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NSL-2085 EULF RULE - R-7808-(3)

OIL CONSERVATION DIVISION

SANTA FE

Dration April 24, 1985

Crayburg Jackim Sam A anno Crayfing Son Andres Pork

Richard L. Stamets Director Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501 Attention: Gilbert Quintana

Dear Mr. Stamets:

Relance / 44 13, 1985

The purpose of this letter is to request administrative approval without notice and hearing of unorthodox well locations. pursuant to Order R-7808 of the New Mexico Oil Conservation Division. The following is a list of the footage locations for which administrative approval of unorthodox well locations are sought:

G-J WEST CO-OP UNIT NO. 68 990 FNL 1295 FEL Section 28, T-17S, R-29E Eddy County, New Mexico

G-J WEST CO-OP UNIT NO. 69 25 FSL 990 FEL Section 21, T-17S, R-29EEddy County, New Mexico

G-J WEST CO-OP UNIT NO. 70 1345 FSL 330 FWL Section 22, T-17S, R-29E Eddy County, New Mexico

G-J WEST CO-OP UNIT NO. 71 2615 FSL 25 FWL Section 22, T-17S, R-29E Eddy County, New Mexico

G-J WEST CO-OP NO. 72 2360 FNL 1350 FWL Section 22, T-17S, R-29E Eddy County, New Mexico

Dect - 40 Acus - NE/4 NE/4

SE/4 SE/4

- NW/4 SW/4

NW/4 SW/4

SETY NUTY

M. DODD B NO. 50 1425 FNL 2615 FWL Section 14, T-17S, R-29E Eddy County. New Mexico

M. DODD "B" NO. 51 1245 FNL 1245 FWL Section 14, T-17S, R-29E Eddy County, New Mexico

M. DODD "B" NO. 52 1225 FNL 225 FEL Section 15, T-17S, R-29EEddy County, New Mexico

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The wells will be completed in the Grayburg San Andres formation in the Grayburg Jackson Seven Rivers Queen Grayburg San Andres (Pool.) Note that these locations are no closer than 330 feet to an outer boundary of a lease, or in the case of a unit, unitized area, nor closer than 10 feet to any quarter quarter section line or subdivision inner boundary.

Attached to this application as Exhibits A through L are the following:

- Well location and Acreage Α. Dedication Plats (Forms C-102) filed with the Artesia office of the Oil Conservation Division (Exhibits "A"-"H").
- Β. A plat showing the proposed unorthodox locations, the respective proration units, and the offsetting proration units including ownership of the offsetting proration units in the Grayburg San Andres formation in the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool (Exhibit "I").
- С. Copies of letters of notification sent to operators or owners of proration units offsetting proration units containing the proposed unorthodox locations in the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool (Exhibit "J").

The letters attached as Exhibit "J" have been sent to the offset operators by certified mail and each has been requested to notify you if they have no objections. Note that with the exception of

the two operators notified Marbob Energy Corporation is the operator of all offsetting proration units in the Grayburg San Andres formation of the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool.

Thank-you very much for your help in this matter. Should you have any further questions or be in need or any additional information, please contact Kevin Bliss or Raye P. Miller.

Sincerely,

Maile C. Chen

Mack C. Chase President

MCC:kmh

EXHIBIT "A"

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

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EXHIBIT "B"

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

Section       Township       17 SOUTH       Pange       County       EDDY         25       feet from the       SOUTH       1ne and       990       feet from the       EAST       Ine         3560.0       Producing Formation       San Andres       Pool       Grbg Jackson SR Qn Grbg SA       Dedicated Acreage:         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 interest and royalty).         3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been of dated by communitization, unitization, force-pooling, etc?	Acre	69	у		G-J Range		· · · · · · · · · · · · · · · · · · ·		MARBOB
P       21       17 SOUTH       29 EAST       EDDY         1:und Footings Location of Well:       25       feer tom the       SOUTH       inter and       990       feer tom the       EAST       line	Acre	line ,	,	EAST			Township	ation	
Procinge Location of Well:       25       test from the       SOUTH       line and       990       test from the       EAST       Ine         and Lysei Lies       San Andres       Deal       Orbit Grid Jackson SR On Grid SA       Dealsoned Accesses:         1. Outline the acreage dedicated to the subject well by colored pencil of 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 interest and royally).         3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been of dated by communitization, unitization, force-pooling, etc?	Acre	line ,			29	17 SOUTH			
25       rest thom the       SOUTH       line and       990       test thom the       EAST       line         sund Ever Elev.       Producting Farmation       Pool       Grdg Jackson SR On Grbg SA       Deducted Acteurge:         3560.0       Standras       Grdg Jackson SR On Grbg SA       40         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 interest and royalty).         3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been of dated 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 this form if necessary.)         No allowable will be assigned to the well until all interests have been consolidated (by communitization, unit forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the C sion.         CERTIFICATION       I hereby certify that the information to get the ownership of the side of the side of the side of the set of the	Acre	line							al Footage Locatio
3560.0       San Andres       Grbg Jackson SR On Grbg SA       40         1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.       1. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to interest and royalty).         3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been or dated by communitization, unitization, force-pooling, etc?         Pres       No         If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse this form if necessary.)         No allowable will be assigned to the well until all interests have been consolidated (by communitization, unit forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the C sion.         Image: term of the subject well, when the information of the standard unit, eliminating such interests, has been approved by the C acrolyn Purcella         Production Clerk       Commy         Image: term of plat the information of the standard unit, eliminating such interests, has been approved by the C acrolyn Purcella         Production Clerk       Commy         Image: term of the standard unit, eliminating such interests of actual support         Image: term of term of the standard unit, eliminating such interests, has been approved by the C acrolyn Purcella         Image: term of term of the standard unit, eliminating such interests, the standard unit, eliminating such interests, the sthe well show on this p	Acre		he EAST	feet	990	line and	SOUTH		25
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<ul> <li>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to interest and royalty).</li> <li>3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been of dated by communitization, unitization, force-pooling, etc? <ul> <li>Yes</li> <li>No</li> <li>If answer is "yes," type of consolidation</li> <li>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse this form if necessary.)</li> <li>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unit forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the C sion.</li> </ul> </li> <li>CERTIFICATION <ul> <li>I hereby certify that the information diverses of my knowladus and based of the end to the</li></ul></li></ul>	to workin	40	Grbg SA	kson SR	Grbg Jac.		ndres	San Ai	3560.0
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990' lmn/1 Min	eer	Surveyor	lehn	<u>)</u> 99					

EXHIBIT "C"

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

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

		All distance	es must be from	n the outer bour	deries of t	he Section.			
Operator			L	.ease				T	Well No.
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EXHIBIT "D"

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

		All dista	nces must be from	the outer bounds	nries of	the Section			· · ·
MARBOE	B ENERGY CORP	·	L	G-J WE	ST CO	-OP UNI			Well No. 71
nit Letter L	Section 22	Township	17 SOUTH	Range 29 E	AST	County	EDDY	l	
ctual Footage Loc	ation of Well:			_ <u></u>		<u></u>			
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ound Level Elev. 3558.(	1	ormation Indres	1 ·	ol Grbg Jacks	on SR	Qn Grl	og SA	Dedica 40	led Acreage; Acres
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dated by c	communitization,	unitization,	, force-pooling.	etc?					
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EXHIBIT "E"

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

	a the lite	tances must be from	the outer boundarin	s of the Section	•	
Operator MARBOR	ENERGY CORP.	Le	ase GI VEST (	CO-OP UNIT		Well Nc.
Init Letter Secti			Range	County	<u></u>	72
F	22	175	29E	County	EDDY	
ctual Footage Location o	of Well:		1250			
	t from the <u>NORTH</u>	Time outs	1350	feet from the	WEST	line
ound Level Elev. 3541.4	Producing Formation San Andres	Po	on Grbg Jackson	n SR On Gr	ba SA	Dedicated Acreage:
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1350'		C C SIE	ROFESSI ANDISU - NO C. GTO -		shown on notes of a under my is true ar knowledge Date Surveye	certify that the well location this plat was plotted from field actual surveys made by me or supervision, and that the same and correct to the best of my and belief. -/3/85 Professional Engineer
330 660 '90 1	320 1650 1980 2310 2	640 2000	1500 1000	500 0	Certificate N	10. JOHN W. WEST, 676 RONALD J. EIDSON, 3239

EXHIBIT "F"

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Ch.

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

		All distances must be	from the out	or boundaries of	the Section.	· · · · · · · · · · · · · · · · · · ·	
perator Marbo	b Energy Corp	·	Leape	M. Dodd "B	11		Well No. 50
nit Letter J?	Section 14	Township 17 Sout	Rang	29 East	County Edd	ly	
tual Footage Loc	I cation of Well:	<b></b>	1		<u> </u>		
1425	feet from the	north line and	2615	feet	from the	west	line
ound Level Elev.			Pool				licated Acreage;
3625.	9' San And	lres	Grbg C	Tackson SR	Qn Grbg	SA	40 Acres
2. If more the interest a	han one lease is nd royalty).		ell, outline	each and iden	ntify the ow	nership there	of (both as to working
dated by o Yes If answer this form i No allowa	communitization, u No If ar is "no;' list the f necessary.) ble will be assigned	nitization, force-poo newer is "yes," type owners and tract des ed to the well until a	ling. etc? of consolid ocriptions v ll interests	lation which have ac have been c	tually been onsolidated	consolidated	owners been consoli- . (Use reverse side of itization, unitization, proved by the Commis-
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				Ì		shown on this notes of actua undar my super	fy that the well location plat was plotted from field il surveys made by me or rvision, and that the same arract to the best of my belief.
	₩         				F	Date Surveyed September Registered Profe md/or Land Surv	ssional Engineer
- Participation	A harmed to	**** <b>†</b> }				Sertificate No.	
330 660	90 1920 1650 198	2310 2040 200	0 1600	1000 80	o 0	R	ONALD J. EIDSON, 3239

EXHIBIT "G"[

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

MARBOR ENERGY CORP.       M DODD 8         Unit Latier       Section       Township       Range       County       EDDY         Actual Footnee Location of Well:       175       Range       29E       County       EDDY         Actual Footnee Location of Well:       124.5       test from the MEST       Ince         Grand Level Elev.       Footnee San Andres       Groot Grbg SA       40         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 i interest and royalty).         3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners dated by communitization, intization, force-pooling, etc?         Yes       No       If answer is "no," list the owners and tract descriptions which have actually been consolidated. (I'se re this form if necessary).         No allowable will be assigned to the well until all interests have been consolidated (by communitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by sion.         If answer is "no," list the owners is of all owners and tract descriptions which have actually been consolidated. (I'se re this form if necessary).         No allowable will be assigned to the well until all interests have been consolidated (by communitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved b				the Section.	er boundaries of	rom the out	ances must be	All distr				
C       14       175       29E       EDDY         Actual Feetage Location of Well:       124.5       test from the NORTH line and 134.5       iset from the NEST line         Ground Lyrel Elev.       San Andres       Pool       Dedicated Aer         3616.0       San Andres       Group Jackson SR On Grbg SA       40         1. Outline the acreage dedicated to the subject well by colored pencil or bachure marks on the plat below       2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both interest and royally).         3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners lated by communitization, intrization, force-pooling, etc?	°. 51	Well No.			M DODD B	Lease		ORP.	NERGY CC	OB EN		Opera
1245       test itom the       NORTH       time and       1345       test itom the       WEST       time         3616.0       Sa Andress       Pool       Grbg Jackson SR Qn Grbg SA       40         1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below       10       11       Dedicated Acr         2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both interest and royalty).       3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners I dated by communitization, force-pooling, etc?		a de la constanción d	EDDY	County		Rang	175	Township		Section		Unit L
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Ground Level Elev.       Producing Formation       Dool       Dedicated Act         3616.0       San Andres       Grbg Jackson SR Qn Grbg SA       40         1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below       1       Image: 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 interest and royalty).       3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners I dated by communitization, inforce-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 (I'se re this form if necessary.)         No allowable will be assigned to the well until all interests have been consolidated (by communitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by sion.         Image: Carolyn Purcella       Image: Carolyn Purcella         Image: Carolyn Purcella       Image: Conment         Image: Carolyn Purcella       Image: Carolyn Purcella		line	WEST	from the	+5 fee	134	line and	NORTH	from the	feet	1245	
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<ol> <li>Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below</li> <li>If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both interest and royalty).</li> <li>If more than one lease of different ownership is dedicated to the well, have the interests of all owners dated by communitization, unitization, force-pooling, etc?         <ul> <li>Yes</li> <li>No</li> <li>If answer is "no," list the owners and tract descriptions which have actually been consolidated. (I'se re this form if necessary.)</li> <li>No allowable will be assigned to the well until all interests have been consolidated (by communitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by sion.</li> </ul> </li> <li>CERTIFICAT</li> <li>I hereby certify that the 1</li> <td>Acres</td><td>40</td><td>bg SA</td><td>Qn Grh</td><td>Jackson Si</td><td>Grbg</td><td></td><td>Andres</td><td>San A</td><td></td><td>3616.0</td><td></td></ol>	Acres	40	bg SA	Qn Grh	Jackson Si	Grbg		Andres	San A		3616.0	
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1345' Name Carolyn Purcelle Position Production Clerk Company Marbob Energy Co Date 4/19/85	complete to the	ein is true and comp	tained herein i						245'			
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Date 4/19/85			Position Productio		3910	A DOF			-1 	:		
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Date Surveyed 4/16/85 Registered Professional End and/or Land Surveyor	gineer	4/16/85 rofessional Enginee	4/] Registered Profes									

EXHIBIT "H"

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Jan-

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

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

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		All dista	nces must be from	the outer boundaries	of the Section		
Operator Marbo	b Energy Corp	•	Le	M. Dodd "	в''		Well No. 52
Unit Letter	Section	Township	· · · · · · · · · · · · · · · · · · ·	Range	County		
D.	14		17 South	29 East	1	Eddv	
Actual Footage Loc	ation of Well;	- <b>-</b>	··				
1225	feet from the	north	line and	25	feet from the	west	line
Ground Level Elev.		rmation	Po				Dedicated Acreage:
3612.6	San A	ndres		Grbg Jackson	SR Qn Gr	bg SA	40 Acres
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# ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

#### CASE NO. 8433 Order No. R-7808

APPLICATION OF MARBOB ENERGY CORPORATION FOR AN EXCEPTION TO GENERAL RULE 104 F I AND FOR INFILL WELL FINDINGS, EDDY COUNTY, NEW MEXICO.

#### ORDER OF THE DIVISION

#### BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 10, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this <u>5th</u> day of June, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

#### FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Marbob Energy Corporation, seeks approval of an administrative procedure for the approval of unorthodox oil well locations within the lands described in Exhibit "A", attached hereto and made a part hereof, hereafter referred to as the "Subject Area".

(3) The applicant also seeks a finding that infill wells within the Subject Area, completed in the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool, are necessary to effectively and efficiently drain portions of the reservoir which cannot be drained by any existing wells in the Subject Area.

(4) Section 271.305(b) of the Rules of the Federal Energy Regulatory Commission 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 -2-Case No. 8433 Order No. R-7808

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reservoir covered by the proration unit which cannot be so drained by any existing well within the proration unit.

(5) The lateral continuity of the Grayburg-San Andres pay zone throughout the Subject Area is considered to be good in a gross sense, but localized barriers to fluid flow exist between wells because of the lenticular nature of the reservoir rock.

(6) Applicant's drilling of nineteen "Infill" wells (as described in Exhibit "B" attached hereto and made a part hereof), have increased the estimated ultimate recovery of the Subject Area by 833,100 barrels of oil and 1,781,000 mcf of gas.

(7) The current 40-acre spacing and proration units in the Subject Area have been inadequately drained of recoverable reserves by the existing wells and "Infill" wells are necessary to effectively and efficiently drain reserves from said proration units.

(8) The applicant plans to drill additional "Infill" wells within the Subject Area.

(9) Much of the Subject Area has previously been subject to secondary recovery.

(10) The applicant plans to drill additional wells in the Subject Area at orthodox and unorthodox locations both to increase current recovery and to increase the efficiency of a planned secondary recovery project.

(11) Prior to initiation of active secondary recovery operations in the subject Area, an administrative procedure should be established for approval of the drilling of wells at unorthodox locations therein provided that no well should be located closer than 330 feet to the boundary of any lease or unitized area nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

(12) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected pool, will prevent economic loss caused by the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(13) The application should be approved.

-3-Case No. 8433 Order No. R-7808

#### IT IS THEREFORE ORDERED THAT:

(1) The nineteen infill wells drilled by the applicant, Marbob Energy Corporation, and described in Exhibit "B" attached to this order, are hereby found to be necessary for the effective and efficient drainage of reserves underlying the Subject Area, as described in Exhibit "A" attached to this order within the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool, Eddy County, New Mexico, which could not be drained by any other well.

(2) Future infill wells within the Subject Area are hereby found to be necessary for the effective and efficient drainage of reserves underlying said Subject Area which could not be drained by existing wells therein.

(3) The Division Director shall have authority to grant approval of unorthodox well locations in the area subject to this order, provided that any such unorthodox location within such project is no closer than 330 feet to the outer boundary of the lease, or the unitized area, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

(4) Applications for administrative approval of unorthodox locations shall be filed in triplicate and shall be accompanied by plats, showing the ownership of all leases offsetting the proration or spacing unit for which the unorthodox location is sought, and also all wells completed thereon.

(5) The Oil Conservation's district office at Artesia and all operators of proration or spacing units offsetting the unit for which the unorthodox location is sought shall be notified of the application by certified or registered mail, and the application shall state that such notification has been given. The Division Director may approve the unorthodox location upon receipt of waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Director has received the application.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-4-Case No. 8433 Order No. R-7808

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION 18 NIVU L. STAMETS, R. Director

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#### "SUBJECT AREA"

All of the leases and lands described in this Exhibit "A" are located in Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico. Unless otherwise shown below, Applicant is operator of the entire Grayburg-San Andres formation:

#### M. Dodd A Lease (LC-028731 A)

Section 14: SE/4 SW/4, W/2 SW/4 Section 22: SE/4 SE/4, SE/4 SW/4, W/2 SE/4 Section 15: SE/4, only to a subsurface depth of 4,000 feet Section 22: NE/4 SE/4, SW/4 NE/4, E/2 NE/4, only to a subsurface depth of 4,000 feet

M. Dodd B Lease (LC-028731 B)

Section 10: E/2 W/2, E/2 Section 11: W/2 Section 14: N/2, NE/4 SW/4, SE/4 Section 15: NE/4

#### Boyd-Dodd Lease (LC-058362)

Section 11: SE/4

Continental State (E-4200)

Section 15: NW/4, only to a subsurface depth of 3,500 feet E/2 SW/4, only to a subsurface depth of 3,403 feet

Folk Federal Lease (NM-0397623)

Section 17: N/2, N/2 SW/4

. Folk State Lease (B-10714)

Section 17: N/2 SE/4

Grayburg-Jackson West Co-Op Unit

Section 16: All Section 21: All Section 28: All Section 15: W/2 SW/4 Section 22: NW/4, NW/4 NE/4, NE/4 SW/4, W/2 SW/4 Section 27: W/2 SW/4 Only to a subsurface depth of 3,600 feet. (The Grayburg Jackson West Cooperative Unit covers that portion of the Grayburg-San Andres formation encountered between the depths of 2,220 feet and 3,600 feet.)

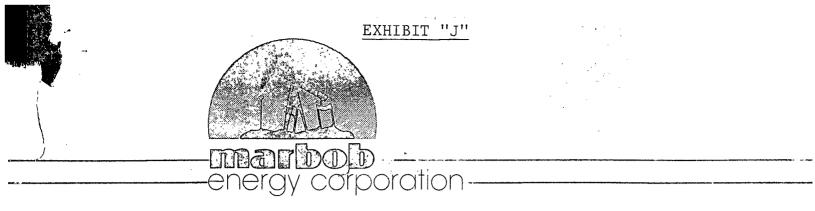
EXHIBIT "A" ORDER NO. R-7808

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INFILL WELLS DRILLED AND COMPLETED FROM 82 TO OCTOBER 84 BY MARBOB ENERGY CORPORATION OCTOBER 82

WELL NO.	FOOTAGE LC	CATION	SECTWN-RGE
M. Dodd A No. M. Dodd A No.	21       660' FSL         22       2310' FSL         23       2615' FSL         24       2310' FSL         25       990' FSL         26       2615' FSL         27       940' FSL         28       990' FSL         29       1650' FNL	& 1934' FEL & 330' FEL & 1345' FEL & 2310' FEL & 2210' FEL & 1345' FEL & 330' FEL & 330' FEL & 1652' FWL & 1370' FEL	15-17-29 22-17-29 22-17-29 22-17-29 22-17-29 22-17-29 22-17-29 22-17-29 22-17-29 22-17-29 22-17-29
M. Dodd A No. M. Dodd A No. M. Dodd A No. M. Dodd B No.	311350' FNL321650' FNL33990' FNL36330' FSL371345' FSL381345' FSL39330' FEL401650' FSL412615' FNL	& 1370       FEL         & 330'       FEL         & 2210'       FEL         & 990'       FEL         & 1345'       FEL         & 1295'       FEL         & 2310'       FEL         & 1345'       FSL         & 1345'       FSL         & 1345'       FSL         & 1345'       FEL         & 1345'       FEL         & 1345'       FEL	22-17-29 $22-17-29$ $22-17-29$ $14-17-29$ $14-17-29$ $14-17-29$ $14-17-29$ $14-17-29$ $14-17-29$ $14-17-29$ $14-17-29$ $14-17-29$

EXHIBIT "B" ORDER NO. R-7808



April 22, 1985

Midwest Investment Company P. O. Box 597 Roswell, New Mexico 88201

> RE: GJ West Co-Op Unit No. 72 2360 FNL, 1350 FWL Sec. 22, T-17S, R-29E. Eddy County, New Mexico Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool.

Gentlemen:

Marbob Energy Corporation as operator of the above well hereby notifies you that we have applied to the New Mexico Oil Conservation Division for administrative approval without notice and hearing of an unorthodox location pursuant to order R-7808 of the New Mexico Oil Conservation Division.

You are being contacted as an operator or owner of a proration unit offsetting the above described location in the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool. If you have no objections to the drilling of this well please sign below and forward one copy to the NMOCD in Santa Fe, one copy to this office, and retain one copy for your files. I have provided addressed stamped envelopes for your convenience. Thank-you very much for your cooperation in this matter. Please do not hesitate to contact me should you have any questions.

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Sincerely, st.

Kevin J. Bliss Land Department

APPROVAL	Χ.	
COMPANY:		
BY:		
TITLE:		
DATE:		

CRRR:

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