



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 9, 1999

Mr. William F. Carr
Campbell, Carr, Berge & Sheridan
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Dear Mr. Carr:

Based upon the reasons stated in your letter of June 8, 1999, and in accordance with the provisions of Division Order No. R-11110, John H. Hendrix Corporation is hereby granted an additional extension of time until September 15, 1999, in which to begin drilling the well pooled by this order.

Sincerely,

Lori Wrotenbery
LORI WROTENBERY
Division Director

fd/

cc: Case No. 12085✓
OCD - Hobbs

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

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
PAUL R. OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

June 8, 1999

HAND DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

99 JUN -8 PM 4:20
OIL CONSERVATION DIV.

Re: **Case No. 12085 (Order No. R-11110)** Application of John H. Hendrix Corporation for compulsory pooling and a horizontal well, Lea County, New Mexico

Dear Ms. Wrotenbery:

On December 14, 1998 the Division entered Order No. R-11110 which granted the application of John H. Hendrix Corporation in the above-referenced case, pooling all mineral interests in the Abo formation under the following spacing and proration units in Section 16, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico:

- A. SE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 80-acre spacing, or
- B. E/2 NW/4 to form an 80-acre project area for the well in the event the well is drilled as a horizontal well.

These pooled units are to be dedicated to the Wood State Well No. 4 which Hendrix proposes to drill from a surface location in the SE/4 NW/4 of Section 16.

Order R-^{11/10}~~1104~~7 provides that in the event Hendrix does not commence drilling operations on or before March 15, 1999, this pooling order shall be of no further effect unless Hendrix obtains a time extension from the Division Director for good cause shown. By letter dated March 5, 1999, this Order was extended to June 15, 1999. The purpose of this letter is to

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
June 8, 1999
Page 2

OIL CONSERVATION DIV
99 JUN - 8 PM 4:32

request an additional extension of Order No. R-11110.

This Order approves in the alternative two wells for the development of the E/2 of Section 16. Hendrix will not be able to determine which of these options will most effectively enable it to recover the reserves under the subject acreage until obtains data from the offsetting Conoco State CC 16 Well No. This well was reentered and recompleted in the Abo formation pursuant to Division Order No. R-11047 and additional time is needed to observe this well's performance prior to drilling the Wood State Well No. 4.

The two J. R. Hendrix Corporation wells are interrelated and it is necessary for Hendrix to request an extension of Order No. R-11110 from June 15, 1999 to September 15, 1999 to preserve all options until a decision can be made on the viability of a horizontal well in the E/2 NW/4 of Section 16.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

cc: Damian Barrett
414 West Texas
Suite 400M
Midland, Texas 79701