BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

APPLICATION OF GEO ENGINEERING, INC. FOR APPROVAL OF A UNIT AGREEMENT AND FOR AUTHORIZATION FOR A UNIT PLAN OF DEVELOPMENT, McKINLEY COUNTY, NEW MEXICO.

Case No. 8789

APPLICATION

Geo Engineering, Inc. by and through its undersigned attorneys hereby makes application for an order approving its Red Mountain Unit Agreement and the Unit Plan of Development pursuant thereto to more efficiently recover primary reserves and for the purposes of secondary recovery, and in support thereof, states:

- 1. The proposed unit agreement consists of 1,580 acres more or less of state and fee lands underlying all or portions of Sections 20, 21, 22, 27, 28 and 29, Township 20 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.
- 2. The unit agreement has been approved by all of the working interest owners holding interests within the proposed unit area.
- 3. The applicant, Geo Engineering, Inc., is designated as unit operator in said unit agreement covering all oil and gas in any and all formations from the surface down through the menafee member of the Mesaverde formation, the unitized formation.

- 4. Geo Engineering, Inc. proposes to institute a water flood project for the more efficient recovery of primary reserves and for purposes of secondary recovery from the unitized formation within the unitized area.
- 5. The unit agreement has been approved as to form and content by the New Mexico State Land Office.
- 6. The proposed unit area covers all, or substantially all, of the geological structures or anomaly involved.
- 7. Geo Engineering, Inc. further seeks an order authorizing a plan of development within said unit area to include:
- a. an exception to Oil Conservation Division Rule 104(F) to provide for oil wells to be located no nearer than 165 feet to the unit boundary and no nearer than 10 feet to any quarter quarter section or subdivision inner-boundary;
- b. an exception to Oil Conservation Division Rule 104(C)(1) allowing the operator to develop the unit area with more than four wells on each 40-acre tract; and
- c. the adoption and promulgation of special rules and procedures for the administrative approval to conduct water flood operations within the unit area.
- 8. In the event said unit agreement is approved and production of unitized substances obtained, it is believed that said unit agreement will be in the interests of conservation and the prevention of waste and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Geo Engineering, Inc. requests that this application be set for hearing before the duly appointed examiner of the Oil Conservation Division on December 18, 1985, that notice be given as required by law and the rules of the Division, and that the Red Mountain Unit Agreement be approved.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

J. Scott Hall

Post Office Box 2208 Santa Fe, New Mexico 87504

(505) 988-4421

ATTORNEYS FOR GEO ENGINEERING, INC.

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

APPLICATION OF GEO ENGINEERING, INC. FOR APPROVAL OF A UNIT AGREEMENT AND FOR AUTHORIZATION FOR A UNIT PLAN OF DEVELOPMENT, McKINLEY COUNTY, NEW MEXICO.

Case No. 8789

APPLICATION

Geo Engineering, Inc. by and through its undersigned attorneys hereby makes application for an order approving its Red Mountain Unit Agreement and the Unit Plan of Development pursuant thereto to more efficiently recover primary reserves and for the purposes of secondary recovery, and in support thereof, states:

- 1. The proposed unit agreement consists of 1,580 acres more or less of state and fee lands underlying all or portions of Sections 20, 21, 22, 27, 28 and 29, Township 20 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.
- 2. The unit agreement has been approved by all of the working interest owners holding interests within the proposed unit area.
- 3. The applicant, Geo Engineering, Inc., is designated as unit operator in said unit agreement covering all oil and gas in any and all formations from the surface down through the menafee member of the Mesaverde formation, the unitized formation.

- 4. Geo Engineering, Inc. proposes to institute a water flood project for the more efficient recovery of primary reserves and for purposes of secondary recovery from the unitized formation within the unitized area.
- 5. The unit agreement has been approved as to form and content by the New Mexico State Land Office.
- 6. The proposed unit area covers all, or substantially all, of the geological structures or anomaly involved.
- 7. Geo Engineering, Inc. further seeks an order authorizing a plan of development within said unit area to include:
- a. an exception to Oil Conservation Division Rule 104(F) to provide for oil wells to be located no nearer than 165 feet to the unit boundary and no nearer than 10 feet to any quarter quarter section or subdivision inner-boundary;
- b. an exception to Oil Conservation Division Rule 104(C)(1) allowing the operator to develop the unit area with more than four wells on each 40-acre tract; and
- c. the adoption and promulgation of special rules and procedures for the administrative approval to conduct water flood operations within the unit area.
- 8. In the event said unit agreement is approved and production of unitized substances obtained, it is believed that said unit agreement will be in the interests of conservation and the prevention of waste and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Geo Engineering, Inc. requests that this application be set for hearing before the duly appointed examiner of the Oil Conservation Division on December 18, 1985, that notice be given as required by law and the rules of the Division, and that the Red Mountain Unit Agreement be approved.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

J. Scott Hall

Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

ATTORNEYS FOR GEO ENGINEERING, INC.

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

APPLICATION OF GEO ENGINEERING, INC. FOR APPROVAL OF A UNIT AGREEMENT AND FOR AUTHORIZATION FOR A UNIT PLAN OF DEVELOPMENT, McKINLEY COUNTY, NEW MEXICO.

Case No. 8789

APPLICATION

Geo Engineering, Inc. by and through its undersigned attorneys hereby makes application for an order approving its Red Mountain Unit Agreement and the Unit Plan of Development pursuant thereto to more efficiently recover primary reserves and for the purposes of secondary recovery, and in support thereof, states:

- 1. The proposed unit agreement consists of 1,580 acres more or less of state and fee lands underlying all or portions of Sections 20, 21, 22, 27, 28 and 29, Township 20 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.
- 2. The unit agreement has been approved by all of the working interest owners holding interests within the proposed unit area.
- 3. The applicant, Geo Engineering, Inc., is designated as unit operator in said unit agreement covering all oil and gas in any and all formations from the surface down through the menafee member of the Mesaverde formation, the unitized formation.

- 4. Geo Engineering, Inc. proposes to institute a water flood project for the more efficient recovery of primary reserves and for purposes of secondary recovery from the unitized formation within the unitized area.
- 5. The unit agreement has been approved as to form and content by the New Mexico State Land Office.
- 6. The proposed unit area covers all, or substantially all, of the geological structures or anomaly involved.
- 7. Geo Engineering, Inc. further seeks an order authorizing a plan of development within said unit area to include:
- a. an exception to Oil Conservation Division Rule 104(F) to provide for oil wells to be located no nearer than 165 feet to the unit boundary and no nearer than 10 feet to any quarter guarter section or subdivision inner-boundary;
- b. an exception to Oil Conservation Division Rule 104(C)(1) allowing the operator to develop the unit area with more than four wells on each 40-acre tract; and
- c. the adoption and promulgation of special rules and procedures for the administrative approval to conduct water flood operations within the unit area.
- 8. In the event said unit agreement is approved and production of unitized substances obtained, it is believed that said unit agreement will be in the interests of conservation and the prevention of waste and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Geo Engineering, Inc. requests that this application be set for hearing before the duly appointed examiner of the Oil Conservation Division on December 18, 1985, that notice be given as required by law and the rules of the Division, and that the Red Mountain Unit Agreement be approved.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

J. Scott Hall

Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

ATTORNEYS FOR GEO ENGINEERING, INC.