



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

March 7, 2003

John H. Hendrix Corporation
P. O. Box 3040
Midland, Texas 79702-3040
Attention: Ronnie H. Westbrook
Vice-President

Telefax No. (915) 684-7317

Administrative Order NSL-722-A

Dear Mr. Westbrook:

Reference is made to the following: (i) your application dated February 27, 2003, which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on March 3, 2003 (*application reference No. pKRV0-306326715*); and (ii) the records of the Division in Santa Fe, including the file on Division Administrative Order NSL-722: all concerning John H. Hendrix Corporation's request for an unorthodox Abo oil well location for the existing Cossatot "M" Well No. 2 (API No. 30-025-25095), located 1120 feet from the South line and 1110 feet from the West line (Unit M) of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

The SW/4 SW/4 of Section 11, being a standard 40-acre oil spacing and proration unit in the Wantz-Abo Pool (62730), is to be dedicated to this well.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

Division Administrative Order NSL-722, dated September 16, 1975, authorized John H. Hendrix Corporation to drill its Cossatot "M" Well No. 2 at the above-described unorthodox oil well location within this standard 40-acre oil spacing and proration unit to the Wantz Granite Wash Pool (62700).

It is our understanding that the Wantz Granite Wash interval is now uneconomical and is to be plugged back and that John H. Hendrix Corporation intends to perforate the Abo interval in an attempt to establish oil production.

From the information provided in your application and Division records, the SW/4 of Section 11 appears to comprise a single fee lease in which John H. Hendrix Corporation is the leasehold operator; therefore, there are no effected offsets to the subject 40-acre tract other than John H.

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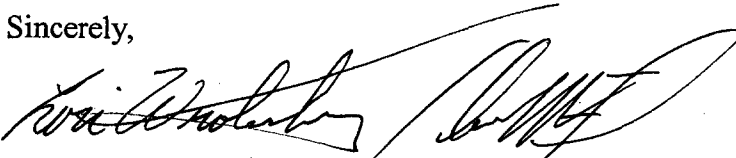
Hendrix Corporation.

By the authority granted me under the provisions of Division Rule 104.F (2) the above-described unorthodox oil well location within the Wantz-Abo Pool for the Cossatot "M" Well No. 2 is hereby approved.

Furthermore, the provisions of Division Administrative Order NSL-722 shall remain in full force and affect until further notice should John H. Hendrix Corporation decide to downhole commingle both intervals.

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

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSL-722 /