

WAITING PERIOD-20-DAYS

COMPANY: John H. Hendrix Corporation
ADDRESS: 223 West Wall Street, Suite 525
CITY, STATE, ZIP: Midland, Texas 79701
ATTENTION: Mr. Lee Wood

WELL NAME AND NUMBER: Cossatot "G" Well No.1
LOCATION: UNIT F, SECTION 13, T-22 South, R-37 East,
NMPM, LEA COUNTY, NEW MEXICO.

POOLS: South Brunson Drinkard-Abo and Wantz Granite Wash

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle the production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 50 barrels per day, and total water production shall not exceed 90 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by A.

- WANTZ**
- A) ...multiplying 2000 by the top unit allowable for the ~~South Brunson Drinkard-Abo~~ Pool.
 - B) ...Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule.
 - C) ...Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Southeast Gas Proration Schedule.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

South Brunson Drinkard-Abo	Pool: Oil (Condensate) 57 %	Gas 16 %
Wantz Granite Wash	Pool: Oil (Condensate) 43 %	Gas 84 %

In accordance with the provisions of Rule 303-C, the supervisor of the Hobbs District Office of the Oil Conservation Division shall determine the proper allocation of production from the subject well following its completion.

FURTHER: The operator shall notify the Hobbs District Office prior to implementation of the commingling process.

Pursuant to Rule 303-C-5, the commingling authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

xc: STATE LAND OFFICE - _____ BLM - Carlsbad OCD - Hobbs

WJL/BES/