

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF YATES PETROLEUM
CORPORATION TO RESCIND OR AMEND
ADMINISTRATIVE ORDER SWD-1021, LEA
COUNTY, NEW MEXICO.**

Case No. 13,707

AMENDED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Manzano, LLC as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Yates Petroleum Corporation

APPLICANT'S ATTORNEY

Ocean Munds-Dry
William F. Carr

OPPONENT

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

OPPONENT'S ATTORNEY

James Bruce
Post Office Box 1056
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Attention: M. Hanagan
(505) 623-1996

STATEMENT OF THE CASE

APPLICANT

OPPONENT

Division Administrative Order SWD-1021 approved Manzano, LLC's application to inject salt water into the San Andres formation in the Peter Grande State Well No. 1, located in Unit M of Section 1, Township 10 South, Range 32 East, N.M.P.M. Yates Petroleum Corporation

admittedly received proper notice of the administrative application, had an opportunity to timely object, but did not timely object. Therefore, its application is barred and this matter cannot be re-opened. In addition, (1) Manzano, LLC's SWD approval presents no threat to Yates Petroleum Corporation's Mescalero State Well No. 1, and will not harm its correlative rights, and (2) it is Yates Petroleum Corporation's obligation to properly cement its well.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBIT

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

Mike Hanagan

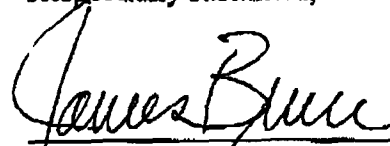
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PROCEDURAL MATTERS

-None-

Respectfully submitted,



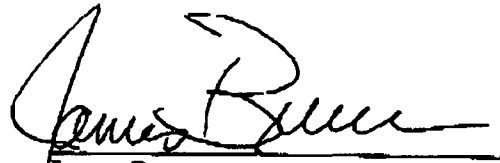
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Attorney for Manzano, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 21st day of May, 2006 by facsimile transmission:

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