

Order Number

434

API Number

30-125-34120

Operator

John H. Hendrix Corp

County

Lea

Order Date

01-10-2011

Well Name

Elliott B

Number

3

Location

A  
UL

15  
Sec

22S  
T (+Dir)

37E  
R (+Dir)

Oil %

Gas %

Pool 1

10660

Blinebra Oil + Gas

40%

60%

Pool 2

60240

Tubb Oil + Gas

40%

20%

Pool 3

19190

Drinkard

20%

10%

Pool 4

62700

Wantz - Abo

0

10%

Comments:

Posted in RBOMS 01-11-2011 COA

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-34120  
DHE-ADB-0434

OPERATOR: John H. Hendrix Corp

PROPERTY NAME: Elliott B

WNULSTR: 3 - H - 15 - 225 - 37 E

SECTION I:	ALLOWABLE AMOUNT	
POOL NO. 1 <u>Blinebry Oil + Gas</u>	<u>107</u>	<u>4000</u> MCF
POOL NO. 2 <u>Tubb Oil + Gas</u>	<u>142</u>	<u>2000</u> MCF
POOL NO. 3 <u>Drinkard</u>	<u>142</u>	<u>6000</u> MCF
POOL NO. 4 <u>Wantz - Abo</u>	<u>187</u>	<u>6000</u> MCF
	<u>POOL TOTALS 578</u>	<u>18000</u>

SECTION II:	<u>Oil</u>	<u>Gas</u>
POOL NO. 1 <u>Blinebry Oil + Gas</u>	<u>40%</u>	
POOL NO. 2 <u>Tubb Oil + Gas</u>	<u>40%</u>	
POOL NO. 3 <u>Drinkard</u>	<u>20% x 578 = 115.60</u>	<u>&lt; 116 &gt;</u>
POOL NO. 4 <u>Wantz - Abo</u>	<u>0%</u>	

SECTION III:	<u>OIL</u>	<u>GAS</u>
<u>20% ÷ 142 = 710</u>		<u>&lt; 710 &gt;</u>

SECTION IV:		
<u>40% x 710 = 284</u>		<u>&lt; 284 &gt;</u>
<u>40% x 710 = 284</u>		<u>&lt; 284 &gt;</u>
<u>20% x 710 = 142</u>		<u>&lt; 142 &gt;</u>
<u>0</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 87411  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
June 19, 2008

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JAN 05 2011  
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OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-025-34120
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> <i>Federal</i>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Elliott B
8. Well Number 3
9. OGRID Number 012024
10. Pool name or Wildcat Blinebry, Tubb, Drinkard Wantz Abo
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3377' GL

**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 H : 1980 feet from the North line and 480 feet from the East line  
Section 15 Township 22S Range 37E NMPM Lea County

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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>	P AND A <input type="checkbox"/>
	CASING/CEMENT JOB <input type="checkbox"/>
OTHER: <input 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, TUBB OIL & GAS, DRINKARD POOL AND WANTZ ABO IN THE SUBJECT WELL. SEE SUPPORTING DATA ON ATTACHED SHEET.

Also see BLM Sundry Notice NOI to perforate Tubb zone and DHC w/existing Blinebry, Drinkard and Wantz Abo perms.

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 10/11/10

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

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JAN 10 2011  
Conditions of Approval (if any):

**ELLIOTT B #3**

**Unit Letter H – 1980’ FNL & 480’ FEL  
Sec 15, T22S, R37E, Lea County, NM  
API # 30-025-34120**

1. Division Order that established pre-approved pools: Order No. R-11363
2. Pools to be commingled – Blinebry Oil & Gas (6660), Tubb Oil & Gas (60240), Drinkard Pool (19190) and Wantz Abo (62700).
3. Blinebry Oil & Gas Perfs – 5426-5826’  
Tubb Oil & Gas Perfs – 5996-6140’  
Drinkard Pool Perfs – 6330-6538’  
Wantz Abo Perfs – 6654-7336’
4. All zones are intermediate crude and commingling will not reduce the value of the production.
5. Ownership between pools is identical.
6. Anticipated production:

Blinebry Oil & Gas	2 BOPD	120 MCFPD
Tubb Oil & Gas	2 BOPD	40 MCFPD
Drinkard Pool	1 BOPD	20 MCFPD
Wantz Abo	0 BOPD	20 MCFPD
Total	5 BOPD	200 MCFPD

7. The proposed allocation to be as follows

	<u>Oil %</u>	<u>Gas%</u>
Blinebry Oil & Gas	40%	60%
Tubb Oil & Gas	40%	20%
Drinkard Pool	20%	10%
Wantz Abo	0%	10%
Total	100%	100%

If post- workover tests show a significant change in percentages, it will be requested.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

IAN 05 2011  
HOBBSOCD

5. Lease Serial No.  
NMLC064427 ✓

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
John H. Hendrix Corporation

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

3b. Phone No. (include area code)  
432-684-6631

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
UL H, Sec 15, T22S, R37E (1980' FNL & 480' FEL) ✓

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No., Elliott B No. 3

9. API Well No.  
30-25-34120 **30-025-34120**

10. Field and Pool or Exploratory Area  
Blinebry Oil & Gas ✓

11. Country or Parish, State  
Lea County, NM ✓

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>DHC Blinebry, Tubb, Drinkard and Wantz Abo zones</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

MIRU. POOH. GIH and retrieve RBP @ 5870'. Set RBP @ 6250'.  
Perf Tubb zone @ 5996-6140' Acidize Blinebry and Tubb zones w/2500 gal 15% HCl.  
Swab back spent acid fluids. Swab test Blinebry/Tubb zones.  
GIH and retrieve RBPs @ 6250' and 6640'. TFF. CO to TD @ 7500'. (Existing Drinkard Perfs @ 6330-6538' and Existing Abo perfs @ 6654-7336')  
GIH w/ pkr and set @ 6250' and acidize Drinkard and Abo perfs w/ 2500 gal 15% HCl.  
Swab back spent acid fluids. Swab test Drinkard and Abo zones.  
POOH w/ pkr. GIH w/ tbg, pump and rods. Return to production.  
Test DHC well: Blinebry, Tubb, Drinkard, Abo.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

**SUBJECT TO LIKE  
APPROVAL BY STATE**

DHC-HOB-0434

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Carolyn Doran Haynes

Title Engineer

Signature *Carolyn Doran Haynes*

Date 10/11/2010

*KS* PETROLEUM ENGINEER  
JAN 10 2011

**THIS SPACE FOR FEDERAL OR STATE OFFICIAL APPROVAL**

Approved by *[Signature]*

Title \_\_\_\_\_ Date \_\_\_\_\_

Office **/s/ Dustin Winkler**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

**APPROVED**  
JAN 3 2011  
BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

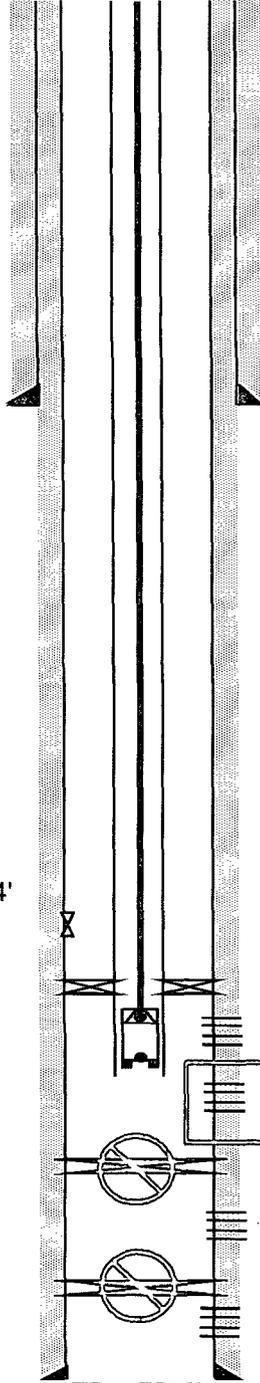
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any statement to any agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

# ELLIOTT B #3

1980' FNL & 480' FEL, Sec 15, T22S, R37E, Lea County, New Mexico

UL H

GL ELEV is 3377'



11" hole

API # 30-025-34120  
OGRID # 012024

8 5/8" 24# csg @ 1133' cmt w/600 sx circ

7 7/8" hole

**DHC Blinebry, Tubb, Drinkard, Abo zones**

DV tool @ 4484'

Csg leak Sqz @ 4882-4960' w/60 sx (2003)  
Csg leak Sqz @ 4882-4960' w/187 sx (2002)

Blinebry Perfs @ 5426-5826' (2003)

**Tubb Perfs @ 5996-6140'**

**RBP @ 5870' (2003) REMOVE**

Drinkard Perfs @ 6330-6538' (1998)

**RBP @ 6640' (1998) REMOVE**

Abo Perfs @ 6654-7336' (1998)

TD = 7500'

5 1/2" 15.5# csg @ 7494' w/1588 sx circ

Drawn	BY
Proposed	JHHC

**John H. Hendrix Corporation**  
110 North Marienfeld Suite 400  
Midland, TX 79702

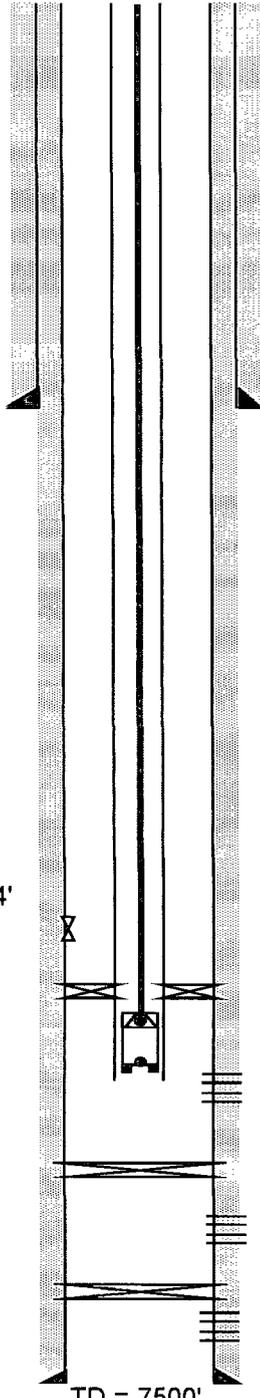
**Elliott B #3**  
1980' FNL & 480' FEL  
SEC 15, T22S, R37E  
Lea County New Mexico.

# ELLIOTT B #3

**1980' FNL & 480' FEL, Sec 15, T22S, R37E, Lea County, New Mexico**

UL H

GL ELEV is 3377'



11" hole

API # 30-025-34120  
OGRID # 012024

8 5/8" 24# csg @ 1133' cmt w/600 sx circ

7 7/8" hole

Csg leak Sqz @ 4882-4960' w/60 sx (2003)  
Csg leak Sqz @ 4882-4960' w/187 sx (2002)

DV tool @ 4484'

TAC @ 5310'

Blinebry Perfs @ 5426-5826' (2003)

RBP @ 5870' (2003)

Drinkard Perfs @ 6330-6538' (1998)

RBP @ 6640' (1998)

Abo Perfs @ 6654-7336' (1998)

5 1/2" 15.5# csg @ 7494' w/1588 sx circ

TD = 7500'

Drawn	BY
Current	JHHC

**John H. Hendrix Corporation**  
110 North Marienfeld Suite 400  
Midland, TX 79702

**Elliott B #3**  
1980' FNL & 480' FEL  
SEC 15, T22S, R37E  
Lea County New Mexico

John H. Hendrix Corporation  
NMLC-064427: Elliot B #3  
API: 30-025-34120  
Lea County, New Mexico

RE: Down-hole Commingle – Conditions of Approval

There is to be no surface disturbance beyond the originally approved pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.

3000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

Submit subsequent report and completion report with well test once work is completed.

DHW 010311

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
**District II**  
1301 W. Grand Avenue, Artesia, NM 88210  
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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

**RECEIVED**  
JAN 05 2011  
**HOBBSOCD**

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-34120		<sup>2</sup> Pool Code 6660		<sup>3</sup> Pool Name Blinebry Oil & Gas	
<sup>4</sup> Property Code 032107		<sup>5</sup> Property Name Elliott B			<sup>6</sup> Well Number 3
<sup>7</sup> OGRID No. 012024		<sup>8</sup> Operator Name John H. Hendrix Corporation			<sup>9</sup> Elevation 3377' GL

<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
H	15	22S	37E		1980	North	480	East	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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <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>  Signature Date 10/11/10 Carolyn Doran Haynes Printed Name

District I  
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1220 South St. Francis  
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Revised October 12, 2005  
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 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-34120		<sup>2</sup> Pool Code 60240		<sup>3</sup> Pool Name Tubb Oil & Gas	
<sup>4</sup> Property Code 032107		<sup>5</sup> Property Name Elliott B			<sup>6</sup> Well Number 3
<sup>7</sup> OGRID No. 012024		<sup>8</sup> Operator Name John H. Hendrix Corporation			<sup>9</sup> Elevation 3377' GL

<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
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<sup>11</sup> Bottom Hole Location If Different From Surface

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	<sup>18</sup> 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> 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  
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State of New Mexico  
 Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
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**RECEIVED**  
 JAN 05 2011  
**HOBBSD**

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 Revised October 12, 2005  
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 AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-34120		<sup>2</sup> Pool Code 19190		<sup>3</sup> Pool Name Drinkard Pool	
<sup>4</sup> Property Code 032107		<sup>5</sup> Property Name Elliott B			<sup>6</sup> Well Number 3
<sup>7</sup> OGRID No. 012024		<sup>8</sup> Operator Name John H. Hendrix Corporation			<sup>9</sup> Elevation 3377' GL

**<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
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**<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
<sup>12</sup> Dedicated Acres 40		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

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<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <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>  Signature Date 10/11/10 Carolyn Doran Haynes Printed Name
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

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AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-34120		<sup>2</sup> Pool Code 62700		<sup>3</sup> Pool Name Wantz Abo	
<sup>4</sup> Property Code 032107		<sup>5</sup> Property Name Elliott B			<sup>6</sup> Well Number 3
<sup>7</sup> OGRID No. 012024		<sup>8</sup> Operator Name John H. Hendrix Corporation			<sup>9</sup> Elevation 3377' GL

<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
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<sup>11</sup> Bottom Hole Location If Different From Surface

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	<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b></p> <p><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><i>Carolyn Doran Haynes</i> 10/11/10        Signature Date</p> <p>Carolyn Doran Haynes        Printed Name</p>
	<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b></p> <p><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</p> <p>_____        Signature and Seal of Professional Surveyor:</p> <p>_____        Certificate Number</p>

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State of New Mexico  
Energy Minerals and Natural Resources  
Department  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144 CLEZ  
July 21, 2008

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

**Closed-Loop System Permit or Closure Plan Application**

*(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

Type of action:  Permit  Closure

**Instructions:** Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1. Operator: John H. Hendrix Corporation OGRID #: 012024  
Address: P. O. Box 3040, Midland, TX 79702-3040  
Facility or well name: Elliott B #3  
API Number: 30-025-34120 OCD Permit Number: P1-02264  
U/L or Qtr/Qtr H Section 15 Township T22S Range R37E County: Lea  
Center of Proposed Design: Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD:  1927  1983  
Surface Owner:  Federal  State  Private  Tribal Trust or Indian Allotment

2.  **Closed-loop System:** Subsection H of 19.15.17.11 NMAC  
Operation:  Drilling a new well  Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)  P&A  
 Above Ground Steel Tanks or  Haul-off Bins OR VACUUM TRUCK

3. **Signs:** Subsection C of 19.15.17.11 NMAC  
 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers  
 Signed in compliance with 19.15.3.103 NMAC

4. **Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC  
**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  
 Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC  
 Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC  
 Previously Approved Design (attach copy of design) API Number: \_\_\_\_\_  
 Previously Approved Operating and Maintenance Plan API Number: \_\_\_\_\_

5. **Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)  
**Instructions:** Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.  
Disposal Facility Name: Sundance Services Disposal Facility Permit Number: NM-01-0003  
Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_  
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?  
 Yes (If yes, please provide the information below)  No  
**Required for impacted areas which will not be used for future service and operations:**  
 Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC  
 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC  
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6. **Operator Application Certification:**  
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.  
Name (Print): Carolyn Doran Haynes Title: Engineer  
Signature: Carolyn Doran Haynes Date: 10/11/10  
e-mail address: cdoranhaynes@jhhc.org Telephone: 432-684-6631

7. **OCD Approval:**  Permit Application (including closure plan)  Closure Plan (only)

OCD Representative Signature: \_\_\_\_\_ Approval Date: 01/02/11

Title: PETROLEUM ENGINEER OCD Permit Number: PC-02724

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

*Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.*

Closure Completion Date: \_\_\_\_\_

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

*Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.*

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

Yes (If yes, please demonstrate compliance to the items below)  No

*Required for impacted areas which will not be used for future service and operations:*

Site Reclamation (Photo Documentation)

Soil Backfilling and Cover Installation

Re-vegetation Application Rates and Seeding Technique

10.

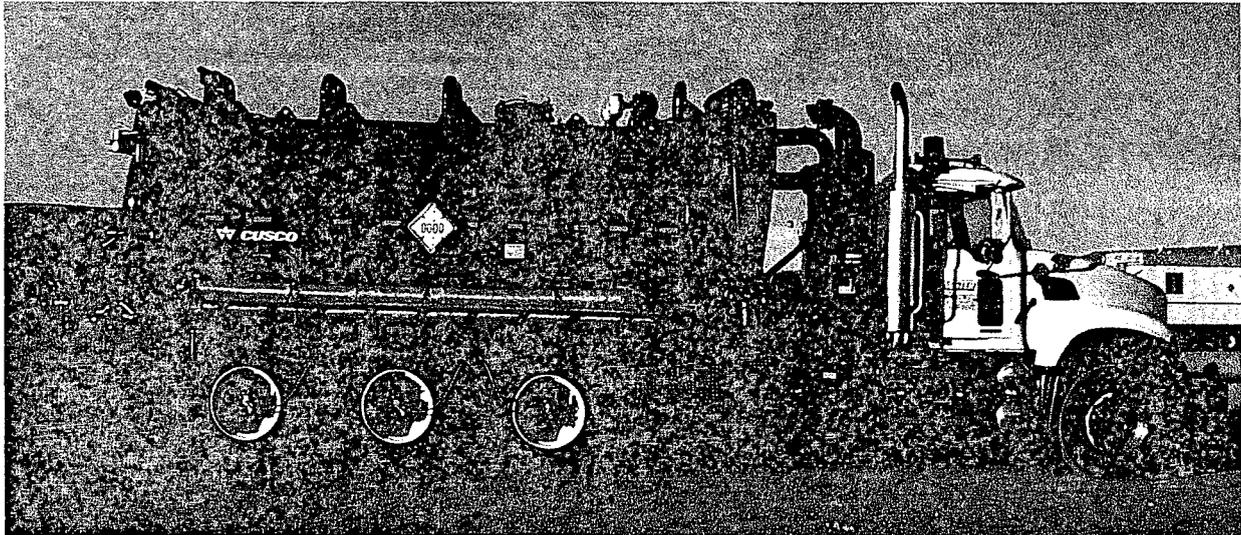
**Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_



1. The above is a picture of the type of vacuum truck to be used during workover operations instead of a steel tank.
2. A steel flow line will be laid from the wellhead to the steel tank (or vacuum truck).
3. Fluids from the wellbore will be circulated from the wellbore to the steel tank (or vacuum truck) to spot acid.
4. Flow of water, oil or gas by natural flow, swabbing, etc. will be directly to the steel tank (or vacuum truck) for testing purposes.
5. If a reportable spill should occur, it will be reported to the NMOCD and the land owner and remediated as to NMOCD guidelines.
6. Water, spent acid water, and produced water will be hauled by vacuum truck to Sundance Services (Permit No. NM -01-0003) for disposal. No solids are anticipated.
7. Any oil from the steel tank (or vacuum truck) will be skimmed off and transferred to the tank battery by the vacuum truck.