



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

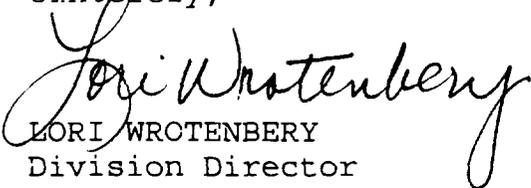
March 5, 1999

Mr. William F. Carr  
Campbell, Carr, Berge & Sheridan  
Attorneys at Law  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

Dear Mr. Carr:

Based upon the reasons stated in your letter of March 4, 1999, and in accordance with the provisions of Division Order No. R-11110, John H. Hendrix Corporation is hereby granted an extension of time until June 15, 1999, in which to begin drilling the well pooled by this order.

Sincerely,

  
LORI WROTENBERY  
Division Director

fd/

cc: Case No. 12085  
OCD - Hobbs

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& SHERIDAN, P.A.  
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March 4, 1999

**HAND DELIVERED**

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

99 MAR -5 PM 3:41  
OIL CONSERVATION DIV

Re: **Case No. 12085; Order No. R-11110:** Application of John H. Hendrix Corporation for compulsory pooling and a horizontal well, Lea County, New Mexico

Dear Ms. Wrotenbery;

On December 14, 1998 the Division entered Order No. R-11110 which granted the application of John H. Hendrix Corporation in the above-referenced case pooling all mineral interests in the Abo formation under the following spacing and proration units in Section 16, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico:

- A. SE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40-acre spacing, or
- B. E/2 NW/4 to form an 80-acre project area for the well in the event the well is drilled as a horizontal well.

These pooled units are to be dedicated to the Wood State Well No. 5 which Hendrix proposes to drill from a surface location in the SE/4 NW/4 of Section 16.

Order R-11110 provides that in the event Hendrix does not commence drilling operations on or before March 15, 1999, this pooling order shall be of no further effect unless Hendrix obtains a time extension from the Division Director for good cause shown. The purpose of this letter is to request an extension of Order No. R-11110.

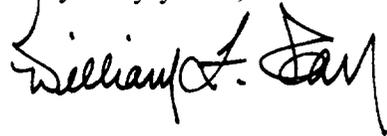
Lori Wrotenbery, Director  
March 4, 1999  
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This Order approves in the alternative two wells for the development of the E/2 of Section 16. Hendrix will not be able to determine which of these options will most effectively enable it to recover the reserves under the subject acreage until it completes the reentry and recompletion in the Abo formation of the offsetting Conoco State CC 16 Well No. 1 which was approved by Division Order No. R-11047.

The proposals to drill these two J. R. Hendrix Corporation wells are interrelated and it is necessary for Hendrix to request an extension of Order No. R-11110 from March 15, 1999 to June 15, 1999 to preserve all options until a decision can be made on the viability of a horizontal well in the E/2 NW/4 of Section 16 following the recompletion of the Conoco State CC 16 Well No. 1.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR

cc: Damian Barrett

OIL CONSERVATION DIV  
99 MAR - 5 PM 3:41