

Marbob Energy Corporation

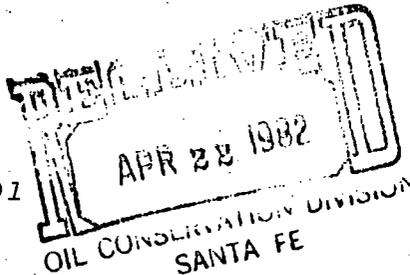
P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

April 20, 1982

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

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

Mr. Michael Stogner
Oil Conservation Div.
P.O. Box 2088
Santa Fe, N.M. 87501



Dear Mike:

We are enclosing three infill finding requests on The West Artesia Grayburg Unit #22, 24, and 25. We feel these are in order but if there are questions, please let us know. Thank you.

Very truly yours,

Raye Miller
Raye Miller
Land Department

RPM/co

Encl.

*Request for Infill Finding on
West Artesia Grayburg Unit, Tr. 12, Well #24
in accordance with Administrative
Procedures amended February 8, 1980*

NEW MEXICO OIL CONSERVATION COMMISSION

RECEIVED
APR 22 1982
Form C-101
Revised 1-1-85

MAR 25 1981

O. C. D.

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LAND OFFICE	
OPERATOR	✓

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

4. Type of Work

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

5. Name of Operator
 Marbob Energy Corp.

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

7. Location of Well
 UNIT LETTER M LOCATED 970 FEET FROM THE South LINE
330 FEET FROM THE West LINE OF SEC. 8 TWP. 18S RGE. 28E NMPM

8. State Oil & Gas Lease No.

9. Well No.
 24

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

11. County
 Eddy

12. Indicate Type of Lease
 STATE OIL STATE GAS FEDERAL

13. Unit Agreement Name
 West Artesia Grbg. Ut.

14. Farm or Lease Name
 Tr. 12
 West Artesia Grbg. Ut.

15. Proposed Depth
 2324'

16. Formation
 Grayburg

17. Rotary or C.T.
 Rotary

18. Elevations (Show whether DF, RT, etc.)
 3612'

19. Kind & Status Plug. Bond
 Statewide active

20. Drilling Contractor
 Stewart Bros. Drlg. Co.

21. Approx. Date Work will start
 3/29/81

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	500'	Circulate	
7 7/8"	4 1/2"	10.50#	2324'	Attempt to circulate	

We propose to drill to 500', set 8 5/8" 24# casing, drill on to 2324' to test the Grayburg formation then set 4 1/2" 10.50# casing.

APPROVED BY 180 DATE 9-26-81
 PERMIT EX. NO. 9-26-81
 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 Quis Title Production Clerk Date 3/25/81

(This space for State Use)

APPROVED BY Bill Green TITLE SUPERVISOR, DISTRICT II DATE MAR 26 1981

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
 WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-85

All distances must be from the outer boundaries of the Section

APR 2 3 1982
 SA

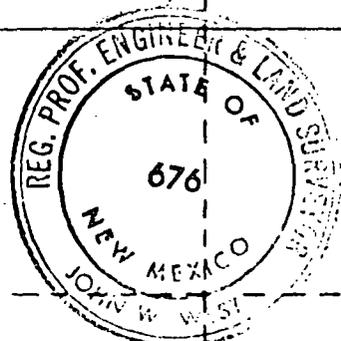
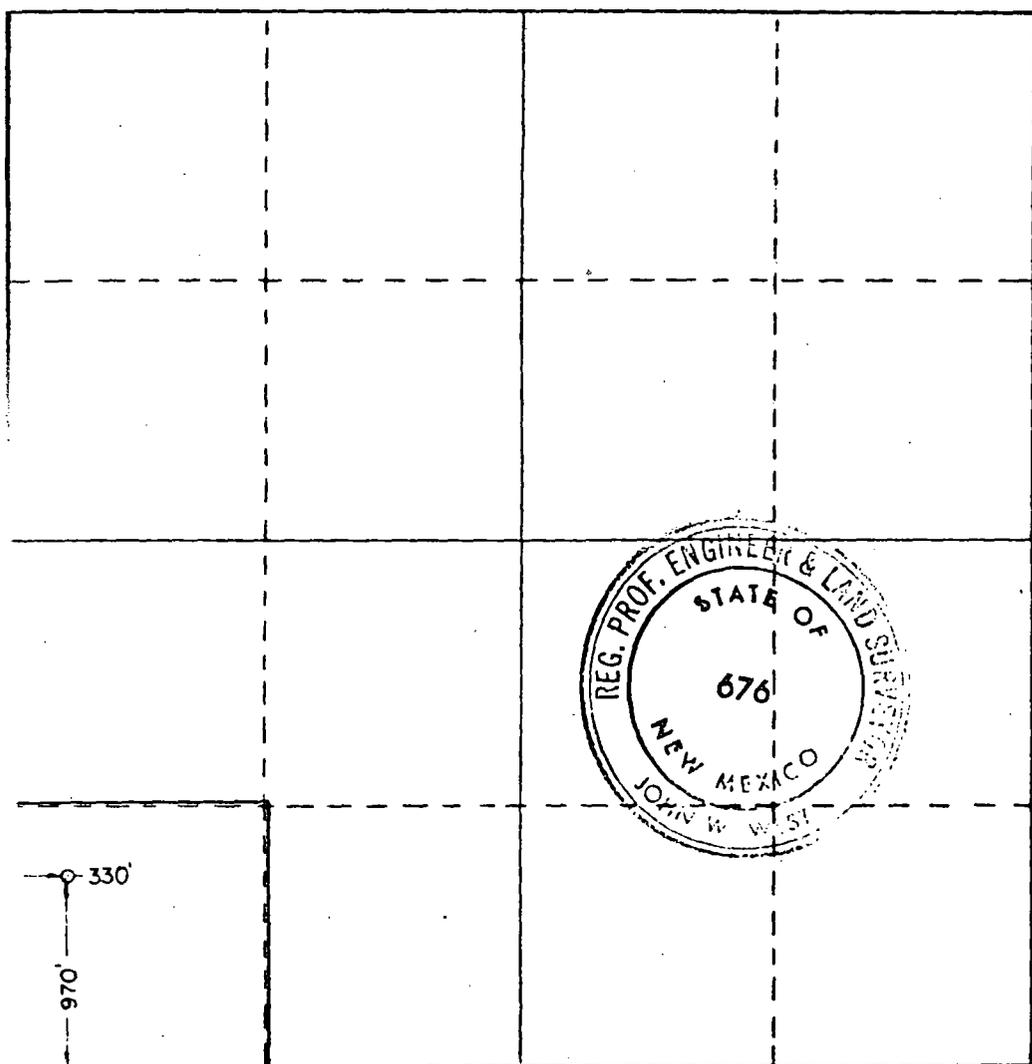
Operator Marbob Energy Corp.		Lease West Artesia Grayburg Unit Tr. 3219B24		Well No.
Unit Letter M	Section 8	Township 18 South	Range 28 East	County Eddy
Actual Footage Location of Well: 970 feet from the south line and 330 feet from the west line				
Ground Level Elev. 3612.0	Producing Formation Grayburg	Pool Artesia Qn. Grbg. SA	Dedicated Acreage: 40 Acres	

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
3/25/81

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
3-19-81
 Registered Professional Engineer and/or Land Surveyor

John W. West
 Certificate No. JOHN W. WEST 676
 PATRICK A. ROMERO 8888
 Ronald J. Eldson 3239

Rule 6:

West Artesia Grayburg Unit, Tr. 12, Well #24

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit - 40 acres!

Rules 7:

NA

Rule 8:

- a. West Artesia Grayburg Unit, Tr. 12, Well #24 - 970 FSL
330 FWL Sec. 8-18S-28E

West Artesia Grayburg Unit, Tr. 12, Well #16 - 400 FSL
330 FWL Sec. 8-18S-28E

West Artesia Grayburg Unit, Tr. 12, Well #17 - 330 FSL
987 FWL Sec. 8-18S-28E
- b. #24 - 3/28/81

#16 - 5/21/50

#17 - 9/7/57
- c. #24 - 5/20/81

#16 - 7/50

#17 - 10/27/57
- d. None
- e. #24 - 4.5 bbl., 1½ mcf gas/day

#16 - 1 bbl. oil/day

#17 - 2 bbl. oil/day
- f. NA
- g. Wells #16 and 17 have not produced any gas since September 1971. Low permeability and low quality solution gas recovery mechanism require reduced spacing to effeciently drain the reservoir. Since #16 and 17 will currently not produce any gas although they still produce some oil, the new well was drilled to drain this reservoir.

Marbob Energy Corporation
Artesia Queen Grayburg San Andres
West Artesia Grayburg Unit
Well #24

Pertinent Engineering Data and Conclusions:

Well No. 24 was completed in the Artesia Queen Grayburg pool in May 1981. This is an infill well located as per the attached plat.

Effective March 1, 1982, oil reserves recoverable will be 6,192 barrels and gas reserves recoverable will be 6,248 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. 24 was 4.2 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

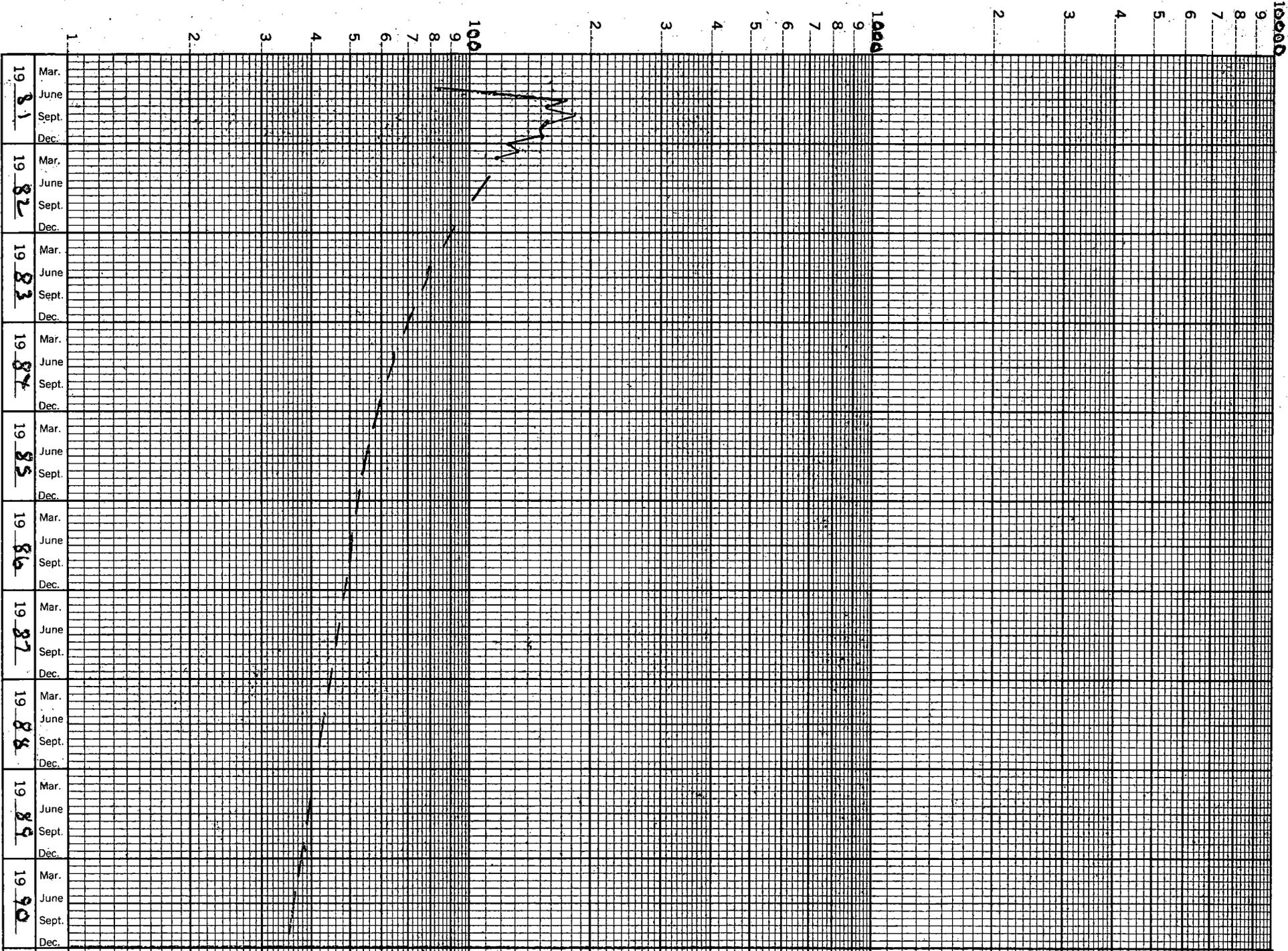
4-13-82
Date

PGW/co
Encl.

Rule 4-b.

Oil / Bbls / month

WEST ACREIA QUEEN GRAY BAKER
WELL NO. 24



Recs 9-b.

Rule 11:

Notice of this infill request has been sent to Donnelly
Drilling Company, P.O. Box 433, 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. _____

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

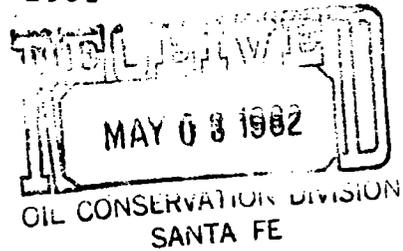
P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

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

April 29, 1982

— 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
Carolyn Orris
Production Clerk

cc

Encl.

Marbob Energy Corp.
West Artesia Grayburg Unit, Tr. 12, Well #24
970 FSL 330 FWL Sec. 8-T18S-R28E

<u>Year</u>	<u>Gross Monthly Oil - bbls.</u>	<u>Gross Yearly Oil - bbls.</u>
1982	105	1,260
1983	78	936
1984	64	768
1985	55	660
1986	50	600
1987	46	552
1988	43	516
1989	39	468
1990	36	<u>432</u>
Total Oil Remaining:		6,192
Cumulative to 1/1/82		<u>1,433</u>
Total Ultimate Reserves		7,625

Gas-Oil Ratio Average - 1009 to 1

Remaining Gas Reserves - 6,248 MCF