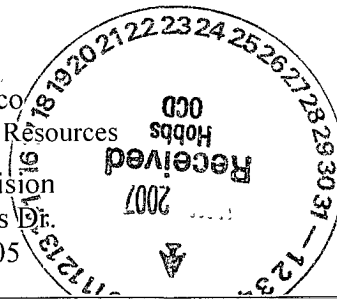


District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-136
Revised June 10, 2003

Submit Original
Plus 4 Copies
to appropriate
District Office



APPLICATION FOR APPROVAL TO USE AN ALTERNATE GAS MEASUREMENT METHOD
Rule 403.B(1) or (2)

Operator Name: John H. Hendrix Corporation Operator No. 012024
Operator Address: P. O. Box 3040, Midland, TX 79702-3040
Lease Name: Britt B-18 Type: State Federal X Fee
Location:
Pool: Eumont - Queen and Eunice Monument
Requested Effective Time Period: Beginning 5/1/07 Ending 5/1/2011

APPROVAL PROCEDURE: RULE 403.B.(1)

Please attach a separate sheet with the following information.

- 1) A list of the wells (including well name, number, ULSTR location, and API No.) included in this application.
- 2) A one year production history of each well included in this application (showing the annual and daily volumes).
- 3) The established or agreed-upon daily producing rate for each well and the effective time period.
- 4) Designate wells to be equipped with a flow device (required for wells capable of producing 5 MCF per day or more).
- 5) The gas transporter(s) connected to each well.

APPROVAL PROCEDURE: RULE 403.B.(2) Please attach a separate sheet with the following information.

A separate application is required for each Central Point Delivery (CPD).

Working interest, royalty and overriding royalty ownership must be common for all wells to be connected to the subject CPD.

- 1) An ownership plat showing a description of the lease and all of the wells to be produced through this CPD.
 - a) List the wells which will be metered separately, including API No.
 - b) List the wells which will not be metered separately, including API No.
- 2) Describe the proposed method of allocating production from non-metered wells.
- 3) A one year production history of the wells which will not be metered showing the annual and daily volumes.
- 4) The gas transporter(s) connected to this CPD.

Applicant will be responsible for filing OCD Form C-111 for the CPD.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: Ronnie H. Westbrook

Printed Name & Title: Ronnie H. Westbrook
Vice President

E-mail Address:

OIL CONSERVATION DIVISION

This approval may be cancelled at anytime that operating conditions indicate that re-tests may be necessary to prevent waste and protect correlative rights

Approved Until: 5/1/2011

By: Chris Williams

Title: OCD DISTRICT SUPERVISOR/GENERAL MANAGER

Attachment to Form C-136

BRITT B-18 LEASE

Rule 403.b(2)

1. Attached as Exhibit 1 showing the lease as outlined in yellow the wells to be tied into a central point of delivery circled in red. The lease is NW/4 NW/4, S/2 NW/4 and SE/4 of Section 18, T20S, R37E, Lea County, NM.

A. Wells to be metered separately.

1. None

B. Wells which will not be metered separately.

1. Britt B-18 No. 3 – API 30-025-06154
2. Britt B-18 No. 4 – API 30-025-06155
3. Britt B-18 No. 6 – API 30-025-06157

Britt B-18 No. 5 will be P&A – API 30-025-06156

2. Allocating production will be based on quarterly well tests by shutting in a well and using the subtraction method or by installing a loop in the flow line and installing a vane type gas meter to test.
3. Last 12 months production for these wells.

| | <u>Britt B-18 No. 3</u> | <u>Britt B-18 No. 4</u> |
|-------|-------------------------|-------------------------|
| 2-07 | 0 BO – 228 MCF | 71 BO – 1349 MCF |
| 1-07 | 0 BO – 283 MCF | 92 BO – 1583 MCF |
| 12-06 | 0 BO – 348 MCF | 87 BO – 1661 MCF |
| 11-06 | 0 BO – 321 MCF | 77 BO – 1852 MCF |
| 10-06 | 0 BO – 304 MCF | 85 BO – 1797 MCF |
| 9-06 | 0 BO – 355 MCF | 92 BO – 1854 MCF |
| 8-06 | 0 BO – 368 MCF | 97 BO – 1828 MCF |
| 7-06 | 0 BO – 327 MCF | 47 BO – 1708 MCF |
| 6-06 | 0 BO – 300 MCF | 86 BO – 1440 MCF |
| 5-06 | 0 BO – 331 MCF | 91 BO – 1777 MCF |
| 4-06 | 0 BO – 323 MCF | 70 BO – 1591 MCF |
| 3-06 | 0 BO – 376 MCF | 91 BO – 1900 MCF |

Britt B-18 No. 6 – Currently TA

Last Production

| | |
|------|----------------|
| 7-04 | 0 BO – 135 MCF |
| 6-04 | 0 BO – 335 MCF |
| 5-04 | 0 BO – 489 MCF |
| 4-04 | 0 BO – 520 MCF |
| 3-04 | 0 BO – 312 MCF |
| 2-04 | 0 BO – 347 MCF |
| 1-04 | 0 BO – 373 MCF |

It is noted that all wells are very marginal and as such and as such a low volume fee is deducted. It is our intention to tie wells No. 3 and No. 6 in to the meter currently serving well No. 4. This will enable us to use the compressor on well No. 4 to be used also for wells No. 3 and No. 6. This should prolong the economic life of wells No. 3 and 6. If this is not approved it will be necessary to plug well No. 6 immediately.

4. The gas transporter connected to this CPD will be Targa Resources.

Your favorable response will be appreciated.

EXHIBIT 1

