

BENSON-MONTIN-GREER DRILLING CORP.
EXHIBITS IN CASE NO. 8950
BEFORE THE OIL CONSERVATION DIVISION OF THE
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

AUGUST 7, 1986

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| BEFORE THE OIL CONSERVATION COMMISSION Santo Domingo, New Mexico | |
| Case No. <u>8950</u> | Exhibit No. <u>1</u> |
| Submitted by <u>BENSON-MONTIN-GREER</u> | |
| Hearing Date | <u>8-7-86</u> |

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BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION
OF BENSON-MONTIN-GREER DRILLING
CORP. FOR AMENDMENT TO THE SPECIAL
RULES AND REGULATIONS OF THE WEST
PUERTO CHIQUITO-MANCOS OIL POOL
AS PROMULGATED BY DIVISION ORDER
R-3401, AND TO ESTABLISH TEMPORARY
SPECIAL PRODUCTION ALLOWABLE LIMITATIONS AND GAS-OIL RATIO LIMITATIONS,
RIO ARRIBA COUNTY, NEW MEXICO.

Case 8950

APPLICATION

Comes now, BENSON-MONTIN-GREER DRILLING CORP., by and through its undersigned attorneys, and hereby applies to the New Mexico Oil Conservation Division for the establishment of a Temporary Gas-Oil Ratio limitation of not more than 1000 cubic feet of gas for each barrel of oil produced and an allowable of not more than 400 barrels of oil per day per 640-acre spacing and proration unit for the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, OR IN THE ALTERNATIVE, a similar production limitation formula that will preserve reservoir energy and prevent waste, and in support thereof would show:

1. Applicant is the operator of the Canada Ojitos Unit from which oil is produced from the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico.

2. At the request of the applicant, the Oil Conservation Division entered Division Order R-3401 creating and adopting Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool (BMG West Puerto Chiquito-Mancos Pressure Maintenance

Project), Rio Arriba County, New Mexico.

3. Currently available geologic and engineering data demonstrates that the statewide GOR and allowables applied to the West Puerto Chiquito-Mancos Oil Pool are resulting in the inefficient use of the reservoir energy and are causing waste to occur.

4. That the reservoir characteristics of the subject pool justify the establishment of a temporary gas-oil limitation of 1,000 cubic feet of gas per barrel of oil and a production limitation on allowables of not more than 400 barrels of oil per day per 640-acre spacing unit.

5. That applicant believes that a gas-oil ratio of not more than 1,000 and a daily allowable of not more than 400 barrels a day per well is necessary in order to prevent waste, increase ultimate oil recovery, and to preserve reservoir energy.

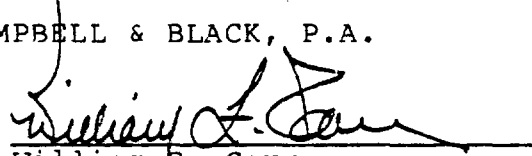
6. That in order to prevent waste and protect correlative rights immediate action needs to be taken to reduce the GOR and the production rates on pool wells for a period of not less than 90 days.

WHEREFORE, applicant requests that the Division set this matter for hearing and that after notice and hearing the Division establish a temporary special 1,000 to 1 GOR and a maximum allowable of 400 barrels of oil per day per 640-acre spacing unit, for the West Puerto Chiquito-Mancos Oil Pool, OR IN THE ALTERNATIVE, a similar production limitation formula that will preserve reservoir energy and prevent waste.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By

A handwritten signature in dark ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr

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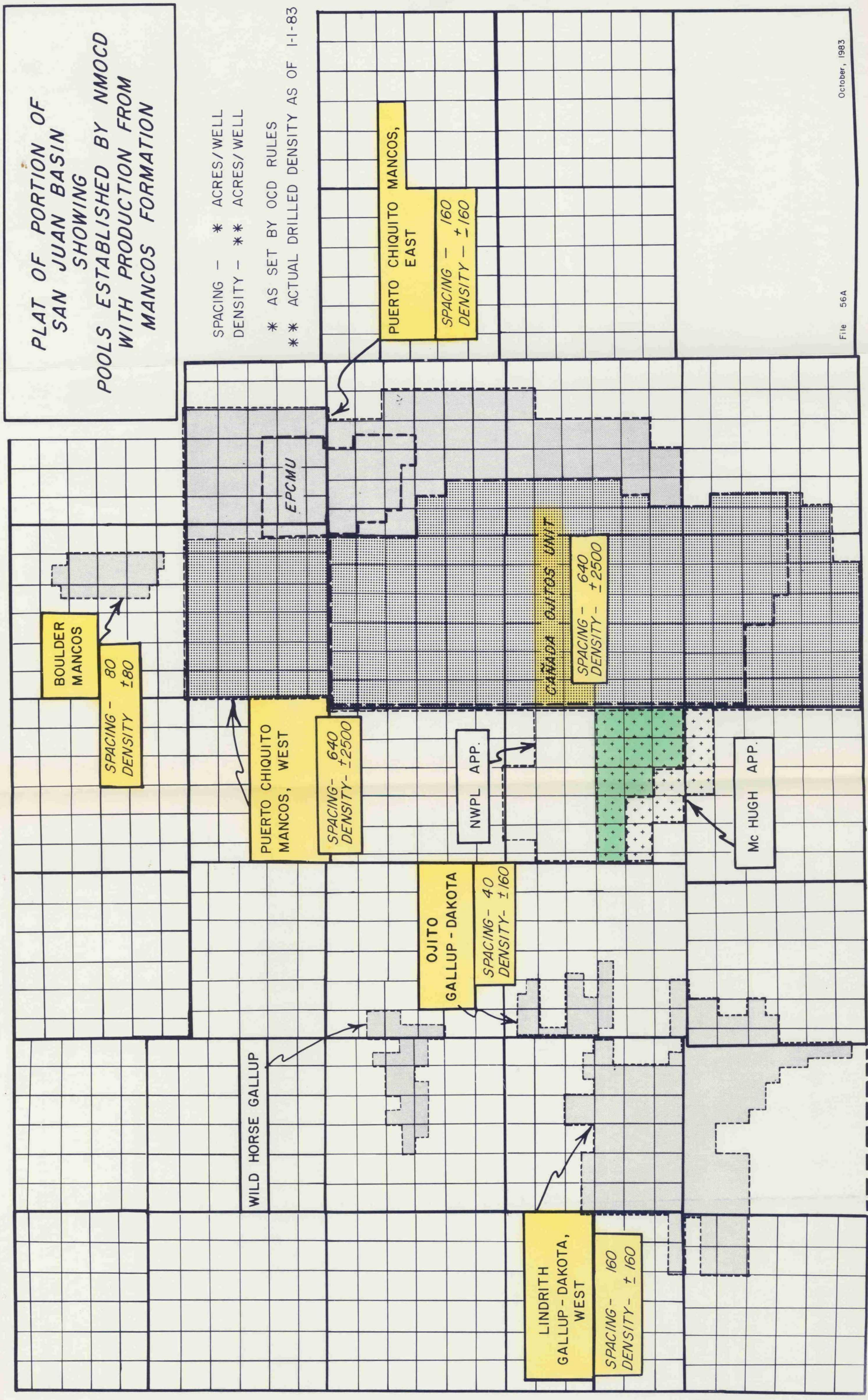
ATTORNEYS FOR BENSON-MONTIN-
GREER DRILLING CORP.

R 5 W R 4 W R 3 W R 2 W R 1 W R 2 E R 3 E

T 28 N T 27 N T 26 N T 25 N T 24 N

PLAT OF PORTION OF
SAN JUAN BASIN
SHOWING
POOLS ESTABLISHED BY NMOCD
WITH PRODUCTION FROM
MANCOS FORMATION

SPACING - * ACRES/WELL
DENSITY - ** ACRES/WELL
* AS SET BY OCD RULES
** ACTUAL DRILLED DENSITY AS OF 1-1-83

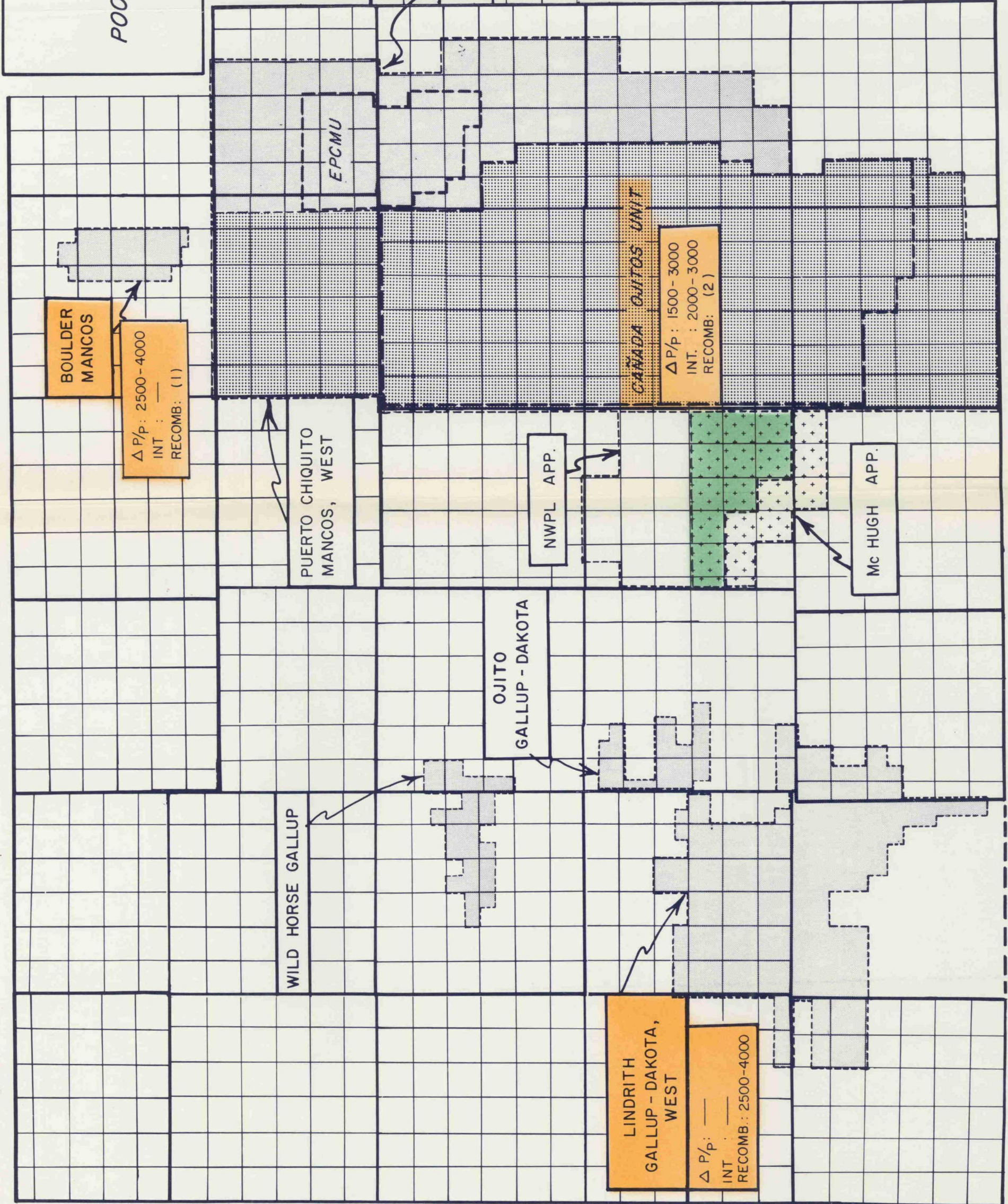


R 5 W R 4 W R 3 W R 2 W R 1 W R 1 E R 2 E R 3 E

T 28 N T 27 N T 26 N T 25 N T 24 N

PLAT OF PORTION OF
SAN JUAN BASIN
SHOWING
POOLS ESTABLISHED BY NMOCD
WITH PRODUCTION FROM
MANCOS FORMATION

NOTES:
(1) Gas Not Sold & Metered
Reported GOR's May Not
Be Sufficiently Accurate.
(2) N.A. Gas Injection Project



Reservoir Per Acre Volume Of Effective
Hydrocarbon Pore Space Determined By:
 $\frac{\Delta P/P}{\text{AREA}}$
Comparison Of Production/Pressure
Coefficients At Different Fractions Of
Undersaturated Oil.
By Direct Calculation Of Interference
Test Data
By Recombination To Initial Reservoir
Conditions Of Estimated Ultimate
Recovery Of Gas And Oil.