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August 29, 2000

HAND-DELIVERED

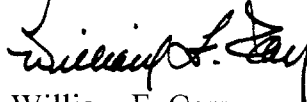
Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Application of Marbob Energy Corporation for contraction of the Lusk-Morrow Gas Pool, Eddy and Lea Counties New Mexico.

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Marbob Energy Corporation in the above-referenced case as well as a copy of a legal advertisement. Marbob Energy Corporation requests that this application be placed on the docket for the September 21, 2000 Examiner hearings.

Very truly yours,


William F. Carr

WFC/md

Enclosures

cc: Raye Miller (w/enclosures)

#12493

2000 SEP 1 11:54 AM
SANTA FE, NM 87504

**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 CONTRACTION OF THE BOUNDARIES
OF THE LUSK-MORROW GAS POOL,
EDDY AND LEA COUNTIES, NEW MEXICO.**

CASE NO. 12493

2000 AUG 29
10:24
OIL CONSERVATION DIVISION

APPLICATION

MARBOB ENERGY CORPORATION ("Marbob"), through its undersigned attorneys, hereby makes application for an order contracting the boundaries of the Lusk-Morrow Gas Pool and in support of its application, Marbob states:

1. Marbob is a working interest owner and the operator of certain wells in the Lusk-Morrow Gas Pool.
2. The Lusk-Morrow Gas Pool was created by Oil Conservation Division Order No. 2373, dated November 21, 1962, and has been extended from time to time to include the following described lands in Eddy and Lea Counties, New Mexico:

EDDY COUNTY
TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 13: All
Section 24 and 25: All

LEA COUNTY
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Sections 9 and 10: All

Sections 15 and 16:	All
Sections 18 through 21:	All
Sections 27 through 30:	All
Section 32:	All

3. The Lusk-Morrow Gas Pool is governed by the “Special Rules and Regulations for the Lusk-Morrow Gas Pool, adopted by Division Order No. R-2373, as amended by Order Nos. R-2373-A, and R-2373-B, which require standard 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.

4. By Order No. R-6197 entered on November 28, 1979, in Case No. 6730, the Special Rules and Regulations for the Lusk-Morrow Gas Pool were limited to the pool boundaries.

5. In Case No. 12444, currently pending before the Division, Marbob seeks to amend the “Special Pool Rules and Regulations for the Lusk-Morrow Gas Pool” to include provisions for infill drilling that allows up to four wells on each 640-acre spacing unit and relaxes the setback requirements for wells in the pool to provide that wells may be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter Section line or subdivision inner boundary.

6. Portions of the Lusk-Morrow Gas Pool appear to be beyond the geological limits of this Morrow reservoir and have not been developed during the 40 years since the

pool was created.

7. Marbob therefore seeks to contract the boundaries of the Lusk-Morrow Gas Pool to exclude Section 24, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico and Sections 21, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico. The revised pool boundaries will include the following acreage:

EDDY COUNTY
TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

Section 13:	All
Section 25:	All

LEA COUNTY
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Sections 9 and 10:	All
Sections 15 through 16:	All
Sections 18 through 20:	All
Sections 27 through 30:	All
Section 32:	All

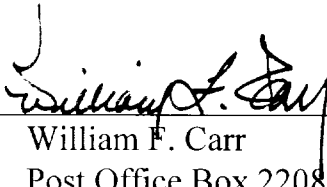
8. Contraction of the pool boundaries to the area that has been developed will eliminate from the pool certain acreage which should not be subject to the Special Rules and Regulations for this pool.

9. The approval of this application will enable operators of the acreage eliminated from the pool to develop these properties in accordance with the General Rules and Regulations of the Oil Conservation Division, thereby protecting correlative rights and preventing waste.

WHEREFORE, Marbob Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 21, 2000 and, after notice and hearing as required by law, the Division enter its order granting this application, contracting the boundaries of the Lusk-Morrow Gas Pool.

Respectfully submitted,

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

By: 
William F. Carr
Post Office Box 2208
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ATTORNEYS FOR MARBOB ENERGY
CORPORATION

CASE 12493:

Application of Marbob Energy Corporation for contraction of the Lusk-Morrow Gas Pool, Eddy and Lea Counties, New Mexico. Applicant in the above-styled cause seeks the contraction of the Lusk-Morrow Gas Pool by eliminating therefrom Section 25, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico, and Section 21, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico. Said area is located approximately 14 miles south-southeast of Maljamar, New Mexico.