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November 9, 1994

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NOV 14 1994

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

Mr. Floyd O. Prando, Director
Oil & Gas Division
New Mexico State Land Office Building
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: New Mexico Oil Conservation Division Case No. 11127:
Application of Manzano Oil Corporation for an unorthodox oil well
location, Lea County, New Mexico

Dear Mr. Prando:

In the above-referenced case, Manzano Oil Corporation seeks approval of an unorthodox oil well location for its S.V. Sundown State Well No. 1 to be drilled at an unorthodox location 477 feet from the South line and 190 feet from the West line of Section 14, Township 10 South, Range 37 East, NMPM, Lea County, New Mexico.

Enclosed for your information is a copy of Manzano Oil Corporation's Exhibit No. 1 offered at the October 27, 1994 hearing on this application. The proposed unorthodox location is indicated in the SW/4 SW/4 of Section 14. As you will note, Manzano is the operator of the offsetting tract in the SW/4 of Section 15, Township 10 South, Range 37 East. The SW/4 of Section 14 is covered by State Lease VA1134, the SE/4 of Section 15 by Lease V4430. A check of your records indicates that both the beneficiary institutions for each of these tracts is indicated as "Deaf, Dumb and Blind." Accordingly, the beneficiary institutions under these State leases should not be affected by the proposed unorthodox location.

Mr. Floyd O. Prando, Director
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Also enclosed is a copy of Manzano's Exhibit No. 2 in Case 11127. This is a seismic structure map and, as you can see, the objective of this well is a small Devonian feature. This should be a one well pool and, unless this well is drilled at the proposed location, reserves will ultimately be left in the ground.

At the conclusion of the October 27, 1994 hearing on this application, Examiner Michael Stogner requested that we contact your office and seek a waiver from the Commissioner of Public Lands to the proposed unorthodox location.

If you have no objection to this well location, please sign on the line indicated below and return this letter to me for transmittal to the Oil Conservation Division. Should you desire further information concerning this matter, please advise.

Very truly yours,

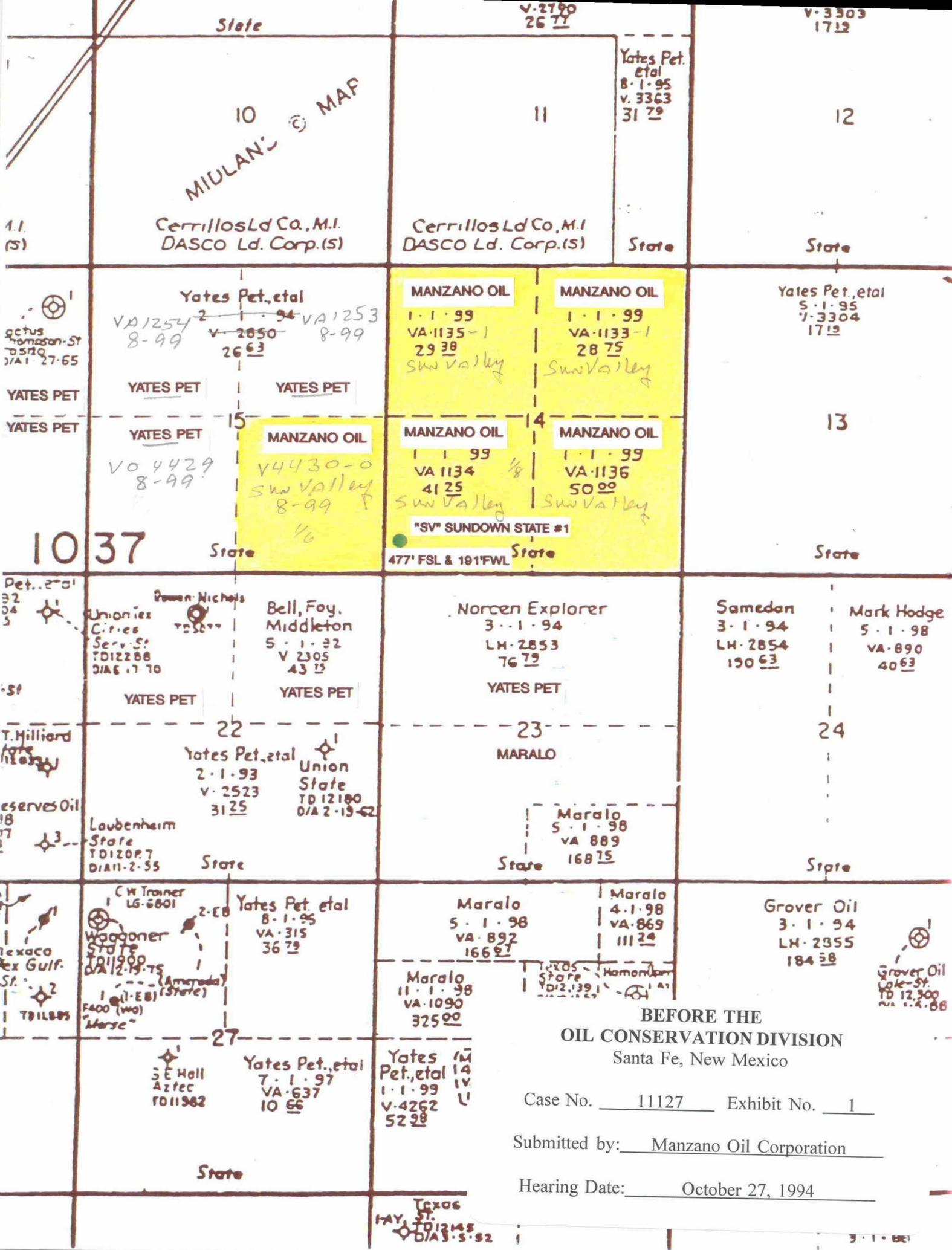


WILLIAM F. CARR

Enclosures
WFC:mlh

WAIVER OF OBJECTION

Floyd O. Prando - Director O-G-D Division
(Title)



BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

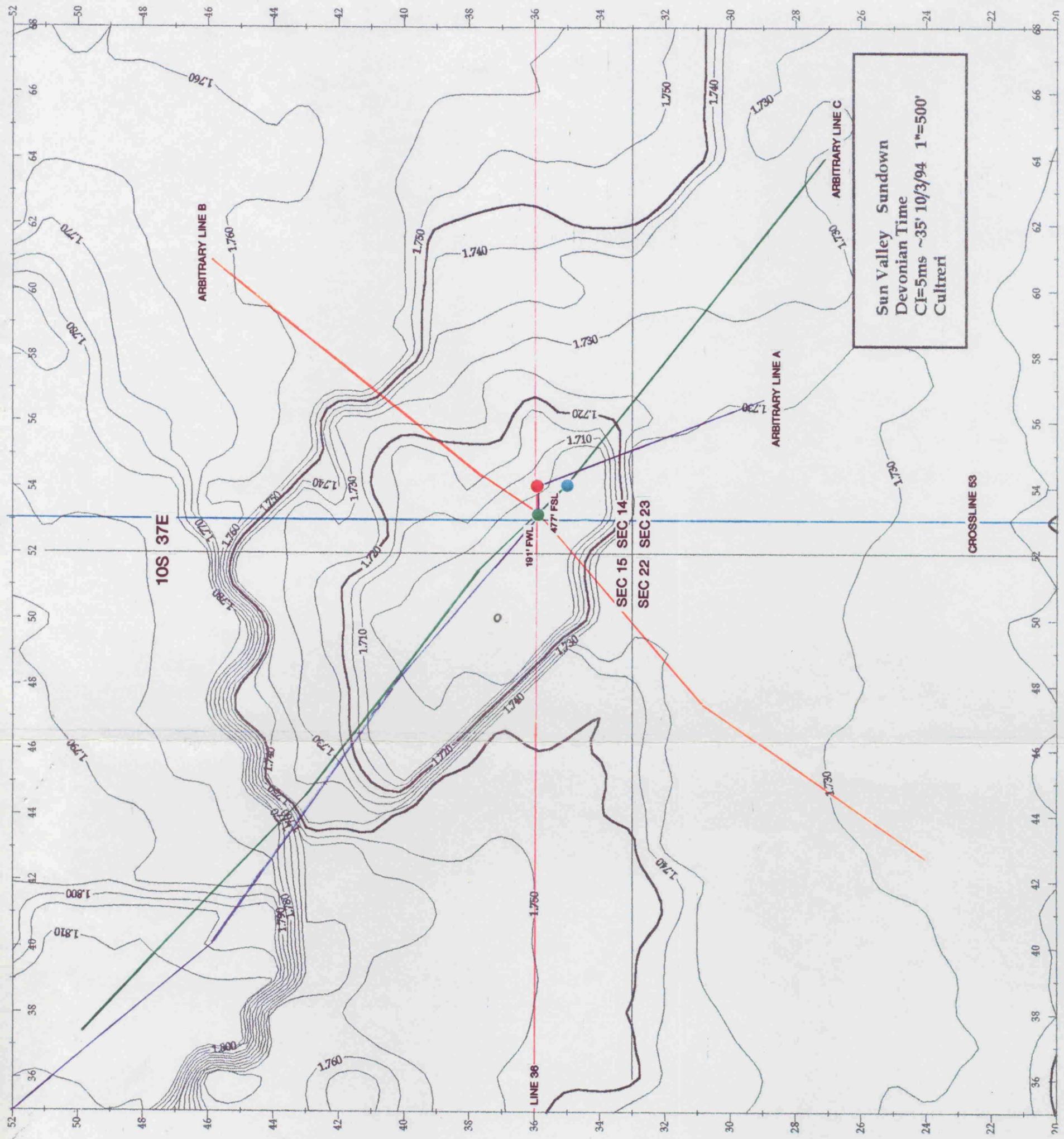
Case No. 11127 Exhibit No. 1

Submitted by: Manzano Oil Corporation

Hearing Date: October 27, 1994

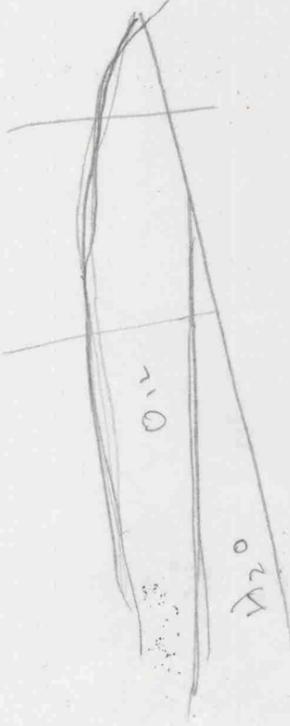
Texas
HAY ST.
D/A 5-92

3-1-94



Sun Valley Sundown
 Devonian Time
 CI=5ms ~35' 10/3/94 1"=500'
 Cultreri

- PROPOSED LOCATION
- 330' FWL LOCATION
- ALTERNATIVE LOCATION



330 FEL
 660 FSL
 SOC. 15
 10S
 37E

0.12
 1.20