| Order Number | API Number Operator | r | County | |
|---------------------|--|--|-----------------------|----------|
| 487 | 30-125-10150 John H. Hendr | |] Lea | |
| Order Date 01-09-12 | Penrose Federal | Number | Eocation Location 225 | 37E |
| | | Oil % | UL Sec T (+Dir) Gas % | R:(#Dir) |
| Pool 1 /0660 | Blindry Dil + Gas | 34% | 3490 | |
| Pool 2 00240 | Tubb 0:1+6as: | 33% | 32% | |
| Pool 3 19190 | Drinkard | 33% | 33% | |
| Pool 4 | | | | |
| Comments Pa | osted in RBDMS 01-10-a | 2012 COA | | |
| | The control was a strong or an include that a day". The first is a window to a deported by a perfectly of the profession of the control of th | en in der kreenlik van hinde en skriver van de skrive skrive van de skriver beskriver van de skriver van de sk | | |
| | | | | |

| OPERATOR: John H. Hendrix Bro | DHC 30-02 | -HOB-2 5-10150 | 187 |
|--|-------------------|-----------------------------|-------------------|
| PROPERTY NAME: Penrose Federal 1 | | | |
| WNULSTR: F-9-225-37E | | | |
| SECTION I: POOL NO. 1 Bline bry Oil & Gas | ALLOWAB | LE AMOUNT <u>428</u> MCF | |
| POOL NO. 2 Tubb Oil + Gas | 142 | <u>284</u> MCF | |
| POOL NO. 3 Drinkard. | 142 | 852 MCF | |
| POOL NO. 4POOL TOT. | als <u>391</u> | MCF 1564 | • |
| SECTION II: POOL NO. 1 Blinebry Dil + Gas | <u>011</u> 34% | _(| <u>6as</u> 34% |
| POOL NO. 2 Tubb Oil +: Gas | 33% | | 33% |
| POOL NO. 3 Drinkard! | 33% o X3 | 91=129.03 | 33% |
| POOL NO. 4 | 21297 | | |
| SECTION III: 33% - 142 = 430.30 | GAS | | - |
| SECTION IV: 34% × 430 = 146,20 | 7 | | - - - |

| Submit 3 Copies To Appropriate District | State of New Mexico | Form C-103 |
|---|---|--|
| Office District I | ergy, Minerals and Natural Resources | June 19, 2008 |
| 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Ave., Artesia, NM 88210 District III 1000 Rio Prazze Rd. Aztes NM 87410 NM 9 5 20 | | WELL API NO. 30-025-10150 |
| 1301 W. Grand Ave., Artesia, NM 88210 | IL CONSERVATION DIVISION 1/2 1220 South St. Francis Dr. | 5. Indicate Type of Lease |
| District III 1000 Rio Brazos Rd , Aztec, NM 87419AN 0 5 20 District IV | STATE FEE FEDERAL | |
| District IV 1220 S. St. Francis Dr., Santa Fe, NM | Santa Fe, NM 87505 | 6. State Oil & Gas Lease No. |
| 87505 | FD (A) (A) | |
| SUNDRY NOTRES AN | 7. Lease Name or Unit Agreement Name | |
| (DO NOT USE THIS FORM FOR PROPOSALS TO DIFFERENT RESERVOIR USE "APPLICATION F | Penrose Federal | |
| PROPOSALS.) | 8. Well Number 1 | |
| Type of Well: Oil Well ☑ Gas We Name of Operator | ll U Other | 9. OGRID Number 012024 |
| John H. Hendrix Co | rporation | 9. OGRID Number 012024 |
| 3. Address of Operator | | 10. Pool name or Wildcat |
| P. O. Box 3040, Midland, TX 79702 | 2-3040 | Blinebry Oil & Gas |
| 4. Well Location | , | |
| Unit LetterF_:1980 | feet from theNorth line and | |
| Section 9 | Township 22S Range 37E | NMPM Lea County |
| H. El | evation (Show whether DR, RKB, RT, GR, et 3429' GL | c.) |
| | 3427 GL | |
| 12 Check Approp | riate Box to Indicate Nature of Notice | Report or Other Data |
| | | , report of Other Bata |
| NOTICE OF INTENT | | BSEQUENT REPORT OF: |
| | AND ABANDON REMEDIAL WO | —————————————————————————————————————— |
| | IGE PLANS ☐ COMMENCE DI IPLE COMPL ☐ CASING/CEME | RILLING OPNS. P AND A |
| DOWNHOLE COMMINGLE | IFEE COMFE CASING/CEIME | NI JOB |
| 2011111022 0011111111022 | | |
| OTHER: | OTHER: | |
| | | and give pertinent dates, including estimated date Attach wellbore diagram of proposed completion |
| or recompletion. | E ROLE 1103. For Muniple Completions: A | Attach wendore diagram of proposed completion |
| •••••••••••••••••••••••••••••••••••••• | | |
| | | |
| THIS IS A DECLIEST TO DUC DI INTERD | Y OIL & GAS, TUBB OIL & GAS AND TH | IE DRINIVARD DOOL IN THE CUDICCT |
| WELL. SEE SUPPORTING DATA ON AT | | THE SUBJECT |
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| Spud Date: | Rig Release Date: | |
| | | |
| I hereby certify that the information above is | true and complete to the best of my knowled | dge and heliaf |
| Thereby certify that the intermation above is | and and complete to the best of my knowled | age and oction. |
| A 2 11 | | |
| SIGNATURE Courty In Ha | TITLE Engineer | DATE 01/05/12 . |
| Type or print name . Carolyn Doran Hay | <u>/nes . E-mail address: cdoranhayne</u> | DUONE: 422 494 (621 |
| For State Use Only | . D-man audiess: edorannayne | |
| Mad . | the time and the second of the second | DATE JAN 0 9 2012 |
| APPROVED BY: | TITLE PENDOLEUM EMON | DATE JAN 0 0 2012 |
| Conditions of Approval (if any): | | |

Penrose Federal #1

Unit Letter F – 1980' FNL & 1980' FWL Sec 9, T22S, R37E, Lea County, NM API # 30-025-10150

- 1. Division Order that established pre-approved pools: Order No. R-11363
- 2. Pools to be commingled Blinebry Oil & Gas (6660), Tubb Oil & Gas (60240) and Drinkard Pool (19190).
- 3. Drinkard Perfs (existing) 6278-7000'
 Tubb Oil & Gas Perfs (new) 6003-6174'
 Blinebry Oil & Gas Perfs (existing) 5435-5890'
- 4. All zones are intermediate crude and commingling will not reduce the value of the production.
- 5. Ownership between pools is identical.
- 6. Current or Anticipated production:

| Blinebry Oil & Gas Tubb Oil & Gas | | 2 BOPD 2 BOPD | 25 MCFPD 25 MCFPD |
|--------------------------------------|-------|------------------|----------------------|
| Drinkard | | 2 BOPD | 25 MCFPD |
| | Total | 6 BOPD | 75 MCFPD |

7. The proposed allocation to be as follows:

| | | <u>Oil %</u> | Gas % |
|--------------------|-------|--------------|-------|
| Blinebry Oil & Gas | | 34% | 34% |
| Tubb Oil & Gas | | 33% | 33% |
| Drinkard | | 33% | 33% |
| | Total | 100% | 100% |

If further tests show a significant change in percentages, it will be requested.

| <u>District I</u> 1625 N. French Dr. District II | , Hobbs, NM | |)BBS OE |) ergy, Min | State of New erals & Natural | | tment | | Revised (| Form C-102 October 12, 2005 |
|--|---------------------------|--|------------------|---------------------------------|--|-----------------------------|---|--|--|---|
| 1301 W. Grand Av <u>District III</u> 1000 Rio Brazos R | | , NM 88210 1 87410 JA | N 0 5 20 | OIL CO | ONSERVAT 220 South St. | ION DIVISION Francis Dr. | N S | ubmit to 1 | State | te District Office Lease - 4 Copies Lease - 3 Copies |
| <u>District IV</u> 1220 S. St. Francis | Dr., Santa F | e, NM 87505 | RECEIVE | D | Santa Fe, NI | M 87505 | | [| AME | NDED REPORT |
| | | <u> </u> | ELL LO | CATION | | EAGE DEDIC | | | | |
| | API Numbei 0-025-10150 | • | | ² Pool Code 19190 | 1 | | ³ Pool Nai Drinkard I | | | |
| ⁴ Property 0 013757 | _ | | | | ⁵ Property N Penrose Fed | leral | | | | /ell Number 1 |
| ⁷ OGRID 012024 | No. | | | | ⁸ Operator N John H. Hendrix C | Corporation | | | | Elevation 3429' GR |
| UL or lot no. | Saction | Township | Range | Lot Idn | Surface Feet from the | Location North/South line | Feet from the | Fos | t/West line | County |
| F | 9 | · 228 | 1 | Lot run | 1980 | NORTH | 1980 | Las | WEST | Lea |
| | | | ¹¹ Bo | ttom Ho | le Location If | Different Fron | n Surface | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | Eas | t/West line | County |
| 12 Dedicated Acres | ¹³ Joint o | r Infill 14 C | Consolidation C | Code 15 Or | der No. | | | | | ļ |
| division. | | | · | | | been consolidated | 17 O I hereby certify | PERATO that the inform | OR CERT | TIFICATION Therem is true and complete at this organization either |
| | | | 1980' | | | | owns a workin the proposed b location pursu interest, or to d | g interest or uni ottom hole loca ant to a contrac | leased mineral in tion or has a rig it with an owner ling agreement o | a this organization either interest in the land including thi to drill this well at this of such a mineral or working or a compulsory pooling order |
| 1980 | ,, | | • | | | | Signature Carolyn Dor Printed Name | an Haynes | Janysa | - //5//2_ Date |
| | | The second secon | | | | | I hereby ce was plotted me or under and correct Date of Surv Signature an | rtify that th I from field er my super it to the besi rey d Seal of Pro | e well locati notes of act | |
| 1 | | | | 1 | | | Certificate No | ımber | | |

| 1220 S. St. Francis E | nue, Artesia ., Aztec, NM | e, NM 8750 | 0 4N 0 5 2 | 2012 O | y, Mind IL CO 12 | ONSERVAT 20 South St. Santa Fe, NI N AND ACR | l Resources Depar TON DIVISIO! Francis Dr. | N s | T me | Appropriat State I Fee I | Porm C-102 October 12, 2005 e District Office Lease - 4 Copies Lease - 3 Copies | |
|------------------------------------|------------------------------|------------|----------------------|-------------|------------------------|---|--|--|--|--|---|--|
| ⁴ Property Co 013757 | ode | | | | | ⁵ Property N Penrose Fe | | | | ⁶ Well Number 1 | | |
| ⁷ OGRID N 012024 | 0. | | | | , | ⁸ Operator N John H. Hendrix O | | | | 1 | Elevation 429' GR | |
| | I | | | | | 10 Surface | Location | | - | l | | |
| UL or lot no. F | Section 9 | Township | | nge I 7E | Lot Idn | Feet from the 1980 | North/South line NORTH | Feet from the 1980 | Eas | west line WEST | County Lea | |
| • | | | | Botton | n Hol | e Location If | Different Fron | n Surface | | | | |
| UL or lot no. | Section | Township | Ran | ige I | Lot Idn | Feet from the | North/South line | Feet from the | Eas | t/West line | County | |
| 12 Dedicated Acres 40 | 13 Joint o | r Infill | 14 Consolidati | ion Code | 15 Ore | der No. | | | | | | |
| 1980° | , | | 1980 | | | | | I hereby ceruft to the best of n owns a workin the proposed be location pursu interest, or to a heretofore entitle Signature Carolyn Dor Printed Name | withat the informal knowledge as guiterest or un soutom hole loca and to a contrate a voluntary poorered by the division. Annual Haynes | nation contained in the belief, and that it deased mineral in attorn or has a right at with an owner of ling agreement or such that the succession | IFICATION herem is true and complete it this organization either terest in the land including at to drill this well at this of such a mineral or working a compulsory pooling order JS//2 Date Date | |
| | | | | | | | | was plotted me or unde and correct Date of Sur | d from field er my super et to the bes rey d Seal of Pro | notes of acti | | |

| District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV Submit to Appro Submit | | | | | | | | oropria State Fee | Form C-102 October 12, 2005 ate District Office Lease - 4 Copies Lease - 3 Copies | |
|--|--|----------------|--------------|------------|--|--------------------|---------------|-------------------------|---|------------------|
| API Number 2 Pool Code 3 Pool Name 30-025-10150 60240 Tubb Oil & Gas | | | | | | | | | | |
| ⁴ Property 013757 | | | -1 | , | ⁵ Property Penrose F | | | | - 6 V | Vell Number 1 |
| ⁷ OGRID 012024 | | | | | ⁸ Operator John H. Hendrix | | | | ⁹ Elevation 3429' GR | |
| | | | | | ¹⁰ Surface | Location | | | | |
| UL or lot no. F | Section 9 | Township 22S | Range 37E | Lot Idn | Feet from th | 1.0.122.504.02 | Feet from the | East/W | est line WEST | County Lea |
| | ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from th | e North/South line | Feet from the | East/W | ≾t line | County |
| 12 Dedicated Acre | s 3 Joint o | r Infill 14 Co | nsolidation | Code 15 Or | der No. | | | | | |

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.

| (| | | , | |
|---------------|---|--------------|--------------|---|
| 16 | 1 | | | 17 OPERATOR CERTIFICATION |
| ll . | į į | | | 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 |
| ! | , | 1 | | 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 |
| | 1980' | | | heretofore entered by the division |
| 1980' | • • | | | Carolyn Doran Haynes Printed Name |
| | 200000000000000000000000000000000000000 | | | 10 |
| | | | | ¹⁸ SURVEYOR CERTIFICATION |
| | | | | I hereby certify that the well location shown on this plat |
|] | | | | was plotted from field notes of actual surveys made by |
| 1 | | | | me or under my supervision, and that the same is true |
| | | | | i ' |
| | | | | and correct to the best of my belief |
| | | | | |
| ļ | | | | Date of Survey |
| | | | | Signature and Seal of Professional Surveyor |
| | | | | , |
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| | | | | |
| | | | | Certificate Number |
| | | | | |