

MUELLER ENGINEERING CORP.
PETROLEUM CONSULTANTS
1010 TOWER II
555 NORTH CARANCAHUA
CORPUS CHRISTI, TEXAS 78478-0501
(512)883-1911 - ofc. (512)883-1909 - fax

Arlene Judd

August 5, 1998

CERTIFIED MAIL No. Z 109 753 189
RETURN RECEIPT REQUESTED

Mr. Michael L. Stogner
Oil Conservation Division
Department of Energy
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Manzano Oil Corporation
Application for Administrative Approval
of Unorthodox Well Location
Rio Negro #1
Eddy County, NM

Dear Mr. Stogner:

Wadi Petroleum, Inc. is in receipt of a request from Manzano Oil Corporation to waive objection to their application of an unorthodox location for the Manzano Oil Corporation Rio Negro #1 well at the proposed location of 660' FWL and 660' FSL of Section 23, T-24-S, R-26-E.

Please be advised that Wadi Petroleum, Inc., as an offset operator, does not intend to grant Manzano Oil Corporation a waiver; furthermore, Wadi will oppose this application should a hearing be held for same.

Please advise this office of the dates and time of a hearing, should one be scheduled.

Sincerely,

Eduardo A. Riddle

Eduardo A. Riddle
Agent for WADI PETROLEUM, INC.

Encl: APD C-101, List of Affected Parties

cc: Wadi Petroleum, Inc. & All Working Interest Owners