

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF MANZANO OIL CORPORATION  
TO REOPEN CASE NO. 11725,  
ORDER NO. R-10775, COMPULSORY  
POOLING AND UNORTHODOX WELL  
LOCATION, LEA COUNTY, NEW MEXICO.

CASE NO. 11798

**APPLICATION**

MANZANO OIL CORPORATION, through its undersigned attorneys, hereby makes application to reopen Case No. 11725 and the resulting Order No. R-10775, an order pooling all mineral interests in the S/2 SE/4 for formations based on 80-acre spacing, and the SW/4 SE/4 for formations based on 40-acre spacing, of Section 2, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and authorizing an unorthodox well location. In support of this Application, Manzano states:

1. Applicant owns a working interest in the S/2 of Section 2, and Applicant has the right to drill thereon.
2. On January 28, 1997, Manzano applied for an order pooling all mineral interests in the S/2 SE/4 for formations based on 80-acre spacing, and the SW/4 SE/4 for formations based on 40-acre spacing, of Section 2, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and authorizing an unorthodox well location. Applicant proposes to dedicate the above-referenced spacing or proration unit to its "SV"

Killer Bee No. 1 Well to be drilled to an unorthodox location 487 feet from the South line and 1270 feet from the East line in the S/2 SE/4 said Section 2, to a depth sufficient to test any and all formations from the surface to the base of the Strawn formation, undesignated Northeast Lovington-Pennsylvanian Pool. The well will also test the Wolfcamp formation, undesignated North Lovington-Wolfcamp Pool.

3. Applicant made a diligent search for all owners of interests who were entitled to notice of the Application, and provided notice to all interest owners identified.

4. After hearing on February 20, 1997, the Division entered Order No. R-10775, which provided in part that:

All mineral interests, whatever they may be, from the surface to the base of the Strawn formation underlying the S/2 SE/4 of Section 2, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, are hereby pooled forming a standard 80-acre spacing and proration unit for any and all formations and/or pools spaced on 80 acres within said vertical extent which presently includes but is not necessarily limited to the Undesignated Northeast Lovington-Pennsylvanian Pool and the Undesignated North Lovington-Wolfcamp Pool. Said unit shall be dedicated to the "SV" Killer Be Well No. 1 to be drilled at an unorthodox oil well location, hereby approved, 487 feet from the South line and 1270 feet from the East line (Unit P) of Section 2." Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the S/2 SE/4 of said Section 2.

5. Subsequent to entry of the Order, in the process of obtaining a title opinion prior to drilling said well, Applicant discovered additional interest owners in the subject spacing unit who are entitled to notice of the pooling and unorthodox well location. These interest owners were not discovered prior to the February 20, 1997 hearing.

6. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain newly-identified interest owners in the S/2 SE/4 of said Section 2.

WHEREFORE, Applicant prays that this application be set for hearing before an Examiner of the Oil Conservation Division on May 29, 1997, and, after notice and in the absence of objection at the hearing required by law, the Division re-enter its order pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well and approving an unorthodox well location 487 feet from the South line and 1270 feet from the East line of said Section 2.

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

**NOTIFICATION LIST  
APPLICATION OF MANZANO OIL CORPORATION  
TO REOPEN CASE NO. 11725,  
ORDER NO. R-10775, COMPULSORY  
POOLING AND UNORTHODOX WELL  
LOCATION, LEA COUNTY, NEW MEXICO**

**SECTION 2, TOWNSHIP 16 SOUTH, RANGE 36 EAST,  
NMPM, LEA COUNTY, NEW MEXICO**

Huntington Memorial Hospital of Pasadena  
Patient Assistance Fund  
Attention: Bill Covey  
100 West California Boulevard  
Pasadena, CA 91109

Unknown Heirs of Sophie Wedemeyer  
3577 Evening Canyon Road  
Oceanside, CA 92056

Convalescent Aid Society  
3255 East Foothill Boulevard  
Pasadena, CA 91107

Delores Ann Bowers  
Route 5, Box 400 M  
Beaumont, Texas 77706

Edwin Roy Tatum  
5910 Eagle Lane  
Fort Smith, AR 72916

Gail Franklin Tatum  
P.O. Box 727  
Fort Smith, AR 72916

Lula Sewell  
3266 Paseo Gallita  
San Clemente, CA 92672

Louis Warn  
160 Kanaka Flaps Road  
Jacksonville, OR 97530