

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:

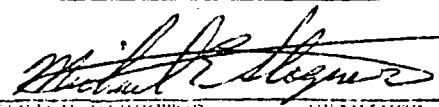
- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior 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 ☒

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

ADMINISTRATIVE ORDER
NEL 136

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

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 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 SW 1/4
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 (☒) 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 _____ 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,
NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION
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

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 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.

(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 _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

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,
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

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

REQUEST FOR INFILL FINDING ON

COLLIER STATE #17

in accordance with Administrative
Procedures amended February 8, 1980

STATE OF NEW-MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

RECEIVED BY

JAN 11 1985

Form C-101
Rev. 10-1-83

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

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. Type of Well

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. Name of Operator

Marbob Energy Corporation

3. Address of Operator

P.O. Drawer 217, Artesia, N.M. 88210

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

SEC. 28E

NMPM

7. Unit Agreement Name

8. Farm or Lease Name

Collier St.

9. Well No.

17

10. Field and Pool, or Wildcat

Red Lake On Grbg SA

12. County

Eddy

18. Proposed Depth

3500'

19A. Formation

San Andres

20. Rotary or C.T.

Rotary

21. Elevations (Show whether DF, RT, etc.)

3611.6' GR

21A. Kind & Status Plug. Bond

Statewide active

21B. Drilling Contractor

Larue Drilling Co.

22. Approx. Date Work will start

1/19/85

23.

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 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 Carol Quasella Title Production Clerk

Date 1/10/85

(This space for State Use)

Original Signed By
Mike Williams
Oil & Gas Inspector

APPROVED BY

DATE

CONDITIONS OF APPROVAL, IF ANY:

JAN 11 1985

N MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

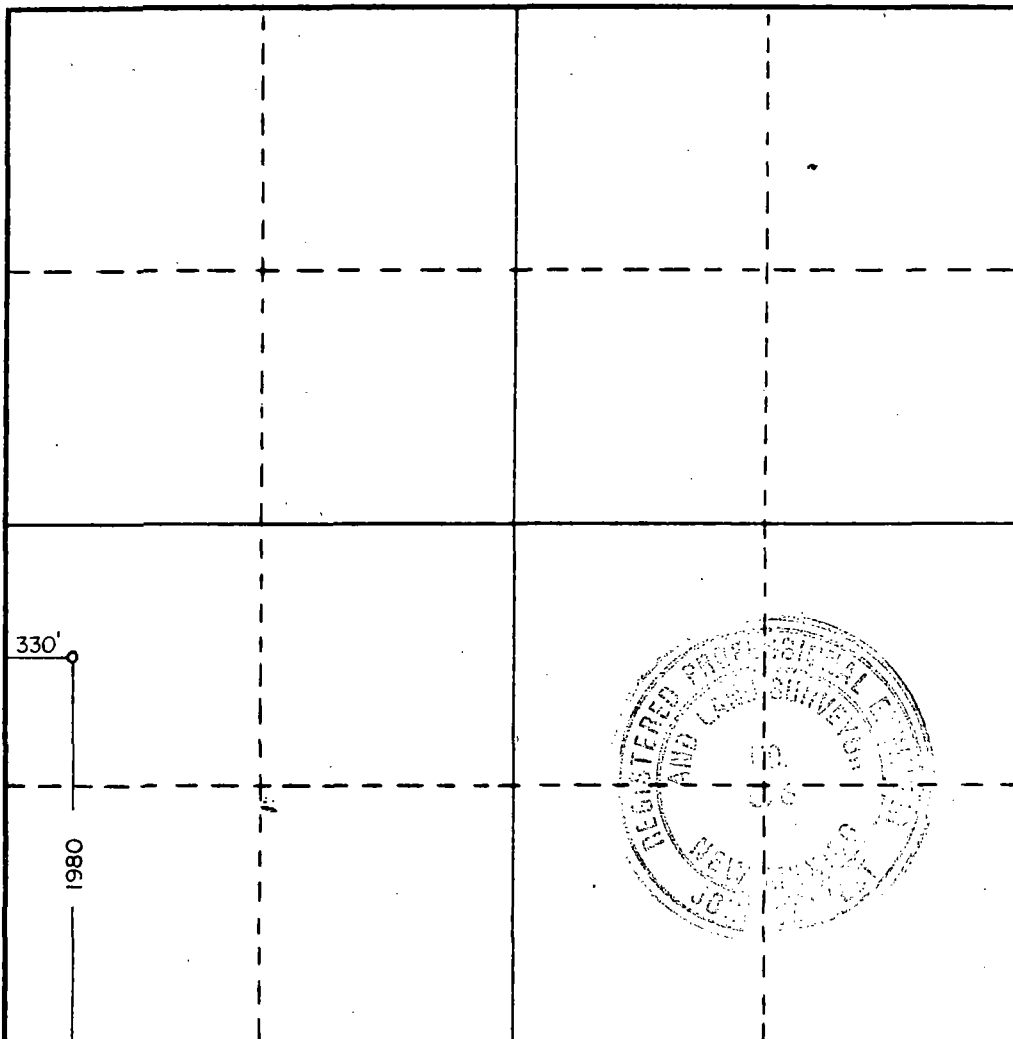
Operator MARBOB ENERGY CORP.			Lease COLLIER STATE		Well No. 17
Unit Letter L	Section 22	Township 17 SOUTH	Range 28 EAST	County EDDY	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 330 feet from the WEST line					
Ground Level Elev. 3611.6	Producing Formation San Andres	Pool Red Lake 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.

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 0

Rule 6:

Collier State #17

Pool: Red Lake Queen Grayburg San Andres

Standard spacing unit - 40 acres

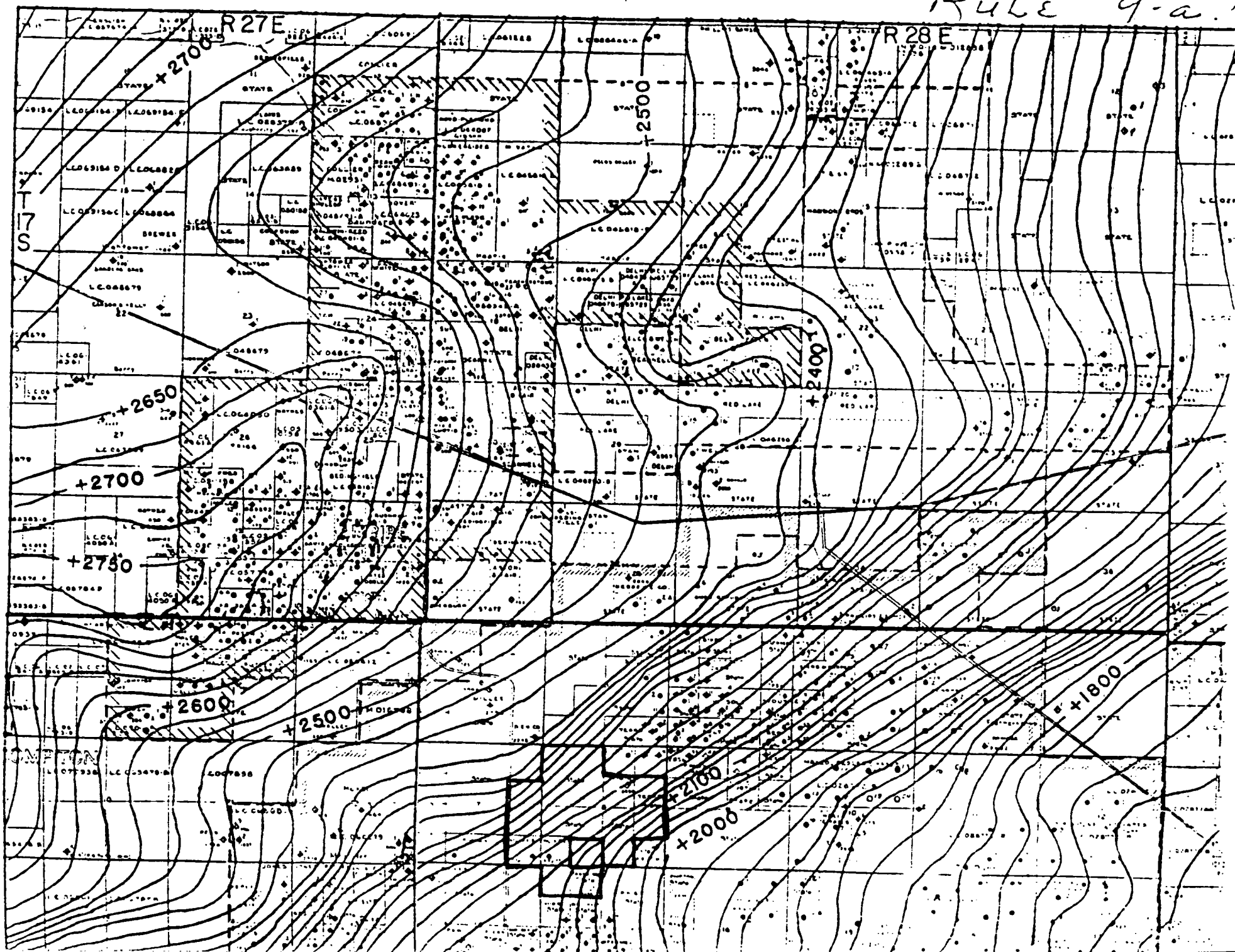
Rule 7:

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

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

RECEIVED BY

JAN 11 1985

Form C-101
Rev. 10-80

30-015-25159

5A. Indicate Type of Lease

STATE ☒ REC ☐

5. State Oil & Gas Lease No.

B-1969

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. Type of Well

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. Name of Operator

Marbob Energy Corporation

3. Address of Operator

P.O. Drawer 217, Artesia, N.M. 88210

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

NMPM

7. Unit Agreement Name

8. Farm or Lease Name

Collier St.

9. Well No.

17

10. Field and Pool, or Wildcat

Red Lake On Grbg SA

12. County

Eddy

18. Proposed Depth

3500'

19A. Formation

San Andres

20. Rotary or C.T.

Rotary

21. Elevations (Show whether DF, KT, etc.)

3611.6' GR

21A. Kind & Status Plug. Bond

Statewide active

21B. Drilling Contractor

Larue Drilling Co.

22. Approx. Date Work will start

1/19/85

23.

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 Carey Puscella Title Production Clerk Date 1/10/85

(This space for State Use)

Original Signed By

Mike Williams

Oil & Gas Inspector

APPROVED BY

DATE

JAN 11 1985

CONDITIONS OF APPROVAL, IF ANY:

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

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

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

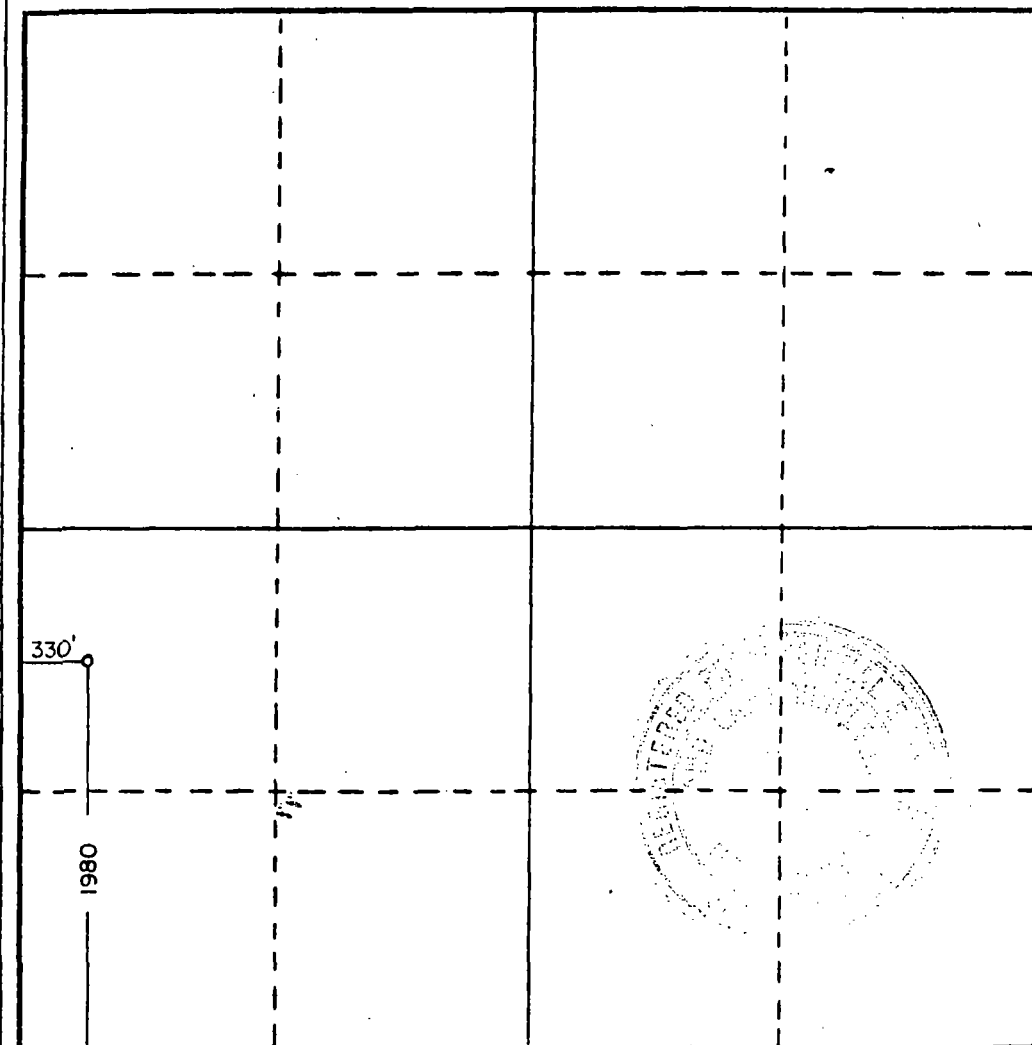
Operator MARBOB ENERGY CORP.			Lease COLLIER STATE		Well No. 17
Unit Letter L	Section 22	Township 17 SOUTH	Range 28 EAST	County EDDY	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 330 feet from the WEST line					
Ground Level Elev. 3611.6	Producing Formation San Andres		Pool Red Lake 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.

Carolyn Purcella
Name

Carolyn Purcella

Position
Production Clerk

Company
Marbob Energy Corporation

Date
1/10/85

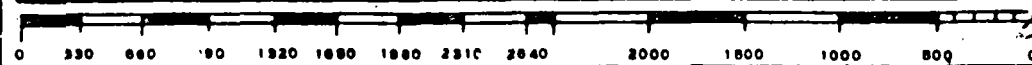
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

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



Rule 6:

Collier State #17

Pool: Red Lake Queen Grayburg San Andres

Standard spacing unit - 40 acres

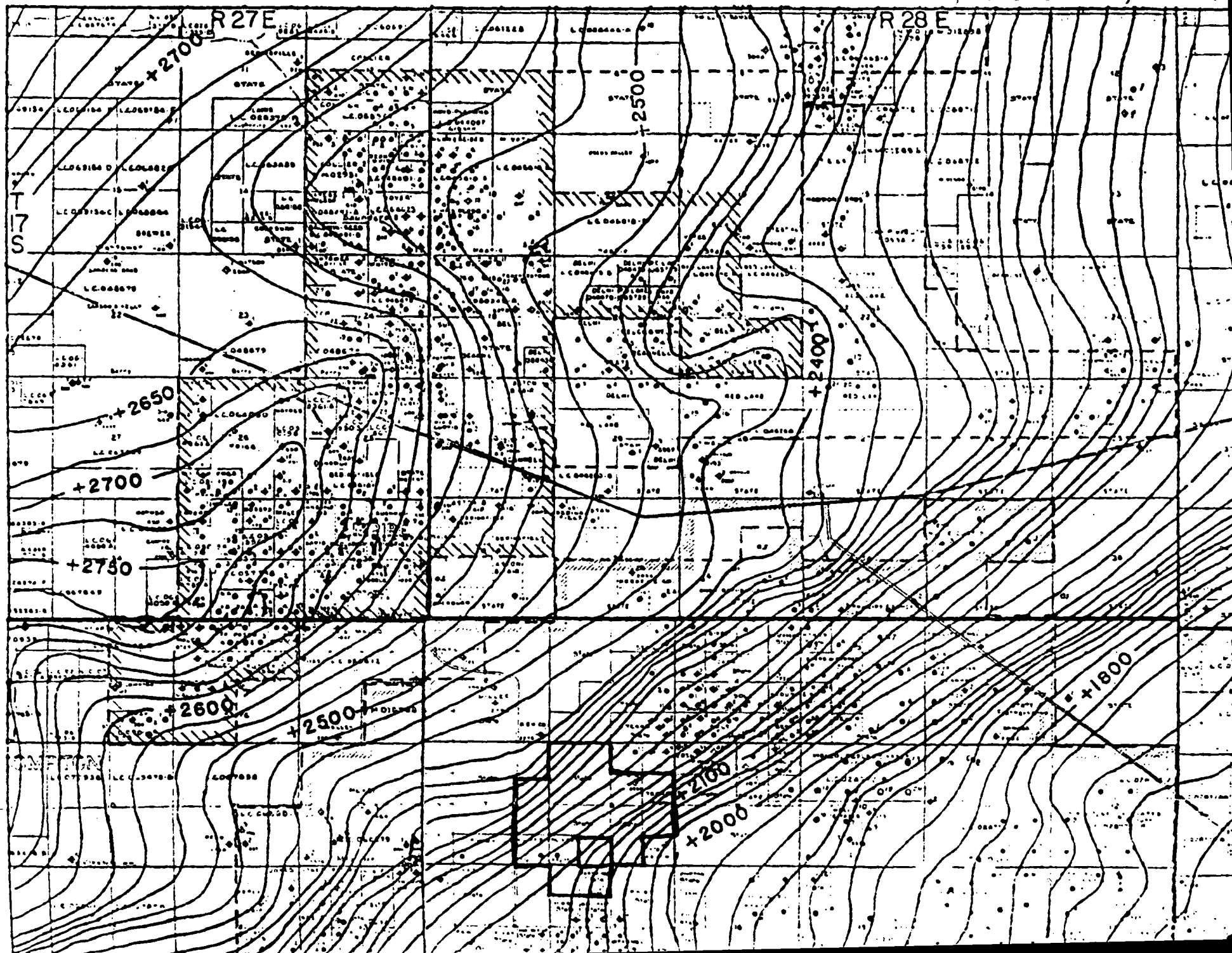
Rule 7:

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

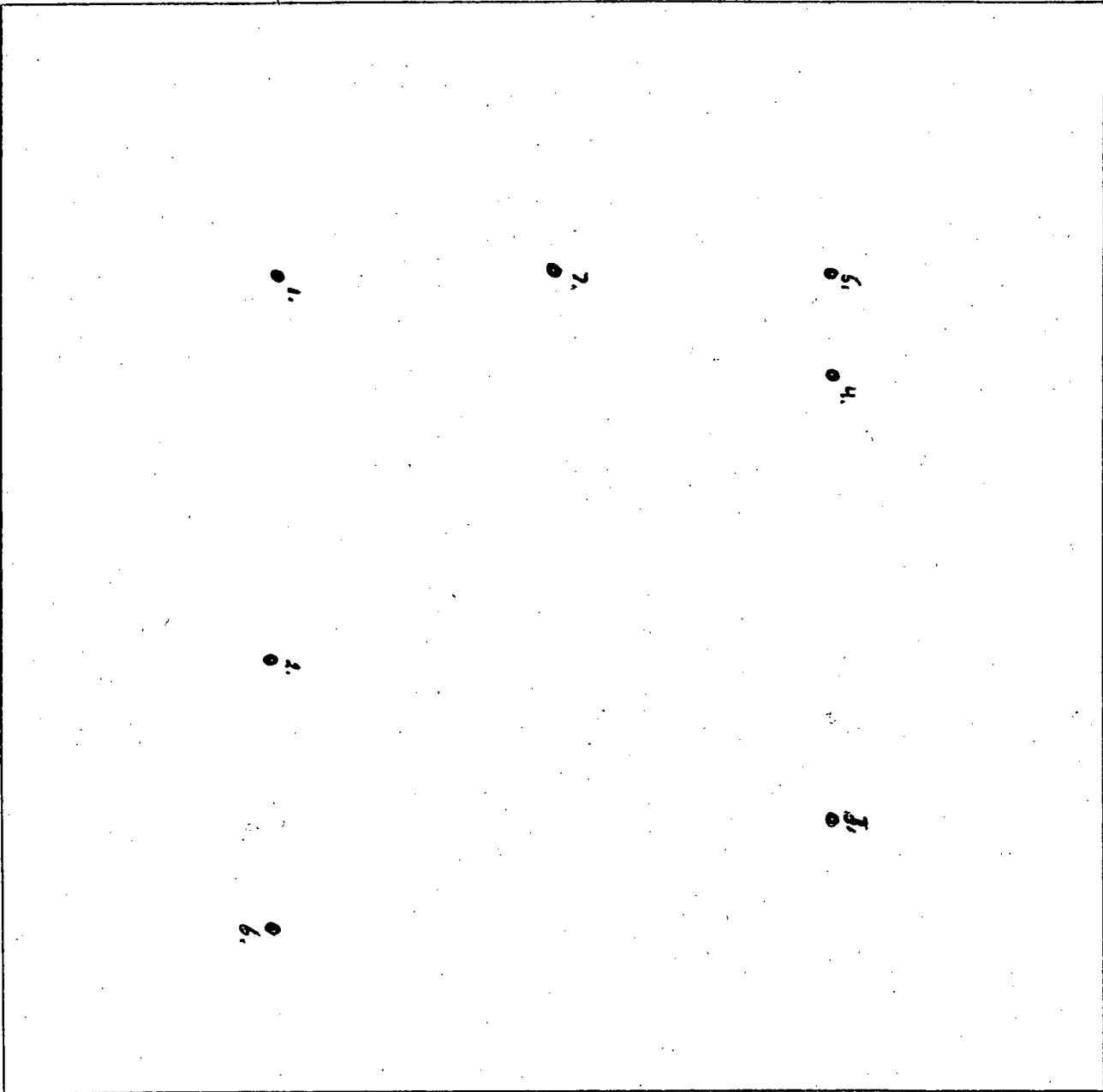
Rule 11:

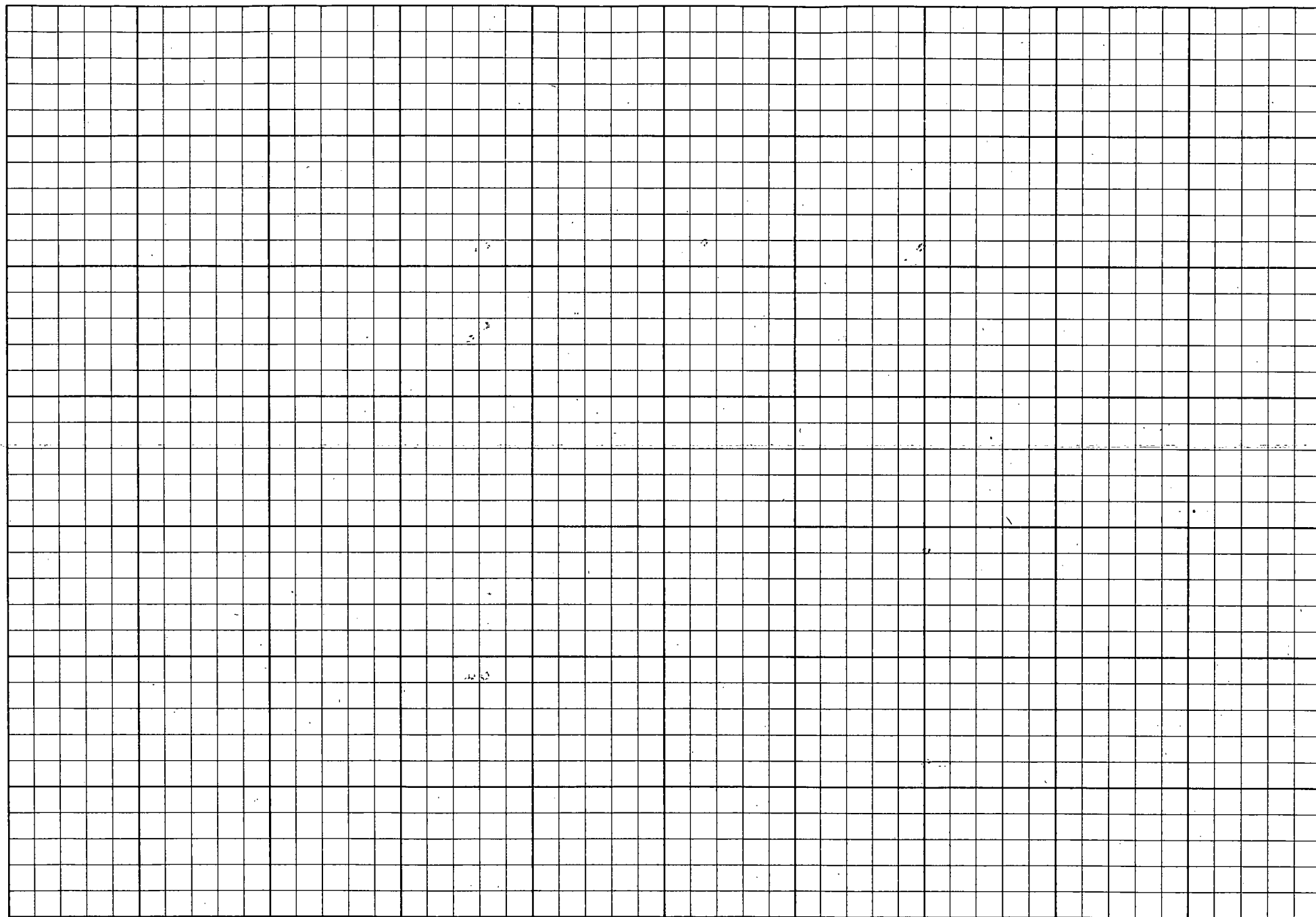
Notice of this infill request has been sent to American Petrofina Co. of Texas, P.O. Box 2990, Midland, Texas 79702; Kersey & Co., 808 W. Grand St., Artesia, N.M. 88210; and Van Welch, P.O. Box 742341, Houston, Texas 77274-2341.



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, ANPMS,
EDDY COUNTY, NEW MEXICO





- 1) Warren Hanson dba / Hanson Energy
Zait Well No. 1
1650' FSL - 330' FWL
Spud: 8/9/79
East Empire Yates Seven Rivers Completion
- 2) Warren Hanson dba / Hanson Energy
Zait Well No. 3
1665' FSL - 792' FWL
Spud: 10/19/79
East Empire Yates Seven Rivers Completion
- 3) Warren Hanson dba / Hanson Energy
Zait Well No. 2
2310' FSL - 990' FWL
Spud: 9/17/78
East Empire Yates Seven Rivers Completion
- 4) Warren Hanson dba / Hanson Energy
Zait 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
Prod'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 Graybees 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 Graybees San Andres Completion

Cumulative production as of 12/31/85:

Gas - 11704 MCF

Oil - 4543 B.O.