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August 29, 2006

Florene Davidson Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505 Case 13785

Dear Florene:

Enclosed for filing, on behalf of Ridgeway Arizona Oil Corporation, are an original and one copy of an application for approval of a unit agreement, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the September 28, 2006 Examiner hearing. Thanks.

Very truly yours,

ames Bruce

Attorney for Ridgeway Arizona Oil Corporation

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF RIDGEWAY ARIZONA OIL CORPORATION FOR APPROVAL OF A UNIT AGREEMENT, CATRON COUNTY, **NEW MEXICO.**

Case No.	13785	

APPLICATION

Ridgeway Arizona Oil Corporation applies for an order approving the Unit Agreement for the Cottonwood Canyon Carbon Dioxide Gas Unit Area, and in support thereof, states:

1. Applicant is a working interest owner in, and is the operator of, the proposed Cottonwood Canyon Carbon Dioxide Gas Unit Area, an exploratory unit comprising 89,574.12 acres of federal, state, and fee lands in Catron County, New Mexico, described as follows:

Township 2 North, Range 20 West, N.M.P.M.

Sections 30-32:

All

Township 2 North, Range 21 West, N.M.P.M.

Section 9:

All

Sections 14-16:

All

Sections 21-28: Sections 33-36: All

All

Township 1 North, Range 20 West, N.M.P.M.

Sections 4-9: All Sections 16-21: All Section 26: $S\frac{1}{2}$ Section 27: $S\frac{1}{2}$ Sections 28-35:

Township 1 North, Range 21 West, N.M.P.M.

All

Sections 1-4: All Sections 9-16: All Sections 21-28: All Sections 33-36: All Township 1 South, Range 20 West, N.M.P.M.

Sections 2-10: All Sections 16-21: All Sections 28-33: All

Township 1 South, Range 21 West, N.M.P.M.

Sections 1-4: All Sections 9-16: A11 Sections 21-28: All Sections 33-36: All

Township 2 South, Range 20 West, N.M.P.M.

Sections 5-8: All Sections 18-19: All

Township 2 South, Range 21 West, N.M.P.M.

Sections 1-4: All Sections 9-16: All Sections 21-28: All Sections 33-36: All

Township 3 South, Range 21 West, N.M.P.M. All

Sections 3-4:

- 2. Applicant is seeking preliminarily approval of the unit from the New Mexico Commissioner of Public Lands and by the United States Bureau of Land Management.
 - The approval of this application will prevent waste and protect correlative rights. 3.

WHEREFORE, applicant requests that, after hearing, the Division enter its order approving the relief requested herein.

Respectfully submitted,

ames Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Ridgeway Arizona Oil Corporation

PROPOSED ADVERTISEMENT

Case No. 13785 : Application of Ridgeway Arizona Oil Corporation for approval of a unit agreement, Catron County, New Mexico: Applicant seeks approval of the Cottonwood Canyon Carbon Dioxide Gas Unit Area, comprising 89,574.12 acres of federal, state, and fee lands described as follows:

Township 2 North, Range 20 West, N.M.P.M.

Sections 30-32:

All

Township 2 North, Range 21 West, N.M.P.M.

Section 9:

All

Sections 14-16:

All

Sections 21-28:

All

Sections 33-36:

All

Township 1 North, Range 20 West, N.M.P.M.

Sections 4-9:

All

Sections 16-21:

All

Section 26:

Section 27:

 $S\frac{1}{2}$

Sections 28-35:

 $S\frac{1}{2}$ All

Township 1 North, Range 21 West, N.M.P.M.

Sections 1-4:

All

Sections 9-16:

All

Sections 21-28:

All

Sections 33-36:

All

Township 1 South, Range 20 West, N.M.P.M.

Sections 2-10:

All

Sections 16-21:

All

Sections 28-33:

All

Township 1 South, Range 21 West, N.M.P.M.

Sections 1-4:

All

Sections 9-16:

All

Sections 21-28:

All

Sections 33-36:

All

Township 2 South, Range 20 West, N.M.P.M.

Sections 5-8:

All

Sections 18-19:

All

Township 2 South, Range 21 West, N.M.P.M.

Sections 1-4:

All

Sections 9-16: All Sections 21-28: All Sections 33-36: All

Township 3 South, Range 21 West, N.M.P.M. Sections 3-4: All

The proposed unit area is centered approximately 33 miles west-southwest of Quemado, New Mexico.