

OIL CONSERVATION DIVISION
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LC-064427
3162 (067)

APR 16 1993

John H. Hendrix Corporation
Attention: Mr. Ronnie H. Westbrook
223 West Wall Street, Suite 525
Midland, TX 79701

Re: Well No. 3-Elliott B-12-2,
SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 12, T22S, R37E
Lea County, New Mexico,
Federal lease LC-064427

Whe-819

Gentlemen:

Your request to downhole commingle Drinkard/Abo and Granite Wash oil and gas production from the subject well is hereby approved.

As stated in your application, production will be allocated 58% oil and 61% gas to the Drinkard/Abo and 42% oil and 39% gas to the Granite Wash based on production tests and estimated ultimate recoveries from the individual formations. Also, it is our understanding that commingling is based on economics and will not result in reduced royalty.

This approval is subject to the New Mexico Oil Conservation Division Administrative Order DHC-698 granted August 24, 1988.

Please contact Shannon Shaw or Adam Salameh at (505) 887-6544, or at the letterhead address if any further information is required.

Sincerely,

/s/ Gary Bowen

FOR Richard L. Manus
Area Manager

bcc:
NM (065, B. Lopez, D. Glass)
NM (067, A. Salameh; E. Inman)
NM (067A, K. Haston)

NMOCD - Attn.: Mr. D. R. Catanach
P. O. Box 2088
Santa Fe, NM 87504