



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

January 21, 1999

Mr. William F. Carr
Campbell, Carr, Berge & Sheridan
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Dear Mr. Carr:

Based upon the reasons stated in your letter of January 13, 1999, and in accordance with the provisions of Division Order No. R-10775-A, Manzano Oil Corporation is hereby granted an extension of time until May 15, 1999, in which to commence re-entry, recompletion and directional drilling operations on the well pooled by this order.

Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenbery".
LORI WROTENBERY
Division Director

fd/

cc: ✓ Case No. 12049
OCD - Hobbs

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

January 13, 1999

HAND DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

99 JAN 14 AM 11:14
OIL CONSERVATION DIV.

Re: ***Case No. 12049: Application of Manzano Oil Corporation for compulsory pooling and a non-standard subsurface oil well location/producing area, Lea County, New Mexico***

Dear Ms. Wrotenbery:

On November 20, 1999 the Division entered Order No. R-10775-A which granted the application of Manzano Oil Corporation in the above-referenced case pooling all mineral interests in the Undesignated North Lovington-Wolfcamp and Undesignated Northeast Lovington-Pennsylvanian Pools underlying the S/2 SE/4 of Section 2, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico to form a standard 80-acre oil spacing and proration unit for both pools.

These pooled units are to be dedicated to the "SV" Killer Bee Well No. 1 (API No. 30-025-33807), to be redesignated the Odyssey Well No. 1, located at an unorthodox surface location 487 feet from the South line and 1270 feet from the East line of Section 2 (approved by Division Order No. R-10775) and reenter and directionally drill the well to a non-standard subsurface oil well location/producing area within the proposed 80-acre unit for both pools that will be no closer than 510 feet to the east, south, and west boundaries of the unit nor closer than 171 feet to the western boundary of the unit.

Order R-10775-A provides that in the event Manzano does not commence reentry, recompletion and directional drilling operations on the well by February 15 1999, this

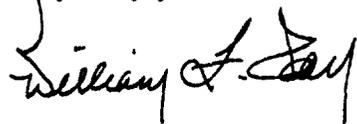
Lori Wrotenbery, Director
Oil Conservation Division
January 13, 1999
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pooling order shall be of no further effect unless Manzano obtains a time extension from the Division Director for good cause shown. The purpose of this letter is to request an extension of Order No. R-10775-A.

Since the entry of this order, due to low oil prices, Manzano has encountered unanticipated delays in its efforts to spud the well. Manzano intends to drill the well in 1999 and it is therefore necessary for Manzano to request an extension of Order No. R-10775-A to May 15, 1999.

Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive style with a large initial "W".

WILLIAM F. CARR

WFC:mlh

cc: Debbi Jeffers