



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

December 1, 1936

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Mr. Scott Hall
Campbell & Black
Attorneys at Law
Post Office Box 2208
Santa Fe, New Mexico

Re: CASE NO. 8932
ORDER NO. R-8352

Applicant:

Geo Engineering, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

R. L. STAMETS
Director

RLS/fd

Copy of order also sent to:

Hobbs OCD X
Artesia OCD X
Aztec OCD X

Other Bruce Stockton, Alfred Dehiya, Richie Nez

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8932
Order No. R-8352

APPLICATION OF GEO-ENGINEERING, INC.
FOR EXCEPTIONS TO DIVISION GENERAL
RULES 104(F) AND 104(C)(I), MCKINLEY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 20 and October 22, 1986, at Santa Fe, New Mexico before Examiner David R. Catanach.

NOW on this 1st day of December, 1986, the Division Director, having considered the testimony, 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.

(2) Division Case Nos. 8932, 8933, and 8974 were consolidated at the time of the hearing for the purpose of testimony.

(3) The subject case was originally heard on August 20, 1986, and was subsequently reopened and heard again on October 22, 1986, at the request of The Navajo Nation, a surface interest owner and lessee of lands surrounding Section 32, Township 20 North, Range 9 West, NMPM, McKinley County, New Mexico.

(4) The applicant seeks exceptions to Division General Rules 104(F) and 104(C)(I), to allow the drilling of oil wells closer than 330 feet to one another but no closer than 165 feet to the outer boundary of the lease nor nearer than 10 feet to any quarter-quarter section line or subdivision inner boundary for wells completed in the Menefee member of the Mesaverde formation and, further, to allow the drilling of more than four wells on each 40-acre tract within the above described area.

(5) At the time of the hearing on October 22, a representative of The Navajo Nation testified that an agreement between themselves and the applicant had been reached, and subsequently withdrew their objection to the application.

(6) Also at the hearing on October 22, an appearance was made by Claude C. Kennedy, an independent operator who stated that he was the mineral interest owner in the NW/4 of said Section 32, the subject area of this case.

(7) Subsequent to the hearing the applicant verified to the Division that they did not own the mineral interests in said Section 32 and requested that the case be dismissed.

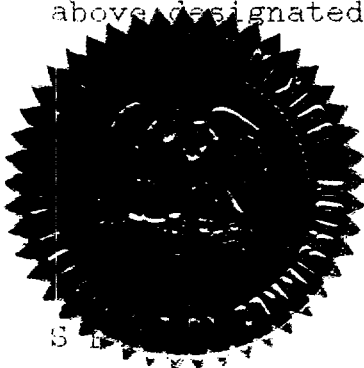
(8) The applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

(1) Case No. 8932 is hereby dismissed.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets
R.L. Stamets,
Director