



HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:

Gary W. Larson,
Partner

glarson@hinklelawfirm.com

May 25, 2018

MAY 25 2018 PM03:22

VIA HAND DELIVERY

Case 16229

Florene Davidson
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Manzano, LLC Application

Dear Florene:

Enclosed please find: (i) for filing, the original and one (1) copy of an application by Manzano, LLC for approval of its West Crossroads San Andres State Exploratory Unit; and (ii) a proposed hearing notice. I will email the proposed hearing notice to you in Word format.

As stated in the application, Manzano requests that the application be placed on the Division's June 28, 2018 hearing docket.

Thank you for your assistance.

Very truly yours,

Gary W. Larson

GWL:jwl
Enclosures

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

MAY 25 2018 PM03:22

**APPLICATION OF MANZANO, LLC
FOR APPROVAL OF THE WEST CROSSROADS
SAN ANDRES STATE EXPLORATORY UNIT,
LEA COUNTY, NEW MEXICO**

Case No. 16229

APPLICATION

Pursuant to 19.15.20.14 NMAC, Manzano, LLC (“Manzano”) applies for an order approving its West Crossroads San Andres State Exploratory Unit (“the Unit”). In support of its application, Manzano states:

1. The proposed Unit Area for the Unit comprises 4,153.72 acres, more or less, of State of New Mexico lands situated in Lea County, described as follows:

Township 9 South, Range 35 East, N.M.P.M.

Section 36: All

Township 9 South, Range 36 East, N.M.P.M.

Section 32: All

Township 10 South, Range 35 East, N.M.P.M.

Section 1: N/2

Township 10 South, Range 36 East, N.M.P.M.

Section 5: All

Section 6: All

Section 7: All

Section 8: All

2. Manzano (OGRID No. 231429) is the designated operator under the Unit Agreement.

3. The unitized interval is the San Andres formation, defined as the stratigraphic equivalent of the interval between 4,075 feet and 5,503 feet as depicted on the sonic log dated January 31, 1960 for the Pure Oil State Lea H#1 well (API No. 30-025-03625) located 1,980 feet from the south line and 660 feet from the west line in Section 32, Township 9 South, Range 36 East, N.M.P.M., in Lea County.

4. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

5. All oil and gas in the San Andres formation are unitized.

6. The entire Unit Area will be developed and operated as a single participating area.

7. Approval of this application will serve the interests of conservation, protection of correlative rights, and prevention of waste.

WHEREFORE, Manzano requests that (i) this application be set for hearing on June 28, 2018, and (ii) after notice and hearing, the Division enter an order granting this application.

Respectfully submitted,

HINKLE SHANOR LLP



Gary W. Larson
Jared A. Hembree
P.O. Box 2068
Santa Fe, New Mexico 87504-2068
Phone: 505-982-4554
Facsimile: (505) 982-8623
glarson@hinklelawfirm.com
jhembree@hinklelawfirm.com

Attorneys for Manzano, LLC

Case No. 16229 : Application of Manzano, LLC for Approval of the West Crossroads San Andres State Exploratory Unit, Lea County, New Mexico. Applicant seeks approval of its West Crossroads San Andres State Exploratory Unit, which comprises 4,153.72 acres, more or less, of State of New Mexico lands situated in all of Section 32 and Sections 5,6, 7, and 8 in Township 9 South, Range 36 East, N.M.P.M, and the N/2 of Section 1 and all of Section 36 in Township 10 South, Range 35 East, N.M.P.M., in Lea County. The unitized interval is the San Andres formation, defined as the stratigraphic equivalent of the interval between 4,075 feet and 5,503 feet as depicted on the sonic log dated January 31, 1960 for the Pure Oil State Lea H#1 well (API No. 30-025-03625) located 1,980 feet from the south line and 660 feet from the west line in Section 32, Township 9 South, Range 36 East, N.M.P.M., in Lea County. The unit acreage is located approximately 3.5 miles southeast of Crossroads, New Mexico.

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