

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 Marbob Energy Corp. Well Name and No. N.G. Phillips State Well #25  
Location: Unit J Sec. 27 Twp. 17S Rng. 28E Cty. 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 qualify 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.
- (3) That the well for which a finding is sought is completed in the Artesia Queen Grayburg San Andres Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40-acre proration unit comprising the NW/4 SE/4 of Sec. 27, Twp. 17S, Rng. 28E, is currently dedicated to the N.G. Phillips State Well No. 5 located in Unit J of said section.
- (5) That this proration unit is  standard ( ) nonstandard; if nonstandard, said unit was previously approved by Order No. \_\_\_\_\_.
- (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 the production of an additional 86,863 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) 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.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an 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 proration 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 4th day of May, 19 82.

DIVISION DIRECTOR \_\_\_\_\_ EXAMINER \_\_\_\_\_

# Marbob Energy Corporation

P. O. DRAWER 217  
ARTESIA, NEW MEXICO 88210

March 12, 1982

— OFFICE PHONE —  
(505) 748-3303  
(505) 746-2422

— NIGHT PHONES —  
(505) 746-6197  
(505) 746-6500

Mr. Michael E. Stogner  
Petroleum Engineer  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: Infill well applications

Dear Mike:

Please find enclosed two applications for infill well rulings. Although we have several to file with you, I wanted to have you review these before I sent more to see if these were complete, correct, and provided you with enough information to make a ruling. I have tried to closely follow the format you recommended.

When you have had a chance to review these please give me a call. Thanks for your help.

Sincerely,

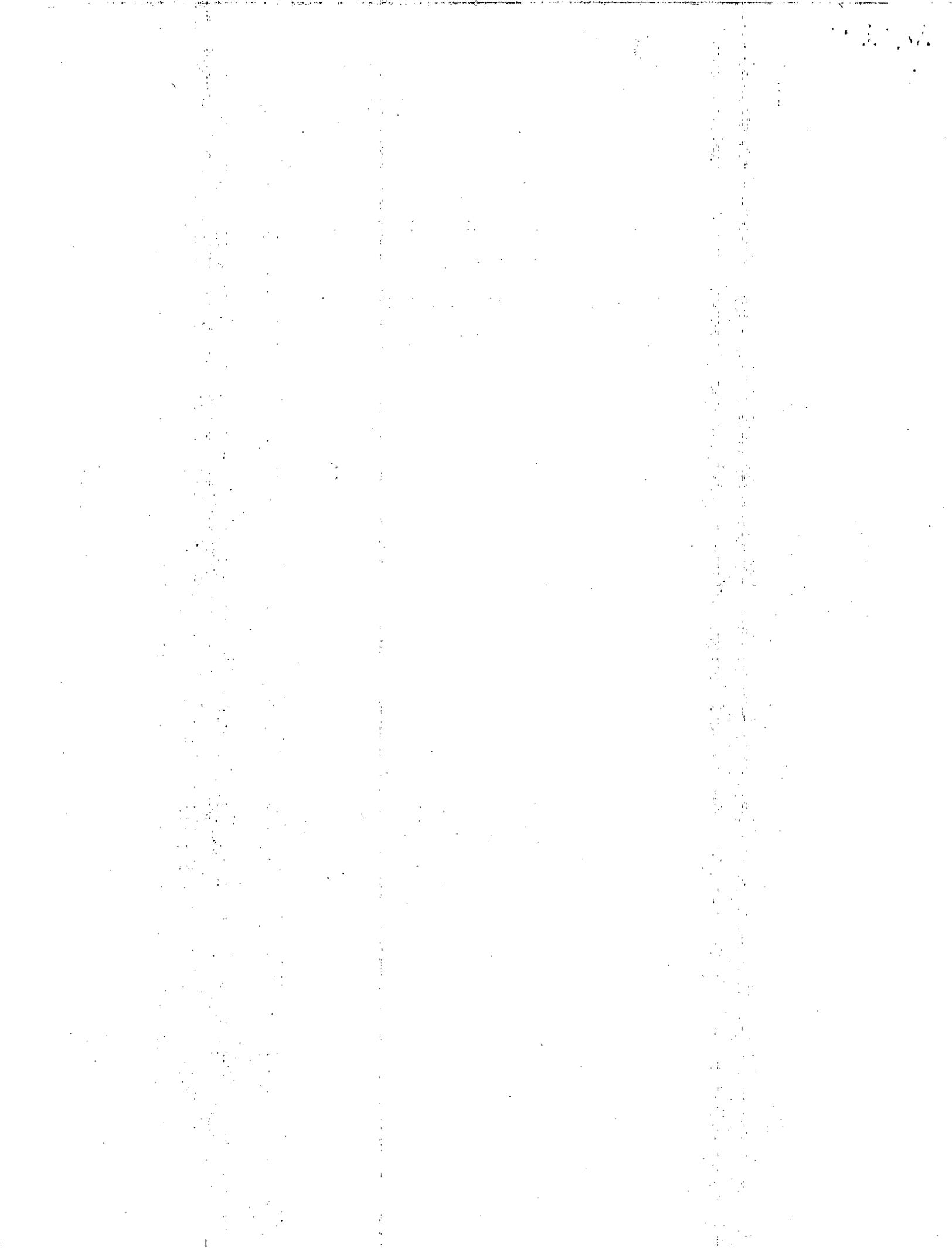
*Raye P. Miller*

Raye P. Miller  
Land Department

RPM

Encl.

*Request for Infill Finding on  
NG Phillips State #25  
in accordance with Administrative  
Procedures Amended February 8, 1980*



30-015-23640

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

JAN 28 1981

O. C. D.

ARTESIA OIL

|   |                              |
|---|------------------------------|
| 5A. Indicate Type of Lease                |                              |
| STATE <input checked="" type="checkbox"/> | FEE <input type="checkbox"/> |

|                              |
|------------------------------|
| 5. State Oil & Gas Lease No. |
| B-2071                       |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|   |                                   |                                    |
|---|-----------------------------------|------------------------------------|
| 1a. Type of Work                                |                                   |                                    |
| DRILL <input checked="" type="checkbox"/>       | DEEPEN <input type="checkbox"/>   | PLUG BACK <input type="checkbox"/> |
| b. Type of Well                                 |                                   |                                    |
| OIL WELL <input checked="" type="checkbox"/>    | GAS WELL <input type="checkbox"/> | OTHER <input type="checkbox"/>     |
| SINGLE ZONE <input checked="" type="checkbox"/> |                                   |                                    |
| MULTIPLE ZONE <input type="checkbox"/>          |                                   |                                    |

|                        |
|------------------------|
| 7. Unit Agreement Name |
|------------------------|

|                       |
|-----------------------|
| 8. Farm or Lease Name |
| NG Phillips St.       |

|                     |
|---------------------|
| 2. Name of Operator |
| Marbob Energy Corp. |

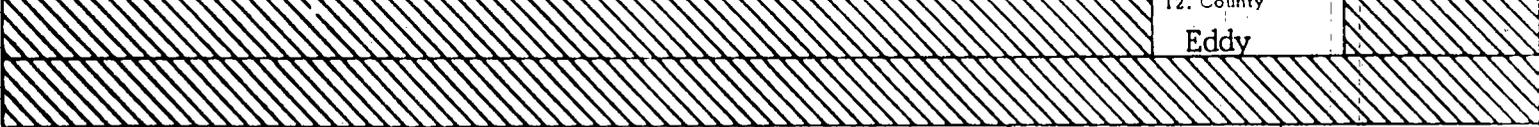
|             |
|-------------|
| 9. Well No. |
| 25          |

|                                   |
|-----------------------------------|
| 3. Address of Operator            |
| P.O. Box 304, Artesia, N.M. 88210 |

|                                |
|--------------------------------|
| 10. Field and Pool, or Wildcat |
| Artesia On. Grbg. SA           |

|   |
|---|
| 4. Location of Well   |
| UNIT LETTER <u>J</u> LOCATED <u>2185.7</u> FEET FROM THE <u>South</u> LINE                              |
| AND <u>1961.7</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>27</u> TWP. <u>17S</u> RGE. <u>28E</u> NMPM |

|            |
|------------|
| 12. County |
| Eddy       |



|                    |                |                    |
|--------------------|----------------|--------------------|
| 19. Proposed Depth | 19A. Formation | 20. Rotary or C.T. |
| 2150'              | Premier        | Rotary             |

|  |                               |                          |                                  |
|--|-------------------------------|--------------------------|----------------------------------|
| 21. Elevations (Show whether DJ, RT, etc.) | 21A. Kind & Status Plug. Bond | 21B. Drilling Contractor | 22. Approx. Date Work will start |
| 3655' GR                                   | Statewide Active              | Stewart Bros. Drlg. Co.  | 2/2/81                           |

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT  | EST. TOP |
|--------------|----------------|-----------------|---------------|------------------|----------|
| 12 1/2"      | 8 5/8"         | 24#             | 500'          | Circulate        |          |
| 7 7/8"       | 4 1/2"         | 10.50#          | 2150'         | Attempt to circ. |          |

We propose to drill to 500', set 8 5/8" 24# casing, drill on to 2150' to test the Premier formation, set 4 1/2" 10.50# casing.

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 7-29-81  
UNLESS DRILLING UNDERWAY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Carolyn Curtis Title Production Clerk Date 1/28/81

(This space for State Use)

APPROVED BY W. A. Gressett TITLE SUPERVISOR, DISTRICT II DATE JAN 29 1981

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102  
Supersedes O-128  
Effective 1-1-55

All distances must be from the outer boundaries of the Section

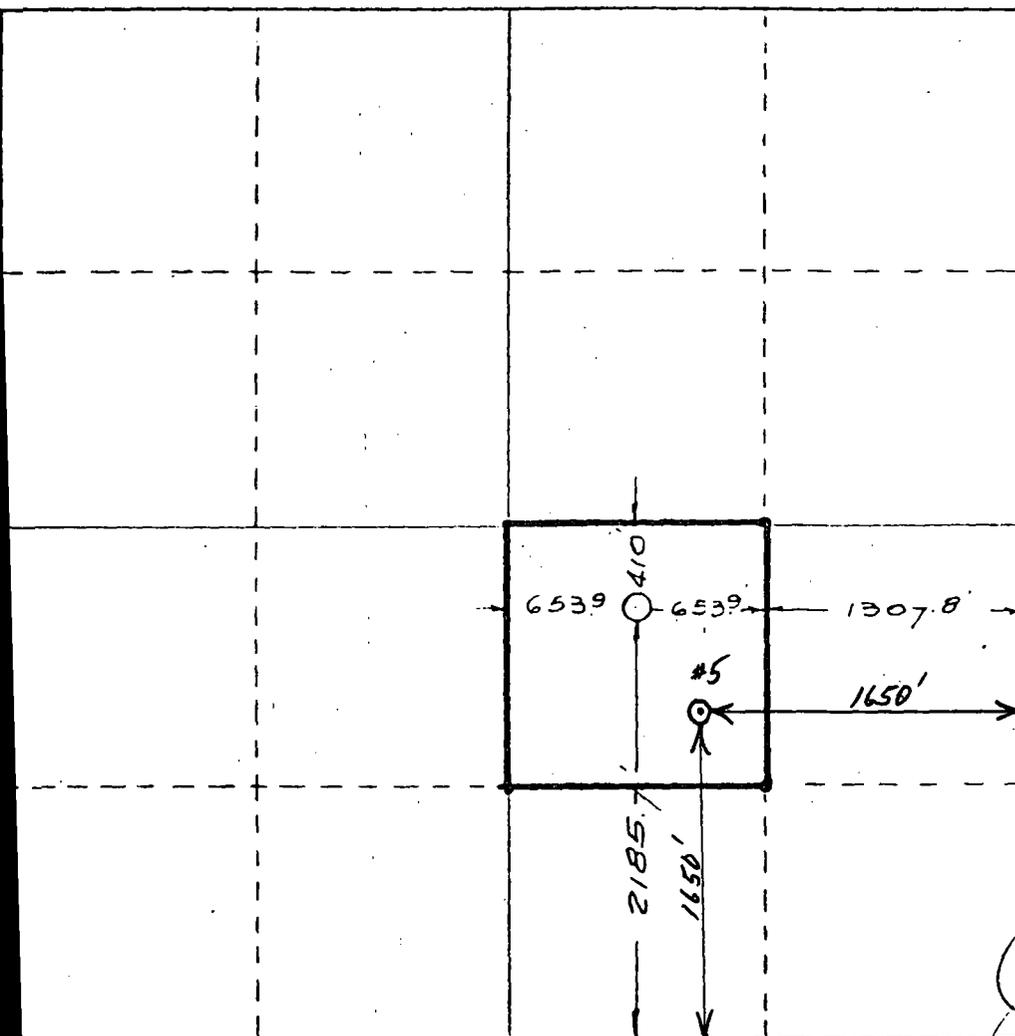
|  |                                       |   |                                      |                                |                       |
|--|---------------------------------------|---|--------------------------------------|--------------------------------|-----------------------|
| Operator<br><b>MARBOB ENERGY CORPORATION</b> |                                       | Location<br><b>N. G. Phillips STATE</b> |                                      |                                | Well No.<br><b>25</b> |
| Grid Letter<br><b>J</b>                      | Section<br><b>27</b>                  | Township<br><b>17 South</b>             | Range<br><b>28 East</b>              | County<br><b>EDDY</b>          |                       |
| Actual Footage Location of Well:             |                                       |   |                                      |                                |                       |
| <b>2185.7</b>                                | feet from the                         | <b>South</b>                            | line and                             | <b>1961.7</b>                  | feet from the         |
|  |                                       |   |                                      | <b>East</b>                    | line                  |
| Ground Level Elev.<br><b>3655</b>            | Producing Formation<br><b>Premier</b> |   | Tract<br><b>Artesia Qn. Grbg. SA</b> | Indicated Acreage<br><b>40</b> |                       |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, 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.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Carolyn Orris*

Name  
Carolyn Orris

Position  
Production Clerk

Company  
Marbob Energy Corp.

Date  
1/28/81

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 knowledge and belief.

Date Surveyed  
October 23, 1980

Registered Professional Engineer  
and a Land Surveyor

*Alan W. Stearn*

Certificate No.

1559

Rule 6:

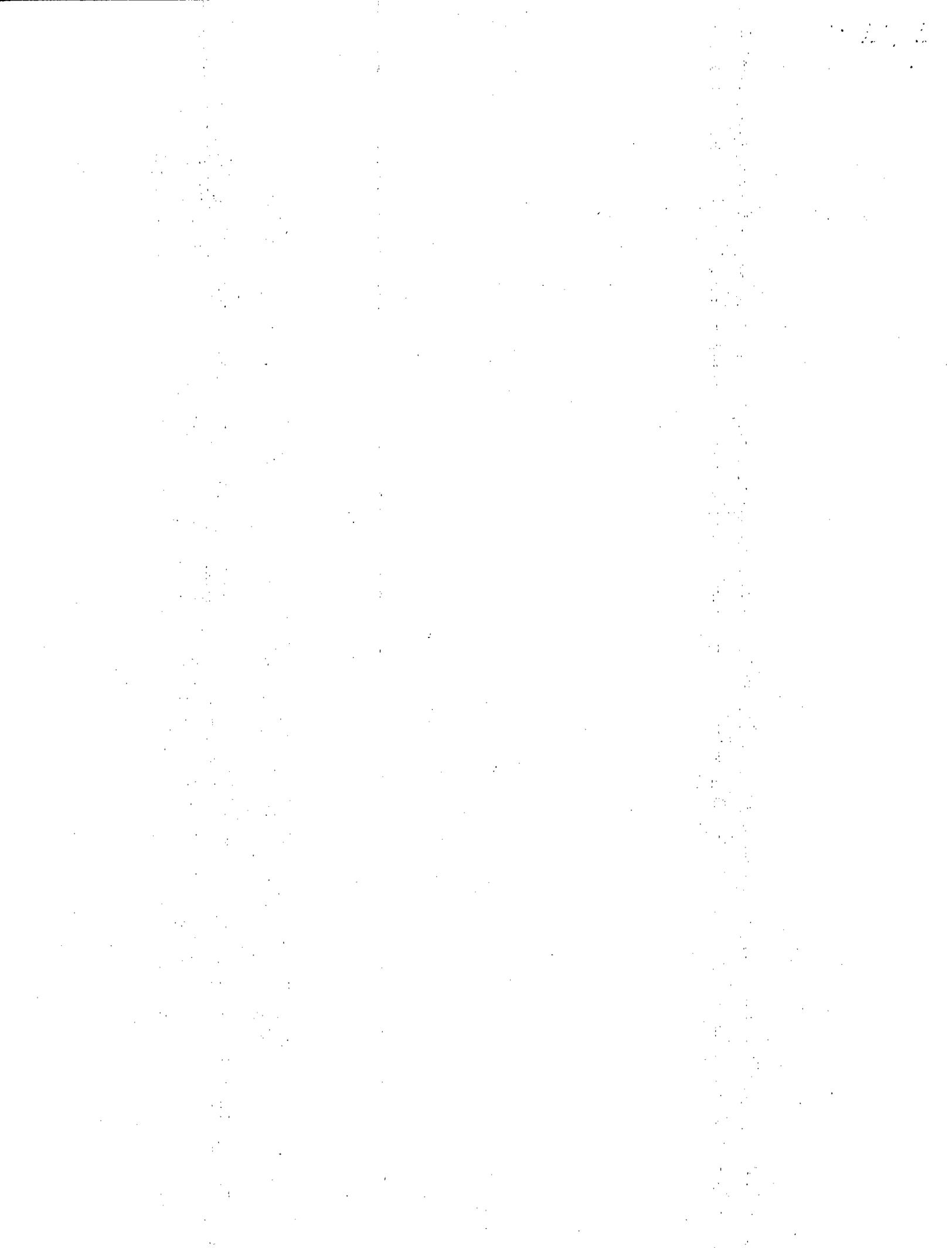
NG Phillips State #25

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit - 40 acres

Rule 7:

NA



Rule 8:

- a. NG Phillips State #25 - 2185.7 FSL 1961.7 FEL, Sec. 27,  
T17S-R28E  
  
NG Phillips State #5 - 1650 FSL, 1650 FEL Sec. 27,  
T17S-R28E
- b. #25 - 2/24/81  
  
#5 - 1/12/61
- c. #25 - 4/20/81  
  
#5 - 3/15/61
- d. #25 - none  
  
#5 - none recorded
- e. #25 - 47.6 mcf/day, 33.8 bbl/day  
  
#5 - -0- mcf/day, 1 bbl/day
- f. #25 - NA  
  
#5 - NA
- g. Well #5 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 #5 was completed. Since #5 will not currently produce any gas although it does still produce some oil, the new well was drilled to drain this reservoir.



Rule 9:

- b. Volume of increased ultimate recovery expected of 62.3 mmcf is based on a 15 year life and declining in accordance with well histories in this area.

Rule 11:

Notice of this infill request has been sent to John A. Yates, 211 So. 4th St., Artesia, New Mexico 88210, by certified mail, as the only offset operator.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

LARRY KEHOE  
SECRETARY

April 1, 1982

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Raye Miller  
MARBOB ENERGY CORP.  
P.O. Box 304  
Artesia, NM 88210

Dear Raye:

Re: Application for NGPA Infill Well  
Findings Under Provisions of  
Order No. R-6013-A NG

Phillips State # 25, J-27-17S-28E,

Eddy County, New Mexico.

We may not process the subject application for infill findings until the required information, forms, or plats checked on the reverse side of this letter are submitted.

Sincerely,

*Michael E. Stogner*

Michael E. Stogner,  
Petroleum Engineer

MES/dp

- A copy of Form C-101 must be submitted.
- A copy of Form C-102 must be submitted.
- The pool name must be shown.
- The standard spacing unit size for the pool must be shown.
- Give the Division Order No. which granted the non-standard proration unit.
- Please state whether or not the well has been spudded and give the spud date, if any.
- Information relative to other wells on the proration unit is incomplete.

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- The geologic and reservoir data is incomplete or insufficient.

As per our phone conversation on Thursday, April 1, 1982, please  
submit a more detailed narrative describing how the volume of ultimate  
recovery expected was obtained. Thank you for an otherwise complete  
and readable NFL application.

- Other:

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# Marbob Energy Corporation

P. O. DRAWER 217  
ARTESIA, NEW MEXICO 88210

April 13, 1982

— OFFICE PHONE —  
(505) 748-3303  
(505) 746-2422

— NIGHT PHONES —  
(505) 746-6197  
(505) 746-6500

Mr. Michael E. Stogner  
Petroleum Engineer  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

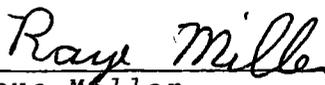
Re: Application for NGPA Infill  
Well Findings Under Provisions  
of Order No. R-6013-A  
NG Phillips St. #25-J-27-17S-28E  
West Artesia Grayburg Unit, Tr.  
Well #21-E-8-18S-28E

Dear Mike:

I have obtained some help from a consulting engineer in preparing the additional information you needed for rule 9b. If you could please substitute these pages for the current page you have, they should complete the application. If there is still not enough information to satisfy rule 9b please contact me.

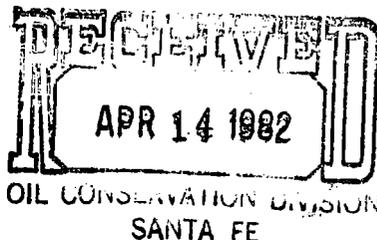
The production clerk is currently preparing about 6 more infill requests and I will forward them to you as soon as they are completed. Thanks for your help.

Sincerely,

  
Ray Miller  
Land Department

RPM/co

Encl.



Marbob Energy Corporation  
Artesia Queen Grayburg San Andres  
NG Phillips State  
Well #25

**Pertinent Engineering Data and Conclusions:**

Well No. 25 was completed in the Artesia Queen Grayburg pool in April 1981. This is an infill well located as per the attached plat.

Effective March 1, 1982, oil reserves recoverable will be 31,644 barrels and gas reserves recoverable will be 86,863 mcf.

Oil reserves were calculated from the attached rate/time curves to an economic limit of approximately 1 BOPD. Gas reserves were estimated using a study of the gas oil ratio performance not only on the specific well but on the entire 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. 25 was 35 BOPD in February 1982. 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  
Paul G. White  
Petroleum Engineer

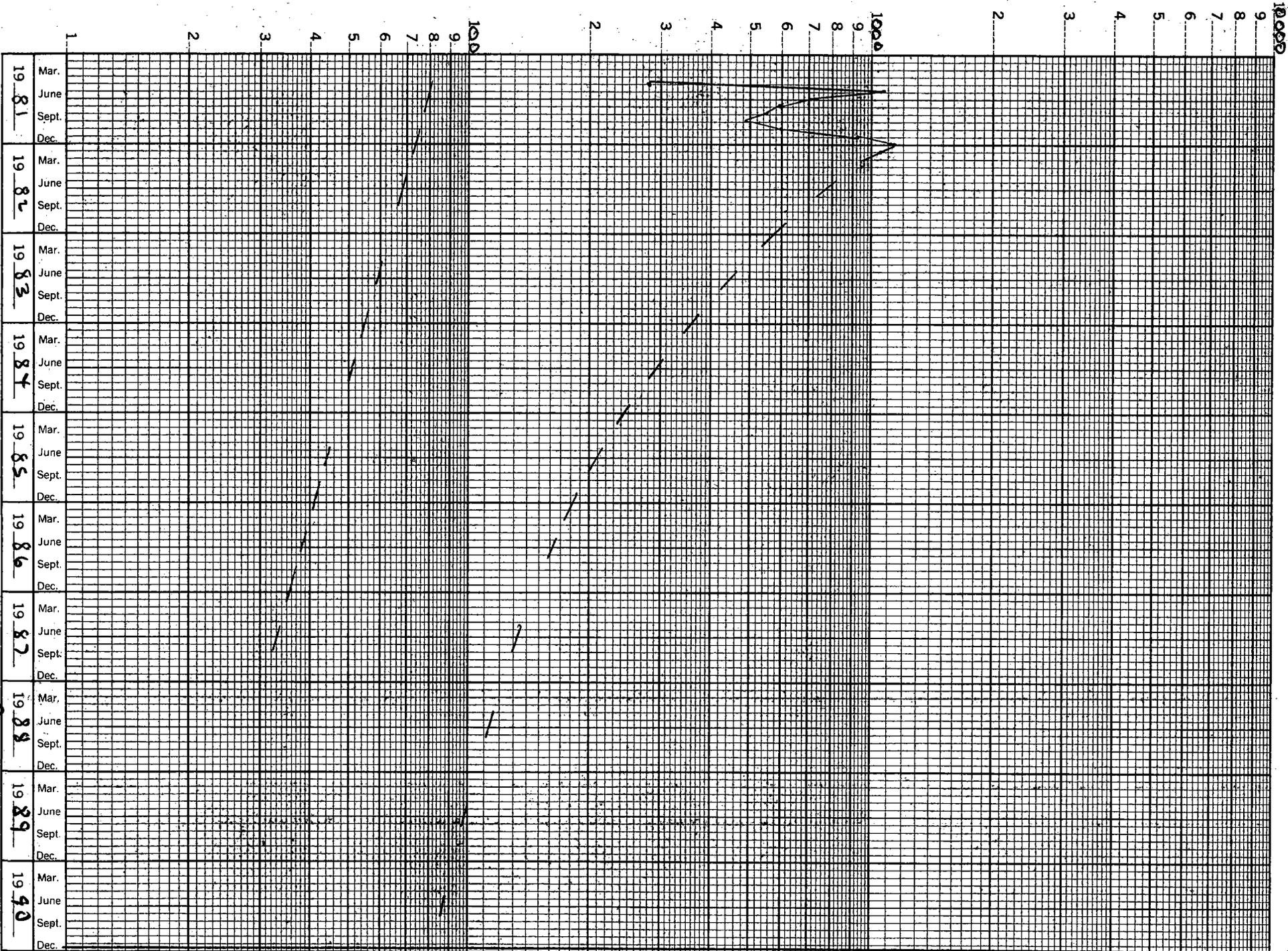
4-13-82  
Date

PGW/co  
Encl.

Rule 9-b.

Oil / Bbls / Month

N.G. PHILLIPS STATE  
WELL NO 25



RULE 9B.

Rule 11:

Notice of this infill request has been sent to John A. Yates, 207 So. 4th St., Artesia, New Mexico 88210, by certified mail, as the only offset operator.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
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LARRY KEHOE  
SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Raye Miller  
Marbob Energy Corporation  
P.O. Drawer 217  
Artesia, NM 88210

Re: Application for NGPA Infill Well  
Findings Under Provisions of  
Order No. R-6013-A NG Phillips

State Well Nos. (25) 27, 28, 29 and

West Artesia Grayburg Unit Well

Nos. 22, 24, and 25.

Dear Raye:

We may not process the subject application for infill findings until the required information, forms, or plats checked on the reverse side of this letter are submitted.

Sincerely,

Michael E. Stogner,  
Petroleum Engineer

MES/dp

- A copy of Form C-101 must be submitted.
- A copy of Form C-102 must be submitted.
- The pool name must be shown.
- The standard spacing unit size for the pool must be shown.
- Give the Division Order No. which granted the non-standard proration unit.
- Please state whether or not the well has been spudded and give the spud date, if any.
- Information relative to other wells on the proration unit is incomplete. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

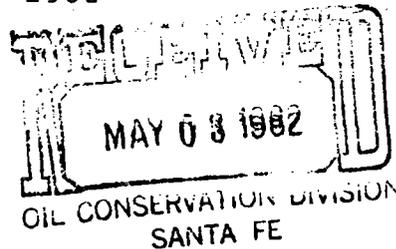
The geologic and reservoir data is incomplete or insufficient.  
All of Paul G. White's reports refer in paragraph three to calculated  
oil reserves, please include this calculations.  
\_\_\_\_\_  
\_\_\_\_\_

Other:  
\_\_\_\_\_  
\_\_\_\_\_

# Marbob Energy Corporation

P. O. DRAWER 217  
ARTESIA, NEW MEXICO 88210

April 29, 1982



— OFFICE PHONE —  
(505) 748-3303  
(505) 746-2422

— NIGHT PHONES —  
(505) 746-6197  
(505) 746-6500

Mr. Michael Stogner  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mike:

Per your request, we are enclosing Paul G. White's calculations on the oil reserves for the NG Phillips St. #25, 27, 28 and 29 and the West Artesia Grayburg Unit #22, 24, 21 and 25.

Let us know if you need further information.

Very truly yours,

Carolyn Orris  
Production Clerk

CO

Encl.

Marbob Energy Corp.  
NG Phillips St. #25  
2185.7 FSL 1961.7 FEL Sec. 27-T17S-R28E

| <u>Year</u>             | <u>Gross Monthly<br/>Oil - bbls.</u> | <u>Gross Yearly<br/>Oil - bbls.</u> |
|-------------------------|--------------------------------------|-------------------------------------|
| 1982                    | 760                                  | 9,120                               |
| 1983                    | 420                                  | 5,040                               |
| 1984                    | 290                                  | 3,480                               |
| 1985                    | 210                                  | 2,520                               |
| 1986                    | 160                                  | 1,920                               |
| 1987                    | 132                                  | 1,584                               |
| 1988                    | 112                                  | 1,344                               |
| 1989                    | 98                                   | 1,176                               |
| 1990                    | 87                                   | 1,044                               |
| 1991                    | 78                                   | 936                                 |
| 1992                    | 68                                   | 816                                 |
| 1993                    | 58                                   | 696                                 |
| 1994                    | 51                                   | 612                                 |
| 1995                    | 42                                   | 504                                 |
| 1996                    | 38                                   | 456                                 |
| 1997                    | 33                                   | <u>396</u>                          |
| Total Oil Remaining     |                                      | 31,644                              |
| Cumulative to 1/1/82    |                                      | <u>8,417</u>                        |
| Total Ultimate Reserves |                                      | 40,061                              |

Gas-Oil Ratio Average - 2745 to 1

Remaining Gas Reserves - 86,863 MCF

INFILL DRILLING FINDINGS PURSUANT TO  
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COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978  
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- (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 4th day of May, 19 82.

DIVISION DIRECTOR \_\_\_\_\_ EXAMINER \_\_\_\_\_

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COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978  
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DIVISION DIRECTOR \_\_\_\_\_

EXAMINER \_\_\_\_\_

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 Marbob Energy Corp. Well Name and No. N.G. Phillips State Well #25  
Location: Unit J Sec. 27 Twp. 17S Rng. 28E Cty. 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 qualify 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.
- (3) That the well for which a finding is sought is completed in the Artesia Queen Grayburg San Andres Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40-acre proration unit comprising the NW/4 SE/4 of Sec. 27, Twp. 17S, Rng. 28E, is currently dedicated to the N.G. Phillips State Well No. 5 located in Unit J of said section.
- (5) That this proration unit is  standard ( ) nonstandard; if nonstandard, said unit was previously approved by Order No. \_\_\_\_\_.
- (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 the production of an additional 86,863 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) 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.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an 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 proration 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 4th day of May, 19 82.

DIVISION DIRECTOR \_\_\_\_\_ EXAMINER \_\_\_\_\_

INFILL DRILLING FINDINGS PURSUANT TO  
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY  
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DONE at Santa Fe, New Mexico, on this 4th day of May, 19 82.

DIVISION DIRECTOR \_\_\_\_\_

EXAMINER \_\_\_\_\_

INFILL DRILLING FINDINGS PURSUANT TO  
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY  
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- DONE at Santa Fe, New Mexico, on this 4th day of May, 19 82.

DIVISION DIRECTOR \_\_\_\_\_ EXAMINER \_\_\_\_\_

# Marbob Energy Corporation

P. O. DRAWER 217  
ARTESIA, NEW MEXICO 88210

March 12, 1982

— OFFICE PHONE —  
(505) 748-3303  
(505) 746-2422

— NIGHT PHONES —  
(505) 746-6197  
(505) 746-6500

Mr. Michael E. Stogner  
Petroleum Engineer  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: Infill well applications

Dear Mike:

Please find enclosed two applications for infill well rulings. Although we have several to file with you, I wanted to have you review these before I sent more to see if these were complete, correct, and provided you with enough information to make a ruling. I have tried to closely follow the format you recommended.

When you have had a chance to review these please give me a call. Thanks for your help.

Sincerely,

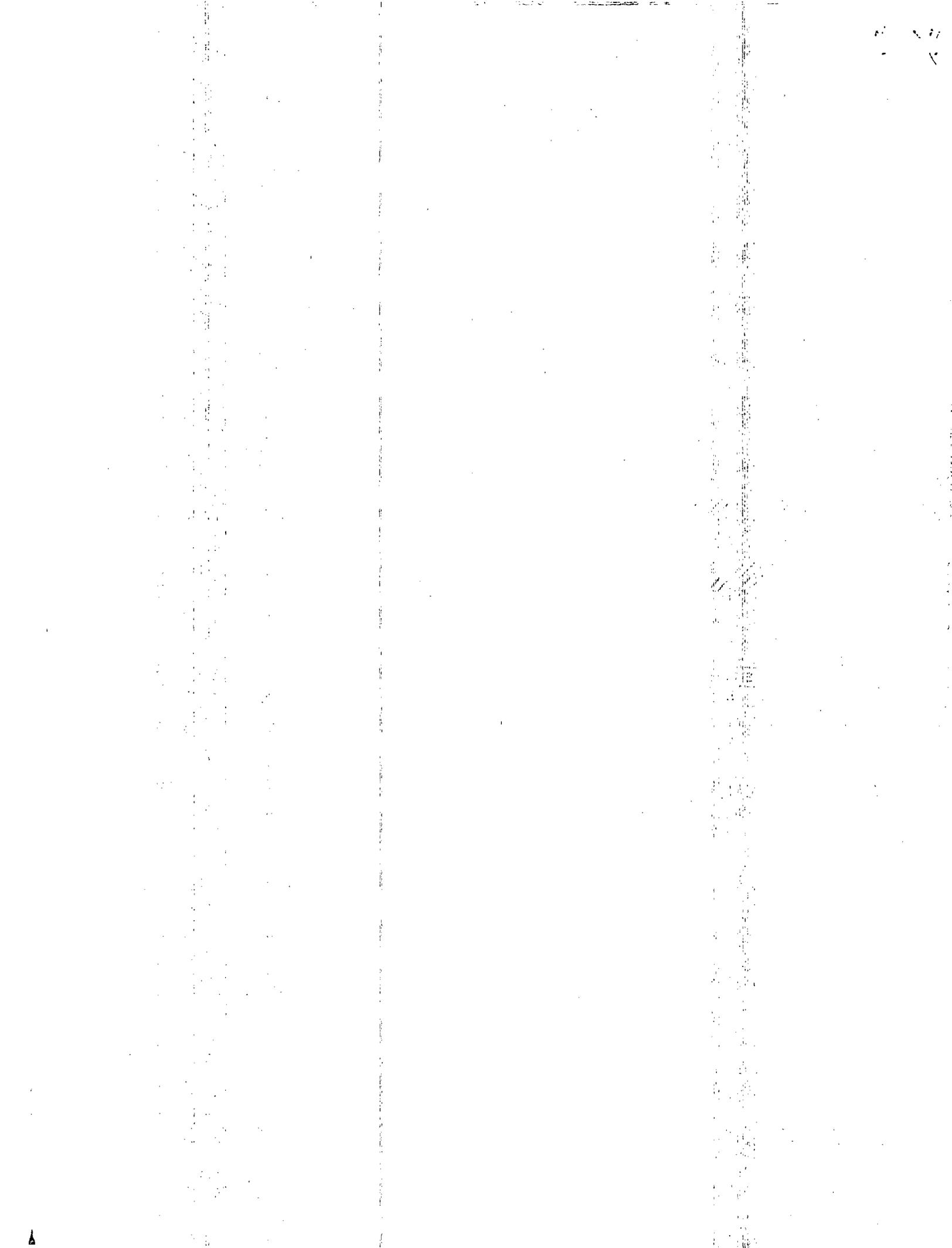
*Raye P. Miller*

Raye P. Miller  
Land Department

RPM

Encl.

*Request for Infill Finding on  
NG Phillips State #25  
in accordance with Administrative  
Procedures Amended February 8, 1980*



|                        |  |
|------------------------|--|
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| OPERATOR               |  |

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101  
Revised 1-1-65

JAN 28 1981

5A. Indicate Type of Lease  
STATE  FEE

5. State Oil & Gas Lease No.  
B-2071

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work  
b. Type of Well DRILL  DEEPEN  PLUG BACK   
OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

2. Name of Operator  
Marbob Energy Corp.

3. Address of Operator  
P.O. Box 304, Artesia, N.M. 88210

4. Location of Well  
UNIT LETTER J LOCATED 2185.7 FEET FROM THE South LINE  
AND 1961.7 FEET FROM THE East LINE OF SEC. 27 TWP. 17S RGE. 28E NMPM

7. Unit Agreement Name

8. Farm or Lease Name  
NG Phillips St.

9. Well No.  
25

10. Field and Pool, or Wellcut  
Artesia Qn. Grbg. SA

12. County  
Eddy

19. Proposed Depth 2150'  
19A. Formation Premier  
20. Rotary or C.T. Rotary

21. Elevations (Show whether D.P., H.T., etc.) 3655' CR  
21A. Kind & Status Plug. Bond Statewide Active  
21B. Drilling Contractor Stewart Bros. Drlg. Co.  
22. Approx. Date Work will start 2/2/81

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT  | EST. TOP |
|--------------|----------------|-----------------|---------------|------------------|----------|
| 12 1/2"      | 8 5/8"         | 24#             | 500'          | Circulate        |          |
| 7 7/8"       | 4 1/2"         | 10.50#          | 2150'         | Attempt to circ. |          |

We propose to drill to 500', set 8 5/8" 24# casing, drill on to 2150' to test the Premier formation, set 4 1/2" 10.50# casing.

1/28/81  
7-2881

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE SLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
Signed Carolyn Davis Title Production Clerk Date 1/28/81

(This space for State Use)

APPROVED BY W. A. Gressett TITLE SUPERVISOR, ENGINEERING DATE 1/28 1981

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 7-10  
Superseded C-12R  
Effective 1-1-85

All distances must be from the outer boundaries of the Section

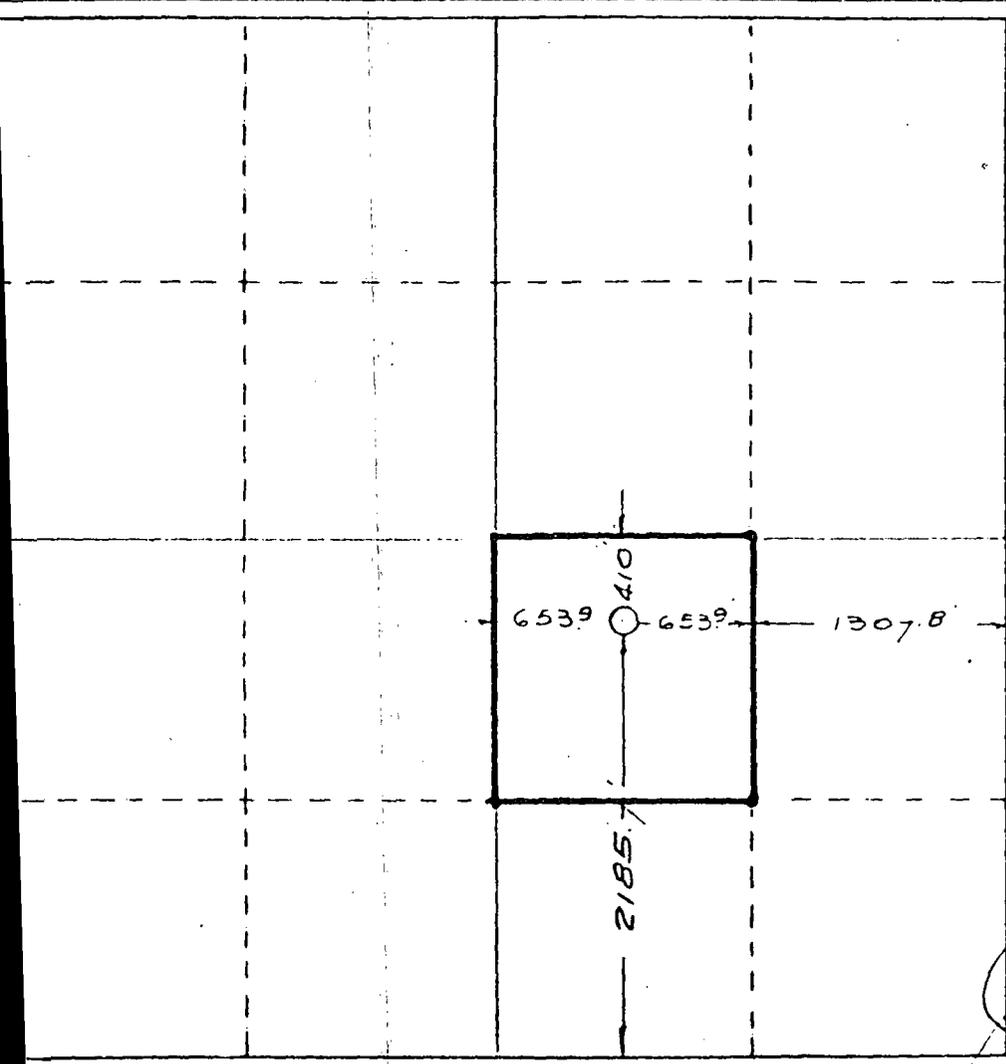
|  |                                       |                                       |                           |                       |
|--|---------------------------------------|---------------------------------------|---------------------------|-----------------------|
| Operator<br><b>MARBOB ENERGY CORPORATION</b> |                                       | County<br><b>N. G. Phillips STATE</b> |                           | Acres<br><b>25</b>    |
| Well Letter<br><b>J</b>                      | Section<br><b>27</b>                  | Township<br><b>17 South</b>           | Range<br><b>28 East</b>   | County<br><b>EDDY</b> |
| Actual Footage Location of Well:             |                                       |                                       |                           |                       |
| <b>2185.7</b>                                | feet from the                         | <b>South</b>                          | line of                   | <b>1961.7</b>         |
|  |                                       |                                       |                           | feet from the         |
|  |                                       |                                       |                           | <b>East</b>           |
| Ground Level Elev.<br><b>3655</b>            | Producing Formation<br><b>Premier</b> | Tract<br><b>Artesia Qn. Grbg. SA</b>  | Section Area<br><b>40</b> | Acres                 |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, 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.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Carolyn Orris*  
Carolyn Orris  
Production Clerk  
Marbob Energy Corp.  
1/28/81

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 knowledge and belief.

Date Surveyed  
**October 23, 1980**

Registered Professional Landman  
and State Surveyor  
*John W. Shear*

Rule 6:

NG Phillips State #25

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit - 40 acres

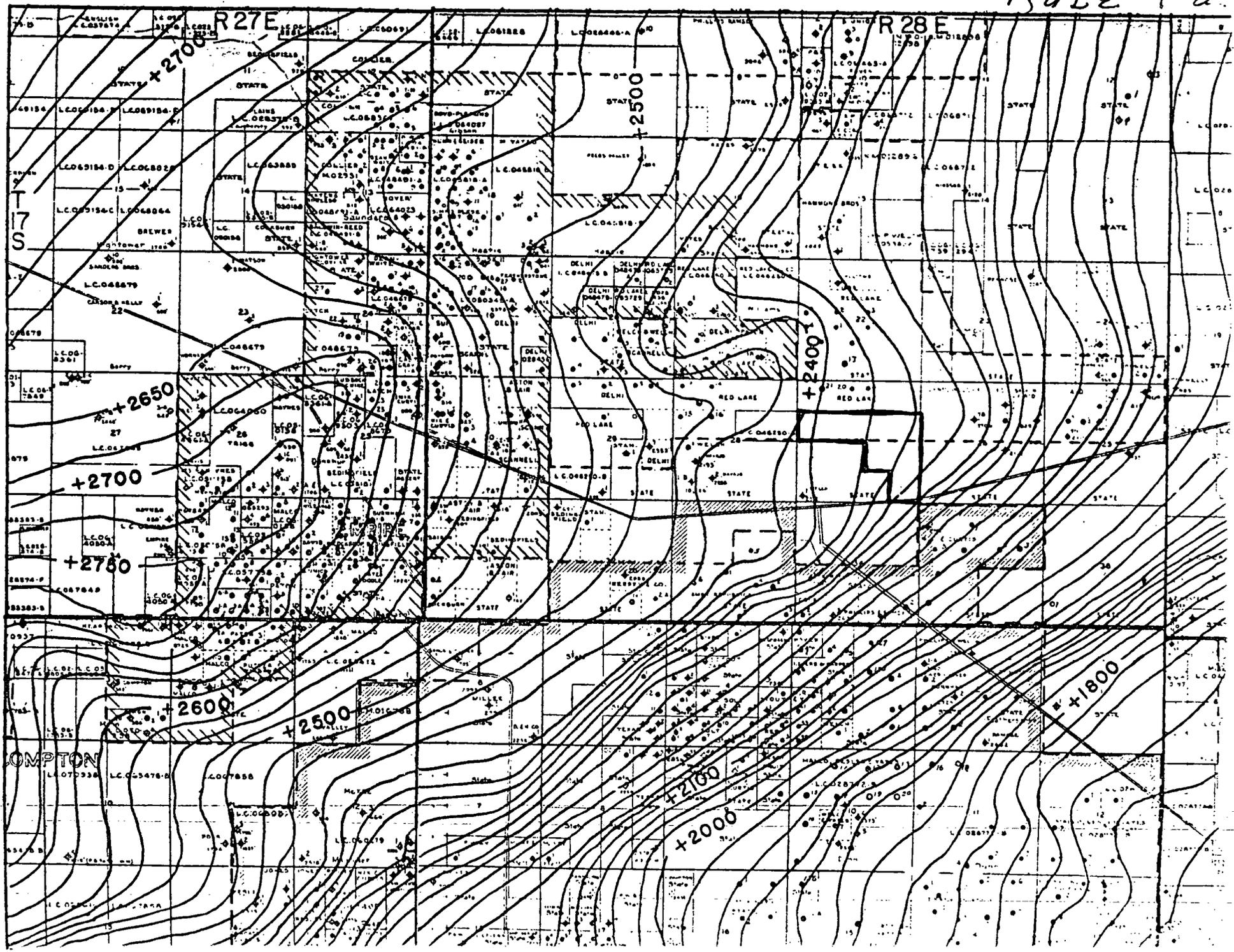
Rule 7:

NA

Rule 8:

- a. NG Phillips State #25 - 2185.7 FSL, 1961.7 FEL, Sec. 27,  
T17S-R28E  
NG Phillips State #5 - 1650 FSL, 1650 FEL Sec. 27,  
T17S-R28E
- b. #25 - 2/24/81  
#5 - 1/12/61
- c. #25 - 4/20/81  
#5 - 3/15/61
- d. #25 - none  
#5 - none recorded
- e. #25 - 47.6 mcf/day, 33.8 bbl/day  
#5 - -0- mcf/day, 1 bbl/day
- f. #25 - NA  
#5 - NA
- g. Well #5 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 #5 was completed. Since #5 will not currently produce any gas although it does still produce some oil, the new well was drilled to drain this reservoir.

RULE 9-a



Rule 9:

- b. Volume of increased ultimate recovery expected of 62.3 mmcf is based on a 15 year life and declining in accordance with well histories in this area.

Rule 11:

Notice of this infill request has been sent to John A. Yates, 211 So. 4th St., Artesia, New Mexico 88210, by certified mail, as the only offset operator.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

LARRY KEHOE  
SECRETARY

April 1, 1982

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Raye Miller  
MARBOB ENERGY CORP.  
P.O. Box 304  
Artesia, NM 88210

Dear Raye:

Re: Application for NGPA Infill Well  
Findings Under Provisions of  
Order No. R-6013-A NG

Phillips State # 25, J-27-17S-28E,

Eddy County, New Mexico.

We may not process the subject application for infill findings until the required information, forms, or plats checked on the reverse side of this letter are submitted.

Sincerely,

*Michael E. Stogner*

Michael E. Stogner,  
Petroleum Engineer

MES/dp

- A copy of Form C-101 must be submitted.
- A copy of Form C-102 must be submitted.
- The pool name must be shown.
- The standard spacing unit size for the pool must be shown.
- Give the Division Order No. which granted the non-standard proration unit.
- Please state whether or not the well has been spudded and give the spud date, if any.
- Information relative to other wells on the proration unit is incomplete.

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- The geologic and reservoir data is incomplete or insufficient.  
As per our phone conversation on Thursday, April 1, 1982, please  
submit a more detailed narrative describing how the volume of ultimate  
recovery expected was obtained. Thank you for an otherwise complete  
and readable NFL application.

- Other:  

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# Marbob Energy Corporation

P. O. DRAWER 217  
ARTESIA, NEW MEXICO 88210

April 13, 1982

— OFFICE PHONE —  
(505) 748-3303  
(505) 746-2422

— NIGHT PHONES —  
(505) 746-6197  
(505) 746-6500

Mr. Michael E. Stogner  
Petroleum Engineer  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

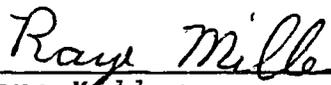
Re: Application for NGPA Infill  
Well Findings Under Provisions  
of Order No. R-6013-A  
NG Phillips St. #25-J-27-17S-28E  
West Artesia Grayburg Unit, Tr.  
Well #21-E-8-18S-28E

Dear Mike:

I have obtained some help from a consulting engineer in preparing the additional information you needed for rule 9b. If you could please substitute these pages for the current page you have, they should complete the application. If there is still not enough information to satisfy rule 9b please contact me.

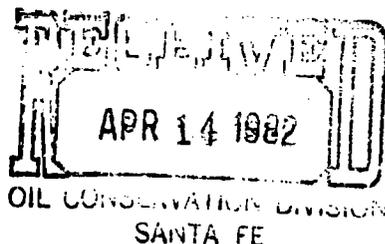
The production clerk is currently preparing about 6 more infill requests and I will forward them to you as soon as they are completed. Thanks for your help.

Sincerely,

  
\_\_\_\_\_  
Raye Miller  
Land Department

RPM/co

Encl.



Marbob Energy Corporation  
Artesia Queen Grayburg San Andres  
NG Phillips State  
Well #25

Pertinent Engineering Data and Conclusions:

Well No. 25 was completed in the Artesia Queen Grayburg pool in April 1981. This is an infill well located as per the attached plat.

Effective March 1, 1982, oil reserves recoverable will be 31,644 barrels and gas reserves recoverable will be 86,863 mcf.

Oil reserves were calculated from the attached rate/time curves to an economic limit of approximately 1 BOPD. Gas reserves were estimated using a study of the gas oil ratio performance not only on the specific well but on the entire 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. 25 was 35 BOPD in February 1982. 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  
Paul G. White  
Petroleum Engineer

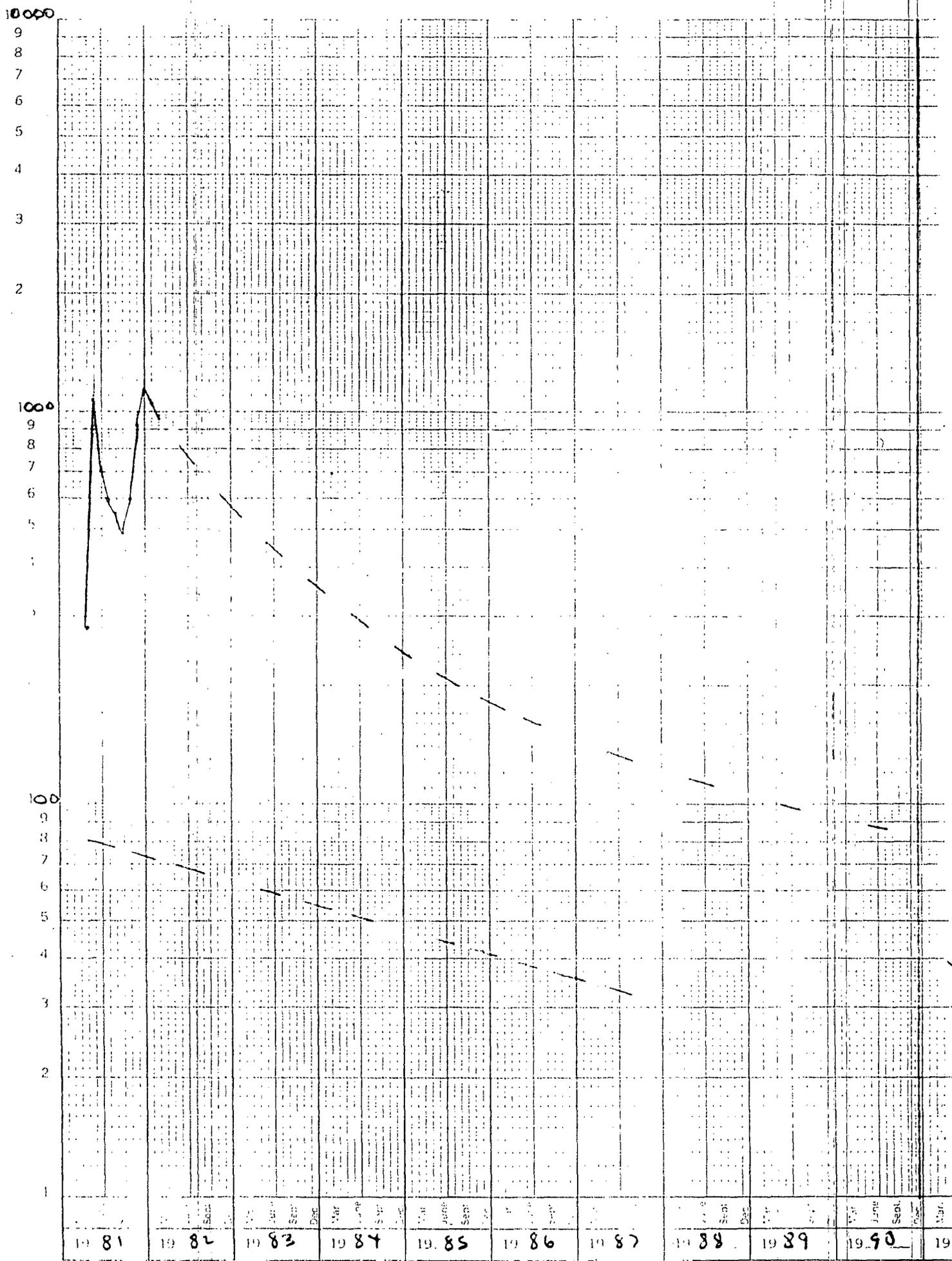
4-13-82  
Date

PGW/co  
Encl.

RULE 9-b.

N. G. PHILLIPS STATE  
WELL NO 25

Oil / Bbls / Month



Rule 9-b.

Rule 11:

Notice of this infill request has been sent to John A. Yates, 207 So. 4th St., Artesia, New Mexico 88210, by certified mail, as the only offset operator.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

BRUCE KING  
GOVERNOR

LARRY KEHOE  
SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Raye Miller  
Marbob Energy Corporation  
P.O. Drawer 217  
Artesia, NM 88210

Re: Application for NGPA Infill Well  
Findings Under Provisions of  
Order No. R-6013-A NG Phillips

State Well Nos. (25), 27, 28, 29 and

West Artesia Grayburg Unit Well

Nos. 22, 24, and 25.

Dear Raye:

We may not process the subject application for infill findings until the required information, forms, or plats checked on the reverse side of this letter are submitted.

Sincerely,

A handwritten signature in cursive script that reads "Michael E. Stogner".

Michael E. Stogner,  
Petroleum Engineer

MES/dp

- A copy of Form C-101 must be submitted.
- A copy of Form C-102 must be submitted.
- The pool name must be shown.
- The standard spacing unit size for the pool must be shown.
- Give the Division Order No. which granted the non-standard proration unit.
- Please state whether or not the well has been spudded and give the spud date, if any.
- Information relative to other wells on the proration unit is incomplete.

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- The geologic and reservoir data is incomplete or insufficient.

All of Paul G. White's reports refer in paragraph three to calculated oil reserves, please include this calculations.

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- Other:

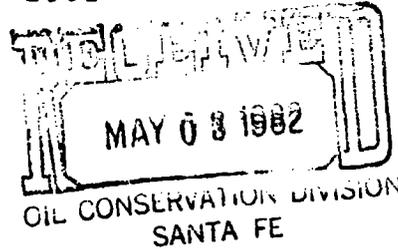
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# Marbob Energy Corporation

P. O. DRAWER 217  
ARTESIA, NEW MEXICO 88210

April 29, 1982



Mr. Michael Stogner  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mike:

Per your request, we are enclosing Paul G. White's calculations on the oil reserves for the NG Phillips St. #25, 27, 28 and 29 and the West Artesia Grayburg Unit #22, 24, 21 and 25.

Let us know if you need further information.

Very truly yours,



Carolyn Orris  
Production Clerk

cc

Encl.

— OFFICE PHONE —  
(505) 748-3303  
(505) 746-2422

— NIGHT PHONES —  
(505) 746-6197  
(505) 746-6500

Marbob Energy Corp.  
NG Phillips St. #25  
2185.7 FSL 1961.7 FEL Sec. 27-T17S-R28E

| <u>Year</u>             | <u>Gross Monthly<br/>Oil - bbls.</u> | <u>Gross Yearly<br/>Oil - bbls.</u> |
|-------------------------|--------------------------------------|-------------------------------------|
| 1982                    | 760                                  | 9,120                               |
| 1983                    | 420                                  | 5,040                               |
| 1984                    | 290                                  | 3,480                               |
| 1985                    | 210                                  | 2,520                               |
| 1986                    | 160                                  | 1,920                               |
| 1987                    | 132                                  | 1,584                               |
| 1988                    | 112                                  | 1,344                               |
| 1989                    | 98                                   | 1,176                               |
| 1990                    | 87                                   | 1,044                               |
| 1991                    | 78                                   | 936                                 |
| 1992                    | 68                                   | 816                                 |
| 1993                    | 58                                   | 696                                 |
| 1994                    | 51                                   | 612                                 |
| 1995                    | 42                                   | 504                                 |
| 1996                    | 38                                   | 456                                 |
| 1997                    | 33                                   | 396                                 |
|                         |                                      | <hr/>                               |
| Total Oil Remaining     |                                      | 31,644                              |
| Cumulative to 1/1/82    |                                      | <u>8,417</u>                        |
| Total Ultimate Reserves |                                      | 40,061                              |

Gas-Oil Ratio Average - 2745 to 1

Remaining Gas Reserves - 86,863 MCF