

OIL CONSERVATION DIVISION

P. O. Box 2088
SANTA FE, NEW MEXICO
87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER

NFL 73

INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER
MADE 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

I.

Operator Marbob Energy Corporation Well Name and No. M. Dodd "A" Fed. Well No. 22
Location: Unit I Sec. 22 Twp. 17S Rng. 29E Cty. Eddy

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory 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 commencement 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 finding is sought is to be completed in the Grayburg-Jackson Pool, and the standard spacing unit in said pool is 40 acres.

(4) That a 40-acre proration unit comprising the NE/4 SE/4 of Sec. 22, Twp. 17S, Rng. 29E, is currently dedicated to the M. Dodd "A" Fed. Well No. 2 located in Unit I of said section.

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

(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 65,928 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.

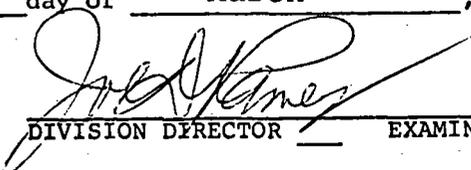
(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section 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 an exception to applicable well spacing requirements and 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 24th day of March, 19 83.


DIVISION DIRECTOR EXAMINER

Received 3/14/83

Suspense Date 3/24/83

OIL CONSERVATION DIVISION
P. O. Box 2088
SANTA FE, NEW MEXICO
87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER
NFL 173

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(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 finding is sought is to be completed in the Grozburg Jackson Pool, and the standard spacing unit in said pool is 40 acres.

(4) That a 40-acre proration unit comprising the NE/4 SE/4 of Sec. 22, Twp. 17S, Rng. 29E, is currently dedicated to the M. Dodd "A" Federal Well No. 2 located in Unit I of said section.

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

(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 65,928 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.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject 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 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 an exception to applicable well spacing requirements and 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 24th day of March, 19 83.

cc. - Old Artesia
NMD & ECL Holders
U.S. B.L.M. (U.S. M.M.S.) Roswell

DIVISION DIRECTOR _____ EXAMINER _____

Request for Infill Finding on

M. Dodd A Fed. #22

*in accordance with Administrative
Procedures amended February 8, 1980*

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

COPY SUBMIT IN TRIP DATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

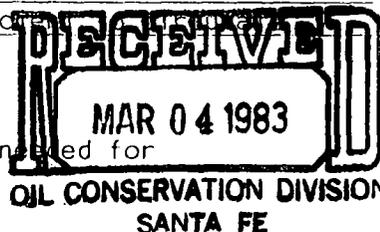
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK			5. LEASE DESIGNATION AND SERIAL NO. L.C. 028731(a)	
a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME ---	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>			7. UNIT AGREEMENT NAME ---	
2. NAME OF OPERATOR MARBOB ENERGY CORPORATION			8. FARM OR LEASE NAME DODD "A" FEDERAL	
(Phone 746-2422)			9. WELL NO. 22	
3. ADDRESS OF OPERATOR P. O. Drawer 217, Artesia, New Mexico 88210			10. FIELD AND POOL, OR WILDCAT Grayburg-Jackson	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 22-17S-29E	
At surface 2310' FSL & 330' FEL of Section (NE 1/4 SE 1/4) (Unit I)			12. COUNTY OR PARISH Eddy	
At proposed prod. zone same			13. STATE N.M.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 20 air miles east of Artesia, New Mexico			17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'		16. NO. OF ACRES IN LEASE 600	20. ROTARY OR CABLE TOOLS Rotary	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 462'		19. PROPOSED DEPTH 4000' San Andres	22. APPROX. DATE WORK WILL START* Upon approval	
21. ELEVATIONS (Show whether DP, RT, GR, etc.) 3591' G.L.				

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24.0#	350'	Sufficient to circulate
7 7/8"	5 1/2"	15.5#	4000'	Sufficient to circulate

Pay zone will be selectively perforated and stimulated as needed for optimum production.

- Attached are:
1. Location & Acreage Dedication Plat
 2. Supplemental Drilling Data
 3. Surface Use Plan



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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED James A. Parkhurst TITLE Agent DATE November 8, 1982

(This space for Federal or State office use)

PERMIT NO. George H. Hervert APPROVAL DATE DEC 13 1982

APPROVED BY JAMES A. WILLHAM TITLE DISTRICT SUPERVISOR DATE _____

Rule #5

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION

RECEIVED
MAR 04 1983
OIL CONSERVATION DIVISION

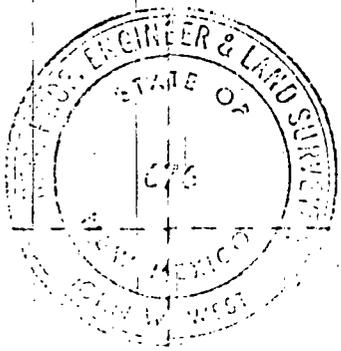
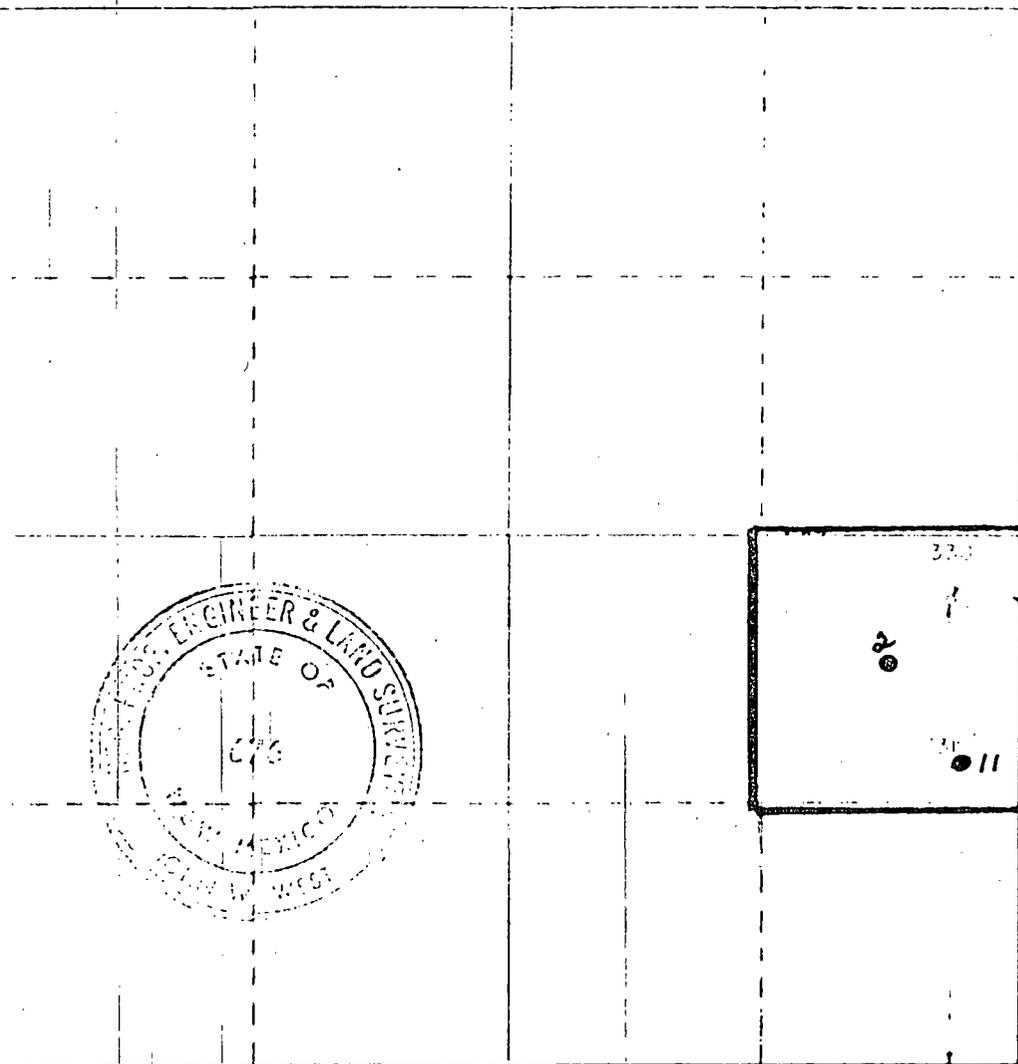
Form O-102
Revised 1-1-78
Effective 1-1-78

All distances must be from the outer boundaries of the Section

Lessor MARBOB ENERGY CORPORATION		Lessee DODD "A" FEDERAL		OIL CONSERVATION DIVISION	
Section I	Section 22	Township 17S	Range 29E	SANTA FE	
West Distance 2310		from the SOUTH	East 330	from the EAST	
Foot 3591.4		San Andres	Grayburg-Jackson	40	

- Outline the acreage dedicated to the subject well by colored pencil or fast blue marks on this form below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereon (with a note showing interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, lease-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 (on reverse side of this form if necessary): _____
No allowance will be assigned to the well until all interests have been consolidated (by communitization, unitization, lease-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.

James A. Knauf
James A. Knauf
Agent
MARBOB ENERGY CORPORATION
November 8, 1982

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.

Rule #5
John W. West
10/18/82
Registered Professional Engineer
and Land Surveyor

Certificate No. JOHN W. WEST 676
PATRICK A. ROMERO 6863
Ronald J. Eidson 3239

Rule 6:

M. Dodd "A" Fed. #22

Pool: Grayburg Jackson Seven Rivers Queen Grayburg San Andres

Standard spacing unit: 40 acres

Rule 7:

NA

Rule 8:

17

- a. M. Dodd A Fed. #2 - 1980 FSL 660 FEL Sec. 22-~~19~~S-29E
M. Dodd A Fed. #11 - 1650 FSL 330 FEL Sec. 22-~~19~~S-29E
M. Dodd A Fed. #22 - 2310 FSL 330 FEL Sec. 22-~~19~~S-29E
- b. #2 - 4/35
#11 - 12/20/55
#22 - 1/3/83
- c. #2 - 6/17/35
#11 - 2/8/56
#22 - 2/11/83
- d. None
- e. #2 - 22 bbl. oil, no gas/day
#11 - 7 bbl. oil, 1/2 mcf gas/day
#22 - 40 bbl. oil, 159 mcf gas/day
- f. NA
- g. Both wells #2 and 11 produce negligible gas. In 1981 they produced 21 mcf and 8 mcf respectively for the entire year. With the new reservoir type production rates obtained in a new well it was necessary to drill the new well to drain the reservoir.

Marbob Energy Corporation
M. Dodd "A" Fed. Well #22
Grayburg Jackson
Eddy County, New Mexico

Pertinent Engineering Data and Conclusions:

Well #22 was completed in the Grayburg Jackson pool in February 1983. This is an infill well located as per the attached plat.

Effective March 1, 1983, oil reserves recoverable will be 43,952 barrels and gas reserves recoverable will be 65,928 mcf.

Oil reserves were calculated from the electric log using a volumetric method for a twenty acre drainage. Analogous comparisons of comparable producing well history in the area were also utilized. The economic limit of the well was considered to be reached with a producing rate of 1 BOPD.

The original producing rate on this well was 40 BOPD. This rate is in excess of many of the older wells. It is evident from the producing rate that oil and gas reserves will be recovered only by increased pattern density. It is my conclusion that the infill wells will experience original reservoir conditions.

Paul G. White

Paul G. White
Petroleum Engineer

March 3, 1983

Date

Rule # 9-B

Marbob Energy Corporation
M. Dodd "A" Fed. Well #22
Grayburg Jackson
Eddy County, N.M.

Calculation of oil reserves:

<u>Year</u>	<u>Gross Yearly Oil - bbls.</u>	
1983 (10 mos.)	9,000	
1984	7,200	
1985	5,760	
1986	4,608	
1987	3,686	
1988	2,949	
1989	2,359	
1990	1,887	
1991	1,563	
1992	1,250	
1993	1,000	
1994	800	
1995	640	
1996	512	
1997	410	
1998	<u>328</u>	
	43,952	Total oil reserves

Gas-oil ratio average - 1500 to 1

Remaining gas reserves - 65,928 mcf

Rule # 9-B

Rule 11:

Notice of this infill request has been sent to General American Oil Co. of Texas, P.O. Box 3306, Odessa, Texas 79760; Southland Royalty Co., 21 Desta Dr., Midland, Texas 79701; Tenneco Oil Exploration & Production, 6800 Park Ten Blvd., Suite 200 North, San Antonio, Texas 79212, as offset operators.

Request for Infill Finding on

M. Dodd A Fed. #22

*in accordance with Administrative
Procedures amended February 8, 1980*

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED
MAR 04 1983

Form approved.
Budget Bureau No. 42-R1425.

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK SANTA FE OIL CONSERVATION DIVISION

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 (Phone 746-2422)
 MARBOB ENERGY CORPORATION

3. ADDRESS OF OPERATOR
 P. O. Drawer 217, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface 2310' FSL & 330' FEL of Section (NE 1/4 SE 1/4)
 At proposed prod. zone same (Unit I)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 20 air miles east of Artesia, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 330'
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18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 462'
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24. SIGNED James A. Kirkland TITLE Agent DATE November 8, 1982
 (This space for Federal or State office use)
 PERMIT NO. Geocott Permit APPROVAL DATE DEC 23 1982
 APPROVED BY JAMES A. KIRKLAND TITLE DISTRICT SUPERVISOR DATE _____

Rule #5

REPT
MAY 1963
DPT CONSERVATION DIVISION
STATE OF

NATIONAL OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION

RECEIVED
MAR 04 1983

Form No. 1
Order 1-122
Rev. 10-65

All figures are subject to final the order requirements of the State

OIL CONSERVATION DIVISION
SANTA FE 22

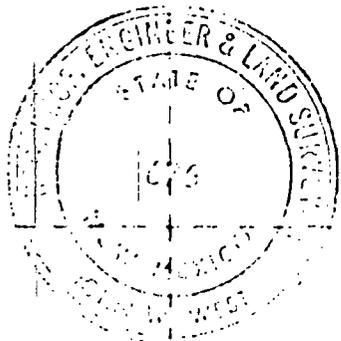
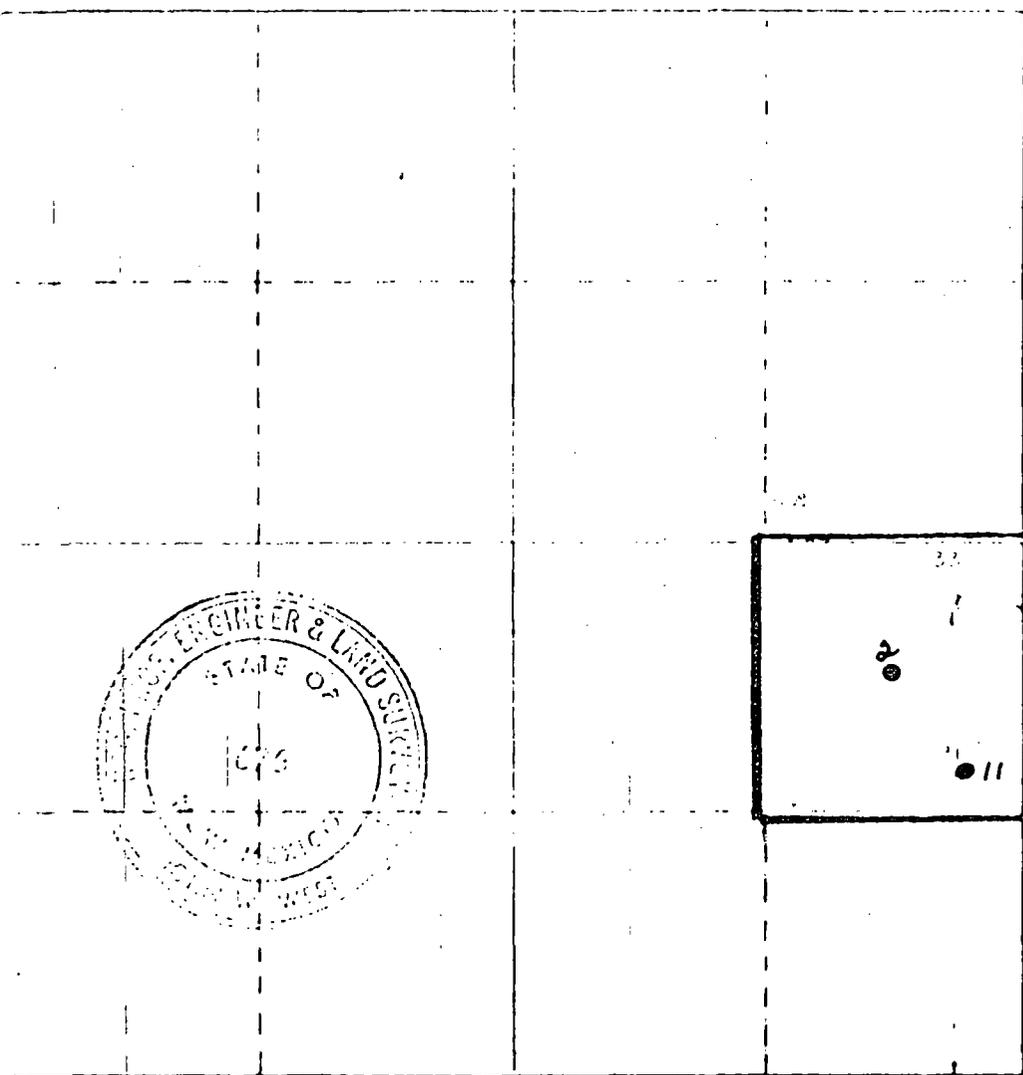
MARBOB ENERGY CORPORATION

DODD #4 FEDERAL

Section I	Section 22	Section 17S	Section 29E	Section EDDY
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Section 2310	Section SOUTH	Section 330	Section EAST
Section 3591.4	Section San Andres	Section Grayburg-Jackson	Section 40

- Outline the acreage dedicated to the subject well by colored pencil or highlighter on this plan.
- If more than one lease is dedicated to the well, outline each and identify the owner(s) of the interest(s) to which interest and royalty.
- If more than one lease of different ownership is dedicated to the well, list the interests of all owners, accompanied by communitization, unitization, lease 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 included in the reverse side of this form if necessary.
- No allocation will be assigned to the well until all interests have been consolidated by communitization, unitization, lease pooling, or otherwise (or until a non-standard unit, eliminating such interests, is approved by the Commission).



CERTIFICATION

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James A. Knauf
James A. Knauf

Agent
MARBOB ENERGY CORPORATION

November 8, 1982

I hereby certify that the well location shown on this plan 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.

John W. West
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Registered Professional Engineer
and Land Surveyor

John W. West

Certificate No. JOHN W. WEST 676
PATRICK A. ROMERO 6883
Ronald J. Eidson 1219

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M. Dodd "A" Fed. #22

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Petroleum Engineer

March 3, 1983

Date

Rule # 9-B

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