

OCD-ARTESIA

Form 3160-5
(September 2001)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
 Marbob Energy Corporation

3a. Address
 PO Box 227, Artesia NM 88211-0227

3b. Phone No. (include area code)
 505-748-3303 Fax 505-746-2523

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 1800' FNL & 330' FEL, Section 20-T17S-R31E

5. Lease Serial No.
 NMLC029395B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
 Lee Federal #5

9. API Well No.

10. Field and Pool, or Exploratory Area
 Loco Hills Paddock

11. County or Parish, State
 Eddy

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>change proposed location</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Marbob Energy Corporation requests permission to move the proposed location as follows:

From: 1400' FNL & 330' FEL, Sec 20-T17S-R31E
 To: 1800' FNL & 330' FEL, Sec 20-T17S-R31E

Attached please find: C-102 (Plat)
 Revised Exhibit Four (Wellsite Layout Plat)
 Letter from NMOCB denying originally approved location

The new location is being arch surveyed, a copy will be sent to BLM as soon as available.

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)

Melanie J. Parker

Title Land Department

Signature

Date 08/07/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Joe G. Lara

ACTING

FIELD MANAGER

Date **1 OCT 2003**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office **CARLSBAD FIELD OFFICE**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	96718	LOCO HILLS-PADDOCK
Property Code	Property Name	Well Number
23300	LEE FEDERAL	5
OGRID No.	Operator Name	Elevation
14049	MARBOB ENERGY CORPORATION	3730'

Surface Location

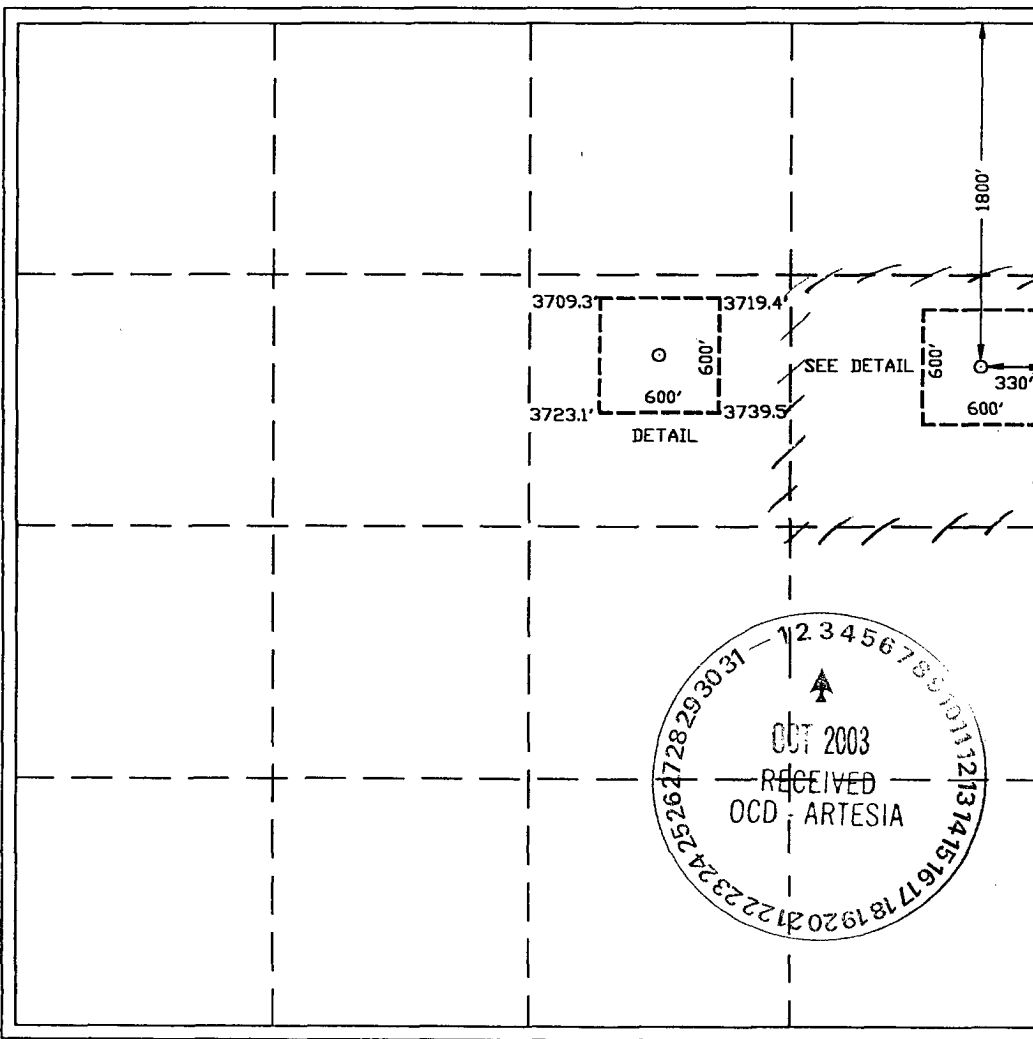
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	20	17-S	31-E		1800'	NORTH	330'	EAST	EDDY

Bottom Hole Location If Different From Surface

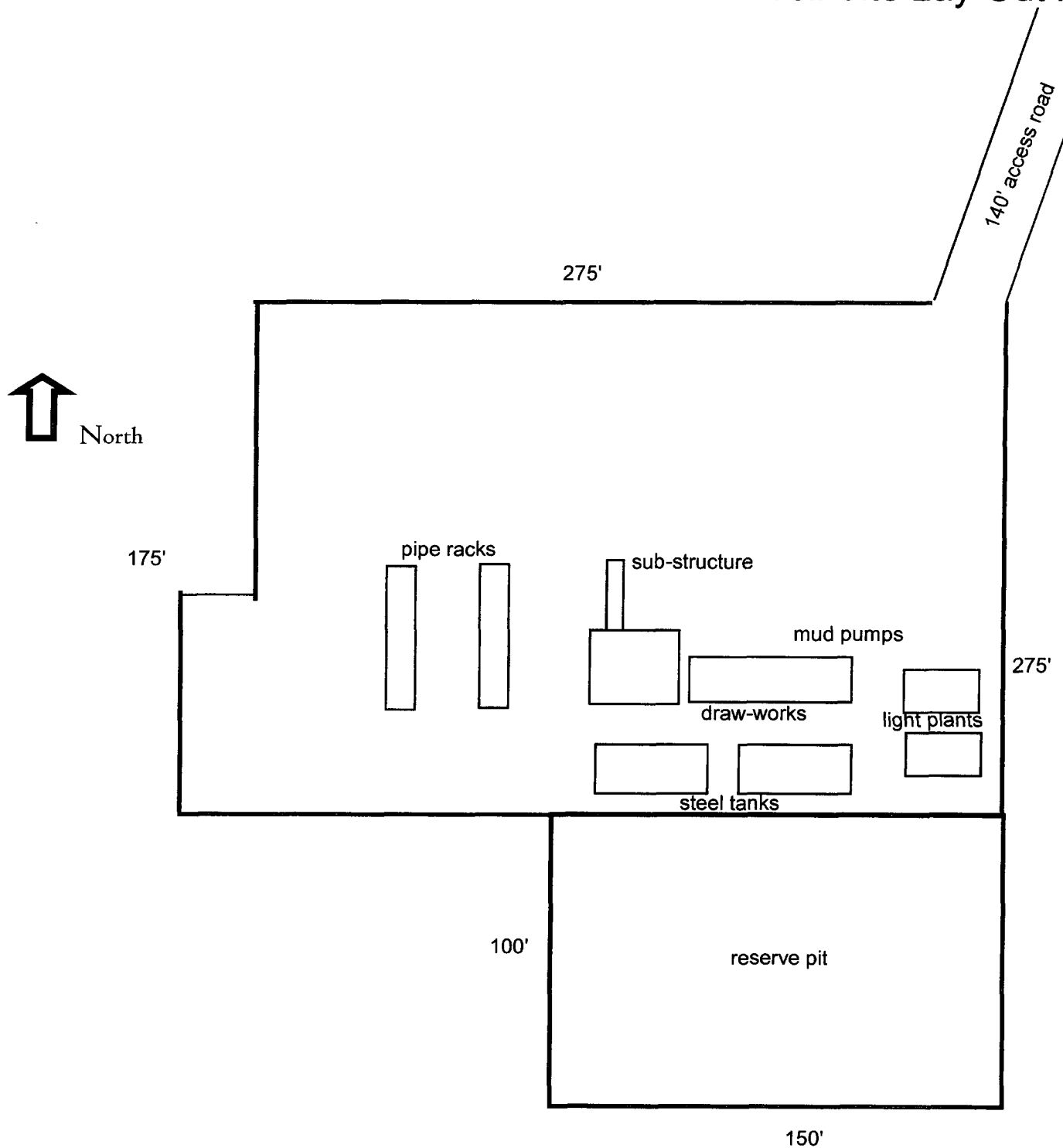
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Melanie J. Parker</i> Signature</p> <p>Melanie J. Parker Printed Name</p> <p>Land Department Title</p> <p>August 7, 2003 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>June 25, 2003 Date Surveyed</p> <p><i>GARY EIDSON</i> Signature & Seal of Professional Surveyor</p> <p>03.11.0658 Certificate No.</p> <p>RONALD J. EIDSON GARY EIDSON</p> <p>3239 12641</p>
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Well Site Lay-Out Plat



Lee Federal No. 5
1800' FNL & 330' FEL
Section 20-T17S-R31E
Eddy County, New Mexico



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

MAY 23 2003

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

May 20, 2003

Lori Wrotenbery
Director
Oil Conservation Division

Marbob Energy Corporation
P. O. Box 227
Artesia, New Mexico 88211-0227

Attention: Dean Chumbley



Re: Administrative application (*administrative application reference No. ~~1207A-317428168~~*) for an exception to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for Marbob Energy Corporation's proposed Lee Federal Well No. 5 (API No. 30-015-30500) to be drilled at an unorthodox Paddock oil well location 1400 feet from the North line and 330 feet from the East line (Unit H) of Section 20, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, within a standard 40-acre oil spacing and proration unit comprising the SE/4 NE/4 of Section 20.

Dear Mr. Chumbley:

In reviewing the subject application at face value and assuming no other factors, it would appear that there are many other locations within the SE/4 NE/4 of Section 20 that meet the set back requirements while avoiding the "archeological site."

Your request is for an unorthodox location in the Loco Hills-Paddock Pool (96718). The proposed location is approximately three miles east of this pool.

Also, I am uncertain who and what was notified. You stated in your application "the only affected party was notified of this application via certified mail"; however, I do not know who the affected party is [see Division Rule 104.F (3)] or what they are [see Division Rule 1207.A (2) (a)].

The conservation rules in all oil and gas producing states governing well spacing and the placement of these wells within such drilling tracts/spacing units have been enacted to promote the orderly development of that states valuable oil and gas resources by preventing waste, protecting correlative rights, and preventing the drilling of unnecessary wells. It is very easy to get into a mode of thinking that considers these rules as minor inconveniences and applications for exceptions as "open and shut" issues.

Your application for the subject unorthodox oil well location, which is unnecessary and unwarranted at this time, is deemed incomplete and is therefore **denied**.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
Raye Miller, Marbob Energy Corporation - Artesia
William F. Carr, Legal Counsel for Marbob Energy Corporation - Santa Fe
Kathy Valdes, NMOCD - Santa Fe