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

APPLICATION OF MANZANO LLC TO AMEND ORDER NO. R-21572 FOR APPROVAL OF THE EXPANSION OF THE VINDICATOR CANYON STATE EXPLORATORY UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. _____ ORDER NO. R-21572

APPLICATION

Manzano LLC (OGRID No. 231429) ("Manzano"), through its undersigned attorneys, files this application with the Oil Conservation Division ("Division") to amend Order No. R-21572 for approval of the expansion of the geographic area of the Vindicator Canyon State Exploratory Unit by approximately 960 acres. In support of this application, Manzano states:

1. The Division entered Order No. R-21572 approving the Vindicator Canyon State Exploratory Unit (the "Unit") on January 26, 2021. Order No. R-21572 approved the Vindicator Unit Agreement and proposed Unit area, which consists of the following 6,000 acres of State land situated in Lea County ("Unit Area"):

TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 14: SW/4 Section 15: ALL Section 20: W/2 Section 23: S/2, NW/4 Section 26: ALL Section 27: ALL Section 28: ALL Section 29: ALL Section 30: E/2 Section 31: E/2 NE/4 Section 32: N/2, SW/4 Section 33: NE/4

Section 34: E/2 E/2 Section 35: ALL

2. The unitized interval for the Vindicator Canyon State Exploratory Unit is the Canyon formation, at the stratigraphic equivalent of the interval between 11,678 feet and 12,202 feet as found on the sonic log for the Deep Sparkling Muddler 15 State #1 well (API No. 30-025-22194) in Section 15, Township 17 South, Range 36 East, N.M.P.M., Lea County, New Mexico.

3. Manzano is the designated operator under the proposed Unit Agreement and this expansion request is made to comply with the request of the State Land Office to include the additional acreage.

4. The expansion area consists of approximately 960 acres comprised of the following State lands in Lea County, New Mexico ("Vindicator Expansion Area"):

TOWNSHIP 17 SOUTH, RANGE 36 EAST, N.M.P.M.

Section 20: E/2 Section 22: ALL

5. The Unit Area will now consist of approximately 6,960 acres.

6. The Unitized Interval for the Vindicator Expansion Area remains the same.

7. The New Mexico State Land Office has requested this expansion in its final approval letter.

8. Approval of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Manzano LLC requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on March 4, 2021, and that after notice and hearing the Division approve Manzano's foregoing request to amend Order No. R-21572.

Respectfully submitted,

HOLLAND & HART LLP

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By:__

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