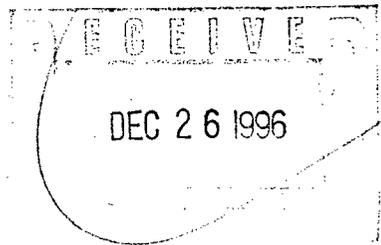


NSP 1115/71



Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

December 17, 1996



**Administrative Application for
Reclassification from Gas to Oil Well,
Non-Standard Oil Proration Unit,
Standard Oil Well Location
Tubb Oil and Gas Pool
Scarborough Estate #8
1830' FSL and 660' FWL, Unit L,
Section 31, T22S, R38E
Lea County, New Mexico**

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. William J. LeMay - Director

Dear Mr. LeMay:

Chevron U.S.A. Inc. respectfully requests administrative approval for a reclassification of the Scarborough Estate No. 8 from a gas well to an oil well, creation of a non-standard 80 acre oil proration unit, and a standard oil well location.

Well No. 8 needs to be reclassified as an oil well, per OCD guidelines, as the GOR is lower than 50,000 to 1. A non-standard 80 acre oil proration unit is proposed to be dedicated to the No. 8. The location of the new proration unit is the N/2 of SW/4, Section 31, T22S, R38E, making this well a standard well location per the Tubb Oil and Gas Pool regulations.

A copy of this administrative application is being provided to our offset operators via Certified Mail. Attached is a commercial map and a Form C-102 plat illustrating the proration unit acreage and well location. Also included is a copy of the letter sent to our offset operators.



If you have any questions, or if you require further information, please contact Michelle LeVan at (915) 687-7307.

Sincerely,



M. L. LeVan
Petroleum Engineer
New Mexico Area

MLL/trk

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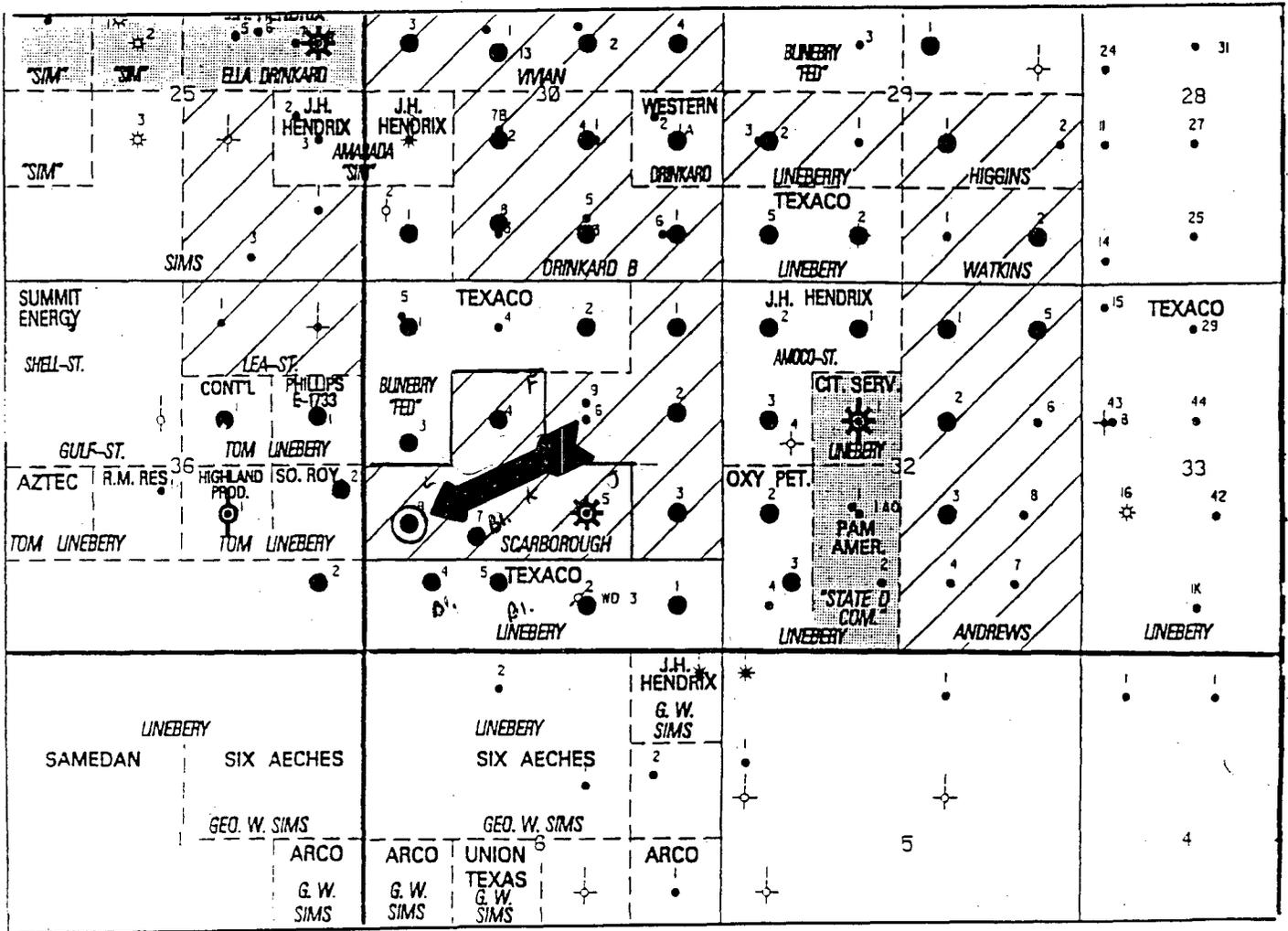
Attachments

cc: NMOCD - Hobbs, New Mexico
C. O. Blake
J. K. Ripley
D. K. Owen
J. A. Howard
Central Files - Lease and Well Files

K.L.M.N

CHEVRON U.S.A. INC.

Administrative Application for
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 Non-Standard Oil Proration Unit,
 Standard Oil Well Location
 Tubb Oil and Gas Pool
 Scarborough Estate #8
 1830' FSL and 660' FWL, Unit L,
 Section 31, T22S, R38E
Lea County, New Mexico



District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-20342	Pool Code 60240	Pool Name Tubb Oil & Gas
Property Code 2719	Property Name Scarborough Estate	Well Number 8
OGRID No. 4323	Operator Name Chevron U.S.A. Inc.	Elevation 3307.34

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	31	22S	38E		1830'	S	660'	W	Lea

11 Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedic. Acres 80	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. Signature: <i>Tanya Kerley</i> Printed Name: Tanya Kerley Title: Office Assistant Date: 12-18-96
	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 Surveyer: Certificate Number:

CHEVRON U.S.A. INC.

Administrative Application for
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Standard Oil Well Location
Tubb Oil and Gas Pool
Scarborough Estate #8
1830' FSL and 660' FWL, Unit L,
Section 31, T22S, R38E
Lea County, New Mexico

OFFSET OPERATORS

John H. Hendrix Corporation
P. O. Box 3040
Midland, Texas 79702-3040

Highland Production Company
810 North Dixie, Suite 202
Odessa, Texas 79761

Texaco E&P Inc.
205 E. Bender
Hobbs, New Mexico 88240

Oxy USA Inc.
P. O. Box 50250
Midland, Texas 79710

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

Southland Royalty Company
P. O. Box 2726
Midland, Texas 79702



December 17, 1996

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

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Lea County, New Mexico

John H. Hendrix Corporation
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Midland, Texas 79702-3040

Gentlemen:

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The GOR of the No. 8 has decreased below the 50,000 to 1 limit for gas wells in the Tubb field. With this change, a standard well location and non-standard 80 acre oil proration unit is proposed.

If you have any questions about the application, please contact Michelle L. LeVan at (915) 687-7307.

Sincerely,

A handwritten signature in cursive script, appearing to read "M. L. LeVan".

M. L. LeVan
Petroleum Engineer
New Mexico Area

MLL/trk
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Attachments

cc: Central Files - Lease and Well Files



Chevron

December 17, 1996

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, TX 79702

Administrative Application for
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Odessa, Texas 79761

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Petroleum Engineer
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Hobbs, New Mexico 88240

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New Mexico Area

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Midland, TX 79702

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Oxy USA Inc.
P. O. Box 50250
Midland, Texas 79710

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M. L. LeVan
Petroleum Engineer
New Mexico Area

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December 17, 1996

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P.O. Box 1150
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Odessa, Texas 79762

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M. L. LeVan
Petroleum Engineer
New Mexico Area

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Chevron

December 17, 1996

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Midland, Texas 79702

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Sincerely,

M. L. LeVan
Petroleum Engineer
New Mexico Area

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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



November 30, 1992

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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:

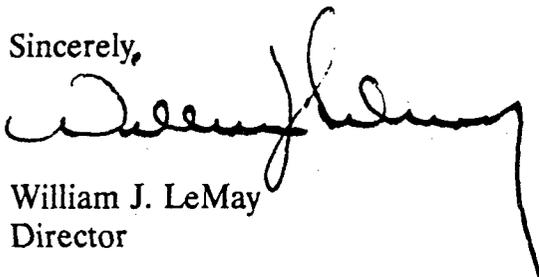
Reference is made to your application dated November 5, 1992 for a non-standard Tubb gas well location for your existing Scarborough Estate Well No. 8 which was drilled in 1963 and completed in the South Brunson Ellenburger/Blinebry Pool at a standard location 1830 feet from the South line and 660 feet 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

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 1622
Order No. R-1361

APPLICATION OF GULF OIL CORPORATION
FOR A 160-ACRE NON-STANDARD GAS
PRORATION UNIT IN THE TUBB GAS POOL
AND FOR A 160-ACRE NON-STANDARD GAS
PRORATION UNIT IN THE BLINEBRY GAS POOL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 25, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 2nd. day of April, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Gulf Oil Corporation, is the owner and operator of the SE/4 NW/4, the NW/4 SE/4 and the N/2 SW/4 of Section 31, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the owner and operator of the dually completed Scarborough Estate Well No. 4, located 1980 feet from the North line and 1980 feet from the West line of said Section 31.

(4) That the applicant proposes the establishment of two 160-acre non-standard gas proration units consisting of the above-described acreage, one for the Tubb Gas Pool, the other for the Blinebry Gas Pool, with the said Scarborough Estate Well No. 4 as the unit well for each of such non-standard units.

(5) That the entire acreage in the proposed non-standard gas proration units may reasonably be presumed to be productive of gas from the Tubb Gas Pool and the Blinebry Gas Pool.

(6) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 160-acre non-standard gas proration unit in the Tubb Gas Pool and a 160-acre non-standard gas proration unit in the Blinebry Gas Pool, each consisting of the SE/4 NW/4, the NW/4 SE/4 and the N/2 SW/4 of Section 31, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, be and the same are hereby established. Said units are to be dedicated to the applicant's Scarborough Estate Well No. 4, located 1980 feet from the North line and 1980 feet from the West line of said Section 31.

(2) That Administrative Orders NSP-471 and 472 are hereby cancelled.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

ir/