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BEFORE THE

OIL CONSERVATION DIVISION

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NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF
GEO ENGINEERING, INC. FOR EXCEPTION
TO GENERAL RULES 104-F AND 104-C I,
MCKINLEY COUNTY, NEW MEXICO.

Case No. 8789

APPLICATION

Comes now, GEO ENGINEERING, INC., by and through its undersigned attorneys, and hereby makes application for an exception to the acreage and well location requirements under Division Rules 104-F and 104-C I, and in support of its application would show the Division:

1. Applicant is the operator of certain wells drilled to Menafée formation oil pools in the Mesa Verde formation in the Red Mountain and Chaco Wash Fields, McKinley County, New Mexico.

2. That in order to more effectively drain hydrocarbons from said pools, it is necessary to allow wells drilled in said pools to be located no closer than 10 feet to the quarter quarter section lines and no closer than 165 feet to lands owned by an offset operator.

3. That it is also necessary that the applicant be permitted to develop the Mesa Verde formation within the application area with more than four wells on each 40-acre tract.

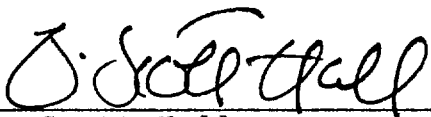
4. That the lands subject to this application are within Sections 20, 21, 22, 27, 28, 29 and 30, all of which are located in Township 20 North, Range 9 West, N.M.P.M., McKinley County, New Mexico.

5. The granting of the application will prevent waste and protect the correlative rights of all parties concerned.

WHEREFORE, Geo Engineering, Inc. requests that this application be set for hearing before a 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 this application for exception to Division Rules 104-F and 104-C be approved.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By 

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