

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -

ADMINISTRATIVE APPLICATION COVER SHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [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 - Directional Drilling
 NSL NSP DD SD

FEB 26 2002

Check One Only for [B] and [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

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

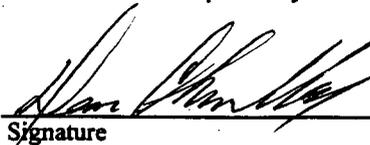
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands,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

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

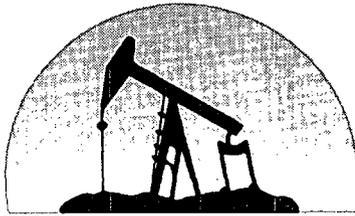
Note: Statement must be completed by an individual with supervisory capacity.

DEAN CHAMBLEY
 Print or Type Name


 Signature

LANDMAN
 Title

2-19-02
 Date



marbob
energy corporation

February 19, 2002

Oil Conservation Division
Post Office Box 6429
Santa Fe, New Mexico 87504

RE: Application for Approval of Unorthodox Location
Marbob Energy Corporation
Airport Grace No. 1 - 1980' FSL - 2164' FWL (30-015-20829)
Section 36, Township 22 South, Range 26 East
Eddy County, New Mexico

Gentlemen:

Marbob Energy Corporation respectfully requests approval of the above referenced unorthodox location. Administrative Order NSL-599 granted approval for an unorthodox South Carlsbad Morrow well. The Airport Grace has been recompleted as a Carlsbad Strawn South well. Therefore requiring submittal of this Application. Notice, along with a copy of this Application, has been sent to the offsetting operators. Marbob Energy Corporation is operator in three of the offsetting proration units, including the most directly affected unit. New Mexico State Lease KO-6290 covers all of Section 36. Marbob is operator of both the Airport Grace in the west half and the Carlsbad Grace in the east half. Interest ownership in these wells is identical to each other. To aid in the review of this Application, enclosed are the following:

- A.) Form C-102 for Airport Grace
- B.) Proration Unit Plat
- C.) Copy of Administrative Order NSL-599

Please do not hesitate to contact us should you require additional information. Thank you for reviewing this Application.

Sincerely,

Dean Chumbley
Land Department

DC/mm
Enclosures

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-238
Effective 1-4-65

All distances must be from the outer boundaries of the Section.

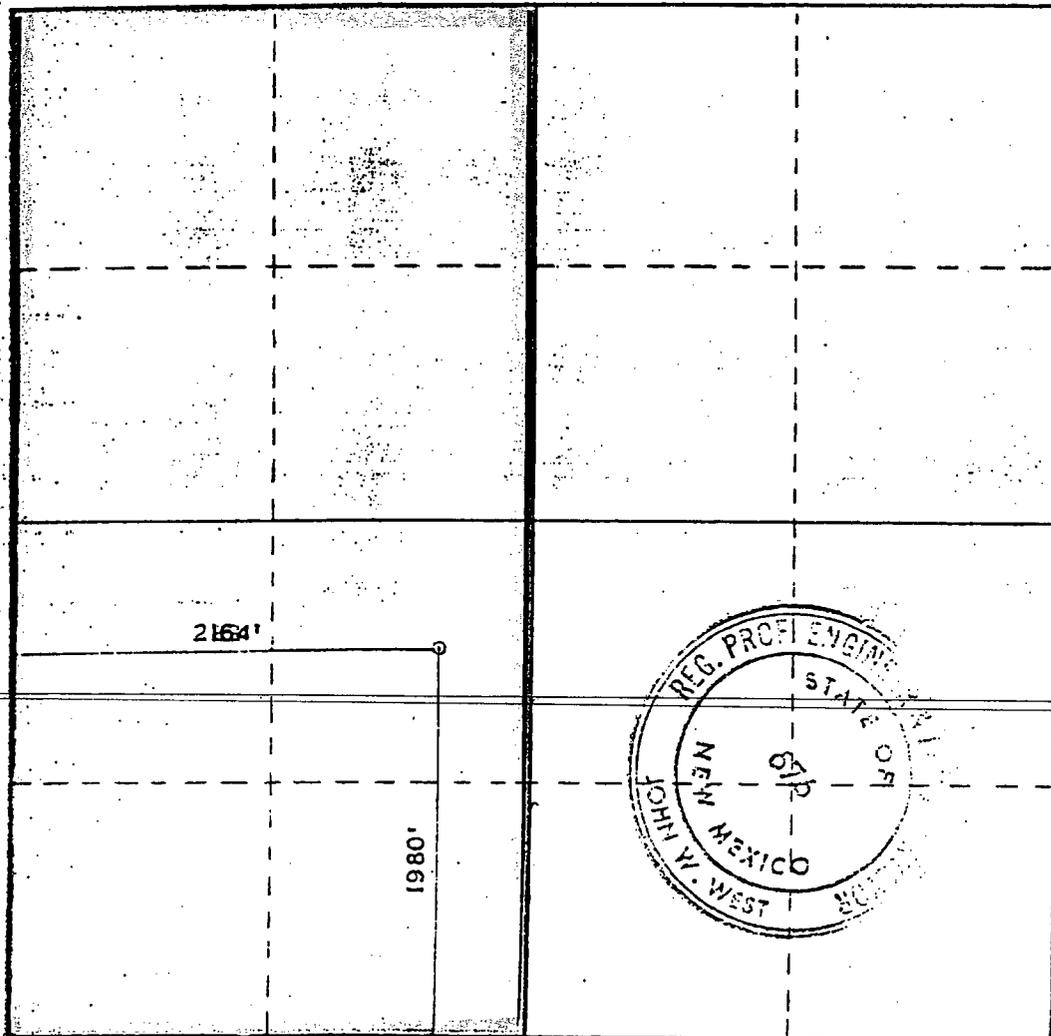
Operator MARBOB ENERGY CORPORATION		Lease AIRPORT GRACE		Well No. 1
Unit Letter K	Section 36	Township 22 SOUTH	Range 26 EAST	County EDDY
Actual Footage Location of Well: 1980 feet from the SOUTH line and 2164 feet from the WEST line.				
Ground Level Elev. 3221'	Producing Formation STRAWN	Pool SOUTH CARLSBAD		Dedicated Acreage 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes" type of consolidation:

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Diana J. Cannon
Name

DIANA J. CANNON

Position

PRODUCTION ANALYST

Company

MARBOB ENERGY CORPORATION

Date

JANUARY 18, 2002

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 knowledge and belief.

Date Surveyed

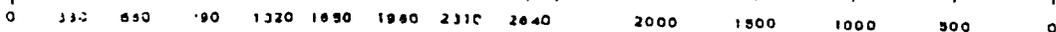
1-6-73

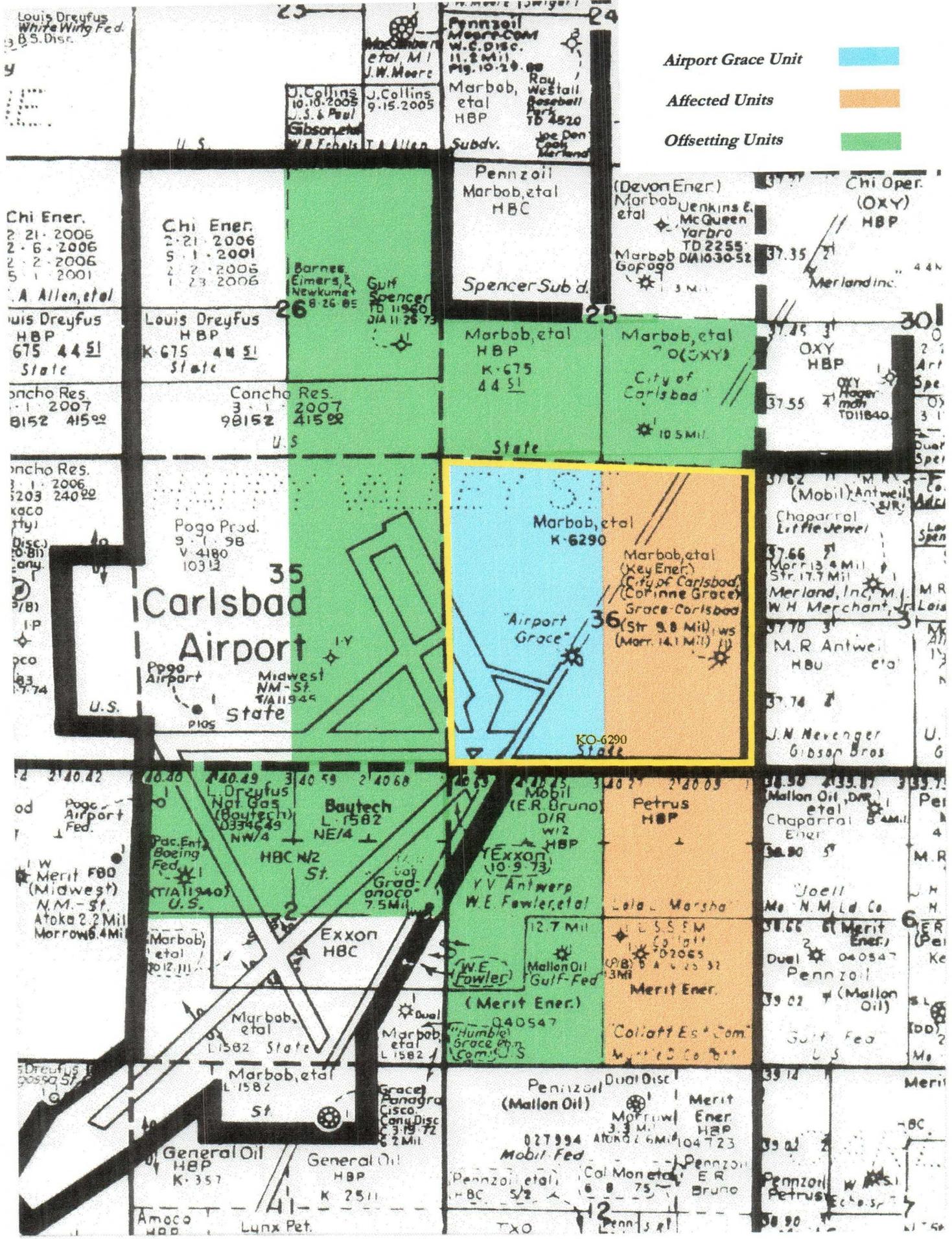
Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No.

676





Airport Grace Unit ■
 Affected Units ■
 Offsetting Units ■

Louis Dreyfus
White Wing Fed.
B.S. Disc.

Pennzoil
Marbob, etal
W.C. Disc.
11.2 Mil
Pg. 10-29

Chi Ener.
2-21-2006
2-6-2006
2-2-2006
5-1-2001
A. Allen, etal

Chi Ener.
2-21-2006
5-1-2001
2-2-2006
1-23-2006
Barnes, Eimers, & Newkumet
8-26-05

J. Collins
10.10.2005
J.S. & Paul
Gibson etal
W.R. Echols
T.A. Allen

Pennzoil
Marbob, etal
HBC
Spencer Sub'd.
Ray Westall
Rosebell
Part 7D 4520
Joe Don Cook
Merland

(Devon Ener)
Marbob etal
Jenkins & McQueen
Yarbro
TD 2255
DMA 103052
3M

Chi Oper.
(OXY)
HBP
Merland Inc.
44N

Louis Dreyfus
HBP
675 4451
State

Louis Dreyfus
HBP
K-675 4451
State

Marbob, etal
HBP
K-675 4451
State

Marbob, etal
HBP
K-675 4451
State

Marbob, etal
HBP
K-675 4451
State

OXY
HBP
OXY Hager
TD 11840

Concho Res.
3-1-2007
9152 41592

Concho Res.
3-1-2007
98152 41592

Concho Res.
3-1-2006
203 24092

Pogo Prod.
9-1-98
V 4180
10312

Pogo Prod.
9-1-98
V 4180
10312

Marbob, etal
K-6290

Marbob, etal
K-6290

(Mobil) Antweil
Chaparral
Little Jewel

35
Carlsbad
Airport
Pogo Airport
Midwest
NM-St
7/11/94
State

36
"Airport Grace"
Marbob, etal
K-6290
State

Marbob, etal
(Key Ener)
City of Carlsbad
(Cofinne Grace)
Grace-Carlsbad
(Str 9.8 Mil) ws
(Mort. 14.1 Mil)

(Morris 4 Mil)
Str. 17.7 Mil
Merland, Inc., M.
W H Merchant

Merit F80
(Midwest)
N.M.-St.
Atoka 2.2 Mil
Morrow 6.4 Mil

L. Dreyfus
Nat Gas
(Bautech)
0374649
NW/4

Bautech
L-1582
NE/4

Mobil
(E.R. Bruno)
D/R
w/2
HBP

Petrus
HBP

Mallon Oil, Dm
etal
Chaparral 8 Mil
Ener

Exxon
HBC

Exxon
HBC

(YV Antwerp)
W.E. Fowler, etal

Lela L. Marsha

Joell
Mo N.M. Ld Co.

Marbob, etal
L-1582
State

Marbob, etal
L-1582
State

(Merit Ener)
"Humble Grace
Com"

Collatt Es+Com

Dual
Pennzoil
(Mallon Oil)

General Oil
HBP
K-357

General Oil
HBP
K-2511

Pennzoil
(Mallon Oil)

Merit
Ener
HBP

Pennzoil
Petrus

Amoco

Lynx Pet.

Lynx Pet.

Pennzoil

Pennzoil

Pennzoil

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

March 15, 1973

RECEIVED

MAR 16 1973

O. C. C.
ARTESIA, OFFICE

Michael P. Grace II and
Corinna Grace
P. O. Box 1413
Carlsbad, New Mexico 88220

Administrative Order NSL-599

Gentlemen:

Reference is made to your application for approval of an unorthodox gas well location for your Airport Grace No. 1, to be located 1980 feet from the South line and 2164 feet from the West line of Section 36, Township 22 South, Range 26 East, NMPM, South Carlsbad Morrow Gas Pool, Eddy County, New Mexico.

Waivers of objection from offsetting operators accompany the application, therefore, the waiting period prescribed by Rule 104 F of the Commission Rules and Regulations may be dispensed with in this instance. By authority granted me by said Rule 104 F the above-described unorthodox location is hereby approved.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/dr

cc: Oil Conservation Commission - Artesia
Oil & Gas Engineering Committee - Hobbs
State Land Office - Santa Fe

C
O
P
Y

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:

Pogo Producing Company
P O Box 10340
Midland, TX 79702

Airport Grace #1
Unorthodox Location

2. **7001 1940 0006 6419 3685**

PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

X

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

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:

Merit Energy Company
12222 Merit Dr., Ste. 1500
Dallas, TX 75251

Airport Grace #1
Unorthodox Location

2. **7001 1940 0006 6419 3678**

PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

X

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

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:

Gruy Petroleum Management Co.
P O Box 140907
Irving, TX 75014-0907

Airport Grace #1
Unorthodox Location

2. **7001 1940 0006 6419 3661**

PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

X

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

PS Form 3811, August 2001

Domestic Return Receipt 102595-01-M-2509

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:

Devon Energy Corporation
20 N. Broadway, Ste. 1500
Oklahoma City, OK 73102

Airport Grace #1
Unorthodox Location

2.

7001 1940 0006 6419 3708

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

-
- Agent
-
-
- 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