



**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