



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

July 16, 1998

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

Administrative Order NSL-4093(SD)

Dear Mr. Westbrook:

Reference is made to the following: (i) your initial application to the Division for John H. Hendrix Corporation, dated June 10, 1998; (ii) the Division's response to said application by letter from Mr. Michael E. Stogner dated July 1, 1998; (iii) your response on July 7, 1998; and, (vi) the records of the Division in Santa Fe: all concerning John H. Hendrix Corporation's request for an unorthodox Blinebry gas well location within an existing standard 160-acre gas spacing and proration unit ("GPU") for the Blinebry Oil and Gas Pool comprising the NE/4 of Section 15, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. This GPU is currently dedicated to John H. Hendrix Corporation's Elliott "B-15" Well No. 4 (API No. 30-025-10302) located 510 feet from the North line and 660 feet from the East line (Unit A) of Section 15.

It is our understanding that the subject well in this application, the Elliott "B-15" Well No. 7 (API No. 30-025-10277), located 2130 feet from the North line and 1980 feet from the East line (Unit G) of Section 15, is currently completed in the Drinkard Pool at an orthodox oil well location within a standard 40-acre oil spacing and proration unit that comprises the SE/4 NE/4 of Section 15. Further, upon issuance of this order the Drinkard interval is to be plugged back and the Blinebry zone will be perforated. Pursuant to Rule 2(b)1 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil and Gas Pool," as promulgated by Division Order No. R-8170, as amended, this location is considered to be an unorthodox gas well location for this 160-acre GPU.

By authority granted me under the provisions of Rule 2(d) of said special pool rules, the above-described unorthodox Blinebry gas well location is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Blinebry gas production from the Elliott "B-15" Well No. 4 with the Elliott "B-15" Well No. 7. Furthermore, you are hereby permitted to produce the allowable assigned the subject 160-acre GPU from both wells in any proportion.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs /
U. S. Bureau of Land Management - Carlsbad
File: NSP-28