

JOHN H. HENDRIX CORPORATION



OIL CONSERVATION DIVISION
NEW MEXICO

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(915) 684-6631

223 WEST WALL, SUITE 525
MIDLAND, TEXAS 79701

June 5, 1991

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

RE: Request to Amend
Surface Commingle PC-314
Elmer C. Hill Lease
Unit P - Section 26,
T21S - R37E, Lea County,
New Mexico

Gentlemen:

John H. Hendrix Corporation is the operator of the Elmer C. Hill Lease located in the SE/4 SE/4 of Section 26, T21S - R37E, Lea County, New Mexico. This lease was purchased and operations taken over by John H. Hendrix Corporation on March 1, 1990. At that time production was surface commingled in the Blinebry and Wantz Abo Zones.

The purpose of this letter is to add Drinkard Oil and Gas to this surface commingling. It is requested that we be permitted to surface commingle the oil and gas from the Blinebry and Drinkard Pools and allocate between the pools on the basis of quarterly well tests. The Wantz Abo is temporarily abandoned as a result of recompleting the No. 2 in the Drinkard. The combined oil and gas rates of both pools are less than top allowable for either of the pools.

The actual commercial value of the commingled production will not be less than the sum of the values of the production sold separately. Working interest and royalty interest are

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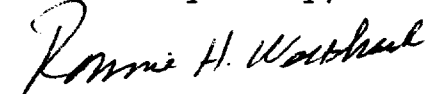
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the same in each pool. In support of this proposal, we are attaching the following:

1. Table I showing the producing rates, gravity and classification of oil.
2. A plat of the proposed facilities to commingle the two pools.
3. A lease plat showing the location of the lease and two wells.

Your favorable consideration of this proposal will be appreciated. If you have any questions, please call me at (915) 684-6631.

Yours very truly,



Ronnie H. Westbrook
Vice-President

RHW/ah

Attachments

ELMER C. HILL LEASE

TABLE I

Drinkard

Pipeline Classification: Intermediate

Gravity: 38.8

Production: 8 BOPD + 119 MCFPD

Blinebry

Pipeline Classification: Intermediate

Gravity: 37.1

Production: 6 BOPD + 89 MCFPD

Commingled Production

Pipeline Classification: Intermediate

Gravity: 38.0

Production: 14 BOPD + 208 MCFPD

ELMER C. HILL LEASE

PROPOSED FACILITY

