

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Jennifer A. Salisbury
Cabinet Secretary

July 10, 2000

Lori Wrotenbery
Director
Oil Conservation Division

John H. Hendrix Corporation
P. O. Box 3040
Midland, Texas 79701-4412
Attention: Ronnie H. Westbrook, Vice-President

Telefax No. (915) 684-7317

Administrative Order NSL-3199-A (SD)

Dear Mr. Westbrook:

Reference is made to the following: (i) your initial application dated June 2, 2000, which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on June 19, 2000; (ii) the Division's initial response by letter dated June 22, 2000 from Mr. Michael E. Stogner, Chief Hearing Officer/Engineer in Santa Fe; (iii) your response by letter dated June 27, 2000 with additional data; and (vi) the records of the Division in Santa Fe: all concerning John H. Hendrix Corporation's request for an unorthodox Blinebry infill gas well location within an existing standard 160-acre gas spacing and proration unit ("GPU") for the Blinebry Oil and Gas Pool comprising the NW/4 of Section 12, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. This GPU is currently dedicated to the Elliott Hinton Well No. 1 (**API No. 30-025-10233**), located at a standard gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 12.

It is our understanding that the subject well to be considered at this time is currently a multiple completion in the Wantz Granite Wash, Tubb Oil and Gas, and South Brunson-Drinkard Abo Pools, however it is to be plugged back and recompleted up-hole into the Blinebry Oil and Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.F (2) the following well located at an unorthodox Blinebry gas well location in Section 12 is hereby approved:

Elliott "B-12" Well No. 2
567' FNL & 497' FWL (Unit D)
(API No. 30-025-25137)

Also, John H. Hendrix Corporation is hereby authorized to simultaneously dedicate Blinebry Gas production from the existing Elliott Hinton Well No. 1 with the Elliott "B-12" Well No. 2. Furthermore, John H. Hendrix Corporation is hereby permitted to produce the allowable assigned

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John H. Hendrix Corporation

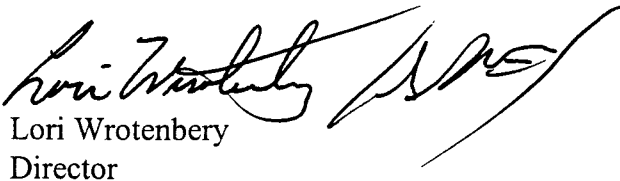
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the subject 160-acre GPU from both wells in any proportion.

Furthermore, Division Administrative Order NSL-3199, dated November 20, 1992, which order approved this well at an unorthodox gas well location in the Tubb Oil and Gas Pool shall be placed in abeyance until further notice.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
U. S. Bureau of Land Management - Roswell
File: NSL-3199