

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator Marbob Energy Corp. Well Name and No. N.G. Phillips State Well #25
Location: Unit J Sec. 27 Twp. 17S Rng. 28E Cty. Eddy

II.

THE DIVISION FINDS:

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

(2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

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

(4) That a 40-acre proration unit comprising the NW/4 SE/4 of Sec. 27, Twp. 17S, Rng. 28E, is currently dedicated to the N.G. Phillips State Well No. 5 located in Unit J of said section.

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

(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 86,863 MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

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

DONE at Santa Fe, New Mexico, on this 4th day of May, 19 82.

DIVISION DIRECTOR _____ EXAMINER _____

Marbob Energy Corporation

P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

March 12, 1982

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

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

Mr. Michael E. Stogner
Petroleum Engineer
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Infill well applications

Dear Mike:

Please find enclosed two applications for infill well rulings. Although we have several to file with you, I wanted to have you review these before I sent more to see if these were complete, correct, and provided you with enough information to make a ruling. I have tried to closely follow the format you recommended.

When you have had a chance to review these please give me a call. Thanks for your help.

Sincerely,

Raye P. Miller

Raye P. Miller
Land Department

RPM

Encl.

MB Phillips State #25

Request for Infill Finding on

NG Phillips State #25

in accordance with Administrative

Procedures Amended February 8, 1980

30-015-23640

Form C-101
Revised 1-1-65

NEW MEXICO OIL CONSERVATION COMMISSION

JAN 28 1981

O. C. E.

ARTESIA OIL FIELD

5A. Indicate Type of Lease

STATE ☒FEE ☐

5. State Oil & Gas Lease No.

B-2071

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"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name NG Phillips St.
2. Name of Operator Marbob Energy Corp.		9. Well No. 25
3. Address of Operator P.O. Box 304, Artesia, N.M. 88210		10. Field and Pool, or Wildcat Artesia On. Grbg. SA
4. Location of Well UNIT LETTER J LOCATED 2185.7 FEET FROM THE South LINE AND 1961.7 FEET FROM THE East LINE OF SEC. 27 TWP. 17S RGE. 28E NMPM		12. County Eddy
19. Proposed Depth 2150'		19A. Formation Premier
20. Rotary or C.T. Rotary		21. Elevations (Show whether DT, RT, etc.) 3655' GR
21A. Kind & Status Plug. Bond Statewide Active		21B. Drilling Contractor Stewart Bros. Drlg. Co.
22. Approx. Date Work will start 2/2/81		

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2"	8 5/8"	24#	500'	Circulate	
7 7/8"	4 1/2"	10.50#	2150'	Attempt to circ.	

We propose to drill to 500', set 8 5/8" 24# casing, drill on to 2150' to test the Premier formation, set 4 1/2" 10.50# casing.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 7-29-81
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 Carolyn Criss Title Production Clerk Date 1/28/81

(This space for State Use)

APPROVED BY W. A. Gressett TITLE SUPERVISOR, DISTRICT II DATE JAN 29 1981

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

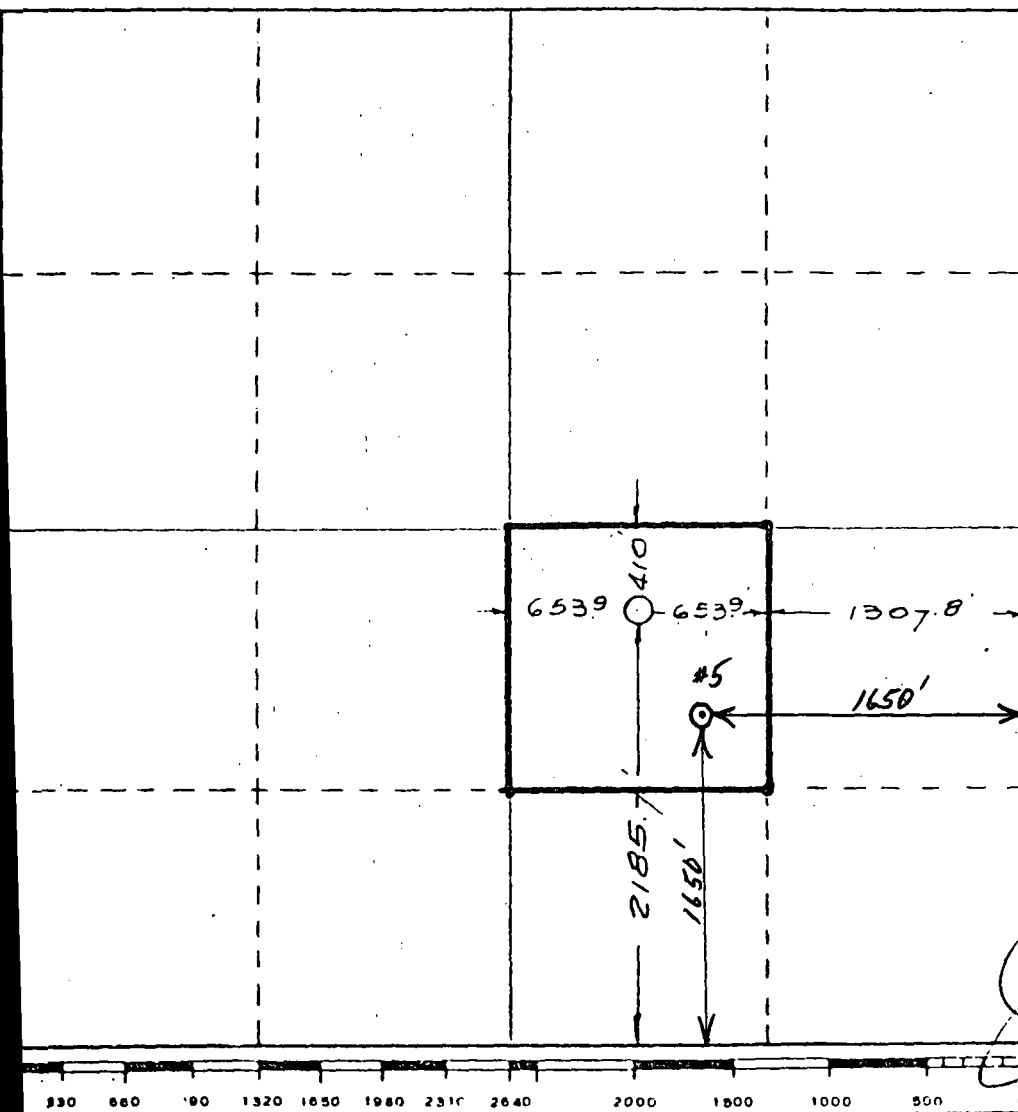
Operator MARBOB ENERGY CORPORATION		Location N. G. Phillips STATE		Well No. 25
Unit Letter J	Section 27	Township 17 South	Range 28 East	County EDDY
Actual Footage Location of Well:				
2185.7	feet from the	South	line and	1961.7
				feet from the
				East
Ground Level Elev. 3655	Producing Formation Premier		Foot Artesia Qn. Grbg. SA	Indicated Area 40
				Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Carolyn Orris

Name
Carolyn Orris

Position
Production Clerk

Company
Marbob Energy Corp.

Date
1/28/81

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
October 23, 1980

Registered Professional Engineer
and/or Land Surveyor

W. W. Shearn

Certified by

1559

Rule 6:

NG Phillips State #25

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit - 40 acres

Rule 7:

NA

Rule 8:

- a. NG Phillips State #25 - 2185.7 FSL 1961.7 FEL, Sec. 27,
T17S-R28E

NG Phillips State #5 - 1650 FSL, 1650 FEL Sec. 27,
T17S-R28E
- b. #25 - 2/24/81

#5 - 1/12/61
- c. #25 - 4/20/81

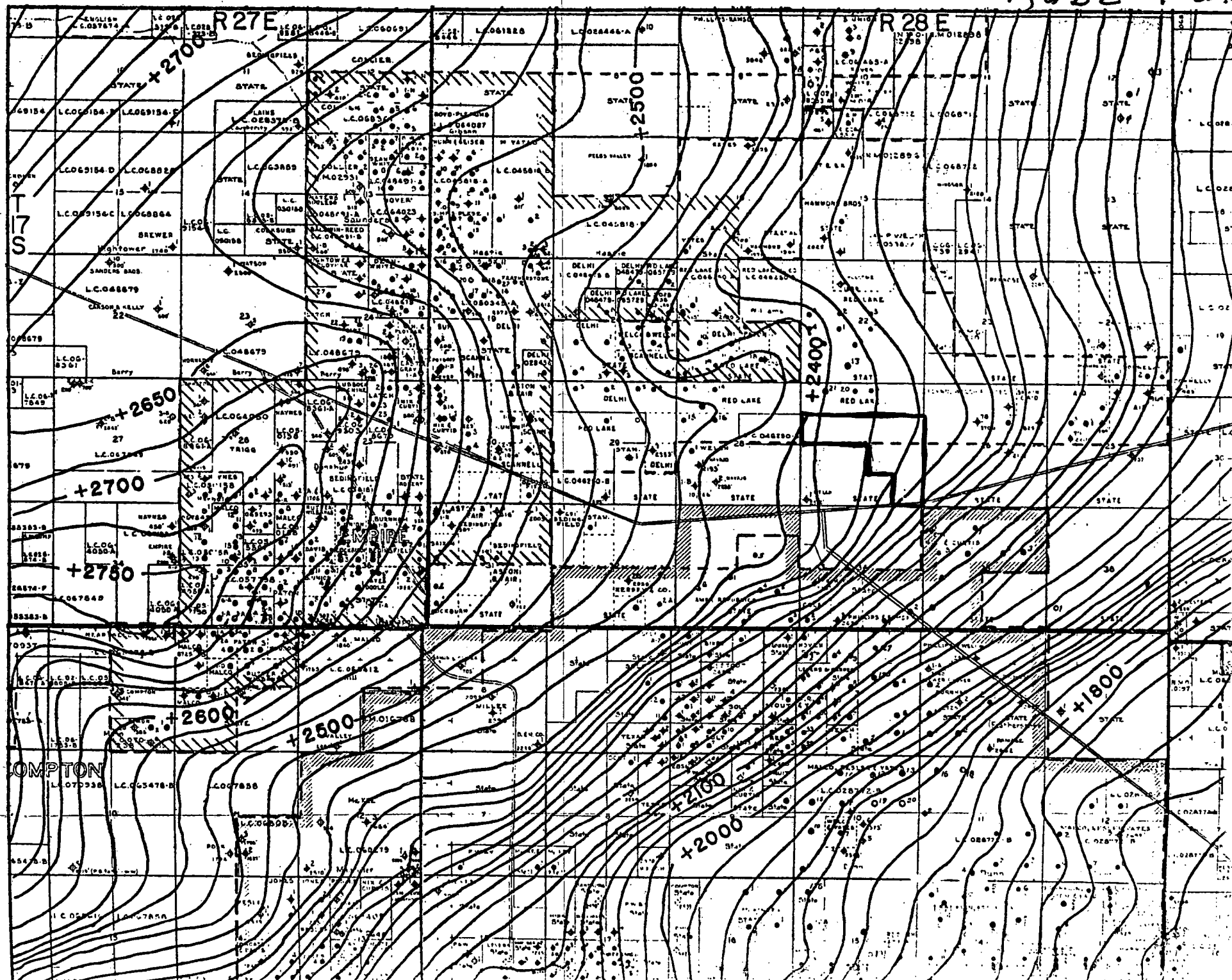
#5 - 3/15/61
- d. #25 - none

#5 - none recorded
- e. #25 - 47.6 mcf/day, 33.8 bbl/day

#5 - -0- mcf/day, 1 bbl/day
- f. #25 - NA

#5 - NA
- g. Well #5 has not produced any gas since March 1977. The new well was drilled deeper and opened in a different formation as well as the formation in which #5 was completed. Since #5 will not currently produce any gas although it does still produce some oil, the new well was drilled to drain this reservoir.

RULE 9-a.



Rule 9:

- b. Volume of increased ultimate recovery expected of 62.3 mmcf is based on a 15 year life and declining in accordance with well histories in this area.

Rule 11:

Notice of this infill request has been sent to John A. Yates, 211 So. 4th St., Artesia, New Mexico 88210, by certified mail, as the only offset operator.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

April 1, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Raye Miller
MARBOB ENERGY CORP.
P.O. Box 304
Artesia, NM 88210

Dear Raye:

Re: Application for NGPA Infill Well
Findings Under Provisions of
Order No. R-6013-A NG

Phillips State # 25, J-27-17S-28E,
Eddy County, New Mexico.

We may not process the subject application for infill findings until the required information, forms, or plats checked on the reverse side of this letter are submitted.

Sincerely,

Michael E. Stogner

Michael E. Stogner,
Petroleum Engineer

MES/dp

- ☐ A copy of Form C-101 must be submitted.
- ☐ A copy of Form C-102 must be submitted.
- ☐ The pool name must be shown.
- ☐ The standard spacing unit size for the pool must be shown.
- ☐ Give the Division Order No. which granted the non-standard proration unit.
- ☐ Please state whether or not the well has been spudded and give the spud date, if any.
- ☐ Information relative to other wells on the proration unit is incomplete. _____

☒ The geologic and reservoir data is incomplete or insufficient.
As per our phone conversation on Thursday, April 1, 1982, please
submit a more detailed narrative describing how the volume of ultimate
recovery expected was obtained. Thank you for an otherwise complete
and readable NFL application.

☐ Other: _____

Marbob Energy Corporation

P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

April 13, 1982

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

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

Mr. Michael E. Stogner
Petroleum Engineer
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for NGPA Infill
Well Findings Under Provisions
of Order No. R-6013-A
NG Phillips St. #25-J-27-17S-28E
West Artesia Grayburg Unit, Tr.
Well #21-E-8-18S-28E

Dear Mike:

I have obtained some help from a consulting engineer in preparing the additional information you needed for rule 9b. If you could please substitute these pages for the current page you have, they should complete the application. If there is still not enough information to satisfy rule 9b please contact me.

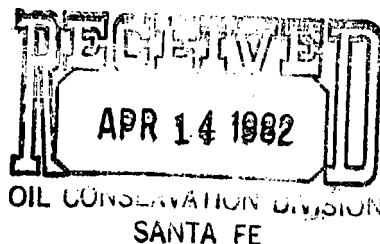
The production clerk is currently preparing about 6 more infill requests and I will forward them to you as soon as they are completed. Thanks for your help.

Sincerely,


Raye Miller
Land Department

RPM/co

Encl.



Marbob Energy Corporation
Artesia Queen Grayburg San Andres
NG Phillips State
Well #25

Pertinent Engineering Data and Conclusions:

Well No. 25 was completed in the Artesia Queen Grayburg pool in April 1981. This is an infill well located as per the attached plat.

Effective March 1, 1982, oil reserves recoverable will be 31,644 barrels and gas reserves recoverable will be 86,863 mcf.

Oil reserves were calculated from the attached rate/time curves to an economic limit of approximately 1 BOPD. Gas reserves were estimated using a study of the gas oil ratio performance not only on the specific well but on the entire pool.

My study reveals that as early as 1964 the producing well rate was 3.6 barrels of oil per day per well. The wells in the pool have remained on 40 acre spacing up until the past two years.

From infill well performance it is obvious that well density in this pool has to be increased to recover remaining reserves. The low permeability and low quality solution gas recovery mechanism will require reduced spacing to efficiently produce the reserves.

The daily producing rate for Well No. 25 was 35 BOPD in February 1982. This, of course, indicates that no interference has as yet been experienced from offset wells.

In my opinion the infill wells which increase the density of pattern will produce an amount of oil and gas reserves equal to the older wells in the field.

Therefore, it is my recommendation that well density be increased and it is my conclusion that infill wells will experience new reservoir conditions.

Paul G. White
Paul G. White
Petroleum Engineer

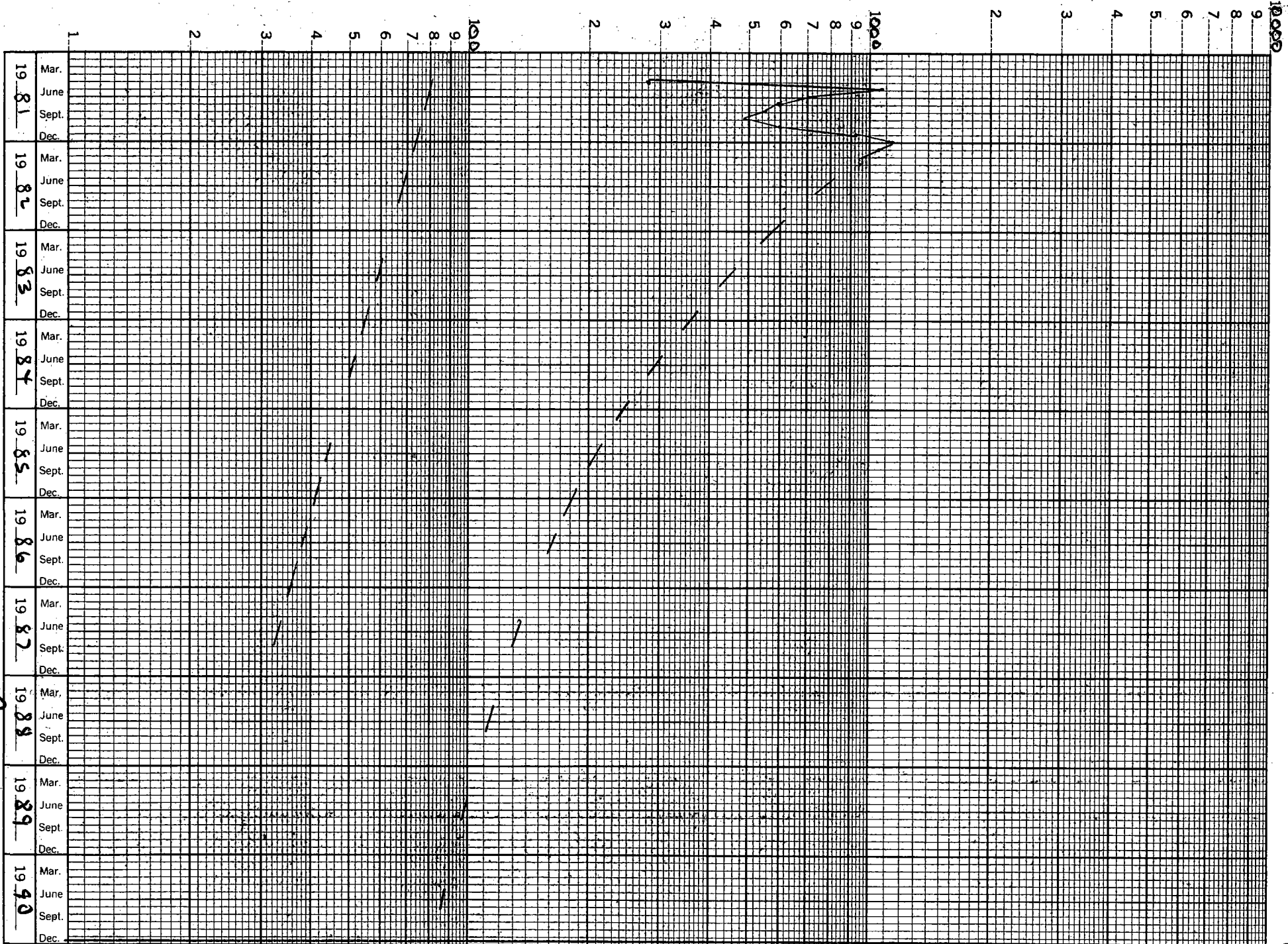
4-13-82
Date

PGW/co
Encl.

Rule 9-b.

0.1 / Bbls / Month

N.C. PHILLIPS STATE
WELL NO 25



Rule 9b.

Rule 11:

Notice of this infill request has been sent to John A. Yates, 207 So. 4th St., Artesia, New Mexico 88210, by certified mail, as the only offset operator.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Raye Miller
Marbob Energy Corporation
P.O. Drawer 217
Artesia, NM 88210

Re: Application for NGPA Infill Well
Findings Under Provisions of
Order No. R-6013-A NG Phillips

State Well Nos. (25) 27, 28, 29 and

West Artesia Grayburg Unit Well

Nos. 22, 24, and 25.

Dear Raye:

We may not process the subject application for infill findings until the required information, forms, or plats checked on the reverse side of this letter are submitted.

Sincerely,

Michael E. Stogner,
Petroleum Engineer

MES/dp

- ☐ A copy of Form C-101 must be submitted.
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- ☐ Information relative to other wells on the proration unit is incomplete.

- ☒ The geologic and reservoir data is incomplete or insufficient.

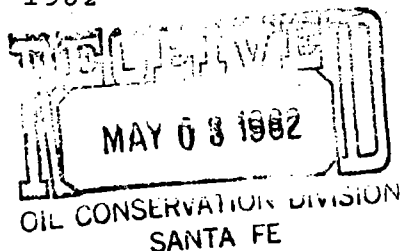
All of Paul G. White's reports refer in paragraph three to calculated oil reserves, please include this calculations.

- ☐ Other:

Marbob Energy Corporation

P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

April 29, 1982



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

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

Mr. Michael Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mike:

Per your request, we are enclosing Paul G. White's calculations on the oil reserves for the NG Phillips St. #25, 27, 28 and 29 and the West Artesia Grayburg Unit #22, 24, 21 and 25.

Let us know if you need further information.

Very truly yours,

Carolyn Orris
Production Clerk

CO

Encl.

Marbob Energy Corp.
NG Phillips St. #25
2185.7 FSL 1961.7 FEL Sec. 27-T17S-R28E

<u>Year</u>	<u>Gross Monthly Oil - bbls.</u>	<u>Gross Yearly Oil - bbls.</u>
1982	760	9,120
1983	420	5,040
1984	290	3,480
1985	210	2,520
1986	160	1,920
1987	132	1,584
1988	112	1,344
1989	98	1,176
1990	87	1,044
1991	78	936
1992	68	816
1993	58	696
1994	51	612
1995	42	504
1996	38	456
1997	33	<u>396</u>
Total Oil Remaining		31,644
Cumulative to 1/1/82		<u>8,417</u>
Total Ultimate Reserves		40,061

Gas-Oil Ratio Average - 2745 to 1

Remaining Gas Reserves - 86,863 MCF

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
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I.

Operator Marbob Energy Corp. Well Name and No. N.G. Phillips State Well #25
Location: Unit J Sec. 27 Twp. 17S Rng. 28E Cty. Eddy

II.

THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is completed in the Artesia Queen Grayburg San Andres Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40-acre proration unit comprising the NW/4 SE/4 of Sec. 27, Twp. 17S, Rng. 28E, is currently dedicated to the N.G. Phillips State Well No. 5 located in Unit J of said section.
- (5) That this proration unit is ~~(X)~~ standard () nonstandard; if nonstandard, said unit was previously approved by Order No. _____.
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IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
 - (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.
- DONE at Santa Fe, New Mexico, on this 4th day of May, 19 82.

DIVISION DIRECTOR _____ EXAMINER _____

INFILL DRILLING FINDINGS PURSUANT TO
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- (5) That this proration unit is ☒ standard () nonstandard; if nonstandard, said unit was previously approved by Order No. _____.
- (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 86,863 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
 - (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.
- DONE at Santa Fe, New Mexico, on this 4th day of May, 19 82.

DIVISION DIRECTOR _____

EXAMINER _____

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator Marbob Energy Corp. Well Name and No. N.G. Phillips State Well #25
Location: Unit J Sec. 27 Twp. 17S Rng. 28E Cty. Eddy

II.

THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is completed in the Artesia Queen Grayburg San Andres Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40-acre proration unit comprising the NW/4 SE/4 of Sec. 27, Twp. 17S, Rng. 28E, is currently dedicated to the N.G. Phillips State Well No. 5 located in Unit J of said section.
- (5) That this proration unit is ☒ standard () nonstandard; if nonstandard, said unit was previously approved by Order No. _____.
- (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 86,863 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
 - (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.
- DONE at Santa Fe, New Mexico, on this 4th day of May, 19 82.

DIVISION DIRECTOR _____ EXAMINER _____

Marbob Energy Corporation

P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

March 12, 1982

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

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

Mr. Michael E. Stogner
Petroleum Engineer
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Infill well applications

Dear Mike:

Please find enclosed two applications for infill well rulings. Although we have several to file with you, I wanted to have you review these before I sent more to see if these were complete, correct, and provided you with enough information to make a ruling. I have tried to closely follow the format you recommended.

When you have had a chance to review these please give me a call. Thanks for your help.

Sincerely,

Raye P. Miller
Raye P. Miller
Land Department

RPM

Encl.

116 Phillips State #25

*Request for Infill Finding on
NG Phillips State #25
in accordance with Administrative
Procedures Amended February 8, 1980*

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FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

JAN 28 1981

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. B-2071
7. Unit Agreement Name
8. Farm or Lease Name NG Phillips St.
9. Well No. 25
10. Field and Pool, or Wildcat Artesia Qn. Grbg. SA
12. County Eddy

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"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	8. Farm or Lease Name NG Phillips St.
2. Name of Operator Marbob Energy Corp.	9. Well No. 25
3. Address of Operator P.O. Box 304, Artesia, N.M. 88210	10. Field and Pool, or Wildcat Artesia Qn. Grbg. SA
4. Location of Well UNIT LETTER J LOCATED 2185.7 FEET FROM THE South LINE AND 1961.7 FEET FROM THE East LINE OF SEC. 27 TWP. 17S RGE. 28E NMPM	12. County Eddy
19. Proposed Depth 2150'	19A. Formation Premier
20. Rotary or C.T. Rotary	21. Elevations (Show whether D.P., R.T., etc.) 3655' CR
21A. Kind & Status Plug. Bond Statewide Active	21B. Drilling Contractor Stewart Bros. Drlg. Co.
22. Approx. Date Work will start 2/2/81	

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/2"	8 5/8"	24#	500'	Circulate	
7 7/8"	4 1/2"	10.50#	2150'	Attempt to circ.	

We propose to drill to 500', set 8 5/8" 24# casing, drill on to 2150' to test the Premier formation, set 4 1/2" 10.50# casing.

RECEIVED 1/28/81
7-28-81
W. A. GROSSETT

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 Carolyn Davis Title Production Clerk Date 1/28/81

(This space for State Use)

APPROVED BY W. A. Grossett TITLE SUPERVISOR, INSPECTION DATE 1/28/81

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 7-10,
Supersedes C-128
Effective 1-1-85

All distances must be from the outer boundaries of the Section

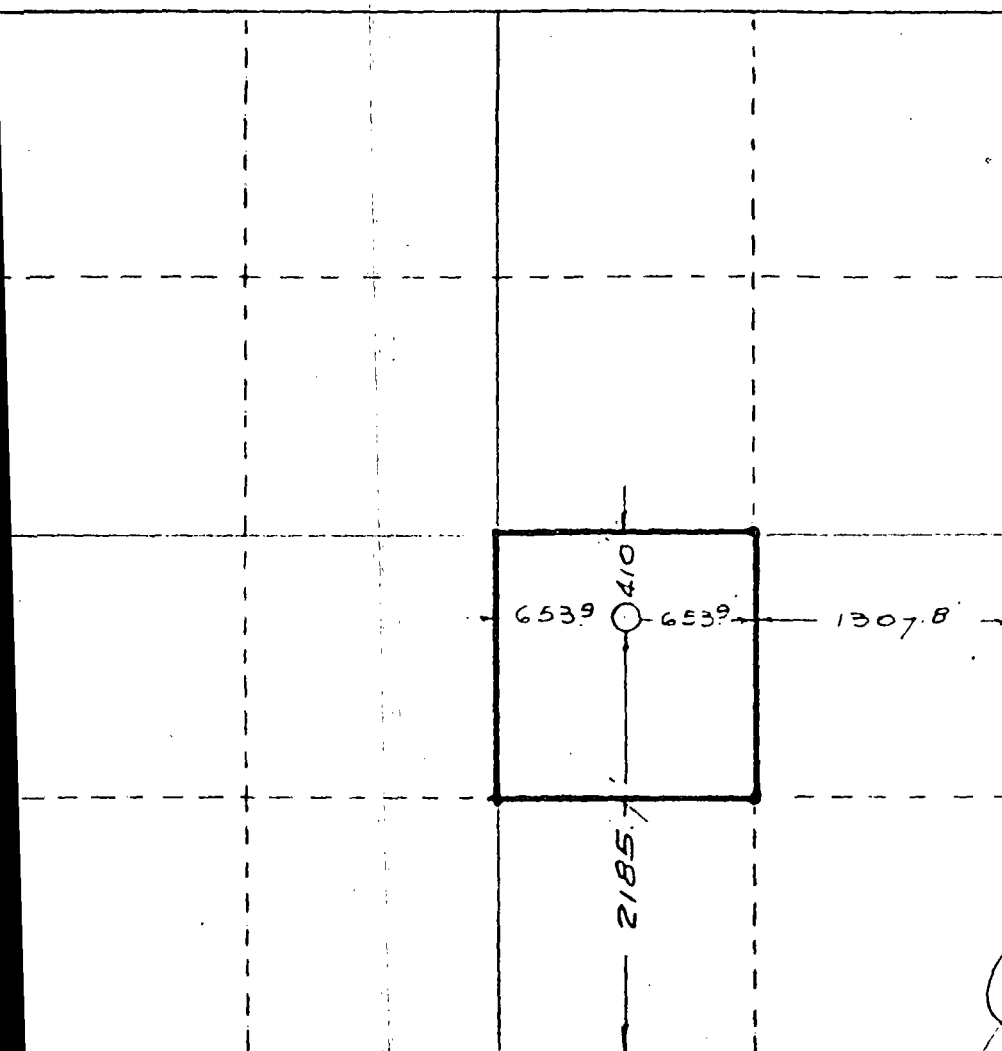
Operator MARBOB ENERGY CORPORATION		County N. G. Phillips STATE		Well No. 25	
Section Letter J	Section 27	Township 17 South	Range 28 East	County EDDY	
Actual Footage Location of Well:					
2185.7		feet from the	South	line and	1961.7
				feet from the	East
Ground Level Elev. 3655	Producing Formation Premier		Location Artesia Qn. Grbg. SA		Depth 40

1. Outline the acreage dedicated to the subject well by colored pencil or hatch marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Carolyn Orris

Carolyn Orris

Production Clerk

Marbob Energy Corp.

1/28/81

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
October 23, 1980

Registered Professional Landman
and L. S. Surveyor

John W. Shearn

Rule 6:

NG Phillips State #25

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit - 40 acres

Rule 7:

NA

Rule 8:

- a. NG Phillips State #25 - 2185.7 FSL 1961.7 FEL, Sec. 27,
T17S-R28E

NG Phillips State #5 - 1650 FSL, 1650 FEL Sec. 27,
T17S-R28E
- b. #25 - 2/24/81

#5 - 1/12/61
- c. #25 - 4/20/81

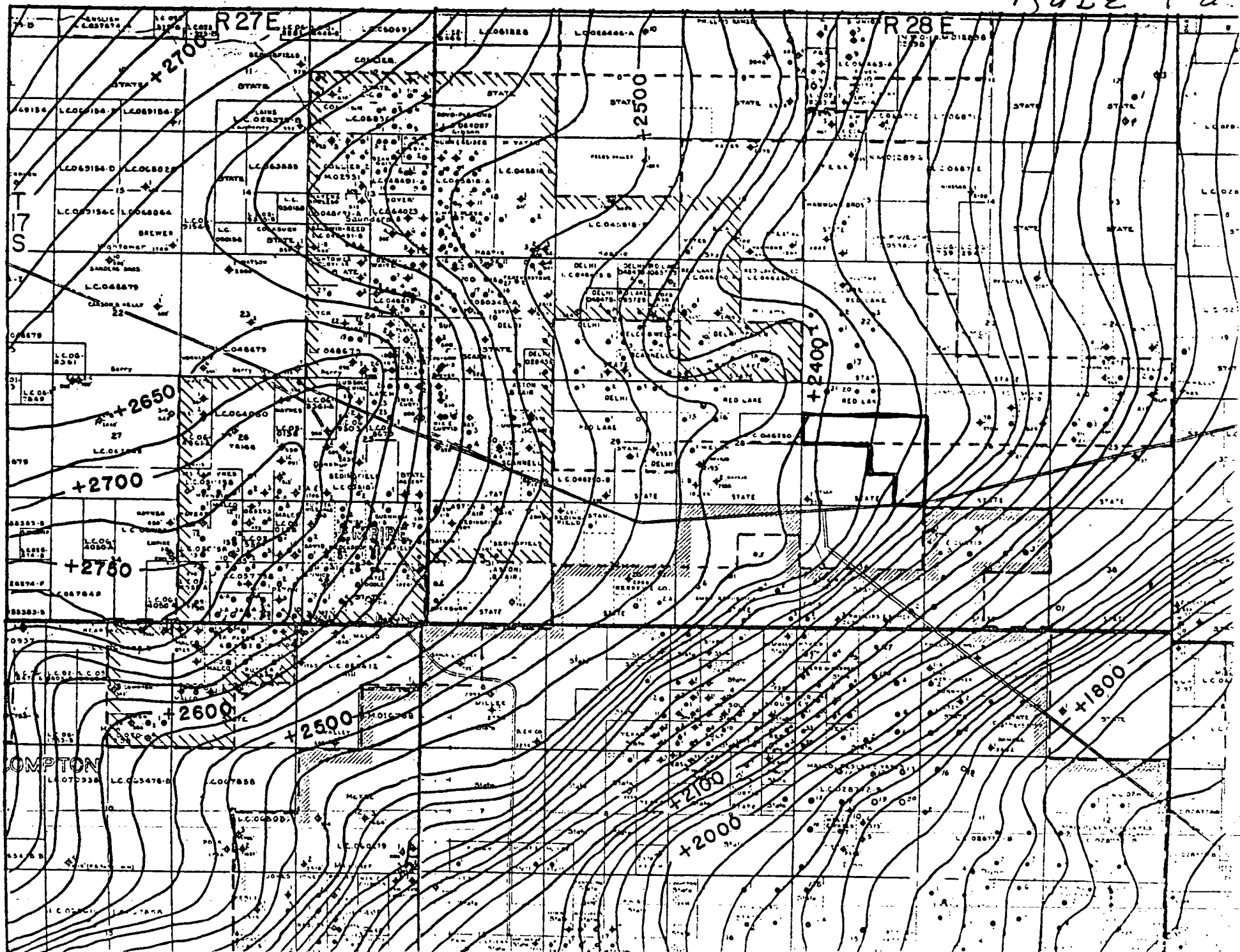
#5 - 3/15/61
- d. #25 - none

#5 - none recorded
- e. #25 - 47.6 mcf/day, 33.8 bbl/day

#5 - -0- mcf/day, 1 bbl/day
- f. #25 - NA

#5 - NA
- g. Well #5 has not produced any gas since March 1977. The new well was drilled deeper and opened in a different formation as well as the formation in which #5 was completed. Since #5 will not currently produce any gas although it does still produce some oil, the new well was drilled to drain this reservoir.

RULE 9-a



Rule 9:

- b. Volume of increased ultimate recovery expected of 62.3 mmcf is based on a 15 year life and declining in accordance with well histories in this area.

Rule 11:

Notice of this infill request has been sent to John A. Yates, 211 So. 4th St., Artesia, New Mexico 88210, by certified mail, as the only offset operator.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

April 1, 1982

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Raye Miller
MARBOB ENERGY CORP.
P.O. Box 304
Artesia, NM 88210

Dear Raye:

Re: Application for NGPA Infill Well
Findings Under Provisions of
Order No. R-6013-A NG

Phillips State # 25, J-27-17S-28E,
Eddy County, New Mexico.

We may not process the subject application for infill findings until the required information, forms, or plats checked on the reverse side of this letter are submitted.

Sincerely,

Michael E. Stogner

Michael E. Stogner,
Petroleum Engineer

MES/dp

- ☐ A copy of Form C-101 must be submitted.
- ☐ A copy of Form C-102 must be submitted.
- ☐ The pool name must be shown.
- ☐ The standard spacing unit size for the pool must be shown.
- ☐ Give the Division Order No. which granted the non-standard proration unit.
- ☐ Please state whether or not the well has been spudded and give the spud date, if any.
- ☐ Information relative to other wells on the proration unit is incomplete.

- ☒ The geologic and reservoir data is incomplete or insufficient.
As per our phone conversation on Thursday, April 1, 1982, please
submit a more detailed narrative describing how the volume of ultimate
recovery expected was obtained. Thank you for an otherwise complete
and readable NFL application.

- ☐ Other:

Marbob Energy Corporation

P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

April 13, 1982

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

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

Mr. Michael E. Stogner
Petroleum Engineer
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for NGPA Infill
Well Findings Under Provisions
of Order No. R-6013-A
NG Phillips St. #25-J-27-17S-28E
West Artesia Grayburg Unit, Tr.
Well #21-E-8-18S-28E

Dear Mike:

I have obtained some help from a consulting engineer in preparing the additional information you needed for rule 9b. If you could please substitute these pages for the current page you have, they should complete the application. If there is still not enough information to satisfy rule 9b please contact me.

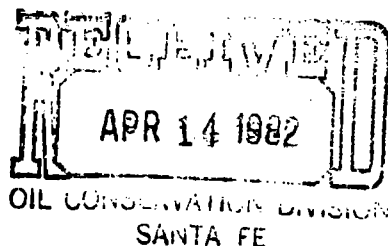
The production clerk is currently preparing about 6 more infill requests and I will forward them to you as soon as they are completed. Thanks for your help.

Sincerely,

Raye Miller
Raye Miller
Land Department

RPM/co

Encl.



Marbob Energy Corporation
Artesia Queen Grayburg San Andres
NG Phillips State
Well #25

Pertinent Engineering Data and Conclusions:

Well No. 25 was completed in the Artesia Queen Grayburg pool in April 1981. This is an infill well located as per the attached plat.

Effective March 1, 1982, oil reserves recoverable will be 31,644 barrels and gas reserves recoverable will be 86,863 mcf.

Oil reserves were calculated from the attached rate/time curves to an economic limit of approximately 1 BOPD. Gas reserves were estimated using a study of the gas oil ratio performance not only on the specific well but on the entire pool.

My study reveals that as early as 1964 the producing well rate was 3.6 barrels of oil per day per well. The wells in the pool have remained on 40 acre spacing up until the past two years.

From infill well performance it is obvious that well density in this pool has to be increased to recover remaining reserves. The low permeability and low quality solution gas recovery mechanism will require reduced spacing to efficiently produce the reserves.

The daily producing rate for Well No. 25 was 35 BOPD in February 1982. This, of course, indicates that no interference has as yet been experienced from offset wells.

In my opinion the infill wells which increase the density of pattern will produce an amount of oil and gas reserves equal to the older wells in the field.

Therefore, it is my recommendation that well density be increased and it is my conclusion that infill wells will experience new reservoir conditions.

Paul G. White
Paul G. White
Petroleum Engineer

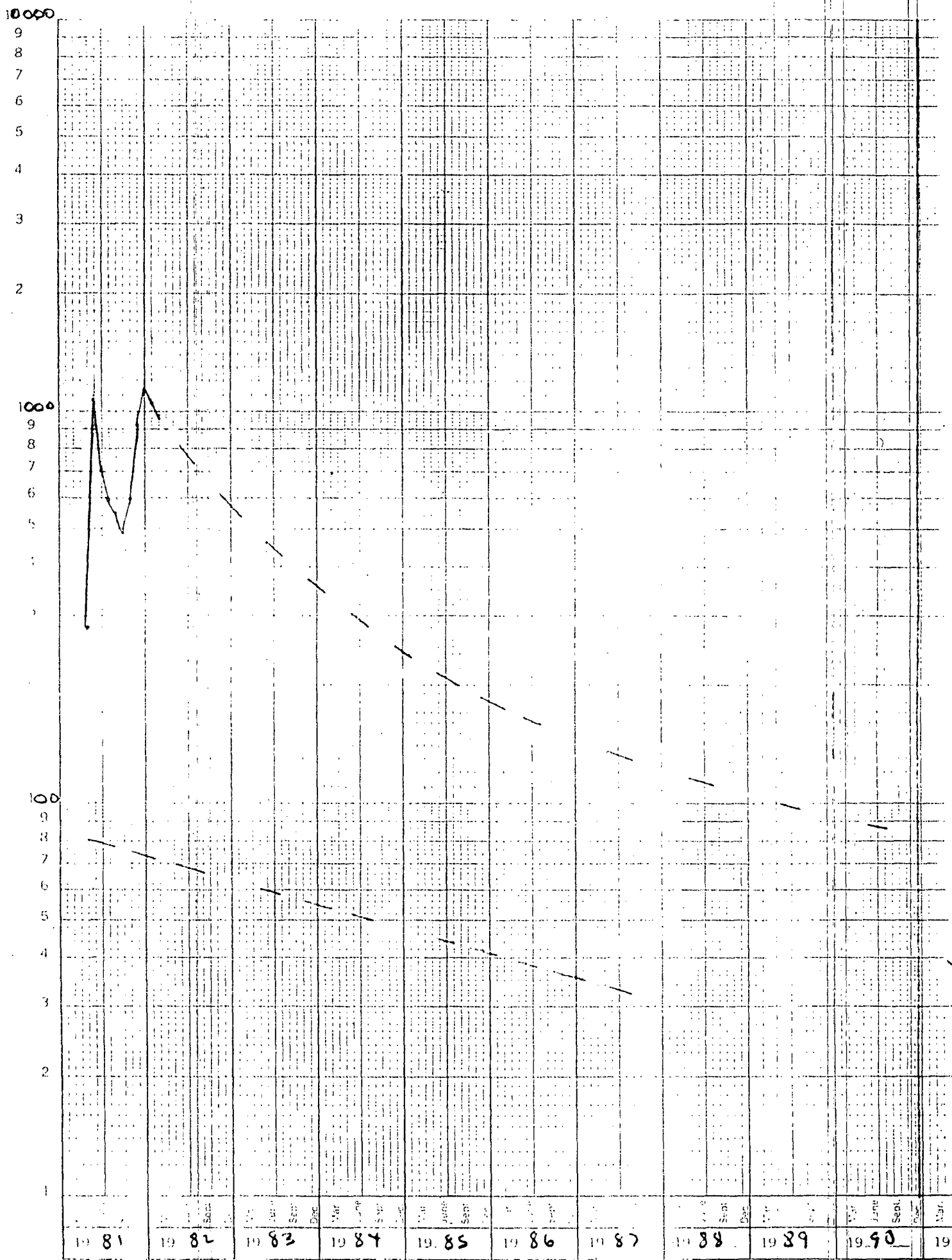
4-13-82
Date

PGW/co
Encl.

RULE 9-b.

N.G. PHILLIPS STATE WELL NO 25

Oil/Bbls/Month



Page 9-6.

Rule 11:

Notice of this infill request has been sent to John A. Yates, 207 So. 4th St., Artesia, New Mexico 88210, by certified mail, as the only offset operator.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Raye Miller
Marbob Energy Corporation
P.O. Drawer 217
Artesia, NM 88210

Re: Application for NGPA Infill Well
Findings Under Provisions of
Order No. R-6013-A NG Phillips

State Well Nos. (25), 27, 28, 29 and

West Artesia Grayburg Unit Well

Nos. 22, 24, and 25.

Dear Raye:

We may not process the subject application for infill findings until the required information, forms, or plats checked on the reverse side of this letter are submitted.

Sincerely,

A handwritten signature in cursive script that reads "Michael E. Stogner".

Michael E. Stogner,
Petroleum Engineer

MES/dp

- ☐ A copy of Form C-101 must be submitted.
- ☐ A copy of Form C-102 must be submitted.
- ☐ The pool name must be shown.
- ☐ The standard spacing unit size for the pool must be shown.
- ☐ Give the Division Order No. which granted the non-standard proration unit.
- ☐ Please state whether or not the well has been spudded and give the spud date, if any.
- ☐ Information relative to other wells on the proration unit is incomplete.

- ☒ The geologic and reservoir data is incomplete or insufficient.

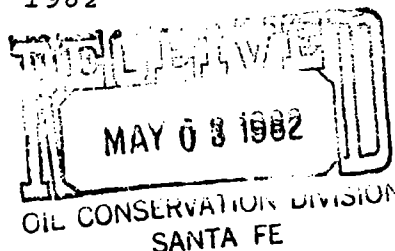
All of Paul G. White's reports refer in paragraph three to calculated oil reserves, please include this calculations.

- ☐ Other:

Marbob Energy Corporation

P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

April 29, 1982



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

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

Mr. Michael Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Dear Mike:

Per your request, we are enclosing Paul G. White's calculations on the oil reserves for the NG Phillips St. #25, 27, 28 and 29 and the West Artesia Grayburg Unit #22, 24, 21 and 25.

Let us know if you need further information.

Very truly yours,

Carolyn Orris
Production Clerk

cc

Encl.

Marbob Energy Corp.
NG Phillips St. #25
2185.7 FSL 1961.7 FEL Sec. 27-T17S-R28E

<u>Year</u>	<u>Gross Monthly Oil - bbls.</u>	<u>Gross Yearly Oil - bbls.</u>
1982	760	9,120
1983	420	5,040
1984	290	3,480
1985	210	2,520
1986	160	1,920
1987	132	1,584
1988	112	1,344
1989	98	1,176
1990	87	1,044
1991	78	936
1992	68	816
1993	58	696
1994	51	612
1995	42	504
1996	38	456
1997	33	396
Total Oil Remaining		31,644
Cumulative to 1/1/82		<u>8,417</u>
Total Ultimate Reserves		40,061

Gas-Oil Ratio Average - 2745 to 1

Remaining Gas Reserves - 86,863 MCF