

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF MANZANO LLC TO AMEND ORDER NO. R-21572-A TO
MODIFY AND EXPAND THE GEOGRAPHIC AREA OF THE VINDICATOR
CANYON STATE EXPLORATORY UNIT, LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Manzano LLC (OGRID No. 231429) (“Manzano”), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) to amend Order No. R-21572-A to modify and expand the geographic area of the Vindicator Canyon State Exploratory Unit. In support of this application, Manzano states:

1. The Division entered Order No. R-21572 approving the Vindicator Canyon State Exploratory Unit (the “Unit”) on January 26, 2021, initially consisting of 6,000 acres of State land situated in Township 17 South, Range 36 East, NMPM, Lea County, New Mexico.

2. Manzano is the designated operator under the Unit Agreement and the unitized interval is the Canyon formation, at the stratigraphic equivalent of the interval between 11,678 feet and 12,202 feet as found on the sonic log for the Deep Sparkling Muddler 15 State #1 well (API No. 30-025-22194) in Section 15, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

3. On April 29, 2021, the Division entered Order R-21572-A in Case 21713 approving the addition of 960-acres of State Lands to the Unit. The expanded Unit currently encompasses the following 6,960 acres, more or less, of State lands in Lea County:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 14: SW/4
Section 15: ALL
Section 20: All
Section 22: All
Section 23: S/2, NW/4
Section 26: ALL
Section 27: ALL
Section 28: ALL
Section 29: ALL
Section 30: E/2
Section 31: E/2 NE/4
Section 32: N/2, SW/4
Section 33: NE/4
Section 34: E/2 E/2
Section 35: ALL

4. Applicant has recently executed transactions in Township 17 South, Range 36 East that warrant (a) the removal of the E/2 of Section 30 and the E/2 NE/4 of Section 31 from the Unit, and (b) adding all of Section 21 to the Unit, for a net expansion of 240-acres.

5. The expanded Unit will now consist of approximately 7,200 acres.

6. The New Mexico State Land Office has been contacted about this modification to the Unit and has expressed approval of this change.

7. Approval of this modification and expansion will provide Applicant the flexibility to locate and drill wells in the Unit to maximize recovery of oil and gas from the unitized interval, thereby preventing waste, and will provide the Applicant latitude to conduct operations in an effective and efficient manner within the Unit.

8. Approval of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Manzano LLC requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on April 7, 2022, and after notice and hearing the

Division issue and order amending R-21572-A to exclude E/2 of Section 30 and the E/2 NE/4 of Section 31 from the Unit and add all of Section 21, Township 17 South, Range 36 East, to the Unit.

Respectfully submitted,

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