

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

February 19, 1987



GARREY CARRUTHERS
GOVERNOR

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

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

Attention: Carolyn Purcella

Re: Administrative Order NFL-153

Dear Ms. Purcella:

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 Oil Conservation Division Order No. R-6013 for the following described well:

Flemming State Well No. 2 located 355 feet from the North line and 1910 feet from the East line (Unit B) of Section 34, Township 17 South, Range 28 East, NMPM, Artesia Queen Grayburg San Andres Pool, Eddy 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 Artesia Queen Grayburg San Andres Pool, and the standard spacing unit in said pool is 40 acres.

(4) A standard 40-acre oil proration unit comprising the NW/4 NE/4 (Unit B) of Section 34, Township 17 South, Range 28 East, is currently dedicated to the applicant's Amoco State "C" Well No. 1 located in 344 feet from the North line and 1650 feet from the East line of said Section 34.

(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 76,278 MCF of 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 Flemming State Well No. 2 as described above, as an infill well on the existing 40-acre standard oil proration unit comprising the NW/4 NE/4 (Unit B) of Section 34, Township 17 South, Range 28 East, NMPM, Artesia Queen Grayburg San Andres Pool, Eddy 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

N.M.O.C.D. - Artesia

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

February 19, 1987



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2068
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 927-5800

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

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(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 76,278 MCF of 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.

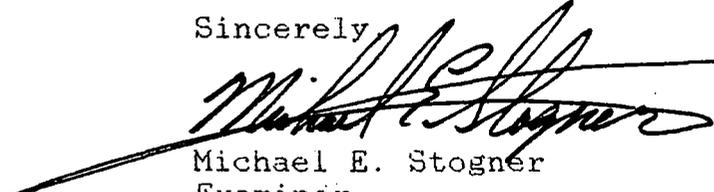
(8) In order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant is hereby authorized to drill the Flemming State Well No. 2 as described above, as an infill well on the existing 40-acre standard oil proration unit comprising the NW/4 NE/4 (Unit B) of Section 34, Township 17 South, Range 28 East, NMPM, Artesia Queen Grayburg San Andres Pool, Eddy 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

Request for Infill Finding on

Flemming State #2

in accordance with Administrative

Procedures amended February 8, 1980

SANTA FE, NEW MEXICO 87501

RECEIVED BY
JUN 30 1986
O. C. D.
ARTESIA OFFICE

STATE NM
E-7116

DISSEMINATION
SANTA FE
FILE
U.S.G.S.
LAND OFFICE
OPERATOR

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

7. Well Agreement Name
8. Term or Lease Name
Flemming State

2. Name of Operator
Marbob Energy Corporation

9. Well No.
2

3. Address of Operator
P.O. Drawer 217, Artesia, New Mexico 88210

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

4. Location of Well
UNIT LETTER B LOCATED 355 FEET FROM THE North LINE
AND 1910 FEET FROM THE East LINE OF SEC. 34 TWP. 17S RGE. 28E NMPM

12. County
Eddy

19. Proposed Depth 3030' 19A. Formation San Andres 20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, KT, etc.) 3673.3' GR 21A. Kind & Status Plug. Bond Statewide active 21B. Drilling Contractor LaRue Drilling Co. 22. Approx. Date Work will start: 8/15/86

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	Circulate
7 7/8"	5 1/2"	15.50#	3030'	600	Attempt to ci

We propose to drill to 500', run and cement 8 5/8" casing, reduce hole and drill to 3030' to test the San Andres formation, run and cement 5 1/2" casing, put well on production.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 1-1-87
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 Michael Williams Title Production Clerk Date 6/26/86

(This space for State Use)

Original Signed By
Mike Williams
Oil & Gas Inspector

JUL 1 1986

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Rule 5

WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

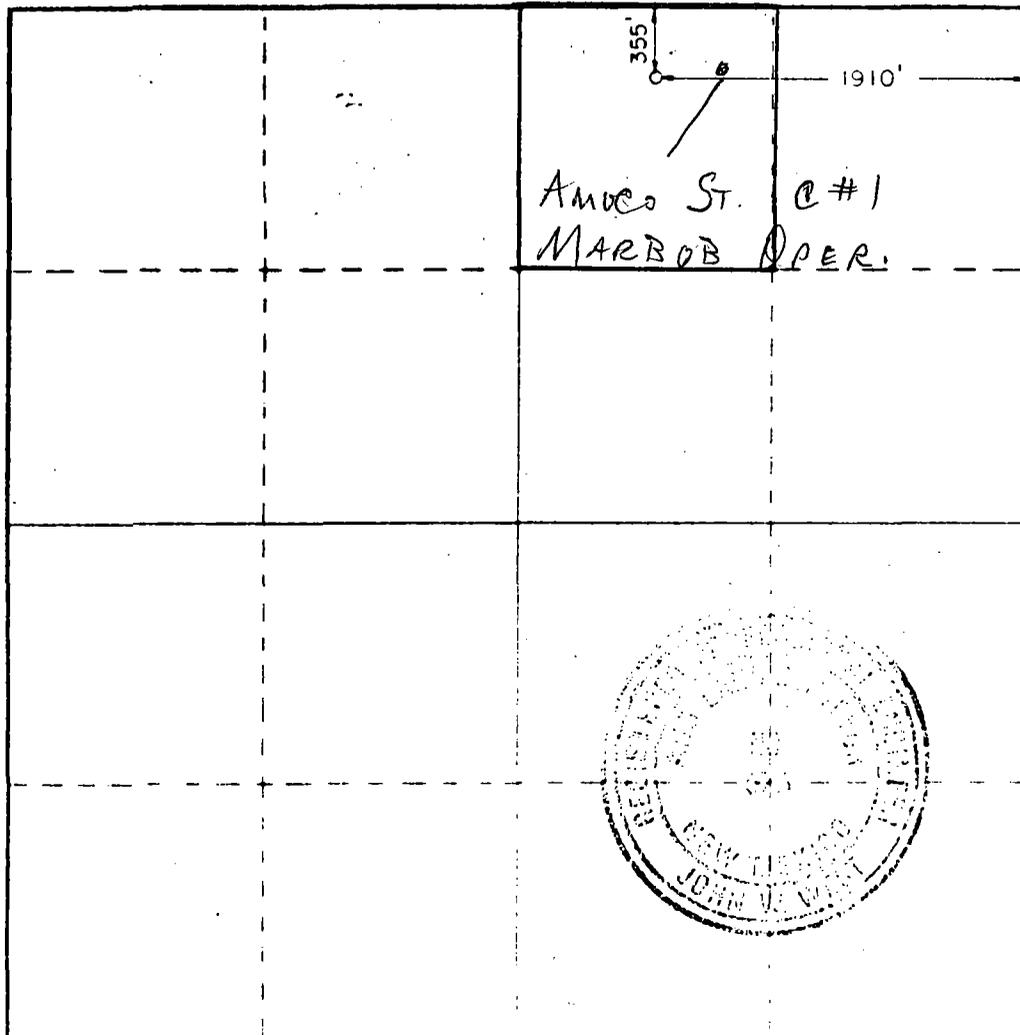
Lessee Marbob Energy Corp.		Lease FLEMMING		State OK	Acres 2
Oil Letter B	Section 34	Township 17 South	Range 28 East	Eddy	
Actual Well Location of Well: 355 feet from the North line and 1910 feet from the East line					
Ground Level Elev. 3673.3'	Producing Formation San Andres		Pool Artesia Qz Grbg SA	Estimated Acreage 40	

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 Purcella
Signature

Carolyn Purcella

Position

Production Clerk

Company

Marbob Energy Corporation

Date

6/26/86

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

May 23, 1986

Inspector of Conservation

John W. ...

Rule 6:

Flemming State #2

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit: 40 acres

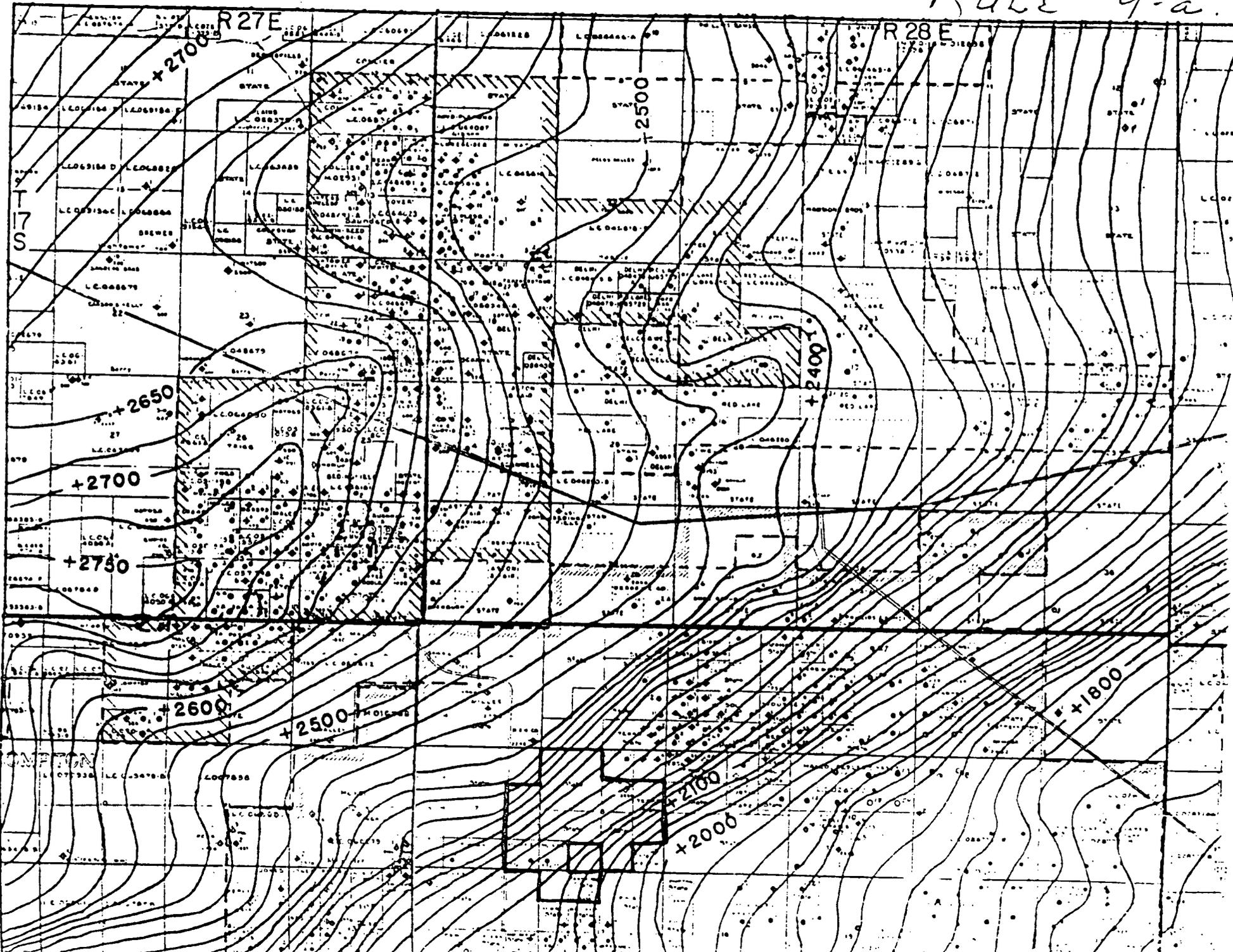
Rule 7:

NA

Rule 8:

- a. Flemming St. #2 - 355 FNL 1910 FEL Sec. 34-T17S-R28E
Amoco St. C #1 - 344 FNL 1650 FEL Sec. 34-T17S-R28E
- b. Flemming St. #2 - 9/22/86
Amoco St. C #1 - 1/1/62
- c. Flemming St. #2 - 10/14/86
Amoco St. C #1 - 1/30/62
- d. None
- e. Flemming St. #2 - 80 bbl oil, 70 mcf gas/day
Amoco St. C #1 - No production, well shut in
- f. NA
- g. The Flemming State #2 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 well deeper it was necessary to drill the new well.

RULE 9-a.



Marbob Energy Corporation

P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

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

— NIGHT PHONES —
(505) 746-6197
(505) 746-6500

Pertinent Engineering Data and Conclusions:

Re: *Flemming State #2*
Artesia Queen Grayburg San Andres

The *Flemming State #2* was completed in the *Artesia Queen Grayburg* pool in October 1986. This is an infill well located as per the attached plat.

Effective November 1986, oil reserves recoverable will be 30,230 barrels oil and 76278 mcf gas.

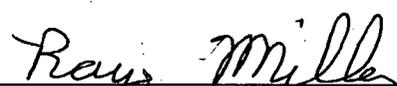
Oil reserves were calculated from similar offsetting wells which have been completed in the same horizons.

The existing well in the proration unit was completed with 5½" production casing. Total depth of the well did not exceed 2207'. The *Flemming State #2* was completed from 2448-2791'. The well was fraced with 220,000 gallons of gel water and 400,000# sand. The old well could not have been deeped to those depths and this frac technique used because of the size of the drilling tools that could be used inside the existing well's 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.

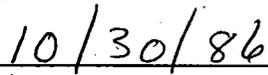
In my opinion the infill well will more effectively drain the deeper horizons than could be accomplished by deepening an existing well.

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

MARBOB ENERGY CORPORATION



Raye Miller
Secretary-Treasurer



Date

RULE 9-b

Rule 11:

There are no offset operators

N MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-12H
Effective 1-1-65

All distances must be from the outer boundaries of the Section

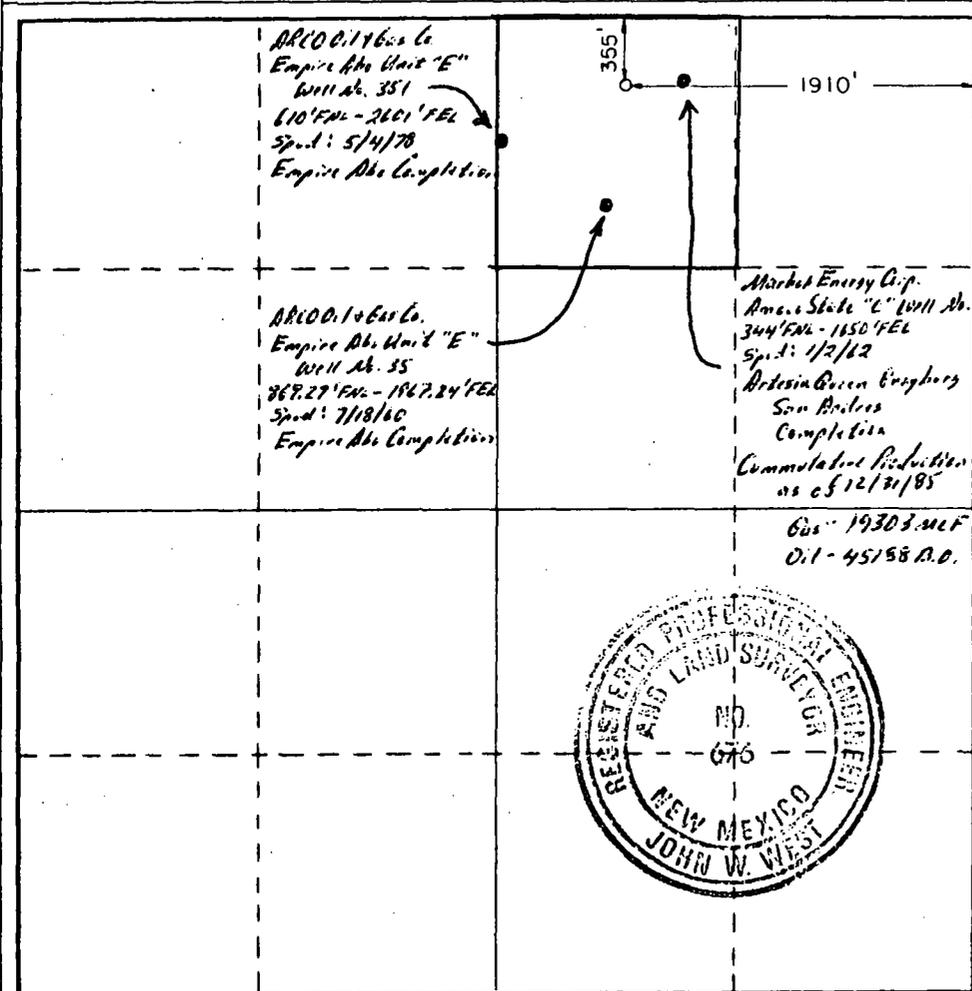
Operator Marbob Energy Corp.		Lease FLEMMING		State Eddy		Well No. 2
Unit Letter B	Section 34	Township 17 South	Range 28 East	County Eddy		
Actual Footage Location of Well: 355 feet from the North line and 1910 feet from the East line						
Ground Level Elev. 3673.3'	Producing Formation San Andres		Pool Artesia Queen Urbg 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 Purcella

Carolyn Purcella

Position

Production Clerk

Company

Marbob Energy Corporation

Date

6/26/86

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

May 23, 1986

Registered Professional Engineer and Land Surveyor

John W. West

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239

*Request for Infill Finding on
Flemming State #2
in accordance with Administrative
Procedures amended February 8, 1980*

SANTA FE, NEW MEXICO 87501

RECEIVED BY
JUN 30 1986
O. C. D.
ARTESIA OFFICE

STATE OF NEW MEXICO
DIVISION OF OIL AND GAS
E-7110

LAND OFFICE
OPERATION

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
 DRILL DEEPEN FLUG BACK

b. Type of Well
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
Marbob Energy Corporation

3. Address of Operator
P.O. Drawer 217, Artesia, New Mexico 88210

4. Location of Well
 UNIT LETTER **B** LOCATED **355** FEET FROM THE **North** LINE
 AND **1910** FEET FROM THE **East** LINE OF SEC. **34** TWP. **17S** RGE. **28E** NMPM

7. Unit Agreement Number

8. Name of Lease
Flemming State

9. Well No.
2

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

12. County
Eddy

19. Proposed Depth
3030'

19A. Formation
San Andres

20. Rotary or C.T.
Rotary

21. Elevations (show whether DF, RT, etc.)
3673.3' GR

21A. Kind & Status Plug. Bond
Statewide active

21B. Drilling Contractor
LaRue Drilling Co.

22. Approx. Date Work will start
8/15/86

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	Circulate
7 7/8"	5 1/2"	15.50#	3030'	600	Attempt to c

We propose to drill to 500', run and cement 8 5/8" casing, reduce hole and drill to 3030' to test the San Andres formation, run and cement 5 1/2" casing, put well on production.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 1-1-87
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 Mike Williams Title Production Clerk Date 6/26/86

(This space for State Use)

Original Signed By
Mike Williams
Oil & Gas Inspector

JUL 1 1986

APPROVED BY _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

Rule 5.

WELL LOCATION AND ACREAGE DEDICATION PLAT

All bearings must be from the outer boundaries of the Section

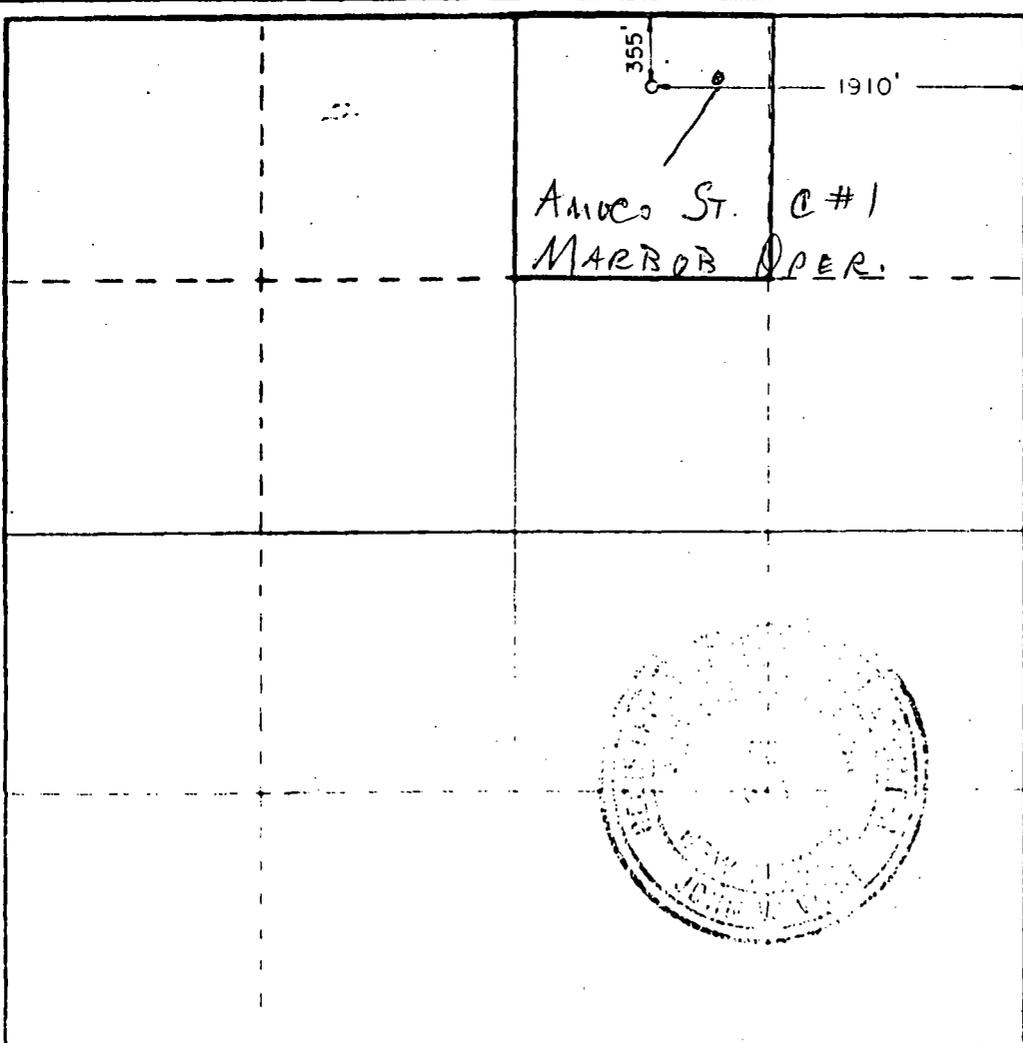
Marbob Energy Corp.		FLEMMING	
Section	34	17 North	17 East
Acreage to the Location of Well:			
355 feet from the North line and		1910 feet from the East line	
Ground Level Elev.	Producing Formation	Foot	Dedicated Acreage
3673.3'	San Andres	Artesia Grbgs SA	40

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CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Carolyn Purcell
 Signature

Carolyn Purcell

Position

Production Clerk

For My

Marbob Energy Corporation

Date

6/26/86

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Rule
 5

[Signature]

Queen Grayburg San Andres
d spacing unit: 40 acres

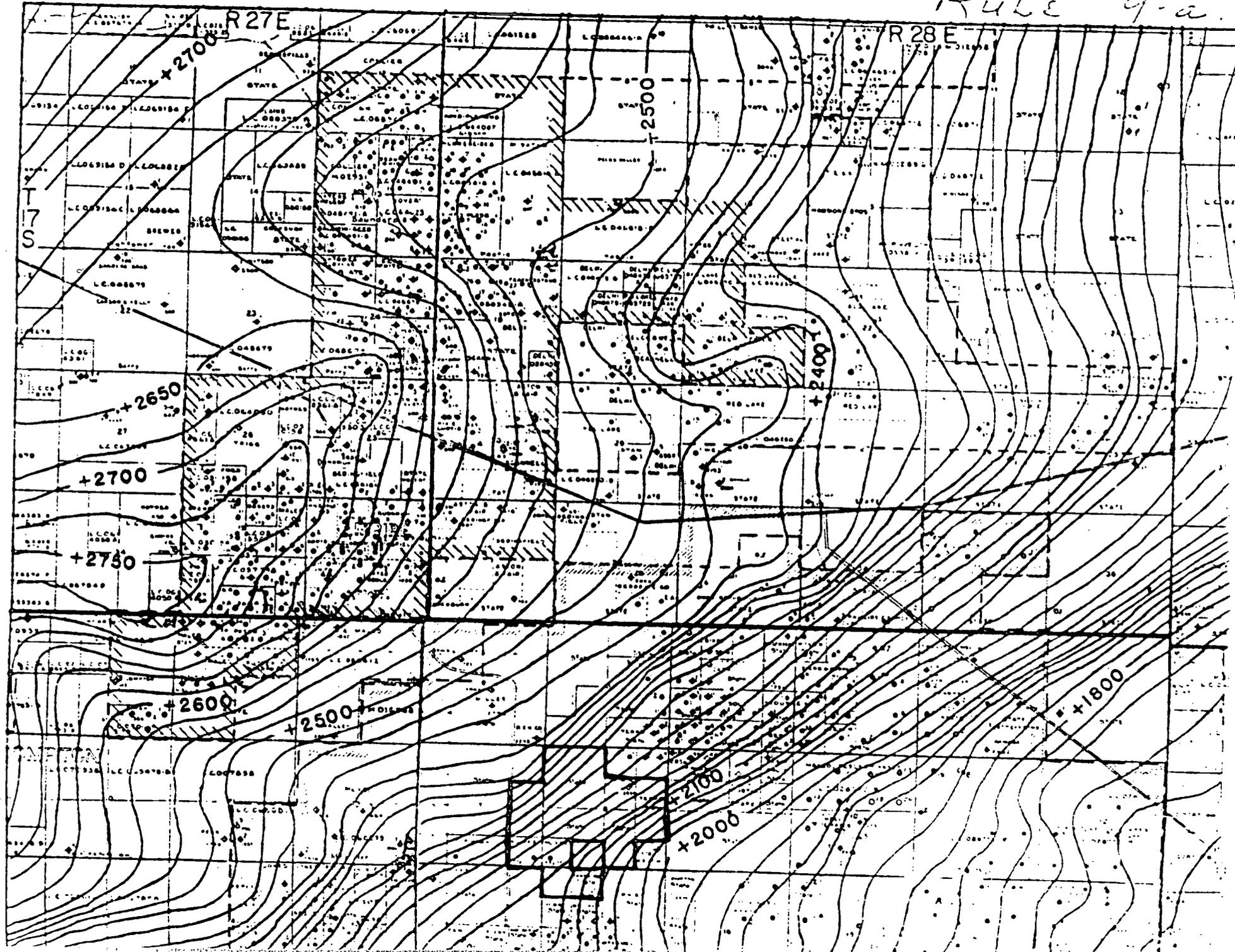
Rule 7:

NA

Rule 8:

- a. Flemming St. #2 - 355 FNL 1910 FEL Sec. 34-T17S-R28E
Amoco St. C #1 - 344 FNL 1650 FEL Sec. 34-T17S-R28E
- b. Flemming St. #2 - 9/22/86
Amoco St. C #1 - 1/1/62
- c. Flemming St. #2 - 10/14/86
Amoco St. C #1 - 1/30/62
- d. None
- e. Flemming St. #2 - 80 bbl oil, 70 mcf gas/day
Amoco St. C #1 - No production, well shut in
- f. NA
- g. The Flemming State #2 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 well deeper it was necessary to drill the new well.

RULE 9-a



Marbob Energy Corporation

P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

— OFFICE PHONE —
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(505) 746-2422

— NIGHT PHONES —
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Pertinent Engineering Data and Conclusions:

Re: Flemming State #2
Artesia Queen Grayburg San Andres

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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

Ray Miller

Ray Miller
Secretary-Treasurer

10/30/86

Date

RULE 9-b

Rule 11:

There are no offset operators

N MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-122
Supersedes C-12H
Effective 1-1-65

All distances must be from the outer boundaries of the Section

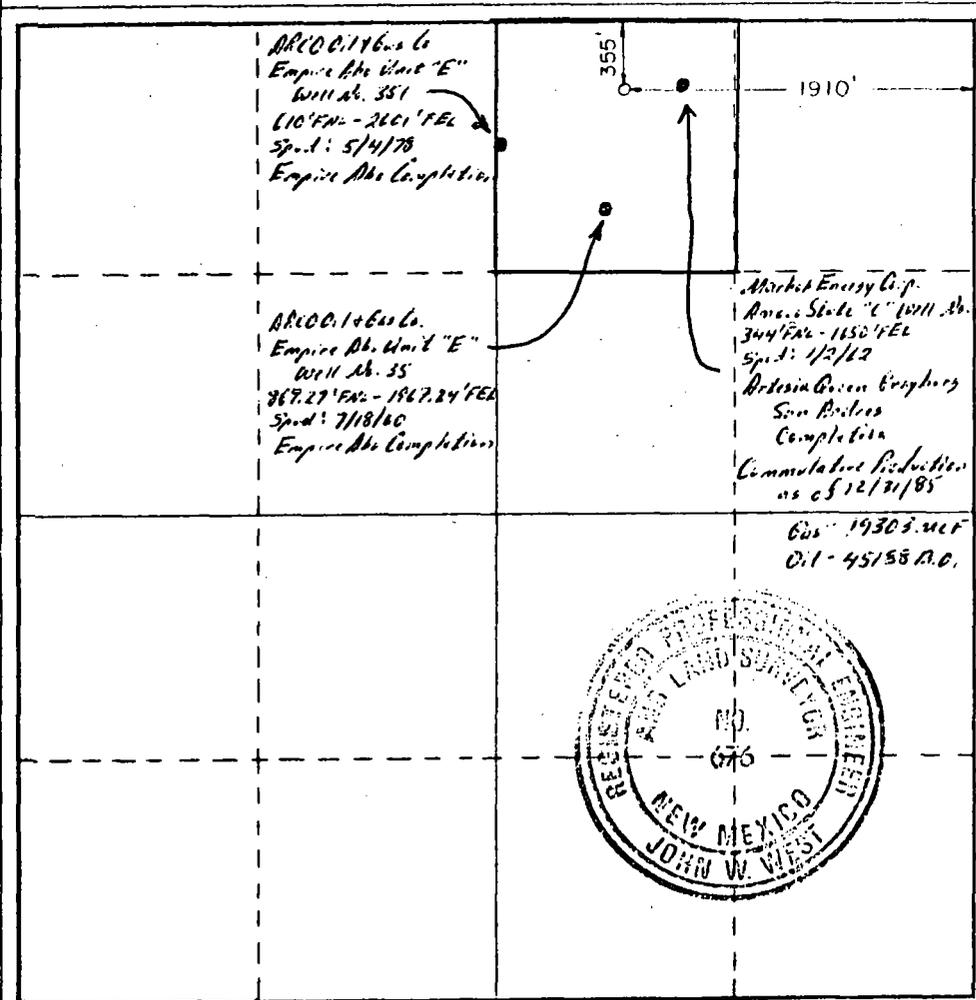
Operator Marbob Energy Corp.		Lease FLEMMING State		Well No. 2
Unit Letter B	Section 34	Township 17 South	Range 28 East	County Eddy
Actual Footage Location of Well: 355 feet from the North line and 1910 feet from the East line				
Ground Level Elev. 3673.3'	Producing Formation San Andres	Pool Artasia On Urbg SA	Dedicated Acreage 40 Acres	

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CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>Carolyn Purcella</i>	
Carolyn Purcella	
Production Clerk	
Marbob Energy Corporation	
Date: 6/26/86	
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: May 23, 1986	
Registered Professional Engineer and Oil Land Surveyor	
<i>John W. West</i>	
Certificate No. JOHN W. WEST, 676	RONALD J. EIDSON, 3239

