

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

324 MCKENZIE STREET  
SANTA FE, NEW MEXICO 87501

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

May 9, 2002

**Hand Delivered**

Lori Wrotenbery  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Case No. 12864; application of Manzano Oil Corporation  
("Manzano") for an unorthodox oil well location, Lea  
County, New Mexico

Dear Ms. Wrotenbery:

Due to a conflict, Mr. Carr had to withdraw from representing the applicant, and I now represent Manzano in this matter.

The above application was filed due to an objection from Paladin Energy Corp. ("Paladin"). Paladin was notified of the hearing in this matter, as shown on Exhibit A, but has now waived objection to the location, as shown on Exhibit B.

Due to the waiver, Manzano requests that the above case be dismissed, and that the matter be processed administratively. By this letter, Manzano hereby requests that Amended Administrative Order NSL-4568 be amended a second time to approve an unorthodox location in the Wolfcamp formation.

The well has already been drilled, and Manzano is recompleting the well in an uphole zone. However, if additional information is required to process this request, please contact me. Thank you.

Very truly yours,

  
James Bruce

Attorney for Manzano Oil Corporation

30-025-35449  
330' FNL-1200' FEL  
(1/A)

2-7145-R37E  
OIL CONSERVATION DIV.  
02 MAY -9 AM 11:43

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April 25, 2002

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Paladin Energy Corp.  
Suite 301  
10290 Monroe Drive  
Dallas, Texas 75229

Attention: George G. Fenton

Ladies and Gentlemen:

Manzano Oil Corporation has filed an application with the New Mexico Oil Conservation Division requesting approval of an unorthodox oil well location for its Rum Point State Well No. 1, located at a 163 feet from the north line and 1155 feet from the east line of Section 2, Township 14 South, Range 37 East, N.M.P.M., Lea County, New Mexico. The well will be completed in the Wolfcamp formation (King-Wolfcamp Pool), and Lot 1 of Section 2 will be dedicated to the well. A copy of the application is enclosed. This application is scheduled to be heard at 8:15 a.m. on Thursday, May 16, 2002 at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. As an offset interest owner, you have the right to appear at the hearing and present evidence. Failure to appear at the hearing will preclude you from contesting this matter at a later date.

You are requested to notify the Division, and the undersigned, by Friday, May 10, 2002, if you intend to enter an appearance and participate in the case.

Very truly yours,

  
James Bruce

Attorney for Manzano Oil Corporation



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Paladin Energy Corp.  
Suite 301  
10290 Monroe Drive  
Dallas, Texas 75229

2. Article Number

(Transfer from service label)

PS Form-3811, August 2001

Domestic Return Receipt

*Mansano*

102595-01-44-0381

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature *[Signature]* ☒ Agent ☐ Addressee

B. Received by (Printed Name) *FENOR* C. Date of Delivery *4/29/02*

D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

Article Number 7001 2510 0006 5981 2775

**U.S. Postal Service  
CERTIFIED MAIL RECEIPT**

(Domestic Mail Only; No Insurance Coverage Provided)

7001 2510 0006 5981 2775

Postage	\$ 0.57	Postmark Here	APR 25 2002
Certified Fee	2.00		
Return Receipt Fee (Endorsement Required)	1.50		
Restricted Delivery Fee (Endorsement Required)	4.17		
<b>Total Postage &amp; Fees</b>	<b>\$ 8.24</b>		

Sent To  
 Paladin Energy Corp.  
 Suite 301  
 Street, Apt. No.,  
 or PO Box No. 10290 Monroe Drive  
 City, State, ZIP+4 Dallas, Texas 75229

See Reverse for Instructions



PALADIN ENERGY CORP.

## FACSIMILE

DATE  
5/3/02TIME  
1600TOTAL PAGES  
2

TO: Mr. Ken Barbe / Manzano LLC / (505) 625-2620

FROM: George Fenton

SUBJECT: Manzano's Rum Point State #1, Lea County, NM

Attached is your letter agreement of May 2, 2002, duly executed by Paladin. I would appreciate receiving the well logs as soon as possible. I'm glad we saw eye-to-eye on what appears to be a win-win situation.

Regards,

George G. Fenton



10290 MONROE DRIVE, SUITE 301 - DALLAS, TEXAS 75229-6718  
TELEPHONE: (214) 654-0132 FAX: (214) 654-0133

# MANZANO, LLC

P.O. Box 2107  
Roswell, New Mexico 88202-2107  
Office: (505) 623-1996

121 West Third Street  
Roswell, New Mexico 88201  
Fax: (505) 625-2620

May 2, 2002

Dr. George Fenton  
Paladin Energy Corp.  
10290 Monroe Drive, Suite 301  
Dallas, TX 75229

Fax: (214) 654-0133

Re: Manzano's Rum Point State #1  
Section 2, T14S, R37E  
Len County, New Mexico

Dear George:

Pursuant to our conversation, Manzano agrees to provide to Paladin well logs and all completion information regarding the Rum Point State #1 in exchange for Paladin's waiver of objection to our attempted Wolfcamp recompletion.

If this is your understanding of our agreement, please execute below and return by fax at your earliest convenience. Thanks again for your cooperation in this prospect. Hopefully we'll both make some oil in this field.

Very truly yours,

  
Kenneth Barbe, Jr.

Agreed to and accepted this 3rd day of May, 2002.

Paladin Energy Corp.

  
George G. Fenton, President