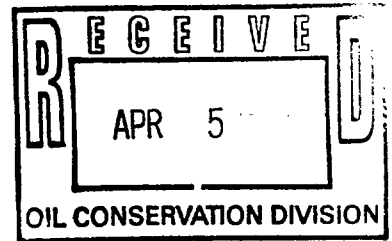


**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:



CASE NO. 11513

IN THE MATTER OF THE APPLICATION OF
MANZANO OIL CORPORATION
FOR COMPULSORY POOLING AND
AN UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Manzano Oil Corporation
c/o Ken Barbe
1801 West Second Street
Roswell, New Mexico 88201
(505) 623-1996

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Manzano Oil Corporation, applicant in the above-styled cause, seeks an order pooling all mineral interests in all formations developed on 160-acre spacing from the surface to the base of the Strawn formation, underlying the SW/4 of Section 11, Township 16 South, Range 36 East. Said unit is to be dedicated to its "SV" Chipshot Well No. 1 which will be drilled at an unorthodox location 2164 feet from the South line and 1362 feet from the West line of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

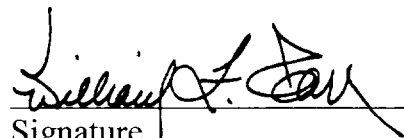
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Larry Hunnicutt, Land	15 Min.	Approximately 5
Mike Brown, Geologist	15 Min.	Approximately 5

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)


Signature