

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

January 24, 1989

Marathon Oil Company
P.O. Box 3128
Houston, TX 77253

Attention: R.R. Gaddy
Manager, Contracts & Regulatory
Compliance

Administrative Order NFL-177

Dear Mr. Gaddy:

Reference is made to your application for an Infill Well Finding 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 the Oil Conservation Division Order No. R-6013 for the following described well:

Wainoco E-619 State A/C-B Well No. 2 located 660 feet from the South and West lines (Unit M) of Section 2, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

THE DIVISION FINDS THAT:

(1) 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 subsequent wells are 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-spacing requirements.

(2) By Division 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) The well for which a finding is sought is to be completed in the North Vacuum Abo Pool, and the standard spacing unit in said pool is 80-acres.

(4) A standard 80-acre oil proration unit comprising the S/2 SW/4 of said Section 2, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, is currently dedicated to the applicant's Wainoco E-619 State A/C Well No. 1 located in Unit N of said Section 2.

(5) Said unit is not being effectively and efficiently drained by the existing well on the unit.

(6) The drilling and completion of the well for which a finding is sought should result in the production of an additional 132,000 barrels of oil and an appreciable amount of gas from the proration unit which would not otherwise be recovered.

(7) All the requirements of Division Order No. R-6013 have been compiled with, and 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.

(8) 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 THAT:

(1) The applicant is hereby authorized to drill the Wainoco E-619 A/C-B Well No. 2 as described above, as an infill well on the existing 80-acre oil proration unit comprising the S/2 SW/4 of Section 2, Township 17 South, Range 34 East, NMPM, North Vacuum Abo Pool, Lea County New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit 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) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Michael E. Stogner
Examiner

MES/ag

cc: Oil Conservation Division - Hobbs
NM Oil and Gas Engineering Committee - Hobbs
Vic Lyon

Received 9/21/87
Released 1/20/89

Marathon Oil Company
P.O. Box 3128
Houston, Texas 77253

Attention: R. P. Gaddy
Manager, Contracts & Regulatory
Compliance

RE: Administrative Order NFL- 77

Dear Mr. R. P. Gaddy:

Reference is made to your application for an Infill Well Finding 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 the Oil Conservation Division Order No. R-6013 for the following described well:

Wainoco E-619 ^{State P/C-B} Well No. 2 located 660 feet
from the South line and ~~_____~~ feet from the and/or lines of
(Union)

Section 2, Township 17 South, Range 34 East, NMPM,
Lea County, New Mexico.

THE DIVISION FINDS THAT:

(1) 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) By Division 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) The well for which a finding is sought is to be completed in the North Vacuum Abo Pool, and the standard spacing unit in said pool is 80 acres.

(4) A ~~X~~ standard 80-acre (gas) (oil) proration unit comprising the 5/2 SW/4 of Section 2, Township 17 South, Range 34 East, ^{N.M.P.M., De County, New Mexico,} is currently dedicated to the applicant's Wainora Well No. 1 located in Unit N of said Section 2 ^{E-619 State A/C ~~unit~~}.

() Said non-standard unit was previously approved by Order No. _____.

(5) Said unit is not being effectively and efficiently drained by the existing (well) (wells) on the unit.

(6) The drilling and completion of the well for which a finding is sought should result in the production of an additional 132,000 barrels of oil and an appreciable amount of ~~MGF~~ ^{gas} from the proration unit which would not otherwise be recovered.

(7) All the requirements of Division Order No. R-6013 have been complied with, and 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.

(8) 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 THAT:

(1) The applicant is hereby authorized to drill the Wainoco E-619 A/L-B Well No. 2 as described above, as an infill well on the existing 80-acre (oil) (gas) proration unit comprising the 5/2 SW/4 of Section 2, Township 17 South, Range 34 East, NMPM, North Tarragon Pool, Dea County, New Mexico. 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) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Michael E. Stogner

Examiner

cc: Oil Conservation Division - Hobbs

Vic Lyon

Natural Gas Division
Worldwide Production

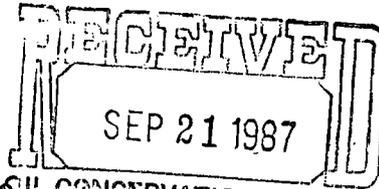


**Marathon
Oil Company**

P.O. Box 3128
Houston, Texas 77253
Telephone 713/629-6600

September 10, 1987

Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 97501



Attn: Michael Stogner

Re: Marathon Oil Company (Operator)
Application for Infill Well Finding and Well Spacing Waiver
and Well Spacing Waiver
Wainoco E-619 St. A/C B Well No. 2
North Vacuum-Abo Field
Lea County, New Mexico
Unit M, Sec. 2, T17S, R34E
API No. 30-025-29382

Dear Gentlemen:

Pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission (FERC) regulations, the Natural Gas Policy Act of 1978 (NGPA), and New Mexico Oil Conservation Division (the Division) Order No. R-6013-A, Marathon Oil Company (Marathon) hereby submits its application for an Infill Well Finding and Well Spacing Waiver for the Marathon operated Wainoco E-619 St. A/C B Well No. 2. Based upon the attached data it is Marathon's opinion that the subject well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by the existing well within that unit. Therefore, Marathon requests that the Division issue an Administrative Order stating that the subject well qualifies as an infill well.

If additional information or data is needed to complete this request, please advise.

Please note that on October 21, 1985 Marathon filed an application for NGPA Section 103 determination for the referenced well. Said application is still pending before the Division.

This application is submitted in duplicate. Please date stamp the enclosed extra copy of this cover letter and return in the enclosed envelope.

Yours very truly,

A handwritten signature in cursive script that reads 'R. R. Gaddy'.

R. R. Gaddy, Manager
Contracts & Regulatory
Compliance

RDY:tkw

Attachments

cc: Purchaser & Working Interest Owners as listed
Offset Operators as listed (Certified Mail)



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

MARATHON OIL COMPANY

P. O. Box 3128

HOUSTON, TEXAS 77253

Attention: R.J. Pilerman

*Manager, Contracts & Regulatory
Compliance*

RE: Well head price ceiling
determination, NGPA of
1978

Gentlemen:

The New Mexico Oil Conservation Division has received your application for a wellhead price ceiling category determination under the sections(s) of the Natural Gas Policy Act of 1978 indicated below if your application is incomplete, forms are attached hereto, indicating the documents and further information which must be filed before your application can be considered. If your application is complete, it will be acted upon administratively unless written objection is received within 15 days of its filing.

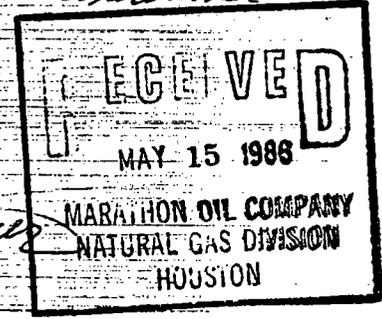
WELL NAME AND LOCATION WAINOCO E-619 A/C B 2-17S-34E #2-M
SECTION(S) APPLIED FOR 103
DATE APPLICATION RECEIVED October 21, 1985

APPLICATION INCOMPLETE *Per your cover letter dated October 10, 1985, please submit a copy of this well's C-105, Completion report when available.*

Sincerely,

DATE: November 4, 1985

Michael E. Hoopes



NOTE:

THIS FORM LETTER MUST ACCOMPANY TWO COPIES OF THE SUPPLEMENTARY INFORMATION.

May 13, 1986 Per your attached letter submitted with this application, please submit an application for an In-fill Well Finding pursuant to R-6013A.
Michael E. Hoopes

Wainoco E-619 St. A/C B Well No. 2
Application for Infill Well Finding

INDEX

1. List of purchaser and other working interest owners
2. Certificate of Service (Offset operators)
3. Application for Permit to Drill (C-101)
4. Well Location and Acreage Dedication Plat (C-102)
5. Well Completion Report (C-105)
6. Special Rules and Regulations for the North Vacuum-Abo Oil Pool
7. Descriptive Data on Existing Well and Infill Well
8. Narrative
9. Structure Map

Wainoco E-619 St. A/C B
Lea County, New Mexico

Purchaser:

Phillips Petroleum Company
990 Plaza Office Building
Bartlesville, Oklahoma 74004

Other Working
Interest Owners:

Pennzoil Company
P. O. Box 2967
Houston, Texas 77001

Wainoco Oil and Gas Company
P. O. Box 297178
Houston, Texas 77297

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy, via certified mail, of Marathon Oil Company's request for Infill Well Finding for the Wainoco E-619 State A/C B Well No. 2, North Vacuum-Abo Field, Lea County, New Mexico upon all offset operators as listed below as required by New Mexico Order No. R-6013-A.

Cities Service
P. O. Box 300
Tulsa, Oklahoma 74102

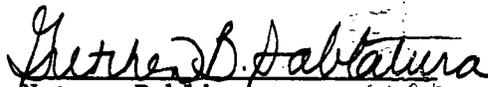
Mobil Producing Texas & New Mexico Inc.
Nine Greenway Plaza - Suite 2700
Houston, Texas 77046



R. R. Gaddy, Manager
Contracts & Regulatory Compliance

Subscribed and sworn to before me, a Notary Public,

September 10, 1987 .



Notary Public

GRETCHEN B. SABLATURA
Notary Public, State of Texas
My Commission Expires 7-19-89



FILE
30-025-29382

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OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-4-85

5A. Indicate Type of Lease
STATE REC

5. State Oil & Gas Lease No.
E-619

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Form or Lease Name Wainoco E-619 St. A/C
2. Name of Operator Marathon Oil Company		9. Well No. .2
3. Address of Operator P. O. Box 2409, Hobbs, New Mexico, 88240		10. Field and Pool, or Wildcat Vacuum Abo; North
4. Location of Well UNIT LETTER M LOCATED 660 FEET FROM THE South LINE AND 660 FEET FROM THE West LINE OF SEC. 2 TWP. 17S SEC. 34E NMPM		12. County Lea
19. Proposed Depth 9000'		19A. Formation Abo
20. Rotary or C.T. Rotary		
21. Elevations (Show whether DF, RT, etc.) 4052.6 GR	21A. Kind & Status Plug. Boord Current	22. Approx. Date Work will start 09-09-85

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2	13 3/8"	48#	±500'	315	Surface
12 1/4	8 5/8"	24#	±5000'	1200	Surface
7 7/8	5 1/2"	15.5# & 17#	±9000'	900	3000'

Plan to drill to Abo formation to a depth of 9000'. All casing will be cemented and tested by approved methods.

Blowout equipment to be used will be:

A 900 Series Cameron pipe and blind rams with a Hydrill or of equivalent type. Remote controls will be located on the derrick floor with closing unit located a minimum of 75' from the wellhead.

Permit Expires 6 Months From Approval Date 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 William D. Holmes/ Title Operations Superintendent Date August 23, 1985

(This space for State Use)
ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE AUG 28 1985

CONDITIONS OF APPROVAL, IF ANY:

DIST. NRD, CGS, CRH, FILE

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

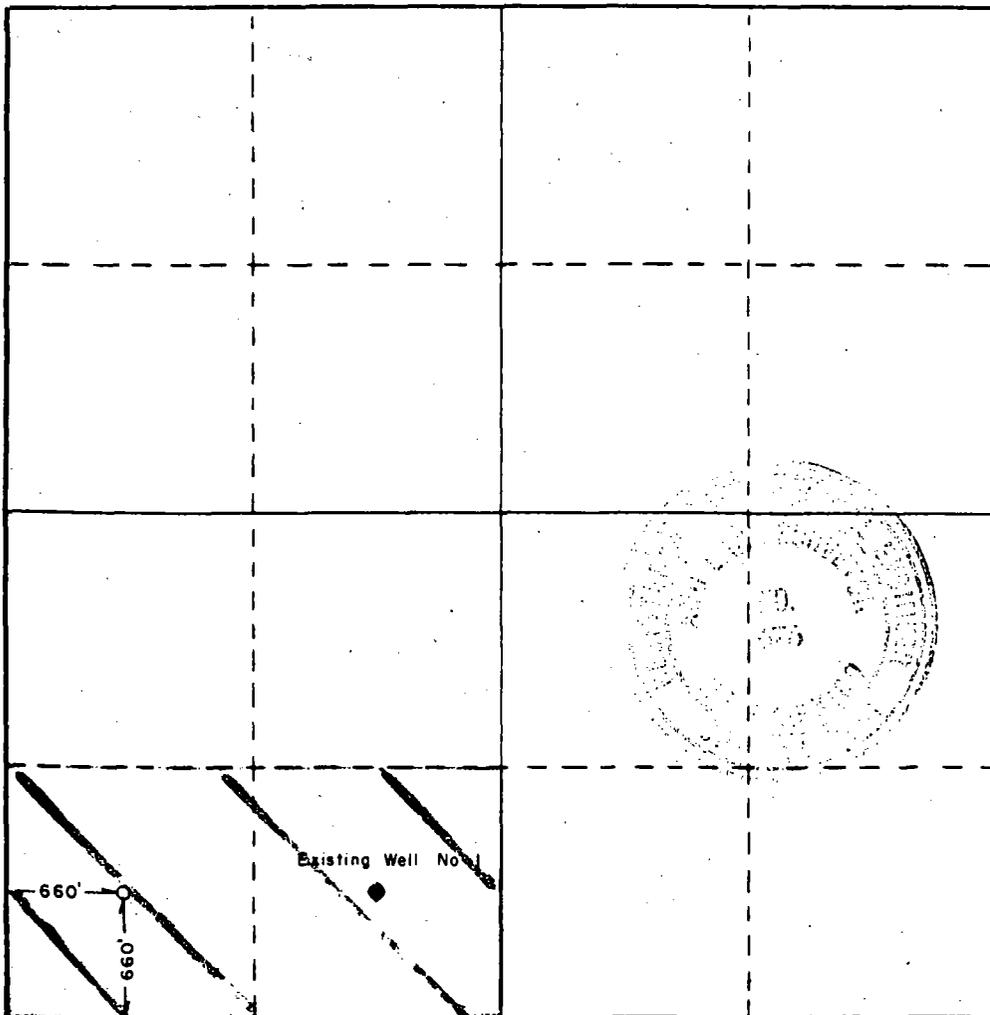
Operator MARATHON OIL COMPANY		Lease WAINOCO E 619 ST. ACC. B		Well No. 2
Unit Letter M	Section 2	Township 17 SOUTH	Range 34 EAST	County LEA
Actual Footage Location of Well: 660 feet from the SOUTH line and 660 feet from the WEST line				
Ground Level Elev. 4052.6'	Producing Formation Abo	Pool North Vacuum Abo	Dedicated Acreage: 80 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.

William D. Holmes

Name
William D. Holmes
Position
Operations Superintendent
Company
Marathon Oil Company
Date
August 23, 1985

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
AUGUST 16, 1985

Registered Professional Engineer
and/or Land Surveyor

John W. West

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

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NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease
State Lease Fee

5. State Oil & Gas Lease No.
E-619

1a. TYPE OF WELL
OIL WELL GAS WELL DRY OTHER

b. TYPE OF COMPLETION
NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESRV. OTHER

7. Unit Agreement Name

8. Farm or Lease Name
Wainoco E-619 St.A/C B

2. Name of Operator
Marathon Oil Company

9. Well No.
2

3. Address of Operator
P. O. Box 2409, Hobbs, New Mexico, 88240

10. Field and Pool, or Wildcat
Vacuum Abo, North

4. Location of Well
UNIT LETTER M LOCATED 660 FEET FROM THE South LINE AND 660 FEET FROM
THE West LINE OF SEC. 2 TWP. 17S RGE. 34E

12. County
Lea

15. Date Spudded 09-11-85 16. Date T.D. Reached 10-06-85 17. Date Compl. (Ready to Prod.) 10-22-85 18. Elevations (DF, RAB, RT, GR, etc.) GR 4051, DF 4064 19. Elev. Casinghead 4051'

20. Total Depth 8850' 21. Plug Back T.D. 8824' 22. If Multiple Compl., How Many None 23. Intervals Drilled By: Rotary Tools 0-8850 Cable Tools None

24. Producing Interval(s), of this completion - Top, Bottom, Name 8656'-8804' Abo 25. Was Directional Survey Made No

26. Type Electric and Other Logs Run Compensated Density, Compensated Neutron Log & Cement Bond Log 27. Was Well Cored No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	48#/ft.	2505'	17 1/2"	600 sacks	none
8 5/8"	24 & 32#/ft.	4872'	11"	2200 sacks	none

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
5 1/2"	4198'	8850'	1150		2 3/8"	8819'	none

31. Perforation Record (Interval, size and number)
8656-58, 60-73, 76-80, 85-87, 8719-21, 27-29, 40-42, 53-55, 72-80, and 8800-04 (51 holes)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
8656'-8804'	14,800 gallons 15% NEFE acid

33. PRODUCTION

Date First Production 10-25-85 Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping 1 1/4" rod pump Well Status (Prod. or Shut-in) Producing

Date of Test <u>01-09-86</u>	Hours Tested <u>24</u>	Choke Size <u>-</u>	Prod'n. For Test Period <u>17</u>	Oil - Bbl. <u>17</u>	Gas - MCF <u>32</u>	Water - Bbl. <u>155</u>	Gas-Oil Ratio <u>1882</u>
Flow Tubing Press. <u>-</u>	Casing Pressure <u>40</u>	Calculated 24-Hour Rate <u>17</u>	Oil - Bbl. <u>17</u>	Gas - MCF <u>32</u>	Water - Bbl. <u>155</u>	Oil Gravity - API (Corr.) <u>35</u>	

34. Disposition of Gas (Sold, used for fuel, vented, etc.) Vented during test Test Witnessed By C. C. Cornett

35. List of Attachments
Compensated Density, Compensated Neutron Log, GR-CBL logs and inclination survey & C-104

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED Steven A. Pohler TITLE Production Engineer DATE January 10, 1986

NORTH VACUUM-ABO POOL
Lea County, New Mexico

Order No. R-2421, Creating and Adopting Temporary Operating Rules for the North Vacuum-Abo Pool, Lea County, New Mexico, March 1, 1963.

Order No. R-2421-A, March 13, 1964, makes permanent the temporary rules adopted in Order No. R-2421.

Application of Socony Mobil Oil Company, Inc., to create a New Pool for Abo production and for Special Pool Rules, Lea County, New Mexico.

CASE NO. 2739
Order No. R-2421

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on January 23, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Socony Mobil Oil Company, Inc., seeks the creation of a new pool for Abo production and the promulgation of temporary special rules and regulations governing said pool, including a provision for 80-acre spacing units.

(3) That a new oil pool for Abo production should be created and designated the North Vacuum-Abo Oil Pool. This pool was discovered by the Socony Mobil State Bridges Well No. 95, located in Unit P of Section 26, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. The top of the perforations in the Abo formation is at 9070 feet.

(4) That temporary special rules and regulations establishing 80-acre spacing should be promulgated for the subject pool in order to prevent the possibility of economic loss resulting from the drilling of unnecessary wells and in order to allow the operators in the subject pool to gather information concerning the reservoir characteristics of the pool.

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That the temporary special rules and regulations should be established for a one-year period and that during this one-year period all operators in the subject pool should gather all

available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should appear and show cause why the North Vacuum-Abo Oil Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated the North Vacuum-Abo Oil Pool, consisting of the following-described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 26: SE/4

(2) That special rules and regulations for the North Vacuum-Abo Oil Pool are hereby promulgated as follows, effective March 1, 1963.

**SPECIAL RULES AND REGULATIONS
FOR THE
NORTH VACUUM-ABO OIL POOL**

RULE 1. Each well completed or recompleted in the North Vacuum-Abo Oil Pool or in the Abo formation within one mile of the North Vacuum-Abo Oil Pool, and not nearer to or within the limits of another designated Abo pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the North Vacuum-Abo Oil Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit in the North Vacuum-Abo Oil Pool shall be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an

(NORTH VACUUM-ABO POOL - Cont'd.)

objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the North Vacuum-Abo Oil Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the North Vacuum-Abo Oil Pool as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Abo formation within the North Vacuum-Abo Oil Pool or within one mile of the North Vacuum-Abo Oil Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4. The operator shall notify the Hobbs District Office in writing of the name and location of the well on or before March 1, 1963.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the North Vacuum-Abo Oil Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(3) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the North Vacuum-Abo Oil Pool should not be developed on 40-acre proration units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

SIMPSON-GALLUP POOL
San Juan County, New Mexico

Order No. R-2375, Creating and Adopting Temporary Operating Rules for the Simpson-Gallup Pool, San Juan County, New Mexico, December 1, 1962, Made Permanent by Order No. R-2375-A, January 29, 1964.

Application of Pan American Petroleum Corporation for the creation of a new Oil Pool and the establishment of Special Rules and Regulations, San Juan County, New Mexico.

CASE NO. 2682
Order No. R-2375

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on November 8, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 21st day of November, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Pan American Petroleum Corporation, seeks an order creating a new oil pool for Gallup production to be designated the Simpson-Gallup Oil Pool consisting of the following-described acreage in San Juan County, New Mexico:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM
Section 23: S/2 Section 25: N/2
Section 24: SW/4 Section 26: NE/4

(3) That the applicant proposes the promulgation of special rules and regulations to govern said pool with a provision for 80-acre oil proration units.

(4) That the Simpson-Gallup Oil Pool was discovered by the Pan American Gallegos Canyon Unit Well No. 83, located in Unit A of Section 26, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico. This well was completed February 29, 1959. The top of the perforations is at 5548 feet.

(5) That the evidence presently available establishes that the Simpson-Gallup Oil Pool can be efficiently and economically drained and developed on 80-acre oil proration units.

(6) That during the temporary period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves in said pool.

Request For Infill Well Finding

In compliance with Rule 8 of Filing Requirements for Natural Gas Policy Act Infill Findings, Marathon is submitting a plat showing 80-acre spacing in the Vacuum Abo Field and a description of all wells drilled on the proration unit (including the completed infill well) which are completed in the same pool or reservoir as the proposed infill well. Also attached is a statement indicating why the existing well on the proration unit cannot effectively and efficiently drain the portion of the reservoir covered by the proration unit.

I. WELL ON WHICH FILING FOR INFILL FINDING IS BEING MADE

- A. Lease Name & Well Location: Wainoco "E" 619 A/C B #2,
660' FSL & 660' FWL Section 2 T-17-S, R-34-E
Lea County, New Mexico
- B. Spud Date: 9-9-85
- C. Completion Date: 10-22-85
- D. Mechanical Problems: None
- E. Current Rate of Production: 32 MCFPD
- F. Date of P&A: None

II. EXISTING WELL ON PRORATION UNIT

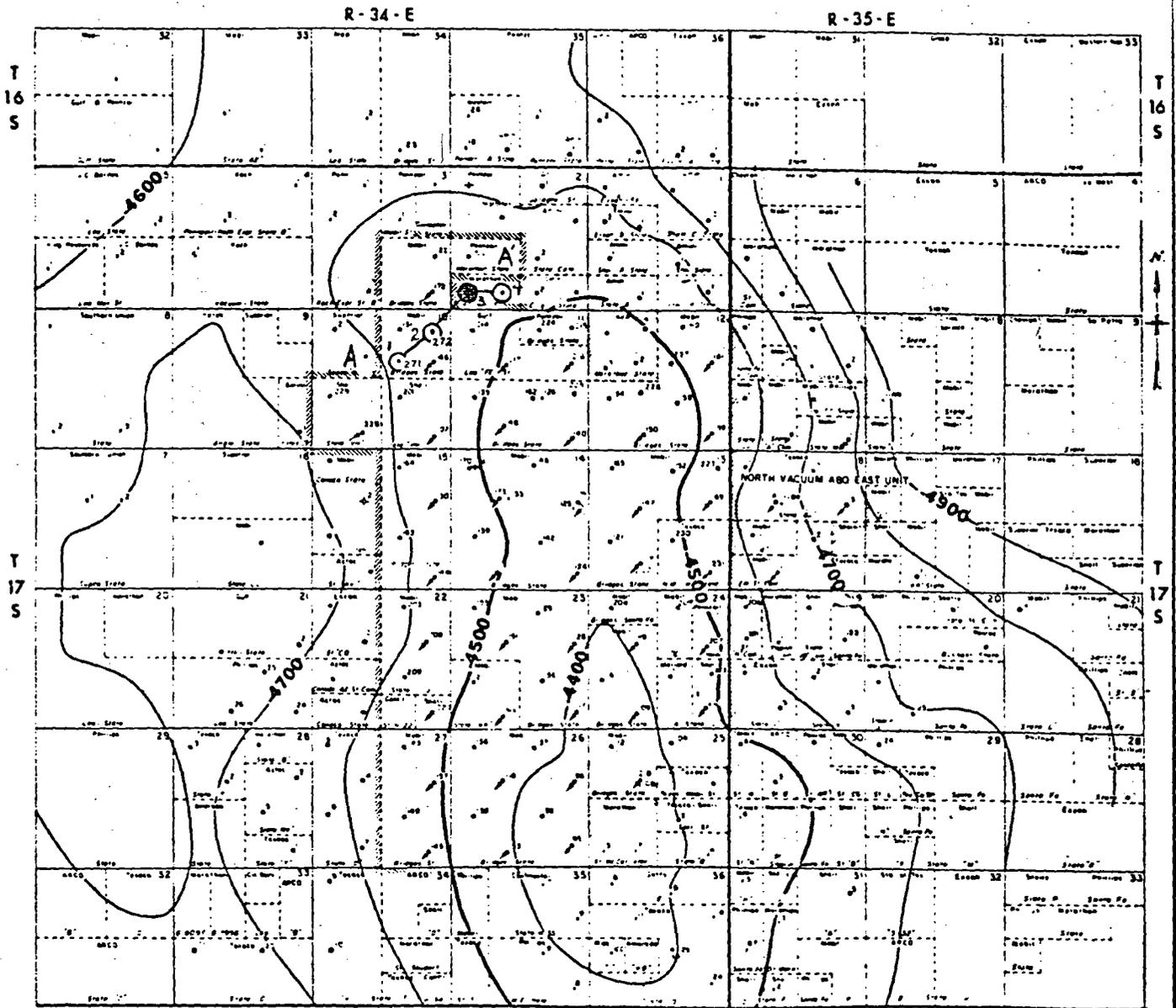
- A. Lease Name & Well Location: Wainoco "E" 619 A/C B #1
660' FSL & 1980' FWL Section 2, T-17-S, R-34-E
Lea County, New Mexico
- B. Spud Date: 8-17-82
- C. Completion Date: 10-1-72
- D. Mechanical Problems: None
- E. Current Rate of Production: 22 BOPD and 1 BWPD
- F. Date of P & A: None

Re: Vacuum Abo, North: Wainoco "E" 619 A/C B No. 2
Lea County, New Mexico

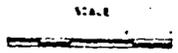
Recoverable reserves of 132,000 barrels of oil for a 40-acre drainage area are expected from the well referenced above. This reserve figure was calculated using volumetrics from the No. 1 Well, using a 25% recovery factor.

The North Vacuum Abo Field was originally drilled on 80-acre spacing. In 1975, a five-spot injection pattern was installed in the Mobil operated North Vacuum Abo Unit. Their study of this area indicates that the entire 80 acres were not being drained and in 1983 they began an infill drilling program on 40-acre spacing. Since that time 42 infill wells have been drilled in this unit.

NPS/dah



- LEGEND**
- ABO PRODUCER
 - ⊗ ABO PENETRATION
 - ABO LOCATION
 - ◇ DRY HOLE
 - ▭ UNIT BOUNDARY
 - ⚡ INJECTION WELL
 - ⊙ PROPOSED LOCATION



Mobil Oil Corporation
Houston T&P Division

NORTH VACUUM ABO UNIT AREA
Lea County, New Mexico

STRUCTURE
TOP OF ABO PAY

Natural Gas Division
Worldwide Production



**Marathon
Oil Company**

P.O. Box 3128
Houston, Texas 77253
Telephone 713/629-6600

September 10, 1987

Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 97501

Attn: Michael Stogner

Re: Marathon Oil Company (Operator)
Application for Infill Well Finding
and Well Spacing Waiver
Wainoco E-619 St. A/C B Well No. 2
North Vacuum-Abo Field
Lea County, New Mexico
Unit M, Sec. 2, T17S, R34E
API No. 30-025-29382

Dear Gentlemen:

Pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission (FERC) regulations, the Natural Gas Policy Act of 1978 (NGPA), and New Mexico Oil Conservation Division (the Division) Order No. R-6013-A, Marathon Oil Company (Marathon) hereby submits its application for an Infill Well Finding and Well Spacing Waiver for the Marathon operated Wainoco E-619 St. A/C B Well No. 2. Based upon the attached data it is Marathon's opinion that the subject well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by the existing well within that unit. Therefore, Marathon requests that the Division issue an Administrative Order stating that the subject well qualifies as an infill well.

If additional information or data is needed to complete this request, please advise.

Please note that on October 21, 1985 Marathon filed an application for NGPA Section 103 determination for the referenced well. Said application is still pending before the Division.

This application is submitted in duplicate. Please date stamp the enclosed extra copy of this cover letter and return in the enclosed envelope.

Yours very truly,

R. R. Gaddy, Manager
Contracts & Regulatory
Compliance

RDY:tkw

Attachments

cc: Purchaser & Working Interest Owners as listed
Offset Operators as listed (Certified Mail)



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION

TONY ANAYA
 GOVERNOR

POST OFFICE BOX 2088
 STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO 87501
 (505) 827-5800

MARATHON OIL COMPANY
 P. O. Box 3128
 HOUSTON, TEXAS 77253

Attention: *R.J. Peterman*
Manager, Contracts & Regulatory
Compliance

RE: Well head price ceiling
 determination, NGPA of
 1978

Gentlemen:

The New Mexico Oil Conservation Division has received your application for a wellhead price ceiling category determination under the sections(s) of the Natural Gas Policy Act of 1978 indicated below if your application is incomplete, forms are attached hereto, indicating the documents and further information which must be filed before your application can be considered. If your application is complete, it will be acted upon administratively unless written objection is received within 15 days of its filing.

WELL NAME AND LOCATION WAINOCO E-619 A/C B 2-17S-34E #2-M
 SECTION(S) APPLIED FOR 103
 DATE APPLICATION RECEIVED October 21, 1985

APPLICATION INCOMPLETE *Per your cover letter dated October 10, 1985, please submit a copy of this well's C-103 completion report when available.*

Sincerely,
Michael E. Lopez

DATE: November 4, 1985
 NOTE:



THIS FORM LETTER MUST ACCOMPANY TWO COPIES OF THE SUPPLEMENTARY INFORMATION.

May 12, 1986 Per your attached letter submitted with this application, please submit an application for an In-fill Well Finding pursuant to R-6013A.
Michael E. Lopez

Wainoco E-619 St. A/C B Well No. 2
Application for Infill Well Finding

INDEX

1. List of purchaser and other working interest owners
2. Certificate of Service (Offset operators)
3. Application for Permit to Drill (C-101)
4. Well Location and Acreage Dedication Plat (C-102)
5. Well Completion Report (C-105)
6. Special Rules and Regulations for the North Vacuum-Abo Oil Pool
7. Descriptive Data on Existing Well and Infill Well
8. Narrative
9. Structure Map

Wainoco E-619 St. A/C B
Lea County, New Mexico

Purchaser:

Phillips Petroleum Company
990 Plaza Office Building
Bartlesville, Oklahoma 74004

Other Working
Interest Owners:

Pennzoil Company
P. O. Box 2967
Houston, Texas 77001

Wainoco Oil and Gas Company
P. O. Box 297178
Houston, Texas 77297

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy, via certified mail, of Marathon Oil Company's request for Infill Well Finding for the Wainoco E-619 State A/C B Well No. 2, North Vacuum-Abo Field, Lea County, New Mexico upon all offset operators as listed below as required by New Mexico Order No. R-6013-A.

Cities Service
P. O. Box 300
Tulsa, Oklahoma 74102

Mobil Producing Texas & New Mexico Inc.
Nine Greenway Plaza - Suite 2700
Houston, Texas 77046



R. R. Gaddy, Manager
Contracts & Regulatory Compliance

Subscribed and sworn to before me, a Notary Public,

September 10, 1987



Notary Public

GRETCHEN B. SABLATURA
Notary Public, State of Texas
My Commission Expires 7-19-89



FILE
30-025-29382

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OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-85

5A. Indicate Type of Lease
STATE FCC

5. State Oil & Gas Lease No.
E-619

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
b. Type of Well DRILL DEEPEN PLUG BACK
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
Marathon Oil Company

3. Address of Operator
P. O. Box 2409, Hobbs, New Mexico, 88240

4. Location of Well UNIT LETTER M LOCATED 660 FEET FROM THE South LINE
AND 660 FEET FROM THE West LINE OF SEC. 2 TWP. 17S RCL. 34E NMPM

7. Unit Agreement Name
8. Form of Lease Name
Wainoco E-619 St. A/C
9. Well No.
.2
10. Field and Pool, or Wildcat
Vacuum Abo; North
12. County
Lea

19. Proposed Depth 9000'
19A. Formation Abo
20. Rotary or C.T.
Rotary

21. Elevations (Show whether DF, RT, etc.) 4052.6 GR
21A. Kind & Status Plug. Boord Current
21B. Drilling Contractor Unknown
22. Approx. Date Work will start 09-09-85

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2	13 3/8"	48#	±500'	315	Surface
12 1/4	8 5/8"	24#	±5000'	1200	Surface
7 7/8	5 1/2"	15.5# & 17#	±9000'	900	3000'

Plan to drill to Abo formation to a depth of 9000'. All casing will be cemented and tested by approved methods.

Blowout equipment to be used will be:

A 900 Series Cameron pipe and blind rams with a Hydrill or of equivalent type. Remote controls will be located on the derrick floor with closing unit located a minimum of 75' from the wellhead.

Permit Expires 6 Months From Approval
Date 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 William D. Holmes/ Title Operations Superintendent Date August 23, 1985

(This space for State Use)
ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE AUG 28 1985

CONDITIONS OF APPROVAL, IF ANY:

DIST. NRD, CGS, CRH, FILE

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

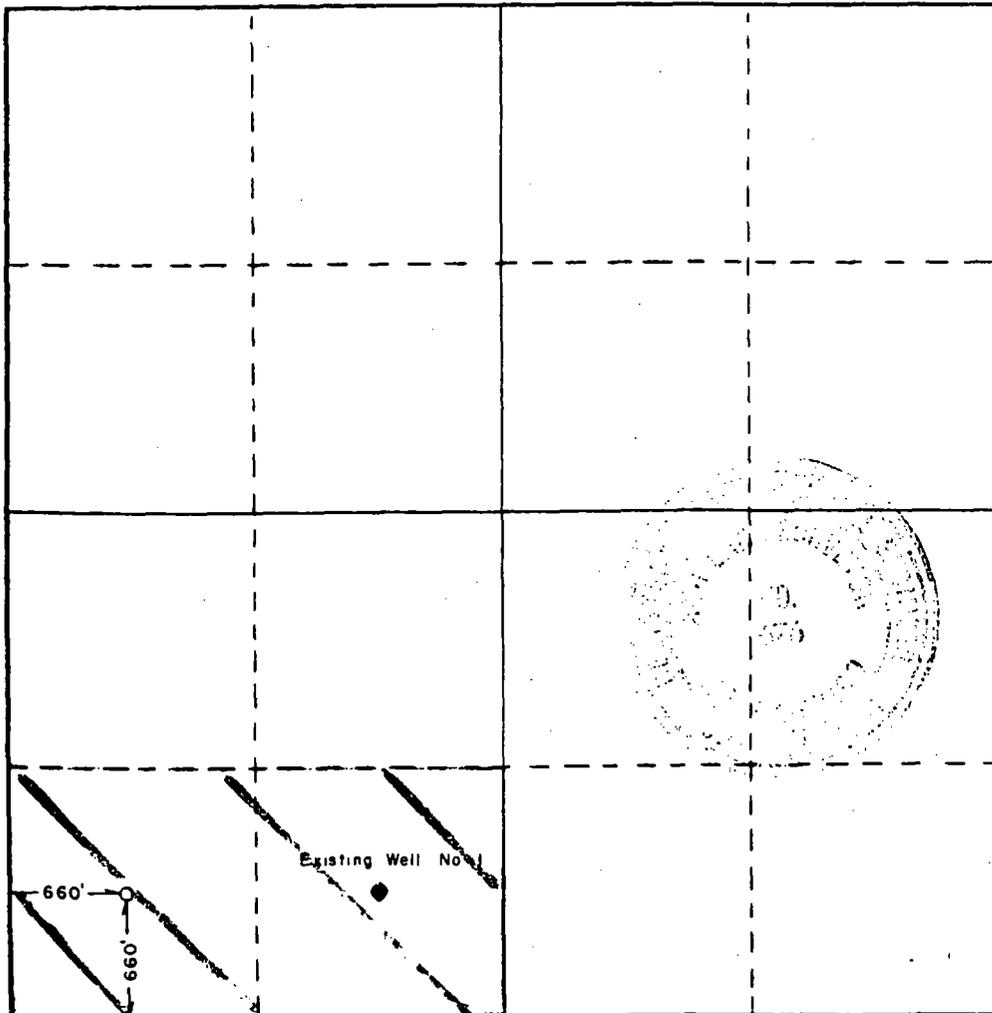
Operator MARATHON OIL COMPANY		Lease WAINOCO E 619 ST. ACC. B		Well No. 2
Unit Letter M	Section 2	Township 17 SOUTH	Range 34 EAST	County LEA
Actual Footage Location of Well: 660 feet from the SOUTH line and 660 feet from the WEST line				
Ground Level Elev. 4052.6'	Producing Formation Abo	Pool North Vacuum Abo	Dedicated Acreage: 80 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.

William D. Holmes

Name
William D. Holmes
Position
Operations Superintendent

Company
Marathon Oil Company

Date
August 23, 1985

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
AUGUST 16, 1985

Registered Professional Engineer
and/or Land Surveyor

John W. West

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

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LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease
State Fee

5. State Oil & Gas Lease No.
E-619

1a. TYPE OF WELL
OIL WELL GAS WELL DRY OTHER

b. TYPE OF COMPLETION
NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESVR. OTHER

7. Unit Agreement Name

8. Farm or Lease Name
Wainoco E-619 St.A/C B

2. Name of Operator
Marathon Oil Company

3. Address of Operator
P. O. Box 2409, Hobbs, New Mexico, 88240

9. Well No.
2

10. Field and Pool, or Wildcat
Vacuum Abo, North

4. Location of Well
UNIT LETTER **M** LOCATED **660** FEET FROM THE **South** LINE AND **660** FEET FROM THE **West** LINE OF SEC. **2** TWP. **17S** RGE. **34E**

11. County
Lea

15. Date Spudded **09-11-85** 16. Date T.D. Reached **10-06-85** 17. Date Compl. (Ready to Prod.) **10-22-85** 18. Elevations (DF, RAB, RT, GR, etc.) **GR 4051, DF 4064** 19. Elev. Casinghead **4051'**

20. Total Depth **8850'** 21. Plug Back T.D. **8824'** 22. If Multiple Compl., How Many **0-8850** 23. Intervals Drilled By Rotary Tools **0-8850** Cable Tools

24. Producing Interval(s), of this completion - Top, Bottom, Name
8656'-8804' Abo

25. Was Directional Survey Made
No

26. Type Electric and Other Logs Run
Compensated Density, Compensated Neutron Log & Cement Bond Log

27. Was Well Cored
No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	48#/ft.	2505'	17 1/2"	600 sacks	none
8 5/8"	24 & 32#/ft.	4872'	11"	2200 sacks	none

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	PACKER SET
5 1/2"	4198'	8850'	1150		none

30. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 3/8"	8819'	none

31. Perforation Record (Interval, size and number)
8656-58, 60-73, 76-80, 85-87, 8719-21, 27-29, 40-42, 53-55, 72-80, and 8800-04 (51 holes)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
8656'-8804'	14,800 gallons 15% NEFE acid

33. PRODUCTION

Date First Production **10-25-85** Production Method (Flowing, gas lift, pumping - Size and type pump) **Pumping 1 1/4" rod pump** Well Status (Prod. or Shut-in) **Producing**

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas-Oil Ratio
01-09-86	24	-		17	32	155	1882

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)
-	40		17	32	155	35

34. Disposition of Gas (Sold, used for fuel, vented, etc.)
Vented during test

Test Witnessed By
C. C. Cornett

35. List of Attachments
Compensated Density, Compensated Neutron Log, GR-CBL logs and inclination survey & C-104

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED **Steven A. Pohler** TITLE **Production Engineer** DATE **January 10, 1986**

NORTH VACUUM-ABO POOL
Lea County, New Mexico

Order No. R-2421, Creating and Adopting Temporary Operating Rules for the North Vacuum-Abo Pool, Lea County, New Mexico, March 1, 1963.

Order No. R-2421-A, March 13, 1964, makes permanent the temporary rules adopted in Order No. R-2421.

Application of Socony Mobil Oil Company, Inc., to create a New Pool for Abo production and for Special Pool Rules, Lea County, New Mexico.

CASE NO. 2739
Order No. R-2421

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on January 23, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Socony Mobil Oil Company, Inc., seeks the creation of a new pool for Abo production and the promulgation of temporary special rules and regulations governing said pool, including a provision for 80-acre spacing units.

(3) That a new oil pool for Abo production should be created and designated the North Vacuum-Abo Oil Pool. This pool was discovered by the Socony Mobil State Bridges Well No. 95, located in Unit P of Section 26, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. The top of the perforations in the Abo formation is at 9070 feet.

(4) That temporary special rules and regulations establishing 80-acre spacing should be promulgated for the subject pool in order to prevent the possibility of economic loss resulting from the drilling of unnecessary wells and in order to allow the operators in the subject pool to gather information concerning the reservoir characteristics of the pool.

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That the temporary special rules and regulations should be established for a one-year period and that during this one-year period all operators in the subject pool should gather all

available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should appear and show cause why the North Vacuum-Abo Oil Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated the North Vacuum-Abo Oil Pool, consisting of the following-described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 26: SE/4

(2) That special rules and regulations for the North Vacuum-Abo Oil Pool are hereby promulgated as follows, effective March 1, 1963.

**SPECIAL RULES AND REGULATIONS
FOR THE
NORTH VACUUM-ABO OIL POOL**

RULE 1. Each well completed or recompleted in the North Vacuum-Abo Oil Pool or in the Abo formation within one mile of the North Vacuum-Abo Oil Pool, and not nearer to or within the limits of another designated Abo pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the North Vacuum-Abo Oil Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit in the North Vacuum-Abo Oil Pool shall be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an

(NORTH VACUUM-ABO POOL - Cont'd.)

SIMPSON-GALLUP POOL
San Juan County, New Mexico

objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the North Vacuum-Abo Oil Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the North Vacuum-Abo Oil Pool as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Abo formation within the North Vacuum-Abo Oil Pool or within one mile of the North Vacuum-Abo Oil Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4. The operator shall notify the Hobbs District Office in writing of the name and location of the well on or before March 1, 1963.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the North Vacuum-Abo Oil Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(3) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the North Vacuum-Abo Oil Pool should not be developed on 40-acre proration units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

Order No. R-2375, Creating and Adopting Temporary Operating Rules for the Simpson-Gallup Pool, San Juan County, New Mexico, December 1, 1962, Made Permanent by Order No. R-2375-A, January 29, 1964.

Application of Pan American Petroleum Corporation for the creation of a new Oil Pool and the establishment of Special Rules and Regulations, San Juan County, New Mexico.

CASE NO. 2682
Order No. R-2375

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on November 8, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 21st day of November, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

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(2) That the applicant, Pan American Petroleum Corporation, seeks an order creating a new oil pool for Gallup production to be designated the Simpson-Gallup Oil Pool consisting of the following-described acreage in San Juan County, New Mexico:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM
Section 23: S/2 Section 25: N/2
Section 24: SW/4 Section 26: NE/4

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(4) That the Simpson-Gallup Oil Pool was discovered by the Pan American Gallegos Canyon Unit Well No. 83, located in Unit A of Section 26, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico. This well was completed February 29, 1959. The top of the perforations is at 5548 feet.

(5) That the evidence presently available establishes that the Simpson-Gallup Oil Pool can be efficiently and economically drained and developed on 80-acre oil proration units.

(6) That during the temporary period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves in said pool.

Request For Infill Well Finding

In compliance with Rule 8 of Filing Requirements for Natural Gas Policy Act Infill Findings, Marathon is submitting a plat showing 80-acre spacing in the Vacuum Abo Field and a description of all wells drilled on the proration unit (including the completed infill well) which are completed in the same pool or reservoir as the proposed infill well. Also attached is a statement indicating why the existing well on the proration unit cannot effectively and efficiently drain the portion of the reservoir covered by the proration unit.

I. WELL ON WHICH FILING FOR INFILL FINDING IS BEING MADE

- A. Lease Name & Well Location: Wainoco "E" 619 A/C B #2,
660' FSL & 660' FWL Section 2 T-17-S, R-34-E
Lea County, New Mexico
- B. Spud Date: 9-9-85
- C. Completion Date: 10-22-85
- D. Mechanical Problems: None
- E. Current Rate of Production: 32 MCFPD
- F. Date of P&A: None

II. EXISTING WELL ON PRORATION UNIT

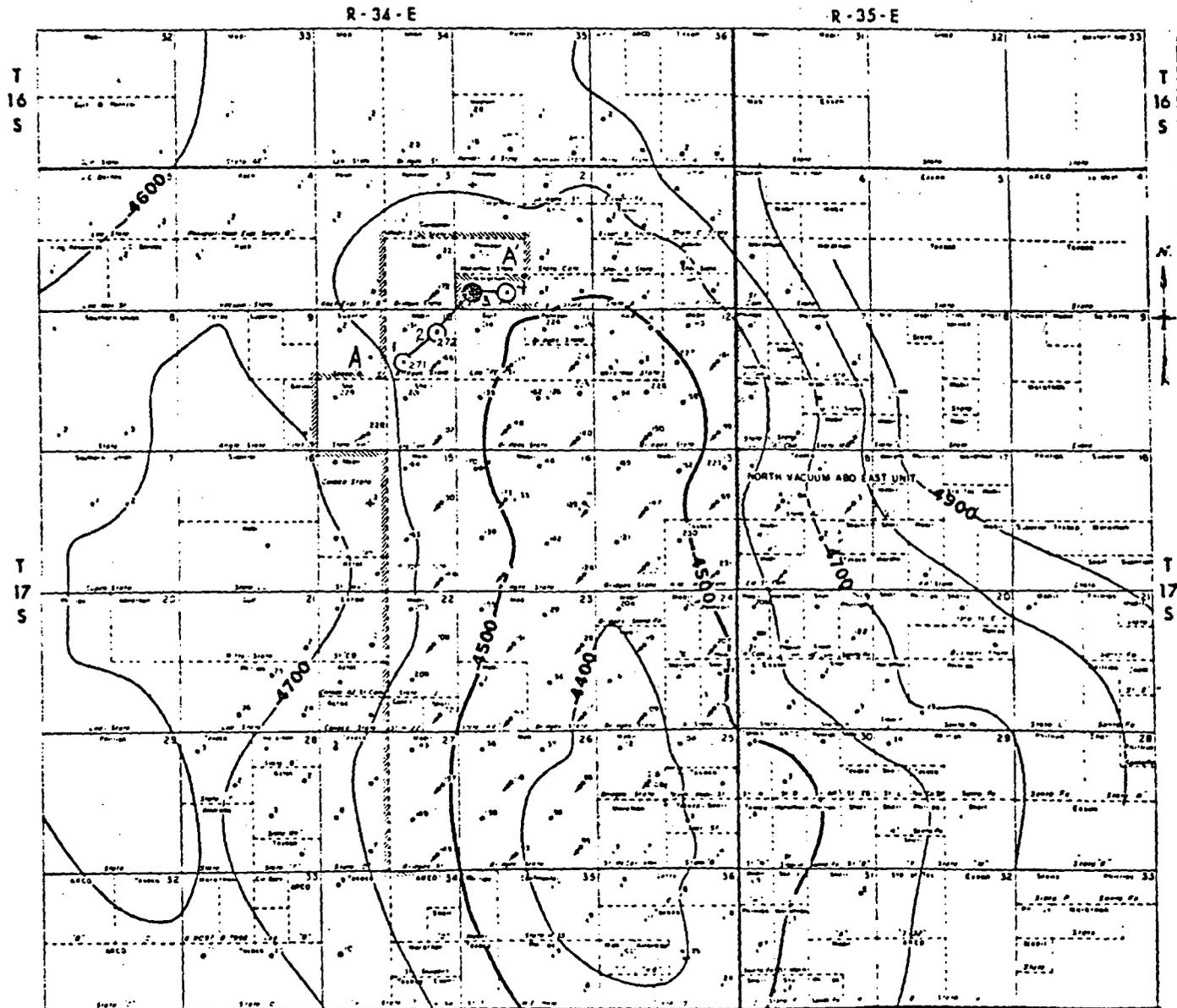
- A. Lease Name & Well Location: Wainoco "E" 619 A/C B #1
660' FSL & 1980' FWL Section 2, T-17-S, R-34-E
Lea County, New Mexico
- B. Spud Date: 8-17-82
- C. Completion Date: 10-1-72
- D. Mechanical Problems: None
- E. Current Rate of Production: 22 BOPD and 1 BWPD
- F. Date of P & A: None

Re: Vacuum Abo, North: Wainoco "E" 619 A/C B No. 2
Lea County, New Mexico

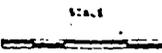
Recoverable reserves of 132,000 barrels of oil for a 40-acre drainage area are expected from the well referenced above. This reserve figure was calculated using volumetrics from the No. 1 Well, using a 25% recovery factor.

The North Vacuum Abo Field was originally drilled on 80-acre spacing. In 1975, a five-spot injection pattern was installed in the Mobil operated North Vacuum Abo Unit. Their study of this area indicates that the entire 80 acres were not being drained and in 1983 they began an infill drilling program on 40-acre spacing. Since that time 42 infill wells have been drilled in this unit.

NPS/dah



- LEGEND**
- ABO PRODUCER
 - ⊗ ABO PENETRATION
 - ABO LOCATION
 - DRY HOLE
 - UNIT BOUNDARY
 - ⚡ INJECTION WELL
 - ⊙ PROPOSED LOCATION



Mobil Oil Corporation
Houston E&P Division

NORTH VACUUM ABO UNIT AREA
Lea County, New Mexico

STRUCTURE
TOP OF ABO PAY

Natural Gas Division
Worldwide Production



**Marathon
Oil Company**

P.O. Box 3128
Houston, Texas 77253
Telephone 713/629-6600

September 10, 1987

Department of Energy and Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 97501

MARATHON'S COPY

Attn: Michael Stogner

Re: Marathon Oil Company (Operator)
Application for Infill Well Finding
and Well Spacing Waiver
Wainoco E-619 St. A/C B Well No. 2
North Vacuum-Abo Field
Lea County, New Mexico
Unit M, Sec. 2, T17S, R34E
API No. 30-025-29382

Dear Gentlemen:

Pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission (FERC) regulations, the Natural Gas Policy Act of 1978 (NGPA), and New Mexico Oil Conservation Division (the Division) Order No. R-6013-A, Marathon Oil Company (Marathon) hereby submits its application for an Infill Well Finding and Well Spacing Waiver for the Marathon operated Wainoco E-619 St. A/C B Well No. 2. Based upon the attached data it is Marathon's opinion that the subject well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by the existing well within that unit. Therefore, Marathon requests that the Division issue an Administrative Order stating that the subject well qualifies as an infill well.

If additional information or data is needed to complete this request, please advise.

Please note that on October 21, 1985 Marathon filed an application for NGPA Section 103 determination for the referenced well. Said application is still pending before the Division.

This application is submitted in duplicate. Please date stamp the enclosed extra copy of this cover letter and return in the enclosed envelope.

Yours very truly,

R. R. Gaddy, Manager
Contracts & Regulatory
Compliance

RDY:tkw

Attachments

cc: Purchaser & Working Interest Owners as listed
Offset Operators as listed (Certified Mail)