

Order Number

472

API Number

30-025-24657

Operator

John H. Hendrix Corporation

County

Lea

Order Date

7-21-11

Well Name

Elliott B-17

Number

4

Location

G

UL

17

Sec

22S

T (+Dir)

37E

R (+Dir)

Oil %

40%

Gas %

40%

Pool 1

6660

Blinebry Oil + Gas

Pool 2

60240

Tubb Oil + Gas

40%

40%

Pool 3

19190

Drinkard

20%

20%

Pool 4

Comments:

Posted in RBDMS COH 7-21-2011

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-24657
DHC-HOB-472

OPERATOR: John H. Hendrix Corp

PROPERTY NAME: Elliott B-17

WNULSTR: 4- G-17-225-37E

| SECTION I: | ALLOWABLE AMOUNT |
|------------------------------------|---------------------------|
| POOL NO. 1 <u>Blinebry O + G</u> | <u>107</u> <u>428</u> MCF |
| POOL NO. 2 <u>Tubb Oil + G</u> | <u>142</u> <u>284</u> MCF |
| POOL NO. 3 <u>Drinkard</u> | <u>142</u> <u>852</u> MCF |
| POOL NO. 4 _____ | _____ MCF |
| POOL TOTALS <u>391</u> <u>1564</u> | |

| SECTION II: | <u>Oil</u> | <u>Gas</u> |
|--------------------------------------|-------------------------|------------|
| POOL NO. 1 <u>Blinebry Oil + Gas</u> | <u>40%</u> | <u>40%</u> |
| POOL NO. 2 <u>Tubb Oil + Gas</u> | <u>40%</u> | <u>40%</u> |
| POOL NO. 3 <u>Drinkard</u> | <u>20% x 391 = 78.2</u> | <u>20%</u> |
| POOL NO. 4 _____ | <u>< 78 ></u> | |

| <u>OIL</u> | <u>GAS</u> |
|--|------------|
| SECTION III: <u>20% x 142 = 710</u> | _____ |

| | |
|------------------------|----------------------|
| SECTION IV: | |
| <u>40% x 710 = 284</u> | <u>< 284 ></u> |
| <u>40% x 710 = 284</u> | <u>< 284 ></u> |
| <u>20% x 710 = 142</u> | <u>< 142 ></u> |

Office

Energy, Minerals and Natural Resources

June 19, 2008

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87400

District IV

1220 S. St. Francis Dr., Santa Fe, NM

87505

HOBBBS OGD

JUL 13 2011

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-24657

5. Indicate Type of Lease

STATE ☐ FEE ☐ Federal ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Elliott B-17

8. Well Number 4

9. OGRID Number 012024

10. Pool name or Wildcat
Blinebry, Tubb, Drinkard

SUNDRY NOTICES AND REPORTS ON WELLS :

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

John H. Hendrix Corporation

3. Address of Operator

P. O. Box 3040, Midland, TX 79702-3040

4. Well Location

Unit Letter G : 1980 feet from the North line and 1980 feet from the East line
Section 17 Township 22S Range 37E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3395' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☒OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

THIS IS A REQUEST TO DHC BLINEBRY OIL & GAS, TUBB OIL & GAS, AND DRINKARD POOL IN THE SUBJECT WELL.
SEE SUPPORTING DATA ON ATTACHED SHEET.

Also see BLM Sundry Notice NOI to perforate Tubb zone and DHC w/existing Blinebry, Drinkard perfs.

Spud Date:

Rig Release Date:

DHC-HOB-472

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

SIGNATURE

Carolyn Doran Haynes

TITLE

Engineer

DATE 07/11/11

Type or print name Carolyn Doran Haynes

E-mail address: cdoranhaynes@jhhc.org

PHONE: 432-684-6631

For State Use Only

APPROVED BY:

TITLE

PETROLEUM ENGINEER

DATE

JUL 21 2011

Conditions of Approval (if any):

ELLIOTT B-17 #4

Unit Letter G – 1980' FNL & 1980' FEL Sec 17, T22S, R37E, Lea County, NM API # 30-025-24657

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), and Drinkard Pool (19190).
3. Blinebry Oil & Gas Perfs – 5493-5717'
Tubb Oil & Gas Perfs – 6135-6254'
Drinkard Pool Perfs – 6378-6484'
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 | 20 MCFPD |
| Tubb Oil & Gas | 2 BOPD | 20 MCFPD |
| Drinkard Pool | 1 BOPD | 10 MCFPD |

| | | |
|-------|--------|----------|
| Total | 5 BOPD | 50 MCFPD |
|-------|--------|----------|

7. The proposed allocation to be as follows

| | <u>Oil %</u> | <u>Gas%</u> |
|--------------------|--------------|-------------|
| Blinebry Oil & Gas | 40% | 40% |
| Tubb Oil & Gas | 40% | 40% |
| Drinkard Pool | 20% | 20% |
| Total | 100% | 100% |

If post- workover tests show a significant change in percentages, it will be requested.

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

RECEIVED
HOBBS OCD
JUL 13 2011

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|---|
| ¹ API Number 30-02S-24657 | ² Pool Code 19190 | ³ Pool Name Drinkard Pool |
| ⁴ Property Code 05175 | ⁵ Property Name Elliott B-17 | ⁶ Well Number 4 |
| ⁷ OGRID No. 012024 | ⁸ Operator Name John H. Hendrix Corporation | ⁹ Elevation 3395' GL |

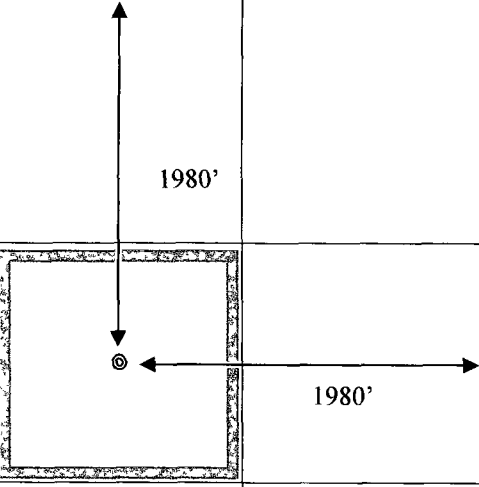
¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. G | Section 17 | Township 22S | Range 37E | Lot Idn | Feet from the 1980 | North/South line North | Feet from the 1980 | East/West line East | County Lea |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|

¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------------|-------------------------------|----------------------------------|--|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| ¹² Dedicated Acres 40 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. DHC-HOB-472 | | | | | | |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

| | | |
|---------------|---|--|
| ¹⁶ |  | ¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Signature: <u>Carolyn Doran Haynes</u> Date: <u>7/12/11</u> Printed Name: Carolyn Doran Haynes |
| | | ¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> Date of Survey Signature and Seal of Professional Surveyor |
| | | Certificate Number |
| | | |

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State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|--|
| ¹ API Number 30-025-24657 | ² Pool Code 60240 | ³ Pool Name Tubb Oil & Gas |
| ⁴ Property Code 05175 | ⁵ Property Name Elliott B-17 | ⁶ Well Number 4 |
| ⁷ OGRID No. 012024 | ⁸ Operator Name John H. Hendrix Corporation | ⁹ Elevation 3395' GL |

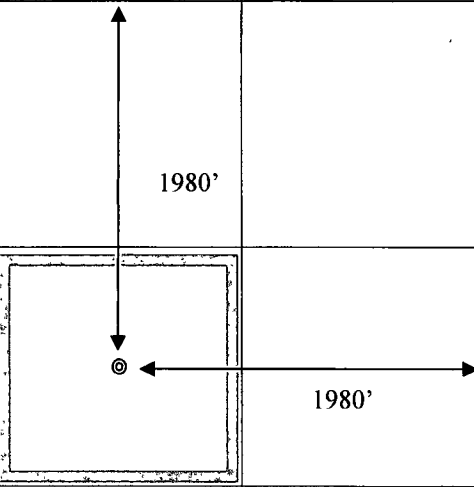
¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. G | Section 17 | Township 22S | Range 37E | Lot Idn | Feet from the 1980 | North/South line North | Feet from the 1980 | East/West line East | County Lea |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|

¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------------|-------------------------------|----------------------------------|--|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| ¹² Dedicated Acres 40 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. DHC-HOB-472 | | | | | | |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

| | | | | | |
|---------------|--|--|--|---|---|
| ¹⁶ | | | |  | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division Signature: Carolyn Doran Haynes Date: 7/12/11 Printed Name: Carolyn Doran Haynes |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | ¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number |

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State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|---|---|--------------------------------|--|
| ¹ API Number 30-025-24657 | | ² Pool Code 6660 | ³ Pool Name Blaine Oil & Gas |
| ⁴ Property Code 05175 | ⁵ Property Name Elliott B-17 | | ⁶ Well Number 4 |
| ⁷ OGRID No. 012024 | ⁸ Operator Name John H. Hendrix Corporation | | ⁹ Elevation 3395' GL |

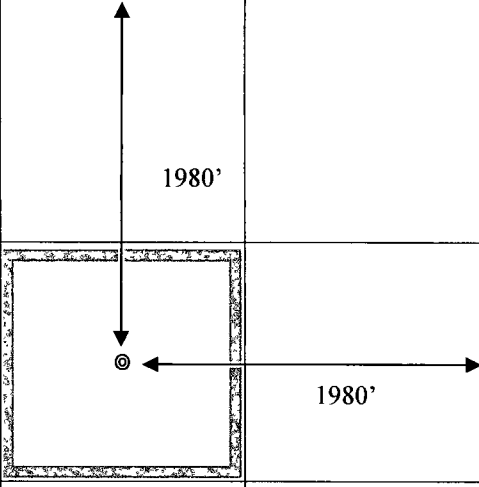
¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot no. G | Section 17 | Township 22S | Range 37E | Lot Idn | Feet from the 1980 | North/South line North | Feet from the 1980 | East/West line East | County Lea |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|

¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | | | |
|-------------------------------------|---------|----------|-------|---------|-------------------------------|------------------|---------------|----------------|--------|----------------------------------|--|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | | |
| ¹² Dedicated Acres 40 | | | | | ¹³ Joint or Infill | | | | | ¹⁴ Consolidation Code | ¹⁵ Order No. DHC-HOB-472 |

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

| | | | | | | |
|---------------|--|--|--|--|---|---|
| ¹⁶ | | | | |  | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: Carolyn Doran Haynes Date: 7/12/11 |
| | | | | | | Carolyn Doran Haynes Printed Name |
| | | | | | | ¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. |
| | | | | | | Date of Survey Signature and Seal of Professional Surveyor Certificate Number |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

JUL 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.
NM 004470 89872
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 Corporation3a. Address
P. O. Box 3040 Midland, TX 79702-30403b. Phone No. (include area code)
432-684-66314. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UL G, Sec 17, T22S, R37E (1980' FNL & 1980' FEL)

7. If Unit of CA/Agreement, Name and/or No

8. Well Name and No.
Elliott B-17 No. 49. API Well No.
30-025-2465710. 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 checked="" type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other DHC Blinebry, Tubb, Drinkard zones |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

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 recompleat 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 recompleat 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), and Drinkard Pool (19190). This DHC request has been submitted to the NMOC on July 13, 2011. 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. Casing repair will also be performed by installing a 4" flush jt liner @ approx 4700-5000'. Severely damaged csg was noted during the last service event as 4' of steel was recovered from the well bore while fishing a stuck tbg anchor.

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

MIRU. POOH. GIH and perf Tubb zone @ 6135-6254' Acidize existing Blinebry perfs (5493-5717') and new Tubb perfs w/2500 gal 15% HCl Swab back spent acid fluids. Swab test Blinebry/Tubb zones.
GIH, clean out and wash off sand and retrieve RBP @ 6272' . TFF. CO to 6500'+. (Existing Drinkard Perfs @ 6378-6484')
GIH w/ pkr and set @ 6250' and acidize Drinkard perfs w/ 1500 gal 15% HCl.
Swab back spent acid fluids. Swab test Drinkard zone. POOH.
Set 4" flush-jt liner over casing damage @ 4980' and previous csg repairs @ 4725-4975'.
GIH w/ tbg, pump and rods. Return to production.
Test DHC well: Blinebry, Tubb, Drinkard.

SUBJECT TO LIKE
APPROVAL BY STATE

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

Carolyn Doran Haynes

Title Engineer

Signature

Carolyn Doran Haynes

Date 07/11/2011

KES

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

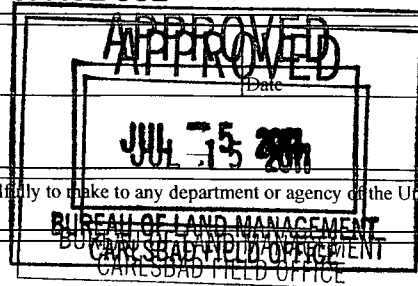
Title

Office

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 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-17 #4

1980' FNL & 1980' FEL, Sec 17, T22S, R37E, Lea County, New Mexico

UL G

GR is 3395'

API # 30-025-24657

OGRID # 012024

Prop Code: 05175

8 5/8" 28# csg @ 1100" cmt w/500 sx circ

TOC 1600' (TS 1974)

Tbg: 153 jts 2 3/8" tbg, TAC, 30 jts, SN. PS, BPMA
Rods: 71 - 7/8", 147 - 3/4", 9 - 7/8" (2011)

Proposed 2011:

Perf Tubb @
6135-6254'. Pull
BP @ 6272'; DHC
Blinbry, Tubb,
Drinkard. Acidize
all. Repair Csg
damage w/4"
scab liner

sqz 110 sx cmt to repair csg leak @ 4725-4975' (2007)

Csg damage ~ 6' removed @ 4980' (2011)

Blinbry Perfs @ 5493-5717' (1992)

Baker Lok-set @ 6272' + sand 5996' (1992)

Drinkard @ 6378-6484' (1974)

TFF @ 6985' (1992)

CIBP @ 7100' + 2 sx cmt (1974)

Devonian perfs @ 7290-7421' (1974)

5 1/2" 15 5 & 17# csg @ 7431' w/1350 sx

TD = 7443'

| | |
|-------|----------|
| Drawn | BY |
| 2011 | Proposed |

John H. Hendrix Corporation
110 North Marienfeld Suite 400
Midland, TX 79702

Elliott B-17 #4
1980' FNL & 1980' FEL
SEC 17, T22S, R37E
Lea County New Mexico

ELLIOTT B-17 #4

Unit Letter G – 1980' FNL & 1980' FEL Sec 17, T22S, R37E, Lea County, NM API # 30-025-24657

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), and Drinkard Pool (19190).
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Tubb Oil & Gas Perfs – 6135-6254'
Drinkard Pool Perfs – 6378-6484'
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 | 20 MCFPD |
| Tubb Oil & Gas | 2 BOPD | 20 MCFPD |
| Drinkard Pool | 1 BOPD | 10 MCFPD |

Total 5 BOPD 50 MCFPD

7. The proposed allocation to be as follows

| | <u>Oil %</u> | <u>Gas%</u> |
|--------------------|--------------|-------------|
| Blinebry Oil & Gas | 40% | 40% |
| Tubb Oil & Gas | 40% | 40% |
| Drinkard Pool | 20% | 20% |

Total 100% 100%

If post- workover tests show a significant change in percentages, it will be requested.