

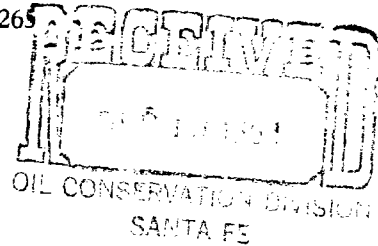
KELLAHIN and KELLAHIN
Attorneys at Law

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

December 19, 1984



Mr. Richard L. Stamets
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

"Hand Delivered"

Re: Gary-Williams Oil Producer
Expansion of the Rio Puerco-Mancos
Oil Pool and Amendments thereto,
Sandoval County, New Mexico

Dear Mr. Stamets:

On behalf of the applicant, please find enclosed
our application for expansion of the Rio Puerco-Mancos
Oil Pool and amendments to the Special Rules and
Regulations.

We would request that this case be set for the
Division Examiner Hearing now scheduled for January 16,
1985.

Very truly yours,

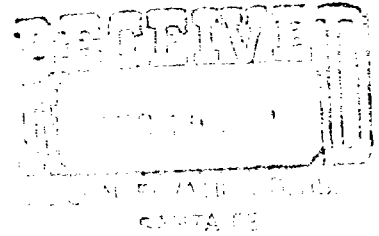
W. Thomas Kellahin

WTK:ca
Enc.

cc: Mr. W. P. Marx
Gary-Williams Oil Producer Inc.
115 Inverness Drive East
Englewood, Colorado 80116-5116

All Addressees on Exhibit "A" of Application

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



IN THE MATTER OF THE APPLICATION
OF GARY-WILLIAMS OIL PRODUCER, INC.
FOR EXPANSION OF THE RIO PUERCO-
MANCOS OIL POOL AND FOR AMENDMENT
OF CERTAIN SPECIAL RULES AND
REGULATIONS, SANDOVAL COUNTY,
NEW MEXICO.

CASE: 2000

A P P L I C A T I O N

COMES NOW, GARY-WILLIAMS OIL PRODUCER, INC., by and through its attorneys, KELLAHIN & KELLAHIN, and applies to the New Mexico Oil Conservation Division for the expansion of the RIO PUERCO-MANCOS OIL POOL, for the approval of certain non-standard proration and spacing units and for the amendment of certain special rules for said pool, and in support thereof states:

1. Applicant is an operator and working interest owner in the Rio Puerco-Mancos Oil Pool, Sandoval County, New Mexico.

2. That the New Mexico Oil Conservation Division established the Rio Puerco-Mancos Oil Pool on March 7, 1984, by Commission Order R-7471 and promulgated certain Special Rules and Regulations, including a provision for 320-acre spacing and proration units.

3. That the present Rio Puerco-Mancos Oil Pool includes the following area:

Township 20 North, Range 2 West, NMPM

Sections 6 and 7: All

Section 18: All

Township 20 North, Range 3 West, NMPM

Section 1 through 4: All

Sections 9 through 16: All

4. Applicant proposes that the Rio Puerco-Mancos Oil Pool be expanded to include the following area:

Township 20 North, Range 2 West, NMPM

Sections 3, 4, and 5: All

Sections 8, 9, and 10: All

Sections 15, 16, and 17: All

Township 21 North, Range 2 West, NMPM

Sections 19 through 22: All

Sections 27 through 34: All

Township 20 North, Range 3 West, NMPM

Section 21 through 28: All

Township 21 North, Range 3 West, NMPM

Sections 25 and 26: All

Sections 35 and 36: All

5. That the proposed expansion for the Rio Puerco-Mancos Oil Pool will include acreage that constitutes the same common sources of supply for the current pool.

6. That the Rio-Puerco Mancos Oil Pool, with the inclusion of the expansion area, will allow the operators and working interest owners in the pool to more effectively and efficiently develop the Mancos formation within the pool area.

7. That the Mancos formation in the area is a fractured reservoir with low porosity and a matrix permeability that should be conducive for wide spacing.

8. That since the Commission entered Order R-7471, some six additional Mancos wells have been drilled.

9. That the currently available information for those wells, indicates that one well should be capable of effectively and efficiently draining 320 acres.

10. That all of the existing Mancos wells in the expansion area are of standard well locations under the terms of the Special Rules and Regulations of the Rio Puerco-Mancos Oil Pool.

11. That the present Special Rules and Regulations for the Rio Puerco-Mancos Oil Pool provide:

RULE 1. Each well completed or recompleted in the Rio Puerco-Mancos Oil Pool or in a correlative interval within ^{TWO} one miles of its boundary, shall be spaced, drilled, operated and produced in accordance with the Special Rules and Regulations hereinafter set forth. NO CHANGE.

RULE 2. No more than one well shall be completed or recompleted on a standard unit containing 320 acres, more or less, consisting of the N/2, S/2, E/2 or W/2 of a governmental section. NO CHANGE.

RULE 3. Each well shall be located no nearer than 660 feet to the outer boundary of the spacing or proration

unit, nor nearer than 330 feet to a governmental quarter-quarter section line. HOWEVER, THERE WILL BE A MINIMUM OF 1800 FEET BETWEEN WELLS.

RULE 4. The limiting gas-oil ratio shall be 500 cubic feet per barrel of oil. NO CHANGE.

RULE 5. A standard proration unit (316 through 324 acres) shall be subject to a 320-acre depth bracket allowable of 320 barrels per day. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 320 acres. NO CHANGE.

12. That in order to prevent the economic loss caused by the drilling of unnecessary wells, and to otherwise prevent waste and protect correlative rights, Rule 3, the present Rio Puerco-Mancos Oil Pool Rules should be amended to provide that wells in the pool shall be no closer than 1800 feet to any well within the pool.

(13) That as a result of governmental surveys the following sections within the expansion area contain less than a standard 640 acres to the section:

Township 20 North, Range 2 West

Section 3: Lot 1 (28.76), Lot 2 (28.86), Lot 3 (28.98)
 Lot 4 (29.08), S/2N/2 S/2 (Total of 595.68)
Section 4: Lot 1 (29.19), Lot 2 (29.27), Lot 3 (29.37)
 Lot 4 (29.45), S/2N/2S/2 (Total of 597.28)
Section 5: Lot 1 (29.44), Lot 2 (29.31), Lot 3 (29.19)
 Lot 4 (29.06), S/2N/2S/2 (Total of 597.00)

Township 21 North, Range 2 West

Section 19: Lot 1 (38.50), Lot 2 (38.70), Lot 3 (38.90),
Lot 4 (39.10) E/2W/2E/2 (Total of 635.20)
Section 30: Lot 1 (39.27), Lot 2 (39.43), Lot 3 (39.57),
Lot 4 (39.73), E/2W/2E/2 (Total of 638.00)
Section 31: Lot 1 (39.82), Lot 2 (39.88), Lot 3 (39.92),
Lot 4 (39.98), E/2W/2E/2 (Total of 639.60)

14. That applicant seeks approval for non-standard proration and spacing units for any Rio Puerco-Mancos Oil Pool well drilled in any of the sections setforth in paragraph (13) above, authorizing the operator for any such well to dedicate one-half of any non-standard section to a Mancos pool well without further order of the Division.

15. That a copy of this application has been sent to all owners listed on Exhibit "A" attached hereto.

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

Kellahin & Kellahin

By 

W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87501

(505) 982-4285

EXHIBIT "A"

Rio Puerco-Mancos Oil Pool
Spaced Area Record Title Owners
December 6, 1984

AE Investments, Inc.
Attention: Mr. John Lucia
151 Farmington Avenue
Hartford, CT 06156

AMR Energy Corporation
Attention: Mr. Richard A. Ingwers
1500 Fidelity Union Tower
Dallas, TX 75201

Badger Oil Corporation
Attention: C. P. Hilliard
P. O. Drawer 52745
Lafayette, LA 70505

Benson Minerals Group, Inc.
Attention: Mr. Bruce Benson
1536 Cole Blvd., Suite 220
Golden, CO 80401

Benson-Montin-Greer
Attention: Mr. Albert R. Greer
221 Petroleum Center Building
Farmington, NM 87401

Carlyle Petroleum Inc.
Attention: Mr. D. L. Beavers
800-1122 4th Street S.W.
Calgary, Alberta, Canada T2R 1M1

Celsius Energy Co.
Attention: Mr. Kenneth Wiley
P. O. Box 11070
Salt Lake City, UT 84147

Champlin Petroleum Co.
Attention: Mr. Larry Lillo
P. O. Box 1257
Englewood, CO 80150

Virginia Charlebois
%Marv Hagemeyer
P. O. Box 3339
Casper, WY 82602

Joan Chorney
Attention: Mr. Buck Stanley
Suite 1000
555 Seventeenth Street
Denver, CO 80202-3910

Page Two

Raymond Chorney
Attention: Mr. Buck Stanley
Suite 1000
555 Seventeenth Street
Denver, CO 80202-3910

George Coleman
Coleman Oil & Gas Corporation
P. O. Drawer 3337
Farmington, NM 87499

Cramer Oil Company
Attention: Mr. Brad Okerlund
410 17th Street, Suite 1340
Denver, CO 80202

GeoVest Drilling Fund 1981
8950 N. Central Expressway
Suite 324
Dallas, TX 75231

Gulf Oil Exploration and Production Co.
Attention: Mr. Larry Schales
P. O. Box 1150
Midland, TX 79902

N. H. Hatch
2200 Sacramento, #70-6
San Francisco, CA 94115

E. G. Hunt
Box 2628
Jackson, MS 39205

ICG Petroleum Inc.
Attention: Mr. Raymond P. Masniuk
2700-140 Fourth Avenue S.W.
Calgary, Alberta, Canada T2P 3S3

JN Oil and Gas
Attention: Mr. Gary Nelson
550 N. 31st Street
Transwestern III, Suite 220
Billings, MT 59101

Krusen Drilling Ltd. 1981
Attention: Mr. W. Andrew Krusen
1300 Main Street, Suite 1840
First Western Bank Bldg.
Houston, TX 77002

Page Three

Norcen Energy, Inc.
Attention: Mr. John Miller
5575 D.T.C. Parkway, Suite 320
Englewood, CO 80111

R. K. O'Connell
P. O. Box 2003
Casper, WY 82602

Morris E. Ogle
P. O. Box 992
Casper, WY 82602

Penn Bristol Corporation
Attention: Mr. Fred Howard
Independence Square
Philadelphia, PA 19172

Pitco Production Co.
Attention: Mr. Dan Foland
1790 Bok Tower
One Williams Center
Tulsa, OK 74172

Ronadero Co., Inc.
Box 430
Roswell, NM 88201

Robert Rose
711 Polk Street
Suite 946
Houston, TX 77002

Billie Robinson
Box 1281
Santa Fe, NM 87501

Sanchez-O'Brien Oil and Gas Co.
706 Maher
P. O. Box 2986
Laredo, TX 78041

Sandhill 1981 Drilling Program
Attention: Mr. Paul Busch
12630 Viscaino Ct.
Los Altos Hills, CA 94022

Seabrook Corporation
Attention: Mr. Buck Stanley
555 17th Street, Suite 1000
Denver, CO 80202

Page Four

Texaco Oils, Inc.
Attention: Mr. George Poland
P. O. Box 2100
Denver, CO 80201

TCPL Resources USA Ltd.
Attention: Ms. Mari Snyder
216 16th Street, Suite 1100
Denver, CO 80202

Trend Exploration Limited
Attention: Ms. Stanla Kay
777 Grant Street, Suite 600
Denver, CO 80203