

APR 16 1993

3162 (067)
NM-1410

John H. Hendrix Corporation
Attention: Mr. Ronnie H. Westbrook
223 West Wall Street, Suite 525
Midland, TX 79701

DAC-824

Re: Well No. 3 and 4-Elliott B-17
NE $\frac{1}{4}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 17, T22S, R37E
Lea County, New Mexico
Federal Lease NM-1410

Gentlemen:

Your request to surface commingle Drinkard oil and gas production from well No. 3-Elliott B-17 and Blinebry oil and gas production from well No. 4-Elliott B-17, is hereby approved.

As stated in your application, production allocation will be made 20% oil and 10% gas to the Drinkard from well No. 3-Elliott B-17 and 80% oil and 90% gas to the Blinebry from well No. 4-Elliott B-17 based on well tests. Also, it is our understanding that commingling is based on economics and will not result in reduced royalty.

This approval is subject to the concurrence of the New Mexico Oil Conservation Division.

Please contact Shannon Shaw or Adam Salameh at (505) 887-6544, or at the letterhead address if any further information is required.

Sincerely,

/s/ Gary Bowers

FOR Richard L. Manus
Area Manager

bcc:
NM (065, B. Lopez, D. Glass)
NM (067, A. Salameh; E. Inman)
NM (067A, K. Haston)

NMOCD - Attn.: Mr. D. R. Catanach
P. O. Box 2088
Santa Fe, NM 87504