



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87506  
(505) 827-7131

April 6, 1998

Manzano Oil Corporation  
P. O. Box 2107  
Roswell, New Mexico 88210-2107  
Attention: Michael Brown

*Administrative Order NSL-3987*

Dear Mr. Brown:

Reference is made to your application dated March 11, 1997 for an exception to the "*Special Rules and Regulations for the Northeast Lovington-Pennsylvanian Pool*," as promulgated by Division Order No. R-3816, as amended, requesting authorization for your State "3" Well No. 1 (API No. 30-025-34238) recently drilled at an unorthodox oil well location 2144 feet from the North line and 2087 feet from the East line (Unit G) of Section 12, Township 16 South, Range 36 East, NMPM, Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico.

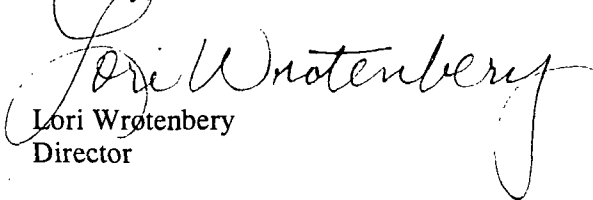
The S/2 NE/4 of said Section 12 is to be dedicated to said well in order to form a standard 80-acre oil spacing and proration unit for said pool.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

The geologic interpretation submitted with this application indicates that a well drilled to the south of the nearest location considered "standard" in the SW/4 NE/4 (Unit G) of said Section 12 will be at a more favorable geologic position within the Strawn formation of the Pennsylvanian system underlying the subject 80-acre tract.

By the authority granted me under the provisions of RULE 5 of said special pool rules and Division General Rule 104.F(2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

  
Lori Wrotenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe