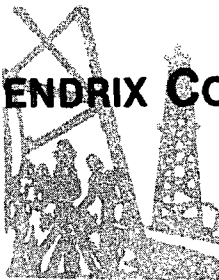


JOHN H. HENDRIX CORPORATION



CONSERVATION DIVISION
RECEIVED

MAR 10 1992

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

March 3, 1992

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
S. E. Cone Lease
Unit J, Section 26, T21S -
R37E, Lea County, New Mexico

Gentlemen:

John H. Hendrix Corporation respectfully requests administrative approval to downhole commingle the Blinebry, Tubb, and Drinkard production. 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 (Exhibit 3) and the Drinkard Zone (Exhibit 4).

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

(4) Due to the obvious low 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.

March 3, 1992

(5) Due to the fact these zones are already commingled in many wells, it is requested that the gas analysis requirements be waived.

(6) Working interest and royalty ownership in the three zones is the same.

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

	<u>Anticipated Production</u>			<u>MCFPD</u>
	<u>Oil %</u>	<u>BOPD</u>	<u>Gas %</u>	
Blinebry	.22%	.4	.52	13
Tubb	.42%	.8	.08	2
Drinkard	<u>.36%</u>	<u>.7</u>	<u>.40</u>	<u>10</u>
Total	1.00%	1.9	1.000	25

This well was originally completed as a Drinkard oil well August 27, 1949. In January, 1955 the Drinkard was plugged off and the well dualled in the Blinebry and Tubb Pools. This was approved by Order DC-156-A, January 8, 1955. Application was made to triple complete the well August 12, 1964. The plug was removed from Drinkard and the well was triple completed with the Drinkard, Tubb and Blinebry in November, 1964. The well has produced in this condition to the present.

The Blinebry and Tubb Zones are essentially dead, with insufficient gas and bottom hole pressure to sustain flow. In the interest of conservation and economics, it is recommended that the Blinebry, Tubb, and Drinkard be downhole commingled. It is proposed to remove the two downhole packers, two tubing strings, downhole commingle all three zones. One tubing string will be run and a pumping unit set. This will 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

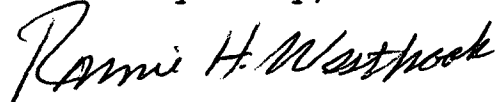
N.M.O.C.D.

-3-

March 3, 1992

have no objections, 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 me at (915) 684-6631.

Yours very truly,



Ronnie H. Westbrook
Vice-President

Exhibits Attached

cc: N.M.O.C.D. District 1 - Hobbs
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

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 Blinebry		County Lea, NM												
Address 223 W. Wall, Suite 525, Midland, TX 79701		TYPE OF TEST - (X) <input checked="" type="checkbox"/> TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>								
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU FT/BBL.
		U	S	T	R							WATER BBL.	GRAV. OIL BBL.	GAS M.C.F.		
S. E. Cone	1	J	26	21S	37E	2/21/92	F	-	0	--	24	0	-	0	0	-
Well is dead																
EXHIBIT 2																

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
Printed name and title **Ronnie H. Westbrook-Vice-President**
March 3, 1992 (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 Tubb		County Ilea County, NM								
Address 223 W. Wall, Suite 525, Midland, TX 79701		TYPE OF TEST - (X) <input checked="" type="checkbox"/> S <input type="checkbox"/> T		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>								
LEASE NAME	WELL NO.	LOCATION U S T R		DATE OF TEST	CHOKE SIZE	TBQ. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST WATER BBL.S. GRAV. OIL BBL.S.		GAS - OIL RATIO CU.FT/BBL.	
S. E. Cone Well is dead	1	J	26	21S	37E	2/21/92	F	-	0	-	0	0
EXHIBIT 3												

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

March 3, 1992 (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

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

Form C-116
Revised 1/1/89

OIL CONSERVATION DIVISION

GAS - OIL RATIO TEST

Operator John H. Hendrix Corporation		Pool Drinkard		County Lea County, NM											
Address 223 W. Wall, Suite 525, Midland, TX 79701		TYPE OF TEST - (X)		Scheduled <input type="checkbox"/> Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>											
LEASE NAME S. E. Cone	WELL NO. 1	LOCATION				DATE OF TEST 2/21/92	SIZE OF TEST F	CHOKE SIZE Open	TBG. PRESS. 30	DAILY ALLOW-ABLE -	LENGTH OF TEST 24	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL.
		U	S	T	R							WATER BBL.S.	GRAV. OIL BBL.S.	GAS M.C.F.	
EXHIBIT 4															

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
Printed name and title Ronnie H. Westbrook-Vice-President
March 3, 1992 (915) 684-6631
Date Telephone No.

1000 Lease: S E CONE

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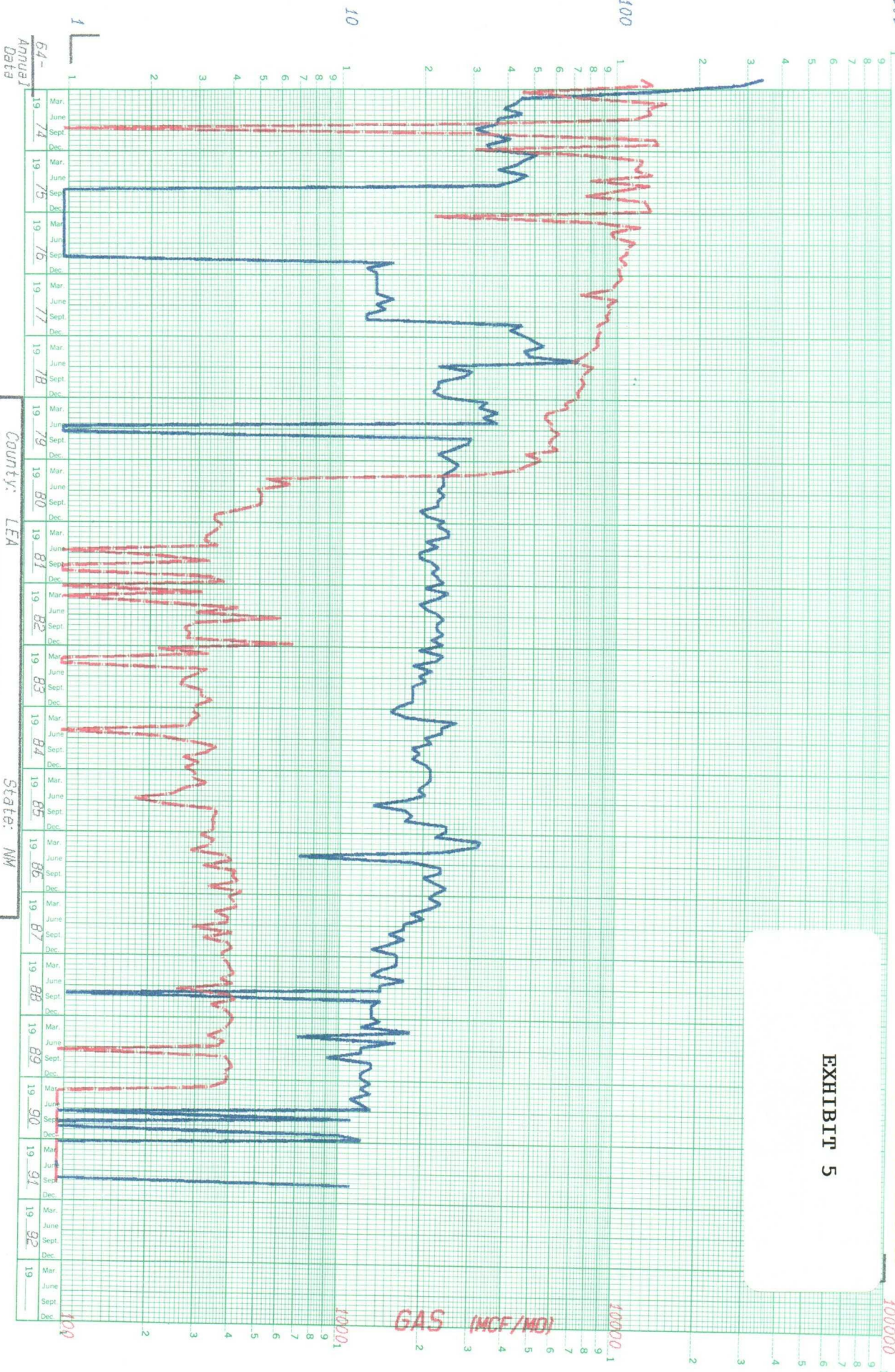
Page: 1 of 1

Oil (BBL/MO)

Gas (MCF/MO)

100000

EXHIBIT 5



Annual Date

County: LEA

State: NM

Field: BLINBRY (BLINBRY)

Reservoir: BLINBRY

Operator: HENDRIX JOHN H CORP

Oil Cum: 45119

Gas Cum: 2516790

Location: 26J 21S 37E

F.P. Date

Date: 11-12-91

1000 Lease: S E CONE

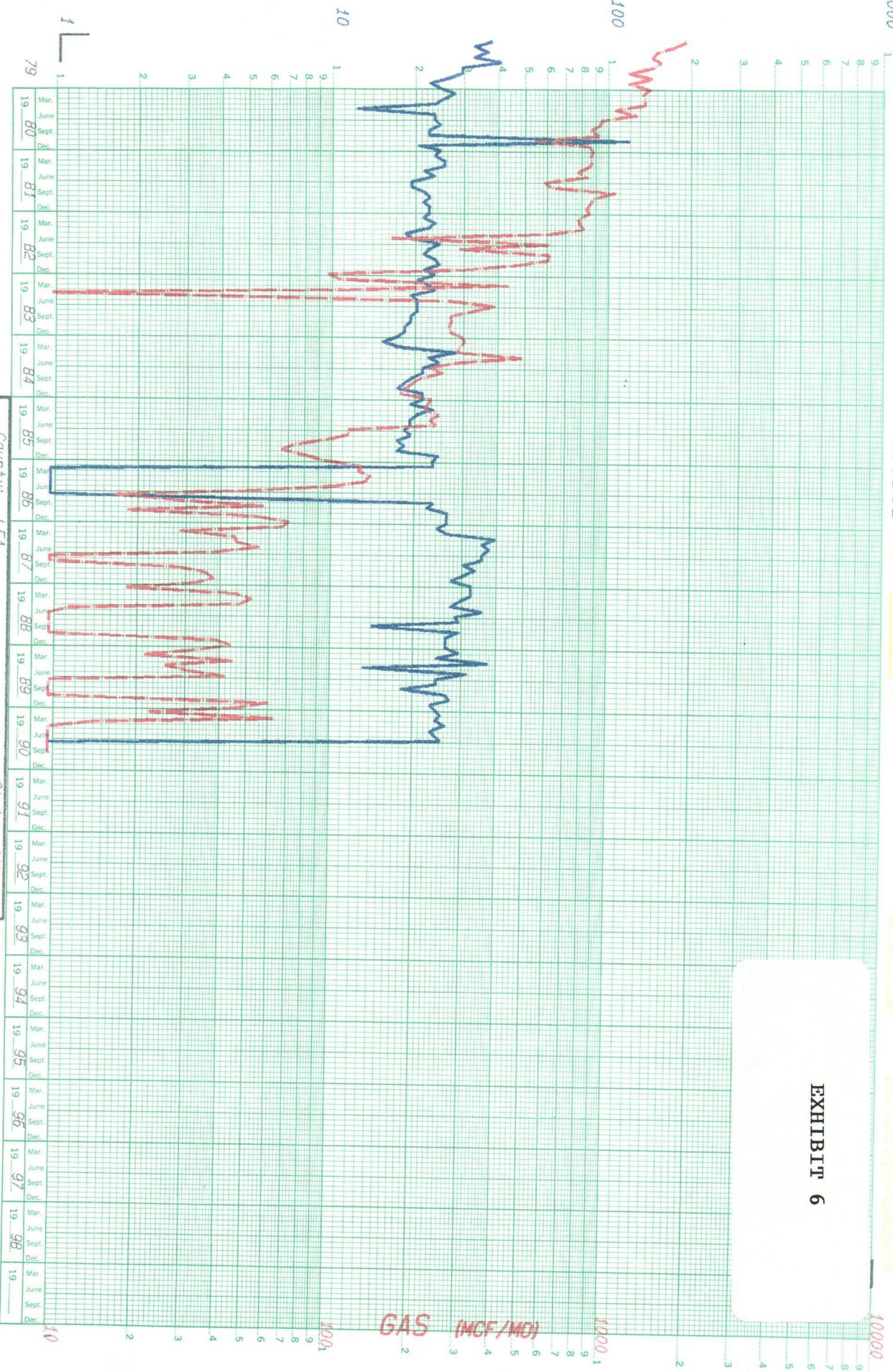
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Page 1 of 1

Original Date

1991.02.21 09:00:00

EXHIBIT 6



F.P. Date 01-79

County: LEA
Field: TUBB (TUBB)
Reservoir: TUBB
Operator: HENDRIX JOHN H CORP
Oil Cum: 3217 Gas Cum: 52164
Location: 26U 21S 37E

State: NM
TB

Date: 11-12-91

1000 Lease: S E CONE

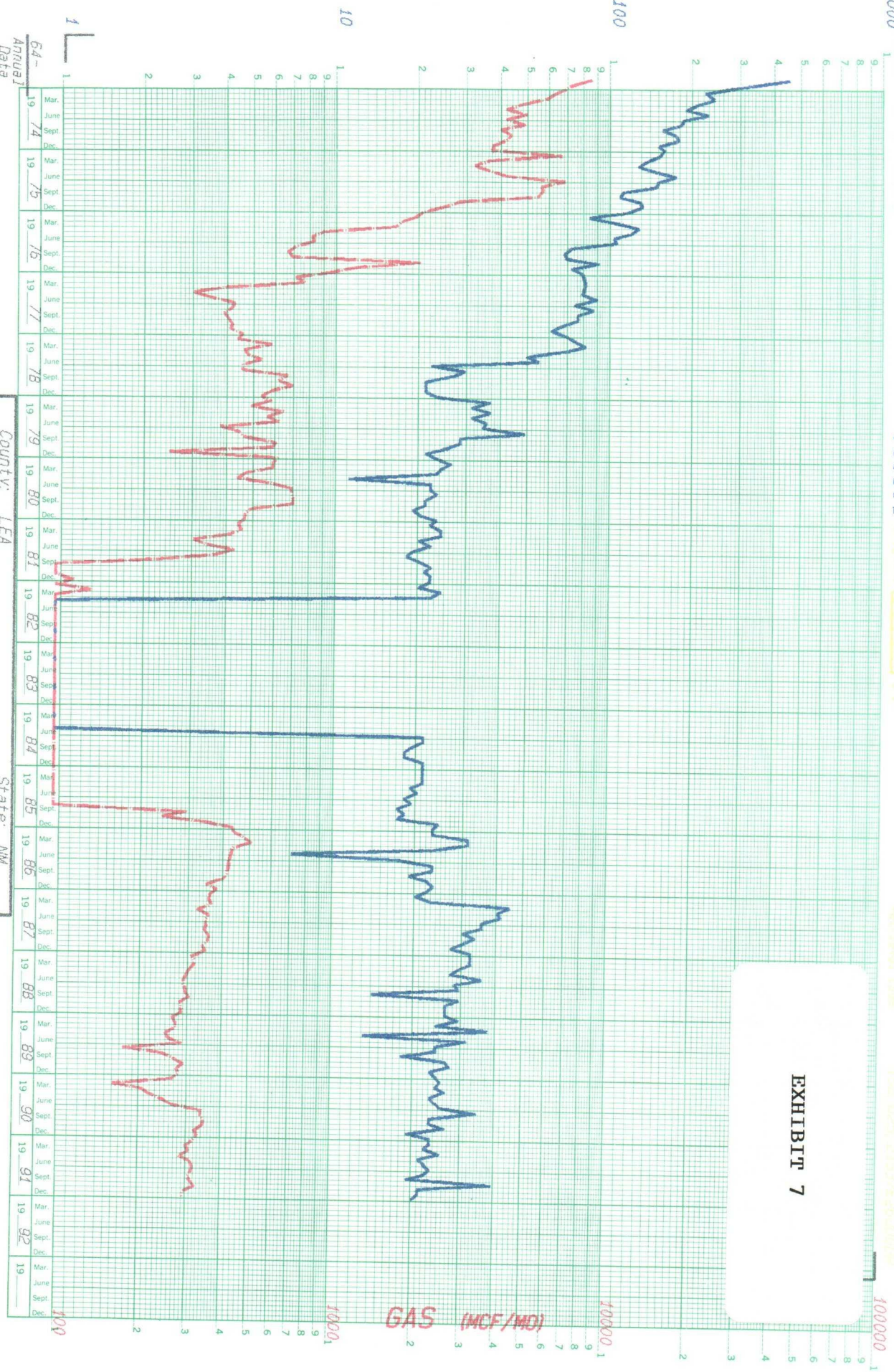
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EXHIBIT 7

OIL (BBL/MO)

GAS (MCF/MO)



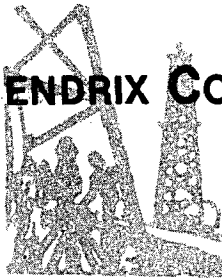
Annual Date	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Mar.																			
June																			
Sept.																			
Dec.																			

F.P. Date

County: LEA
Field: DRINKARD (DRINKARD)
Reservoir: DRINKARD
Operator: HENDRIX JOHN H CORP
Oil Cum: 102943 Gas Cum: 957428
Location: 26J 21S 37E

Date: 11-12-91

JOHN H. HENDRIX CORPORATION



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

March 3, 1992

CERTIFIED MAIL

RE: Waiver Request to Down-
Hole Commingle Tubb,
Blinebry, and Drinkard,
S. E. Cone No. 1, Unit J,
Section 26, T21S - R37E,
Lea County, New Mexico

TO: OFFSET OPERATORS

Attached is a copy of John H. Hendrix Corporation's administrative application for N.M.O.C.D. approval to downhole commingle Blinebry, Tubb and Drinkard Pools in our S. E. Cone No. 1. Approval of this application will promote conservation and encourage the efficient recovery of oil and gas reserves.

As an offset operator, if you do not have any objections to the attached application, please sign the enclosed waivers and mail the two copies to the N.M.O.C.D. in Santa Fe and one copy to the N.M.O.C.D. in Hobbs. We would also request that you send a copy to John H. Hendrix Corporation in Midland. We have enclosed self addressed, stamped envelopes for your convenience.

If you have any questions, please call me at (915) 684-6631. Your prompt consideration in the above matter is appreciated.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Ronnie H. Westbrook". The signature is fluid and cursive, with the first name "Ronnie" being more prominent.

Ronnie H. Westbrook
Vice-President

Attachments

March 3, 1992

RE: Request to Downhole
Commingle (S. E. Cone No. 1)
Blinebry, Tubb, and Drinkard
Pools, Unit J, Section 26,
T21S -R37E, 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 Tubb, Blinebry and Drinkard Pools in the captioned well bore.

Approved By: _____

Representing: _____

Date: _____

OFFSET OPERATORS TO
JOHN H. HENDRIX CORPORATION'S
S. E. CONE NO. 1

ARCO Oil & Gas Company
P. O. Box 1610
Midland, TX 79701
Attn: Proration Department
Regulatory Affairs

Chevron U.S.A. 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

OIL CONSERVATION DIVISION
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March 3, 1992

RE: Request to Downhole
Commingle (S. E. Cone No. 1)
Blinebry, Tubb, and Drinkard
Pools, Unit J, Section 26,
T21S -R37E, 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 Tubb, Blinebry and Drinkard Pools in the captioned well bore.

Approved By: Karl D. Pappe
Representing: ARCO Oil & Gas Co
Date: 3-25-92

OIL CONSERVATION DIVISION
RECEIVED

'92 APR 21 AM 9 33

March 3, 1992

RE: Request to Downhole
Commingle (S. E. Cone No. 1)
Blinebry, Tubb, and Drinkard
Pools, Unit J, Section 26,
T21S -R37E, 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 Tubb, Blinebry and Drinkard Pools in the captioned well bore.

Approved By: *David M. Pal*

Representing: TEXACO E & P Inc.

Date: 4-13-92

OIL CONSERVATION DIVISION
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'92 MAR 20 AM 8 52

March 3, 1992

RE: Request to Downhole
Commingle (S. E. Cone No. 1)
Blinebry, Tubb, and Drinkard
Pools, Unit J, Section 26,
T21S -R37E, 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 Tubb, Blinebry and Drinkard Pools in the captioned well bore.

FS Godbold - Special Projects Supervisor

Approved By: FS Godbold

Representing: Chevron U.S.A. Production Co.

Date: March 16, 1992



STATE OF NEW MEXICO OIL CONSERVATION DIVISION
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

3-10-92

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. S.E. Cone #1-J 26-21-37
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