

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS RECEIVED

JAN 18 2011

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.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 ☐ Other2. 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. 39. API Well No.
30-025-3412010. Field and Pool or Exploratory Area
Blinebry Oil & Gas11. 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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other DHC Blinebry,
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Tubb, Drinkard and
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Wantz Abo zones

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 recompleate 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 recompleation 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.)

This is a request to Down-Hole-Comingle (DHC) the following pools in the subject well: Blinebry Oil & Gas (6660), Tubb Oil & Gas (60240), Drinkard Pool (19190) and the Wantz Abo (62700). This DHC has been approved by the NMOC with DHC - HOB - 420 on October 25, 2010. The supporting data sheet is attached to this Sundry Notice of Intent. The procedure below will be used to perform this action upon approval of the DHC.

Form 3160-5 Subsequent Report and Form 3160-4 Well Recompletion Report will be filed after approved work is completed.

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.

**SUBJECT TO LIKE
APPROVAL BY STATE****SEE ATTACHED FOR
CONDITIONS OF APPROVAL****DHC-HOB-D420**

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

Carolyn Doran Haynes

Title Engineer

Signature

Date 11/12/2010

JAN 19 2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

APPROVED

JAN 10 2011

Date

/s/ Dustin Winkler

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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

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.

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.

Approval is good for 90 days.

DHW 011011