateral | 2310' FML, 430' FEL
(±4950' TYP) |





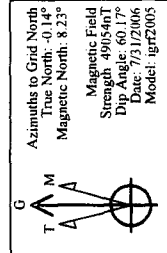
Field: Eddy County, NM NAD-27
 Site: Sly Hawk St #5
 Well: Sly Hawk St #5
 Wellpath: OH
 Plan: Plan #1 7-31-06

PATHFINDER

WELLPATH DETAILS				
OH				
Rig	MD	Inc	Azi	TVD
Ref Datum	0.00	0.00	0.00	0.00
V Section	Origin	Origin	Origin	Starting
Angle	+N/-S	+E/-W		From TVD
182.65°	0.00	0.00	0.00	0.00

SITE DETAILS		
Sly Hawk St #5		
Water Depth:	0.00	
Positional Uncertainty:	0.00	
Convergence	0.14	

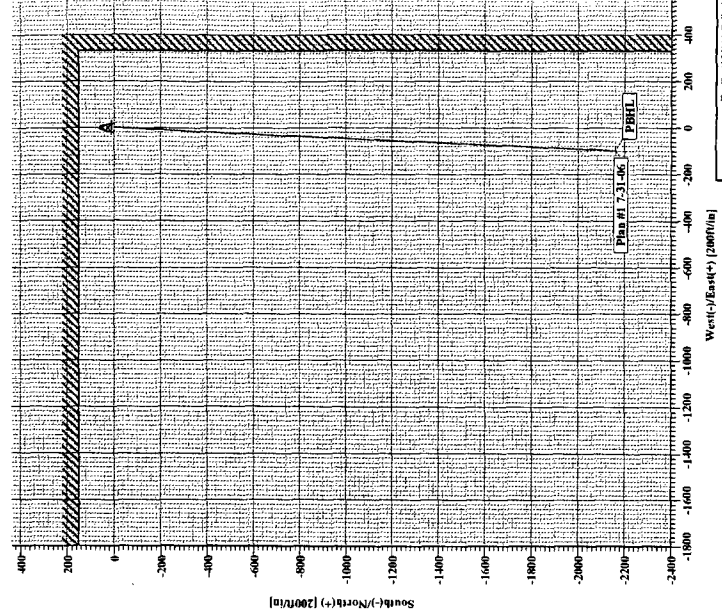
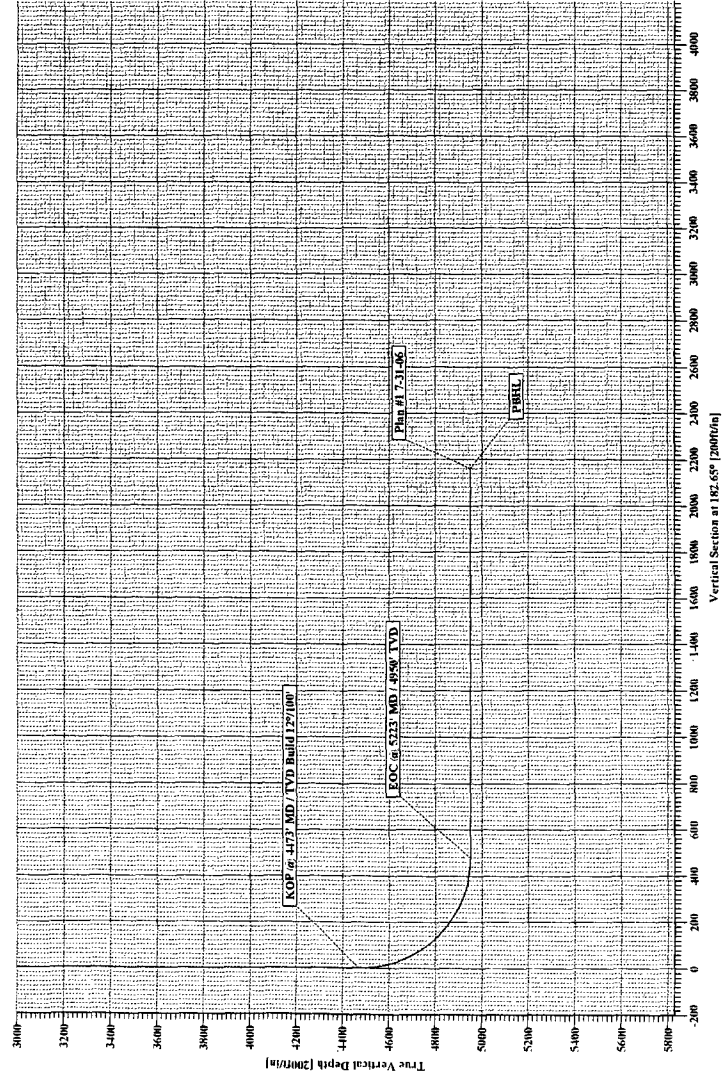
ANNOTATIONS		
No	TVD	MD
1	4472.54	4472.54
2	4950.00	5222.54



SECTION DETAILS					
Sec	MD	Inc	+N/-S	+E/-W	Target
1	0.00	0.00	0.00	0.00	0.00
2	4472.54	0.00	0.00	0.00	0.00
3	5222.54	90.00	182.65	-476.95	477.46
4	6907.39	90.00	182.65	-99.97	2162.31

TARGET DETAILS				
Name	TVD	+N/-S	+E/-W	Shape
PBHL	4950.00	-2160.00	-100.00	Point

TARGET DETAILS				
Name	TVD	+N/-S	+E/-W	Shape
PBHL	4950.00	-2160.00	-100.00	Point



Pathfinder Energy

Planning Report

Company: Marbob Energy
Field: Eddy County, NM NAD-27
Site: Sly Hawk St #5
Well: Sly Hawk St #5
Wellpath: OH

Date: 7/31/2006 **Time:** 13:51:39 **Page:** 2
Co-ordinate(NE) Reference: Well: Sly Hawk St #5, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,182.65Azi)
Plan: Plan #1 7-31-06

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
1700.00	0.00	0.00	1700.00	0.00	0.00	0.00	0.00	0.00	0.00	
1800.00	0.00	0.00	1800.00	0.00	0.00	0.00	0.00	0.00	0.00	
1900.00	0.00	0.00	1900.00	0.00	0.00	0.00	0.00	0.00	0.00	
2000.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	0.00	0.00	
2100.00	0.00	0.00	2100.00	0.00	0.00	0.00	0.00	0.00	0.00	
2200.00	0.00	0.00	2200.00	0.00	0.00	0.00	0.00	0.00	0.00	
2300.00	0.00	0.00	2300.00	0.00	0.00	0.00	0.00	0.00	0.00	
2400.00	0.00	0.00	2400.00	0.00	0.00	0.00	0.00	0.00	0.00	
2500.00	0.00	0.00	2500.00	0.00	0.00	0.00	0.00	0.00	0.00	
2600.00	0.00	0.00	2600.00	0.00	0.00	0.00	0.00	0.00	0.00	
2700.00	0.00	0.00	2700.00	0.00	0.00	0.00	0.00	0.00	0.00	
2800.00	0.00	0.00	2800.00	0.00	0.00	0.00	0.00	0.00	0.00	
2900.00	0.00	0.00	2900.00	0.00	0.00	0.00	0.00	0.00	0.00	
3000.00	0.00	0.00	3000.00	0.00	0.00	0.00	0.00	0.00	0.00	
3100.00	0.00	0.00	3100.00	0.00	0.00	0.00	0.00	0.00	0.00	
3200.00	0.00	0.00	3200.00	0.00	0.00	0.00	0.00	0.00	0.00	
3300.00	0.00	0.00	3300.00	0.00	0.00	0.00	0.00	0.00	0.00	
3400.00	0.00	0.00	3400.00	0.00	0.00	0.00	0.00	0.00	0.00	
3500.00	0.00	0.00	3500.00	0.00	0.00	0.00	0.00	0.00	0.00	
3600.00	0.00	0.00	3600.00	0.00	0.00	0.00	0.00	0.00	0.00	
3700.00	0.00	0.00	3700.00	0.00	0.00	0.00	0.00	0.00	0.00	
3800.00	0.00	0.00	3800.00	0.00	0.00	0.00	0.00	0.00	0.00	
3900.00	0.00	0.00	3900.00	0.00	0.00	0.00	0.00	0.00	0.00	
4000.00	0.00	0.00	4000.00	0.00	0.00	0.00	0.00	0.00	0.00	
4100.00	0.00	0.00	4100.00	0.00	0.00	0.00	0.00	0.00	0.00	
4200.00	0.00	0.00	4200.00	0.00	0.00	0.00	0.00	0.00	0.00	
4300.00	0.00	0.00	4300.00	0.00	0.00	0.00	0.00	0.00	0.00	
4400.00	0.00	0.00	4400.00	0.00	0.00	0.00	0.00	0.00	0.00	
4472.54	0.00	0.00	4472.54	0.00	0.00	0.00	0.00	0.00	0.00	KOP @ 4473' MD / TVD Bul
4475.00	0.30	182.65	4475.00	-0.01	0.00	0.01	12.00	12.00	0.00	
4500.00	3.30	182.65	4499.98	-0.79	-0.04	0.79	12.00	12.00	0.00	
4525.00	6.30	182.65	4524.89	-2.88	-0.13	2.88	12.00	12.00	0.00	
4550.00	9.30	182.65	4549.66	-6.26	-0.29	6.27	12.00	12.00	0.00	
4575.00	12.30	182.65	4574.22	-10.94	-0.51	10.95	12.00	12.00	0.00	
4600.00	15.30	182.65	4598.49	-16.89	-0.78	16.91	12.00	12.00	0.00	
4625.00	18.30	182.65	4622.42	-24.11	-1.12	24.13	12.00	12.00	0.00	
4650.00	21.30	182.65	4645.94	-32.57	-1.51	32.60	12.00	12.00	0.00	
4675.00	24.30	182.65	4668.99	-42.24	-1.96	42.29	12.00	12.00	0.00	
4700.00	27.30	182.65	4691.49	-53.11	-2.46	53.16	12.00	12.00	0.00	
4725.00	30.30	182.65	4713.40	-65.13	-3.01	65.20	12.00	12.00	0.00	
4750.00	33.30	182.65	4734.65	-78.29	-3.62	78.37	12.00	12.00	0.00	
4775.00	36.30	182.65	4755.17	-92.54	-4.28	92.64	12.00	12.00	0.00	
4800.00	39.30	182.65	4774.93	-107.84	-4.99	107.96	12.00	12.00	0.00	
4825.00	42.30	182.65	4793.85	-124.16	-5.75	124.29	12.00	12.00	0.00	
4850.00	45.30	182.65	4811.89	-141.44	-6.55	141.59	12.00	12.00	0.00	
4875.00	48.30	182.65	4829.01	-159.64	-7.39	159.81	12.00	12.00	0.00	
4900.00	51.30	182.65	4845.14	-178.71	-8.27	178.90	12.00	12.00	0.00	
4925.00	54.30	182.65	4860.26	-198.60	-9.19	198.81	12.00	12.00	0.00	
4950.00	57.30	182.65	4874.31	-219.25	-10.15	219.49	12.00	12.00	0.00	
4975.00	60.30	182.65	4887.26	-240.61	-11.14	240.87	12.00	12.00	0.00	
5000.00	63.30	182.65	4899.08	-262.61	-12.15	262.90	12.00	12.00	0.00	
5025.00	66.30	182.65	4909.72	-285.21	-13.20	285.51	12.00	12.00	0.00	
5050.00	69.30	182.65	4919.17	-308.33	-14.27	308.66	12.00	12.00	0.00	

Pathfinder Energy

Planning Report

Company: Marbob Energy
Field: Eddy County, NM NAD-27
Site: Sly Hawk St #5
Well: Sly Hawk St #5
Wellpath: OH

Date: 7/31/2006 **Time:** 13:51:39 **Page:** 3
Co-ordinate(NE) Reference: Well: Sly Hawk St #5, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,182.65Azi)
Plan: Plan #1 7-31-06

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
5075.00	72.30	182.65	4927.39	-331.91	-15.36	332.26	12.00	12.00	0.00	
5100.00	75.30	182.65	4934.37	-355.88	-16.47	356.27	12.00	12.00	0.00	
5125.00	78.30	182.65	4940.08	-380.19	-17.60	380.60	12.00	12.00	0.00	
5150.00	81.30	182.65	4944.51	-404.77	-18.73	405.20	12.00	12.00	0.00	
5175.00	84.30	182.65	4947.64	-429.54	-19.88	430.00	12.00	12.00	0.00	
5200.00	87.30	182.65	4949.47	-454.45	-21.03	454.93	12.00	12.00	0.00	
5222.54	90.00	182.65	4950.00	-476.95	-22.08	477.46	12.00	12.00	0.00	EOC @ 5223' MD / 4950' TVD
5300.00	90.00	182.65	4950.00	-554.33	-25.66	554.92	0.00	0.00	0.00	
5400.00	90.00	182.65	4950.00	-654.22	-30.28	654.92	0.00	0.00	0.00	
5500.00	90.00	182.65	4950.00	-754.12	-34.90	754.92	0.00	0.00	0.00	
5600.00	90.00	182.65	4950.00	-854.01	-39.53	854.92	0.00	0.00	0.00	
5700.00	90.00	182.65	4950.00	-953.90	-44.15	954.92	0.00	0.00	0.00	
5800.00	90.00	182.65	4950.00	-1053.80	-48.77	1054.92	0.00	0.00	0.00	
5900.00	90.00	182.65	4950.00	-1153.69	-53.40	1154.92	0.00	0.00	0.00	
6000.00	90.00	182.65	4950.00	-1253.58	-58.02	1254.92	0.00	0.00	0.00	
6100.00	90.00	182.65	4950.00	-1353.48	-62.64	1354.92	0.00	0.00	0.00	
6200.00	90.00	182.65	4950.00	-1453.37	-67.27	1454.92	0.00	0.00	0.00	
6300.00	90.00	182.65	4950.00	-1553.26	-71.89	1554.92	0.00	0.00	0.00	
6400.00	90.00	182.65	4950.00	-1653.16	-76.51	1654.92	0.00	0.00	0.00	
6500.00	90.00	182.65	4950.00	-1753.05	-81.14	1754.92	0.00	0.00	0.00	
6600.00	90.00	182.65	4950.00	-1852.94	-85.76	1854.92	0.00	0.00	0.00	
6700.00	90.00	182.65	4950.00	-1952.83	-90.39	1954.92	0.00	0.00	0.00	
6800.00	90.00	182.65	4950.00	-2052.73	-95.01	2054.92	0.00	0.00	0.00	
6907.39	90.00	182.65	4950.00	-2160.00	-99.97	2162.31	0.00	0.00	0.00	PBHL

Targets

Name	Description Dip. Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude ---><--- Longitude --->		
							Deg	Min	Sec
PBHL		4950.00	-2160.00	-100.00	422052.93	582295.00	32	9	36.219 N
							104	4	2.634 W

Annotation

MD ft	TVD ft	
4472.54	4472.54	KOP @ 4473' MD / TVD Build 12"/100'
5222.54	4950.00	EOC @ 5223' MD / 4950' TVD



November 6, 2006

Chesapeake Energy Corporation
P.O. Box 18496
Oklahoma City, OK 73154

RE: Unorthodox Surface Location
Administrative Approval Request
Sly Hawk State #5
150' FNL & 330' FEL
BHL: 2310' FNL & 430' FEL
Section 3, T-25S R-28E
Eddy County, New Mexico

Gentlemen:

This letter will serve as notice of our application for the above described unorthodox location. You are the operator of the affected proration unit. A copy of the complete application is enclosed for your review. If you object to this application please advise OCD Santa Fe in a timely manner. If you do not object no action is required on your part. If you have any questions regarding this please contact me.

Sincerely,

Raye Miller
Land Department

RM/na
Enclosures



November 6, 2006

Vernon E. Faulconer, Inc.
P.O. Box 7995
Tyler, Texas 75711

RE: Unorthodox Surface Location
Administrative Approval Request
Sly Hawk State #5
150' FNL & 330' FEL
BHL: 2310' FNL & 430' FEL
Section 3, T-25S R-28E
Eddy County, New Mexico

Gentlemen:

This letter will serve as notice of our application for the above described unorthodox location. A copy of the complete application is enclosed for your review. If you object to this application please advise OCD Santa Fe in a timely manner. If you do not object no action is required on your part. If you have any questions regarding this please contact me.

Sincerely,

Raye Miller
Land Department

RM/na
Enclosures



November 6, 2006

Mewbourne Oil Company
500 W. Texas, Suite 1020
Midland, TX 79701

Attention: Mr. Paul Hayden

RE: Unorthodox Surface Location
Administrative Approval Request
Sly Hawk State #5
150' FNL & 330' FEL
BHL: 2310' FNL & 430' FEL
Section 3, T-25S R-28E
Eddy County, New Mexico

Dear Mr. Hayden:

This letter will serve as notice of our application for the above described unorthodox location. A copy of the complete application is enclosed for your review. If you object to this application please advise OCD Santa Fe in a timely manner. If you do not object no action is required on your part. If you have any questions regarding this please contact me.

Sincerely,

Raye Miller
Land Department

RM/na
Enclosures



November 6, 2006

Southwestern Energy Company
2350 W. Sam Houston Parkway, Suite 300
Houston, Texas 77032

Attention: Mr. Chuck Cornish

RE: Unorthodox Surface Location
Administrative Approval Request
Sly Hawk State #5
150' FNL & 330' FEL
BHL: 2310' FNL & 430' FEL
Section 3, T-25S R-28E
Eddy County, New Mexico

Dear Chuck:

This letter serves as notice of the unorthodox application described above. A copy of the full application is enclosed for your review. If you have any questions, please contact me.

Sincerely,

Raye Miller
Land Department

RM/na
Enclosures