

PNR M0803538792

C-103 Received 12-10-2007

DHC No. Assigned 2-1-2008

Order Number		API Number	Operator		County			
HOB-0237		30-025-09943	John H. Hendrix Corporation		Lea			
Order Date		Well Name		Number	Location			
		Walter Lynch		002	L	1	22S	37E
					UL	Sec	T (+Dir)	R (+Dir)
Pool 1		Oil %		Gas %				
06668		84%		98%				
Pool 2		Oil %		Gas %				
07900		16%		2%				
Pool 3		Oil %		Gas %				
Pool 4		Oil %		Gas %				
Comments: Work completed effective _____ Work cancelled effective _____								

Posted to  
RBDM &  
2-4-2008

30-025-09943

HOB-0237

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: John H. Hendrix Corporation

PROPERTY NAME: Walter Lynch

WNULSTR: 2-L, 1-22-37

SECTION I:		ALLOWABLE AMOUNT	
06660	POOL NO. 1 <u>Blinebry Oil+Gas (Oil)</u>	<u>107</u>	<u>428</u> MCF <u>4000</u>
07900	POOL NO. 2 <u>Brunson Drinkard Abo, South</u>	<u>142</u>	<u>852</u> MCF <u>6000</u>
	POOL NO. 3 _____	_____	_____ MCF
	POOL NO. 4 _____	_____	_____ MCF
		<u>249</u>	<u>1280</u>

SECTION II:		Oil	Gas
POOL NO. 1	<u>Blinebry Oil+Gas (Oil)</u>	<u>84% X 249 = 209.16</u>	<u>98%</u>
POOL NO. 2	<u>Brunson Drinkard Abo, South</u>	<u>16%</u>	<u>2%</u>
POOL NO. 3	_____		
POOL NO. 4	_____		

	<u>OIL</u>	<u>GAS</u>
SECTION III:	<u><math>107 \div 84\% = 127.38 (128)</math></u>	_____
SECTION IV:	<u><math>128 \times 84\% = 107.52 (108)</math></u>	_____
	<u><math>128 \times 16\% = 20.48 (20)</math></u>	_____
	_____	_____
	_____	_____

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  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 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.	30-025-09943
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Walter Lynch
8. Well Number	2
9. OGRID Number	012024
10. Pool name or Wildcat	BL - BDAS

**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 L : 1980 feet from the South line and 660 feet from the West line  
 Section 1 Township 22S Range 37E NMPM County Lea

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

Pit or Below-grade Tank Application  or Closure

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

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

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Request to 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 Blinbery Oil & Gas and Brunson-Drinkard Abo, S. in the subject well. See supporting data on attached sheet.



DHC Order No. HOB-0237

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 11/28/2007

or print name Ronnie H. Westbrook E-mail address: ronniew@jhnc.org Telephone No. (432)684-6631

APPROVED BY: Chris Williams TITLE OC DISTRICT SUPERVISOR/GENERAL MANAGER DATE FEB 01 2008

**WALTER LYNCH NO. 2  
UNIT L, 1980' FSL & 660' FWL,  
SEC. 1, T22S – R37E  
LEA COUNTY, NEW MEXICO**

1. Division Order that established pre-approved pools. Order No. R-11363.
2. Pools to be commingled – Blinebry Oil & Gas (6660), & Brunson Drinkard Abo, S. ~~(60240)~~ (07900)
3. Blinebry Perfs. – 5423 – 5547 & 5571 – 5829' to be perforated.  
Brunson Drinkard, Abo, S. Perfs. – 6576 – 6826'
4. All zones are intermediate crude and commingling will not reduce the value of the production.
5. Ownership between pools is identical.
6. Current production, production prior to TA or anticipated production.

Blinebry Oil & Gas	5 BOPD	110 MCFPD
Brunson Drinkard Abo, S.	1 BOPD	10 MCFPD
<b>Total</b>	<b>6 BOPD</b>	<b>120 MCFPD</b>

7. The proposed allocation to be as follows:

	<u>Oil%</u>	<u>Gas%</u>
Blinebry Oil & Gas	84%	98%
Brunson Drinkard Abo, S.	16%	2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

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 30-025-09943		* Pool Code 6660	* Pool Name Blinebry Oil & Gas
* Property Code 005202	* Property Name Walter Lynch		* Well Number 2
* OGRID No. 012024	* Operator Name John H. Hendrix Corporation		* Elevation

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	1	22S	37E		1980	South	660	West	Lea

<sup>11</sup> 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 40	* 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><sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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 whatever mineral interest in the land including the proposed bottom hole location or has a right to drill such 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 filed by the division.</p> <p><i>Ronnie H. Westbrook</i> 02/09/2008 Signature Date</p> <p><b>Ronnie H. Westbrook</b> Printed Name</p>
	<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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:</p>
	<p>Certificate Number</p>

DHC-272A  
(HOB) DHC-237

Feb-11-08 17:51

From-JOHN HENDRIX CORP

14326847317

T-967 P.03/03 F-775

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
1301 W. Grand Avenue, Artesia, NM 88210

District III  
900 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 30-025-09943		* Pool Code 7900		* Pool Name Brunson Drinkard Abo, S.	
* Property Code 005202		* Property Name Walter Lynch			* Well Number 2
* OGRID No. 012024		* Operator Name John H. Hendrix Corporation			* Elevation

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	1	22S	37E		1980	South	660	West	Lea

<sup>11</sup> 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
L	1	22S	37E		1980	South	660	West	Lea

* Dedicated Acres 40	* 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>16</p>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>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 on 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> 02/09/2008 Signature Date</p> <p><b>Ronnie H. Westbrook</b> Printed Name</p>
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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:</p>
	<p>Certificate Number</p>