

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
ROBERT P. TINNIN, JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
NICHOLAS J. NOEDING
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. MCBRIDE
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS*
GARY D. COMPTON*
MICHAEL A. GROSS
THOMAS D. HAINES, JR.
GREGORY J. NIBERT
DAVID T. MARKETTE*
MARK C. DOW

FRED W. SCHWENDIMANN
JAMES M. HUDSON
JEFFREY S. BAIRD*
REBECCA NICHOLS JOHNSON
WILLIAM P. JOHNSON
STANLEY K. KOTOVSKY, JR.
H. R. THOMAS
ELLEN S. CASEY
MARGARET CARTER LUDEWIG
S. BARRY PAISNER
STEPHEN M. CRAMPTON
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. GILLESPIE
GARY W. LARSON
STEPHANIE LANDRY
JOHN R. KULSETH, JR.
MARGARET R. MCNETT
BRIAN T. CARTWRIGHT*
LISA K. SMITH*
ROBERT H. BETHEA*
BRADLEY W. HOWARD
CHARLES A. SUTTON
NORMAN D. EWART
DARREN T. GROCE*
MOLLY MCINTOSH
MARCIA B. LINCOLN
SCOTT A. SHUART*
DARREN L. BROOKS
CHRISTINE E. LALE
PAUL G. NASON
DARLA M. SILVA

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

FAX (505) 982-8623

CLARENCE E. HINKLE (1901-1988)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

OF COUNSEL
O. M. CALHOUN*
MACK EASLEY
JOE W. WOOD
RICHARD S. MORRIS

WASHINGTON, D.C.
SPECIAL COUNSEL
ALAN J. STATMAN*

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

2800 CLAYDESTA CENTER
6 DESTA DRIVE
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

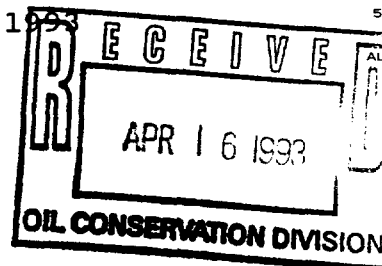
1700 TEAM BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

500 MARQUETTE N.W., SUITE 800
POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

*NOT LICENSED IN NEW MEXICO

Florene Davidson
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

April 16, 1993



Re: Case Nos. 10,714 and 10,715 (Applications of The Gary-Williams Company for a Unit Agreement and Horizontal Directional Drilling Pilot Project, Sandoval County, New Mexico)

Dear Florene:

Please find enclosed the original and two copies each of the Applications filed on behalf of The Gary-Williams Company concerning the above-referenced cases before the OCD.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

Fran Sowers
Fran Sowers, Secretary
to James Bruce

Enclosures

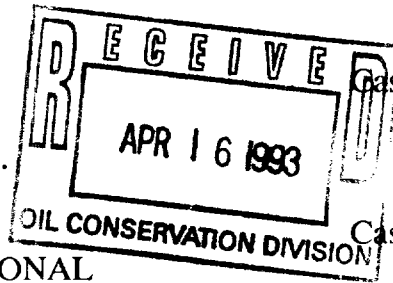
VIA HAND DELIVERY

FRS5\93751.c

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF THE GARY-WILLIAMS
COMPANY FOR A UNIT AGREEMENT,
ETC., SANDOVAL COUNTY, NEW MEXICO.



Case No. 10,714

APPLICATION OF THE GARY-WILLIAMS
COMPANY FOR A HORIZONTAL DIRECTIONAL
DRILLING PILOT PROJECT, ETC., SANDOVAL
COUNTY, NEW MEXICO.

Case No. 10,715

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

The Gary-Williams Company
c/o Samuel Gary Jr. & Associates,
Inc.
Suite 1925
Denver, Colorado 80203
(303) 831-4673
Attention: Craig Ambler

ATTORNEY

James Bruce
Hinkle, Cox, Eaton, Coffield
& Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

OPPOSITION OR OTHER PARTY

ATTORNEY

STATEMENT OF CASE

APPLICANT

Case No. 10,714: Applicant seeks approval of a voluntary unit covering 24,000+ acres of federal, state and fee land in Sandoval County. Applicant also requests special operating rules for horizontal/high angle directional wells drilled to the Mancos formation within the unit area.

Case No. 10,715: Applicant requests approval to drill a horizontal well in the Mancos formation (Rio Puerco-Mancos Oil Pool) in Sections 21, 22, 27 and 28 - 21 North - 3 West, in Sandoval County. Applicant requests an unorthodox location, non-standard unit, a temporary oil allowable while drilling, and special operating rules for the well.

OPPOSITION

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Craig Ambler (Landman)	(20 minutes)	1. Land Plat 2. Unit Agreement 3. Unit Operating Agreement 4. BLM Preliminary Approval Letter 5. Notice Affidavit
<hr/> (Engineer)	(15 minutes)	1. Drilling Plan 2. Structure Map

OPPOSITION

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Applicant requests the two cases be consolidated for hearing.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in black ink, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for The Gary-Williams Company

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

FAX (505) 982-8623

CLARENCE E. HINKLE (1901-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

OF COUNSEL
O. M. CALHOUN*
MACK EASLEY
JOE W. WOOD
RICHARD S. MORRIS

WASHINGTON, D.C.
SPECIAL COUNSEL
ALAN J. STATMAN*

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

2800 CLAYDESTA CENTER
6 DESTA DRIVE
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

1700 TEAM BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

500 MARQUETTE N.W., SUITE 800
POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

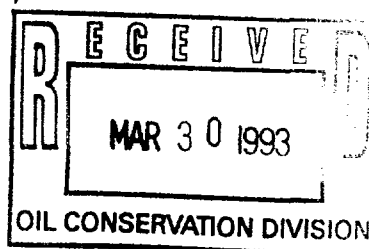
LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
ROBERT P. TINNIN, JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
NICHOLAS J. NOEDING
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. MCBRIDE
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWITT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS*
GARY D. COMPTON*
MICHAEL A. GROSS
THOMAS D. HAINES, JR.
GREGORY J. NIBERT
DAVID T. MARKETTE*
MARK C. DOW

FRED W. SCHWENDIMANN
JAMES M. HUDSON
JEFFREY S. BAIRD*
REBECCA NICHOLS JOHNSON
WILLIAM P. JOHNSON
STANLEY K. KOTOVSKY, JR.
H. R. THOMAS
ELLEN S. CASEY
MARGARET CARTER LUDEWIG

S. BARRY PAISNER
STEPHEN M. CRAMPTON
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. GILLESPIE
GARY W. LARSON
STEPHANIE LANDRY
JOHN R. KULSETH, JR.
MARGARET R. MCNETT
BRIAN T. CARTWRIGHT*
USA K. SMITH*
ROBERT H. BETHEA*
BRADLEY W. HOWARD
CHARLES A. SUTTON
NORMAN D. EWART
DARREN T. GROCE*
MOLLY MCINTOSH
MARCIA B. LINCOLN
SCOTT A. SHUART*
DARREN L. BROOKS
CHRISTINE E. LALE
PAUL G. NASON
DARLA M. SILVA

*NOT LICENSED IN NEW MEXICO

March 30, 1993



Michael E. Stogner
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

Dear Mr. Stogner:

Enclosed for filing are an original and two copies each of the following applications, filed on behalf of The Gary-Williams Company:

1. Application for a Horizontal Directional Drilling Pilot Project, Special Rules Therefor, an Unorthodox Oil Well Location, and a Non-Standard Spacing and Proration Unit, Sandoval County, New Mexico; and
2. Application for Approval of a Unit Agreement, and for Special Operating Rules and Regulations for the Ceja Pelon Unit, Sandoval County, New Mexico.

Please note the following: The well unit for the pilot project includes the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28 - 21 North - 3 West. The entire N $\frac{1}{2}$ of Section 28 - 21 North - 3 West is currently dedicated to The Gary-Williams Company Tayler 28 Well No. 4, located 660 feet from the North and West lines of Section 28, which is the only well in the section. We request that the applicant be allowed to drill its proposed well, and if it is successfully completed as a producer, then at that time applicant be required to either (i) seek a 280 acre non-standard unit for the Tayler 28 Well No. 4, or (ii) change the unit for said well to dedicate the W $\frac{1}{2}$ of Section 28 to it.

JGB5\93644.c

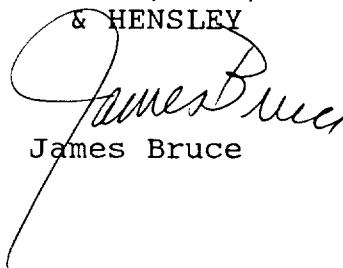
Michael E. Stogner
Page Two
March 30, 1993

This should not be a difficult procedure, because all of Section 28 is held under one federal lease (NM 29169). This issue is not addressed in the application because, frankly, I did not know how to handle it, since the Tayler 28 No. 4 unit is not wholly within the proposed well unit.

Please call if you have any questions.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in cursive script, appearing to read "James Bruce", is written over the typed name. The signature is fluid and extends below the line of the typed name.

James Bruce

JB:frs
Enclosures

VIA HAND DELIVERY

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF THE GARY-WILLIAMS COMPANY
FOR A HORIZONTAL DIRECTIONAL DRILLING
PILOT PROJECT, SPECIAL RULES THEREFOR,
AN UNORTHODOX OIL WELL LOCATION, AND A
NON-STANDARD SPACING AND PRORATION UNIT,
SANDOVAL COUNTY, NEW MEXICO.

No. 10715

APPLICATION

The Gary-Williams Company hereby applies for approval of a horizontal/high angle directional drilling pilot project, special operating rules therefor, an unorthodox oil well location, and a non-standard oil spacing and proration unit, in Sandoval County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the following lands:

Township 21 North, Range 3 West, N.M.P.M.

Section 21: SE $\frac{1}{4}$

Section 22: W $\frac{1}{2}$ SW $\frac{1}{4}$

Section 27: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Section 28: NE $\frac{1}{4}$ NE $\frac{1}{4}$

(The above-described lands are within the proposed Ceja Pelon Unit. By an application filed concurrently herewith, Applicant has requested Division approval of said unit.)

2. Applicant seeks approval to directionally drill its Ceja Pelon Unit No. 27-4H Well, with a surface location 460 feet from the North line and 125 feet from the West line of said Section 27.

The above well will be drilled as follows: A pilot hole will be drilled vertically to a depth of 5,285 feet subsurface. Applicant will then come uphole to a depth of approximately 4,100 feet subsurface, at which point it will kick-off in a north-northwesterly direction, build angle to approximately 90°, and drill horizontally in the Mancos formation. The end of the bore hole will be 1,915 feet from the South line and 935 feet from the East line of said Section 21. A plan for the well is attached hereto as Exhibit A.

3. The proposed bore hole is located in the designated and undesignated Rio Puerco-Mancos Oil Pool. The Special Rules and Regulations for the Rio Puerco-Mancos Oil Pool establish 320 acre well spacing consisting of one-half of a governmental section, and designated well location requirements. Applicant requests approval a non-standard spacing and proration unit for the above-described well consisting of the lands described in paragraph 1 above.

4. Applicant requests an exception from the well location requirements of the rules governing the Rio Puerco-Mancos Oil Pool.

5. Applicant also requests an oil allowable of 19,200 barrels (60 x 320 barrels) for a 60 day period while drilling and completing the well.

6. The relief requested herein by Applicant is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Applicant requests that the above relief be granted.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant

Surface Location
460' Int. 125' Int.
Sec. 27, T2N R3W
Est'd GL 7038'

The Gary-Williams Company
Caja Pelon Unit #27-4H
Horizontal Mancos Test
Sandoval County, NM
Cross Section North 24° deg. West

Mancos 'A' 4437
'B' 4567
'C' 4687
'D' 4807

9 5/8" at 300'

7 casing at 3800'

Note: actual vertical placement of well bore will depend on test results from pilot hole.

End of well
196' Int. 935' Int. Sec. 27-12N R3W
Measured depth (horizontal well) 6900'
True vertical depth (horizontal hole) 4573'

True vertical depth (pilot hole) 5285'

500' 2000'

EXHIBIT NO.

A

3W

End of well 1915' fsl. 935' fsl. Sec. 21

21

320 acre spacing unit

22

600' setback line

Proposed well path

Surface location 460 fsl. 125 fsl. Sec. 27

21
N

28

27

The Gary - Williams Company
Caja Pelon Unit #27-4H
Horizontal Mancos Test
Sandoval County. NM

Plan View of the Proposed Well Bore

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF THE GARY-WILLIAMS COMPANY
FOR A HORIZONTAL DIRECTIONAL DRILLING
PILOT PROJECT, SPECIAL RULES THEREFOR,
AN UNORTHODOX OIL WELL LOCATION, AND A
NON-STANDARD SPACING AND PRORATION UNIT,
SANDOVAL COUNTY, NEW MEXICO.

No. 10715

APPLICATION

The Gary-Williams Company hereby applies for approval of a horizontal/high angle directional drilling pilot project, special operating rules therefor, an unorthodox oil well location, and a non-standard oil spacing and proration unit, in Sandoval County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the following lands:

Township 21 North, Range 3 West, N.M.P.M.

Section 21: SE $\frac{1}{4}$

Section 22: W $\frac{1}{2}$ SW $\frac{1}{4}$

Section 27: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Section 28: NE $\frac{1}{4}$ NE $\frac{1}{4}$

(The above-described lands are within the proposed Ceja Pelon Unit. By an application filed concurrently herewith, Applicant has requested Division approval of said unit.)

2. Applicant seeks approval to directionally drill its Ceja Pelon Unit No. 27-4H Well, with a surface location 460 feet from the North line and 125 feet from the West line of said Section 27.

The above well will be drilled as follows: A pilot hole will be drilled vertically to a depth of 5,285 feet subsurface. Applicant will then come uphole to a depth of approximately 4,100 feet subsurface, at which point it will kick-off in a north-northwesterly direction, build angle to approximately 90°, and drill horizontally in the Mancos formation. The end of the bore hole will be 1,915 feet from the South line and 935 feet from the East line of said Section 21. A plan for the well is attached hereto as Exhibit A.

3. The proposed bore hole is located in the designated and undesignated Rio Puerco-Mancos Oil Pool. The Special Rules and Regulations for the Rio Puerco-Mancos Oil Pool establish 320 acre well spacing consisting of one-half of a governmental section, and designated well location requirements. Applicant requests approval a non-standard spacing and proration unit for the above-described well consisting of the lands described in paragraph 1 above.

4. Applicant requests an exception from the well location requirements of the rules governing the Rio Puerco-Mancos Oil Pool.


5. Applicant also requests an oil allowable of 19,200 barrels (60 x 320 barrels) for a 60 day period while drilling and completing the well.

6. The relief requested herein by Applicant is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Applicant requests that the above relief be granted.

Respectfully submitted,

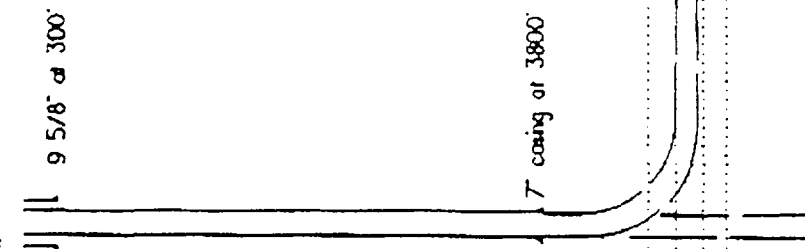
HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant

Surface Location
460' Int 125' Int
Sec. 27, T24N R3W
Est'd GL 7038'



Mancos 'A' 4437
'B' 4567
'C' 4687
'D' 4887

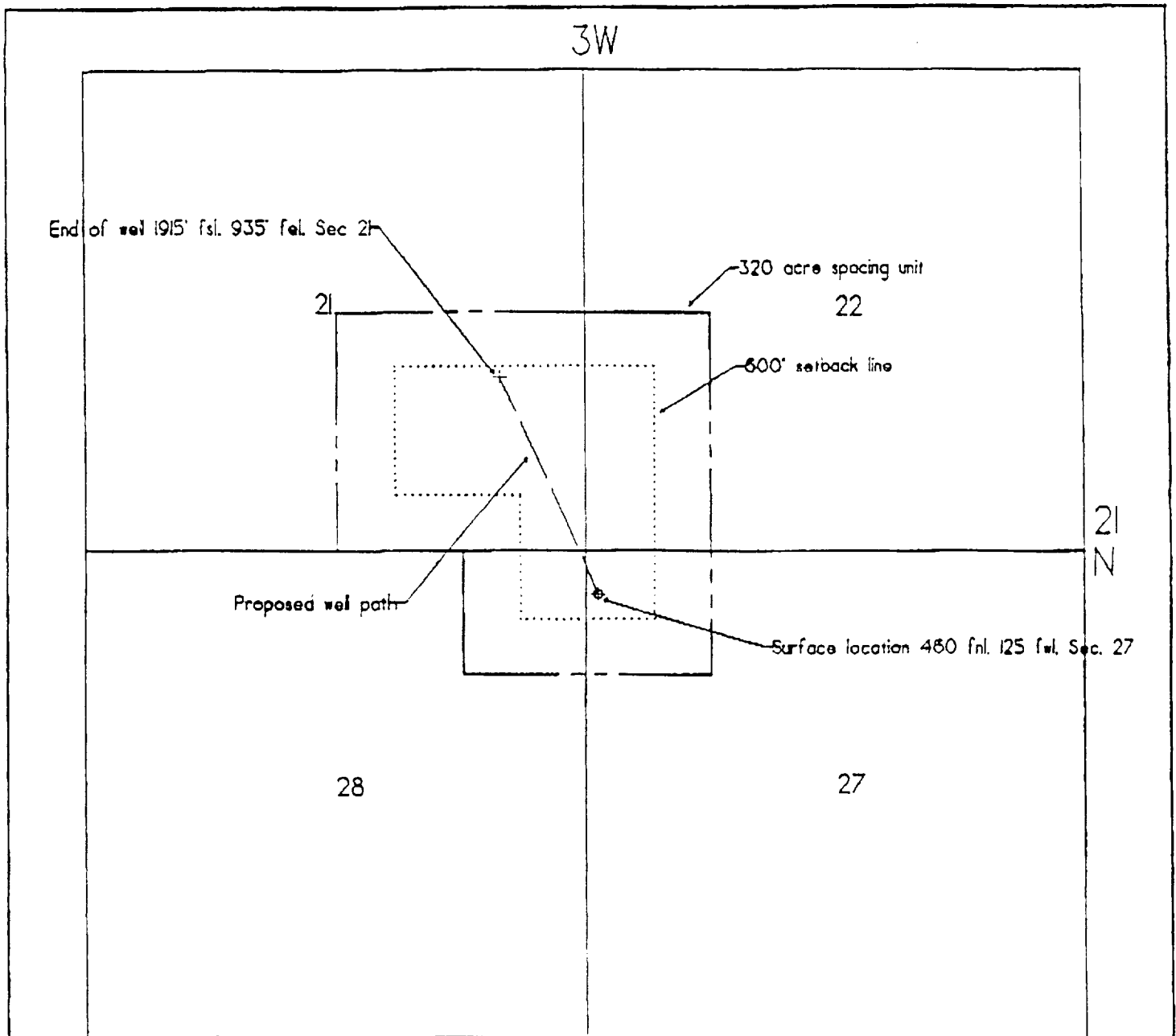
Note: actual vertical placement of well bore will depend on test results from pilot hole.

End of well
1965 Int 935' Int Sec. 2, T24N R3W
Measured depth (horizontal well) 6900'
True vertical depth (horizontal hole) 4573'

EXHIBIT NO. A

The Gary-Williams Company
Caja Pelon Unit #27-4H
Horizontal Mancos Test
Sandoval County, NM
Cross Section North 24°deg. West

all 4 Sections are standard 640 acres in size



The Gary - Williams Company
Caja Pelon Unit #27-4H
Horizontal Mancos Test
Sandoval County, NM

Plan View of the Proposed Well Bore

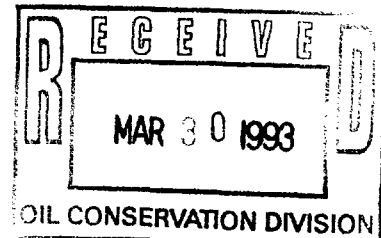
PROPOSED ADVERTISEMENT

Case No. _____: Application of The Gary-Williams Company for a horizontal directional drilling pilot project, special operating rule therefor, an unorthodox oil well location, and a non-standard oil proration unit, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Rio Puerco-Mancos Oil Pool by drilling vertically from an unorthodox surface location 460 feet from the North line and 125 feet from the West line (Unit D) of Section 27, Township 21 North, Range 3 West, to a depth of approximately 4,100 feet, kick-off in a north-northwesterly direction, build angle to approximately 90 degrees, and then drill horizontally for approximately 2,000 feet. Applicant proposes to dedicate a non-standard proration unit comprised of the SE $\frac{1}{4}$ of Section 21, the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 22, the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 27, and the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28 to the well. Applicant proposes to establish a window in said unit whereby a horizontal displacement of said well's producing interval will be no closer than 660 feet to the outer boundary of the unit. Applicant also requests a special allowable of 19,200 barrels of oil for a 60 day period while drilling and completing the well. The subject area is located approximately _____ miles _____ of Cuba, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF THE GARY-WILLIAMS COMPANY
FOR A HORIZONTAL DIRECTIONAL DRILLING
PILOT PROJECT, SPECIAL RULES THEREFOR,
AN UNORTHODOX OIL WELL LOCATION, AND A
NON-STANDARD SPACING AND PRORATION UNIT,
SANDOVAL COUNTY, NEW MEXICO.

No. 10715



APPLICATION

The Gary-Williams Company hereby applies for approval of a horizontal/high angle directional drilling pilot project, special operating rules therefor, an unorthodox oil well location, and a non-standard oil spacing and proration unit, in Sandoval County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the following lands:

Township 21 North, Range 3 West, N.M.P.M.

Section 21: SE $\frac{1}{4}$
Section 22: W $\frac{1}{2}$ SW $\frac{1}{4}$
Section 27: NW $\frac{1}{4}$ NW $\frac{1}{4}$
Section 28: NE $\frac{1}{4}$ NE $\frac{1}{4}$

(The above-described lands are within the proposed Ceja Pelon Unit. By an application filed concurrently herewith, Applicant has requested Division approval of said unit.)

2. Applicant seeks approval to directionally drill its Ceja Pelon Unit No. 27-4H Well, with a surface location 460 feet from the North line and 125 feet from the West line of said Section 27.

The above well will be drilled as follows: A pilot hole will be drilled vertically to a depth of 5,285 feet subsurface. Applicant will then come uphole to a depth of approximately 4,100 feet subsurface, at which point it will kick-off in a north-northwesterly direction, build angle to approximately 90°, and drill horizontally in the Mancos formation. The end of the bore hole will be 1,915 feet from the South line and 935 feet from the East line of said Section 21. A plan for the well is attached hereto as Exhibit A.

3. The proposed bore hole is located in the designated and undesignated Rio Puerco-Mancos Oil Pool. The Special Rules and Regulations for the Rio Puerco-Mancos Oil Pool establish 320 acre well spacing consisting of one-half of a governmental section, and designated well location requirements. Applicant requests approval a non-standard spacing and proration unit for the above-described well consisting of the lands described in paragraph 1 above.

4. Applicant requests an exception from the well location requirements of the rules governing the Rio Puerco-Mancos Oil Pool.

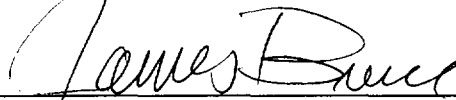
5. Applicant also requests an oil allowable of 19,200 barrels (60 x 320 barrels) for a 60 day period while drilling and completing the well.

6. The relief requested herein by Applicant is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Applicant requests that the above relief be granted.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

A handwritten signature in cursive script, appearing to read "James Bruce", written over a horizontal line.

James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant

Surface Location:
460' Int 125' Int
Sec. 27, T28N-R3W
Est'd GL 7038'

The Gary-Williams Company
Caja Pelon Unit #27-4H
Horizontal Mancos Test
Sandoval County, NM
Cross Section North 24°deg. West

Mancos 'A' 4437
'B' 4567
'C' 4687
'D' 4807

9 5/8" at 300'

7" casing at 3800'

Note: actual vertical placement of well bore will depend on test results from pilot hole.

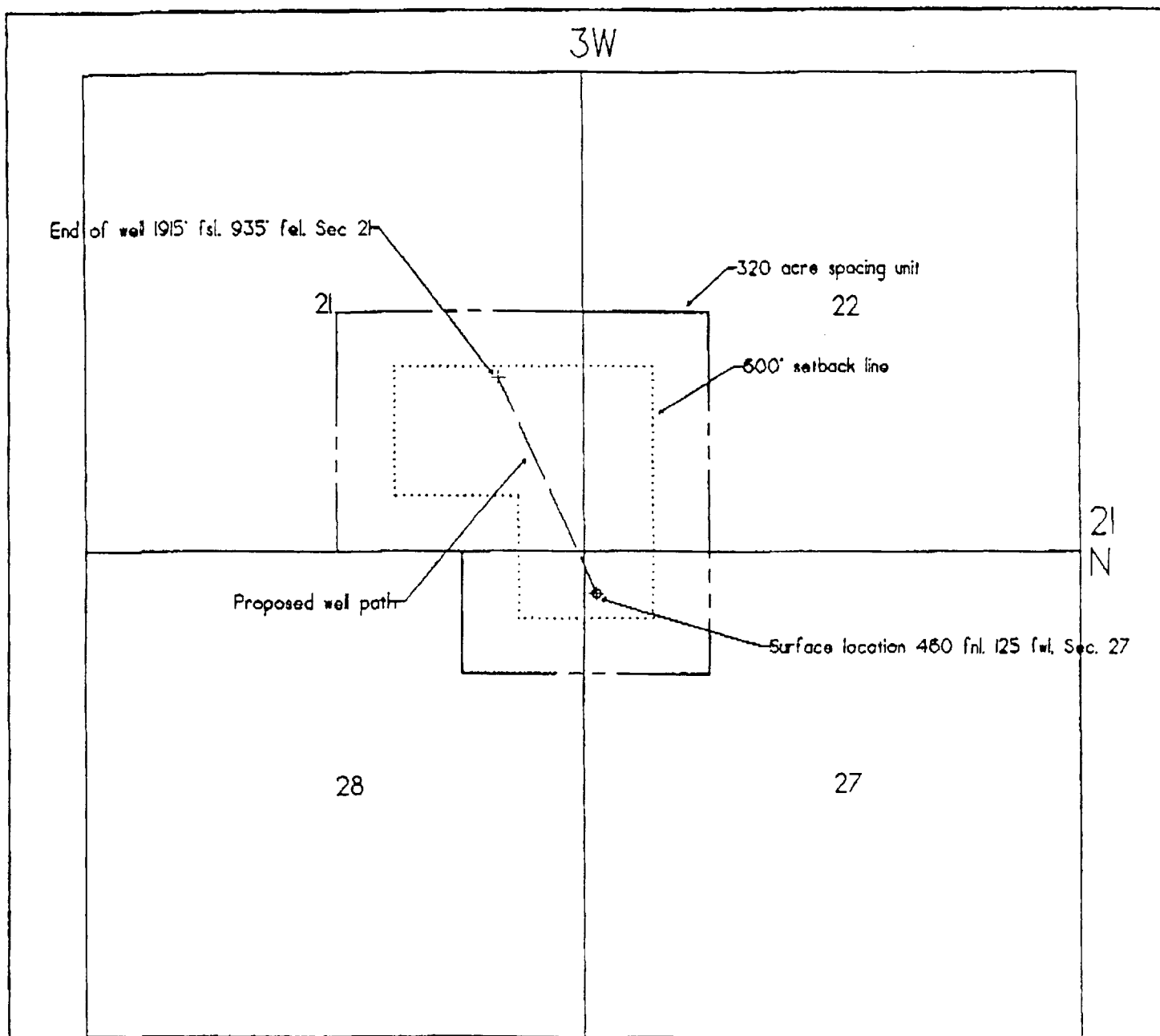
End of well
1965' (sl. 935' (el. Sec. 2-T28N-R3W
Measured depth (horizontal well) 6900'
True vertical depth (horizontal hole) 4573'

True vertical depth (pilot hole) 5285'

500' 2000'

EXHIBIT NO.

A



The Gary - Williams Company
 Ceja Pelon Unit #27-4H
 Horizontal Mancos Test
 Sandoval County, NM

Plan View of the Proposed Well Bore

Submit 5 Copies
Appropriate District Office
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-104
Revised 1-1-89
See Instructions
at Bottom of Page

OIL CONSERVATION DIVISION
RECEIVED

REQUEST FOR ALLOWABLE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

FEB 14 AM 10 10

I.

Operator The Gary-Williams Company	Well APN No. 30 043 20587
Address 370 17th Street, Suite 5300, Denver, CO 80203	
Reason(s) for Filing (Check proper box) <input checked="" type="checkbox"/> Other (Please explain)	
New Well <input type="checkbox"/>	Change in Transporter of: Operator Name and Address Change
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/>
Change in Operator <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>
If change of operator give name and address of previous operator Gary-Williams Oil Producer, Inc., 115 Inverness Dr.E., Englewood, CO 80112	

II. DESCRIPTION OF WELL AND LEASE

Lease Name Tayler 28	Well No. 4	Pool Name, Including Formation Rio Puerco Mancos	Kind of Lease State Federal or State	Lease No. NM-29169
Location Unit Letter <u>D</u> : <u>660</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>28</u> Township <u>21N</u> Range <u>3W</u> , <u>NMPM</u> , <u>Sandoval</u> County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Gary-Williams Energy Corporation	Address (Give address to which approved copy of this form is to be sent) 370 17th Street, Suite 5300, Denver, CO 80203	
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/> N/A	Address (Give address to which approved copy of this form is to be sent)	
If well produces oil or liquids, give location of tanks.	Unit	Sec.
	Twp.	Rge.
	Is gas actually connected? When ? N/A	

If this production is commingled with that from any other lease or pool, give commingling order number.

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth			P.B.T.D.		
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay			Tubing Depth		
Perforations						Depth Casing Shoe		

TUBING, CASING AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Nancy McDonald
Nancy McDonald Administrative Ass't
Printed Name Title
1/29/90 303/628-3800
Date Telephone No.

OIL CONSERVATION DIVISION

FEB 05 1990

Date Approved

By

Brian D. Sherry

SUPERVISOR DISTRICT #3

Title

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

Form C-102
Revised 10-1-7

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

Operator Gary-Williams Oil Producer, Inc.			Lease Tayler 28		Well No. 4
Unit Letter D	Section 28	Township 21N	Range 3W	County Sandoval	

Actual Footage Location of Well:								
660	feet from the	North	line and	660	feet from the	West	line	
Ground Level Elev. 7020' GR	Producing Formation Mancos		Pool Rio Puerco Mancos Oil Pool		Dedicated Acreage: N/320			Acre:

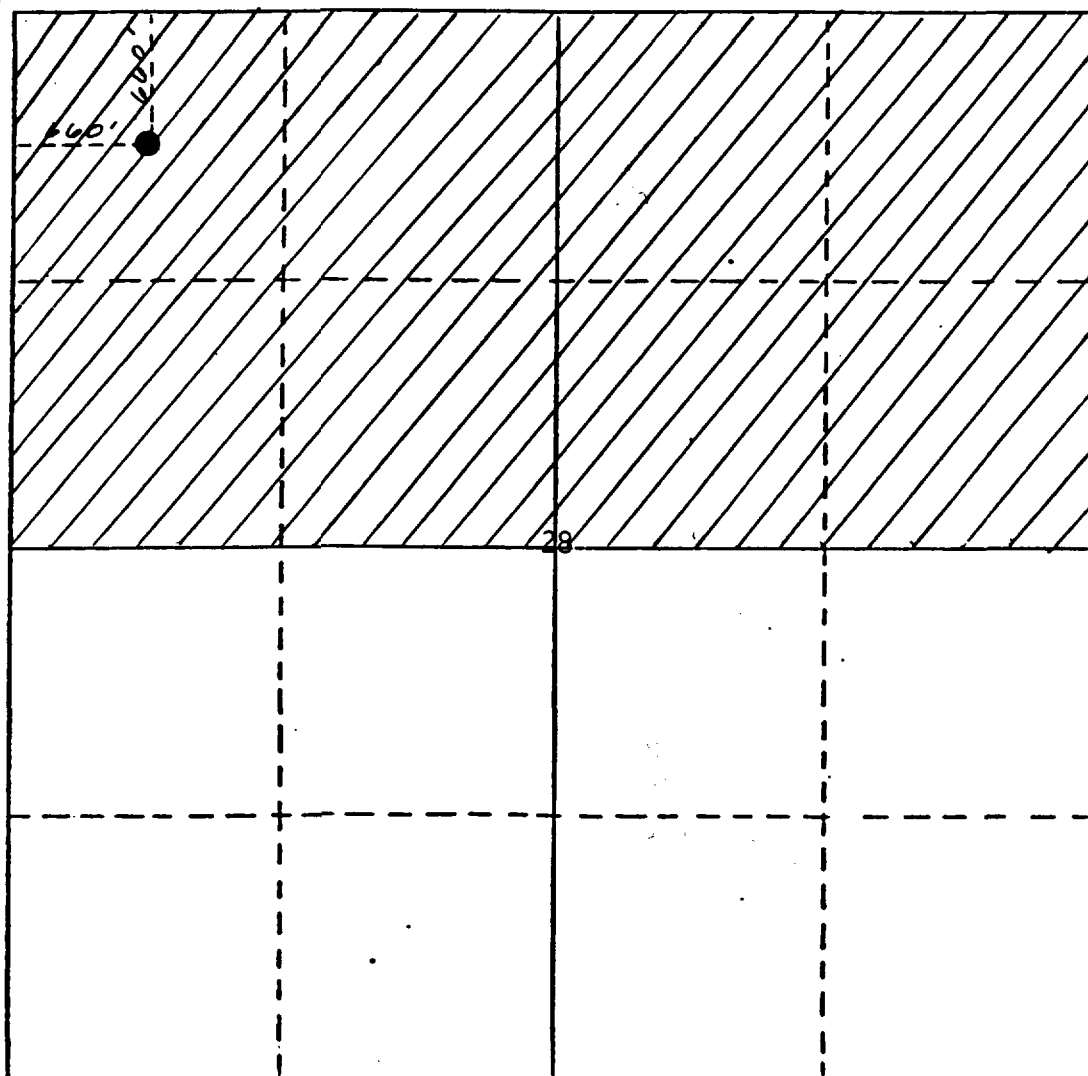
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is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

MAY - 7 1985
OIL CONSERVATION DIVISION
SANTA FE

☐ 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 Division.



CERTIFICATION

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

Ned Dollen
Name
for Pat Mary
Position
Operations Manager
Company
Gary-Williams Oil Producer
Date
4/17/85

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.

See Original Surveyors Plat

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

