

MAILING ADDRESS P.O. BOX 3040 MIDLAND, TX 79702-3040

(915) 684-6631 FAX (915) 684-7317 I 10 N. MARIENFELD, SUITE 400 MIDLAND, TEXAS 79701-4412

Lori Wrotenbery, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 1220 S. St. Frances Dr. Santa Fe, NM 87504 RE: Surface Commingle Wantz Fusselman & Penrose-Skelly-Grayburg Pools Weatherly "21" Lease NW/4 & W/2 NE/4 Section 21, T21S – R37E, Lea County, New Mexico

Dear Ms. Wrotenbery:

John H. Hendrix Corporation respectfully requests an exception to Rule 303A to permit the commingling in common facilities of our commonly owned production from the Wantz-Fusselman and Penrose Skelly Grayburg Pool. Due to marginal status of the wells it is requested that allocation between pools be based on quarterly well tests.

In support of this application please find the following:

- 1.) Table I showing gravity, producing rates and classification of oil.
- 2.) Schemetic diagram of the proposed installation.
- 3.) A plat showing the location of all wells on the lease and pool from which each is producing.
- 4.) The actual commercial value of the commingled production will <u>not</u> be less than the sum of the values of the production if sold separately.
- 5.) Neither well is producing top allowable.

Oil Conservation Division

-2-

- 6.) Working interest, royalty, and overriding royalty interest are common for both pools.
- 7.) This is a fee lease.

Thank you for your consideration in this matter. If you have any questions please do not hesitate to call.

Yours very truly,

Pomie H. Wedla

Ronnie H. Westbrook Vice President

RHW/ah

Enclosures

TABLE 1

PENROSE SKELLY GRAYBURG

Pipeline Classification: Sour

Production: 18 BOPD – 3 BWPD – 40 MCF

Gravity: 37.4

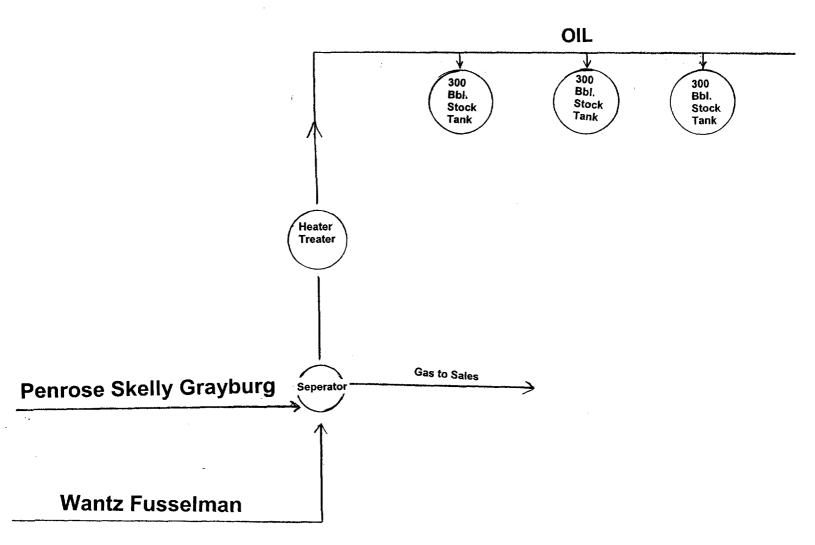
WANTZ FUSSELMAN

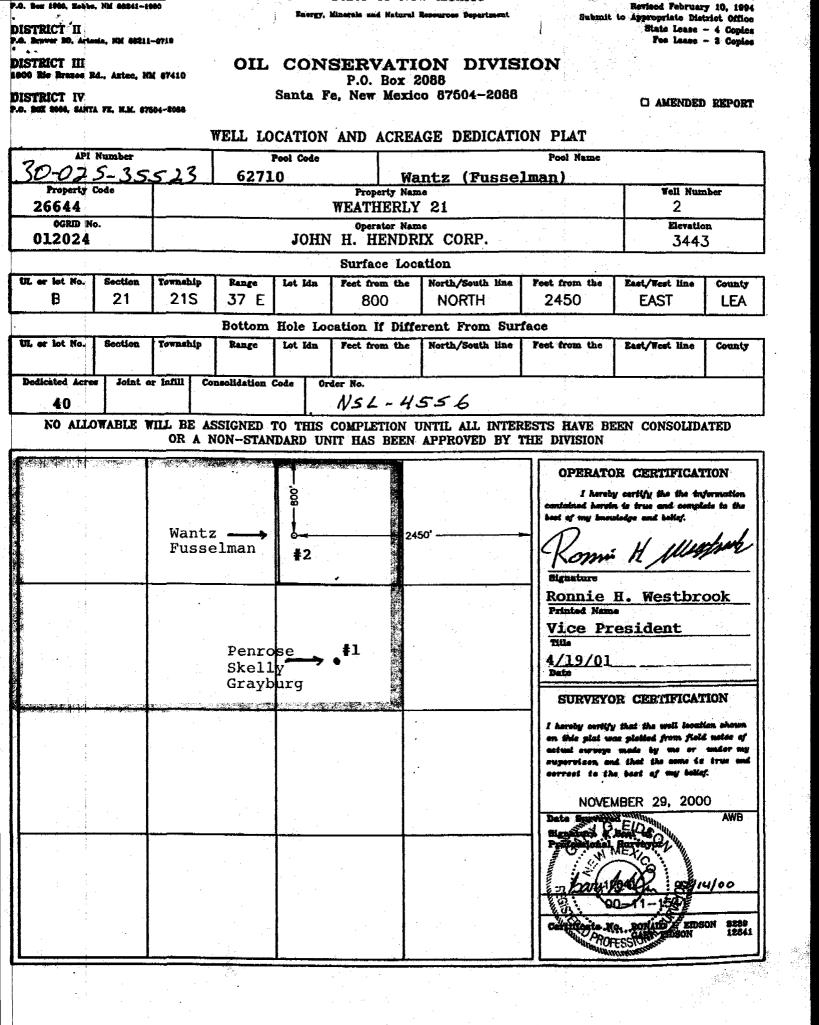
Pipeline Classification: Sour

Production: 33 BOPD – 25 BWPD – 78 MCF

Gravity: 39.6

WEATHERLY "21" LEASE COMMINGLED FACILITIES





| 625 N French Dr. Hobbs NM 88240 | | | | | | nte of New Mexico nerals & Natural Resources | | | | | Form C-104 Reformatted July 20, 2001 | | | |
|---|----------------------|--------------------|---|-----------------------------|--------------------|---|--|---------------------------------------|--|---|---|--------------------|----------------------|-----------------------|
| 1301 W. Grand Avenue, Artesia, NM 88210 <u>District III</u> 1000 Pio Prazos Pd. Aztec. NM 87410 Oil Co | | | | | | 20 So | Conservation Division 0 South St. Francis Dr. | | | Submit to Appropriate District Office 5 Copies | | | | |
| 1220 S. St. Franc | cis Dr., S I. | | | | | | , | M 87505 AND A | | DRIZ | ATIO | N ТО | A TRANS | MENDED REPORT |
| Operator name and Address John H. Hendrix Corporation P. O. Box 3040 | | | | | | | | | ² OGRID Number 012024 ³ Reason for Filing Code/ Effective Date | | | | | |
| MidlandTX ⁴ API Numb 30 - 025-35 | er | | | Name Itz (Fusse | elman) | | | NW ⁶ Pool Code 62710 | | | | | | |
| ⁷ Property C 2664 | Code | | ⁸ Prop Weat | perty Nam therly 21 | ne | | | | | | | | Vell Numbe | er |
| II. ¹⁰ Su UL or lot no | | Location n Town | | Range | Lot Idn | Feet f | from the | the North/South Line | | Feet | from the | East/ | West line | County |
| | 21 | 215 | | 37E | L | 800 | | North | | 2450 | | East |] | Lea |
| | | Hole L | n i | 1 | r | | | I | | | | ····· | | ····· |
| UL or lot no. | | | • | Range | Lot Idn | Feet f | from the | North/Sou | uth Line | Feet | from the | East/ | West Line | County |
| ¹² Lse Code P | ¹³] P | Producir | | ¹⁴ C 06/20/20 | Gas 002 | ¹⁵ C- | C-129 Permit Number ¹⁶ C-129 Effect | | | Effective | Date | ¹⁷ C-12 | 9 Expiration Date | |
| III. Oil | and G | las Tra | nspo | rters | | | | | | | | | | |
| ¹⁸ Transpor OGRID | rter | | ¹⁹ Transporter Name and Address | | | | ²⁰ POD ²¹ O. | | ²¹ O/ | /G | | | OD ULSTR and Desc | |
| 015694 P. O. Bo | | | o Refining Co. Box 159 a, NM 88210 | | | 2 | 2827087 | <u>087</u> O | | | G - 2 1 | - 21S - 1 | 37E | |
| 024650 Service 1000 L | | | Louisiana, Suite 5800 | | | 2 | 2827088 G | | | G - 21 - 21S - 37E | | | | |
| 1 | | Houstor | ı, TX | 77002-5 | | | | | 197 (M. 197) | | | | | |
| | | | | | | | | (Trine) 1944 - State | | | | | | |
| | | | | | | | | | | | | | | |
| IV. Produced Water | | | | | | | | | | | | | | |
| ²³ POD | | 2 | ⁴ POI | D ULSTR | Location | and D | escriptio | n | | | | | | |
| 2829286 | | | | | | | | | | | | | | |
| V. Well | Com | pletion | Data | i | | | | | | | | | | |
| | | | ²⁶ Ready Date ²⁷ TD | | | | | ²⁸ PBTD | | | ⁹ Perfora | tions | | ³⁰ DHC. MC |
| | | | /12/2002 7152' | | | | | 7152' | | | | | | |
| ³¹ Hole Size ³² | | | | ³² Casin | sing & Tubing Size | | | | ³³ Depth Set ³⁴ Sacks Cement | | | ks Cement | | |
| 14-3/4" | | | 11-3/4" | | | | 39 | 395' 3 | | | 305 | | | |

| VI | Well | Test | Data | |
|----|------|------|------|--|

8-5/8''

5-1/2"

11"

7-7/8"

| ³⁵ Date New Oil 06/14/2002 | | | ³⁸ Test Length 24 | ³⁹ Tbg. Pressure | ⁴⁴⁶ Csg. Pressure 25 psig | | |
|--|--|----------------------------|--|-----------------------------|---|--|--|
| ⁴¹ Choke Size | ⁴² Oil | ⁴³ Water | ⁴⁴ Gas | ⁴⁵ AOF | Test Method | | |
| - | 33 | 25 | 78 | - | - | | |
| been complied with complete to the best | aat the rules of the Oil Cons and that the information gi of my knowledge and beli me H | iven above is true and ef. | OIL CONSERVATION DIVISION Approved by: | | | | |
| Printed Name: Ron | nnie H. Westbrook | | Title: | | | | |
| Title: Vice P | resident | | Approval Date: | | | | |
| Date: 06/27/2002 | Phone: (915 | 5)684-6631 | | | } | | |

3003'

7152'

850

750

OPERATOR: JOHN H. HENDRIX WELL/LEASE: WEATHERLY #2 COUNTY: LEA

STATE OF NEW MEXICO DEVIATION REPORT

| 197 | 1 | |
|-------|-------|-----------------------|
| 395 | 3/4 | |
| 682 | 3/4 | |
| 995 | 1/4 | |
| 1,279 | 1 | |
| 1,561 | 1/4 | |
| 1,844 | 1/4 | |
| 2,156 | 1/4 | JOHN H. HENDRIX CORP. |
| 2,500 | 1 | RECEIVED |
| 3,004 | 1 1/2 | MAV 9 9 1001 |
| 3,241 | 1 1/4 | MAY 2 2 2002 |
| 3,582 | 3/4 | |
| 4,074 | 1/2 | |
| 4,572 | 3/4 | MIDLAND, TX |
| 5,038 | 1/4 | |
| 5,474 | 3/4 | |
| 5,936 | 3/4 | |
| 6,434 | 1/2 | |
| 6,932 | 3/4 | |
| 7,152 | 3/4 | |

By: Swellpon

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on this 21st day of May, 2002, by Steve Moore on behalf of Patterson-UTI Drilling Company LP, LLLP.

y Public for Midland County, Texas

My Commission Expires: 3/31/2003

JONI D. HODGES Notary Public STATE OF TEXAS Hy Centr. Exp. 03/31/2003