STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

November 30, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Chevron USA Production Company
Attention: Merrick S. Vanderslice
P.O. Box 1150
Midland, TX 79702

Administrative Order NSL-3204
(Reinstatement of Non-Standard Gas Proration Unit: Order No. R-1361)

Dear Mr. Vanderslice:

Reference is made to your application dated November 5, 1992 for a non-standard Tubb gas well location for your existing Scarborough Estate Well No. 8 which was drilled in 1963 and completed in the South Brunson Ellenburger/Blinebry Pool at a standard location 1830 feet from the South line and 660 feet from the West line (Unit L) of Section 31, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

It is my understanding that both the Blinebry and Ellenburger zones will be properly plugged back and said well will be recompleted to the Tubb Oil and Gas Pool, which pursuant to the Special Rules and Regulations for the Tubb Oil and Gas Pool, as promulgated by Division Order No. R-8170, as amended, is an unorthodox gas well location.

Further, it is our understanding that said well is to be dedicated to a previously approved 160-acre non-standard gas spacing and proration unit comprising the SE/4 NW/4, N/2 SW/4 and NW/4 SE/4 of said Section 31. By Division Order No. R-1361, dated April 2, 1959, the subject unit was approved for the Gulf Oil Corporation Scarborough Estate Well No. 4 located in Unit F, which ceased producing Tubb gas in 1983. At that time the corresponding unit was also terminated.

By the authority granted me under the provisions of Rule 2(c) of said Division Order No. R-8170, as amended, the above-described unorthodox gas well location is hereby approved and shall be dedicated to the 160-acre gas spacing and proration unit approved by Order No. R-1361.

Sincerely,

William J. LeMay
Director

cc: Oil Conservation Division - Hobbs