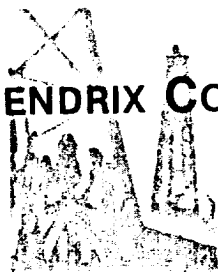


JOHN H. HENDRIX CORPORATION



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

October 19, 1989

New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

RE: John H. Hendrix Corporation
McQuatters No. 1,
Unit B, Section 11,
T21S - R36E
Lea County, New Mexico
Eumont Gas Pool
Letter-in-Lieu of Form C-122

Gentlemen:

Due to the low bottom hole pressure of our recently completed McQuatters No. 1, the following test information is being submitted in-lieu of Form C-122.

Test Date: 10-10-89
Method: 2 inch orifice well tester
SITP: 135# psig
SIBHP at 3510': 148 psig
Choke Size: 28/64"
FTP: 60 psig
SICP: 135 psig
FCP: 95 psig

Flowed 4 hours with the last hour at a stabilized rate of 250 MCFPD.

If you need additional data, please advise. Your consideration of this matter is greatly appreciated.

Yours very truly,

A handwritten signature in cursive script, reading "Ronnie H. Westbrook". The signature is written in dark ink and is positioned above the printed name.

Ronnie H. Westbrook
Vice-President

INCLINATION REPORT

OPERATOR John H. Hendrix Corporation ADDRESS 223 West Wall, Suite 525
Midland, Texas 79701

LEASE NAME McQuatter WELL NO. 1 FIELD

LOCATION S60/N + 2100/E Unit A
Section 11. T-21-S. R-36-E. Lea County, New Mexico

DEPTH	ANGLE INCLINATION DEGREES	DISPLACEMENT	DISPLACEMENT ACCUMULATED
208	1/4°	.91	.91
685	1 1/2°	12.50	13.41
1092	2 °	14.20	27.61
1310	1 1/2°	5.71	33.32
1751	1 °	7.72	41.04
2221	1 1/4°	10.27	51.31
2718	1 °	8.70	60.01
3190	1/2°	4.13	64.14
3650	1/4°	2.01	66.15

I hereby certify that the above data as set forth is true and correct to the best of my knowledge and belief.

Ronald Sitton
Ronald Sitton

SITTON DRILLING COMPANY

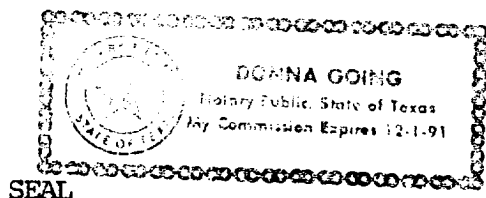
TITLE President

AFFIDAVIT:

Before me, the undersigned authority, appeared Ronald Sitton known to me to be the person whose name is subscribed herebelow, who, on making deposition, under oath states that he is acting for and in behalf of the operator of the well identified above, and that to the best of his knowledge and belief such well was not intentionally deviated from the true vertical whatsoever.

Ronald Sitton
AFFIANT'S SIGNATURE

Sworn and subscribed to in my presence on this the 2nd day of October, 19 89



Donna Going
Notary Public in and for the County
of Lubbock, State of Texas

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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 ☐ O&G WELL ☒ OTHER

2. Name of Operator
John H. Hendrix Corporation

3. Address of Operator
223 W. Wall, Suite 525, Midland, TX 79701

4. Well Location
Unit Letter B : 860 Feet From The North Line and 2100 Feet From The East Line
Section 11 Township 21-S Range 36-E N.M.P.M. Lea County

7. Lease Name or Unit Agreement Name

McQuatters

8. Well No.
1

9. Pool name or Wildcat
Eumont

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

RKB - 3549.6

11. 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 ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OF NS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☒
OTHER: ☐

12. 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.

9-30-89 Ran 93 jts. 4-1/2" O.D. 10.5# csg. set at 3650'. Cemented w/ 500 sx.
Econolite + 350 sx. Pozmix A. Plug down 7:15 P.M. 9-30-89. Cement
Circulated. Tested csg. to 1000# - held.

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

SIGNATURE Ronnie H. Westbrook TITLE Vice-President DATE 10/10/89

TYPE OR PRINT NAME Ronnie H. Westbrook (915) TELEPHONE NO. 684-6631

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

OCT 12 1989

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: