

NSP

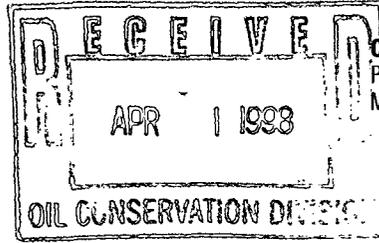
4/21/98



Chevron

March 23, 1998

Request for Modification to NSP-688-A(SD),
Reclassification from Oil to Gas Well,
Standard Gas Proration Unit
Alice Paddock #2
1980' FSL, 1980' FEL, Unit J
Section 1, T22S, R37E
Lea County, New Mexico



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

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

Attention William J. LeMay - Director

Dear Mr. LeMay,

The OCD office in Hobbs notified Chevron that modification was needed to an application submitted January 18, 1996 requesting reclassification of the Alice Paddock #2 well from oil to gas. The reclassification portion of the request was correct. However, modification is needed to the portion of the application asking for creation of a non-standard 80 acre gas proration unit. The proration unit simultaneously dedicated the Alice Paddock #1 and #2 wells. The Alice Paddock #1 was/is an oil well and therefore should not be simultaneously dedicated with the Alice Paddock #2 which is a gas well. The original request should have asked for the new Alice Paddock #2 proration unit to be a 40 acre gas proration unit located in the NW/4, W/2 of the SE/4. The Alice Paddock #1 oil proration unit is located in the SW/4, W/2 of the SE/4 should have been left as a 40 acre oil proration unit. Chevron respectfully requests that the Alice Paddock #2 be assigned to a 40 acre gas proration unit. Chevron also respectfully requests the return of the Alice Paddock #1 to the its original 40 acre oil proration unit.

Attached are copies of the original application, the administrative order and new Form C-102 plats for both the Alice Paddock #1 and #2 wells illustrating the proration unit acreage and well locations. If you have any questions, or if you require further information, please contact Craig Wright at (915) 687-7284.

Sincerely,

C.A. Wright
Production Engineer
PGPC

SJG/

Attachments

cc: NMOCD - Hobbs, New Mexico
B.A. Foster
J.K. Ripley
C.A. Wright
Central Files - Lease and Well Files

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

* APT Number 30-025-09938		* Pool Code 06660	* Pool Name Blinebry
* Property Code 2703	* Property Name Alice Paddock		* Well Number #1
* OGRID No. 4323	* Operator Name Chevron USA		* Elevation 3356

¹⁰ Surface Location

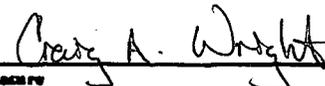
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
0	1	22S	37E		660	South	1980	East	Lea

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 Ductile	¹³ Acres	¹⁴ Joint or Infill	¹⁵ Consolidation Code	¹⁶ Order No.
40				

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 Craig Wright Printed Name Production Engr. Title March 23, 1998 Date
			 #2	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was placed 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 Surveyor: Certificate Number
		 #1		

District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-0719
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State of New Mexico
 Energy, Minerals & Natural Resources Department

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-025-09939		* Pool Code 72480	* Pool Name Blinebry (Pro Gas)
* Property Code 2703	* Property Name Alice Paddock		* Well Number #2
* OGRID No. 4323	* Operator Name Chevron USA		* Elevation 3356 DF

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
J	1	22S	37E		1980	South	1980	East	Lea

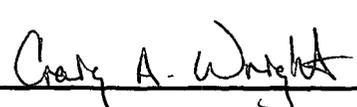
¹¹ Bottom Hole Location if Different From Surface

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

¹² Ductile ¹³ Acres ¹⁴ Joint or Infill ¹⁵ Consolidation Code ¹⁶ Order No.

40

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			 #2		¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
			 #1		



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 8, 1996

Chevron U.S. A. Production Company
P.O. Box 1150
Midland, Texas 79702-1150
Attention: Michelle LeVan

Administrative Order NSP-688-A(SD)

Dear Ms. LeVan:

Reference is made to your application dated January 18, 1996 for an 80-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Blinebry Oil and Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 1: W/2 SE/4.

It is our understanding that this unit is to be simultaneously dedicated to your existing Alice Paddock Well No. 1 (API No. 30-025-09938), located at a standard gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 1 and your existing Alice Paddock Well No. 2 (API No. 30-025-09939), located at a standard gas well location 1980 feet from the South and East lines (Unit J) of said Section 1.

By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*" as promulgated by Division Order No. R-8170, as amended, the above-described 80-acre non-standard gas spacing and proration unit is hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 80 acres.

There appear to be three administrative non-standard gas spacing and proration orders previously issued for the Alice Paddock Well No. 1:

- Division Administrative Order NSP-688, dated August 19, 1964, which authorized the 40 acres comprising the SW/4 SE/4 of

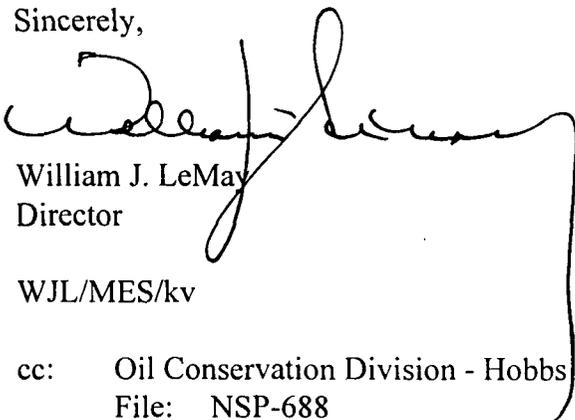
said Section 1 to be dedicated to said well;

- Division Administrative Order NSP-692, dated September 30, 1964, authorized a 120-acre non-standard GPU for the Alice Paddock Well No. 1 consisting of the SW/4 SE/4 and E/2 SE/4 of said Section 1; and,
- on January 27, 1986 said Administrative Order NSP-692 was amended to form a non-standard 80-acre GPU for the Alice Paddock Well No. 1 comprising the S/2 SE/4 of said Section 1.

The last gas proration schedule, issued by the New Mexico Oil Conservation Commission in Case 11350 by Order No. R-10435, has for the Alice Paddock Well No. 1 an acreage factor of 0.25, which indicates that the 40 acres comprising the SW/4 SE/4 of said Section 1 is currently dedicated to said well. While your application made no reference to any of the previous orders or to the current 40-acre GPU for the No. 1 well, it can only be assumed that Chevron has been producing this well under the authority of Order NSP-688.

At this time the three of the aforementioned Division Administrative Orders (NSP-688, NSP-692, and "AMENDED NSP-692) are hereby placed in abeyance until further notice by the Division.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
File: NSP-688
NSP-692



January 18, 1996

Chevron U.S.A. Production Company
PO Box 1150
Midland TX 79702

**Administrative Application for
Reclassification from Oil to Gas Well,
Non-Standard Gas Proration Unit,
Standard Gas Well Location, and
Simultaneous Dedication
Alice Paddock No. 2
1980' FSL, 1980' FEL, Unit J,
Section 1, T22S, R37E
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 Alice Paddock No. 2 from an oil well to a gas well, creation of a non-standard 80 acre gas proration unit, a standard gas well location, and simultaneous dedication with the Alice Paddock No. 1.

Well No. 2 needs to be reclassified as a gas well, per OCD guidelines, as the GOR is higher than 50,000 to 1. A non-standard 80 acre gas proration unit is proposed to be dedicated to wells No. 2 and 1. The location of the new proration unit is the W/2 SE/4, Section 1, T22S, R37E, making this well a standard well location.

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.

[Faint circular stamp or signature]

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

/s/

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Attachments

cc: NMOCD - Hobbs, New Mexico
C. O. Blake
S. J. Gray
R. E. Green
J. A. Howard
Central Files - Lease and Well Files