BROOKS ENGINEER

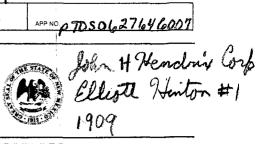
10/3/06

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



		ADMINISTRATIVE APPI	ICATION CHECK	LIST
TI	HIS CHECKLIST IS	MANDATORY FOR ALL ADMINISTRATIVE APPLICA WHICH REQUIRE PROCESSING AT		ON RULES AND REGULATIONS
Applic	[DHC-Dov	ns: Indard Location] [NSP-Non-Standard   Inhole Commingling] [CTB-Lease Co Indicated to the control of the cont	Proration Unit] [SD-Simultan ommingling] [PLC-Pool/Lea Storage] [OLM-Off-Lease N -Pressure Maintenance Expa I-Injection Pressure Increase	ise Commingling] leasurement] ansion] e]
(Ì)	TYPE OF A [A]	PPLICATION - Check Those Which A Location - Spacing Unit - Simultaneo		C
	Chec [B]	k One Only for [B] or [C]  Commingling - Storage - Measureme  DHC CTB PLC		LM
	[C]	Injection - Disposal - Pressure Increa		PR
	[D]	Other: Specify		- ·
[2]	NOTIFICAT	TION REQUIRED TO: - Check Those Working, Royalty or Overriding		Apply
	[B]	Offset Operators, Leaseholders	or Surface Owner	·
	[C]	Application is One Which Requ	ires Published Legal Notice	
	[D]	Notification and/or Concurrent .  U.S. Bureau of Land Management - Commission.	Approval by BLM or SLO or of Public Lands, State Land Office	
	[E]	For all of the above, Proof of No		tached, and/or,
	[F]	Waivers are Attached		
[3]		CCURATE AND COMPLETE INFO	RMATION REQUIRED TO	PROCESS THE TYPE
	val is accurate	ATION: I hereby certify that the inform and complete to the best of my knowled equired information and notifications ar	ge. I also understand that no	
	Note	e: Statement must be completed by an individu	ual with managerial and/or supervi	sory capacity.
Print o	r Type Name	Signature	Title	Date
			e-mail Address	1



(432) 684-6631 FAX (432) 684-7317 110 N. MARIENFELD, SUITE 400 MIDLAND, TEXAS 79701-4412

September 11, 2006

Mr. Michael Stogner State of New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

RE:

Application for a 40 Acre Non-Standard Blinebry Gas Proration Unit for Elliott-Hinton No. 1 (API No. 30-025-10233) located 1650' FNL & 990' FWL of Section 12, T22S – R37E, Lea County, NM

Dear Mr. Stogner:

John H. Hendrix Corporation respectfully requests a 40 acre non-standard Blinebry gas proration unit for its Elliott-Hinton No. 1 (API No. 30-025-10233). The Elliott Hinton No. 1 located 1650' FNL and 990' FWL Section 12, T22S, R37E, Lea County, New Mexico, was the initial Blinebry gas producer for this proration unit.

In June 2, 2000, John H. Hendrix Corporation requested to add the Elliott B-12 No. 2 (API No. 30-025-25137) as a unorthodox gas well location and simultaneous dedication with the Elliott-Hinton No. 1. This request was approved July 10, 2000 under Administrative Order NSL-3199-A (SD). The Elliott B-12 No. 2 was completed as a Blinebry gas well November 1, 2000, flowing 5 BOPD plus 335 MCFPD. Currently the Elliott B-12 No. 2 produces 3 BOPD plus 58 MCFPD for a GOR of 19333 which means this well has to be classified as a Blinebry Oil and Gas well.

The Elliott-Hinton No. 1 is currently producing 1.4 BOPD plus 120 MCFPD for a GOR of 85714. In order to continue to produce the Elliott B-12 No. 2 it is necessary to reduce the 160 acre gas proration unit. It is respectfully requested the 160 acre Blinebry gas proration unit be reduced to 40 acres.

In addition please find the following:

- 1. List of offset operators.
- 2. Plat showing offset operators.
- 3. OCD FormC-102 showing present wells and 160 acre proration unit.
- 4. OCD Form C-102 showing requested non-standard gas proration unit.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to call.

You's very truly,

Ronnie H. Westbrook

Vice President



(432) 684-6631 FAX (432) 684-7317 110 N. MARIENFELD, SUITE 400 MIDLAND, TEXAS 79701-4412

September 11, 2006

# **CERTIFIED MAIL Offset Operators**

Elliott-Hinton No. 1 40 Acre Proration Unit SW/4 NW/4 Section 12, T22S – R37E, Lea County, New Mexico

Dear Offset Operator:

John H. Hendrix Corporation is making application for a non-standard Blinebry gas proration unit for the Elliott-Hinton No. 1 (API No. 30-025-10233). NMOCD Rule 104D requires that you be notified of this action.

A copy of the application is attached. If you have any questions, please call me at (432) 818-0122.

Yours very truly,

JOHN H. HENDRIX CORPORATION

Ronnie H. Westbrook

Vice President

RHW/ah

#### **OFFSET OPERATORS**

NW/4 SECTION 12 T-22-S - R-37-E Lea County, New Mexico

Apache Corporation 3300 N. "A" St. #8200 Midland, TX 79705

Chevron USA Production Company P. O. Box 1150 Midland, TX 79702

> Marathon Oil Company P. O. Box 2490 Hobbs, NM 88240

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete	A. Signature
item 4 if Restricted Delivery is desired.  Print your name and address on the reverse	XM. Mam May Addressee
so that we can return the card to you.  Attach this card to the back of the mailpiece.	B. Received by ( Printed Name) C. Date of Delivery
or on the front if space permits.	111. Chamnes 19/13/06
Article Addressed to:	D. Is delivery address different from item 1?
	If YES, enter delivery address below:
Uparke Corp.	
3300 m A St. Ste 82	10
2300 N. W 31. 910	
The deand Ju	3. Service Type
79705	Certified Mail
77705	☐ Insured Mail ☐ C.O.D.
	4. Restricted Delivery? (Extra Fee)
2. Article Number	
(Transfer from service label) 7004 11	60 0000 4925 1336
PS Form 3811, August 2001 Domestic Re	turn Receipt 102595-02-M-1540
OF USE OF THE OWNER OWNER OF THE OWNER OWNE	
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	A. Signature
■ Print your name and address on the reverse	X Addressee
so that we can return the card to you.	B. Received by (Printed Name) C. Date of Delivery
Attach this card to the back of the mailpiece, or on the front if space permits.	Hunotos   9/26/06
1. Article Addressed to:	D. Is delivery address different from item 1?  Yes
<b>4</b>	if YES, enter delivery address below:   No
Cheuron USAProd	
a+ 10.	!
alln: Alnise Deckha	
15 In To Pool	3. Service Type
is prince head	Certified Mail
midland Ju79705	☐ Insured Mail ☐ C.O.D.
	4. Restricted Delivery? (Extra Fee) Yes
2. Article Number	Ln nnno 4925 1367
	.60 0000 4925 1367
PS Form 3811, August 2001 Domestic Re	turn Receipt 2ACPRI-03-P-4081
- <u>-                                  </u>	· · · · · · · · · · · · · · · · · · ·
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
■ Complete items 1, 2, and 3. Also complete	A. Signature
item 4 if Restricted Delivery is desired.	Agent
■ Print your name and address on the reverse	Addressee
so that we can return the card to you.  Attach this card to the back of the mailpiece,	B. Received by (Printed Name) C. Date of Delivery
or on the front if space permits.	LAMES + AUS 16
Article Addressed to:	D. Is delivery address different in its 2 D Yes if YES, enter delivery address pelow: (*)
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attn: Kodney orath	00588
On Ray was	
F U. DOY 2470	3. Service Type  Si Certified Mail
Holds n.m. 8824	/) Registered Return Receipt for Merchandise
, J , , 0 00 11	Li insured Maii Li C.O.D.
	4. Restricted Delivery? (Extra Fee)
2. Article Number (Transfer from service label) 7004 1	160 0000 4925 1350
(statistical from service label)	

## OFFSET OPERATORS NW/4 Section 12,

T-22-S, R-37-E

### Lea County, New Mexico

Apach		John H. Hendrix Corp.	t Chevron	
Mara	thon Chevron	160 Acre Proration  40 Acre  John H. Her	John H. Hendrix Corp.	Requested Proration Unit
	14		13.	i.

<u>District I</u>
1625 N. French Dr., Hobbs, NM 88240
<u>District II</u>

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 CONSERVATIONDIVISION

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

		V	VELL LO	CATIO	N AND ACR	EAGE DEDIC	ATION PLA	T			
	PI Number	1	70	' Pool Code	1	' Pool Name					
30-025-1023	3		724	180	В	linebry Gas					
'Property C	ode				Property N	Vame			'Well Number		
005190	Elliott-H	inton					l	1			
'OGRID N				Operator !	Name				Elevation		
012024		John H. I	Hendrix Co	orporation				İ		<i>.</i> *	
					<sup>10</sup> Surface	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/	West line		County
Е	12	22S	37E		1650	North	990	West		Lea	
			11 Bo	ottom Ho	le Location I	f Different Fron	n Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/	West line		County
								l			
" Dedicated Acres	" Joint or	Infill " (	Consolidation	Code "Or	der No.						
160								·			

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.

MILLI LILLIA LI LA	/	
Elliott-Hinton	Present Proration Unit	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 woluntary pooling agreement or a compulsory pooling order heretoffire intered by the division.  109/11/2006  Signature  Ronnie H. Westbrook  Printed Name
		18SURVEYOR 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

#### <u>Ďistrict I</u>

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

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1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005

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☐ AMENDED REPORT

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		•	WELL LO	<b>OCATIO</b>	N AND ACR	EAGE DEDIC	CATIONPLA	T			
	API Number			Pool Code	e		' Pool Nai				
30-025-1023	33		724	480	В	linebry Gas					
Property (	Code	,			Property N	Name			'Well Number		
005190		Elliott-H	Iinton						1		
'OGRID	No.				'Operator l	Name			'Elevation		
012024		John H.	Hendrix Co	orporation	l				ļ		
					<sup>10</sup> Surface	Location					
UL or lot no.	Section	Township	Range	Lot Idn			Feet from the	Eas	t/West line		County
E	12	22S	37E		1650	North	990	West		Lea	
			11 Bo	ottom Ho	ole Location I	f Different From	m Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	t/West line	1	County
" Dedicated Acres	" Joint or	r Infill "	Consolidation	Code "Oı	rder No.						-
160	}	-									

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7111111111	-990'	Reque	sted Proratic Unit	n	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 heretofere eyered by the division.  18 CHADALE AND CONTRACTOR OF THE ICA THOUGH
					18SURVEYOR 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

JOHN H. HENDRIX CORPORATION

MAILING ADDRESS P.O. BOX 3040 MIDLAND, TX 79702-3040

(432) 684-6631 FAX (432) 684-7317 110 N. MARIENFELD, SUITE 400 MIDLAND, TEXAS 79701-4412

2006 00T 2 PM 3 36 September 11, 2006

Mr. Michael Stogner State of New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

> RE: Application for a 40 Acre Non-Standard Blinebry Gas Proration Unit for Elliott-Hinton No. 1 (API No. 30-025-10233) located 1650' FNL & 990' FWL of Section 12, T22S – R37E, Lea County, NM

Dear Mr. Stogner:

John H. Hendrix Corporation respectfully requests a 40 acre non-standard Blinebry gas proration unit for its Elliott-Hinton No. 1 (API No. 30-025-10233). The Elliott Hinton No. 1 located 1650' FNL and 990' FWL Section 12, T22S, R37E, Lea County, New Mexico, was the initial Blinebry gas producer for this proration unit.

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- 1. List of offset operators.
- 2. Plat showing offset operators.
- 3. OCD FormC-102 showing present wells and 160 acre proration unit.
- 4. OCD Form C-102 showing requested non-standard gas proration unit.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to call.

You's very truly,

Ronnie H. Westbrook

Vice President



(432) 684-6631 FAX (432) 684-7317 110 N. MARIENFELD, SUITE 400 MIDLAND, TEXAS 79701-4412

September 11, 2006

# **CERTIFIED MAIL**Offset Operators

Elliott-Hinton No. 1 40 Acre Proration Unit SW/4 NW/4 Section 12, T22S – R37E, Lea County, New Mexico

Dear Offset Operator:

John H. Hendrix Corporation is making application for a non-standard Blinebry gas proration unit for the Elliott-Hinton No. 1 (API No. 30-025-10233). NMOCD Rule 104D requires that you be notified of this action.

A copy of the application is attached. If you have any questions, please call me at (432) 818-0122.

Yours very truly,

JOHN H. HENDRIX CORPORATION

Ronnie H. Westbrook

Vice President

RHW/ah

#### **OFFSET OPERATORS**

NW/4 SECTION 12 T-22-S - R-37-E Lea County, New Mexico

Apache Corporation 3300 N. "A" St. #8200 Midland, TX 79705

Chevron USA Production Company P. O. Box 1150 Midland, TX 79702

> Marathon Oil Company P. O. Box 2490 Hobbs, NM 88240

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete	A. Signature
item 4 if Restricted Delivery is desired.  Print your name and address on the reverse	XM Cham Me Addressee
so that we can return the card to you.  Attach this card to the back of the mailpiece,	B. Received by ( Printed Name) C. Date of Delivery
or on the front if space permits.	111. Chamnes 14/13/06
1. Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
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3300 m. A'St. Ste 82	90
m. 1. 1.	3. Service Type
Malana 7	Certified Mail
79705	☐ Registered
	4. Restricted Delivery? (Extra Fee)
2. Article Number	LO 0000 LOTE 1770
- 40-00 Personal Control of Contr	60 0000 4925 1336
PS Form 3811, August 2001 Domestic Re	turn Receipt 102595-02-M-1540
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
■ Complete items 1, 2, and 3. Also complete	A. Signature
item 4 if Restricted Delivery is desired.  Print your name and address on the reverse	X
so that we can return the card to you.  Attach this card to the back of the mailpiece,	B. Received by (Printed Name) C. Date of Delivery
or on the front if space permits.	Jun0705 912610C
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alten Denise Berkly	
1=1 - 1 D	3. Service Type
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Midland 3479705	☐ Insured Mail ☐ C.O.D.
	4. Restricted Delivery? (Extra Fee) ☐ Yes
2. Article Number (Transfer from service label) 7004 1.1	60 0000 4925 1367
PS Form 3811, August 2001 Domestic Re	
F3 F0III 00 11, August 2001 Domestic Re	turn Heceipt 2ACPRI-03-P-4081
Control of the Contro	
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	A. Stånature
Print your name and address on the reverse	Addressee
so that we can return the card to you.  Attach this card to the back of the mailpiece,	B. Received by (Printed Name) C. Date of Delivery
or on the front if space permits.	D. Is delivery address different trent it is 2 1 Yes
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	4. Restricted Delivery? (Extra Fee)
2. Article Number (Transfer from service label) 7004 1	160 0000 4925 1350

## OFFSET OPERATORS NW/4 Section 12,

T-22-S, R-37-E

### Lea County, New Mexico

	2		1	
Apach	ie	John H. Hendrix Corp.	Chevron	
Mara	11 thon	160 Acre Proration 1 40 Acre	John H. John Corp.	Requested Proration Unit
	Chevron		ndrix Corp.	FIGIACION UNIC
	14		<b>13</b> .	
· : :			·	
		٠,		. 45.

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 CONSERVATIONDIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

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.

Signature and Seal of Professional Surveyor:

Date of Survey

Certificate Number

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

' /	API Numbe			'Pool Code		<u>EAGE DEDIC</u>	Pool Nai				
30-025-1023			724	80	В	linebry Gas					
Property (	Code				' Property l	Vame			' Well Number		
005190											
OGRIDA	No.	T. b TT T	r 4: O .		Operator l	Name				' Elevation	
012024		John H. F	lendrix Co	rporation	10 C C.					·	
JL or lot no.	Section	Township	Range	Lot Idn	Surface Feet from the	Location North/South line	Feet from the	Foo	t/West line		Count
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.,	0 11	[m]	ВС			Different From					
U <b>L or lot no.</b>	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	- Łas	t/West line		Count
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467.					!		working interes	onowledge and t	ineral interest in	the land inclu	ding the
Elliot	650-			P	resent P	roration	pursuant to a c	m hole location contract with an ry pooling agree	ownér of such a ement or a comp	mineral or wor	rking interes
	B-1						Signature	red by the divisi	T de	09/1] Date	L 1/2006
—990 <sup>·</sup> —	#/			1111			Ronnie I		rook		
E	lliot	t-Hint	on	4111							
7//////	7111	11/1/	7111	1			18SUR I hereby ce	VEYOI ertify that ti	R CERT	IFICA	TION n on this

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

1301 W. Grand Avenue, Artesia, NM 88210

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 CONSERVATIONDIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005

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Fee Lease - 3 Copies

☐ AMENDED REPORT

		V	VELL LO	CATIO	N AND ACR	EAGE DEDIC	CATION PLA	T			_
1A 30-025-1023	PI Number		724	' Pool Code 180		linebry Gas	' Pool Na	me			
Property Code Property Name  005190 Elliott-Hinton								'Well Number			
Operator Name Elevation John H. Hendrix Corporation											
					10 Surface	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	t/West line		County
E	12	22S	37E		1650	North	990	West	İ	Lea	
			11 Bo	ottom Ho	le Location I	f Different From	n Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Eas	st/West line		County
12 Dedicated Acres	" Joint or	Infill "C	  Consolidation	Code "Or	der No.		<u> </u>				
160		,									

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.

7111111111	16 -990'	1	Reque	sted Proratic Unit	n	18 SURVEYOR 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 of a contract with an owner of such a mineral or working interest, or to divoluntary pooling agreement or a compulsory pooling order herelyforgentered by the division O9/11/2006 Signature Date  Ronnie H. Westbrook 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



(432) 684-6631 FAX (432) 684-7317 110 N. MARIENFELD, SUITE 400 MIDLAND, TEXAS 79701-4412

2006 OCT 2 PM 3 36

September 11, 2006

Mr. Michael Stogner State of New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

RE:

Application for a 40 Acre Non-Standard Blinebry Gas Proration Unit for Elliott-Hinton No. 1 (API No. 30-025-10233) located 1650' FNL & 990' FWL of Section 12, T22S – R37E, Lea County, NM

Dear Mr. Stogner:

John H. Hendrix Corporation respectfully requests a 40 acre non-standard Blinebry gas proration unit for its Elliott-Hinton No. 1 (API No. 30-025-10233). The Elliott Hinton No. 1 located 1650' FNL and 990' FWL Section 12, T22S, R37E, Lea County, New Mexico, was the initial Blinebry gas producer for this proration unit.

In June 2, 2000, John H. Hendrix Corporation requested to add the Elliott B-12 No. 2 (API No. 30-025-25137) as a unorthodox gas well location and simultaneous dedication with the Elliott-Hinton No. 1. This request was approved July 10, 2000 under Administrative Order NSL-3199-A (SD). The Elliott B-12 No. 2 was completed as a Blinebry gas well November 1, 2000, flowing 5 BOPD plus 335 MCFPD. Currently the Elliott B-12 No. 2 produces 3 BOPD plus 58 MCFPD for a GOR of 19333 which means this well has to be classified as a Blinebry Oil and Gas well.

The Elliott-Hinton No. 1 is currently producing 1.4 BOPD plus 120 MCFPD for a GOR of 85714. In order to continue to produce the Elliott B-12 No. 2 it is necessary to reduce the 160 acre gas proration unit. It is respectfully requested the 160 acre Blinebry gas proration unit be reduced to 40 acres.

In addition please find the following:

- 1. List of offset operators.
- 2. Plat showing offset operators.
- 3. OCD FormC-102 showing present wells and 160 acre proration unit.
- 4. OCD Form C-102 showing requested non-standard gas proration unit.

Thank you for your consideration in this matter. If you have any questions, please do not hesitate to call.

You's very truly,

Ronnie H. Westbrook

Vice President



(432) 684-6631 FAX (432) 684-7317 110 N. MARIENFELD, SUITE 400 MIDLAND, TEXAS 79701-4412

September 11, 2006

# **CERTIFIED MAIL Offset Operators**

Elliott-Hinton No. 1 40 Acre Proration Unit SW/4 NW/4 Section 12, T22S – R37E, Lea County, New Mexico

Dear Offset Operator:

John H. Hendrix Corporation is making application for a non-standard Blinebry gas proration unit for the Elliott-Hinton No. 1 (API No. 30-025-10233). NMOCD Rule 104D requires that you be notified of this action.

A copy of the application is attached. If you have any questions, please call me at (432) 818-0122.

Yours very truly,

JOHN H. HENDRIX CORPORATION

Ronnie H. Westbrook

Vice President

RHW/ah

### **OFFSET OPERATORS**

NW/4 SECTION 12 T-22-S - R-37-E Lea County, New Mexico

Apache Corporation 3300 N. "A" St. #8200 Midland, TX 79705

Chevron USA Production Company P. O. Box 1150 Midland, TX 79702

> Marathon Oil Company P. O. Box 2490 Hobbs, NM 88240

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3. Also complete	A Signature
item 4 if Restricted Delivery is desired.  Print your name and address on the reverse	X/Y). Man Me 20 Addressee
so that we can return the card to you.  Attach this card to the back of the mailpiece,	B. Received by ( Printed Name) C. Date of Delivery
or on the front if space permits.	D. Is delivery address different from item 1? Yes
Article Addressed to:	D. Is delivery address different from item 1?   If YES, enter delivery address below:   No
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Midland Jy	3. Service Type
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Political Control Cont	102030-02-M-1040
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Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	A. Signature
■ Print your name and address on the reverse	X ☐ Addressee
so that we can return the card to you.  Attach this card to the back of the mailpiece,	B. Received by (Printed Name) C. Date of Delivery
or on the front if space permits.	D. Is delivery address different from item 1? Yes
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	4. Restricted Delivery? (Extra Fee)
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PS Form 3811, August 2001 Domestic Re	turn Receipt 2ACPRI-03-P-4081
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■ Complete items 1, 2, and 3. Also complete	A. Signature
item 4 if Restricted Delivery is desired.	Agent 🗆
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Attach this card to the back of the mailpiece, or on the front if space permits.	JAMES FALLY (5)
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2. Article Number	160 0000 4925 1350
(Transfer from service label)	TIDD 1100 - 100 TOO TOO

OFFSET OPERATORS

NW/4 Section 12,

T-22-S, R-37-E

Lea County, New Mexico

Apach	e ne	John H. Hendrix Corp.	Chevron	
Mara	thon Chevron	160 Acre Proration  Unit 40 Acre  John H. Her	John H. Hendrix Corp.	Requested Proration Unit .
	14		13.	. de

#### 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

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30-025-1023	API Number	г	724	, Lool Coc		linebry Gas	' Pool Nar	ne		
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OGRID	lo.		Operator Name						'Elevation	
012024		John H.	Hendrix Co	orporation	10					
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160										
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	#/	t-Hir	nton	411111111			Ronnie I			02/11/2000

Certificate Number

#### District I

• 1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

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			<u>WELL LC</u>	<u>)CATIO</u>	<u>N AND ACK</u>	<u>EAGE DEDIC</u>	<u>ATION PLA</u>	<u> </u>			
	'API Number 'Pool Code 'Pool Name 30-025-10233 Blinebry Gas						me				
Property C	Code	Property Name Elliott-Hinton							1 'v	Well Number	
'OGRID N	lo.				'Operator l	Name			1	' Elevation	
012024		John H. Hendrix Corporation									
					10 Surface	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line			County
Е	12	22S	37E		1650	North	990	West		Lea	
			<sup>11</sup> Bc	ottom Ho	le Location I	f Different From	n Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	e East/West line			County
" Dedicated Acres	" Joint or	Infill "	Consolidation (	Code "Or	der No.						
160											

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.

7111111111	-990'	Reque	sted Proratio	n	18 SURVEYOR 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 valuntary pooling agreement or a compulsory pooling order hereufore effered by the division,  Market 1/2006 Signature Date  Ronnie H. Westbrook 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



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

November 2, 2006

Mr. Ronnie H. Westbrook Vice President John H. Hendrix Corporation P.O. Box 3040 Midland, TX 79702-3040

Re: NSP Application No. pTDS06-27646007

Elliott-Hinton No. 1 API No. 30-025-10233 E-12-22S-37E, Lea County

Dear Mr. Westbrook:

Reference is made to the above application for approval of a non-standard 40-acre gas proration unit in the Blinebry Oil and Gas Pool.

Pursuant to NMOCD Rule 1210.A(3), notice of this application is required to "all owners of interest in the mineral estate to be excluded from the proration unit." This would require notice to any owners of working or royalty interests in any portion of the NW/4 of Section 12 outside of the proposed unit (the SW/4 NW/4).

Of course, there would be no need for notice to these owners if ownership of all interests is identical throughout the entire NW/4. However, your application does not state that this is the case.

Please supplement the referenced application by furnishing either (a) proof of notice to the affected interest owners within the NW/4, or (b) a statement that ownership of all interests is identical throughout the entire quarter section.

If it is necessary to send any further notices, please include in the notices the statement that the persons notified may file objections with the New Mexico Oil Conservation Division within 20 days of the date to the notice, and the application may be granted if no objection is filed. The omission of this information in the notice you previously sent to offset operators is harmless, since these entities are doubtless aware of OCD procedures, but this would not necessarily be the case for notices sent to royalty owners.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

David K. Brooks, Assistant General Counsel



(432) 684-6631 FAX (432) 684-7317 110 N. MARIENFELD, SUITE 400 MIDLAND, TEXAS 79701-4412

December 5, 2006

Mr. Michael Stogner State of New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

RE:

 $\infty$ 

NSP - Application No. pTOS06-2764007 Elliott Hinton No. 1

API No. 30-025-10233

E - 12 - 22S - 37E - Lea County, New Mexico

Dear Mr. Stogner:

In reference to your attached letter, it is the purpose of this letter to state that Blinebry interest is identical throughout the NW/4 section due to the Blinebry being communitized. As such we treat all proration units, whether gas or oil as being communitized. This is the only fair way to treat this as the gas-oil ratio determines whether a Blinebry completion is gas or oil, and to go from gas to oil and back to gas would not be fair unless the entire 160 was treated as an identical interest.

Thank you for your assistance regarding this application. If you have further questions, please do not hesitate to call.

ours very truly,

Ronnie H. Westbrook

Vice President

porter segu



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

November 2, 2006

Mr. Ronnie H. Westbrook Vice President John H. Hendrix Corporation P.O. Box 3040 Midland, TX 79702-3040

JOHN H. HENDRIX CORP. RECEIVED

NOV - 6 2006

Re:

NSP Application No. pTDS06-27646007

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MIDLAND, TX

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Oil Conservation Division \* 1220 South St. Francis Drive \* Santa Fe, New Mexico 87505 Phone: (505) 476-3440 \* Fax (505) 476-3462 \* <a href="http://www.emnrd.state.nm.us">http://www.emnrd.state.nm.us</a>

11/4/06 Capy to Rhonda + Row



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

November 2, 2006

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JOHN H. HENDRIX CORP. RECEIVED

NOV - 6 2006

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Rhonda + Kon

11/4/06