



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

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Jennifer A. Salisbury

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Director

Oil Conservation Division

5/10/00

James Bruce
Attorney at Law
P.O. Box 1056
Santa Fe, NM 87501

Via Fax: 505-982-2151

Re: Manzano- Cayuma #1 Lots 12-13 Sec1-T16-36S, Lea County, NM Case #12425

Dear Jim:

Thank you for the information faxed to this office. Paul Kautz Petroleum Engineering Specialist and myself reviewed the information you sent and from what we can determine from the inclination survey this well does not appear to have ever been vertically drilled (per NSL order # 4417). Also, the C-103 dated March 22, 2000 has changes on the depth of the cement plug from 11,700' to 11,400' to 10,70 & 10,400. In reference to verbal approval by Gary Wink in the Hobbs OCD District 1 Office, Gary does not recall giving approval for Manzano to kick off and directionally drill this well. February 6, 2000 is a Sunday and the person on call for that date was Karen Sharp and according to her she received no call from Manzano.

With so many inconsistencies about this well I agree with Mike Stogner that this should go to hearing so the information can be sorted out. Since this has been set for hearing June 1, 2000 there will be no testing allowable given.

Sincerely

A handwritten signature in cursive script that reads "Chris Williams".

Chris Williams
District 1 Supervisor

CC: Mike Stogner, Chief Hearing Examiner
Lori Wrotenbery, Division Director