

INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER
MADE 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

I.
Operator Marbob Energy Corporation Well Name and No. NG Phillips State Well #32
Location: Unit P Sec. 27 Twp. 17S Rng. 28E Cty. Eddy

II.
THE DIVISION FINDS:

- (1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim 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, prior to the commencement of drilling, that the 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, and must grant a waiver of existing well-spacing requirements.
- (2) That by Order No. R-6013, dated June 7, 1979, 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 to be completed in the Artesia Queen Grayburg San Andres 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. 27, Twp. 17S, Rng. 28E, is currently dedicated to the NG Phillips State Well No. 3 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. NA.
- (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 70,400 MCF of gas from the proration unit which would not otherwise be recovered.
- (8) That all the requirements of Order No. R-6013 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 as an exception to the standard well spacing requirements for the pool.

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 an exception to applicable well spacing requirements and 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 13 day of September, 19 84.

Michael E. Stogner
DIVISION DIRECTOR

EXAMINER ✓

Received July 7, 1983

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

ADMINISTRATIVE ORDER
NFL 92

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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. NE Phillips State Well No. 32
Location: Unit P Sec. 27 Twp. 17 South Rng. 28 East 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 Artesia Queen Grayburg San Andres 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. 27, Twp. 17 South, Rng. 28 East, ^{was at the time drilling began} is currently dedicated to the NE Phillips State Well No. 3 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. NA.
- (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 70,400 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- OCP Artesia
Well file

DIVISION DIRECTOR _____ EXAMINER ✓

REQUEST FOR INFILL FINDING ON

NG PHILLIPS STATE #32

in accordance with Administrative

Procedures Amended February 8, 1980

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT

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

Form C-101
Revised 10-1-78

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

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O. C. D.

ARTESIA OFFICE

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
B-2071

7. Unit Agreement Name

8. Farm or Lease Name
NG Phillips St.

9. Well No.
32

10. Field and Pool, or Wildcat
Artesia On Grbg SA

17. County
Eddy

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work
Type of Well DRILL DEEPEN PLUG BACK

Well CAS WELL OTHER

Name of Operator
Marbob Energy Corporation

Address of Operator
P.O. Drawer 217, Artesia, N.M. 88210

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JUL - 7 1983
OIL CONSERVATION DIVISION
SANTA FE

Location of Well
UNIT LETTER P LOCATED 440
FEET FROM THE East LINE OF SEC. 27 TWP. 17S RGE. 28E

19. Proposed Depth 3750'	19A. Formation San Andres	20. Rotary or C.T. Rotary
21A. Kind & Status Plug. Bond Statewide active	21B. Drilling Contractor Unknown	22. Approx. Date Work will start 5/16/83

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	550'	350	Circulate
7 7/8"	5 1/2"	15.50# 17#	3750'	700	Attempt to circ.

We propose to drill a 12 1/4" hole to 550', run 8 5/8" 24# new casing, cement, circulate to surface, reduce hole to 7 7/8" and drill on to 3750' to test the San Andres formation, run 5 1/2" 15.50# casing, cement and attempt to circulate.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 11-6-83
UNLESS DRILLING UNDERWAY

BEFORE 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.

Carolyn Chris Title Production Clerk Date 5/2/83

(This space for State Use)

APPROVED BY *Mike Williams* TITLE OIL AND GAS INSPECTOR DATE MAY 06 1983

CONDITIONS OF APPROVAL, IF ANY:

Rule #5

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 MARBOB ENERGY CORP.		Section N.G. PHILLIPS ST.		Well No. 32
Unit Letter P	Section 27	Range 17 SOUTH	Range 28 EAST	EDDY
Actual Forage Location of Well: 440 feet in the SOUTH line and 979 feet in the EAST line				
Ground Level Elev. 3665.5	Producing Formation San Andres	Artesia On Grbg SA		Well Depth 40

- 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

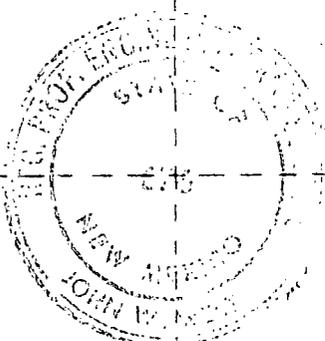
Yes No If answer is "yes," type of consolidation _____

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, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

#13 WELL - OPERATIONS SUSPENDED @ 920'
 #20 WELL - SEVEN RIVERS COMPLETION.
 #22 - WELL - P+ A
 #3 - SPUD 8-24-60, TD 2138', PERF 2082-42'

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 JUL 17 1983
 OIL CONSERVATION DIVISION
 SANTA FE



13 20
 22 3

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 Corporation

5/2/83

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.

John West #5

John West
4-26-83

Registered Professional Engineer
in Oil and Gas Surveying

John West

Certificate No.
JOHN W. WEST NO. 676

Rule 6:

NG Phillips State #32

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit - 40 acres

Rule 7:

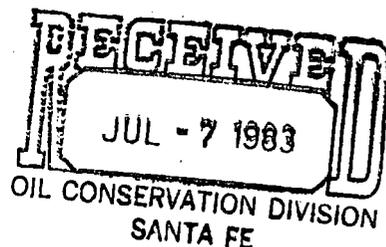
NA

Rule 8:

- a. NG Phillips St. #3, 330 FSL 330 FEL Sec. 27-T17S-R28E
NG Phillips St. #32, 440 FSL 979 FEL Sec. 27-T17S-R28E
- b. #3 - 8/24/60
#32 - 5/24/83
- c. #3 - 10/3/60
#32 - 7/1/83
- d. None
- e. #3 - 3/4 bbl./day, no gas
#32 - 14 bbl. oil, 60 mcf gas/day
- f. NA
- g. Well #3 has not produced any gas since March 1977. The new well was drilled deeper and opened in a different formation as well as the formation in which #3 was completed. Since #3 will not currently produce any gas although it does still produce some oil, the new well was drilled to drain this reservoir.

Paul G. White Engineering

OIL AND NATURAL GAS



June 20, 1983

Marbob Energy Corporation
Artesia Queen Grayburg San Andres
NG Phillips State Lease
Well No. 32

Pertinent Engineering Data and Conclusions

Well No. 32 has been completed in the Artesia Queen Grayburg pool as of June 20, 1983. The well is an in-fill well located as per the attached plat.

Effective June 20, 1983, oil reserves recoverable will be 8800 barrels and gas reserves recoverable will be 70400 mcf. Oil reserves were calculated from a log study on the well plus an analogous comparison of like wells in the field with similar log characteristics. The gas reserves were estimated using a study of the gas oil ratio performance in the pool.

My study reveals that as early as 1964 the producing well rate was 3.6 barrels of oil per day per well. The wells in the pool have remained on 40 acre spacing up until the past two years.

From infill well performance it is obvious that well density in this pool has to be increased to recover remaining reserves. The low permeability and low quality solution gas recovery mechanism will require reduced spacing to efficiently produce the reserves.

The daily producing rate for Well No. 32 was 15.0 BOPD in June, 1983. This, of course, indicates that no interference has as yet been experienced from offset wells.

In my opinion the infill wells which increase the density of pattern will produce an amount of oil and gas reserves equal to the older wells in the field.

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

A handwritten signature in cursive script that reads "Paul G. White".

Paul G. White
Petroleum Engineer

6-20-83

Date

PGW/r1m

Attachment

Rule 9-b

Marbob Energy Corporation
NG Phillips State #32
440 FSL 979 FEL Sec. 27-T17S-R28E
Eddy County, NM

<u>Gross Monthly Oil - bbls.</u>	<u>Gross Yearly Oil - bbls.</u>
Total Oil Remaining:	8,800
Cumulative to 6/20/83	<u>310</u>
Total Ultimate Reserves	9,110

Gas-Oil Ratio Average - 8,000 to 1

Remaining Gas Reserves - 70,400 MCF

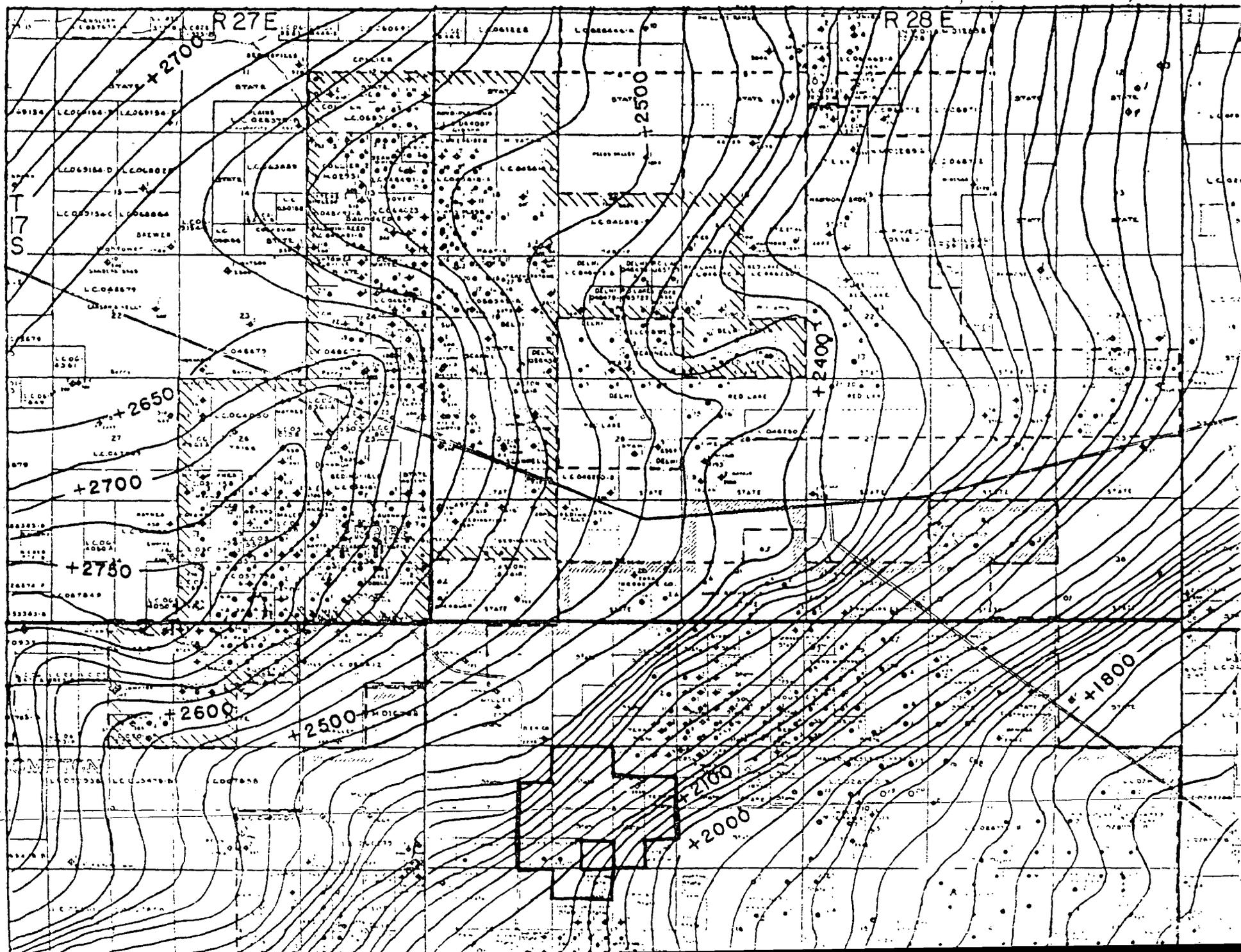
Oil reserves calculated using log study plus analogous comparison to older well performance.

Rule 9-b.

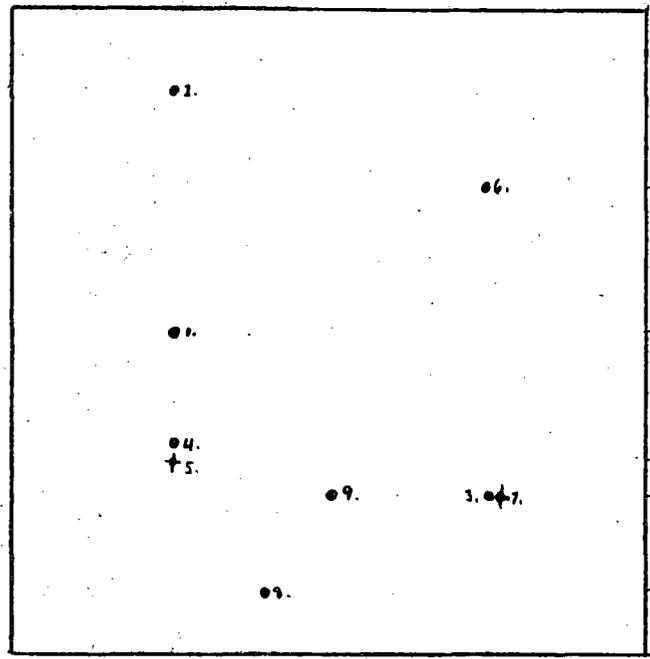
Rule 11:

Notice of this infill request has been sent to Amoco Production
Co., P.O. Box 3092, Houston, Texas 77001; Depco, Inc., 1000
Petroleum Bldg., Denver, Colorado 80202; and Samedan Oil Corp.,
900 Wall Towers East, Midland, Texas 79701.

RULE 9-a.



Unit P, Section 27, Township 17 South, Range 28 East, NMPN, Eddy County,
New Mexico.



Scale: 1 inch = 400 feet

1. Marbob Energy Corporation
NE Phillips State Well No. 13
965.2' FSL - 978.7' FEL
Spud: 12/13/80
East Empire Vates Seven Rivers completion

2. Marbob Energy Corporation
NE Phillips State Well No. 37
1165' FSL - 978' FEL
Spud: 5/13/84
* - Artesia Queen Grayburg San Andres completion

3. Marbob Energy Corporation
NE Phillips State Well No. 36
335' FSL - 330' FEL
Spud: 2/16/84
* - Artesia Queen Grayburg San Andres completion

4. Marbob Energy Corporation
NE Phillips State Well No. 32
440' FSL - 979' FEL
Spud: 5/24/83
* - Artesia Queen Grayburg San Andres completion
Cumulative production as of 12/31/83
Gas - 10512 MCF
Oil - 3627 B.O.

5. Marbob Energy Corporation
NE Phillips State Well No. 23
390' FSL - 978.7' FEL
Spud: 6/29/79
O&A'd: 11/13/79

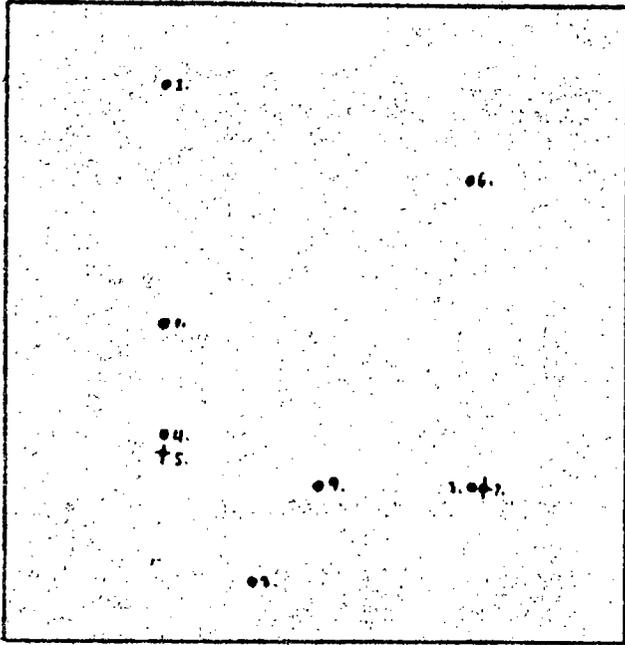
9. ARCO O.I. & Gas Company
Empire Abc Unit "D" Well No. 36
330' FSL - 660' FEL
Spud: 7/3/60
Empire Abc Completion

8. ARCO O.I. & Gas Company
Empire Abc Unit D Well No. 361
136' FSL - 300' FEL
Spud: 2/12/29
Empire Abc completion

7. Marathon Energy Corporation
NE Phillips State Well No. 3
330' FSL + EL
Spud: 8/24/60
Artesia Queen Grayburg San Andres completion
P.D. No. 11/2/24
* - Cumulative production
Gas - 56732 MCF
O.I. - 62831 B.O.

6. Marathon Energy Corporation
NE Phillips State Well No. 20
965.2' FSL - 330' FEL
Spud: 6/15/76
East Empire Yates Sever Rivers completion

Unit P, Section 27, Township 17 South, Range 28 East, N41P23, Eddy County,
New Mexico.



Scale: 1 inch = 400 feet

1. Marbob Energy Corporation
NE Phillips State Well No. 13
965.2' FSL - 978.7' FEL
Spud: 12/12/80
East Empire Vides. Seven Rivers completion

2. Marbob Energy Corporation
NE Phillips State Well No. 37
1165' FSL - 978' FEL
Spud: 5/13/84
* - Artesia Queen Grayburg San Andres completion

3. Marbob Energy Corporation
NE Phillips State Well No. 36
335' FSL - 330' FEL
Spud: 2/16/84
* - Artesia Queen Grayburg San Andres completion

4. Marbob Energy Corporation
NE Phillips State Well No. 32
440' FSL - 979' FEL
Spud: 5/24/83
* - Artesia Queen Grayburg San Andres completion
Cumulative production as of 12/31/83
Gas - 10517 MCF
Oil - 3637 Bbl.

5. Marbob Energy Corporation
NE Phillips State Well No. 22
340' FSL - 978.7' FEL
Spud: 6/29/79
D.D. Prod: 11/13/79

9. ARCO Oil & Gas Company
Empire Abu Unit "D" Well No. 32
320' FSZ - 650' FEL
Spud: 7/13/60
Empire Abu Completion

8. ARCO Oil & Gas Company
Empire Abu Unit D Well No. 361
186' FSZ - 300' FEL
Spud: 2/12/59
Empire Abu completion

7. Algonquin Energy Corporation
NE Phillips State Well No. 3
330' FSZ
Spud: 9/24/60
Altona Green Bayhous San Andres completion
- Cumulative production
Gas - 56732 MCF
Oil - 62831 B.O.

6. Marshall Energy Corporation
NE Phillips State Well No. 20
955.2' FSZ - 330' FEL
Spud: 6/15/76
East Empire Water Sewer Rivers completion

REQUEST FOR INFILL FINDING ON
NG PHILLIPS STATE #32
in accordance with Administrative
Procedures Amended February 8, 1980

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

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Form C-101
Revised 10-1-78

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MAY 04 1983

O. C. D.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work
Type of Well DRILL DEEPEN PLUG BACK

Name of Operator
Marbob Energy Corporation

Address of Operator
P.O. Drawer 217, Artesia, N.M. 88210

Location of Well UNIT LETTER P LOCATED 440 FEET FROM SANTA FE South
979 FEET FROM THE East LINE OF SEC. 27 TWP. 17S R. 28E

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5A. Indicate Type of Lease
STATE FEDERAL

6. State Oil & Gas Lease No.
B-2071

7. Unit Agreement Name

8. Name of Lease Name
NG Phillips St.

9. Well No.
32

10. Field and Pool, or Wildcat
Artesia On Grbg SA

17. County
Eddy

18. Depth of Well 3665.5' GL	19. Proposed Depth 3750'	20. Formation San Andres	21. History of C.T. Rotary
21A. Kind of Cement Plug Head Statewide active	21B. Filling Cement Unknown	22. Approx. Date Work will start 5/16/83	

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	BARRELS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	24#	550'	350	Circulate
7 7/8"	5 1/2"	15.50# 17#	3750'	700	Attempt to circ

We propose to drill a 12 1/4" hole to 550', run 8 5/8" 24# new casing, cement, circulate to surface, reduce hole to 7 7/8" and drill on to 3750' to test the San Andres formation, run 5 1/2" 15.50# casing, cement and attempt to circulate.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 11-6-83
UNLESS DRILLING UNDERWAY

BELOW 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.

Carolyn Orris Title Production Clerk Date 5/2/83

(This space for State Use)

APPROVED BY *Mike Williams* TITLE OIL AND GAS INSPECTOR DATE MAY 06 1983

CONDITIONS OF APPROVAL, IF ANY:

Rule #5

NATIONAL OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes C-127
Effective 1-1-65

All bearings must be from the outer boundaries of the section.

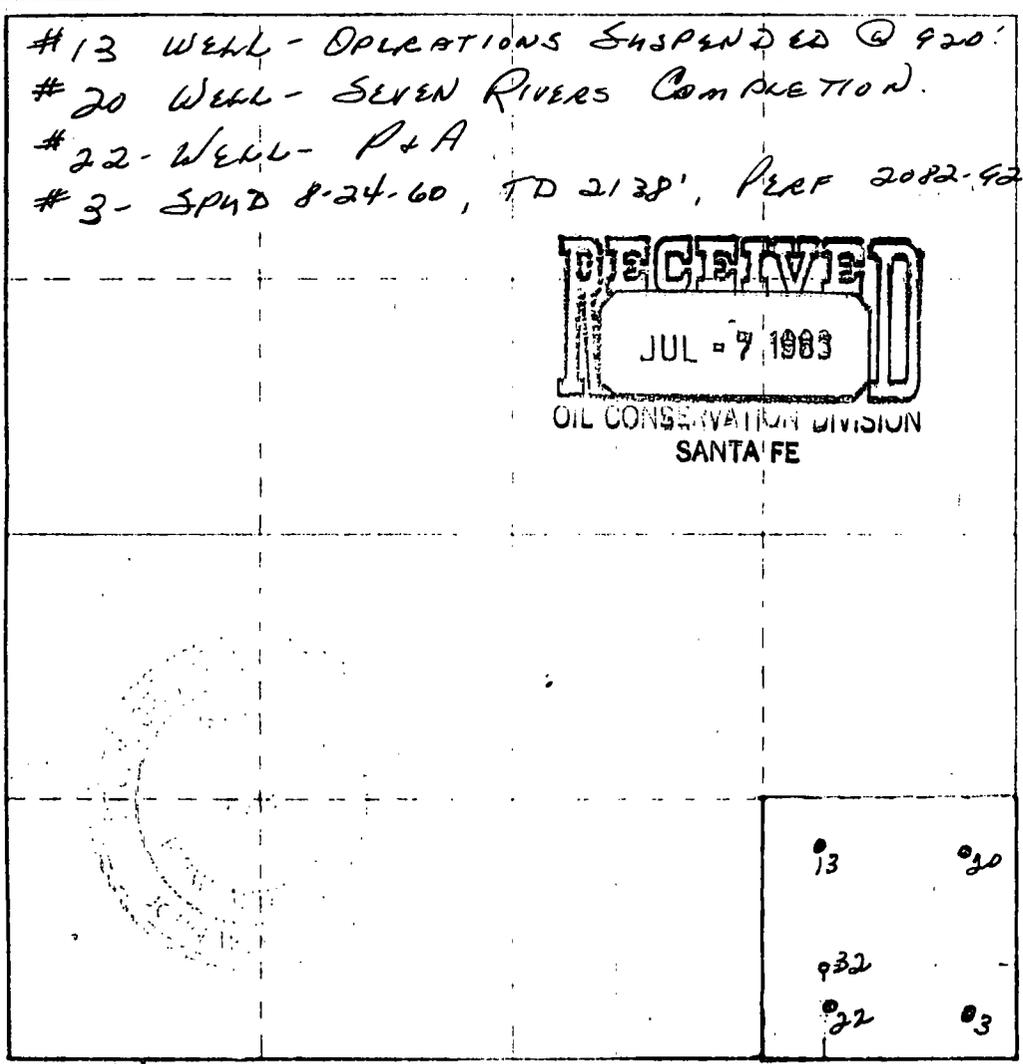
Operator MARBOB ENERGY CORP.		Section N.E.G. PHILLIPS ST.		Area 32
First Letter P	Section 27	Range 17 SOUTH	Block 28 EAST	EDDY
Actual Footage Location 440		SOUTH		979
Ground Level Elev 3665.5		San Andres		Artesia On Grbg SA 40

1. Outline the acreage dedicated to the subject well by colored pen or pencil 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, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



RECEIVED
JUL - 7 1983
 OIL CONSERVATION DIVISION
 SANTA FE

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 Corporation

5/2/83

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.

Rule #5

4-26-83

John W. West

Certificate No
 JOHN W. WEST NO. 676

Rule 6:

NG Phillips State #32

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit - 40 acres

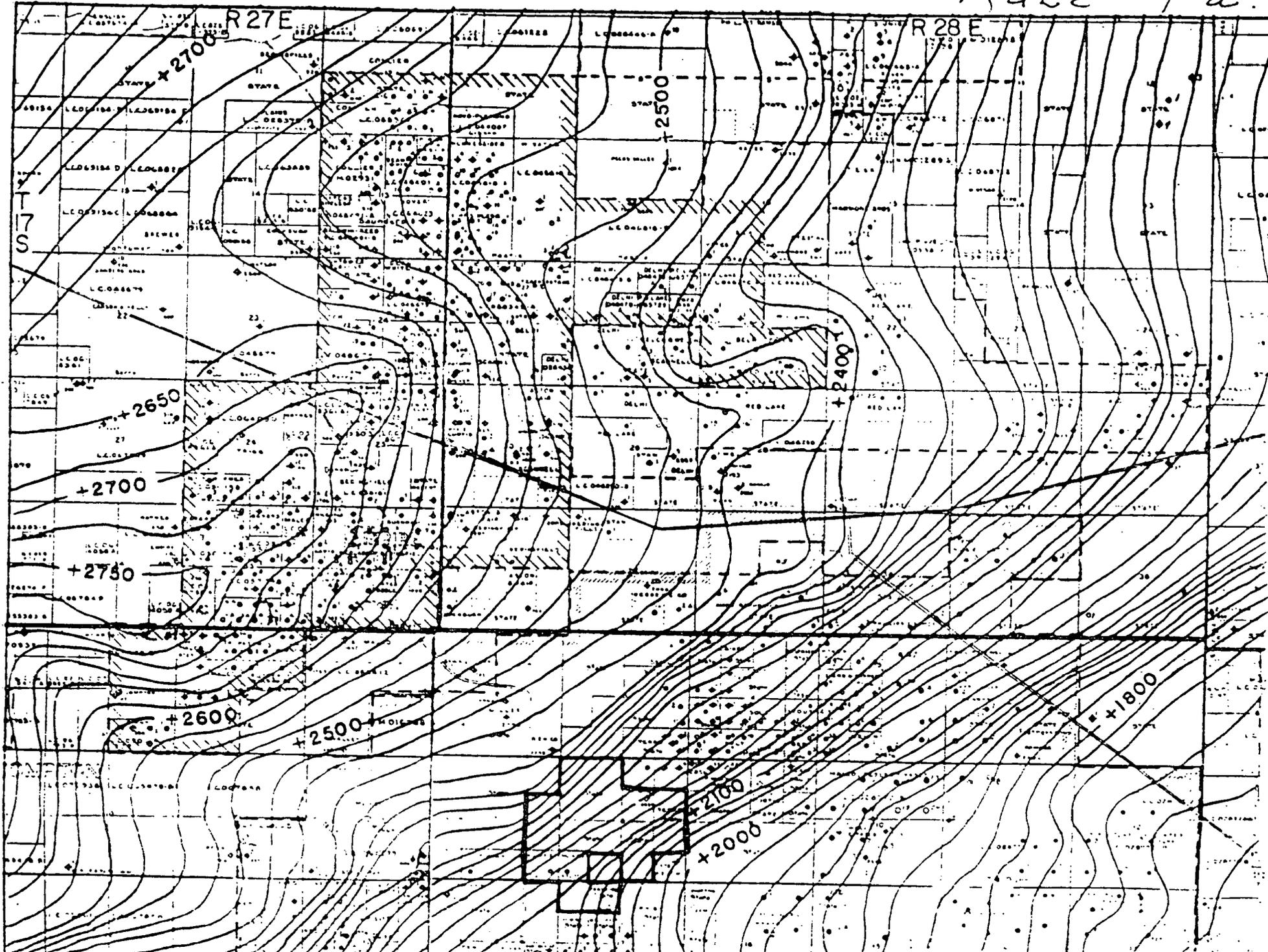
Rule 7:

NA

Rule 8:

- a. NG Phillips St. #3, 330 FSL 330 FEL Sec. 27-T17S-R28E
NG Phillips St. #32, 440 FSL 979 FEL Sec. 27-T17S-R28E
- b. #3 - 8/24/60
#32 - 5/24/83
- c. #3 - 10/3/60
#32 - 7/1/83
- d. None
- e. #3 - 3/4 bbl./day, no gas
#32 - 14 bbl. oil, 60 mcf gas/day
- f. NA
- g. Well #3 has not produced any gas since March 1977. The new well was drilled deeper and opened in a different formation as well as the formation in which # was completed. Since #3 will not currently produce any gas although it does still produce some oil, the new well was drilled to drain this reservoir.

RULE 9-a.



Paul G. White Engineering

OIL AND NATURAL GAS

June 20, 1983

Marbob Energy Corporation
Artesia Queen Grayburg San Andres
NG Phillips State Lease
Well No. 32

Pertinent Engineering Data and Conclusions

Well No. 32 has been completed in the Artesia Queen Grayburg pool as of June 20, 1983. The well is an in-fill well located as per the attached plat.

Effective June 20, 1983, oil reserves recoverable will be 8800 barrels and gas reserves recoverable will be 70400 mcf. Oil reserves were calculated from a log study on the well plus an analogous comparison of like wells in the field with similar log characteristics. The gas reserves were estimated using a study of the gas oil ratio performance in the pool.

My study reveals that as early as 1964 the producing well rate was 3.6 barrels of oil per day per well. The wells in the pool have remained on 40 acre spacing up until the past two years.

From infill well performance it is obvious that well density in this pool has to be increased to recover remaining reserves. The low permeability and low quality solution gas recovery mechanism will require reduced spacing to efficiently produce the reserves.

The daily producing rate for Well No. 32 was 15.0 BOPD in June, 1983. This, of course, indicates that no interference has as yet been experienced from offset wells.

In my opinion the infill wells which increase the density of pattern will produce an amount of oil and gas reserves equal to the older wells in the field.

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



Paul G. White
Petroleum Engineer

6-20-83

Date

PGW/rlm

Attachment

Rule 9-b

Marbob Energy Corporation
NG Phillips State #32
440 FSL 979 FEL Sec. 27-T17S-R28E
Eddy County, NM

<u>Gross Monthly Oil - bbls.</u>	<u>Gross Yearly Oil - bbls.</u>
Total Oil Remaining:	8,800
Cumulative to 6/20/83	<u>310</u>
Total Ultimate Reserves	9,110

Gas-Oil Ratio Average - 8,000 to 1

Remaining Gas Reserves - 70,400 MCF

Oil reserves calculated using log study plus analogous comparison to older well performance.

Rule 11:

Notice of this infill request has been sent to Amoco Production Co., P.O. Box 3092, Houston, Texas 77001; Depco, Inc., 1000 Petroleum Bldg., Denver, Colorado 80202; and Samedan Oil Corp., 900 Wall Towers East, Midland, Texas 79701.