

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

ADMINISTRATIVE ORDER

NFL-67

RECEIVED

JAN 14 1983

O. C. D.

ARTESIA, OFFICE

I.

Operator Marbob Energy Corporation Well Name and No. Old Loco Unit Well No. 18
Location: Unit N Sec. 32 Twp. 17S Rng. 29E Cty. Eddy

II.

THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
- (2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
- (3) That the well for which a finding is sought is completed in the Grayburg Jackson-Seven Rivers, Queen Grayburg Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a San Andres 40-acre proration unit comprising the SE/4 SW/4 of Sec. 32, Twp. 17S, Rng. 29E, is currently dedicated to the Old Loco Unit Well No. 14 located in Unit N of said section.
- (5) That this proration unit is ☒ standard () nonstandard; if nonstandard, said unit was previously approved by Order No. N/A.
- (6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
- (7) That the drilling and completion of the well for which a finding is sought should result in the production of an additional 4,222 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
- (9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.

IT IS THEREFORE ORDERED:

- (1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on this 15th day of December, 19 82.


DIVISION DIRECTOR

EXAMINER

cc: OCD Artesia
NMO&GEC Hobbs

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