

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

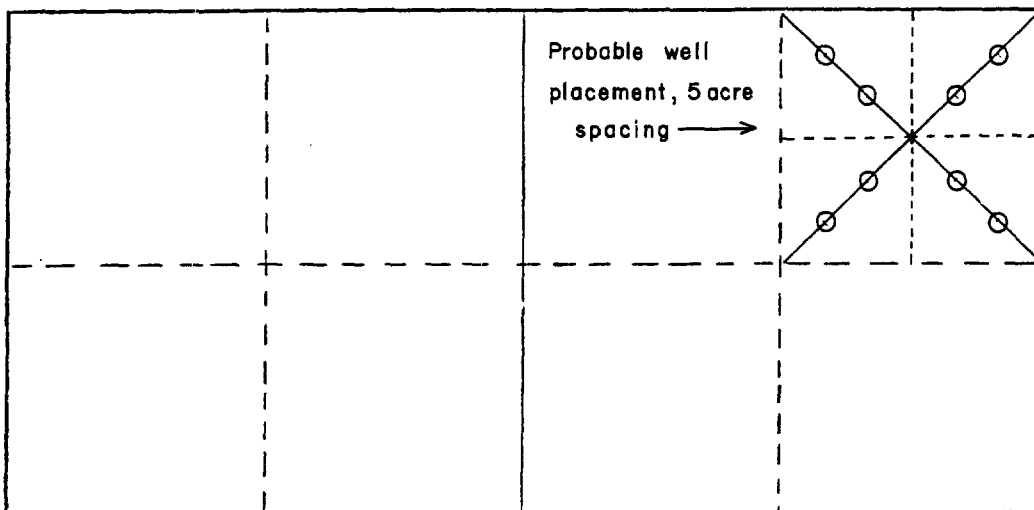
Operator			Lease			Well No.		
Unit Letter	Section	Township		Range	County			
Actual Footage Location of Well:								
feet from the			line and	feet from the			line	
Ground Level Elev.	Producing Formation			Pool	Dedicated Acreage:			Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION  
GEO EXHIBIT NO. Z  
CASE NO. 8974, 8932, 8933

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

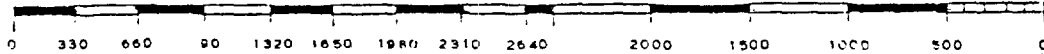
Date \_\_\_\_\_

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed \_\_\_\_\_

Registered Professional Engineer and/or Land Surveyor \_\_\_\_\_

Certificate No. \_\_\_\_\_

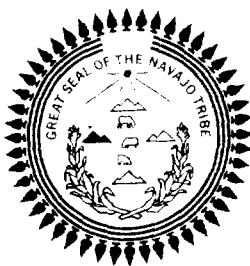
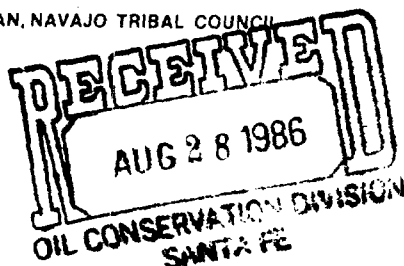


# THE NAVAJO NATION

WINDOW ROCK, NAVAJO NATION (ARIZONA) 86515

PETERSON ZAH

CHAIRMAN, NAVAJO TRIBAL COUNCIL



EDWARD T. BEGAY

VICE CHAIRMAN, NAVAJO TRIBAL COUNCIL

August 22, 1986

8933

Frank T. Chavez,  
District Supervisor  
Energy and Minerals Department  
Oil Conservation Division  
Aztec District Office  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

RE: Request for Information, Geo Engineering,  
Incorporated, McKinley County, New Mexico

Dear Mr. Chavez:

On August 20, 1986, the Division of Resources for the Navajo Nation attended a hearing in Santa Fe, New Mexico for the Oil Conservation Division with Mr. David R. Catanach and Mr. Jeffery Taylor presiding on behalf of the Oil Conservation Division.

At this hearing, three applications for Geo Engineering, Incorporated were presented. All three applications are requesting authorization to develop more than four wells on each 40 acre tract within: the NE/4 and W/2 of Section 28, Township 20 North, Range 9 West (CASE # 8974); the NW/4 of Section 32, Township 20 North, Range 9 West (CASE # 8932); and within the NE/4 of Section 30, Township 20 North, Range 9 West (CASE # 8933).

Another hearing has been scheduled to show cause on September 17, 1986. In preparation for this hearing, the Navajo Nation would like xerox copies of all inspection reports; all correspondence between the Oil Conservation Division and Geo Engineering, Incorporated; all information pertaining to Geo Engineering, Incorporated's noncompliance activities; all application permits to drill or convert existing wells; information concerning their existing surface pits; archaeological survey and archaeological clearance reports; a lease map; and information submitted for Cases # 8974, # 8932 and # 8933.

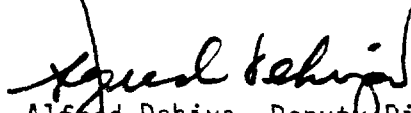
Letter to Frank T. Chavez, District Supervisor  
Page Two

Please provide this information to Ms. Arlene Luther, Environmental Specialist II of the Navajo Environmental Protection Administration.

Your cooperation and assistance is appreciated.

Sincerely,

THE NAVAJO NATION



Alfred Dehiya, Deputy Director  
Division of Resources  
Post Office Box 308  
Window Rock, Arizona 86515

xc: R. L. Stamets, Santa Fe  
Jeffery Taylor, Santa Fe

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. IVES  
JOHN H. BEMIS

GUADALUPE PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

October 21, 1986

BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION

~~APPLICANT'S~~ EXHIBIT NO. 1-A

CASE NO. 8974, 8932, 8933

Richie Nez, Esquire  
Navajo Nation  
Post Office Drawer 2010  
Window Rock, Arizona 80515

Re: Application of Geo Engineering, Inc. for Exception  
to Rules 104(F) and 104(C)(I), McKinley County,  
New Mexico. OCD Case Nos. 8974, 8932 and 8933.

Dear Mr. Nez:

I appreciated the opportunity to meet with you on October 17, 1986, in connection with Geo Engineering's pending application with the New Mexico Oil Conservation Division. I believe the Navajo Nation and Geo Engineering have devised an amicable resolution to matters that will allow the coextensive use of the subject lands for grazing and oil producing activities.

This correspondence will reflect the terms of the agreement between the Navajo Nation and Geo Engineering, Inc. Those terms are as follows:

- (1) Geo Engineering will see that all pits are fenced with materials of sufficient strength so as to prevent the intrusion of livestock.
- (2) Geo Engineering will assure that each well location and surface installation are brought into full compliance with New Mexico Oil Conservation Division rules and regulations.
- (3) Geo Engineering agrees to periodically confer with the Tribal Resource Committee and advise the committee members of its development activities.
- (4) The Navajo Nation concurs with Geo Engineering's referenced application to the New Mexico Oil Conservation Division.

Richie Nez, Esquire  
October 21, 1986  
Page Two

This agreement affects lands located in the NE/4 and W/2 of Section 28, Township 20 North, Range 9 West, N.M.P.M., McKinley County, New Mexico, upon which the Navajo Nation holds a state grazing lease and Geo Engineering, Inc. holds a state oil and gas lease. The obligations of both parties hereunder, one to the other, cease upon the termination or assignment of either the state grazing lease or state oil and gas lease.

The comity of the Navajo Nation is appreciated. This agreement places the New Mexico Oil Conservation Division in a position to be able to approve Geo Engineering's application in a more expedient fashion.

Very truly yours,



J. SCOTT HALL

JHS/ab

cc: R. L. Stamets, New Mexico Oil Conservation Division  
Floyd Prando, State Land Office  
Geo Engineering, Inc.

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. IVES  
JOHN H. BEMIS

GUADALUPE PLACE  
SUITE 1110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE (505) 988-4421  
TELECOPIER (505) 983-6043

June 19, 1986

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Phillip McKee  
Post Office Box 45  
McIntosh, New Mexico 87032

Re: Application of Geo Engineering, Inc. for Exception  
to Acreage and Well Location Requirements Under Oil  
Conservation Division Rule 104, McKinley County,  
New Mexico.

Dear Mr. McKee:

This letter is to advise you that Geo Engineering, Inc. has filed an application with the New Mexico Oil Conservation Division seeking authority to locate oil wells no nearer than 165 feet to a lease boundary and no nearer than 10 feet to any quarter quarter section or subdivision inner boundary. Geo Engineering is also seeking authority to develop the application area with more than four wells on each 40-acre tract. The authority is being sought for the NE/4 of Section 30 and the NW/4 of Section 32, Township 20 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.

This application has been set for hearing before a Division Examiner on July 9, 1986. You are not required to attend this hearing, but as an interest owner you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

  
J. Scott Hall

JSH/cv

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
GEO	EXHIBIT NO. 4
CASE NO. 8974, 8932, 8933	

P 176 152 437

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Feb. 1982  
\* U.S. P.O. 1984-446-014

Sent to Mr. Phillip McKee	
Street and No. P. O. Box 45	
P.O., State and ZIP Code McIntosh, NM 87032	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date  6/19/86 cv	

PS Form 3811, July 1983 447-845

SENDER: Complete items 1, 2, 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- Show to whom, date and address of delivery.
- Restricted Delivery.

3. Article Addressed to:

Mr. Phillip McKee  
P. O. Box 45  
McIntosh, New Mexico 87032

4. Type of Service:

- |   |                                  |
|---|----------------------------------|
| <input type="checkbox"/> Registered           | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD     |
| <input type="checkbox"/> Express Mail         |                                  |

Article Number

P 176 152 437

Always obtain signature of addressee or agent and  
**DATE DELIVERED.**

5. Signature - Addressee

X *Jeanie Bowley*

6. Signature - Agent

X *11-6-2*

7. Date of Delivery

*6-23-86*

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. IVES  
JOHN H. BEMIS

GUADALUPE PLACE  
SUITE 1110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE (505) 988-4442  
TELECOPIER (505) 983-6043

June 19, 1986

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Champlin Petroleum Company  
Four Allen Center  
Suite 1500  
Houston, Texas 77002

Re: Application of Geo Engineering, Inc. for Exception  
to Acreage and Well Location Requirements Under Oil  
Conservation Division Rule 104, McKinley County,  
New Mexico.

Dear Sirs:

This letter is to advise you that Geo Engineering, Inc. has filed an application with the New Mexico Oil Conservation Division seeking authority to locate oil wells no nearer than 165 feet to a lease boundary and no nearer than 10 feet to any quarter quarter section or subdivision inner boundary. Geo Engineering is also seeking authority to develop the application area with more than four wells on each 40-acre tract. The authority is being sought for the NE/4 of Section 30 and the NW/4 of Section 32, Township 20 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.

This application has been set for hearing before a Division Examiner on July 9, 1986. You are not required to attend this hearing, but as an interest owner you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



J. Scott Hall

JSH/cv



P 176 152 438

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3811, July 1983 447-945  
PS Form 3800, Feb. 1982  
\* U.S.G.P.O. 1984-446-014

Sent to Champlin Petroleum Co.	
Street and No. Four Allen Ctr, Suite 1500	
P.O., State and ZIP Code Houston, TX 77002	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date 6/19/86 cv	

**SENDER: Complete items 1, 2, 3 and 4.**  
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- Show to whom, date and address of delivery.
- Restricted Delivery. **3**

3. Article Addressed to:  
Champlin Petroleum Co.  
Four Allen Center, Suite 1500  
Houston, Texas 77002

4. Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured <input type="checkbox"/> COD	Article Number P 176 152 438
--	--	---------------------------------

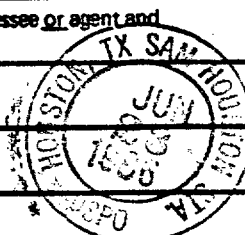
Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee  
X *B. Clark*

6. Signature - Agent  
X

7. Date of Delivery

8. Addressee's Address (ONLY if requested and fee paid)



PS Form 3811, July 1983 447-945

DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. IVES  
JOHN H. BEMIS

GUADALUPE PLACE  
SUITE 1110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE (505) 988-442  
TELECOPIER (505) 983-6043

June 19, 1986

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

New Mexico State Land Office  
State Land Office Building  
Post Office Box 1148  
Santa Fe, New Mexico 87501  
ATTN: MR. FLOYD PRANDO

Re: Application of Geo Engineering, Inc. for Exception  
to Acreage and Well Location Requirements Under Oil  
Conservation Division Rule 104, McKinley County,  
New Mexico.

Dear Mr. Prando:

This letter is to advise you that Geo Engineering, Inc. has filed an application with the New Mexico Oil Conservation Division seeking authority to locate oil wells no nearer than 165 feet to a lease boundary and no nearer than 10 feet to any quarter quarter section or subdivision inner boundary. Geo Engineering is also seeking authority to develop the application area with more than four wells on each 40-acre tract. The authority is being sought for the NE/4 of Section 30 and the NW/4 of Section 32, Township 20 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.

This application has been set for hearing before a Division Examiner on July 9, 1986. You are not required to attend this hearing, but as an interest owner you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



J. Scott Hall

JSH/cv

P 176 152 439

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Attn: Floyd Prado

Sent to NM State Land Office	
Street and No. P. O. Box 1148	
P.O. State and ZIP Code Santa Fe, New Mexico 87501	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	
6/19/86 cv	

★ U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

PS Form 3811, July 1983 447-945

● **SENDER: Complete items 1, 2, 3 and 4.**  
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- Show to whom, date and address of delivery.
- Restricted Delivery.

3. Article Addressed to:  
New Mexico State Land Office  
State Land Office Bldg.  
P. O. Box 1148  
Santa Fe, NM 87501 ATTN: F. PRANDO

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured <input type="checkbox"/> COD P 176 152 439

Always obtain signature of addressee or agent and  
**DATE DELIVERED.**

5. Signature - Addressee  
X

6. Signature - Agent  
X

7. Date of Delivery  
JUN 20 1986

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. IVES  
JOHN H. BEMIS

GUADALUPE PLACE  
SUITE 1110 NORTH GUADALUPE  
POST OFFICE BOX 2205  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE (505) 966-442  
TELECOPIER (505) 963-6043

June 19, 1986

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

United States Geological Survey  
Bureau of Land Management  
Federal Building, U.S. Post Office  
Santa Fe, New Mexico 87501  
ATTN: OIL & GAS SECTION

Re: Application of Geo Engineering, Inc. for Exception  
to Acreage and Well Location Requirements Under Oil  
Conservation Division Rule 104, McKinley County,  
New Mexico.

Dear Sirs:

This letter is to advise you that Geo Engineering, Inc. has filed an application with the New Mexico Oil Conservation Division seeking authority to locate oil wells no nearer than 165 feet to a lease boundary and no nearer than 10 feet to any quarter quarter section or subdivision inner boundary. Geo Engineering is also seeking authority to develop the application area with more than four wells on each 40-acre tract. The authority is being sought for the NE/4 of Section 30 and the NW/4 of Section 32, Township 20 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.

This application has been set for hearing before a Division Examiner on July 9, 1986. You are not required to attend this hearing, but as an interest owner you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

  
J. Scott Hall

JSH/cv

P 176 152 440

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3811, July 1983 447-945  
★ U.S.G.P.O. 1984 446-014  
PS Form 3800, Feb. 1982

Sent to United States Geological Sur.	
Street and No. Bureau of Land Mgmt Federal Bldg., U.S. Post Ofc.	
P.O. State and ZIP Code Santa Fe, New Mexico 87501	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom and Date Delivered	
Return receipt showing to whom Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date 6/19/86 cv	

PS Form 3811, July 1983 447-945  
DOMESTIC RETURN RECEIPT

● **SENDER: Complete items 1, 2, 3 and 4.**

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

1.  Show to whom, date and address of delivery.  
2.  Restricted Delivery.

3. Article Addressed to:  
U.S. Geological Survey  
Bureau of Land Management  
Federal Bldg., U.S. Post Office  
Santa Fe, New Mexico 87501

4. Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured <input type="checkbox"/> COD	Article Number P 176 152 440
--	--	---------------------------------

Always obtain signature of addressee or agent and **DATE DELIVERED.**

5. Signature - Addressee  
X MONICA L. MARTINEZ

6. Signature - Agent  
X

7. Date of Delivery  
JUN 20 1986

8. Addressee's Address (ONLY if requested and fee paid)

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. IVES  
JOHN H. BEMIS

GUADALUPE PLACE  
SUITE 1110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 966-4421  
TELECOPIER: (505) 963-6043

June 19, 1986

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Tenneco Oil Company  
Box 3249  
Englewood, Colorado 80155

Re: Application of Geo Engineering, Inc. for Exception  
to Acreage and Well Location Requirements Under Oil  
Conservation Division Rule 104, McKinley County,  
New Mexico.

Dear Sirs:

This letter is to advise you that Geo Engineering, Inc. has filed an application with the New Mexico Oil Conservation Division seeking authority to locate oil wells no nearer than 165 feet to a lease boundary and no nearer than 10 feet to any quarter quarter section or subdivision inner boundary. Geo Engineering is also seeking authority to develop the application area with more than four wells on each 40-acre tract. The authority is being sought for the NE/4 of Section 30 and the NW/4 of Section 32, Township 20 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.

This application has been set for hearing before a Division Examiner on July 9, 1986. You are not required to attend this hearing, but as an interest owner you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,

  
J. Scott Hall

JSH/cv

P 176 152 441

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

Sent to Tenneco Oil Company	
Street and No. Box 3249	
P.O., State and ZIP Code Englewood, Colo. 80155	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date 6/19/86 cv	

PS Form 3811, July 1983 447-845

DOMESTIC RETURN RECEIPT

**SENDER: Complete items 1, 2, 3 and 4.**

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- Show to whom, date and address of delivery.
- Restricted Delivery.

3. Article Addressed to:  
Tenneco Oil Company  
Box 3249  
Englewood, Colorado 80155

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail	P 176 152 441

Always obtain signature of addressee or agent and **DATE DELIVERED.**

- Signature - Addressee  
X *[Signature]*
- Signature - Agent  
X *Valerie D. Oswald*
- Date of Delivery  
*6/23/86*
- Addressee's Address (ONLY if requested and fee paid)

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. LIVES  
JOHN H. BEMIS

GUADALUPE PLACE  
SUITE 1-110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 966-4421  
TELECOPIER: (505) 963-6043

June 19, 1986

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Robert M. Wilkinson  
Post Office Box 3657  
Northridge, California 91323-3657

Re: Application of Geo Engineering, Inc. for Exception  
to Acreage and Well Location Requirements Under Oil  
Conservation Division Rule 104, McKinley County,  
New Mexico.

Dear Mr. Wilkinson:

This letter is to advise you that Geo Engineering, Inc. has filed an application with the New Mexico Oil Conservation Division seeking authority to locate oil wells no nearer than 165 feet to a lease boundary and no nearer than 10 feet to any quarter quarter section or subdivision inner boundary. Geo Engineering is also seeking authority to develop the application area with more than four wells on each 40-acre tract. The authority is being sought for the NE/4 of Section 30 and the NW/4 of Section 32, Township 20 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.

This application has been set for hearing before a Division Examiner on July 9, 1986. You are not required to attend this hearing, but as an interest owner you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



J. Scott Hall

JSH/cv



P 176 152 442

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

PS Form 3800, Feb. 1982  
\* U.S.C.P.D. 1984-446-014

Sent to Robert M. Wilkinson	
Street and No. P. O. Box 3657	
P.O., State and ZIP Code Northridge, CA 91323-3657	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date 6/19/86 cv	

PS Form 3811, July 1983 447-945

**SENDER: Complete items 1, 2, 3 and 4.**  
Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for service(s) requested.

- Show to whom, date and address of delivery.
- Restricted Delivery.

3. Article Addressed to:  
Robert M. Wilkinson  
P. O. Box 3657  
Northridge, CA 91323-3657

4. Type of Service:	Article Number
<input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail	<input type="checkbox"/> Insured <input type="checkbox"/> COD P 176 152 442

Always obtain signature of addressee or agent and DATE DELIVERED.

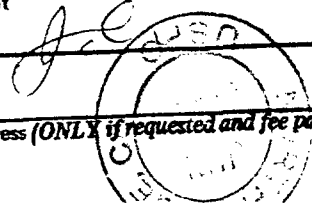
5. Signature - Addressee  
*[Handwritten Signature]*

6. Signature - Agent  
X

7. Date of Delivery  
X

8. Addressee's Address (ONLY if requested and fee paid)

DOMESTIC RETURN REC.



Dockets Nos. 33-86 and 34-86 are tentatively set for November 5 and November 19, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 22, 1986  
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

CASE 9005: Application of Diamond Shamrock Exploration Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the South and East lines of Section 34, Township 22 South, Range 34 East, Antelope Ridge-Atoka Gas Pool, the S/2 of said Section 34 to be dedicated to the well.

CASE 9000: (Continued from October 8, 1986, Examiner Hearing)

Application of Lynx Petroleum Company for a non-standard oil proration unit and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above styled cause, seeks approval of a 40-acre non-standard oil spacing and proration unit comprising the NE/4 SE/4 (Unit I) of Section 20, Township 17 South, Range 35 East, North Vacuum-Abo Pool, to be dedicated to a well to be drilled at an unorthodox oil well location 1980 feet from the South line and 660 feet from the East line.

CASE 9006: Application of Jerome P. McHugh & Associates for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Dakota formation underlying the S/2 of Section 4, Township 25 North, Range 2 West, to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 9007: Application of Sun Exploration and Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Pennsylvanian formations underlying the N/2 of Section 24, Township 18 South, Range 33 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit to be dedicated to a well to be drilled at a previously approved unorthodox gas well location (Division Order R-8157), 2080 feet from the North line and 600 feet from the East line of said Section 24. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8849: (Continued from September 3, 1986, Examiner Hearing)

Application of Southland Royalty Company for NGPA Wellhead Price Ceiling Category Determinations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination by the Division that the following four wells in Township 19 South, Range 35 East, Scharb-Bone Spring Pool, meet the NGPA well category criteria for New Onshore Reservoir under Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission:

- 1) Smith "5" Well No. 2 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5;
- 2) Smith "5" Well No. 4 located 2149 feet from the South line and 700 feet from the East line (Unit I) of Section 5;
- 3) Scharb "8" Well No. 2 located 660 feet from the North line and 2180 feet from the East line (Unit B) of Section 8; and,
- 4) Scharb "9" Well No. 4 located 766 feet from the North line and 2086 feet from the West line (Unit C) of Section 9.

CASE 8932: (Reopened)

Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells no nearer than 165 feet to the lease boundary nor nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NW/4 of Section 32, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8933: (Reopened)

Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells no nearer than 165 feet to the lease boundary or nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NE/4 of Section 30, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8974: (Reopened)

Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells to be no nearer than 165 feet to the lease boundary nor nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NE/4 and the W/2 of Section 28, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 9008: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Lea and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production and designated as the Quail-Grayburg Pool. The discovery well is the Fred G. Yates Inc. Reddy-Gulf State Well No. 3 located in Unit E of Section 18, Township 19 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM  
Section 18: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Tatum-Morrow Gas Pool. The discovery well is the John L. Cox State 26 Well No. 1 located in Unit N of Section 26, Township 12 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 36 EAST, NMPM  
Section 26: S/2

- (c) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for Montoya production and designated as the Tule-Montoya Gas Pool. The discovery well is the Marshall Pipe and Supply Company Wendell Best Well No. 1 located in Unit J of Section 27, Township 2 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 2 SOUTH, RANGE 29 EAST, NMPM  
Section 27: S/2

- (d) EXTEND the Buffalo-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 6: NE/4

- (e) EXTEND the South Corbin-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
Section 21: E/2  
Section 22: NW/4

- (f) EXTEND the Central Corbin-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
Section 4: S/2 NE/4

- (g) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
Section 21: NE/4  
Section 22: NW/4

- (h) EXTEND the South Double A-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM  
Section 36: NE/4

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM  
Section 31: NW/4

- (i) EXTEND the Kemnitz-Lower Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 33: NE/4  
Section 34: NW/4

- (j) EXTEND the South Kemnitz-Upper Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 33: E/2  
Section 34: NW/4

- (k) EXTEND the Northeast Lea-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
Section 35: SE/4

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM  
Section 2: NE/4

- (l) EXTEND the East Lusk-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 2: NW/4  
Section 3: E/2

- (m) EXTEND the Midway-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM  
Section 13: NW/4

- (n) EXTEND the Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 22: SE/4

- (o) EXTEND the Shipp-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM  
Section 9: NW/4

- (p) EXTEND the Teas-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM  
Section 14: S/2  
Section 23: NE/4

\*\*\*\*\*

Docket No. 32-86

DOCKET: COMMISSION HEARING - THURSDAY - OCTOBER 23, 1986  
OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
 STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

- CASE 9009: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 0.1 to define fresh water in a manner consistent with the designation of the State Engineer.
- CASE 9010: In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of a new Rule 118. The Division seeks the adoption of said rule to provide for the regulation of hydrogen sulfide gas in such a manner as to avoid endangering human life.
- CASE 9011: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 402. The Division seeks to eliminate the need for filing Form C-125 with Division district offices.
- CASE 9012: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 701.D. The Division seeks to amend said rule to eliminate the requirement for a hearing when a disposal well is to be located within 2 miles of oil or gas production in the same formation.
- CASE 9013: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 704. The Division seeks the amendment of said rule to provide for the conducting of step-rate tests, requests for injection pressure limit increases, and notice to the Division.
- CASE 9014: In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of a new Rule 1207(a)1.(ii). The Division seeks the adoption of said rule to provide for approval of unopposed compulsory pooling applications without oral testimony and based on information submitted with the application.
- CASE 9015: In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of new Rules 315, 413, and 903 to establish a gas priority production schedule. The Division seeks adoption of a hierarchy of classes of gas production in times of severely restricted demand for gas from New Mexico wells.  
 Also to be considered will be the application of such rules to purchasers with marketing affiliates.
- CASE 9016: In the matter of the hearing called by the Oil Conservation Division on its own motion for the adoption of a new Rule 414 to regulate sales of gas by separate owners in a well. The Division seeks the adoption of a rule to prohibit such sales in the absence of agreements or conditions which protect the correlative rights of all the owners in any affected well.
- CASE 9017: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 902. The Division seeks the amendment of said rule to provide for notice by purchasers to producers when such purchasers are unable to take gas in accordance with the provisions of such rule.
- CASE 9018: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Order No. R-8170. The Division seeks the amendment of Rule 10(a), 11(a), and 11(b) of the General Rules for the Prorated Gas Pools of New Mexico to provide for two-year balancing periods and for a twelve times overproduced limit for the prorated gas pools of northwest New Mexico.
- CASE 8960: (De Novo) (Continued from September 18, 1986, Commission Hearing)  
 Application of Marathon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Siluro-Devonian formation underlying the SE/4 SE/4 of Section 14, Township 16 South, Range 38 East, to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing, said unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Upon application of Marathon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8854: (De Novo) (Continued from September 18, 1986, Commission Hearing)

Application of the Oil Conservation Division on its own motion for exceptions to the Special Rules for the Gavilan-Greenhorn-Graneros-Dakota and Gavilan Mancos Oil Pools as promulgated by Division Order Nos. R-7745 and R-7407, respectively, Rio Arriba County, New Mexico. The OCD seeks exceptions to the spacing and one well per proration unit limitation provisions of the Special Rules and Regulations governing the Gavilan-Greenhorn-Graneros-Dakota and Gavilan-Mancos Oil Pools as promulgated by Division Orders Nos. R-7745 and R-7407, authorizing the establishment of seven non-standard oil spacing and proration units for both pools in Township 25 North, Range 2 West, as described below:

- 1) Lots 3 and 4, S/2 NW/4, SW/4 of Section 5 and all of Section 6 consisting of 505.20 acres, more or less;
- 2) All of Section 7 and the W/2 of Section 8 consisting of 505.84 acres, more or less;
- 3) W/2 of Section 17 and all of Section 18 consisting of 506.36 acres, more or less;
- 4) All of Section 19 and the W/2 of Section 20 consisting of 506.76 acres, more or less;
- 5) N/2 of Section 29 and Lots 1 and 2 of Section 30 consisting of 413.59 acres, more or less;
- 6) S/2 of Section 29 and Lots 3 and 4 of Section 30 consisting of 413.73 acres, more or less, and
- 7) All of Section 31 and the W/2 of Section 32 consisting of 507.88 acres, more or less.

Said units would allow for the orderly development of both pools within the irregular sections along the western side of the subject township resulting from survey corrections in the United States Land Survey. The OCD proposes to allow two wells to be completed in both pools in each of the above-described units. Upon application of Mesa Grande Resources, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8995: (Continued from September 18, 1986, Commission Hearing)

Application of Mesa Grande Resources, Inc. for a non-standard oil proration unit and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 185.84-acre non-standard oil spacing and proration unit comprising Lots 1, 2, 3, and 4 of Section 7, Township 25 North, Range 2 West, Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools, to be dedicated to a well to be drilled at an unorthodox oil well location 1700 feet from the North line and 600 feet from the East line of said Section 7.

CASE 8996: (Continued from September 18, 1986, Commission Hearing)

Application of Mesa Grande Resources, Inc. for a non-standard oil proration unit and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 186.36-acre non-standard oil spacing and proration unit comprising Lots 1, 2, 3, and 4 of Section 18, Township 25 North, Range 2 West, Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools to be dedicated to a well to be drilled at an unorthodox oil well location 1920 feet from the North line and 720 feet from the East line of said Section 18.

CASE 8951: (Continued from September 18, 1986 Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division by Division Order No. R-8124, dated January 16, 1986, issued in Case 8745, authorized the applicant to conduct a long-term reservoir pressure test in the Mancos formation using certain wells in Rio Arriba County and further authorized the shut-in of certain wells and provided six months after completion of the test during which certain accumulated underproductions can be made up. Applicant, in the above-styled cause, now seeks the amendment of said Order No. R-8124 to provide for twelve months after completion of the reservoir pressure test during which to make up the accumulated underproduction of certain wells resulting from test. Applicant further requests that all other provisions in said Order No. R-8124 remain in full force and effect.

CASE 9019: Application of Benson-Montin-Greer Drilling Corporation for compulsory pooling and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Niobrara member of the Mancos formation in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 19, Township 25 North, Range 1 West, to be dedicated to a well to be drilled at an unorthodox oil well location 1,340 feet from the North line and 1,903 feet from the West line of said

Section 19. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8952: (Continued from September 18, 1986, Commission Hearing)

Application of Benson-Montin-Greer Drilling Corporation for statutory unitization, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of continued pressure maintenance operations, all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying the Canada Ojitos Unit Area, which encompasses 69,567.235 acres, more or less, being all or portions of the following lands in Rio Arriba County, New Mexico:

Sections 6 through 8 and 17 through 20, Township 24 North, Range 1 East;  
Sections 1 through 15 and 23 through 24, Township 24 North, Range 1 West;  
Sections 5 through 8, 17 through 20 and 29 through 31, Township 25 North,  
Range 1 East;  
Sections 1 through 36, Township 25 North, Range 1 West;  
Sections 19 and 20 and 29 through 32, Township 26 North, Range 1 East;  
Sections 1 through 36, Township 26 North, Range 1 West.

Among the matters to be considered at the hearing will be the necessity of unit operations, the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable and equitable allocation of production and costs of production, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

Dockets Nos. 27-86 and 28-86 are tentatively set for September 3 and September 17, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 20, 1986  
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

---

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

- CASE 8968: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit John Caranta d/b/a Cardel Oil Company, Fidelity and Deposit Co., and all other interested parties to appear and show cause why the Caranta Well No. 1 located 1980 feet from the South and East lines (Unit J) of Section 23, Township 32 North, Range 1 West, Rio Arriba County, should not be plugged and abandoned in accordance with a Division-approved plugging program.
- CASE 8969: Application of Marathon Oil Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Park Deep Unit Area comprising 3,840 acres, more or less, of State and Federal lands in Township 11 South, Range 27 East.
- CASE 8970: Application of Yates Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of temporary special pool rules for the Sarnal-Queen Pool establishing a limiting gas-oil ratio of 5,000 cubic feet of gas per barrel of oil.
- CASE 8939: (Continued from August 6, 1986, Examiner Hearing)
- Application of Yates Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation in the perforated interval from approximately 3750 feet to 3790 feet in the Sinclair Oil and Gas Company State 197 Well No. 3 located 1980 feet from the North line and 1762.5 feet from the West line (Unit F) of Section 6, Township 17 South, Range 34 East.
- CASE 8940: (Continued from August 6, 1986, Examiner Hearing)
- Application of Yates Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation in the perforated interval from approximately 3770 feet to 3810 feet in the H. L. Brown, Jr. State "B" Well No. 2 located 990 feet from the South line and 330 feet from the West line (Unit M) of Section 6, Township 17 South, Range 34 East.
- CASE 8971: Application of Cinco, Ltd. for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 36, Township 30 North, Range 7 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard gas well location in said Section 36. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for Prorated Gas Pools in New Mexico as promulgated by Division Order No. R-8170 authorizing a full 320-acre acreage factor to be assigned to said non-standard gas proration unit.
- CASE 8972: Application of The Estate of Edward Gerber and Iris Gerber Damson for a non-standard gas proration unit and an exception to Rule 5(a)2(2) of Division Order No. R-8170, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SW/4 of Section 36, Township 30 North, Range 7 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard gas well location in said Section 36. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for Prorated Gas Pools in New Mexico as promulgated by Division Order No. R-8170 authorizing a full 320-acre acreage factor to be assigned to said non-standard gas proration unit.
- CASE 8973: Application of Mobil Producing Texas and New Mexico, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water (at a rate not to exceed 3300 barrels of water per day) into the Delaware formation in the perforated interval from approximately 3849 feet to 4022 feet in its Government "D" Well No. 4 located 1554 feet from the North line and 1980 feet from the East line (Unit G) of Section 1, Township 21 South, Range 27 East.



CASE 8963: (Readvertised)

Application of Mesa Grande Resources, Inc. for compulsory pooling and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the W/2 of Section 16, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at an unorthodox oil well location 1035 feet from the South line and 1125 feet from the West line of said Section 16. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8961: (Readvertised)

Application of Mesa Grande Resources, Inc. for a non-standard oil proration unit, and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 186.36-acre non-standard oil spacing and proration unit comprising Lots 1, 2, 3, and 4 of Section 18, Township 25 North, Range 2 West, Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools, to be dedicated to a well to be drilled at an unorthodox oil well location 1920 feet from the North line and 720 feet from the East line of said Section 18.

CASE 8962: (Readvertised)

Application of Mesa Grande Resources, Inc. for a non-standard oil proration unit and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 185.84-acre non-standard oil spacing and proration unit comprising Lots 1, 2, 3 and 4 of Section 7, Township 25 North, Range 2 West, Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools, to be dedicated to a well to be drilled at an unorthodox oil well location 1700 feet from the North line and 600 feet from the East line of said Section 7.

CASE 8974: Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells to be no nearer than 165 feet to the lease boundary nor nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NE/4 and the W/2 of Section 28, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8932: (Continued from July 23, 1986, Examiner Hearing)

Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells no nearer than 165 feet to the lease boundary or nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NW/4 of Section 32, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8933: <sup>(Reopened)</sup> ~~(Continued from July 23, 1986, Examiner Hearing)~~

Application of Geo Engineering, Inc. for exceptions to Division General Rules 104(F) and 104(C) (I), McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority for the location of oil wells no nearer than 165 feet to the lease boundary or nearer than 10 feet to any quarter-quarter section or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation in the NE/4 of Section 30, Township 20 North, Range 9 West. Applicant also seeks authority allowing the operator to develop the area described with more than four wells on each 40-acre tract.

CASE 8975: Application of North American Royalties, Inc. for the amendment of Division Order No. R-8192, Lea County, New Mexico. Division Order No. R-8192 issued in Case No. 8844, on March 31, 1986, compulsorily pooled all mineral interests in any and all formations and/or pools developed on 320-acre spacing from the surface to the base of the Morrow formation underlying the S/2 of Section 11, Township 16 South, Range 36 East, forming a standard 320-acre unit, named Manzano Oil Corporation the operator of the proposed unit, and provided for the operator to commence the drilling of a well at a standard location in the NW/4 SE/4 (Unit J) of said Section 11 on or before July 1, 1986. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-8192 designating North American Royalties, Inc. the operator of the subject well and unit. In the absence of objection, this case will be approved pursuant to Division Rules and Regulations.

CASE 8976: Application of Chaveroo Operating Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Vacuum Grayburg-San Andres Pool

in the open-hole interval from approximately 4790 feet to 6400 feet in the ARCO Oil and Gas Co. Atlantic "B" State Well No. 2 located 990 feet from the North line and 2310 feet from the East line (Unit B) of Section 30, Township 17 South, Range 36 East.

- CASE 8977: Application of Foran Oil Company or, in the alternative, Estorial Producing Corporation, for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation in the Northeast Lovington-Pennsylvanian Pool underlying the N/2 SE/4 of Section 1, Township 16 South, Range 36 East, to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing, said unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 8978: Application of Foran Oil Company or, in the alternative, Estorial Producing Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation in the Northeast Lovington-Pennsylvanian Pool underlying the S/2 SW/4 of Section 6, Township 16 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing, said unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 8979: Application of Tenneco Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying the E/2 of Section 10, Township 29 North, Range 13 West, to be dedicated to a well to be completed at a standard bottom-hole location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 8980: Application of Tenneco Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying the W/2 of Section 10, Township 29 North, Range 13 West, to be dedicated to a well to be completed at a standard bottom-hole location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 8981: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Eddy County, New Mexico:
- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the South Culebra Bluff-Wolfcamp Gas Pool. The discovery well is the HNG Oil Co. Fate 34 Well No. 1, located in Unit N of Section 34, Township 23 South, Range 28 East, NMPM. Said pool would comprise:
 

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 34: W/2
  - (b) EXTEND the East Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include therein:
 

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM  
Section 9: SE/4  
Section 10: SW/4
  - (c) EXTEND the High Lonesome-Queen Pool in Eddy County, New Mexico, to include therein:
 

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM  
Section 19: SW/4
  - (d) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:
 

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 13: E/2
  - (e) EXTEND the Outpost-Delaware Pool in Eddy County, New Mexico, to include therein:
 

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 25: W/2

- (f) EXTEND the Phantom Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM  
Section 18: S/2  
Section 19: N/2

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
J. SCOTT HALL  
PETER N. IVES  
JOHN H. BEMIS

GUADALUPE PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

July 17, 1986

*Stogner*

RECEIVED

JUL 17 1986

OIL CONSERVATION DIVISION

HAND DELIVERED

R. L. Stamets, Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
State Land Office Building  
Santa Fe, New Mexico 87501

Re: Cases 8932 and 8933: Applications of Geo Engineering,  
Inc. for Exceptions to Division General Rules 104(F) and  
104(C)(1), McKinley County, New Mexico.

Dear Mr. Stamets:

Geo Engineering, Inc. hereby requests that the above-  
referenced cases scheduled for hearing on July 23, 1986, be  
continued to the Examiner hearings scheduled for August 20,  
1986.

Thank you for your attention to this request.

Very truly yours,

*J. Scott Hall/@*

J. Scott Hall

JSH/cv

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO

23 July 1986

EXAMINER HEARING

IN THE MATTER OF:

The disposition of Cases 8912, 8936, 8820,  
8939, 8940, 8946, 8948, 8950, 8951, 8952,  
8932, and 8933 which were called and for  
which no testimony was offered.

*Transcript in  
Case 8912*

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:

Jeff Taylor  
Attorney at Law  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO

9 July 1986

EXAMINER HEARING

IN THE MATTER OF:

The disposition of Cases 8932, 8933, 8936,  
8820, 8937, 8938, 8939, 8940, 8866, which  
were called and no testimony was offered.

BEFORE: David R. Catanach, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:

Jeff Taylor  
Attorney at Law  
Legal Counsel to the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

I N D E X

Case Number 8932	3
Case Number 8933	3
Case Number 8936	4
Case Number 8820	4
Case Number 8937	5
Case Number 8938	5
Case Number 8939	6
Case Number 8940	6
Case Number 8866	7

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. CATANACH: We'll call next Case 8932.

MR. TAYLOR: Application of GeoEngineering, Inc, for exceptions to Division General Rules 104(F) and 104(C)(I), McKinley County, New Mexico.

The applicant requests that this case be continued.

MR. CATANACH: Case 8932 will be continued to the July 23rd, 1986, docket.

\* \* \* \* \*

MR. CATANACH: Call next Case 8933.

MR. TAYLOR: Application of GeoEngineering, Inc., for Division General Rules 104(F) and 104(C)(I), McKinley County, New Mexico.

The applicant requests that this case be continued.

MR. CATANACH: Case 8933 will be continued till the July 23rd, 1986, hearing.

\* \* \* \* \*



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. CATANACH: We'll call Case 8936.

MR. TAYLOR: Application of Santa Fe Energy Company for compulsory pooling, Eddy County, New Mexico.

The applicant requests that this case be continued.

MR. CATANACH: Case 8936 will be continued to the July 23rd, 1986, hearing docket.

\* \* \* \* \*

MR. CATANACH: Call next Case 8820 -- excuse me, call next Case 8820.

MR. TAYLOR: Application of Santa Fe Energy for compulsory pooling, Eddy County, New Mexico.

The applicant requests that this case be continued.

MR. CATANACH: Case 8820 will be continued to the July 23rd, 1986, hearing.

\* \* \* \* \*

1

2

MR. CATANACH: Call next Case

3

8937.

4

MR. TAYLOR: Application of

5

Nobil Producing Texas and New Mexico, Incorporated, for an

6

unorthodox oil well location, Eddy County, New Mexico.

7

The applicant requests that

8

this case be continued.

9

MR. CATANACH: Case 8937 will

10

be continued to the July 23rd, 1986, hearing docket.

11

12

\* \* \* \* \*

13

14

MR. CATANACH: Call next Case

15

8938.

16

MR. TAYLOR: Application of

17

Yates Petroleum Corporation for compulsory pooling, Eddy

18

County, New Mexico.

19

The applicant has requested

20

that this case be dismissed.

21

MR. CATANACH: Case 8938 is

22

hereby dismissed.

23

24

\* \* \* \* \*

25

1

2

MR. CATANACH: Call next Case

3

8939.

4

MR. TAYLOR: Application of

5

Yates Petroleum Corporation for salt water disposal, Lea

6

County, New Mexico.

7

The applicant requests that

8

this case be continued.

9

MR. CATANACH: Case 8939 will

10

be continued to the July 23rd, 1986, hearing docket.

11

12

\* \* \* \* \*

13

14

MR. CATANACH: Call next Case

15

8940.

16

MR. TAYLOR: Application of

17

Yates Petroleum Corporation for salt water disposal, Lea

18

County, New Mexico.

19

The applicant requests that

20

this case be continued.

21

MR. CATANACH: Case 8940 will

22

be continued to the July 23rd, 1986, hearing docket.

23

24

\* \* \* \* \*

25

1 MR. CATANACH: Call next Case  
2 8866.

3 MR. TAYLOR: Application of  
4 Amoco Production Company for an unorthodox gas well  
5 location, San Juan County, New Mexico.

6 Applicant requests that this  
7 case be dismissed.

8 MR. CATANACH: Case 8866 is  
9 hereby dismissed.

10  
11 If there is nothing further on  
12 Docket Number 21-86, this hearing is hereby adjourned.

13

14

15

16

17

18

19

20

21

22

23

24

25

## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY  
CERTIFY the foregoing Transcript of Hearing before the Oil  
Conservation Division (Commission) was reported by me; that  
the said transcript is a full, true, and correct record of  
the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a correct and true record of the proceedings in  
the examiner hearing of Case No. \_\_\_\_\_  
heard by me on July 9, 1986.

David R. Catenact, Examiner  
Oil Conservation Division

VOLUMETRICS

FEDERAL LEASE SEC. 30

$$\text{ACREAGE} = 40$$

$$H = 24$$

$$\begin{aligned}\text{VOLUME} &= 960 \text{ AF} \times 1000 \text{ BPAF} \\ &= 960,000 \text{ OIP}\end{aligned}$$

$$\text{PRIMARY RECOVERY} = 30,000 \text{ BBLs.}$$

$$\text{OR } 3\% \text{ OIP}$$

$$\begin{aligned}\text{UNDER FLOOD TOTAL RECOVERY} \\ &= .40 \times 960,000\end{aligned}$$

$$= 384,000 \text{ BBLs}$$

$$\text{DIFFERENCE} = 354,000 \text{ BBLs.}$$

CHACO WASH SEC. 28 (290 SP.)

100 ACRES X 14' THICK

$$= 1400 \text{ AF} \times 1000 \text{ BPAF}$$

$$= 1,400,000 \text{ OIP}$$

$$\text{PRIMARY RECOVERY} = 2\% \text{ OIP}$$

$$= 28,000 \text{ BBLs.}$$

UNDER WF TOTAL

$$= .4 \times 1,400,000$$

$$= 560,000 \text{ BBLs.}$$

$$\text{DIFFERENCE} = 532,000 \text{ BBLs.}$$

500<sup>4</sup> SP.

70 ACRES X 10' THICK

$$= 700 \text{ AF} \times 1000 \text{ BPAF}$$

$$= 700,000 \text{ BBLs. OIP}$$

$$\text{PRIMARY RECOVERY} = 2.5\% \text{ OIP}$$

$$= 17,500 \text{ BBLs.}$$

UNDER WF TOTAL

$$= 700,000 \times 0.4$$

$$= 280,000 \text{ BBLs}$$

$$\text{DIFFERENCE} = 262,500 \text{ BBLs.}$$

GRAND TOTAL 1,148,500 BBLs.