

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MARBOB ENERGY CORPORATION TO
AUTHORIZE UNORTHODOX WELL LOCATIONS
WITHIN THE BURCH KEELY UNIT,
EDDY COUNTY, NEW MEXICO.

JAN 11 1994

CASE NO. 10904

APPLICATION

MARBOB ENERGY CORPORATION ("Marbob"), through its undersigned attorneys, makes application to the New Mexico Oil Conservation Division for an order authorizing unorthodox well locations within the Burch Keely Unit and in support of its application states:

1. Marbob is the operator of the Burch-Keely Unit which is comprised of 5149.44 acres, more or less, of federal lands which was statutorily unitized pursuant to Order No. R-7900-A entered on October 28, 1993, more particularly described as follows:

Township 17 South, Range 29 East, N.M.P.M.

Section 12:	SE/4 SE/4
Section 13:	All
Sections 23 through 26:	All

Township 17 South, Range 30 East, N.M.P.M.

Sections 18 and 19:	All
Section 30:	All

Waterflood operations have been conducted in portions of the area covered by this unit since 1985 pursuant to Division Order No. R-7900, dated April 25, 1985.

2. Marbob intends to seek authority to extend the existing waterflood project into additional portions of the Unit and is currently engaged in work in the unit area, including the drilling of additional producing wells, to determine the exact needs for such request.

3. To complete this evaluation and to implement an efficient injection pattern within the unit area, Marbob will drill as many as sixty new producing wells in the unit. Many of these wells will be at unorthodox locations.

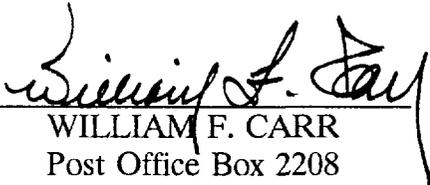
4. To avoid unnecessary applications for approval of unorthodox well locations within the unit area, Marbob seeks authorization to drill producing wells at unorthodox locations within the unit area provided that such locations are at least 330 feet from the outer boundary of the Burch Keely Unit and are at least twenty-five (25) feet from any quarter section line or quarter-quarter section line.

5. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Marbob Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 3, 1994 and, that after notice and hearing as required by law, the Division enter its order granting this application and authorizing Marbob Energy Corporation to drill unorthodox well locations within its Burch Keely Unit under the conditions and limitations set forth hereinabove.

Respectfully submitted,

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

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ATTORNEYS FOR MARBOB ENERGY
CORPORATION

10904

CASE _____:

Application of Marbob Energy Corporation for authorization of unorthodox well locations within its Burch Keely Unit, Eddy County, New Mexico. Applicant seeks authority to drill producing wells at unorthodox locations within its Burch Keely Unit located in portions of Township 17 South, Ranges 29 and 30 East, provided said locations shall be no closer than 330 feet to the outer boundary of the Unit Area nor closer than 25 feet to any quarter section line or quarter-quarter section line. Said unit area is located two miles west of Loco Hills, New Mexico.

JAN 11 1991