



October 25, 1994
Midland, Texas

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

Administrative Application for
Reclassification from Oil to Gas Well,
Non-Standard Gas Proration Unit,
and Non-Standard Gas Well Location
Blinebry Oil and Gas Pool
Scarborough Estate #2
1880' FNL and 660' FEL, Unit H,
Section 31, T22S, R38E
Lea County, New Mexico

Oxy U.S.A. Inc.
P.O. Box 300
Tulsa, Ok. 74102

Gentlemen:

Attached is a copy of an administrative application for NMOCD approval for a reclassification of the Scarborough Estate #2 from an oil well to a gas well, creation of a non-standard 40 acre gas proration unit, and a non-standard gas well location.

The GOR of the Scarborough Estate #2 has increased above the 50,000 to 1 limit for oil wells in the Blinebry field. With this change, a non-standard well location and a non-standard 40 acre gas proration unit needs to be approved.

If you have any questions about the application, please contact Lloyd Trautman at (915) 687-7152.

Sincerely,

A handwritten signature in cursive script, appearing to read "L. V. Trautman".

L. V. Trautman
Sr. Petroleum Engineer
New Mexico Area

/tmdr
14289.DOC

Attachments

cc: Central Files-Lease and Well Files