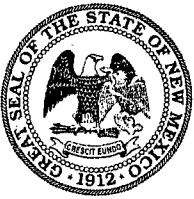


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APPROVALS

YEAR(S):



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 25, 2006

Mr. Ron Westbrook, Vice President
John H. Hendrix Corporation
110 North Marienfeld
Suite 400
Midland, TX 79701

**RE: GROUND WATER INVESTIGATION WORK PLAN
JOHN H. HENDRIX CORPORATION, WILL CARY LEASE, UNIT LETTER F
(SE/4, NW/4), SECTION 22, TOWNSHIP 22 SOUTH, RANGE 37 EAST
LEA COUNTY, NEW MEXICO (1RP0465)**

Dear Mr. Westbrook:

The New Mexico Oil Conservation Division (OCD) has reviewed the ground water investigation work plan (Remediation Plan 1RP0465) submitted by Larson & Associates, Inc. on behalf of John H. Hendrix Corporation (JHHC) on December 6, 2005. JHHC confirmed that it had impacted ground water at a former unlined pit site at its Will Cary lease and proposed a ground water investigation work plan. OCD hereby approves JHHC's proposal with the following conditions.

1. JHHC shall notify OCD at least 3 working days in advance of fieldwork.
2. JHHC shall submit its final investigation report no later than 60 days after completing its fieldwork.

Sincerely,

Glenn von Gonten
Senior Hydrologist

xc: Paul Sheeley, OCD Hobbs District Office



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 5, 2005

Mr. Ron Westbrook, Vice President
John H. Hendrix Corporation
110 North Marienfeld
Suite 400
Midland, TX 79701

**RE: CLOSURE REPORT FOR UNLINED PIT EXCAVATION AND RESULTS OF
GROUNDWATER SAMPLE ANALYSIS, JOHN H. HENDRIX CORPORATION,
WILL CARY LEASE, UNIT LETTER F (SE/4, NW/4), SECTION 22, TOWNSHIP
22 SOUTH, RANGE 37 EAST, LEA COUNTY, NEW MEXICO**

Dear Mr. Westbrook:

The New Mexico Oil Conservation Division (OCD) has reviewed the September 28, 2005 closure report submitted by Larson & Associates, Inc. on behalf of John H. Hendrix Corporation (JHHC). JHHC notified OCD that ground water may have been impacted at a former unlined pit site at its Will Cary lease and proposed to install a monitoring well upgradient of the former pit to evaluate background water quality. OCD hereby approves JHHC's proposal.

If the analytical results confirm that ground water has been impacted, then OCD will require JHHC to submit an Abatement Plan in accordance with the Water Quality Control Commission Regulations (Sections 4103 through 4106, 20.6.2 NMAC). As I discussed with Mr. Larson, JHHC should follow OCD's guidance and install screens that are no more than 15 feet in length. If you have any questions, please call me at 505-476-3488.

Sincerely,

Glenn von Gonten
Senior Hydrologist

xc: Paul Sheeley, OCD Hobbs District Office