

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

CASE NO. 12049
ORDER NO. R-10775-A(1)

**APPLICATION OF MANZANO OIL CORPORATION FOR COMPULSORY
POOLING AND A NON-STANDARD SUBSURFACE OIL WELL
LOCATION/PRODUCING AREA, LEA COUNTY, NEW MEXICO.**

AMENDED ORDER

BY THE DIVISION:

It appearing to the New Mexico Oil Conservation Division ("Division") that Order No. R-10775-A, dated November 20, 1998, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Finding Paragraph No. (9) on page 2 of Order No. R-10775-A is hereby amended to read in its entirety as follows:

" (9) This unit is to be dedicated to the existing "SV" Killer Bee Well No. 1 (API No. 30-025-33807), to be redesignated the Odyssey Well No. 1, located at an unorthodox surface oil well location 487 feet from the South line and 1270 feet from the East line (Unit O) of Section 2 (approved by Division Order No. R-10775, issued in Case No. 11725 and dated February 27, 1997). Further, in accordance with Division Rules 104.F and 111(C)2, the applicant seeks approval to recomplete this well by directionally drilling to a non-standard subsurface oil well location/producing area within the proposed 80-acre unit for both the Undesignated North Lovington-Wolfcamp and Undesignated Northeast Lovington-Pennsylvanian Pools that will be no closer than 510 feet to the east, south, and west boundaries of the unit nor closer than 171 feet to the northern boundary of the unit."

(2) Ordering Paragraph No. (1) on page 5 of Order No. R-10775-A is hereby amended to read in its entirety as follows:

" (1) All mineral interests, whatever they may be, within the Undesignated North Lovington-Wolfcamp and Undesignated Northeast Lovington-Pennsylvanian Pools underlying the S/2 SE/4 of Section 2, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, are hereby pooled in order to form a standard 80-acre oil spacing and proration unit for both pools. This unit is to be dedicated to Manzano Oil Corporation's ("Manzano") existing "SV" Killer Bee Well No. 1 (API No. 30-025-33807), to be redesignated the Odyssey Well No. 1, located at an unorthodox surface oil well location 487 feet from the South line and 1270 feet from the East line (Unit O) of Section 2, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico (approved by Division Order No. R-10775, issued in Case No. 11725 and dated February 27, 1997). Further, in accordance with Division Rules 104.F and 111(C)2, Manzano is authorized to recomplete this well by directionally drilling to a non-standard subsurface oil well location/producing area within the S/2 SE/4 of Section 2, being a standard 80-acre oil spacing and proration unit for both the Undesignated North Lovington-Wolfcamp and Undesignated Northeast Lovington-Pennsylvanian Pools, that will be no closer than 510 feet to the east, south, and west boundaries of the unit nor closer than 171 feet to the northern boundary of the unit.

PROVIDED HOWEVER THAT, the operator shall commence re-entry, recompletion, and directional drilling operations on the well on or before February 15, 1999, and shall thereafter continue the re-entry and recompletion operations on the well by directionally drilling in the manner described above in Ordering Paragraph No. (1) to a depth sufficient to test the Strawn formation.

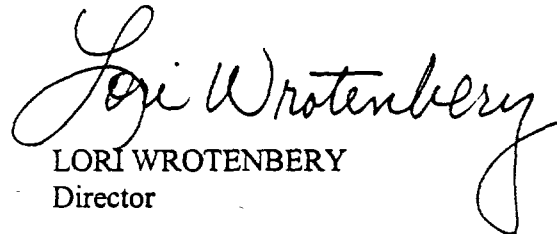
PROVIDED FURTHER THAT, in the event the operator does not commence re-entry, recompletion, and directional drilling operations on the well on or before February 15, 1999, Ordering Paragraph No. (1) of this order shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause shown.

PROVIDED FURTHER THAT, should the well not be re-entered, recompleted, and directionally drilled or abandoned, within 120 days after commencement thereof, the operator shall appear before the Division Director and show cause why Ordering Paragraph No. (1) of this order should not be rescinded."

(3) The corrections set forth in this order shall be entered retroactively as of November 20, 1998.

DONE at Santa Fe, New Mexico, on this 2nd day of February, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

SEAL