



February 22, 2006

**HAND-DELIVERED**

Mark E. Fesmire, P. E.  
Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

*Case 13679*

1:36 FEB 22 PM 2 31

Re: Application of Marbob Energy Corporation for Compulsory Pooling, Eddy County, New Mexico.

Dear Mr. Fesmire:

Enclosed in triplicate is the Application of Marbob Energy Corporation in the above-referenced case as well as a copy of the legal advertisement. Marbob Energy Corporation requests that this matter be placed on the docket for the March 30, 2006 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Raye Miller  
Marbob Energy Corporation

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF  
MARBOB ENERGY CORPORATION  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

CASE NO. 136 29

**APPLICATION**

MARBOB ENERGY CORPORATION ("Marbob"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. 70-2-17, (1978), for an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Atoka-Morrow formation in the following described spacing and proration units located in the W/2 of Section 1, Township 19 South, Range 27 East, N.M.P.M., Eddy County, New Mexico: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Angel Ranch-Atoka Morrow Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; and the SE/4 SW/4 for all formations and/or pools developed on 40-acre spacing, and in support of its application states:

1. Marbob Energy Corporation is a working interest owner in the W/2 of said Section 1 and has the right to drill thereon.
2. Marbob proposes to dedicate the above-referenced spacing or proration units to its Candy Gram State Com Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 1, to an approximate depth of 11,100 feet to test any and all formations from 500 feet below the top of the San Andres formation to the base of the Atoka-Morrow formation.
3. Marbob has sought and been unable to obtain a voluntary agreement for the development of these lands from Marathon Oil Company, Marathon Oil Company, Post Office Box 3487, Houston, Texas 77253-3487, Attention Joe Rusnak, owner of working interest in the subject spacing units.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Marbob to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Marbob Energy Company should be designated the operator of the well to be drilled.

WHEREFORE, Marbob Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 30, 2006 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Marbob Energy Corporation operator of these units and the well to be drilled thereon,
- C. authorizing Marbob Energy Corporation to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by Marbob Energy Corporation in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR MARBOB  
ENERGY CORPORATION

CASE 13674:

**Application of Marbob Energy Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Atoka-Morrow formation in the following described spacing and proration units located in the W/2 of Section 1, Township 19 South, Range 27 East, N.M.P.M., Eddy County, New Mexico: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Angel Ranch Atoka-Morrow Gas Pool,; the SW/4 for all formations and/or pools developed on 160-acre spacing; and the SE/4 SW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Candy Gram State Com Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 1. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Marbob Energy Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 14 miles southeast of Artesia, New Mexico.