

PNRM0518036369

C-103 Received 6-24-2005

DHC No. Assigned 6-29-2005

Order Number HOB-0120	API Number 30-025-06633	Operator John H. Hendrix Corp.	County Lea	
Order Date 	Well Name State Land 15	Number 004	Location P 16 21S 37E UL Sec T (+Dir) R (+Dir)	
Pool 1	06660	Blinebry Oil & Gas (Oil)	50%	40%
Pool 2	60240	Tubb Oil & Gas (Oil)	10%	20%
Pool 3	19190	Drinkard	40%	40%
Pool 4				

Comments: Work completed effective _____
 Work cancelled effective _____
 Supplement _____

Posted to
RBDMD

6-29-2005

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-06633

OPERATOR: John H. Hendrick Corp.

HOB-0120

PROPERTY NAME: State Land 15

WNULSTR: 4-P, 16-21-37

	SECTION I:	ALLOWABLE AMOUNT	
06660	POOL NO. 1 <u>Blinebry Oil + Gas (Oil)</u>	<u>107</u>	<u>428</u> MCF 4000
60240	POOL NO. 2 <u>Tubb Oil + Gas (Oil)</u>	<u>142</u>	<u>284</u> MCF 2000
19190	POOL NO. 3 <u>Drinkard</u>	<u>142</u>	<u>852</u> MCF 6000
	POOL NO. 4 _____		
		<u>391</u>	<u>1564</u> MCF

SECTION II:	Oil	Gas
POOL NO. 1 <u>Blinebry Oil + Gas (Oil)</u>	5.0% X 391 = 195.50 (196)	40%
POOL NO. 2 <u>Tubb Oil + Gas (Oil)</u>	10%	20%
POOL NO. 3 <u>Drinkard</u>	40%	40%
POOL NO. 4 _____		

OIL

SECTION III:
 $107 \div 50\% = 214.00$

GAS

SECTION IV:

$214 \times 50\% = 107$ (107)

$214 \times 10\% = 21.40$ (21)

$214 \times 40\% = 85.60$ (86)

Submit 3 Copies To Appropriate District Office
 District I
 1625 N French Dr, Hobbs, NM 88240
 District II
 1301 W Grand Ave, Artesia, NM 88210
 District III
 Rio Brazos Rd, Aztec, NM 87410
 District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.	30-025-06633
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	B-8105
7. Lease Name or Unit Agreement Name	State Land 15
8. Well Number	4
9. OGRID Number	012024
10. Pool name or Wildcat	

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
 John H. Hendrix Corporation

3. Address of Operator
 P. O. Box 3040
 Midland, TX 79702-3040

4. Well Location
 Unit Letter P : 660 feet from the South line and 660 feet from the East line
 Section 16 Township 21S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application or Closure

Pit type Steel Depth to Groundwater 55 Distance from nearest fresh water well 920 Distance from nearest surface water Unknown

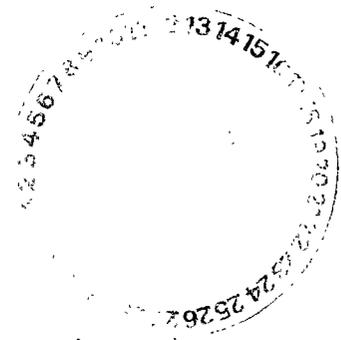
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
FULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Add Blinebry to Tubb Oil & Gas & Drinkard DHC <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

This is a request to DHC Blinebry Oil & Gas to already DHC Tubb Oil and Drinkard in the subject well. See supporting data on attached sheet.



DHC Order No. HOB-0120

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Ronnie H. Westbrook TITLE Vice President DATE 06/20/2005

Type or print name Ronnie H. Westbrook E-mail address: _____ Telephone No. (432)684-6631

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUN 29 2005

Conditions of Approval (if any): _____

STATE LAND 15 NO.4

Unit P – 660' FSL & 660' FEL Sec. 16, T21S – R37E, Lea County, New Mexico

1. Division Order number that established pre-approved pools. Order No. R-11363.
2. Pools to be commingled – Drinkard (19190) Tubb Oil (60240) and Blinebry Oil & Gas (06660)
3. Tubb Perfs. 6165 – 6300'
Drinkard Perfs. 6413 – 6640'
Blinebry Perfs. 6500 – 5892' not perforated yet
4. All three zones are intermediate crude and commingling will not reduce the value of the production.
5. Ownership between pools is identical.
6. The State Land 15 No. 4 currently produces 3.4 BOPD and 177 MCFPD from the DHC Tubb and Drinkard. We expect the Blinebry to be very marginal. The proposed initial allocation to be as follows:

	<u>Oil</u>	<u>Gas</u>
Blinebry Oil & Gas	NYM 50% 40%	40%
Tubb Oil	10%	20%
Drinkard	40%	40%

If the Blinebry tests at a rate significantly different than the assigned percentages, a revised allocation will be submitted.

7. A copy of C-103 with data sheet has been sent to the State of New Mexico Commissioner of Public Lands.