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

January 31, 1990

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

Attention: Mr. David R. Catanach

RE:

Amend Order PC-752 to add Gas Sales and to Surface Commingling

Parks "A" Lease

SE/4 Section 14, T22S - R37E, Lea County, New Mexico and to delete

Wantz-Abo

Gentlemen:

John H. Hendrix Corporation was authorized to commingle Wantz-Abo, Drinkard and Blinebry Pool production in a common tank battery and to determine the production from each pool by well tests by amended Commingling Order PC-752. It is the purpose of this letter to request permission to commingle the gas and to determine production from each pool by well tests.

This commingling has been necessitated by expiring gas contracts making it necessary for us to transport the gas to a central delivery point.

In addition to amending the order to add gas, it is requested that the Wantz-Abo be deleted as there is no current Wantz-Abo production on the lease.

The following is an up-date of the current wells to be covered by Commingling Order PC-752:

January 31, 1990

Well No. 3 has been recompleted to the Blinebry - December Production 9.3 BOPD + 370 MCFPD. Total allowable 428 MCFPD.

Well No. 4 is currently downhole commingled in the Tubb and Drinkard Pools.

Well No. 5 is a Blinebry producer - December Production 5.2 BOPD + 385 MCFPD. Top allowable 428 MCFPD.

Well No. 10 has been recompleted to the Blinebry and now produces to another battery - Changed from Parks "A" No. 10 to Parks No. 10.

Well No. 12 is a Blinebry producer. December Production 5 BOPD + 369 MCF. Top allowable 428 MCFPD.

In summary, we are requesting permission to surface commingle gas sales from pools previously authorized to commingle oil production. We are also requesting that the Tubb Zone be added. Tubb Zone was not in prior order because it produced gas and no oil.

We are also requesting that the production be determined based on well tests. We realize that these volumes may be higher than usual for a request to allocate based on well test; however, the Blinebry wells are recent recompletions and are not top allowable for either oil or gas. They are also starting to decline.

If you cannot approve commingling, based on well test, we request commingling of pools with allocation to be determined by metering each separately. This would also necessitate measuring well No. 4 separately as it is downhole commingled in the Drinkard and Tubb.

If you have any questions, please call me at (915) 684-6631. Thank you for your consideration in this matter.

Yours very truly,

Ronnie H. Westbrook

Vice-President

RHW/ah

PARKS "A" LEASE

PROPOSED FACILITIES

