

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

JUL 29 PM 3:00
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**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:**

CASE NO. 12899

**APPLICATION OF MANZANO OIL CORPORATION
FOR COMPULSORY POOLING AND APPROVAL OF
NON-STANDARD SPACING AND PRORATION UNITS,
EDDY COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

Holland & Hart LLP submits this Pre-Hearing Statement as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Manzano Oil Corporation
Attention: Debbie Jeffers
121 W. 3rd Street
Roswell, NM 88201
(505) 623-1996

ATTORNEY

William F. Carr, Esq.
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STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests in the following described spacing and proration units in the W/2 of Irregular Section 30, Township 18 South, Range 30 East NMPM as follows: the W/2 forming a non-standard 313.4-acre spacing and proration unit for all formations and/or pools developed on 320-acre spacing which includes but is not

necessarily limited to the Undesignated North Turkey Track-Morrow Gas Pool, and the Undesignated Sand Dune-Upper Penn Pool; the NW/4 forming a 156.65-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing; the N/2 NW/4 forming a 78.31-acre spacing and proration unit for all formations and/or pools developed on 80-acre spacing, and the NW/4 NW/4 forming a 38.31-acre spacing and proration unit for all formations and/or pools developed on 40-acre spacing. Said unit is to be dedicated to its Green Flash Federal Com Well No. 1 to be drilled at a standard location 660 feet from the North and West lines of said Section 30 to a depth sufficient to test all formations from the base of the Bone Spring formation to the base of the Morrow formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, provisions governing subsequent operations on the pooled units, designation of Manzano Oil Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6.5 miles south of Loco Hills, New Mexico.

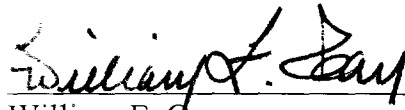
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Mike Hanagan (Geologist)	Approx. 30 Minutes	8

PROCEDURAL MATTERS

Manzano Oil Corporation has none at this time.



William F. Carr
Attorney for Manzano Oil Corporation