



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

5/15/00

Manzano Oil Corporation
P.O. Box 2107
Roswell, NM 88202-2107

Re: Testing Allowable Cayuma #1 (ULM Sec1-T16-R36E)

Dear Sirs:

I will set up a testing allowable for this well for 7500 Bbls for the purpose of testing this well. This particular well is set for hearing on June 1, 2000. Once 7500 Bbl testing allowable is achieved the well shall be cut back to 220 bbls/day until the Examiner Hearing Order is issued. If the order calls for no penalties against further production the well can be produced at its 445 bbl/ day top allowable, unless it appears that producing it at that rate will damage the formation or the well is incapable of producing at that rate. If the order calls for penalized production the well will be produced at the penalty rate.

Sincerely

Chris Williams
District1 Supervisor

CC: Mike Stogner, Chief Hearing Examiner
Lori Wrotenbery, Director NMOCD

TALKED TO KEN BARBE 5/15/00 @ 10:00AM - TOLD HIM HE MUST
AMEND C-103 TO SHOW WHERE VERTICAL PORTION OF WELL WAS
DRILLED AND SHOW ALL PLUGS WHEN THEY PLUGGED BACK TO
KICKOFF DIRECTIONAL WELL. CW