

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION
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IN THE MATTER OF THE APPLICATION
OF JOHN H. HENDRIX CORPORATION
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 12343

APPLICATION

John H. Hendrix Corporation ("Hendrix"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M. Section 70-2-17, for an order pooling oil and associated casinghead gas interests from the base of the Grayburg formation to the base of the Drinkard formation in all formations developed on 40-acre spacing in the NE/4 SW/4 of Section 34, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Hendrix is a working interest owner in the NE/4 SW/4 of said Section 34 and has the right to drill thereon.
2. Hendrix proposes to dedicate the above-referenced spacing or proration units to its Eva Blinebry "B" Well No. 1 to be drilled at a standard location in the NE/4 of the SW/4 of said Section 34, to a depth of approximately 6400 feet to test any and all formations from the base of the Grayburg formation to the base of the Drinkard formation, in the Teague-Paddock-Blinebry Pool and Undesignated Imperial Tubb-Drinkard Pool.
3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the subject spacing units identified on

Exhibit A to this application.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.


5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all oil and associated casinghead interests should be pooled, and John H. Hendrix Corporation should be designated the operator of the well to be drilled.

WHEREFORE, John H. Hendrix Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 17, 2000, and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all oil and associated casinghead gas interests in the subject spacing and proration units;
- B. designating John H. Hendrix Corporation operator of the unit and the well to be drilled thereon;
- C. authorizing Hendrix to recover its costs of drilling, equipping and completing the well;
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. imposing a penalty for the risk assumed by Hendrix in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

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ATTORNEYS FOR
JOHN H. HENDRIX CORPORATION

EXHIBIT A

**APPLICATION OF
JOHN H. HENDRIX CORPORATION
FOR COMPULSORY POOLING
NE/4 SW/4 OF SECTION 34, TOWNSHIP 23 SOUTH, RANGE 37 EAST, N.M.P.M.
LEA COUNTY, NEW MEXICO**

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OIL CONSERVATION DIV.

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CASE 12343:

Application of John H. Hendrix Corporation for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause 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, N.M.P.M. Said units are 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 said 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 said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 12 miles south of Eunice, New Mexico.