

marbob
energy corporation

OIL CONSERVATION DIVISION
RECEIVED

'93 SEP 7 AM 1 47

September 1, 1993

William LeMay, Director
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. Mike Stogner

RE: Unorthodox Well Location

Dear Mr. Stogner:

Marbob Energy Corporation respectfully requests an administrative approval without notice and hearing of three unorthodox well locations pursuant to Rule 104, Section F (1) of the New Mexico Oil Conservation Division. The well locations legal descriptions are as follows:

Burch-Keely Unit No. 215

1295 feet from the South line,
1345 feet from the West line
Section 13, Township 17 South,
Range 29 East, Eddy County, New Mexico

Burch-Keely Unit No. 216

1980 feet from the South line,
2615 feet from the East line,
Section 23, Township 17 South,
Range 29 East, Eddy County, New Mexico

Burch-Keely Unit No. 217

Keely C #63

1345 feet from the South line,
2615 feet from the East line,
Section 13, Township 17 South,
Range 29 East, Eddy County, New Mexico

The 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 Plat (form C-102) filed with the Carlsbad office of the Bureau of Land Management. (Exhibit A)
- B. A plat showing the proposed unorthodox location, the respective proration unit, and the offsetting proration units including their ownership. (Exhibit B)

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. The geological support for this application is the same as was presented in the case which resulted in Order No. R-7808 which is the offsetting acreage to this unit.

Thank you for your help in this matter. Should you have any further questions or be in need of any additional information, please contact me.

Sincerely,



Raye Miller
Land Department

RM/mm
Enclosures

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1960, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

P

Operator MARBOB ENERGY CORPORATION			Lease Keely A Federal			Well No. 31			
Unit Letter N		Section 13		Township 17 SOUTH		Range 29 EAST <small>NMPM</small>		County EDDY	
Actual Footage Location of Well:									
1295 feet from the SOUTH line and			1345 feet from the WEST line						
Ground Level Elev. 3614.5'		Producing Formation Grayburg San Andres			Pool Grbg Jacscon SR Q Grbg SA		Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.) _____

No allowable will be assigned to the well unit all interests have been consolidated (by communization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

OPERATOR CERTIFICATION

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

Signature: Rhonda Nelson
Printed Name: Rhonda Nelson
Position: Production Clerk
Company: Marbob Energy Corporation
Date: June 9, 1993

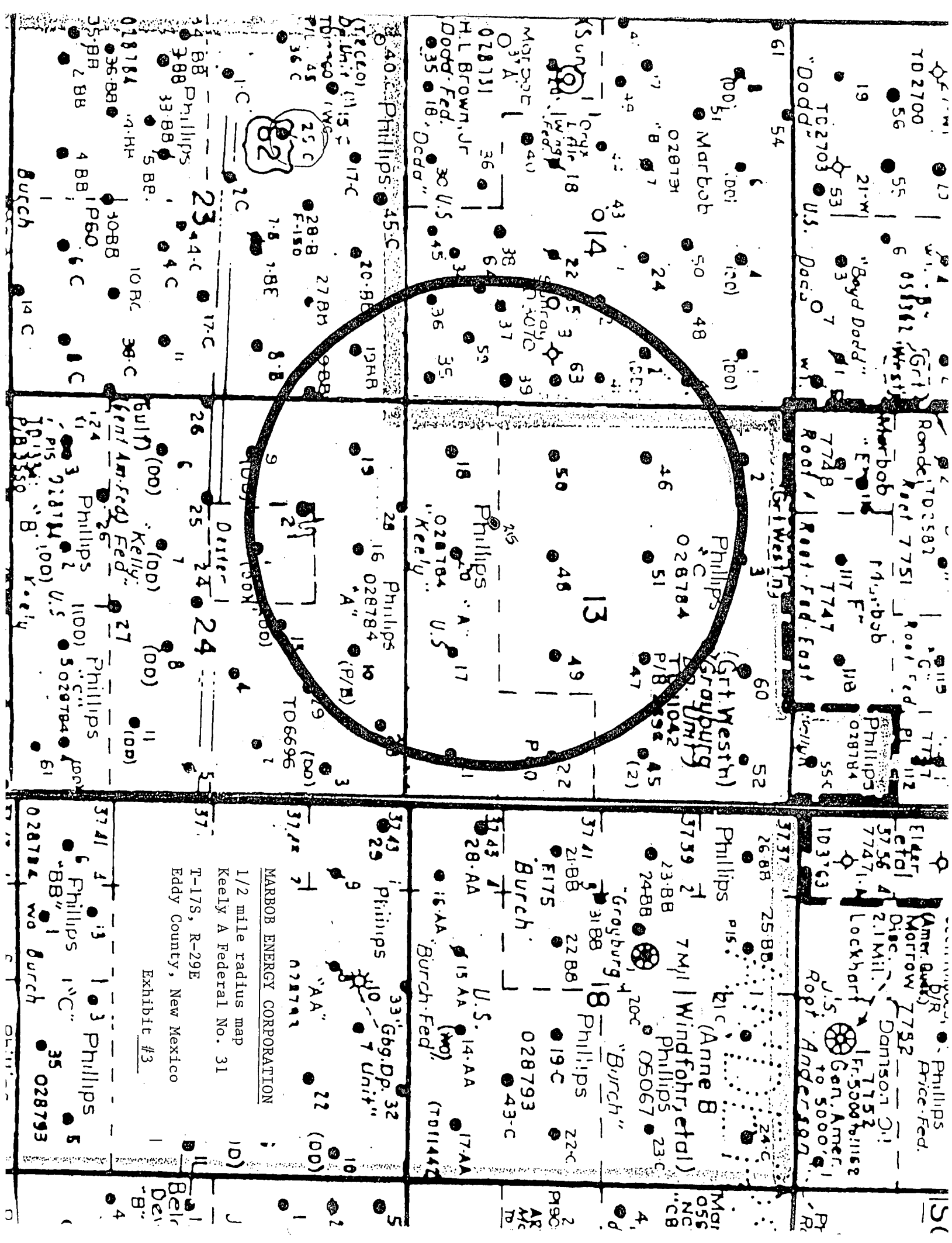
SURVEYOR CERTIFICATION

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

Date Surveyed: FEBRUARY 9, 1993

Signature & Seal of Professional Surveyor:
[Signature]

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
CARY L. JONES 7977



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Marbob Energy Corporation

3. Address and Telephone No.

P. O. Drawer 217, Artesia, NM 88210 505-748-3303

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1295 FSL 1345 FWL, Sec. 13-T17S-r29E, Unit N

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

NMNM88525X

8. Well Name and No.

Burch Keely Unit #215

9. API Well No.

30-015-27573

10. Field and Pool, or Exploratory Area

Grbg Jackson SR Q Grbg SA

11. County or Parish, State

Eddy County, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other change from lease to unit

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Change from: Keely A Federal #31

14. I hereby certify that the foregoing is true and correct

Signed Robin Smith

Title Production Clerk

Date 9/1/93

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

3a. Area Code & Phone No.

505-748-3303

3. ADDRESS OF OPERATOR

P. O. Drawer 217, Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface
1980 FSL 2615 FEL

At proposed prod. zone
same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

East of Artesia on Hwy. 82 approx. 21.7 miles

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 1980'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

449'

16. NO. OF ACRES IN LEASE

1120

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

19. PROPOSED DEPTH

4600'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3598.5' GR

No Water Basin

22. APPROX. DATE WORK WILL START*

September, 1993

23. PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	J-55	LTC	350'	300 sx Class C
7 7/8"	5 1/2"	17#	J-55	LTC	4600'	1100 sx Class C

Pay zone will be selectively perforated and stimulated
as needed for optimum production.

Attached are: 1. Location & Acreage Dedication Plat
2. Supplemental Drilling Data
3. Surface Use Plan

Approval Subject to
General Requirements and
Special Stipulations
Attached

RECEIVED
JUN 21 11 53 AM '93
CARLSON
AREA

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Phonda Nelson

TITLE

Production Clerk

DATE

6/7/93

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

Scott Power

TITLE

Acting
Area Manager

DATE

7/2/93

CONDITIONS OF APPROVAL, IF ANY:

WELL LOCATION is:
Subject to
Like Approval
By State

*See Instructions On Reverse Side

OIL CONSERVATION DIVISION

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

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MARBOB ENERGY CORPORATION			Lease Burch C Federal		Well No. 51
Unit Letter J	Section 23	Township 17 SOUTH	Range 29 EAST	NMPM	County EDDY

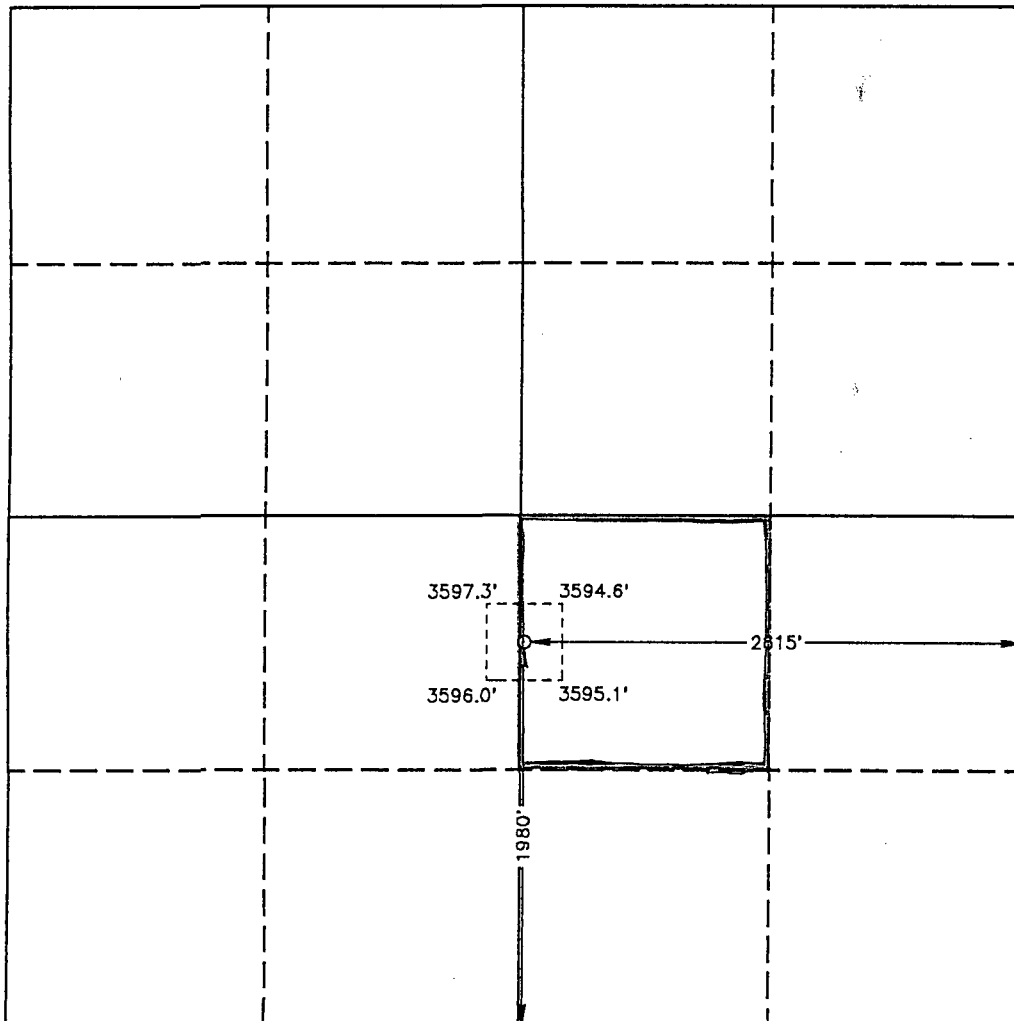
Actual Footage Location of Well:

1980 feet from the SOUTH line and		2615 feet from the EAST line	
Ground Level Elev. 3598.5'	Producing Formation Grayburg San Andres	Pool Grbg Jackson SR Q Grbg SA	Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as 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, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

OPERATOR CERTIFICATION

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

Signature

Printed Name

Rhonda Nelson

Position

Production Clerk

Company

Marbob Energy Corporation

Date

June 9, 1993

SURVEYOR CERTIFICATION

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

Date Surveyed

FEBRUARY 10, 1993

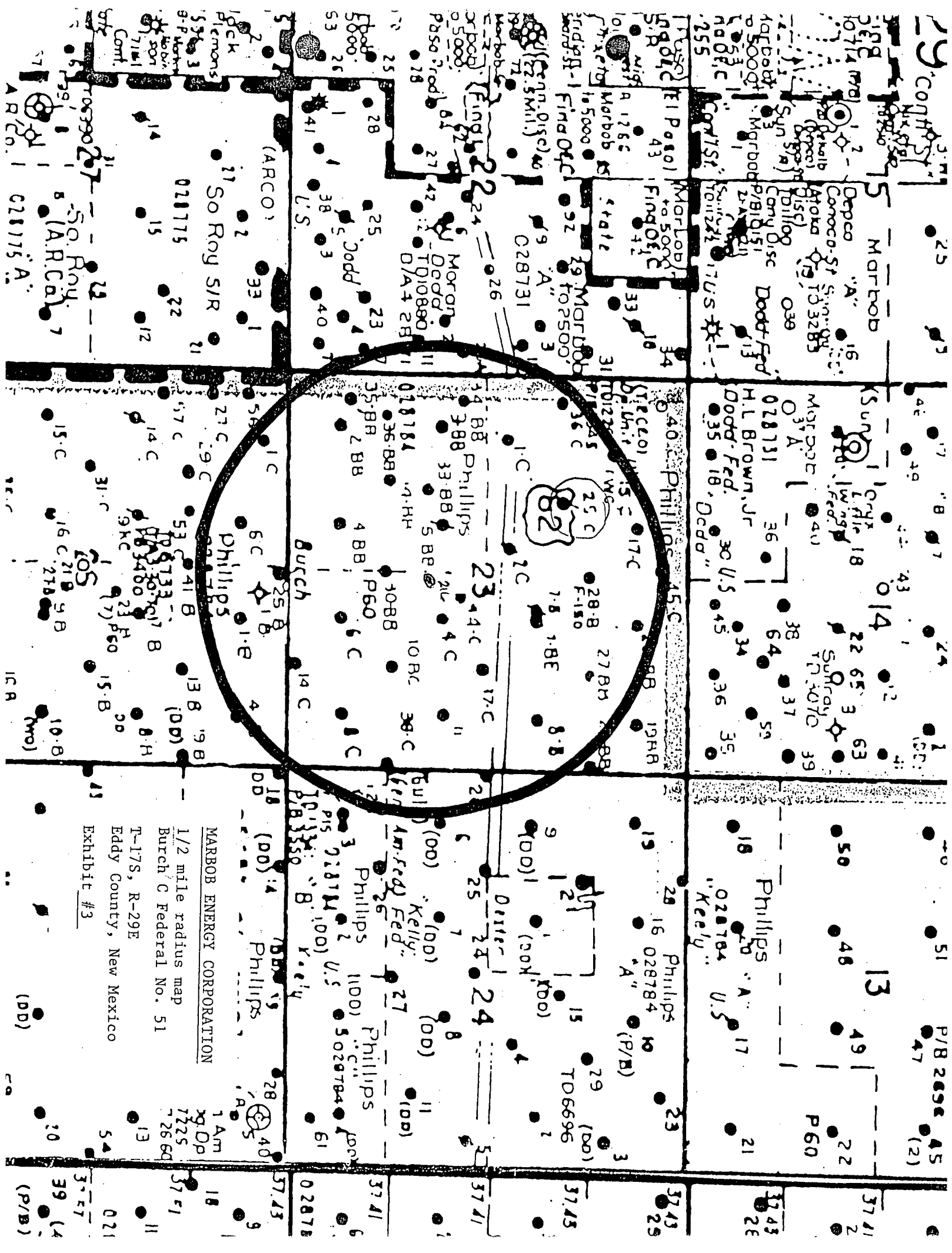
Signature & Seal of
Professional Surveyor

Certificate No. **JOHN W. WEST** 676

RONALD J. EIDSON 3239

GARY L. JONES 7977

REGISTERED PROFESSIONAL SURVEYOR
NEW MEXICO
1977
143



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Marbob Energy Corporation

3. Address and Telephone No.

P. O. Drawer 217, Artesia, NM 88210 505-748-3303

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980 FSL 2615 FEL, Sec. 23-T17S-R29E, Unit J

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

NMNM88525X

8. Well Name and No.

Burch Keely Unit #216

9. API Well No.

30-015-27574

10. Field and Pool, or Exploratory Area

Grbg Jackson SR Q GrbgSA

11. County or Parish, State

Eddy County, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other change from lease to
unit

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Change from : Burch C Federal #51

14. I hereby certify that the foregoing is true and correct

Signed Robin Smith

Title Production Clerk

Date 9/1/93

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

OPERATOR'S COPY

CONTACT RECEIVING
OFFICE FOR NUMBER
OF COPIES REQUIRED
(Other instructions on
reverse side)

BLM Roswell District
Modified Form No.
NMO60-3160-2

217

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC-028784C
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Marbob Energy Corporation		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR P. O. Drawer 217, Artesia, NM 88210		8. FARM OR LEASE NAME Keely C Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1345 FSL 2615 FEL At proposed prod. zone Same		9. WELL NO. 63
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* East of Artesia on Hwy 82 approximately 21.9 miles		10. FIELD AND POOL, OR WILDCAT Grbg Jackson SR Q Grbg SA
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 1345'	16. NO. OF ACRES IN LEASE 1440	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 13-T17S-R29E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 898'	19. PROPOSED DEPTH 4600'	12. COUNTY OR PARISH Eddy
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3622.0'		13. STATE NM
22. APPROX. DATE WORK WILL START* September 1, 1993		

PROPOSED CASING AND CEMENTING PROGRAM **NO WATER BASIN**

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	J-55	LTC	350'	CIRCULATE
7 7/8"	5 1/2"	17#	J-55	LTC	4600'	CIRCULATE

Pay zone will be selectively perforated and stimulated as needed for optimum production.

Attached are: 1. Location & Acreage Dedication Plat
2. Supplemental Drilling Data
3. Surface Use Plan

Location Is
SUBJECT TO
LIKE APPROVAL
BY STATE

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED



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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Phonda Nelson TITLE Production Clerk DATE 7/7/93

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE
APPROVED BY Robert E. Manner TITLE AREA MANAGER DATE 8/26/93
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

OIL CONSERVATION DIVISION

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

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

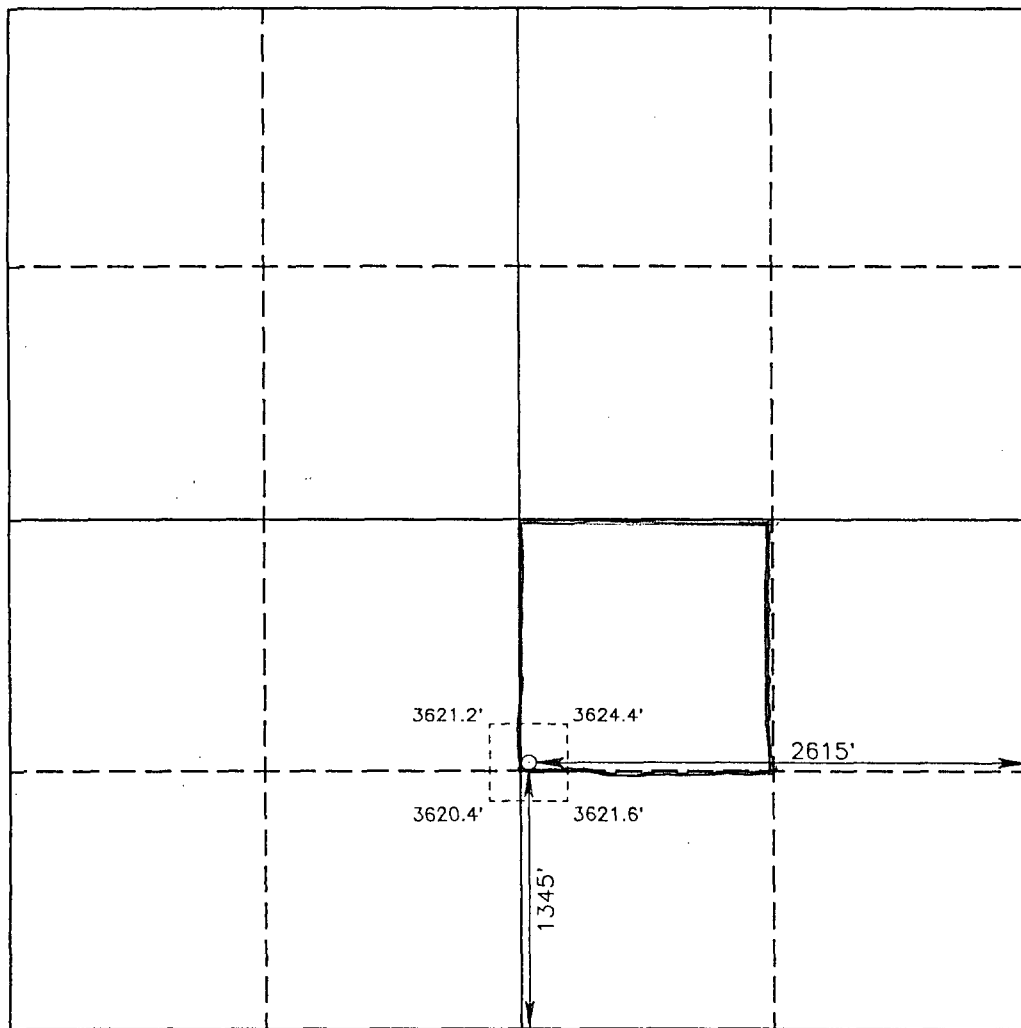
All Distances must be from the outer boundaries of the section

Operator MARBOB ENERGY CORP.			Lease Keely C Federal		Well No. 63
Unit Letter J	Section 13	Township 17 SOUTH	Range 29 EAST	NMPM	County EDDY
Actual Footage Location of Well: 1345 feet from the SOUTH line and 2615 feet from the EAST line					
Ground Level Elev. 3622.0'	Producing Formation Grayburg San Andres		Pool Grbg Jackson SR Q Grbg SA		Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
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☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Rhonda Nelson
Printed Name
Rhonda Nelson
Position
Production Clerk
Company
Marbob Energy Corporation
Date
July 7, 1993

SURVEYOR CERTIFICATION

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
JUNE 1, 1993

Signature & Seal of
Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
Candidate No. JOHN W. WEST, 876
RONALD E. JONES, 3239
JONES, 7977
PROFESSIONAL LAND SURVEYOR
80943

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Marbob Energy Corporation

3. Address and Telephone No.

P. O. Drawer 217, Artesia, NM 88210

505-748-3303

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1345 FSL 2615 FEL, Sec. 13-T17S-R29E, Unit J

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

NMNM88525X

8. Well Name and No.

Burch Keely Unit #217

9. API Well No.

10. Field and Pool, or Exploratory Area

Grbg Jackson SR Q Grbg SA

11. County or Parish, State

Eddy County, NM

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☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing

☒ Other change from lease to
unit

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Change from: Keely C Federal #63

14. I hereby certify that the foregoing is true and correct

Signed Robin Smith

Title Production Clerk

Date 9/1/93

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

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. 8418
Order No. R-7900

APPLICATION OF PHILLIPS OIL COMPANY
FOR A WATERFLOOD PROJECT, EDDY
COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 28, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 25th day of April, 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, Phillips Oil Company, seeks authority to institute a cooperative waterflood project in the Grayburg-Jackson Pool by the injection of water into the Grayburg and San Andres formations through selected perforated intervals from approximately 2300 feet to 3500 feet in 23 existing wells, as described in Exhibit "A" attached hereto and made a part hereof, all located on the applicant's Keely "A" Federal, Keely "B" Federal, Keely "C" Federal, Burch "BB" Federal, Burch "C" Federal, and Dexter Federal Leases in Sections 23, 24, 25, and 26, Township 17 South, Range 29 East, NMPM, and Sections 19 and 30, Township 17 South, Range 30 East, NMPM, in Eddy County, New Mexico.

(3) The wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) The proposed cooperative waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) The operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(6) There are two temporarily abandoned wells within the area of the proposed waterflood project that may require remedial work prior to the commencement of injection operations in a portion of the project area, those wells being the Phillips Petroleum Company Grayburg Deep Unit Wells Nos. 4 and 6 located 1946 feet from the South line and 662 feet from the West line (Unit L) and 330 feet from the North line and 1980 feet from the West line (Unit C), respectively, both in Section 30, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(7) The injection wells or injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 0.2 psi, per foot of depth to the top of the uppermost perforation, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(8) The subject application should be approved and the cooperative project should be governed by the provisions of Rules 702 through 708 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Phillips Oil Company, is hereby authorized to institute a cooperative waterflood project on its Keely "A" Federal, Keely "B" Federal, Keely "C" Federal, Burch "B" Federal, Burch "BB" Federal, Burch "C" Federal and Dexter Federal Leases, Grayburg-Jackson Pool, by the injection of water into the Grayburg and San Andres formations through 23 existing wells, as described in Exhibit "A" attached hereto and made a part hereof, in Eddy County, New Mexico.

(2) Injection into each of said wells shall be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(3) The operator shall immediately notify the supervisor of the Division's Artesia district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from or around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(4) The injection wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 0.2 psi per foot of depth to the uppermost perforation of each well, provided however, the Division Director may authorize a higher surface injection pressure upon application and satisfactory showing that such pressure will not result in fracturing of the confining strata.

(5) The subject cooperative waterflood project is hereby designated the Phillips Burch-Keely Cooperative Waterflood Project and shall be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

(6) Monthly progress reports of the cooperative waterflood project herein authorized shall be submitted to the Division in accordance with Rules 706 and 1115 of the Division Rules and Regulations.

(7) Injection into the following described three injection wells shall not commence until the Phillips Oil Company Grayburg Deep Unit Wells Nos. 4 and 6 located 1946 feet from the South line and 662 feet from the West line (Unit L) and 330 feet from the North line and 1980 feet from the the West line (Unit C), respectively, both in Section 30, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, have been completed in such a manner as to ensure that they do not provide an avenue of escape for the injected fluids from the proposed zone of interest and that is satisfactory to the supervisor of the Division's district office at Artesia:


<u>WELL NAME AND NO.</u>	<u>FOOTAGE LOCATION (UNIT)</u>	<u>SECTION-TOWNSHIP RANGE</u>
Burch "BB" Fed. Well No. 6	660' FS & WL (M)	19-17S-30E
Keely "C" Fed. Well No. 20	1980' FSL -660'FEL (I)	25-17S-29E
Burch "BB" Fed. Well No. 10	660' FNL-1980'FWL (C)	30-17S-30E

-4-
Case No. 8418
Order No. R-7900

(8) 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 the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS,
Director

S E A L

EXHIBIT "A"
ORDER NO. R-7900

<u>WELL NAME AND NO.</u>	<u>FOOTAGE LOCATION (UNIT)</u>	<u>SECTION TOWNSHIP, RANGE</u>
Burch "BB" Fed. Well No. 6	660' FS & WL (M)	19-17S-30E
Burch "BB" Fed. Well No. 10	660' FNL-1980' FWL (C)	30-17S-30E
Burch "BB" Federal Well No. 19	660'FN & FEL (A)	23-17S-29E
Burch "C" Federal Well No. 17	660' FNL-1980'FWL (C)	23-17S-29E
Keely "A" Federal Well No. 5	2310'FSL-330'FEL (I)	24-17S-29E
Keely "A" Federal Well No. 7	1980'FS & WL (K)	24-17S-29E
Keely "A" Federal Well No. 9	1980'FNL -660'FWL (E)	24-17S-29E
Keely "A" Federal Well No. 15	1650'FNL -2310' FEL (G)	24-17S-29E
Keely "B" Federal Well No. 6	660'FNL - 1980' FWL (C)	25-17S-29E
Keely "B" Federal Well No. 7	1980' FN & FEL (G)	26-17S-29E
Keely "B" Federal Well No. 10	1980' FSL - 660'FEL (I)	26-17S-29E
Keely "B" Federal Well No. 11	660' FSL-1980' FEL (O)	26-17S-29E
Keely "B" Federal Well No. 24	660' FSL - 560' FWL (M)	24-17S-29E
Keely "C" Federal Well No. 5	660' FSL - 1980' FEL (O)	24-17S-29E

EXHIBIT "A"
Case No. 8418
Order No. R-7900

Keely "C" Federal Well No. 8	660' FN & FEL	(A)	25-17S-29E
Keely "C" Federal Well No. 10	1980' FNL - 660'FWL	(E)	25-17S-29E
Keely "C" Federal Well No. 12	1980'FN & FEL	(G)	25-17S-29E
Keely "C" Federal Well No. 16	1980'FS & FWL	(K)	26-17S-29E
Keely "C" Federal Well No. 18	1980'FS & FWL	(K)	25-17S-29E
Keely "C" Federal Well No. 20	1980' FSL - 660' FEL	(I)	25-17S-29E
Keely "C" Federal Well No. 21	660' FS & FWL	(M)	26-17S-29E
Keely "C" Federal Well No. 23	660' FS & FWL	(M)	25-17S-29E
Keely "C" Federal Well No. 25	660' FSL - 1980' FEL	(O)	25-17S-29E