

DATE IN 11/9/00	SUSPENSE 11/29/00	ENGINEER MS	LOGGED MV	TYPE NSP
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

31846587

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
NSL NSP DD SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
WFX PMX SWD IPI EOR PPR

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

A. M. Howell  Sr. Petro. Engineer 11/6/2000
Print or Type Name Signature Title Date

November 7, 2000



Request for Administrative Approval
Non-Standard Proration Unit
Alice Paddock # 4
1980' FNL & 1980' FEL
Unit G, Section 1, T22S, R37E
Lea County, New Mexico

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

NOV - 9 2000

New Mexico Oil Conservation Division
Attn: Lori Wrottenberg
2040 South Pacheco
Santa Fe, NM 87505

Dear Ms. Wrottenberg:

Attached is a copy of an administrative application for NMOCD approval for a non-standard gas proration unit for the subject well.

With your approval it is our intention to recompleate the Alice Paddock # 4 as a gas well in the Tubb formation. The subject well was originally drilled to a depth of 5263' and completed as an oil producer in the Paddock formation in 1946. The Paddock zone was abandoned in 1963 when the well was deepened to 5711' and recompleted in the Blinebry formation. Currently, Alice Paddock # 4 is a marginal producer in that pool. In order to return the well to economic production it is proposed to drill deeper and recompleate as a gas producer in the Tubb formation. However, there are only 120 acres available for dedication to a Tubb gas proration unit in the NE ¼ of Section 1, due to the 40 acre Tubb oil proration unit in the NW ¼ NE ¼, assigned to Chevron's Alice Paddock # 5. Therefore, NMOCD administrative approval is requested to recompleate Alice Paddock # 4 as a gas well and form a non-standard gas proration unit in the Tubb Oil & Gas Pool.

A copy of this application was mailed via certified mail to all affected offset operators.

If you have any questions concerning this application, please contact Mike Howell at (915) 687-7516.

Sincerely,

A handwritten signature in cursive script that reads "A. M. Howell".

A. M. Howell
Sr. Petroleum Engineer

District I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised March 17, 1999

District II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-09940		² Pool Code 86440		³ Pool Name Tubb Oil & Gas	
⁴ Property Code 2703		⁵ Property Name Alice Paddock			⁶ Well Number 4
⁷ OGRID No. 4323		⁸ Operator Name Chevron U.S.A., Inc.			⁹ Elevation 3358'

¹⁰ Surface Location

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

¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres 120	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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	120-acre proration unit -->	40 acres	40 acres	40 acres		<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><i>A. M. Howell</i></p> <p>Signature <u>A. M. Howell</u></p> <p>Printed Name <u>Sr. Petroleum Engineer</u></p> <p>Title <u>November 6, 2000</u></p>
						Certificate Number

Alice Paddock # 4
Chevron U.S.A. Inc.
Non-Standard Gas Proration Unit
Request For Administrative Approval

List Of Offset Operators:

1. Apache Corporation
2000 Post Oak Blvd., Suite 100
Houston, TX 77056
2. Cross Timbers Operating Company
3000 N. Garfield, Suite 250
Midland, TX 79705
3. John H. Hendrix Corporation
P. O. Box 3040
Midland, TX 79702
4. Marathon Oil Company
Box 552
Midland, TX 79702
5. Prospective Investments & Trading Company
P. O. Box 702320
Tulsa, OK 74170

District I
 P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
 Energy, Minerals & Natural Resources Department

Form C-101
 Revised October 18, 1994

District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies
 AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address CHEVRON U.S.A., INC. P. O. BOX 1150 MIDLAND, TX 79702		² OGRID Number 4323
		³ API Number 30-025-09940
⁴ Property Code 2703	⁵ Property Name ALICE PADDOCK	⁶ Well No. 4

⁷ Surface Location								Approval Date:	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	1	22S	37E		1980	NORTH	1980	EAST	LEA

⁸ Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
⁹ Proposed Pool 1 TUBB OIL & GAS (OIL) 60240					¹⁰ Proposed Pool 2				

¹¹ Work Type Code D	¹² Well Type Code O	¹³ Cable/Rotary	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation
¹⁶ Multiple	¹⁷ Proposed Depth 6200'	¹⁸ Formation TUBB	¹⁹ Contractor	²⁰ Spud Date

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
NO NEW CASING					

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

POH W/PROD EQPT. SQZ 5640'-5663'. DO CMT TO 5710'. DRILL TO 6200'.
 CIRC CLEAN. ACZ OH. RIH W/TBG, PUMP & RODS. RETURN WELL TO
 PRODUCTION.

**Permit Expires 1 Year From Approval
 Date Unless Drilling Underway
 Deepen**

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>J. K. Ripley</i>		Approved by: <i>Christ Williams</i>	
Printed name: J. K. RIPLEY		Title: DISTRICT 1 SUPERVISOR	
Title: REGULATORY O.A.		Expiration Date:	
Date: 07/24/2000	Phone: (915)687-7148	Conditions of Approval: Attached <input type="checkbox"/>	



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary

11/9/00

Lori Wrotenbery Director Oil Conservation Division

OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

RE: Proposed: MC _____ DHC _____ NSL _____ NSP [X] _____ SWD _____ WFX _____ PMX _____

Gentlemen:

I have examined the application for the:

Chevron USA Inc Alice Paddock #4-G, 1-22s-37e Operator Lease & Well No. Unit S-T-R RPI #30-025-09940

and my recommendations are as follows:

OK -

Yours very truly,

Chris Williams

Chris Williams Supervisor, District 1

SAPIENT ENERGY CORP.621 SEVENTEENTH STREET, SUITE 1800
DENVER, COLORADO 80293-0621TELEPHONE 303 675-0007
FACSIMILE 303 675-0008

November 15, 2000

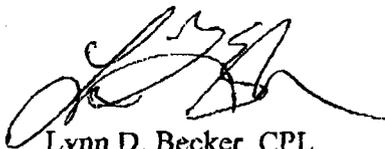
Ms. Lori Wrotenberry, Chair (Via Fax 505-827-8177)
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Request for Administrative Approval, Non-Standard Proration Unit, Alice Paddock #4
Unit G, Section 1, T22S-R37E, Lea County, New Mexico

Dear Ms. Wrotenberry,

On Tuesday, November 14, 2000, we received by regular mail from Cross Timbers Oil Company in Midland, Texas, Chevron's notification letter of the captioned request dated November 7, 2000. As of August 1, 2000, both the county records and the Division's records reflect Sapient's ownership and operatorship of the lands offsetting this request (or its predecessor, Falcon Creek Resources, Inc.). We therefore request that you recognize Sapient's 20 day notice period for a response to this request, as beginning on November 14, 2000. Thank you.

Sincerely,



Lynn D. Becker, CPL
Land Manager

cc: Mr. A. M. Howell (Via Fax)
Chevron U.S.A. Production Company
P. O. Box 1150
Midland, Texas 79702

CMD : ONGARD 11/14/00 15:55:58
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQH4

API Well No : 30 25 9941 Eff Date : 02-05-1994 WC Status : A
Pool Idn : 60240 TUBB OIL AND GAS (OIL)
OGRID Idn : 4323 CHEVRON U S A INC
Prop Idn : 2703 ALICE PADDOCK

Well No : 005
GL Elevation: 3359

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: 2	1	22S	37E	FTG 990 F N	FTG 2310 F E	P

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : P

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD : ONGARD 11/14/00 15:56:18
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQH4

API Well No : 30 25 9940 Eff Date : 02-05-1994 WC Status : A
Pool Idn : 6660 BLINEBRY OIL AND GAS (OIL)
OGRID Idn : 4323 CHEVRON U S A INC
Prop Idn : 2703 ALICE PADDOCK

Well No : 004
GL Elevation: 3358

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: G	1	22S	37E	FTG 1980 F N	FTG 1980 F E	P

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : P

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

11/13/00 15:46:58
OGOMES -TP7A
PAGE NO: 1

Sec : 01 Twp : 22S Rng : 37E Section Type : NORMAL

4 39.77 Fee owned U A A	3 39.84 Fee owned U A	2 39.90 Fee owned A A	1 39.97 Fee owned
E 40.00 Fee owned U A	F 40.00 Fee owned U A	G 40.00 Fee owned U A	H 40.00 Fee owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

39.97
 8

 119.97

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

11/13/00 15:47:03
OGOMES -TP7A
PAGE NO: 2

Sec : 01 Twp : 22S Rng : 37E Section Type : NORMAL

L 40.00 Fee owned U A A	K 40.00 Fee owned U P	J 40.00 Fee owned U A A	I 40.00 Fee owned A
M 40.00 Fee owned U P A	N 40.00 Fee owned U P	O 40.00 Fee owned U A A	P 40.00 Fee owned U A A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

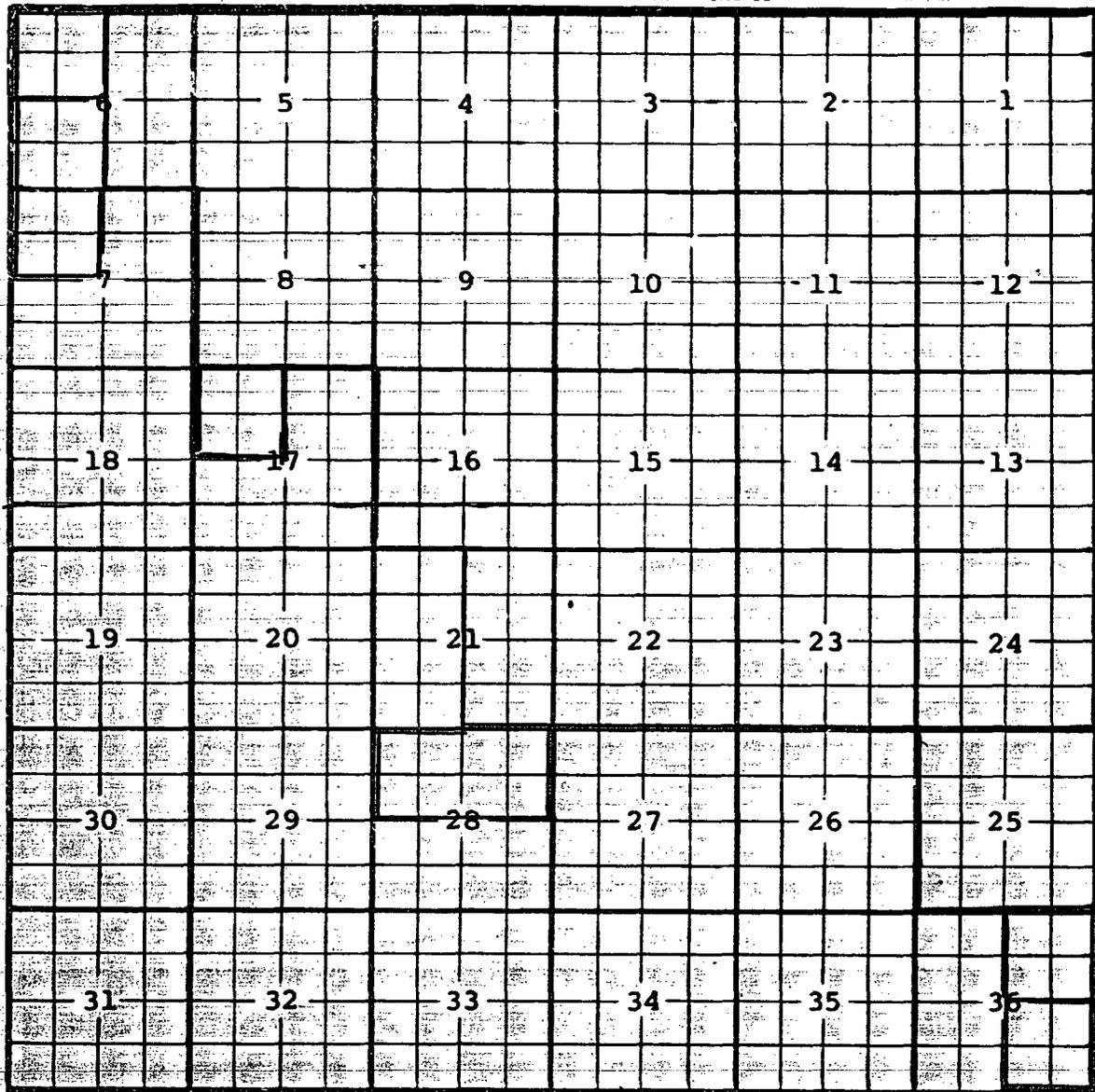
COUNTY *Lea*

POOL *Tubb Oil and Gas*

TOWNSHIP *22 South*

RANGE *37 East*

NMPM



Description: All Secs 1 thru 5; $\frac{E}{2}$ Sec. 6; All Secs. 8 thru 16; $\frac{E}{2}$ Sec. 21;

All Secs. 22, 23, & 24 (R-264, 2-17-53)

Ext: All Sec 25 (R-407, 2-10-54) - $\frac{NE}{4}$ Sec 36 (R-724, 12-9-55)

Extend vertical limits to include entire interval from 100' above Tubb marker to top of Drinkard (R-4635, 10-1-73)

Ext: $\frac{N}{2}$ Sec 28 (R-5361, 3-1-77) Ext: $\frac{SE}{4}$ Sec 36 (R-5729, 6-1-78)

Ext: $\frac{NW}{4}$ Sec 6 (R-5838, 11-1-78) Ext: $\frac{SW}{4}$ Sec 6, $\frac{NW}{4}$ Sec 7 (R-5911, 2-1-79)

(CHANGE FROM TUBB GAS TO TUBB OIL + GAS (R-6012 9-1-79) EXT: $\frac{NW}{4}$ SEC 17 (R-8667, 6/10/88)