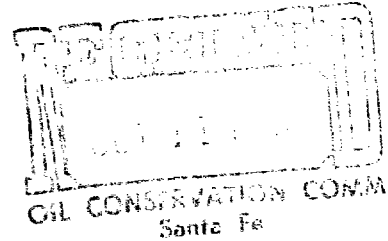




OFFICE PHONE 684-6631
RESIDENCE PHONE 684-6818

JOHN H. HENDRIX
OIL PRODUCERS
403 WALL TOWERS WEST
MIDLAND, TEXAS 79701

October 9, 1973



CERTIFIED MAIL NO. 546571
RETURN RECEIPT REQUESTED

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Ref: Request of Administrative Approval
for Exception of Rule 303(A) to
Permit Commingling in Common
Facilities Cossatot "H" Lease
Section 13, T-22-S, R-37-E
Lea County, New Mexico

Gentlemen:

Please accept this Application for Administrative Approval for exception to Rule 303(A) to permit commingling in a common storage facility of production on my Cossatot "H" Lease. No. 1 is a dual completion in the Wantz Granite Wash Pool and in the Drinkard Pool. Applications for approval of the dual completion has been approved by your office. Application for dual completion of the No. 2 well will be submitted in the near future.

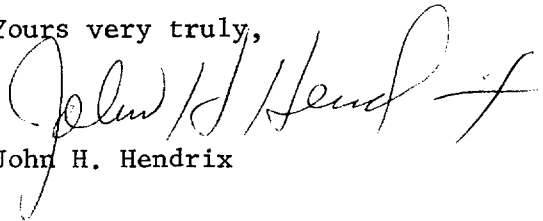
The following is submitted in support of this application.

1. Schematic diagram of the proposed installation;
2. A plat showing the location of lease and wells;
3. Production from the Wantz Granite Wash from Well No. 1 and Well No. 2 will not exceed 90 BOPD. Gravity is 40⁰ API, having a value of \$5.31 per barrel;
4. Production from the two Drinkard wells will not exceed 65 BOPD. Gravity is 40⁰ API, having a value of \$5.31 per barrel;
5. Anticipated gravity of the commingled production is 40⁰ API, having a value of \$5.31 per barrel;
6. Working interest and royalty interest are identical for each well and each zone;
7. This is a fee lease involving no state or federal lands;

8. Liquid hydrocarbon production from each common source of supply is to be accurately measured or determined prior to commingling in accordance with the applicable provisions of the Commission's "Manual for the Installation and Operation of Commingling Facilities". The Applicant states specifically that the actual commercial value of such commingled production will not be less than the sum of the values of the production from each common source of supply.

Your early consideration of this application will be appreciated.

Yours very truly,

A handwritten signature in cursive script, appearing to read "John H. Hendrix", written in dark ink.

John H. Hendrix

MDJ:mc

Attachments

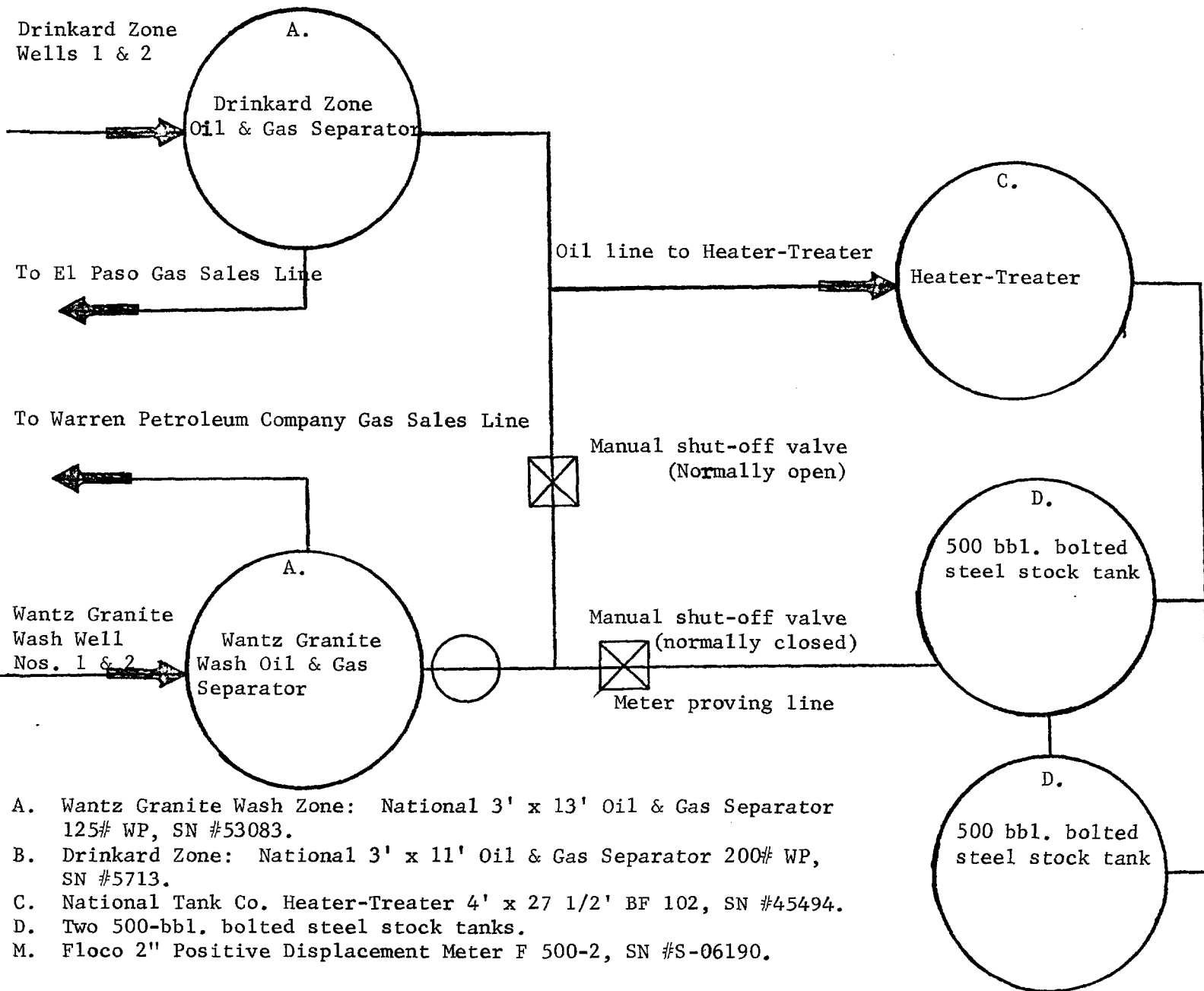


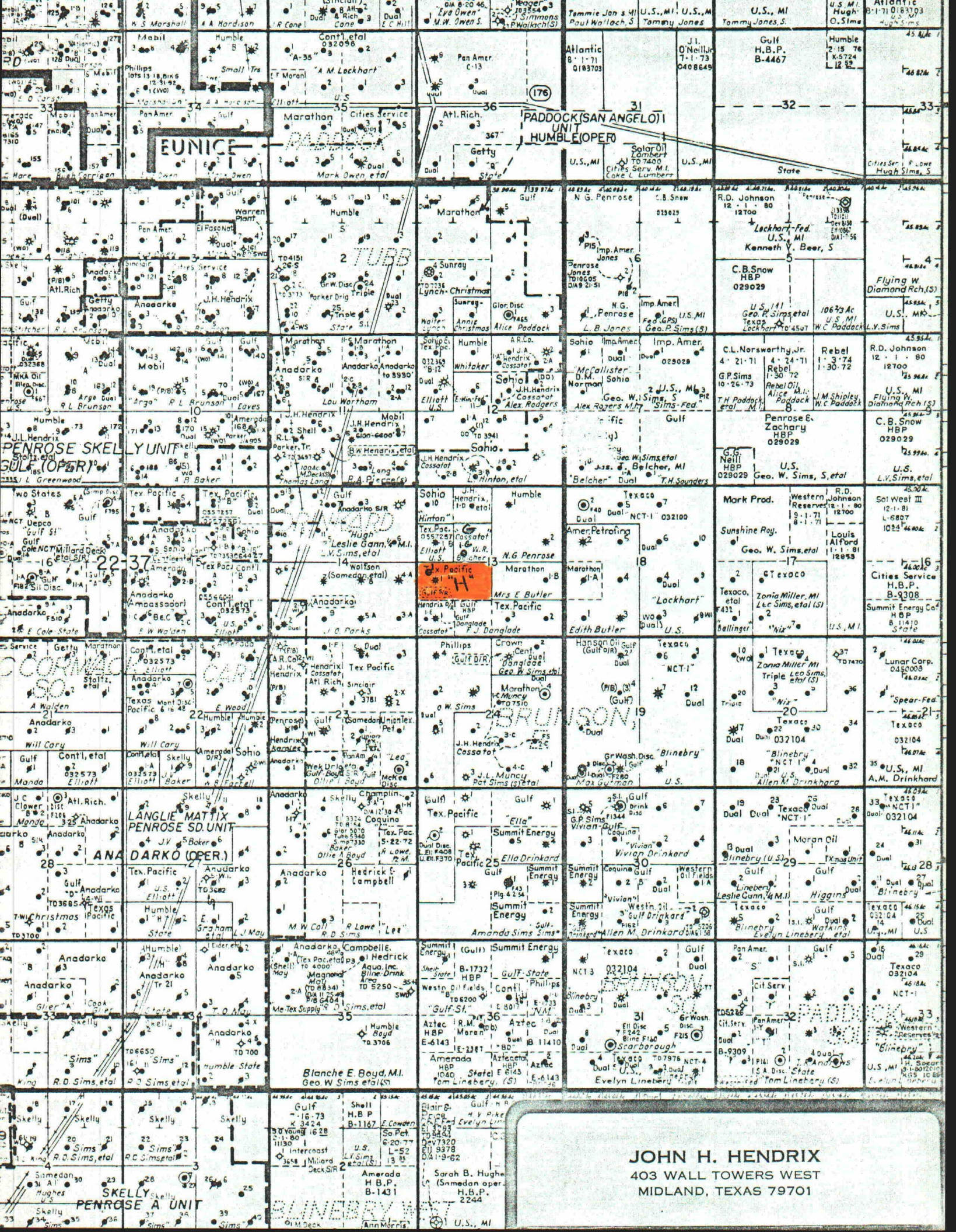
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Schematic Diagram of Commingled Installation
(Subtraction Method)

Cossatot "H" Lease





JOHN H. HENDRIX
403 WALL TOWERS WEST
MIDLAND, TEXAS 79701