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June 5, 1990

RECEIVED

JUN 05 1990

OIL CONSERVATION DIV
SANTA FE

9973

HAND DELIVERED

Mr. William J. LeMay
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: Manzano Oil Corporation for
Compulsory Pooling and
Unorthodox Well Location
Texaco Federal Com No. 2
E/2 Section 14, T19S, R33E
Lea County, New Mexico

Dear Mr. LeMay:

On behalf of Manzano Oil Corporation, we would appreciate you setting the enclosed Application for a public hearing on the Division's Examiner docket now scheduled for June 27, 1990.

By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the Application. Those parties are directed to contact the Division or the Applicant's attorney to determine what additional rights they may have. In addition, they are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

Very truly yours,



W. Thomas Kellahin

WTK/tic
Enclosure

William J. LeMay
June 4, 1990
Page 2

xc: Ken Barbee
Manzano Oil Corporation
P.O. Box 2107
Roswell, New Mexico 88202

xc: Certified Mail-Return Receipt
All parties listed in Exhibits
"B" and "C" of Application

RECEIVED

JUN 05 1990

OIL CONSERVATION DIV.
SANTA FE

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

CASE NO:

9973

A P P L I C A T I O N

COMES NOW MANZANO OIL CORPORATION by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for an unorthodox well location 1980 feet from the North line and 2310 feet from the East line and for an order pooling all mineral interest as follows:

(1) From the top of the Wolfcamp formation to the base of the East Gem Morrow-Gas Pool or 13,700 feet which ever is deeper, for the formation of a 320-acre gas spacing and proration unit consisting of the E/2 of Section 14, T19S, R33E, N.M.P.M., Lea County, New Mexico; and

(2) From the surface to top of the Wolfcamp for the formation of a 160-acre spacing unit consisting of NE/4 of Section 14, T29S, R33E, N.M.P.M. for any production so spaced.

In support thereof, Applicant states:

1. Applicant is a working interest owner in the E/2 of Section 14, T19S, R33E, N.M.P.M., Lea County, New Mexico as shown on Exhibit "A".

2. Applicant desires to drill its Texaco Federal Com No. 2 well at an unorthodox location 1980 feet from the North line and 2310 feet from the East line to a total depth of approximately 13,700 feet to test the Morrow formation.

3. Applicant has sought the voluntary agreement of all those parties shown on Exhibit "B" for the formation of the appropriate spacing and proration unit for the drilling of the subject well, but has been unable to obtain a fully executed written voluntary agreement from certain working interest/mineral owners listed on Exhibit "B".

4. Pursuant to the Division notice requirements, Applicant has notified all of the offsetting parties in the W/2 of said section of the unorthodox well location proposed for this well, said parties are listed on Exhibit "C".

5. Pursuant to the Division notice requirements, Applicant has notified all those parties shown on Exhibits "B" and "C" of this Application for compulsory pooling and its request for a hearing on June 27, 1990 by sending those parties a copy of this Application and cover letter.

6. In order to obtain its just and equitable share of the potential production underlying the above tract, Applicant needs an order pooling the mineral interests involved in order to protect Applicant's correlative rights and prevent waste.

WHEREFORE, Applicant prays that this Application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order granting the unorthodox well location and pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, that the order make provisions for Applicant to recover out of production its costs of drilling, completing and equipping it, and costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling and completion of the well and for such other and further relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

ATTORNEYS FOR APPLICANT

[illegible]

EXHIBIT "B"

T T SANDERS JR
P.O. BOX 550
ROSWELL, NM 88201

DANIEL W VAREL
P.O. BOX 540157
DALLAS, TX 75354-0157

HAROLD KIOUS
P.O. DRAWER L
ALBUQUERQUE, NM 87103

KENNETH D Reynolds
907 WEST TEXAS AVENUE
ARTESIA, NM 88210

G DEE WILLIAMSON
P. O. Box 2206
Roswell, N.M. 88202-2206

ARNOLD NEWKIRK
2601 SHERRILL LANE
ROSWELL, NM 88201

DAVID SORENSON
P.O. BOX 1453
ROSWELL, NM 88201

CARL A Schellinger
P.O. BOX 447
ROSWELL, NM 88201

MOROILCO INC.
P.O. DRAWER I
ARTESIA, NM 88210

S.H. CAVIN
P.O. BOX 1125
ROSWELL, NM 88201

GEORGE L. SCOTT III
648 PETROLEUM BLDG.
200 WEST 1ST
ROSWELL, NM 88201

WARREN SCOTT
648 PETROLEUM BLDG.
200 WEST 1ST
ROSWELL, NM 88201

FRANK S. & ROBIN L. MORGAN
P.O. DRAWER I
ARTESIA, NM 88211-0269

RANDY V. WATTS
P.O. BOX 2376
ROSWELL, NM 88201

ELOY S. DURAN
BOX 1854
ROSWELL, NM 88201

STEPHEN T. MITCHELL
648 PETROLEUM BLDG.
200 WEST 1ST
ROSWELL, NM 88201

SEALY H. CAVIN JR.
3235 CALLE DE DEBORAH NW
ALBUQUERQUE, NM 87104

SCOTT EXPLORATION INC.
648 PETROLEUM BLDG.
200 WEST 1ST
ROSWELL, NM 88201

THOMAS ALDEN RITCH MD
200 EAST COUNTRY CLUB ROAD
ROSWELL, NM 88201

ROBERT W. EATON
2505 DON JUAN NW
ALBUQUERQUE, NM 87104

SEALY HUTCHINGS CAVIN INC.
P.O. BOX 1125
ROSWELL, NM 88201

SUSAN SCOTT MURPHY
706 BRAVO ST.
ROSWELL, NM 88201

RED OAK CATTLE COMPANY
P.O. BOX 998
ARDMORE, OK 73402

PATRICK J. ROGERS
P.O. BOX 2168
ALBUQUERQUE, NM 87103

JOHN HEER
5019 CALLE DE LUNA NE
ALBUQUERQUE, NM 87111

EXHIBIT "C"

Texaco Producing Co.
Box 3109
Midland, Texas 79702