

HOLLAND & HART LLP



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October 28, 2008

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 14249

10/28/08
11:11 AM
FESMIRE, MARK E.
DIRECTOR
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY,
MINERALS AND NATURAL RESOURCES
1220 SOUTH SAINT FRANCIS DRIVE
SANTA FE, NM 87505

Re: Application of Marbob Energy Corporation for Compulsory Pooling, Chaves 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 December 4, 2008 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Ross Duncan
Marbob Energy Corporation
Post Office Box 227
Artesia, New Mexico 88211-02270

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**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 A
NON-STANDARD SPACING UNIT AND COMPULSORY POOLING, CHAVES COUNTY,
NEW MEXICO.**

CASE NO. 14249

APPLICATION

MARBOB ENERGY CORPORATION, ("Marbob") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order (1) creating a non-standard spacing unit comprised of the S/2 N/2 of Section 23, Township 15 South, Range 31 East, NMPM, which will be a the Project Area for the Hoptoit State Com Well No. 3 to be horizontally drilled from a surface location 1980 feet from the North line and 330 feet from the East line and then in a westerly direction as a wildcat well in the Wolfcamp formation to a bottom hole terminus at a location 1980 feet from the North line and 330 feet from the West line of said Section 23 and (2) pooling all mineral interests in the Wolfcamp formation in this non-standard spacing and proration unit, and in support of its application states:

1. Marbob Energy Corporation is a working interest owner in the S/2 N/2 of said Section 23 and has the right to drill thereon.
2. Marbob proposes to dedicate the above-referenced spacing and proration unit to its Hoptoit State Com Well No. #3 (**API No. 30-005-27992**) to be drilled as an oil well from a standard surface location 1980 feet from the North line and 330 feet from the East line (Unit H) of said Section 23, and then in a westerly direction in the Wolfcamp formation to a bottomhole terminus at a point 1980 feet from the North line and 330 feet from the West line (Unit E) of said Section 23.
3. Marbob has sought and been unable to obtain a voluntary agreement for the development of these lands from certain interest owners in the subject spacing units who are identified on Exhibit A to this application.
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 the 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 Corporation should be designated the operator of this non-standard spacing unit and the well to be drilled thereon.

WHEREFORE, Marbob Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 4, 2008 and, after notice and hearing as required by law, the Division enter its order:

- A. creating a non-standard spacing and proration unit in the Wolfcamp formation comprised of the S/2 N/2 of Section 23, Township 15 South, Range 31 East, NMPM;
- B. pooling all mineral interests in the subject spacing and proration units;
- C. designating Marbob Energy Corporation operator of this unit and the well to be drilled thereon;
- D. authorizing Marbob Energy Corporation to recover its costs of drilling, equipping and completing the well;
- E. 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
- F. 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

EXHIBIT A

**APPLICATION OF
MARBOB ENERGY CORPORATION.
FOR A NON-STANDARD SPACING AND PRORATION UNIT AND
COMPULSORY POOLING
S/2 N/2 OF SECTION 23, TOWNSHIP 15 SOUTH, RANGE 31 EAST, N.M.P.M.
CHAVES COUNTY, NEW MEXICO.**

NOTIFICATION LIST

Chesapeake Operating Inc.
Post Office Box 18496
Oklahoma City, Oklahoma 73154-0496

Cimarex Energy Corp.
508 West Wall Street
Midland, Texas 79701

Charles D. Ray
Post Office Box 51608
Midland, Texas 79710

CERTIFICATE OF SERVICE

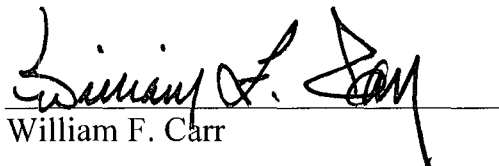
I certify that on October 28, 2008, I served a copy of the foregoing document to the following by

- ☐ U.S. Mail, postage prepaid
- ☐ Hand Delivery
- ☒ Fax
- ☐ Electronic Service by LexisNexis File & Serve

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William F. Carr

CASE 14249: **Application of Marbob Energy Corporation for a non-standard spacing and proration unit and compulsory pooling, Chaves County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard spacing unit comprised of the S/2 N/2 of Section 23, Township 15 South, Range 31 East, NMPM, and (2) pooling all mineral interests in the Wolfcamp formation in this non-standard spacing and proration unit which spacing unit will be the project area for the Hoptoit State Com Well No. 3 (**API No. 30-005-27992**) to be horizontally drilled from a surface location 1980 feet from the North line and 330 feet from the East line (Unit H) and then in a westerly direction as a wildcat well in the Wolfcamp formation to a bottom hole terminus at a location 1980 feet from the North line and 330 feet from the West line (Unit E) of said Section 23. 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 30 miles east of Hagerman, New Mexico.