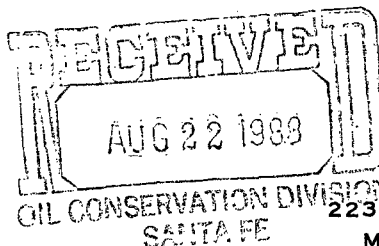
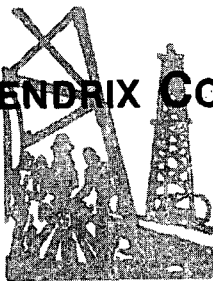


JOHN H. HENDRIX CORPORATION



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

August 18, 1988

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

Attention: Mr. David R. Catanach

RE: Downhole Commingling Request
Whitaker & Perkins No. 2
Unit C, Section 12, T22S-R37E,
Lea County, New Mexico

Gentlemen:

John H. Hendrix Corporation respectfully requests administrative approval to downhole commingle the Brunson Drinkard-Abo, South and Wantz Granite Wash pools in the Whitaker & Perkins No. 2. Approval of this request will protect correlative rights, promote conservation, and encourage the efficient recovery of oil and gas reserves.

Additional data relative to this commingling is listed below:

1. A lease plat is attached showing the location of this well. (Exhibit I)
2. A current C-116 is included to show the current status of the Brunson Drinkard-Abo, South Zone (Exhibit II) and the Wantz Granite Wash Zone (Exhibit III). The Brunson Drinkard-Abo, South currently flows 3 BOPD and 100 MCFGPD. The Granite Wash is temporarily abandoned with rods in the hole and no pumping unit. If downhole commingling is approved, a beam unit will be installed to produce both zones.
3. Decline curves for the Brunson Drinkard-Abo, South (Exhibit IV) and Granite Wash (Exhibit V) are attached. The Granite Wash has been shut in and unable to flow since 1979.

August 18, 1988

4. The Granite Wash Zone has a stuck insert pump and rods in the tubing and it is not possible to obtain a BHP by BHP bomb or surface pressure and fluid level data. Due to the obvious low productivity of this well, and due to the fact the well would be produced in a pumped off condition, it is respectfully requested that the BHP data be waived.

5. For the same reason as above, with the stuck pump and rods in the hole, it is not possible to obtain a fresh gas sample on the Granite Wash Zone. However, by commingling authority PL-525, the gas from both zones was commingled at the surface in 1976. It is therefore requested that the gas analysis requirement be waived.

6. Working interest and royalty ownership in the Brunson Drinkard-Abo, South and Granite Wash formations are the same.

7. The following allocation percentages are suggested based upon the analysis of the data available. The Brunson Drinkard-Abo, South is based upon its current production and the Granite Wash is estimated from its last production.

	<u>Oil</u>	<u>Expected</u> <u>BOPD</u>	<u>Production</u> <u>Gas</u>	<u>MCFPD</u>
Brunson Drinkard-Abo, South	43%	3	83%	100
Wantz Granite Wash	57%	4	17%	20

This commingling is necessary to permit the Wantz Granite Wash to be produced, which would not otherwise be economically producible. With the well in a pumped off condition, there will be no cross flow between the two zones.

By copy of this letter we are notifying the offset operators of this proposed commingling. If these operators have no objections, we ask that they execute the attached

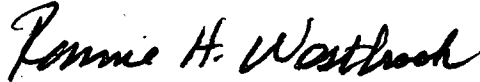
N.M.O.C.D.

-3-

August 18, 1988

waiver and return one copy to the NMOCD and another to me in the self addressed envelope. If you have any questions, please call me at (915) 684-6631.

Very truly yours,

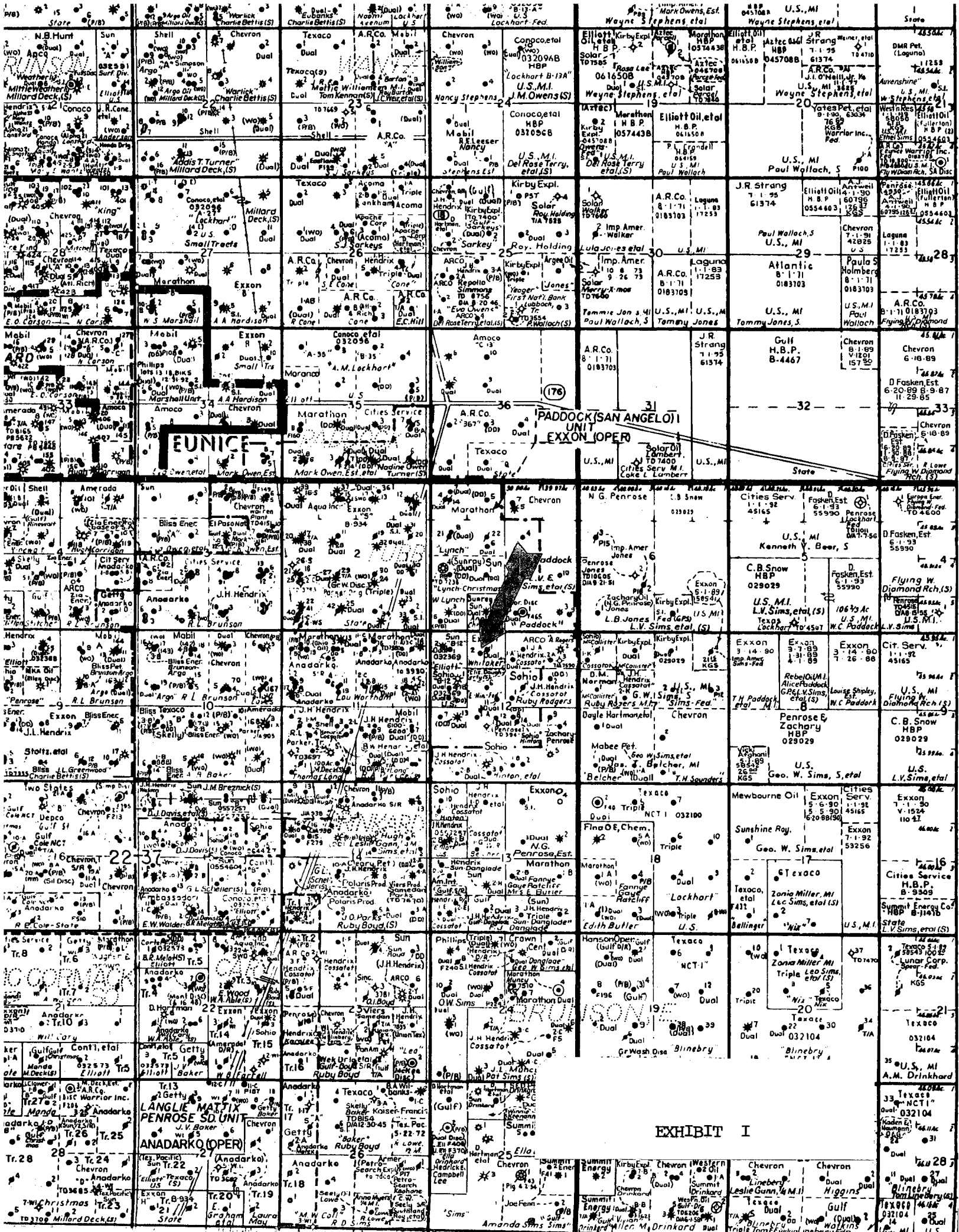


Ronnie H. Westbrook
Vice-President

RHW/ah

Exhibits Attached

cc: NMOCD District 1 - Hobbs
Offset Operators (Certified Mail)



NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator John H. Hendrix Corporation		Pool Brunson Drinkard-Abo, South		County Lea											
Address 223 W. Wall, Suite 525, Midland, TX 79701		TYPE OF TEST - (X)		Completion ☐ Scheduled ☐ Spectral ☒											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT./BBL	
		U	S	T						R	WATER BBLs.	GRAV. OIL	OIL BBLs.		GAS M.C.F.
Whitaker & Perkins	2	C	12	22	37	8/16/88	F 3/4	25#	3	24	1	38.2	3	100	33,333

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

No well will be assigned an allowable greater than the amount of oil produced on the official test.
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.
Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

Rami H. Worthen
(Signature)
Vice-President
(Title)
August 18, 1988
(Date)

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator		Pool		County		Lea							
John H. Hendrix Corporation		Wantz Granite Wash											
Address		223 W. Wall, Suite 525, Midland, TX 79701		TYPE OF TEST - (X)		Completion ☐ Special ☒							
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT./BBL
		U	S	T						R	WATER BBL.S.	GRAV. OIL	
Whitaker & Perkins	2	C	12	22	37	8/16/88	TA *						
* Well is temporarily abandoned. Well was taken over by John H. Hendrix Corporation 7/1/88 from Exxon. Well was abandoned by Exxon with rods in the hole and pumping unit moved off. Unable to test in this condition.													

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the Rule 301 and appropriate pool rules.

EXHIBIT III

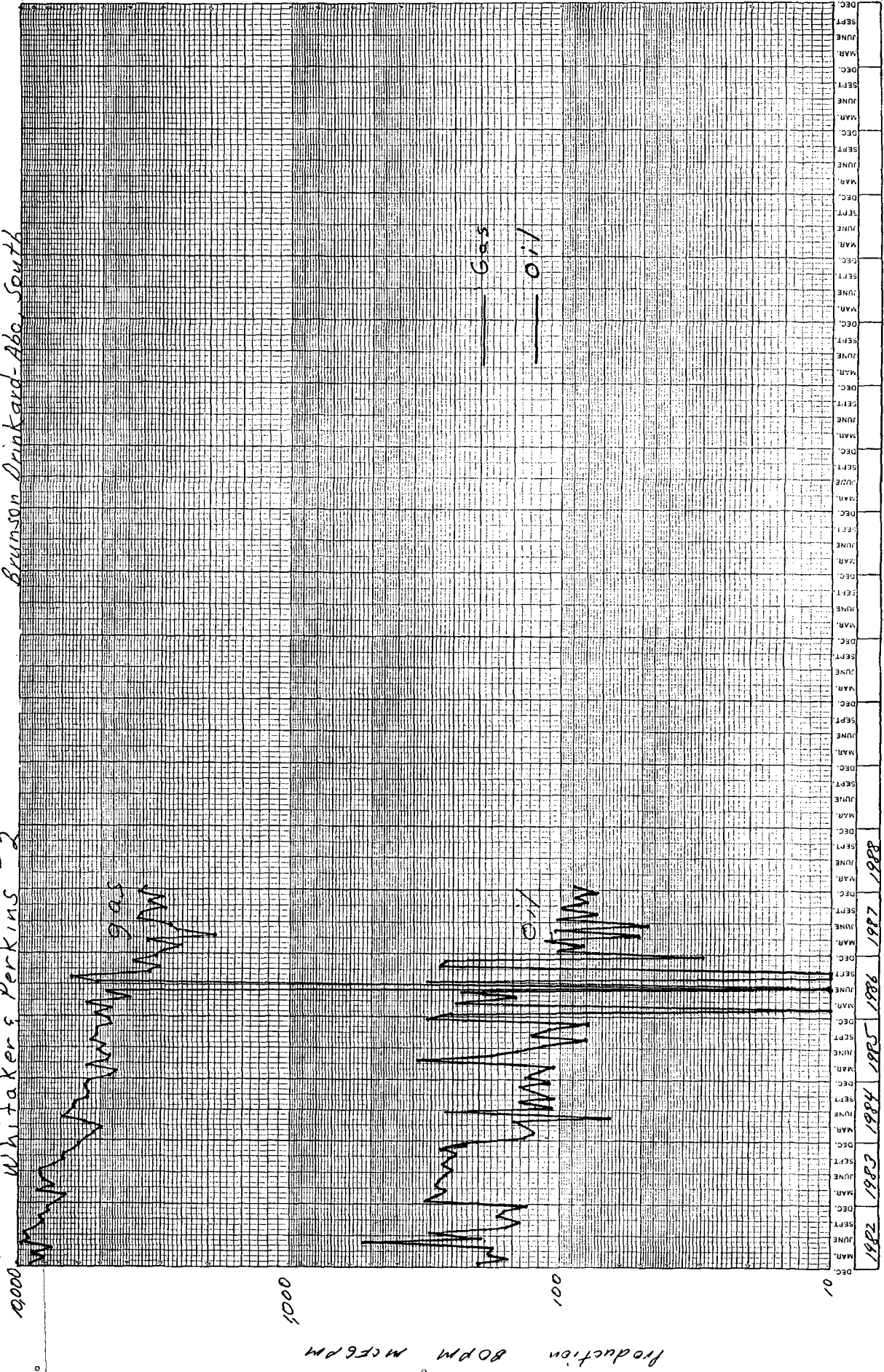
I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Rammi H. Wentworth
(Signature)
Vice-President

August 18, 1988
(Date)

Brunson Drinkard-Abo, South

Whitaker & Perkins #2



Whitaker & Perkins #2 Wantz Granite Wash



RE: Downhole Commingling Request
Whitaker & Perkins #2, Unit C,
Section 12, T22S - R37E
Lea County, New Mexico

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

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the John H. Hendrix Corporation application to downhole commingling of the Wantz Granite Wash and Brunson Drinkard-Abo, South Pools in the captioned wellbore.

Approved By: _____

Representing: _____

Date: _____

OFFSET OPERATORS TO
JOHN H. HENDRIX CORPORATION'S
WHITAKER & PERKINS LEASE

Standard Oil Production
P. O. Box 4587
Houston, TX 77210

Sun Exploration & Production
P.O. Box 1861
Midland, TX 79702

Chevron, U.S.A Inc.
P. O. Box 166010
Midland, TX 79702

Arco Oil & Gas Company
P. O. Box 1610
Midland, TX 79702

DHC-706

RE: Downhole Commingling Request
Whitaker & Perkins #2, Unit C,
Section 12, T22S - R37E
Lea County, New Mexico

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

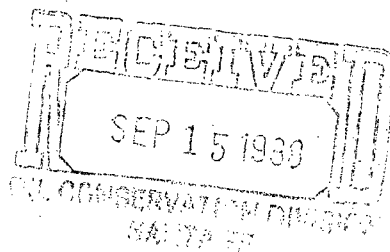
Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the John H. Hendrix Corporation application to downhole commingling of the Wantz Granite Wash and Brunson Drinkard-Abo, South Pools in the captioned wellbore.

Approved By: Alan L. Bohling - Division Protection Engineer

Representing: Chvron U.S.A. Inc.

Date: September 8, 1988





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

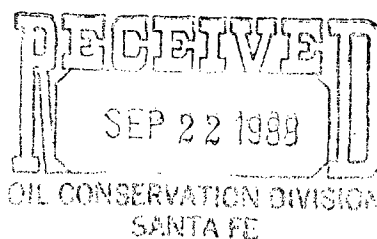
9-15-88

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____



Gentlemen:

I have examined the application for the:

John H. Hendrix Corp. Whitaker + Perkins #2-C 12-22-37
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK JS

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed