

March 31, 1989

William LeMay Director Oil Conservation Division P.O. Box 2088 Santa Fe, New Mexico

Attention: Mike Stogner

Dear Mr. Stogner

Marbob Energy Corporation respectfully requests an administrative approval without notice and hearing of the unorthodox well locations pursuant to Order R-7808 of the New Mexico Oil Conservation Division. The well location's legal descriptions are as follows:

G.J. West Co-Op Unit No. 89

1345 feet from the North line, and 25 feet from the West line Section 22, T-17S, R-29E Eddy County, New Mexico

M. Dodd B No. 65

1980 feet from the South line and 1345 feet from the East line Section 14, T-17S, R-29E Eddy County, New Mexico

These wells will be completed in the Grayburg San Andres formation in the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool.

Attached to the application are the following exhibits:

- A. Well location and Acreage Dedication plats (form C-102) filed with the Artesia office of the Oil Conservation Division. (Exhibit A-B)
- B. A plat showing the proposed unorthodox location, the respective proration units, and the offsetting proration units including their ownership. (Exhibit C)

Please note that 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, and therefore no other operators are required to be notified.

,

Thank you very much for your help in this matter. Should you have any further questions or be in need of any additional information, please contact myself or David Martin.

Sincerely,

Raye Mille

Raye Miller Secretary/Treasurer

DM/dr

Ň

Enclosures

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

` **`**

125630

<u>DISTRICT I</u> P.O. Bax 1980, Hobbs, NM 88240 1 1

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 EXHIBIT "B"

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

.

AMAR 2 9 1930

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

1 14 17 South 23 EAST NMEM F345 ctual Fordage Location of Well 1315 feed from the CH31 Ine 1230 feed from the South 1315 feed from the CH31 Ine 3523.55 San Androse Grbg Jackson SR Q Grbg SA 40 Acres 1. Outline the strage dedicated to the well by colored period or hadrum marks on the plat below. 2. If more than one tease of different overship is dedicated to the well, have the interest of all overen been consolidated by communization, unitization, force-pooling, or soberwise) That were in 'yee' trye of consolidation 1 To find the observation and trad descriptions which have standard static (Use revise ask of this form the scenary of the well and interests have been consolidated (D) worth the information, unitation, unitation, unitation, the information of the well will be addicated to the well, have the boxen consolidated (D) communization, unitation, unitation, the information of unit as one standard usit, dimmarks have been consolidated (D) communization, unitation, unitation, unitation, unitation, unitation, unitation, unitation, the information of using and interest have been consolidated (D) communization, unitation, unitation, unitation, unitation, unitation, and wells on Phose consolidated (D) communization, unitation, the information of the information of the information of the	Operator				Lease			······································	Weil No.	
1 14 17 South 23 EAST NMEM F345 ctual Fordage Location of Well 1315 feed from the CH31 Ine 1230 feed from the South 1315 feed from the CH31 Ine 3523.55 San Androse Grbg Jackson SR Q Grbg SA 40 Acres 1. Outline the strage dedicated to the well by colored period or hadrum marks on the plat below. 2. If more than one tease of different overship is dedicated to the well, have the interest of all overen been consolidated by communization, unitization, force-pooling, or soberwise) That were in 'yee' trye of consolidation 1 To find the observation and trad descriptions which have standard static (Use revise ask of this form the scenary of the well and interests have been consolidated (D) worth the information, unitation, unitation, unitation, the information of the well will be addicated to the well, have the boxen consolidated (D) communization, unitation, unitation, the information of unit as one standard usit, dimmarks have been consolidated (D) communization, unitation, unitation, unitation, unitation, unitation, unitation, unitation, the information of using and interest have been consolidated (D) communization, unitation, unitation, unitation, unitation, unitation, and wells on Phose consolidated (D) communization, unitation, the information of the information of the information of the	Marbob	Energy C	orp.		М	Dodd ''B	чт 15		3	55 ·
Citual Rootage Location of Well: 13:05 feet from the should be should be should be added accesses: 1:00 feet from the sense is declared to the subject well by colored pencil or hardware marks on the plat below. 2: 16 more than one lease is declared to the subject well by colored pencil or hardware marks on the plat below. 2: 16 more than one lease is declared to the subject well by colored pencil or hardware marks on the plat below. 2: 16 more than one lease is declared to the subject well by colored pencil or hardware marks on the plat below. 3: If more than one lease is declared to the subject well by colored pencil or hardware marks on the plat below. 3: If more than one lease is declared to the subject well by colored pencil or hardware marks on the plat below. 3: If more than one lease is declared to the subject well by colored pencil or hardware marks on the plat below. 3: If more than one lease is declared to the subject well by colored pencil or hardware marks on the plat below. 3: If more than one lease is declared to the well have the interest of all owners been consolidated. 1: Declared to consolidated. 3: If more than one lease of different ownership is declared to the well have the interest of all owners been consolidated. 1: Declared to consolidated. 1: Declared to consolidated to consolidated to consolidated. 1: If answer is "too list be even too the well until interest have been consolidated. 1: Declared too consolidated too consolidated. 0: Declared too consolidated too consolidated. 0: If more than one standar until elements have been approved by the Division. 0: Declared too consolidated.	Unit Letter Sec	tion						County		<u></u>
Display feet from the SOUTH inter and Pool Declased Arrage 3/230 San Andres Grbg Jackson SR Q Grbg SA 40 Arras 3/231/51 San Andres Grbg Jackson SR Q Grbg SA 40 Arras 1. Outline the arrage declased to the submer that so the pill below. 1. Outline the arrage declased to the submer that so the pill below. 40 Arras 3. If more than one lease is declased to the submer that so the pill below. 1. Outline the arrage declased to the submer the interest of all owners been consolidated by communitization, unitration, fonced pooling, atc.? If more than one lease is declased to the well, have the interest of all owners been consolidated by communitization, unitration, fonced pooling, or otherwise) Yes Not the array declased to the submer is "yet" type of consolidation. If more than one lease is declased to the well, have the interest of the owners and the declased to the your owners and the declased to the your owners and the declased to the your owners and the owners and the declased to the your owners and the owners and the declased to the your owners and the owners and the declased to the your owners and the owners and the declased to the your owners and the owners and the declased to the your owners and the your owners and the declased to the your owners and the your owners and the well acased the acase the your owners and the your owner	J	14	17	South	2	9 East	~ NM	PM	Eddy	
Normal level Elev. Det data and permation Det data and Arrage: 31:23.5 San Andros Grby Jackson SR 0 Grby SA 40 Arrage: 1: Outline the sortage dedicated to the subject well by colored peech on the phale blow. 10 more than one lease of different overenhip is dedicated to the subject well by colored peech on the phale blow. 11 for ortan one lease of different overenhip is dedicated to the well, have the interest of all owners been consolidated by communitation, untration, forced-pooling, or otherwise) 1/ Teamwork is 'no' link the owners and tracted descriptions which have scalarly been consolidated. (Use revene ade of the formation forced-pooling, or otherwise)	•	of Well:								
3=23.5 San Andres Grbg Jackson SR 0 Grbg SA 40 Acres 1. Outline the strage dedicated to the subject well by colored pencil or hadrum marks on the plat below. 2. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, understool, fonce pooling, etc.	<u>1980</u> fee			line and	134.) 	feet fr	om the Cas	line	
Outline the acreage dedicated to the subject well by colored peech or hardnure marks on the plat below. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both is to working interest and royalty). If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, forced pooling, etc. The there is not into the second unit in interest have been consolidated (by communitization, unitization, forced pooling, or otherwise) or unit a new standard break have been consolidated (by communitization, unitization, forced pooling, or otherwise) or unit a new standard by the blows. OPERATOR CERTIFICATION I have is assigned to the well unit it interest have been approved by the Division. OPERATOR CERTIFICATION I have is a standard unit, climinating such interest, has been approved by the Division. OPERATOR CERTIFICATION I have is an advected unit, climinating such interest, has been approved by the Division. OPERATOR CERTIFICATION I have it has not advected unit, climinating such interest, has been approved by the Division. OPERATOR CERTIFICATION I have it has not advected unit, climinating and have its interest, has been approved by the Division. OPERATOR CERTIFICATION I have its and its interest, has been approved by the Division. OPERATOR CERTIFICATION I have its advected approvement by any have its advected approvement by any have its advected approvement by any have its advected approvement by the division of the standard approvement by any have its advected approvement by any have its advected approvement by the division of the standard approvement by the information of the standard approvement by the a	Ground level Elev.	Producir	ig Formation		Pool				Dedicated Acre	sage:
2. If more than one lease is dedicated to the well, outline each and identify the ownership inferred (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been obsolidated by communicitation, unitization, forced-pooling, etc. 7 Yes No If answer is "port is not is the ownership is dedicated to the well, have the interest of all owners been obsolidated. (Use revene ade of the form is not rect descriptions which have actually been consolidated. (Use revene ade of the form is not exanderd unit, eliminating such interest, has been approved by the Divison. OPERATOR CERTIFICATION I hereby certify that the algornalit contained herein is true and complete to it bets? No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Divison. OPERATOR CERTIFICATION I hereby certify that the algornalit contained herein is true and complete to it bets? Signifie Rhonda Nellson Production Clerk Company Signifie								<u>SA</u>	40	Acres
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc. 1 Yes No If anower is "oo" if answer is "yes" type of consolidation If anower is "oo" if at the owners and tract descriptions which have actually been consolidated (Use revene ade of the form is trace and complete to the well until all interests, has been approved by the Division. OPERATOR CERTIFICATION 1 hereby certify that the information of the sognet do being? If more than one lease of different is trace and complete to the well until all interest, has been approved by the Division. OPERATOR CERTIFICATION 1 hereby certify that the information of the solar do being? If more than one lease of different is trace and complete to the base of the form is trace and complete to the well well all interest, has been approved by the Division. If more than one lease of the well well all interest, has been approved by the Division. If more than one standard unit, eliminating and interest, has been approved by the Division. If more than one standard unit, eliminating and the interest of the base of the interest of the base of the interest of the base of the solar dome the interest of the base of the solar dome the production of the product of the base of the solar dome is trace of the base of the basoladge of the base of the base of the base of	1. Outline the	acreage dedicate	d to the subject v	well by colored per	cil or hachure	marks on the	plat below.			
unitization, force-pooling, etc.? Yes No If zurwer is "yet" type of consolidation If anown is "no" has the owners and tract descriptions which have satually been consolidated. (Use reverse side of the form is "no" has the owners and tract descriptions which have satually been consolidated. (Use reverse side of the allowable will be assigned to the well unit all interests have been consolidated (by commutatization, tunitization, forced-pooling, or otherwise) or unit a non-standard unit, eliminating such interest, has been approved by the Division. OPERATOR CERTIFICATION I hereby certify that the informati- commutatization, forced pooling, or otherwise) or unit a non-standard unit, eliminating such interest, has been approved by the Division. OPERATOR CERTIFICATION I hereby certify that the informati- commutatization, forced pooling, or otherwise) or unit a non-standard unit, eliminating such interest, has been approved by the Division. OPERATOR CERTIFICATION I hereby certify that the informati- commutatization, forced pooling, or otherwise)	2. If more that	1 one lease is dec	ficated to the we	ll, outline each and	identify the o	wnership the	eof (both as to wo	orking interest and	royalty).	
Yes No If answer is "yet" type of consolidation If enswer is "oo' tait the some or source is a consolidation is "is of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests have been consolidated. (Use reverse ade of the sagged to the well until all interests.) OPERATOR CERTIFICATION If are been approved by the Division. OPERATOR CERTIFICATION If are been approved by the add the sage add belief. Signific Signific If are been approved by the add the sage add belief. Signific Signific If are been approved by the add the sage add belief. Signific Signific	3. If more than	one lease of dif	Terent ownership	is dedicated to the	well, have the	interest of a	il owners been co	nsolidated by com	munitization,	
If answer is "to" last the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form in the assigned to the well until all interests have been consolidated by communitization, untilization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. OPERATOR CERTIFICATION I hereby certify that the informatic contained herein in true and complete to the of my browledge and belief. Sportse This the owners and a method herein in true and complete to the informatic contained herein in true and complete to the off my browledge and belief. Sportse This the informatic contained herein in true and complete to the informatic contained herein in true and complete to the best of my browledge and belief. Sportse This the informatic contained herein in true and complete to the best of my browledge and belief. Sportse This the informatic contained herein in true and complete to the best of my browledge and belief. Sportse This the informatic contained herein in true and complete to the best of my browledge and belief. Sportse This terms Survey of CERTIFICATION I hereby certify that the well location show This terms pointed from sports of the best of my browledge a belief. Survey of March 27, 1583 Signature & Seal of March 27, 1583 Signature	·								,	
bus form if necessary. No allowable will be segred to the well until all interests have been consolidated (by communitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. OPERATOR CERTIFICATION 1 bereby certify that the undormalitic contained where in is true and complete to it ber of my hnowledge and belief. Signature Rhonda Nelson Production Clerk Company Marbob Energy Corporatio Date March 30, 1989 SURVEYOR CERTIFICATION 1 bereby certify that the well location show on this plat was plotted from field notes actual surveys malk by me or under in stars is true as actual surveys		L					(Lise reverse side			
or until a non-standard unit, eliminating such interest, has been approved by the Division. OPERATOR CERTIFICATION I hereby certify that the informati contained herein is true and complete to i ber of my hnowledge and belief. Finated Name Rhonda Nelson Position Production Clerk Company Marbob Energy Corporatio Date March 30, 1989 SURVEYOR CERTIFICATION I hereby certify that the well location sho on this plat was plotted from feld notes actual surveyse March 27, 1583 Signature & Sail de- Start - 1 St			s and there describes		actually occu	consorrosic d.		. 0		
Department of the information of							unitization, unitiza	tion, forced-poolir	ng, or otherwise)	
Image: Second	or until a non-i	standard unit, eli	minating such int	terest, has been app	roved by the l	Division.	- 1			
36232 36231 #37 -637 3620.6 3620.9						1		OPERAT	OR CERTIFI	CATION
36232 36232 37 -637 3620.6 3620.9						1				
Signature Signature						1				complete to th
36232 36231 #37 -637 36206 36209						1		desi of my know	leage and dellej.	
Rhonda Nelson Position Production Clerk Company Marbob Energy Corporatio. Date March 30, 1989 SURVEYOR CERTIFICATION I hereby certify that the well location shon on this plat was plotted from field notes actual surveys made by me or under supervision, and that the same is true a correct to the best of my knowledge a belief. Date Surveyed March 27, 1989 Signatur & Seal of Professional Survey field Signatur March 27, 1989 Survey field sole March 27, 1989 March 27, 1989 Survey field sole March 28, 1989 Survey field sole March 28, 1989 Survey field sole Survey fi						1	,	Signature	. (.	1
Rhonda Nelson Position Production Clerk Company Marbob Energy Corporatio. Date March 30, 1989 SURVEYOR CERTIFICATION I hereby certify that the well location shon on this plat was plotted from field notes actual surveys made by me or under supervision, and that the same is true a correct to the best of my knowledge a belief. Date Surveyed March 27, 1989 Signatur & Seal of Professional Survey field Signatur March 27, 1989 Survey field sole March 27, 1989 March 27, 1989 Survey field sole March 28, 1989 Survey field sole March 28, 1989 Survey field sole Survey fi								Thing	In M.	llc
Rhonda Nelson Position Production Clerk Company Marbob Energy Corporatio. Date March 30, 1989 SURVEYOR CERTIFICATION I hereby certify that the well location shon on this plat was plotted from field notes actual surveys made by me or under supervision, and that the same is true a correct to the best of my knowledge a belief. Date Surveyed March 27, 1989 Signatur & Seal of Professional Survey field Signatur March 27, 1989 Survey field sole March 27, 1989 March 27, 1989 Survey field sole March 28, 1989 Survey field sole March 28, 1989 Survey field sole Survey fi						ļ		Printed Name	un / u	
36232 36231 #37 -637 3620.6 3620.9 3620.6 3620.9 3623.1 3623.1 3623.2 3623.1 3623.2 3620.9 3620.6 3620.9 3620.6 3620.9 3620.6 3620.9 3620.6 3620.9 3620.6 3620.9 3620.6 3620.9 3620.6 3620.9 3620.6 3620.9 3620.6 3620.9 Signature & Seal of Professional Symmetry ESS NND SUM With Edited						<u> </u>		Rhonda N	Ielson	
Company Marbob Energy Corporation Date March 30, 1989 SURVEYOR CERTIFICATION 1 hereby certify that the well location sho on this plat was plotted from field notes actual surveys made by me or under supervision, and that the same is true a correct to the best of my knowledge a belief. Date Surveyed March 27, 1580 Signature & Seal of Professional Survey (FESS) MND SUM MARCH 27, 1580 Signature & Seal of MND SUM MARCH 27, 1580 Signature & March 27, 1580 Signature & Seal of MND SUM MARCH 27, 1580 Signature & March 28, 100 Signature & March 20, 100 Signature & Stator Signature & Stator Signator Signature & Stator Signator Signator Signator Signa		Į						Position		
Marbob Energy Corporatio. Date March 30, 1989 SURVEYOR CERTIFICATION I hereby certify that the well location sho on this plat was plotted from field notes actual surveys made by me or under supervison, and that the same is true a correct to the best of my knowledge a belief. Date Surveyed March 27, 1539 Signature & Seal of Professional, Spire Vit ESST ND SUM March 27, 1539 Signature & Seal of Professional, Spire Vit ESST ND SUM March 27, 1539 Signature & Seal of ND SUM March 27, 1539 Signature & Seal of March 27, 1539 Signature & Seal of Signature & Seal of Sign		l						Producti	on Clerk	
36232 36231 # 37 36231 # 37 637 3520.6 3620.9 3623.1 # 37 3520.6 3623.1 # 37 3623.1 # 37 3623.1 # 37 3623.1 # 37 3623.1 3623.1 3623.1 # 37 637 -3520.6 3620.9 Identify that the well location show on this plat was plotted from field notes actual surveys made by me or under in supervision, and that the same is true a correct to the best of my knowledge a belief. Date Surveyed March 27, 1989 Signature & Seal of Professional, Simular & Seal of Mild SUniverse Mild SUniverse								Company	······	
36232 36231 #37 -6371 #37 -6371 3620.6 3620.9 3620.6 3620.9 0 0 0 <				1		{		Marbob E	nergy Cor	poration
SURVEYOR CERTIFICATION 1 hereby certify that the well location shon on this plat was plotted from field notes actual surveys made by me or under the supervision, and that the same is true a correct to the best of my knowledge a belief. Date Surveyed March 27, 1930 Signature & Seal of Professional Surveyed ESSTOR AND SURVEY CENTIFICATION		1				J		Date	······································	<u> </u>
36232 36231 #37 36231 #37 1345' 3620.6 1345' 3620.6 3620.9 Image: Seal of the								March 30	, 1989	
36232 #37 637'		1				ļ		SURVEY	OR CERTIFI	
36232 #37 637'		1				1				
#37 637'		1		а Д	3623.2	3623.1				
637'		i i		#37	1	1		actual surveys	made by me	or under m
3620.6 3620.9 Date Surveyed March 27, 1989 Signature & Seal of Professional Surveyer ESSION AND SUM		1		€ T	637'9	╃ ₋∔─────13 ┃	345 — –	1 '		
Deted. Date Surveyed March 27, 1989 Signature & Seal of Professional Survey ESS/01 AND SURIE AND SURIE The Surveyed Signature & Seal of Professional Survey (ESS/01) AND SURIE AND AND AND AND AND AND AND AND AND AND		1			3620.6	3620.9	i	1	e best of my l	knowledge an
March 27, 1989 Signature & Seal of Professional Survey of ESS/ON AND SURVEY AND SURVEY						1				
Signature & Seal of Professional Survey FESSION AND SURVEY		1								
Professional Survey & ESS/04		·				<u></u>				
LAND SUME					-	!				•aL
Centrations and a second and as second and a					86	1		THORESOUTING, SIL	RUTESSION	A A A A
Centrements of the second seco					Ī	1		1 ASA	AND SUR	%∕N —
Centropation of the second sec						1		1 ASA	N' E	21211
Centropade No		ł			j	l		UT IS	NO. / /9	2X24
\mathbf{L} = \mathbf		1				1			746 U	212
						1		Ceruncale No.		575 676
	Internal Protocola		JERNING (and a state of the	Location		K	CARLO J LEN	3239
330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0	0 330 660 990	1320 1650	1980 2310	2640 200	0 1500	1000	500 0	No la	25 WIE NES	¥/

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

۷.

.

DISTRICT | P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87,410

EXHIBIT "A"

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	de l'as assaul (`	Lease	G J. West			Well No.	`
Juit Letter	ob Energy (Section	Township	Range			County	89	,
	Secuoli Di Di D		South	29 East		Edd	v.	
ctual Footage Loca	ation of Well:	· · ·			NMPM	1		
1345	feet from the	north	line and $\frac{2}{2}$	5	feet from t	he west	line	
round level Elev.		ing Formation	Pool				Dedicated Acrea	ige:
)5ta.()	San A	Indres	Grb	g Jackson Sl	R Ø Grbq SA	1	40	Acres
1. Outline	e the acreage dedicat	ted to the subject well by				• • • • • • • • • • • • • • • • • • •		
		edicated to the well, out	-			-		
unitizat If answer this form	tion, force-pooling, (Yes [is "no" list the own if neccessary.	No If answe ers and tract description	r is "yes" type of cons which have actually l	olidation seen consolidated. (1	Use reverse side of			
		i to the well until all inte liminating such interest,			tization, unitization,	forced-pooling,	or otherwise)	
1345			3556.4	355	51.5 be			e informat
	Peso		3559.4	355	51.1 Cc M	thonda Nel sition Production mpany larbob Ene ste	n Clerk	oratio
	rc ≠ 1			 	<u>M</u>	SURVEYC	<u>1989</u> DR CERTIFIC	CATION
					он ас 54 со	hereby certify this plat was tual surveys r pervison, and prect to the s lief.	plotted from made by me that the same	field notes or under is true o
	 					ale Surveyed <u>March 2</u> ignature & Seal. rofessional Surv of Survey File	of	· his
						No.		A STATE
330 660		1980 2310 2640	2000 15	00 1000	500 0	- Ki	MENT	18
					500 0			

B(K.ncoid 101) _ d	1 20 KEULU- 10	Nover-red - Notes -	
Fxpl	() () () () () () () () () () () () () (427.WI @ 23 10 10 m Boyd)	D HA Chevi
(Gulf) 011 (102466) 102466 (1)		06 056362 West	hevron Chevron
102700 55	2.5 15 TD2700	53 03 7 p1	7 OHO F
Gult St. PETECTI AL		HIJELIN	Kool / Root Fad East Stering (
titherbood)	Iurbob e		60 52
Tenne 20 Har	018131	albop 82	Do. Unit
K37.90	29 contrast 025 No	46 949 44 43 8 ^(5C)	ی دور دی دوری دی دی دوری دی دی
5 . re 5000	Lacitie	(Sun) 18 014 014 0	48 49
	20 Atom (15 10 328	2	0 P 60
b (Marbon) E Paso Halt	Martine Scool (Marbod Praidist Dood Frd		Phillips 17 21
tate 1010,355	MIST. Montak IJUS-	Fred. 30 U.S	· U.S.
ennaco (1 (El paso Nati)) 018 (1 1968 8 1266 845	Tenneco	T. CLO IN CONTRO 45.C 020-BB 1988	e 19 0 16 028784 10 0 5 17
10 5000	Formseter workster State	ŝ	
El Poso Vol 1	Nobe and and	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	2 (ogy ho
a Marala 21 & Devilion	Harbob A Lerins Co 2	ad BB Phillips 23	26 25 24 24
1 to DAR She 32 @15 @	E I P	018184 H-84 0 33-85 0 4-6 0 0 4-6 0 0 4-6 0	(00) . (00) (00) (00) (1) (00) . Kelly: Kelly: 27 (00) (1)
A Tenneco	to 5000	35-88 4-88 P60 C 0 8-C	~
WEST CO. OP UN			
2 221-54 S	nien o L	EX EX	EXHIBIT "C"
C		21.C 29 Proration Units c	containing proposed unorthodox
Interior / Tenneco is	14 15 07 17 17 17 17 17 17 17 17 17 17 17 17 17	locations.	
MARBOR (ORER.)		Border of offsetting	ting proration units.
a historica are Areka Diverte	1 UGG of MARCOL	Border of acreage	e encompassed with R-7808.

STATE OF NEW MEXICO 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.

See Bloo Order No.

7808-A

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

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

hereinabove designated.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION UNIC ()R. L. STAMETS, Director

đ

SEAL

"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)

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.)

.

and a specific age of the

. !

;

EXHIBIT "A" ORDER NO. R-7808

.;

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

WELL NO.	FOOTAGE LOCATION	SECTWN-RGE
M. Dodd A No. 21	660' FSL & 1934' FEL	15-17-29
M. Dodd A No. 22	2310' FSL & 330' FEL	22-17-29
M. Dodd A No. 23	2615' FSL & 1345' FEL	22-17-29
M. Dodd A No. 24	2310' FSL & 2310' FEL	22-17-29
M. Dodd A No. 25	990' FSL & 2210' FEL	22-17-29
M. Dodd A No. 26	2615' FSL & 1345' FEL	22-17-29
M. Dodd A No. 27	940' FSL & 330' FEL	22-17-29
M. Dodd A No. 28	990' FSL & 1652' FWL	22-17-29
M. Dodd A No. 29	1650' FNL & 1370' FEL	22-17-29
M. Dodd A No. 31	1350' FNL & 330' FEL	22-17-29
M. Dodd A No. 32	1650' FNL & 2210' FEL	22-17-29
M. Dodd A No. 33	990' FNL & 990' FEL	22-17-29
M. Dodd B No. 36	330' FSL & 1345' FEL	14-17-29
M. Dodd B No. 37	1345' FSL & 1295' FEL	14-17-29
M. Dodd B No. 38	1345' FSL & 2310' FEL	14-17-29
M. Dodd B No. 39	330' FEL & 1345' FSL	14-17-29
M. Dodd B No. 40	1650' FSL & 1650' FWL	14-17-29
M. Dodd B No. 41	2615' FNL & 330' FEL	14-17-29
M. Dodd B No. 42	2615' FNL & 1345' FEL	14-17-29

EXHIBIT "B" ORDER NO. R-7808

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

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

See Aleo Order No

R-7808

- F.-

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Division Order No. R-7808 dated June 5, 1985, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) The first paragraph of the introductory section on page 1 of Division Order No. R-7808 dated June 5, 1985, be and the same is hereby amended to read in its entirety as follows:

"This cause came on for hearing at 8 a.m. on December 19, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana."

(2) The corrections set forth in this order be entered nunc pro tunc as of June 5, 1985.

DONE at Santa Fe, New Mexico, on this <u>12th</u> day of June, 1985.

STATE OF NEW MEXICO OIL_CONSERVAT/ION-DIVISION

Laina

R. L. STAMETS Director

SEAL

fd/

