

**Arrant, Bryan, EMNRD**

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**From:** Arrant, Bryan, EMNRD  
**Sent:** Friday, June 01, 2007 8:51 AM  
**To:** 'michelle.hanson@apachecorp.com'  
**Subject:** FW: Malibu Federal # 2/API # 30-015-35563

*Bryan G. Arrant*  
District II Geologist  
New Mexico Oil Conservation Division  
1301 West Grand Ave.  
Artesia, NM 88210  
505-748-1283 Ext. 103

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**From:** Arrant, Bryan, EMNRD  
**Sent:** Friday, June 01, 2007 8:31 AM  
**To:** 'michelle.hanson@apachecorp.com'  
**Cc:** Ezeanyim, Richard, EMNRD; 'Nancy Bratcher'  
**Subject:** Maliabu Federal # 2/API # 30-015-35563

Dear Michelle,

We have received your letter objecting to Marbob Energy Corporation drilling the above noted APD. Please note that at the district level, I cannot address nor withdraw said application at this time. As you should be aware, matters such as this need to be addressed and possibly set for a hearing at the State office in Santa Fe, NM. Please contact Richard Ezeanyim at 505-476-3467 for further information.

*Yours truly,*  
*Bryan G. Arrant*  
District II Geologist  
New Mexico Oil Conservation Division  
1301 West Grand Ave.  
Artesia, NM 88210  
505-748-1283 Ext. 103

CC: Well File

6/1/2007

MAY 25 2007



6120 S. YALE / SUITE 1500 / TULSA, OKLAHOMA 74136-4224

WWW.APACHECORP.COM  
Telephone: (918) 491-4900

May 23, 2007

New Mexico Oil Conservation Division  
Attn: District Supervisor  
1301 W. Grand Avenue  
Artesia, NM 88210

RE: Approved Application for Permit to Drill  
API #30-015-35563  
Malibu Federal #2 Well  
Section 12, T19S, R31E  
Eddy County, New Mexico

Gentlemen:

Apache Corporation ("Apache") owns the operating rights in the NE/4 NE/4 of Section 12, Township 19 South, Range 31 East, Eddy County, New Mexico, which is covered by Federal Lease #NM 23002. On March 15, 2007, and without Apache's consent, Marbob Energy Corporation ("Marbob") filed an Application for Permit to Drill (see attached) a horizontal well (Malibu Federal #2) which Marbob claims will have an 80 acre dedicated spacing unit (E/2 NE/4 Section 12-T19S-R31E). The surface location is located in the NE/4 NE/4 of Section 12-T19S-R31E where Apache owns 100% of the operating rights. The APD was approved by the Bureau of Land Management ("BLM") and the Oil Conservation Division on April 23, 2007.

Apache does not support the drilling of this well and, since Marbob failed to receive appropriate consent from Apache prior to filing the APD, Apache strongly objects to the approval of said APD.

Should you wish to discuss this matter further, please do not hesitate to contact the undersigned at (918) 491-4838.

Sincerely,

**APACHE CORPORATION**

A handwritten signature in cursive script, appearing to read "Michelle Hanson".

Michelle Hanson  
Landman  
918/491-4838  
918/491-4854 fax  
[michelle.hanson@apachecorp.com](mailto:michelle.hanson@apachecorp.com)

Enclosure: