

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 10, 2007

Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211-0227

Attention: Mr. William Miller

Re: **Straight Line Federal Well No. 1**
API No. 30-015-34087
1650' FSL & 1100' FEL, Unit I,
Section 19, T-17 South, R-31 East, NMPM,
Eddy County, New Mexico

Administrative Order NSL-5650

Dear Mr. Miller:

Reference is made to the following:

(a) Marbob Energy Corporation's ("Marbob" or "applicant") application for a non-standard well location (*administrative application reference No. pCLP0716232218*) for the Straight Line Federal Well No. 1 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 8, 2007; and

(b) the Division's records pertinent to your request.

The applicant requests approval of an unorthodox oil well location for its Straight Line Federal Well No. 1 in the Undesignated Cedar Lake Glorieta-Yeso Pool (Oil - 96831) which is located 1650 feet from the South line and 1100 feet from the East line (Unit I) of Section 19, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico. The NE/4 SE/4 of Section 19 is to be dedicated to the well in the Undesignated Cedar Lake Glorieta-Yeso Pool forming a standard 40-acre oil spacing and proration unit.

The Cedar Lake Glorieta-Yeso Pool is currently governed by Division Rule No. 19.15.3.104(B).

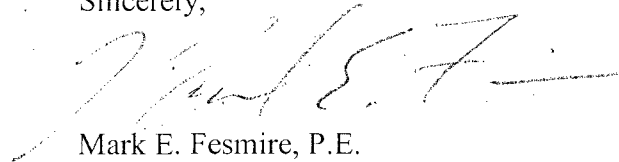
Evidence submitted by the applicant demonstrates that the Straight Line Federal Well No. 1 was originally drilled as a Morrow test well at a standard gas well location, and that the well will now be re-completed to the Yeso interval.

The applicant has provided notice of this application to all affected offset operators and/or interest owners. No party has entered an objection to this application within the 20-day waiting period prescribed by Division Rule 19.15.3.104(F).

Division records show that there are no other wells producing from the Cedar Lake Glorieta-Yeso Pool within the NE/4 SE/4 of Section 19.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the Undesignated Cedar Lake Glorieta-Yeso Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: OCD-Artesia
 Bureau of Land Management-Carlsbad