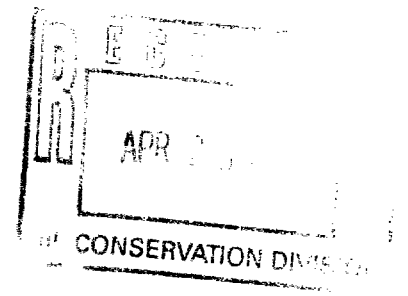


BEFORE THE
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MANZANO OIL CORPORATION
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 11791

APPLICATION

MANZANO OIL CORPORATION., ("Manzano"), through its undersigned attorneys, hereby makes application pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in all formations developed on 80-acre spacing in the S/2 NW/4 and in all formations developed on 40-acre spacing from the surface to the base of the Strawn formation in the SE/4 NW/4 of Section 11, Township 16 South, Range 36 East, Southeast Lovington-Penn pool, Lea County, New Mexico, and in support thereof states:

1. Manzano is a working interest owner in the S/2 NW/4 of said Section 11, on which it proposes to drill its "SV" Big Bertha No. 1 Well to the Strawn formation, at an orthodox location 2081 feet from the North line and 1870 feet from the West line of said Section 11 to a depth sufficient to test any and all formations from the surface to the base of the Strawn formation.

2. Manzano has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the S/2 NW/4 of said Section 11.

3. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

4. In order to permit Manzano to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Applicant should be designated the operator of the well.

WHEREFORE, Manzano Oil Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 29, 1997 and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Manzano operator of the S/2 NW/4 of said Section 11, and authorizing Manzano to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 

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**NOTIFICATION LIST
APPLICATION OF MANZANO OIL CORPORATION
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

**S/2 NW/4 SECTION 11, TOWNSHIP 16 SOUTH, RANGE 36 EAST,
NMPM, EDDY COUNTY, NEW MEXICO**

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CASE 1179:

Application of Manzano Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all formations developed on 80-acre spacing in the S/2 NW/4 and in all formations developed on 40-acre spacing from the surface to the base of the Strawn formation in the SE/4 NW/4 of Section 11, Township 16 South, Range 36 East, Southeast Lovington-Penn Pool, Lea County, New Mexico. Applicant proposes to dedicate this pooled unit to its "SV" Big Bertha No. 1 Well to be drilled at a standard location 2081 feet from the North line and 1870 feet from the West line of said Section 11. 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. Said area is located approximately one mile east of Lovington, New Mexico.