

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

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

CASE NO. 12864

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OIL CONSERVATION DIV

APPLICATION

MANZANO OIL CORPORATION ("Manzano"), through its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order approving an unorthodox oil well location in the Wolfcamp formation, and in support of this application states:

1. Applicant is the operator of its Rum Point State Well No. 1 (API No. 30-025-35499) located at a previously approved unorthodox well location (AMENDED Administrative Order NSL-4568) in the King-Devonian Pool at a point approximately 260 feet from the North line and 1200 feet from the East line (Lot 1/Unit A) of Section 2, Township 14 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A standard 41.43-acre spacing and proration unit comprised of the NE/4 NE/4 equivalent is dedicated to the well.

2. The Rum Point State Well No. 1 is no longer capable of commercial production for the Devonian formation and Manzano seeks authority to recomplete this well at an unorthodox location 163 feet from the North line and 1155 feet from the East line of said Section 2 in the Wolfcamp formation, Undesignated King-Wolfcamp Oil Pool.

3. Applicant seeks an exception to Rule 104.B (1) of the General Rules and Regulations of the Oil Conservation Division to permit the drilling of this well at this unorthodox gas well location.

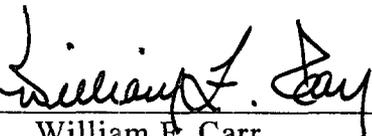
4. A standard 41.43-acre oil spacing and proration unit comprised of the NE/4 NE/4 equivalent of Section 2 will be dedicated to the well in the Wolfcamp formation.

5. Approval of this application will afford the interest owners in this spacing and proration unit the opportunity to produce their just and equitable share of the reserves under the subject spacing and proration unit and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Manzano oil Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 16, 2002, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting this application.

Respectfully submitted,

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ATTORNEYS FOR MANZANO OIL  
CORPORATION

CASE 12864: **Application of Manzano Oil Corporation for an unorthodox well location, Lea County, New Mexico.** Applicant in the above-styled cause seeks authorization to recomplete its Rum Point State Well No. 1 (API No. 30-025-35499) in the Wolfcamp formation, Undesignated King-Wolfcamp Pool at an unorthodox well location 163 feet from the North line and 1155 feet from the East line of Section 2, Township 14 South, Range 37 East, N.M.P.M., Lea County, New Mexico. A standard 41.43-acre standard oil spacing unit comprised of the NE/4 NE/4 equivalent of Section 2 is to be dedicated to said well. Said well is located approximately 9 miles East of McDonald, New Mexico.