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May 10, 2000

Via Fax: 393-0720 (4 pages)

Chris Williams, Supervisor
Oil Conservation Division
Hobbs, New Mexico

Re: Cayuma Well No. 1-A
Lots 12 and 13 of Section 1, Township 16 South, Range 36
East, NMPM
Lea County, New Mexico

Operator: Manzano Oil Corporation

Dear Chris:

This letter renews Manzano Oil Corporation's ("Manzano's") request for a temporary allowable for the above well pending a decision after the June 1st Examiner hearing.

Manzano applied for an unorthodox location on January 13, 2000 (see attached letter) for a location 3580 feet FSL and 990 feet FWL. Although NSL-4417 was not issued until March 2nd, Manzano received verbal approval to start operations before the order was issued.

On February 6th, Manzano reached total depth, but the well was dry. On that date (Sunday), Manzano called Gary Wink and received verbal approval to kick off the well. This was reported to the Division on the attached Form C-103, and Manzano then filed a request with the Division's Santa Fe office to amend Order NSL-4417.

Based on these filings, we believe Manzano complied with Division regulations, and request reconsideration of your decision.

Very truly yours,


James Bruce

Attorney for Manzano Oil Corporation

JAMES BRUCE

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January 13, 2000

Hand DeliveredMichael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rules 104.C and 104.F, Manzano Oil Corporation ("Manzano") applies for administrative approval of an unorthodox oil well location for the following well:

Cayuma Well No. 1-A
3580 feet FSL & 990 feet FWL
Lots 12 and 13 of Irregular Section 1, Township 16
South, Range 36 East, NMPM
Lea County, New Mexico

Manzano intends to re-enter the existing Cayuma Well No. 1, which was directionally drilled from an unorthodox surface location 3580 feet from the south line and 990 feet from the west line¹ to an orthodox bottom hole location 3175 feet from the south line and 743 feet from the west line of Section 1. The well tested the Strawn formation, but was dry.

Applicant will re-designate the well as the Cayuma Well No. 1-A, and deepen it to the Strawn formation at the unorthodox location 3580 feet from the south line and 990 feet from the west line of Section 1. A Form C-102 for the re-entry is attached hereto as Exhibit A.

The well is in the Undesignated Northeast Lovington-Pennsylvanian Pool, which is spaced on 80 acres, with wells to be located within 150 feet of the center of a quarter-quarter section or lot.


¹The unorthodox surface location was due to topographic reasons.

The unorthodox location is based on geologic reasons. As noted above, the well was originally drilled to test the Strawn, but was dry at the orthodox bottom hole location. Attached as Exhibit B is an isopach of the Strawn formation. Manzano believes that the Strawn reservoir lies to the north of the original bottom hole location. Thus, drilling the well at the existing unorthodox location will lessen its cost and increase the chances of encountering commercial quantities of hydrocarbons.

Attached as Exhibit C is a land plat of the area. The working interest owners in Lots 11 and 14 are Manzano, Mark A. Chapman, Bristol Resources Corporation, Bristol Resources 1994 Acquisition Limited Partnership, and Bristol Resources Production Company, L.L.C.. Notice letters to the offsets are attached as Exhibit D. Please note that these letters were mailed yesterday.

This application is submitted in duplicate. Please call me if you need anything further regarding this matter.

Very truly yours,


James Bruce
Attorney for Manzano
Oil Corporation

05/10/2000 10:23

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MANZANO OIL CORP

PAGE 02

all returned
3/23/00
an

Submit 3 Copies To Appropriate Director
 Office
 District I
 1623 N. French Dr., Hobbs, NM 87240
 District II
 811 South Fort, Amarillo, NM 8910
 District III
 1000 N. Main St., Lordsburg, NM 87540
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
 Santa Fe, NM 87505

Form C-103

Revised March 25, 1999

<p>SUNDY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>		<p>WELL API NO. 30-025-34480</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease: STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/></p>
<p>2. Name of Operator Manzano Oil Corporation</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator P.O. Box 2107, Roswell, NM 88202-2107</p>		<p>7. Lease Name or Unit Agreement Name: Cayuma</p>
<p>4. Well Location Unit Later Lot 13 : 3580 feet from the South line and 990 feet from the West line Section 1 Township 16S Range 36E NMPM County Lea</p>		<p>8. Well No. 1</p>
<p>10. Elevation (Show whether DR, RKB, RT, GR, etc.) 3879'</p>		<p>9. Pool name or Wildcat: NE Livingston Penn</p>

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/></p>
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12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

2/06/2000 Set 245 sks C1 H cement plug from 11,700' back to 11,400'.
 2/07/2000 Tag cement plug @ 10,375'.
 2/08/2000 Dressed cement plug to 10,500'.
 2/16/2000 TD 11,770'.

Depth	Inclination	Azimuth	coordinates
11,770'	13.6°	50.6°	227°N 190°E from surface location

2/17/2000 TD 11,770'. DST #2 Strawn 11,610-770'. Pipe recovery: Top 83.5' of free 43.2° gravity oil. Middle 483.7' of highly oil & gas cut mud. Lower 304.6' of sli oil & highly gas cut mud.
 2/19/2000 TD 11,770'. Ran 261 jts of S95 & N80 17# csg. Set @ 11,770' KB. Cemented w/220 sks Super C Modified. Tsg to 1700 psi - OK. Est TOC 10,500'.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Allison Hernandez TITLE Engineering Technician DATE 3/16/2000

Type or print name Allison Hernandez

Telephone No. (505) 623-1996

(This space for State use)

ORIGINAL SIGNATURE OF SUBMITTER

APPROVED BY

DISPATCH SUBMISSION

DATE 2/24/2000

Conditions of approval, if any: