

HINKLE, COX, EATON, COFFIELD & HENSLEY

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October 25, 1991

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ALBUQUERQUE, NEW MEXICO 87102-2121
(505) 768-1500
FAX (505) 768-1529

HAND DELIVERED

Ms. Florene Davidson
New Mexico Oil Conservation
Division
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, New Mexico

Dear Florene:

Enclosed for filing are an original and two copies of an Application By Samuel Gary Jr. & Associates, Inc. Please set this matter for the November 21st hearing.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &
HENSLEY



By: James Bruce

JB:le
Enclosures

RECEIVED

OCT 2 1991

OIL CONSERVATION DIVISION

10415

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SAMUEL GARY JR.
& ASSOCIATES, INC. FOR A HORIZONTAL
DIRECTIONAL DRILLING PILOT PROJECT,
SPECIAL OPERATING RULES THEREFOR INCLUD-
ING A SPECIAL GAS:OIL RATIO, AN UN-
ORTHODOX OIL WELL LOCATION, A NON-STANDARD
PRORATION UNIT, AND SIMULTANEOUS DEDICA-
TION, SANDOVAL COUNTY, NEW MEXICO.

No. 10415

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OIL CONSERVATION DIVISION

APPLICATION

Samuel Gary Jr. & Associates, Inc. hereby applies for approval of a horizontal directional drilling pilot project, and additional relief, for a well to be drilled in the Rio Puerco-Mancos Oil Pool, and in support thereof, states:

1. Applicant is a working interest owner in, and has the right to drill a well in, the $W\frac{1}{2}$ of Section 4, Township 20 North, Range 2 West, N.M.P.M., Sandoval County, New Mexico. The $W\frac{1}{2}$ of Section 4 is comprised of Lots 3, 4, $S\frac{1}{2}NW\frac{1}{4}$ and $SW\frac{1}{4}$, totalling 298.82 acres.

2. Applicant proposes to drill its 4-1H Orquidea Well at a surface location 330 feet from the South line and 1,650 feet from the West line of the Section, in the following unconventional manner:

Drill vertically to a depth of approximately 3,250 feet, kick off from vertical and commence a medium radius curve in a North 12.5° West direction building angle to approximately 83 degrees, drilling horizontally a distance of approximately 3,850 feet, and bottoming said wellbore at a location approximately 700 feet from the North line and 710 feet from the West line of the Section. The true vertical depth of the end of the

wellbore will be at a depth of approximately 4,015 feet.

3. The W $\frac{1}{2}$ of the Section shall be dedicated to the well, and Applicant requests approval of a non-standard proration unit.

4. Applicant further requests that special operating provisions be established for the project area, including the designation of a prescribed area limiting the horizontal extent of the wellbore such that it can be no closer than 660 feet from the outer boundary of the proration unit, and a special gas:oil ratio for the well of 1000:1.

5. Applicant requests approval of the unorthodox surface location. The well will enter the Mancos formation at a standard location.

6. Applicant is the operator of a conventional well, completed in the Rio Puerco-Mancos Oil Pool, located in the SW $\frac{1}{4}$ of Section 4. The S $\frac{1}{2}$ of Section 4 is dedicated to said conventional well. Applicant requests authority to simultaneously dedicate the SW $\frac{1}{4}$ of Section 4 to both the conventional and horizontal wells.


7. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Applicant requests that the Division grant the relief requested above.

DATED: _____.

Respectfully Submitted,

HINKLE, COX, EATON, COFFIELD &
HENSLEY

By 

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

Attorneys for Applicant

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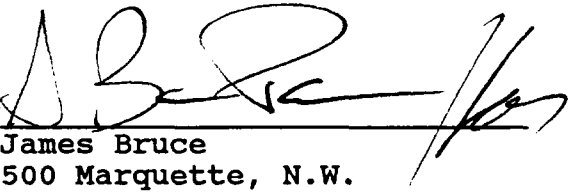
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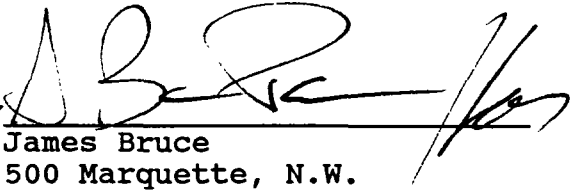
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