

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

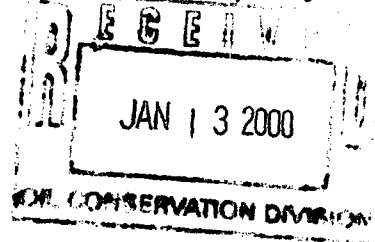
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☐ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

James Bruce
 Signature

Hervey
 Title

1/13/2000
 Date

Print or Type Name

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

January 13, 2000

Hand Delivered

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rules 104.C and 104.F, Manzano Oil Corporation ("Manzano") applies for administrative approval of an unorthodox oil well location for the following well:

Cayuma Well No. 1-A
3580 feet FSL & 990 feet FWL
Lots 12 and 13 of Irregular Section 1, Township 16
South, Range 36 East, NMPM
Lea County, New Mexico

Manzano intends to re-enter the existing Cayuma Well No. 1, which was directionally drilled from an unorthodox surface location 3580 feet from the south line and 990 feet from the west line¹ to an orthodox bottom hole location 3175 feet from the south line and 743 feet from the west line of Section 1. The well tested the Strawn formation, but was dry.

Applicant will re-designate the well as the Cayuma Well No. 1-A, and deepen it to the Strawn formation at the unorthodox location 3580 feet from the south line and 990 feet from the west line of Section 1. A Form C-102 for the re-entry is attached hereto as Exhibit A.

The well is in the Undesignated Northeast Lovington-Pennsylvanian Pool, which is spaced on 80 acres, with wells to be located within 150 feet of the center of a quarter-quarter section or lot.

¹The unorthodox surface location was due to topographic reasons.

1-18-00
Left a message on Jim
Bruce's voice mail.
I need drawings of 1) existing
well bore and 2) proposed
recompletion work.

The unorthodox location is based on geologic reasons. As noted above, the well was originally drilled to test the Strawn, but was dry at the orthodox bottom hole location. Attached as Exhibit B is an isopach of the Strawn formation. Manzano believes that the Strawn reservoir lies to the north of the original bottom hole location. Thus, drilling the well at the existing unorthodox location will lessen its cost and increase the chances of encountering commercial quantities of hydrocarbons.

Attached as Exhibit C is a land plat of the area. The working interest owners in Lots 11 and 14 are Manzano, Mark A. Chapman, Bristol Resources Corporation, Bristol Resources 1994 Acquisition Limited Partnership, and Bristol Resources Production Company, L.L.C.. Notice letters to the offsets are attached as Exhibit D. **Please note that these letters were mailed yesterday.**

This application is submitted in duplicate. Please call me if you need anything further regarding this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce". The signature is fluid and cursive, with the first name "James" being more prominent than the last name "Bruce".

James Bruce

Attorney for Manzano
Oil Corporation

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: Manzano Oil Corporation P.O. Box 2107 Roswell, NM 88202-2107		OGRID Number 013954
		API Number 30-025-34480
Property Code	Property Name Cayuma	Well No. 1-A

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
Lot 13	1	16S	36E		3580	South	990	West	Lea

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County

Proposed Pool 1 Northeast Lovington Penn	Proposed Pool 2
---	-----------------

Work Type Code E	Well Type Code O	Cable/Rotary R	Lease Type Code S	Grossed Level Elevation 3879'
Multiple No	Proposed Depth 11,800'	Formation Strawn	Contractor WEK Drilling	Spud Date 2/1/2000

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	48#	462'	460	Circul
11"	8-5/8"	32#	4,348'	1200	Inside 13-3/8"
7-7/8"	5-1/2"	17 & 20#	11,800'	500	300' above upper
					most pay

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

MI rotary tools. Install & tsg BOP's. Drill out surface plug and cement plugs @ 412-512'; 2010-2110'; 4290-4390'; 6290-6390' & 8420-8520'. Clean out to 9400'. Set whip-stock plug from 9400' back to 9200'. Dress-off plug. Whipstock hole and drill vertical hole to 11,800'. Run open hole logs. DST Strawn. Run 5-1/2" production if justified.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <u>Donnie E. Brown</u>		OIL CONSERVATION DIVISION Approved by: _____ Title: _____ Approval Date: _____ Conditions of Approval: Attached <input type="checkbox"/>	
Printed name: <u>Donnie E. Brown</u>			
Title: <u>VP Engineering</u>			
Date: <u>1/11/2000</u>	Phone: <u>(505) 623-1996</u>		



District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Bravo Rd., Alamogordo, NM 87418
District IV
PO Box 1088, Santa Fe, NM 87504-1088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34480		Pool Code	Pool Name Northeast Lovington Penn
Property Code	Property Name Cayuma		Well Number 1-A
OCRIID No. 013954	Operator Name Manzano Oil Corporation		Elevation 3879'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lot 13	1	16S	36E		3580	South	990	West	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 80		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

12	11	10	9	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Donnie E. Brown</i></p> <p>Signature Donnie E. Brown</p> <p>Printed Name VP Engineering</p> <p>Title 1/11/2000</p> <p>Date</p>
40.00 AC	40.00 AC	40.00 AC	40.00 AC	
13	14	15	16	
<p>990'</p> <p>40.00 AC</p> <p>358'</p>	40.00 AC	40.00 AC	40.00 AC	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>26175 2640 535</p> <p>Certificate Number</p>

103-20

EXHIBIT
C



Manzano Oil Corporation

P.O. Box 2107
Roswell, New Mexico 88202-2107
(505) 623-1996
FAX (505) 625-2620

January 12, 2000

Mark A. Chapman
P.O. Box 450
Sealy, TX 77474

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Cayuma #1
Section 1, T-16-S, R-36-E
Lea County, New Mexico

Gentlemen:

Manzano Oil Corporation has filed a permit to re-enter the Cayuma #1 well with the New Mexico Oil Conservation Division (OCD). The well will be drilled to a sub-surface depth of 11,800' to test the Strawn Formation and is within one (1) mile proximity of the OCD designated Northeast Lovington Pennsylvanian Pool. The field rules provide for an 80 acre spacing unit with the well located within 150 feet of the center of a governmental quarter-quarter section or lot. Our proposed location of 3580' FSL & 990' FWL of Section 1, T-16-S, R-36-E, which is unorthodox, must be granted an exception to the spacing rules.

A positive response from you will eliminate the necessity to conduct a full OCD hearing on this matter thereby expediting our effort. However, if you object to the proposed location, your written expression of opposition must be filed with the OCD within twenty (20) days from the date this notice was mailed. Therefore, we request you waive objection to the re-entry of the Cayuma #1 well at the proposed location and evidence your acceptance by executing and returning a copy of this letter to my attention at the above address.

Very truly yours,

Debbi Jeffers

AGREED to and ACCEPTED this _____ day of _____, 2000.

MARK CHAPMAN

By: _____





Manzano Oil Corporation

P.O. Box 2107
Roswell, New Mexico 88202-2107
(505) 623-1996
FAX (505) 625-2620

January 12, 2000

Bristol Resources Corporation
6655 S. Lewis, Suite 200
Tulsa, OK 74136-1072

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Cayuma #1
Section 1, T-16-S, R-36-E
Lea County, New Mexico

Gentlemen:

Manzano Oil Corporation has filed a permit to re-enter the Cayuma #1 well with the New Mexico Oil Conservation Division (OCD). The well will be drilled to a sub-surface depth of 11,800' to test the Strawn Formation and is within one (1) mile proximity of the OCD designated Northeast Lovington Pennsylvanian Pool. The field rules provide for an 80 acre spacing unit with the well located within 150 feet of the center of a governmental quarter-quarter section or lot. Our proposed location of 3580' FSL & 990' FWL of Section 1, T-16-S, R-36-E, which is unorthodox, must be granted an exception to the spacing rules.

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Very truly yours,

Debbi Jeffers

AGREED to and ACCEPTED this _____ day of _____, 2000.

BRISTOL RESOURCES CORPORATION

By: _____



Manzano Oil Corporation

P.O. Box 2107
Roswell, New Mexico 88202-2107
(505) 623-1996
FAX (505) 625-2620

January 12, 2000

Bristol Resources 1994 Acquisition
Limited Partnership
6655 S. Lewis, Suite 200
Tulsa, OK 74136-1072

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RETURN RECEIPT REQUESTED

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Section 1, T-16-S, R-36-E
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Very truly yours,

Debbi Jeffers

AGREED to and ACCEPTED this _____ day of _____, 2000.

BRISTOL RESOURCES 1994 ACQUISITION LIMITED PARTNERSHIP

By: _____



Manzano Oil Corporation

P.O. Box 2107
Roswell, New Mexico 88202-2107
(505) 623-1996
FAX (505) 625-2620

January 12, 2000

Bristol Resources Production
Company, L.L.C.
6655 S. Lewis, Suite 200
Tulsa, OK 74136-1072

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Cayuma #1
Section 1, T-16-S, R-36-E
Lea County, New Mexico

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Very truly yours,

Debbi Jeffers

AGREED to and ACCEPTED this _____ day of _____, 2000.

BRISTOL RESOURCES PRODUCTION COMPANY, L.L.C.

By: _____

JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

1/13/2000

Nike -

I'm awaiting the geologic map, but I need to
get this filed. I will give the map as soon
as it is faxed to me.

Jim