

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



H-29-215-37E

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
 - Check One Only for [B] or [C]
 - [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 - [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
 - [D] Other: Specify _____

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
 - [B] Offset Operators, Leaseholders or Surface Owner
 - [C] Application is One Which Requires Published Legal Notice
 - [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 - [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 - [F] Waivers are Attached

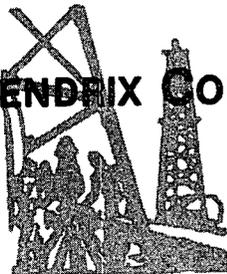
[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name _____ Signature _____ Title _____ Date _____
 e-mail Address _____

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

August 25, 2005

CERTIFIED MAIL

No. 7002 3150 0005 0445 7487

Mark E. Fesmire, P. E. Director
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87504

RECEIVED

AUG 29 2005

OIL CONSERVATION
DIVISION

RE: Request for Administrative Approval
Unorthodox Well Location and
Simultaneous Dedication of Tubb Gas
And Blinebry Gas
FOC Kennann No. 1
2180' FNL & 1280' FEL
Unit H, Section 29, T21S, R37E
Lea County, New Mexico
API No. 30-025-34355

Dear Mr. Fesmire:

John H. Hendrix Corporation respectfully requests an unorthodox Tubb gas well location and Blinebry Gas well location within an existing standard 160 acre gas spacing and proration unit for the Tubb and Blinebry Gas Pools comprising the NE/4 of Section 29, T-21S, R37E, NMPM, Lea County, New Mexico. This GPU is currently dedicated to John H. Hendrix Corporation's Linam Hardy No. 1 (API No. 30-025-06859) located at a non-standard gas well location 990' from the North and 330' from the East line (Unit A) of Section 29.

The subject well in this application, John H. Hendrix Corporation FOC Kennann No. 1 (API No. 30-025-34355), was originally drilled by Floyd Operating Company in 1998 to a total depth of 7760' and completed in the McCormack

August 25, 2005

(Silurian) at a non-standard oil well location of 2180' from the North line and 1280' from the East line (Unit H) of Section 29. This location was drilled at a unorthodox oil well location that was in more favorable geologic position for the McCormack (Silurian) Pool. Subject well is 460' from the South lease line and 40' from West line of a 40 acre proration unit.

John H. Hendrix Corporation became operator of this well effective July 1, 2000. The subject well is currently shut-in due to be uneconomic.

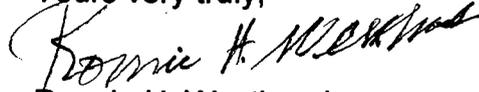
The current well producing in this GPU is the Linam Hardy No. 1 which is producing 52 MCFPD as a downhole commingled Blinbry-Tubb gas producer.

To support this request we submit the following:

1. The lease consists of 160 acres with royalty and working interest being uniform under the 160 acres.
2. NMOCD Form C-102 is attached.
3. Map of Section 29 with the offset operators noted.
4. Copy of letter sent by certified mail to offset operators.
5. Approval of this application will prevent waste by not having the expense of drilling a new well.

Thank you for your consideration of this matter. If you have any questions, please call.

Yours very truly,



Ronnie H. Westbrook
Vice President

RHW/ah
Enclosures

cc: Hobbs - OCD

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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34355		2 Pool Code 72480		3 Pool Name Blinebry Gas	
4 Property Code 26156		5 Property Name FOC Kennann			6 Well Number 1
7 OGRID No. 012024		8 Operator Name John H. Hendrix Corporation			9 Elevation 3466'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	29	21S	37E		2180	North	1280	East	

¹¹Bottom 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 160		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				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				<i>Ronnie H. Westbrook</i> Signature	
				Ronnie H. Westbrook Printed Name Vice President	
				Title and E-mail Address Date 08/23/2005	
			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		

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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34355		2 Pool Code 86440		3 Pool Name Tubb Gas	
4 Property Code 26156		5 Property Name FOC Kennann			6 Well Number 1
7 OGRID No. 012024		8 Operator Name John H. Hendrix Corporation			9 Elevation 3466'

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
H	29	21S	37E		2180	North	1280	East	Lea

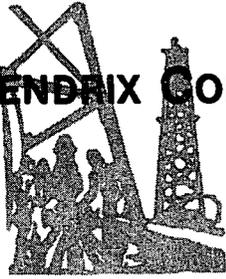
11 Bottom Hole Location If Different From Surface

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 160		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		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Ronnie H. Westbrook</i> Signature
		Ronnie H. Westbrook Printed Name Vice President
		Title and E-mail Address
		08/23/2005 Date
		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

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

August 25, 2005

CERTIFIED MAIL

Notice of Request for Administrative Approval
Unorthodox Well Location
FOC Kennann No. 1
2180' FNL & 1280' FEL
Unit H, Section 29, T21S, R37E,
Lea County, New Mexico

Dear Sir or Madam:

This letter is to inform you that John H. Hendrix Corporation intends to request NMOCD approval (copy attached) for an unorthodox well location in the Tubb and Blinbry Gas Pools. Currently, the Linam Hardy No. 1 is dedicated to this 160 acre proration unit. Recompletion of the FOC Kennann in the Tubb and Blinbry would create an unorthodox gas well location and simultaneous dedication with the Linam Hardy No. 1.

In the event you would like to express your concerns or objections to this application, please contact the following:

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505
Attn: Mr. Mark E. Fesmire

If you have any questions, please contact me at 432-818-0122.

Yours very truly,

A handwritten signature in black ink, appearing to read "Ronnie H. Westbrook". The signature is fluid and cursive, written over a white background.

Ronnie H. Westbrook
Vice President

RHW/ah

FOC KENNANN NO. 1
OFFSET OPERATORS

Apache Corporation
Attn: Mario Moreno
6120 S. Vale, Ste 1500
Tulsa, OK 74136

Chevron Texaco Inc.
15 Smith Road
Midland, TX 79705

Conoco Phillips
P. O. Box 2197
Houston, TX 77252-2197

Lanexco, Inc.
P. O. Box 2730
Midland, TX 79702-2730

Marathon Oil Company
P. O. Box 3487
Houston, TX 77253-3487

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
CERTIFIED MAIL™

7002 3150 0005 0445 7470
 7002 3150 0005 0445 7470

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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here
 7/25/05

Sent To *Apache*
 Street, Apt. No. or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Apache Corporation
 Attn: Mario Moreno
 6120 S. Vale, Ste 1500
 Tulsa, OK 74136

2. Article Number
 (Transfer from service label)

7002 3150 0005 0445 7470

COMPLETE THIS SECTION ON DELIVERY

A: Signature Agent
 Addressee

B: Received by (Printed Name) C: Date of Delivery

D. Is delivery address different from item 1? Yes
 if YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

PS Form 3811, August 2001

Domestic Return Receipt

2ACPRI-03-P-4081

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

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OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark Here
8/25/05

Sent To Chevron Texaco
Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, June 2002

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron Texaco Inc.
15 Smith Road
Midland, TX 79705

2. Article Number
(Transfer from service label)

7002 3150 0005 0445 7463

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent
 Addressee
- B. Received by (Printed Name) C. Date of Delivery
- D. Is delivery address different from item 1? Yes
if YES, enter delivery address below: No

3. Service Type
- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

PS Form 3811, August 2001

Domestic Return Receipt

2ACPRI-03-P-4081

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE
CERTIFIED MAIL

7002 3150 0005 0445 7456
 7002 3150 0005 0445 7456

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	\$	Postmark Here <i>8/25/05</i>
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: *Conoco Phillips*

Street, Apt. No., or PO Box No.
 City, State, ZIP+4

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C: Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No if YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p>Conoco Phillips P. O. Box 2197 Houston, TX 77252-2197</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number <i>(Transfer from service label)</i></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>7002 3150 0005 0445 7456</p>	
PS Form 3811, August 2001	Domestic Return Receipt 2ACPRI-03-P-4081

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.
CERTIFIED MAIL

7001 1140 0002 8297 7078
 7001 1140 0002 8297 7078

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here <i>2/25/05</i>
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	
Sent To <i>Lanexo</i>		
Street, Apt. No., or PO Box No.		
City, State, ZIP+ 4		
PS Form 3800, January 2001		See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Lanexo, Inc.
P. O. Box 2730
Midland, TX 79702-2730

2. Article Number
 (Transfer from service label) **7001 1140 0002 8297 7078**

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0002 8297 7085
 7001 1140 0002 8297 7085

OFFICIAL USE

Postage	\$	Postmark Here <i>5/5/98</i>
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	
Sent To		
<i>Marathon</i>		
Street, Apt. No., or PO Box No.		
City, State, ZIP+ 4		
PS Form 3800, January 2001		See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marathon Oil Company
P. O. Box 3487
Houston, TX 77253-3487

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

X

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 if YES, enter delivery address below: No

3. Service Type

<input checked="" type="checkbox"/> Certified Mail	<input type="checkbox"/> Express Mail
<input type="checkbox"/> Registered	<input checked="" type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) **7001 1140 0002 8297 7085**