

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



February 20, 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-155

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 wells in Unit A of Section 34, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico:

Amoco State "A" Well No. 2 located 443 feet from the North line and 978 feet from the East line; and,

Amoco State "A" Well No. 3 located 965 feet from the North line and 330 feet from the East line.

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 wells for which a finding is sought are 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 NE/4 NE/4 (Unit A) of Section 34, Township 17 South, Range 28 East, is currently dedicated to the applicant's Amoco State "A" Well No. 1 located 650 feet from the North line and 660 feet from the East line (Unit A) 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 wells for which a finding is sought should result in the production of an additional 8,640 MCF and 11,200 MCF, respectively, 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 wells for which a finding is sought are 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 Amoco State "A" Wells Nos. 2 and 3 as described above, as infill wells on the existing 40-acre standard oil proration unit comprising the NE/4 NE/4 (Unit A) of Section 34, Township 17, Range 28, 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.

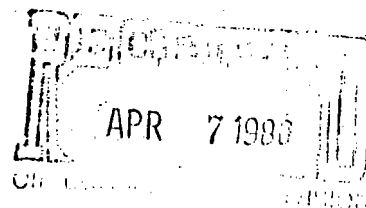
Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Examiner

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

Paul G. White Engineering
OIL AND NATURAL GAS



April 4, 1986

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. Michael Stogner

Re: Marbob Energy Corporation
Well Head Price Ceiling Determination
NGPA of 1978

Dear Mike:

My studies for in-fill drilling and increased density of well bores to properly drain and produce reserves indicated that at least 20 acre spacing was necessary for the subject areas which were filed on.

Actually, the well density in my opinion could go to ten (10) acre spacing if pricing and economics will allow this.

The new wells exhibit starting rates which indicate an undisturbed reservoir even when drilled on the 10 acre proration units. Further, the very low order of permeability requires very large fracture treatments and stimulations for a well to respond and produce any hydrocarbons. None are produced naturally. Thirdly, there has been no evidence of any drainage or communication between the wells when drilled and developed on the 10 acre density.

Please refer to Marbob's application for the Amoco State A Well Nos. 2 and 3 and the Turkey Tract Section 3 Unit Well Nos. 28 and 29. These in-fill wells are characterized by the criteria as set out above. I respectfully request that you therefore, approve Marbob's applications.

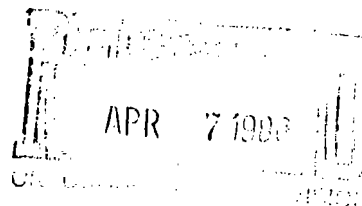
Thanks for your help.

Best regards,

Paul G. White

cc: Marbob Energy Corporation
Mr. Ray Miller

Paul G. White Engineering
OIL AND NATURAL GAS



April 4, 1986

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

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Please refer to Marbob's application for the Amoco State A Well Nos. 2 and 3 and the Turkey Tract Section 3 Unit Well Nos. 28 and 29. These in-fill wells are characterized by the criteria as set out above. I respectfully request that you therefore, approve Marbob's applications.

Thanks for your help.

Best regards,

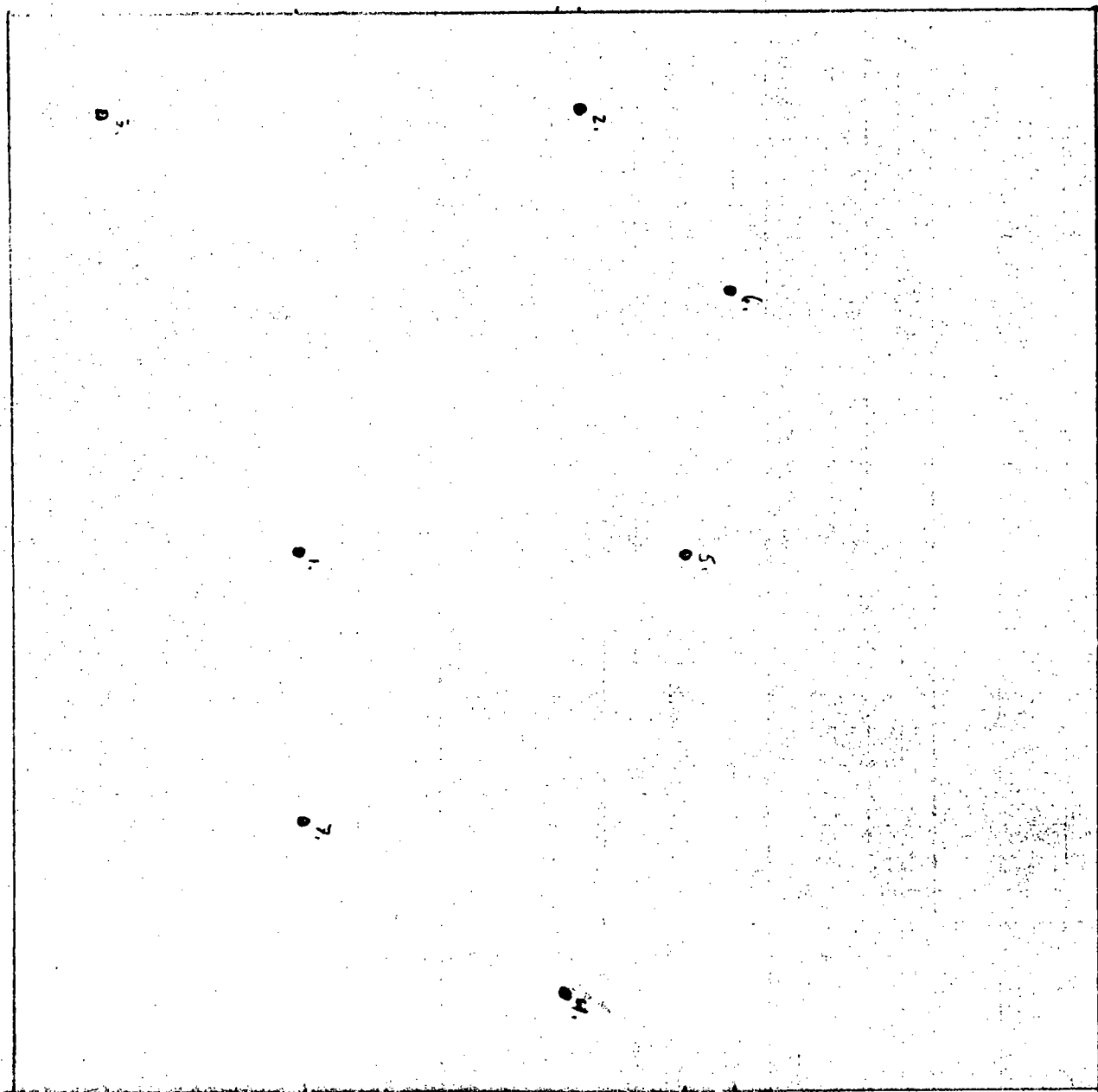
Paul G. White

cc: Marbob Energy Corporation
Mr. Ray Miller



42-381 50 SHEETS 5 SQUARE
42-382 100 SHEETS 5 SQUARE
42-389 200 SHEETS 5 SQUARE
Made in U.S.A.

UNIT A, SECTION 34, TOWNSHIP 17 SOUTH, RANGE 39 EAST, ARIZONA, GIBBY COUNTY,
NEW MEXICO.



Spud: 12/12/85
Hesteria Owen Grayburg San Andres Completion



42 381 30 SHEETS 5 SQUARE
42 382 100 SHEETS 5 SQUARE
42 383 200 SHEETS 5 SQUARE

7. *Marshall Energy Corporation*
Ames State "A" Well No. 3
965' x 222' - 230' x 222'
Spud 11/20/65
Artisia Queen Drapery Co., Andria Company Inc.

REQUEST FOR INFILL FINDING ON

AMOCO STATE #2

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

P. O. BOX 208
SANTA FE, NEW MEXICO 87501RECEIVED BY
DEC 11 1985O. C. D.
ARTESIA OFFICE

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> REC <input type="checkbox"/>
5. State Oil & Gas Lease No.
E-7832

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name	
DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		Amoco State A	
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 <u>A</u> LOCATED <u>443</u> FEET FROM THE <u>North</u> LINE AND <u>978</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>34</u> TWP. <u>17S</u> REC. <u>28E</u> NMPM		12. County Eddy	
19. Proposed Depth 3000'		19A. Formation San Andres	
20. Rotary or C.T. Rotary		21. Elevations (Show whether D.F., K.T., etc.) 3671.9' GR	
21A. Kind & Status Plug. Bond Statewide active		21B. Drilling Contractor Larue Drilling Co.	
22. Approx. Date Work will start 12/12/85			

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#	3000'	600	Attempt to circ.

We propose to drill to 500', run and cement 8 5/8" casing; reduce hole and drill on to 3000' to test the San Andres, run 5 1/2" and cement; put on production.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 4-12-86
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 Lucella Title Production Clerk Date 12/11/85

(This space for State Use)

Original Signed By
Les A. Clements

APPROVED BY Supervisor District II DATE DEC 12 1985

CONDITIONS OF APPROVAL, IF ANY:

**NEW 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 MARBOb ENERGY CORP.		Lease AMOCO STATE A		Well No. 2
Unit Letter A	Section 34	Township 17 SOUTH	Range 28 EAST	County EDDY
Actual Footage Location of Well: 443 feet from the NORTH line and 978 feet from the EAST line				
Ground Level Elev. 3671.9'	Producing Formation San Andres	Pool Artesia On Grbg 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.

Name
Carolyn Purcella
Position
Production Clerk
Company
Marbob Energy Corporation
Date
12/11/85

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
NOVEMBER 2, 1985

Registered Professional Engineer
and/or Land Surveyor

John W. West

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

Rule 6:

Amoco State #2

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit: 40 acres

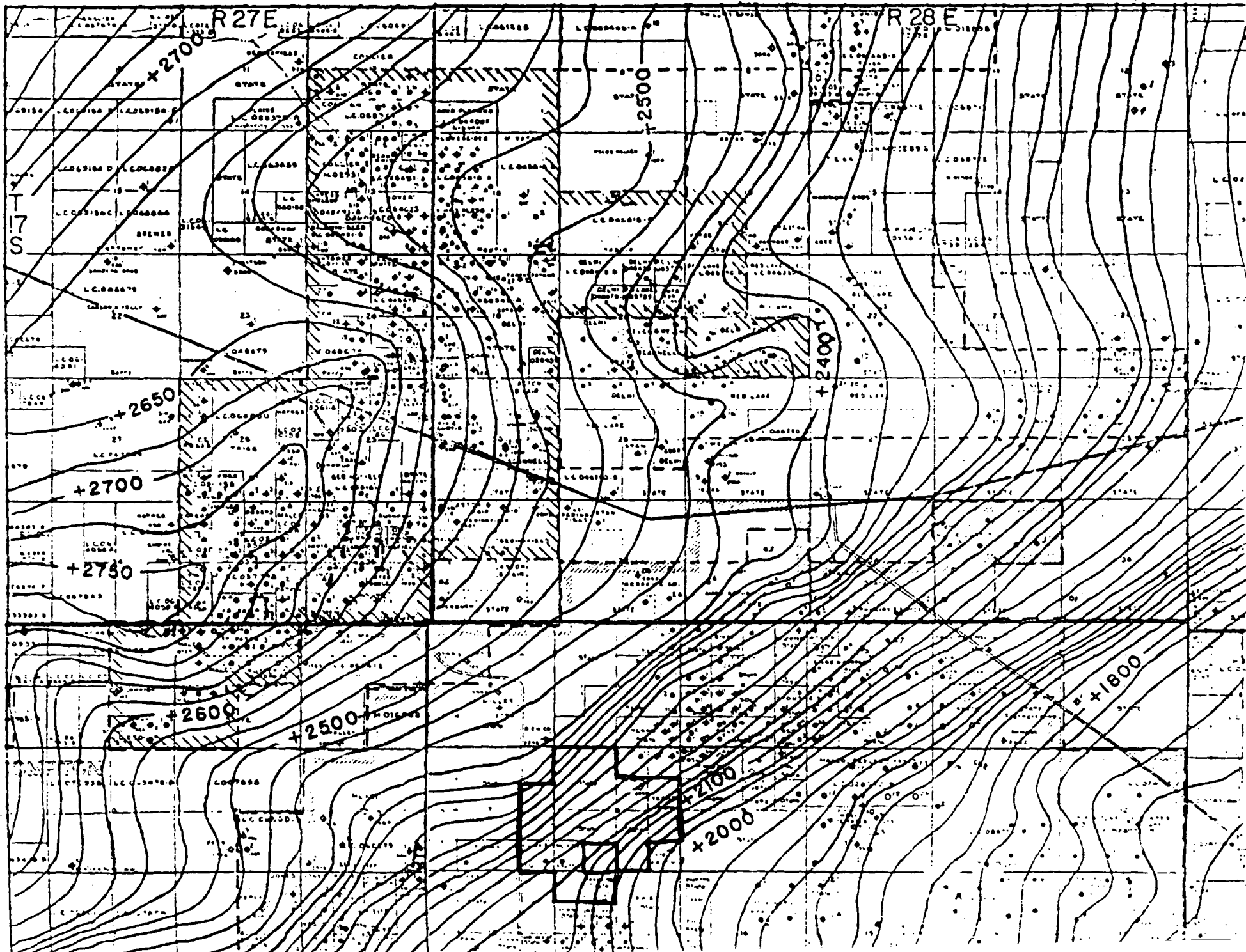
Rule 7:

NA

Rule 8:

- a. Amoco State #1 - 505 FNL 660 FEL Sec. 34-T17S-R28E
Amoco State #3 - 965 FNL 330 FEL Sec. 34-T17S-R28E
Amoco State #2 - 443 FNL 978 FEL Sec. 34-T17S-R28E
- b. #1 - 4/25/61
#3 - 11/20/85
#2 - 12/12/85
- c. #1 - 6/22/61
#3 - 12/2/85
#2 - 1/1/86
- d. None
- e. #1 - 4 bbl oil, no gas/day
#3 - 21 bbl oil, 35 mcf gas/day
#2 - 24 bbl oil, 82 mcf gas/day
- f. NA
- g. Amoco State A #2 was drilled because of the low permeability and low quality solution gas recovery mechanism require reduced spacing to efficiently drain the reservoir. Since the #2 experienced new reservoir type conditions we feel the additional drilling was justified.

RULE 9-a.



Paul G. White Engineering

OIL AND NATURAL GAS

January 24, 1986

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

Re: Pertinent Engineering Data
Amoco State A No. 2
Artesia Qn Grbg SA

Gentlemen:

The subject well, located 443 FNL and 978 FEL, Section 34-17S-28E, Eddy County, New Mexico, was completed January 2, 1986.

I have estimated the oil and gas reserves for the subject well based on a 20 acre density. From the electrical log and analagous well studies, I have estimated that the well will recover 17,319 barrels of oil and 8,640 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 least 20 acre spacing.

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

Signed 
Petroleum Engineer

Date January 24, 1986

Rule 11:

Notice of this infill request has been sent to Depco, Inc., 800 Central, Odessa, Texas 79761; Marathon Oil, Box 552, Midland, Texas 79702; Yates Petroleum Corp., 207 So. 4th St., Artesia, N.M. 88210; C.O. Fulton, 812 Clayton, Artesia, N.M. 88210; Hondo Oil & Gas Co., P.O. Box 1610, Midland, Texas 79702.

REQUEST FOR INFILL FINDING ON

AMOCO STATE #3

in accordance with Administrative

Procedures amended February 8, 1980

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 3088
SANTA FE, NEW MEXICO

Form C-101

Revised 10-1-84
20-015-25471

5A. Indicate Type of Lease

STATE ☒ LEASE ☐

5. State Oil & Gas Lease No.

E-7832

NO. OF COPIES RECEIVED	
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SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	<input checked="" type="checkbox"/>

RECEIVED BY
NOV 7 1985
O. C. D.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name Amoco State A
c. Name of Operator Marbob Energy Corporation		9. Well No. 3
d. Address of Operator P.O. Drawer 217, Artesia, N.M. 88210		10. Field and Pool, or Wildcat Artesia Qn Grbg SA
e. Location of Well UNIT LETTER A LOCATED 965 FEET FROM THE North LINE AND 330 FEET FROM THE East LINE OF SEC. 34 TWP. 17S RGE. 28E NMPM		12. County Eddy
19. Proposed Depth 3000'		19A. Formation San Andres
20. Rotary or C.T. Rotary		
1. Elevations (show whether DF, RT, etc.) 3674.2' GR	21A. Kind & Status Plug. Band Statewide active	21B. Drilling Contractor Larue Drilling Co.
22. Approx. Date Work will start 11/11/85		

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#	3000'	600	Attempt to circ.

We propose to drill to 500', run and cement 8 5/8" casing; reduce hole and drill on to 3000' to test the San Andres, run 5 1/2" and cement; put on production.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES **5-14-86**
UNLESS DRILLING UNDERWAY

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 **Carole J. Gussella** Title **Production Clerk** Date **11/7/85**

(This space for State Use)

Original Signed By
Mike Williams

APPROVED BY **Oil & Gas Inspector** DATE **NOV 14 1985**

CONDITIONS OF APPROVAL, IF ANY:

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

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

All distances must be from the outer boundaries of the Section

Operator MARBOB ENERGY CORP.			Lease AMOCO STATE A		Well No. 3
Unit Letter A	Section 34	Township 17 SOUTH	Range 28 EAST	County EDDY	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 965 feet from the NORTH line and 330 feet from the EAST line </div>					
Ground Level Elev. 3674.2'	Producing Formation San Andres		Pool Artesia Qn Grbg SA	Dedicated Acreage: 40 Acres	

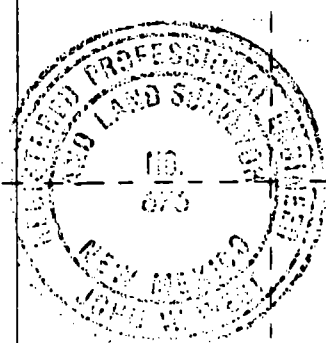
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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.

*AMOCO ST. #1 - MARBOB OPER., COMP. 6-11-61,
GRANBORG, Cur. Prod. 12-31-84,
ST. 907 well.*



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

11/4/85

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

NOVEMBER 2, 1985

Registered Professional Engineer
and/or Land Surveyor

John W. West

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

Rule 6:

Amoco State #3

Pool: Artesia Queen Grabyurg San Andres

Standard spacing unit: 40 acres

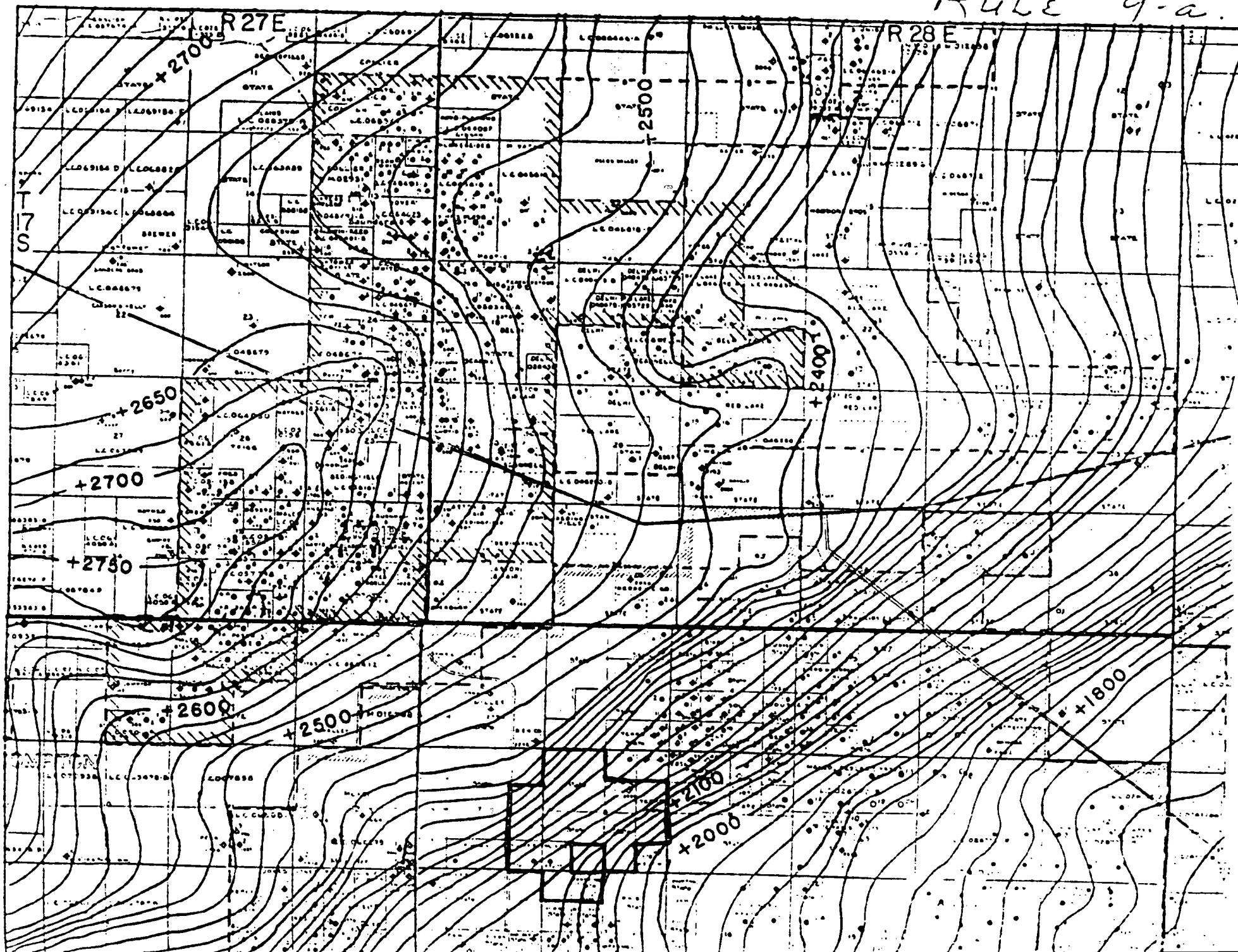
Rule 7:

NA

Rule 8:

- a. Amoco State #1 - 505 FNL 660 FEL Sec. 34-T17S-R28E
Amoco State #3 - 965 FNL 330 FEL Sec. 34-T17S-R28E
- b. #1 - 4/25/61
#3 - 11/20/85
- c. #1 - 6/22/61
#3 - 12/2/85
- d. None
- e. #1 - 4 bbl oil/no gas/day
#3 - 21 bbl oil, 35 mcf gas/day
- f. NA
- g. The Amoco State A #3 was drilled because of the low permeability and low quality solution gas recovery mechanism require reduced spacing to efficiently drain the reservoir. Since the #3 experienced new reservoir type conditions we feel the additional drilling was justified.

RULE 9-a.



Paul G. White Engineering

OIL AND NATURAL GAS

January 24, 1986

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

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Amoco State A No. 3
Artesia Qn Grbg SA

Gentlemen:

The subject well, located 965 FNL and 330 FEL, Section 34-17S-28E, Eddy County, New Mexico, was completed December 3, 1985.

I have estimated the oil and gas reserves for the subject well based on a 20 acre density. From the electrical log and analagous well studies, I have estimated that the well will recover 14,000 barrels of oil and 11,200 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 least 20 acre spacing.

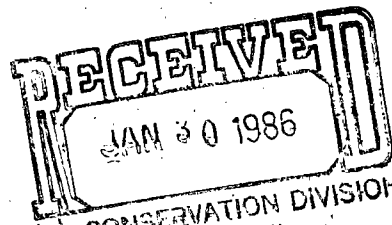
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Petroleum Engineer

Date January 24, 1986

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REQUEST FOR INFILL FINDING ON

AMOCO STATE #2

in accordance with Administrative
Procedures Amended February 8, 1980

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FILE	
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LAND OFFICE	
OPERATOR	

P. O. BOX 208
SANTA FE, NEW MEXICO 87501RECEIVED BY
DEC 11 1985O. C. D.
ARTESIA OFFICE

3A. Indicate Type of Lease

STATE ☒ FEDERAL ☐

5. State Oil & Gas Lease No.

E-7832

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 Amoco State A
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
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19. Proposed Depth 3000'		19A. Formation San Andres
20. Rotary or C.T. Rotary		21. Elevations (Show whether DF, RT, etc.) 3671.9' GR
21A. Kind & Status Plug. Bond Statewide active		21B. Drilling Contractor Larue Drilling Co.
22. Approx. Date Work will start 12/12/85		

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
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We propose to drill to 500', run and cement 8 5/8" casing; reduce hole and drill on to 3000' to test the San Andres, run 5 1/2" and cement; put on production.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 6-12-86
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 L. Garcia Title Production Clerk Date 12/11/85

(This space for State Use)

Original Signed By
Les A. Clements

APPROVED BY _____ TITLE _____ DATE DEC 12 1985

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

Operator MARBOB ENERGY CORP.		Lease AMOCO STATE A		Well No. 2
Unit Letter A	Section 34	Township 17 SOUTH	Range 28 EAST	County EDDY
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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

12/11/85

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

NOVEMBER 2, 1985

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239

Rule 6:

Amoco State #2

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit: 40 acres

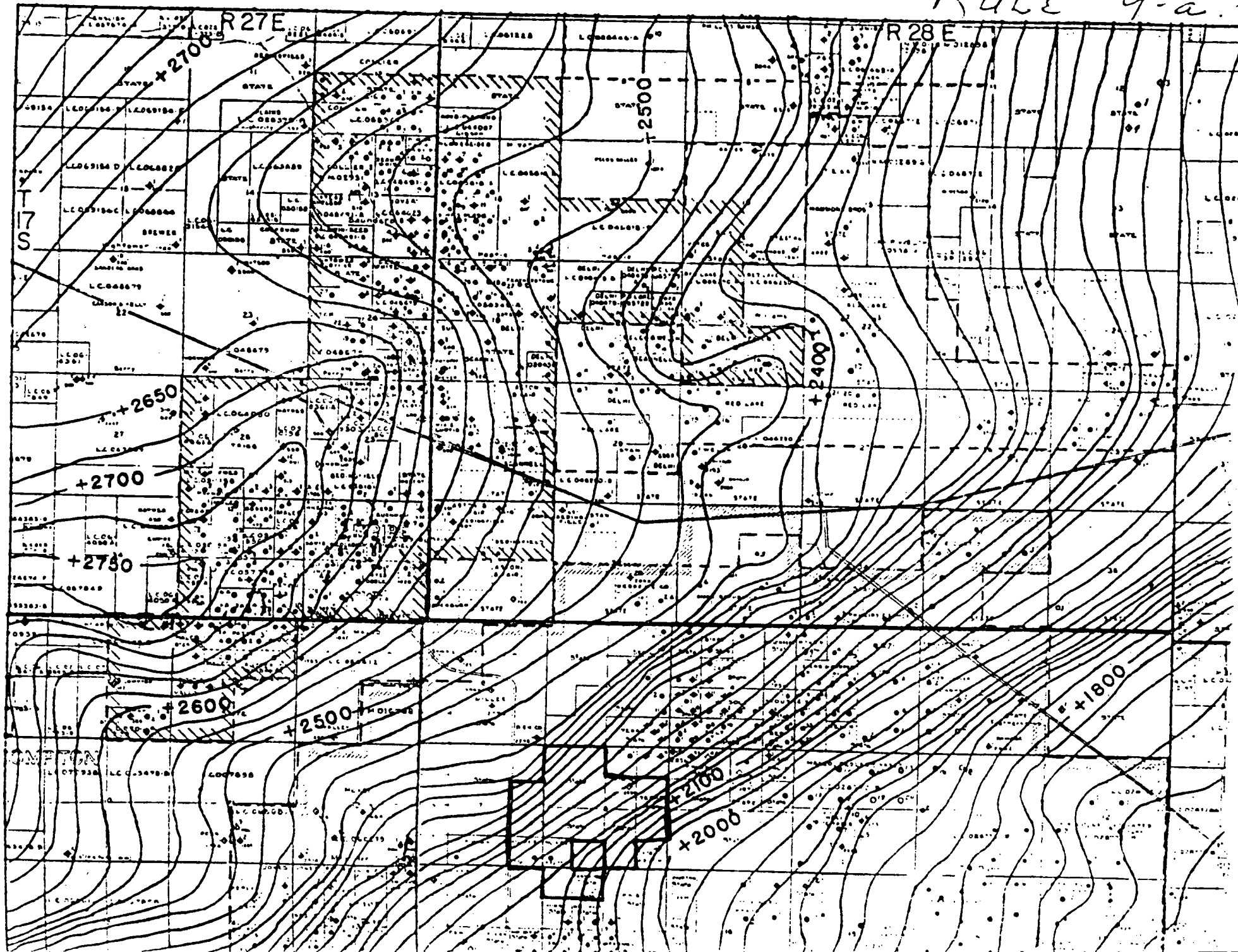
Rule 7:

NA

Rule 8:

- a. Amoco State #1 - 505 FNL 660 FEL Sec. 34-T17S-R28E
Amoco State #3 - 965 FNL 330 FEL Sec. 34-T17S-R28E
Amoco State #2 - 443 FNL 978 FEL Sec. 34-T17S-R28E
- b. #1 - 4/25/61
#3 - 11/20/85
#2 - 12/12/85
- c. #1 - 6/22/61
#3 - 12/2/85
#2 - 1/1/86
- d. None
- e. #1 - 4 bbl oil, no gas/day
#3 - 21 bbl oil, 35 mcf gas/day
#2 - 24 bbl oil, 82 mcf gas/day
- f. NA
- g. Amoco State A #2 was drilled because of the low permeability and low quality solution gas recovery mechanism require reduced spacing to efficiently drain the reservoir. Since the #2 experienced new reservoir type conditions we feel the additional drilling was justified.

RULE 9-a.



Paul G. White Engineering

OIL AND NATURAL GAS

January 24, 1986

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

Re: Pertinent Engineering Data
Amoco State A No. 2
Artesia Qn Grbg SA

Gentlemen:

The subject well, located 443 FNL and 978 FEL, Section 34-17S-28E, Eddy County, New Mexico, was completed January 2, 1986.

I have estimated the oil and gas reserves for the subject well based on a 20 acre density. From the electrical log and analagous well studies, I have estimated that the well will recover 17,319 barrels of oil and 8,640 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 least 20 acre spacing.

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

Signed

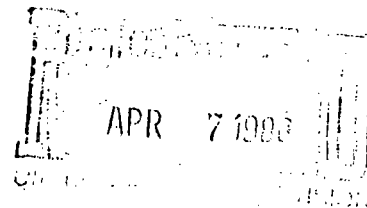

Petroleum Engineer

Date January 24, 1986

Rule 11:

Notice of this infill request has been sent to Depco, Inc., 800 Central, Odessa, Texas 79761; Marathon Oil, Box 552, Midland, Texas 79702; Yates Petroleum Corp., 207 So. 4th St., Artesia, N.M. 88210; C.O. Fulton, 812 Clayton, Artesia, N.M. 88210; Hondo Oil & Gas Co., P.O. Box 1610, Midland, Texas 79702.

Paul G. White Engineering
OIL AND NATURAL GAS



April 4, 1986

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mr. Michael Stogner

Re: Marbob Energy Corporation
Well Head Price Ceiling Determination
NGPA of 1978

Dear Mike:

My studies for in-fill drilling and increased density of well bores to properly drain and produce reserves indicated that at least 20 acre spacing was necessary for the subject areas which were filed on.

Actually, the well density in my opinion could go to ten (10) acre spacing if pricing and economics will allow this.

The new wells exhibit starting rates which indicate an undisturbed reservoir even when drilled on the 10 acre proration units. Further, the very low order of permeability requires very large fracture treatments and stimulations for a well to respond and produce any hydrocarbons. None are produced naturally. Thirdly, there has been no evidence of any drainage or communication between the wells when drilled and developed on the 10 acre density.

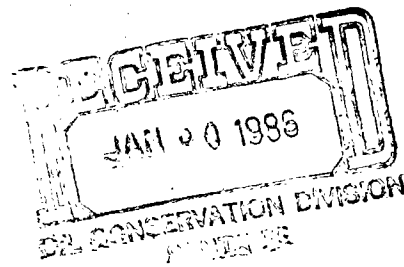
Please refer to Marbob's application for the Amoco State A Well Nos. 2 and 3 and the Turkey Tract Section 3 Unit Well Nos. 28 and 29. These in-fill wells are characterized by the criteria as set out above. I respectfully request that you therefore, approve Marbob's applications.

Thanks for your help.

Best regards,

Paul G. White

cc: Marbob Energy Corporation
Mr. Ray Miller



REQUEST FOR INFILL FINDING ON

AMOCO STATE #3

in accordance with Administrative

Procedures amended February 8, 1980

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 3088
SANTA FE, NEW MEXICO

Form C-101

Revised 10-84
22-015-25471

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

RECEIVED BY
NOV 7 1985
O. C. D.

5A. Indicate Type of Lease
STATE ☒ FEDERAL ☐
5. State Oil & Gas Lease No.
E-7832

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Number
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 Amoco State A
c. Name of Operator Marbob Energy Corporation		9. Well No. 3
d. Address of Operator P.O. Drawer 217, Artesia, N.M. 88210		10. Field and Pool, or Wildcat Artesia Qn Grbg SA
e. Location of Well UNIT LETTER A LOCATED 965 FEET FROM THE North LINE AND 330 FEET FROM THE East LINE OF SEC. 34 TWP. 17S RGE. 28E NMPM		12. County Eddy
19. Proposed Depth 3000'		19A. Formation San Andres
20. Rotary or C.T. Rotary		
1. Elevations (show whether D.F., R.T., etc.) 3674.2' GR	21A. Kind & Status Plug. Bond Statewide active	22. Approx. Date Work will start 11/11/85
21B. Drilling Contractor Larue Drilling Co.		

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#	3000'	600	Attempt to circ.

We propose to drill to 500', run and cement 8 5/8" casing; reduce hole and drill on to 3000' to test the San Andres, run 5 1/2" and cement; put on production.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 5-14-86
UNLESS DRILLING UNDERWAY

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 SLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Carolee Purcell Title Production Clerk Date 11/7/85

(This space for State Use)

Original Signed By
Mike Williams

PROVED BY _____ TITLE _____ DATE **NOV 14 1985**

CONDITIONS OF APPROVAL, IF ANY

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

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

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

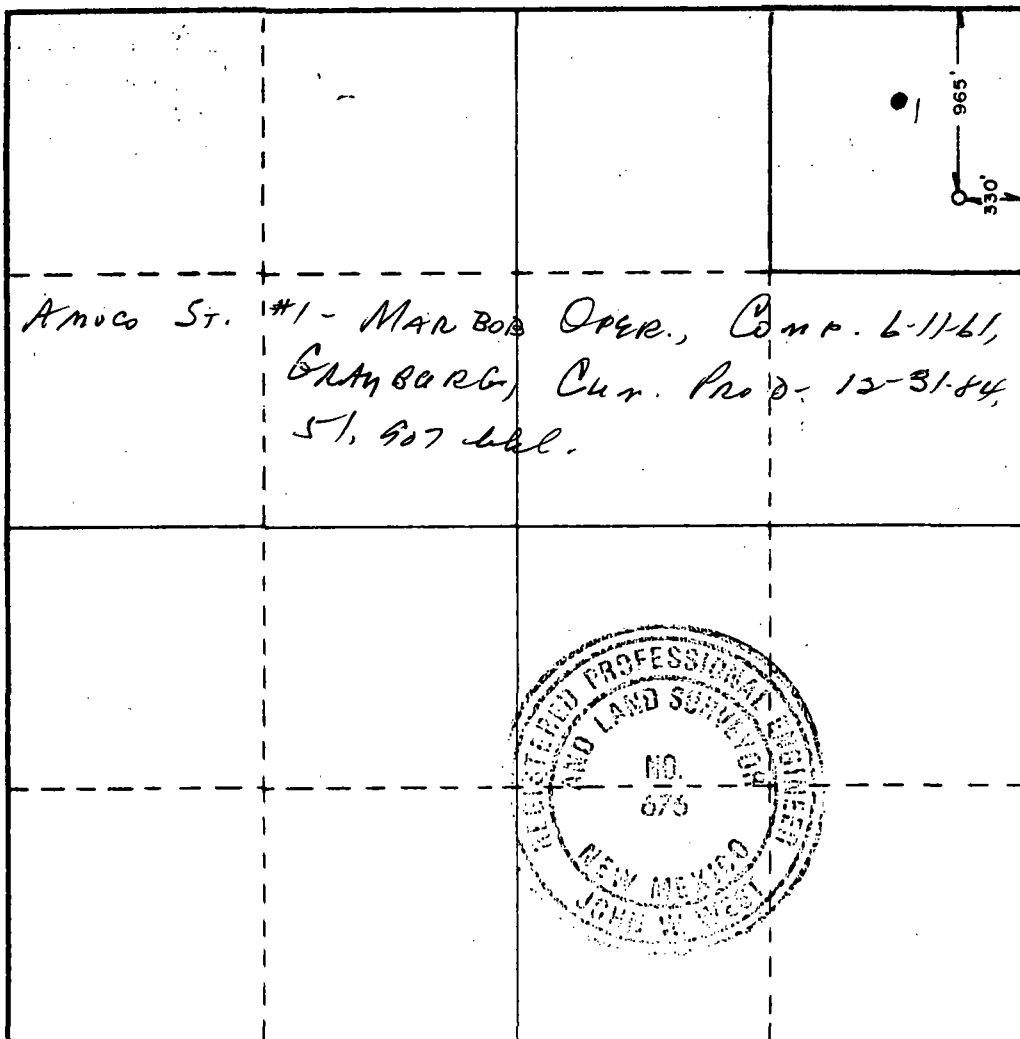
Operator MARBOB ENERGY CORP.		Lease AMOCO STATE A		Well No. 3
Unit Letter A	Section 34	Township 17 SOUTH	Range 28 EAST	County EDDY
Actual Footage Location of Well: 965 feet from the NORTH line and 330 feet from the EAST line				
Ground Level Elev. 3674.2'	Producing Formation San Andres	Pool Artesia Qn Grbg 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
Name

Carolyn Purcella
Position

Production Clerk
Company

Marbob Energy Corporation
Date

11/4/85

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
NOVEMBER 2, 1985

Registered Professional Engineer
and/or Land Surveyor

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

Rule 6:

Amoco State #3

Pool: Artesia Queen Grabyurg San Andres

Standard spacing unit: 40 acres

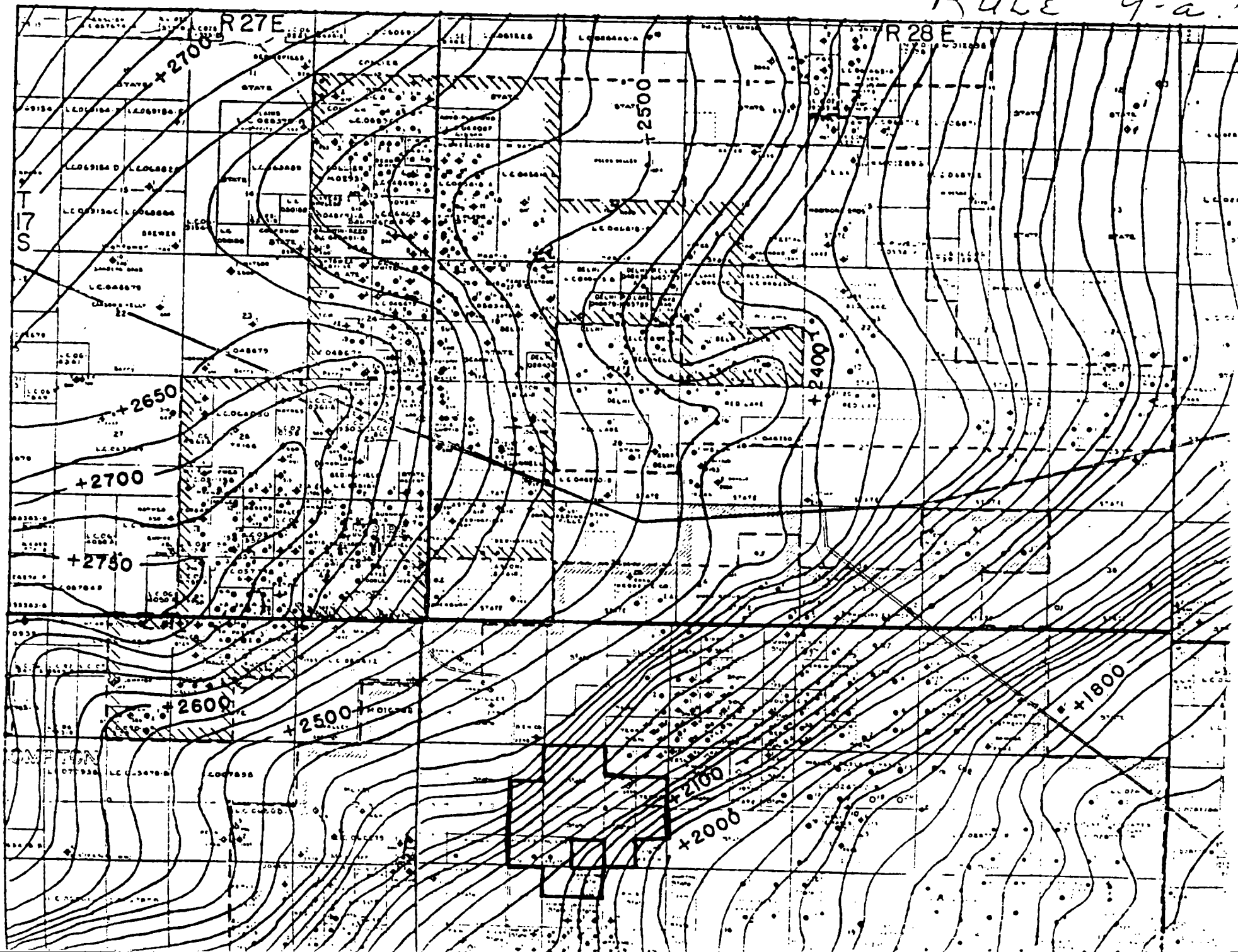
Rule 7:

NA

Rule 8:

- a. Amoco State #1 - 505 FNL 660 FEL Sec. 34-T17S-R28E
Amoco State #3 - 965 FNL 330 FEL Sec. 34-T17S-R28E
- b. #1 - 4/25/61
#3 - 11/20/85
- c. #1 - 6/22/61
#3 - 12/2/85
- d. None
- e. #1 - 4 bbl oil/no gas/day
#3 - 21 bbl oil, 35 mcf gas/day
- f. NA
- g. The Amoco State A #3 was drilled because of the low permeability and low quality solution gas recovery mechanism require reduced spacing to efficiently drain the reservoir. Since the #3 experienced new reservoir type conditions we feel the additional drilling was justified.

RULE 9-a.



Paul G. White Engineering

OIL AND NATURAL GAS

January 24, 1986

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

Re: Pertinent Engineering Data
Amoco State A No. 3
Artesia Qn Grbg SA

Gentlemen:

The subject well, located 965 FNL and 330 FEL, Section 34-17S-28E, Eddy County, New Mexico, was completed December 3, 1985.

I have estimated the oil and gas reserves for the subject well based on a 20 acre density. From the electrical log and analagous well studies, I have estimated that the well will recover 14,000 barrels of oil and 11,200 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 least 20 acre spacing.

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

Signed Paul G. White
Petroleum Engineer

Date January 24, 1986

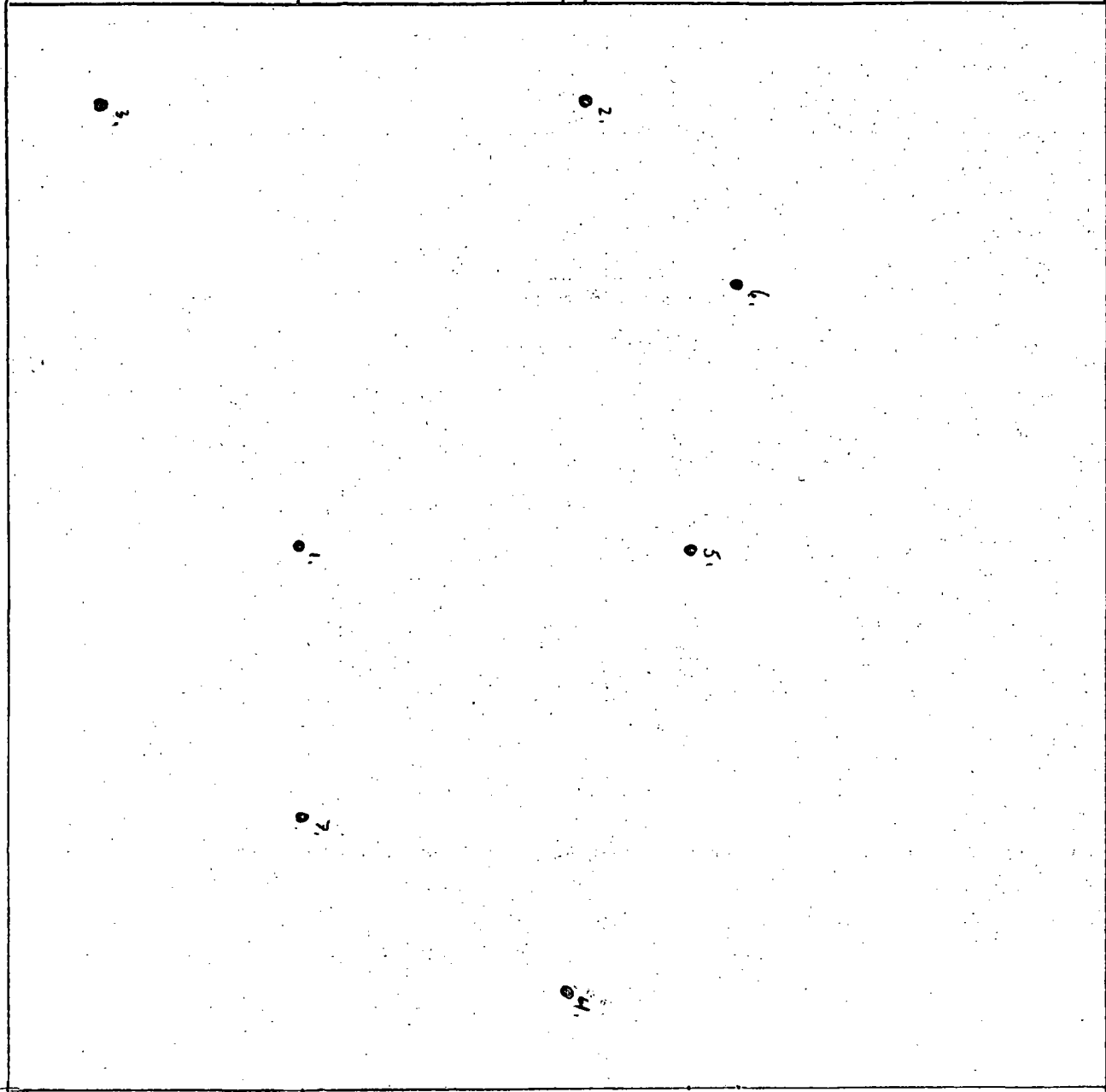
Rule 11:

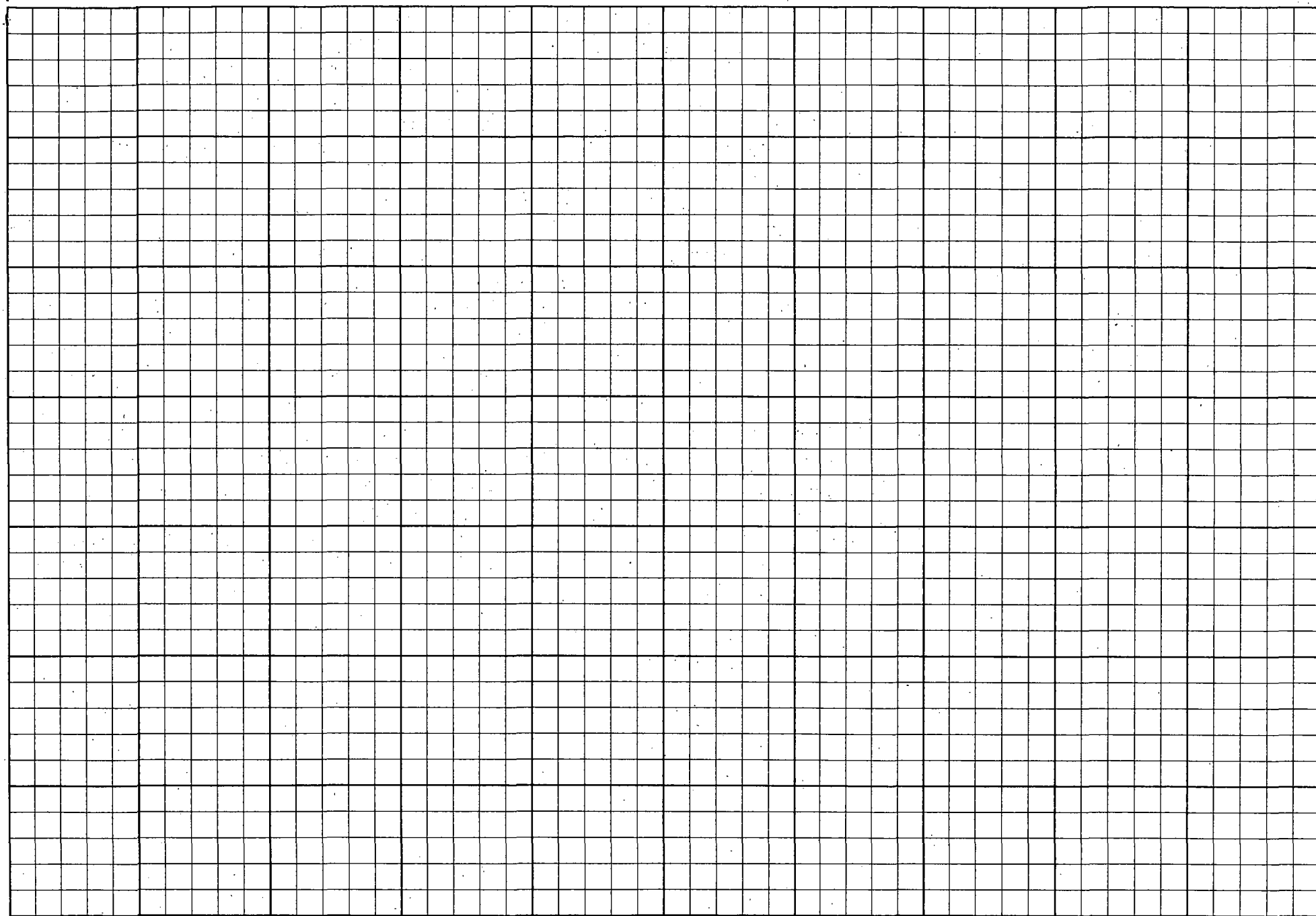
Notice of this infill request has been sent to Depco, Inc., 800 Central, Odessa, Texas 79761; Marathon Oil Co., Box 552, Midland, Texas 79702; Yates Petroleum Corp., 207 So. 4th, Artesia, N.M. 88210; C.O. Fulton, 812 Clayton, Artesia, N.M. 88210; Hondo Oil & Gas Co., P.O. Box 1610, Midland, Texas 79702.



42-381 50 SHEETS 5 SQUARE
42-382 100 SHEETS 5 SQUARE
42-389 200 SHEETS 5 SQUARE
Made in U. S. A.

UNIT A, SECTION 34, TOWNSHIP 17 SOUTH, RANGE 28 EAST, ANIMAN, EDDY COUNTY,
NEW MEXICO.

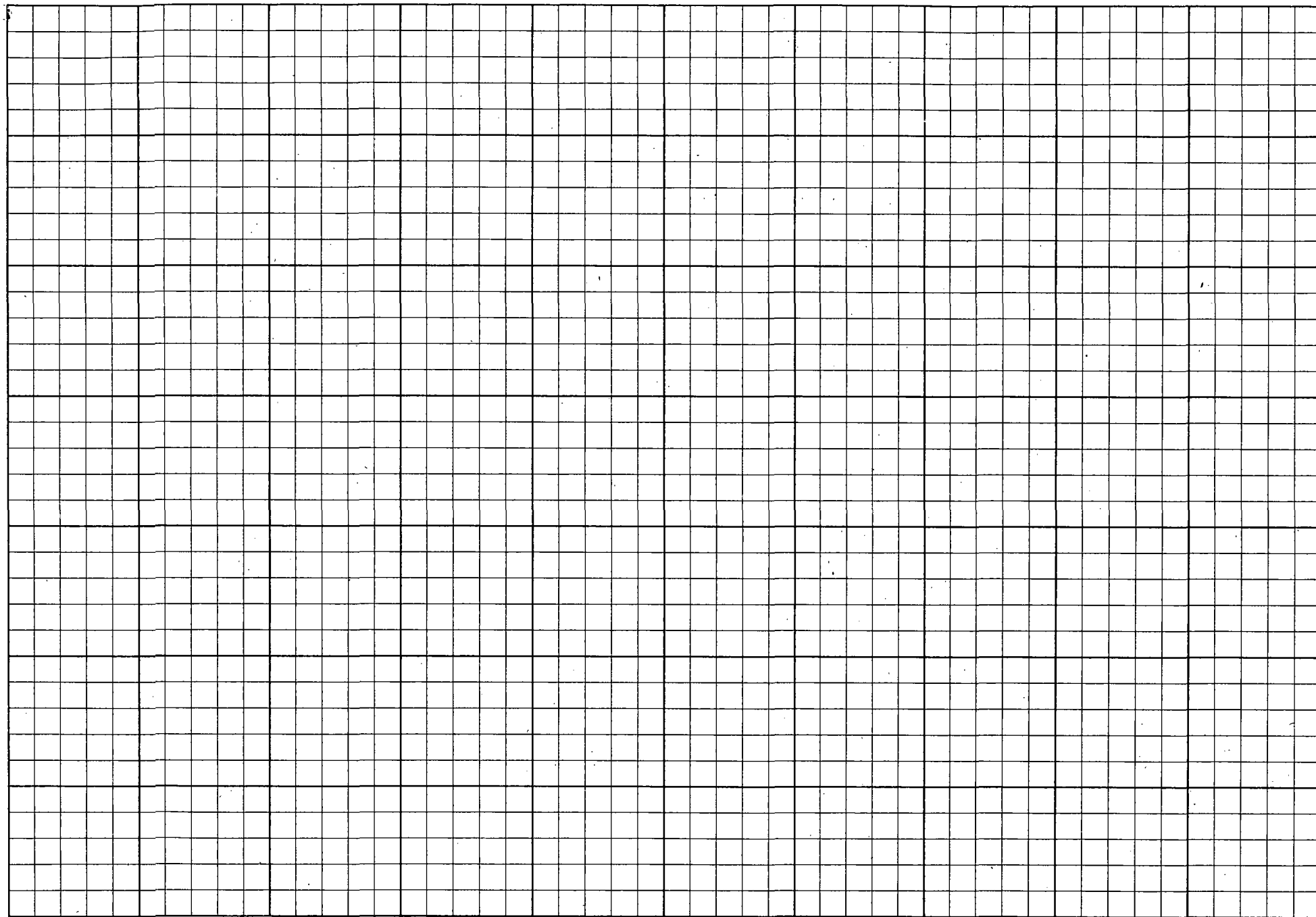






42-381 50 SHEETS 5 SQUARE
42-382 100 SHEETS 10 SQUARE
42-383 200 SHEETS 20 SQUARE
42-384 400 SHEETS 40 SQUARE
42-385 800 SHEETS 80 SQUARE
42-386 1600 SHEETS 160 SQUARE
42-387 3200 SHEETS 320 SQUARE
42-388 6400 SHEETS 640 SQUARE
42-389 12800 SHEETS 1280 SQUARE
Made in U.S.A.

1. ARCO Oil & Gas Company
Empire Abo Unit "E" Well No. 36
966.59' FNL - 660' FEE
Spud: 6/29/60
Empire Abo Completion
2. ARCO Oil & Gas Company
Empire Abo Unit "E" Well No. 361
630' FNL - 1200' FEE
Spud: 4/12/78
Empire Abo Completion
3. ARCO Oil & Gas Company
Empire Abo Unit "E" Well No. 362
1200' FNL - 1200' FEE
Spud: 3/2/79
Empire Abo Completion
4. ARCO Oil & Gas Company
Empire Abo Unit "E" Well No. 363
650' FNL - 120' FEE
Spud: 1/30/79
Empire Abo Completion
5. Marbob Energy Corporation
Amoco State "A" Well No. 1
505' FNL - 660' FEE
Spud: 4/25/61
Artesia Queen Grayburg San Andres Completion
Cumulative Production as of 12/31/84
Gas - 33235 mcf
O.I. - 51907 B.O.
6. Marbob Energy Corporation
Amoco State "A" Well No. 2
443' FNL - 928' FEE
Spud: 12/12/85
Artesia Queen Grayburg San Andres Completion





42-381 50 SHEETS 5 SQUARE
42-382 100 SHEETS 5 SQUARE
42-389 200 SHEETS 5 SQUARE
Made in U. S. A.

7.

*Mobil Energy Corporation
Amato State "A" with No. 3
965' FGL - 330' FGL
Spud: 11/20/85
Artina Queen Maryburg San Antonio Completion*

