



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

John H. Hendrix Corporation

P. O. Box 3040

Midland, Texas 79702-3040

April 8, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Telefax No. (432) 684-7317

Attention: Ronnie H. Westbrook
Vice President

Administrative Order NSL-4556-A

Dear Mr. Westbrook:

Reference is made to the following: (i) your application (*administrative application reference No. pSEM0-506930729*) submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on March 9, 2005; and (ii) the Division's records in Santa Fe, including the file on Division Administrative Order NSL-4556: all concerning John H. Hendrix Corporation's ("Hendrix") request to include the Grayburg formation within the well bore of your existing Weatherly "21" Well No. 2 (API No. 30-025-35523), located at an unorthodox oil well location 800 feet from the North line and 2450 feet from the East line (Unit B) of Section 21, Township 21 South, Range 37 East, NMPM, Penrose Skelly (Grayburg) Pool (50350), Lea County, New Mexico.

Your 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.

By Division Administrative Order NSL-4556, dated February 28, 2001, Hendrix received authorization to drill and complete its Weatherly "21" Well No. 2 at the above-described unorthodox oil well location in Wantz-Fusselman Pool (62710) within the NW/4 NE/4 (Unit B) of Section 21, being a standard 40-acre oil spacing and proration unit for the Fusselman interval.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described Weatherly "21" Well No. 2, being the initial well within the same standard 40-acre tract being a standard oil spacing and proration unit in the Penrose Skelly (Grayburg) Pool, also located at an unorthodox oil well location, is hereby approved.

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

Sincerely,

Mark E. Fesmire, P. E.

Director

MES/ms

cc: New Mexico Oil Conservation Division – Hobbs
Files: NSL-4556