

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

October 27, 1989

John H. Hendrix Corporation
223 West Wall Street
Suite 525
Midland, TX 79701

Attention: Ronnie H. Westbrook

Amended Administrative Order NSP-106(L)

Dear Mr. Westbrook:

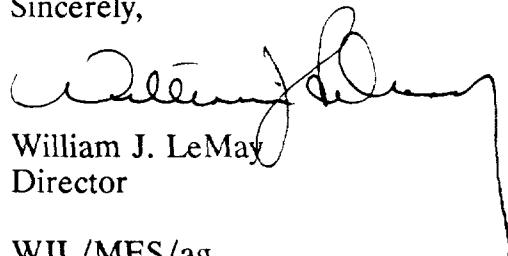
Reference is made to your application of September 12, 1989 to reinstate the previously approved 80-acre non-standard gas spacing and proration unit in the Eumont Gas Pool (Administrative Order NSP-106 dated March 16, 1955) comprising the N/2 NE/4 of Section 11, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

It is our understanding that the original well dedicated to this unit, the Amoco McQuatters Well No. 1 located 660 feet from the North and East lines of said Section 11, was plugged back to the Eunice Monument Pool and was turned over to the Chevron U.S.A., Inc. Eunice Monument South Unit in January, 1987.

Furthermore, it is our understanding that this unit will now be dedicated to a replacement well, the McQuatters Well No. 1, to be drilled at an unorthodox gas well location 860 feet from the North line and 2100 feet from the East line (Unit B) of said Section 11.

By authority granted me under the provisions of Rules 2(c) and 2(a)4 of the Special Rules for the Eumont Gas Pool as promulgated by Division Order No. R-8170, as amended, the above-described unorthodox gas well location and non-standard gas proration unit are hereby approved.

Sincerely,



William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs
NM Oil and Gas Engineering Committee - Hobbs
Case File: 9780

PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 216

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

ERNEST L. PADILLA
MARY JO SNYDER

FAX 988-7592
AREA CODE 505

(505) 988-7577

October 16, 1989

Hand-Delivered

Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

ATTN: MICHAEL STOGNER
Hearing Examiner

Re: Case No. 9780; Application of John H. Hendricks
Corporation for Unorthodox Gas Well Location and
Non-standard Gas Proration Unit


Dear Mr. Stogner:

As I explained to you during our telephone conversation today, I have been retained by John H. Hendricks Corporation in connection with the above-referenced application which, to my understanding, was not approved administratively because Wiser Oil Company objected to the application. Wiser Oil Company has since rescinded its objection. Attached hereto is a copy of a letter to that effect. As such, it appears that a hearing is not necessary if the only reason for the hearing was Wiser's objection.

To give us additional time to determine whether administrative approval can be made, we ask that the hearing on the matter be continued until November 1, 1989, the Division's next hearing date.

Should you have any questions, or need additional information, please let me know.

Very truly yours,


Ernest L. Padilla

ELP:crk
cc: Ron Westbrook
Enclosure as stated



COPY

JOHN H. HENDRIX CORPORATION

THE WISER OIL COMPANY
P.O. BOX 192 SISTERSVILLE, W. VA, 26175-0192
304-652-3861
fax 304-652-1314

OCT 12 1989

RECEIVED

John G. Wight, President & CEO
Charles P. LaRue, Vice President—Production
Richard L. Starkey, Secretary
Ronald D. Lee, Treasurer

October 10, 1989

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: David R. Catanach

Re: Non-Standard Proration Unit
and Location Request
McQuatters No. 1
N/2 NE/4 Section 11, T21S R 36E
Lea County, New Mexico

Gentlemen:

The Wiser Oil Company is an offset operator to the proposed well. The John H. Hendrix Corporation has applied for a non-standard location and proration unit for the McQuatters No. 1 in the Eumont Gas. By letter dated September 22, 1989, The Wiser Oil Company objected to a non-standard proration unit and location request for the captioned well.

As an off-set operator, The Wiser Oil Company has no objection to the Hendrix application for a non-standard location and proration unit for the McQuatters No. 1 in the Eumont Gas.

Very truly yours,

Richard L. Starkey

RLS/klt

cc: Ron Westbrooke
The John H. Hendrix Corporation



OIL CONSERVATION DIVISION
RECEIVED

'89 OCT 16 AM 10 03

THE WISER OIL COMPANY

P.O. BOX 192 SISTERSVILLE, W. VA. 26175-0192
304-652-3861
fax 304-652-1314

John C. Wright, President & CEO
Charles P. LaRue, Vice President—Production
Richard L. Starkey, Secretary
Ronald D. Lee, Treasurer

October 10, 1989

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: David R. Catanach

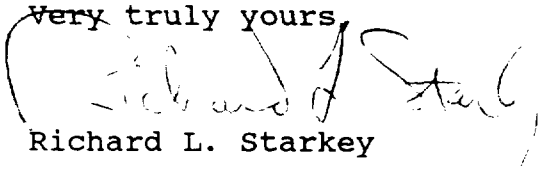
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and Location Request
McQuatters No. 1
N/2 NE/4 Section 11, T21S R 36E
Lea County, New Mexico

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As an off-set operator, The Wiser Oil Company has no objection to the Hendrix application for a non-standard location and proration unit for the McQuatters No. 1 in the Eumont Gas.

Very truly yours,



Richard L. Starkey

RLS/klt

cc: Ron Westbrook
The John H. Hendrix Corporation



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

GARREY CARRUTHERS
GOVERNOR

Case No 9780

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 27, 1989

John H. Hendrix Corporation
223 West Wall Street
Suite 525
Midland, TX 79701

Attention: Ronnie H. Westbrook

RE: Non-Standard Gas Proration Unit and
Unorthodox Gas Well Location
Application
McQuatters Well No. 1, N/2 SE/4,
Section 11, Township 21 South, Range
36 East, Eumont Gas Pool, Lea County,
New Mexico.

Dear Mr. Westbrook:

The Wiser Oil Company, an offset operator to the south of your proposed unorthodox Eumont gas well location and non-standard proration unit, filed opposition on September 25, 1989 to your filing.

This application will therefore be set for hearing on the next available docket scheduled for October 18, 1989.

If you should have any questions concerning this matter, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Hobbs
The Wiser Oil Company



RECEIVED

SEP 25 1989

THE WISER OIL COMPANY
P.O. BOX 192 SISTERSVILLE, W. VA. 26175-0192
304-652-3861
fax 304-652-1314

OIL CONSERVATION DIV.
SANTA FE

John C. Wright, President & CEO
Charles P. LaRue, Vice President—Production
Richard L. Starkey, Secretary
Ronald D. Lee, Treasurer

September 22, 1989

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Case 9780

Attention: David R. Catanach

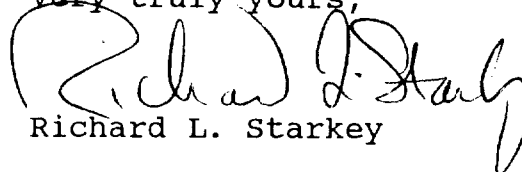
RE: Non-Standard Proration Unit
and Location Request
McQuatters No. 1
N/2 NE/4 Section 11, T21S R36E
Lea County, New Mexico

Gentlemen:

The Wiser Oil Company is an offset operator to the proposed well. The John H. Hendrix Corporation has applied for a non-standard location and proration unit for the McQuatters No. 1 in the Eumont Gas.

The Wiser Oil Company is of the opinion that a regular 160 acre proration unit should be established. The non-standard 80 acre unit would cause undue drainage of gas from the formation under The Wiser Oil Company's lease.

Very truly yours,


Richard L. Starkey

RLS/klt