

MONTGOMERY & ANDREWS
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

OF COUNSEL
William R. Federici

J. O. Seth (1883-1963)
A. K. Montgomery (1903-1987)
Frank Andrews (1914-1981)

SANTA FE OFFICE
325 Paseo de Peralta
Post Office Box 2307
Santa Fe, New Mexico 87504-2307

Telephone (505) 982-3873
Telecopy (505) 982-4289

June 10, 1988

Seth D. Montgomery	Katherine W. Hall
Victor R. Ortega	Edmund H. Kendrick
Jeffrey R. Brannen	Helen C. Sturm
John B. Pcund	Richard L. Puglisi
Gary R. Kilpatric	Arturo Rodriguez
Thomas W. Olson	Joan M. Waters
William C. Madison	James C. Murphy
Walter J. Melendres	James R. Jurgens
Bruce Herr	Ann M. Maloney
Robert P. Worcester	Deborah J. Van Vleck
James C. Compton	Anne B. Hemenway
John B. Draper	Roger L. Prucino
Nancy Anderson King	Deborah S. Dungan
Aiison K. Schuler	Helen L. Stirling
Janet McL. McKay	Rosalise Olson
Jean-Nikols Wells	William P. Slattery
Joseph E. Earnest	Kenneth B. Baca
Stephen S. Hamilton	Daniel E. Gershon
W. Perry Fearce	Anne B. Tallmadge
Brad V. Coryell	Michael R. Roybal
Michael H. Harbour	Robert A. Bassett
Robert J. Mroz	Paula G. Maynes
Sarah M. Singleton	Neils L. Thompson
Jay R. Hone	Susan Andrews
Charles W. N. Thompson, Jr.	Joseph E. Whitley
John M. Hickey	David L. Skinner
Mack E. With	Elizabeth A. Glenn
Galen M. Buller	

ALBUQUERQUE OFFICE
Suite 500
7 Broadway Place
707 Broadway, N.E.
Post Office Box 26927
Albuquerque, New Mexico 87125-6927

Telephone (505) 242-9677

LOS ALAMOS OFFICE
Suite 120
901 18th Street
Los Alamos, New Mexico 87544

Telephone (505) 662-0005

REPLY TO SANTA FE OFFICE

RECEIVED

JUN 10 1988

OIL CONSERVATION DIVISION

ase 9415

William J. LeMay, Director
Oil Conservation Division
New Mexico Energy and Minerals
Department
State Land Office Building
Santa Fe, New Mexico 87503

Re: Application of Manzano Oil Company

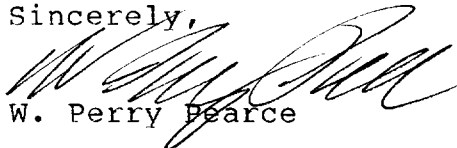
Dear Bill:

Enclosed please find the Application of Manzano Oil Corporation for compulsory pooling of the west half of the southeast quarter of Section 30, Township 18 South, Range 30 East N.M.P.M. Lea County, New Mexico for the drilling of a Bone Spring/Delaware oil well.

This matter has been docketed on the Division's examiner hearing calendar for June 22, 1988 and pursuant to regulation this written application is filed in support.

If I can be of any further assistance, please do not hesitate to contact me.

Sincerely,


W. Perry Fearce

WPP:sl:108
10148-88-01
cc: Ken Barbe

1000
100100

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

IN THE MATTER OF THE APPLICATION OF
MANZANO OIL CORPORATION FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO:

Case No. 9415

APPLICATION

Comes now the applicant, Manzano Oil Corporation, by and through its attorneys, Montgomery & Andrews, P.A., and requests that the Division pool all mineral interests from the base of the Queen formation to the base of the second Bone Spring Sand for all property underlying the W/2 SE/4 of Section 30, Township 18 South, Range 30 East. In support of said application, applicant states:

1. Applicant has the right to drill a well within the W/2 of the SE/4 of Section 30, Township 18 South, Range 30 East, N.M.P.M. Lea County, New Mexico.

2. Applicant desires to drill a well within said lands at a standard location to develop either the Bone Spring or Delaware formation. Within this section the Bone Spring formation is spaced on 80-acre spacing and the Delaware is based on 40-acre oil well spacing.

3. Applicant has contacted other interest owners holding interests in lands which would be dedicated to a well at a standard location thereon and has been unable to reach agreement

with those other interest owners for the drilling of such a Delaware or Bone Spring well.

4. Applicant believes that an order to prevent waste of natural resources and protect the correlative rights of all individuals involved, a compulsory pooling of the acreage should be granted.

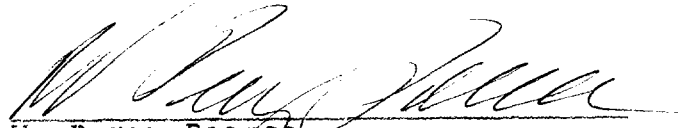
5. In addition to seeking the compulsory pooling of this acreage, Applicant prays for a determination of the reasonable costs associated with the drilling of this well as well as reasonable operating costs and reasonable charges for supervision of operations of this well. Applicant seeks to be named the operator of this well and further seeks the assessment of a 200% risk penalty, the maximum allowed by New Mexico statute to costs incurred in the drilling of this well.

WHEREFORE, Applicant Manzano Oil Company prays for an order of the Division pooling all mineral interests in the W/2 SE/4 of Section 30, Township 18 South, Range 30 East for the drilling of a Bone Spring well at a standard location thereon and for the compulsory pooling of the SW/4 SE/4 of said section for the drilling of a well to test and produce the Delaware formation at a standard location. Applicant prays that the Division determine the reasonable costs of drilling and operating the well along with the reasonable costs of supervision. Applicant prays that it be named operator of this well and granted a risk penalty equal to the maximum allowed by statute as compensation for incurring the risk of drilling this well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By



W. Perry Pearce
Post Office Box 2307
Santa Fe, New Mexico 87504-2307

WPP:104