



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

March 27, 2001

Manzano Oil Corporation
P. O. Box 2107
Roswell, New Mexico 88202-2107
Attention: Mike Hanagan, Geologist

Telefax No. (505) 625-2620

Administrative Order NSL-4568

Dear Mr. Hanagan:

Reference is made to your application dated March 16, 2001 for an unorthodox Devonian oil well location for Manzano Oil Corporation's ("Manzano") proposed Rum Point State Well No. 1 to be drilled 330 feet from the North line and 1200 feet from the East line (Lot 1/Unit A) of Section 2, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico.

Lot 1 is to be dedicated to this well in order to form a standard 41.43-acre oil spacing and proration unit for the King-Devonian Pool.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that Manzano is seeking this location exception based on a 3-D seismic survey of the immediate area, whereby it contends that a well drilled at this location, will be at a more favorable geologic position within the Devonian formation underlying the subject 40-acre unit.

Further, it appears that the area comprising the NE/4 equivalent of Section 2 is a single state lease issued by the New Mexico State Land Office (State Lease No. VO-5839) in which Manzano is the leasehold operator; therefore, it is assumed that there are no effected offsets to the subject 40-acre tract other than Manzano.

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

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /
New Mexico State Land Office - Santa Fe

ABOVE DATE DOES NOT
INDICATE WHEN
CONFIDENTIAL LOGS
WILL BE RELEASED

ELF

1/23/02