

OIL CONSERVATION DIVISION

P. O. Box 2088

SANTA FE, NEW MEXICO

87501

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER

NFL 104INFILL 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 "B" Well No. 42Location: Unit G Sec. 14 Twp. 17South 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 Grayburg Jackson (SR-O-G6/5A) Pool, and the standard spacing unit in said pool is 40 acres.

(4) That a 40-acre proration unit comprising the SW/4 NE/4 of Sec. 14, Twp. 17South, Rng. 29 East is currently dedicated to the M. Dodd "B" Well No. 24 located in Unit G 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 21,814 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 29 day of November, 19 84.

Michael E. Stoyers

DIVISION DIRECTOR EXAMINER X

Received: 11/9/84
Release: 11/29/84

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

ADMINISTRATIVE ORDER
NFL 104

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I.
Operator Marbob Energy Corporation Well Name and No. M. Dodd "B" Well No. 42
Location: Unit G Sec. 14 Twp. 17South Rng. 29 East Cty. Eddy

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THE DIVISION FINDS:

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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 Grayburg Jackson (SR-Q-61/SA) Pool, and the standard spacing unit in said pool is 40 acres.

(4) That a 40-acre proration unit comprising the SW 1/4 NE 1/4 of Sec. 14, Twp. 17South, Rng. 29 East, is currently dedicated to the M. Dodd "B" Well No. 24 located in Unit G 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 21,814 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____.

cc - OCD Antone
USBLM Roswell
NMD+GEC - Hobbs
Well File S.F.

[Signature]
DIVISION DIRECTOR _____ EXAMINER X

Request for Infill Finding on
M. Dodd "B" #42
in accordance with Administrative
Procedures amended February 8, 1980

RECEIVED
NOV - 9 1984
OIL CONSERVATION DIVISION
SANTA FE

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 BOND MULTIPLE BOND

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 1345 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

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1345'
 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. 700'
 19. PROPOSED DEPTH 3450'
 20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3620.1' GR
 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
 M. Dodd "B"

9. WELL NO.
 42

10. FIELD AND POOL, OR WILDCAT
 Grayburg Jackson

11. SEC., T., R., NE., OR BLE. AND SURVEY OR AREA
 Sec. 14-T17S-R29E

12. COUNTY OR PARISH
 Eddy

13. STATE
 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 [Signature] TITLE Production Clerk DATE 5/30/84

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY [Signature] TITLE AREA MANAGER DATE 6-6-84
 CARLSBAD RESOURCE AREA
 CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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.

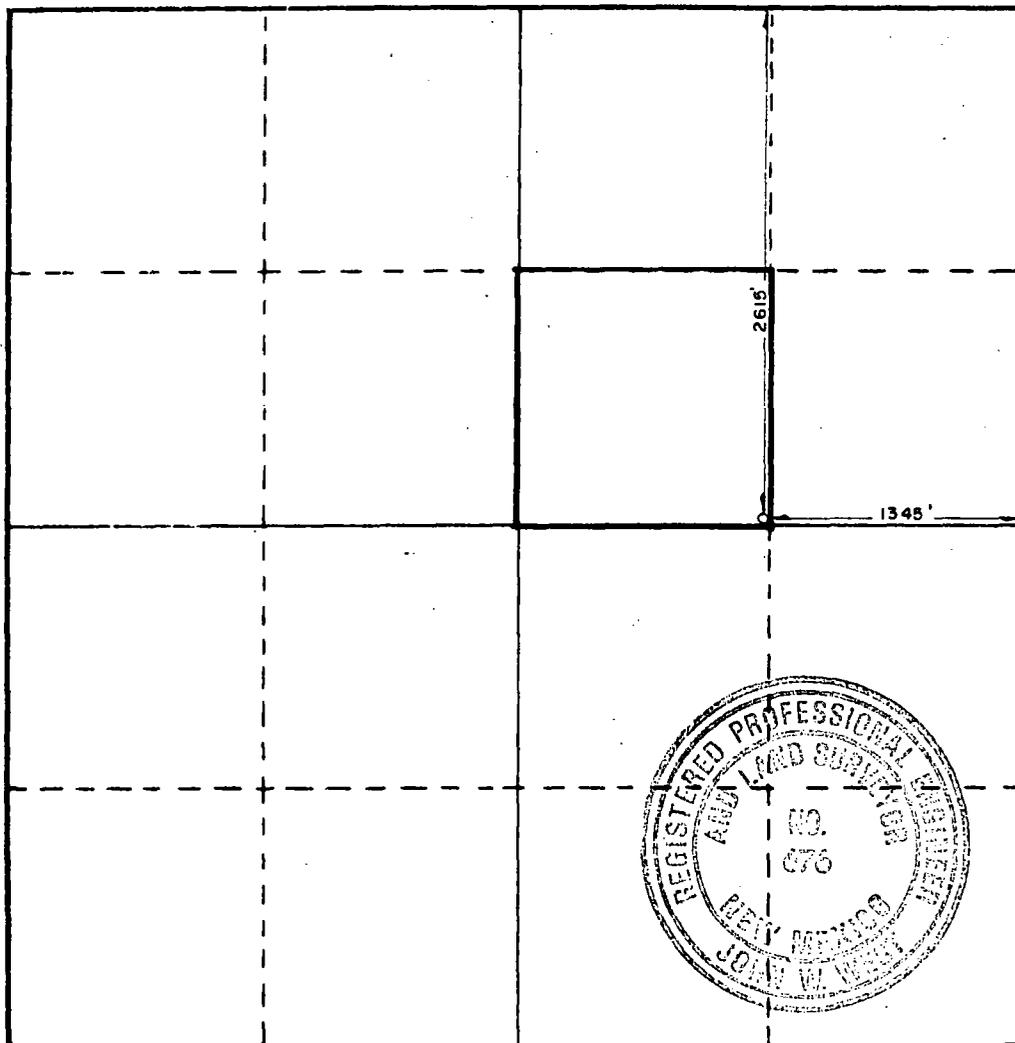
Operator MARBOB ENERGY CORP.			Lease M DODD "B"		Well No. 42
Unit Letter G	Section 14	Township 17S	Range 29E	County EDDY	
Actual Footage Location of Well: 2615 feet from the NORTH line and 1345 feet from the EAST line					
Ground Level Elev. 3620.1	Producing Formation San Andres	Pool Grayburg Jackson 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.

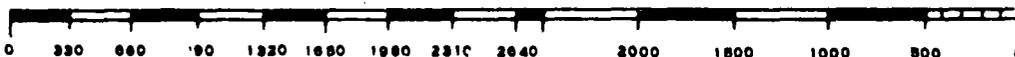
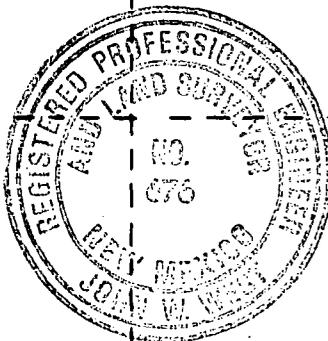
Date Surveyed
5/22/84

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239



Rule 6:

M. Dodd "B" #42

Pool: Grayburg Jackson Seven Rivers Queen Grayburg San Andres

Standard spacing unit: 40 acres

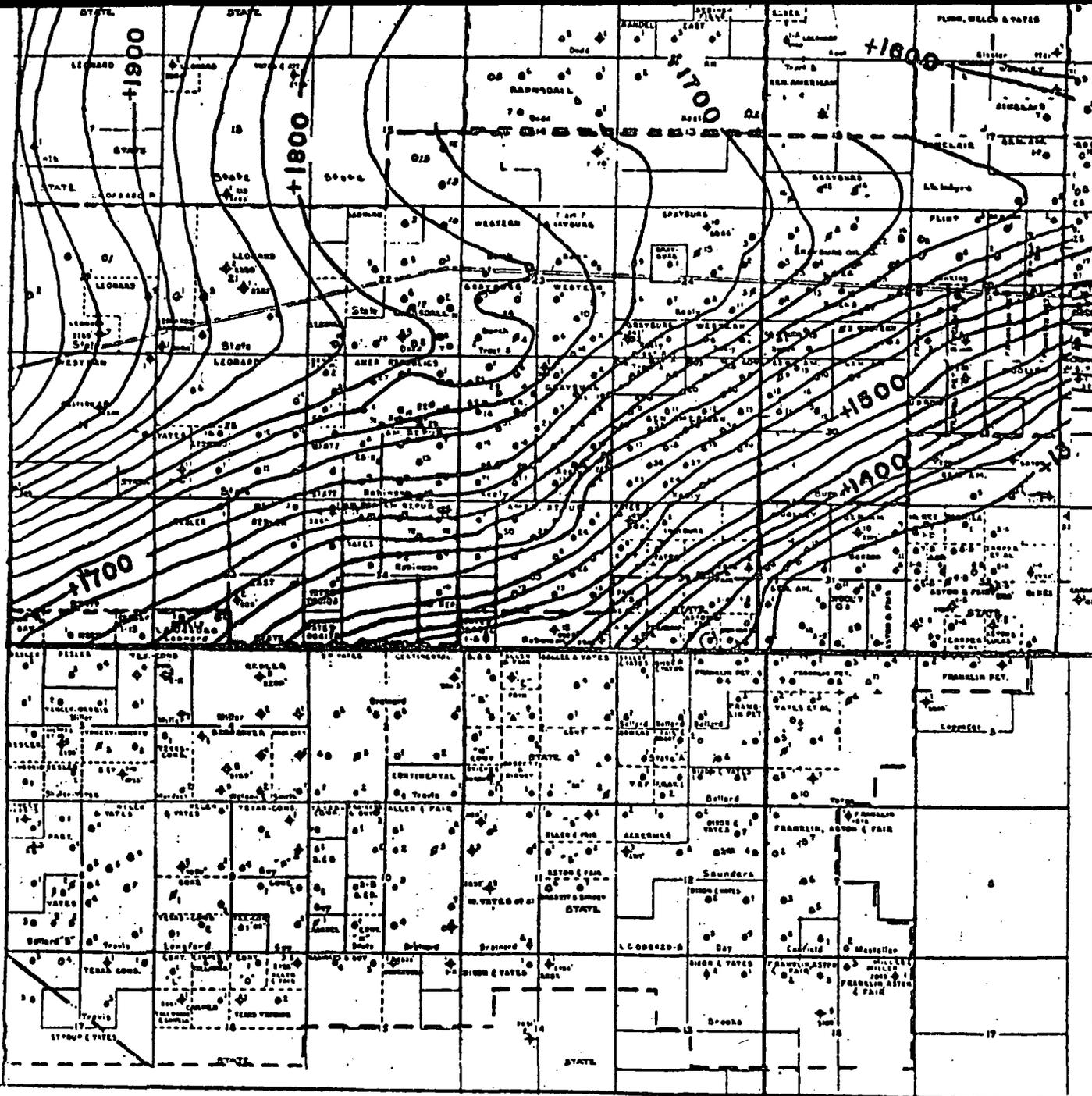
Rule 7:

NA

Rule 8:

- a. M. Dodd "B" #42 - 2615 FNL 1345 FEL Sec. 14-T17S-R29E
M. Dodd "B" #24 - 1980 FNL 1980 FEL Sec. 14-T17S-R29E
- b. #42 - 9/16/84
#24 - 8/9/67
- c. #42 - 10/16/84
#24 - 8/26/67
- d. None
- e. #42 - 30 bbl oil, 73 mcf gas/day
#24 - 3 bbl oil, 5 mcf gas/day
- f. None
- g. The M. Dodd "B" #42 was drilled because the low permeability and low quality solution gas recovery mechanism require reduced spacing to efficiently drain the reservoir. The #24 well's current rate of gas production is very low and is therefore incapable of draining the reservoir. Since the #42 did experience new reservoir type conditions we feel the additional drilling was justified.

T
17
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R 29 E

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. 42
Grayburg Jackson
Eddy County, New Mexico

Gentlemen:

The subject well, located 2615' FNL and 1345' FEL, Section 14-T17S-R29E, Eddy County, New Mexico was completed on October 17, 1984.

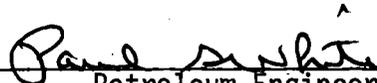
I have estimated the oil and gas reserves for the subject well based on a 20 acre well density. From the electrical log and analagous well studies I have estimated that the well will recover 16,900 barrels of oil and 21,814 MCF of gas.

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


Petroleum Engineer

Date

11-5-84

PGW/sf

Rule 11:

There are no offset operators.

Request for Infill Finding on

M. Dodd "B" #42

in accordance with Administrative
Procedures amended February 8, 1980

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
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7. UNIT AGREEMENT NAME

8. NAME OF LEASEE NAME
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10. TOWN AND RANGE, OR WILDCAT
 Grayburg Jackson

11. SEC., T., R., OR NEAR, AND CORNER OR AREA
 Sec. 14-T17S-R29E

12. COUNTY OR PARISH
 Eddy

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(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY [Signature] TITLE AREA MANAGER CARLSBAD RESOURCE AREA DATE 6-6-84

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

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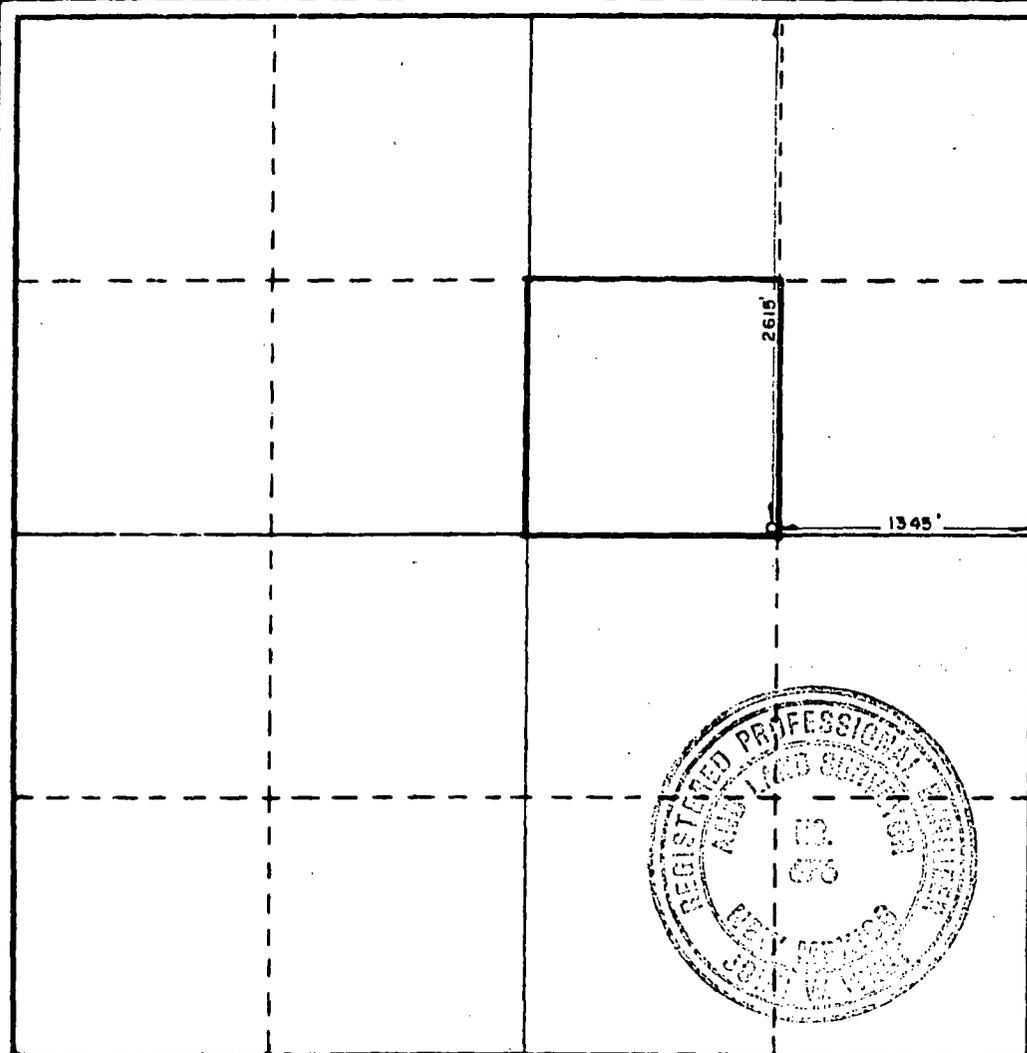
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Carolyn Orris

Name
Carolyn Orris

Position
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Company
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Date
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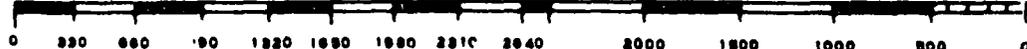
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Date Surveyed
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Registered Professional Engineer and/or Land Surveyor

John W. West

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



Rule 6:

M. Dodd "B" #42

Pool: Grayburg Jackson Seven Rivers Queen Grayburg San Andres

Standard spacing unit: 40 acres

Rule 7:

NA

Rule 8:

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Petroleum Engineer

Date 11-5-84

PGW/sf

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