

JOHN H. HENDRIX
CORPORATION
P.O. BOX 3040
MIDLAND, TEXAS 79702-3040

TO

COMPULSORY POOLING
Case No. 11993
July 9, 1998

COUNTY: LEA

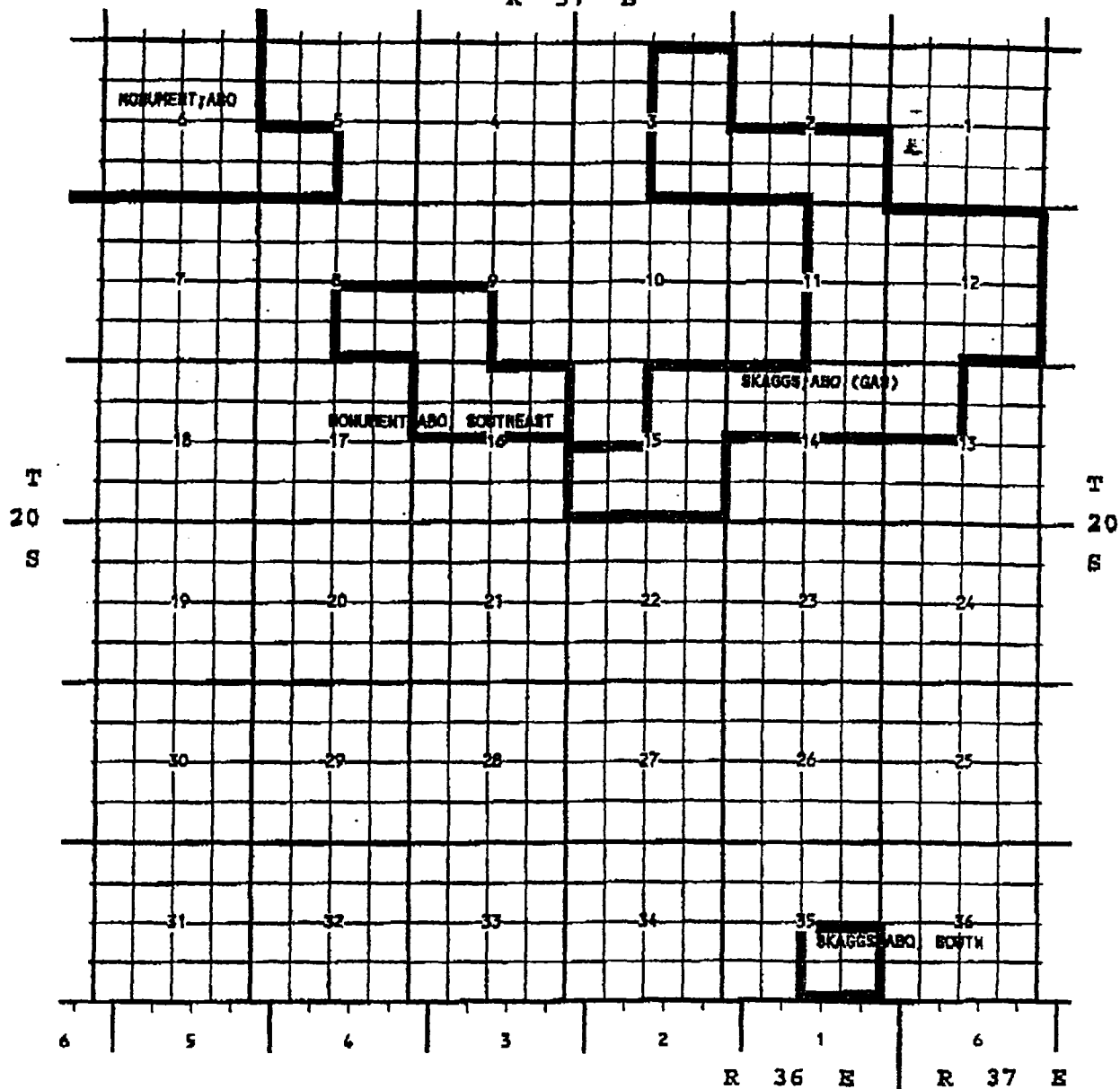
FORMATION: ABO

TOWNSHIP: 20 SOUTH

RANGE: 37 EAST

NMPM

R 37 E



04/24/1998

MONUMENT; ABO

MONUMENT; ABO, SOUTHEAST

SKAGGS; ABO (GAS)

SKAGGS; ABO, SOUTH

- 40 Acres, located no closer than 330' to any boundary
7000' to 8000' allowable of 187 BOPD and special pool
rules of 10,000:1 GOR till October 1999

Before the Oil Conservation Division

Santa Fe, New Mexico

John H. Hendrix Corp. Exhibit No. 1

Case No. 11993

July 9, 1998

COUNTY: LEA

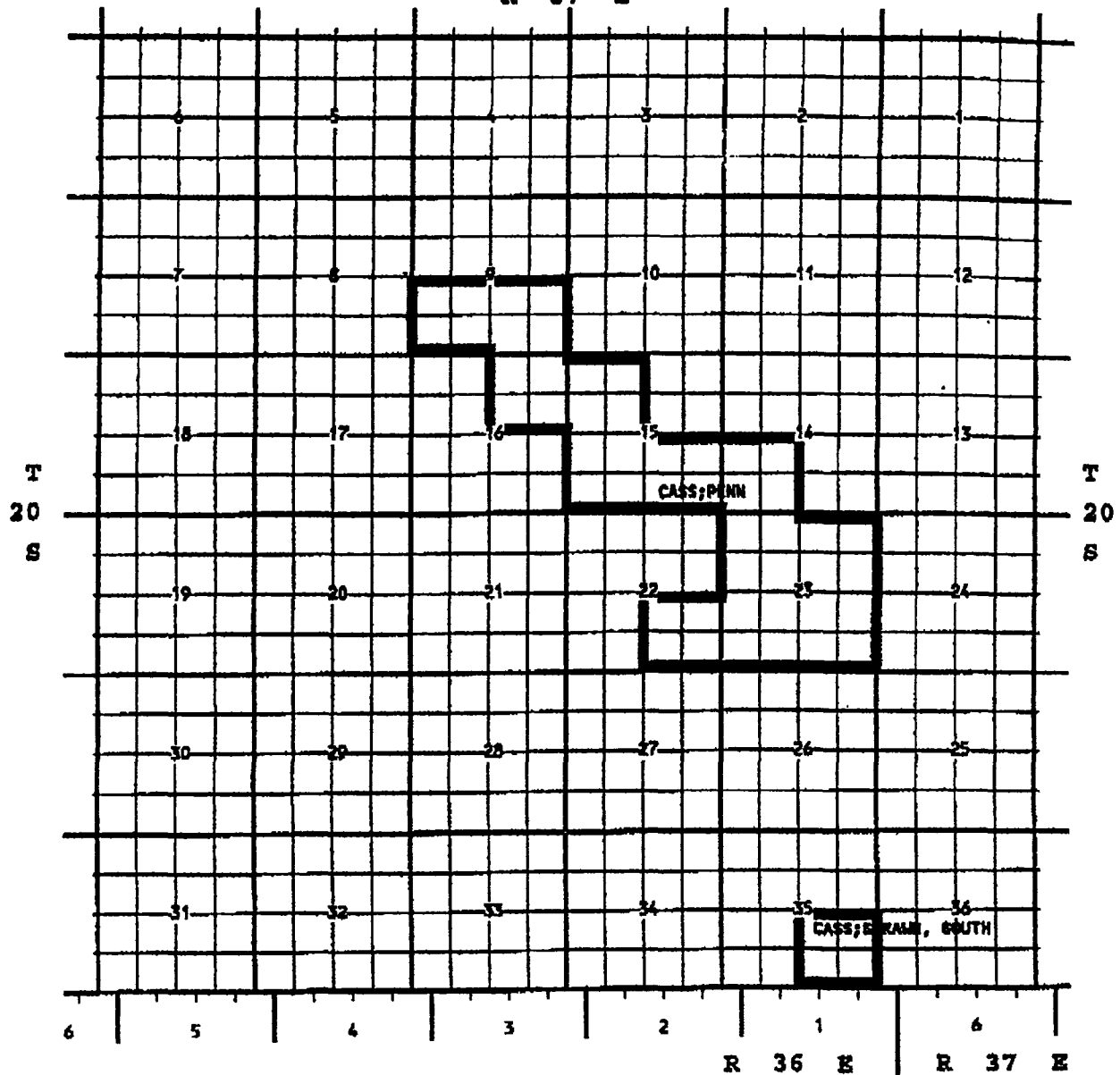
FORMATION: STRAWN

TOWNSHIP: 20 SOUTH

RANGE: 37 EAST

NMPM

R 37 E



05/12/1998

CASS; PENN - 80 Acre spacing, located within 150' of center of 1/4 1/4 section,
80 acre proportional factor of 3.33 which gives an allowable for 7000' to 8000'=
CASS; STRAWN, SOUTH 267 BOPD 2000:1 GOR = 534 MCFPD

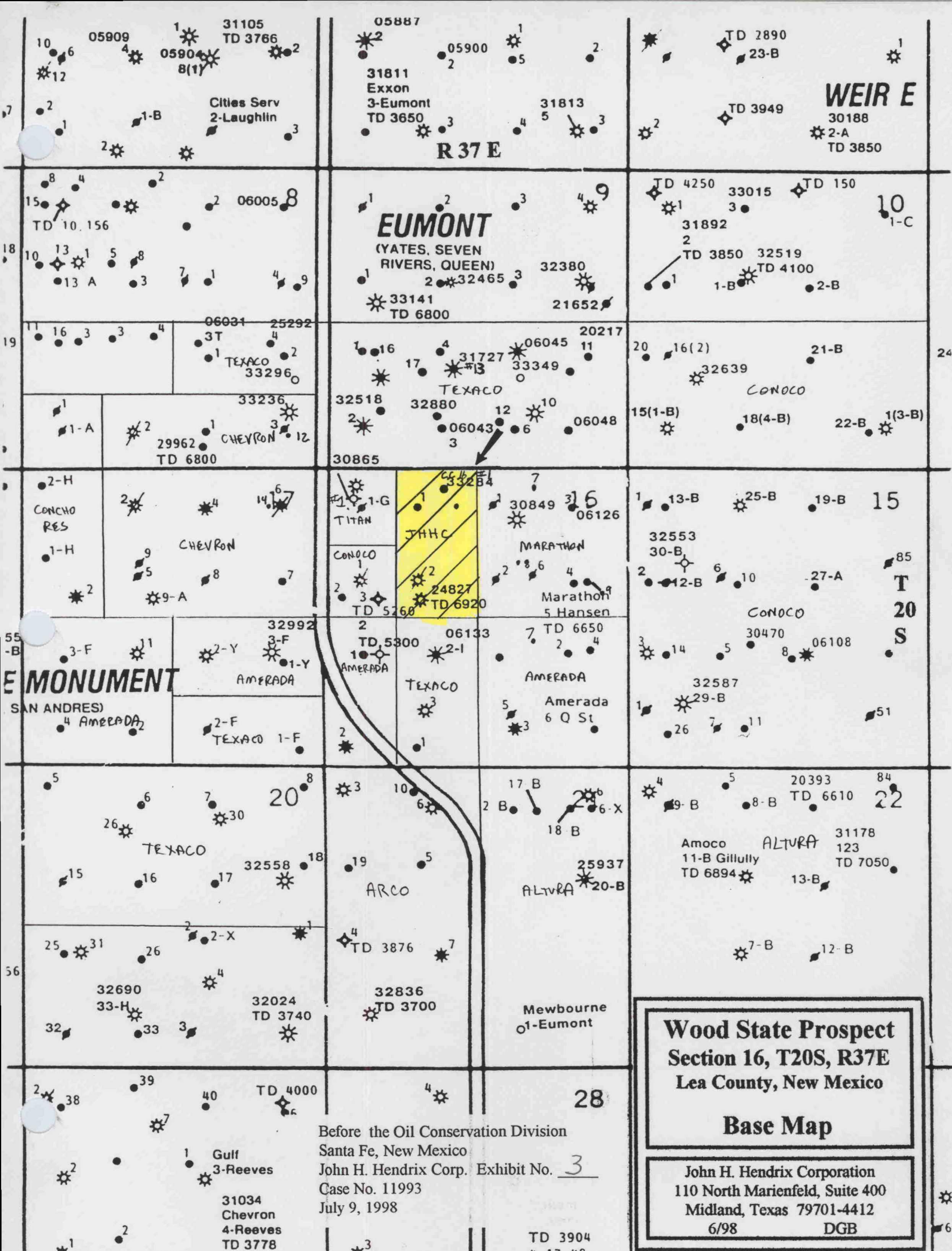
Before the Oil Conservation Division

Santa Fe, New Mexico

John H. Hendrix Corp. Exhibit No. 2

Case No. 11993

July 9, 1998



Wood State Prospect
Section 16, T20S, R37E
Lea County, New Mexico

Base Map

John H. Hendrix Corporation
 110 North Marienfeld, Suite 400
 Midland, Texas 79701-4412
 6/98 DGB

Before the Oil Conservation Division
 Santa Fe, New Mexico
 John H. Hendrix Corp. Exhibit No. 3
 Case No. 11993
 July 9, 1998

TD 3904

EXHIBIT "A"

Attached to and made a part of Operating Agreement
dated _____,
between John H. Hendrix Corporation, as Operator,
and Conoco Inc. & Michael L. Klein et al, as Non-Operators.

I. LANDS SUBJECT TO THIS AGREEMENT

Township 20 South, Range 37 East, N.M.P.M.
Section 16: E/2 NW/4
INSOFAR AND ONLY INSOFAR as the above described lease covers
depths below 7,000 feet.
ALL IN LEA COUNTY, NEW MEXICO

II. NAMES, ADDRESSES AND INTERESTS OF THE PARTIES:

John H. Hendrix Corporation 14.6875%
223 West Wall, Suite 525
Midland, TX 79701

Michael L. Klein 14.6875%
500 West Texas, Suite 1230
Midland, TX 79701

Conoco Inc. 18.75%
10 Desta Drive
Midland, TX 79705

Ronnie H. Westbrook .625%
2809 Haynes
Midland, TX 79705

Daniel L. Veirs .625%
1209 West Cuthbert Avenue
Midland, TX 79701

Damian G. Barrett .625%
3221 Apperson Drive
Midland, TX 79705

Mr. & Mrs. Roger Hansen 25%
4642 Lorraine Avenue
Dallas, TX 75209

Dr. Henry Yeager, Jr. 25%
5624 Knollwood Road
Bethesda, Maryland 20816

III. OIL AND GAS LEASE(S) SUBJECT TO THIS AGREEMENT:

State of New Mexico Oil and Gas Lease B-2406-3 dated January 12, 1934, from the
State of New Mexico to C. F. Wood, insofar as it covers:
Township 20 South, Range 37 East, N.M.P.M.
Section 16: E/2 NW/4
INSOFAR AND ONLY INSOFAR as the above described lease covers
depths below 7,000 feet.
ALL IN LEA COUNTY, NEW MEXICO

Before the Oil Conservation Division
Santa Fe, New Mexico
John H. Hendrix Corp. Exhibit No. 4
Case No. 11993
July 9, 1998

Chronology of Wood State Leasing
Hansen's & Yeagers

- 01/13/98 9:30 a.m. phone call to Ruth Anne Hansen. Discussed if she was interested in selling her interest in the Wood State. She said send a proposal. She gave me Dr. Yeager's (her brother who has the other 25%) address. He is very busy so send him a written proposal also.
- 01/13/98 3:40 p.m. phone call from Roger Hansen. Ann's father was in the O&G business. Roger would need to get more familiar with this and possibly hire a consultant in the Dallas area to review this property.
- 01/15/98 Letter sent to both the Hansens' and Yeagers' offering to purchase their lease. **NOTE:** I had also talked with some of the other six leasehold owners and sent them the same offer on this date.
- 01/20/98 I had talked on the phone with one of the other leasehold owners and we worked a deal.
- 01/29/98 6:10 p.m. phone call to the Hansens'. I left a message on their answering machine that I was just checking to see if they got my letter and wanted to know what they thought.
- 01/29/98 6:40 p.m. phone call to Dr. Yeager. He had received my letter and said it was in his "to do" stack. He wanted to know if there was any time deadline. He said he would get back in touch with me. **NOTE:** I sent off the legal documents to the other leasehold owners for signatures on January 30th.
- 02/10/98 7:40 p.m. call to the Hansens'. They had my letter and had not made a decision yet. Mr. Hansen discussed how Shell drilled a deep well here and promised him the results. I said Shell did not drill deep here. They said they would call me back.
- 02/24/98 5:30 p.m. talk with Mrs. Yeager. Her husband was on a plane to Dallas as we speak to spend a week with his sister Ruth Anne Hansen.
- 02/24/98 5:45 p.m. talk with Mrs. Hansen. I asked if there was anything else I could do. No. I said I had other leases coming in and wanted to move quickly. She took my number and said they (her and her brother, Dr. Yeager) would be discussing this and other business and would call me.
- 02/25/98 10:25 a.m. message to the Hansens' and Dr. Yeager in Dallas. I increased my purchase offer to buy and more leases have come in. If they want to talk they could call me collect.
- 03/02/98 3:35 p.m. talk with Mrs. Hansen. I asked if she got my message. Yes. Very brief talk.
- 03/13/98 7:45 p.m. talk with Dr. Yeager. I had a long talk with him on the Forced Pooling or participate letter that I was going to send him on Monday. I explained all about the Pooling and how it would progress. He said send the letter and the decline curve that I talked about that would show how little money they would make after the actual costs and 200% penalty paid out.
- 03/13/98 8:10 p.m. message to the Hansens'. I briefly explained the letter I would be sending on Monday and how it would have three options: Participate, Sell, Forced Pool.
- 03/16/98 Certified letters mailed to both the Yeagers' and the Hansens'. This had the three options mentioned above along with the necessary paperwork to participate or a draft to pay for the

purchase of their lease with instructions. I also included an oil & gas decline curve showing what I expected the well to do and when they would back into the revenue once the non-consent penalty was paid. This letter also described how the forced pooling process would occur and that I would start it in 30 days.

- 03/19/98 Return Receipt from the Hansens' showing delivery of my letter.
- 03/20/98 Return Receipt from Dr. Yeager showing delivery of my letter.
- 04/03/98 5:15 p.m. phone call to Dr. Yeager. I asked what he thought and he said he was thinking that they were going to let me Force Pool them. He told me that if they do anything they will do it by April 20th or 30 days from the date he received my letter.
- 04/03/98 5:30 p.m. phone message to the Hansens'. I left a message asking them if they had any questions or what they were thinking or if they wanted more money.
- 04/06/98 10:00 a.m. Mr. Hansen called me and left a message that Texaco drilled a dry hole here and that there was no need for me to spend a lot of money to drill a well here.
- 04/06/98 10:20 a.m. I phoned back Mr. Hansen and told him that I would send him the scout ticket and a copy of the log on the dry hole that Conoco drilled to the west of this lease. He said that would be nice. I gathered that
- 04/06/98 I sent the Hansens' a letter with a map, log copy, scout ticket and DST info. I also marked which depths were owned by whom. I also included my purchase offer again.
- 04/20/98 5:00 p.m. phone message to the Hansens'. I left a message asking them if they had received my information in my April 6th letter and if they had any questions or what they were thinking as far as negotiating or starting the Forced Pooling.
- 04/22/98 5:25 p.m. phone call to the Hansens'. No message left.
- 04/23/98 1:25 p.m. phone call to the Hansens'. No message left.
- 04/23/98 I sent both the Yeagers' and the Hansens' a certified letter that was an increased offer and included an overriding royalty. I made mention that I would like a response in 10 days and that this was my final offer before the Forced Pooling process would start.
- 05/07/98 Phone call to the Hansens' at 2:00 p.m. and again at 5:25 p.m. No message left.
- 05/07/98 Phone call to the Hansens' at 5:50 p.m. Mr. Hansen said he had not opened my letter yet. He said that Dr Yeager said he does not need the money and they will probably allow the Forced Pooling to continue and wait out the penalty.
- 05/07/98 Phone call to the Dr. Yeager at 5:55 p.m. Mrs. Yeager said he was not in. I told her I wanted to know what he wanted to do. Dr. Yeager called me back at 6:30 p.m. and left a message saying he did not need the money and does not want to sell.
- 05/12/98 Phone call to Mr. Bill Carr (Santa Fe Attorney) to start the Forced Pooling.
- 05/27/98 Phone call to Dr. Yeager at 7:10 p.m. I told him I had started the Forced Pooling and I asked if anyone else gave him a better offer, could I have a chance to meet it or beat it. He said sure. 7:15 p.m. message to Mr. Hansen saying the same thing.

Baqash Resources

January 15, 1998

Mr. Roger Hansen
4642 Lorraine Avenue
Dallas, TX 75209

RE: Lease Purchase
Wood State Lease
E/2 NW/4 of Section 16, T
20 S, R 37 E, Lea County,
New Mexico. Below 7000'.

Dear Mr. Hansen;

It was a pleasure talking with you on the phone Tuesday. My check of the records indicate you and your wife own 25% in the above referenced lands for the 80 acres shown on the attached map.

I hereby submit an offer to buy your 25% lease on 80 acres below 7000' for \$ [REDACTED] (based on \$ [REDACTED] per net acre). This offer is subject to approval of title.

Thank you for your consideration.

Yours very truly,
Baqash Resources

Damian Barrett
By: Damian Barrett

Attachment

Before the Oil Conservation Division
Santa Fe, New Mexico
John H. Hendrix Corp. Exhibit No. 6
Case No. 11993
July 9, 1998

*414 W. Texas, Suite 400M, Midland, Texas 79701
(915) 684-4023 Fax (915) 682-8870*

Baqash Resources

January 15, 1998

Dr. Henry Yeager, Jr.
5624 Knollwood Road
Bethesda, Maryland 20816

RE: Lease Purchase
Wood State Lease
E/2 NW/4 of Section 16, T
20 S, R 37 E, Lea County,
New Mexico. Below 7000'.

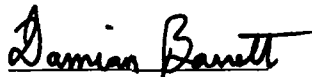
Dear Dr. Yeager;

I talked with Mr. and Mrs. Hansen on the phone Tuesday about the referenced lease. They suggested that I send you a copy of my proposal instead of calling. My check of the records indicate you own 25% in the above referenced lands for the 80 acres shown on the attached map.

I hereby submit an offer to buy your 25% lease on 80 acres below 7000' for \$ [REDACTED] (based on \$ [REDACTED] per net acre). This offer is subject to approval of title.

Thank you for your consideration.

Yours very truly,
Baqash Resources


By: Damian Barrett

Attachment

Before the Oil Conservation Division
Santa Fe, New Mexico
John H. Hendrix Corp. Exhibit No. _____
Case No. 11993
July 9, 1998

414 W. Texas, Suite 400M, Midland, Texas 79701
(915) 684-4023 Fax (915) 682-8870

Baqash Resources

Certified Mail No.

z 100 671 365

March 16, 1998

Dr. Henry Yeager, Jr.
5624 Knollwood Road
Bethesda, Maryland 20816

RE: Drill & Equip AFE
Wood State Lease E/2 NW/4 of
Section 16, T 20 S, R 37 E, Lea
County, NM. Below 7000'.

Dear Dr. Yeager;

Enclosed is an AFE for \$599,700 to drill and equip a well in the Strawn formation(8000'), at a location 2310' FWL and 660' FNL Section 16, T20S, R37E, Lea County NM. My check of the records indicates you have a 25% working interest in this 80 acres as shown on the attached map. Your participation in this well would amount to an estimated expenditure of \$149,925. I would be happy to have you as a working interest partner. If you wish to participate, please sign and return one copy of the enclosed AFE and keep the other copy for your files.

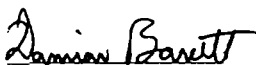
As an alternative to participating I would propose to buy your 25% lease in the above referenced 80 acres as mentioned in my previous letter to you dated January 15, 1998 (enclosed). I hereby submit a purchase offer of \$[REDACTED] per acre for your net 20 acres (below 7000') which amounts to \$[REDACTED]. Enclosed is two copies (you may keep one copy for your records) of the Conveyance that you need to sign and have notarized. Also, enclosed is a bank draft for \$[REDACTED] that you will need to endorse. If you wish to sell, take the signed and notarized conveyance to your bank along with the endorsed draft. You need to ask your bank to send both documents through for collection. Once I receive them back, the money will be deposited in your account.

I hope we can reach agreement on either of the above proposals. However, if we can't reach agreement I will have no other option than to apply for forced pooling. The New Mexico forced pooling statute allows any working interest owner to go before the Oil Conservation Division, and force the other working interest owners to either participate in a well or be subject to a non-consent penalty. With the high degree of risk in a deeper well with an offset dry hole the usual penalty is 300%. This means you will not receive any money until I receive three times the well cost or about \$1,800,000. My evaluation (attached) indicates that the 300% will occur in approximately 10 years in the event that I am successful with this well. At that time you will revert to your original 25% working interest and 18.75% net revenue interest. You will then be obligated to pay your share of operating expenses and any other work that occurs on the lease.

This letter will serve as the official notice under the New Mexico forced pooling statute, 30 days after which our application will be filed.

Thank you for your consideration.

Yours very truly,
Baqash Resources


By: Damian Barrett

Attachments

Before the Oil Conservation Division
Santa Fe, New Mexico
John H. Hendrix Corp. Exhibit No. ____
Case No. 11993
July 9, 1998

414 W. Texas. Suite 400M. Midland. Texas 79701
(915) 684-4023 Fax (915) 682-8870

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete Items 1 and/or 2 for additional services.
- Complete Items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☒ Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:

DR HENRY YEAGER, JR
5624 KNOLLWOOD ROAD
BETHESDA, MARYLAND 20816

4a. Article Number

Z 100

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☒ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

3/20/98

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X Henry Yeager, Jr

PS Form 3811, December 1994

102595-97-B-0179

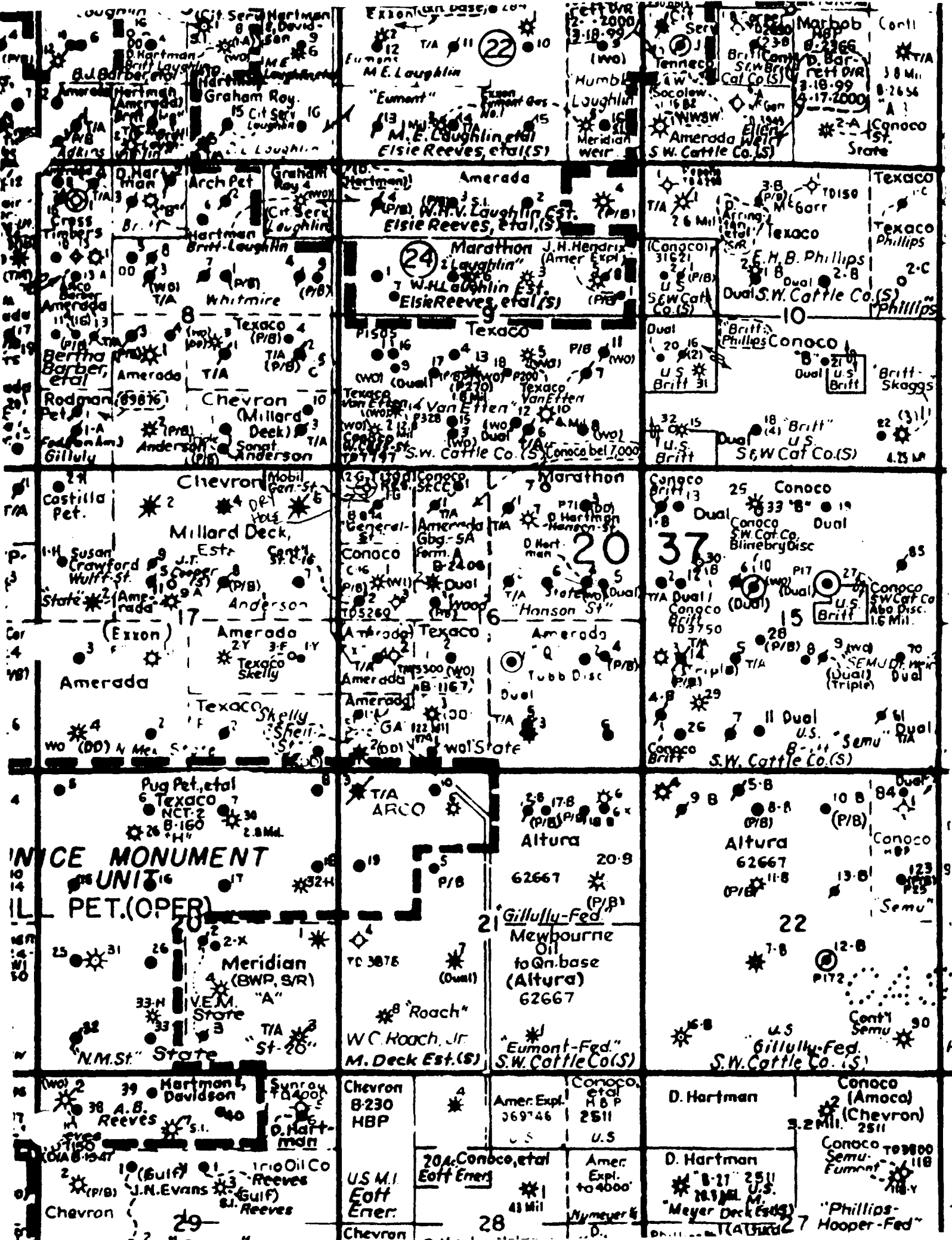
Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 100 671 365
US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	
DR HENRY YEAGER, JR	
Street & Number	
5624 KNOLLWOOD ROAD	
Post Office, State, & ZIP Code	
BETHESDA, MARYLAND 20816	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.46
Postmark or Date	
3-16-98	

PS Form 3800, April 1995



INCE MONUMENT UNIT
PET.(OPER)

AMERADA
Chevron
Texaco
Conoco
Marathon
Gillully-Fed
Mewbourne
Oil
to Qn. base
(Altura)
62667
"Roach"
W.C. Roach, Jr.
M. Deck Est. (S)
"Eumont-Fed."
S.W. Cattle Co. (S)
"Phillips-Hooper-Fed"

TEXACO
Chevron
Texaco
Conoco
Marathon
Gillully-Fed
Mewbourne
Oil
to Qn. base
(Altura)
62667
"Roach"
W.C. Roach, Jr.
M. Deck Est. (S)
"Eumont-Fed."
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CONOCO
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MARATHON
Chevron
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Oil
to Qn. base
(Altura)
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S.W. Cattle Co. (S)
"Phillips-Hooper-Fed"

GILLULLY-FED
Chevron
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Marathon
Gillully-Fed
Mewbourne
Oil
to Qn. base
(Altura)
62667
"Roach"
W.C. Roach, Jr.
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S.W. Cattle Co. (S)
"Phillips-Hooper-Fed"

MEWBOURNE OIL
Chevron
Texaco
Conoco
Marathon
Gillully-Fed
Mewbourne
Oil
to Qn. base
(Altura)
62667
"Roach"
W.C. Roach, Jr.
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TO QN. BASE (ALTURA)
Chevron
Texaco
Conoco
Marathon
Gillully-Fed
Mewbourne
Oil
to Qn. base
(Altura)
62667
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M. DECK EST. (S)
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S.W. CATTLE CO. (S)
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Texaco
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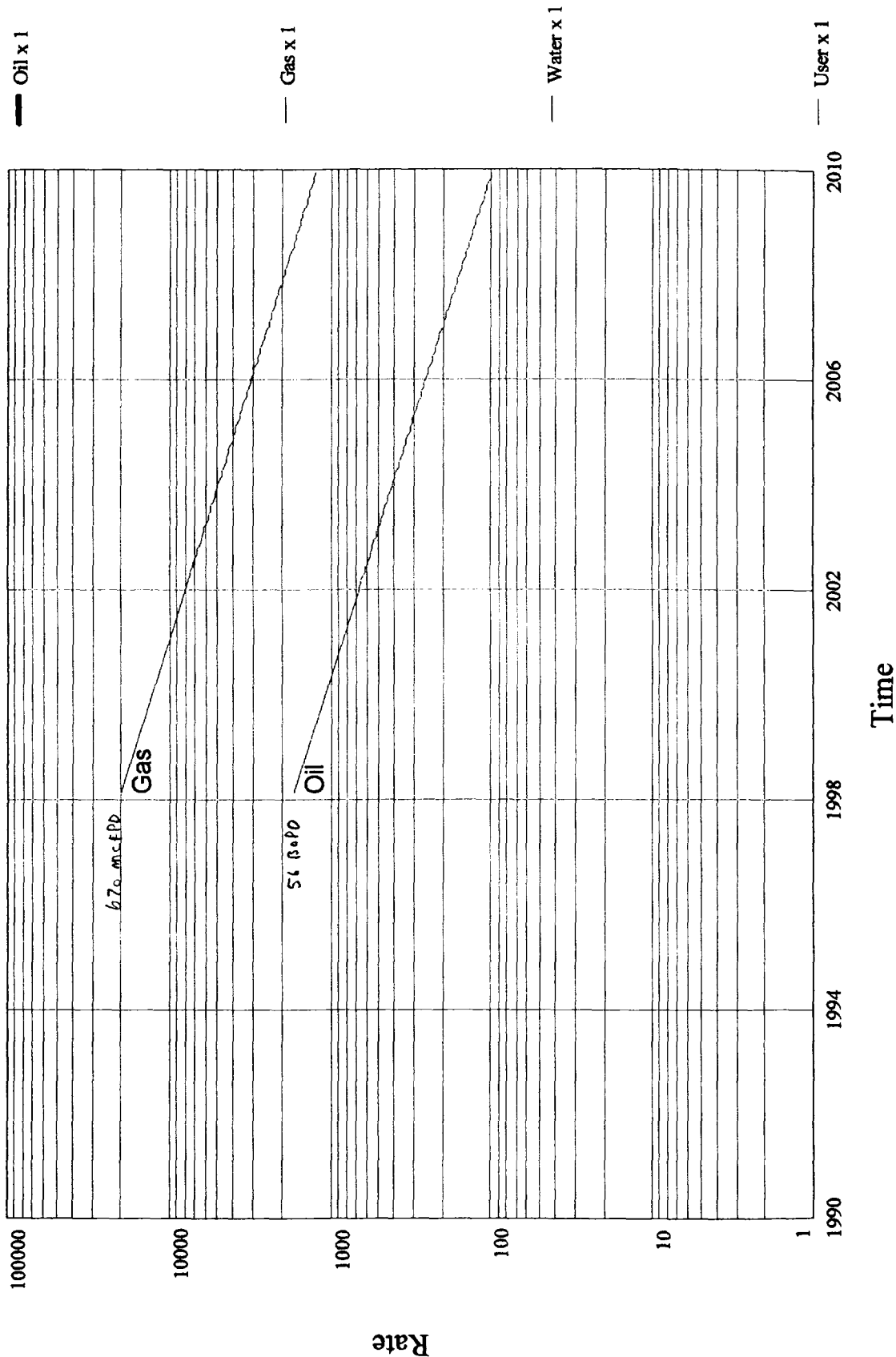
Rate/Time Graph

Project: D:\DATA\TOOLS\2005\16\16NW\NWT.MDB

Date: 3/16/1998
Time: 2:32 PM

Lease Name: WOOD STATE A (4) (4)
County, ST: LEA, NM
Location: 0-0-0

Field Name: MONUMENT
Operator: HENDRIX JOHN H CORP



Date: 3/16/1998

Time: 2:39 PM

Annual CashFlow Report

Project: D:\DATA\PTOOLS25\S16NWNWT.MDB

Lease Name: WOOD STATE A (4) (4)
 County, ST: LEA, NM
 Location: 0-0-0

Field Name: MONUMENT
 Operator: HENDRIX JOHN H CORP

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total (\$)
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
12/97	1	0	0	0	0	0.00	0.00	0
12/98	1	16,820	199,045	3,154	37,321	15.00	2.00	121,948
12/99	1	14,593	173,316	2,736	32,497	15.00	2.00	106,037
12/00	1	11,486	136,935	2,154	25,675	15.00	2.00	83,656
12/01	1	9,041	108,190	1,695	20,286	15.00	2.00	66,000
12/02	1	7,116	85,480	1,334	16,027	15.00	2.00	52,070
12/03	1	5,601	67,537	1,050	12,663	15.00	2.00	41,080
12/04	1	4,409	53,360	827	10,005	15.00	2.00	32,410
12/05	1	3,470	42,159	651	7,905	15.00	2.00	25,570
12/06	1	2,732	33,309	512	6,245	15.00	2.00	20,174
12/07	1	2,150	26,317	403	4,934	15.00	2.00	15,916
12/08	1	1,692	20,793	317	3,899	15.00	2.00	12,557
12/09	1	1,332	16,428	250	3,080	15.00	2.00	9,907
12/10	1	1,049	12,980	197	2,434	15.00	2.00	7,816
03/11	1	225	2,795	42	524	15.00	2.00	1,681
Grand Total:		81,718	978,643	15,322	183,496	15.00	2.00	596,822

Date	Operating Expenses (\$)	Taxes (\$)	Operating Income (\$)	Other Costs (\$)	Periodic Cash Flow (\$)	Cumulative Cash Flow (\$)	10.00 % Cash Flow (\$)
12/97	2,000	0	-2,000	449,775	-451,775	-451,775	-451,736
12/98	6,000	8,982	106,966	0	106,966	-344,809	98,188
12/99	6,000	7,810	92,226	0	92,226	-252,583	77,316
12/00	6,000	6,162	71,494	0	71,494	-181,089	54,489
12/01	6,000	4,862	55,138	0	55,138	-125,952	38,204
12/02	6,000	3,836	42,234	0	42,234	-83,718	26,605
12/03	6,000	3,027	32,054	0	32,054	-51,664	18,358
12/04	6,000	2,388	24,022	0	24,022	-27,642	12,509
12/05	6,000	1,884	17,686	0	17,686	-9,956	8,374
12/06	6,000	1,487	12,687	0	12,687	2,731	5,462
12/07	6,000	1,173	8,743	0	8,743	11,475	3,423
12/08	6,000	925	5,632	0	5,632	17,106	2,006
12/09	6,000	730	3,177	0	3,177	20,283	1,030
12/10	6,000	576	1,240	0	1,240	21,524	368
03/11	1,500	124	57	0	57	21,581	16
Grand Total:	81,500	43,966	471,356	449,775	21,581	21,581	-105,388

Discount Present Worth:

0.00 %	21,581
*→ 10.00 %	105,388
20.00 %	-180,185
30.00 %	-228,681
40.00 %	-262,406
50.00 %	-287,121
60.00 %	-305,973
70.00 %	-320,812
80.00 %	-332,790
90.00 %	-342,659
100.00 %	-350,930

Economic Dates:

Effective Date 09/1997
 Calculated Limit 03/2011
 Economic Life 163 Months
 13 Years 7 Months

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	81,718	978,643
Cumulative Gross	0	0
Remaining Gross	81,718	978,643
Remaining Net	15,322	183,496

Economics Information:

Payout: 10/2006
 Rate of Return: 1.33 %
 Return on Investment: 1.05
 Initial Division of Interest:

WI: 25.000000

Reversion Date: None

	NRI	ORI
Oil:	18.750000	0.000000
Gas:	18.750000	0.000000
User:	18.750000	0.000000

YOU WOULD MAKE MORE MONEY BY
 TAKING \$10000 NOW & PUTTING IT IN
 A MONEY MARKET ACCOUNT. ALSO, NO RISK
 THIS SCENARIO IS IF I MAKE A DECENT WELL

Baqash Resources

Certified Mail No.
z 100 671 366

March 16, 1998

Mr. & Mrs. Roger Hansen
4642 Lorraine Avenue
Dallas, TX 75209

RE: Drill & Equip AFE
Wood State Lease E/2 NW/4 of
Section 16, T 20 S, R 37 E, Lea
County, NM. Below 7000'.

Dear Mr. & Mrs. Hansen;

Enclosed is an AFE for \$599,700 to drill and equip a well in the Strawn formation(8000'), at a location 2310' FWL and 660' FNL Section 16, T20S, R37E, Lea County NM. My check of the records indicates you have a 25% working interest in this 80 acres as shown on the attached map. Your participation in this well would amount to an estimated expenditure of \$149,925. I would be happy to have you as a working interest partner. If you wish to participate, please sign and return one copy of the enclosed AFE and keep the other copy for your files.


As an alternative to participating I would propose to buy your 25% lease in the above referenced 80 acres as mentioned in my previous letter to you dated January 15, 1998 (enclosed). I hereby submit a purchase offer of \$[REDACTED] per acre for your net 20 acres (below 7000') which amounts to \$[REDACTED]. Enclosed is two copies (you may keep one copy for your records) of the Conveyance that you need to sign and have notarized. Also, enclosed is a bank draft for \$[REDACTED] that you will need to endorse. If you wish to sell, take the signed and notarized conveyance to your bank along with the endorsed draft. You need to ask your bank to send both documents through for collection. Once I receive them back, the money will be deposited in your account.

I hope we can reach agreement on either of the above proposals. However, if we can't reach agreement I will have no other option than to apply for forced pooling. The New Mexico forced pooling statute allows any working interest owner to go before the Oil Conservation Division, and force the other working interest owners to either participate in a well or be subject to a non-consent penalty. With the high degree of risk in a deeper well with an offset dry hole the usual penalty is 300%. This means you will not receive any money until I receive three times the well cost or about \$1,800,000. My evaluation (attached) indicates that the 300% will occur in approximately 10 years in the event that I am successful with this well. At that time you will revert to your original 25% working interest and 18.75% net revenue interest. You will then be obligated to pay your share of operating expenses and any other work that occurs on the lease.

This letter will serve as the official notice under the New Mexico forced pooling statute, 30 days after which our application will be filed.

Thank you for your consideration.

Yours very truly,
Baqash Resources


By: Damian Barrett

Attachments

Before the Oil Conservation Division
Santa Fe, New Mexico
John H. Hendrix Corp. Exhibit No. ____
Case No. 11993
July 9, 1998

414 W. Texas. Suite 400M. Midland. Texas 79701
(915) 684-4023 Fax (915) 682-8870

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

MR ROGER HANSEN
4642 LORRAINE AVENUE
DALLAS, TEXAS 75209

4a. Article Number

Z 100 671 366

4b. Service Type

- ☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

3/19/98

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

RECEIVED 3-23-98

6. Signature: (Addressee or Agent)

X Mrs. Rogn A. Hansen

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 100 671 366

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
MR ROGER HANSEN	
Street & Number	
4642 LORRAINE AVE.	
Post Office, State, & ZIP Code	
DALLAS, TX 75209	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.46
Postmark or Date	
3-16-98	

PS Form 3800, April 1995

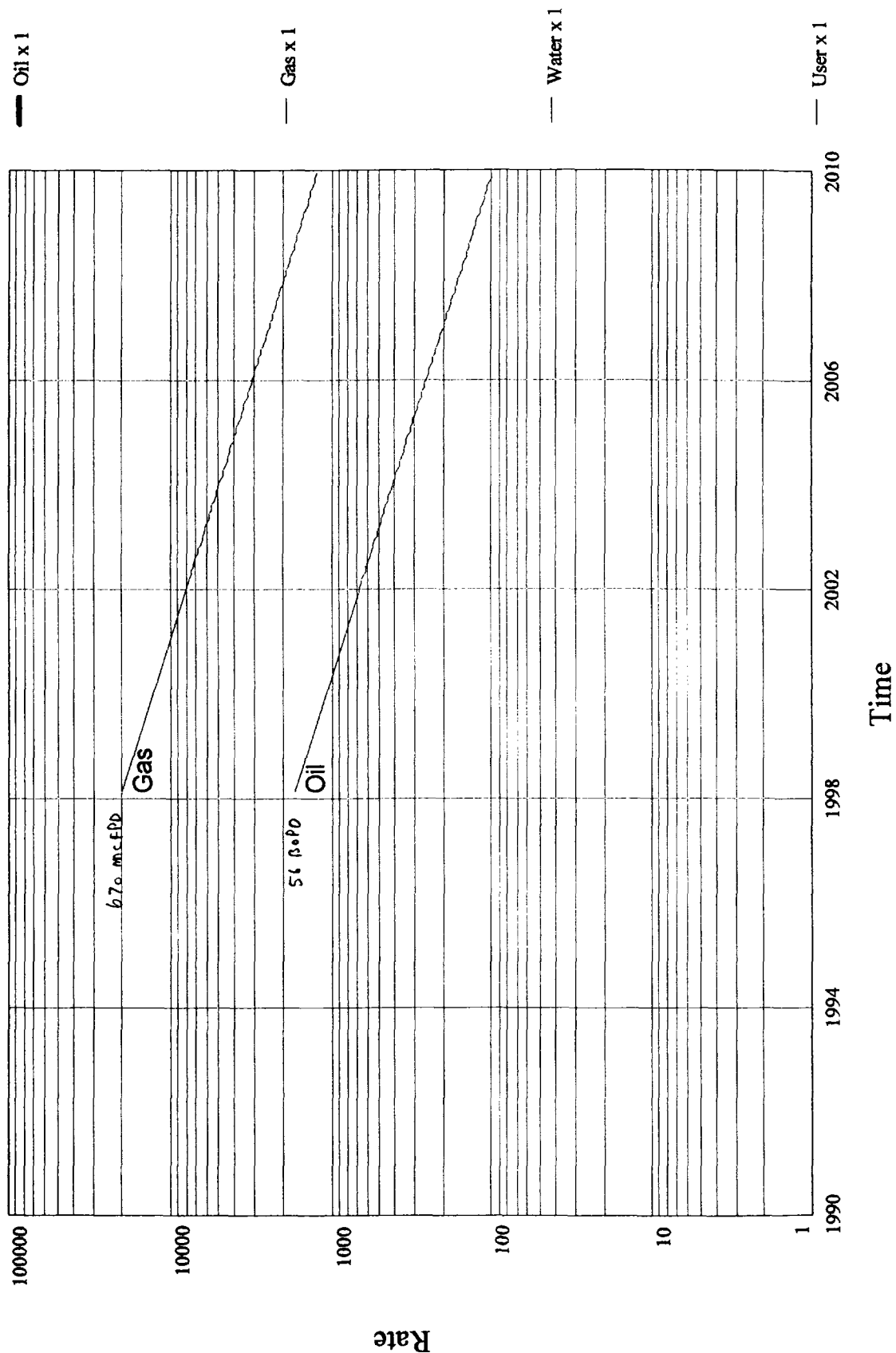
Rate/Time Graph

Lease Name: WOOD STATE A (4) (4)
County, ST: LEA, NM
Location: 0-0-0

Project: D:\DATA\PTOOLS\... \316NWNWT.MDB

Field Name: MONUMENT
Operator: HENDRIX JOHN H CORP

Date: 3/16/1998
Time: 2:32 PM



Date: 3/16/1998

Time: 2:39 PM

Annual CashFlow Report

Project: D:\DATA\PTOOLS25\S16NWNWT.MDB

Lease Name: WOOD STATE A (4) (4)
 County, ST: LEA, NM
 Location: 0-0-0

Field Name: MONUMENT
 Operator: HENDRIX JOHN H CORP

Date	Well Count	Gross Production		Net Production		Average Prices		Sales Total (\$)
		Oil (Bbl)	Gas (Mcf)	Oil (Bbl)	Gas (Mcf)	Oil (\$/Bbl)	Gas (\$/Mcf)	
12/97	1	0	0	0	0	0.00	0.00	0
12/98	1	16,820	199,045	3,154	37,321	15.00	2.00	121,948
12/99	1	14,593	173,316	2,736	32,497	15.00	2.00	106,037
12/00	1	11,486	136,935	2,154	25,675	15.00	2.00	83,656
12/01	1	9,041	108,190	1,695	20,286	15.00	2.00	66,000
12/02	1	7,116	85,480	1,334	16,027	15.00	2.00	52,070
12/03	1	5,601	67,537	1,050	12,663	15.00	2.00	41,080
12/04	1	4,409	53,360	827	10,005	15.00	2.00	32,410
12/05	1	3,470	42,159	651	7,905	15.00	2.00	25,570
12/06	1	2,732	33,309	512	6,245	15.00	2.00	20,174
12/07	1	2,150	26,317	403	4,934	15.00	2.00	15,916
12/08	1	1,692	20,793	317	3,899	15.00	2.00	12,557
12/09	1	1,332	16,428	250	3,080	15.00	2.00	9,907
12/10	1	1,049	12,980	197	2,434	15.00	2.00	7,816
03/11	1	225	2,795	42	524	15.00	2.00	1,681
Grand Total:		81,718	978,643	15,322	183,496	15.00	2.00	596,822

Date	Operating Expenses (\$)	Taxes (\$)	Operating Income (\$)	Other Costs (\$)	Periodic Cash Flow (\$)	Cumulative Cash Flow (\$)	10.00 % Cash Flow (\$)
12/97	2,000	0	-2,000	449,775	-451,775	-451,775	-451,736
12/98	6,000	8,982	106,966	0	106,966	-344,809	98,188
12/99	6,000	7,810	92,226	0	92,226	-252,583	77,316
12/00	6,000	6,162	71,494	0	71,494	-181,089	54,489
12/01	6,000	4,862	55,138	0	55,138	-125,952	38,204
12/02	6,000	3,836	42,234	0	42,234	-83,718	26,605
12/03	6,000	3,027	32,054	0	32,054	-51,664	18,358
12/04	6,000	2,388	24,022	0	24,022	-27,642	12,509
12/05	6,000	1,884	17,686	0	17,686	-9,956	8,374
12/06	6,000	1,487	12,687	0	12,687	2,731 YEAR 10	5,462
12/07	6,000	1,173	8,743	0	8,743	11,475	3,423
12/08	6,000	925	5,632	0	5,632	17,106	2,006
12/09	6,000	730	3,177	0	3,177	20,283	1,030
12/10	6,000	576	1,240	0	1,240	21,524	368
03/11	1,500	124	57	0	57	21,581	16
Grand Total:	81,500	43,966	471,356	449,775	21,581	21,581	-105,388

Discount Present Worth:

0.00 %	21,581
10.00 %	105,388
20.00 %	-180,185
30.00 %	-228,681
40.00 %	-262,406
50.00 %	-287,121
60.00 %	-305,973
70.00 %	-320,812
80.00 %	-332,790
90.00 %	-342,659
100.00 %	-350,930

Economic Dates:

Effective Date 09/1997
 Calculated Limit 03/2011
 Economic Life 163 Months
 13 Years 7 Months

Economics Summary:

	Bbl Oil	Mcf Gas
Ultimate Gross	81,718	978,643
Cumulative Gross	0	0
Remaining Gross	81,718	978,643
Remaining Net	15,322	183,496

Economics Information:

Payout: 10/2006
 Rate of Return: 1.33 %
 Return on Investment: 1.05
 Initial Division of Interest:

WI:	25.000000	NRI	ORI
Oil:	18.750000	Oil:	0.000000
Gas:	18.750000	Gas:	0.000000
User:	18.750000	User:	0.000000

Reversion Date: None

YOU WOULD MAKE MORE MONEY BY
 TAKING \$10000 NOW & PUTTING IT IN
 A MONEY MARKET ACCOUNT. ALSO, NO RISK
 THIS SCENARIO IS IF I MAKE A DECENT WELL

Baqash Resources

April 6, 1998

Mr. & Mrs. Roger Hansen
4642 Lorraine Avenue
Dallas, TX 75209

RE: Lease Purchase
Wood State Lease
E/2 NW/4 of Section 16, T
20 S, R 37 E, Lea County,
New Mexico. Below 7000'.

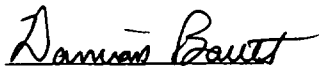
Dear Mr. & Mrs. Hansen;

It was a pleasure talking with you on the phone today. I have enclosed a copy of the land map, a copy of the log on the offsetting Conoco well that Drill Stem Tested (DST) the Strawn formation and a copy of the leasehold takeoff. My check of the records indicate you and your wife own 25% in the above referenced lands for the 80 acres shown on the attached map. The scout ticket shows that the well was drilled DST'd and abandoned for lack of commercial production. I marked on the log the different companies that own the different depths. I also marked the land map with the total depths (TD's) of the other wells on this 80 acres. I hope all of this helps you.

I hereby submit an offer to buy your 25% lease on 80 acres below 7000' for \$ [REDACTED] (based on \$ [REDACTED] per net acre). This offer is subject to approval of title.

Thank you for your consideration.

Yours very truly,
Baqash Resources



By: Damian Barrett

Attachment

Before the Oil Conservation Division
Santa Fe, New Mexico
John H. Hendrix Corp. Exhibit No. _____
Case No. 11993
July 9, 1998

414 W. Texas, Suite 400M, Midland, Texas 79701
(915) 684-4023 Fax (915) 682-8870

Baqash Resources

Certified Mail No.
z 100 671 368

April 23, 1998

Dr. Henry Yeager, Jr.
5624 Knollwood Road
Bethesda, Maryland 20816

RE: Lease Purchase
Wood State Lease E/2 NW/4
of Section 16, T 20 S, R 37
E, Lea County, NM. Below
7000'.

Dear Dr. Yeager;

I am amending my March 16, 1998 letter. The only change is that I am offering to include a **10%** overriding royalty interest (proportionately reduced) along with my offer of **\$1000** per acre for your net 20 acres (below 7000') which amounts to **\$20000**. Enclosed is two copies (you may keep one copy for your records) of the Conveyance that you need to sign and have notarized. Also, enclosed is a bank draft for **\$20000** that you will need to endorse. If you wish to sell, take the signed and notarized conveyance to your bank along with the endorsed draft. You need to ask your bank to send both documents through for collection. Once I receive them back, the money will be deposited in your account.

I would appreciate the courtesy of a response with in ten days of receipt of this letter. This will be my final offer before I start the Forced Pooling process.

Thank you for your consideration.

Yours very truly,
Baqash Resources



By: Damian Barrett

Attachments

Before the Oil Conservation Division
Santa Fe, New Mexico
John H. Hendrix Corp. Exhibit No. _____
Case No. 11993
July 9, 1998

*414 W. Texas, Suite 400M, Midland, Texas 79701
(915) 684-4023 Fax (915) 682-8870*

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery
- 3. ☐ Consult postmaster for fee.

3. Article Addressed to:

DR HENRY YEAGER, JR.
5624 KNOLLWOOD ROAD
BETHESDA, MARYLAND 20816

4a. Article Number

Z 100 671 368

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

4/27/98

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

RECEIVED 5-4-98

6. Signature: (Addressee or Agent)

X *Henry Yeager*

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 100 671 368

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
DR HENRY YEAGER, JR.	
Street & Number	
5624 KNOLLWOOD RD	
Post Office, State, & ZIP Code	
BETHESDA, MARYLAND 20816	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.00
Postmark or Date	
4-23-98	

PS Form 3800, April 1995

Baqash Resources





Certified Mail No.
z 100 671 367

April 23, 1998

Mr. & Mrs. Roger Hansen
4642 Lorraine Avenue
Dallas, TX 75209

RE: Lease Purchase
Wood State Lease E/2 NW/4
of Section 16, T 20 S, R 37
E, Lea County, NM. Below
7000'.

Dear Mr. & Mrs. Hansen;

I am amending my March 16, 1998 letter. The only change is that I am offering to include a % overriding royalty interest (proportionately reduced) along with my offer of  per acre for your net 20 acres (below 7000') which amounts to \$. Enclosed is two copies (you may keep one copy for your records) of the Conveyance that you need to sign and have notarized. Also, enclosed is a bank draft for \$ that you will need to endorse. If you wish to sell, take the signed and notarized conveyance to your bank along with the endorsed draft. You need to ask your bank to send both documents through for collection. Once I receive them back, the money will be deposited in your account.

I would appreciate the courtesy of a response within ten days of receipt of this letter. This will be my final offer before I start the Forced Pooling process.

Thank you for your consideration.

Yours very truly,
Baqash Resources



By: Damian Barrett

Attachments

Before the Oil Conservation Division
Santa Fe, New Mexico
John H. Hendrix Corp. Exhibit No. _____
Case No. 11993
July 9, 1998

414 W. Texas, Suite 400M, Midland, Texas 79701
(915) 684-4023 Fax (915) 682-8870

Is your RETURN ADDRESS completed on the reverse side?

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- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

MR. & MRS. ROGER HANSEN
4642 LORRAINE AVENUE
DALLAS, TX 75209

4a. Article Number

Z 100 671 367

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Insured |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD |

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X Mrs Roger Hansen

8. Addressee's Address (Only if requested and fee is paid)

RECEIVED 4-30-98

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 100 671 367

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
MR. & MRS. ROGER HANSEN	
Street & Number	
4642 LORRAINE AVENUE	
Post Office, State, & ZIP Code	
DALLAS, TX 75209	
Postage	\$ 3.00
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 3.06
Postmark or Date	
4-23-98	

PS Form 3800, April 1995

Authority For Expenditure

AFE No. 1002 Lease Name Wood State Well No. 4
 Description 2310 FWL & 660'FNL, Sec 16, T20S, R37E County/State Lea, NM
 Project _____ Operator John H. Hendrix Corp
 Exploration Yes Development _____ Date 16-Mar-98

Drilling Intangibles

Descr.	Dry Hole Costs	Producer Costs
Location, Roads, Pits	\$20,000.00	
Damages	\$10,000.00	
Permit/Survey	\$500.00	
Footage <u>8000 @ \$ 20 /Ft</u>	\$160,000.00	
Day Work <u>3 @ \$ 6500 /Day</u>	\$19,500.00	\$19,500.00
Cement & Cementing	\$5,000.00	
Testing & Coring		
Logging & Mud logging	\$15,000.00	
Professional Servcs. (Legal, Eng., Geol., Survey)	\$2,500.00	
Mud, Fuel, Water	\$20,000.00	
Bits, Coreheads & Rentals	\$3,000.00	
Service Labor (rigging, welding, etc.)	\$4,000.00	
Misc. (Labor & Ins.)	\$2,500.00	
Transportation	\$1,500.00	
Rig Supervision & Overhead	\$5,500.00	
Contingency <u>3 %</u>	\$8,350.00	
Plug & Abandon	\$10,000.00	
Total	\$287,350.00	\$19,500.00

Completion Intangibles

Completion Unit <u>14 Days @ \$ 1500 Day</u>		\$21,000.00
Cement & Cementing		\$22,000.00
Perforating & Logging		\$7,000.00
Fracturing		\$6,875.00
Acidizing		\$10,000.00
Fuel, Water, Power		\$8,000.00
Battery Const., Dirt work, etc.		\$7,000.00
Completion tools & Equip rentals		\$5,000.00
Professional Servcs. (Legal, Eng., Geol., Survey)		\$2,500.00
Misc Servcs (Welding, backfil, etc.)		\$3,500.00
Labor & Transportation		\$1,500.00
Casing crew		\$2,500.00
Rig Supervision		\$2,500.00
Contingency <u>3 %</u>		\$4,500.00
Total Intangibles	\$0.00	\$103,875.00
Total Completion	\$287,350.00	\$123,375.00

Drilling & Completion Tangibles

Casing	<u>1500 Ft</u>	<u>8 5/8 @ \$ 9.05 Ft</u>	\$13,575.00	\$0.00
	<u>8000 Ft</u>	<u>5 1/2 @ \$ 6.4 Ft</u>		\$51,200.00
	<u>Ft</u>	<u>@ \$ Ft</u>		\$0.00
Tubing	<u>7800 Ft</u>	<u>2 3/8 @ \$ 2.75 Ft</u>		\$21,450.00
Rods	<u>7800 Ft</u>	<u>3/4 @ \$ 1.15 Ft</u>		\$8,970.00
Line Pipe	<u>2650 Ft</u>	<u>3 1/2 @ \$ 1.5 Ft</u>		\$3,975.00
Transportation				\$5,000.00
Wellhead Equipment				\$10,000.00
Centralizers, Scratchers				\$1,000.00
Subsurface Equip, pump etc..				\$2,000.00
Tanks, Treaters, Separators, Valves, Fittings..				\$20,000.00
Pumping Unit & Engine				\$35,000.00
Taxes, 7.8%			\$1,000.00	\$11,000.00
Contingency <u>3 %</u>			\$450.00	\$4,355.00
Total Equipment Cost			\$15,025.00	\$173,950.00
Total Well Cost			\$302,375.00	\$297,325.00

Leases <u>40 Acre @ \$ 500 /acre</u>	\$20,000.00	
Total Well & Lease Cost	\$322,375.00	\$297,325.00
Total Completed Well & Lease Cost		\$619,700.00

Approvals:

Operator _____ By: _____ Date: _____
 Owner _____ By: _____ Date: _____

Before the Oil Conservation Division
 Santa Fe, New Mexico
 John H. Hendrix Corp. Exhibit No. 7
 Case No. 11993
 July 9, 1998

→ TOTAL \$599,700

Authority For Expenditure

AFE No. 1003 Lease Name State CC 16 Well No. 1
 Description 330 FNL & 2080 FWL, Sec 16, T20S, R37E County/State Lea, NM
 Project _____ Operator John H. Hendrix Corp
 Exploration Yes Development _____ Date 1998, June

Drilling Intangibles

Descr.	Dry Hole Costs	Producer Costs
**Conoco State CC-16#1 Wellbore	\$320,000.00	
Damages	\$0.00	
Permit/Survey	\$500.00	
Footage <u>8000 @ \$ 20 /Ft</u>	\$0.00	
Day Work <u>14 @ \$ 1500 /Day</u>	\$21,000.00	
Cement & Cementing <u>2 Sqz</u>	\$15,000.00	
Testing & Coring	\$0.00	
Logging & Mud logging	\$6,000.00	
Professional Servcs. (Legal, Eng., Geol., Survey)	\$2,500.00	
Mud, Fuel, Water	\$3,000.00	
Bits, Coreheads & Rentals	\$19,000.00	
Service Labor (rigging, welding, etc.)	\$1,500.00	
Misc. (Labor & Ins.)	\$0.00	
Transportation	\$1,500.00	
Rig Supervision & Overhead	\$2,000.00	
Contingency <u>3 %</u>	\$2,500.00	
Plug & Abandon	\$5,000.00	
Total	\$399,500.00	\$0.00

Completion Intangibles

Completion Unit <u>4 Days @ \$ 1500 Day</u>		\$6,000.00
Cement & Cementing		\$5,000.00
Perforating & Logging		\$5,000.00
Fracturing		\$0.00
Acidizing		\$9,000.00
Fuel, Water, Power		\$1,000.00
Battery Const., Dirt work, etc.		\$0.00
Completion tools & Equip rentals		\$0.00
Professional Servcs. (Legal, Eng., Geol., Survey)		\$0.00
Misc Servcs (Welding, backfil, etc.)		\$0.00
Labor & Transportation		\$1,000.00
Casing crew		\$1,000.00
Rig Supervision		\$900.00
Contingency <u>3 %</u>		\$1,000.00
Total Intangibles	\$0.00	\$29,900.00
Total Completion	\$399,500.00	\$29,900.00

Drilling & Completion Tangibles

Casing <u>1500 Ft 8 5/8 @ \$ 9.05 Ft</u>	\$0.00	\$0.00
<u>450 Ft 4 1/2 @ \$ 6.4 Ft</u>		\$2,880.00
<u>Ft @ \$ Ft</u>		\$0.00
Tubing <u>1000 Ft 2 3/8 @ \$ 2.75 Ft</u>		\$2,750.00
Rods <u>1000 Ft 3/4 @ \$ 1.15 Ft</u>		\$1,150.00
Line Pipe <u>0 Ft 3 1/2 @ \$ 1.5 Ft</u>		\$0.00
Transportation		\$1,000.00
**Conoco tubing, downhole pump & rods		\$13,730.00
Centralizers, Scratchers		\$500.00
Subsurface Equip, pump etc..		\$1,000.00
**Conoco facility (in place)		\$51,834.00
Pumping Unit & Engine		\$0.00
Taxes, 7.8%	\$0.00	\$820.00
Contingency <u>3 %</u>	\$0.00	\$500.00
Total Equipment Cost	\$0.00	\$76,164.00
Total Well Cost	\$399,500.00	\$106,064.00

Leases <u>_____ Acre @ \$ _____ /acre</u>	\$0.00	
Total Well & Lease Cost	\$399,500.00	\$106,064.00
		\$505,564.00

Before the Oil Conservation Division

Santa Fe, New Mexico

John H. Hendrix Corp. Exhibit No. 8

Case No. 11993

Date: _____

Date: _____

Geologic Report

By

Damian G. Barrett

**John H. Hendrix Corp.
Wood State #4
NE/4 of NW/4 Sec. 16
T-20-S, R-37E N.M.P.M.
Lea County New Mexico**

SETTING

The John H. Hendrix Corp. Wood State lease is situated in eastern Lea County, New Mexico on the western flank of the Southeast Monument ABO and within 2 miles or so of the Monument ABO and Skaggs ABO Fields. Production in the area is from Eumont, Grayburg, San Andres, Paddock, Blinbry, Tubb, Drinkard, Abo and Strawn reservoirs at various depths between 3200 and 8000 feet. The Wood State lease in question is below 7000' only, which eliminates the possibility of using all of the other productive horizons as a backup zone in case of failure in the Strawn or Abo. Most wells in the vicinity have been completed in more than a single pay zone, and in some wells the production has been commingled in order for the well to be considered commercial. In order to test the above mentioned reservoirs, John H. Hendrix Corp. will drill the captioned well to the Strawn.

STRUCTURE

As shown on the enclosed structure maps of the Strawn and Abo horizons, the Wood State Field is a structurally positive area having 25 to 35 feet of relief at the Abo horizon. The Strawn structure is on a nose that has produced some to the Northwest and the Southeast. The Strawn structure appears to pinch out just west of this lease and probably has some associated faulting as well. Recent drilling has shown that the fields listed above are possibly structurally separated from one another at the levels of the Abo and Strawn. However, the shallow structure is believed to be the result of drape over deep-seated faulted structures. As shown on the enclosed Structural Cross Sections, the structure in the immediate lease area does not change much over the Strawn and the Abo. For this reason it is best to map both in the area.

RESERVOIR DEVELOPMENT

All of the reservoirs listed above were deposited in a shallow water carbonate platform setting (formed over a deep-seated structural high). The distribution of depositional facies within each carbonate platform sequence was influenced by the topography of the underlying previous carbonate platform. The Strawn and Abo reservoirs contain a multitude of thin bedded sequences. Porosity in most of both reservoirs is contained within stratigraphic intervals which seem to correlate over a larger area. Therefore most of the wells in the area have been perforated in approximately the same intervals within each reservoir. However, close examination and comparison of the wells in the area reveals that a particular porous unit may not cover more than 1 or 2 locations (as evidenced by the Cum. Production Map), and that it may be replaced by another unit in a similar stratigraphic position. Often a well which is low at one horizon develops porosity in a shallower zone. Such reservoir heterogeneity makes it very difficult to

Before the Oil Conservation Division

Santa Fe, New Mexico

John H. Hendrix Corp. Exhibit No. 9

Case No. 11993

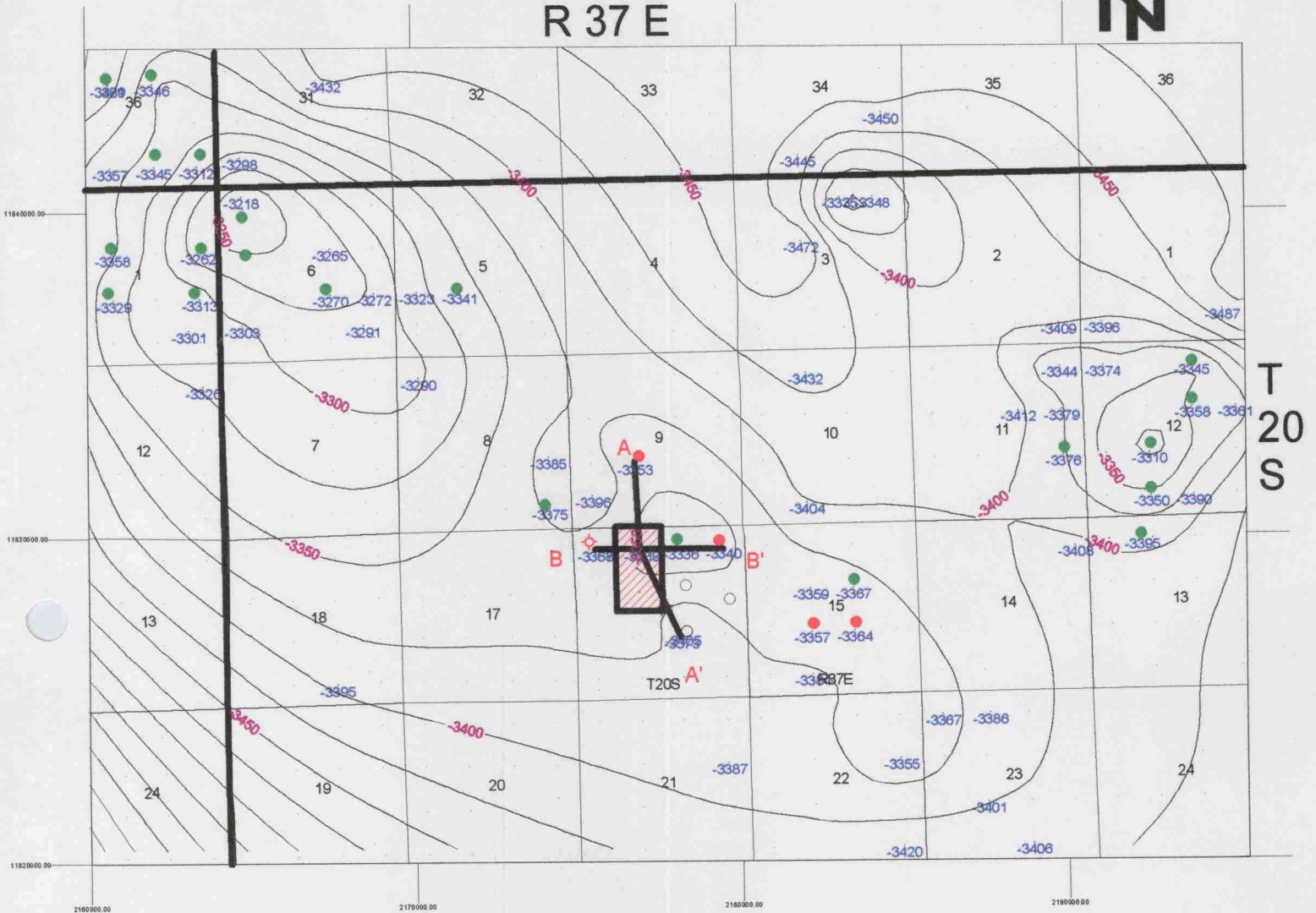
July 9, 1998

condemn or prove up a potential drilling location based solely on its structural position or by a nearby well which has poorly developed porosity.

RESERVES

Cumulative production for the nearby wells in the vicinity of the Wood State lease is shown on the enclosed Cumulative Production Map. A typical Abo producer in the area is expected to produce between 3 MBO and 130 MBO with associated gas, and the Strawn is capable of producing between 5 MBO and 121 MBO with associated gas.

R 37 E



- Abo Producer
- Dry or Non-commercial in the Abo
- ◇ Dry Hole

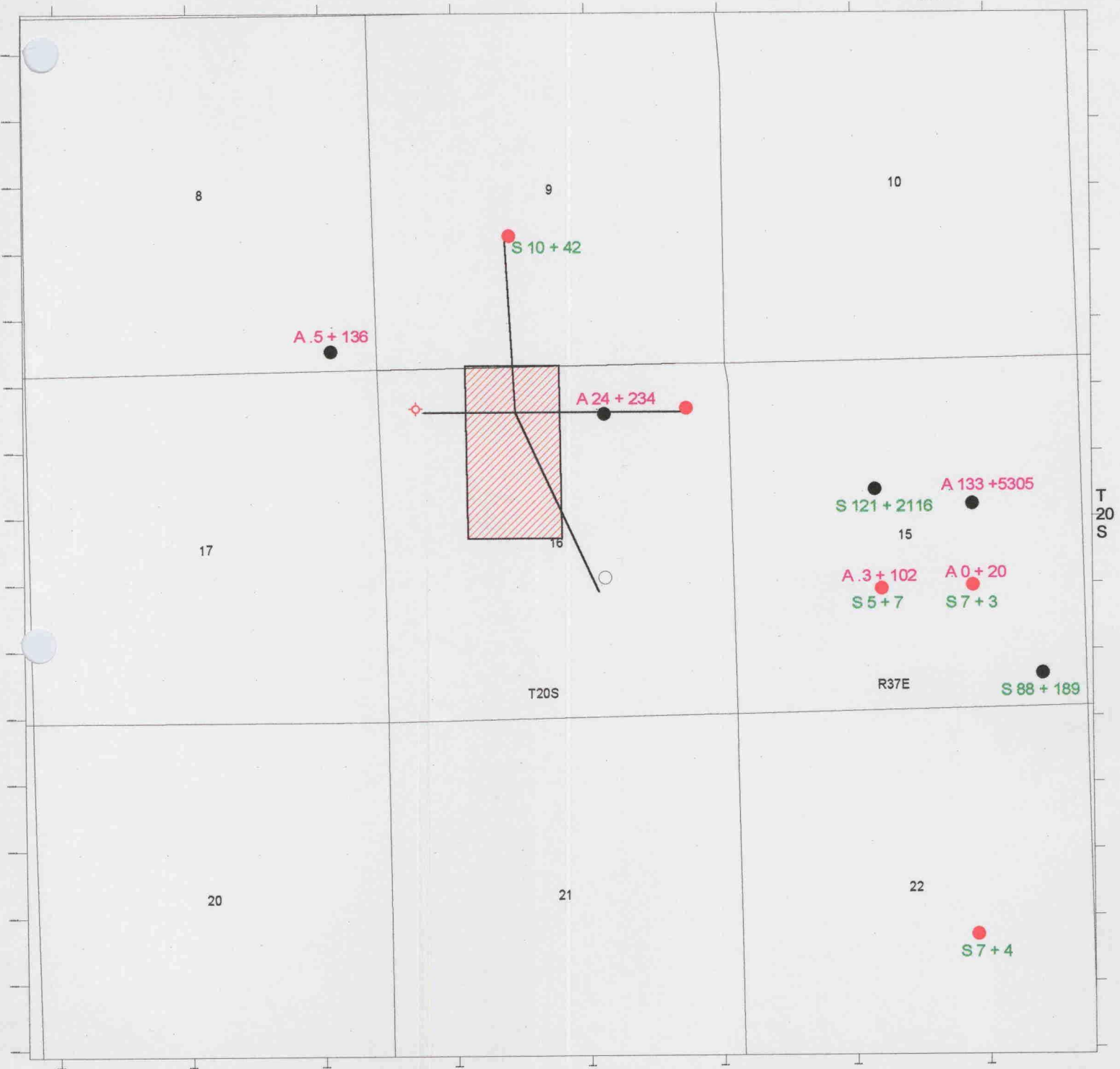
Monument Area
Lea County, NM

Abo Structure
C.I.: 25'

John H. Hendrix Corp.
6/98 File: S16FPAbosrf

Before the Oil Conservation Division
Santa Fe, New Mexico
John H. Hendrix Corp. Exhibit No. 13
Case No. 11993
July 9, 1998

R 37 E



A = Abo Cum. MB Oil + Cum. MMCF Gas

S = Strawn Cum. MB Oil + Cum. MMCF Gas

May 1998 Dwights production
12/97 Actual Posted Production

File: S16FProd.srf

● Non-commercial below 7000'

◇ Dry Hole

Before the Oil Conservation Division
Santa Fe, New Mexico
John H. Hendrix Corp. Exhibit No. 14
Case No. 11993
July 9, 1998

Wood State Prospect
Section 16, T20S, R37E
Lea County, New Mexico

Cum. Production Map

John H. Hendrix Corporation
110 North Marienfeld, Suite 400
Midland, Texas 79701-4412
6/98 DGB

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

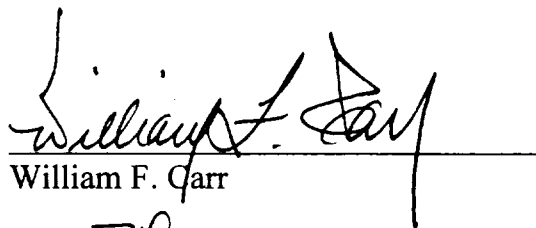
IN THE MATTER OF THE APPLICATION
OF JOHN H. HENDRIX CORPORATION
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 11993

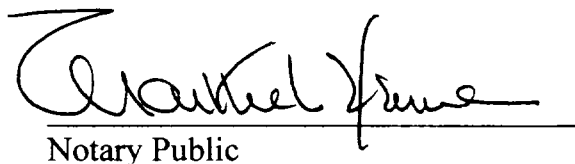
AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, authorized representative of John H. Hendrix Corporation, the Applicant herein, being first duly sworn, upon oath, states that in accordance with the notice provisions of Division rules, the Applicant has attempted to find the correct addresses of all interested persons entitled to receive notice of this application and that notice has been given at the addresses shown on Exhibit "A" attached hereto.


William F. Carr

SUBSCRIBED AND SWORN to before me this 7th day of July, 1998 by William F. Carr.


Notary Public

My Commission Expires:

August 19, 1999

Before the Oil Conservation Division
Santa Fe, New Mexico
John H. Hendrix Corp. Exhibit No. 15
Case No. 11993
July 9, 1998

EXHIBIT A

Mr. and Mrs. Roger Hansen
4642 Lorraine Ave.
Dallas, TX 75209

Dr. Henry Yeager
5624 Knollwood Rd.
Bethesda, Maryland 20816

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
ANTHONY F. MEDEIROS
PAUL R. OWEN
KATHERINE M. MOSS

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE (505) 986-4421
FACSIMILE (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

June 3, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. and Mrs. Roger Hansen
4642 Lorraine Ave.
Dallas, TX 75209

Re: Application of John H. Hendrix Corporation for Compulsory Pooling, Lea
County, New Mexico

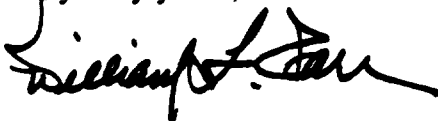
Dear Mr. and Mrs. Hansen:

This letter is to advise you that John H. Hendrix Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of certain mineral interests from the top of the Abo formation (approximately 7,000 feet) to the base of the Strawn formation, underlying the E/2 NW/4, including the Cass Penn Pool, of Section 16, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. John H. Hendrix Corporation proposes to dedicate the referenced pooled units to its proposed Wood State No. 4, which will be drilled at a standard location 660 feet from the North line and 2310 feet from the West line of said Section 16.

This application has been set for hearing before a Division Examiner on June 25, 1998. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR JOHN H. HENDRIX CORPORATION
WFC:mlh

Enc.

cc: Mr. Damian Barrett

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece before the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
 - 2. ☐ Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Mr. and Mrs. Roger Hansen
4642 Lorraine Ave.,
Dallas, TX 75209

4a. Article Number
Z 211 156 234

- 4b. Service Type
- ☐ Registered
 - ☐ Express Mail
 - ☐ Return Receipt for Merchandise
 - ☐ COD
 - ☒ Certified
 - ☐ Insured

7. Date of Delivery
6-8-98

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-98-8-0270 Domestic Return Receipt

5. Received By: (Print Name)
Mrs. Roger A. Hansen

6. Signature: (Addressee or Agent)
Mrs. Roger A. Hansen

7 211 156 234
US Postal Service
Receipt for Certified Mail

Mr. and Mrs. Roger Hansen
4642 Lorraine Ave.,
Dallas, TX 75209

Postage	\$ 1.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom it Was Delivered	1.10
Return Receipt Showing to Agent, Date, & Addressee's Address	
Postage & Fees	\$ 2.77
Postmark or Date	

PS Form 3800, April 1995

Thank you for using Return Receipt Service.

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
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TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

June 3, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Dr. Henry Yeager
5624 Knollwood Rd.
Bethesda, Maryland 20816

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County, New Mexico

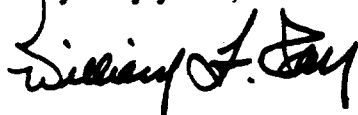
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Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR JOHN H. HENDRIX CORPORATION
WFC:mlh
Enc.
cc: Mr. Damian Barrett

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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Consult postmaster for fee.

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Dr. Henry Yeager
5624 Knollwood Rd.,
Bethesda, Maryland 20816

4a. Article Number
Z 211 156 233

4b. Service Type

- ☐ Registered
- ☐ Express Mail
- ☐ Return Receipt for Merchandise
- ☐ COD
- ☒ Certified
- ☐ Insured

7. Date of Delivery

6/6/98

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)

6. Signature of Addressee or Agent

X

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

Thank you for using Return Receipt Service.

Z 211 156 233
US Postal Service
Receipt for Certified Mail

Dr. Henry Yeager
5624 Knollwood Rd.,
Bethesda, Maryland 20816

Postage	\$ 1.32
Certified Fee	1.35
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, & Addressee's Address	1.30
TOTAL Postage & Fees	\$ 2.77
Postmark & Date	87594

PS Form 3800, April 1995

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE