

**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:

CASE NO. 12049

98 SEP 14 PM 2:58
OIL CONSERVATION DIV.

IN THE MATTER OF THE APPLICATION
OF MANZANO OIL CORPORATION
FOR COMPULSORY POOLING AND AN
UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Manzano Oil Corporation
c/o Ken Barbe
1801 West Second Street
Roswell, New Mexico 88201
(505) 623-1996

name, address, phone and
contact person

ATTORNEY

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY

name, address, phone and
contact person

ATTORNEY

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STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Manzano Oil Corporation, applicant in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the following described spacing and proration units in Section 2, Township 16 South, Range 36 East in the following manner: the S/2 SE/4 for all formations developed on 80-acre spacing which presently include but are not limited to the Undesignated Northeast Lovington-Pennsylvanian Pool and the Undesignated North Lovington-Wolfcamp Pool; and the SW/4 SE/4 for all formations developed on 40-acre spacing. Applicant proposes to dedicate these pooled units to its Odyssey Well No. 1 to be drilled at an unorthodox location 1149 feet from the South line and 1370 feet from the East line (Unit O) of Section 2. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling said well.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

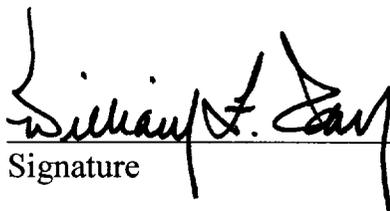
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Debbie Jeffers, Land	10 Min.	Approximately 6
Mike Brown, Geologist	15 Min.	Approximately 3

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)



Signature