BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF JOHN H. HENDRIX CORPORATION FOR COMPULSORY POOLING AND A HORIZONTAL WELL, LEA COUNTY, NEW MEXICO.

CASE NO. 12085

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF SANTA FE)

William F. Carr, authorized representative of John H. Hendrix Corporation, the Applicant herein, being first duly sworn, upon oath, states that in accordance with the notice provisions of Division rules, the Applicant has attempted to find the correct addresses of all interested persons entitled to receive notice of this application and that notice has been given at the addresses shown on Exhibit "A" attached hereto.

William F./Carr

SUBSCRIBED AND SWORN to before me this _____ day of November, 1998 by William F. Carr.

Notary Public

My Commission Expires:

June 23, 2002

Before the Oil Conservation Division
Santa Fe, New Mexico
John H. Hendrix Corp. Exhibit No. L
Case No. 12085
November 5, 1998

EXHIBIT A

Mr. and Mrs. Roger Hansen 4642 Lorraine Ave. Dallas, TX 75209

Dr. Henry Yeager 5624 Knollwood Rd. Bethesda, Maryland 20816

Texaco Exploration and Production Inc. Post Office Box 3109 Midland, TX 79702 Attn: Ron Lanning

Marathon Oil Company 125 W. Missouri Midland, TX 79701

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

LAWYERS

MICHAEL BICAMPBELL
MILLAM FICARR
BRADFORD CIBERGE
MARK FISHER DAN
MICHAEL FIELDENERT
ANTHONY FIMEDE ROS
RAUL RIOWEN
KATHERINE MIMOSS

JACK MICAMPBELL
OF COUNSEL

SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: :505) 988-4421
FACS:MILE: :505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

October 15, 1998

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Dr. Henry Yeager 5624 Knollwood Rd. Bethesda, Maryland 20816

Re: Application of John H. Hendrix Corporation for Compulsory Pooling and Horizontal Drilling, Lea County, New Mexico

Dear Dr. Yeager:

This letter is to advise you that John H. Hendrix Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests in the Abo formation underlying the E/2 NW/4 including the Southeast Monument-Abo Pool, in Section 16, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. John H. Hendrix Corporation proposes to dedicate the referenced pooled units to the Wood State Well No. 5 to be drilled at a standard location 1650 feet from the North line and 2310 feet from the West line of said Section 16.

This application has been set for hearing before a Division Examiner on November 5, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR JOHN H. HENDRIX CORPORATION

cc: Damian Barrett

Z 211 156 529

US Postal Service Receipt for Certified Mail

Dr. Henry Yeager 5624 Knollwood Rd. Bethesda, Maryland 20816

	Postage	\$	2 2
	Certified Fee FIARGAS	CTRS	٨:
	Special Delivery Fee	14.4	\
	Restricted Delivery Fee 5	1998	}
April 1995	Return Receipt Showing to Whom & Date Geliveced	/ - x /	
	Return Receipt Stable Cate Whom, Date, & Addressee's Address -	153	
808	TOTAL Postage & Fees	\$]	١, ١
PS Form 3800, April 1995	Postmark or Date		

94	6. Signature: (Addressee or Agent) X S () 2 y - x	5. Received By: (Print Name)		Bethesda, Maryland 20816	5624 Knollwood Rd.	Dr. Henry Yeager		3. Article Addressed to:	delivered	Write "Return Receipt Requested" on the mailpiece below the article number. The Return Recent will show to whom the article was delicated and the Line.	 Attach this form to the front of the mailpiece or on the back if space does not permit 	 Print your name and address on the reverse of this form so that we can return this card to you. 	 Complete items 1 and/or 2 for additional services Complete items 3, 4a, and 4b 	SENDER:
2595-98-B-0229 D		8. Addressee's Ad and fee is paid)	7. Date of Delivery	☐ Return Recei	☐ Registered	4b. Service Type		4a. Article Number		le number	e does not	—	 ,	
102595-98-B-0229 Domestic Return Receipt		dress (Only if requested		Return Receipt for Merchandise COD		/pe	11 156 529		Consult postmaster for fee.	Restricted Delivery	 Addressee's Address 		following services (for an	lalo wish to social the
	11	nank y	ou for	usin	y ne	urr	ı Ke	ce	ıpt :	Ser	VICE	3.		

is your <u>RETURN ADDRESS</u> completed on the reverse side?

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

_AWYERS

W CHAEL B CAMPBELL
W LLAM F CARR
BRACEORD C BERGE
MARK F SHER DAN
M CHAEL H FELDEWERT
ANTHONY F MEDE ROS
BALL P CWEN
KATHER NE M MOSS
LACK M CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE : O NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE 505/988-4421

FACS.MILE 505/983-6043

E-MAIL. CCDSpa@ix.netcom.com

October 15, 1998

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mr. and Mrs. Roger Hansen 4642 Lorraine Ave. Dallas, Texas 75209

Re: Application of John H. Hendrix Corporation for Compulsory Pooling and Horizontal Drilling, Lea County, New Mexico

Dear Mr. and Mrs. Hansen:

This letter is to advise you that John H. Hendrix Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests in the Abo formation underlying the E/2 NW/4 including the Southeast Monument-Abo Pool, in Section 16, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. John H. Hendrix Corporation proposes to dedicate the referenced pooled units to the Wood State Well No. 5 to be drilled at a standard location 1650 feet from the North line and 2310 feet from the West line of said Section 16.

This application has been set for hearing before a Division Examiner on November 5, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR JOHN H. HENDRIX CORPORATION

cc: Damian Barrett

Z 211 156 530 US Postal Service Receipt for Certified Mail

Mr. and Mrs. Roger Hansen 4642 Lorraine Ave. Dallas, Texas 75209

Postage	S	? -
Certified Fee	NETT	3.5
Special Delivery Fee	1000	1
Restricted Delivery Fee	1320	
Return Receipt Showing to Whom & Date Delivered	1.57	
Return Receipt Silvering (Mittom, Date, & Addressee's Address	313	
TOTAL Postage & Fees	\$ -	7 !
Return Receipt Showing to Whom & Date Option of Return Receipt Showing Manus, Date, & Addressee's Address TOTAL Postage & Fees Postmark or Date		

Is	your [RETU	ŀΒΝ	ADD	RES	<u>S</u> c	om	ple	ted on	the	, Le	ver	se s	side?
PS Form 3811, December 1994 10:	A Signature (Addresser Agent)	. 1	5. Received By: (Print Nathe)		Dallas, Texas 75209	4642 Lorraine Ave.	Mi. alla Mis. Noger Hansen	Mr and Mrs Doger Hansen	3. Article Addressed to:	 The Return Receipt will show to whom the article was delivered and the date delivered 	permit Write "Return Recorpt Requested" on the mailpiece below the article number 	card to you Attach this form to the front of the mailpiece, or on the back if space does not	 Print your name and address on the reverse of this form so that we can return this 	SENDER: Complete items 1 and/or 2 for additional services.
102595-98-B-0229		and fee is paid)	8. Addressed	7. Date of Deliver	☐ Return Recei	☐ Express Mail	☐ Registered	4b. Service Type	4a. Article Number		number	does not	_	
Domestic Return Receipt		paid)	8. Addressee's Address (Only if requested	86/14/01	Return Receipt for Merchandise COU	lail Insured	∫ ☐ Certified	ype	Z 211 156 530	Consult postmaster for fee.	Restricted Delivery	 Addressee's Address 	extra fee):	I also wish to receive the following services (for an
₫		Thar		ou for	us	ă ing	E Ref	tur	n Rece	ipt	Ser	-	в.	

CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

M CHAEL B CAMPBELL
OF COUNSEL

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE 5051 988-4421

FACS.M LE 505) 983-6043

E-MAIL: CODSpaiglix.nelcom.com

October 15, 1998

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Texaco Exploration and Production Inc. Post Office Box 3109 Midland, Texas 79702 Attn: Ron Lanning

Re: Application of John H. Hendrix Corporation for Compulsory Pooling and Horizontal Drilling, Lea County, New Mexico

Dear Mr. Lanning:

This letter is to advise you that John H. Hendrix Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests in the Abo formation underlying the E/2 NW/4 including the Southeast Monument-Abo Pool, in Section 16, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. John H. Hendrix Corporation proposes to dedicate the referenced pooled units to the Wood State Well No. 5 to be drilled at a standard location 1650 feet from the North line and 2310 feet from the West line of said Section 16.

This application has been set for hearing before a Division Examiner on November 5, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR JOHN H. HENDRIX CORPORATION

cc: Damian Barrett

Z 211 156 531

US Postal Service
Receipt for Certified Mail

Texaco Exploration and Production Inc. Post Office Box 3109 Midland, Texas 79702

Attn: Ron Lanning

Postage	\$	3.2
Certified Fee	7.5	-
Special Delivery Fee	AFE	
Restricted Delivery Fee		
Return Receipt Showin Whom & Date Derivered Return Receipt Showing to to Date. & Addressee's Addressee	g is 1 1998	
Return Receipt Showing to h Date, & Addressee's Address	Mhom.	
TOTAL Postage à Feet		
Postmark or Date		
		İ

ls	you	r RI	TUR	N A	OD	RES	SS (om	ple	ted o	on	the	e re	ver	se	sid	e?
PS Form 3811 , December 1994	×/ex sor	6. Signaline: (Addressee or Agent)	3. neceived by. (First Name)		Attit. Non Landing	1	Midland Tayas 70707		Texaco Exploration and Production Inc.		3 Article Addressed to:	 The Return Receipt will show to whom the article was delivered and the date delivered. 	permit Write "Return Receipt Requested" on the mailpiece below the article number	 Attach this form to the front of the mailpiece, or on the back if space does not 	Print your name and address on the reverse of this form so that we can return this	 Complete items 1 and/or 2 for additional services. Complete items 3 4a and 4h 	SENDER:
102595-98-B-0229			and fee is paid)		7. Date of Delivery	☐ Return Re	☐ Express Mail	☐ Registered	4b. Service Type	Ta. Pilipolo	4a Article N	the date	number	does not	an return this		
Domestic Return Receipt		-	diess (<i>Only II reduested</i>			☐ Return Receipt for Merchandise ☐ COD	☐ Insured	red	Туре	Z 211 156 531		Consult postmaster for fee.	2. Restricted Delivery	1. Addressee's Address	extra fee):	following services (for an	I also wish to receive the
		1	hank	you	for	us	ing	ne	·uil	n Red	- 4	·P·	JUI	410	¥.		

CAMPBELL, CARR, BERGE & SHERIDAN, PA.

-AWYERS

M CHAEL B CAMPBELL

M LLAM F CAPP

BRADFORD C BERGE

MARK F SHER DAN

M CHAEL H FELDEWERT

ANTHONY F MEDEROS

RAUL H OWEN

KATHER NE M MOSS

JACK M. CAMPBELL

OF CONSEL

SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: 505: 988-442:
FACS:MILE: 505: 988-6043
E-MAIL: 5050984; in etcom.com

October 15, 1998

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Marathon Oil Company 125 W. Missouri Midland, TX 79701

Re: Application of John H. Hendrix Corporation for Compulsory Pooling and

Horizontal Drilling, Lea County, New Mexico

Gentlemen:

This letter is to advise you that John H. Hendrix Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests in the Abo formation underlying the E/2 NW/4 including the Southeast Monument-Abo Pool, in Section 16, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. John H. Hendrix Corporation proposes to dedicate the referenced pooled units to the Wood State Well No. 5 to be drilled at a standard location 1650 feet from the North line and 2310 feet from the West line of said Section 16.

This application has been set for hearing before a Division Examiner on November 5, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR JOHN H. HENDRIX CORPORATION

ce: Damian Barrett

Z 211 156 532 US Postal Service Receipt for Certified Mail

Marathon Oil Company 125 W. Missouri Midland, TX 79701

Special Delivery Fee Restricted Delivery Fee Return Receipt Showing to Whom & Vale Delivered Return Receipt Stowing to Whom & Addressee's Addressee TOTAL Postage & Fees Postmark or Date	1			5	66457	Postage	Postaç
Restricted Delivery Fee Return Receipt Showing to Whom & Valle Delivered Return Receipt Showing to Whom & Addresser's Return Receipt Showing to While Date, & Addresser's Return Receipt Showing to Whom Date, & Addresser's Return Receipt Showing to Whom Receipt Showing to Whom Receipt Showing to Whom Receipt Showing to Whom Receipt Showing to Receipt Sh	₹	-3;		173	TAFE	Certified Pice	Certifie
Return Receipt Showing to Whom & Quig Delivered Return Recept Showing to Whilin Date, & Addressee's Address			,		00	Special Delivery	Specie
Sale, a rod casees Appropri			3	33	y Fee	Restricted Deliver	Flestric
Sale, a rod casees Appropri)		•/	2	lowing to	Return Receipt St Whom & Date Del	Return Whom
TOTAL Postage & Fees \$,		to Minin	Return Receipt Show	Return R
				\$	Fees	OTAL Postage &	TOTAL
Postmark or Date						ostmark or Date	Postma

	XIIY (L) Chare	6. Signature: (Addressee or Agent)	5. Received By: (Print Name)		Midland, TX 79701	125 W. WISSOUT	198 W Missouri	Marathon Oil Company	3. Article Addressed to:	■ The Return Receipt will show to whom the article was delivered and the date delivered	■ Write "Refurn Receipt Requested" on the mailpiece below the article number	card to you Attach this form to the front of the mailpiece, or on the back if space does not	Print your name and address on the reverse of this form so that we can return this	Complete items 1 and/or 2 for additional services.	SENDER:
595-98-B-0229			8. Addressee's Ad and fee is paid)	7. Date of Delivery	☐ Return Re	☐ Express Mail	☐ Registered	4b. Service Type	4a. Article N	the date	number	does not	can return this		
102595-98-B-0229 Domestic Return Receipt		_	Addressee's Address (Only if requested and fee is paid)	10-19-98	☐ Return Receipt for Merchandise ☐ COD	Mail Insured	red	Туре	4a. Article Number Z 211 156 532	Consult postmaster for fee.	2. Restricted Delivery	1. Addressee's Address	extra fee):	following services (for an	I also wish to receive the

Is your <u>RETURN ADDRESS</u> completed on the reverse side?

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

IN THE MATTER OF THE APPLICATION OF JOHN H. HENDRIX CORPORATION FOR COMPULSORY POOLING AND HORIZONTAL DRILLING, LEA COUNTY, NEW MEXICO.

CASE NO. 12085

APPLICATION

JOHN H. HENDRIX CORPORATION, ("Hendrix") through its undersigned attorneys, hereby makes application pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all mineral interests in the Abo formation underlying the E/2 NW/4, including the Southeast Monument-Abo Pool, of Section 16, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, and in support of this application states:

- 1. John H. Hendrix Corporation is a working interest owner in the E/2 NW/4 of Section 16, and has the right to drill thereon.
- 2. Applicant proposes to drill its proposed Wood State Well No. 5 in said Section 16 at a standard location 1650 feet from the North line and 2310 feet from the West line' (Unit F) of said Section 16 to test the Abo formation either by drilling a straight hole from the above referenced surface location or by drilling to approximately 7050 feet and then kick off and drill a horizontal well bore in a northerly direction until as much as 1300 feet of horizontal well bore in the Abo formation has been drilled.

Before the Oil Conservation Division Santa Fe, New Mexico John H. Hendrix Corp. Exhibit No. __ Case No. 12085 November 5, 1998

- 3. For the drilling of a straight hole, Hendrix seeks the compulsory pooling of a 40-acre standard spacing and proration unit in the Southeast Monument-Abo Pool comprised of the SE/4 NW/4 of said Section 16. For a horizontal well, Hendrix seeks the compulsory pooling of a project area in the Abo formation comprised of two 40-acre spacing and proration units in the E/2 NW/4 of Section 16.
- 4. Hendrix has sought and been unable to obtain either a voluntary agreement for pooling or farmout from certain interest owners in the E/2 of the NW/4 of Section 16.
- 5. Said pooling of interests and the drilling of the Wood State Well No. 5 will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.
- 6. In order to permit John H. Hendrix Corporation to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral 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 November 5, 1998, and, after notice and hearing as required by law, the Division enter its order (1) approving the horizontal drilling of the Wood State Well No. 5 and (2) pooling all mineral interests under the subject lands, designating John H, Hendrix Corporation operator of the proposed well and spacing unit, authorizing it to recover its costs of supervision while drilling and after completion, including overhead charges, and imposing a risk factor for the risk assumed by

John H. Hendrix Corporation in drilling, completing and equipping the well.

Respectfully submitted,

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

y: Dillen

WILLIAM F. CARR

PAUL R. OWEN

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR JOHN H. HENDRIX CORPORATION