

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

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

CASE NO. 11940
ORDER NO. R-11018

**APPLICATION OF MANZANO OIL CORPORATION FOR COMPULSORY POOLING
AND AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on March 19, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 4th day of August, 1998, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice having been given, the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Manzano Oil Corporation, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 4, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, in the following manner:

(a) the S/2 to form a standard 320-acre gas spacing and proration unit for any and all pools developed on 320-acre spacing within that vertical extent, which presently include but are not necessarily limited to the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Carlsbad-Strawn Gas Pool, Undesignated La Huerta-Strawn Gas Pool, Undesignated Tansill Dam-Atoka Gas Pool, and South Carlsbad-Morrow Gas Pool;

(b) the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent;

(c) the E/2 SE/4 to form a standard 80-acre oil spacing and

proration unit for any pools developed on 80-acre spacing within that vertical extent; and,

(d) the SE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, which presently include but are not necessarily limited to the Esperanza-Delaware Pool and Undesignated Esperanza-Bone Spring Pool.

(3) These units are to be dedicated to the applicant's proposed Esperanza Well No. 1 to be drilled 660 feet from the South line and 990 feet from the East line (Unit P) of Section 4. This location is considered "standard" for 40 and 160-acre spacing, but would normally be considered an unorthodox oil well location for pools spaced on 80-acre units, and is an unorthodox gas well location for pools spaced on 320 acres.

(4) By Administrative Order NSL-3958, dated March 4, 1998, the Division approved the location of the proposed Esperanza Well No. 1 as an unorthodox gas well location within the S/2 of Section 4 in the South Carlsbad-Morrow Gas Pool.

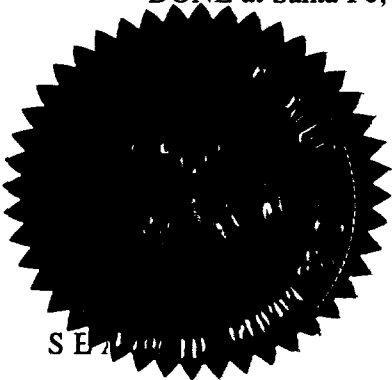
(5) Furthermore, the applicant, at the time of the March 19, 1998 hearing, requested this case be dismissed.

(6) Dismissal of this case should therefore be granted.

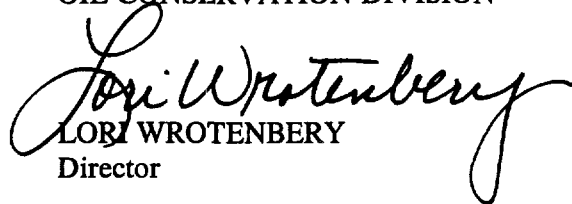
IT IS THEREFORE ORDERED THAT:

Case No. 11940 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director