

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 12515
ORDER NO. R-11493**

**APPLICATION OF MANZANO OIL CORPORATION FOR APPROVAL OF A
UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on November 16, 2000, at Santa Fe, New Mexico, before Examiner Mark W. Ashley.

NOW, on this 28th day of November, 2000, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) Division Cases No. 12515 and 12516 were consolidated at the time of the hearing for the purposes of testimony.

(3) The applicant, Manzano Oil Corporation, seeks approval of the Manzano King State Unit Agreement for all oil and gas in the Devonian formation underlying the following described 80 acres, more or less, of State and fee lands in Lea County, New Mexico:

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM

Section 35: SE/4 NE/4
Section 36: SW/4 NW/4.

(4) The proposed unit was previously unitized pursuant to Division Order No. R-10916, issued in Case No. 11870 and dated November 20, 1997. It was subsequently

terminated when completion attempts within the Devonian formation were unsuccessful.

(5) No interested party appeared at the hearing or otherwise objected to the proposed unit.

(6) All plans for: (i) development and operation; (ii) creation, expansion or contraction of participating areas; or (iii) expansion or contraction of the unit area should be submitted to the Director for approval.

(7) Approval of the proposed unit agreement should promote the prevention of waste and protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED THAT:

(1) The Manzano King State Unit Agreement is hereby approved for all oil and gas in the Devonian formation underlying the following described 80 acres, more or less, of State and fee lands in Lea County, New Mexico:

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM

Section 35: SE/4 NE/4

Section 36: SW/4 NW/4.

(2) The plan contained in the unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided however, notwithstanding any of the provisions contained in the unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the unit and production of oil and gas therefrom.

(3) The unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any other party or expansion or contraction of the unit area, the unit operator shall file with the Division, within 30 days, counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

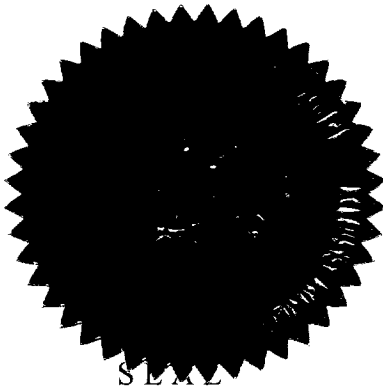
(4) All plans for: (i) development and operation; (ii) creation, expansion or contraction of participating areas; or (iii) expansion or contraction of the unit area shall be submitted to the Director for approval.

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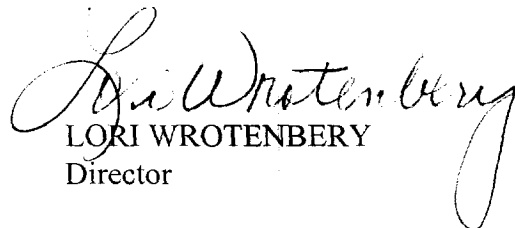
(5) This order shall become effective upon the approval of the unit agreement by the Commissioner of Public Lands for the State of New Mexico. This order shall terminate upon the termination of the unit agreement. The last unit operator shall notify the Division immediately in writing of such termination.

(6) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director