

MUELLER ENGINEERING CORP.
PETROLEUM CONSULTANTS
1010 TOWER II
555 NORTH CARANCAHUA
CORPUS CHRISTI, TEXAS 78478-0501
(512)883-1911 - ofc. (512)883-1909 - fax

Delene Judd

August 5, 1998

CERTIFIED MAIL No. Z 109 753 189
RETURN RECEIPT REQUESTED

Mr. Michael L. Stogner
Oil Conservation Division
Department of Energy
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

10 am

RE: Manzano Oil Corporation
Application for Administrative Approval
of Unorthodox Well Location
Rio Negro #1
Eddy County, NM

Dear Mr. Stogner:

Wadi Petroleum, Inc. is in receipt of a request from Manzano Oil Corporation to waive objection to their application of an unorthodox location for the Manzano Oil Corporation Rio Negro #1 well at the proposed location of 660' FWL and 660' FSL of Section 23, T-24-S, R-26-E.

Please be advised that Wadi Petroleum, Inc., as an offset operator, does not intend to grant Manzano Oil Corporation a waiver; furthermore, Wadi will oppose this application should a hearing be held for same.

Please advise this office of the dates and time of a hearing, should one be scheduled.

Sincerely,

Eduardo A. Riddle

Eduardo A. Riddle
Agent for WADI PETROLEUM, INC.

Encl: APD C-101, List of Affected Parties

cc: Wadi Petroleum, Inc. & All Working Interest Owners