



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

July 23, 1999

Marbob Energy Corporation
P. O. Box 227
Artesia, New Mexico 88211-0227

Attention: Johnny C. Gray



Re: *Burch-Keeley Unit Wells No. 296 (API No. 30-15-30646) and 296-Y in the SE/4 SE/4 (Unit P) of Section 19, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.*

Dear Mr. Gray:

I am in receipt of your letter dated July 20, 1999 concerning the problems experienced in the drilling of the aforementioned Burch-Keeley Unit Well No. 296 at a location 260 feet from the South line and 1185 feet from the East line of Section 19. This letter is being forwarded to Mr. Gum in Artesia for his records.

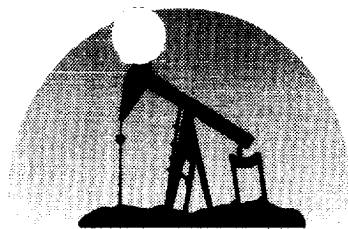
Should there be any need for additional comments concerning this matter please contact me in Santa Fe at (505) 827-8185 or refer them to Mr. Gum.

Thank you.

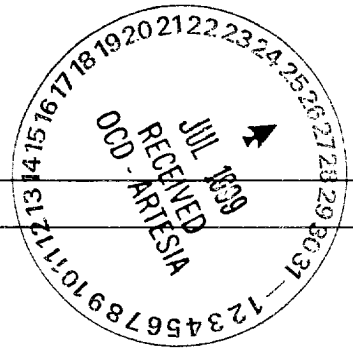
Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Artesia



marbob
energy corporation



July 20, 1999

New Mexico Energy, Minerals
and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

JUL 22

Attn: Michael E. Stogner
Division Engineer

Dear Mr. Stogner:

Marbob Energy Corporation on July 18, 1999 spudded the Burch Keely Unit No. 296 located at 260' FSL and 1185' FEL in Section 19 of Township 17 South and Range 30 East. Unorthodox approval for this location was requested pursuant to Order No. R-7900-B and was granted on June 18, 1999 by Mr. Tim Gum after drilling to a depth of 435 feet, setting ten joints of 8 5/8" 24# 155 casing at 431', and cementing with 400 sacks of premium plus. Operations were then shut down for eighteen hours waiting for cement to set. Before resuming operations, the compression strength on the cement sample was found unsatisfactory. When drilling out the casing shoe, the cement did not drill up in the same manner as previous wells have. Further indicating poor compression strength. Halliburton's tests concluded that the cement did not meet the compression strength.

Marbob and Halliburton determined that due to the danger of washing away the cement and possibly unscrewing the bottom joint of 8 5/8" casing resulting in loss of the well bore that the safest and most economical approach would be to abandon the well bore. This approach

would require that the drilling rig be skidded fifteen feet to the south, re-drill and cement the 8 5/8" casing string, as well as receive approval from the appropriate governing agencies.

On the morning of July 20, 1999, a verbal approval to skid the rig to a location of 245' FSL and 1185' FEL in Section 19 of Township 17 South and Range 30 East, as well as the plugging procedure for the abandoned well bore, were received from Mr. Tim Gum of the Artesia OCD office.

Also, on the 20th of July, telephone calls were placed to Alexis Swaboda with the Roswell office of the Bureau of Land Management notifying that agency of the situation. Marbob was then advised as to the proper paperwork required by BLM. A telephone call was then placed to Mr. Jim Amos with the Carlsbad BLM office notifying him of the re-spud and confirming that the Carlsbad office will be notified in order to witness the cementing procedure.

Please accept this letter as notification of the problem encountered and actions taken to resolve the problem. To briefly summarize, due to an unsatisfactory cement job on the surface string of the Burch Keely Unit No. 296, the rig was skidded fifteen feet south and drilling will resume as soon as possible on the renamed Burch Keely Unit No. 296Y located at 245' FSL and 1185' FEL in Section 19 of Township 17 S and Range 30 East.

Please do not hesitate to contact me should you require any additional information.

Sincerely,



Johnny C. Gray
Vice-President

JCG/mfm

CMD : ONGARD 07/23/99 08:44:44
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPV6

OGRID Idn : 14049 API Well No: 30 15 30646 APD Status(A/C/P): A
Opr Name, Addr: MARBOB ENERGY CORP Aprvl/Cncl Date : 05-06-1999
PO BOX 227
ARTESIA,NM 88211-0227

Prop Idn: 6497 BURCH KEELY UNIT Well No: 296

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn : P	19	17S	30E				FTG 260 F S	FTG 1185 F E
OCD U/L : P		API	County	: 15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3616

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 4800 Prpsd Frmtn : SAN ANDRES

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12