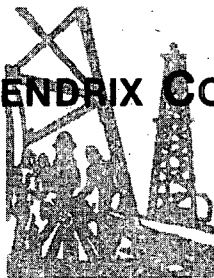
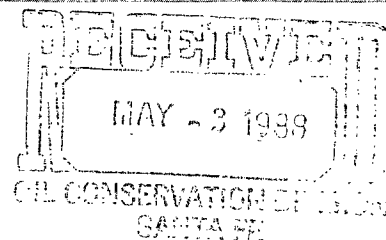


JOHN H. HENDRIX CORPORATION



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

April 28, 1988



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 - Parks "A" No. 4
Unit I, Section 14,
T-22-S - R-37-E,
Lea County, New Mexico

Gentlemen:

John H. Hendrix Corporation respectfully requests administrative approval to downhole commingle the Tubb and Drinkard pools in the Parks "A" No. 4.

Additional data relative to this commingling is listed below:

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

2. A current C-116 is included to show the current status of the Tubb Zone (Exhibit II) and the Drinkard Zone (Exhibit III). The Tubb Zone currently flows 20 MCFPD of gas with no condensate or water. The Drinkard Zone is dead and will not sustain a natural flow after swabbing. If downhole commingling is approved, a beam unit will be installed to keep fluid pumped from the well bore.

3. A decline curve for the Tubb (Exhibit IV) and Drinkard (Exhibit V) is attached. The erratic production from the Tubb Zone is due to gas takes from El Paso. Note that the Drinkard Zone has only produced several times the past two years. This is due to insufficient gas volumes to lift the small amount of liquid that accumulates in the well bore. As stated above, it is planned to install pumping equipment if this request is approved.

*Drinkard - 6055-6460
Tubb - 6002-6140*

April 28, 1988

4. Attached are bottom hole pressure surveys for the Tubb (Exhibit VI) and Drinkard (Exhibit VII). Bottomhole pressure for the Tubb is 691 psig, and 759 psig for the Drinkard. When adjusted to a common average datum of 6071 (mid point of Tubb perfs.) the Drinkard pressure is 662.5 psig $[759 \text{ psig} - (6359 - 6071) .335] = 662.5 \text{ psig}$.

5. The Tubb Zone produces only gas and the Drinkard Zone oil and gas. Since the Tubb produces no oil, quality of the crude will not be affected and will not reduce the commercial value. Attached Exhibits VIII and IX are gas analysis for the Tubb and Drinkard. Gas price per BTU is the same for both the Tubb and Drinkard, hence the value will not be reduced.

6. Working interest and royalty ownership in the Tubb and Drinkard formations are the same.

7. The following allocation percentages are suggested based upon the analysis of the data available. Since the Tubb produces no oil, it is recommended that 100% of oil be allocated to the Drinkard. Drinkard rates are based on available data gathered when the Drinkard Zone had a sustained flow.

	<u>Oil</u>	<u>Expected Production</u>		<u>MCFPD</u>
		<u>BOPD</u>	<u>Gas</u>	
Tubb	0%	0	40%	20
Drinkard	100%	1	60%	30

This commingling is necessary to permit the Drinkard to be produced, which would not otherwise be economically producible. With the well in a pumped off condition, there will be no cross flow between the zones to be commingled.

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

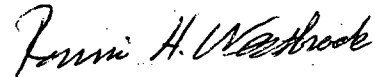
NMOCD

-3-

April 28, 1988

waiver and return one copy to the NMOCD and another to me in the self addressed envelope. If you have questions, please call me at (915) 684-6631.

Yours very truly,



Ronnie H. Westbrook
Vice-President

RHW/ah

Exhibits Attached

cc: NMOCD District 1 - Hobbs
Offset Operators (Certified Mail)



NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator John H. Hendrix Corporation		Pool Lea		County											
Address 223 W. Wall, Suite 525, Midland, TX 79701		TYPE OF TEST - (X)		Completion ☐ Special ☒											
Tubbs		SCHEDULED		Special											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT./BBL.	
		U	S	T						R	WATER BBLs.	GRAV. OIL	OIL BBLs.		GAS M.C.F.
Parks "A"	1	I	14	22	37	3/10/88	F Open	60	1	24	0	0	0	20	---

No well will be assigned an allowable greater than the amount of oil produced on the official test.

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 Commission.

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.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and 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-Pres.
(Title)

April 28, 1988
(Date)

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator		Pool		County											
John H. Hendrix Corporation		Drinkard		Lea											
Address		TYPE OF TEST - (X)		Completion ☐ Scheduled ☐		Special ☒									
LEASE NAME		WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL	
			U	S	T	R					WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
Parks "A"		4	I	14	22	37		F 60#			0	42	1	30	30,000
* Note - This is an estimated test. The subject well will not flow. As shown on Exhibit V this well has produced only several times the past two years. This is an estimated test. A one or two day swab test would not be indicative of a sustained producing rate.															

No well will be assigned an allowable greater than the amount of oil produced on the official test.

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 Commission.

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.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

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

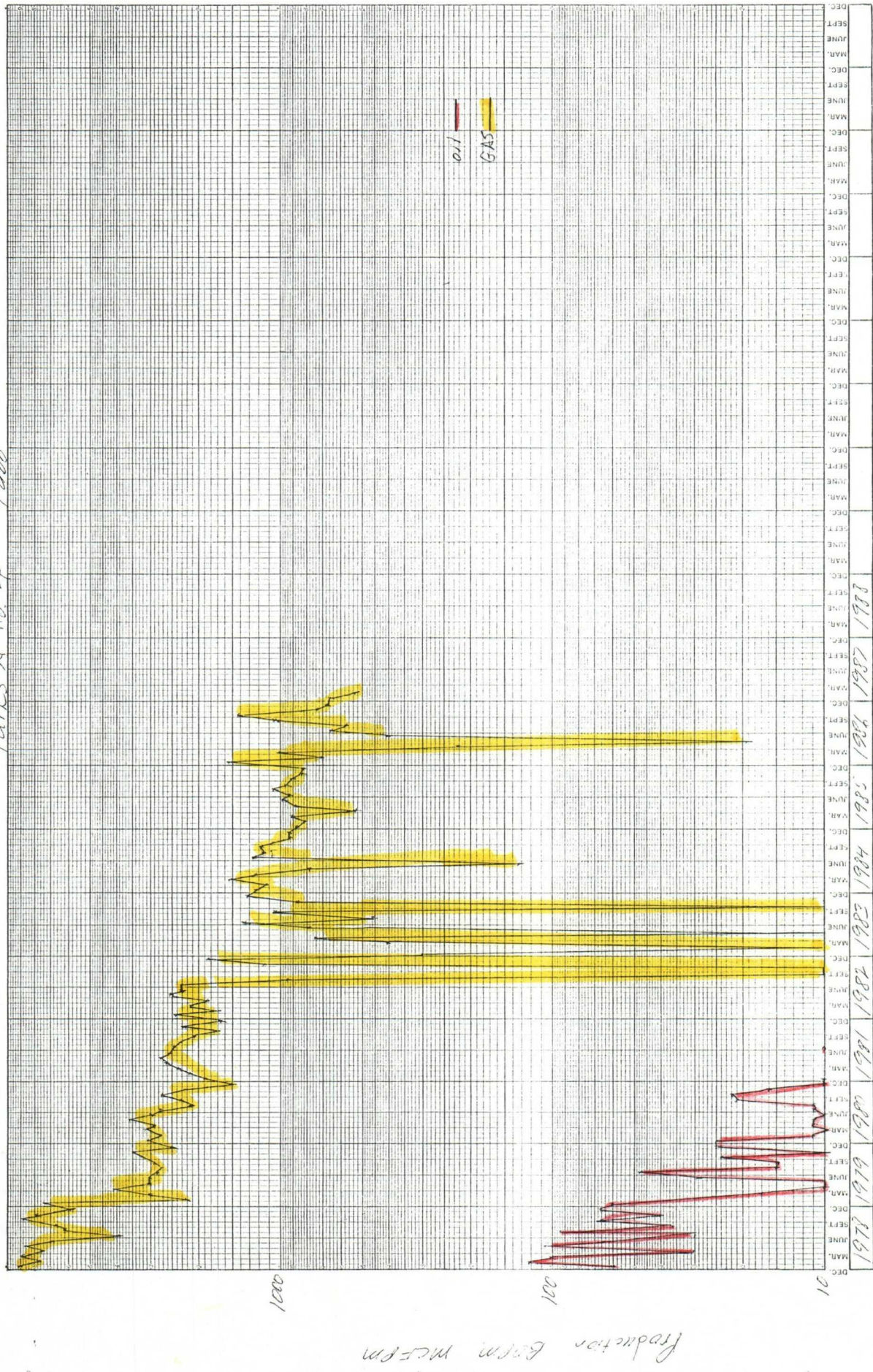
Ronnie H. Westbrook
(Signature)

Ronnie H. Westbrook - Vice-Pres.

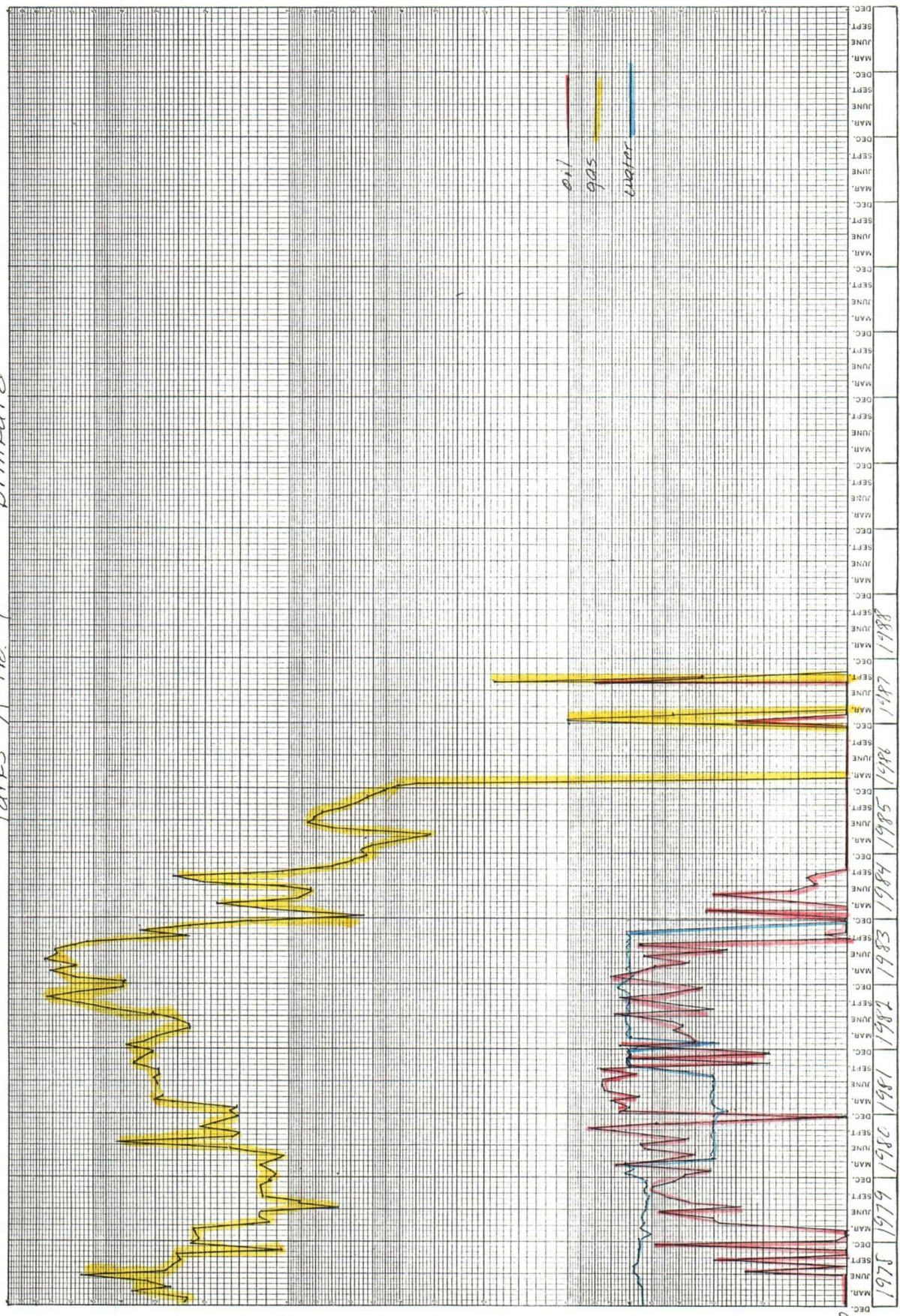
April 28, 1988 (Date)

EXHIBIT III

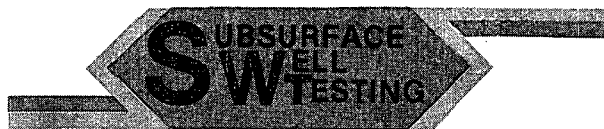
Parks A No 4 Tubb



Parks A No. 4 Drinkard



P. O. BOX 5254
MIDLAND, TEXAS 79704



PHONE
915/682-7580

BOTTOM HOLE PRESSURE REPORT

Operator JOHN H. HENDRIX CORPORATION Lease PARKS "A" Well No. 4
Field _____ Reservoir TUBB Datum _____
Test Date 04/19/88 Well Status Static Hours Shut In _____
Tubing 2 1/16 Depth _____ End OPEN Packer _____ S. N. _____
Casing _____ Depth _____ Perf. 6002 - 6110 Total Depth 6460

	Depth	Press. Lbs/Sq. In.	Δ Press.	Gradient Lbs/Ft.
Tubing Press.....	0	593		
Casing Press.....				
Top of Fluid..... <u>None</u>	2500	631	38	0.015
Top of Water..... <u>None</u>	5000	671	40	0.016
Temp. @..... °F.....	5671	682	11	0.016
Elev. KB..... GI.....	5871	686	4	0.020
Last Test Date.....	6071	691	5	0.025
Press. Last Test.....				
Change..... 0 Per Day..... 0.000				
Inst. No. <u>10692</u> Cal. <u>11987</u>	6071	691	Ctr. of Perfs. 0.025	
Tested By <u>Allen</u>				
Calcu. By <u>Allen</u>				
Prod. Index..... Bbls/day/lb.....				
Drop				
Cumulative prod.....				

Remarks:

EXHIBIT VI

P. O. BOX 5254
MIDLAND, TEXAS 79704



PHONE
915/682-7580

BOTTOM HOLE PRESSURE REPORT

Operator JOHN H. HENDRIX CORPORATION Lease PARKS "A" Well No. 4
Field _____ Reservoir DRINKARD Datum _____
Test Date 04/19/88 Well Status Static Hours Shut In _____
Tubing 2 3/8 Depth _____ End OPEN Packer 6219 S. N. _____
Casing _____ Depth _____ Perf. 6258 - 6460 Total Depth 6460

	Depth	Press. Lbs/Sq. In.	Δ Press.	Gradient Lbs/Ft.
Tubing Press.....				
Casing Press.....	0	74		
Top of Fluid.....	2500	83	9	0.004
Top of Water.....	5000	304	221	0.088
Temp. @..... °F	5959	625	321	0.335
Elev. KB..... Gl.....	6159	692	67	0.335
Last Test Date.....	6359	759	67	0.335
Press. Last Test.....				
Change..... 0 Per Day..... 0.000				
Inst. No. 10692 Cal. 11987	6359	759	Ctr. of Perfs. 0.335	
Tested By.. Allen				
Calcu. By.. Allen				
Prod. Index..... Bbls/day/lb.....				
Drop				
Cumulative prod.....				

Remarks:

04-07-88

EL PASO NATURAL GAS COMPANY
VOLUME ACCOUNTING DEPARTMENT
MEASUREMENT DIVISION
POST OFFICE BOX 1492
EL PASO, TEXAS 79978

MAILEE
03155

CHROMATOGRAPHIC GAS ANALYSIS REPORT

JOHN H. HENDRIX CORP.
525 MIDLAND TOWER
MIDLAND, TEXAS 79701

ANAL DATE 00-00-00

METER STATION NAME
PARKS #4T Tubb

METER STA 60637
OPER 4942

TYPE CODE	SAMPLE DATE	EFF. DATE	USE MOS	H2S GRAINS	LOCATION
00 ***	03-07-88	04-01-88	07	0	1 J 22

	NORMAL MOL%	GPM
CO2	.03	.000
H2S	.00	.000
N2	1.66	.000
METHANE	83.30	.000
ETHANE	9.45	2.528
PROPANE	3.63	1.000
ISO-BUTANE	.36	.118
NORM-BUTANE	.90	.284
ISO-PENTANE	.18	.066
NORM-PENTANE	.21	.076
HEXANE PLUS	.28	.122
	100.00	4.194

SPECIFIC GRAVITY .677

MIXTURE HEATING VALUE
(BTU/CF @14.73 PSIA, 60 DEGREES, DRY) 1177

RATIO OF SPECIFIC HEATS 1.287

NO TEST SECURED FOR H2S CONTENT

*** TYPE CODE EXPLANATION: SINGLE METER ANALYSIS

GXC

EXHIBIT VIII

02-05-87

EL PASO NATURAL GAS COMPANY
MEASUREMENT DEPARTMENT
POST OFFICE BOX 1492
EL PASO, TEXAS 79978

MAILEE
03155

CHROMATOGRAPHIC GAS ANALYSIS REPORT

JOHN H. HENDRIX CORP.
525 MIDLAND TOWER
MIDLAND, TEXAS 79701

ANAL DATE 00-00-00

METER STATION NAME
PARKS Drinkard

METER STA 61282
OPER 4942

TYPE CODE	SAMPLE DATE	EFF. DATE	USE MOS	H2S GRAINS	LOCATION
00 ***	01-19-87	01-25-87	04	0	1 J 31

	NORMAL MOL%	GPM
CO2	.09	.000
H2S	.00	.000
2	1.71	.000
METHANE	78.10	.000
ETHANE	11.95	3.194
PROPANE	5.06	1.392
ISO-BUTANE	.51	.167
NORM-BUTANE	1.47	.463
ISO-PENTANE	.30	.110
NORM-PENTANE	.39	.141
HEXANE PLUS	.42	.183
	100.00	5.650

SPECIFIC GRAVITY .724

MIXTURE HEATING VALUE
(BTU/CF @14.73 PSIA, 60 DEGREES, DRY) 1248

RATIO OF SPECIFIC HEATS 1.279

NO TEST SECURED FOR H2S CONTENT

*** TYPE CODE EXPLANATION SINGLE METER ANALYSIS

GXC

EXHIBIT IX

RE: Downhole Commingling Request
Parks "A" No. 4
Unit I, Sec. 14, 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 downhole commingling of the Tubb and Drinkard Pools in the captioned wellbore.

Approved By: _____

Representing: _____

Date: _____

OFFSET OPERATORS TO
JOHN H. HENDRIX CORPORATION'S
PARKS "A" LEASE

Chevron, USA Inc.
P. O. Box 1660
Midland, TX 79702

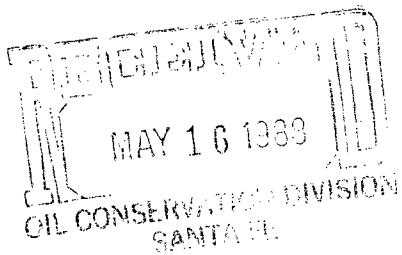
Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

ARCO Oil and Gas Company
P. O. Box 1610
Midland, TX 79702

Amerada-Hess Corporation
P. O. Box 840
Seminole, TX 79360

CONOCO
P. O. Box 460
Hobbs, New Mexico 88240

Standard Oil Production
P. O. Box 4587
Houston, TX 77210



RE: Downhole Commingling Request
Parks "A" No. 4
Unit I, Sec. 14, 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

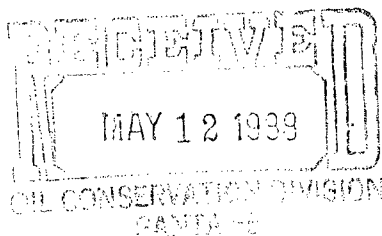
As an offset operator, the undersigned has no objection to the John H. Hendrix Corporation application to downhole commingling of the Tubb and Drinkard Pools in the captioned wellbore.

Approved By: J. A. W. Holson
Representing: ARCO Oil & Gas
Date: 5/11/88



Production Department
Hobbs Division
North American Production

Conoco Inc.
P.O. Box 460
726 East Michigan
Hobbs, NM 88240
(505) 393-4141



May 9, 1988

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention William J. LeMay

Gentlemen:

Downhole Commingling Request - Parks "A" No. 4, Unit I, Sec. 14, T-22S,
R-37E, Lea County, New Mexico - John H. Hendrix Corporation

Conoco Inc. has approved as offset operator, John H. Hendrix Corporation's waiver letter for DHC, the subject well. One copy of the approved waiver is attached for your file. One copy is being returned to Hendrix.

Yours very truly,

H. A. Ingram
Conservation Coordinator

/tm

cc: John H. Hendrix Corporation
223 W. Wall, Suite 525
Midland, TX 79701

RE: Downhole Commingling Request
Parks "A" No. 4
Unit I, Sec. 14, 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

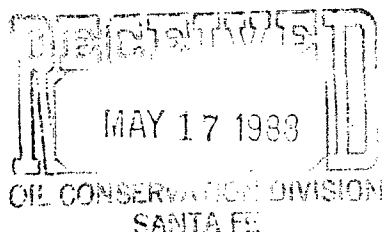
Attention: David R. Catanach

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

Approved By: 

Representing: Conoco Inc.

Date: May 9, 1988



RE: Downhole Commingling Request
Parks "A" No. 4
Unit I, Sec. 14, 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 downhole commingling of the Tubb and Drinkard Pools in the captioned wellbore.

Approved By: Alan W. Bohling - Division Proration Engineer
Representing: Chevron, U.S.A.
Date: May 16, 1988