

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

APPLICATION OF MARBOB ENERGY CORPORATION  
FOR AN ORDER AUTHORIZING THE DRILLING OF A  
WELL IN THE POTASH AREA, LEA COUNTY,  
NEW MEXICO

CASE NO. 14026

FEBRUARY 21, 2008

1220 South St. Francis Drive  
Santa Fe, New Mexico

EXAMINER: WILLIAM L. JONES

LEGAL ADVISOR: David Brooks

OCEAN MUNDS-DRY, ESQ.  
Holland & Hart, LLC  
110 North Guadalupe, Suite 1  
Santa Fe, New Mexico 87501

EXHIBIT 12

REPORTED BY: JOYCE D. CALVERT, P-03  
Paul Baca Court Reporters  
500 Fourth Street, NW, Suite 105  
Albuquerque, New Mexico 87102

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1 EXAMINER JONES: We have one more case today. Let's  
2 call Case No. 14026, application of Marbob Energy Corporation  
3 for an order authorizing the drilling of a well in the Potash  
4 Area, Lea County, New Mexico. Call for appearances.

5 MS. MUNDS-DRY: Ocean Munds-Dry with the law firm of  
6 Holland & Hart representing Marbob Corporation this morning.

7 MR. BROOKS: Yeah, this case was heard on January the  
8 24th. And, as I recall, the situation was that Marbob wanted  
9 to expand the relief that they had requested beyond what was  
10 indicated in the original notices and therefore requested an  
11 opportunity to re-notice this case.

12 MS. MUNDS-DRY: That is correct, Mr. Examiner, Mr.  
13 Brooks. And I have, hopefully, somewhere copies for you. I  
14 have my original here. Here it is. Yes, Mr. Examiner, as Mr.  
15 Brooks has indicated, he heard this case. I believe it was the  
16 January 24th docket. And we, at that hearing, requested that  
17 the entire section be open to oil and gas drilling. The  
18 spacing unit actually, for this well, does encompass the entire  
19 section, the entire 640 acres.

20 And as the evidence showed, there was no area within  
21 that section that could be safely mined for potash because it  
22 had been so extensively drilled. So we -- because that was not  
23 in our original application, we amended our prediction and  
24 re-notified Intrepid Potash of that additional request in our  
25 application.

1           So what I've handed you is Exhibit No. 12, which  
2 shows a copy of the letter that was sent to Intrepid and the  
3 return receipt, and then the affidavit of publication in the  
4 Lovington Leader indicating there was a change in the  
5 application.

6           So we would ask that Exhibit No. 12 be admitted into  
7 evidence.

8           MR. BROOKS: Okay. Exhibit 12 will be admitted. Is  
9 there anything further?

10          MS. MUNDS-DRY: We'd just ask then that the case be  
11 taken under advisement.

12          MR. BROOKS: Very good. Case No. 14026, application  
13 from Marbob Energy Company for an order authorizing the  
14 drilling of a well in the Potash Area in Lea County, New Mexico  
15 will be taken under advisement.

16          MS. MUNDS-DRY: Thank you.

17          EXAMINER JONES: The docket is adjourned.

18               [Hearing concluded.]  
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I do hereby certify that the foregoing is  
a correct report of the proceedings in  
the hearing of Case No. 14026  
heard by me on 2/21/2008.  
*David K. Brooks*  
Oil Conservation Division Examiner

## REPORTER'S CERTIFICATE

I, JOYCE D. CALVERT, Provisional Court Reporter for the State of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this proceeding.

A handwritten signature in cursive script that reads "Joyce Calvert". The signature is written in dark ink and is positioned above a horizontal line.

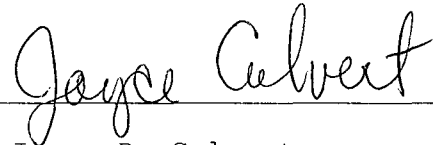
JOYCE D. CALVERT  
New Mexico P-03  
License Expires: 7/31/08

1 STATE OF NEW MEXICO )  
 2 COUNTY OF BERNALILLO )

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I, JOYCE D. CALVERT, a New Mexico Provisional Reporter, working under the direction and direct supervision of Paul Baca, New Mexico CCR License Number 112, hereby certify that I reported the attached proceedings; that pages numbered 1-4 inclusive, are a true and correct transcript of my stenographic notes. On the date I reported these proceedings, I was the holder of Provisional License Number P-03.

Dated at Albuquerque, New Mexico, this 27th day of February, 2008.



Joyce D. Calvert  
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