

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 MARCOB ENERGY CORPORATION Well Name and No. COLLIER STATE WELL NO. 17  
Location: Unit L Sec. 22 Twp. 17 SOUTH Rng. 28 EAST Cty. EDDY

II.

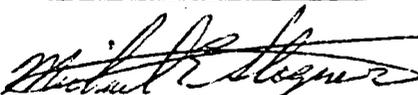
THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.
- (2) That by Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is to be completed in the RED LAKE QUEEN GRAYBURG SAN ANDERS Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40 -acre proration unit comprising the NW/4 SW/4 of Sec. 22, Twp. 17 SOUTH, Rng. 28 EAST, is currently dedicated to the COLLIER STATE WELL NO. 8 located in Unit L 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 16,312 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 20th day of JUNE, 19 86.

  
DIVISION DIRECTOR EXAMINER ✓

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 Corporation Well Name and No. Collier State Well No. 17  
Location: Unit L Sec. 22 Twp. 17 South Rng. 28 East Cty. Eddy

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THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

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(3) That the well for which a finding is sought is to be completed in the Red Lake Queen  
Geopburg San Andres Pool, and the standard spacing unit in said pool is 40 acres.

(4) That a 40-acre proration unit comprising the NW 1/4 S24  
of Sec. 22, Twp. 17 South, Rng. 28 East, is currently dedicated to the Collier State Well  
No. 8 located in Unit L 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 16,312 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.

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DONE at Santa Fe, New Mexico, on this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

DIVISION DIRECTOR \_\_\_\_\_ EXAMINER \_\_\_\_\_



# **OIL CONSERVATION COMMISSION**

**STATE OF NEW MEXICO**

**P. O. BOX 2088 - SANTA FE**

**87501**

**GOVERNOR  
BRUCE KING  
CHAIRMAN**

**LAND COMMISSIONER  
ALEX J. ARMJO  
MEMBER**

**STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR**

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

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

ADMINISTRATIVE ORDER  
NFL 136

INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER  
MADE PURSUANT TO SECTION 271.305(b) OF THE  
FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS,  
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ORDER NO. R-6013

I.

Operator Marbob Energy Corp. Well Name and No. Collier State Well No. 17  
Location: Unit L Sec. 22 Twp. 17 So. 17 Rng. 28 East Cty. Eddy

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(3) That the well for which a finding is sought is to be completed in the Red Lake 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 NW/4 SW/4  
of Sec. 22, Twp. 17 So., Rng. 28 East, is currently dedicated to the Collier State Well  
No. 8 located in Unit L of said section.

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

(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 16,312 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.

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IT IS THEREFORE ORDERED:

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(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 20th day of June, 19 86.

DIVISION DIRECTOR \_\_\_\_\_ EXAMINER \_\_\_\_\_



*REQUEST FOR INFILL FINDING ON*

*COLLIER STATE #17*

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

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OPERATOR	

RECEIVED BY  
  
JAN 11 1985  
  
ARTESIA, OFFICE

5A. Indicate Type of Lease  
STATE  FEDERAL   
5. State Oil & Gas Lease No.  
**B-1969**

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/> <b>PLUG BACK</b> <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"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name <b>Collier St.</b>	
2. Name of Operator <b>Marbob Energy Corporation</b>		9. Well No. <b>17</b>	
3. Address of Operator <b>P.O. Drawer 217, Artesia, N.M. 88210</b>		10. Field and Pool, or Wildcat <b>Red Lake On Grbg SA</b>	
4. Location of Well UNIT LETTER <b>L</b> LOCATED <b>1980</b> FEET FROM THE <b>South</b> LINE AND <b>330</b> FEET FROM THE <b>West</b> LINE OF SEC. <b>22</b> TWP. <b>17S</b> SEC. <b>28E</b> NMPM		12. County <b>Eddy</b>	
18. Proposed Depth <b>3500'</b>		19A. Formation <b>San Andres</b>	20. Rotary or C.T. <b>Rotary</b>
1. Elevations (show whether DF, RT, etc.) <b>3611.6' GR</b>	21A. Kind & Status Plug. Bond <b>Statewide active</b>	21B. Drilling Contractor <b>Larue Drilling Co.</b>	22. Approx. Date Work will start <b>1/19/85</b>

**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'	Sufficient to circulate	
7 7/8"	5 1/2"	15.50#	3500'	Attempt to circulate	

We propose to drill to 500', set 8 5/8" casing, drill on to 3500' to test the San Andres zone, run 5 1/2" casing, cement and put on production.

APPROVAL VALID FOR **180** DAYS  
PERMIT EXPIRES **7-14-85**  
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 Carol Buscetta Title Production Clerk Date 1/10/85

(This space for State Use)  
APPROVED BY Mike Williams TITLE Oil & Gas Inspector DATE JAN 11 1985  
CONDITIONS OF APPROVAL, IF ANY:

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

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

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

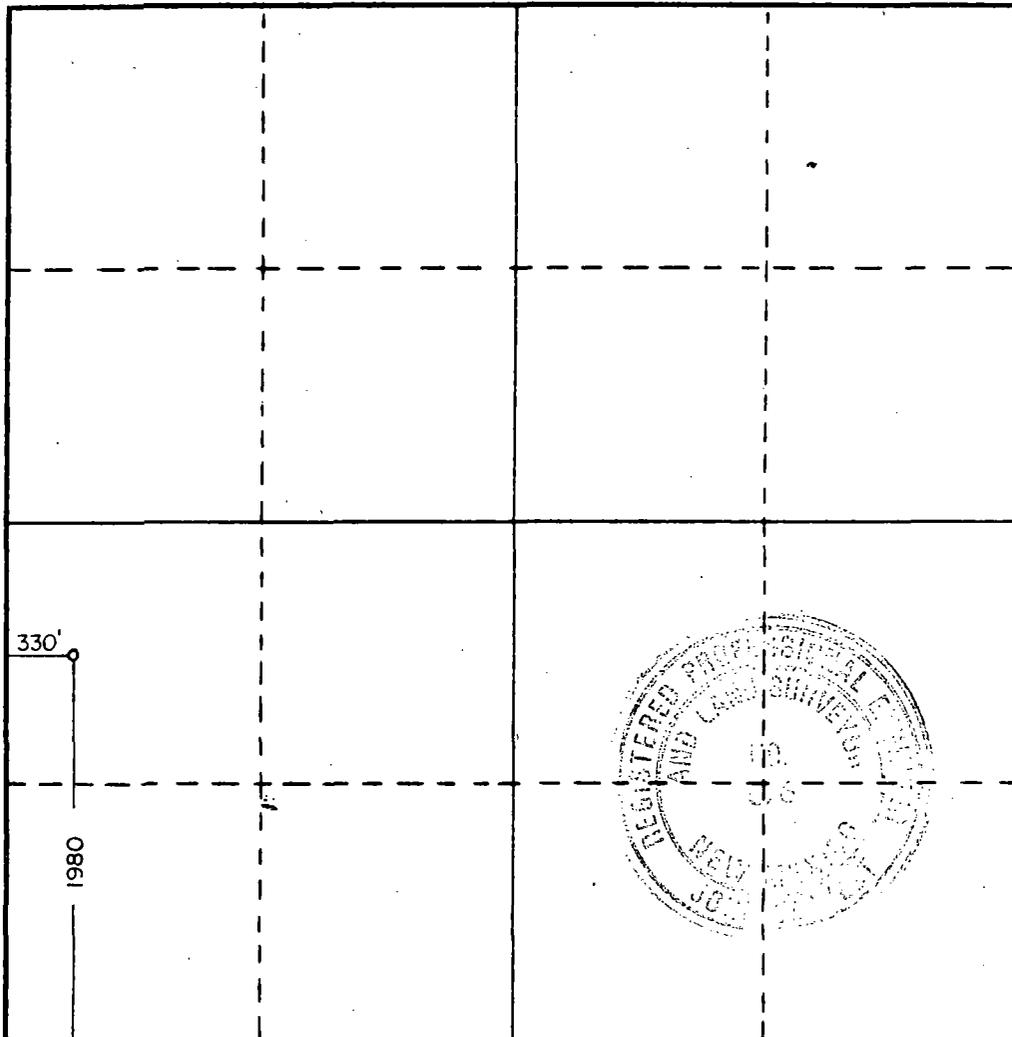
Operator <b>MARBOB ENERGY CORP.</b>			Lease <b>COLLIER STATE</b>			Well No. <b>17</b>		
Unit Letter <b>L</b>	Section <b>22</b>	Township <b>17 SOUTH</b>	Range <b>28 EAST</b>	County <b>EDDY</b>				
Actual Footage Location of Well: <b>1980</b> feet from the <b>SOUTH</b> line and <b>330</b> feet from the <b>WEST</b> line								
Ground Level Elev. <b>3611.6</b>	Producing Formation <b>San Andres</b>		Pool <b>Red Lake On Grbg SA</b>			Dedicated Acreage: <b>40</b> 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*  
Name

**Carolyn Purcella**

Position

**Production Clerk**

Company

**Marbob Energy Corporation**

Date

**1/10/85**

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

**JANUARY 3, 1985**

Registered Professional Engineer and/or Land Surveyor

*John W. West*

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

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

Rule 6:

*Collier State #17*

*Pool: Red Lake Queen Grayburg San Andres*

*Standard spacing unit - 40 acres*

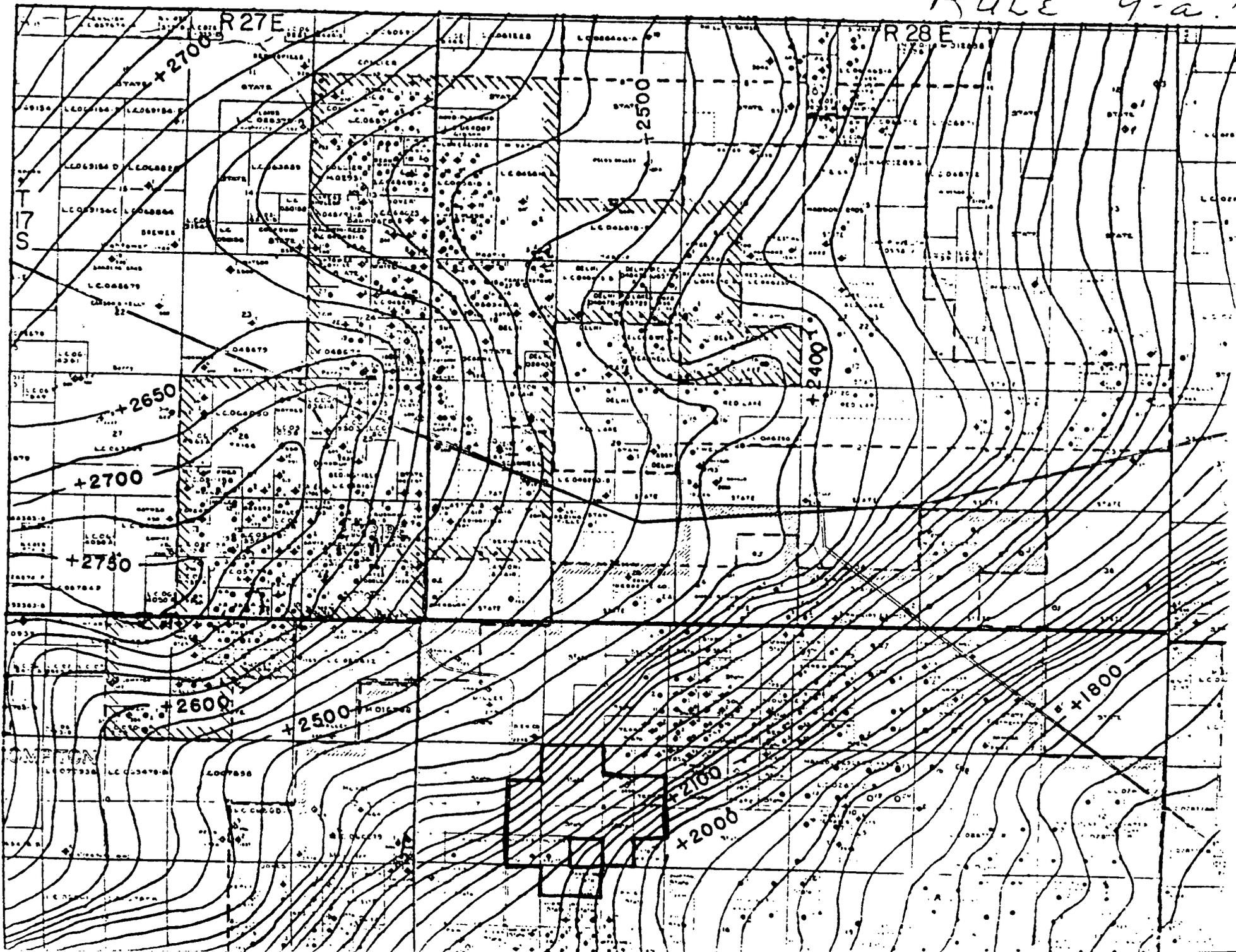
Rule 7:

*NA*

Rule 8:

- a. Collier St. #17 - 1980 FSL 330 FWL Sec. 22-T17S-R28E  
Collier St. #4 - 2310 FSL 330 FWL Sec. 22-T17S-R28E  
Collier St. #8 - 1650 FSL 990 FWL Sec. 22-T17S-R28E
- b. #17 - 1/21/85  
# 4 - 3/28/35  
# 8 - 1/16/37
- c. #17 - 3/7/85  
# 4 - 5/27/35  
# 8 - 3/1/37
- d. None
- e. #17 - 24 bbl oil, 75 mcf gas/day  
#4 - None  
#8 - None
- f. NA
- g. Collier St. #4 & 8 were both TD'd above the highest perforation in #17. Both #4 & 8 are no longer commercial and have or will be plugged & abandoned soon. The #17 experienced new reservoir type conditions and we feel the additional drilling was justified.

RULE 9-a.



# Paul G. White Engineering

OIL AND NATURAL GAS

May 1, 1985

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

Re: Pertinent Engineering Data  
Collier St. Well No. 17  
Red Lake Q-GR-SA  
Eddy County, New Mexico

Gentlemen:

The subject well, located 1980' FSL and 330' FWL, Section 22-T17S-R28E, Eddy County, New Mexico was completed March 8, 1985.

I have estimated the oil and gas reserves for the subject well based on a 20 acre well density. From the electrical log and analagous well studies, I have estimated that the well will recover 19,484 barrels of oil and 16,312 MCF of gas.

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

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

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

Signed

Paul G. White  
Petroleum Engineer

Date

May 1, 1985

gs

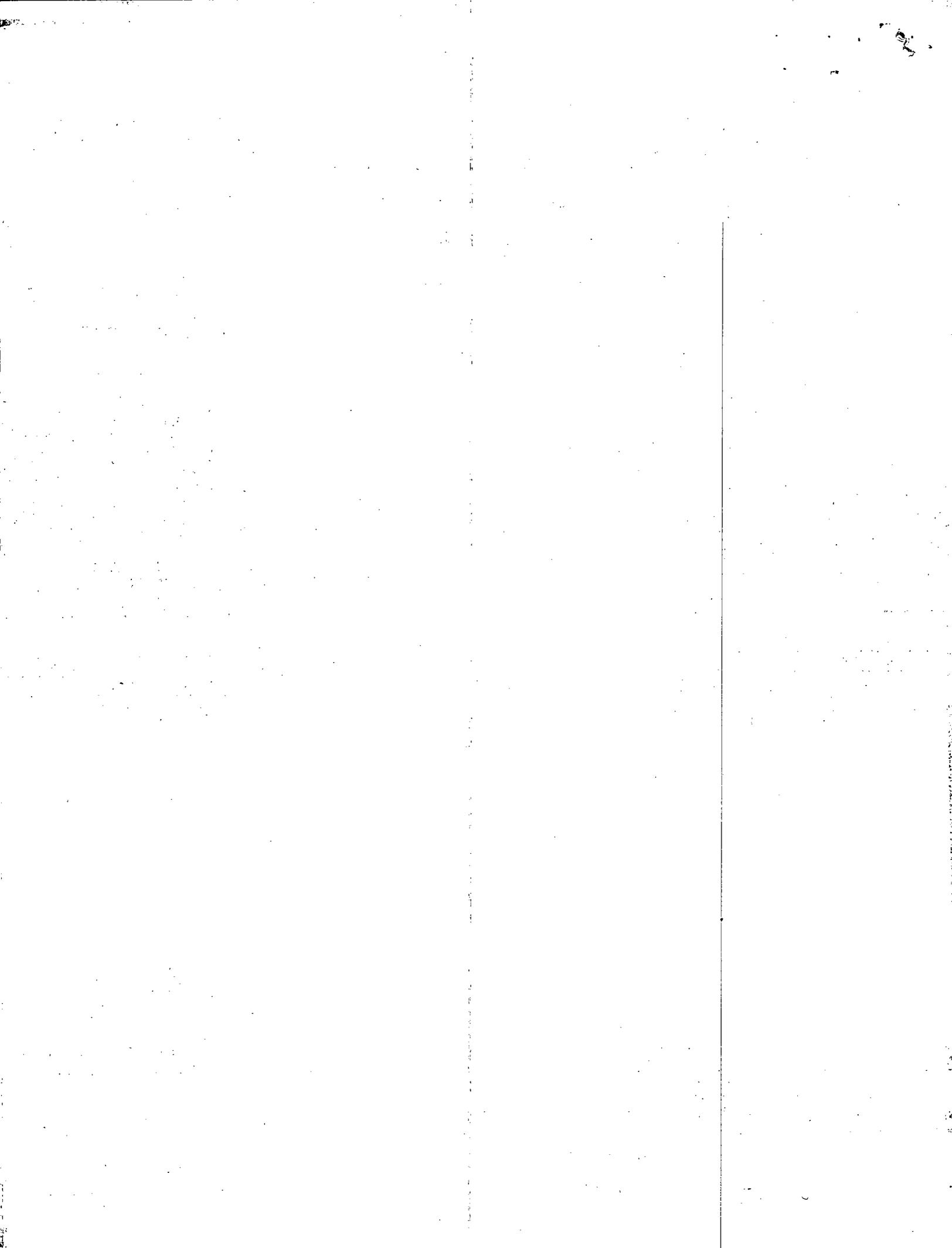
Rule 11:

Notice of this infill request has been sent to American Petrofina Co. of Texas, P.O. Box 2990, Midland, Texas 79702; Kersey & Co., 808 W. Grand St., Artesia, N.M. 88210; and Van Welch, P.O. Box 742341, Houston, Texas 77274-2341.

REQUEST FOR INFILL FINDING ON

COLLIER STATE #17

in accordance with Administrative  
Procedures amended February 8, 1980.



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OPERATOR	<input checked="" type="checkbox"/>

RECEIVED BY  
  
JAN 11 1985  
  
ARTESIA, OFFICE

5A. Indicate Type of Lease  
STATE  FEDERAL

5. State Oil & Gas Lease No.  
**B-1969**

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. Unit Agreement Name

2. Name of Operator  
**Marbob Energy Corporation**

8. Farm or Lease Name  
**Collier St.**

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

9. Well No.  
**17**

4. Location of Well  
UNIT LETTER **L** LOCATED **1980** FEET FROM THE **South** LINE  
AND **330** FEET FROM THE **West** LINE OF SEC. **22** TWP. **17S** R. **28E** MPM

10. Field and Pool, or Wildcat  
**Red Lake On Grbg SA**

11. Elevation (Show whether DF, KI, etc.)  
**3611.6' GR**

12. County  
**Eddy**

18. Proposed Depth  
**3500'**

19A. Formation  
**San Andres**

20. Rotary or C.T.  
**Rotary**

21A. Kind & Status Plug. Bond  
**Statewide active**

22. Approx. Date Work will start  
**1/19/85**

21B. Drilling Contractor  
**Larue Drilling Co.**

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

Signed Carey Pasella Title Production Clerk Date 1/10/85

(This space for State Use)

Original Signed By  
**Mike Williams**  
Oil & Gas Inspector

JAN 11 1985

APPROVED BY \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

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

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Superseded C-128  
Effective 1-1-85

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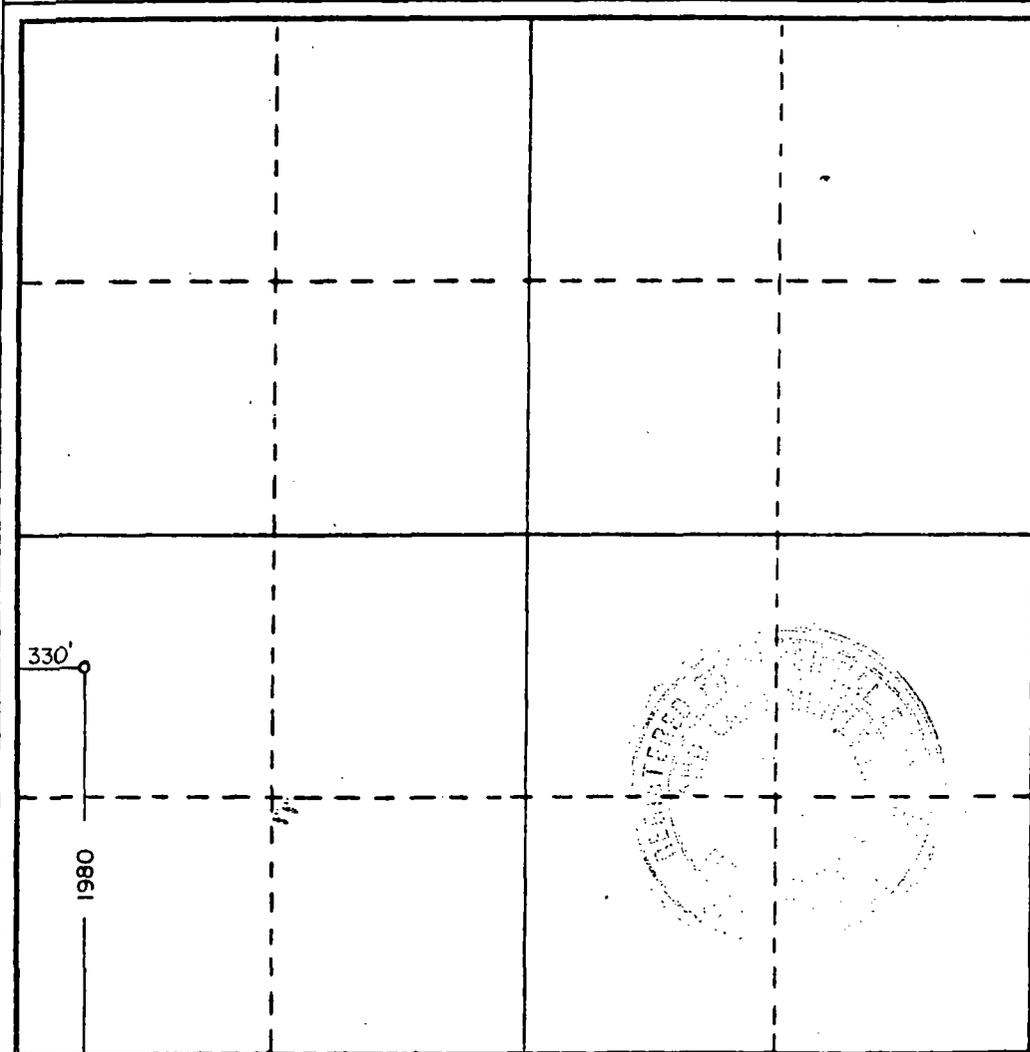
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Unit Letter <b>L</b>	Section <b>22</b>	Township <b>17 SOUTH</b>	Range <b>28 EAST</b>	County <b>EDDY</b>	
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**CERTIFICATION**

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

*Carolyn Purcella*  
Name

**Carolyn Purcella**

Position  
**Production Clerk**

Company  
**Marbob Energy Corporation**

Date  
**1/10/85**

*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.*

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**JANUARY 3, 1985**

Registered Professional Engineer  
and/or Land Surveyor

*John W. West*

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



Rule 6:

Collier State #17

Pool: Red Lake Queen Grayburg San Andres

Standard spacing unit - 40 acres

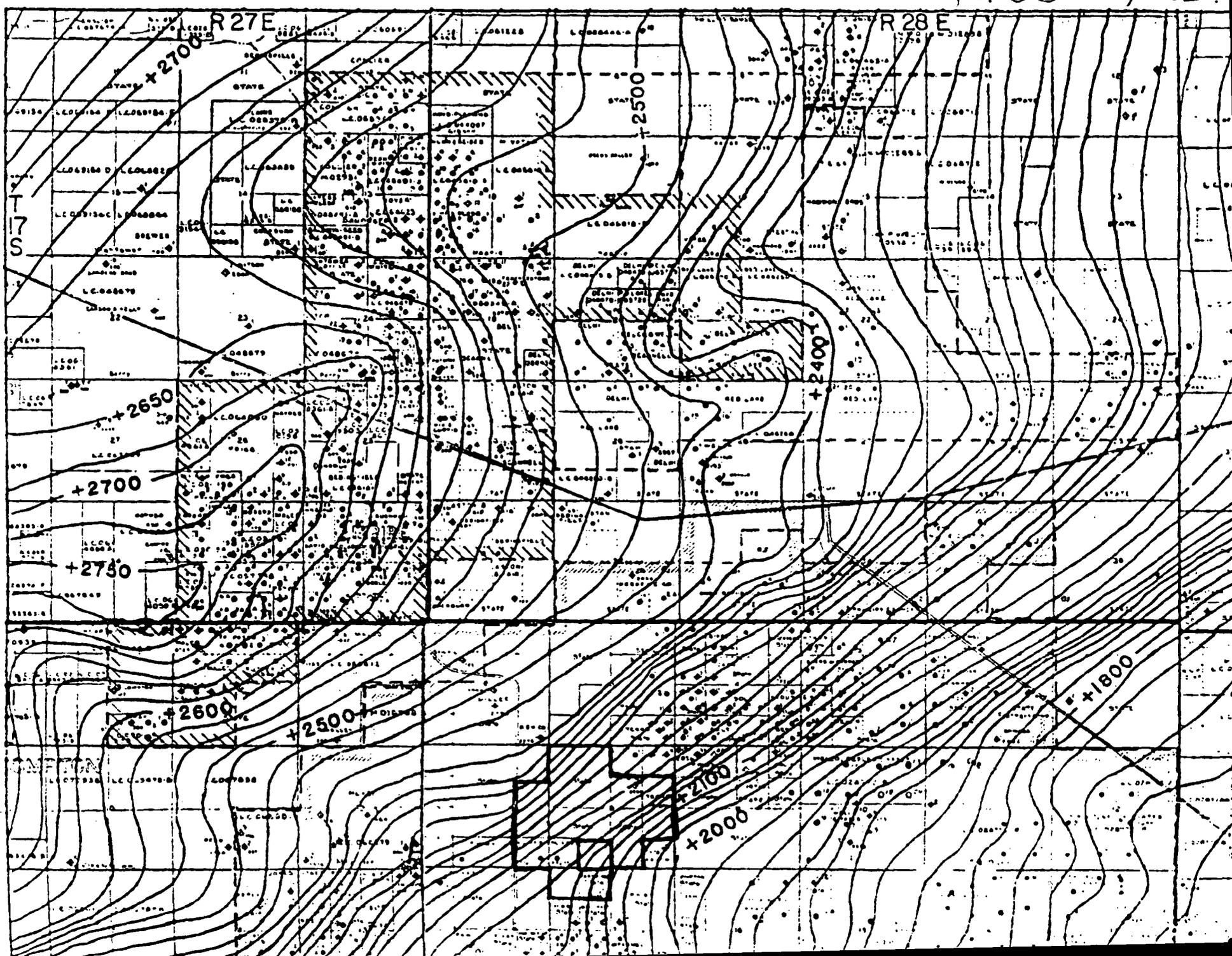
Rule 7:

NA

Rule 8:

- a. Collier St. #17 - 1980 FSL 330 FWL Sec. 22-T17S-R28E  
Collier St. #4 - 2310 FSL 330 FWL Sec. 22-T17S-R28E  
Collier St. #8 - 1650 FSL 990 FWL Sec. 22-T17S-R28E
  
- b. #17 - 1/21/85  
# 4 - 3/28/35  
# 8 - 1/16/37
  
- c. #17 - 3/7/85  
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# 8 - 3/1/37
  
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- e. #17 - 24 bbl oil, 75 mcf gas/day  
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- f. NA
  
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Therefore, it is my recommendation that in-fill wells be drilled and the well density be increased to at lease 20 acre spacing.

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Signed

Paul G. White  
Petroleum Engineer

Date

May 1, 1985

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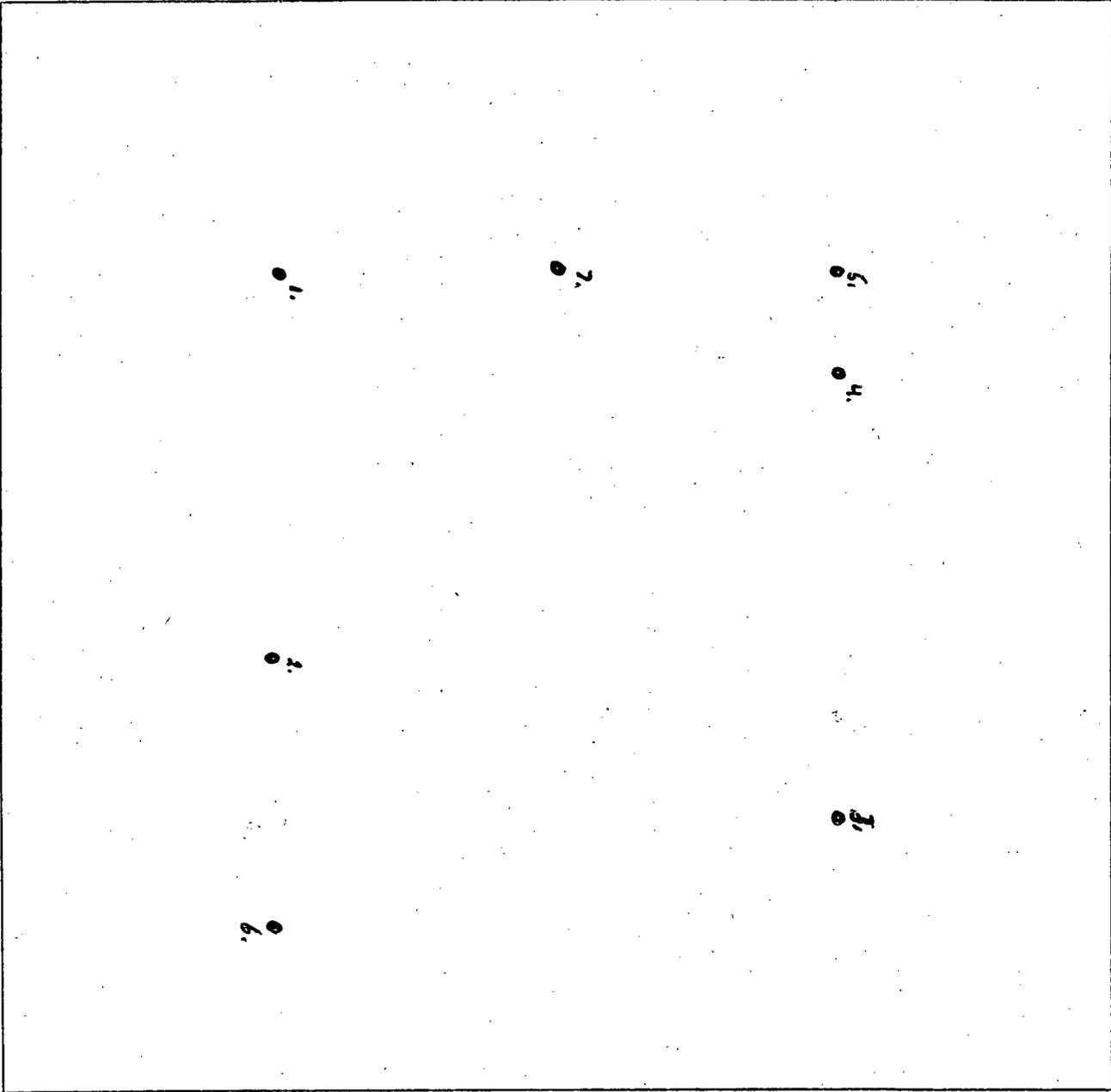
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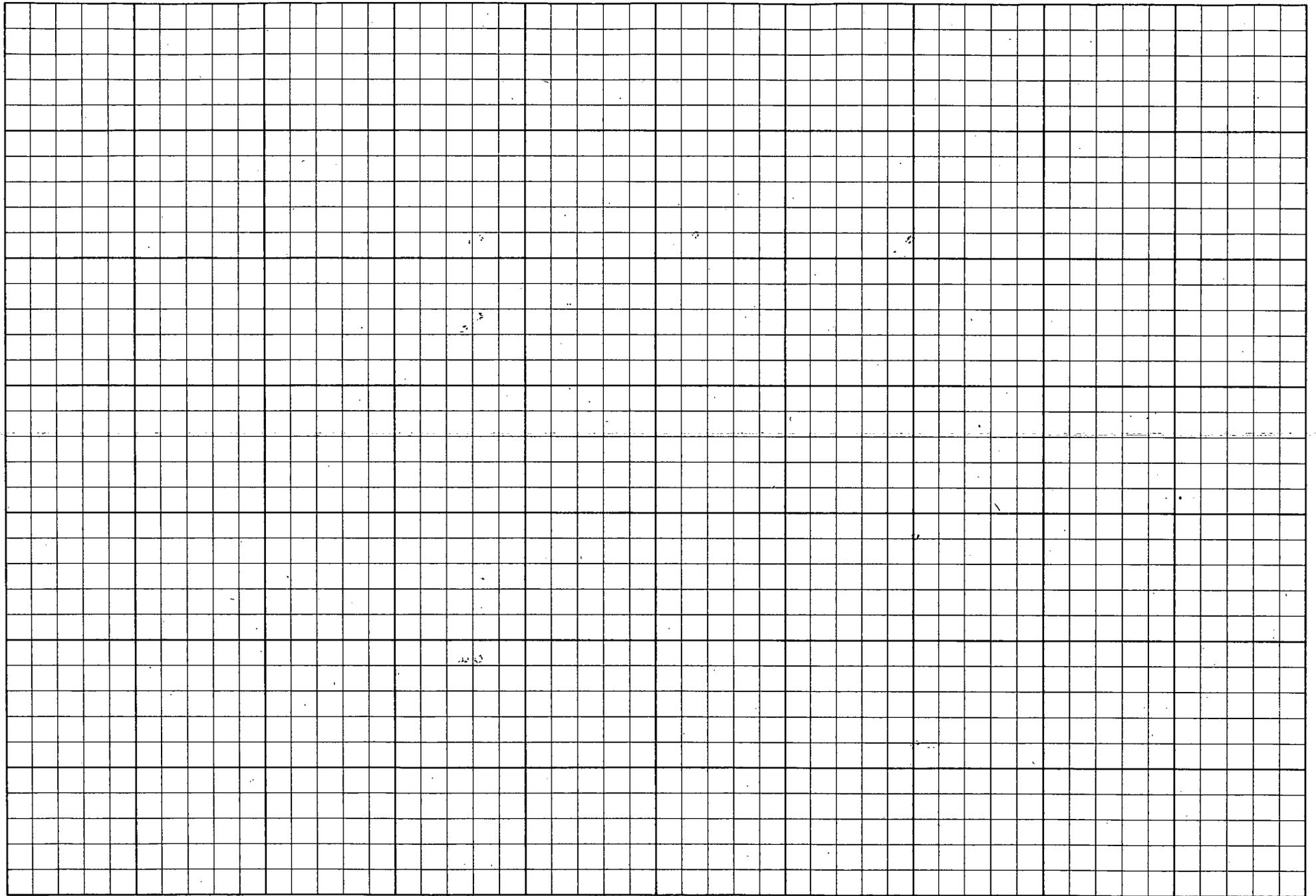


42-381 50 SHEETS 5 SQUARE  
42-382 100 SHEETS 5 SQUARE  
42-383 200 SHEETS 5 SQUARE

MADE IN U.S.A.

UNIT-2, SECTION 22, TOWNSHIP 17 SOUTH, RANGE 28 EAST, ANNEOK,  
EDDY COUNTY, NEW MEXICO





- 1) Warren Hanson dba / Hanson Energy  
Zeit Well No. 1  
1650' FSL - 330' FWL  
Spud: 8/9/79  
East Empire Yates Seven Rivers Completion
  
- 2) Warren Hanson dba / Hanson Energy  
Zeit Well No. 3  
1665' FSL - 792' FWL  
Spud: 10/19/79  
East Empire Yates Seven Rivers Completion
  
- 3) Warren Hanson dba / Hanson Energy  
Zeit Well No. 2  
2310' FSL - 990' FWL  
Spud: 9/17/78  
East Empire Yates Seven Rivers Completion
  
- 4) Warren Hanson dba / Hanson Energy  
Zeit Well No. 4  
2310' FSL - 450' FWL  
Spud: 11/28/79  
East Empire Yates Seven Rivers Completion
  
- 5) Marbob Energy Corporation  
Collins State Well No. 4  
2310' FSL - 330' FWL  
Spud: 3/28/35  
Red Lake Queen Grayburg San Andres Pool Completion  
P+D'd: 6/24/85  
Cumulative Production:  
Gas - 0 MCF  
Oil - 6600 BO.  
Well was converted to a water injection well - 1963

6)

Marbob Energy Corporation

Collier State Well No. 8

1618' FSL - 1029' FWL

Spud: 1/16/37

Red Lake Queen Grayburg San Andres Completion

Converted to a water injection well - Sept. 1966

(WFX No. 237)

Cumulative production: Gas - 1872 MCF

Oil - 4964 B.O.

7)

Marbob Energy Corporation

Collier State Well No. 17

1980' FSL - 330' FWL

Spud: 1/21/85

Red Lake Grayburg San Andres Completion

Cumulative production as of 12/31/85:

Gas - 11704 MCF

Oil - 4543 B.O.