

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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APPLICATION OF SAMUEL GARY JR.  
& ASSOCIATES, INC. FOR THE DRILLING  
OF A HORIZONTAL WELL, SPECIAL PROVISIONS  
FOR HORIZONTALLY DRILLED WELLS DRILLED  
TO THE MANCOS FORMATION WITHIN THE  
SAN ISIDRO (SHALLOW) UNIT, APPROVAL  
OF A GAS RE-INJECTION/PRESSURE MAINTENANCE  
PROJECT, AND AN ADMINISTRATIVE PROCEDURE  
FOR APPROVING HORIZONTAL WELLS AND GAS  
RE-INJECTION WITHIN THE SAN ISIDRO (SHALLOW)  
UNIT, SANDOVAL COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

No. 10099

APPLICATION

Applicant Samuel Gary Jr. & Associates, Inc. hereby applies for approval of a horizontal directionally drilled well, special provisions for horizontally drilled wells drilled to the Mancos formation in the San Isidro (Shallow) Unit, for a gas re-injection/pressure maintenance project, and for an administrative procedure to obtain approval for subsequently drilled horizontal wells and subsequent gas re-injection operations within the San Isidro (Shallow) Unit, and in support thereof states:

1. Applicant is a working interest owner in, and the unit operator of, the San Isidro (Shallow) Unit ("the Unit"), which covers the lands described on Exhibit I attached hereto, located in Sandoval County, New Mexico.

2. The Unit comprises 18,897.16 acres, all of which are federal minerals. One hundred percent of working interests in the Unit are committed to the Unit, and the Bureau of Land Management has approved the Unit.

3. Applicant seeks approval to directionally drill horizontally through the Mancos formation a well with a surface location 934 feet from the South line and 1,975 feet from the West line of Section 11, Township 20 North, Range 3 West, N.M.P.M. The producing interval in the horizontal well bore will be drilled in a manner and in a direction to comply with existing pool rules. Applicant has plans to drill additional horizontal wells in the Unit.

4. The well referenced in Paragraph 3 is within the Rio Puerco Mancos Pool. The special rules and regulations for the Rio Puerco Mancos Pool provide for 320 acre spacing, with normal set-back requirements.

5. The San Isidro #11-16 Well, located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 11, Township 20 North, Range 3 West, N.M.P.M., is completed in the Mancos formation and is currently shut-in. Applicant requests permission to inject gas produced from the well referenced in Paragraph 3 into the San Isidro #11-16 Well. The injection interval will be the current perforations in the Mancos formation. A Form C-108 has been or will be filed with the Division. The project area will encompass all of Section 11.

6. Applicant seeks special provisions for Section 11, and for the entire Unit, for the Mancos formation, including:

(a) Permission to dedicate up to two 320 acre units to one well, at the operator's discretion.

(b) Relief from orthodox well location requirements. Specifically, applicant requests that a horizontal directionally drilled well not be considered unorthodox so long as the well perforations are no closer than 660 feet from the outer boundary of a well unit formed pursuant to Paragraph 7(a).

(c) An unrestricted well allowable and gas:oil ratio while drilling and completing a well, but limited to a 60 day period.

(d) After expiration of the 60 day period requested in Paragraph 6(c), an oil well allowable based upon 320 acres for a 320 acre unit, and based upon two 320 acre units for a 640 acre unit.


(e) Establishment of an administrative procedure, essentially equivalent to Division Rule 111, permitting the unit operator of the Unit to apply for and obtain approval of future horizontally drilled wells in the Unit without the necessity of going to hearing.

7. Applicant requests expedited approval of this Application.

8. The matters requested herein by Applicant are in the interests of conservation, the prevention of waste, and the protection of correlative rights.

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &  
HENSLEY

By 

James Bruce  
500 Marquette, N.W.  
Suite 800  
Albuquerque, New Mexico 87102  
(505) 768-1500

Attorneys for Applicant

Exhibit I

San Isidro (Shallow) Unit Area  
Sandoval County, New Mexico

Township 21 North, Range 2 West  
Sections 31, 32 & 33

Township 21 North, Range 3 West  
Sections 35 & 36

Township 20 North, Range 2 West  
Sections 5, 6, 7, 8 & 18

Township 20 North, Range 3 West  
Sections 1, 2, 3, 4, 5, 7, 8, 9,  
10, 11, 12, 13, 14, 15,  
16, 17, 18, 22, 23 & 24

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

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

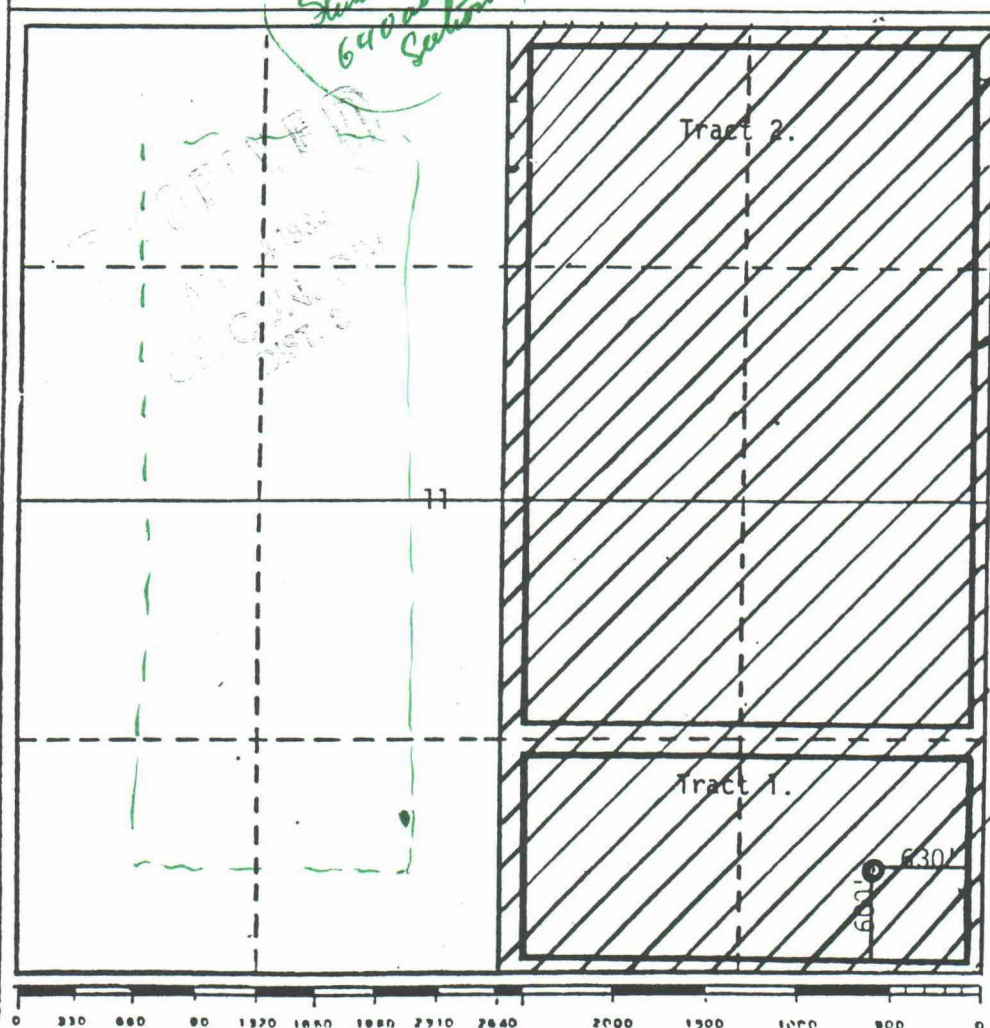
Operator Gary-Williams Oil Producer, Inc.		Lease San Isidro		Well No. 11
Unit Letter P	Section 11	Township 20N	Range 3W	County Sandoval
Actual Footage Location of Well: 600 feet from the South line and 630 feet from the East line				
Ground Level Elev. 6900	Producing Formation MANCOS	Pool RIO PUERCO - MANCOS OIL	Dedicated Acreage: E320	

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). Refer to reverse side.
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 Communitization

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.

*W. P. Marx*

Name  
W. P. Marx

Position  
Operations Manager

Company  
Gary-Williams Oil Producer, Inc.

Date  
April 2, 1984

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 Attached

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.