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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

∞, CASE NO. 14419

APPLICATION OF MARBOB ENERGY CORPORATION FOR SPECIAL RULES AND REGULATIONS FOR THE SOUTHEAST WILLOW LAKE-BONE SPRING POOL, EDDY COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Divison.

APPEARANCES OF PARTIES

APPLICANT

Ross Duncan Marbob Energy Corporation Post Office Box 227 Artesia, New Mexico 88211-0227 (505) 748-3303

ATTORNEY

Ocean Munds-Dry Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant seeks an order establishing special rules and regulations for the Southeast Willow Lake-Bone Spring Pool, including a limiting gas-oil ratio of 5000 cubic feet of gas for each barrel of oil produced. The pool covers parts of Sections 8, 9, 10, 16 and 21 in Township 25 South, Range 29 East NMPM. The pool is located approximately 7 miles southeast of Malaga, New Mexico.

PROPOSED EVIDENCE

| WITNESSES | ESTIMATED TIME | <u>EXHIBITS</u> |
|------------------------------------|----------------|-----------------|
| Ross Duncan, Landman | 10 | 5 |
| Brent May, Petroleum Geologist | 10 | 8 |
| George Freeman, Petroleum Engineer | 20 | 8 |

PROCEDURAL MATTERS

Marbob Energy Corporation has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

Ocean Munds-Dry

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ATTORNEYS FOR

MARBOB ENERGY CORPORATION

CERTIFICATE OF SERVICE

| the fol | I certify that lowing by | on January 28, 2010 I served a copy of the foregoing document to |
|---------|--------------------------|---|
| | | U.S. Mail, postage prepaid Hand Delivery Fax |
| | | James Bruce, Esq. Post Office Box 1056 Santa Fe, New Mexico 87504 Fax: (505) 982-2151 |

Ocean Munds-Dry

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