

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

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
PAUL R. OWEN  
ANTHONY F. MEDEIROS  
  
JACK M. CAMPBELL  
1916-1999

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

February 21, 2000

**HAND-DELIVERED**

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

CIL CONSERVATION DIV  
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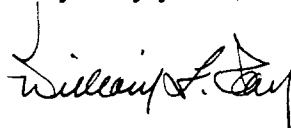
12359

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

Dear Ms. Wrotenbery:

Enclosed in triplicate is an Application of Marbob Energy Corporation in the above-referenced case as well as a copy of a legal advertisement. Marbob Energy Corporation respectfully requests that this matter be placed on the docket for the March 16, 2000 Examiner hearings.

Very truly yours,



William F. Carr

WFC/md  
Enclosures

cc: Raye Miller

**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. 12359

OIL CONSERVATION DIV.  
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**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 in all pools and/or formations developed on 320-acre spacing or proration units from the top of the Wolfcamp formation to the base of the Morrow formation in E/2 of Section 16, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof states:

1. Marbob is a working interest owner in the E/2 of said Section 16 and has the right to drill thereon.
2. Marbob proposes to dedicate the above-referenced spacing or proration unit to its Scoggins Draw "C" State Com Well No. 2 to be drilled at a standard location in the NW/4 NE/4 of said Section 16, to a depth sufficient to test any and all formations to the base of the Morrow formation which presently includes, but is not necessarily limited to, the Red Lake Atoka-Morrow Gas Pool, Undesignated Scoggin Draw-Atoka Gas Pool, and the Undesignated Scoggin Draw-Morrow Gas Pool.

3. This well will be the second well on this spacing and proration unit. The original well is located at a standard gas well location in the NW/4 SE/4 of said Section 16 and was drilled pursuant to Division Order No. R-9071 which was entered on December 14, 1989, in Case 9781 granting the application of Oryx Energy Company for an order compulsory pooling these lands. Marbob Energy Corporation is the successor operator of the E/2 of Section 16.

4. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing units identified on Exhibit A to this application.

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

6. In order to permit the Applicant 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 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 16, 2000, after notice and hearing as required by law, the Division enter its order:

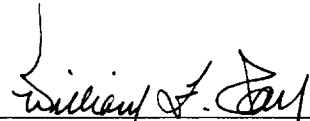
- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Marbob Energy Corporation operator of these units and the well to be drilled thereon,
- C. authorizing Marbob to recover its costs of drilling, equipping and completing

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 200% penalty for the risk assumed by the Marbob in drilling and completing the well against any working interest owner who does not voluntarily participate in the well.

Respectfully submitted,

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

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 COMPULSORY POOLING  
E/2 OF SECTION 16, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.  
EDDY COUNTY, NEW MEXICO**

Exxon Mobil Production Company  
396 West Greens Road  
Houston, Texas 77067-4530

CASE 12359

Application of Marbob Energy Corporation for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the ~~base~~ of the Wolfcamp formation to the base of the Morrow formation underlying the E/2 of Section 16, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate these pooled units to its Scoggin Draw State "C" Com Well No. 2 to be drilled at a standard location 1020 feet from the North line and 1950 feet from the East line of said Section 16 to a depth to test all formations to the base of the Morrow formation, which includes, but is not necessarily limited to, the Red Lake Atoka-Morrow Gas Pool, Undesignated Scoggin Draw-Atoka Gas Pool and Undesignated Scoggin Draw-Morrow Gas Pool. Also to be considered will 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately \_\_ miles \_\_\_\_\_ of \_\_\_\_\_, New Mexico.

OIL CONSERVATION DIV.  
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