



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Henry Petroleum L.P.

3525 Andrews Highway – Suite 200

Midland, Texas 79703

Attention: Steve Owen

stephen@henrypetroleum.com

January 10, 2004

Lori Wrotenbery

Director

Oil Conservation Division

Administrative Order NSL-4981 (SD)

Dear Mr. Owen:

Reference is made to the following: (i) your application (***administrative application reference No. pMES0-332936268***) dated November 17, 2003, which was received by the New Mexico Oil Conservation Division (“Division”) in Santa Fe on November 24, 2003; and (ii) the Division’s records in Santa Fe, including the files in Cases No. 10552, 10553, 10554, and 12153: all concerning Henry Petroleum L.P.’s request for an exception to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for its existing South Justis Unit “E” Well No. 202/Wimberly “WN” Well No. 14 (API No. **30-025-31759**), to be recompleted up-hole in the Langlie-Mattix (Yates-Seven-Rivers-Queen-Grayburg) Pool (**37240**) at an unorthodox “infill” oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SW/4 NW/4 (Unit E) of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

Your application has been duly filed under the provisions of Division Rule 104.F, as revised.

This 40-acre Langlie-Mattix unit is currently dedicated to Henry Petroleum L.P.’s Wimberly “WN” Well No. 9 (API No. **30-025-21092**) located at a standard oil well location 1980 feet from the North line and 330 feet from the West line of Section 24.

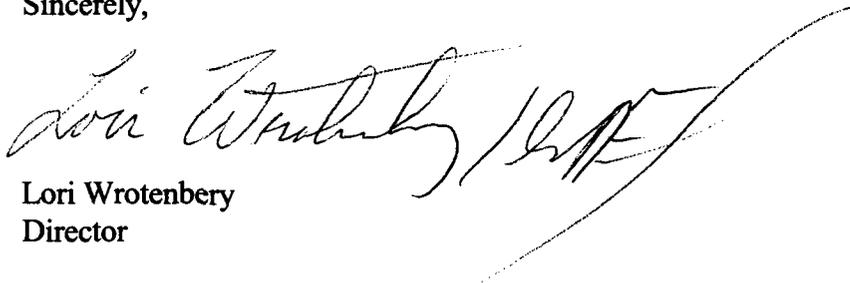
It is the Division’s understanding that the South Justis Unit “E” Well No. 202 was originally drilled by ARCO Oil & Gas Company as the Wimberly “WN” Well No. 14 in late 1992 to a total depth of 6,050 feet and completed initially in the Justis-Blinebry-Tubb-Drinkard Pool (**34220**) as a producing well within the South Justis Unit Waterflood Project, but later converted as a water injection well under the authority of Division Order No. R-9747, issued in Case No. 10554 on October 23, 1992, as amended administratively by order dated November 4, 1992.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described South Justis Unit “E” Well No. 202/Wimberly “WN” Well No. 14, to be recompleted at an unorthodox Langlie-Mattix “infill” oil well location within the SW/4 NW/4 (Unit E) of Section 24 is hereby approved.

Further, both the aforementioned South Justis Unit "E" Well No. 202/Wimberly "WN" Well No. 14 and Wimberly "WN" Well No. 9 are to be simultaneously dedicated to the subject 40-acre unit.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery". The signature is written in black ink and is positioned to the right of the typed name.

Lori Wrotenbery
Director

LW/mes

cc: New Mexico Oil Conservation Division – Hobbs