STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

March 19, 1997

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

Administrative Order NSP-1769(L)

Dear Mr. Westbrook:

Reference is made to: (i) your letter of application dated January 15, 1997; (ii) W. Thomas Kellahin's letter of objection dated January 21, 1997 filed on behalf of Lewis B. Burleson, Inc.; (iii) my letter dated January 29, 1997; and, (iv) Mr. Kellahin's second letter dated February 19, 1997, all of which refer to John H. Hendrix Corporation's request for a 40-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM Section 29: NW/4 NE/4

It is my understanding that this unit is to be dedicated to the existing New Mexico State "B" Well No. 6 (API No. 30-025-33352), which was drilled and completed in mid-1996 as a Eumont oil well at a standard oil well location 990 feet from the North line and 2310 feet from the East line (Unit B) of said Section 29. This location, pursuant to Rule (b)4 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool", is considered to be "unorthodox".

By authority granted me under the provisions of Rules 2(a)4 and 2(c) of said special pool rules the above-described 40-acre non-standard gas spacing and proration unit and unorthodox gas well location for the New Mexico "B" Well No. 6 are hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 40 acres.

Sincerely,

William J. LeMa Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs

New Mexico State Land Office - Santa Fe

File: Case 11736

W. Thomas Kellahin - Santa Fe