JOHN H. HENDRIX CORPORATION

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

July 31, 1991

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

Attention: Mr. Jerry Sexton

RE: Lee No. 1 - Unit I, Section 23, T22S - R37E Lea County, New Mexico

Gentlemen:

Enclosed please find two copies of your Form C-103. We had previously sent in a C-103 to squeeze the Blinebry perfs. and to perforate and treat additional Drinkard. The Blinebry was squeezed and the Drinkard work was unsuccessful, due to communication. The new Drinkard perfs. have also been squeezed. A detail of this work is included in the C-103 Subsequent Report Of.

In addition the 7" casing was perforated at 3466' to bring cement to the surface. This was done as a precaution due to the water flows in this area. This well had no water flow, but after work was initiated, it was discovered the 9-5/8" was severely corroded at the surface and had several holes in it.

Also, enclosed is a C-103, of Notice of Intent to perforate the Lower Blinebry in order to make a Blinebry Oil well. As previously mentioned, the Blinebry gas perforations have been squeezed.

If you have any questions, please call.

Yours very truly,

Ronnie H. Westbrook