

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

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APPLICATION OF MANZANO, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT, A NON-STANDARD PROJECT AREA,
AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 15804

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Manzano, LLC
P.O. Box 2107
Roswell, New Mexico 88202

APPLICANT'S ATTORNEY

Elizabeth A. Ryan
CARSON RYAN LLC
P.O. Box 1612
Roswell, New Mexico 88202-1612
(575) 291-7606
beth@carsonryan.com

OPPOSING PARTIES

EOG Y Resources, Inc.
EOG M Resources, Inc.
EOG A Resources, Inc.
Attn: Nathan Stephenson, Landman
105 South Fourth Street
Artesia, New Mexico 88210

OPPOSING COUNSEL

Unknown

Oxy Y-1 Company
5 Greenway Plaza
Houston, Texas 77046

Unknown

STATEMENT OF THE CASE

Applicant seeks an order (1) creating a 240-acre, more or less, spacing and proration unit comprised of E/2SE/4 of Section 19 and E/2E/2 of Section 30, Township 9 South, Range 35

East, N.M.P.M., Lea County, New Mexico; and (2) approving a non-standard 240-acre project area; and (3) pooling all mineral interests in the San Andres Formation underlying the proposed unit.

The unit is to be dedicated to Applicant's **Rag Mama 30-19 Fee No. 1H Well** which will be horizontally drilled from the surface location of 25 feet FSL and 528 feet FEL (Unit P) Section 30 to the San Andres Formation and across the section line at the bottom hole location of 2310 feet FSL and 528 feet FEL (Unit I) of Section 19.

The completed interval for the Well will comply with the 330-foot setbacks required by the Division rules for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of cost thereof, as well as actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well.

APPLICANT'S PROPOSED EVIDENCE

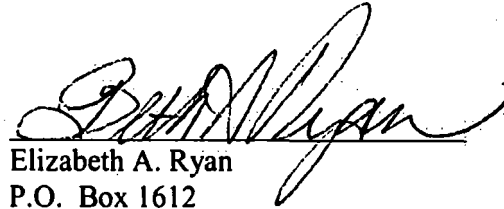
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Chad Barbe (landman)	15 min.	Approx. 6
John Worrall (geologist)	15 min.	Approx. 6

PROCEDURAL MATTERS

None.

Respectfully submitted,

CARSON RYAN LLC

A handwritten signature in black ink, appearing to read "Beth A. Ryan", written over a horizontal line.

Elizabeth A. Ryan

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Attorneys for Manzano, LLC