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April 19, 2000

**VIA HAND DELIVERY**

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

***Re: In the matter of case 12343: Application of John H. Hendrix Corporation  
for Compulsory Pooling, Lea County, New Mexico.***

Dear Ms. Wrotenbery,

John H. Hendrix Corporation hereby respectfully requests that the above-referenced case be dismissed.

Your attention to this request is appreciated.

Very truly yours,



William F. Carr

WFC:md

cc: Gene Gallegos, Esq.  
Dan Veirs

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**CASE 12372:** Continued from April 6, 2000, Examiner Hearing.

**Application of Yates Petroleum Corporation for Approval of a Unit Agreement, Lea County, New Mexico.** Applicant seeks approval of the Indigo State Unit Agreement for an area comprising 2533.67 acres, more or less, of state lands in Sections 5, 6, 7 and 8, Township 12 South, Range 35 East, which is located approximately 8 miles west/northwest of Tatum, New Mexico.

**CASE 12373:** Continued from April 6, 2000, Examiner Hearing.

**Application of Yates Petroleum Corporation for an Unorthodox Gas Well Location, Lea County, New Mexico.** Applicant seeks an exception to Division Rule 104.C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999. Yates Petroleum Corporation proposes to re-enter the plugged and abandoned Read & Stevens State "F" Well No. 1 (API No. 30-025-23286) to be redesignated the Caprock "AVD" State Well No. 1, which is located at an unorthodox gas well location 660 feet from the North line and 510 feet from the East line (Unit A) of Section 13, Township 11 South, Range 32 East. The E/2 of Section 13 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for either the Atoka and Morrow formations and the Undesignated East Caprock-Mississippian Gas Pool. Said unit is located approximately three miles southeast of Caprock, New Mexico **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 12343:** Continued from April 6, 2000, Examiner Hearing.

**Application of John H. Hendrix Corporation for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order pooling all oil and associated casinghead gas formations developed on 40-acre spacing from the base of the Grayburg formation to the base of the Drinkard formation in the NE/4 SW/4 of Section 34, Township 23 South, Range 37 East. The unit is to be dedicated to its Eva Blinebry "B" Well No. 1, to be drilled at a standard location in the NE/4 SW/4 of Section 34 to a depth of approximately 6,400 feet to test all formations from the base of the Grayburg formation to the base of the Drinkard formation, Teague-Paddock-Blinebry Pool and the Undesignated Imperial Tubb-Drinkard Pool. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. The well is located approximately 12 miles south of Eunice, New Mexico.

**CASE 12388:** In the matter of the hearing called by the New Mexico Oil Conservation Division on its own motion to permit the operator of the Federal "D" Well No. 3 (API No. 30-025-34066), located 1120 feet from the South line and 1420 feet from the East line (Unit O) of Section 31, Township 9 South, Range 36 East, Lea County, New Mexico, Reliance Operating Company, to appear and show cause why the request for allowable and authorization to transport gas production from the Atoka formation should not be cancelled for failure to comply with: (i) Division Administrative Order NSL-3838-A, dated June 7, 1999; and (ii) Division Rules 1104.C and D, unless the mineral interests in the E/2 of Section 31 are properly consolidated.

**CASE 12356:** Reopened

**Application of Phillips Petroleum Company for approval of six non-standard gas spacing and proration units and an unorthodox gas well location, San Juan County, New Mexico.** Applicant seeks the approval of six non-standard gas spacing and proration units within the San Juan 32-7 Unit to be dedicated to any production from the Pictured Cliffs formation of the South Los Pinos Fruitland San Pictured Cliffs Gas Pool, the units to be configured from all or portions of Irregular Sections 4, 5, 6, and 7, Township 31 North, Range 7 West. These proposed units are made necessary as a result of variations in the legal subdivision of the United State Public Land Survey and are configured to be compatible with the non-standard gas spacing and proration units which have been approved for the Basin Dakota Gas Pool, the Blanco-Mesaverde Gas Pool and the Basin-Fruitland Coal Gas Pool. In addition, the applicant seeks approval for the recompletion of the San Juan 32-7 Unit Well No. 18 from the Mesaverde formation to a Pictured Cliffs formation gas well at an unorthodox location 2225 feet from the South line and 400 feet from the East line of Irregular Section 5 to be dedicated to a standard 160-acre spacing unit consisting of the SE/4 of this section. These units are located approximately 6 miles south-southeast of the intersection of New Mexico State Highway 511 and the borders of the States of New Mexico and Colorado. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 12360:** Continued from March 29, 2000, Examiner Hearing.

**Application of Doyle Hartman, Oil Operator for rescission and reconsideration of portions of Division Order No. R-9073, as amended, affecting lands in Townships 22 and 23 South, Range 36 East, Lea County, New Mexico.** Applicant seeks rescission and reconsideration of portions of Division Order No. R-9073, as amended, which affects lands and wells in the Jalmat Gas Pool. This area is centered approximately 10 miles northwest of Jal, New Mexico.