

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

OIL CONSERVATION DIV.
98 OCT 13 PM 5:50

IN THE MATTER OF THE APPLICATION OF
MARBOB ENERGY CORPORATION
FOR SIMULTANEOUS DEDICATION
AND UNORTHODOX WELL LOCATIONS,
LEA COUNTY, NEW MEXICO.

CASE NO. 12076

APPLICATION

MARBOB ENERGY CORPORATION ("Marbob"), through its undersigned attorneys, hereby makes application for an order authorizing the simultaneous dedication of the following wells to the 643.47-acre spacing and proration unit in the Lusk-Morrow Gas Pool comprised of Section 19, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico:

1. The Lusk Deep Unit Well No. 1 located at a previously approved unorthodox well location 660 feet from the North and East lines of said Section 19;
2. The Lusk Deep Unit Well No. 5 located at a standard location 1980 feet from the South and East lines of said Section 19, and
3. The proposed Lusk Deep Unit Well No. 14 to be drilled at an unorthodox well location 1650 feet from the North line and 990 feet from the West line of said Section 19.

In support of its application Marbob states:

1. The Lusk-Morrow Gas Pool is governed by Special Rules and Regulations

which establish 640-acre spacing and proration units with special well location requirements which provide for wells to be located not closer than 330 feet to the outer boundary of the SW/4 NE/4, NW/4 SE/4, NE/4 SW/4, or the SE/4 NW/4 of the section.

2. Marbob operates a standard 643.47 acre spacing and proration unit comprised of Section 19, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico which is currently dedicated to its Lusk Deep Unit Wells Nos. 1 and 5.

3. The wells currently producing from said Section 19 are not efficiently producing the reserves under this spacing unit.

4. To produce the reserves under this spacing unit, Marbob seeks an exception to Rule 3 of the Special Rules and Regulations for the Lusk-Morrow Gas Pool for its Lusk Deep Unit Well No. 14 which it proposes to drill at a location 1650 feet from the North line and 990 feet from the West line in the SW/4 NW/4 of said Section 19 and simultaneously dedicate Section 19 to the three Morrow wells thereon.

5. The simultaneous dedication of Section 19 to the Lusk Deep Unit Wells Nos. 1, 5, and 14 will afford Marbob the opportunity to efficiently produce the Morrow formation under this spacing unit thereby protecting its correlative rights. The correlative rights of no other owner in this reservoir will be adversely affected.

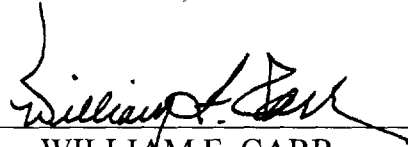
6. The approval of this application will result in the efficient recovery of hydrocarbons from the Lusk-Morrow Gas Pool thereby preventing waste and will otherwise be in the best interest of conservation.

WHEREFORE, Marbob Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 5, 1998, and, after notice and hearing as required by law, the Division enter its order granting this application, approving the unorthodox well locations for its Lusk Deep Unit Wells Nos. 1 and 14 and authorizing the simultaneous dedication of Section 19, Township 19 South, Range 32 East, NMPM to the Deep Lusk Unit Wells 1, 5, and 14 in the Lusk-Morrow Gas Pool.

Respectfully submitted,

CAMPBELL, CARR, BERGE,
& SHERIDAN, P.A.

By:



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