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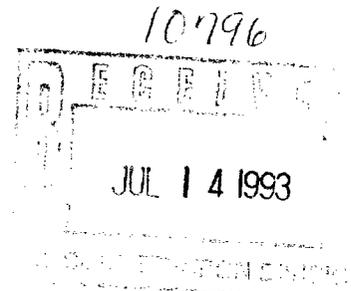
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July 14, 1993

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503



Re: Application of Manzano Oil Corporation for an Unorthodox Gas Well
Location, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Manzano Oil Corporation in the above-referenced case as well as a draft of a legal advertisement for this matter. Manzano Oil Corporation respectfully requests that this case be placed on the docket for the August 12, 1993 Examiner hearings.

Very truly yours,

WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Mr. Ken Barbe (w/enclosures)
Manzano Oil Corporation
1801 West Second Street
Roswell, New Mexico 88201

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MANZANO OIL CORPORATION
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.

JUL 14 1993

CASE NO. 10196

APPLICATION

COMES NOW MANZANO OIL CORPORATION, through its undersigned attorneys, and hereby makes application for an order approving an unorthodox well location, and in support thereof states:

1. Applicant is the operator of the E/2 of Section 14, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico on which it drilled its Neuhaus Federal Well No. 2 to originally test the Strawn formation at an orthodox 40-acre Strawn location 660 feet from the North line and 1650 feet from the and East line in Unit B of said Section 14.

2. When the Neuhaus Federal Well No. 2 intercepted the Wolfcamp formation it was discovered that this formation was under pressured and to continue drilling to the Strawn could damage the Wolfcamp. Accordingly, Manzano abandoned its plans to drill to the Strawn and has completed this well in the Wolfcamp formation, Osudo-Wolfcamp Pool.

3. Applicant seeks an exception to the Division's well location requirements and approval of this unorthodox well location in the Wolfcamp formation.

4. A standard 320-acre proration unit comprised of the E/2 of said Section 14 should be dedicated to the well.

CASE 10796:

Application of Manzano Oil Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox location in the Wolfcamp formation, Osudo-Wolfcamp Pool, for its Neuhaus Federal Well No. 2 which has been drilled 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 14, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Applicant further requests approval of the unorthodox location as to all prospective pools or formations including but not limited to the Wolfcamp, spaced on 320-acres. Said well is located approximately 17 miles southwest of Hobbs, New Mexico.

APR 14 1993

REGISTRATION DIVISION