

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

- [D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply**

- [A]  Working, Royalty or Overriding Royalty Interest Owners  
 [B]  Offset Operators, Leaseholders or Surface Owner  
 [C]  Application is One Which Requires Published Legal Notice  
 [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F]  Waivers are Attached

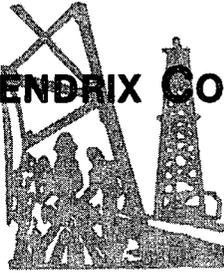
[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

_____ Print or Type Name	_____ Signature	_____ Title	_____ Date
_____ e-mail Address			

# JOHN H. HENDRIX CORPORATION



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

(432) 684-6631  
FAX (432) 684-7317  
110 N. MARIENFELD, SUITE 400  
MIDLAND, TEXAS 79701-4412

RECEIVED

July 27, 2004

AUG 02 2004

OIL CONSERVATION  
DIVISION

New Mexico Oil Conservation Department  
Energy and Mineral Department  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Attention: Mr. David Catanach

RE: W. W. Weatherly Lease  
W/2 NE/4, NW/4 SE/4,  
NE/4 SW/4 Section 17,  
T-21-S, R-37-E,  
Lea County, New Mexico

Dear Mr. Catanach:

John H. Hendrix Corporation requests administrative approval to surface commingle oil and gas production from the Penrose Skelly, Drinkard, Tubb, and Blinebry Oil and Gas Pools.

Approval was granted July 8, 1987 to surface commingle oil production from Penrose Skelly, Drinkard and Tubb Pools under PC-356. Gas production was to be metered separately. Copy of Order PC-356 Third Amendment is attached.

Approval to surface coming Drinkard and Blinebry production was granted August 7, 1968 under Administrative Order PC-356.

Blinebry oil and gas production was squeezed off in Well No. 4 in June, 1985. Hence, Blinebry production was not included in the PC Order 356 dated July 8, 1985.

We have recently recompleted our Well No. 3 in the Blinebry Oil and gas, which necessitated the need to request surface commingling of the Blinebry Oil and Gas Pool to the already authorized surface commingling of the Penrose Skelly, Drinkard and Tubb. Due to the small volume of gas production, it also requested that gas production be commingled thru one meter and allocated based on quarterly well tests.

July 27, 2004

Current daily production is as follows:

<u>Well No.</u>	<u>Oil</u>	<u>Water</u>	<u>Gas</u>
Recompleted No. 3 (Blinebry) 30-025-06646 - G	9	5	175
No. 4 (Drinkard) - 30-025-06647 - K	2	31	75
No. 5 (Penrose Skelly Grayburg) 30-025-23717 - B	2	26	32
No. 6 (Penrose Skelly Grayburg) 30-025-24178 - K	2.4	35	26

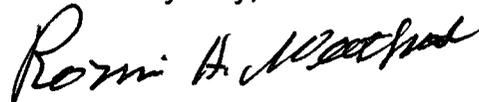
It is noted that no Tubb production is shown in the above production data. It is planned to request DHC of the Blinebry and Tubb Pool in the next few months, hence we request that the Tubb remain in the order.

To prevent waste, to promote conservation and to protect the correlative rights, it is respectfully requested that the above requested commingling be approved:

1. The method of allocation will be well test. All wells are marginal.
2. All working interest and royalty interest is identical.
3. Oil and gas revenues will not be reduced as a result of this commingling.

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

Yours very truly,



Ronnie H. Westbrook  
Vice President

RHW/ah

Attachments

ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION



GARREY CARRUTHERS  
GOVERNOR

**Original  
File Copy**

July 9, 1987

THIRD AMENDMENT  
COMMINGLING ORDER PC-356

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Sun Exploration and Production Company  
P. O. Box 1861  
Midland, Texas 79702-9970

Attention: Bruce Goodwin

Lease Name: W. W. Weatherly

Description: W/2 NE/4, NW/4 SE/4, NE/4 SW/4, Sec. 17  
T-21-S, R-37-E, NMPM, Lea County, N.M.

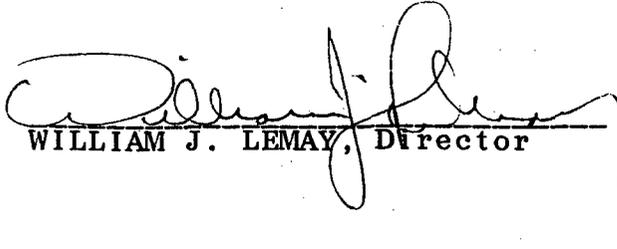
The above-named company is hereby authorized to commingle Penrose Skelly (Grayburg), Drinkard, and Tubb pool production in a common tank battery and to determine the production from each pool by well tests. (If this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe Office of the Division in the event any well in the commingled battery becomes capable of top allowable production, at which time the Division will amend this order or take such other action as may be appropriate.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

Gas from each of the wells on the lease is to be separately metered.

REMARKS: This amended order authorizes the addition of the Tubb Pool production to be commingled with the previously approved Penrose Skelly Grayburg and Drinkard production.

DONE at Santa Fe, New Mexico, on this 8th day of July, 1987.

  
WILLIAM J. LEMAY, Director

State of New Mexico

101 AUG 15 1968 10

Oil Conservation Commission ODESSA AREA



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

P. O. BOX 2088  
SANTA FE

August 7, 1968

Sun Oil Company  
P. O. Box 2792  
Odessa, Texas 79760

Attention: Mr. R. W. Hughes

Administrative Order PC-356

Gentlemen:

Reference is made to your application dated August 1, 1968, for administrative approval of an exception to Rule 303 (a) of the Commission Rules and Regulations to permit the commingling of Blinebry and Drinkard production on your W. W. Weatherly Lease comprising the SW/4 NE/4, NW/4 SE/4, and NE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, allocating the production on the basis of periodic well tests. It is our understanding that the production from both pools on said lease is of marginal nature.

By the authority vested in me under the provisions of Rule 303 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the aforesaid pools on said lease in the above-described manner. Provided, however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities," and provided further, that you shall notify the Commission at such time as any well in either of the aforesaid pools is capable of top allowable production.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission - Hobbs - with enclosure  
Oil & Gas Engineering Committee - Hobbs

SCALE  
= 1000'

11  
MATTERN

16

12  
"B"  
HAWK

10

9

TEXACO

JOHN H. HENDRIX  
CORP.

CONOCO

AMO

3

5

4

7

6

2

1

3

3

3

M. WEATHERLY

DRY  
SITE

SECRET  
LEASE

S7

17

1  
CAMPBELL  
& HEDRICK

4

6

2

2

1

WEATHERLY

LOCKHART

TEXACO

2

1

2

1

1

LOCKHART  
FED

HARDY PERCY

LEWIS

SUN

CAMPBELL & HEDRICK

ARCO

3

1

2

2

2

1

ELLIOTT  
"B"

3

W.E. LEE

WICK

LEWIS

SUN

PETRO-LEWIS

1

1

1

1

5

RANDLE

J.G. RANDLE

A.M. YORK

CHEVRON

20

MARATHON

1

5

3

3

2

11