

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.
Operator Marbob Energy Corporation Well Name and No. Old Loco Unit Well No. 20
Location: Unit P Sec. 32 Twp. 17-S Rng. 29-E 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 (SR-QN-trbg-SA) Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40 -acre proration unit comprising the SE/4 SE/4 of Sec. 32, Twp. 17-S, Rng. 29-E, is currently dedicated to the Old Loco Unit Well no. 16 located in Unit P 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 3,508 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 24th day of November, 19 82.


DIVISION DIRECTOR

EXAMINER

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

Received: 7/19/82
Surprise Rate: Today
ADMINISTRATIVE ORDER
NFL 63

INFILL DRILLING FINDINGS PURSUANT TO
SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY
COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978
AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

I.

Operator Marbob Energy Corporation Well Name and No. Old Love Unit Well No. 20
Location: Unit P 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 (SR - On -
Grba - SA) Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40-acre proration unit comprising the SE 1/4 SE 1/4
of Sec. 32, Twp. 32S, Rng. 29E, is currently dedicated to the Old Love Unit
Well No. 16 located in Unit P of said section.
- (5) That this proration unit is (X) 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 3,508 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 _____ day of _____, 19____.

cc - Old Artana

NMD & EEC Halls

DIVISION DIRECTOR _____ EXAMINER _____

Request for Infill Finding on

Old Loco Unit #20

in accordance with Administrative

Procedures amended February 8, 1980

P- 32-175-29E

Eddy Co.

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OPERATOR	<input checked="" type="checkbox"/>

NEW MEXICO OIL CONSERVATION COMMISSION
RECEIVED

FEB 8 1980

O. C. D.

30-015-23176
Form C-101
Revised 1-1-75

5A. Indicate Type of Lease
STATE ☒ FEE ☐
5. State Oil & Gas Lease No.
B-5084

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> c. Name of Operator Marbob Energy Corp. d. Address of Operator P.O. Box 304, Artesia, N.M. 88210 e. Location of Well UNIT LETTER P LOCATED 990 FEET FROM THE South LINE AND 990 FEET FROM THE East LINE OF SEC. 32 TWP. 17S RGE. 29E f. Proposed Depth 2850' g. Formation Grayburg & Lovington h. Kind of Rotary Rotary i. Elevation (show whether DF, RT, etc.) 3561.5' GR j. Kind & Status Plug. Bond Statewide Active k. Drilling Contractor Alta-West Drilling Co. l. Approx. Date Work will start 2/11/80		7. Unit Agreement No. Old Loco Unit 8. Farm or Lease No. Old Loco Unit 9. Well No. 20 10. Field and Loc. or Grbg SA Grbg Jackson SR Queen 11. County Eddy
--	--	--

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8 5/8"	20#	250'	Circ.	
7 7/8"	4 1/2"	10.50#	2850'	225	

We propose to drill to approximately 2850' to test Grayburg & Lovington formations. We do not anticipate gas at these depths & will not set up a blowout preventer program at this time.

RECEIVED
JUL 19 1982

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED

EXPIRES 5-11-80

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Carolyn Davis Title Secretary Date 2/8/80
(This space for State Use)

APPROVED BY W.A. Sussett TITLE SUPERVISOR, DISTRICT II DATE FEB 11 1980
CONDITIONS OF APPROVAL, IF ANY: RULE #5

574 2

174 100

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form OCS-1
Superseded 1-1-78
Effective 1-1-79

All distances must be from the outer boundaries of the Section

Operator MARBOD ENERGY CORPORATION			Unit OLD LOCO UNIT			Acres 20		
Unit Letter P	Section 32	Range 17 South	Range 29 East	County Eddy				
Actual Location of Well: 990 feet from the South 990 feet from the East								
Ground Level Elev. 3561.5	Firming up Location Grayburg & Lovington		Grbg Jackson SR Queen Grbg SA			Acres 40		

1. Outline the acreage dedicated to the subject well by colored pencil or **RECEIVED** 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, **O. C. D.** interests of all owners been consolidated by communitization, unitization, force pooling, etc?

FEB 8 1980

ARTESIA, OFFICE

☐ 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 side of this form if necessary.)

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

CERTIFICATION

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

Carolyn Orris
Secretary

Marbob Energy Corp.

2/8/80

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

Rule #5

February 6, 1980

W. W. Shearn
1559

212

212

OFFICE OF THE
ATTORNEY GENERAL
STATE OF NEW YORK

65-10000

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NEW MEXICO OIL CONSERVATION COMMISSION
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FEB 8 1980

O. C. D.

301015-23176
Form C-101
Revised 1-1-85

5A. Indicate Type of Location
STATE <input checked="" type="checkbox"/> FEDERAL <input type="checkbox"/>
5. State Oil & Gas Lease No.
B-5084

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		Old Loco Unit	
b. Type of Well		8. Name of Lessee Name	
OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		Old Loco Unit	
c. Name of Operator		9. Well No.	
Marbob Energy Corp.		20	
3. Address of Operator		10. Field Unit Foot or Grbg SA	
P.O. Box 304, Artesia, N.M. 88210		Grbg Jackson SR Queen	
4. Location of Well		12. County	
UNIT LETTER <u>P</u> LOCATED <u>990</u> FEET FROM THE <u>South</u> LINE		Eddy	
AND <u>990</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>32</u> TWP. <u>17S</u> RGE. <u>29E</u>			
11. Proposed Depth		13A. Formation	
2850'		Grayburg & Lovington	
21A. Kind & Status Plug. Bond		Rotary	
Statewide Active		22. Approx. Date Work will start	
21B. Drilling Contractor		2/11/80	
Alta-West Drilling Co.			
21. Elevations (Show whether Df, RL, etc.)			
3561.5' GR			

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8 5/8"	20#	250'	Circ.	
7 7/8"	4 1/2"	10.50#	2850'	225	

We propose to drill to approximately 2850' to test Grayburg & Lovington formations. We do not anticipate gas at these depths & will not set up a blowout preventer program at this time.

RECEIVED
JUL 19 1982
DIVISION
SANTA FE

APPROVAL, VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

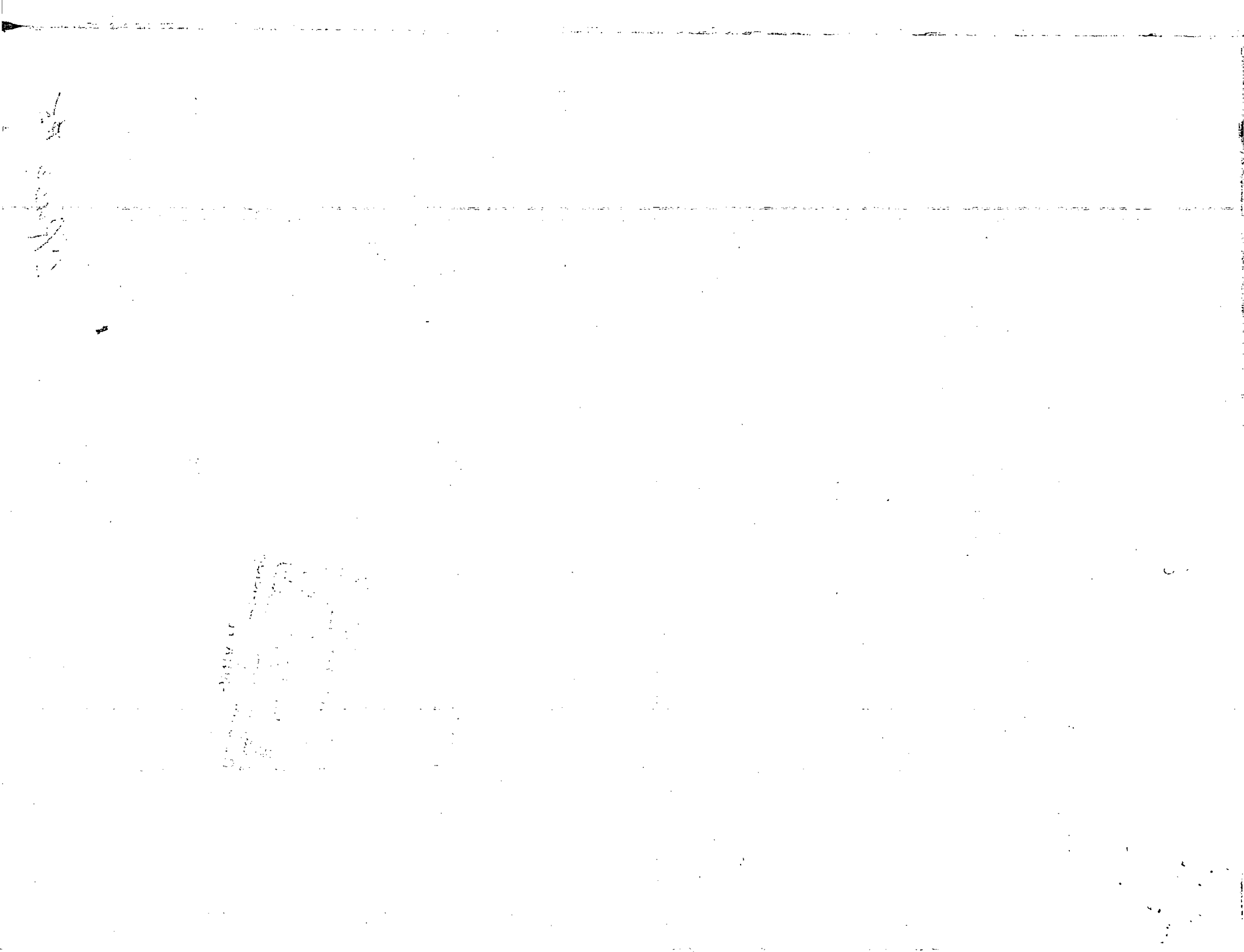
EXPIRES 5-11-80

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Carolyn Aris Title Secretary Date 2/8/80
(This space for State Use)

APPROVED BY W.A. Sessett TITLE SUPERVISOR, DISTRICT II DATE FEB 11 1980
CONDITIONS OF APPROVAL, IF ANY: RULE #5



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-100
Superseded 1-1-78
Effective 1-1-75

All distances must be from the outer boundaries of the Section

Operator MARBOD ENERGY CORPORATION			Unit OLD LOCO UNIT		Section 20
Unit Letter P	Section 32	Block 17 South	Range 29 East	County Eddy	
Actual Footage Location of Well:					
990		South		990	
East					
Ground Level Elev. 3561.5	Producing Formation Grayburg & Lovington		Grbg Jackson SR Queen Grbg SA		40

1. Outline the acreage dedicated to the subject well by colored pencil or **RECEIVED** on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, **O. C. D.** interests of all owners herein consolidated by communitization, unitization, force pooling, etc?

FEB 8 1980

ARTESIA, OFFICE

☐ Yes ☐ No If answer is "yes," type of consolidation

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

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

CERTIFICATION

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

Cecily Ann

Secretary

Marbob Energy Corp.

2/8/80

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

Rube #5

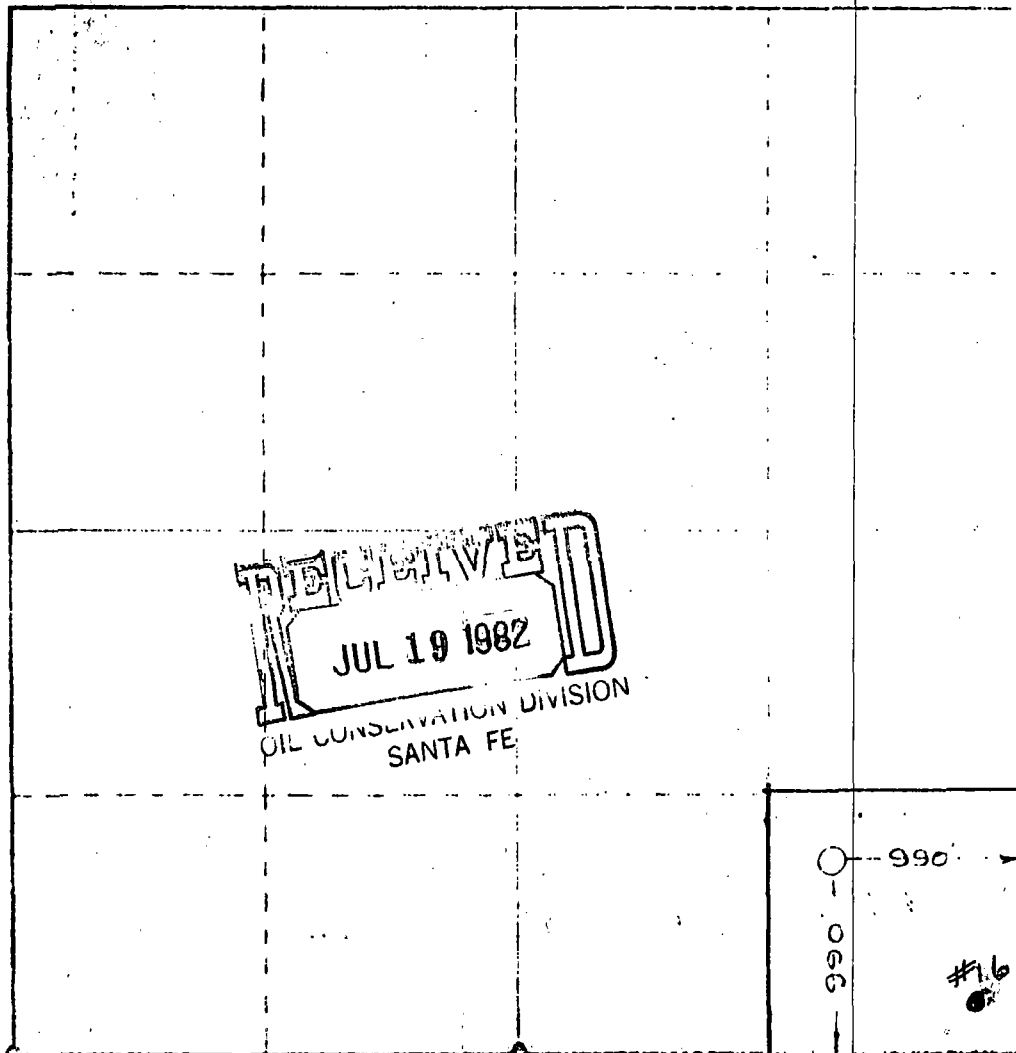
February 6, 1980

#16

John W. Shearn

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OIL CONSERVATION DIVISION
SANTA FE



100-443888-100

Rule 6:

Old Loco Unit #20

Pool: Grayburg Jackson Seven Rivers Queen Grayburg San Andres

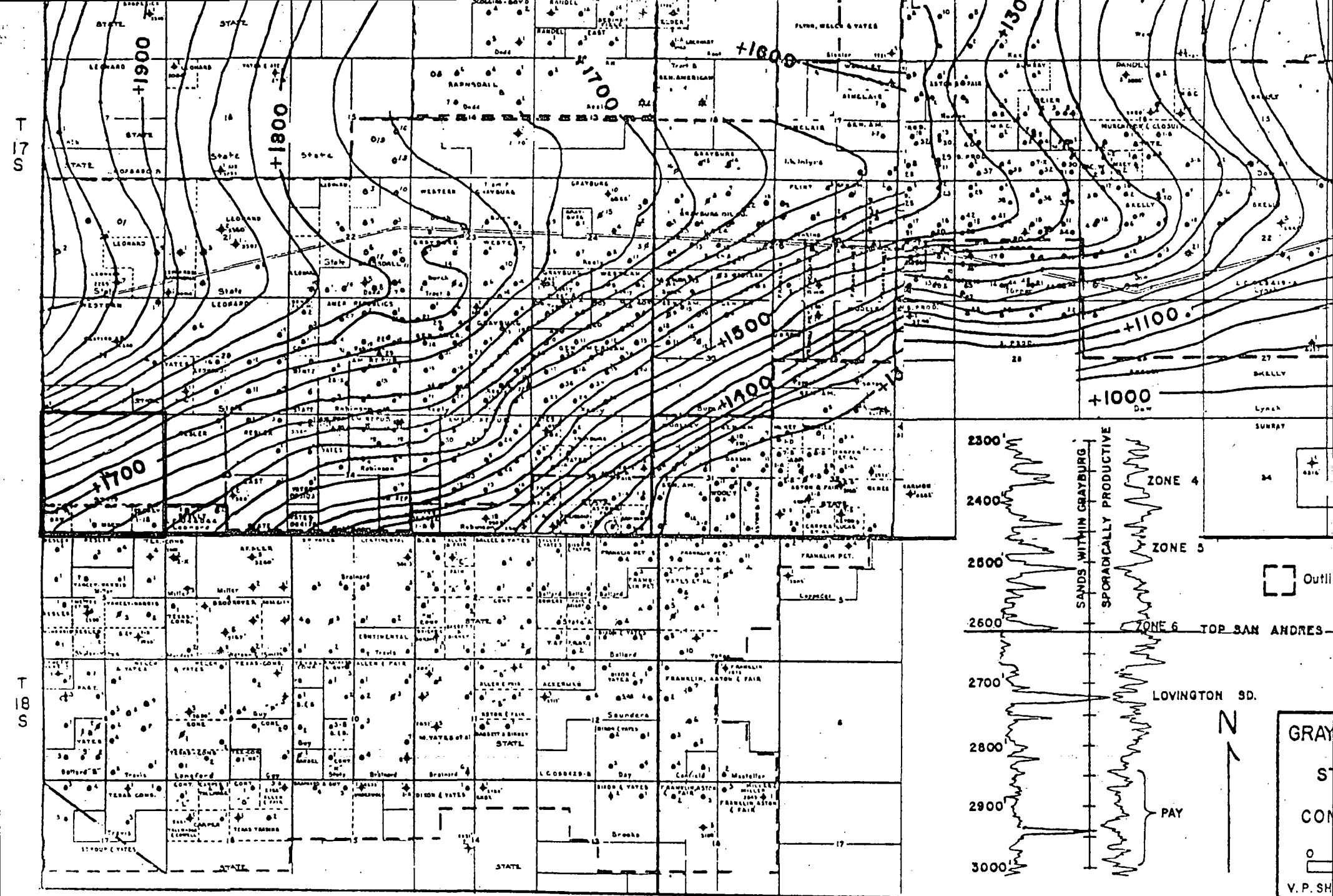
Standard spacing unit: 40 acres

Rule 7:

NA

Rule 8:

- a. Old Loco Unit #16 - 330 FSL 330 FEL Sec. 32-T17S-R29E
Old Loco Unit #20 - 990 FSL 990 FEL Sec. 32-T17S-R29E
- b. #16 - 10/6/52
#20 - 2/13/80
- c. #16 - 1/26/53
#20 - 3/15/80
- d. None
- e. #16 - 3 bbl. oil, 1/3 mcf gas/day
#20 - 12 bbl. oil, 5 mcf gas/day
- f. NA
- g. Well #16 is producing very little gas. The migration of oil and gas through waterflooding coupled with new reservoir condition type production rates on the new well make the drilling of a new well necessary to drain the reservoir.



R 29 E

RULE # 9-A



100-200000

Marbob Energy Corporation
Old Loco Unit, Well #20
Grayburg Jackson Seven Rivers Queen
Grayburg San Andres
Eddy County, New Mexico

Pertinent Engineering Data and Conclusions:

Well #20 was completed in the Grayburg Jackson pool in March 1980. This is an infill well located as per the attached plat.

Effective July 1, 1982, oil reserves recoverable will be 11,694 barrels and gas reserves recoverable will be 3,508 mcf.

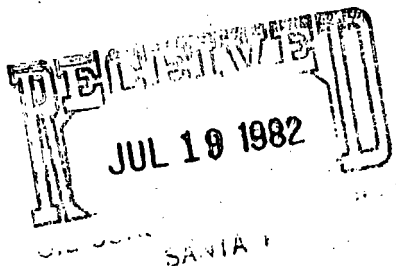
Oil reserves were calculated from the attached time/rate curve to an economic limit of approximately 1 BOPD (see table). Gas reserves were estimated using a study of the gas oil ratio performance not only on the specific well but on the pool history.

From a study of this immediate area in this pool I find per well producing rates in 1970 below what the rates are for the newly drilled infill wells. The daily producing rate of oil for well #20 in May 1982 was 12 BOPD. In 1970 the average daily producing rate per well on this property was 7 BOPD.

Due to extensive waterflooding in the area there has been significant oil migration into areas between injection wells or between injection and producing wells.

It is evident from the rate of production and from oil reserves remaining that pattern density has to be increased to recover additional oil and gas reserves.

Therefore, it is my recommendation that well density be increased by drilling infill wells. It is my conclusion that many infill wells will experience new reservoir conditions.



Paul G. White
Paul G. White
Petroleum Engineer

7-15-82
Date

RULE #9-B

Marbob Energy Corp.
Old Loco Unit, Well #20
990 FSL 990 FEL Sec. 32-T17S-R29E
Eddy County, N.M.

Calculation of oil reserves - refer to rate/time curve:

<u>Year</u>	<u>Gross monthly Oil - bbls.</u>	<u>Gross Yearly Oil - bbls.</u>
1982 (6 mos.	345	2,070
1983	275	3,300
1984	180	2,160
1985	128	1,536
1986	87	1,044
1987	60	720
1988	42	504
1989	30	<u>360</u>
Total oil remaining:		11,694
Cumulative to 1/1/82		<u>15,207</u>
Total ultimate reserves:		26,901

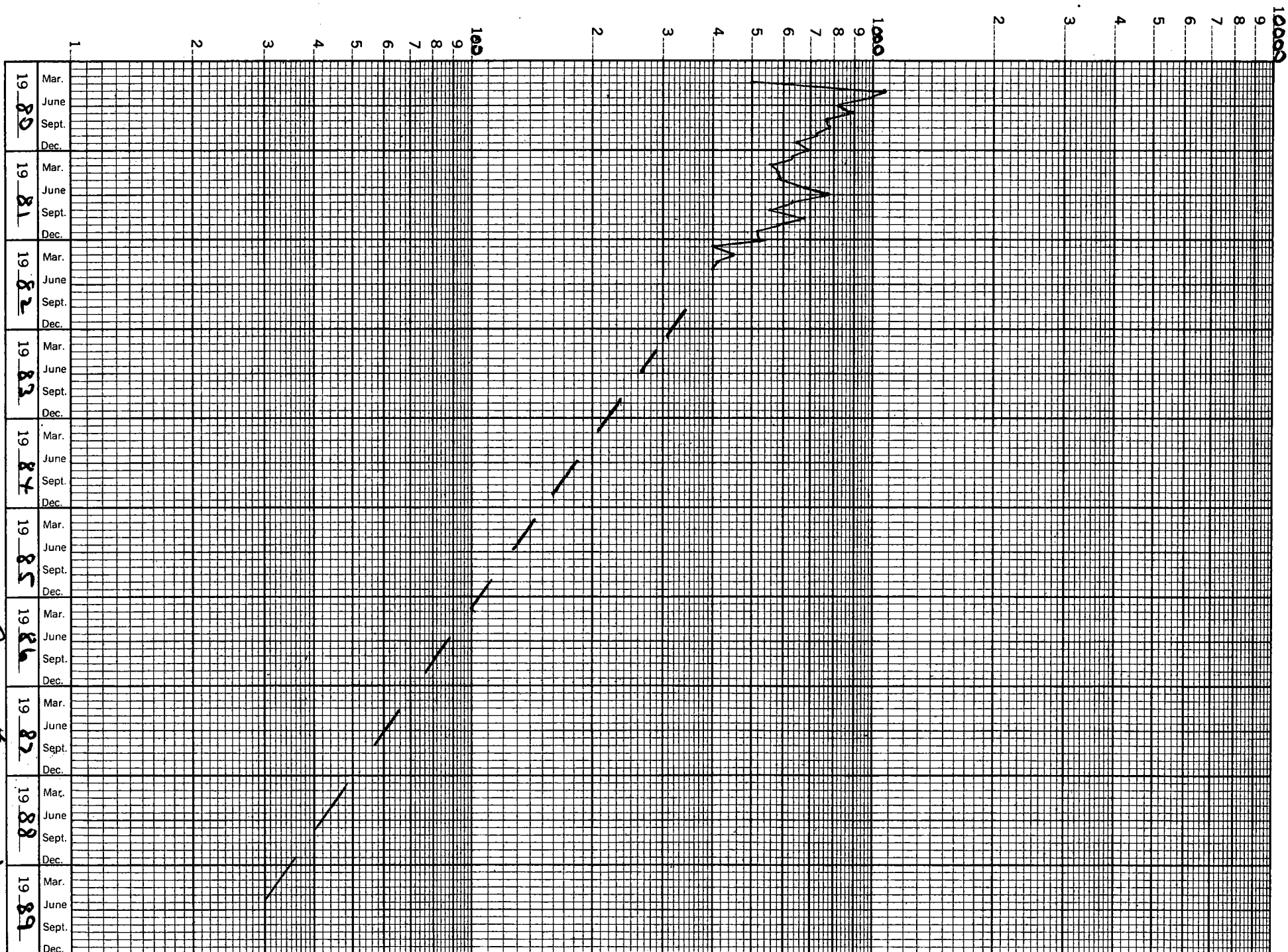
Gas-oil ratio average - 300 to 1

Remaining gas reserves - 3,508 mcf.

Rule #9-B

BBLs / OIL / MONTH

OLD LOCO UNIT
WELL NO 210



Rule #9-C(2)

Rule 11:

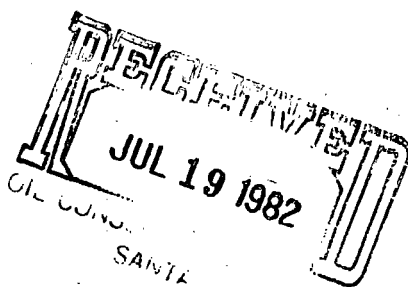
Notice of this infill request has been sent to Anadarko Production Co., Box 2497, Midland, Texas 79702; Depco, Inc., 1000 Petroleum Bldg., Denver, Colorado 80202; and Amoco Production Co., Box 3092, Houston, Texas 77001, as the offset operators.

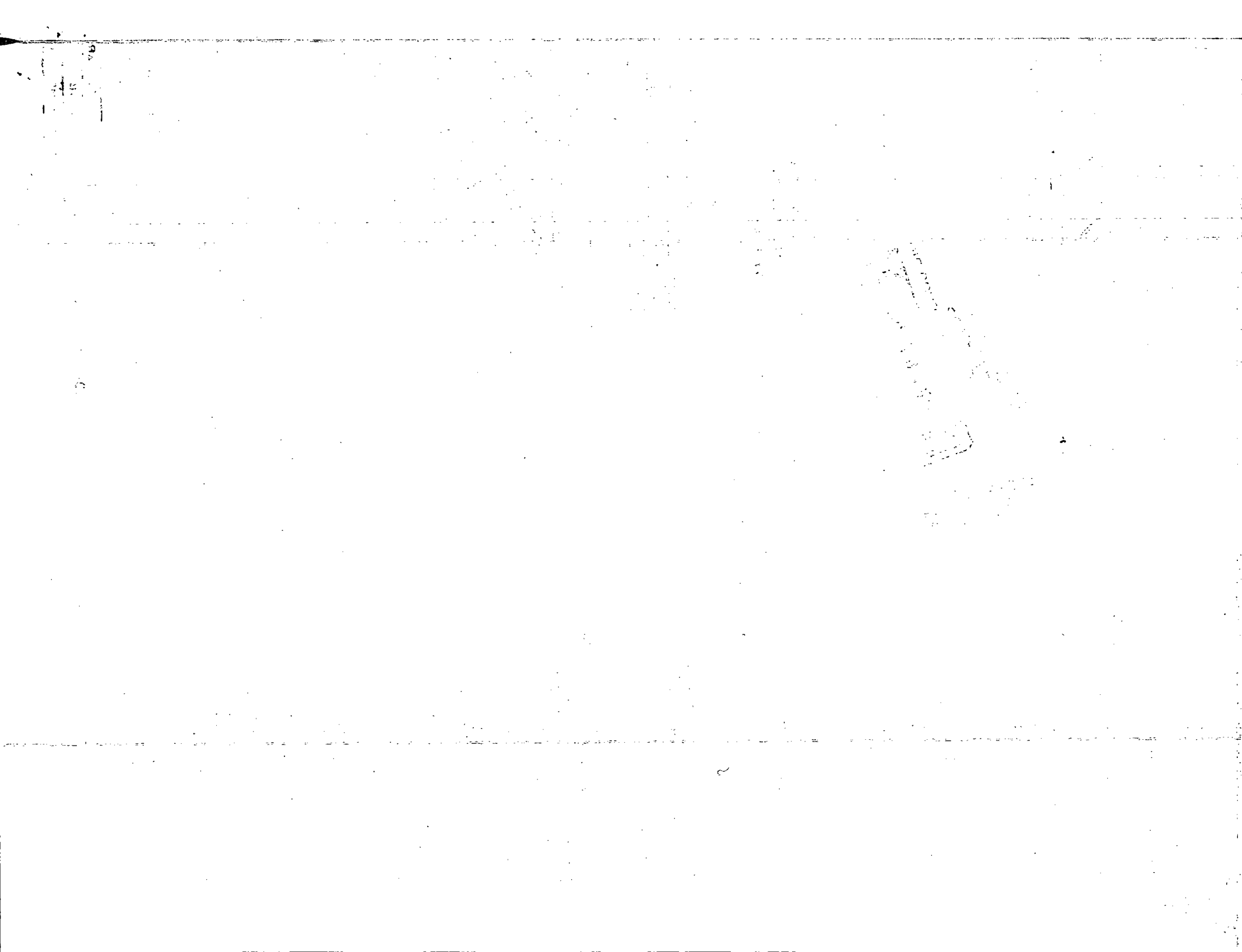
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JUL 19 1982

Request for Infill Finding on

Old Loco Unit #20

in accordance with Administrative
Procedures amended February 8, 1980





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NEW MEXICO OIL CONSERVATION COMMISSION
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FEB 8 1980

O. C. D.

30-015-23176
Form C-101
Revised 1-1-80

5A. Indicate Type of Location
STATE ☒ FEE ☐
5. State Oil & Gas Lease No.
B-5084

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work
Type of Well
DRILL ☒ DEEPEN ☐ PLUG BACK ☐
OIL ☒ GAS ☐ OTHER ☐
SINGLE ZONE ☒ MULTIPLE ZONE ☐

7. Unit Agreement Name
Old Loco Unit
8. Name of Lessee Name
Old Loco Unit

Name of Operator
Marbob Energy Corp.
Address of Operator
P.O. Box 304, Artesia, N.M. 88210
Location of Well
UNIT LETTER P LOCATED 990 FEET FROM THE South LINE
990 FEET FROM THE East LINE OF SEC. 32 TWP. 17S RGE. 29E

9. Well No.
20
10. Field Unit Feet, or Grbg SA
Grbg Jackson SR Queen

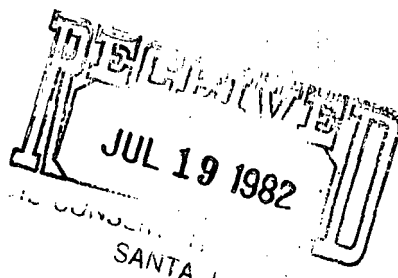
17. County
Eddy

11. Proposed Depth 2850'	12A. Formation Grayburg & Lovington	12B. Type of C.T. Rotary
13. Elevation (Show whether D.F., R.I., etc.) 3561.5' GR	21A. Kind & Status Plug. Bond Statewide Active	21B. Drilling Contractor Alta-West Drilling Co.
		22. Approx. Date Work will start 2/11/80

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8 5/8"	20#	250'	Circ.	
7 7/8"	4 1/2"	10.50#	2850'	225	

We propose to drill to approximately 2850' to test Grayburg & Lovington formations. We do not anticipate gas at these depths & will not set up a blowout preventer program at this time.



APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED

EXPIRES 5-11-80

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

Subj certify that the information above is true and complete to the best of my knowledge and belief.

By Carolyn Aris Title Secretary Date 2/8/80

(This space for State Use)

APPROVED BY W.A. Sussett TITLE SUPERVISOR, DISTRICT II DATE FEB 11 1980

CONDITIONS OF APPROVAL, IF ANY:

RULE #5

RECEIVED
JAN 10 1964
U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 1-1-65
Superseded 1-1-68
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator MARBOB ENERGY CORPORATION		Unit OLD LOCO UNIT		Acres 20	
Unit Letter P	Section 32	Township 17 South	Range 29 East	County Eddy	
Actual Location of Well: 990 feet from the South 990 feet from the East					
Ground Level Elev. 3561.5	Tract description Grayburg & Lovington		Grbg Jackson SR Queen Grbg SA		Acres 40

1. Outline the acreage dedicated to the subject well by colored pencil or **RECEIVED** on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, **O. G. D.** interests of all owners been consolidated by communitization, unitization, force pooling, etc?

FEB 8 1980

ARTESIA, OFFICE

☐ 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 side of this form if necessary.) _____

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

CERTIFICATION

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

Cecilia Aris
Secretary

Marbob Energy Corp.

2/8/80

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

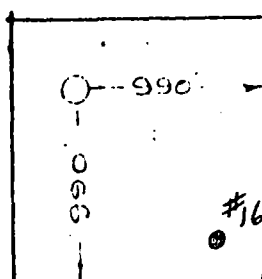
Rubb #5

February 6, 1980

John W. Stearn
#16

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FEB 8 1980

O. C. D.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work

Type of Well DRILL ☒ DEEPEN ☐ PLUG BACK ☐
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

Name of Operator

Marbob Energy Corp.

Address of Operator

P.O. Box 304, Artesia, N.M. 88210

Location of Well

UNIT LETTER P LOCATED 990 FEET FROM THE South LINE
990 FEET FROM THE East LINE OF SEC. 32 TWP. 17S RGE. 29E

5A. Indicate Type of Lease

STATE ☒ FEE ☐

5. State Oil & Gas Lease No.

B-5084

7. Unit Agreement Name

Old Loco Unit

8. Name of Lease Holder

Old Loco Unit

9. Well No.

20

10. Field and Section

Grbg SA Grbg Jackson SR Queen

12. County

Eddy

11. Proposed Depth

2850'

13A. Formation

Grayburg & Lovington

13B. Type of Casing

Rotary

14. Elevation (Show whether DT, RL, etc.)

3561.5' GR

21A. Kind & Status Plug. Bond

Statewide Active

21B. Drilling Contractor

Alta-West Drilling Co.

22. Approx. Date Work will start

2/11/80

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8 5/8"	20#	250'	Circ.	
7 7/8"	4 1/2"	10.50#	2850'	225	

We propose to drill to approximately 2850' to test Grayburg & Lovington formations. We do not anticipate gas at these depths & will not set up a blowout preventer program at this time.

RECEIVED
JUL 19 1982
OIL CONSERVATION DIVISION
SANTA FE

APPROVAL V.M.D.
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 5-11-80

BOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PROD. ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

Sub certify that the information above is true and complete to the best of my knowledge and belief.

By Carolyn Chris Title Secretary Date 2/8/80

(This space for State Use)

MOVED BY W.A. Sussett TITLE SUPERVISOR, DISTRICT II DATE FEB 11 1980

DITIONS OF APPROVAL, IF ANY:

RULE #5

At the University
of California
Berkeley

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-190
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator MARBOB ENERGY CORPORATION			Unit OLD LOCO UNIT			Acres 20		
Unit Letter P	Section 32	Township 17 South	Range 29 East	County Eddy				
Actual Footage Location of Well: 990 feet from the South 990 feet from the East								
Ground Level Elev. 3561.5	Footing map reference Grayburg & Lovington		Grbg Jackson SR Queen Grbg SA			Acres 40		

1. Outline the acreage dedicated to the subject well by colored pencil or **RECEIVED** on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, **O. C. D.** interests of all owners been consolidated by communitization, unitization, force pooling, etc?

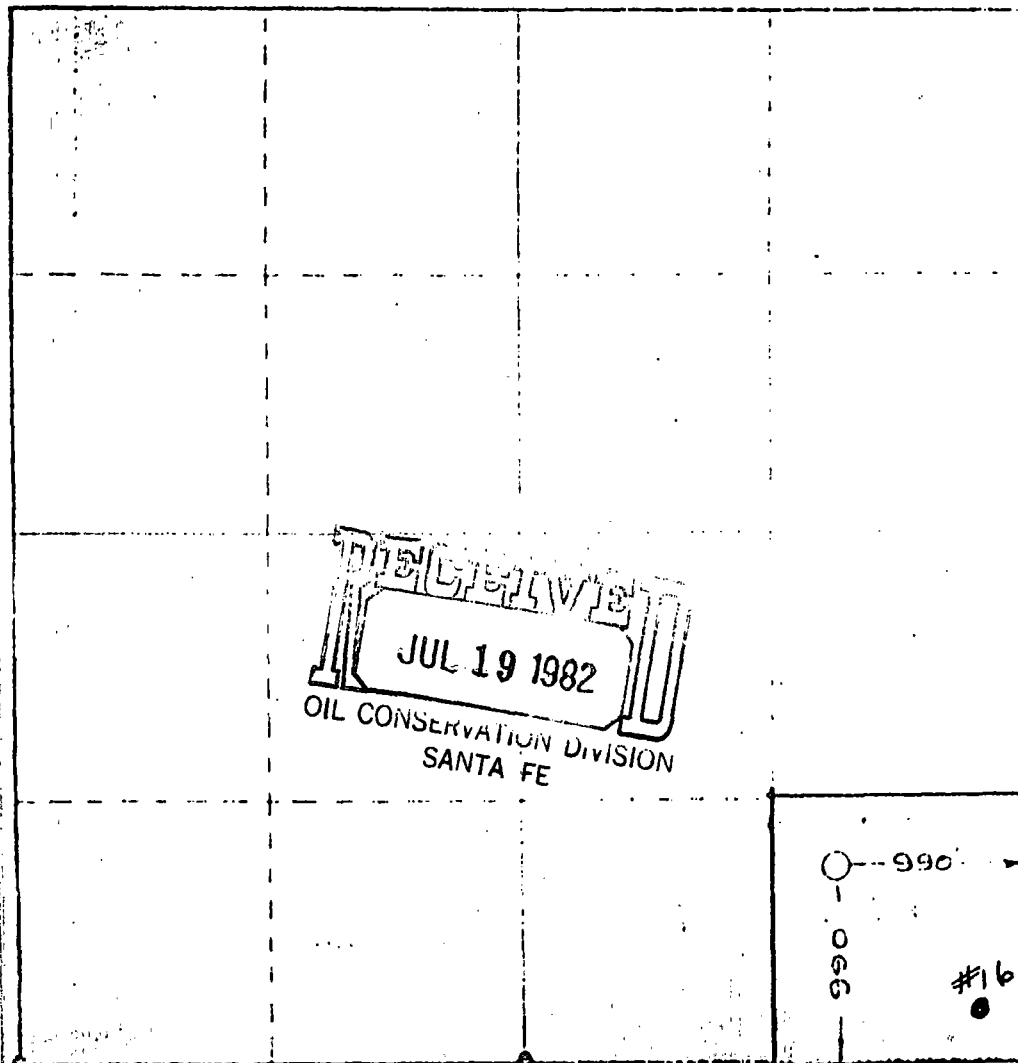
FEB 8 1980

ARTESIA, OFFICE

☐ Yes ☐ No If answer is "yes," type of consolidation _____

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

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



CERTIFICATION

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

Cynthia Orris
Secretary

Marbob Energy Corp.

2/8/80

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

Rube #5

February 6, 1980

#16

W. W. Dye

1559

OFFICE OF THE ATTORNEY GENERAL
STATE OF CALIFORNIA
SAN FRANCISCO, CALIF.

Rule 6:

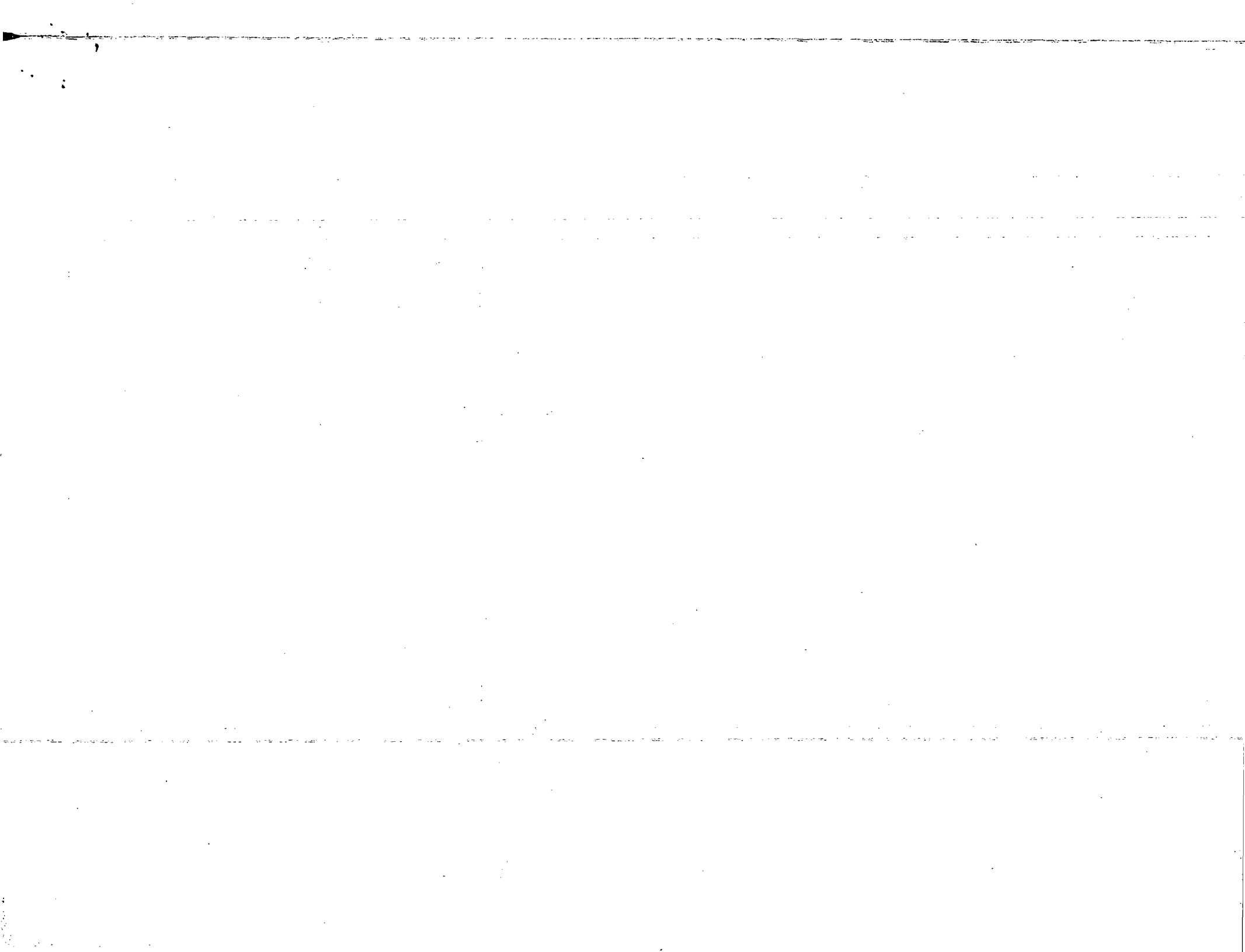
Old Loco Unit #20

Pool: Grayburg Jackson Seven Rivers Queen Grayburg San Andres

Standard spacing unit: 40 acres

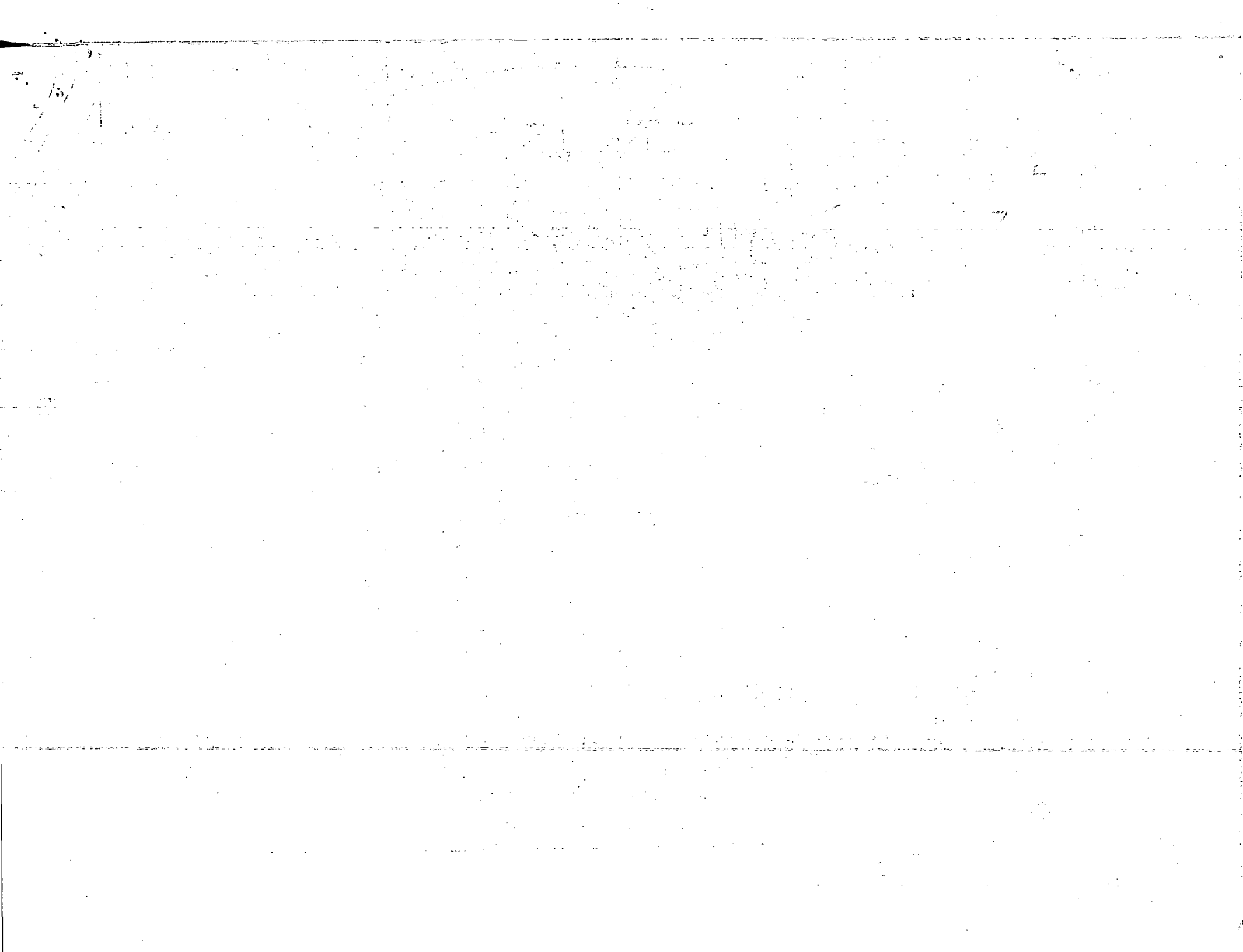
Rule 7:

NA



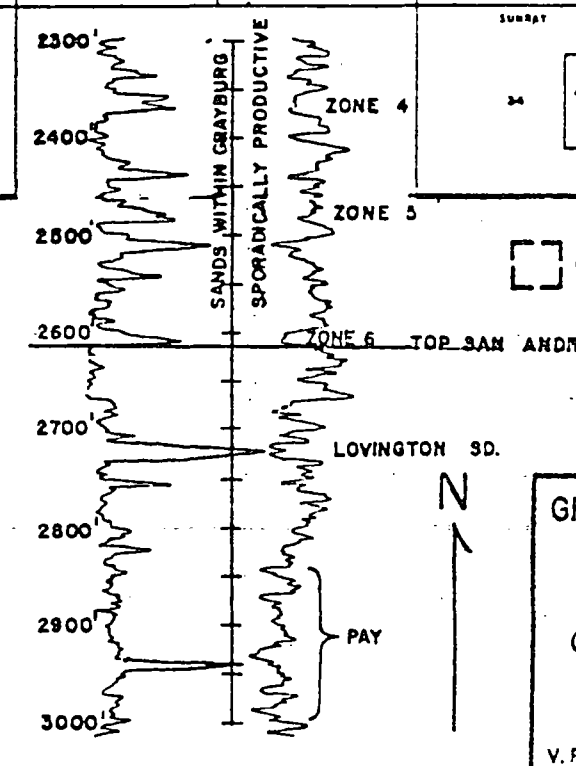
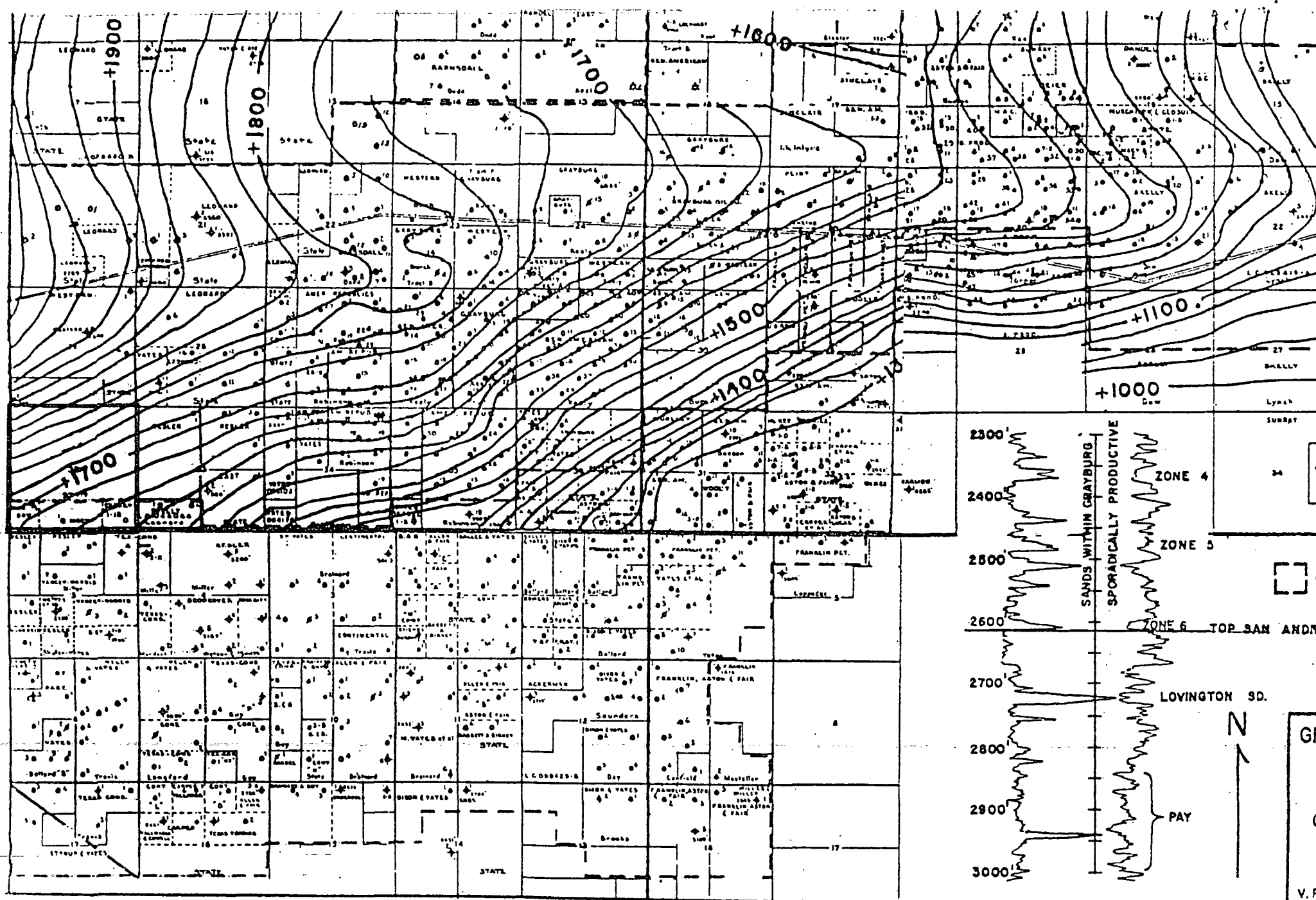
Rule 8:

- a. Old Loco Unit #16 - 330 FSL 330 FEL Sec. 32-T17S-R29E
Old Loco Unit #20 - 990 FSL 990 FEL Sec. 32-T17S-R29E
- b. #16 - 10/6/52
#20 - 2/13/80
- c. #16 - 1/26/53
#20 - 3/15/80
- d. None
- e. #16 - 3 bbl. oil, 1/3 mcf gas/day
#20 - 12 bbl. oil, 5 mcf gas/day
- f. NA
- g. Well #16 is producing very little gas. The migration of oil and gas through waterflooding coupled with new reservoir condition type production rates on the new well make the drilling of a new well necessary to drain the reservoir.



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R 29 E

RULE # 9-A

Marbob Energy Corporation
Old Loco Unit, Well #20
Grayburg Jackson Seven Rivers Queen
Grayburg San Andres
Eddy County, New Mexico

Pertinent Engineering Data and Conclusions:

Well #20 was completed in the Grayburg Jackson pool in March 1980. This is an infill well located as per the attached plat.

Effective July 1, 1982, oil reserves recoverable will be 11,694 barrels and gas reserves recoverable will be 3,508 mcf.

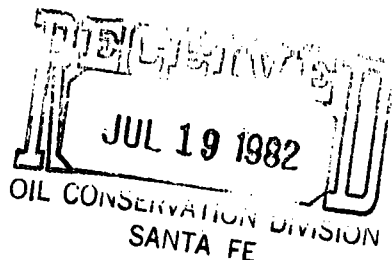
Oil reserves were calculated from the attached time/rate curve to an economic limit of approximately 1 BOPD (see table). Gas reserves were estimated using a study of the gas oil ratio performance not only on the specific well but on the pool history.

From a study of this immediate area in this pool I find per well producing rates in 1970 below what the rates are for the newly drilled infill wells. The daily producing rate of oil for well #20 in May 1982 was 12 BOPD. In 1970 the average daily producing rate per well on this property was 7 BOPD.

Due to extensive waterflooding in the area there has been significant oil migration into areas between injection wells or between injection and producing wells.

It is evident from the rate of production and from oil reserves remaining that pattern density has to be increased to recover additional oil and gas reserves.

Therefore, it is my recommendation that well density be increased by drilling infill wells. It is my conclusion that many infill wells will experience new reservoir conditions.



Paul G. White
Paul G. White
Petroleum Engineer

7-15-82
Date

RULE #9-B

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Marbob Energy Corp.
Old Loco Unit, Well #20
990 FSL 990 FEL Sec. 32-T17S-R29E
Eddy County, N.M.

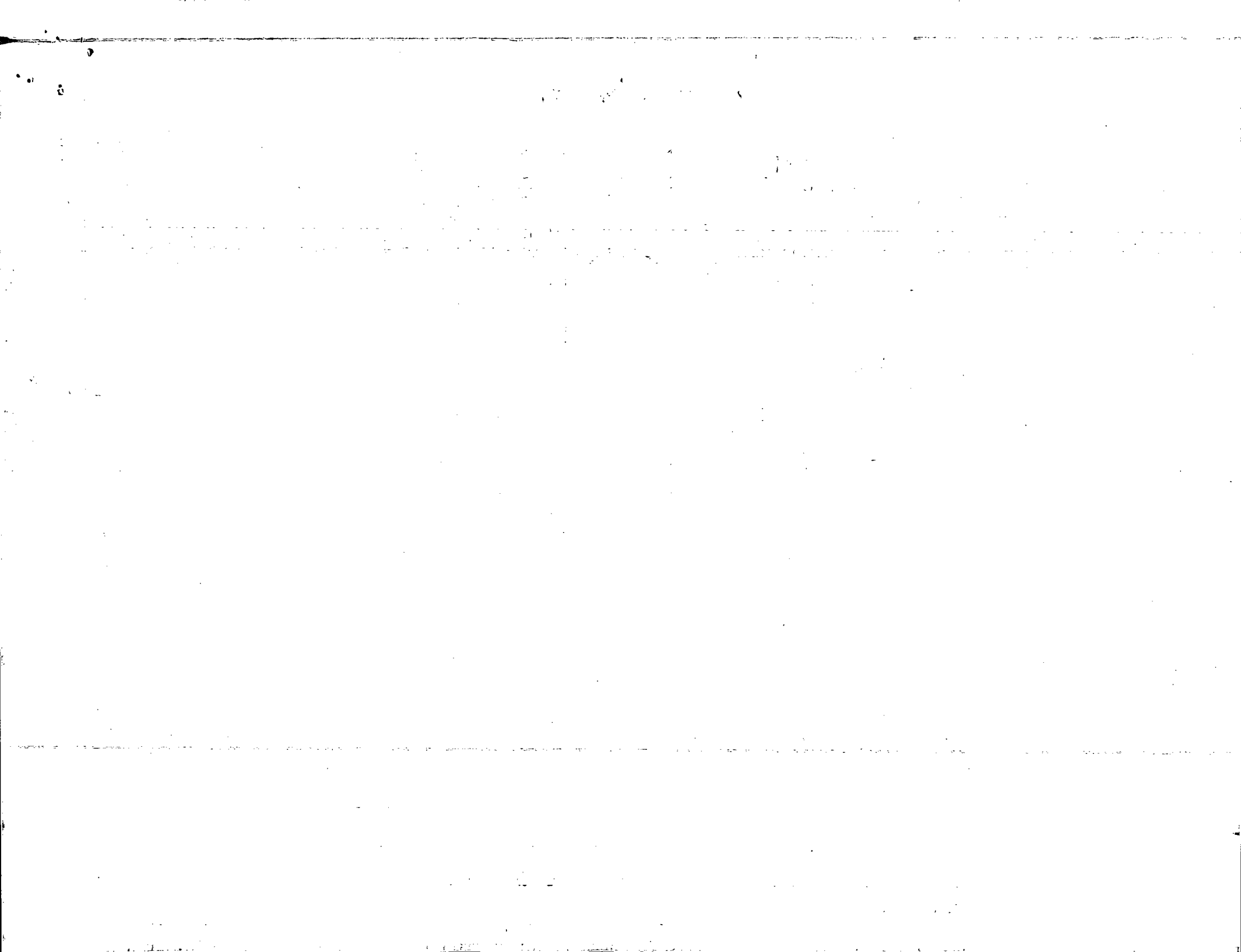
Calculation of oil reserves - refer to rate/time curve:

<u>Year</u>	<u>Gross monthly Oil - bbls.</u>	<u>Gross Yearly Oil - bbls.</u>
1982 (6 mos.)	345	2,070
1983	275	3,300
1984	180	2,160
1985	128	1,536
1986	87	1,044
1987	60	720
1988	42	504
1989	30	360
Total oil remaining:		11,694
Cumulative to 1/1/82		15,207
Total ultimate reserves:		26,901

Gas-oil ratio average - 300 to 1

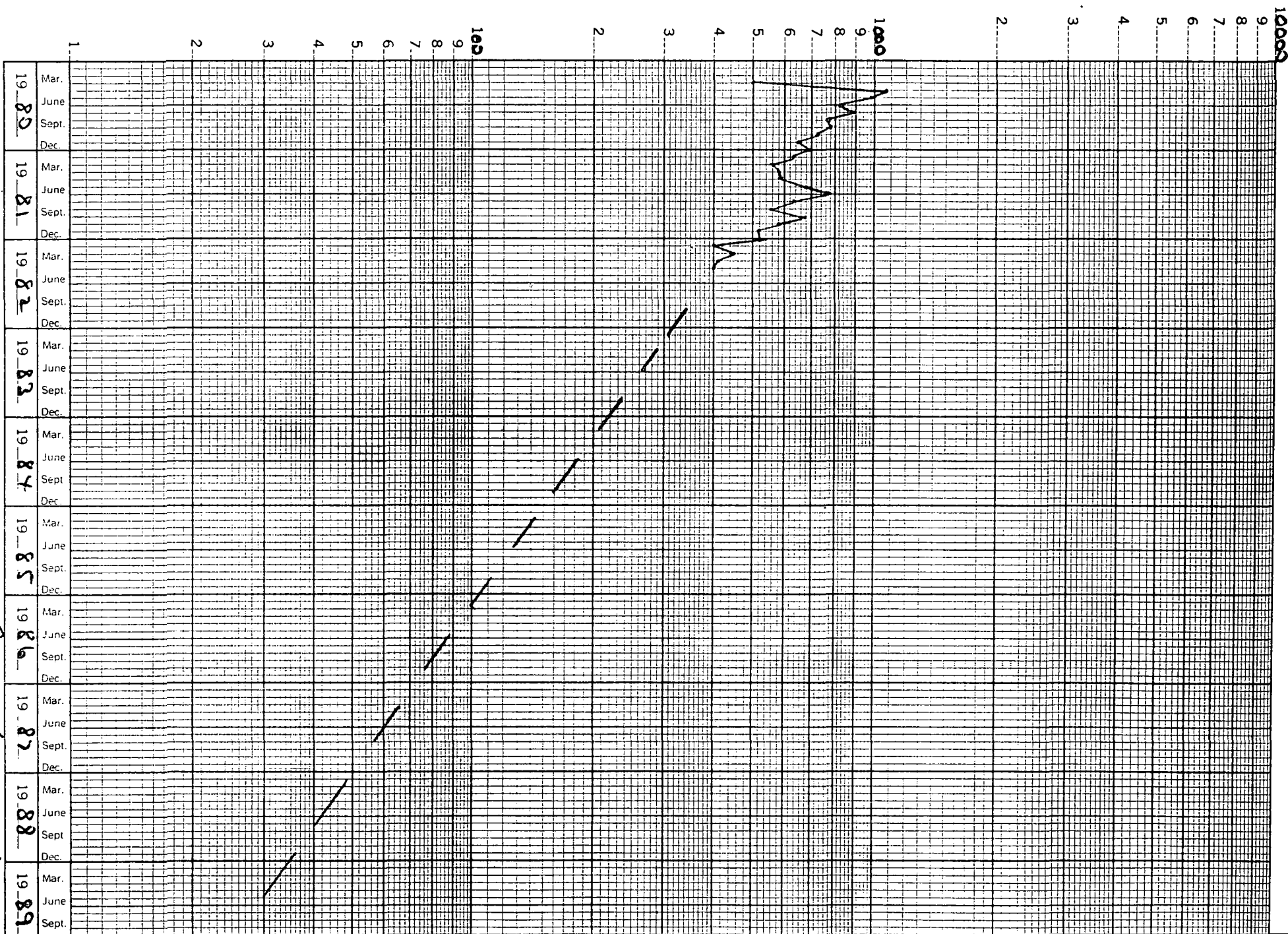
Remaining gas reserves - 3,508 mcf.

Rule #9-B

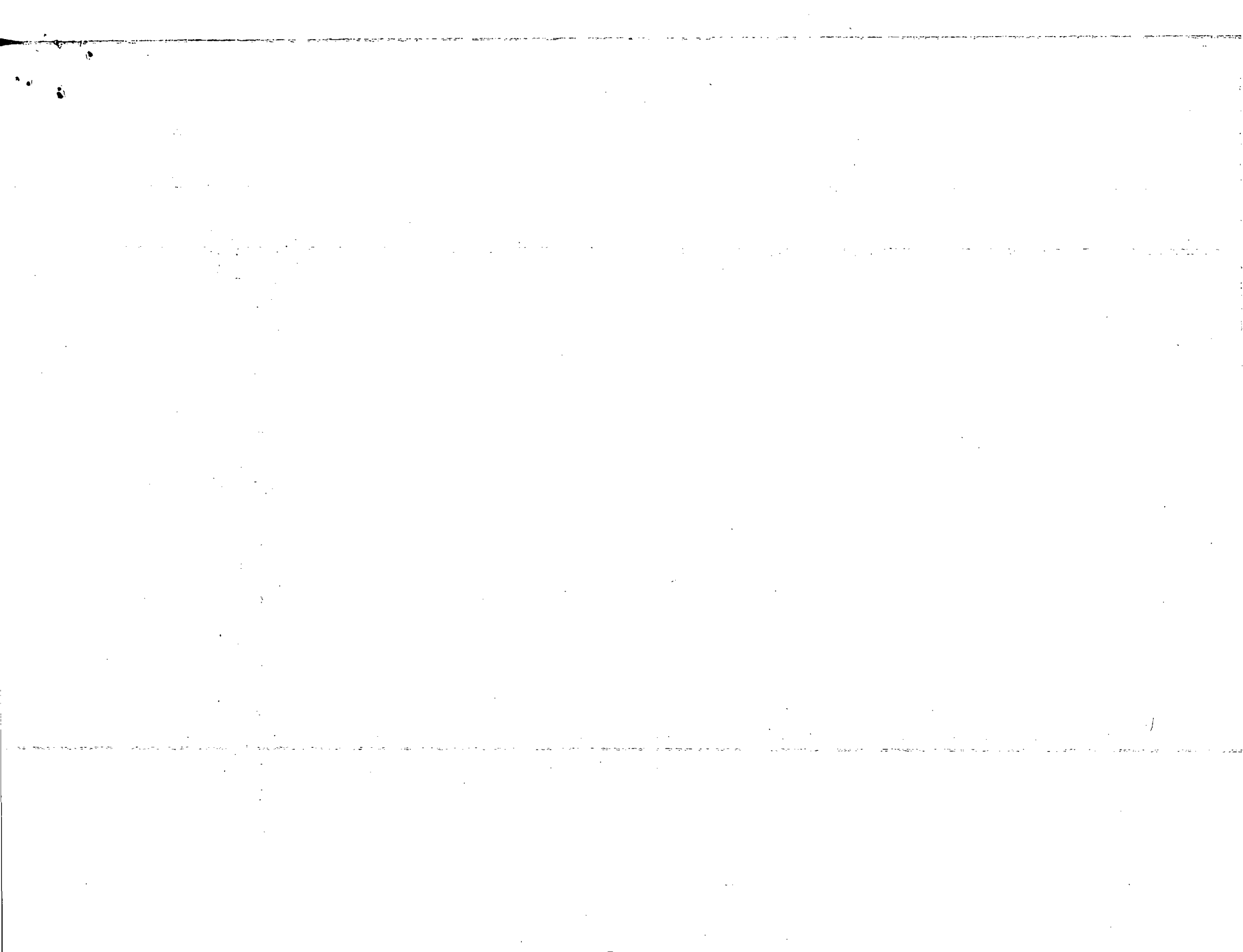


BBLs/OIL/MONTH

OLD LOGO UNIT
WELL NO 20



Rule #9-C(2)



Rule 11:

Notice of this infill request has been sent to Anadarko Production Co., Box 2497, Midland, Texas 79702; Depco, Inc., 1000 Petroleum Bldg., Denver, Colorado 80202; and Amoco Production Co., Box 3092, Houston, Texas 77001, as the offset operators.

