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STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION  
THROUGH THE SUPERVISOR OF DISTRICT III FOR AN ORDER REQUIRING  
GEO ENGINEERING INC. TO PROPERLY PLUG FORTY-FIVE WELLS  
LOCATED IN TOWNSHIP 20 NORTH, RANGE 9 WEST, MCKINLEY COUNTY,  
NEW MEXICO, AUTHORIZING THE DIVISION TO PLUG SAID WELLS, AND  
ORDERING A FORFEITURE OF THE PLUGGING BOND.

CASE NO. 11813  
Order No. R-10867

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 10, 1997, at Santa Fe, New Mexico, before the New Mexico Oil Conservation Division (the "Division") before Examiner David R. Catanach.

NOW, on this 2<sup>nd</sup> day of September, 1997, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(1) Geo Engineering, Inc. is the last known owner and operator of the forty-five (45) wells located in Township 20 North, Range 9 West, in McKinley County, New Mexico listed on Exhibit A to this order.

(2) In compliance with Division Rules and Regulations, the operator of said well, posted a blanket plugging bond in the amount of \$50,000.00 issued by American Manufacturers Mutual Insurance Company.

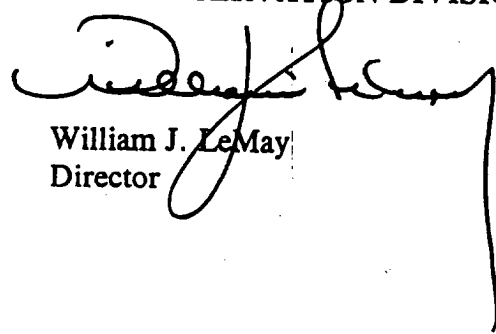
(3) The purpose of said bond is to assure the Division that the subject well will be properly plugged and abandoned when not capable of commercial production.

(4) Neither the operator, the surety, nor any other interested party appeared at the hearing. The record contains uncontroverted evidence that the wells are in need of plugging.

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DIST. 3

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

**STATE OF NEW MEXICO**  
**OIL CONSERVATION DIVISION**

A handwritten signature in black ink, appearing to read 'William J. LeMay', is written over the printed name and title.

William J. LeMay  
Director

S E A L

R. 10864 - "plaque" Bond

Exhibit "A"

| OPERATOR            | WELL NAME        | WELL NO | UL | SEC | TWN | RGE | FTAGE NS | FTAGE EM | API NUMBER   | STATUS | POOL  |
|---------------------|------------------|---------|----|-----|-----|-----|----------|----------|--------------|--------|-------|
| GEO ENGINEERING INC | SANTA FE PACIFIC | 113     | P  | 21  | 20N | 09W | 1657/S   | 965/E    | 30-031-20433 | TA     | CHACO |
| GEO ENGINEERING INC | SANTA FE PACIFIC | 110     | P  | 21  | 20N | 09W | 360/S    | 360/E    | 30-031-20060 | TA     | CHACO |
| GEO ENGINEERING INC | SANTA FE PACIFIC | 19      | P  | 21  | 20N | 09W | 500/S    | 660/E    | 30-031-20861 | TA     | CHACO |
| GEO ENGINEERING INC | SANTA FE PACIFIC | 102     | P  | 21  | 20N | 09W | 565/S    | 165/E    | 30-031-20062 | TA     | CHACO |
| GEO ENGINEERING INC | SANTA FE PACIFIC | 101     | P  | 21  | 20N | 09W | 565/S    | 565/E    | 30-031-20061 | TA     | CHACO |
| GEO ENGINEERING INC | SANTA FE PACIFIC | 117     | N  | 22  | 20N | 09W | 330/S    | 1650/W   | 30-031-20453 | TA     | CHACO |
| GEO ENGINEERING INC | SANTA FE PACIFIC | 116     | N  | 22  | 20N | 09W | 330/S    | 1650/W   | 30-031-20445 | TA     | CHACO |
| GEO ENGINEERING INC | SANTA FE PACIFIC | 114     | N  | 22  | 20N | 09W | 330/S    | 1980/W   | 30-031-20431 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 6       | A  | 28  | 20N | 09W | 330/W    | 990/E    | 30-031-20484 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 34      | A  | 28  | 20N | 09W | 660/W    | 330/E    | 30-031-20901 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 21      | A  | 28  | 20N | 09W | 660/W    | 660/E    | 30-031-20644 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 8       | A  | 28  | 20N | 09W | 707/W    | 1273/E   | 30-031-20618 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 1       | A  | 28  | 20N | 09W | 970/W    | 970/E    | 30-031-20477 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 9       | B  | 28  | 20N | 09W | 330/W    | 1650/E   | 30-031-20620 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 29      | B  | 28  | 20N | 09W | 350/W    | 2260/E   | 30-031-20765 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 10      | B  | 28  | 20N | 09W | 47/W     | 1367/E   | 30-031-20621 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 26      | B  | 28  | 20N | 09W | 620/W    | 1965/E   | 30-031-20766 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 13      | B  | 28  | 20N | 09W | 660/W    | 1650/E   | 30-031-20623 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 2       | B  | 28  | 20N | 09W | 990/W    | 1650/E   | 30-031-20480 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 3       | B  | 28  | 20N | 09W | 990/W    | 2310/E   | 30-031-20483 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 22      | B  | 28  | 20N | 09W | 990/W    | 2635/E   | 30-031-20645 | TA     | CHACO |
| GEO ENGINEERING INC | STATE            | 9       | O  | 20  | 20N | 09W | 110/S    | 1910/E   | 30-031-05393 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 36      | O  | 20  | 20N | 09W | 265/S    | 2150/E   | 30-031-20398 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 38      | O  | 20  | 20N | 09W | 275/S    | 2510/E   | 30-031-20426 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 2       | O  | 20  | 20N | 09W | 317/S    | 1731/E   | 30-031-60027 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 4       | O  | 20  | 20N | 09W | 320/S    | 1920/E   | 30-031-05400 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 23      | O  | 20  | 20N | 09W | 490/S    | 2300/E   | 30-031-20565 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 47      | O  | 20  | 20N | 09W | 580/S    | 1400/E   | 30-031-60028 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 3       | O  | 20  | 20N | 09W | 65/S     | 1713/E   | 30-031-05396 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 12      | P  | 20  | 20N | 09W | 1085/S   | 860/E    | 30-031-05415 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 24      | P  | 20  | 20N | 09W | 450/S    | 1145/E   | 30-031-05377 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 10      | P  | 20  | 20N | 09W | 990/S    | 1280/E   | 30-031-05385 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 7       | A  | 29  | 20N | 09W | 225/W    | 1265/E   | 30-031-20559 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 8       | A  | 29  | 20N | 09W | 5/W      | 1130/E   | 30-031-05357 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 42      | B  | 29  | 20N | 09W | 105/W    | 1610/E   | 30-031-20397 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 22      | B  | 29  | 20N | 09W | 1115/W   | 2325/E   | 30-031-05358 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 35      | B  | 29  | 20N | 09W | 160/W    | 2135/E   | 30-031-20579 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 20      | B  | 29  | 20N | 09W | 300/W    | 1800/E   | 30-031-05646 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 1       | B  | 29  | 20N | 09W | 330/W    | 1620/E   | 30-031-20980 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 43      | B  | 29  | 20N | 09W | 420/W    | 1940/E   | 30-031-05360 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 33      | B  | 29  | 20N | 09W | 600/W    | 2450/E   | 30-031-05356 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 5       | B  | 29  | 20N | 09W | 615/W    | 1920/E   | 30-031-20980 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 13      | C  | 29  | 20N | 09W | 452/W    | 2740/E   | 30-031-05360 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 21      | C  | 29  | 20N | 09W | 834/W    | 2113/W   | 30-031-05356 | TA     | RED   |
| GEO ENGINEERING INC | STATE            | 20      | F  | 29  | 20N | 09W | 1344/W   | 2555/W   | 30-031-05356 | TA     | RED   |