STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTME	SANTA FE, NEW MEXICO NT 87501	ADMINISTRATIVE ORDER NFL 92
Inf	THE DETENTION FINDINGS AND WELL-SPACING WAIVER	
ree FEP	NDE PURSUANT TO SECTION 271.305(b) OF THE REPARE ENERGY REGULATORY, COMMISSION REGULATIONS,	
NATURAL G	AS POLICY ACT OF 1978 AND OIL CONSERVATION DIV ORDER NO. R-6013	ISTON

OIL CONSERVATION DIVISION

Operator_	Marbob	Energy	Corpora	tion	We	11 Name	and No.	<u>NG Phi</u>	<u>llips Sta</u>	te Well	132
Location:	Unit P	Sec.	27 1	wp. 17	S Rng.	28E	Cty.	Eddy	·		

IT.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Pegulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commoncement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) That by Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3)	That	the	well	for	which	a findin	g is	sough	t is	to l	be co	mplete	d in	the	Artesia	i Ouecn	Grayburg	r San
And	ces					nd the s									40		acres.	•
(4)	That	a	40		a	cre pror	ation	unit	. com	pris	ing tl	he	SE/	4	SE/4			
of S	ec	27	' '	wp.	<u>175</u>	, Rng.	<u>28E</u>		is	curr	ently	dedic	ated	to	the <u>N(</u>	S Philli	ps State	5
Wel.	No.	3_				locate	d in	Unit_	P	_ of	said	secti	on.					

(5) That this proration unit is (X) standard () nonstandard; if nonstandard, said unit was previously approved by Order No. NA,

(6) That sold provation unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 70,400 MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013 have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

That in order to permit effective and efficient drainage of said proration unit, the subject (9) application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section J above as an infill well on the existing provation unit described in Section IT(4) above. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said provation unit which cannot be effectively and efficiently drained by any existing well thereon.

That jurisdiction of this cause is retained for the entry of such further orders as the Division may doem necessary.

D'ull at Santa Fe, New Mexico, on this 33 day of September , 19 84

Michael E. Scogness

Received July 7, 1983

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION P. O. Box 2088 SANTA FE, NEW MEXICO 87501

ADMINISTRATIVE ORDER.

acres

INFILL DRILLING FINDINGS PURSUANT TO SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator	Marbo	6 Energy	Corporation	Well Name	and No.	NE	Phillips	State	Well No.32
Location:	Unit	<u>P</u> _Sec.	27 Twp. /7	South Rng. 2	8 East		Eddy		
				· .	•		•		

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to gualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.

(2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

That the well for which a finding is sought is completed in the Artesia Queen Grayburg San (3)

Andres _Pool, and the standard spacing unit in said pool is 40 -acre proration unit comprising the <u>SE/4</u> <u>uses at the time doiting began</u> <u>1500th</u>, Rng. <u>28 East</u>, is currently dedicated to the <u>Alt</u> 40 (4) That a 17 South, Rng. 28 East Phillies State . Twp. _ of Sec. 27

located in Unit P of said section.

That this proration unit is (ω) standard () nonstandard; if nonstandard, said unit was previously (5) approved by Order No. ND

(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.

(7) That the drilling and completion of the well for which a finding is sought should result in 70,400 MCF of gas from the proration unit which would not the production of an additional otherwise be recovered.

That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

That in order to permit effective and efficient drainage of said proration unit, the subject (9) application should be approved.

IT IS THEREFORE ORDERED;

That the applicant is hereby authorized to drill the well described in Section I above as an (1)infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said provation unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at	Santa Fe,	New Mexico,	on	this	day	of		19
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cc- OCP Artesia Well file

DIVISION DIRECTOR

EXAMINER

REQUEST FOR INFILL FINDING ON

NG PHILLIPS STATE #32

in accordance with Administrative

Procedures Amended February 8, 1980

				5	80-015-24	47
STATE OF NEW MEXICO RGY AND MINERALS DEPARTMENT	CONSERVAT		\bigcirc	Form C-101		
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3665.5'GL .	Statewide active	Unknown		5/16,	/83 '	

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
<u>12 1/4"</u> 7 7/8"	8 5/8" 5 1/2"	24# 15=50# 1 9#	<u>550'</u> 3750'	<u>350</u> 700	<u>Circulate</u> <u>Attempt to circ.</u>

We propose to drill a 12 1/4" hole to 550', run 8 5/8" 24# new casing, cement, circulate to surface, reduce hole to 7 7/8" and drill on to 3750' to test the San Andres formation, run $5\frac{1}{2}$ " 15.50# casing, cement and attempt to circulate.

TIONS OF APPROVAL, IF ANYI	,	Rule #5
(This space for Store Use)	TITLE OIL AND GAS INSPECTOR	MAY 0 6 1983
analy the information above to true and comp	TuleProduction_Clerk	Date 5/2/83
OVE SPACE DESCRIBE PROPOSED PROGRAM IF P UNI. GIVE BLOWDUT PATVENTER PROCRAM, IF ANT.		ESTAT PAODUCTIVE TOAT AND PAOPOSED NEW PRODUC
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Form C-102 Supersedes C-128 Ettective 1-1-65 ,,

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Rule 6:

NG Phillips State #32

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit - 40 acres

...Rule 7:

NA

Rule 8:

- a. NG Phillips St. #3, 330 FSL 330 FEL Sec. 27-T17S-R28E NG Phillips St. #32, 440 FSL 979 FEL Sec. 27-T17S-R28E
- b. #3 8/24/60

#32 - 5/24/83

c. #3 - 10/3/60

#32 -7/1/83

d. None

e. #3:- 3/4 bbl./day, no gas

#32 - 14 bbl. oil, 60 mcf gas/day

- f. NA
- g. Well #3 has not produced any gas since March 1977. The new well was drilled deeper and opened in a different formation as well as the formation in which # was completed. Since #3 will not currently produce any gas although it does still produce some oil, the new well was drilled to drain this reservoir.

Paul G. White Engineering

OIL AND NATURAL GAS



* **1** .

June 20, 1983

Marbob Energy Corporation Artesia Queen Grayburg San Andres NG Phillips State Lease Well No. 32

Pertinent Engineering Data and Conclusions

Well No. 32 has been completed in the Artesia Queen Grayburg pool as of June 20, 1983. The well is an in-fill well located as per the attached plat.

Effective June 20, 1983, oil reserves recoverable will be 8800 barrels and gas reserves recoverable will be 70400 mcf. Oil reserves were calculated from a log study on the well plus an analogous comparison of like wells in the field with similar log characteristics. The gas reserves were estimated using a study of the gas oil ratio performance in the pool.

My study reveals that as early as 1964 the producing well rate was 3.6 barrels of oil per day per well. The wells in the pool have remained on 40 acre spacing up until the past two years.

From infill well performance it is obvious that well density in this pool has to be increased to recover remaining reserves. The low permeability and low quality solution gas recovery mechanism will require reduced spacing to efficiently produce the reserves.

The daily producing rate for Well No. 32 was 15.0 BOPD in June, 1983. This, of course, indicates that no interference has as yet been experienced from offset wells.

In my opinion the infill wells which increase the density of pattern will produce an amount of oil and gas reserves equal to the older wells in the field.

Therefore, it is my recommendation that well density be increased and it is my conclusion that infill wells will experience new reservoir conditions.

Paul G. White Petroleum Engineer

6-20-83

Date

PGW/rlm

Attachment

Ruce 9-6

Marbob Energy Corporation NG Phillips State #32 440 FSL 979 FEL Sec. 27-T17S-R28E Eddy County, NM

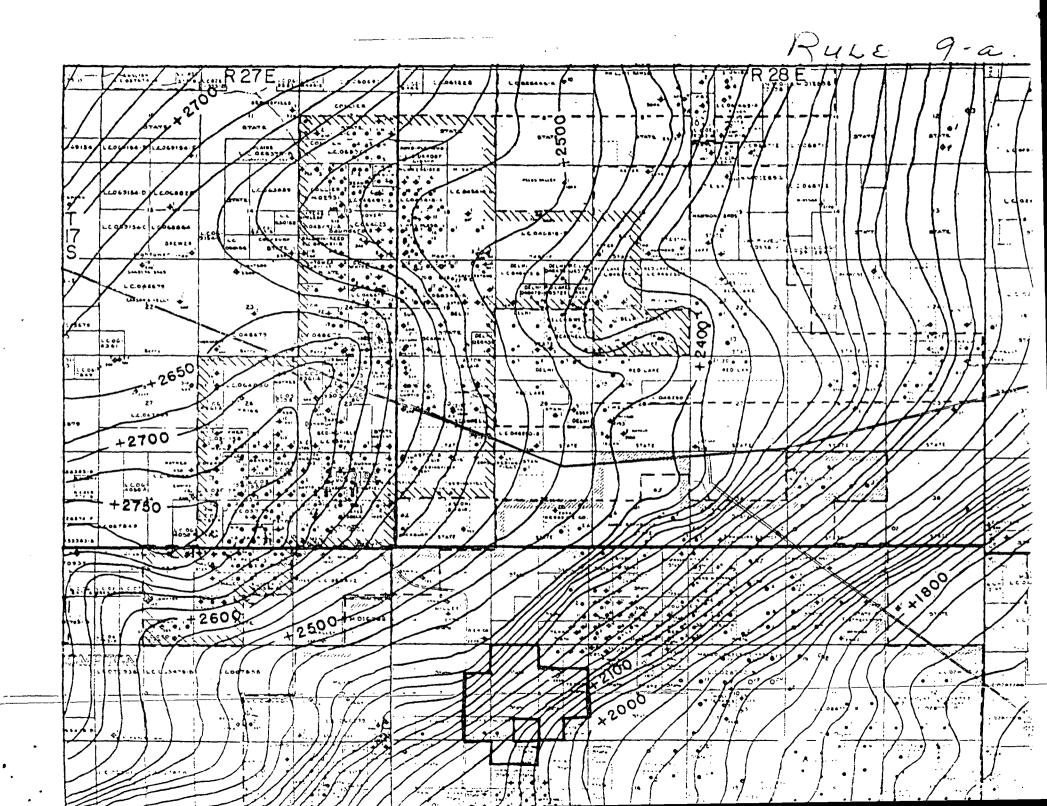
Gross Monthly <u>Oil - bbls</u> .	Gross Yearly <u>Oil - bbls.</u>
Total Oil Remaining:	8,800
Cumulative to 6/20/83	310
Total Ultimate Reserves	9,110

Gas-Oil	Ratio	Average	-	8,000 to 1
Remainir	ng Gas	Reserves	- .	70,400 MCF

Oil reserves calculated using log study plus analogous comparison to older well performance.

RULE 9-6.

Notice of this infill request has been sent to Amoco Production Notice of this infill request has been sent to Amoco Production Notice of this infill request has been sent to Amoco Production Co., P.O. Box 3092, Houston, Texas 77001; Depco, Inc., 1000 Petroleum Bldg., Denver, Colorado 80202; and Samedan Oil Corp., Petroleum Bldg., Denver, Midland. Texas 79701. Rule 11: retroieum Biug., Denver, Cororado 00202; and 900 Wall Towers East, Midland, Texas 79701.



Unit P, Section 27, Township 17 South, Ranse 28 East, NMPM, Eddy County, New Mexico .

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Scale: linch = 400 fort

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1. Marbob Energy Corporation NE Phillips State Well No. 13 965, 2'FSL - 978.7' FEL Spud: 12/13/80 East Empire Vates Seven Rivers completion

1. . .

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- 2. Marbob Energy Corporation NG Phillips State Well No. 37 1165' FSL - 978'FEL Spud: 5/13/84 - Artesia Queen Grayburg San Andres completion
- 3. Marbob Energy Corporation NG Phillips State Will No. 36 335'F52 - 330'F156 Spud: 2/16/84 * - Artesia Queen Grayburg San Andres completion
- 4. Marbob Energy Corporation NO Phillips State Will No. 32 440'FSL - 979' FEL Spud: 5/24/83

*- Artesia Queen Grayburg San Andres completion Lummulative production as of 12/51/83 Gas - 10517 MCP Dil - 3687 Bio.

5. Marbob Energy Corporation NG Phillips State Well No. 22 390'FSL - 978.7'FEL Spud: 6/29/79 DtA'ed: 11/13/79 Empire 1990 Complexied 99/2/2: 4990 750,257 - 752,028 750,010 490 100, 100, 100 100,000 589 410 0788

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Unit P, Section 17, Township 17 South, Range 28 East, Not P.D., Eddy County,

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Marbob Energy Corporation Marbob Energy Corporation NG Phillips State Well No. 13 965.2'FSL - 978.7'FEL Spud: 12/13/00 East Empired Vaters Seven Rivers completion

2. Marboh Energy Corporation No Phillips State Will No. 37 No Phillips State Will No. 37 1165' FSL - 978'TEL Spud: Shi3/84 Artesia Overn Grayburg San Andres completion

2. Alarbob Energy Corporation NE Phillips State Welt No. 36 3351F52 - 3301 FEL Spod: 2/16/84 # - Artosia Quern Graybog Sam Podres completion

4. Marbob Energy Corporation NE Phillips State Well No. 32 4.40'FSL - 979'FEL Spud: 5/24/23 K- Artesia Quien Grayburg San Andres completion K- Artesia Quien Grayburg San Andres completion Commutative production as of 12/51/83 Commutative production as of 12/51/83 Commutative Job Reduction Gas - 10517 MCP Dil - 3623 Bio.

5. Marbot Energy Corporation NG Phillips State Guere 26, 22 300'FSL-978.7'FEL Spud: 6/23/29 Do Died: 11/13/29

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6. Market Enersy Corpore 6.00

REQUEST FOR INFILL FINDING ON

NG PHILLIPS STATE #32 in accordance with Administrative Procedures Amended February 8, 1980

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Marbob Energy Corporation	on	JUL - 7 1983		32	
P.O. Drawer 217, Artesi	N N RAZIO OLLOO	INSERVATION DIVISIO		10. Field and Pool, or Wildcat	
vention of Well p	440	SANTA FE Sout		Artesia On Grbg SA	177
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d arely for the information above to true and	Tule Production	1_ClerkPore	5/2/83
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Rule #5

CONSERVATION COMMISS Horm C+102 Supersedes C.17 WELT LOCATION AND ACREAGE DEDICATION HEAT al Itertive 14-65 from the outer bounds Operator MARBOB ENERGY CORP. N.G. PHILLIPS ST. 32 Init Letter -Se 1, 1 I to note P 27 17 SOUTH -28 EAST EDDY Actual Fortage Location 1 An. 440 SOUTH 979 EAST teet to o the Ee sering Electric a Ground Level Flev 3665.5 San Andres Artesia Qn Grbg SA 40 1. Outline the acreage dedicated to the subject well by colored peakst pelice was marks on the plat helps, 2. If more than one fease is dedicated to the well, outline each and ident to the ownership thereof thath as to working interest and royalty) 3. If more than one lease of different awneiship is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pholing, etc? Yes No. If answer is "yes" type of consolidation If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)_ and the set of the set No allowable will be assigned to the well until all interests have been consolidated thy communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. WELL - OPLEATIONS SHSPENDED @ 920: ACERTIFICATION #13 WELL - SEVEN RIVERS COMPLETION. I hereby certify that the information con-22- WELL- P+A simed herein is true and complete to the # 3- SP4D 8-24-60, TD 2138', PERF 2082-92 m. knowledge V an 19[C]2 Carolyn Orris JUL - 7 1983 Production Clerk OIL CONSERVATION UNIDION Marbob Energy Corporation SANTA FE 5/2/83 i hereby certity that the well lacation shown on this plat was plated from field notes of octual surveys made by me or index of supervision, and that the same a true and correct to the best of my innaledge and belief. 13 ° so 4-26-83 t 1 m tenstric of 1 matrices 932 in n JOHN W. WEST NO. 676 330 660 19:0 1320 1800 1001 💐 المحادثات الم

Rule 6:

NG Phillips State #32

Pool: Artesia Queen Grayburg San Andres

1

Standard spacing unit - 40 acres

Rule 7:

NA

Rule 8:

a. NG Phillips St. #3, 330 FSL 330 FEL Sec. 27-T17S-R28E

NG Phillips St. #32, 440 FSL 979 FEL Sec. 27-T17S-R28E

b. #3 - 8/24/60

#32 - 5/24/83

c. #3 - 10/3/60

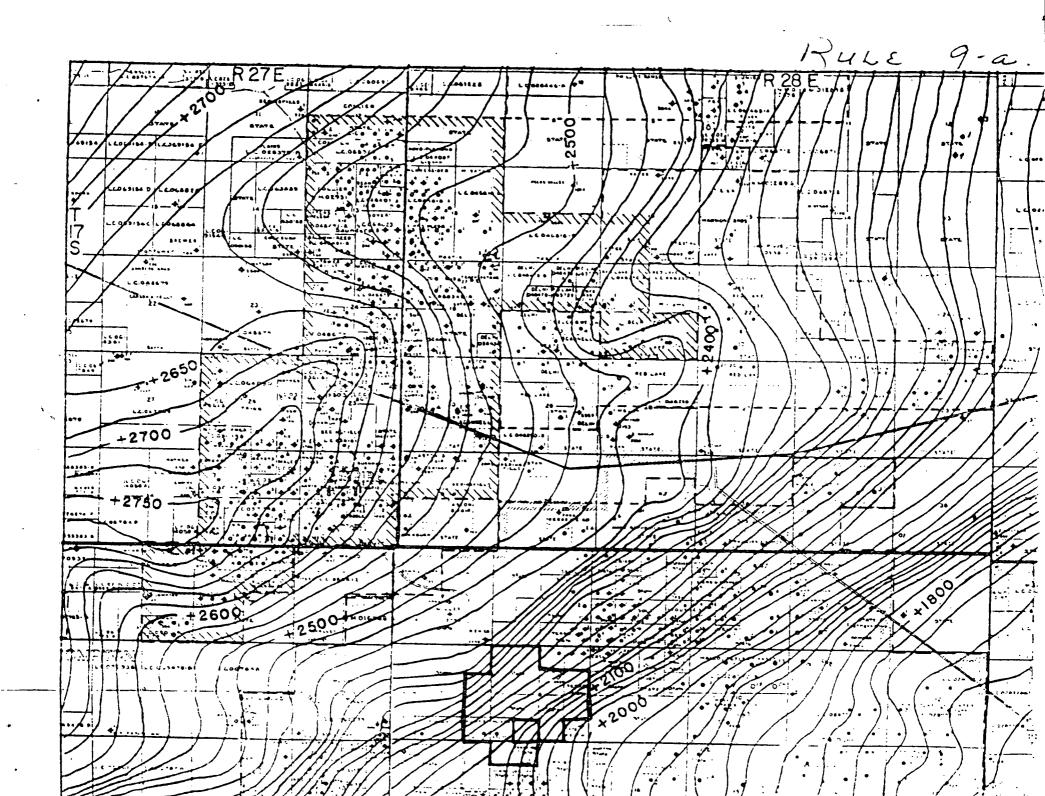
#32 -7/1/83

d. None

e. #3 - 3/4 bbl./day, no gas

#32 - 14 bbl. oil, 60 mcf gas/day

- f. NA
- g. Well #3 has not produced any gas since March 1977. The new well was drilled deeper and opened in a different formation as well as the formation in which # was completed. Since #3 will not currently produce any gas although it does still produce some oil, the new well was drilled to drain this reservoir.



Paul G. White Engineering

OIL AND NATURAL GAS

June 20, 1983

Marbob Energy Corporation Artesia Queen Grayburg San Andres NG Phillips State Lease Well No. 32

Pertinent Engineering Data and Conclusions

Well No. 32 has been completed in the Artesia Queen Grayburg pool as of June 20, 1983. The well is an in-fill well located as per the attached plat.

Effective June 20, 1983, oil reserves recoverable will be 8800 barrels and gas reserves recoverable will be 70400 mcf. Oil reserves were calculated from a log study on the well plus an analogous comparison of like wells in the field with similar log characteristics. The gas reserves were estimated using a study of the gas oil ratio performance in the pool.

My study reveals that as early as 1964 the producing well rate was 3.6 barrels of oil per day per well. The wells in the pool have remained on 40 acre spacing up until the past two years.

From infill well performance it is obvious that well density in this pool has to be increased to recover remaining reserves. The low permeability and low quality solution gas recovery mechanism will require reduced spacing to efficiently produce the reserves.

The daily producing rate for Well No. 32 was 15.0 BOPD in June, 1983. This, of course, indicates that no interference has as yet been experienced from offset wells.

In my opinion the infill wells which increase the density of pattern will produce an amount of oil and gas reserves equal to the older wells in the field.

Therefore, it is my recommendation that well density be increased and it is my conclusion that infill wells will experience new reservoir conditions.

442 9-6

Paul G. White Petroleum Engineer

6 - 20 - 83

Date

PGW/rlm

Attachment

Paul G. White Engineering

Marbob Energy Corporation NG Phillips State #32 440 FSL 979 FEL Sec. 27-T17S-R28E Eddy County, NM

Gross Monthly 	Gross Yearly Oil - bbls.
Total Oil Remaining:	8,800
Cumulative to 6/20/83	310
Total Ultimate Reserves	9,110

Gas-Oil Ratio Average - 8,000 to 1 Remaining Gas Reserves - 70,400 MCF

Oil reserves calculated using log study plus analogous comparison to older well performance.

Rule 11:

Notice of this infill request has been sent to Amoco Production Co., P.O. Box 3092, Houston, Texas 77001; Depco, Inc., 1000 Petroleum Bldg., Denver, Colorado 80202; and Samedan Oil Corp., 900 Wall Towers East, Midland, Texas 79701.

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