

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF SAMUEL GARY OIL PRODUCERS, INC.
FOR CREATION OF A NEW OIL POOL,
AND FOR THE ADOPTION OF SPECIAL
POOL RULES, INCLUDING 320 ACRE
SPACING, SPECIAL GOR RATIOS,
WELL LOCATIONS, SANDOVAL COUNTY
AND ~~McKINLEY~~ COUNTY, NEW MEXICO.

Case: 8030

A P P L I C A T I O N

COMES NOW, SAMUEL GARY OIL PRODUCERS, INC., by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for the creation of a new Mancos Oil Pool in McKinley and Sandoval Counties, New Mexico, and in support thereof would show:

1. Applicant is an operator and major working interest owner in certain lands in McKinley and Sandoval Counties, New Mexico, for which applicant proposes the creation of a new Mancos Oil Pool.

2. Applicant requests the establishment of a new oil pool, the vertical limits of which would include the Mancos Formation, and whose horizontal limits would be:

Township 20 North, Range 2 West, NMPM
Sections 6, 7, 8,: All

Township 20 North, Range 3 West, NMPM
Sections 1, 2, 3, 4, 9: All
Sections 10 through 16: All

3. Applicant proposes the promulgation of Special Rules and Regulations for said pool, including:

(1) That the established well locations to be in the Southeast and Northwest Quarter of each section with the well located in the center of any one of the 40 acre tracts in the quarter section, with a tolerance allowance of 100' from the center of the quarter quarter section selected for the location.

(2) That only one well be allowed per 320 acre tract.

(3) That the 320 acre tracts be either "stand up" or "lay down" for pooling purposes, with the operator who first commits to drill in a section establishing the pooling pattern for that section.

(4) That oil wells drilled on the proposed 320 acre spacing be granted an allowable of 320 BOPD and 160 MCF/D. (GOR of 500, or 150% of the solution gas oil ratio of the reservoir crude oil, based upon actual measurements from bottom hole samples of the reservoir fluid.)

In the event that the producing GOR exceeds the known solution GOR by more than 50%, the produced gas from such a well will not exceed 100 MCFD.

(5) That if a productive well encounters gas

bearing strata only, the well will be tested and then shut in until the operator can establish to the Division's satisfaction that producing said well will not jeopardize oil recovery from said pool:

WHEREFORE, APPLICANT requests that this matter be set for hearing and that after notice and hearing, the application be approved.

Kellahin & Kellahin

By 

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