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January 30, 2001

**HAND-DELIVERED**

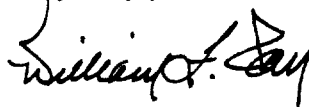
Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Energy, Minerals and  
Natural Resources Department  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87504

Re: Application of Marbob Energy Corporation for Compulsory Pooling, Lea 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 February 22, 2001 Examiner hearings.

Very truly yours,



William F. Carr

Enclosures

cc: Raye Miller  
Marbob Energy Corporation  
Post Office Box 227  
Artesia, New Mexico 88211-0227

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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 COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 12600**

**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 the Morrow formation, under Section 30, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico to form a standard spacing and proration unit for all formations and/or pools developed on 640-acre spacing within that vertical extent, which presently includes but is not necessarily limited to the Lusk-Morrow Gas Pool. Said spacing and proration unit is to be dedicated to the Marbob Energy Corporation SL Deep Federal Com. Well No. 1 which it proposes to drilled at a standard gas well location in the NW/4 SE/4 of Section 30, and in support of its application states:

1. Marbob is a working interest owner in said Section 30 and has the right to drill thereon.
2. Marbob proposes to dedicate the above-referenced spacing or proration unit to its SL Deep Federal Com. Well No. 1 to be drilled at a standard location 1980 feet from

the South line and 1650 feet from the East line (Unit J) of said Section 30, to a depth sufficient to test any and all formations to the base of the Morrow formation.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing unit 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 February 22, 2001, after notice and hearing as required by law, the Division enter its order:

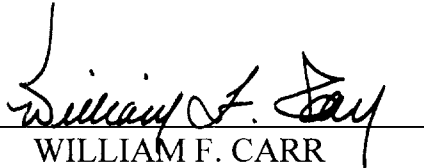
- A. pooling all mineral interests in the subject spacing and proration unit,
- B. designating Marbob Energy Corporation operator of this spacing unit and the well to be drilled thereon,
- C. authorizing Marbob to recover its costs of drilling, equipping and completing the well,
- D. approving the actual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

HOLLAND & HART LLP  
AND  
CAMPBELL & CARR

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  
SECTION 30, TOWNSHIP 19 SOUTH, RANGE 32 EAST, N.M.P.M.  
LEA COUNTY, NEW MEXICO.**

**NOTICE LIST**

Tenison Oil Company  
401 Cypress Street, Suite 500  
Abilene, Texas 79601

Pure Energy Group, Inc.  
700 North St. Mary's Street, Suite 1925  
San Antonio, Texas 78205

Yates Drilling Company  
105 South Fourth Street  
Artesia, New Mexico 88210

Estate of Lillie M. Yates  
105 South Fourth Street  
Artesia, New Mexico 88210

Phillips Petroleum Company  
4001 Penbrook  
Odessa, Texas 79762

Bellwether Exploration Company  
1221 Lamar, Suite 1600  
Houston, Texas 77010

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Sharbro Oil Ltd. Company  
105 South Fourth Street  
Artesia, New Mexico 88210

CASE 12600:

**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 in the Morrow formation underlying Section 30, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant proposes to dedicate this pooled unit to its SL Deep Federal Com Well No. 1 to be drilled at a standard location 1980 feet from the South line and 1650 feet from the East line of said Section 30 to a depth sufficient to test the Morrow formation, which includes, but is not necessarily limited to, the Lusk-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 16 miles south of Maljamar, New Mexico.