



Manzano Oil Corporation

P.O. Box 2107
Roswell, New Mexico 88202-2107
(505) 623-1996
FAX (505) 625-2620

November 12, 1999

Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

Attn: Paul Kautz

Re: Manzano Oil Corporation's
Amerada Record #2
Unit H, Sec 25, T19S, R35E
Lea County, New Mexico

Gentlemen:

Manzano requests that the Amerada Record #2 be removed from the Osudo Morrow North pool and placed in the Pearl Morrow North pool.

The Osudo Morrow North pool has 640 acre spacing whereas the Pearl Morrow North pool has 320 acre spacing. Application for permit to reenter the Amerada Record #2 was applied for and approved for a stand up 320 acre spacing unit.

The Amerada Record #2 was perforated in the Morrow sand from 12,228-240'. After acidizing, the well would pull down from a SITP of 3575 psi to FTP of zero in 2 hrs with only a 5' gas flare. A frac was attempted on 10/26/99 but screened out with only 7810 pounds of sand in the formation. After two weeks of clean up, the well is only flowing with a FTP of 145 psi and a gas rate of 150 MCFGPD to 180 MCFGPD.

From the above, it is obvious that the well is producing from a tight and limited reservoir and is incapable of 640 acre drainage.

Thank you for your consideration.

Very truly yours,

Donnie E. Brown
VP Engineering