

September 29, 1997



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

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

Attention: Mr. William J. LeMay - Director

Dear Mr. LeMay:

Attached is a **revised** Administrative Application for an Unorthodox Gas Well Location and Unorthodox Gas Spacing and Proration Unit for the Hugh Well #8.

The **original** Administrative Application was deemed incomplete due to insufficient information regarding the request for a 120-acre spacing unit as opposed to a standard 160-acre unit. Also, the C-102 failed to show all Blinebry producing wells (oil & gas) within the affected proration unit.

If you have any questions, or if you require further information, please contact Craig Wright at (915)687-7284.

Sincerely,

A handwritten signature in cursive script that reads "Craig A. Wright".

C.A. Wright
Production Engineer
PGPC

CAW/

Attachments: **Revised** Administrative Application
Original Administrative Application

cc: NMOCD - Hobbs, New Mexico

September 29, 1997



Revised

**Administrative Application for
Unorthodox Gas Well Location
and Unorthodox Gas Spacing
and Proration Unit**

Hugh Well #8

2030' FNL & 560' FWL, Unit E,

Section 14, 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 S. 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 an Unorthodox Blinebry Gas Well Location and an Unorthodox Blinebry Gas Spacing and Proration Unit for the Hugh Well No. 8.

Chevron U.S.A. is planning to recomplete the Hugh #8 into the Blinebry Gas Pool. The well currently is completed in the Drinkard Pool. The location of the proposed recompletion is 2030' FNL & 560' FWL in Section 14, T22S, R37E, Lea County, New Mexico.

Chevron requests an unorthodox gas well location for said well, and an under-sized gas spacing and proration unit comprising 120 acres (three standard 40-acre tracts) underlying the NW/ NW/4 and S/2 NW/4 of said Section 14. The request for a 120 acre spacing unit is necessary since a producing Blinebry oil well (Hugh #7) exists in the NE/ NW/4 of said Section 14, at a location of 660' FNL and 2310' FWL, Unit C.

Well No. 8 was drilled in 1966 as a Drinkard producer. Current production from the Drinkard formation is 0 bopd, 100 mcf/d, and 1 bwpd.

A copy of this administrative application is being provided to our offset operators via Certified Mail. Attached is a commercial map, Form C-102 plat illustrating the well location and proposed proration unit acreage, and a copy of the OCD reclassification letter changing the status of the Hugh Well No. 7 from a Blinebry "gas" well to a Blinebry "oil" well. 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 Craig Wright at (915)687-7284.

Sincerely,

A handwritten signature in black ink that reads "Craig A. Wright". The signature is written in a cursive style with a large, stylized "W" at the end.

C.A. Wright
Production Engineer
PGPC

CAW/

Attachments

cc: NMOCD - Hobbs, New Mexico

District I
 PO Box 1988, Hobbs, NM 88241-1988
 District II
 PO Drawer DD, Artesia, NM 88211-9719
 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 Dept.

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	Pool Code	Pool Name
	72480	Blinebry (Pro Gas)
Property Code	Property Name	Well Number
2641	Hugh	8
OGRID No.	Operator Name	Elevation
4323	Chevron U.S.A. Inc.	

Surface Location

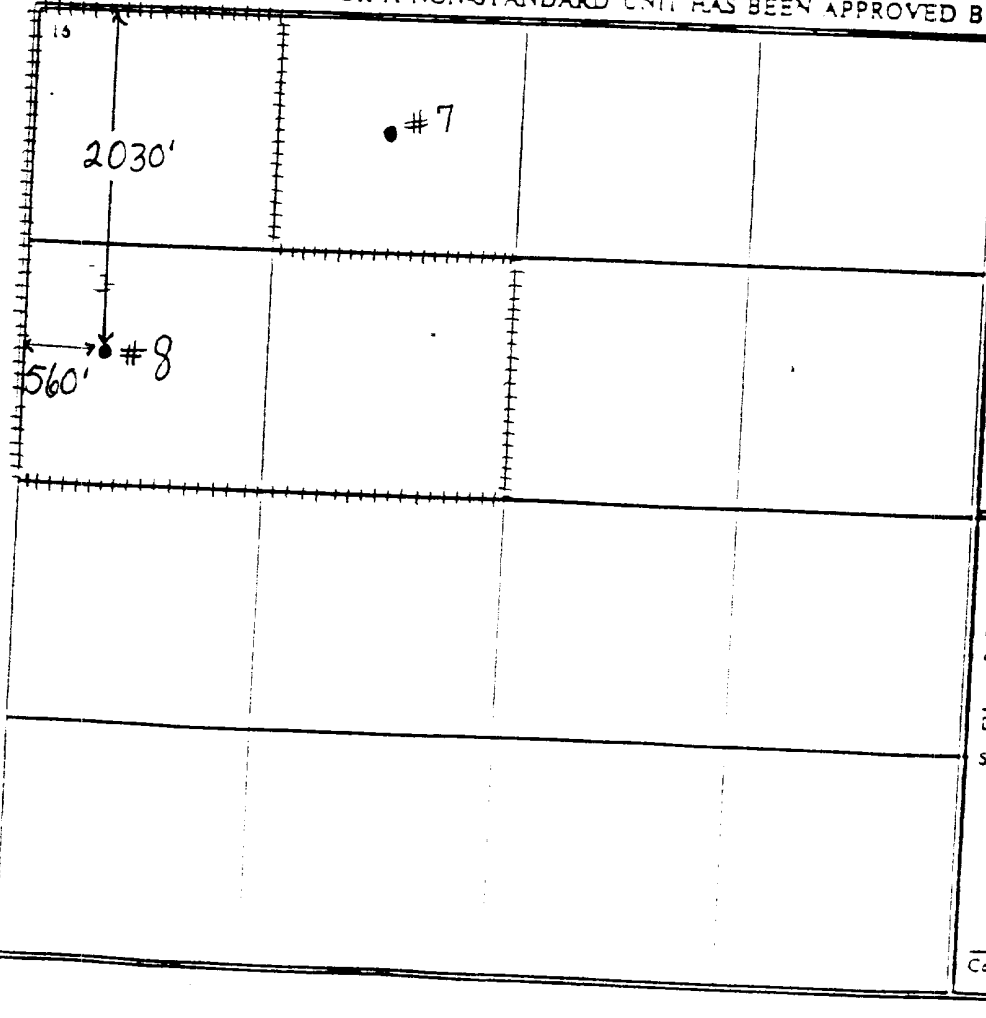
UL of lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South Line	Feet from the	East/West Line	County
E	14	22S	37E		2030'	North	560'	West	Lea

Bottom Hole Location If Different From Surface

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

Distance	Acres	Joint or Infill	Commodation Code	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



17 OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief.

Signature: Tanya Kerley
 Printed Name: Tanya Kerley
 Title: Office Assistant
 Date: 9/12/97

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 Surveyor: _____
 Certificate Number: _____

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

State of New Mexico
 Energy, Minerals & Natural Resources Dept.

Form C-10
 Revised February 10, 1995
 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 30-025-10264	Pool Code 06660	Pool Name Blinebry Oil + Gas
Property Code 2641	Property Name Hugh	Well Number 7
OGRID No. 4323	Operator Name Chevron U.S.A. Inc.	Elevation

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
C	14	22S	37E		660'	North	2310'	West	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

14 District	15 Acres	16 Joint or Infill	17 Completion Code	18 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

	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p>	
	<p>Signature: <u>Tanya Kerley</u></p>	
	<p>Printed Name: <u>Tanya Kerley</u></p>	
	<p>Title: <u>Office Assistant</u></p> <p>Date: <u>10-1-97</u></p>	
<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well locations shown on this plat were plotted from field notes of actual surveys made by me or under my supervision, and that the same are true and correct to the best of my belief.</p>		<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p>
<p>Date of Survey</p>		
<p>Signature and Seal of Professional Surveyor</p>		
<p>Certificate Number</p>		

Michael E. Stogner
 Michael E. Stogner
 Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
 File: NSL-3508

September 29, 1997

Revised

**Administrative Application for
Unorthodox Gas Well Location
and Unorthodox Gas Spacing
and Proration Unit**

Hugh Well #8

**2030' FNL & 560' FWL, Unit E,
Section 14, T22S, R37E**

Lea County, New Mexico

Ladies/Gentlemen:

This is to inform you as an offset operator that Chevron U.S.A. Inc. has applied for administrative approval for an Unorthodox Blinebry Gas Well Location and an Unorthodox Blinebry Gas Spacing and Proration Unit for the Hugh Well No. 8.

Chevron U.S.A. is planning to recomplate the Hugh #8 into the Blinebry Gas Pool. The well currently is completed in the Drinkard Pool. The location of the proposed recompletion is 2030' FNL & 560' FWL in Section 14, T22S, R37E, Lea County, New Mexico.

Chevron requests an unorthodox gas well location for said well, and an under-sized gas spacing and proration unit comprising 120 acres (three standard 40-acre tracts) underlying the NW/ NW/4 and S/2 NW/4 of said Section 14. The request for a 120 acre spacing unit is necessary since a producing Blinebry oil well (Hugh #7) exists in the NE/ NW/4 of said Section 14, at a location of 660' FNL and 2310' FWL, Unit C.

Well No. 8 was drilled in 1966 as a Drinkard producer. Current production from the Drinkard formation is 0 bopd, 100 mcf, and 1 bwpd.

Attached is a commercial map and Form C-102 plat illustrating the well location and proposed proration unit acreage.

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

Offset Operators

Collins & Ware Inc.
508 W. Wall Street
Suite 1200 Empire Plaza
Midland, TX 79701-5076

J.H. Hendrix Corp.
P.O. Box 3040
Midland, Tx 79702-3040



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 22, 1996

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

Attention: Michelle L. LeVan

Re: Reclassification of the Hugh Well No. 7 (API No. 30-025-10264), located 660 feet from the North line and 2310 feet from the West line (Unit C) of Section 14, Township 22 South, Range 37 East, NMPM, Blinebry Oil and Gas Pool, Lea County, New Mexico, from a Blinebry "gas" well to a Blinebry "oil" well.

Dear Ms. LeVan:

Reference is made to your letter dated March 25, 1996, review of this matter indicates that the subject reclassification is covered under Rules 2(a)2 and 2(b)2 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil and Gas Pool", as promulgated by Division Order No. R-8170, as amended, whereby Blinebry "oil" wells are spaced on 40-acres and locations shall be no nearer than 330 feet to the outer boundary of said 40-acre tract. The location of the Hugh Well No. 7 and dedicated 40-acre unit are both considered to be "standard" and no further action by the Division will be necessary.

Division Administrative Order NSL-3508, dated March 27, 1995, which approved this well as an unorthodox Blinebry "gas" well location within a standard 160-acre gas spacing and proration unit for said pool, is hereby placed abeyance until further notice.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
File: NSL-3508