

DATE IN 10/2/06	SUSPENSE	ENGINEER BROOKS	LOGGED IN 10/3/06	TYPE DEF	APP NO. PTDSOL627646007
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NSP

ABOVE THIS LINE FOR DIVISION USE ONLY

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



John H Hendrix Corp
Elliott Hinton #1
1909

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

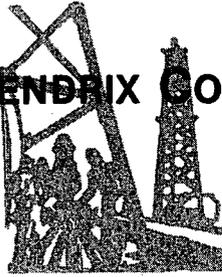
[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[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

September 11, 2006

Mr. Michael Stogner
State of New Mexico
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Application for a 40 Acre
Non-Standard Blinbry Gas
Proration Unit for Elliott-
Hinton No. 1 (API No.
30-025-10233) located 1650'
FNL & 990' FWL of Section 12,
T22S – R37E, Lea County, NM

Dear Mr. Stogner:

John H. Hendrix Corporation respectfully requests a 40 acre non-standard Blinbry gas proration unit for its Elliott-Hinton No. 1 (API No. 30-025-10233). The Elliott Hinton No. 1 located 1650' FNL and 990' FWL Section 12, T22S, R37E, Lea County, New Mexico, was the initial Blinbry gas producer for this proration unit.

In June 2, 2000, John H. Hendrix Corporation requested to add the Elliott B-12 No. 2 (API No. 30-025-25137) as a unorthodox gas well location and simultaneous dedication with the Elliott-Hinton No. 1. This request was approved July 10, 2000 under Administrative Order NSL-3199-A (SD). The Elliott B-12 No. 2 was completed as a Blinbry gas well November 1, 2000, flowing 5 BOPD plus 335 MCFPD. Currently the Elliott B-12 No. 2 produces 3 BOPD plus 58 MCFPD for a GOR of 19333 which means this well has to be classified as a Blinbry Oil and Gas well.

September 11, 2006

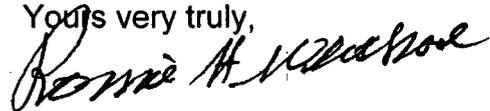
The Elliott-Hinton No. 1 is currently producing 1.4 BOPD plus 120 MCFPD for a GOR of 85714. In order to continue to produce the Elliott B-12 No. 2 it is necessary to reduce the 160 acre gas proration unit. It is respectfully requested the 160 acre Blinebry gas proration unit be reduced to 40 acres.

In addition please find the following:

1. List of offset operators.
2. Plat showing offset operators.
3. OCD Form C-102 showing present wells and 160 acre proration unit.
4. OCD Form C-102 showing requested non-standard gas proration unit.

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

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**

September 11, 2006

CERTIFIED MAIL

Offset Operators

Elliott-Hinton No. 1
40 Acre Proration Unit
SW/4 NW/4 Section 12,
T22S – R37E, Lea County, New Mexico

Dear Offset Operator:

John H. Hendrix Corporation is making application for a non-standard Blinbry gas proration unit for the Elliott-Hinton No. 1 (API No. 30-025-10233). NMOCD Rule 104D requires that you be notified of this action.

A copy of the application is attached. If you have any questions, please call me at (432) 818-0122.

Yours very truly,

JOHN H. HENDRIX CORPORATION

A handwritten signature in black ink that reads "Ronnie H. Westbrook". The signature is written in a cursive, flowing style.

Ronnie H. Westbrook
Vice President

RHW/ah

OFFSET OPERATORS

**NW/4 SECTION 12
T-22-S – R-37-E
Lea County, New Mexico**

**Apache Corporation
3300 N. "A" St. #8200
Midland, TX 79705**

**Chevron USA Production Company
P. O. Box 1150
Midland, TX 79702**

**Marathon Oil Company
P. O. Box 2490
Hobbs, NM 88240**

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Apache Corp.
3300 N. A St. Ste 8200
Midland TX
79705

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X M. Chamness
 B. Received by (Printed Name) M. Chamness
 C. Date of Delivery 9/13/06
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

(Transfer from service label)

7004 1160 0000 4925 1336

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA Prod
Attn: Denise Beckham
15 Smith Road
Midland TX 79705

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X [Signature]
 B. Received by (Printed Name) Hinojosa
 C. Date of Delivery 9/26/06
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

(Transfer from service label)

7004 1160 0000 4925 1367

PS Form 3811, August 2001

Domestic Return Receipt

2ACPRI-03-P-4081

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marathon Oil Co.
Attn: Rodney Kathan
P.O. Box 2490
Hobbs, N.M. 88240

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee
 X [Signature]
 B. Received by (Printed Name) JAMES FLORES
 C. Date of Delivery 9/26/06
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

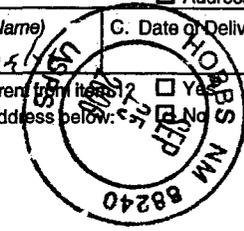
(Transfer from service label)

7004 1160 0000 4925 1350

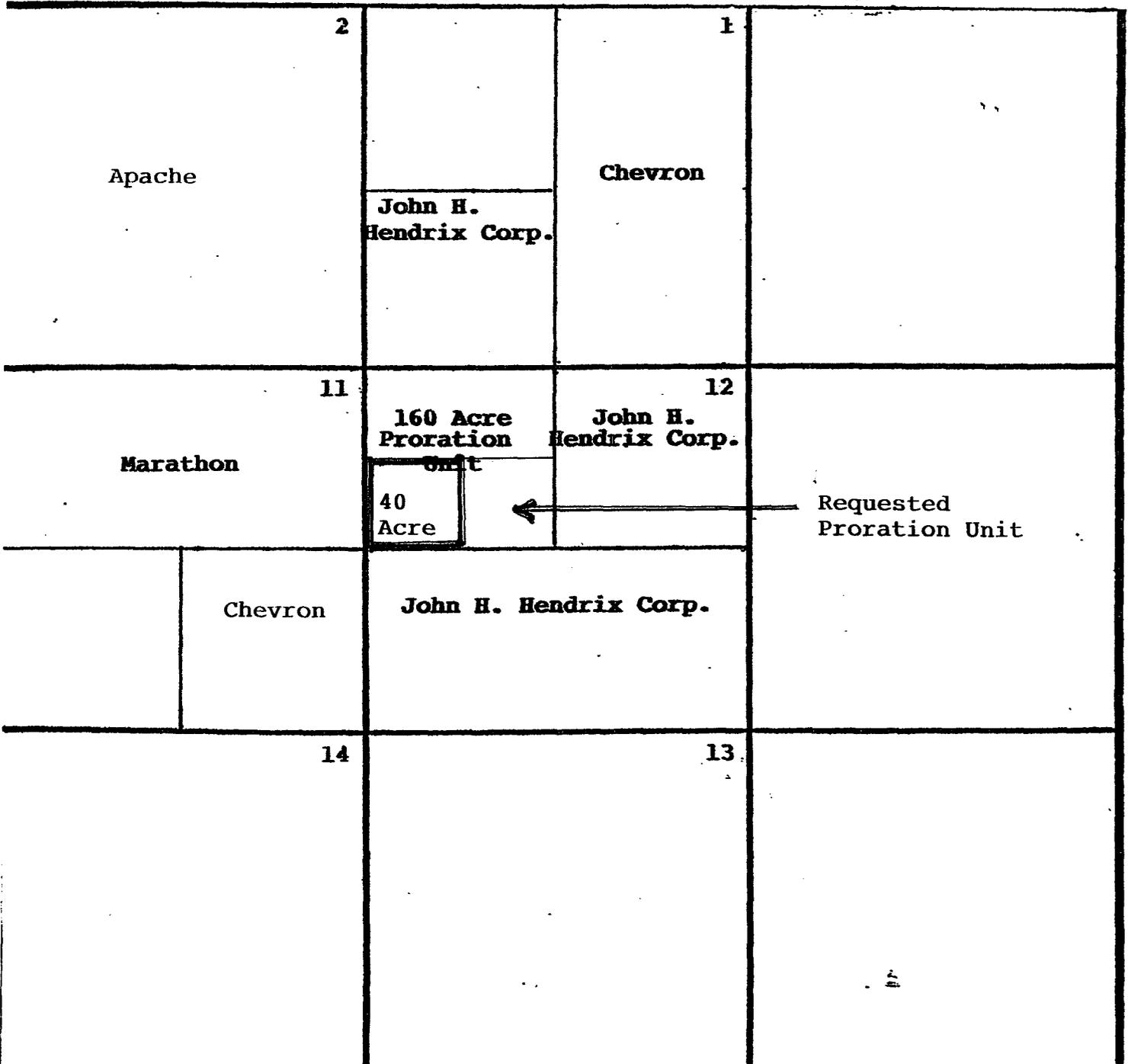
PS Form 3811, August 2001

Domestic Return Receipt

2ACPRI-03-P-4081



OFFSET OPERATORS
NW/4 Section 12,
T-22-S, R-37-E
Lea County, New Mexico



District I
 1625 N. French Dr., Hobbs, NM 88240
District II
 1301 W. Grand Avenue, Artesia, NM 88210
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised October 12, 2005
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-025-10233		'Pool Code 72480		'Pool Name Blinebry Gas	
'Property Code 005190		'Property Name Elliott-Hinton			'Well Number 1
'OGRID No. 012024		'Operator Name John H. Hendrix Corporation			'Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	22S	37E		1650	North	990	West	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

"Dedicated Acres 160	"Joint or Infill	"Consolidation Code	"Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16
5675 #1
467'
1650'
Elliott B-12
990' → #1
Elliott-Hinton

Present Proration Unit ←

¹⁷ **OPERATOR CERTIFICATION**
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Ronnie H. Westbrook
 Signature 09/11/2006
 Date

Ronnie H. Westbrook
 Printed Name

¹⁸ **SURVEYOR CERTIFICATION**
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
 Signature and Seal of Professional Surveyor:

Certificate Number

District I
 1625 N. French Dr., Hobbs, NM 88240
District II
 1301 W. Grand Avenue, Artesia, NM 88210
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised October 12, 2005
 Submit to Appropriate District Office
 State Lease - 4 Copies
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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' Property Code 005190	' Property Name Elliott-Hinton	' Well Number 1
' OGRID No. 012024	' Operator Name John H. Hendrix Corporation	' Elevation

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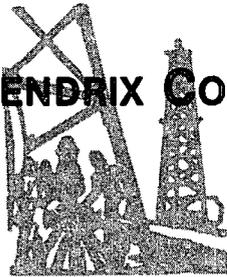
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" Dedicated Acres 160	" Joint or Infill	" Consolidation Code	" Order No.
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	<p>¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature: <i>Ronnie H. Westbrook</i> Date: 09/11/2006</p> <p>Printed Name: Ronnie H. Westbrook</p>
	<p>¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyor: Certificate Number</p>

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

2006 OCT 2 PM 3 36
September 11, 2006

Mr. Michael Stogner
State of New Mexico
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Application for a 40 Acre
Non-Standard Blinebry Gas
Proration Unit for Elliott-
Hinton No. 1 (API No.
30-025-10233) located 1650'
FNL & 990' FWL of Section 12,
T22S - R37E, Lea County, NM

Dear Mr. Stogner:

John H. Hendrix Corporation respectfully requests a 40 acre non-standard Blinebry gas proration unit for its Elliott-Hinton No. 1 (API No. 30-025-10233). The Elliott Hinton No. 1 located 1650' FNL and 990' FWL Section 12, T22S, R37E, Lea County, New Mexico, was the initial Blinebry gas producer for this proration unit.

In June 2, 2000, John H. Hendrix Corporation requested to add the Elliott B-12 No. 2 (API No. 30-025-25137) as a unorthodox gas well location and simultaneous dedication with the Elliott-Hinton No. 1. This request was approved July 10, 2000 under Administrative Order NSL-3199-A (SD). The Elliott B-12 No. 2 was completed as a Blinebry gas well November 1, 2000, flowing 5 BOPD plus 335 MCFPD. Currently the Elliott B-12 No. 2 produces 3 BOPD plus 58 MCFPD for a GOR of 19333 which means this well has to be classified as a Blinebry Oil and Gas well.

afid blbr

*Blinebry
O&G Prod*

September 11, 2006

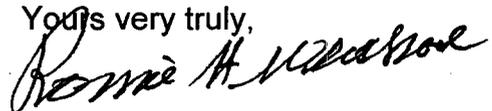
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In addition please find the following:

1. List of offset operators.
2. Plat showing offset operators.
3. OCD Form C-102 showing present wells and 160 acre proration unit.
4. OCD Form C-102 showing requested non-standard gas proration unit.

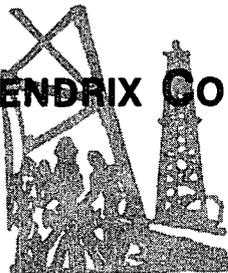
Thank you for your consideration in this matter. If you have any questions, please do not hesitate to call.

Yours very truly,



Ronnie H. Westbrook
Vice President

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

September 11, 2006

CERTIFIED MAIL

Offset Operators

Elliott-Hinton No. 1
40 Acre Proration Unit
SW/4 NW/4 Section 12,
T22S - R37E, Lea County, New Mexico

Dear Offset Operator:

John H. Hendrix Corporation is making application for a non-standard Blinebry gas proration unit for the Elliott-Hinton No. 1 (API No. 30-025-10233). NMOCD Rule 104D requires that you be notified of this action.

A copy of the application is attached. If you have any questions, please call me at (432) 818-0122.

Yours very truly,

JOHN H. HENDRIX CORPORATION

A handwritten signature in black ink that reads "Ronnie H. Westbrook". The signature is written in a cursive style.

Ronnie H. Westbrook
Vice President

RHW/ah

OFFSET OPERATORS

**NW/4 SECTION 12
T-22-S – R-37-E
Lea County, New Mexico**

**Apache Corporation
3300 N. "A" St. #8200
Midland, TX 79705**

**Chevron USA Production Company
P. O. Box 1150
Midland, TX 79702**

**Marathon Oil Company
P. O. Box 2490
Hobbs, NM 88240**

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Apache Corp.
3300 N. A St. Ste 8200
Midland TX
79705

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 M. Chamness Addressee
 B. Received by (Printed Name) C. Date of Delivery
 M. Chamness 9/13/06
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

(Transfer from service label)

7004 1160 0000 4925 1336

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA Prod
Attn: Denise Beckham
15 Smith Road
Midland TX 79705

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 [Signature] Addressee
 B. Received by (Printed Name) C. Date of Delivery
 [Signature] 9/26/06
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

(Transfer from service label)

7004 1160 0000 4925 1367

PS Form 3811, August 2001

Domestic Return Receipt

2ACPRI-03-P-4081

SENDER: COMPLETE THIS SECTION

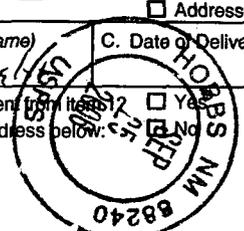
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marathon Oil Co.
Attn: Rodney Kalkren
P.O. Box 2490
Hobbs, N.M. 88240

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 [Signature] Addressee
 B. Received by (Printed Name) C. Date of Delivery
 JAMES FROST
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No



3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

(Transfer from service label)

7004 1160 0000 4925 1350

PS Form 3811, August 2001

Domestic Return Receipt

2ACPRI-03-P-4081

District I
 625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised October 12, 2005
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number 30-025-10233	' Pool Code 72480	' Pool Name Blinebry Gas
' Property Code 005190	' Property Name Elliott-Hinton	' Well Number 1
' OGRID No. 012024	' Operator Name John H. Hendrix Corporation	' Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	22S	37E		1650	North	990	West	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
" Dedicated Acres 160	" Joint or Infill	" Consolidation Code	" Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Ronnie H. Westbrook</i> Signature 09/11/2006 Date</p> <p>Ronnie H. Westbrook Printed Name</p>
	<p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey Signature and Seal of Professional Surveyor: Certificate Number</p>

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
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AMENDED REPORT

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API Number 30-025-10233		Pool Code 72480	Pool Name Blinebry Gas
Property Code 005190	Property Name Elliott-Hinton		Well Number 1
OGRID No. 012024	Operator Name John H. Hendrix Corporation		Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	22S	37E		1650	North	990	West	Lea

¹¹ Bottom Hole Location If Different From Surface

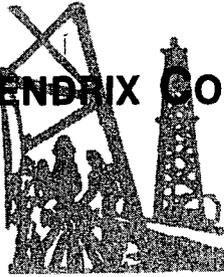
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

" Dedicated Acres 160	" Joint or Infill	" Consolidation Code	" Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order hereby entered by the division.</p> <p><i>Ronnie H. Westbrook</i> Signature Date: 09/11/2006</p> <p>Ronnie H. Westbrook Printed Name</p>
	<p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey Signature and Seal of Professional Surveyor: Certificate Number</p>

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

2006 OCT 2 PM 3 36

September 11, 2006

Mr. Michael Stogner
State of New Mexico
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: Application for a 40 Acre
Non-Standard Blinebry Gas
Proration Unit for Elliott-
Hinton No. 1 (API No.
30-025-10233) located 1650'
FNL & 990' FWL of Section 12,
T22S – R37E, Lea County, NM

Dear Mr. Stogner:

John H. Hendrix Corporation respectfully requests a 40 acre non-standard Blinebry gas proration unit for its Elliott-Hinton No. 1 (API No. 30-025-10233). The Elliott Hinton No. 1 located 1650' FNL and 990' FWL Section 12, T22S, R37E, Lea County, New Mexico, was the initial Blinebry gas producer for this proration unit.

In June 2, 2000, John H. Hendrix Corporation requested to add the Elliott B-12 No. 2 (API No. 30-025-25137) as a unorthodox gas well location and simultaneous dedication with the Elliott-Hinton No. 1. This request was approved July 10, 2000 under Administrative Order NSL-3199-A (SD). The Elliott B-12 No. 2 was completed as a Blinebry gas well November 1, 2000, flowing 5 BOPD plus 335 MCFPD. Currently the Elliott B-12 No. 2 produces 3 BOPD plus 58 MCFPD for a GOR of 19333 which means this well has to be classified as a Blinebry Oil and Gas well.

September 11, 2006

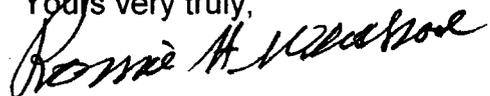
The Elliott-Hinton No. 1 is currently producing 1.4 BOPD plus 120 MCFPD for a GOR of 85714. In order to continue to produce the Elliott B-12 No. 2 it is necessary to reduce the 160 acre gas proration unit. It is respectfully requested the 160 acre Blinebry gas proration unit be reduced to 40 acres.

In addition please find the following:

1. List of offset operators.
2. Plat showing offset operators.
3. OCD Form C-102 showing present wells and 160 acre proration unit.
4. OCD Form C-102 showing requested non-standard gas proration unit.

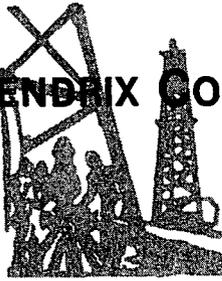
Thank you for your consideration in this matter. If you have any questions, please do not hesitate to call.

Yours very truly,



Ronnie H. Westbrook
Vice President

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

September 11, 2006

CERTIFIED MAIL

Offset Operators

Elliott-Hinton No. 1
40 Acre Proration Unit
SW/4 NW/4 Section 12,
T22S – R37E, Lea County, New Mexico

Dear Offset Operator:

John H. Hendrix Corporation is making application for a non-standard Blinebry gas proration unit for the Elliott-Hinton No. 1 (API No. 30-025-10233). NMOCD Rule 104D requires that you be notified of this action.

A copy of the application is attached. If you have any questions, please call me at (432) 818-0122.

Yours very truly,

JOHN H. HENDRIX CORPORATION

A handwritten signature in black ink that reads "Ronnie H. Westbrook". The signature is written in a cursive, somewhat stylized font.

Ronnie H. Westbrook
Vice President

RHW/ah

OFFSET OPERATORS

**NW/4 SECTION 12
T-22-S – R-37-E
Lea County, New Mexico**

**Apache Corporation
3300 N. "A" St. #8200
Midland, TX 79705**

**Chevron USA Production Company
P. O. Box 1150
Midland, TX 79702**

**Marathon Oil Company
P. O. Box 2490
Hobbs, NM 88240**

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Apache Corp.
3300 N. A St. Ste 8290
Midland TX
79705

2. Article Number

(Transfer from service label)

7004 1160 0000 4925 1336

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X M. Chamness

Agent

Addressee

B. Received by (Printed Name)

M. Chamness

C. Date of Delivery

9/13/06

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron USA Prod
Attn: Denise Beckham
15 Smith Road
Midland TX 79705

2. Article Number

(Transfer from service label)

7004 1160 0000 4925 1367

PS Form 3811, August 2001

Domestic Return Receipt

2ACPRI-03-P-4081

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X [Signature]

Agent

Addressee

B. Received by (Printed Name)

Ann Jones

C. Date of Delivery

9/26/06

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marathon Oil Co.
Attn: Rodney Rathem
P.O. Box 2490
Hobbs, N.M. 88240

2. Article Number

(Transfer from service label)

7004 1160 0000 4925 1350

PS Form 3811, August 2001

Domestic Return Receipt

2ACPRI-03-P-4081

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X [Signature]

Agent

Addressee

B. Received by (Printed Name)

JAMES FRAZIER

C. Date of Delivery

9/26/06

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail

Express Mail

Registered

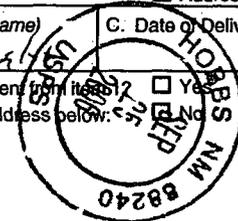
Return Receipt for Merchandise

Insured Mail

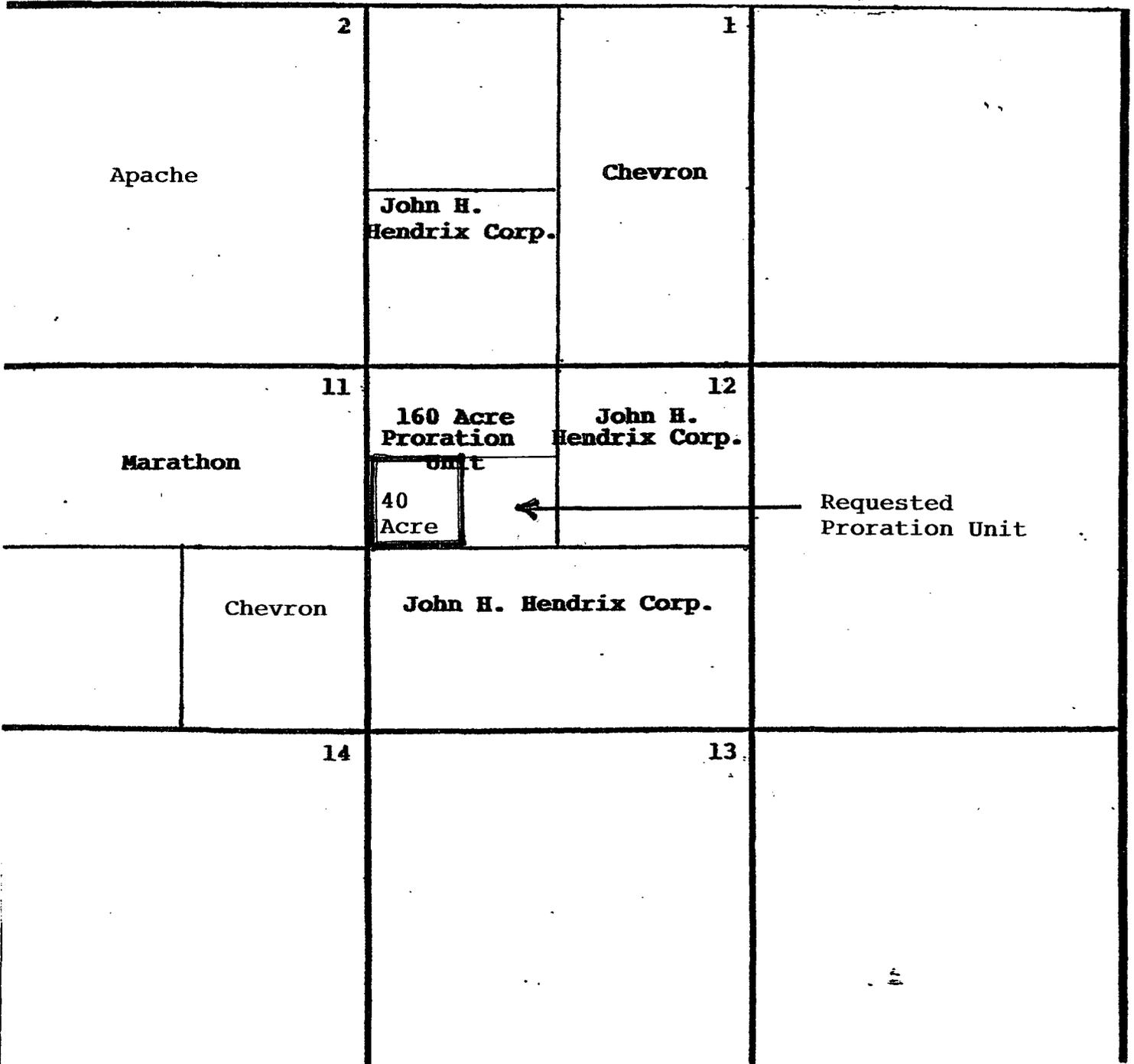
C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes



OFFSET OPERATORS
NW/4 Section 12,
T-22-S, R-37-E
Lea County, New Mexico



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-10233		Pool Code 72480	Pool Name Blinebry Gas
Property Code 005190	Property Name Elliott-Hinton		Well Number 1
OGRID No. 012024	Operator Name John H. Hendrix Corporation		Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	22S	37E		1650	North	990	West	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
" Dedicated Acres 160	" Joint or Infill	" Consolidation Code	" Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Ronnie H. Westbrook
Signature 09/11/2006
Date

Ronnie H. Westbrook
Printed Name

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number

District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised October 12, 2005
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number 30-025-10233		' Pool Code 72480		' Pool Name Blinebry Gas	
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' OGRID No. 012024		' Operator Name John H. Hendrix Corporation			' Elevation

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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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	<p>¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 2, 2006

Mr. Ronnie H. Westbrook
Vice President
John H. Hendrix Corporation
P.O. Box 3040
Midland, TX 79702-3040

**Re: NSP Application No. pTDS06-27646007
Elliott-Hinton No. 1
API No. 30-025-10233
E-12-22S-37E, Lea County**

Dear Mr. Westbrook:

Reference is made to the above application for approval of a non-standard 40-acre gas proration unit in the Blinebry Oil and Gas Pool.

Pursuant to NMOCD Rule 1210.A(3), notice of this application is required to "all owners of interest in the mineral estate to be excluded from the proration unit." This would require notice to any owners of working or royalty interests in any portion of the NW/4 of Section 12 outside of the proposed unit (the SW/4 NW/4).

Of course, there would be no need for notice to these owners if ownership of all interests is identical throughout the entire NW/4. However, your application does not state that this is the case.

Please supplement the referenced application by furnishing either (a) proof of notice to the affected interest owners within the NW/4, or (b) a statement that ownership of all interests is identical throughout the entire quarter section.

If it is necessary to send any further notices, please include in the notices the statement that the persons notified may file objections with the New Mexico Oil Conservation Division within 20 days of the date to the notice, and the application may be granted if no objection is filed. The omission of this information in the notice you previously sent to offset operators is harmless, since these entities are doubtless aware of OCD procedures, but this would not necessarily be the case for notices sent to royalty owners.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks,
Assistant General Counsel

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

December 5, 2006

Mr. Michael Stogner
State of New Mexico
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

RE: NSP – Application No. pTOS06-2764007
Elliott Hinton No. 1
API No. 30-025-10233
E – 12 – 22S – 37E – Lea County, New Mexico

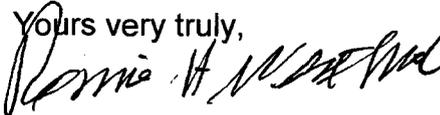
2006 DEC 8 PM 2 11

2006 DEC 8 PM 2 11

Dear Mr. Stogner:

In reference to your attached letter, it is the purpose of this letter to state that Blinebry interest is identical throughout the NW/4 section due to the Blinebry being communitized. As such we treat all proration units, whether gas or oil as being communitized. This is the only fair way to treat this as the gas-oil ratio determines whether a Blinebry completion is gas or oil, and to go from gas to oil and back to gas would not be fair unless the entire 160 was treated as an identical interest.

Thank you for your assistance regarding this application. If you have further questions, please do not hesitate to call.

Yours very truly,


Ronnie H. Westbrook
Vice President

RHW



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

November 2, 2006

Mr. Ronnie H. Westbrook
Vice President
John H. Hendrix Corporation
P.O. Box 3040
Midland, TX 79702-3040

JOHN H. HENDRIX CORP.
RECEIVED

NOV - 6 2006

Re: NSP Application No. pTDS06-27646007
Elliott-Hinton No. 1
API No. 30-025-10233
E-12-22S-37E, Lea County

MIDLAND, TX

Dear Mr. Westbrook:

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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 2, 2006

Mr. Ronnie H. Westbrook
Vice President
John H. Hendrix Corporation
P.O. Box 3040
Midland, TX 79702-3040

JOHN H. HENDRIX CORP.
RECEIVED

NOV - 6 2006

**Re: NSP Application No. pTDS06-27646007
Elliott-Hinton No. 1
API No. 30-025-10233
E-12-22S-37E, Lea County**

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