

Order Number

487

API Number

30-025-10150

Operator

John H. Hendrix Corp

County

Lea

Order Date

01-09-12

Well Name

Penrose Federal

Number

1

Location

F

UL

9

Sec

225

T (+Dir)

37E

R (+Dir)

Oil %

34%

Gas %

34%

Pool 1

10660

Blinberry Oil & Gas

Pool 2

60240

Tubb Oil & Gas

33%

33%

Pool 3

19190

Drinkard

33%

33%

Pool 4

Comments:

Posted in RBDMs 01-10-2012 CCH

DOWNHOLE COMMINGLE CALCULATIONS:

DHC-HOB-487
30-025-10150

OPERATOR: John A. Hendrix Corp

PROPERTY NAME: Penrose Federal 1

WNULSTR: F-9-225-37E

SECTION I:

ALLOWABLE AMOUNT

POOL NO. 1 Blinebry Oil + Gas 107 428 MCF

POOL NO. 2 Tubb Oil + Gas 142 284 MCF

POOL NO. 3 Drinkard 142 852 MCF

POOL NO. 4 _____ MCF

POOL TOTALS 391 1564

SECTION II:

POOL NO. 1 Blinebry Oil + Gas Oil Gas
34% 34%

POOL NO. 2 Tubb Oil + Gas 33% 33%

POOL NO. 3 Drinkard 33% x 391 = 129.03 33%

POOL NO. 4 _____ <129>

OIL

GAS

SECTION III:

33% ÷ 142 = 430.30

SECTION IV:

34% x 430 = 146.20

33% x 430 = 141.90

33% x 430 = 141.90

<146>

<142>

<142>

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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 and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO.	30-025-10150
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input type="checkbox"/> FEDERAL <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name	Penrose Federal
8. Well Number	1
9. OGRID Number	012024
10. Pool name or Wildcat	Blinebry Oil & Gas
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	3429' GL

SUNDRY, NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
John H. Hendrix Corporation

3. Address of Operator
P. O. Box 3040, Midland, TX 79702-3040

4. Well Location
Unit Letter F : 1980 feet from the North line and 1980 feet from the West line
Section 9 Township 22S Range 37E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3429' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☒

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

THIS IS A REQUEST TO DHC BLINEBRY OIL & GAS, TUBB OIL & GAS AND THE DRINKARD POOL IN THE SUBJECT WELL. SEE SUPPORTING DATA ON ATTACHED SHEET.

Spud Date:

Rig Release Date:

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

SIGNATURE Carolyn Doran Haynes TITLE Engineer DATE 01/05/12

Type or print name Carolyn Doran Haynes E-mail address: cdoranhaynes@jhhc.org PHONE: 432-684-6631

For State Use Only

APPROVED BY: [Signature] TITLE PERMITS ENGINEER DATE JAN 09 2012

Conditions of Approval (if any):

JAN 10 2012

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

7. The proposed allocation to be as follows:

	<u>Oil %</u>	<u>Gas %</u>
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.

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HOBBS OGD

JAN 05 2012

RECEIVED

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10150	² Pool Code 19190	³ Pool Name Drinkard Pool
⁴ Property Code 013757	⁵ Property Name Penrose Federal	⁶ Well Number 1
⁷ OGRID No. 012024	⁸ Operator Name John H. Hendrix Corporation	⁹ Elevation 3429' GR

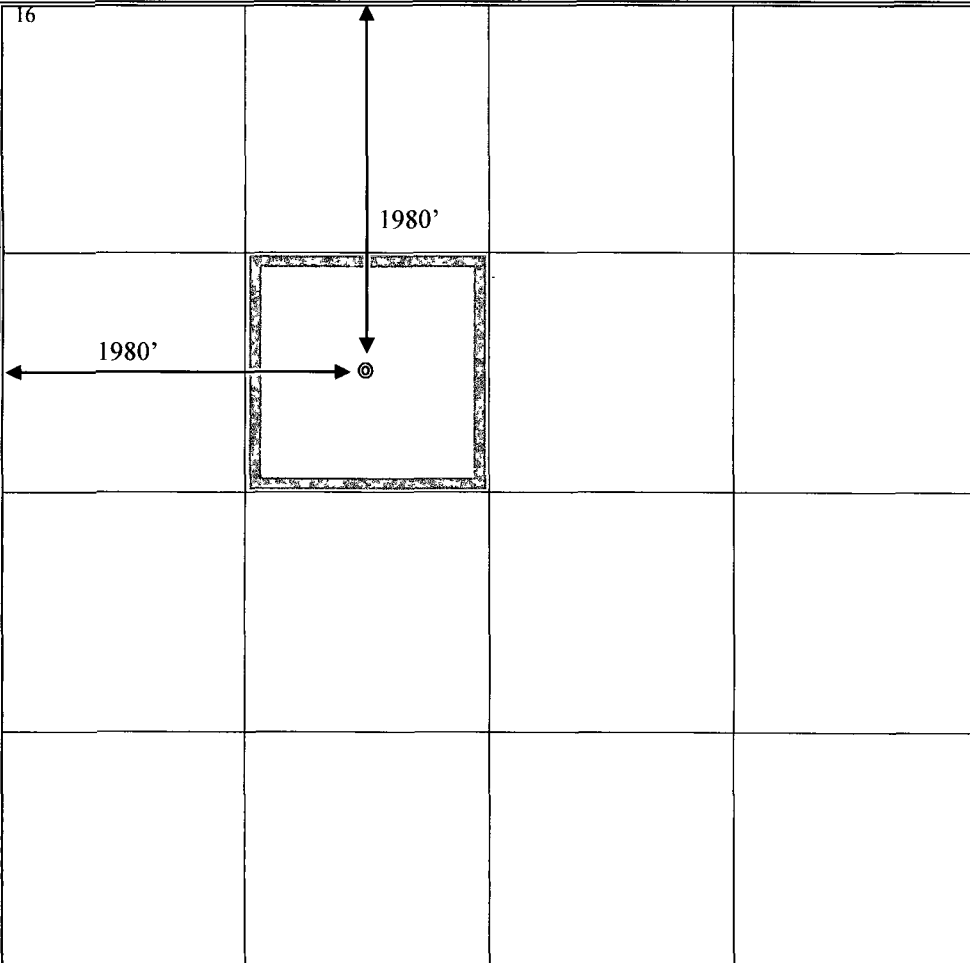
¹⁰ Surface Location

UL or lot no. F	Section 9	Township 22S	Range 37E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 1980	East/West line WEST	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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 heretofore entered by the division</p> <p><i>Carolyn Doran Haynes</i> 1/5/12 Signature Date</p> <p>Carolyn Doran Haynes Printed Name</p>
		<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

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HOBBS OCD

JAN 05 2012

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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
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10150	² Pool Code 6660	³ Pool Name Blinebry Oil & Gas
⁴ Property Code 013757	⁵ Property Name Penrose Federal	⁶ Well Number 1
⁷ OGRID No. 012024	⁸ Operator Name John H. Hendrix Corporation	⁹ Elevation 3429' GR

¹⁰ Surface Location

UL or lot no. F	Section 9	Township 22S	Range 37E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 1980	East/West line WEST	County Lea
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10150	² Pool Code 60240	³ Pool Name Tubb Oil & Gas
⁴ Property Code 013757	⁵ Property Name Penrose Federal	⁶ Well Number 1
⁷ OGRID No. 012024	⁸ Operator Name John H. Hendrix Corporation	⁹ Elevation 3429' GR

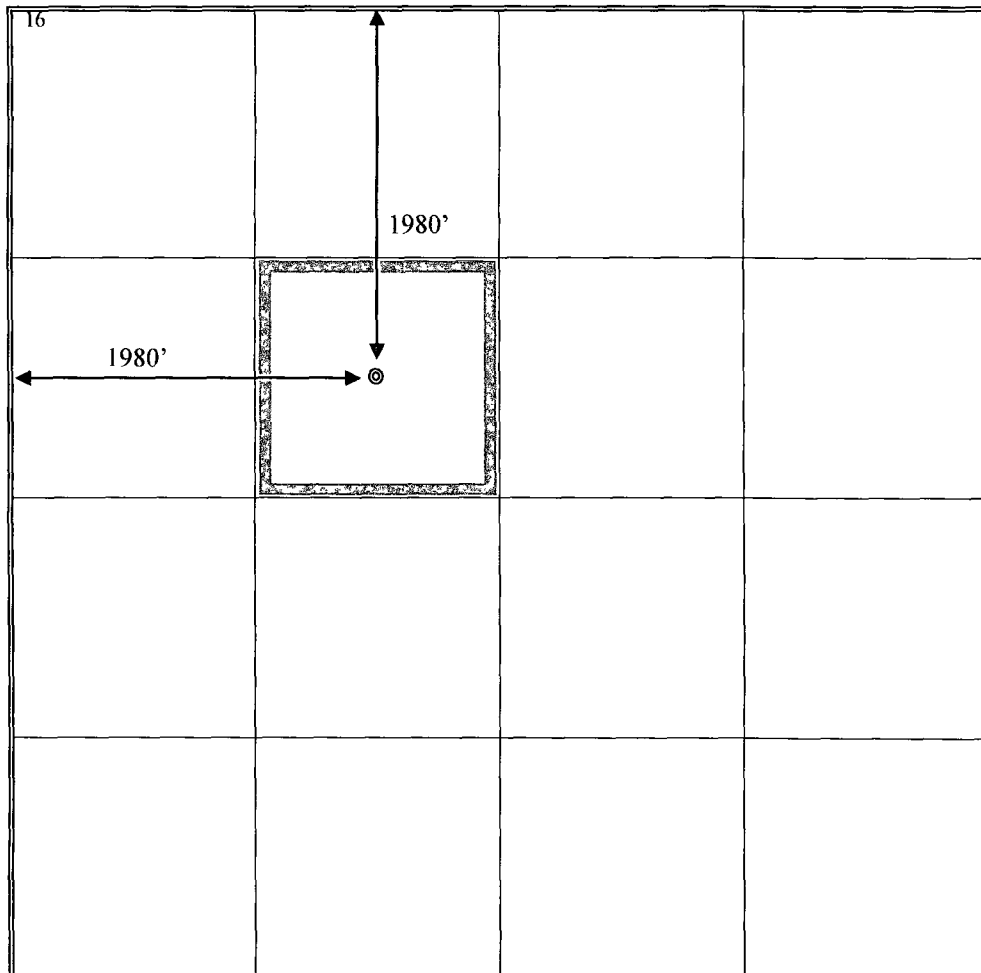
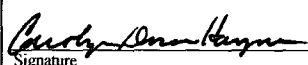
¹⁰ Surface Location

UL or lot no. F	Section 9	Township 22S	Range 37E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 1980	East/West line WEST	County Lea
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