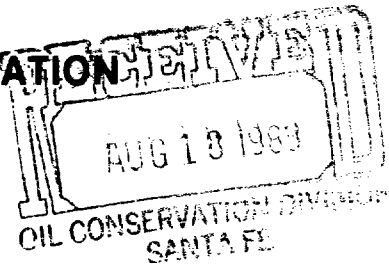


JOHN H. HENDRIX CORPORATION



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

August 16, 1988

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. David R. Catanach

RE: Request to Surface Commingle Oil
(Wantz Abo) and (Drinkard) Pools
Parks "A" Lease (Wantz Abo)
SE/4 & E/2 SW/4 Section 14,
T-22-S R-37-E and
Parks "A" Lease (Drinkard)
SE/4 Section 14, T-22-S R-37-E,
Lea County, New Mexico

Gentlemen:

John H. Hendrix Corporation is the operator of the Parks "A" Lease. Well No. 3 (Wantz Abo - Drinkard DHC) Unit P and Well No. 10 (Wantz Abo) Unit K produce into one battery. Well No. 4 (Tubb-Drinkard DHC) produces oil into a separate battery. All oil from the No. 4 well is allocated to the Drinkard. The Tubb Zone produces no oil.

Until the Parks No. 4 was downhole commingled this lease had produced very little Drinkard Oil, with no Drinkard sales for several years. Currently the Drinkard is producing 5 BOPD and 3 BWPD. Since it is not run thru a heater-treater, it is necessary to bleed off water and treat the oil by truck.

It is requested that we be permitted to surface commingle the oil from the Wantz Abo and Drinkard Pools on the Parks "A" Lease and allocate between the pools on the basis of quarterly well tests. The actual commercial value of the commingled production will not be less than the sum of the values of the production sold separately. In support of this proposal, we are attaching the following:

N.M.O.C.D.

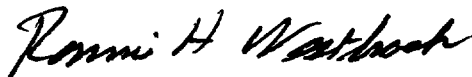
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1. Table I showing the producing rates, gravity and classification of oil.
2. A plot of the proposed facilities to commingle the Drinkard and Wantz Abo Pools.
3. A lease plat showing the location of the Drinkard well and a lease plat showing the Wantz Abo wells.

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

Yours very truly,



Ronnie H. Westbrook
Vice-President

RHW/ah

Attachments

TABLE I

Drinkard	-	Pipeline Classification: Sweet
		Production: 5 BOPD + 5 BWPB
		Gravity: 38.2 deqs. API
Wantz Abo	-	Pipeline Classification: Sweet
		Production: 18 BOPD + 3 BWPB
		Gravity: 38.8 deqs. API
Commingled Production	-	Pipeline Classification: Sweet
		Gravity of Commingled Production: 38.6 deqs. API
		Production Facilities

PARKS "A" LEASE
PROPOSED FACILITIES

