

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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

ADMINISTRATIVE ORDER  
NFL 91

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 Corp. Well Name and No. Samedan State Well No. 1  
Location: Unit 0 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 SW/4 SE/4 of Sec. 27, Twp. 17S, Rng. 28E, is currently dedicated to the Walker State Well No. 2 located in Unit 0 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 80,156 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.

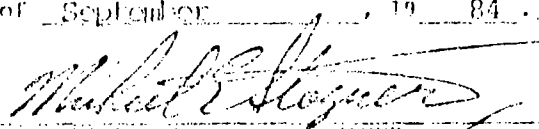
(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

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.

  
DIVISION DIRECTOR

RECORDED

Rec. April 1, 1984

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

ADMINISTRATIVE ORDER

NFL 91

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. Samedan State Well No. 1  
Location: Unit 0 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 SW 1/4 SE 1/4 of Sec. 27, Twp. 17 South, Rng. 28 East, is currently dedicated to the Walker State Well No. 2 located in Unit 0 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 80,156 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- OCD Artesia  
Well File

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

EXAMINER ✓

*Request for Infill Finding on*

*Samedan State #1*

*in accordance with Administrative  
Procedures amended February 8, 1980*



NEW MEXICO
GENERAL DEPARTMENT
RECEIVED
DISTRIBUTION
SANTA FE
FILE
U.S.O.S.
LAND OFFICE
OPERATOR

OIL CONSERVATION DIVISION  
P. O. BOX 2066  
SANTA FE, NEW MEXICO 87501  
SEP 27 1983  
O. C. D.  
ARTESIA, OFFICE

Form C-101  
Revised 10-1-78

5A. Indicate Type of Lease

STATE ☒ FEE ☐

5. State Oil & Gas Lease No.

B-2071

# APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

Type of Well

OIL ☒

GAS ☐

OTHER

SINGLE ☒

MULTIPLE ☐

7. Unit Agreement Name

8. Name of Lease Name

Samedan St.

9. Well No.

1

10. Field and Pool, or Wildcat

Artesia Qn Grbg SA

12. County

Eddy

Name of Operator

Marbob Energy Corporation

Address of Operator

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

Location of Well

UNIT LETTER O LOCATED 330 FEET FROM THE South LINE

2287 FEET FROM THE East LINE OF SEC. 27 TWP. 17S RLC. 28E NMPM

19. Proposed Depth

3000'

13A. Formation

San Andres

20. Rotary or C.T.

Rotary

11. Elevations (Show whether DT, RT, etc.)

3675' GR

21A. Kind & Status Plug. Bond

Statewide active

21B. Drilling Contractor

Artesia Fishing Tools

22. Approx. Date Work will start

10/10/83

## 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#	500'	300	Circ.
7 7/8"	5 1/2"	15.50#	3000'	550	Attempt to circ

We propose to drill to 500', set 8 5/8" casing, reduce hole and drill on to 3000' to test the San Andres formation, run 5 1/2" casing, cement.

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 3-29-84  
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 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.

C. L. L. L. Title Production Clerk Date 9/26/83

(This space for State Use)

APPROVED BY M. H. Walker TITLE OIL AND GAS INSPECTOR

DATE SEP-29-1983

CONDITIONS OF APPROVAL, IF ANY

Copy to

Form 2-152  
Supervisor C-128  
Effective 1-1-55

All distances must be from the outer boundaries of the Section.

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, 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.	
	<i>Carolyn Orris</i> Name Carolyn Orris	
	Position Agent	
	Company Marbob Energy Corporation	
Date 9/26/83		
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.		
<i>Rick #5</i> Name Rick #5		
Date Surveyed July 22 & 23, 1976		
Registered Professional Engineer or Land Surveyor <i>John W. Shiam</i> Certificate No. 1559		

Rule 6:

Samedan State #1

Pool: Artesia Queen Grayburg San Andres

Standard spacing unit: 40 acres

Rule 7:

NA

Rule 8:

- a. Samedan St. #1 - 330 FSL 2287 FEL Sec. 27-T17S-R28E  
Walker St. #2 - 330 FSL 1650 FEL Sec. 27-T17S-R28E  
Walker St. #4 - 900 FSL 2287 FEL Sec. 27-T17S-R28E
- b. Samedan St. #1 - 10/16/83  
Walker St. #2 - 7/28/75 (re-entry)  
Walker St. #4 - 1/13/77
- c. Samedan St. #1 - 10/31/83  
Walker St. #2 - 9/4/75  
Walker St. #4 - 2/18/77
- d. None
- e. Samedan St. #1 - 26 bbl. oil, 90 mcf gas/day  
Walker St. #2 - 1 bbl oil, 1 mcf gas/day  
Walker St. #4 - 4 bbl oil, 20 mcf gas/day
- f. NA
- g. The Samedan St. #1 was drilled to new reserves in a deeper zone than were reached in the old wells. Since it was not feasible to drill the old wells deeper it was necessary to drill the new well.





Marbob Energy Corporation  
Artesia Queen Grayburg San Andres  
Samedan State #1

Pertinent Engineering Data and Conclusions:

Well No. 1 was completed in the Artesia Queen Grayburg pool in November 1983. This is an infill well located as per the attached plat.

Effective November 1983, oil reserves recoverable will be 24,154 barrels oil and 80,156 mcf gas.

Oil reserves were calculated from similar offsetting wells which have been completed in the same horizons.

Existing wells in the proration unit were completed with 5½" and 4½" production casing. Total depth of these wells did not exceed 2094'. The Samedan Well #1 was completed from 2434' to 2768'. The well was fraced with 252,000 gallons of gel water and 346,800# of sand. The old wells could not have been deepened to those depths and this frac technique used because of the restriction on the size of the drilling tools that could be used inside the existing wells production casing. The largest bit that could have been used is 4 3/4" with the completion then being done in open hole or inside 2 7/8" casing. This would probably result in a much less effective completion, and less recoverable reserves.

In my opinion the infill well will more effectively drain the deeper horizons than could be accomplished by deepening an existing well.

Therefore, it is my recommendation that the well be approved as an infill well to effectively drain the reservoir.

MARBOB ENERGY CORPORATION

Raye Miller  
Raye Miller  
Secretary-Treasurer

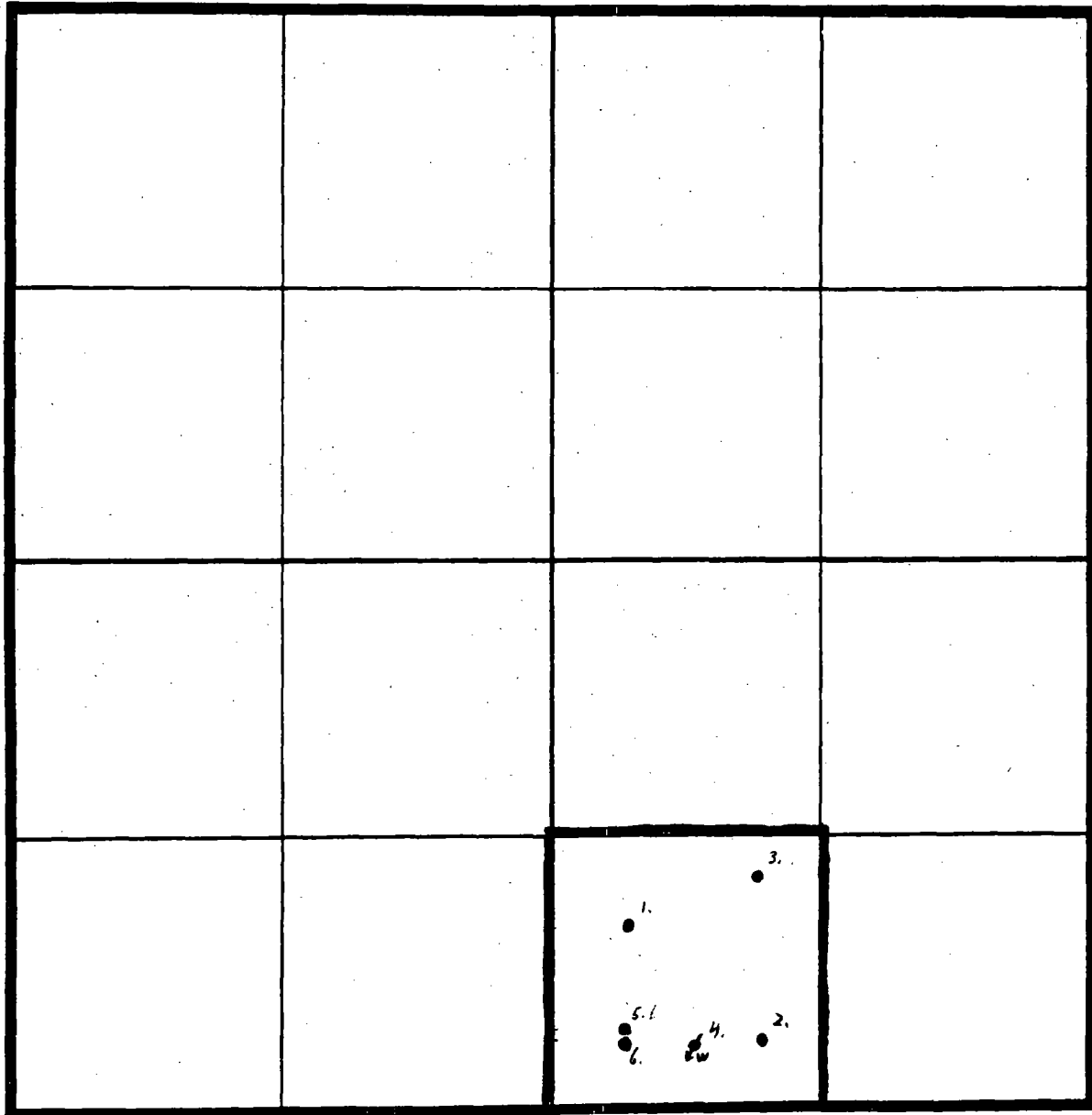
3/28/84  
Date

Rule # 9-b.

Rule 11:

Notice of this infill request has been sent to Martin Yates III, 207 So. 4th St., Artesia, N.M. 88210; John A. Yates, 207 So. 4th St., Artesia, N.M. 88210; Yates Petroleum Corp., 207 So. 4th St., Artesia, N.M. 88210; Amoco Production Co., P.O. Box 3092, Houston, Texas 77001; C & K Petroleum, Inc., 601 C & K Petroleum Bldg., Midland, Texas 79701; Depco, Inc., 1000 Petroleum Bldg., Denver, Colorado 80202; Husky Oil Co., P.O. Box 380, Cody, Wyoming 82414.

Sec. 27 Township No. 17 South of Range No. 28 East, N.M.P.M.,  
County Eddy, New Mexico.



1. Marbob Energy Corporation

Walker State Well No. 4

900' FSL - 2287' FEL

Spud: 1/13/77

Artesia Queen Gb/SA Completion (2/18/77)

Cumulative Production as of 12/31/82

46343 MCF

12594 B.O.

2. Marbob Energy Corporation

Walker State Well No. 2

330' FSL - 1650' FEL

Spud: 3/30/61 by Samedan Oil Corporation

Completed in the East Empire Yates Seven Rivers zone

1st A'ed: 7/73

Re-entered: 7/28/75 and completed in the Artesia Queen Gb/SA zone

Cumulative production as of 12/31/82

9240 MCF

35978 B.O.

3. Marbob Energy Corporation

Walker State Well No. 1

990' FSL - 1650' FEL

Spud: 1/28/75

East Empire Yates Seven Rivers Completion

4. ARCO O.I. + Gas Company.

Empire Abo Unit "D" Well No. 35

330' FSL - 1980' FEL

Spud: 6/6/60

Empire Abo Completion

Converted to Gas Injection Well 11/75

5. Marbob Energy Corporation

Walker State Well No. 3

370' FSL - 2287.6' FEL

Spud: 7/7/80

East Empire Yates Seven Rivers Completion

6. Application Well

Marbob Energy Corporation

Samdon State Well No. 1

330' FSL - 2287' FEL

Spud: 10/16/83

Portesia Queen 61/5A Completion

EDDY COUNTY \* \* \* \* \*

Oil Wt. Gas

## FOLLOWING WELL ZONE ABANDONED

7	9H27 17S28E				5947	5641	33488	ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
8	9H27 17S28E	244 P			482			EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
9	27127 17S28E	9285 P	19925	37306	10002	23975	47163	ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
10	23127 17S28E	2723 P	1247		11192	2356	465	EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
11	36127 17S28E				319820	4064	398169	EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
12	4127 17S28E				23323	589	38697	ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
13	6127 17S28E	244 P			16248	8897	21818	EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
14	15J27 17S28E	381 P			8555		2018	EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
15	25J27 17S28E	9649 P	24439	11592	16036	24439	23165	ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
16	21J27 17S28E	401 P			6840	598	462	EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
17	19J27 17S28E	371 P			5394		483	EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
18	35J27 17S28E				410257	1754	466905	EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
19	5J27 17S28E	297 P			50403	85167	125327	ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
20	2K27 17S28E							EMPIRE YATES S*JOHN A. YATE*LOIS MAE STATE *S
21	34K27 17S28E				154767	544	288550	EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
22	1K27 17S28E	493 P			39631		50954	EMPIRE YATES S*JOHN A. YATE*LOIS MAE STATE *S
23	2L27 17S28E	139 P	164	522	2879	1122	11966	EMPIRE YATES S*J. B. ADAMSO*COLLIER STATE *S
24	3L27 17S28E	152 P	174	664	6588	2367	15233	EMPIRE YATES S*J. B. ADAMSO*COLLIER STATE *S
25	4L27 17S28E	189 P		857	3201	38	7786	EMPIRE YATES S*J. B. ADAMSO*COLLIER STATE *S
26	1L27 17S28E				6375	3646	16628	FOLLOWING WELL PLUGGED AND ABANDONED 1975
27	1L27 17S28E	5341 P	18170	29705	5341	18170	29705	RED LAKE QUEEN*J. B. ADAMSO*COLLIER STATE *S
28	33M27 17S28E				954808		990272	FOLLOWING WELL NEW 6 1982
29	1M27 17S28E	126 P	193		14528	193	91	RED LAKE QUEEN*HARBOR ENERGY SUNRAY STATE *S
30	2M27 17S28E	179 P	354		2039	2889		EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
31	3N27 17S28E	185 P	361	3488	1419	361	15331	RED LAKE QUEEN*BS OIL CO. *STATE B *S
32	4N27 17S28E	860 P	602	3497	2744	1908	14368	EMPIRE YATES S*HARBOR ENERGY ABO *S
33	1N27 17S28E				7166		992	EMPIRE YATES S*HARBOR ENERGY ABO *S
34	34N27 17S28E	3650 F	30	17303	876796	3407	673791	RED LAKE QUEEN*HARBOR ENERGY ABO *S
35	2N27 17S28E	420 P	505	6980	4100	1612	18155	EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
36	4O27 17S28E	1291 P	231	9537	12594	5511	46343	EMPIRE YATES S*HARBOR ENERGY ABO *S
37	3O27 17S28E	1331 P	552	1798	3216	1199	4836	ARTESIA QUEEN *HARBOR ENERGY WALKER STATE *S
38	2O27 17S28E				1298	125	4756	EMPIRE YATES S*HARBOR ENERGY WALKER STATE *S
39	35O27 17S28E				654541		639364	FOLLOWING WELL PLUGGED AND ABANDONED 1973
40	2O27 17S28E	1504 P	231	870	35978	20762	9240	EMPIRE YATES S*HARBOR ENERGY WALKER STATE *S
41	1O27 17S28E	2426 P	552	1794	26526	5110	10334	ARTESIA QUEEN *HARBOR ENERGY WALKER STATE *S
42	361P27 17S28E	17550 F	802	22563	167065	2197	116630	EMPIRE YATES S*HARBOR ENERGY WALKER STATE *S
43	36P27 17S28E	7120 F	566	7553	1087942	7618	822245	EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
44	3P27 17S28E	295 P			62644	147789	56732	ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
45	20P27 17S28E	576 P			11101	22398	834	EMPIRE YATES S*HARBOR ENERGY G PHILLIPS STA# S
46	14C28 17S28E				8957			EMPIRE ABO *ARCO OIL & G*EMPIRE ABO UNIT *US
47	12D28 17S28E				19376	12055		ARTESIA QUEEN *HARBOR ENERGY G PHILLIPS STA# S
48	12O28 17S28E	69 P		1	432		3	RED LAKE QUEEN*KERSEY AND C*RED LAKE PR SO U*US
49	1E28 17S28E	373		18042 G	7755	92	724907	RED LAKE QUEEN*KERSEY AND C*RED LAKE PR SO U*US
50	15E28 17S28E	107 P	1095		48992	48621		EMPIRE YATES S*KERSEY AND C*WELCH *S
51	16F28 17S28E				6678	669		EMPIRE PENN. (*AMOCO PRODUC*STATE FEDERAL GA*CF
52	4H28 17S28E							RED LAKE QUEEN*KERSEY AND C*RED LAKE PR SO U*US
53	5H28 17S28E							RED LAKE QUEEN*KERSEY AND C*RED LAKE PR SO U*US
54	3H28 17S28E				8548	266		EMPIRE YATES S*KERSEY AND C*WILLIAMS A *S
55	3H28 17S28E	2018 P		1	12383	1178	3	EMPIRE YATES S*KERSEY AND C*WILLIAMS A *S
56	1I28 17S28E	699 P	266		9764	716	854	EMPIRE YATES S*HARBOR ENERGY PAN AM STATE *S
57	2I28 17S28E	701 P	266		12710	717	2078	EMPIRE YATES S*HARBOR ENERGY PAN AM STATE *S
58	3I28 17S28E	705 P	267		9804	722	2017	EMPIRE YATES S*HARBOR ENERGY PAN AM STATE *S
59	4I28 17S28E	708 P			2680			EMPIRE YATES S*HARBOR ENERGY PAN AM STATE *S
60	1I28 17S28E				10507	67	28053	FOLLOWING WELL ZONE ABANDONED
61	1L28 17S28E				12728			RED LAKE QUEEN*HARBOR ENERGY PAN AM STATE *S
62	1M28 17S28E	192 P	1414		384		2243	RED LAKE QUEEN*KERSEY AND C*RED LAKE PR SO U*US
63	2M28 17S28E	195 P	1445		27563	3	89419	RED LAKE QUEEN*J. B. ADAMSO*DELHI B STATE *S
64	1N28 17S28E	244 P			5482	124	604	RED LAKE QUEEN*J. B. ADAMSO*DELHI B STATE *S
65	3N28 17S28E	252 P			3146	127	78	EMPIRE YATES S*HARBOR ENERGY DELHI STATE *S

*Request for Infill Finding on*

*Samedan State #1*

*in accordance with Administrative*

*Procedures amended February 8, 1980*



NEW MEXICO
MINERALS DEPARTMENT
RECEIVED
DISTRIBUTION
SANTA FE
FILE
U.S.O.S.
LAND OFFICE
OPERATOR

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501  
RECEIVED BY  
SEP 27 1983  
O. C. D.  
ARTESIA, OFFICE

Form C-101  
Revised 10-1-78

5A. Indicate Type of Lease  
STATE ☒ PER ☐  
5. State Oil & Gas Lease No.  
B-2071

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Name or Lease Name Samedan St.
Name of Operator Marbob Energy Corporation		9. Well No. 1
Address of Operator P.O. Drawer 217, Artesia, N.M. 88210		10. Field and Pool, or Wildcat Artesia On Grbg SA
Location of Well UNIT LETTER <u>O</u> LOCATED <u>330</u> FEET FROM THE <u>South</u> LINE <u>2287</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>27</u> TWP. <u>17S</u> REC. <u>28E</u> NUPH		12. County Eddy
19. Proposed Depth 3000'		13A. Formation San Andres
20. Rotary or C.T. Rotary		
21A. Kind & Status Plug. Bond Statewide active		21B. Drilling Contractor Artesia Fishing Tools
22. Approx. Date Work will start 10/10/83		

## 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#	500'	300	Circ.
7 7/8"	5 1/2"	15.50#	3000'	550	Attempt to circ

We propose to drill to 500', set 8 5/8" casing, reduce hole and drill on to 3000' to test the San Andres formation, run 5 1/2" casing, cement.

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 3-29-84  
UNLESS DRILLING UNDERWAY

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.

Production Clerk Title

Date 9/26/83

(This space for State Use)

APPROVED BY

OIL AND GAS INSPECTOR TITLE

DATE

SEP 29 1983

Copy to

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-132  
Supersedes O-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section

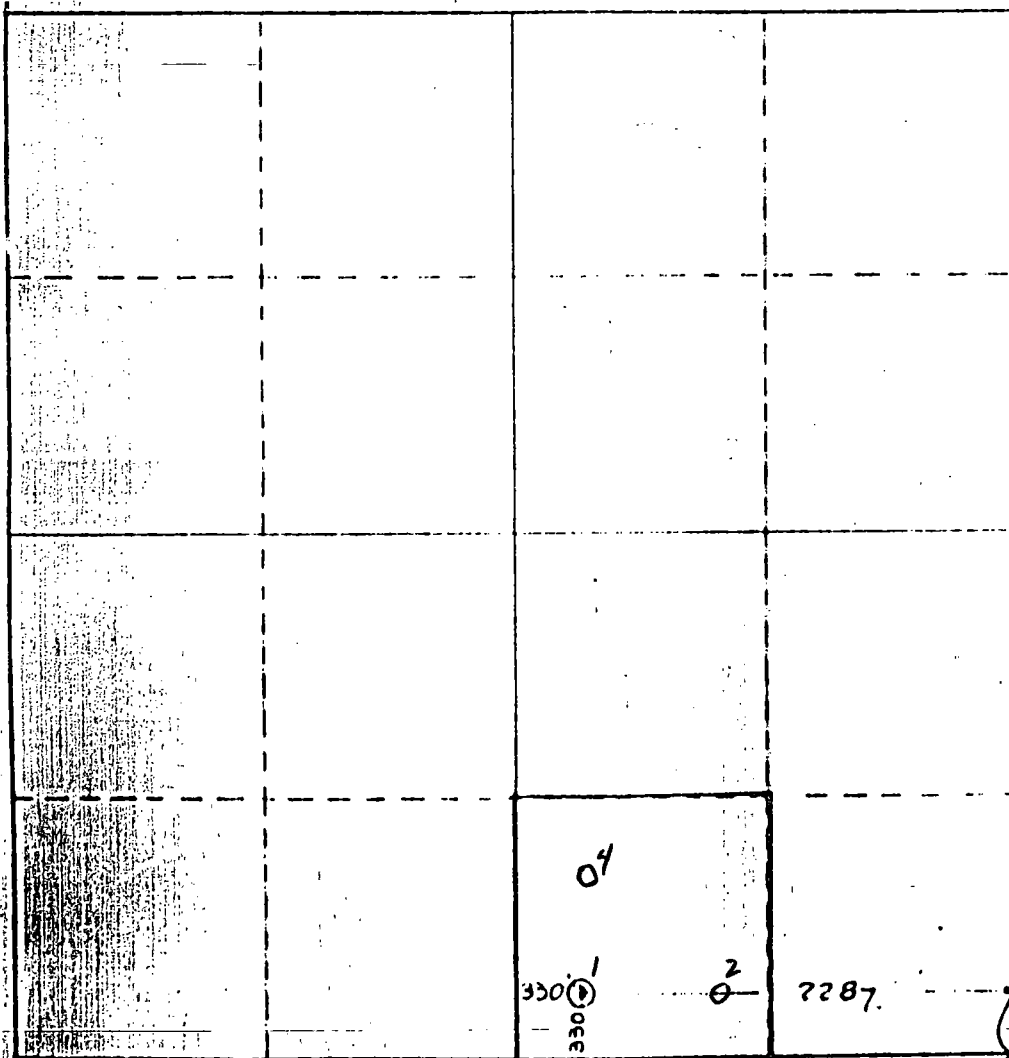
Operator <b>MARBOD ENERGY CORPORATION</b>		Lease <b>Samedan St.</b>		Well No. <b>1</b>
Unit Letter <b>0</b>	Section <b>27</b>	Township <b>17 South</b>	Range <b>28 East</b>	County <b>EDDY</b>
Actual Footage Location of Well: <b>330</b> feet from the <b>South</b> line and <b>2287</b> feet from the <b>East</b> line				
Ground Level Elev. <b>3675</b>	Producing Formation <b>San Andres</b>		Depth to A. Group <b>40</b>	Acres

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, 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*  
Name  
**Carolyn Orris**

Position  
**Agent**

Company  
**Marbob Energy Corporation**

Date  
**9/26/83**

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.

Date Surveyed  
**July 22 & 23, 1976**

Registered Professional Engineer  
State of New Mexico

*John W. Shuman*  
Signature

Certificate No.

**1559** *Copy to*

Rule 6:

Samedan State #1

Pool: Artesia Queen Grayburg San Andres

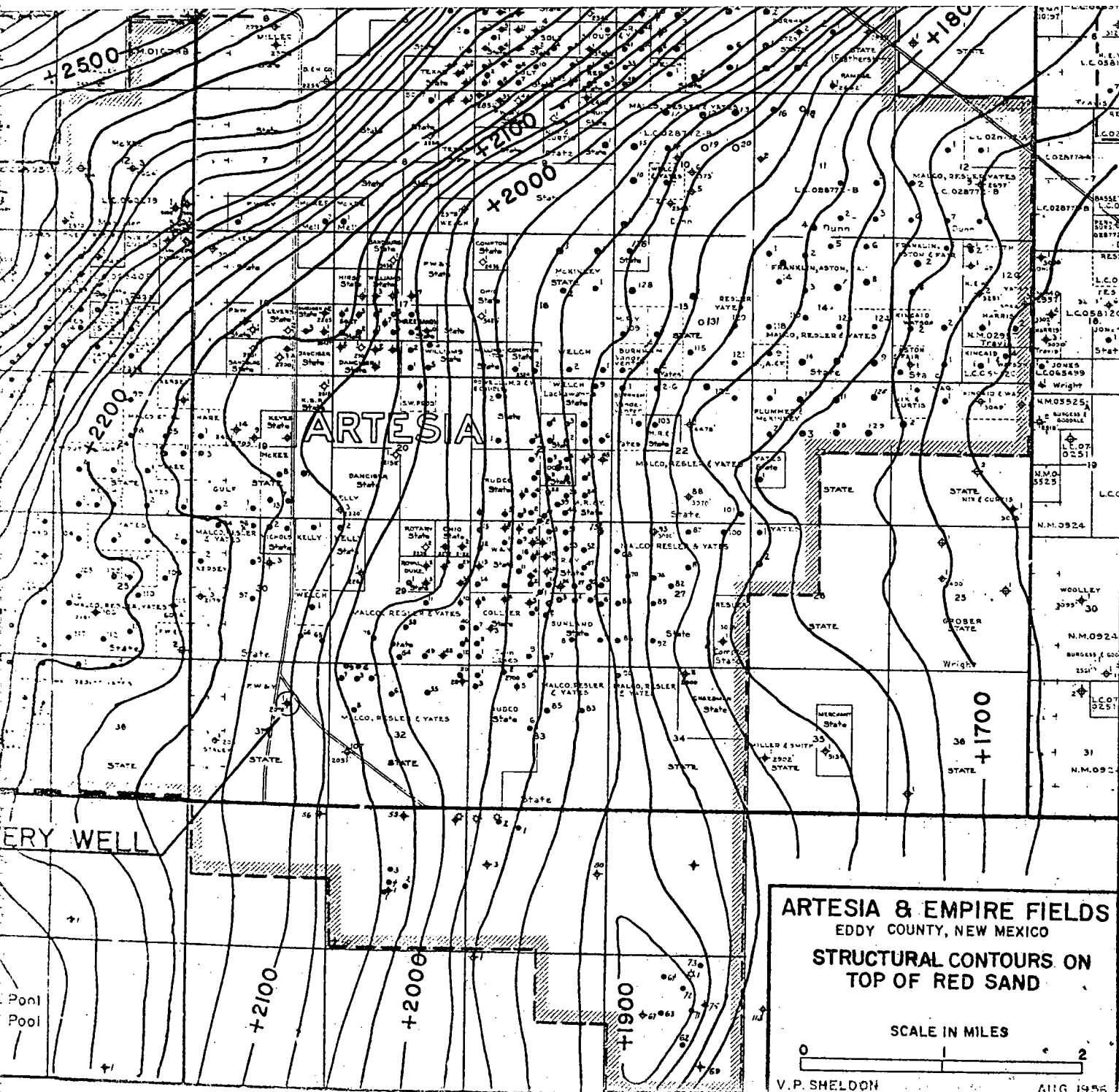
Standard spacing unit: 40 acres

Rule 7:

NA

Rule 8:

- a. Samedan St. #1 - 330 FSL 2287 FEL Sec. 27-T17S-R28E  
Walker St. #2 - 330 FSL 1650 FEL Sec. 27-T17S-R28E  
Walker St. #4 - 900 FSL 2287 FEL Sec. 27-T17S-R28E
- b. Samedan St. #1 - 10/16/83  
Walker St. #2 - 7/28/75 (re-entry)  
Walker St. #4 - 1/13/77
- c. Samedan St. #1 - 10/31/83  
Walker St. #2 - 9/4/75  
Walker St. #4 - 2/18/77
- d. None
- e. Samedan St. #1 - 26 bbl. oil, 90 mcf gas/day  
Walker St. #2 - 1 bbl oil, 1 mcf gas/day  
Walker St. #4 - 4 bbl oil, 20 mcf gas/day
- f. NA
- g. The Samedan St. #1 was drilled to new reserves in a deeper zone than were reached in the old wells. Since it was not feasible to drill the old wells deeper it was necessary to drill the new well.



Rule #9-a.

Marbob Energy Corporation  
Artesia Queen Grayburg San Andres  
Samedan State #1

Pertinent Engineering Data and Conclusions:

Well No. 1 was completed in the Artesia Queen Grayburg pool in November 1983. This is an infill well located as per the attached plat.

Effective November 1983, oil reserves recoverable will be 24,154 barrels oil and 80,156 mcf gas.

Oil reserves were calculated from similar offsetting wells which have been completed in the same horizons.

Existing wells in the proration unit were completed with 5½" and 4½" production casing. Total depth of these wells did not exceed 2094. The Samedan Well #1 was completed from 2434' to 2768'. The well was fraced with 252,000 gallons of gel water and 346,800# of sand. The old wells could not have been deepened to those depths and this frac technique used because of the restriction on the size of the drilling tools that could be used inside the existing wells production casing. The largest bit that could have been used is 4 3/4" with the completion then being done in open hole or inside 2 7/8" casing. This would probably result in a much less effective completion, and less recoverable reserves.

In my opinion the infill well will more effectively drain the deeper horizons than could be accomplished by deepening an existing well.

Therefore, it is my recommendation that the well be approved as an infill well to effectively drain the reservoir.

MARBOB ENERGY CORPORATION

Raye Miller  
Raye Miller  
Secretary-Treasurer

3/28/84  
Date

Rule # 9-b.

Rule 11:

Notice of this infill request has been sent to Martin Yates III, 207 So. 4th St., Artesia, N.M. 88210; John A. Yates, 207 So. 4th St., Artesia, N.M. 88210; Yates Petroleum Corp., 207 So. 4th St., Artesia, N.M. 88210; Amoco Production Co., P.O. Box 3092, Houston, Texas 77001; C & K Petroleum, Inc., 601 C & K Petroleum Bldg., Midland, Texas 79701; Depco, Inc., 1000 Petroleum Bldg., Denver, Colorado 80202; Husky Oil Co., P.O. Box 380, Cody, Wyoming 82414.

# Marbob Energy Corporation

P. O. DRAWER 217  
ARTESIA, NEW MEXICO 88210

— OFFICE PHONE —  
(505) 748-3303  
(505) 746-2422

March 28, 1984

— NIGHT PHONES —  
(505) 746-6197  
(505) 746-6500

Re: Notice to Offset Operators

Dear Sirs:

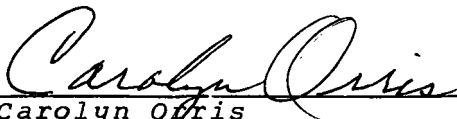
Notice is hereby given to you as an offset operator to the request of Marbob Energy Corporation to the New Mexico Oil Conservation Division for an infill finding on the following well:

Samedan St. #1  
330 FSL 2287 FEL Sec. 27-T17S-R28E  
Eddy County, N.M.

This notice is given pursuant to the Special Rules and Regulations Natural Gas Policy Act Infill Finding Administrative Procedure (amended February 8, 1980). These special rules and regulations shall apply to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final Rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978.

If there are any questions please contact me.

Very truly yours,

  
Carolyn Orris  
Land Department

RPM/co