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August 27, 1996

**HAND-DELIVERED**

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco  
Santa Fe, New Mexico 87503

**RECEIVED**

AUG 27 1996

Oil Conservation Division

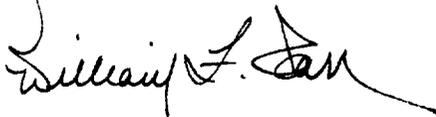
11616

Re: Application of Manzano Oil Corporation for compulsory pooling and an unorthodox well location, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Manzano Oil Corporation in the above-referenced case as well as a legal advertisement. Manzano respectfully requests that this matter be placed on the docket for the September 19, 1996 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Ken Barbe, (w/enclosures)

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

**RECEIVED**

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

AUG 27 1996

Oil Conservation Division

CASE NO. 11016

**APPLICATION**

MANZANO OIL CORPORATION ("Manzano"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order (1) pooling all mineral interests in all formations developed on 40-acre spacing in the SW/4 NE/4 of Section 11, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and (2) approving an unorthodox well location, and in support thereof states:

1. Manzano owns or represents approximately 98% of the working interest in the SW/4 NE/4 of Section 11, and Manzano has the right to drill thereon.
2. Manzano proposes to drill its Double Eagle Well No. 1 at an unorthodox location 1500 feet from the North line and 2250 feet from the East line of Section 11, and test the Wolfcamp and Strawn formations.
4. Manzano has sought and been unable to obtain either a voluntary agreement for pooling or farmout from certain interest owners in the SW/4 NE/4 of said Section 11.
5. Said pooling of interests and the drilling of the Double Eagle Well No. 1 at the

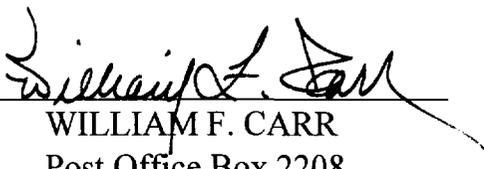
proposed unorthodox location will avoid the drilling of unnecessary wells, will prevent waste and protect correlative rights.

6. In order to permit Manzano to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Manzano should be designated the operator of the well to be drilled.

WHEREFORE, Manzano requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 19, 1996, and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Manzano operator of the well and spacing unit, authorizing Manzano to recover its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by Manzano in drilling, completing and equipping the well and approving the proposed unorthodox location for this well.

Respectfully submitted,

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

By:   
WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR MANZANO OIL  
CORPORATION

CASE 11016 :

Application of Manzano Oil Corporation, for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the SW/4 NE/4 of Section 11, Township 16 South, Range 36 East, for all formations developed on 40-acre spacing. Said unit is to be dedicated to its Double Eagle Well No. 1 to be drilled at an unorthodox location 1500 feet from the North line and 2250 feet from the East 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. Said area is located approximately \_\_\_ miles \_\_\_\_\_ of \_\_\_\_\_, New Mexico.

**RECEIVED**

AUG 27 1996

Oil Conservation Division