

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 Corp. Well Name and No. Samedan State Well No. 1
Location: Unit 0 Sec. 27 Twp. 17S Rng. 28E 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 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 SW/4 SE/4 of Sec. 27, Twp. 17S, Rng. 28E, is currently dedicated to the Walker State Well No. 2 located in Unit 0 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 80,156 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.

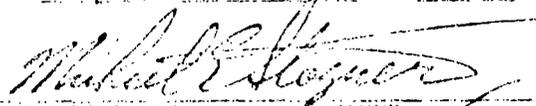
(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

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 13 day of September, 19 84.


DIVISION DIRECTOR

Rec. April 1, 1984

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

ADMINISTRATIVE ORDER
NFL 91

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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 Corporation Well Name and No. Samedan State Well No. 1
Location: Unit 0 Sec. 27 Twp. 17 South Rng. 28 East 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 SW 1/4 SE 1/4 of Sec. 27, Twp. 17 South, Rng. 28 East, is currently dedicated to the Walker State Well No. 2 located in Unit 0 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 80,156 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 _____ day of _____, 19_____.

cc- OCD Artesia
Well File

DIVISION DIRECTOR _____ EXAMINER ✓

*Request for Infill Finding on
Samedan State #1
in accordance with Administrative
Procedures amended February 8, 1980*

Handwritten scribbles and marks in the top left corner.

NEW MEXICO
GENERAL DEPARTMENT

SALES RECEIPTS	
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LAND OFFICE	
OPERATOR	

OIL CONSERVATION DIVISION
P. O. BOX 2068
SANTA FE, NEW MEXICO 87501

RECEIVED BY
SEP 27 1983

O. C. D.
ARTESIA, OFFICE

Form C-101
Revised 10-1-78

5A. Indicate Type of Lease
STATE FEE

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

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work

Type of Well DRILL DEEPEN PLUG BACK

OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

Name of Operator
Marbob Energy Corporation

Address of Operator
P.O. Drawer 217, Artesia, N.M. 88210

Location of Well UNIT LETTER 0 LOCATED 330 FEET FROM THE South LINE

2287 FEET FROM THE East LINE OF SEC. 27 TWP. 17S R. 28E N.M.P.M.

7. Unit Agreement Name

8. Name of Lease Name
Samedan St.

9. Well No.
1

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

12. County
Eddy

19. Proposed Depth 3000'	13A. Formation San Andres	20. Rotary or C.T. Rotary
21A. Kind & Status Plug. Bond Statewide active	21B. Drilling Contractor Artesia Fishing Tools	22. Approx. Date Work will start 10/10/83

Elevations (show whether DT, RT, etc.)
3675' GR

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'	300	Circ.
7 7/8"	5 1/2"	15.50#	3000'	550	Attempt to circ

We propose to drill to 500', set 8 5/8" casing, reduce hole and drill on to 3000' to test the San Andres formation, run 5 1/2" casing, cement.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 3-29-84
UNLESS DRILLING UNDERWAY

Rule #5

BEFORE 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.

Cristina Quira Title Production Clerk Date 9/26/83

(This space for Staff Use)

APPROVED BY *Mike Walker* TITLE OIL AND GAS INSPECTOR DATE SEP 29 1983

Copy to

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 2-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

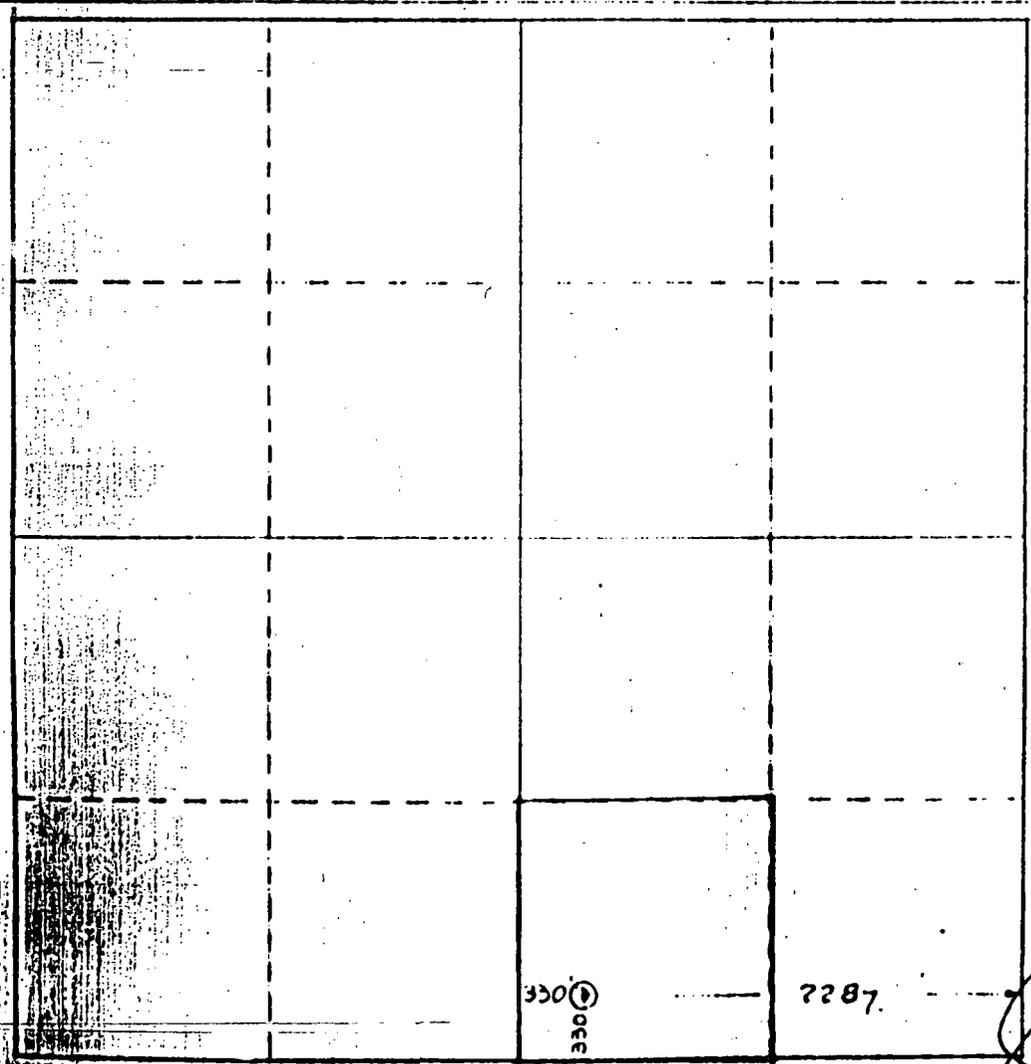
Operator MARBOD ENERGY CORPORATION		Lease Samedan St.		Well No. 1
Unit Letter 0	Section 27	Township 17 South	Range 28 East	County EDDY
Actual Footage Location of Well:				
330	feet from the South	2287	feet from the East	
Ground Level Elev. 3675	Producing Formation San Andres	Depth Artesia Queen CB SA	Depth to A Surface 60	

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
Signature

Carolyn Orris
Name

Agent
Position

Marbob Energy Corporation
Company

9/26/83
Date

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.

John W. Phipps
Signature

July 22 & 23, 1976
Date Surveyed

John W. Phipps
Registered Professional Engineer
and Land Surveyor

1559
Certificate No.

Rule 6:

Samedan State #1

Pool: Artesia Queen Grayburg San Andres

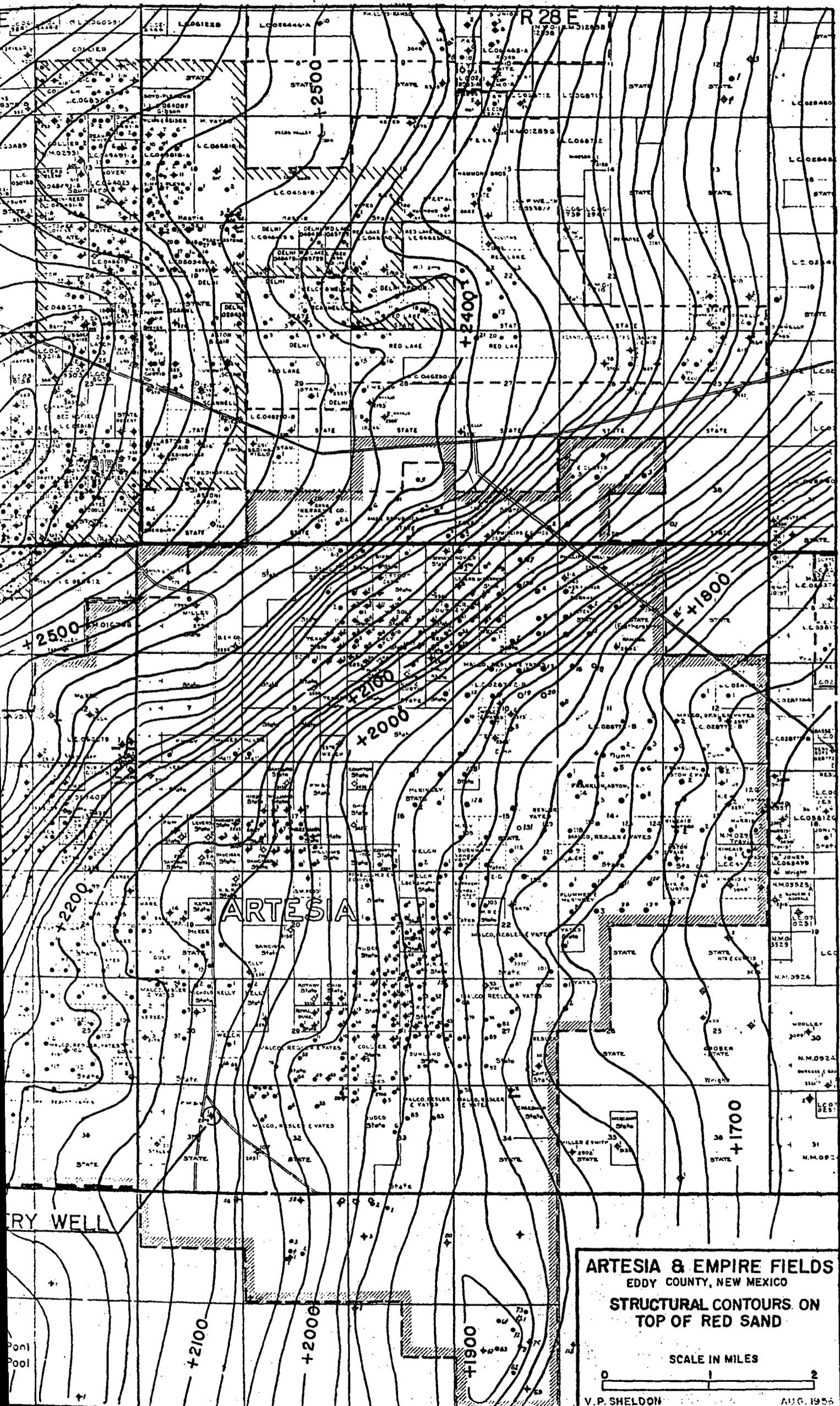
Standard spacing unit: 40 acres

Rule 7:

NA

Rule 8:

- a. Samedan St. #1 - 330 FSL 2287 FEL Sec. 27-T17S-R28E
Walker St. #2 - 330 FSL 1650 FEL Sec. 27-T17S-R28E
Walker St. #4 - 900 FSL 2287 FEL Sec. 27-T17S-R28E
- b. Samedan St. #1 - 10/16/83
Walker St. #2 - 7/28/75 (re-entry)
Walker St. #4 - 1/13/77
- c. Samedan St. #1 - 10/31/83
Walker St. #2 - 9/4/75
Walker St. #4 - 2/18/77
- d. None
- e. Samedan St. #1 - 26 bbl. oil, 90 mcf gas/day
Walker St. #2 - 1 bbl oil, 1 mcf gas/day
Walker St. #4 - 4 bbl oil, 20 mcf gas/day
- f. NA
- g. The Samedan St. #1 was drilled to new reserves in a deeper zone than were reached in the old wells. Since it was not feasible to drill the old wells deeper it was necessary to drill the new well.



ARTESIA & EMPIRE FIELDS
 EDDY COUNTY, NEW MEXICO
STRUCTURAL CONTOURS ON TOP OF RED SAND
 SCALE IN MILES
 0 1 2
 V. P. SHELDON
 AUG. 1955

Rule #9-a

Marbob Energy Corporation
Artesia Queen Grayburg San Andres
Samedan State #1

Pertinent Engineering Data and Conclusions:

Well No. 1 was completed in the Artesia Queen Grayburg pool in November 1983. This is an infill well located as per the attached plat.

Effective November 1983, oil reserves recoverable will be 24,154 barrels oil and 80,156 mcf gas.

Oil reserves were calculated from similar offsetting wells which have been completed in the same horizons.

Existing wells in the proration unit were completed with 5½" and 4½" production casing. Total depth of these wells did not exceed 2094. The Samedan Well #1 was completed from 2434' to 2768'. The well was fraced with 252,000 gallons of gel water and 346,800# of sand. The old wells could not have been deepened to those depths and this frac technique used because of the restriction on the size of the drilling tools that could be used inside the existing wells production casing. The largest bit that could have been used is 4 3/4" with the completion then being done in open hole or inside 2 7/8" casing. This would probably result in a much less effective completion, and less recoverable reserves.

In my opinion the infill well will more effectively drain the deeper horizons than could be accomplished by deepening an existing well.

Therefore, it is my recommendation that the well be approved as an infill well to effectively drain the reservoir.

MARBOB ENERGY CORPORATION

Raye Miller

Raye Miller
Secretary-Treasurer

3/28/84

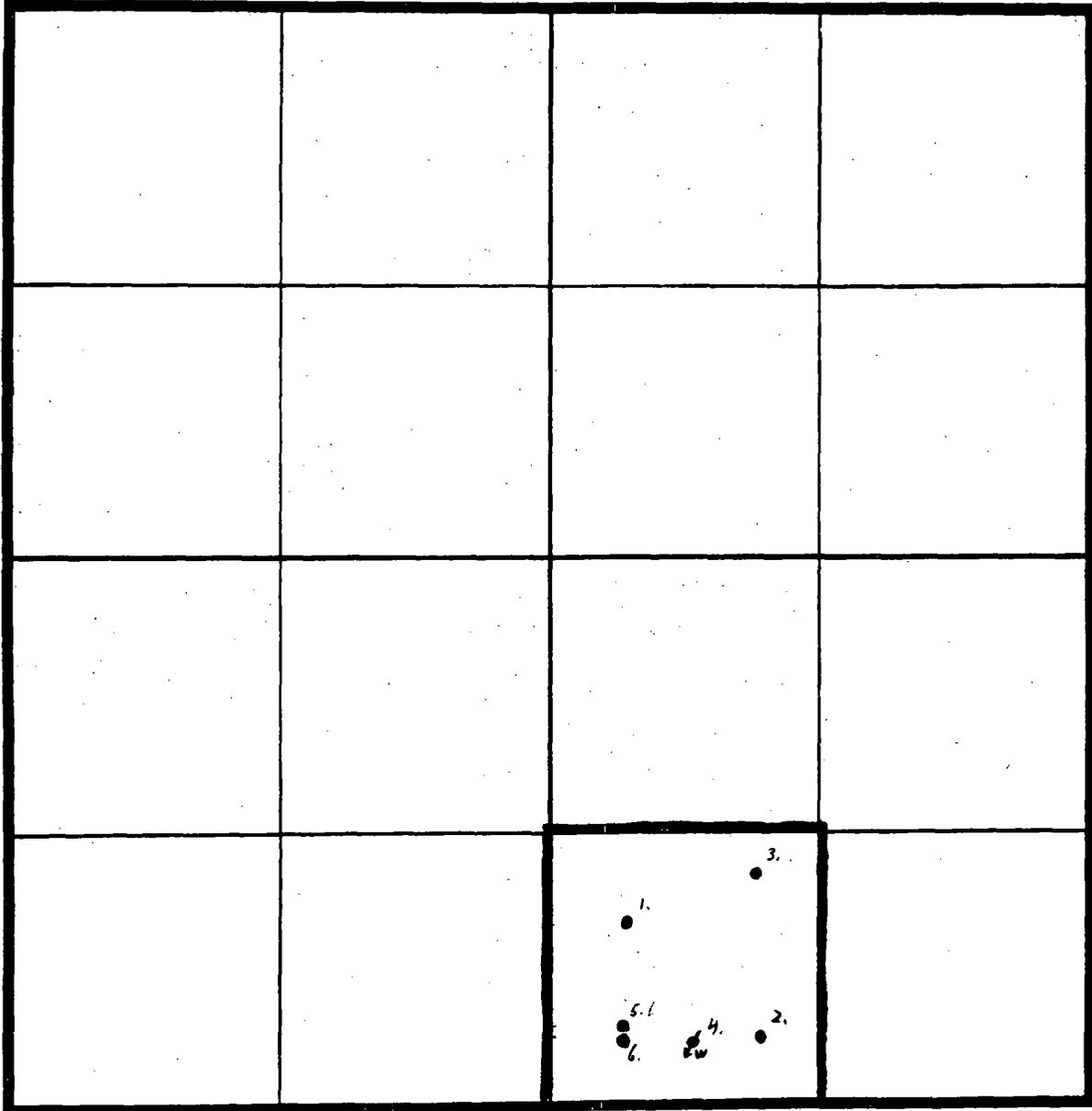
Date

Rule # 9-b.

Rule 11:

Notice of this infill request has been sent to Martin Yates III, 207 So. 4th St., Artesia, N.M. 88210; John A. Yates, 207 So. 4th St., Artesia, N.M. 88210; Yates Petroleum Corp., 207 So. 4th St., Artesia, N.M. 88210; Amoco Production Co., P.O. Box 3092, Houston, Texas 77001; C & K Petroleum, Inc., 601 C & K Petroleum Bldg., Midland, Texas 79701; Depco, Inc., 1000 Petroleum Bldg., Denver, Colorado 80202; Husky Oil Co., P.O. Box 380, Cody, Wyoming 82414.

Sec. 27 Township No. 17 South of Range No. 28 East, N.M.P.M.,
County Eddy, New Mexico.



1. Marbob Energy Corporation

Walker State Well No. 4

900' FSL - 2287' FEL

Spud: 1/13/77

Artesia Queen Gb/SA Completion (2/18/77)

Cummulative Production as of 12/31/82

46343 MCF

12594 B.O.

2. Marbob Energy Corporation

Walker State Well No. 2

330' FSL - 1650' FEL

Spud: 3/30/41 by Samedan Oil Corporation

Completed in the East Empire Yates Seven Rivers zone

1st A'ed: 7/73

Re-entered: 7/28/75 and completed in the Artesia Queen Gb/SA zone

Cummulative production as of 12/31/82

9240 MCF

35978 B.O.

3. Marbob Energy Corporation

Walker State Well No. 1

990' FSL - 1650' FEL

Spud: 1/28/75

East Empire Yates Seven Rivers Completion

Portesia Queen 66/5A Completion

Spud: 10/16/83

330' FSL - 2287' FEL

Sameton State Well No. 1

Marbob Energy Corporation

6. Application Well

East Empire Yates Seven Rivers Completion

Spud: 7/7/80

370' FSL - 2287.6' FEL

Walker State Well No. 3

5. Marbob Energy Corporation

Converted to Gas Injection Well 11/75

Empire Aho Completion

Spud: 6/6/60

330' FSL - 1980' FEL

Empire Aho Unit "D" Well No. 35

4. ARCO O.I. + Gas Company

EDDY COUNTY * * * * *

Oil *Wt.* *Gas*

7	9H27	17S28E				5947	5641	33488	ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
8	9H27	17S28E	244	P		482			EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
9	27I27	17S28E	9285	P	19925	10002	23975	47163	ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
10	23I27	17S28E	2723	P	1247	11192	2356	465	EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
11	36I27	17S28E		P		319820	4064	398169	S EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
12	4I27	17S28E		P		23323	589	38697	I ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
13	6I27	17S28E	244	P		16248	8897	21818	EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
14	15J27	17S28E	381	P		8555		2018	EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
15	25J27	17S28E	9649	P	24439	16036	24439	23165	ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
16	21J27	17S28E	401	P		6840	598	462	EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
17	19J27	17S28E	371	P		5394		483	EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
18	35J27	17S28E		P		410257	1754	466905	S EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
19	5J27	17S28E	297	P		50403	85167	125327	ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
20	2K27	17S28E		P					S EMPIRE YATES S*JOHN A. YATE#LOIS MAE STATE *S
21	34K27	17S28E		F		154767	544	288550	S EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
22	1K27	17S28E	493	P		39631		50954	EMPIRE YATES S*JOHN A. YATE#LOIS MAE STATE *S
23	2L27	17S28E	139	P	164	2879	1122	11966	EMPIRE YATES S*J. B. ADAMSO#COLLIER STATE *S
24	3L27	17S28E	152	P	174	6588	2367	15233	EMPIRE YATES S*J. B. ADAMSO#COLLIER STATE *S
25	4L27	17S28E	189	P		857		38	EMPIRE YATES S*J. B. ADAMSO#COLLIER STATE *S
26	1L27	17S28E				6375	3646	16628	FOLLOWING WELL PLUGGED AND ABANDONED 1975
27	1L27	17S28E	5341	F	18170	5341	18170	29705	FOLLOWING WELL NEW 6 1982
28	33M27	17S28E		F		954808		990272	RED LAKE QUEEN#HARBOR ENERGY SUNRAY STATE *S
29	1M27	17S28E	126	P	193	14528	193	91	S EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
30	2M27	17S28E	179	P	354	2039	2889		RED LAKE QUEEN#SBS OIL CO. *STATE B *S
31	3N27	17S28E	185	P	361	1419	361	15331	EMPIRE YATES S#SBS OIL CO. *STATE B *S
32	4N27	17S28E	860	P	602	3497	2744	14368	EMPIRE YATES S*HARBOR ENERGY ABO *S
33	1N27	17S28E				7166		992	FOLLOWING WELL ZONE ABANDONED
34	34N27	17S28E	3650	F	30	17303	876796	673791	RED LAKE QUEEN#HARBOR ENERGY ABO *S
35	2N27	17S28E	420	P	505	6980	4100	18155	EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
36	4O27	17S28E	1291	P	231	9537	12594	5511	EMPIRE YATES S*HARBOR ENERGY ABO *S
37	3O27	17S28E	1331	P	552	1798	3216	4836	ARTESIA QUEEN *HARBOR ENERGY WALKER STATE *S
38	2O27	17S28E				1298	125	4756	EMPIRE YATES S*HARBOR ENERGY WALKER STATE *S
39	35O27	17S28E				654541		639364	FOLLOWING WELL PLUGGED AND ABANDONED 1973
40	2O27	17S28E	1504	P	231	870	35978	9240	S EMPIRE YATES S*SAMEDAN OIL *WALKER STATE *S
41	1O27	17S28E	2426	P	552	1794	26526	10334	ARTESIA QUEEN *HARBOR ENERGY WALKER STATE *S
42	361P27	17S28E	17550	F	802	22563	167065	2197	EMPIRE YATES S*HARBOR ENERGY WALKER STATE *S
43	36P27	17S28E	7120	F	566	7553	1087942	7618	EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
44	3P27	17S28E	295	P			62644	56732	EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
45	20P27	17S28E	576	P			11101	22398	ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
46	14C28	17S28E					8957	834	EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
47	12D28	17S28E				19376	12055		I RED LAKE QUEEN#KERSEY AND C*RED LAKE PR SO U*US
48	12O28	17S28E	69	P		432		3	RED LAKE QUEEN#KERSEY AND C*RED LAKE PR SO U*US
49	1E28	17S28E	373			7755		92	EMPIRE YATES S*KERSEY AND C*WELCH *S
50	15E28	17S28E	107	P	1095	18042	G	724907	EMPIRE PENN. (*AMOCO PRODUC*STATE FEDERAL GA*CF
51	16F28	17S28E				48992	48621		RED LAKE QUEEN#KERSEY AND C*RED LAKE PR SO U*US
52	4H28	17S28E				6678	669		I RED LAKE QUEEN#KERSEY AND C*RED LAKE PR SO U*US
53	5H28	17S28E							S EMPIRE YATES S*KERSEY AND C*WILLIAMS A *P
54	3H28	17S28E				8548	266		FOLLOWING WELL RECOMPLETED TO EMPIRE YATES SEVEN RIVERS, EAST
55	3H28	17S28E	2018	P	1	12383	1178	3	RED LAKE QUEEN#KERSEY AND C*WILLIAMS A *P
56	1I28	17S28E	699	P		9764	716	854	EMPIRE YATES S*KERSEY AND C*WILLIAMS A *P
57	2I28	17S28E	701	P	266	12710	717	2078	EMPIRE YATES S*HARBOR ENERGY PAN AM STATE *S
58	3I28	17S28E	705	P	267	9804	722	2017	EMPIRE YATES S*HARBOR ENERGY PAN AM STATE *S
59	4I28	17S28E	708	P		2680			EMPIRE YATES S*HARBOR ENERGY PAN AM STATE *S
60	1I28	17S28E				10507	67	28053	FOLLOWING WELL ZONE ABANDONED
61	1L28	17S28E				12728			RED LAKE QUEEN#HARBOR ENERGY PAN AM STATE *S
62	1M28	17S28E	192	P		384		2243	I RED LAKE QUEEN#KERSEY AND C*RED LAKE PR SO U*US
63	2M28	17S28E	195	P	1414	27563	3	89419	RED LAKE QUEEN#J. B. ADAMSO#DELHI B STATE *S
64	1N28	17S28E	244	P	1445	5482	124	604	RED LAKE QUEEN#J. B. ADAMSO#DELHI B STATE *S
65	3N28	17S28E	252	P		3146	127	78	EMPIRE YATES S*HARBOR ENERGY DELHI STATE *S

Request for Infill Finding on

Samedan State #1

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

30-015-24611

NEW MEXICO
 MINERAL DEPARTMENT
 RECEIVED
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OIL CONSERVATION DIVISION
 RECEIVED BY
 P. O. BOX 2088
 SANTA FE, NEW MEXICO 87501
SEP 27 1983
 O. C. D.
 ARTESIA, OFFICE

Form C-101
 Revised 10-1-78
 5A. Indicate Type of Lease
 STATE PERM
 5. State Oil & Gas Lease No.
 B-2071

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

7. Unit Agreement Name
 8. Name of Lease Name
 Samedan St.

Name of Operator
 Marbob Energy Corporation
 Address of Operator
 P.O. Drawer 217, Artesia, N.M. 88210

9. Well No.
 1
 10. Field and Pool, or Wildcat
 Artesia On Grbg SA

Location of Well
 UNIT LETTER O LOCATED 330 FEET FROM THE South LINE
2287 FEET FROM THE East LINE OF SEC. 27 TWP. 17S REC. 28E N.M.P.M.

12. County
 Eddy

19. Proposed Depth 3000' 19A. Formation San Andres 20. Rotary or C.T. Rotary
 21A. Kind & Status Plug. Bond Statewide active 21B. Drilling Contractor Artesia Fishing Tools 22. Approx. Date Work will start 10/10/83
 Elevations (Show whether D.P., K.T., etc.) 3675' GR

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
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APPROVAL VALID FOR 180 DAYS
 PERMIT EXPIRES 3-29-84
 UNLESS DRILLING UNDERWAY
Rule #5

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 certify that the information above is true and complete to the best of my knowledge and belief.
C. J. ... Title Production Clerk Date 9/26/83

(This space for State Use)
 APPROVED BY *M. Walker* TITLE OIL AND GAS INSPECTOR DATE SEP 29 1983

CONDITIONS OF APPROVAL, IF ANY:
 Copy to

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All distances must be from the outer boundaries of the Section

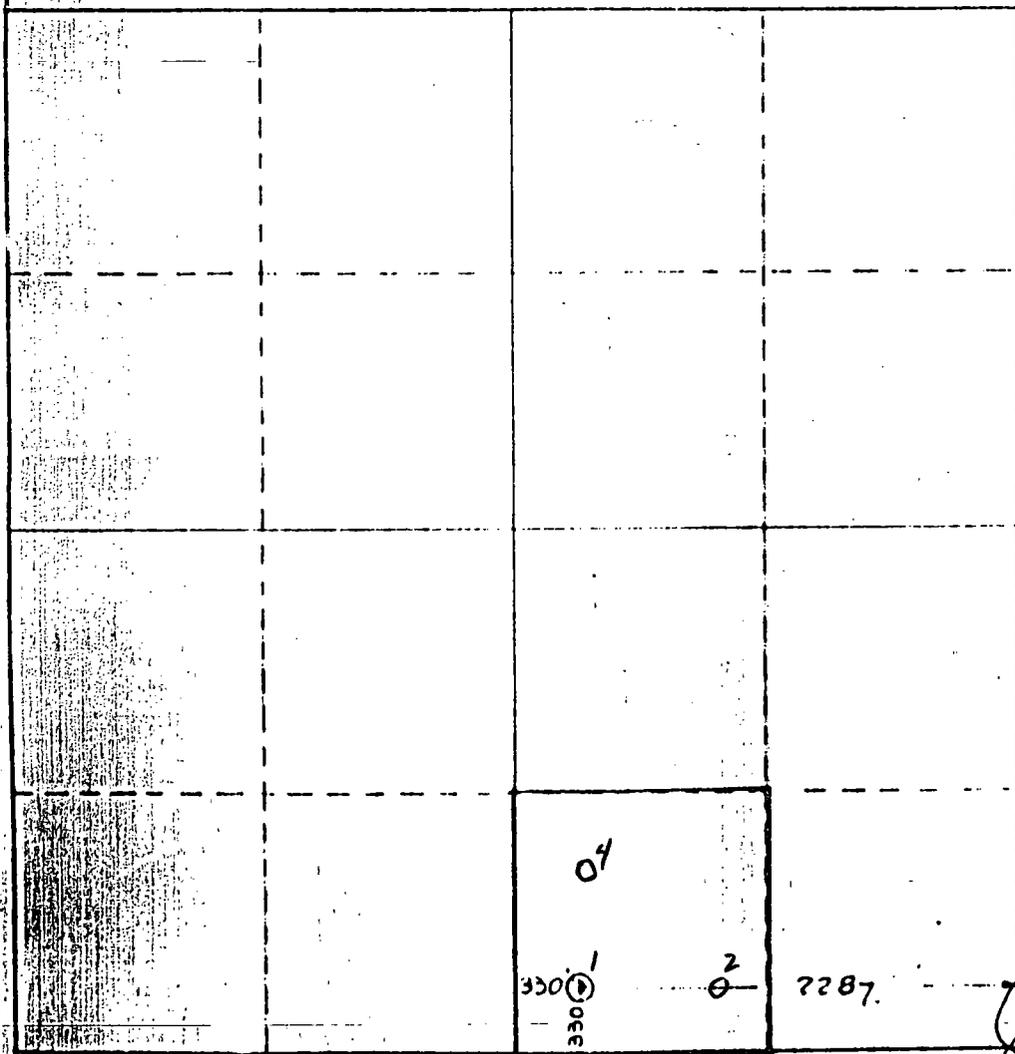
Operator MARBOD ENERGY CORPORATION		Lease Samedan St.		Well No. 1
Unit Letter 0	Section 27	Township 17 South	Range 28 East	County EDDY
Actual Footage Location of Well:				
330	feet from the South	2287	feet from the East	
Ground Level Elev. 3675	Producing Formation San Andres	Artesia Queen GB SA	Depth to LA (feet) 40	Area

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
Name
Carolyn Orris

Position
Agent

Company
Marbob Energy Corporation

Date
9/26/83

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.

John W. Phear #5
Date Surveyed
July 22 & 23, 1976

Registered Professional Engineer
State of New Mexico
John W. Phear
Certificate No. **1559**

Rule 6:

Samedan State #1

Pool: Artesia Queen Grayburg San Andres

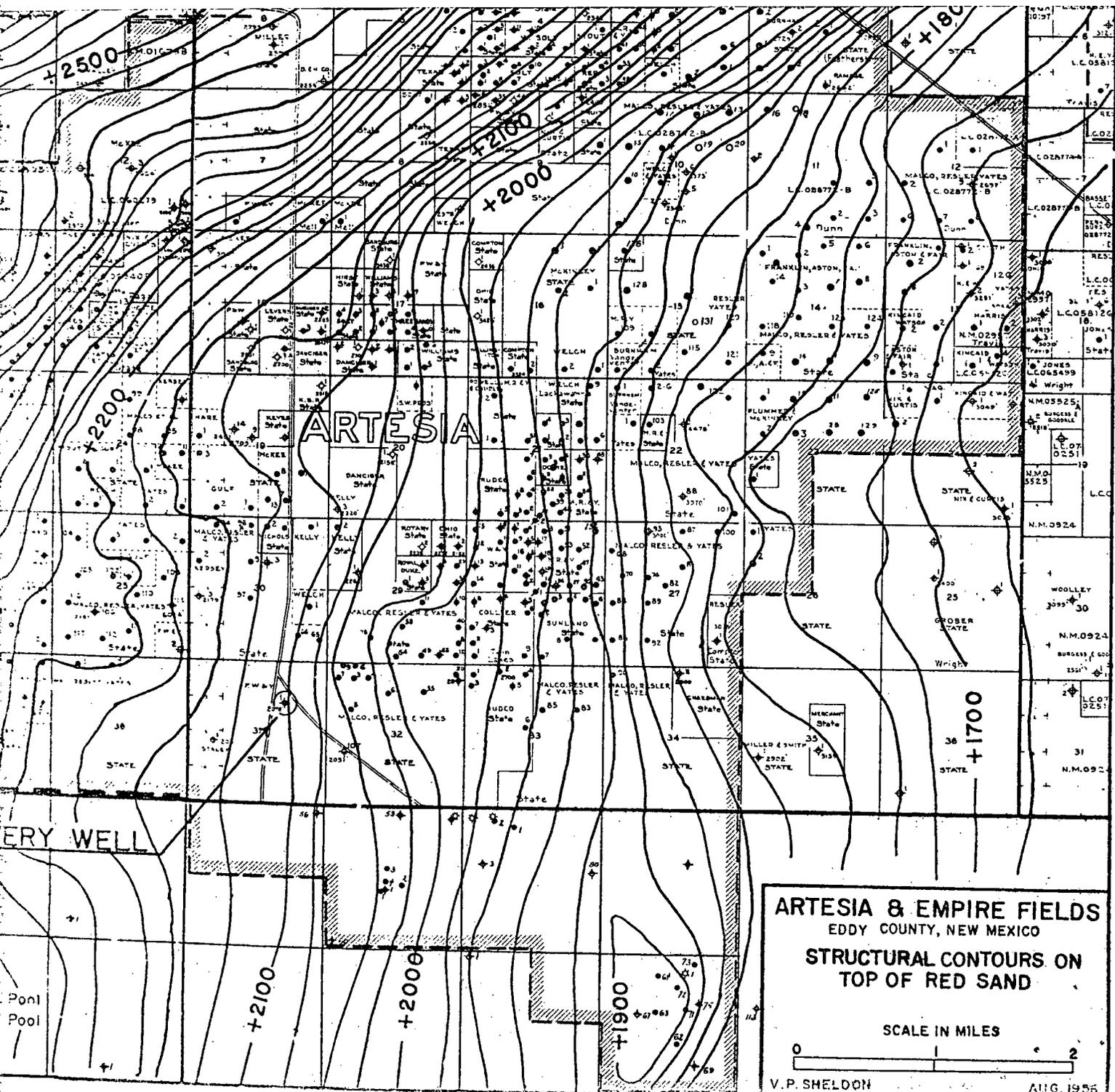
Standard spacing unit: 40 acres

Rule 7:

NA

Rule 8:

- a. Samedan St. #1 - 330 FSL 2287 FEL Sec. 27-T17S-R28E
Walker St. #2 - 330 FSL 1650 FEL Sec. 27-T17S-R28E
Walker St. #4 - 900 FSL 2287 FEL Sec. 27-T17S-R28E
- b. Samedan St. #1 - 10/16/83
Walker St. #2 - 7/28/75 (re-entry)
Walker St. #4 - 1/13/77
- c. Samedan St. #1 - 10/31/83
Walker St. #2 - 9/4/75
Walker St. #4 - 2/18/77
- d. None
- e. Samedan St. #1 - 26 bbl. oil, 90 mcf gas/day
Walker St. #2 - 1 bbl oil, 1 mcf gas/day
Walker St. #4 - 4 bbl oil, 20 mcf gas/day
- f. NA
- g. The Samedan St. #1 was drilled to new reserves in a deeper zone than were reached in the old wells. Since it was not feasible to drill the old wells deeper it was necessary to drill the new well.



Rule # 9-a.

Marbob Energy Corporation
Artesia Queen Grayburg San Andres
Samedan State #1

Pertinent Engineering Data and Conclusions:

Well No. 1 was completed in the Artesia Queen Grayburg pool in November 1983. This is an infill well located as per the attached plat.

Effective November 1983, oil reserves recoverable will be 24,154 barrels oil and 80,156 mcf gas.

Oil reserves were calculated from similar offsetting wells which have been completed in the same horizons.

Existing wells in the proration unit were completed with 5½" and 4½" production casing. Total depth of these wells did not exceed 2094. The Samedan Well #1 was completed from 2434' to 2768'. The well was fraced with 252,000 gallons of gel water and 346,800# of sand. The old wells could not have been deepened to those depths and this frac technique used because of the restriction on the size of the drilling tools that could be used inside the existing wells production casing. The largest bit that could have been used is 4 3/4" with the completion then being done in open hole or inside 2 7/8" casing. This would probably result in a much less effective completion, and less recoverable reserves.

In my opinion the infill well will more effectively drain the deeper horizons than could be accomplished by deepening an existing well.

Therefore, it is my recommendation that the well be approved as an infill well to effectively drain the reservoir.

MARBOB ENERGY CORPORATION

Raye Miller

Raye Miller
Secretary-Treasurer

3/28/84

Date

Rule # 9-b.

Rule 11:

Notice of this infill request has been sent to Martin Yates III, 207 So. 4th St., Artesia, N.M. 88210; John A. Yates, 207 So. 4th St., Artesia, N.M. 88210; Yates Petroleum Corp., 207 So. 4th St., Artesia, N.M. 88210; Amoco Production Co., P.O. Box 3092, Houston, Texas 77001; C & K Petroleum, Inc., 601 C & K Petroleum Bldg., Midland, Texas 79701; Depco, Inc., 1000 Petroleum Bldg., Denver, Colorado 80202; Husky Oil Co., P.O. Box 380, Cody, Wyoming 82414.

Marbob Energy Corporation

P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

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

March 28, 1984

— NIGHT PHONES —
(505) 746-6197
(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:

Samedan St. #1
330 FSL 2287 FEL Sec. 27-T17S-R28E
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 Orris
Land Department

RPM/co