

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. 24  
Location: Unit M Sec. 32 Twp. 17-S Rng. 29-E Cty. Eddy

III.

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-Grbg-SA) Pool, and the standard spacing unit in said pool is 40 acres.
- (4) That a 40 -acre proration unit comprising the SW/4 SW/4 of Sec. 32, Twp. 17-S, Rng. 29-E, is currently dedicated to the Old Loco Unit Well No. 13 located in Unit M 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 6,710 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, 1982.

  
DIVISION DIRECTOR

EXAMINER

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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

Received: July 15, 1982  
Surrender Date: Today  
ADMINISTRATIVE ORDER  
NFL 64

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 Marathon Energy Corporation Well Name and No. Old Loro Unit Well No. 24  
Location: Unit M 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 Grazburg Jackson (SR-Qn. - Grgb - SA) Pool, and the standard spacing unit in said pool is 40 acres.

(4) That a 40-acre proration unit comprising the SW $\frac{1}{4}$  SW $\frac{1}{4}$  of Sec. 32, Twp. 17S, Rng. 29E, is currently dedicated to the Old Loro Unit Well No. 13 located in Unit M 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 6,710 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\_\_\_\_.

CL - OLD Artesia

NMOY6EL *Hobbs*

DIVISION DIRECTOR \_\_\_\_\_ EXAMINER \_\_\_\_\_

Request for Infill Finding on

Old Loco Unit #24

in accordance with Administrative

Procuedures amended February 8, 1980

M- 32-175-32 E

Eddy





STATE OF NEW MEXICO  
OIL AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2000

SANTA FE, NEW MEXICO 87501

30-015 #3954

Form C-101  
Revised 10-1-78

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

OCT - 2 1981

SA. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
B-2023

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work

DRILL ☒ DEEPEN ☐ PLUG BACK ☐

Type of Well

CAS ☒ CAS ☐ OTHER ☐ SINGLE ☒ MULTIPLE ☐

Name of Operator

Marbob Energy Corporation

Address of Operator

P.O. Drawer 217, Artesia, N.M. 88210

Location of Well

UNIT LETTER M LOCATED 330 DEPT FROM VEE South

450 DEPT FROM VEE West TIME OF REC 32 VEE 17S VEE 29E

7. Unit Agreement Name

Old Loco Unit

8. Form of Lease Name

Old Loco Unit

9. Well No.

24

10. Field and Foot, or VEE Unit

SA Grbg Jackson SR Qn Grbg

11. County

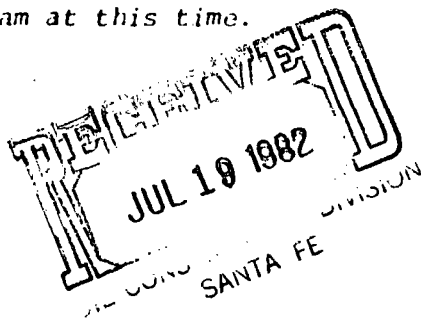
Eddy

19. Proposed Depth	2900'	20A. Kind & Status of Prop. Form	Statewide active	21B. Drilling Contractor	Stewart Bros Drlg. Co.	22. Approx. Date Work will start	
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PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTER DEPTH	SIZES OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	275'	Circ.	
7 7/8"	4 1/2"	10.50#	2900'	250	

We propose to drill to approximately 2900' to test the Grayburg & Lovington formations. We do not anticipate gas at these depths and will not set up a blowout preventer program at this time.



180 DAYS  
4-5-82  
OVERWAY

OVER SPACE DESCRIBE PROPOSED PROGRAM IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION. 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.

*Carahon Davis* Title Production Clerk Date 10/5/81

(This space for State Use)

APPROVED BY *W.A. Gessett* TITLE SUPERVISOR, DISTRICT 10 DATE OCT 9 1981

ADDITIONS OF APPROVAL, IF ANY:

RULE #5

11-11-10  
11-11-10  
11-11-10

11-11-10

W MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

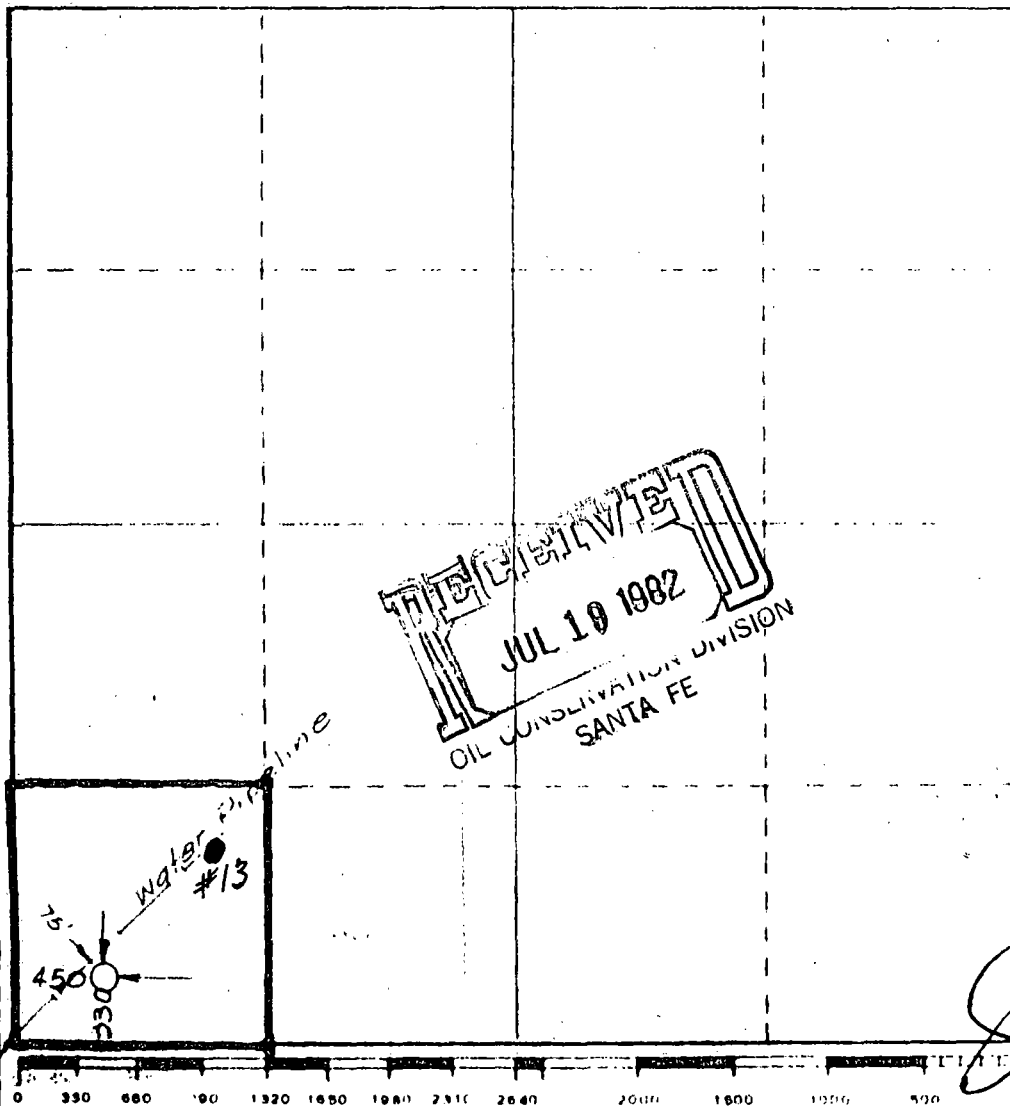
Operator <b>MARBOB ENERGY CORPORATION</b>		Lease <b>OLD LOCO UNIT</b>		Well No. <b>24</b>
Unit Letter <b>H</b>	Section <b>32</b>	Township <b>17 South</b>	Range <b>29 East</b>	County <b>EDDY</b>
Actual Footage Location of Well: <b>330</b> feet from the <b>South</b> line and <b>450</b> feet from the <b>West</b> line				
Ground Level Elev. <b>3585</b>	Producing Formation <b>Grayburg, Lovington</b>	Pool <b>Grbg Jackson SR Qn Grbg SA</b>	Section Acres <b>40</b>	

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 interests 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 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, force-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*  
Carolyn Orris

Production Clerk

Marbob Energy Corp.

10/5/81

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.

*Rube #5*

October 23, 1980

Registered Professional Engineer

*John W. Shearn*  
John W. Shearn

1559

THE UNIVERSITY OF CHICAGO  
LIBRARY  
1000 S. EAST ASIAN BLDG.  
CHICAGO, ILL. 60607

2/25



Rule 6:

Old Loco Unit #24

Pool: Grayburg Jackson Seven Rivers Queen Grayburg San Andres

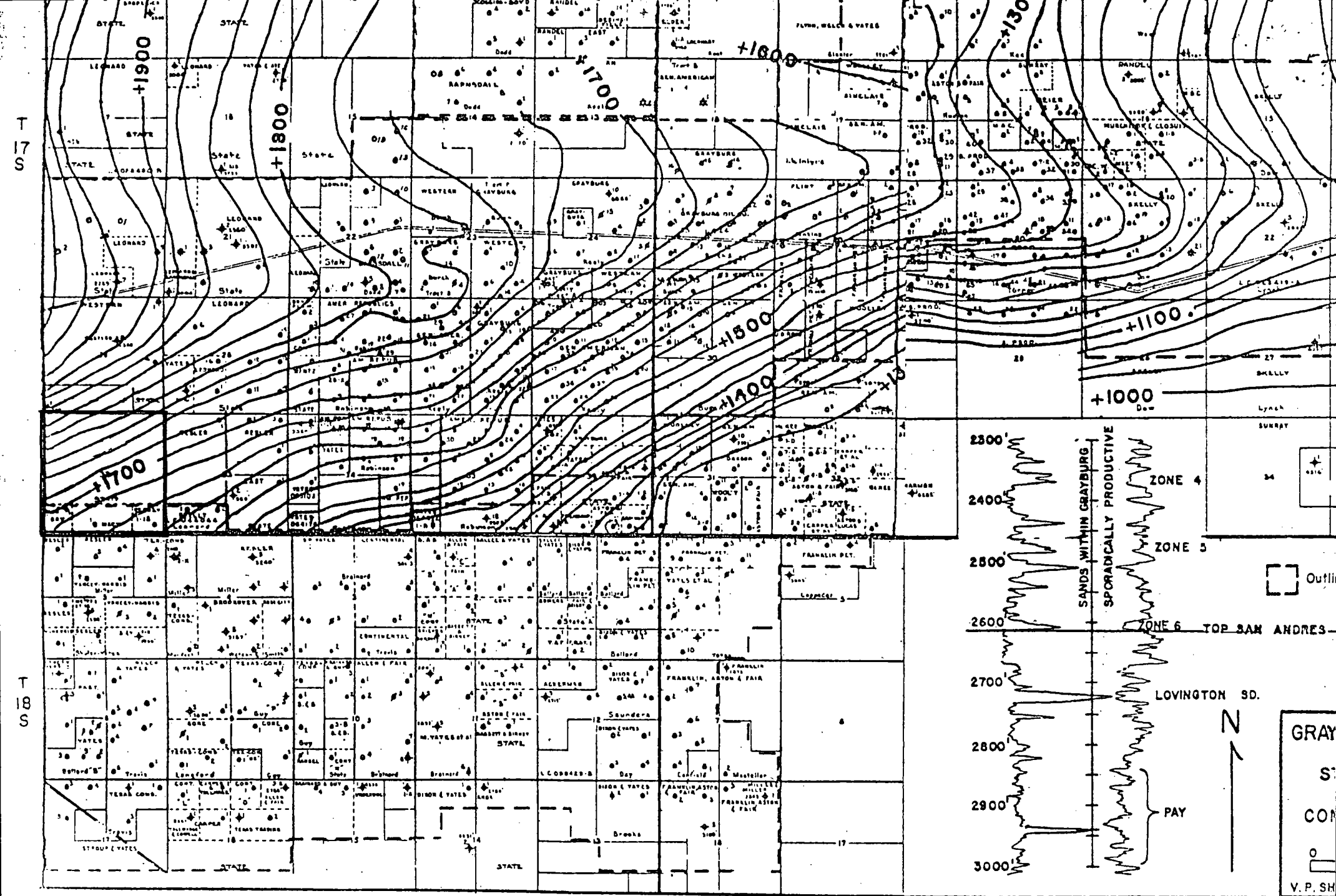
Standard spacing unit: 40 acres

Rule 7:

NA

Rule 8:

- a. Old Loco Unit #13-990 FSL 990 FWL Sec. 32-T17S-R29E  
Old Loco Unit #24-330 FSL 450 FWL Sec. 32-T17S-R29E
- b. #13 - 5/16/44  
#24 - 11/7/81
- c. #13 - 9/44  
#24 - 12/1/81
- d. None
- e. #13 - injection  
#24 - 21 bbl. oil, 14 mcf gas/day
- f. NA
- g. Well #13 was drilled as a producing well, converted to injection in 1967, tried to convert back to production unsuccessfully in 1977, well is now TA. Since no production is currently obtainable from the #13 and due to the age of this well major reworking is not feasible, the new well is needed to adequately drain this reservoir.



R 29 E

RULE #9-A

GRAY  
S  
COM  
0  
V.P. SH

1000 1000



Marbob Energy Corporation  
Old Loco Unit, Well #24  
Grayburg Jackson Seven Rivers Queen  
Grayburg San Andres  
Eddy County, New Mexico

**Pertinent Engineering Data and Conclusions:**

Well #24 was completed in the Grayburg Jackson pool in December 1981. This is an infill well located as per the attached plat.

Effective July 1, 1982, oil reserves recoverable will be 11,184 barrels and gas reserves recoverable will be 6,710 mcf.

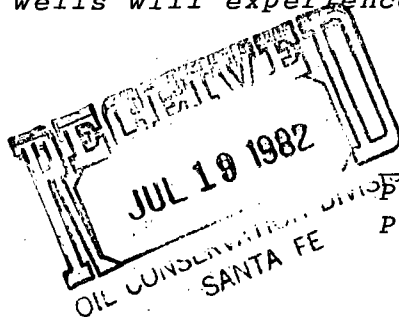
Oil reserves were calculated from the attached time/rate curve to an economic limit of approximately 1 BOPD (see table). Gas reserves were estimated using a study of the gas oil ratio performance not only on the specific well but on the pool history.

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 #24 in May 1982 was 21 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 #24  
330 FSL 450 FWL Sec. 32-T17S-R29E  
Eddy County, N.M.

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

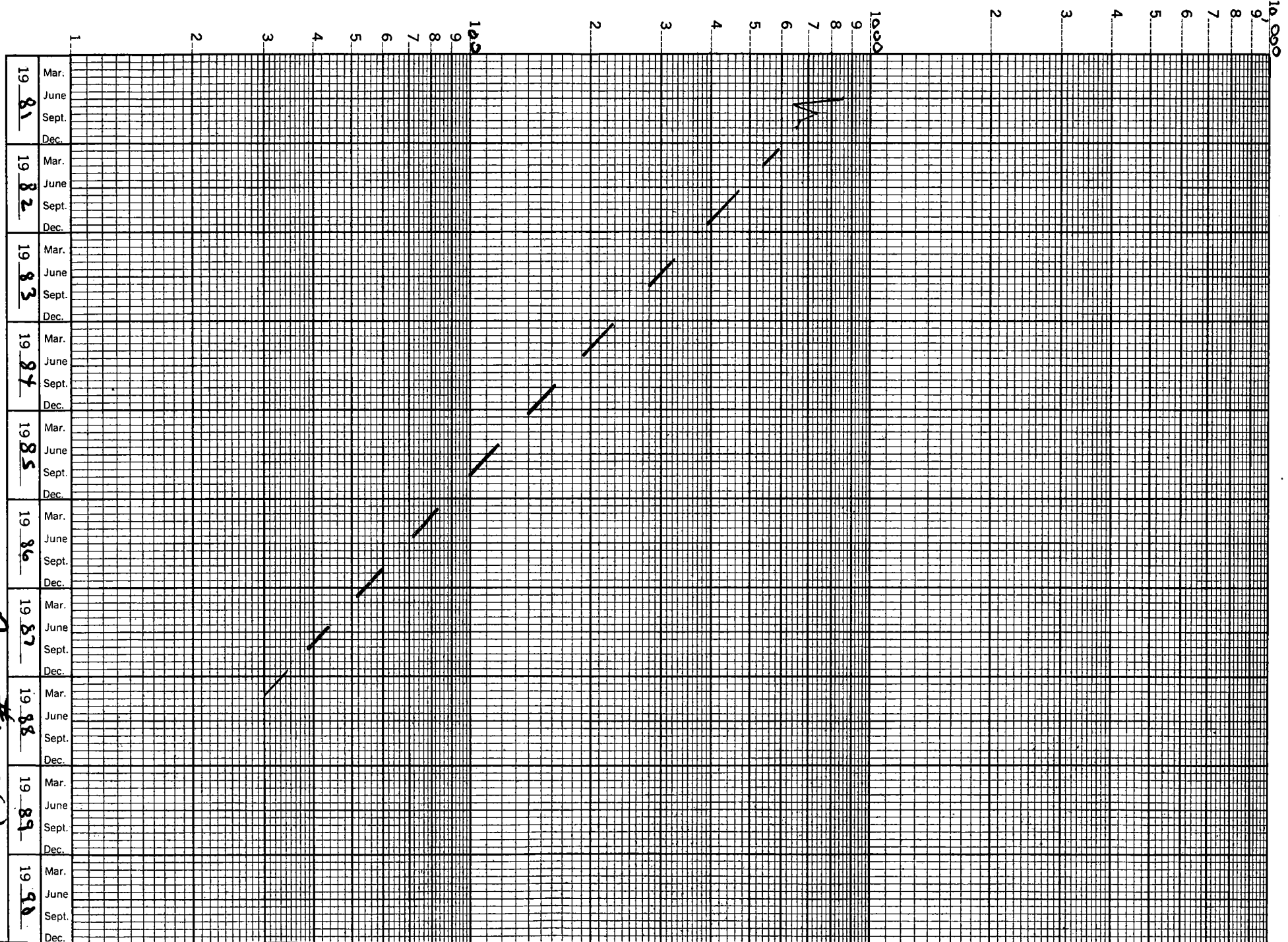
<u>Year</u>	<u>Gross monthly Oil - bbls.</u>	<u>Gross yearly Oil - bbls.</u>
1982 (6 mos.)	440	2,640
1983	295	3,540
1984	180	2,160
1985	125	1,500
1986	70	840
1987	42	504
Total oil remaining:		11,184
Cumulative to 1/1/82		846
Total ultimate reserves:		12,030

Gas-oil ratio average - 600 to 1

Remaining gas reserves - 6,710 mcf

RULE #9-B

*OIL/Bbls/month*



OLD LOGS UNIT  
WELL NO. 24

*RULE #4-C(2)*

Rule 11:

Notice of this infill request has been sent to Anadarko Production Co., Box 2497, Midland, Texas 79702; Yates Petroleum Corp., 207 So. 4th St., Artesia, N.M. 88210; and General American Oil Co., Box 3306, Odessa, Texas 79760, as the offset operators.



*Request for Infill Finding on*

*Old Loco Unit #24*

*in accordance with Administrative*

*Procedures amended February 8, 1980*



OF EXISTING PERMITS	
DISTRIBUTION	
STATE	
DATE	
NO. OFFICE	
LOCATION	

OCT 1981

30-000-1-1984

SA, Indicate Type of Lease  
STATE ☒ FEDERAL ☐

2. State Oil & Gas Lease No.  
B-2023

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. Name of Well

2. Kind of Work  
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

3. Name of Operator  
Marbob Energy Corporation

4. Location of Well  
P.O. Drawer 217, Artesia, N.M. 88210

5. Direction of Well  
N 330 330 South

7. Unit Agreement Name  
Old Loco Unit

8. Name of Lease Name  
Old Loco Unit

9. Well No.  
24

10. Field and Locality of Well  
SA Grbg Jackson SR Qn Grbg

11. County  
Eddy

12. Direction of Well  
West 32 17S 29E

13. Depth of Well  
2900'

14. Direction of Well  
Grayburg, Lovington Rotary

15. Name of Operator  
Statewide active

16. Name of Operator  
Stewart Bros Drilg. Co.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF PIPE	SIZE OF CASING	WEIGHT PER FOOT	SETTERS DEPTH	SALE OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	275'	Circ.	
7 7/8"	4 1/2"	10.50#	2900'	250	

We propose to drill to approximately 2900' to test the Grayburg & Lovington formations. We do not anticipate gas at these depths and will not set up a blowout preventer program at this time.

REGISTERED  
JUL 19 1982  
SANTA FE

180 DAYS  
8-82  
HARWAY

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

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

*Barbara Quinn* Title Production Clerk Date 10/5/81  
(This space for State Use)

BY W.A. Gressett TITLE Geological Engineer DATE OCT 1981  
OF APPROVAL, IF ANY RULE #5

Handwritten signature or mark, possibly "S. J. 1917".

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102  
Supersedes O-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

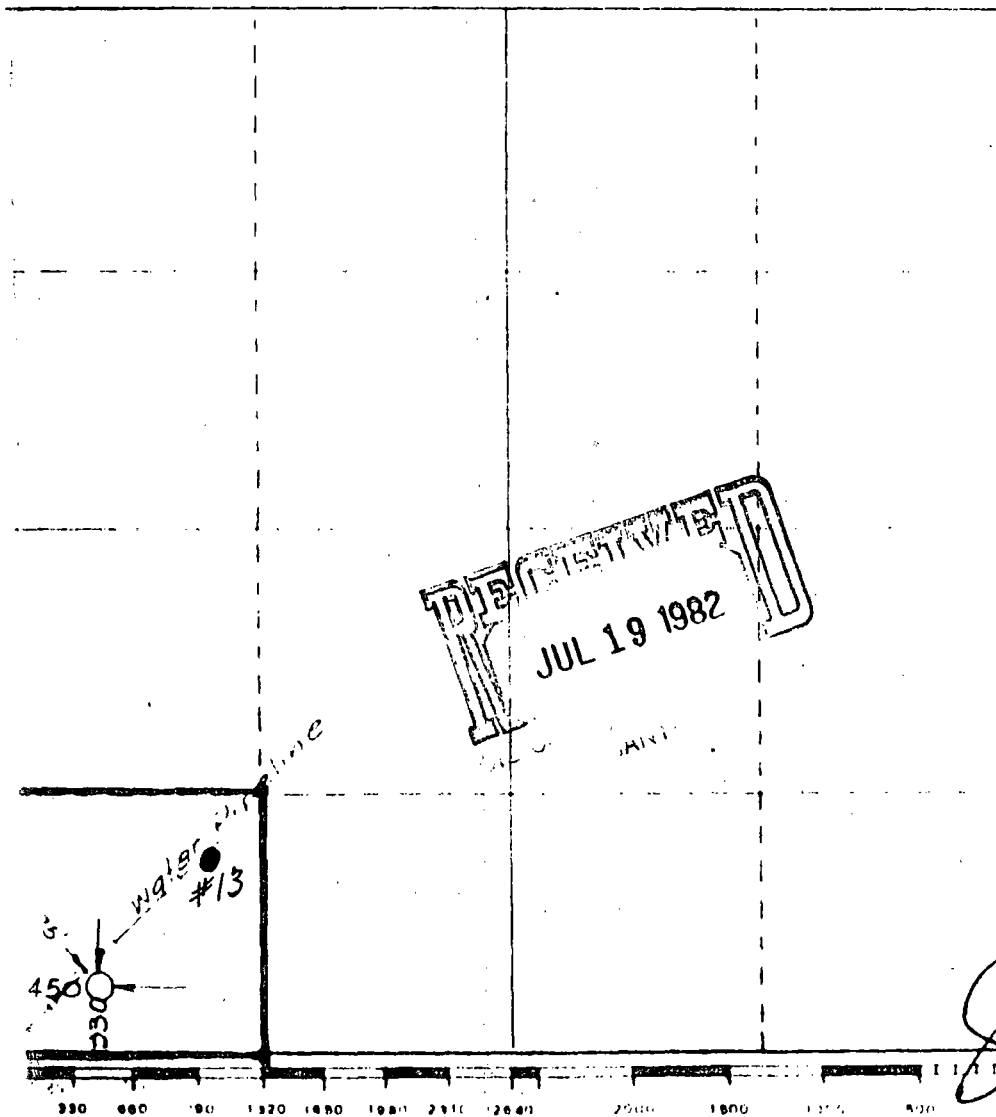
Operator <b>MARBOB ENERGY CORPORATION</b>			Lease <b>OLD LOCO UNIT</b>		Well No. <b>24</b>
Init. Letter <b>M</b>	Section <b>32</b>	Township <b>17 South</b>	Range <b>29 East</b>	County <b>EDDY</b>	
Actual Footage Location of Well: <b>330</b> feet from the <b>South</b> line and <b>450</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3585</b>	Producing Formation <b>Grayburg, Lovington</b>		Pool <b>Grbg Jackson SR Qn Grbg SA</b>		Section Area <b>40</b>

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☐ 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, force-pooling, or otherwise) or until a nonstandard 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*  
Carolyn Orris

Production Clerk

Marbob Energy Corp.

10/5/81

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.

*Rube #5*

October 23, 1980

*John W. Shearn*  
1559



Rule 6:

Old Loco Unit #24

Pool: Grayburg Jackson Seven Rivers Queen Grayburg San Andres

Standard spacing unit: 40 acres

Rule 7:

NA





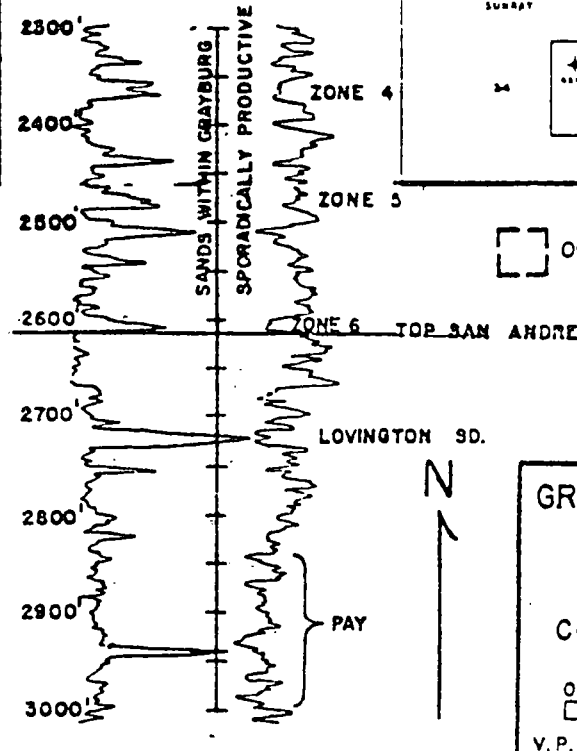
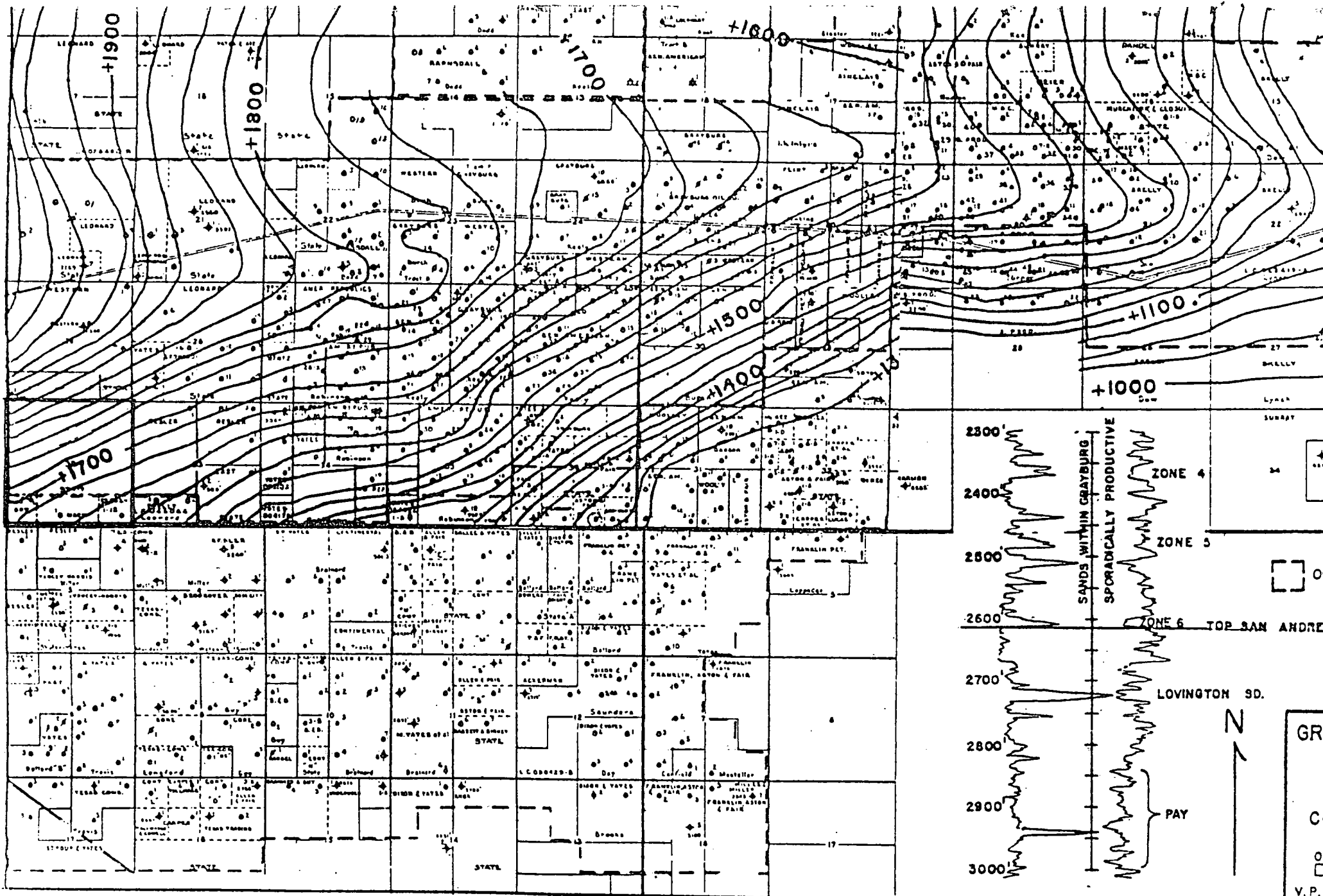
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- a. Old Loco Unit #13-990 FSL 990 FWL Sec. 32-T17S-R29E  
Old Loco Unit #24-330 FSL 450 FWL Sec. 32-T17S-R29E
- b. #13 - 5/16/44  
#24 - 11/7/81
- c. #13 - 9/44  
#24 - 12/1/81
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T 17 S

T 18 S



R 29 E

RULE #9-A



Marbob Energy Corporation  
Old Loco Unit, Well #24  
Grayburg Jackson Seven Rivers Queen  
Grayburg San Andres  
Eddy County, New Mexico

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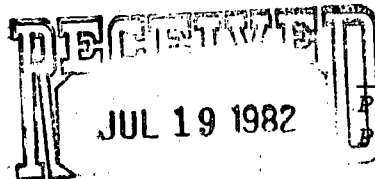
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SANTA

Paul G. White  
Paul G. White  
Petroleum Engineer

7-15-82  
Date

RULE # 9-B



Marbob Energy Corp.  
Old Loco Unit, Well #24  
330 FSL 450 FWL Sec. 32-T17S-R29E  
Eddy County, N.M.

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

<u>Year</u>	<u>Gross monthly Oil - bbls.</u>	<u>Gross yearly Oil - bbls.</u>
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Total ultimate reserves:		12,030

Gas-oil ratio average - 600 to 1

Remaining gas reserves - 6,710 mcf

RULE #9-B



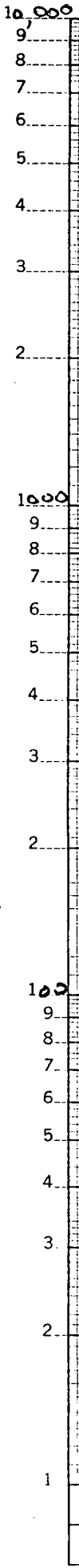


OLD LOG UNIT  
WELL NO. 24

47 6843

K&S 20 YEARS BY MONTHS X 3 LOG CYCLES  
KEUFFEL & ESSER CO. MADE IN U.S.A.

*oil/Bbls/month*



RULE #9-C(2)



Rule 11:

Notice of this infill request has been sent to Anadarko Production Co., Box 2497, Midland, Texas 79702; Yates Petroleum Corp., 207 So. 4th St., Artesia, N.M. 88210; and General American Oil Co., Box 3306, Odessa, Texas 79760, as the offset operators.

