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January 18, 1995

Mewbourne Oil Company
500 West Texas - Suite 1020
Midland, Texas 79701

Attn: Steve Cobb

John H. Hendrix Corporation
223 West Wall - Suite 525
Midland, Texas 79701

Attn: Ronnie H. Westbrook

Division Administrative Order NSP-1619-A(L)

Dear Messrs. Cobb and Westbrook

Reference is made to John H. Hendrix Corporation's ("Hendrix") application dated January 4, 1995 and the application dated January 12, 1995 from Mewbourne Oil Company ("Mewbourne"), to divide the existing 160-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool currently operated by John H. Hendrix Corporation and comprising the SW/4 of Section 17, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico, into two separate 80-acre gas spacing and proration units.

Said 160-acre GPU was authorized by Division Administrative Order NSP-1619, dated January 16, 1991, and is currently dedicated to the Hendrix State "A-17" Well No. 1 (API No. **30-025-05610**) located at a standard gas well location 660 feet from the South and West lines (Unit M) of said Section 17.

It is our understanding at this time that:

- (1) the acreage dedication for said State "A-17" Well No. 1 will be changed to a non-standard **80-acre** unit comprising the **E/2 SW/4**

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of said Section 17; and,

- (2) the remaining **80 acres** comprising the **W/2 SW/4** of said Section 17 is to be dedicated to Mewbourne's proposed State "17" Well No. 1 (**API No. 30-025-32820**) to be drilled at an unorthodox gas well location 660 feet from the South line and 1780 feet from the West line (Unit N) of said Section 17.

The operator of each of the above-described units shall file, within 20-days from the date of this order a new OCD Form C-102 with the Division reflecting the above-described acreage changes.

By the authority granted me under the provisions of **Rule 2(a)4** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the two above-described non-standard gas spacing and proration units in the SW/4 of said Section 17 are hereby approved with allowables to be assigned thereto in accordance with **Rule 5** of said pool rules based upon its respective unit size. Further, the location of Mewbourne's proposed State "17" Well No. 1 is hereby approved under authority of **Rule 2(c)** of said Special Eumont Pool Rules.

Division Administrative Order No. NSP-1619(SD) is hereby placed in abeyance until further notice.

Sincerely,

WILLIAM J. LEMAY
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-1619