

FDSM 101 1225641

Order Number DUC HOB-0347A	API Number 30-025-22253	Operator John H. Hendrix Corp	County Lea/Kee
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Order Date 4/22/10	Well Name Lee	Number #2	Location			
			P UL	23 Sec	225 T (+Dir)	37e R (#Dir)

		Oil %	Gas %
Pool 1	06060 Blinebry 046 <Oil>	40	40
Pool 2	60240 Tabb 046 <Oil>	40	40
Pool 3	19190 Drinkard	20	20
Pool 4			

Comments

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: _____

PROPERTY NAME: _____

WNULSTR: _____

SECTION I:		ALLOWABLE AMOUNT		
POOL NO. 1	<u>Blinebry O & G (oil)</u>	<u>107</u>	<u>428</u> MCF	<u>4000</u>
POOL NO. 2	<u>Tubb O & G (oil)</u>	<u>142</u>	<u>248</u> MCF	<u>2000</u>
POOL NO. 3	<u>Drinkard</u>	<u>142</u>	<u>852</u> MCF	<u>6000</u>
POOL NO. 4	_____			
	POOL TOTALS	<u>391</u>	<u>1528</u> MCF	

SECTION II:		Oil	GAS
POOL NO. 1	<u>Blinebry O & G (oil)</u>	<u>40%</u>	<u>40%</u>
POOL NO. 2	<u>Tubb O & G (oil)</u>	<u>40%</u>	<u>40%</u>
POOL NO. 3	<u>Drinkard</u>	<u>20% X 391 = 78.2</u>	<u>20%</u>
POOL NO. 4	_____		

	<u>OIL</u>	<u>GAS</u>
SECTION III:		
	<u>20% ÷ 142 = 710</u>	_____
SECTION IV:		
	<u>40% X 710 = 284</u>	_____
	<u>40% X 710 = 284</u>	_____
	<u>20% X 710 = 142</u>	_____

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 1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED APR 21 2010 OIL CONSERVATION DIVISION 220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-025-22253
5. Indicate Type of Lease STATE [] FEE [X]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Lee
8. Well Number 2
9. OGRID Number 012024
10. Pool name or Wildcat DHC - HOB - 0347 Blinebry O&G, Tubb O&G, Drnkd Pool

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 [X] 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 23 Township 22S Range 37E NMPM Lea County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3315' GL

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] TEMPORARILY ABANDON [] CHANGE PLANS [] PULL OR ALTER CASING [] MULTIPLE COMPL [] DOWNHOLE COMMINGLE []
SUBSEQUENT REPORT OF: REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] P AND A [] CASING/CEMENT JOB []
OTHER: [] OTHER: DHC - HOB - 0347 Blinebry, Tubb Drinkard [X]

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.

- 3/13-15/10 MIRU. POOH. NUBOP. TFF. POOH. Found fill and junk @ 6330'
3/16/10 Perf additional Blinebry 5796-5881' and Tubb 5890-6232'. Acidize w/ 2000 gal 15% HCl. 5.5 bpm @ 1700#.
3/17-19/10 Swab back fluids until clean. Cut paraffin
3/20/10 GIH w/ production equipment. Test well
3/28/10 Test: 15 oil, 9 water, 135 mcf

Well is now DHC - HOB - 0347: BLINEBRY OIL & GAS W/ TUBB OIL & GAS AND DRINKARD POOL.

Spud Date: [] Rig Release Date: []

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

SIGNATURE Carolyn Doran Haynes TITLE Engineer DATE 4/16/10

Type or print name Carolyn Doran Haynes E-mail address: cdoranhaynes@jhhc.org PHONE: 432-684-6631

APPROVED BY: [] TITLE PETROLEUM ENGINEER DATE APR 22 2010

Conditions of Approval (if any):

Amended to DHC - HOB - 0347A

RECEIVED

APR 21 2010

HOBBSOCD

LEE #2

AMMEDED FROM ANTICIPATED TO CURRENT PRODUCTION

**Unit Letter P – 660' FSL & 660' FEL
Sec 23, T22S, R37E, Lea County, NM
API # 30-025-22253**

1. Division Order that established pre-approved pools: Order No. R-11363
2. Pools to be commingled – Blinebry Oil & Gas (6660) and Tubb Oil & Gas (60240) and Drinkard Pool (19190).
3. Drinkard Pool Perfs – 6255-6886'
Tubb Oil & Gas Perfs – **5890' - 6232'**
Blinebry Oil & Gas Perfs – **5444 – 5881'**
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 (amended from anticipated production):**

Blinebry Oil & Gas	6 BOPD	54 MCFPD
Tubb Oil & Gas	6 BOPD	54 MCFPD
Drinkard Pool	3 BOPD	27 MCFPD
Total	15 BOPD	135 MCFPD

7. The proposed allocation to be as follows

	<u>Oil %</u>	<u>Gas%</u>
Blinebry Oil & Gas	40%	40%
Tubb Oil & Gas	40%	40%
Drinkard Pool	20%	20%
Total	100%	100%

If further tests show a significant change in percentages, it will be requested.