



PALADIN ENERGY CORP.

OIL CONSERVATION DIV.

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February 19, 2002

New Mexico Department of Energy, Minerals & Natural Resources
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Attention: Mr. Michael Stogner

RE: Request by Manzano Oil Corporation to Amend Administrative Order NSL-4568
Rum Point-State #1
Section 2 – T14S – R37E
Lea County, New Mexico

Dear Mr. Stogner:

Paladin Energy Corp (“Paladin”), as the Affected Offset Operator, has received a copy of Manzano Oil Corporation’s (“Manzano”) request of February 12, 2002, as referenced above. Paladin has no objection to Manzano producing from the Devonian formation in the subject well.

Please be advised that this is NOT a waiver of objection to produce this well in any other formation. Paladin would certainly object to any attempt to produce this well in the Wolfcamp or Pennsylvanian zones, should such production be proposed.

Yours truly,

George G. Fenton
President & CEO

CC: 1. NMOCD – Hobbs, NM
2. Manzano Oil Corporation
P.O. Box 2107
Roswell, NM 88202-2107