

Received 11/13/84
Release 12/13/84

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

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER
NFL 106

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 Macbob Energy Corporation Well Name and No. M. Dodd "B" Well No. 41
Location: Unit H Sec. 14 Twp. 17 South Rng. 29 East 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 Craigburg Jackson (7R-Q-66/5A) Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40-acre proration unit comprising the SE 1/4 NE 1/4 of Sec. 14, Twp. 17 South, Rng. 29 East, is currently dedicated to the M. Dodd "B" Well No. 2 located in Unit H of said section.
- (5) That this proration unit is () standard () nonstandard; if nonstandard, said unit was previously approved by Order No. NA.
- (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 27,323 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 _____ day of _____, 19_____.

Michael E. Hogner
DIVISION DIRECTOR _____ EXAMINER X

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

ADMINISTRATIVE ORDER
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ORDER NO. R-6013

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Operator Marbob Energy Corporation Well Name and No. M. Dodd "B" Well No. 41

Location: Unit H sec. 14 Twp. 17 South Rng. 29 East Cty. Eddy

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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 (7R-O-Gb/SA) Pool, and the standard spacing unit in said pool is 40 acres.

(4) That a 40-acre proration unit comprising the SE/4 NE/4 of Sec. 14, Twp. 17 South Rng. 29 East, is currently dedicated to the M. Dodd "B" Well No. 2 located in Unit H of said section.

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

(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 27,323 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.

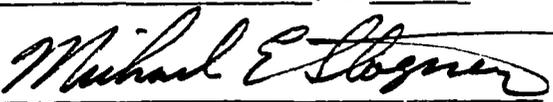
(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

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 3 day of December, 19 84.


DIVISION DIRECTOR _____ EXAMINER X

RECEIVED
NOV 18 1984
OIL CONSERVATION DIVISION
SANTA FE

Request for Infill Finding on
M. Dodd "B" #41
in accordance with Administrative
Procedures amended February 8, 1980

Rule 6:

M. Dodd "B" #41

Pool: Grayburg Jackson Seven Rivers Queen Grayburg San Andres

Standard spacing unit: 40 acres

Rule 7:

NA

Rule 8:

- a. M. Dodd "B" #41 - 2615 FNL 330 FEL Sec. 14-T17S-R29E
M. Dodd "B" #2 - 1980 FNL 660 FEL Sec. 14-T17S-R29E
- b. #41 - 8/23/84
#2 - 5/15/40
- c. #41 - 10/9/84
#2 - 6/23/40
- d. None
- e. #41 - 26 bbl oil, 60 mcf gas/day
#2 - Converted to water injection 9/67
- f. None
- g. The M. Dodd "B" #41 was drilled because the low permeability and low quality solution gas recovery mechanism require reduced spacing to efficiently drain the reservoir. The #41 experienced new reservoir type conditions as have other wells that have been drilled recently in this reservoir. The #2 is an injection well and our plans for activating a secondary recovery project will require use of #2 as an injection well and the #41 was drilled to help efficiently drain the oil and gas reservoir in future years.

**OPERATOR'S UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
 Marbob Energy Corporation

3. ADDRESS OF OPERATOR
 P.O. Drawer 217, Artesia, N.M. 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 2615 FNL 330 FEL
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 20 air miles east of Artesia, N.M. 88210

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 330'

16. NO. OF ACRES IN LEASE 1480

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320'

19. PROPOSED DEPTH 3450'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DP, BT, GR, etc.) 3616.5'

22. APPROX. DATE WORK WILL START* 6/15/84 /

5. LEASE DESIGNATION AND SERIAL NO.
 LC-028731 (B)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 N. Dodd "B"

9. WELL NO.
 41

10. FIELD AND POOL, OR WELDCAT
 Grayburg, Jackson

11. SEC., T., R., S., OF BLM. AND SURVEY OR AREA
 Sec. 14-T17S-R29B

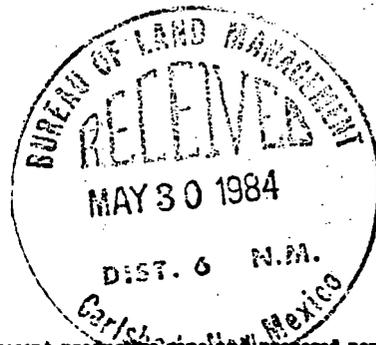
12. COUNTY OR PARISH 13. STATE
 Eddy N.M.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	350'	Sufficient to circulate
7 7/8"	5 1/2"	15.50#	3450'	450 sax, to base of salt

Pay zone will be selectively perforated & 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 Carol Orris TITLE Production Clerk DATE 5/30/84

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 AREA MANAGER _____
 APPROVED BY Charles J. Dallen TITLE _____ CARLSBAD RESOURCE AREA DATE 6-6-84
 CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS
 ATTACHED

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

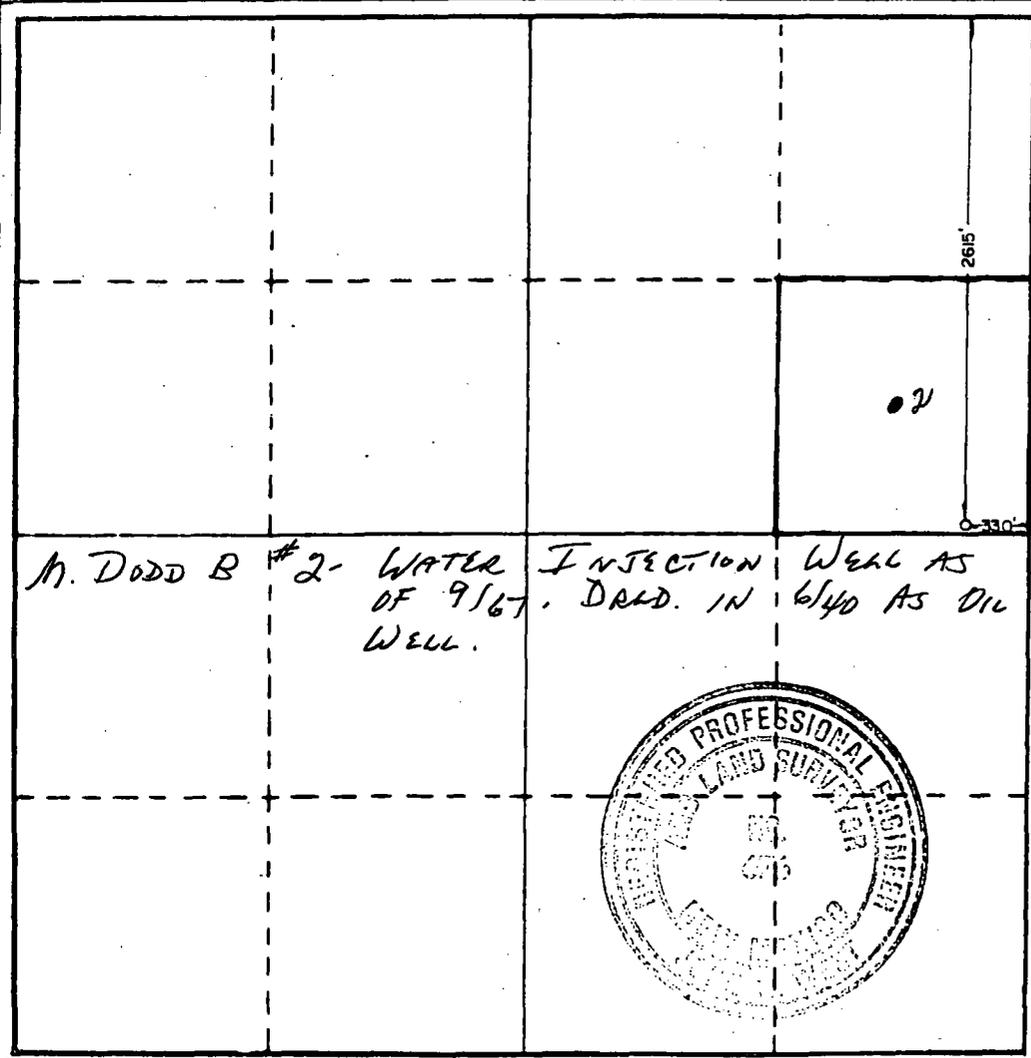
Operator MARBOB ENERGY CORP.		Lease M DODD "B"			Well No. 41
Unit Letter H	Section 14	Township 17S	Range 29E	County EDDY	
Actual Footage Location of Well: 2615 feet from the NORTH line and 330 feet from the EAST line					
Ground Level Elev. 3616.5	Producing Formation San Andres		Pool Grayburg Jackson SR-Q-G-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
5/24/84

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
5/22/84

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239



Paul G. White Engineering

OIL AND NATURAL GAS

November 5, 1984

Marbob Energy Corporation
P.O. Drawer 217
Artesia, New Mexico 88210

Re: Pertinent Engineering Data
M. Dodd B No. 41
Grayburg Jackson
Eddy County, New Mexico

Gentlemen:

The subject well, located 2615' FNL and 330' FEL, Section 14-T17S-R29E, Eddy County, New Mexico was completed on October 10, 1984.

I have estimated the oil and gas reserves for the subject well based on a 20 acre well density. From the electrical log and analagous well studies I have estimated that the well will recover 19,412 barrels of oil and 27,323 MCF of gas.

A study of nearby producing well rates and initial potentials reveals that wells will have to be drilled on a 20 acre spacing to properly and adequately recover the oil and gas reserves in this field.

Therefore, it is my recommendation that in-fill wells be drilled and the well density be increased to at least 20 acre spacing.

From my study the in-fill wells will characteristically exhibit new reservoir conditions.

Signed Paul G. White
Petroleum Engineer

Date 11-5-84

PGW/sf

Rule 11:

Notice of this infill request has been sent to Phillips Oil Co.,
4001 Penbrook, Odessa, Texas 79762, as the offset operator.

Marbob Energy Corporation

P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

November 7, 1984

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

— NIGHT PHONES —
(505) 748-8197
(505) 746-6500

Re: Notice to Offset Operators

Dear Sirs:

Notice is hereby given to you as an offset operator to the request of Marbob Energy Corporation to the New Mexico Oil Conservation Division for an infill finding on the following well:

M. Dodd "B" #41
2615 FNL 330 FEL Sec. 14-T17S-R29E
Eddy County, N.M.

This notice is given pursuant to the Special Rules and Regulations Natural Gas Policy Act Infill Finding Administrative Procedure (amended February 8, 1980). These special rules and regulations shall apply to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final Rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978.

If there are any questions please contact me.

Very truly yours,


Carolyn Purcella
Carolyn Purcella
Land Department

RPM/co

Request for Infill Finding on

M. Dodd "B" #41

in accordance with Administrative
Procedures amended February 8, 1980

Rule 6:

M. Dodd "B" #41

Pool: Grayburg Jackson Seven Rivers Queen Grayburg San Andres

Standard spacing unit: 40 acres

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M. Dodd "B" #2 - 1980 FNL 660 FEL Sec. 14-T17S-R29E
- b. #41 - 8/23/84
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**OPERATOR'S UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

SUBMIT IN DUPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-B142

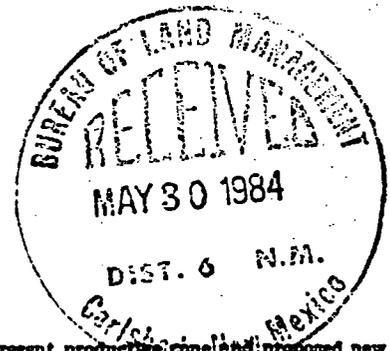
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK		
5. LEASE DESIGNATION AND SERIAL NO. LC-028731 (B)		
6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
7. UNIT AGREEMENT NAME		
8. NAME OF LEASE HAYS N. Dodd "B"		
9. WELL NO. 41		
10. NAME AND SERIAL NO. OF LEASE Grayburg Jackson		
11. NAME, SERIAL NO., AND STATE OF LEASE AND OTHER DATA Sec. 14-T179-R298		
12. COUNTY OF LEASE Eddy		13. STATE N.M.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 20 air miles east of Artesia, N.M. 88210		
16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any) 330'	18. NO. OF ACRES IN LEASE 1480	17. NO. OF ACRES ASSIGNED TO THIS WELL 40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320'	19. PROPOSED DEPTH 3450'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DV, HT, GR, etc.) 3616.5'		22. APPROX. DATE WORK WILL START* 6/15/84 /

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1. Location & acreage dedication plat
 2. Supplemental drilling data
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24. SIGNED *Carol Orris* TITLE Production Clerk DATE 5/30/84

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED *Charles S. Dablen* TITLE AREA MANAGER DATE 6-6-84
 CARLSBAD RESOURCE AREA

CONDITIONS OF APPROVAL, IF ANY:

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

**N MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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Supersedes C-128
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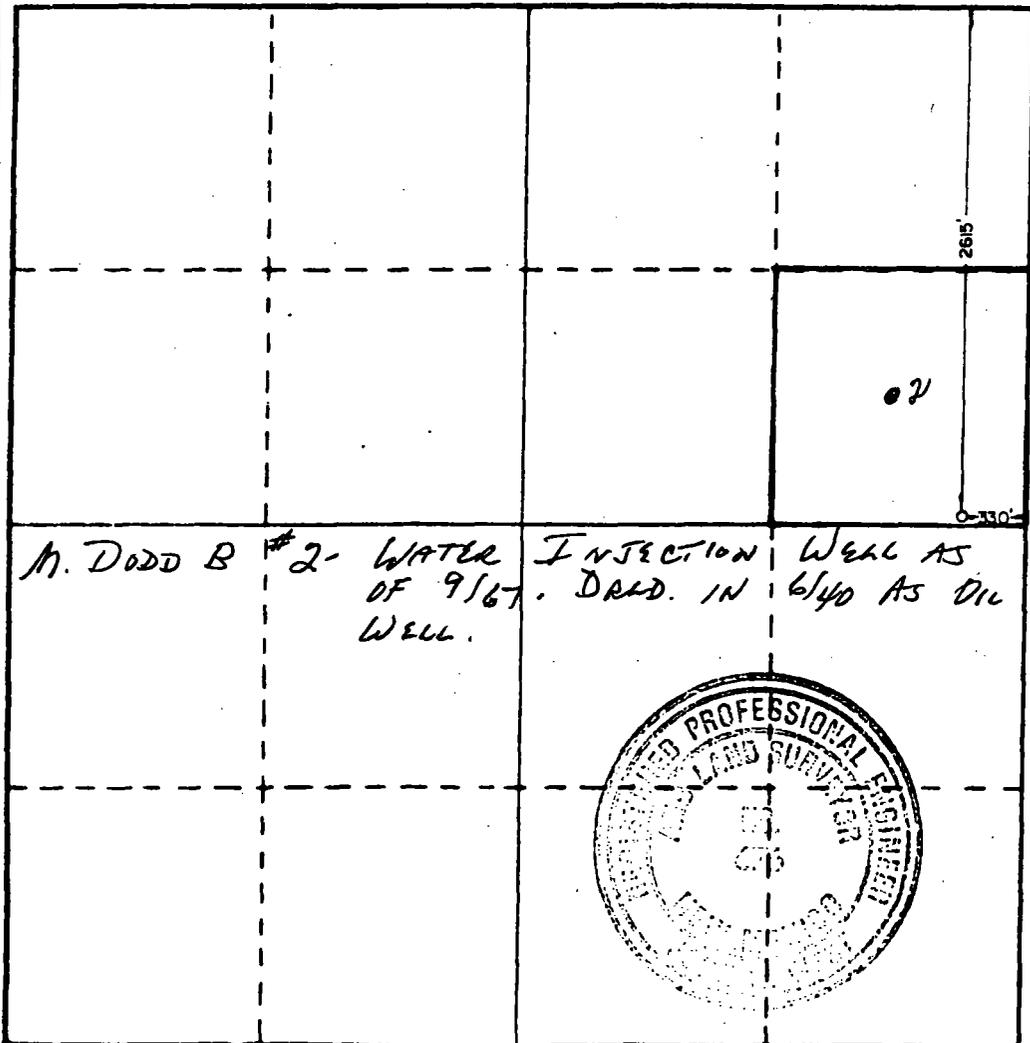
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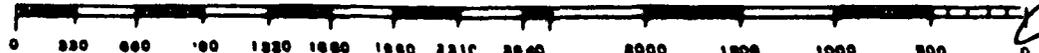
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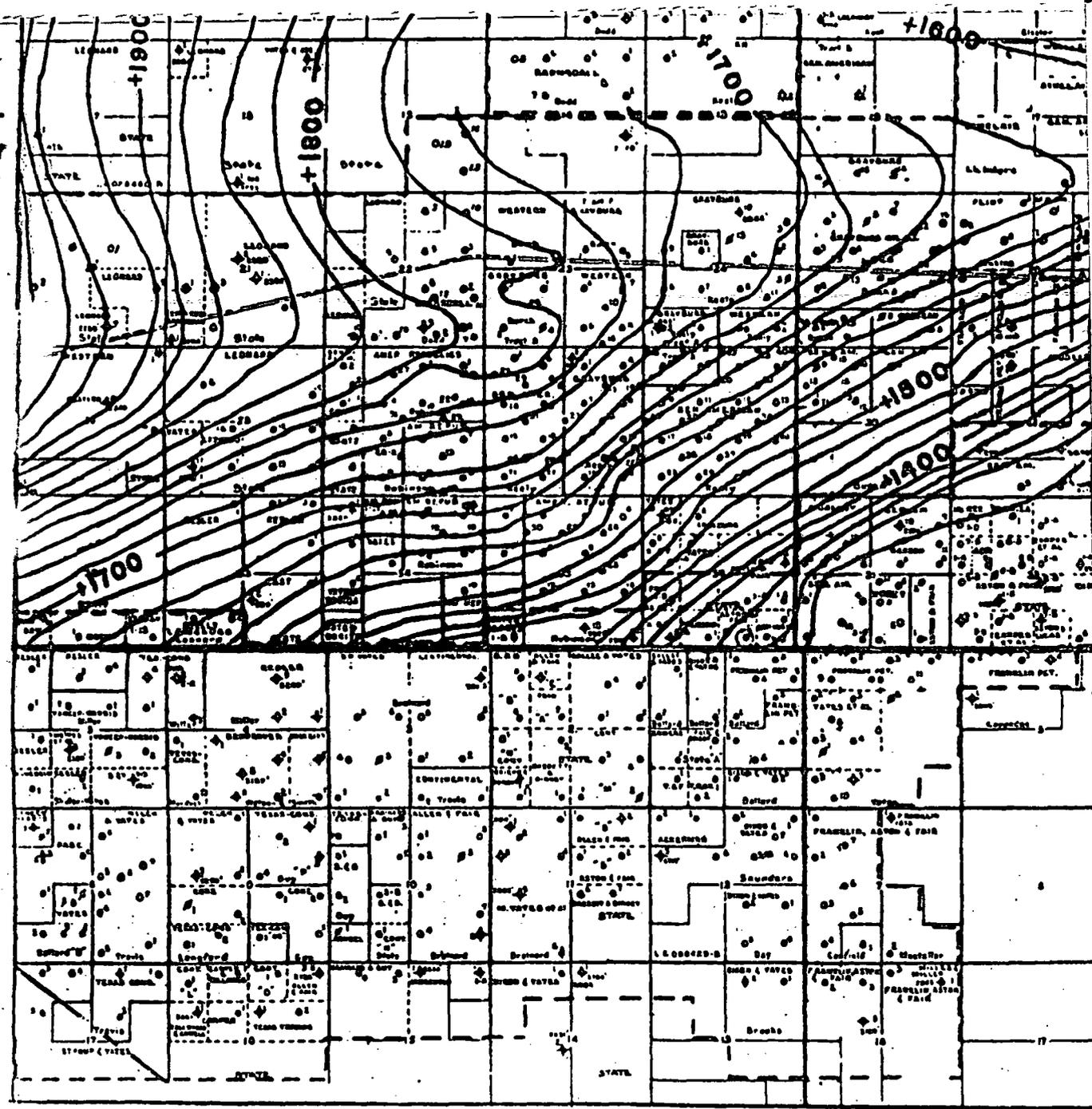
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<i>Carolyn Orris</i>	
Name	Carolyn Orris
Position	Production Clerk
Company	Marbob Energy Corp.
Date	5/24/84
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed	5/22/84
Registered Professional Engineer and/or Land Surveyor	
<i>John W. West</i>	
Certificate No.	JOHN W. WEST, 676
	RONALD J. EIDSON, 3239



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Paul G. White Engineering

OIL AND NATURAL GAS

November 5, 1984

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Petroleum Engineer

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Marbob Energy Corporation

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November 7, 1984

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Carolyn Purcella
Land Department

RPM/co