

OIL CONSERVATION DIVISION

P. O. Box 2088

SANTA FE, NEW MEXICO

87501

ADMINISTRATIVE ORDER

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTNFL 50INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator Marbob Energy Corporation Well Name and No. NG Phillips State Well No. 28
Location: Unit H 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 SE/4 NE/4
of Sec. 27, Twp. 17S, Rng. 28E, is currently dedicated to the NG Phillips
State Well No. 2 located in Unit H of said section.

(5) That this proration unit is (X) 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 94,338 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 11th day of May, 19 82.

DIVISION DIRECTOR _____

EXAMINER _____

INFILL DRILLING FINDINGS PURSUANT TO
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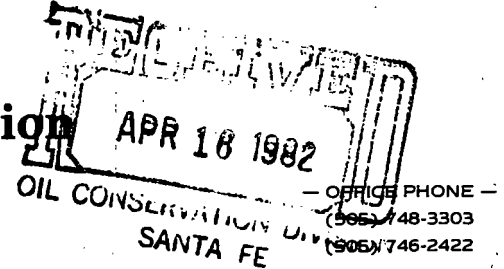
DIVISION DIRECTOR _____

EXAMINER _____

Marbob Energy Corporation

P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

April 15, 1982



— OFFICE PHONE —
(505) 746-3303
(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:

Enclosed are three more infill applications - NG Phillips St. #29, NG Phillips St. #28 and NG Phillips St. #27. I hope these are acceptable. If you have any questions or problems please call.

Sincerely,

Ray Miller
Raye Miller
Land Department

RPM/co

Encl.

Request for Infill Finding on

NG Phillips State #28

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

NEW MEXICO OIL CONSERVATION COMMISSION

RECEIVED

APR 16 1982
C-101
APR 09 1981

| | |
|---------|--|
| OFFICE | |
| DATE | |
| TIME | |
| BY | |
| FOR | |
| REMARKS | |

APR 09 1981

O. C. B.
ARTESIA, N.M.

1. Indicate Type of Lease or Division
STATE ☒ SANTA FE ☐
2. State Oil & Gas Lease No.
B-2071

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | | |
|---|--|--|--|
| Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> | | 7. Unit Agreement Name | |
| Type of Well OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER <input type="checkbox"/> | | 8. Firm or Lease Name NG Phillips St. | |
| Name of Operator Harbob Energy Corporation | | 9. Well No. 28 | |
| Address of Operator P.O. Box 304, Artesia, N.M. 88210 | | 10. Field and Pool, or Wildcat Artesia On. Grbg. SA | |
| Location of Well UNIT LETTER H LOCATED 2260.5 FEET FROM THE North LINE 330 FEET FROM THE East LINE OF SEC. 27 T2P. 17S R3E 28E N40W | | 12. County Eddy | |
| 18. Proposed Depth 2500' | | 19A. Formation Premier | |
| 20. Rotary or C.T. Rotary | | 21. Approx. Date Work will start 4/13/81 | |
| 22. Kind & Status Plug. Bond Statewide active | | 23. Drilling Contractor Stewart Bros. Drlg. Co. | |
| 24. Location (Show whether D, H, etc.) 3602' CR | | 25. Date Work will start 4/13/81 | |

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# | 450' | 325 bag | |
| 7 7/8" | 4 1/2" | 10.50# | 2500' | Attempt to circ | |

We propose to drill to 450', set 8 5/8" 24# casing, cement, drill on to 2500' to test the Premier formation, run 4 1/2" 10.50# casing and cement.

APPROVAL DATE 4/8/81 DAY 180
PERMIT EXPIRES 10-10-81
UNLESS DRILLING UNDERWAY

ON SPACE DESCRIBE PROPOSED PROGRAM, IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION, GIVE CEMENT PREVENTION PROGRAM, IF ANY.

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

Signature: [Signature]
Title: Production Clerk

Date: 4/9/81

Signature: [Signature]
Title: SUPERVISOR, DISTRICT II

Date: APR 10 1981

FILE 3775

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-4-85

All distances must be from the outer boundaries of the Section

APR 18 1982

MARBOB ENERGY CORPORATION

Lease

N. O. PHILLIPS STATE

Well No.

28

Section

27

Township

17 South

Range

28 East

County

SANTA FE
EDDY

Actual Well Location of Well:

2260.5

feet from the North

line and

330

feet from the

East

line

Ground Level Elev:

5602

Producing Formation

Premier

Pool

Artesia Qn. Grbg. SA

Dedicated Acreage:

40

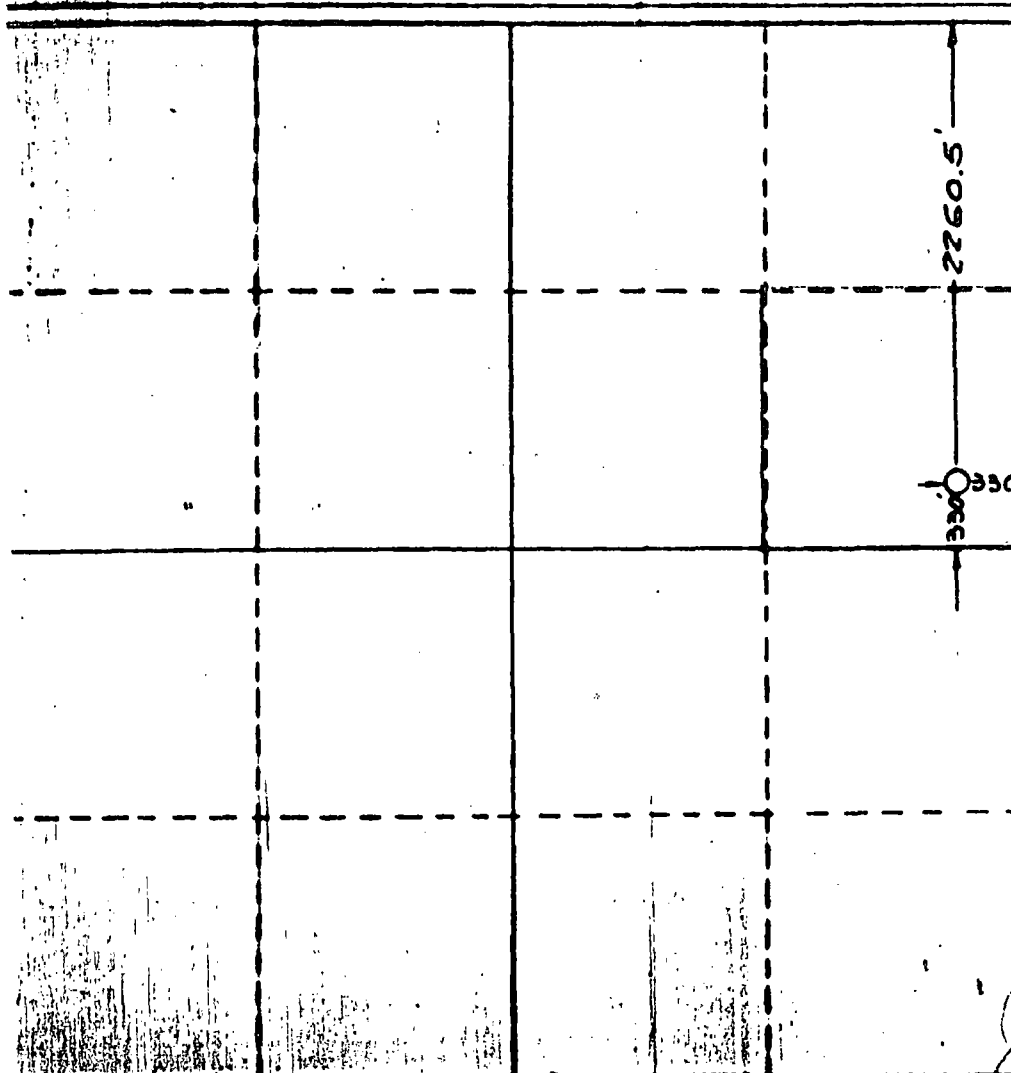
Acres

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

4/9/81

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

February 16, 1981

Registered Professional Engineer and/or Land Surveyor

John W. Shearn

Certificate No.

1599

PAGE 5

Rule 6:

NG Phillips State #28

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit - 40 acres

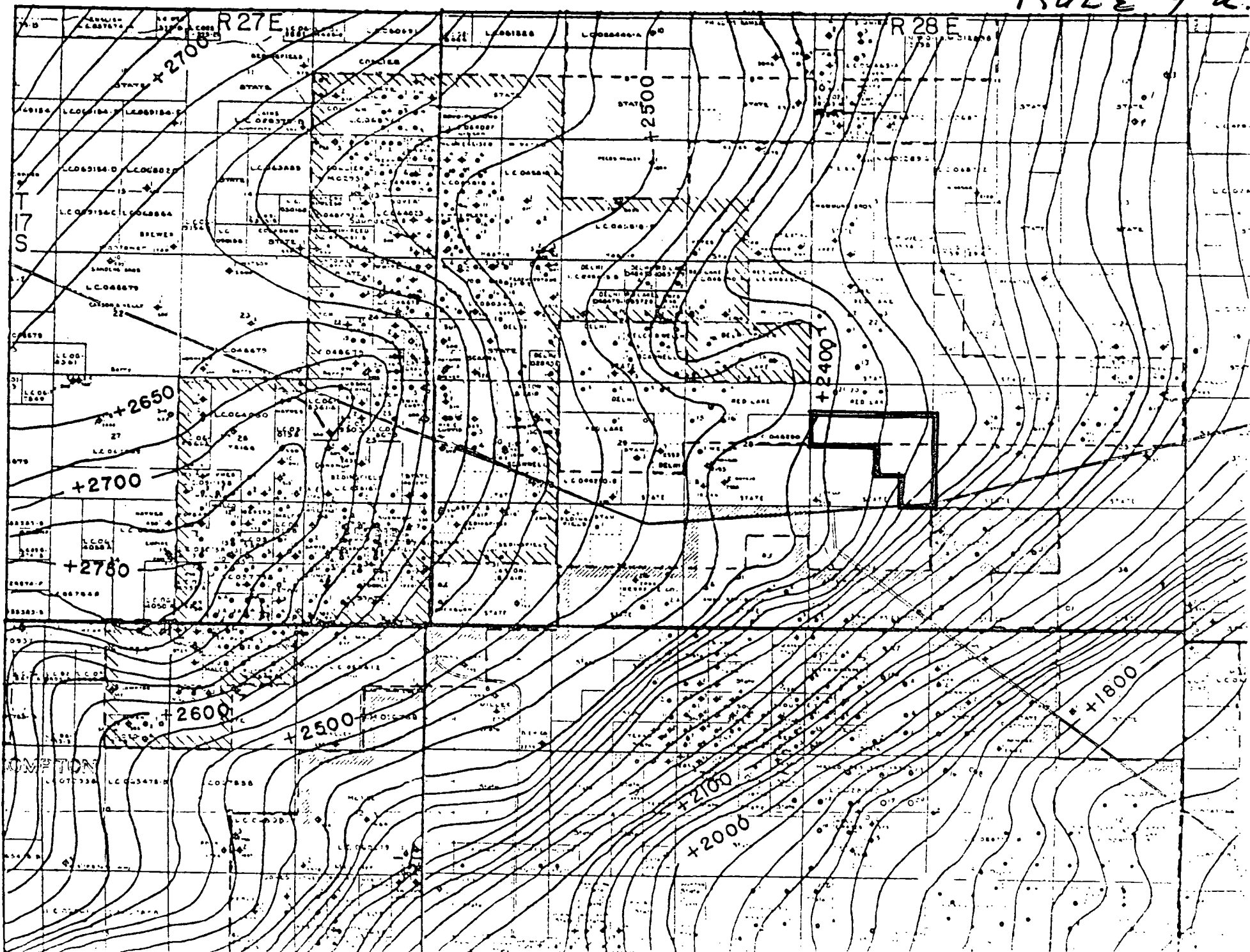
Rule 7:

NA

Rule 8:

- a. NG Phillips St. #28, 2260.5 FNL 330 FEL Sec. 27-17S-28E
NG Phillips St. #2, 1650 FNL 990 FEL Sec. 27-17S-28E
- b. #28 - 4/12/81
#2 - 7/3/59
- c. #28 - 5/19/81
#2 - 8/8/59
- d. None
- e. #28 - 10 bbl. oil, 96 mcf gas/day
#2 - NA, well TA
- f. NA
- g. The Phillips #28 was drilled to recover reserves that were not recovered by the #2 well. The #2 produced no gas after December 1976. Bridge plugs and cement are currently set @ 1470' and 1860' in the #2 well, and any major recompletion work would have been highly risky because of the age of the pipe and the old cement casing techniques used in this well.

Rule 9-a.



Marbob Energy Corporation
Artesia Queen Grayburg San Andres
NG Phillips State
Well #28

Pertinent Engineering Data and Conclusions:

Well No. 28 was completed in the Artesia Queen Grayburg pool in May, 1981. This is an infill well located as per the attached plat.

Effective March 1, 1982, oil reserves recoverable will be 10,020 barrels and gas reserves recoverable will be 94,338 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. 28 was 10 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.

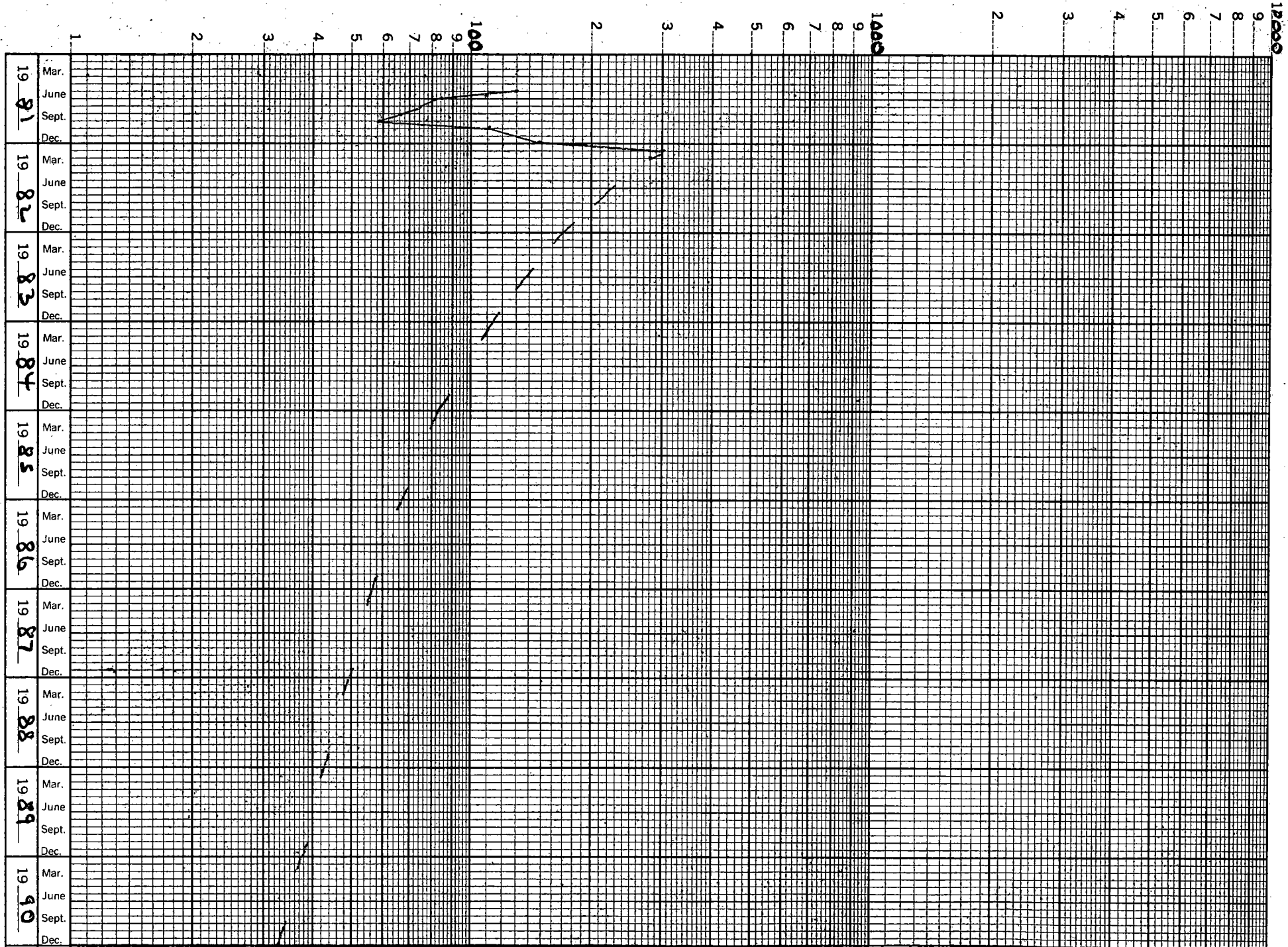
Paul G. White
Paul G. White
Petroleum Engineer

4-13-82
Date

PGW/co
Encl.

RULE 9-b.

Oil / Bbls / month



N.G. PHILLIPS
WELL NO 28

Rule 11:

Notice of this infill request has been set to Depco,
Inc., 1000 Petroleum Bldg., Denver, Colorado 80202,
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.
- ☐ 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:

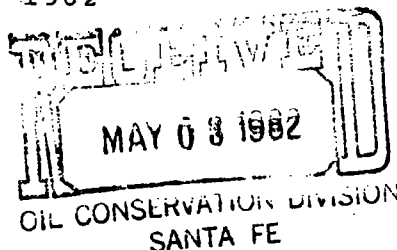
Marbob Energy Corporation

P. O. DRAWER 217
ARTESIA, NEW MEXICO 88210

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

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

April 29, 1982



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
Carolyn Orris
Production Clerk

cc

Encl.

Marbob Energy Corp.
NG Phillips St. #28
2260.5 FNL 330 FELSec. 27-T17S-R28E

| <u>Year</u> | <u>Gross Monthly Oil - bbls.</u> | <u>Gross Yearly Oil - bbls.</u> |
|-------------------------|--------------------------------------|-------------------------------------|
| Total Oil Remaining | | 10,020 |
| Cumulative to 1/1/82 | | <u>1,321</u> |
| Total Ultimate Reserves | | 11,341 |

Gas-Oil Ratio Average - 9,415 to 1

Remaining Gas Reserves - 94,338 MCF

Oil reserves calculated using average rate/time curve decline
from older wells.