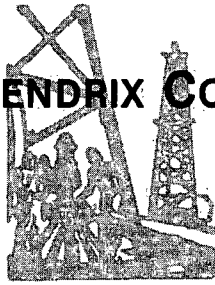


JOHN H. HENDRIX CORPORATION



CONSERVATION DIVISION
RECEIVED

'91 JUL 15 AM 9 58

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

July 12, 1991

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: Downhole Commingling Request
Pike Federal Lease
Unit A, Section 6, T23S -
R38E, Lea County, New Mexico

Gentlemen:

John H. Hendrix Corporation respectfully requests administrative approval to downhole commingle the Blinebry Oil, Tubb Oil, and Brunson Drinkard Abo South Pools in our Pike Federal No. 1. Approval of this request will protect correlative rights, promote conservation, and encourage the efficient recovery of oil and gas reserves.

Additional data relative to this commingling is listed below:

(1) A lease plat is attached showing the location of this well. (Exhibit 1)

(2) A current C-116 is included to show the current status of Blinebry Oil Zone (Exhibit 2), Tubb Oil (Exhibit 3) and the Brunson Drinkard Abo South Zone (Exhibit 4).

(3) Decline curves for the Blinebry (Exhibit 5), Tubb (Exhibit 6), and Brunson Drinkard Abo South (Exhibit 7) are attached.

(4) Due to the current configuration of the well bore, it is not possible to obtain a BHP. Due to the obvious low

July 12, 1991

productivity of this well and due to the fact the well would be produced in a pumped off condition, it is respectfully requested that the BHP data be waived.

(5) Due to the Brunson Drinkard Abo South Zone being unable to produce, and the fact these zones are commingled in many wells, it is requested that the gas analysis requirement be waived.

(6) Working interest and royalty ownership in the three pools are the same.

(7) The following percentages are suggested based on the analysis of past and current production.

	<u>Oil</u>	<u>Expected Production</u> <u>BOPD</u>	<u>Gas</u>	<u>MCFPD</u>
Blinebry	.22	2	.26	49
Tubb	.56	5	.50	95
Brunson Drinkard Abo South	<u>.22</u>	<u>2</u>	<u>.24</u>	<u>46</u>
Total	1.00	9	1.00	190

The subject well was originally drilled by Amoco as a triple completion in the Blinebry, Tubb, and Brunson Drinkard Abo South. The completion consisted of three strings of tubing and two production packers to isolate the three zones, Exhibit 8.

In January of 1978 the Tubb tubing became plugged off due to paraffin and lost tools. In December, 1979 a 2" plug was set in the Brunson Drinkard Abo South string at 6850' and the Brunson Drinkard Abo South tubing was perforated from 6199' - 6264'. This work left the Brunson Drinkard Abo South temporarily abandoned with the Tubb Zone producing up the original Brunson Drinkard Abo South tubing. Last production for the Blinebry was June, 1982.

Effective February 1, 1987, Petrus Oil Company purchased this property from Amoco Production Company. Effective November 1, 1989, John H. Hendrix Corporation purchased the property from Petrus.

N.M.O.C.D.

-3-

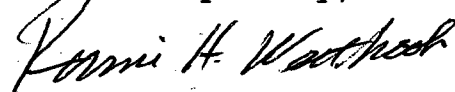
July 12, 1991

Starting January 26, 1991, John H. Hendrix Corporation started attempting to retrieve the tubing strings and clean them out. In excess of \$100,000 was spent in cleaning out the well due to stuck tubing and packers. Due to the high risk of three tubing strings and two packers getting stuck again, and due to the low productivity of the well, we isolated the Brunson Drinkard Abo South Zone with a RBP set at 6401', and the Blinebry is isolated from Tubb by packer set at 6129'. See Exhibit 9.

This commingling is necessary to permit Blinebry, Tubb and Brunson Drinkard Abo South production that would not otherwise be economically produced. It will also allow more efficient production for all three zones. With the well in a pumped off condition, there will be no cross flow between the three zones.

By copy of this letter we are notifying the offset operators of this proposed commingling. If these operators have no objection, we ask that they execute the attached waiver and return two copies to the N.M.O.C.D. If you have any questions, please call.

Yours very truly,



Ronnie H. Westbrook
Vice-President

Exhibits Attached

cc: N.M.O.C.D. District 1 - Hobbs
B.L.M. - Carlsbad
Offset Operators (Certified Mail)

Submit 2 copies to Appropriate District Office.

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-116
Revised 1/1/89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

GAS - OIL RATIO TEST

Operator John H. Hendrix Corporation		Pool Blinebry Oil and Gas		County Lea										
Address 223 W. Wall, Suite 525, Midland, TX 79701		TYPE OF TEST - (X) <input checked="" type="checkbox"/>		Scheduled <input type="checkbox"/>										
LEASE NAME Pike Federal	WELL NO. 1	LOCATION			DATE OF TEST 6/12/91	STATUS P	CHOKE SIZE Open	CSG. PRESS. 60	DAILY ALLOW-ABLE --	LENGTH OF TEST HOURS 24	Completion <input type="checkbox"/>			Special <input checked="" type="checkbox"/>
		U A	S 6	T 23							R 38	WATER BBL.S.	PROD. DURING TEST GRAV. OIL BBL.S.	
40000														

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Signature

Ronnie H. Westbrook

Ronnie H. Westbrook - Vice-President
Printed name and title

7/12/91 (915) 684-6631

Date Telephone No.

Submit 2 copies to Appropriate District Office.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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-116
Revised 1/1/89

GAS - OIL RATIO TEST

Operator John H. Hendrix Corporation		Pool Tubb Oil		County Lea							
Address 223 W. Wall, Suite 525, Midland, TX 79701		TYPE OF TEST - (X) <input checked="" type="checkbox"/> S		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/> XX							
LEASE NAME	WELL NO.	LOCATION U S T R		DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST WATER BRLS. GRAV. OIL BRLS.		GAS - OIL RATIO CU. FT./BBL.
Pike Federal	1	A 6		23S 38E 6/29/91	P	30	M	24	3	38.6	5 95 19000

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Signature

Ronnie H. Westbrook

Ronnie H. Westbrook - Vice-President
Printed name and title

July 12, 1991

(915) 684-6631

Date

Telephone No.

Submit 2 copies to Appropriate District Office.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-116
Revised 1/1/89

OIL CONSERVATION DIVISION

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

GAS - OIL RATIO TEST

Operator John H. Hendrix Corporation		Pool Brunson Drinkard Abo South		County Lea								
Address 223 W. Wall, Suite 525, Midland, TX 79701		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>								
LEASE NAME	WELL NO.	LOCATION U S T R		DATE OF TEST	STATS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST WATER GRAV. OIL BRLS.	GAS M.C.F.	GAS - OIL RATIO CU.FT/BBL.
Pike Federal	1	A 6 23S		38E		Well is TA'd						

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

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

Ronnie H. Westbrook

Signature

Ronnie H. Westbrook - Vice-President

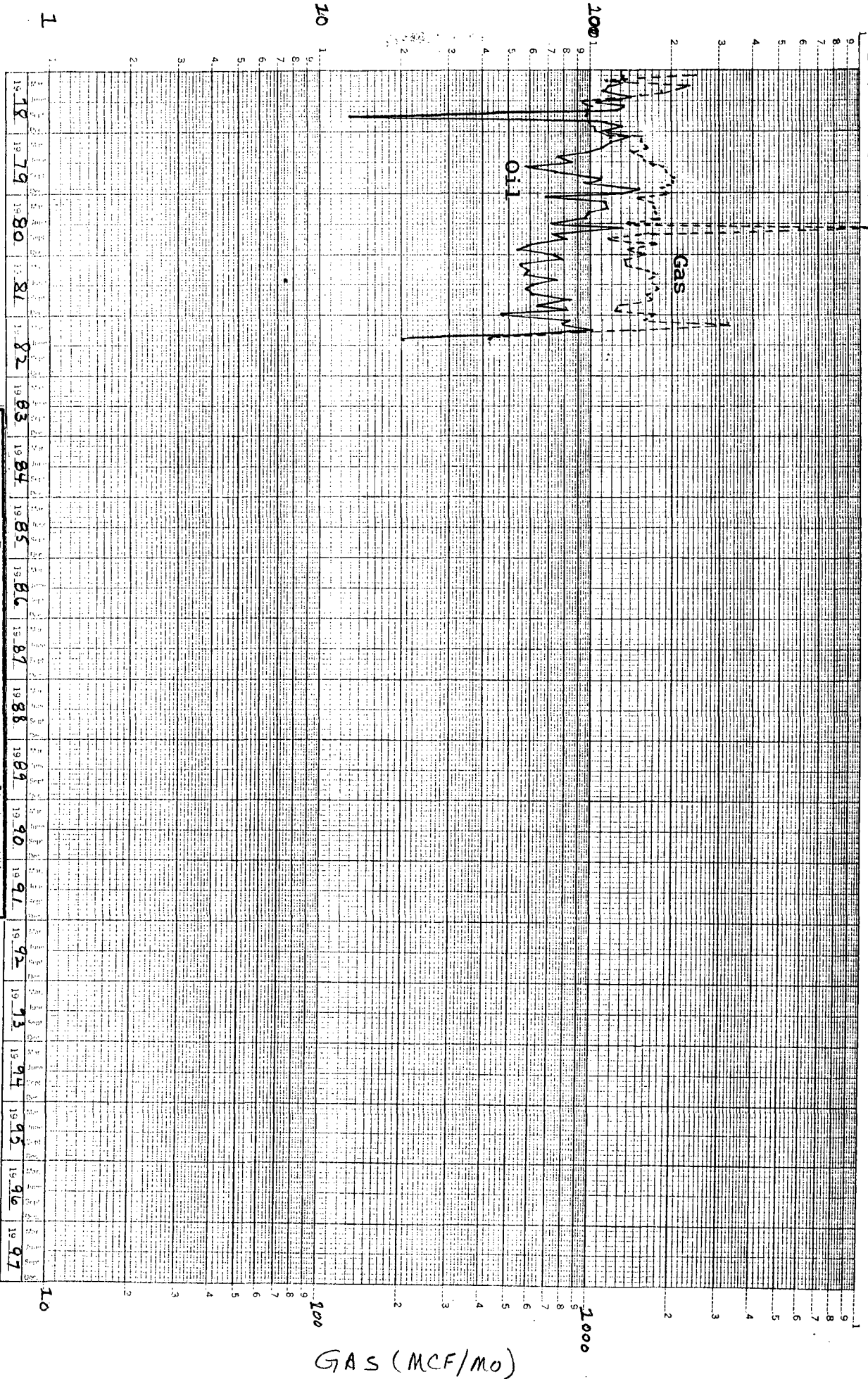
Printed name and title

July 12, 1991 (915) 684-6631

Date Telephone No.

OIL (bbls/mo)

PIKE FEDERAL



County: LEA
Field: BLINBRY (BLINBRY)
Reservoir:
Operator: HENDRIX JOHN H CORP
Oil Cum: Gas Cum:
Location: 6A 235 38E

State: NM
BL

1000 Lease: **PIKE FEDERAL**

000001

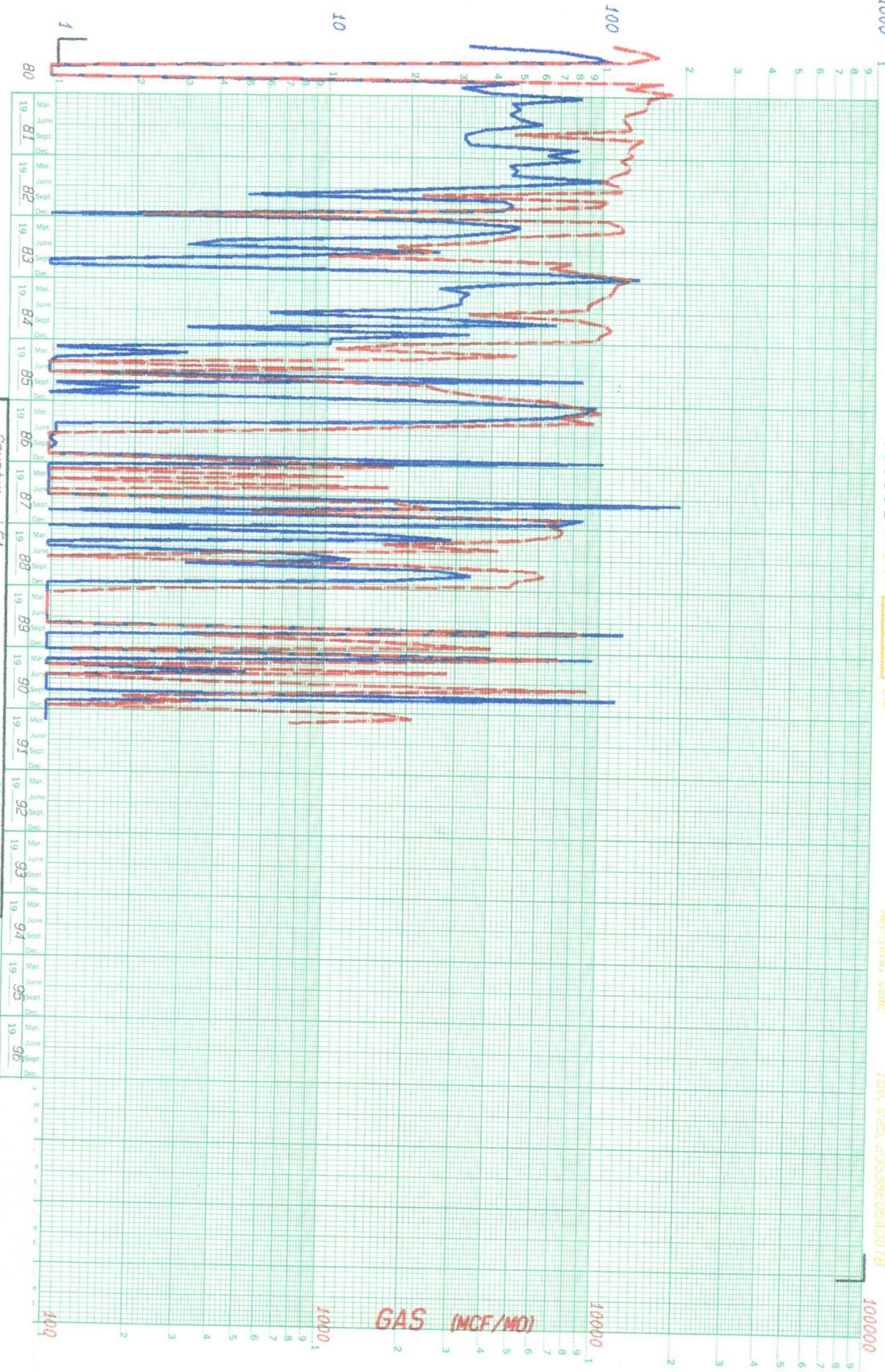
Oilright's **ENERGY** Inc

Refined Code:

150, 025, 23588064078

100000

OIL (BBL/MO)



F.P. Date 01-80

County: **LEA** State: **NM**
Field: **TUBB (TUBB)**
Reservoir: **TUBB**
Operator: **HENDRIX JOHN H CORP**
Oil Cum: **3597** Gas Cum: **718724**
Location: **6A 235 38E**

Date: 03-10-91

EXHIBIT 6

Lease: **PIKE FEDERAL**

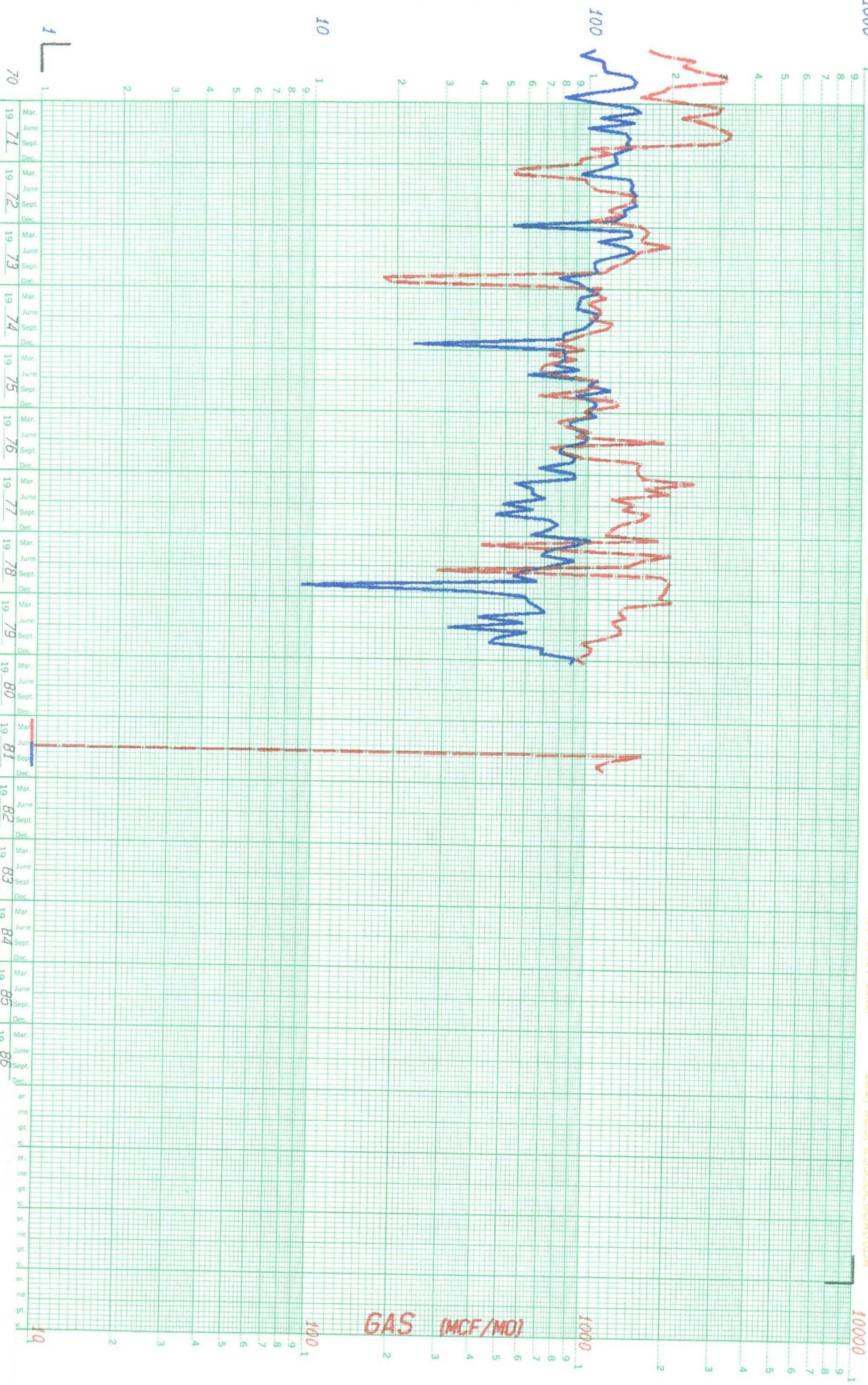
000001

Oilright's **ENERGY** Inc.

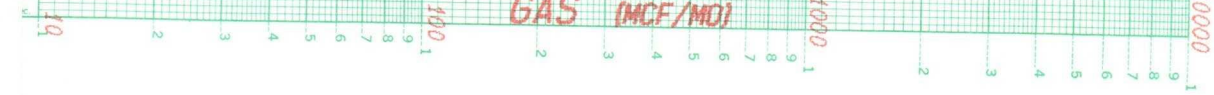
Retrieval Code:

150, 025, 23538E06A00DA

OIL (BBL/MO)



GAS (MCF/MO)



F.P. Date

County: LEA State: NM
Field: BRUNSON SOUTH (DRINKARD ABO)
Reservoir:
Operator: HENDRIX JOHN H CORP
Oil Cum: 27464 Gas Cum: 349656
Location: 6A 23S 38E

EXHIBIT 7

Date: 03-10-91

K. B. ELEV. 3368'
 D. F. ELEV. _____
 GROUND LEVEL 3358'
 CORR. _____

SURFACE CSG.

SIZE 9 7/8 WT. 32.3 DEPTH 1298'
 NO. SX CMT. 575 sx (surf)
 A-40

INTERM. CSG.

SIZE _____ WT. _____ DEPTH _____
 NO. SX CMT. _____

ZONE NAME
 AND PROD. INTERVAL

TOP OF LINER @

NOTE: TUBS STRING BLOCKED
 w/ PARAFFIN & LOST FISHING
 TOOLS - TOP @ 5987'

SNC 5742'

ONS "WA" PACKER @ 5975'
 TSB SHOT @ TUBS - 6199' - 6264'

ONS "WA" PACKER @ 6470'

ONS SNC @ 6855' w/
 PLW in it

OIL STRING

SIZE 7" WT. 20 23 DEPTH 7038'
 NO. SX CMT. 680 sx
 J-55 & N-80
 TOC @ 2550'

BLINER PERFS
 5672-74, 5678-80, 5686-88,
 5706-08, 5736-38, 5771-79
 5804-86, 5815-17, 5884-86
 5875-77, 5891-93

TUBS
 PERFS 6199-6201, 6230-3
 6240-42, 6262-64
 (PRODUCING THRU LONG STR)

DRINKARD
 PERFS 6727-30, 6758-61
 6784-87, 6823-26
 6854-57, 6891-94

POT @
 7002'

K. B. ELEV. 3368'
D. F. ELEV. _____
GROUND LEVEL 3358'
CORR. _____

SURFACE CSG.

SIZE 9 7/8 WT. 32.3 DEPTH 1290'
NO. SX CMT. 575 SX (SUC)
A-40

INTERM. CSG.

SIZE _____ WT. _____ DEPTH _____
NO. SX CMT. _____

ZONE NAME
AND PROD. INTERVAL

TOP OF LINER @ _____

Packer at 6129'

RBP at 6401'

OIL STRING

SIZE 7" WT. 20 23 DEPTH 7038'
NO. SX CMT. 680 SX
J-55 & J-80
TOC @ 2550'

BLINNEY PERFS
5672-74, 5678-80, 5686-88,
5706-08, 5726-38, 5771-79
5784-86, 5815-17, 5884-86
5875-77, 5891-93
TV88
PERFS 6199-6201, 6230-3
6240-42, 6262-64
(PRODUCING THRU LONG STR)
DRINKARD
PERFS 6727-30, 6758-61
6784-87, 6823-26
6854-57, 6891-94
PORT @
7002'

OFFSET OPERATORS TO
JOHN H. HENDRIX CORPORATION'S
PIKE FEDERAL LEASE

Chevron USA Inc.
P. O. Box 1150
Midland, TX 79702
Attention: A. W. Bohling
Proration Department

Texaco
P. O. Box 730
Hobbs, NM 88240
Attention: James Head

OXY USA, Inc.
P. O. Box 1919
Midland, TX 79702
Attention: Proration Department
Regulatory Affairs

Texan Petroleum Corporation
2626 Cole Ave. Suite 603
Dallas, TX 75204

Campbell and Hedrick
P. O. Box 401
Midland, TX 79701

OIL CONSERVATION DIVISION
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'91 JUL 26 AM 9 40

DHC-816

July 12, 1991

RE: Downhole Commingling Request
Pike Federal Lease *Well No. 1*
Unit A, Sec. 6, T23S-38E
Lea County, New Mexico

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

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the John H. Hendrix Corporation application to the downhole commingling of the Blinbry, Brunson Drinkard Abo South and Tubb Pools in the captioned wellbore.

Approved By: B. S. Stawser

Representing: CHEVRON U.S.A.

Date: 7/23/91

OIL CONSERVATION DIVISION
RECEIVED

'91 JUL 26 AM 10 07

July 12, 1991

RE: Downhole Commingling Request
Pike Federal Lease
Unit A, Sec. 6, T23S-38E
Lea County, New Mexico

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

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the John H. Hendrix Corporation application to the downhole commingling of the Blinebry, Brunson Drinkard Abo South and Tubb Pools in the captioned wellbore.

Approved By:

Richard E. Foxman

Representing:

OXY USA Inc.

Date:

7-22-91

OIL CONSERVATION DIVISION
RECEIVED
'91 AUG 19 AM 9 19

July 12, 1991

RE: Downhole Commingling Request
Pike Federal Lease
Unit A, Sec. 6, T23S-38E
Lea County, New Mexico

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

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the John H. Hendrix Corporation application to the downhole commingling of the Blinebry, Brunson Drinkard Abo South and Tubb Pools in the captioned wellbore.

Approved By: *Donald A. Paul*

Representing: Texaco E & P Inc

Date: Aug. 16 - 1991

NEW MEXICO OIL CONSERVATION DIVISION
RECEIVED

'91 AUG 12 AM 9 25

July 12, 1991

RE: Downhole Commingling Request
Pike Federal Lease
Unit A, Sec. 6, T23S-38E
Lea County, New Mexico

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

Attention: David R. Catanach

As an offset operator, the undersigned has no objection to the John H. Hendrix Corporation application to the downhole commingling of the Blinbry, Brunson Drinkard Abo South and Tubb Pools in the captioned wellbore.

Approved By: W. J. LeMay

Representing: TEXAN PETROLEUM CORP

Date: AUGUST 3, 1991



OIL CONSERVATION DIVISION
RECEIVED

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

7-15-91

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

John H. Hendrix Corp. Pike Federal # 1-A 6-23-38
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed