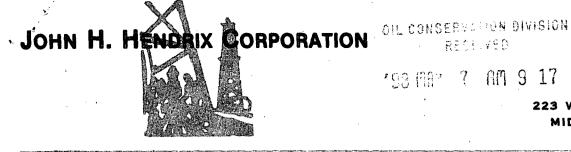
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(915) 684-6631 223 WEST WALL, SUITE 525 MIDLAND, TEXAS 79701

May 4, 1993

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

Attention: Mr. David R. Catanach

RE: Downhole Commingling Request Cossatot "H" No. 2 Lease Unit K, Section 13, T225 -R37E, Lea County, New Mexico

Gentlemen:

Hendrix Corporation respectfully John H. requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of production in the above subject well from the South Brunson Drinkard-Abo and Wantz Granite Wash Pools in Lea County, New Mexico.

Currently, the well is dual completed with the South Brunson Drinkard-Abo flowing up the annulus and the Wantz Granite Wash flowing up the tubing. Approval of this request will protect correlative rights, promote conservation and encourage the efficient recovery of oil and gas reserves.

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

Enclosed is pertinent data supporting this application as outlined in Rule 303-A. If additional information is necessary, please contact me at (915) 684-6631.

Lee Wood

LW/ah

COSSATOT "H" NO. 2

PERTINENT INFORMATION

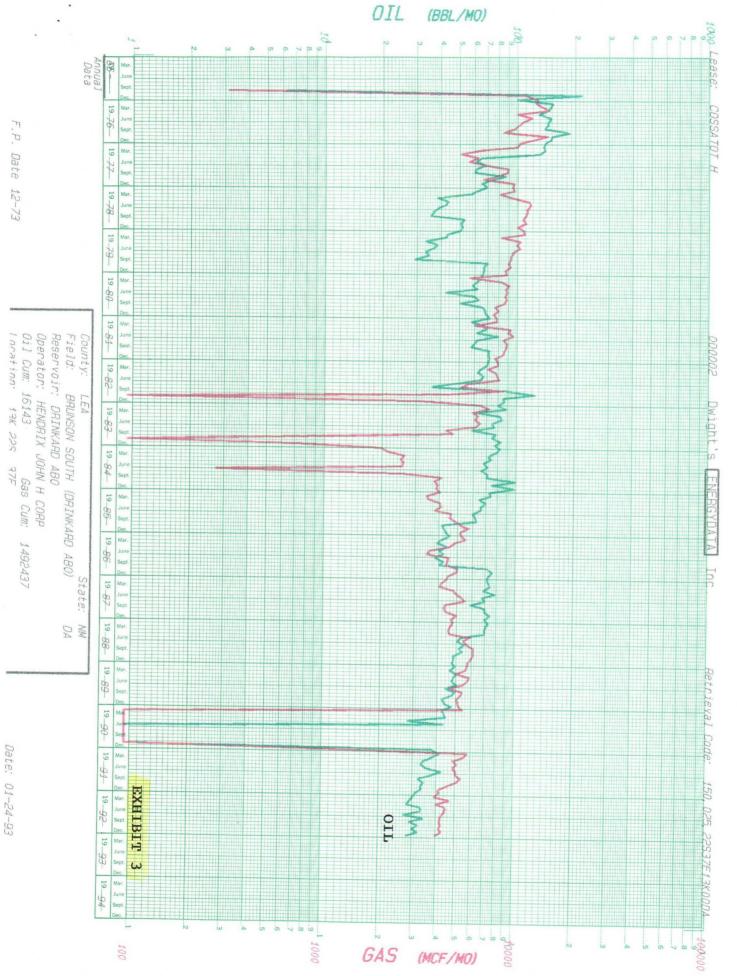
- A) John H. Hendrix Corporation
 223 W. Wall, Suite 525
 Midland, TX 79701
- B) Cossatot "H" No. 2 Unit K, Section 13, T22S - R37E Lea County, New Mexico Commingled Zones: South Brunson Drinkard-Abo and Wantz Granite Wash
- C) A lease plat is attached showing the location of this well. (Exhibit 1)
- D) The Form C-116 is included to show current status of South Brunson Drinkard-Abo Oil Zone and Wantz Granite Wash Zone. (Exhibit 2)
- E) Production decline curves for the South Brunson Drinkard-Abo and Wantz Granite Wash are attached. (Exhibit 3)
- F) 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.
- G) Due to the fact these zones are already commingled in many wells, it is requested that the gas analysis requirements be waived.
- H) Working interest and royalty ownership in the two zones is the same.
- I) The following percentages are suggested based on the analysis of past and current production.

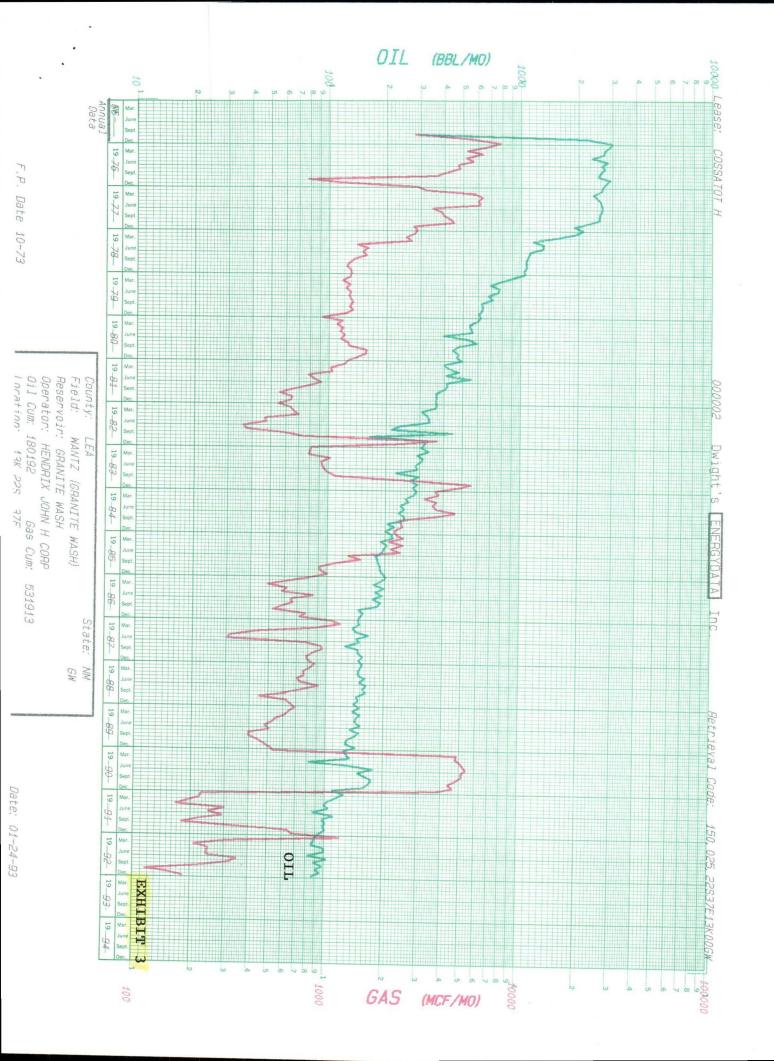
| | Antici | pated Prod | luction | |
|-------------------------------|--------------|------------|---------|-------|
| | <u>0il %</u> | BOPD | Gas % | MCFPD |
| South Brunson Drinkard-Abo | 25% | 30 | 48 | 3996 |
| Wantz Granite Wash | 75% | 91 | 968 | 158 |
| Wabii | | | | |
| Total | 100% | 121 | 100% | 4154 |

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| (See Rule 301, Rule 1116 & appropriate pool rules.) | Specific gravity base will be 0.60. Report casing pressure in lieu of tubing pressure for any well producing through casing. | 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 | 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 | Instructions: | | | | Cossatot "H" | LEASE NAME | | Address 223 W. Wall, Suite | John H. Hendrix | Operator | | 1000 Rio Brazos Rd., Aztec, NM 87410 | P.O. Drawer DD, Arlesia, NM 88210 DISTRICT III | P.O. Box 1980, Hobbs, NM 88240 DISTRICT II | Submit 2 copies to Appropriate District Office. |
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| Form C-116 | Por | | | | tment | s Depa | Mexico I Resource | State of New Mexico Energy, Minerals and Natural Resources Department | Sta Sta | rgy, N | Ene | | | Submit 2 copies to Appropriate District Office. | |







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

May 4, 1993

CERTIFIED MAIL

RE: Waiver Request to Downhole Commingle South Brunson Drinkard-Abo and Wantz Granite Wash Pools, Cossatot "H" No. 2, Unit K, Section 13, T22S -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 South Brunson Drinkard-Abo and Wantz Granite Wash Pools in our Cossatot "H" No. 2. 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.

very truly,

Lee Wood

Attachments

May 4, 1993

RE: Request to Downhole Commingle (Cossatot "H" #2) South Brunson Drinkard-Abo and Wantz Granite Wash Pools, Unit K, Section 13, T22S -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 South Brunson Drinkard-Abo and Wantz Granite Wash Pools in the captioned well bore.

Approved By:

Representing:_____

Date:_____

OFFSET OPERATORS TO

JOHN H. HENDRIX CORPORATION'S

COSSATOT "H" NO. 2

Exxon Company USA P. O. Box 1600 Midland, TX 79702

Marathon Oil Company P. O. Box 552 Midland, TX 79702

Chevron Operating Co. Inc. P. O. Box 670 Hobbs, NM 88240

JOHN H. HENDRIX CORPORATION MIDLAND, TEXAS

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April 27, 1993

RE: Request to Downhole Commingle (Cossatot "B" #2) South Brunson Drinkard-Abo and Wantz Granite Wash Pools, Unit M, Section 12, T22S -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 South Brunson Drinkard-Abo and Wantz Granite Wash Pools in the captioned well bore.

| Approv | ed By | <u>،</u> :/ | Im | Pac | hara | |
|--------|-------|-------------|---------|--------------|-----------|-----------------|
| Repres | entii | ng: | ZACHARY | <u> 011.</u> | OPERATING | <u>COMPA</u> NY |
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April 27, 1993

RE: Request to Downhole Commingle (Cossatot "B" #2) South Brunson Drinkard-Abo and Wantz Granite Wash Pools, Unit M, Section 12, T22S -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 South Brunson Drinkard-Abo and Wantz Granite Wash Pools in the captioned well bore.

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|---------------|-------------|-----------|---------|
| Approved By: | MAY | Man | |
| | | |) |
| Representing: | ZACHARY OIL | OPERATING | COMPANY |
| • | | | |

Date: MAY 3, 1993

OIL CONSERVATION DIVISION RECEIVED

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May 4, 1993

RE: Request to Downhole Commingle (Cossatot "H" #2) South Brunson Drinkard-Abo and Wantz Granite Wash Pools, Unit K, Section 13, T22S -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 South Brunson Drinkard-Abo and Wantz Granite Wash Pools in the captioned well bore.

| Approved By: C.L. Lapere.H. HARPER - PERMITS | SUPERVISOR |
|--|------------|
| Representing: EXXON CO., U.S.A. | |
| Date: 5-28-93 | |

May 4, 1993

RE: Request to Downhole Commingle (Cossatot "H" #2) South Brunson Drinkard-Abo and Wantz Granite Wash Pools, Unit K, Section 13, T22S -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 South Brunson Drinkard-Abo and Wantz Granite Wash Pools in the captioned well bore.

| Approved By: 78 Godbold | |
|--|----|
| Representing: Chevron U.S.A. Production Co | ٥. |
| Date: 5/26/93 | |