

The common source of supply underlying the acreage is the Mancos shale at a depth of 3800 to 5000', which development has shown to be oil and gas bearing in the area.

The applicant requests the following special field rules:

1. The established well locations 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. Only one well be allowed per 320 acre tract
3. The 320 acre tracts be either "stand up" or "lay down" for pooling purposes, with the operator whom first commits to drill in a section establishing the pooling pattern for that section.
4. 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.

320

$$\begin{array}{r} 160 \\ 3 \\ \hline 480 \end{array}$$

$$\begin{array}{r} 50000 \\ 500 \\ \hline 25000,000 \end{array}$$

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.

4. 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 Commission's satisfaction that producing said well will not jeopardize oil recovery from previously defined reservoirs within the proposed spaced area.