

Phil Brewer Paul Snead

PEGASUS PLACE SUITE 2000
121 WEST THIRD STREET
POST OFFICE BOX 298
ROSWELL, N.M. 86202-0298

TELEPHONE: 505-625-0298
FACSIMILE: 505-625-0299

ATTORNEYS & COUNSELORS

TELECOPY TRANSMITTAL

DATE: 1/31/92

TO: Michael Stogner

FROM: Phil Brewer

PAGES (Including this page) BEING SENT: 2

SENDING UNIT: TOSHIBA MODEL TF-331

*If transmittal is interrupted, please call (505) 625-0298.

Phil Brewer Paul Snead

TELEPHONE: 505-625-0298
FACSIMILE: 505-625-0299

ATTORNEYS & COUNSELORS

REGENCY PLACE, SUITE 2000
101 WEST THIRD STREET
PO BOX 298
ALBUQUERQUE, N.M. 88202-0298

January 31, 1992

Mr. Michael Stogner
Oil Conservation Division
P.O. Box 1088
State Office Building
Santa Fe, New Mexico 87504

VIA TELECOPY

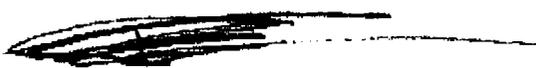
Re: Case No. 10441, Application for Compulsory Pooling
and an Unorthodox Well Location. S/2SE/4 of Section 1,
Township 16 South, Range 36 East, N.M.P.M., Northeast
Wington-Pennsylvanian Pool, Lea County, New Mexico

Dear Mr. Stogner:

Responding to your letter of January 30, 1992, Manzano Oil Corporation has no objection to the continuance sought by Bridge Oil Company, L.P. We would point out that Manzano's rights in the above captioned lands arise out of farmout agreement which will be expiring in the immediately foreseeable future. We would like to state that we are unaware of any proceedings presently pending before the Commission to change the field rules applicable to Wolfcamp wells in this area that might impact Manzano's decision to delay the hearing and we would appreciate your advice if Manzano's information is not correct.

We look forward to receiving notice from you that the hearing has been continued to February 20, 1992.

Very truly yours,



Phil Brewer

PB:dc
cc: Manzano Oil Corporation

ILLEGIBLE

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

January 30, 1992

Phil Brewer
P.O. Box 298
Roswell, NM 88202

Sent to Fax No. 625-0299

RE: Case No. 10441, Application of Manzano Oil Corporation for Compulsory Pooling and an Unorthodox Oil Well Location. S/2 SE/4 of Section 1, Township 16 South, Range 36 East, NMPM, Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico.

Dear Mr. Brewer:

I have received a request from Bridge Oil (U.S.A.), Inc. for a continuance of the subject case to the Examiner Hearing scheduled for February 20, 1992. So that this matter may be settled as soon as possible, please submit a response from Manzano at your earliest convenience.

Thank you.

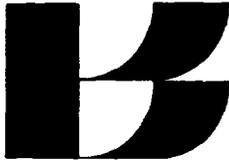
Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Richard M. Rollow - Bridge Oil (U.S.A.), Inc.; Dallas, TX



BRIDGE OIL (U.S.A.) INC.

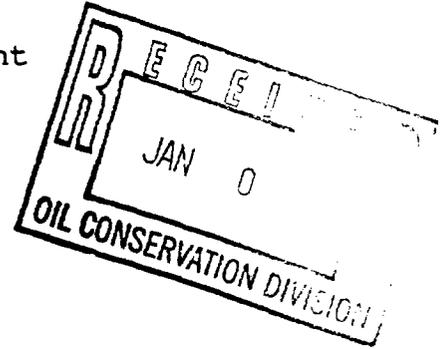
DHL EXPRESS

January 29, 1992

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Attention: Mr. Mike Stogner

Re: Application for Unorthodox Well Location
Manzano Oil Corporation
Lea County, New Mexico



Gentlemen:

Please note that Manzano Oil Corporation has scheduled a hearing date of February 6, 1992 with the NMOCD for the approval of an unorthodox well location in Lea County, New Mexico (see attached copy of application).

As you will notice by evidence of the certified mail receipt (copy attached), Bridge Oil Company, L.P. did not receive notice of this application until January 22, 1992. Therefore, due to the lack of time to properly evaluate said application, Bridge, as an offset operator, is hereby requesting that the NMOCD grant a two (2) week continuance until February 20, 1992.

Should this request meet with your approval, please contact me at 214/788-3337.

Thank you.

Sincerely,

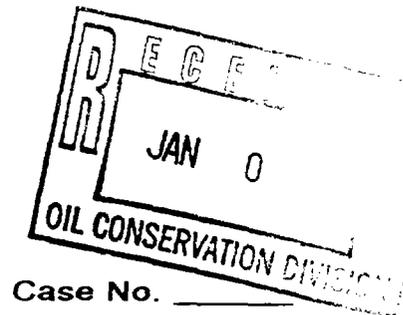
Richard M. Rollow
District Landman

RMR/cr

cc: Manzano Oil Corporation
Bahlburg Exploration, Inc.

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 OF ALL MINERAL
INTERESTS FROM THE SURFACE TO THE
BASE OF THE STRAWN FORMATION
UNDERLYING THE S/2SE/4 SECTION 1,
TOWNSHIP 16 SOUTH, RANGE 36 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO



APPLICATION

Manzano Oil Corporation, through its undersigned attorneys, hereby makes application for compulsory pooling of all mineral interests from the surface to the base of the Strawn formation, for any and all formations and/or pools developed on 80-acre spacing in and under the S/2SE/4 Section 1, Township 16 South, Range 36 East, N.M.P.M., Lea County, New Mexico, and for approval of an unorthodox well location, and in support thereof states:

1. Applicant is the owner of farmout rights covering 90% of the working interest in and under the S/2SE/4 Section 1 and proposes to drill a well at an unorthodox location located 330 feet from the South line and 1980 feet from the East line of said Section 1 to test the Strawn formation.

2. Applicant seeks an exception to the well location requirements of Division Rule 104 to permit the drilling of the well at the above-described unorthodox location to a depth to adequately test the Strawn formation.

3. Applicant proposes to dedicate a standard 80 acre spacing or proration unit to this well, all as above described. Applicant has sought and obtained either voluntary agreement for pooling or farmout from all other interest

owners in that proposed 80 acre unit except for Bechtel Energy Partners, Ltd., the owner of the remaining 10% working interest.

4. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the well.

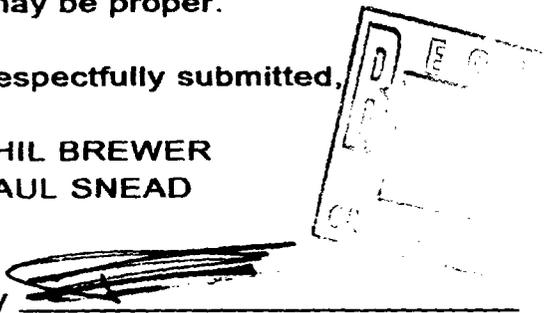
5. Approval of this application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on February 6, 1992, and that after notice and hearing as required by law and the rules of the Division, the Division enter its order approving the unorthodox location and pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by Applicant in drilling, completing and equipping the well, and making such other and further provisions as may be proper.

Respectfully submitted,

PHIL BREWER
PAUL SNEAD

By



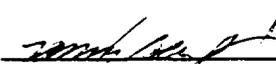
Phil Brewer
P.O. Box 298
Roswell, New Mexico 88202-0298
(505) 625-0298

Attorneys for Manzano Oil Corporation

STATE OF NEW MEXICO)
) ss.
COUNTY OF CHAVES)

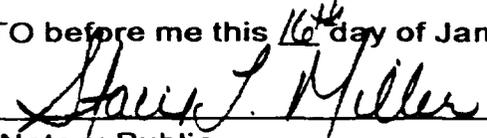
CERTIFICATION

The undersigned hereby certifies that the plat attached hereto contains true and correct information to the best of his knowledge and belief.



Ken Barbe, Vice-President
Manzano Oil Corporation

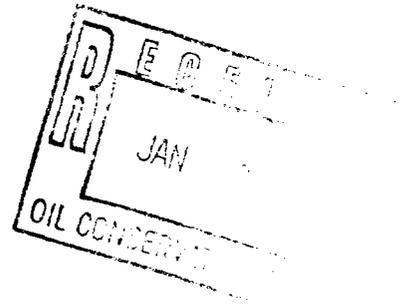
SUBSCRIBED AND SWORN TO before me this 16th day of January, 1992.



Notary Public

My Commission Expires:

9-29-94_____



CERTIFIED
P 340 905 492
MAIL

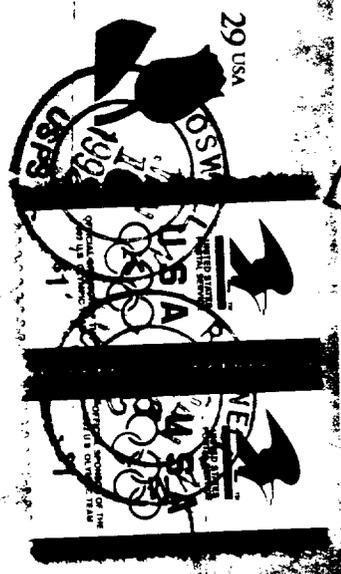
RETURN RECEIPT REQUESTED

RECEIVED
JAN 22 1992
BRIDGE OIL

Bridge Oil Company, L.P.
P.O. Box 880269
Dallas, TX 75388-0269

NO CHECK ENCLOSED
ENC

BRIDGE OIL COMPANY
JAN 22 1992



ILLEGIBLE

FAX TRANSMITTAL SHEET
OIL CONSERVATION DIVISION - FAX NO. (505) 827-5741

TO: Phil Brewer

FR: Michael Stogner

PAGES w/cover: 3

DATE: 1-30-92

If there are any problems with this transmission, please call (505) 827-5806.

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

January 30, 1992

Phil Brewer
P.O. Box 298
Roswell, NM 88202

Sent to Fax No. 625-0299

RE: Case No. 10441, Application of Manzano Oil Corporation for Compulsory Pooling and an Unorthodox Oil Well Location. S/2 SE/4 of Section 1, Township 16 South, Range 36 East, NMPM, Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico.

Dear Mr. Brewer:

I have received a request from Bridge Oil (U.S.A.), Inc. for a continuance of the subject case to the Examiner Hearing scheduled for February 20, 1992. So that this matter may be settled as soon as possible, please submit a response from Manzano at your earliest convenience.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael E. Stogner".

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Richard M. Rollow - Bridge Oil (U.S.A.), Inc.; Dallas, TX

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



January 31, 1992

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Manzano Oil Corporation
c/o Phil Brewer
P.O. Box 298
Roswell, New Mexico 88202
Fax No. 625-0299

Bridge Oil (U.S.A.) Inc.
Attn: Richard M. Rollow
12404 Park Central Drive
Suite 400
Dallas, Texas 75251
Fax No. (214) 788-3399

RE: Case No. 10441, Application of Manzano Oil Corporation for Compulsory Pooling and an Unorthodox Oil Well Location. S/2 SE/4 of Section 1, Township 16 South, Range 36 East, NMPM, Northeast Lovington - Pennsylvanian Pool, Lea County, New Mexico.

Dear Messrs Brewer and Rollow:

This letter is to confirm Mr. Brewer's correspondence dated January 31, 1992, of Manzano's and Bridge Oil's mutual agreement to continue the subject Case to the February 20, 1992 examiners hearing.

Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

MICHAEL E. STOGNER
Chief Hearing Officer/Engineer

MES/jc

ASUS PLACE, SUITE 2000
WEST THIRD STREET
POST OFFICE BOX 298
ROSWELL, N.M. 88202-0298

**Phil Brewer
Paul Sneed**

TELEPHONE: 505-625-0298
FACSIMILE: 505-625-0299

ATTORNEYS & COUNSELORS

January 31, 1992

Mr. Michael Stogner
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

VIA TELECOPY

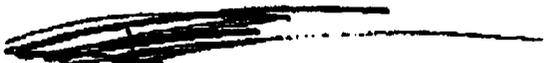
Re: Case No. 10441, Application for Compulsory Pooling
and an Unorthodox Well Location. S/2SE/4 of Section 1,
Township 16 South, Range 36 East, N.M.P.M., Northeast
Lovington-Pennsylvanian Pool, Lea County, New Mexico

Dear Mr. Stogner:

Responding to your letter of January 30, 1992, Manzano Oil Corporation has no objection to the continuance sought by Bridge Oil Company, L.P. We would point out that Manzano's rights in the above captioned lands arise out of farmout agreements which will be expiring in the immediately foreseeable future. We would also note that we are unaware of any proceedings presently pending before the Division to change the field rules applicable to Wolfcamp wells in this area that might impact Manzano's decision to delay the hearing and we would appreciate your advice if Manzano's information is not correct.

We look forward to receiving notice from you that the hearing has been continued to February 20, 1992.

Very truly yours,



Phil Brewer

PB:dc

cc: Manzano Oil Corporation

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

January 31, 1992



BRUCE KING
GOVERNOR

Manzano Oil Corporation
c/o Phil Brewer
P.O. Box 298
Roswell, New Mexico 88202
Fax No. 625-0299

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

RE: Case No. 10441, Application of Manzano Oil Corporation for Compulsory Pooling and an Unorthodox Oil Well Location. S/2 SE/4 of Section 1, Township 16 South, Range 36 East, NMPM, Northeast Lovington - Pennsylvanian Pool, Lea County, New Mexico.

Dear Mr. Brewer:

I am writing in response to your correspondence dated January 31, 1992 concerning the Wolfcamp formation in relation to this application. Originally your application for hearing requested to pool all mineral interests from the surface to the base of the Strawn formation for any and all formations and/or pools developed on 80-acre spacing underlying the S/2 SE/4 of said Section 8. Records indicate the only pool within one mile of the proposed pooled acreage and within the requested vertical extent spaced on 80-acres is the Northeast Lovington - Pennsylvanian Pool. The only Wolfcamp Pool within one-mile of the subject acreage is the Northeast Lovington Wolfcamp Pool (in the NE/4 of adjacent Section 12) which is governed by statewide Rules requiring 40-acre spacing. This is why your application was advertised as such.

Please contact me as soon as possible should you have information contradictory to mine or if you have any questions in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal line extending to the right.

MICHAEL E. STOGNER
Chief Hearing Officer/Engineer

MES/jc

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

February 18, 1992

Manzano Oil Corporation
c/o Phil Brewer, Attorney
P.O. Box 298
Roswell, New Mexico 88202-0298

Administrative Order NSL-3098

Dear Mr. Brewer:

Reference is made to your application dated February 14, 1992 for a non-standard oil well location to be drilled 330 feet from the South line and 1980 feet from the East line (Unit W) of Section 1, Township 16 South, Range 36 East, NMPM, to test the Strawn formation, Lea County, New Mexico. The S/2 SE/4 of said Section 1 shall be dedicated to the well forming a standard 80-acre oil spacing and proration unit for the Undesignated Northeast Lovington - Pennsylvanian Pool.

It is our understanding that the primary objective for this well is the Undesignated Northeast Lovington - Wolfcamp Pool which is on statewide 40-acre oil spacing. The deeper Strawn horizon is a secondary objective. Further, the proposed location is considered standard for the Northeast Lovington - Wolfcamp Pool, however, geologic interpretation places this well at a more favorable position within the Wolfcamp interval than a location 660 feet from the South line of said Section 1, which would be a standard location for the Strawn zone.

Manzano Oil Corporation
Administrative Order NSL-3098

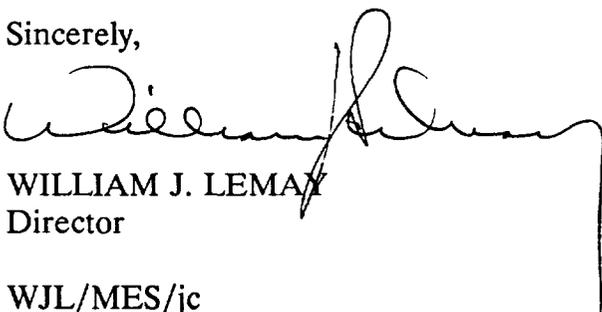
Page 2

February 18, 1992

Waivers were received from all offset operators to the proposed 80-acre unit.

By authority granted me under the provisions of General Rule 104F.(1) and (2), the above described unorthodox oil well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemax". The signature is fluid and cursive, with a long horizontal stroke at the end that loops back up.

WILLIAM J. LEMAX
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
File: Case No. 10441✓



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

February 25, 1992

BRUCE KING
 GOVERNOR

POST OFFICE BOX 2089
 STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO 87504
 (505) 827-5800

Mr. Phil Brewer
 Phil Brewer - Paul Snead
 Attorneys at Law
 Post Office Box 298
 Roswell, New Mexico 88202-0298

Re: CASE NO. 10441
 ORDER NO. R-9641

Applicant:
Manzano Oil Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
 OC Staff Specialist

Copy of order also sent to:

Hobbs OCD X
 Artesia OCD X
 Aztec OCD _____

Other Richard M. Rollow