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ATTORNEYS & COUNSELORS

February 14, 1992

Michael E. Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

Re: Case No. 10441, Application for Compulsory Pooling
and an Unorthodox Well Location. S/2SE/4 of Section 1,
Township 16 South, Range 36 East, N.M.P.M., Northeast
Lovington-Pennsylvanian Pool, Lea County, New Mexico

Dear Michael:

Pursuant to our telephone conversation yesterday, I am enclosing original Notice of Partial Withdrawal of Application since satisfactory arrangements have been made between the Applicant and Bechtel Energy Partners, Ltd. Please let me know if this particular pleading needs to be done in duplicate.

Regarding that portion of the application pertaining to unorthodox well location, I am enclosing two structure maps and two cross-section maps for your information. I'm not much of a geologist, but I think that they show that the further north applicant moves in Section 1, the less likely it is that they will encounter producible hydrocarbons in the Wolfcamp formation, which is the primary purpose of their proposed well. The enclosed maps unfortunately don't show much likelihood of a producing Strawn well being encountered, but the farmouts under which applicant derives its interest require the well to be drilled to this deeper depth and so this will be done, hopefully in a manner that will not require the drilling of an improbable Strawn well 330' north of the proposed location and a probable Wolfcamp well at the proposed location (which is orthodox as to the Wolfcamp). While Bridge Oil Company, L.P., the operator of the lease immediately south of the proposed well, would certainly be affected by the Division granting the application, we will be sending you (probably by telecopy on Monday) a Waiver signed by them to said application, along with similar Waivers from other offset owners who are likely not as affected.

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We would appreciate your consideration as to whether the remaining portion of the application can be handled administratively without the necessity for a hearing next Thursday. Please advise if we may assist you in any further way. The enclosed maps contain certain proprietary information that applicant certainly has no problem with your seeing, but to the extent that the same may constitute some portion of the official record and thereby constitute public domain, please advise and we will substitute redacted versions of these maps for that purpose.

Thank you again for your cooperation with regard to the above.

Very truly yours,



Phil Brewer

PB:dc

Encl.

cc: Manzano Oil Corp.

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