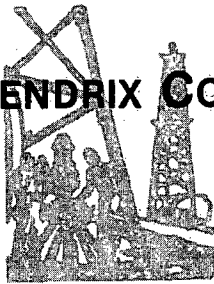


JOHN H. HENDRIX CORPORATION



OIL CONSERVATION DIVISION
RECEIVED

'90 OCT 18 AM 9 52

(915) 684-6631
223 WEST WALL, SUITE 525
MIDLAND, TEXAS 79701

October 15, 1990

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

Attention: Mr. David R. Catanach

RE: Downhole Commingling Request
J. R. Cone "A" No. 2 ²¹
Unit L, Section 26, T22S -
R37E, Lea County, New Mexico

Gentlemen:

John H. Hendrix Corporation respectfully requests administrative approval to downhole commingle the Blinebry and Drinkard Pools in our J. R. Cone "A" No. 2. Approval of this request will protect correlative rights, promote conservation, and encourage the efficient recovery of oil and gas reserves.

Additional data relative to this commingling is listed below:

(1) A lease plat is attached showing the location of this well. (Exhibit I)

(2) A current C-116 is included to show the current status of Blinebry Zone (Exhibit II) and the Drinkard Zone (Exhibit III). The Blinebry Zone currently produces no oil or gas due to downhole mechanical problems. A recent pulling of this well failed to solve the downhole problem. Since the well needs to be downhole commingled, it is prudent to wait until commingling can be approved to spend more monies on this well. Restored production should make a 1.6 BOPD plus 13 MCFPD producer, which is not economic as a single well.

October 15, 1990

The Drinkard Zone is dead and will not swab to flow. If commingling is permitted, the pumping unit and rods can be used to pump the Drinkard Zone and also allow the marginal Blinebry production to continue which will result in additional recovery of oil and gas reserves. Restored Drinkard production is estimated to be 1 BOPD plus 160 MCFPD.

(3) Decline curves for the Blinebry (Exhibit IV) and Drinkard (Exhibit V) are attached.

(4) Due to the Blinebry Zone having rods in the tubing, it is not possible to obtain a BHP by BHP bomb. Due to the obvious low productivity of this well and due to the fact the well would be produced in a pumped off condition, it is respectfully requested that the BHP data be waived.

(5) By commingling authority PC-228 dated September 4, 1964 authorized commingling at the surface for these two zones. It is therefore requested that the gas analysis requirement be waived.

(6) Working interest and royalty ownership in the two pools are the same.

(7) The following percentages are suggested based upon the analysis of the data available.

	<u>Oil</u>	<u>Expected Production</u> <u>BOPD</u>	<u>Gas</u>	<u>MCFPD</u>
Blinebry	62%	1.6	8%	13
Drinkard	<u>38%</u>	<u>1.0</u>	<u>92%</u>	<u>160</u>
Total	100%	2.6	100%	173

This commingling is necessary to permit Blinebry production that would not otherwise be economically produced. It will also allow more efficient production for the Drinkard Pool. With the well in a pumped off condition, there will be no cross flow between the two zones.

By copy of this letter we are notifying the offset operators of this proposed commingling. If these operators

N.M.O.C.D.

-3-

October 15, 1990

have no objection, we ask that they execute the attached waiver and return two copies to the N.M.O.C.D. If you have any questions, please call.

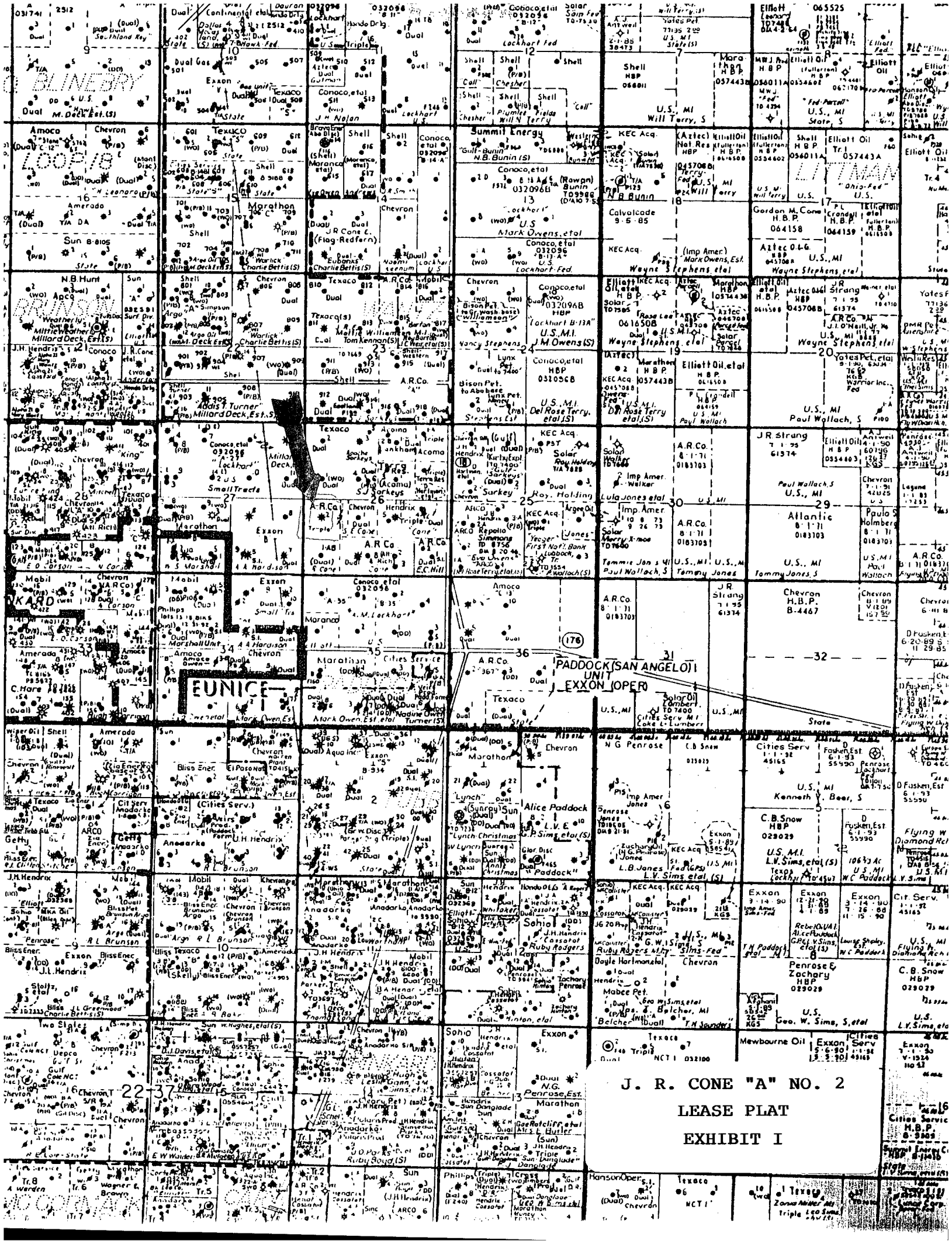
Yours very truly,



Ronnie H. Westbrook
Vice-President

Exhibits Attached

cc: N.M.O.C.D. District 1 - Hobbs
Offset Operators (Certified Mail)



Submit 2 copies to Appropriate District Office.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

EXHIBIT II
Form C-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator John H. Hendrix Corporation		Pool Blinebry		County Lea												
Address 223 W. Wall, Suite 525, Midland, TX 79701		TYPE OF TEST - (X) ☒ GAS		Scheduled ☐		Completion ☐		Special ☒								
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	3 INCHES TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU/FT/BBL.	
		U	S	T	R							WATER BBL.S.	GRAV. OIL BBL.S.	GAS M.C.F.		
J. R. Cone "A"	2	L	26	21	37	10/9/90	P	-	30	M	24	0	-	0	0	0
* Well has mechanical problems and will not produce until further work.																

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Signature Ronnie H. Westbrook

Printed name and title Ronnie H. Westbrook Vice-President

Date 10/12/90 (915) 684-6631

Telephone No. 715-684-6631

Submit 2 copies to Appropriate District Office.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

EXHIBIT III

Form C-116
Revised 1/1/89

OIL CONSERVATION DIVISION

GAS - OIL RATIO TEST

Operator John H. Hendrix Corporation		Pool Drinkard		County Lea	
Address 223 W. Wall, Suite 525, Midland, TX 79701		TYPE OF TEST - (X)		Schedul	
LEASE NAME		WELL NO.		DATE OF TEST	
		U S T R		STAT	
J. R. Cone "A"		2 L 26 2137		24 F Open	
		30 M		24 0 - 0 0	
* Well is dead and will not flow. Needs pumping equipment installed.					

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F.
Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Signature

Ronnie H. Westbrock

Ronnie H. Westbrock Vice-President
Printed name and title

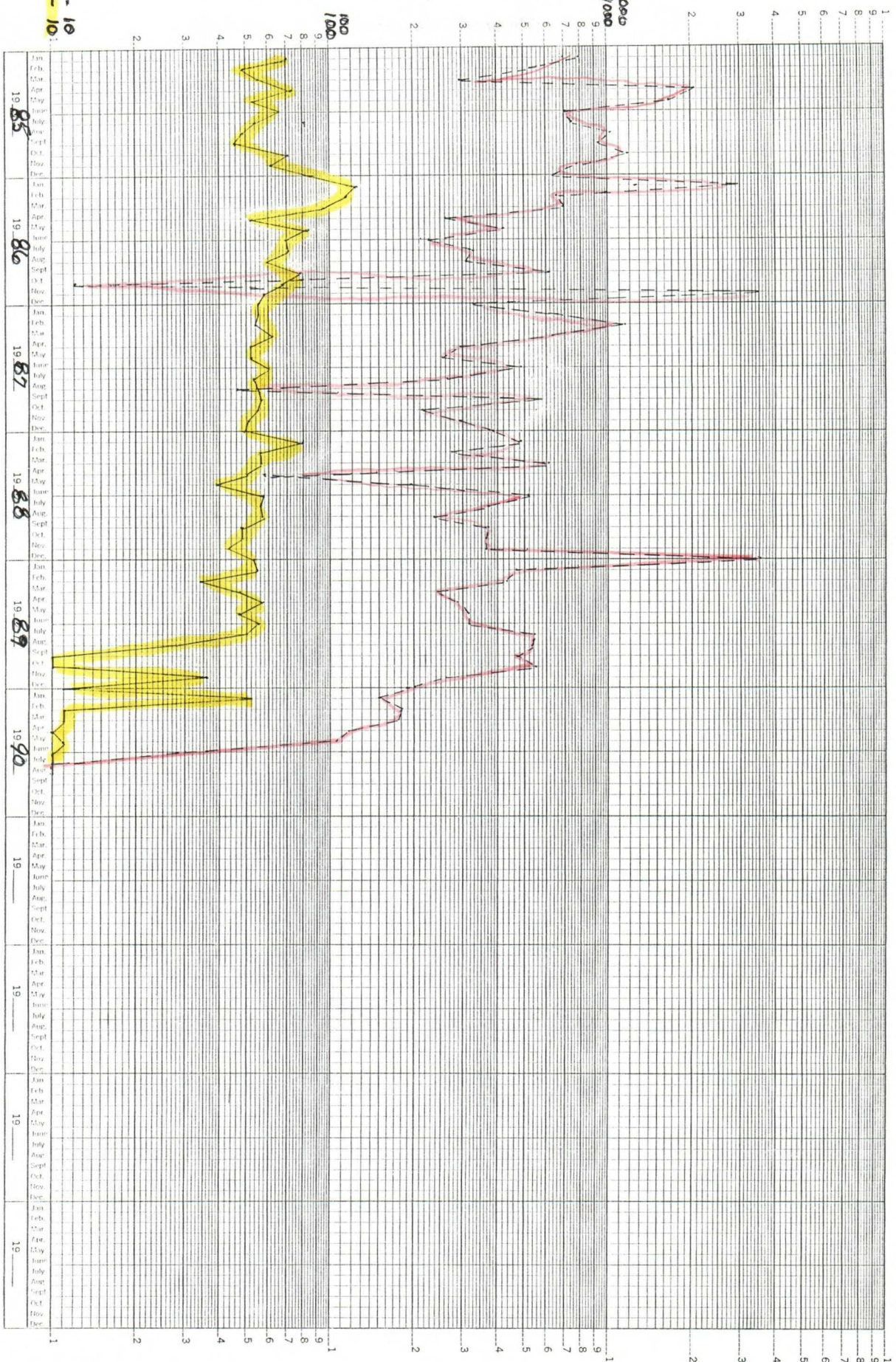
10/12/90 (915) 684-6631

Date

Telephone No.

BPM / MCFCM

945-10
017-10



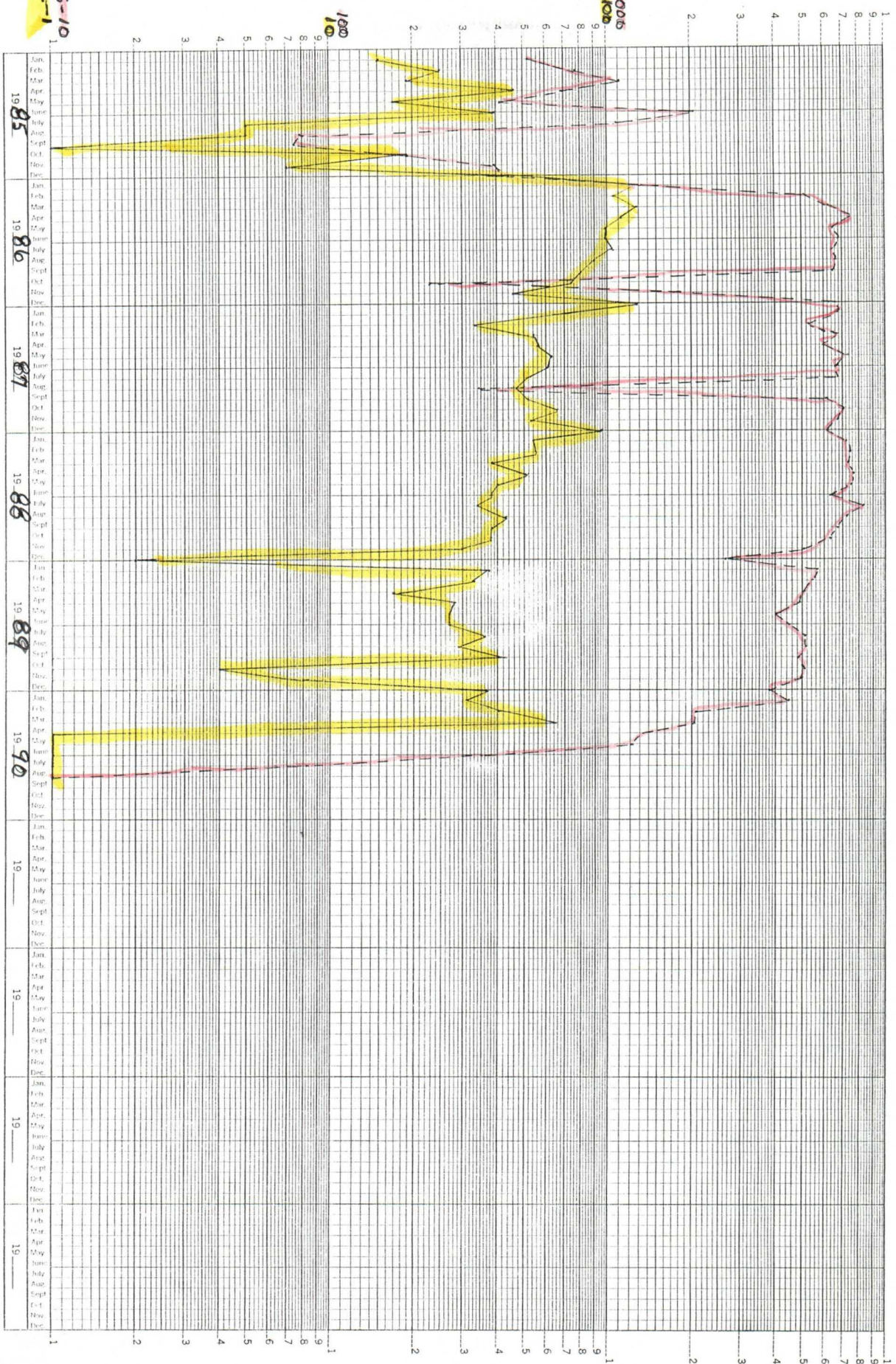
J. R. CONE "A" NO. 2

BLINEBRY

EXHIBIT IV

BPM / MCFPM

GMS-10
OIL-1

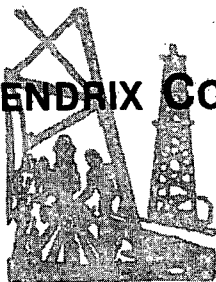


J. R. CONE "A" NO. 2

DRINKARD

EXHIBIT V

JOHN H. HENDRIX CORPORATION



(915) 684-6631
223 WEST WALL, SUITE 525
MIDLAND, TEXAS 79701

October 15, 1990

CERTIFIED MAIL

RE: Waiver Request
Downhole Commingling
Drinkard & Blinebry Pools
J. R. Cone "A" No. 2
Unit L, Section 26, T21S -
R37E, Lea County, New Mexico

TO: OFFSET OPERATORS

Attached is a copy of John H. Hendrix Corporation's administrative application for N.M.O.C.D. approval of downhole commingling of Blinebry and Drinkard Pools in our J. R. Cone "A" No. 2. Approval of this application will promote conservation and encourage the efficient recovery of oil and gas reserves.

As an offset operator, if you do not have any objections to the attached application, please sign the enclosed waivers and mail the two copies to the N.M.O.C.D. in Santa Fe and one copy to the N.M.O.C.D. in Hobbs. We would also request that you send a copy to John H. Hendrix Corporation in Midland. We have enclosed self addressed, stamped envelopes for your convenience.

If you have any questions, please call me at (915) 684-6631. Your prompt consideration in the above matter is appreciated.

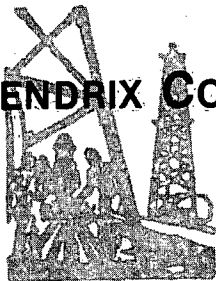
Yours very truly,

Ronnie H. Westbrook
Ronnie H. Westbrook
Vice-President

RHW/ah

Attachments

JOHN H. HENDRIX CORPORATION



(915) 684-6631
223 WEST WALL, SUITE 525
MIDLAND, TEXAS 79701

October 15, 1990

RE: Downhole Commingling Request
J. R. Cone "A" No. 2,
Unit L, Sec. 26, T21S-37E,
Lea County, New Mexico

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

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the John H. Hendrix Corporation application to the downhole commingling of the Blinebry and Drinkard Pools in the captioned wellbore.

Approved By: _____

Representing: _____

Date: _____

OFFSET OPERATORS TO
JOHN H. HENDRIX CORPORATION'S
J. R. CONE "A" NO. 2 LEASE

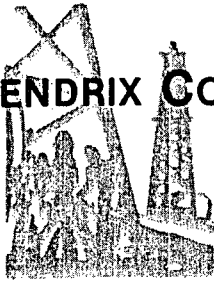
Chevron USA Inc.
P. O. Box 1150
Midland, TX 79702
Attention: A. W. Bohling
Proration Department

Exxon Corp., USA
P. O. Box 2180
Houston, TX 77001

Texaco Producing Company
P. O. Box 3109
Midland, TX 79702

Conoco Inc.
P. O. Box 1959
Midland, TX 79702
Attention: New Mexico
Proration Department

JOHN H. HENDRIX CORPORATION



(915) 684-6631
223 WEST WALL, SUITE 525
MIDLAND, TEXAS 79701

October 15, 1990

RE: Downhole Commingling Request
J. R. Cone "A" No. 2,
Unit L, Sec. 26, T218-37E,
Lea County, New Mexico

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

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the John H. Hendrix Corporation application to the downhole commingling of the Blinebry and Drinkard Pools in the captioned wellbore.

Approved By: Andre

Representing: COMPANY
Exxon Corp., USA

Date: 11/14/90

JOHN H. HENDRIX CORPORATION



OIL CONSERVATION DIVISION
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(915) 684-6631
223 WEST WALL, SUITE 525
MIDLAND, TEXAS 79701

October 15, 1990

RE: Downhole Commingling Request
J. R. Cone "A" No. 2,
Unit L, Sec. 26, T21S-37E,
Lea County, New Mexico

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

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the John H. Hendrix Corporation application to the downhole commingling of the Blinebry and Drinkard Pools in the captioned wellbore.

Approved By: Alan W. Bohling - Protraction Engineer

Representing: Chevron USA, Inc.

Date: October 25, 1990



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

OIL CONSERVATION DIVISION
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10-19-90

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GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC ☒ _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

John H. Hendrix Corp. J.R. Cone A #2-L 26-21-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OR

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed