



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor
Joanna Prukop
Cabinet Secretary

December 30, 2003

Lois Wrotenberg
Director
Oil Conservation Division

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

Attention: Raye Miller

Re: *Administrative application (application reference No. pKRV0-223856410) for an exception to Division Rule 104.B (1) for Marbob Energy Corporation's proposed Lee Federal Well No. 26 to be drilled at an unorthodox infill oil well location 990 feet from the South line and 230 feet from the West line (Unit M) of Section 17, Township 17 South, Range 31 East, NMPM, Cedar Lake-Yeso Pool (96831), Eddy County, New Mexico, within an existing standard 40-acre oil spacing and proration unit comprising the SW/4 SW/4 of section 17.*

Dear Mr. Miller:

My review of your application re-filed with the Division in Santa Fe on November 3, 2003 indicates that the information provided in your application is not sufficient to process an administrative order at this time. It appears that your application is incomplete with respect to notice. Please refer to Division Rule 1207.A (2) (a), which states:

"In the event the operator of the proposed unorthodox well is also the operator of an existing adjoining spacing unit and ownership is not common between the adjoining spacing unit and the spacing unit containing the proposed unorthodox well, then "affected persons" include all working interest owners in that spacing unit."

The following two offsetting Cedar Lake-Yeso oil spacing and proration units that will be affected by the proposed unorthodox infill oil well location are both operated by Marbob Energy Corporation:

- (i) the NE/4 SE/4 (Unit I) of Section 18, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, which is currently dedicated to your Tony Federal Wells No. 12 and 13; and
- (ii) the SE/4 SE/4 (Unit P) of Section 18 that is currently dedicated to your Tony Federal Wells No. 2, 14, and 18.

JAN 02 2004
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505
RECEIVED
JAN 12 2004

Marbob Energy Corporation

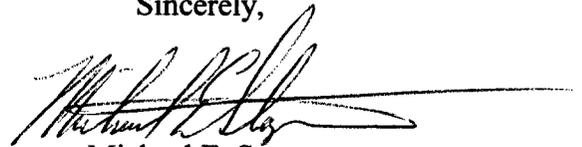
December 30, 2003

Page 2

From the information provided no conclusion can be made that Marbob Energy Corporation controls 100 percent of the working interest in both these offsetting units.

Your application for administrative approval for the above-described unorthodox infill oil well location is deemed incomplete; is hereby **denied** and is being returned to you at this time.

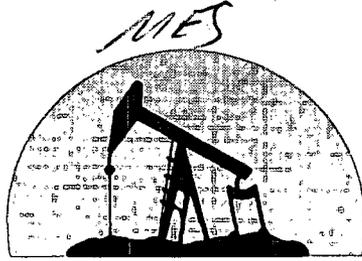
Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner

Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management - Carlsbad
William F. Carr, Legal Counsel for Marbob Energy Corporation - Santa Fe



RECEIVED

NOV 03 2003

OIL CONSERVATION
DIVISION

Resubmitted: 11/3/03
Suspense Date: 11/24/03
p KRVO-223856410

marbob
energy corporation

October 31, 2003

New Mexico Oil and Gas Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87504

**RE: Application for Administrative Approval of an Unorthodox Location
Lee Federal #32
990' FSL & 230' FWL, Unit M, Section 17, T17S, R31E
Eddy County, New Mexico**

Gentlemen:

Marbob Energy Corporation respectfully submits the following Application for Administrative Approval of an Unorthodox Location. Marbob Energy Corporation requests approval to drill a Loco Hills Paddock well at our Lee Federal No. 32 location. The location was staked west of the orthodox location to avoid archeological sites LA135831 and LA66506. We recently drilled and completed the Lee Federal No. 34 well located in the same unit at 330' FSL & 890' FWL of Section 17, T17S, R31E. We have previously drilled the following wells:

Lee Federal #30	Unit L	1650' FSL & 865' FWL	Sec. 17-T17S-R31E
Lee Federal #31	Unit L	2310' FSL & 330' FWL	Sec. 17-T17S-R31E
Tony Federal #12	Unit I	2310' FSL & 990' FEL	Sec. 18-T17S-R31E
Tony Federal #13	Unit I	1550' FSL & 230' FEL	Sec. 18-T17S-R31E
Tony Federal #14	Unit P	990' FSL & 865' FEL	Sec. 18-T17S-R31E
Tony Federal #18	Unit P	205' FSL & 430' FEL	Sec. 18-T17S-R31E

Those wells are spotted on the attached plat. As you can see we are developing these Paddock wells on a 20-acre spacing pattern with the wells being drilled in the opposite corners allowing approximately 900 feet to all offset wells. The working interest in all three affected units is identical to that of the proposed proration unit. Any other orthodox location in the proposed proration unit would only provide a distance of 668 feet from the No. 34 well. Therefore we believe the unorthodox location would provide for better reservoir drainage than any other orthodox location in the proration unit. Please note that this is the same location under application reference No. pKRVO-223856410 which was denied September 13, 2002. The surrounding wells and spacing pattern are now complete which we hope improves the chances of this location being approved.

Rubicon Oil & Gas, LLC is the offset operator to the northeast and have been notified of this application via certified mail. All other offset property is operated by Marbob Energy Corporation.

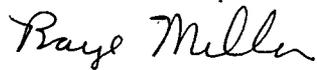
Application for Unorthodox Location
Lee Federal #32
Page 2

The following items have been attached to aid in your review of this application:

- A.) Lee Federal No. 32 Form C-102
- B.) Plat of well spots and proration units
- C.) Arch report with plat of archeological Site
- D.) BLM's special stipulations

If you see any additional information that I have failed to include, please contact me.
Thank you for reviewing this Application.

Sincerely,



Raye Miller
Land Department

RM/mp
Enclosures

PR 1 2 2002

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-	Pool Code 96831	Pool Name CEDAR LAKE; YESO
Property Code 23300	Property Name LEE FEDERAL	Well Number 32
OGRID No. 14049	Operator Name MARBOB ENERGY CORPORATION	3503' 3692'

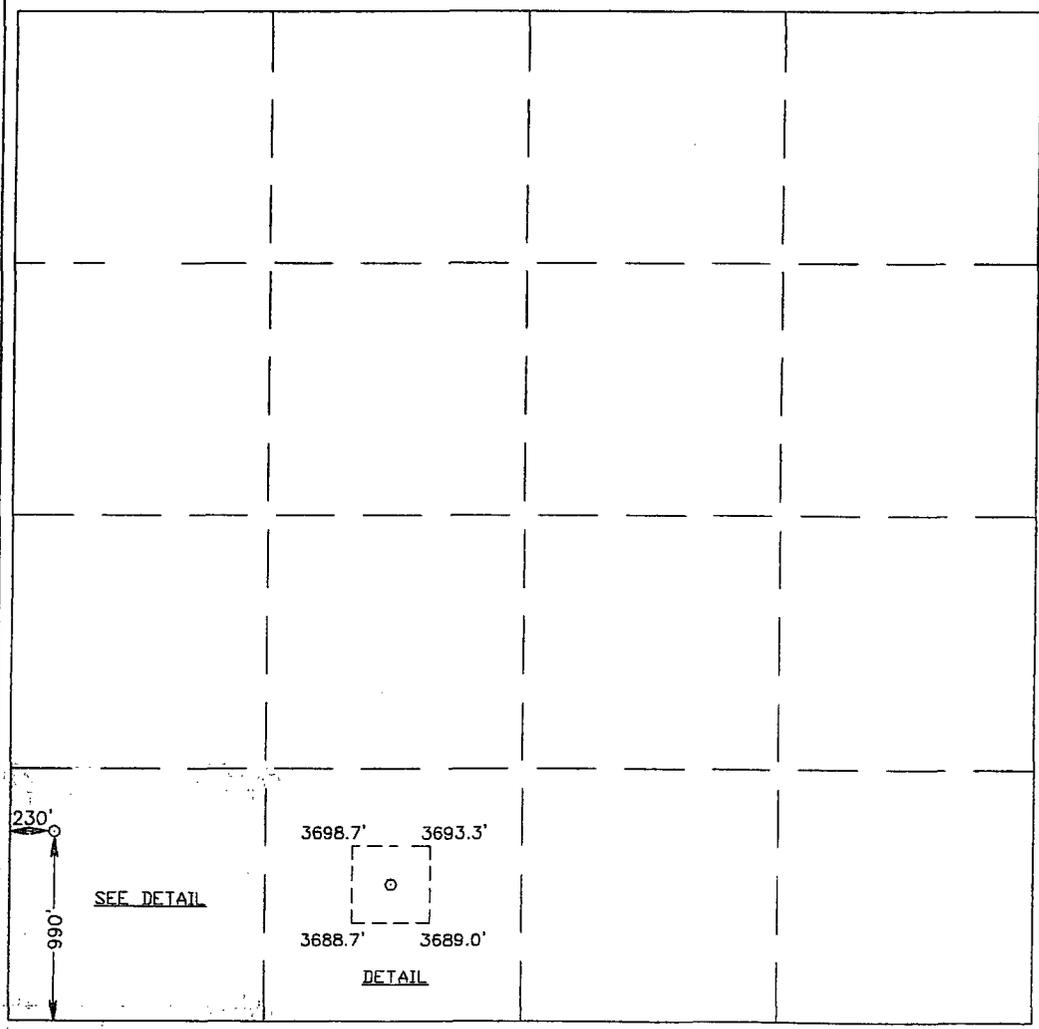
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	17-S	31-E		990	SOUTH	230	WEST	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
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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

Diana J. Cannon
Signature

DIANA J. CANNON
Printed Name

PRODUCTION ANALYST
Title

APRIL 29, 2002
Date

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.

April 09, 2002

Date Surveyed: LA

Signature & Seal of Professional Surveyor

Ronald J. Eidson 4/11/02
02.11.0263

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

COPY

TITLE PAGE/ABSTRACT
NEGATIVE SITE REPORT
ROSWELL DISTRICT

Page 1

BLM/ RDO 1/95

1. BLM Report No.

2. (Accepted)
(Rejected)

3. NMCRIS No. 78966

4. Title of Report (Project Title):

A Cultural Resource Inventory

Marbob Energy Corporation

The Lee Federal Number 32

Proposed Original and Alternate Well Locations, Access Roads,

Site LA 66,506 and Site LA 135,831

Section 17, T.17S., R.31E Eddy County, New Mexico

5. Project Date(s)

March 18, 2002

May 3, 2002

6. Report Date

May 9, 2002

7. Consultant Name & Address:

Direct Charge: Joe Ben Sanders

Name: Southern New Mexico Archaeological Services, Inc.

Address: PO Box 1 Bent, NM 88314

Author's Name Doralene Sanders and Trena Moyers

Field Personnel Names: Joe Ben Sanders & Al Rórex

Phone No. (505) 671-4797

8. Permit No.

145-2920-01-J

Consultant Report #

SNMAS-02NM-775

10. SPONSOR NAME AND ADDRESS:

Individual Responsible: Dean Chumbley

Name: Marbob Energy Corporation

Address: P.O. Box 227, Artesia, New Mexico 88211

Phone No. (505) 748-3303

11. FOR BLM USE

12. ACREAGE:

Total No. of acres

Surveyed 5.32

Per Surface

Ownership:

Federal 5.32

State _____

Private _____

13. Location and Area: (Maps Attached if negative survey)

a. State: New Mexico

b. County: Eddy

c. BLM District: Roswell

Field Office: Carlsbad

d. Nearest City or Town: Loco Hills, New Mexico

e. Location: T 17S., R 31E Sec 17

Original Well Pad Footages: 990 ft FSL and 330 ft FWL
Alternate Well Pad Footages: 990 ft FSL and 230 ft FWL
Original Well Pad ¼'s: NW1/4SW1/4SW1/4
Alternate Well Pad ¼'s: NW1/4SW1/4SW1/4
Original Access Road ¼'s: NW1/4SW1/4SW1/4
Alternate Access Road ¼'s: NW1/4SW1/4SW1/4

f. 7.5' Map Name(s) and Code Number(s):
USGS Loco Hills 1985 32103-G8

g. Area: Block:

Impact: 200' X 200'

Surveyed: 500' X 400'

Linear: 50' X 308'

Surveyed: 100' X 308'

14. a. **Records Search:**

Location:	ARMS HPD.	Date March 13, 2002
	BLM Carlsbad	Date March 13, 2002

List by LA # All sites within .25 miles of the project: Updated Site LA 66,506 and LA 117,241, LA 84,982, LA 131,611 and Newly Recorded Site LA 135,831

b. **Description of Undertaking:**

The proposed Lee Federal Number 32 original well location was staked 990 ft FSL and 330 ft FWL, in Section 17, T.17S, R.31E. The alternate well location is staked 990 ft FSL and 230 ft FWL, in Section 17, T.17S., R.31E. The impact area for the proposed well location is 200 ft by 200 ft. An area of 500 ft by 400 ft was surveyed for the original and alternate well location. The original well location was moved 100 feet west to avoid Site LA 66,506. The alternate access road is 154 ft long with an impact area of 50 ft by 154 ft.

c. **Environmental Setting** NRCS soil designation: vegetative community: etc.:

The project area is characterized by an open rolling dune field with a south-southeast exposure. Dune size and blowout depressions vary in size. The northeast portion is higher. Soils consist of tan-red sand mixed with caliche nodules and gravel. The vegetation in the area consists of scrub oak, mesquite, grasses, snakeweed, yucca and spectral pod. Elevation is 3,692 ft.

d. **Field Methods:**

Transect Intervals: twelve transects over staked well locations
15 m intervals on each side of the staked
access road

Crew Size: one on 3-18-02 and one on 5-03-02

Time in Field: 5 hours

Collections: NONE

15. Cultural Resource Findings:

a. Identification and description: (Location shown on project map)

During the current survey, Site LA 66,506 was revisited and updated and one new site LA 135,831 was discovered, fully recorded and mapped, and an LA Form completed. Also encountered were two isolated occurrences, they were recorded, and all research potential exhausted in the field. See main report for details.

16. Management Summary (Recommendations) :

During the current survey, Site LA 66,506 was revisited and updated and one new site LA 135,831 was discovered, fully recorded and mapped, and an LA Form completed. Also encountered were two isolated occurrences, they were recorded, and all research potential exhausted in the field. **Archaeological clearance is recommended** for Marbob Energy Corporation proposed **Lee Federal No. 26 alternate** well location and access road, located in Section 17, T.17S, R.31E, **with the following stipulations: An archaeological monitor must be present during the construction of a barrier fence and during initial construction of the well location while within 100 ft of Sites LA 66,506 and LA 135,831. The final stipulation will be set forth by BLM.**

I certify the information provided above is correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist: Signature


Joe Ben Sanders Date: May 9, 2002
Principal Investigator

The above completes a negative report. If eligible of potentially eligible properties are involved, then the above will be the title page and abstract for a complete report.

The Lee Federal Number 32
Proposed Original and Alternate Well Locations, and Access Roads,
Site LA 66,506 and Site LA 135,831
Section 17, T.17S., R.31E Eddy County, New Mexico

Written By:
Doralene Sanders, Trena Moyers
with
Joe Ben Sanders as
Principal Investigator

Prepared For:

Marbob Energy Corporation
Post Office Box 227
Artesia, New Mexico 88211

Date
May 9, 2002

NMCRIS # 78966
Project # SNMAS-02NM-775
Under provisions of BLM Antiquity
Permit Number 145-2920-01-J

ABSTRACT

On March 18, 2002 and May 3, 2002 Joe Ben Sanders and Al Rorex of Southern New Mexico Archaeological Services, Inc., performed a Class III Cultural Resource Inventory of the proposed Lee Federal Number 26 Original and Alternate well locations and access roads, in Eddy County, New Mexico. The cultural resource inventory revealed one previously recorded site and one newly discovered site and two isolated occurrences. The proposed original and alternate well locations are located in Section 17, T.17S., R.31E. The work was conducted at the request of Marbob Energy Corporation, in compliance with BLM guidelines.

These impacts occur on lands administered by the U.S.D.I. Bureau of Land Management. The Class III cultural resource inventory was performed according to provisions of Cultural Resource Use Permit 145-2920-01-J, which expires June 30, 2002.

INTRODUCTION

On March 18, 2002 and May 3, 2002, a class III pedestrian survey was performed for the proposed Lee Federal Number 32. Original and Alternate well locations and access roads, staked in Section 17, T.17S., R.31E. The impact area for the well location is 200 ft by 200 ft. An area of 400 ft by 500 ft was surveyed for the proposed well locations. The proposed access road is 154 ft long with an impact area of 50 ft by 154 ft. A total of 308 ft was surveyed for the proposed access roads.

The cultural resource inventory revealed one previously recorded site and one newly discovered site and two isolated occurrences.

The project is located on USGS Loco Hills, New Mexico (1985) 7.5' topo map. A total of 5.32 acres were archaeologically surveyed for the original and alternate proposed well locations and access roads.

CULTURAL SETTING

The project falls within the Pecos Valley archaeological region as described by the Bureau of Land Management (Sebastian and Larralde 1989). Their cultural/temporal framework begins with the Paleoindian Period (ca. 11,700-7000 B.P.), Archaic (ca. 7000 B.P. - A.D. 900 or 1000), Ceramic (after ca. A.D. 600 - 1540), Protohistoric and Spanish Colonial (pre-A.D. 1400- 1821), and Mexican and American Historical (A.D. 1822 - early 1900s).

ENVIRONMENTAL SETTING

The project area is characterized by open rolling dune field with a south-southeast exposure. Dune size and blowout depressions vary in size. The northeast portion is higher. Soils consist of tan-red sand mixed with caliche nodules and gravel. The vegetation in the area consists of scrub oak, mesquite, grasses, snakeweed, yucca and spectral pod. The elevation is 3,692 ft.

FIELD METHODS

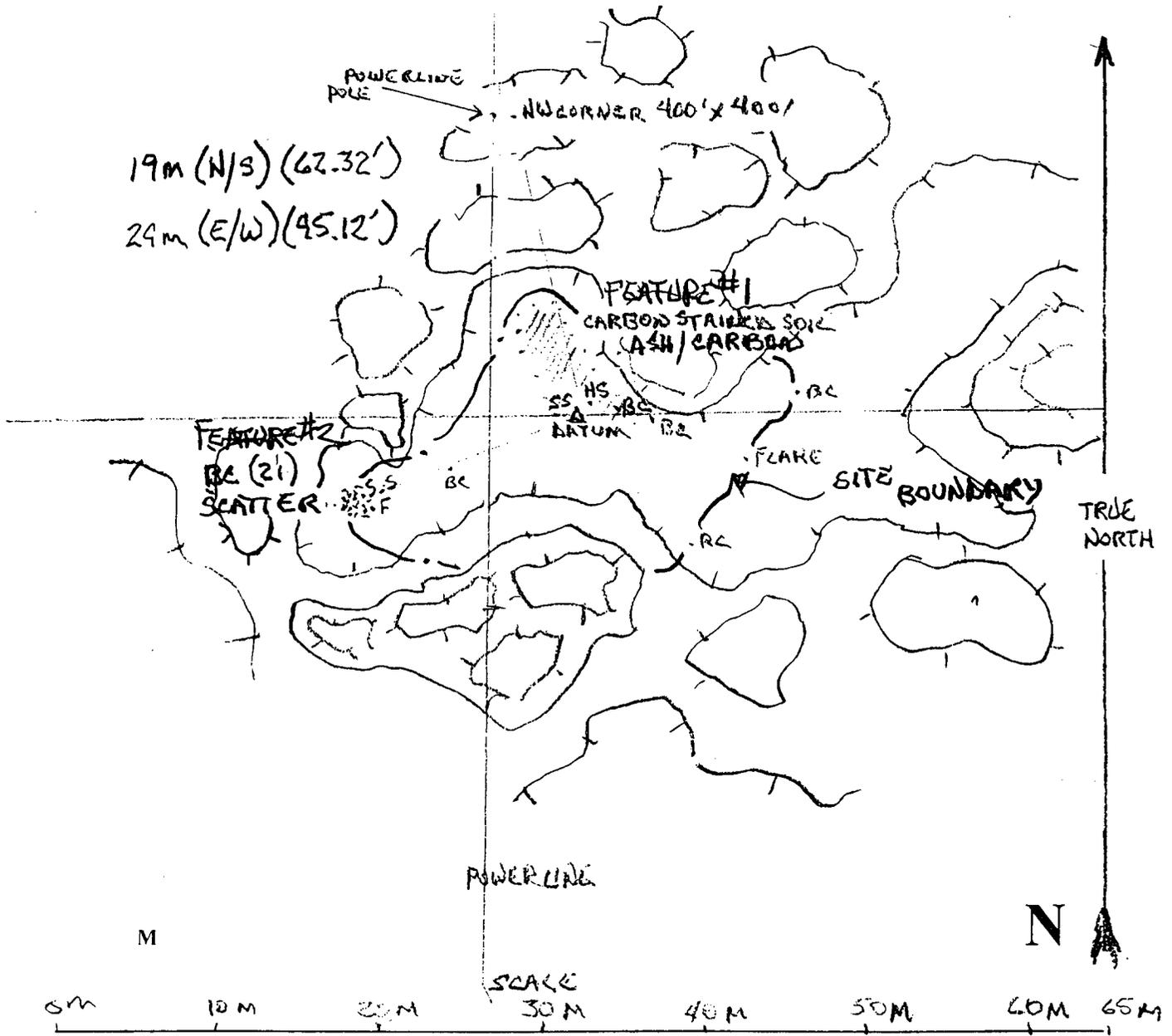
The Class III survey was performed by walking twelve zig zag transects across the well pads and by walking two transects, one on each side of the centerline of the staked access roads. The surface was intensively examined for cultural resources.

Prior to fieldwork a records check was completed at the Bureau of Land Management, Carlsbad Resource Area office and the Archaeological Records

LA: 135,831

SNMAS-02NM-775-1

PROJECT NAME: Lee Fed. No. 32

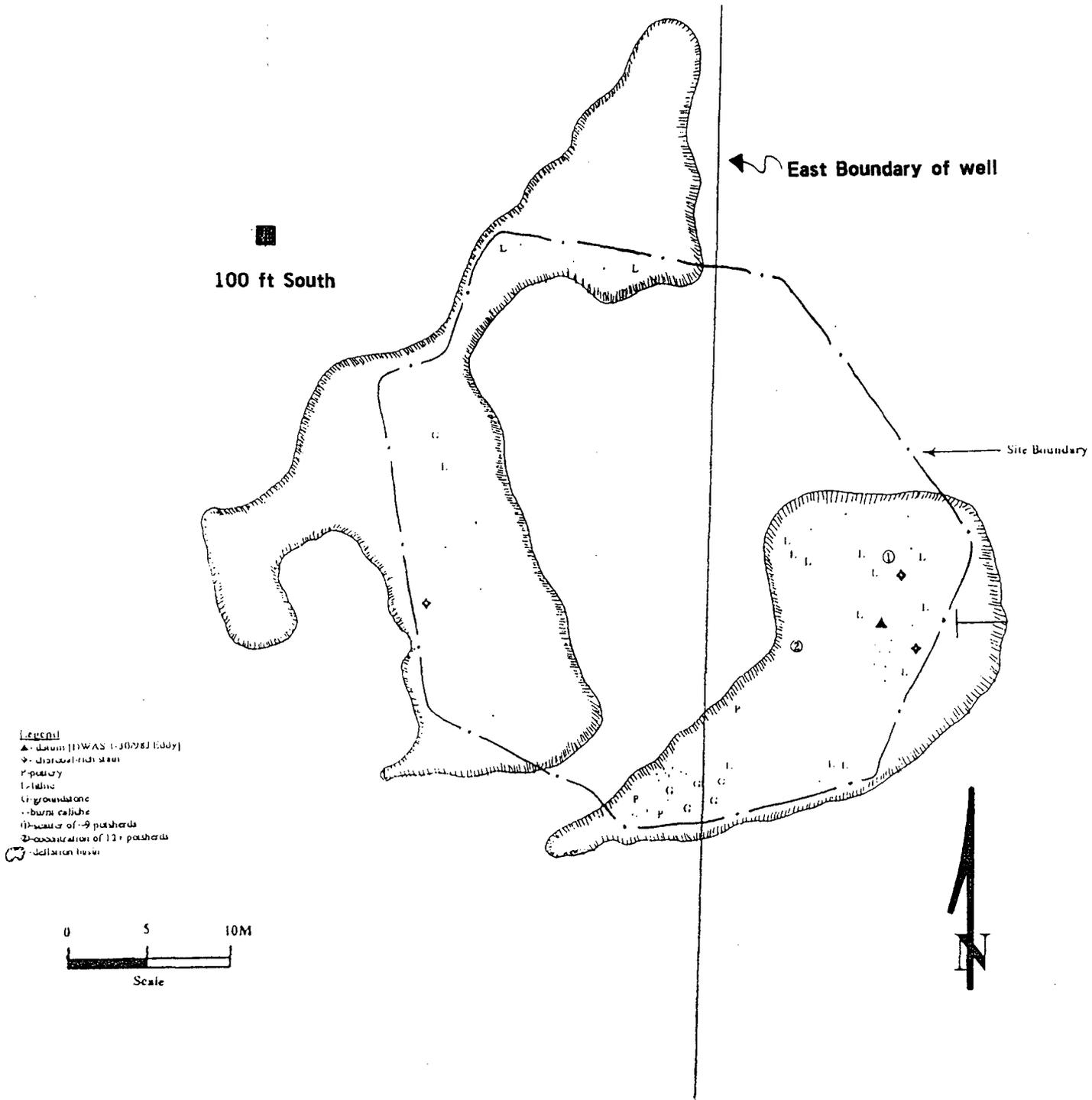


Southern New Mexico Archaeological Services, Inc.

FIGURE 3

ASR 5/3/02

LA: 66506
 SNMAS-02NM- 775-2
 PROJECT NAME: See Fed. No. 32



- Legend**
- ▲ datum (DWS 1-30-83 Eddy)
 - ◆ directional-rich stain
 - P pottery
 - L lithic
 - G groundstone
 - burnt caliche
 - ① - 9 potsherds
 - ② - concentration of 121 potsherds
 - ⊙ - Jellison hearth

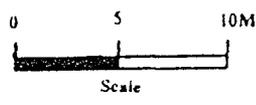


FIGURE 2 **■ Southeast Corner**

Southern New Mexico Archaeological Services, Inc.

Management Section. The ARMS and BLM record check of Section 17, Township 17S, Range 31E revealed four previously recorded sites, on or within one-quarter mile of the project area.

NEWLY RECORDED SITE
Site LA 135,831

Site LA 135,831 (SNMAS-02NM-775-1) appears to be culturally and temporally associated with the El Paso Phase Mogollon based on the ceramics present. The site also appears to be a short-term seasonal temporary camp based on features and artifacts present.

The site was probably oriented towards the processing of area floral and faunal resources. The site has an Aeolian depositional/erosional environment and subsurface C-14 deposits are present. These deposits are estimated to be from 10-15 cm deep (rodent burrow and other observances).

Area vegetation is basic desert scrubland dominated by scrub oak, mesquite, yucca, snakeweed, grasses and spectral pod.

The site is located in a blowout within an open rolling dune field formation. The sites artifact assemblage is limited to a total of six lithics and ceramic artifacts which were observed on the site surface.

The site is composed of two distant surface features and a general scatter of associated artifacts.

Feature 1 is an area measuring approximately 9 m (north/south) by 4 m (east/west) or 36 square m composed of carbon stained soil/ash/charcoal and associated artifacts (one hammerstone, one burnt sandstone and two burnt caliche nodules). The area exhibits subsurface depth and has good potential for supplying C-14 samples. Site datum is established in this feature. Feature 1 appears to be the remains of initial heat processing of a hearth.

Feature 2 of the site is an area measuring approximately 2 m (north/south) by 2 m (east/west) or 4 square m composed of a concentration of twenty-one observed pieces of burnt caliche nodules of various size, ranging from 2 to 8 cm. No soil staining was observed in association. In association with the Feature are two El Paso Brownware Jar sherds, one drill repaired, two flakes of lithic debris, (one primary chalcedony, one secondary quartzite) and a single piece of burnt sandstone exhibiting no use or wear. Feature 2 appears to be the remains of a cooking pit.

The site appears to be short term in nature and may represent a single occupation sequence. The site has potential for further research. Site LA

135,831 is considered eligible to the NRHP under "Criteria d" information potential and should be avoided.

PREVIOUSLY RECORDED SITE

Site LA 66,506

Site LA 66,506 (SNMAS-02NM-775-2) There is no change in the site since last updated by DWAS, Inc., in January 1998, except for misplotting of the site on the topo map. The correct plotting was undertaken.

Site LA 66,506 (SNMAS-02NM-775-2) consists mainly of two deflation basins with varying numbers of cultural resources noted in each, which appears to have possibly been a temporary, and/or seasonal campsite. No diagnostic lithic tools were noted, and most of the lithics documented were of a fragmentary nature. Three charcoal-rich stains were found during original recording. The main concentration of artifacts were encountered within the eastern deflation basin of LA 66,506. Based on the possibility of an intact buried component, Site LA 66,506 is considered a Category II Temporary/Seasonal Campsite, and eligible for inclusion into the National Register of Historic Places.

ISOLATES

Isolate number one consists of 10 pieces of fist sized burned caliche, one gray chert core, multidirectional, measuring 5 x 4 x 4 cm, one mano half of brown sandstone, bifacial, measuring 9 x 6 x 2 cm, a piece of petrified wood, tested core fragment, weathered fractured, measuring 7 x 4 x 3 cm, one metate fragment of brown sandstone, shallow basin, unifacial, measuring 12 x 9 x 2 cm. All located in a 17 x 15 m deflation basin. Found in the NE1/4NW1/4NW1/4SW1/4SW1/4 of Section 17, T.17S., R.31E.

Isolate number two consists of one piece of golf ball sized burned caliche, one tan/white chert flake, multidirectional core, exhibiting a 10% cortex, measuring 5 x 3 x 2 cm. Located in a 5 x 13 m deflation basin in red paleosols. Found in the SE1/4NW1/4NW1/4SW1/4SW1/4 of Section 17, T.17S., R.31E.

RESULTS

During the current survey, Site LA 66,506 was revisited and updated and one new site was discovered, fully recorded and mapped, and an LA Form completed. Also encountered were two isolated occurrences, they were recorded, and all research potential exhausted.

RECOMMENDATIONS

Archaeological clearance is recommended for Marbob Energy Corporation proposed Lee Federal No. 32 alternate well location and access road, located in Section 17, T.17S, R.31E, with the following stipulations: An archaeological monitor must be present during the construction of a barrier fence and during initial construction of the well location while within 100 ft of Sites LA 66,506 and LA 135,831. The final stipulation will be set forth by BLM.

REFERENCES CITED

Chugg, J. C., G. W. Anderson, D. L. King, and L. Jones
1971 Soil Survey Eddy County, New Mexico. United States Department
of Agriculture, Soil Conservation Service.

Williams, Jerry L.(editor)
1986 New Mexico in Maps. 2nd ed. The University of New Mexico
Press, Albuquerque

SPECIAL DRILLING STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

Operator's Name MARBOB ENERGY CORPORATION Well Name & No. 32-LEE FEDERAL
Location 990 F S L & 230 F W L Sec. 17, T. 17 S, R. 31 E.
Lease No. LC-029395-B County EDDY State New Mexico

The Special stipulations check marked below are applicable to the above described well and approval of this application to drill is conditioned upon compliance with such stipulations in addition to the General Requirements. The permittee should be familiar with the General Requirements, a copy of which is available from a Bureau of Land Management office. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 43 CRF 3165.3 AND 3165.4.

This permit is valid for a period of one year from the date of approval or until lease expiration or termination whichever is shorter.

I. SPECIAL ENVIRONMENT REQUIREMENTS

- Lesser Prairie Chicken (stips attached)
- San Simon Swale (stips attached)
- Flood plain (stips attached)
- Other See attached Archaeological Stipulations.

II. ON LEASE - SURFACE REQUIREMENTS PRIOR TO DRILLING

The BLM will monitor construction of this drill site. Notify the Carlsbad Field Office at (505) 234-5972 (Hobbs Office (505) 393-3612, at least 3 working days prior to commencing construction.

Roads and the drill pad for this well must be surfaced with 6 inches of compacted caliche upon completion of well and it is determined to be a producer.

All topsoil and vegetation encountered during the construction of the drill site area will be stockpiled and made available for resurfacing of the disturbed area after completion of the drilling operation. Topsoil on the subject location is approximately _____ inches in depth. Approximately _____ cubic yards of topsoil material will be stockpiled for reclamation.

Other. V-Door North (Reserve pits to the west) due to archaeological site.

III. WELL COMPLETION REQUIREMENTS

A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the BLM. The effective date of the agreement must be prior to any sales.

Surface Restoration: If the well is a producer, the reserve pit(s) will be backfilled when dry, and cut-and-fill slopes will be reduced to a slope of 3:1 or less. All areas of the pad not necessary for production must be re-contoured to resemble the original contours of the surrounding terrain, and topsoil must be re-distributed and re-seeded with a drill equipped with a depth indicator (set at depth of 1/2 inch) with the following seed mixture, in pounds of Pure Live Seed (PLS), per acre.

- A. Seed Mixture 1 (Loamy Sites)
 - Side Oats Grama (*Bouteloua curtipendula*) 5.0
 - Sand Dropseed (*Sporobolus cryptandrus*) 1.0
- B. Seed Mixture 2 (Sandy Sites)
 - Sand Dropseed (*Sporobolus crptandrus*) 1.0
 - Sand Lovegrass (*Eragostis trichodes*) 1.0
 - Plains Bristlegrass (*Setaria magrostachya*) 2.0
- C. Seed Mixture 3 (Shallow Sites)
 - Side oats Grama (*Boute curtipendula*) 1.0
- D. Seed Mixture 4 (Gypsum Sites)
 - Alkali Sacaton (*Sporobollud airoides*) 1.0
 - Four-Wing Saltbush (*Atriplex canescens*) 5.0

OTHER SEE ATTACHED SEED MIXTURE

Seeding should be done either late in the fall (September 15 - November 15, before freeze up, or early as possible the following spring to take advantage of available ground moisture.

Other.

RESERVE PIT CONSTRUCTION STANDARDS

The reserve pit shall be constructed entirely in cut material and lined with 6 mil plastic. Mineral material extracted from within the boundary of the APD during construction of the well pad and reserve pits and be used for the construction of this well pad and its immediate access road only, as long as that portion of the access road it is use on remains on-lease. Removal of any additional material from this location for construction or improvement of other well pads and other access or lease roads must first be purchased from BLM.

Reclamation: Reclamation of this type of deep pit will consist of pushing the pit walls into the pit when sufficiently dry to support track equipment. The pit liner is NOT TO BE RUPTURED to facilitate drying; a ten month period after completion of the well is allowed for drying of the pit contents.

The pit area must be contoured to the natural terrain with all contaminated drilling mud buried with at least 3 feet of clean soil. The reclaimed area will then be seeded as specified in this permit.

OPTIONAL PIT CONSTRUCTION STANDARDS

The reserve pit may be constructed in predominantly fill material if:

- (1) Lined as specified above and
- (2) A temporary or emergency pit may be constructed immediately adjacent to the reserve pit as long as the pit remains within the APD boundary. Mineral material removed from this pit may be used for the construction of this well pad only and its immediate access road, as long as that portion of the access road the material is used on remains on-lease. Removal of any material from the APD boundary for use on other well locations or roads must first be purchased from BLM.

Reclamation of the reserve pit consists of bulldozing all reserve pit contents and contaminants into the borrow pit and covering with a minimum of 3 feet of clean soil material. The entire area must be recontoured, all trash removed, and reseeded as specified in this permit.

CULTURAL

Whether or not an archaeological survey has been completed and notwithstanding that operations are being conducted as approved, the lessee/operator/grantee shall notify the BLM immediately if previously unidentified cultural resources are observed during surface disturbing operations. From the time of the observation, the lessee/operator/grantee shall avoid operations that will result in disturbance to these cultural resources until directed to processed by BLM.

TRASH PIT STIPS

All trash, junk, and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

CULTURAL RESOURCES STIPULATIONS
CARLSBAD FIELD OFFICE

PROJECT Marble's Lee: #26 Lee Rd, + Flute Report No. SNMAS-02 NM-775
02-NM-080-568

SITE PROTECTION AND EMPLOYEE EDUCATION: All employees of the project will be informed that cultural sites are to be avoided by all personnel, personal vehicles and company equipment. They will be also be notified that it is illegal to collect, damage or disturb cultural resources.

yes A. Monitoring is required.

yes 1. A copy of these stipulations will be supplied to the archaeological monitor at least two (2) working days prior to the start of construction activities.

yes 2. No construction activities, including vegetation removal, may begin before the arrival of the archaeological monitor.

yes 3. The archaeological monitor will:

yes a. Ensure that the site protection barrier is located as indicated on the attached map(s).

yes b. Observe all surface disturbing activities within 100 feet of cultural site

IA 135831 + IA 66506 (see attached map(s).)

yes c. Other: Determine whether site east of Padis New or IA 66506

yes d. Submit a report of the monitoring activities within thirty (30) days of completion of monitoring unless other arrangements are made with the BLM. These stipulations must be attached to the report.

✓ B. The grantee must select one of the following alternatives:

- 1. Controlled test excavations to determine if cultural resources are present;
- 2. Reduction of the project size to avoid all significant cultural materials;
- 3. Relocation of the project;
- 4. Preparation and implementation of a data recovery plan for cultural sites(s)

yes C. SITE BARRIER/FENCING:

✓ 1. A temporary site protection barrier(s) will be erected prior to _____ construction. The barrier(s) will, at a minimum, consist of upright wooden survey lath spaced no more than ten (10) feet apart and marked with blue ribbon flagging or blue paint. There will be no construction activities or vehicular traffic past the barrier(s). The barrier(s) will remain in place through reclamation and reseeding.

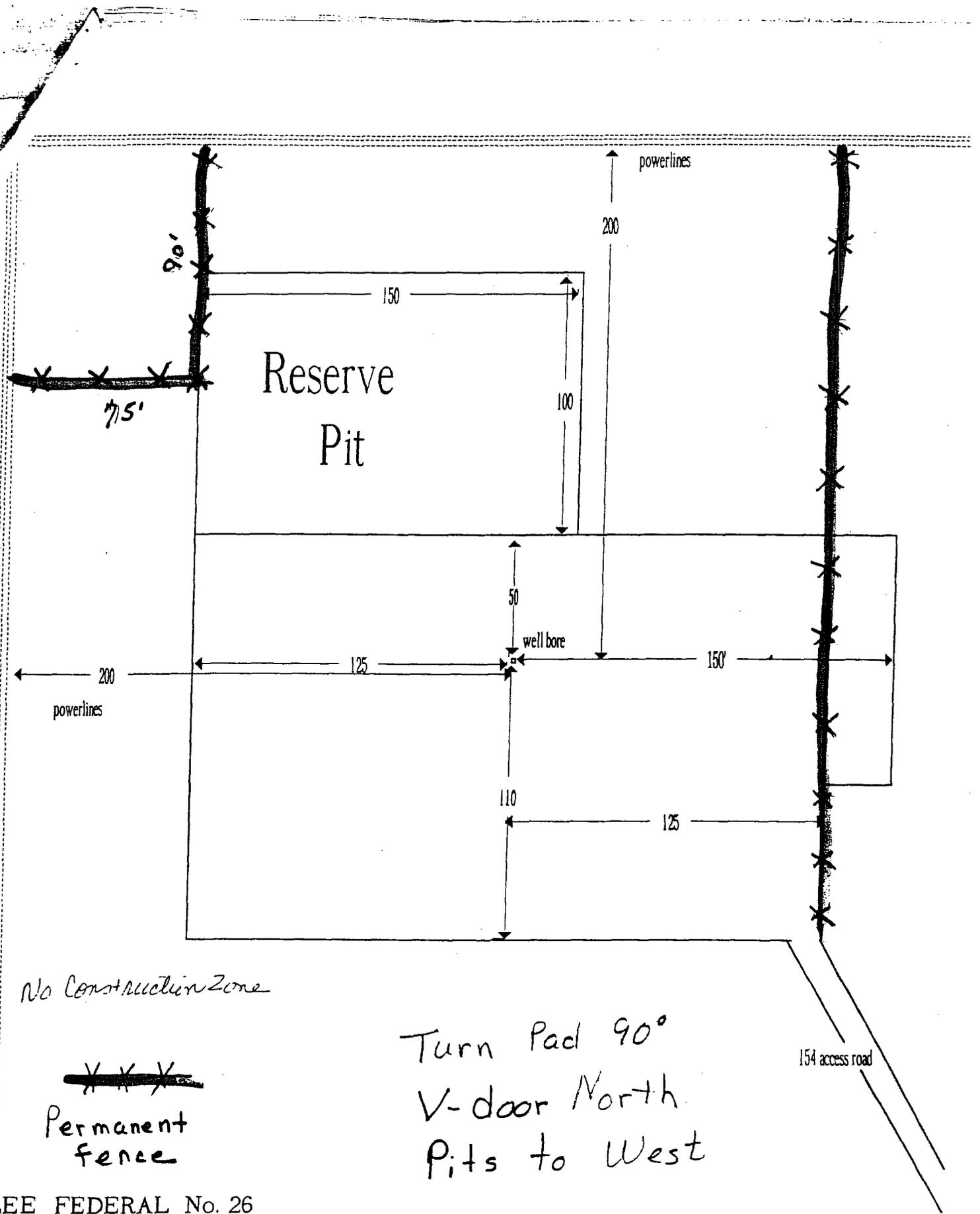
yes 2. A permanent fence(s) will be erected prior to any + all construction. There will be no construction activities or vehicle traffic past the fence(s).

yes 3. The Permanent + barrier barrier(s)/fence(s) will be placed as indicated on the attached map(s).

yes D. CONSTRUCTION ZONES: There will be a no construction zone as shown on maps

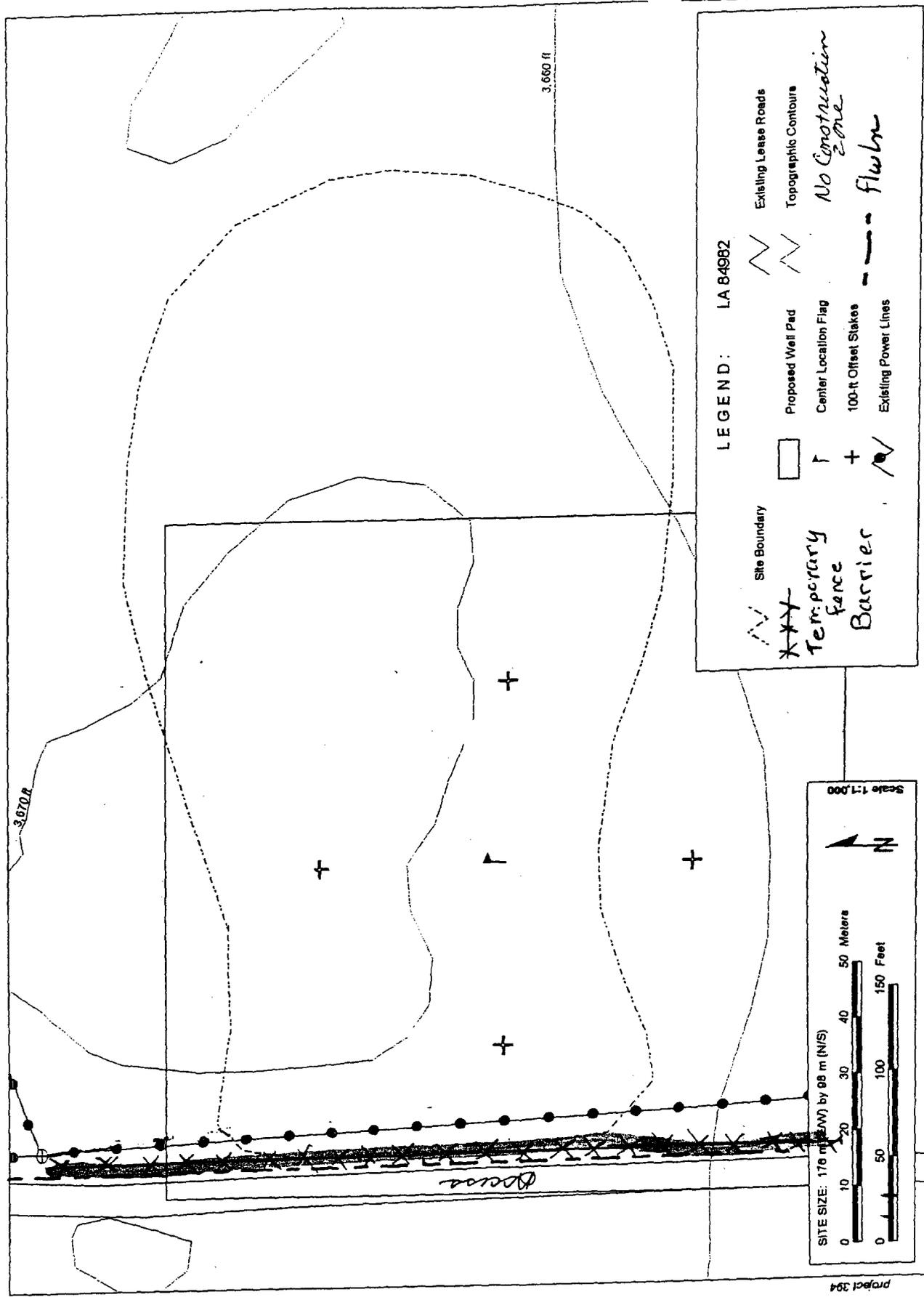
yes E. OTHER:

Submit site information with monitoring report



LEE FEDERAL No. 26
 990 FSL & 230 FWL
 Section 17, T17S - R31E
 Eddy County, New Mexico

Exhibit Four



LA 84982

LEGEND:

- Site Boundary
- Proposed Well Pad
- Center Location Flag
- 100-ft Offset Stakes
- Existing Power Lines
- Existing Lease Roads
- Topographic Contours
- No Construction Zone
- Fluor
- Temporary fence Barrier

SITE SIZE: 176 m (580M) by 98 m (325F)

Scale 1:100

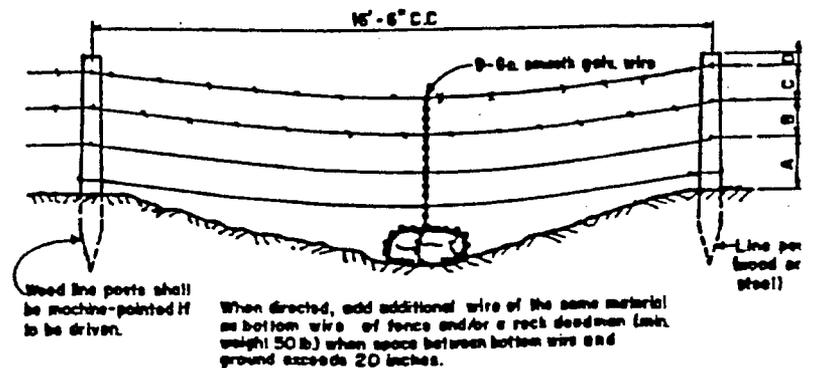
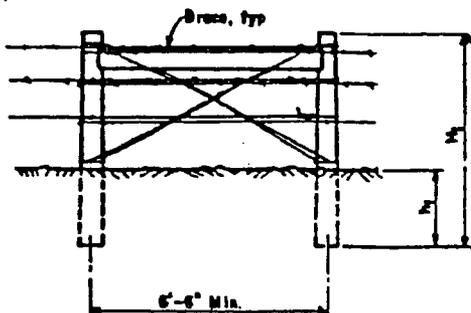
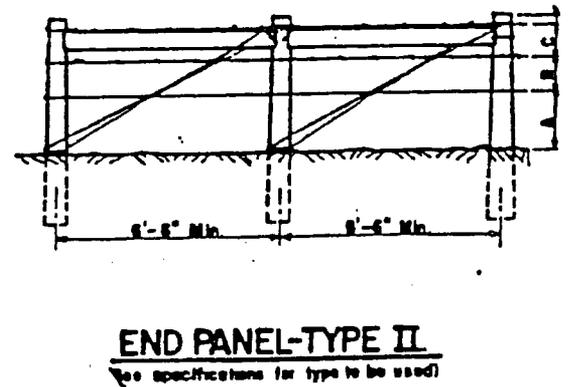
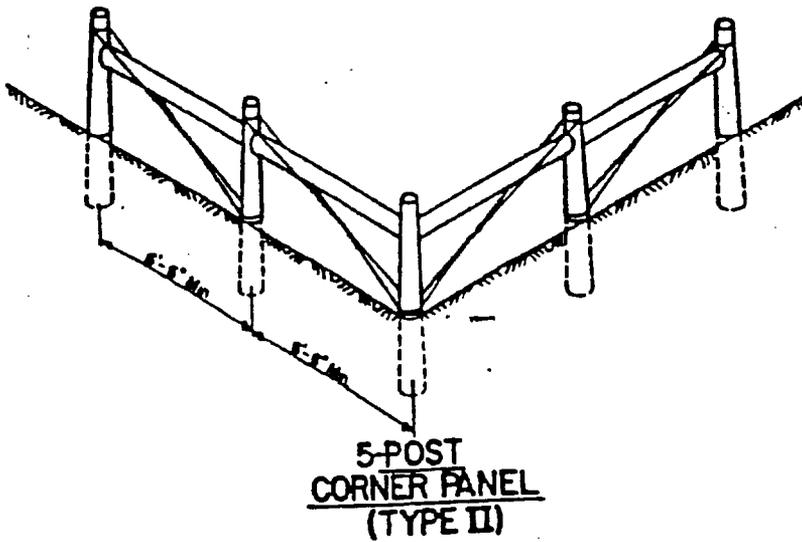
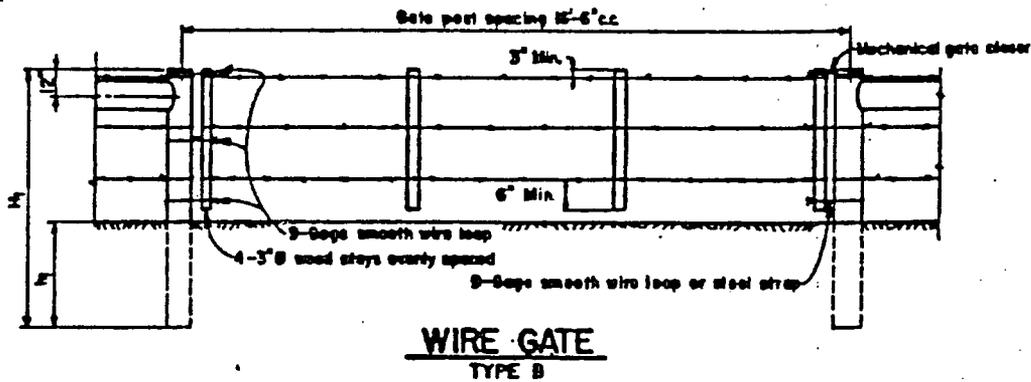
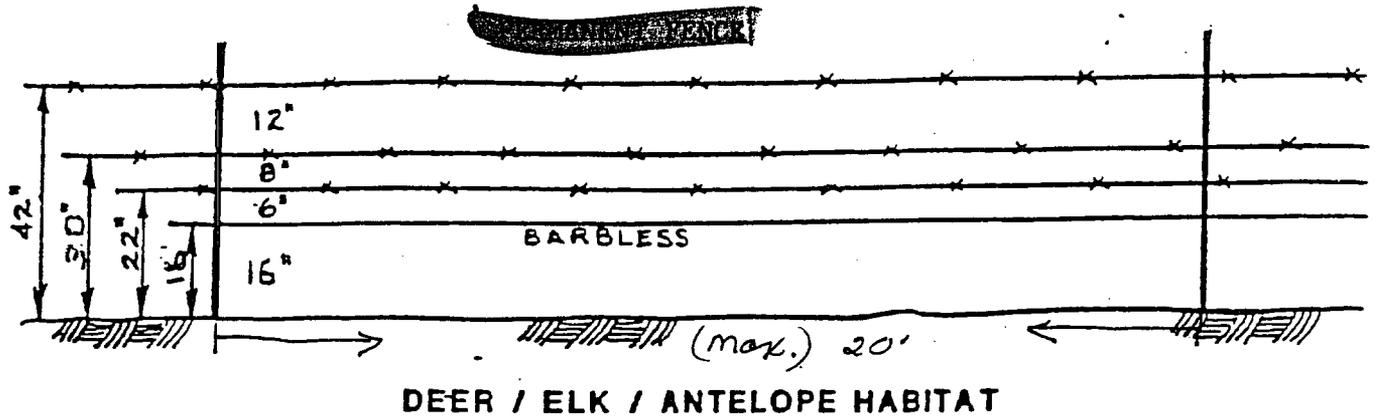
0 10 20 30 40 50 Meters

0 50 100 150 Feet

N

Figure 2. Site Map LA 84982 (adapted from DWAS 1996)

Adapted from MFS 2001 R.M.H



PANEL AT MINOR DEPRESSION



marbob
energy corporation

October 31, 2003

Certified Mail Return Receipt Requested

Rubicon Oil and Gas, LLC
400 West Illinois, Suite 1130
Midland, Texas 79701

Gentlemen:

This letter will serve as notice that Marbob Energy Corporation has requested administrative approval from the NMOCD for an unorthodox location for our Lee Federal No. 32 well under Rule 104.F. (3). The well is unorthodox due to encountering an archeological site. The location for this well is 990' FSL and 230' FWL of Section 17-T17S-R31E.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the unorthodox location if no objection to the unorthodox location has been made within the 20 days after the application has been received.

Please do not hesitate to contact us should you have any questions. Thank you for your attention to this matter.

Sincerely,

Raye Miller

Raye Miller
Land Department

RM/mp
Enclosures

7002 2020 0001 8346 7043

U.S. Postal Service™		CERTIFIED MAIL™ RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>
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		
RUBICON OIL AND GAS LLC		
<i>Street, Apt. No., or PO Box No.</i> 400 WEST ILLINOIS STE 1130		
<i>City, State, ZIP+4</i> MIDLAND TX 79701		
PS Form 3800, June 2002		See Reverse for Instructions

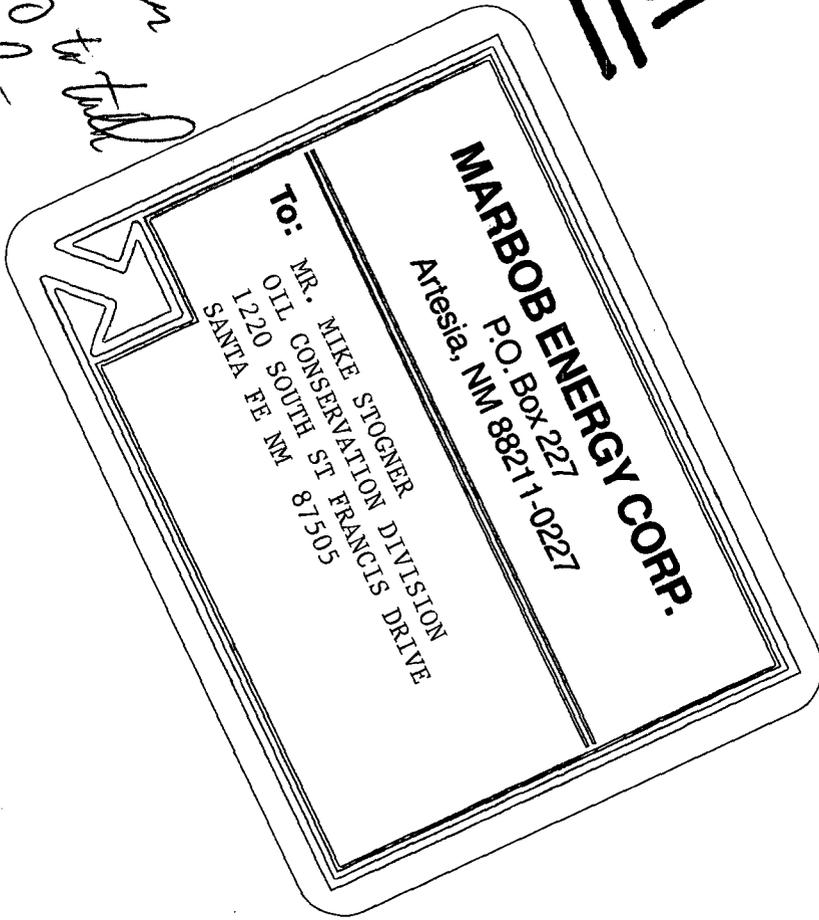
RECEIVED

JAN 12 2004

OIL CONSERVATION
DIVISION

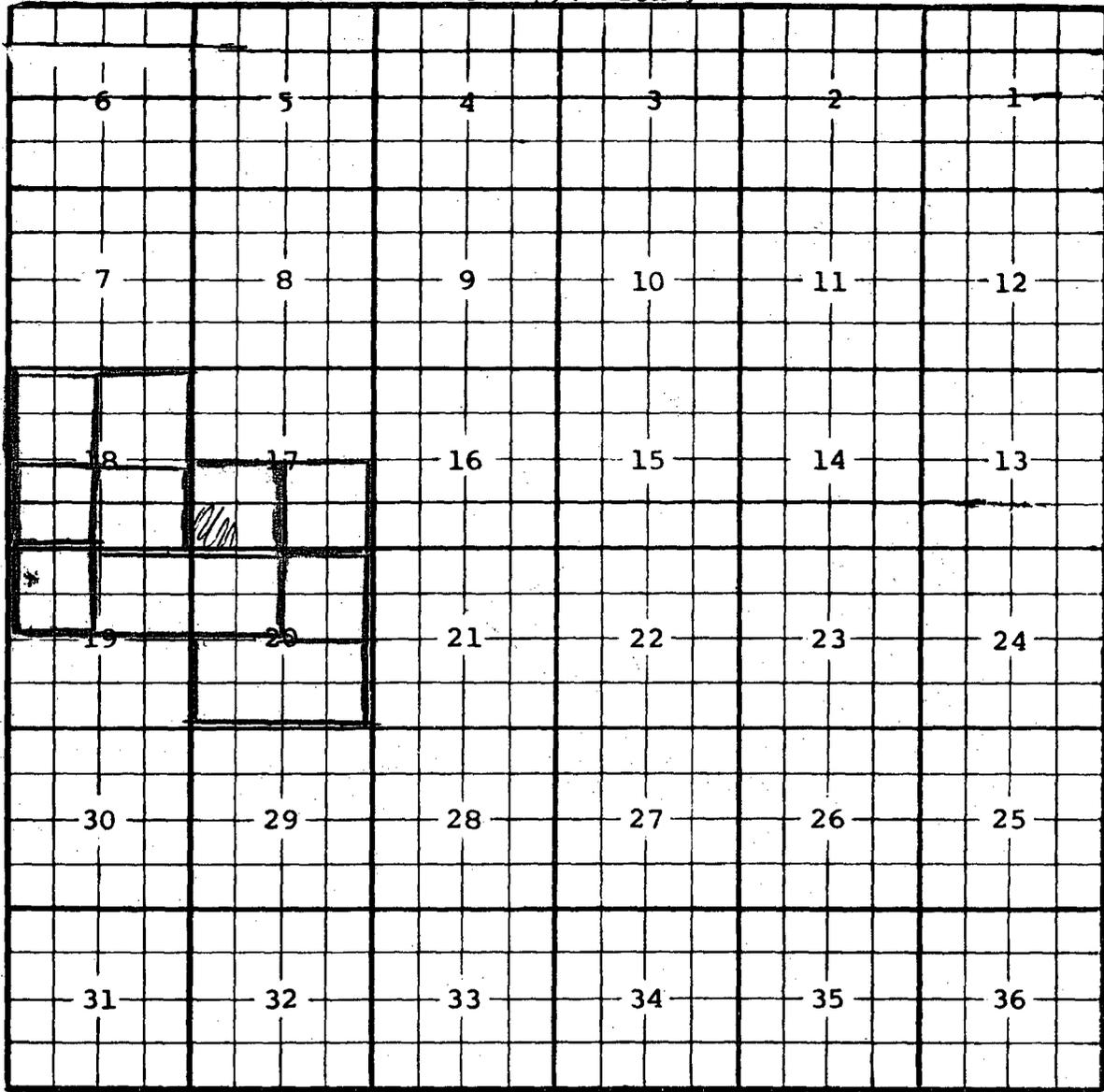
Parsons

CC - Bill Carr
1:05 PM
Bill Carr to hold
attached to
check this



County Eddy Pool Cedar Lake-Yeso

TOWNSHIP 17 South Range 31 East NMPM



Description: $\frac{SW}{4}$ Sec. 18 (R-11067, 10-20-98)

Ext: $\frac{NW}{4}$ Sec. 19 (R-11120, 1-21-99) Ext: $\frac{NE}{4}$ Sec. 19, $\frac{NW}{4}$ Sec. 20 (R-11220, 7-12-99)

Ext: $\frac{SE}{4}$ Sec. 18, $\frac{S}{2}$ Sec. 20 (R-11244, 9-15-99) Ext: $\frac{NW}{4}$ Sec. 18 (R-11534, 2-8-01)

Ext: $\frac{NE}{4}$ Sec. 18 (R-11691, 11-28-01) Ext: $\frac{NE}{4}$ Sec. 20 (R-11729, 2-22-02)

Ext: $\frac{SW}{4}$ Sec. 17 (R-11908, 2-12-03) Ext: $\frac{SE}{4}$ Sec. 17 (R-12042, 11-3-03)

CMD : ONGARD 12/30/03 08:23:58
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPXS

API Well No : 30 15 32738 Eff Date : 06-20-2003 WC Status : A
Pool Idn : 96831 CEDAR LAKE; YESO (O)
OGRID Idn : 14049 MARBOB ENERGY CORP
Prop Idn : 23300 LEE FEDERAL

Well No : 034
GL Elevation: 3675

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act	(P/A)
B.H. Locn	: M	17	17S	31E	FTG	330 F S FTG	890 F W	P

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 12/30/03 08:23:17
 OG6CLOG C105-WELL COMPLETION OR RECOMP CASING LOG OGOMES -TPXS

OGRID Identifier : 14049 MARBOB ENERGY CORP
 Prop Identifier : 23300 LEE FEDERAL
 API Well Identifier : 30 15 32738 Well No : 034
 Surface Locn - UL : M Sec : 17 Twp : 17S Range : 31E Lot Idn :
 Multiple comp (S/M/C) : S TVD Depth (Feet) : 5206 MVD Depth (Feet) : 5206
 Spud Date : 05-19-2003 P/A Date :
 Casing/Linear Record:

S Size (inches)	Grade Weight (lb/ft)	Depth(ft) Top-Liner	Depth(ft) Bot-Liner	Hole Size (inches)	Cement (Sacks)	TOC (feet)	Code
13.375	48.0	9999.0	385.0	17.500	445	9999	C
8.625	24.0	0.0	1339.0	12.250	700		C
5.500	17.0	0.0	5202.0	7.875	950		C

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12

CMD : ONGARD 12/30/03 08:24:05
OG6ACRE C102-DEDICATE ACREAGE OGOMES -TPXS
Page No : 1

API Well No : 30 15 32738 Eff Date : 06-20-2003
Pool Idn : 96831 CEDAR LAKE; YESO (O)
Prop Idn : 23300 LEE FEDERAL Well No : 034
Spacing Unit : 57685 OCD Order : Simultaneous Dedication:
Sect/Twp/Rng : 17 17S 31E Acreage : 40.00 Revised C102? (Y/N) :
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	M		17	17S	31E	40.00	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 12/30/03 08:24:13
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPXS
Page No: 1

OGRID Identifier : 14049 MARBOB ENERGY CORP
Pool Identifier : 96831 CEDAR LAKE; YESO (O)
API Well No : 30 15 32738 Report Period - From : 01 2002 To : 11 2003

API Well No	Property Name	Prodn. MM/YY	Days Prod	Production Gas	Production Oil	Production Water	Well Stat
30 15 32738		06 03	7	887	567	2162	P
30 15 32738	LEE FEDERAL	07 03	31	4378	3163	13990	P
30 15 32738	LEE FEDERAL	08 03	31	4352	2614	9473	P
30 15 32738	LEE FEDERAL	09 03	30	3173	1745	6483	P
30 15 32738	LEE FEDERAL	10 03	31	3585	1930	6163	P

Reporting Period Total (Gas, Oil) : 16375 10019 38271

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12