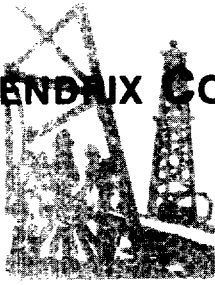


OIL CONSERVATION DIVISION
RECEIVED

JOHN H. HENDRIX CORPORATION



'92 MAY 11 AM 9 24

(915) 684-6631
223 WEST WALL, SUITE 525
MIDLAND, TEXAS 79701

May 6, 1992

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

RE: Request to Amend Surface
Commingled PC-481
Walter Lynch Lease
Units K, L, & M Sec. 1,
T22S - R37E, Lea County,
New Mexico

Gentlemen:

John H. Hendrix Corporation is the operator of the Walter Lynch Lease located in the N/2 SW/4 and SW/4 SW/4 of Section 1, T22S - R37E, Lea County, New Mexico. This lease was purchased from Oryx and operations taken over by John H. Hendrix Corporation on September 1, 1991. At that time production was surface commingled in the Brunson Drinkard Abo, S., Paddock, and Wantz Granite Wash Pools.

The purpose of this letter is to add Blinebry Oil and Gas to this surface commingling. It is requested that we be permitted to surface commingle the oil and gas from the Blinebry Pool with the already commingled Brunson Drinkard Abo, S., Paddock, and Wantz Granite Wash Pools and allocate between the pools on the basis of quarterly well tests. The combined oil rates of all pools are less than top allowable for any 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 the same in each pool. In support of this proposal, we are attaching the following:

N.M.O.C.D.

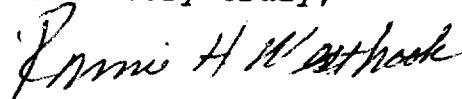
-2-

May 6, 1992

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

cc: Hobbs Office

WALTER LYNCH LEASE

TABLE I

Brunson Drinkard Abo, S., Paddock, Wantz Granite
Wash - Commingled Production

Pipeline Classification: Intermediate

Gravity: 38.0

Production: 44 BOPD + 277 MCFGPD

Blinebry

Pipeline Classification: Intermediate

Gravity: 38.8

Production: 34 BOPD + 110 MCFGPD

Commingled Production

Pipeline Classification: Intermediate

Gravity: 38.3

Production: 78 BOPD + 387 MCFGPD

TABLE 2

WALTER LYNCH LEASE

PROPOSED FACILITY

