

HENRY
PETROLEUM LP

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
Attn: William Jones

2004 JUN 14 PM 1 17

June 10, 2004

Amendment Surface Commingling
Order PLC-240
State Y Lease
Lea County

Dear William:

Enclosed is the information needed to amend the referenced Commingling Order. The following is attached:

1. Form C-107-B
2. List of revenue interest owners
3. Copy letter sent to revenue interest owner
4. Map depicting wells.
5. Spreadsheet with Lease Names, Lease and Well Numbers and API numbers, spacing unit, estimated production for Montoya and stating all fluids commingled.
6. Latest copy of C-104's for each well
7. Letter verifying wells within each lease having identical working mineral and royalty owners. (Letter in original package still applies)
8. Schematic identifying individual oil and gas meter. (This has not changed)

Should you require any additional information, please contact me by phone at (432) 694-3000 or email - shirley@henrypetroleum.com.

Sincerely,

Shirley Houchins
Shirley Houchins
Regulatory Specialist

Enclosures

Cc: Hobbs -NMOCD

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: HENRY PETROLEUM LP

OPERATOR ADDRESS: 3525 ANDREWS HWY, SUITE 200, MIDLAND, TX 79703-5000

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingling)

LEASE TYPE: ☒ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. **PLC-240**

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
LANG. MAT. ; 7 RIVRS-Q- GB 37240	34	DEEMED 40° API		NO CHANGE IN	
JUSTIS FUSSELMAN 34770	38	BY PURCHASER		VALUE DUE TO	
JUSTIS Montoya 35150	38			GRAVITY AS PER	
				PURCHASER	

(2) Are any wells producing at top allowances? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

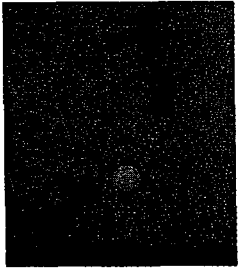
SIGNATURE: Shirley Houchins TITLE: Regulatory Specialist DATE: June 10, 2004

TYPE OR PRINT NAME Shirley Houchins TELEPHONE NO.: (432) 694-3000

E-MAIL ADDRESS: shirley@henrypetroleum.com

Name	Address	City,State,Zip
State "Y"		
Henry Petroleum LP	3525 Andrews Highway, Suite 200	Midland, Texas 79703
Commissioner of Public Lands State of New Mexico	P O Box 1148	Santa Fe, NM 87504-1148

June 10, 2004



HENRY
PETROLEUM LP

Commissioner of Public Lands
State of New Mexico
P O Box 1148
Santa Fe, New Mexico 87504-1148

Amendment:
Surface Commingle Permit
State "Y" Lease

Dear Commissioner:

Royalty interest owners are being notified of an amendment to the State "Y" Lease Surface Commingling Order PLC-240. One South Justis well will be re-completed in the Montoya zone and one in the Fusselman zone and after the wells are to be re-completed they will be renamed as State "Y" wells. All fluids will be allocated by well tests.

If you have further questions contact me at (432) 694-3000.

Sincerely,

Henry Petroleum LP

Shirley Houchins

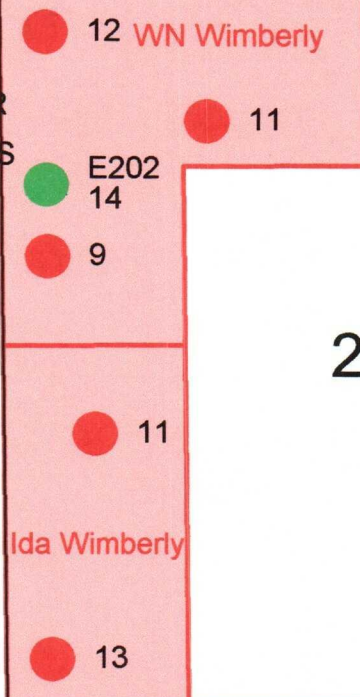
Shirley Houchins
Regulatory Specialist

SYMBOL HIGHLIGHT

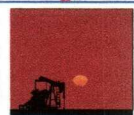
- NON-UNIT WELLS
- FUSSELMAN WORKOVER
- GRAYBURG WORKOVERS
- MONTOYA WORKOVERS

23

24



Commingled Battery



HENRY PETROLEUM LP

HENRY PETROLEUM LP

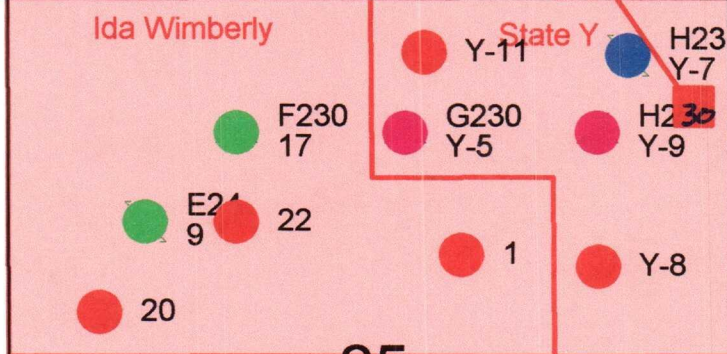
Battery Commingle Plat

POSTED WELL DATA

Well Number
WELL - WELL_#_PROPOSED(DTG)

- SYMBOL HIGHLIGHT
- NON-UNIT WELLS
 - FUSSELMAN WORKOVER
 - GRAYBURG WORKOVERS
 - MONTOYA WORKOVERS

- WELL SYMBOLS
- Gas Well
 - Plugged and Abandoned
 - Shut In Oil Well
 - Shut in WIW
 - Act WIW



25

STATE "Y" COMMINGLE PERMIT PLC-240										
State or Federal Lease #	Lease	Well	Api #	Lease Name Change	Pool Name & Code	Standard/Non-Standard Location	Estimated Date of WO	Interest Owner	Oil/GasWtr Commingled	Spacing Unit
B-11478	State Y	8	30-025-11776		7 Rivers - Q - GB 37240			Henry Pet 100%	Yes	40 Acres
B-11478	State Y	11	30-025-32934		7 Rivers - Q - GB 37240			Henry Pet 100%	Yes	40 Acres
	South Justis Ut.	F-230	30-025-20014	Ida Wimberly #17	GB - 37240	Std	*Mid Jan	Henry Pet 100%	Yes	40 Acres
	South Justis Ut.	E-24	30-025-11763	Ida Wimberly #9	GB - 37240	Std	*Mid Feb	Henry Pet 100%	Yes	40 Acres
	South Justis Ut.	E-202	30-025-31759	W N Wimberly #14	GB - 37240	Std	*Mid March	Henry Pet 100%	Yes	40 Acres
	South Justis Ut.	G-230	30-025-11773	State "Y" #5	Fuss	Std	*Mid April	Henry Pet 100%	Yes	40 Acres
	South Justis Ut.	H-230	30-025-11777	State "Y" #9	Fusselman-34770	Std	Mid July	Henry Pet 100%	Yes	40 Acres
	South Justis Ut.	H-23	30-025-11775	State "Y" #7	Montoya-35150	Std	June End	Henry Pet 100%	Yes	40 Acres
	Wells in red are to be included on the amended permit									
				* These wells could be completed earlier.						
	Estimated Production for Montoya: 9 BOPD, 36 MCFPD & 30 BWPD									
	Estimated Production for Fusselman 10 BOPD, 17 MCFPD & 10 BWPD									

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Grande Bldg., Aztec, NM 87400
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-10
Revised February 10, 199
Instructions on bac
Submit to Appropriate District Office
5 Copie

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address ARCO Permian P.O. Box 1710 Hobbs, New Mexico 88240		² OGRID Number 000990
⁴ API Number 30-025-11775		⁵ Pool Name JUSTIS BLINEBRY TUBB DRINKARD
⁷ Property Code 001496		⁸ Property Name SOUTH JUSTIS UNIT "H"
⁶ Pool Code 34220		⁹ Well Number 23

II. Surface Location

UT or lot no. A	Section 25	Township 25S	Range 37E	Lot. Idn	Feet from the 430	North/South Line N	Feet from the 760	East/West line E	County LEA
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Bottom Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
¹² Lee Code S	¹³ Producing Method Code P	¹⁴ Gas Connection Date 12/07/94	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
022628	TEXAS NEW MEXICO PIPELINE P.O. BOX 2528 HOBBS, NM 88240	2811312	O	F-25-25S-37E D-24-25S-37E
020809	SID RICHARDSON CARBON & GAS P.O. BOX 1226 JAL, NM 88252	2811376	G	F-25-25S-37E D-24-25S-37E
022345	TEXACO EXP & PROD P.O. BOX 3000 TULSA, OK 74102	2811334	G	F-25-25S-37E D-24-25S-37E

IV. Produced Water

²³ POD 0476750	²⁴ POD ULSTR Location and Description
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V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PSTD	²⁹ Perforations
³⁰ Hole Size	³¹ Casing & Tubing Size	³² Depth Set	³³ Sacks Cement	

VI. Well Test Data

³⁴ Date New Oil	³⁵ Gas Delivery Date	³⁶ Test Date	³⁷ Test Length	³⁸ Tbg. Pressure	³⁹ Csg. Pressure
⁴⁰ Choke Size	⁴¹ Oil	⁴² Water	⁴³ Gas	⁴⁴ AOF	⁴⁵ Test Method

⁴⁶ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Kellie D. Murrish*

Printed name:
KELLIE D. MURRISH

Title:
ADMINISTRATIVE ASSISTANT

Date: 01/23/95

Phone: 391-1649

OIL CONSERVATION DIVISION

Approved by:

Signature: *Paul Kuntz*
Title: Geologist

Approval Date: JAN 24 1995

H-43
CP-HOBBS
CP-MIDLAND
COGBURN

⁴⁷ If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature

Printed Name

Title

Date

District I
PO Box 1908, Hobbs, NM 88241-1908
District II
PO Drawer DD, Artesia, NM 88211-4719
District III
1000 Rio Grande Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator name and Address ARCO Permian A Unit of Atlantic Richfield Co. P.O. Box 1710 Hobbs, NM 88240		OGRID Number 000990
API Number 30-025-11777	Pool Name Justis Blinbry Tubb Drinkard	Pool Code 34220
Property Code 001503/496	Property Name South Justis Unit <i>TX H</i>	Well Number 230

II. Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
A	25	25S	37E		990	N	990	E	Lea

Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
S									
Lee Code	Producing Method Code <i>Inject</i>	Gas Connection Date	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

III. Oil and Gas Transporters

Transporter OGRID	Transporter Name and Address	POD	OGV	POD ULSTR Location and Description
022628	Texas New Mexico Pipeline P.O. Box 2528 Hobbs, NM 88240	2811312	0	A-25-25S-37E
020809	Sid Richardson Carbon P.O. Box 1226 Jal, NM 88252	2811309	G	"
022345	Texaco Exp & Prod P.O. Box 3000 Tulsa, OK 74102	2811310	G	"

IV. Produced Water

POD	POD ULSTR Location and Description
476750	

V. Well Completion Data

Spud Date	Ready Date	TD	FBTD	Perforations
Hole Size	Casing & Tubing Size	Depth Set	Sacks Cement	
				N - 43
				CF - HOBBS
				CF - MIDLAND
				COGBURN

VI. Well Test Data

Date New Oil	Gas Delivery Date	Test Date	Test Length	Tbg. Pressure	Csg. Pressure
Choke Size	Oil	Water	Gas	AOF	Test Method

"I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Kellie D. Murrish*
Printed name: Kellie D. Murrish

Title: Records Processing Clerk II

Date: 6-1-94

Phone: (505) 391-1649

OIL CONSERVATION DIVISION

Approved by: ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

Title:

Approval Date: JUL 08 1994

"If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature

Printed Name

Title

Date

January 20, 2004



HENRY
PETROLEUM LP

Mr. William V. Jones
New Mexico Oil Conservation Division
1220 S. St. Francis
Santa Fe, New Mexico 87505

Re: Surface Commingle Permit
Lea County, New Mexico

Dear Mr. Jones:

Reference is made to Henry Petroleum LP's application for a surface commingle permit authorizing the commingling of production from the State "Y", the W.N. Wimberly and the Ida Wimberly properties at the State "Y" battery site. It is requested that the permit cover production from both currently producing wells and from wells which are later re-completed into zones with common ownership within said properties.


By e-mail message to Ms. Shirley Houchins of this office dated January 12, 2004, you requested a letter verifying that all wells within each of the properties have identical working, mineral and royalty ownership. Please be advised of the following ownership;

1. State "Y": N/2 NE/4 and SE/4 NE/4 Section 25-25S-37E. The two currently producing wells on the property; the #8 and the #11, have identical mineral, working and royalty ownership,
2. W.N. Wimberly: E/2 NW/4 and NW/4 NE/4 Section 23 and N/2 NW/4 and SW/4 NW/4 Section 24-25S-37E. The three currently producing wells on the property; the #9, the #11 and the #12, have identical mineral, working and royalty ownership,
3. Ida Wimberly: W/2 SW/4 Section 24, NW/4 and SW/4 NE/4 Section 25 and NE/4 NE/4 Section 26-25S-37E. The four currently producing wells on the property; the #11, the #13 and the #20 (which produce from one reservoir) and the #22 (which produces from a separate reservoir), have identical mineral, working, and royalty ownership.

Production from each of the properties (State "Y", W.N. Wimberly and Ida Wimberly) will be separately transported to the State "Y" battery location. Prior to being commingled for sales, the production from each property will be processed through individual separators and continuously metered to assure proper payment to the working, royalty and overriding royalty interest owners in each property.

Should you need anything further please contact the undersigned.

Sincerely,


HENRY PETROLEUM LP
Greg Dove
Senior Landman

