

NSP-1780(L)

SD

N/R

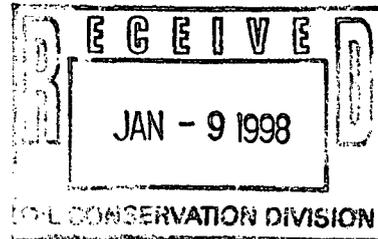
January 6, 1998



Chevron

**Administrative Application for
Simultaneous Dedication
Blinebry Gas Pool
Hugh Well #1
660' FNL & 660' FWL, Unit D
Hugh Well #5
1980' FNL & 1980' FWL, Unit F
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 simultaneous dedication of the Hugh Well No. 1 and Hugh Well No. 5 with the Hugh Well No. 8.

Chevron U.S.A is planning to recomplete the Hugh #1 and Hugh #5 into the Blinebry Gas Pool. Hugh #1 is currently completed in the Wantz/Abo pool. The location of the proposed recompletion is 660' FNL and 660' FWL. Hugh #5 is currently completed in the Wantz/Abo pool. The location of the proposed recompletion is 1980' FNL and 1980' FWL. Both wells are located in Section 14, T22S, R37E, Lea County, New Mexico.

The Hugh Well No. 8 is dedicated to a non-standard 120 acre Gas Proration Unit which consists of the NW/4 NW/4 and S/2 NW/4 of Section 14, T22S, R37E. This was approved October 28, 1997 under Administrative Order NSP-1780(L). Well No. 8 is located 2030' FNL and 560' FWL (Unit E) of said Section 14.

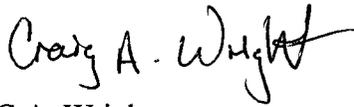
Hugh Well No. 1 was drilled in 1946 as a Drinkard producer. The Penrose Skelly and Paddock were dually completed in 1961. The well was shut-in for poor economics in 1962. In 1974 the Drinkard was restimulated and returned to production. The wellbore was deepened to the Wantz/Abo in 1987 and placed on production.

Hugh Well No. 5 was drilled in 1948 as a Drinkard producer. The wellbore was deepened to the Granite Wash in 1980 and returned to production. In 1981, the Granite Wash was plugged back and the Wantz/Abo was completed and placed on production.

A copy of this administrative application is being provided to our offset operators via Certified Mail. Attached is a commercial map and Form C-102 plats illustrating the proration unit acreage and well locations. Also included is a copy of the letter sent to our offset operators and a copy of Administrative Order NSP-1780(L).

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
PBPC

Attachments

cc: NMOCD - Hobbs, New Mexico
C.O. Blake
J.K. Ripley
B.A. Foster
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 88211-9719
 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 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 30-025-10257		Pool Code 72480		Pool Name Blinebry (Pro Gas)	
Property Code 2641		Property Name Hugh...			Well Number 1
OGRID No. 4323		Operator Name Chevron U.S.A.			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
D	14	22S	37E		660'	North	660'	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

¹² Dedication Acres	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		
	<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>1-5-98</u></p>		
	¹⁸ SURVEYOR CERTIFICATION		
	<p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>		
	Certificate Number		

District I
 PO Box 1908, Hobbs, NM 88241-1908
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Bravo Rd., Aztec, NM 87418
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

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 30-025-10261		Pool Code 72480		Pool Name Blinebry (ProGas)	
Property Code 2641		Property Name Hugh			Well Number 5
OGRID No. 4323		Operator Name Chevron U.S.A.			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
F	14	22S	37E		1980'	North	1980'	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

¹² Dedication Acres	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

	<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>Tanya Kerley</i> Signature Tanya Kerley Printed Name Office Assistant Title 1-5-98 Date</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

District II
PO Drawer DD, Artesia, NM 88211-8719
District III
1000 Rio Brazos Rd., Artesia, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

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

Instructions on
Submit to Appropriate District
State Lease - 4 C
Fee Lease - 3 C

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-21625	Pool Code 72480	Pool Name Blinebry (Pro Gas)
Property Code 2641	Property Name Hugh	Well Number 8
OGRID No. 4323	Operator Name Chevron U.S.A. Inc.	Elevation

10 Surface Location

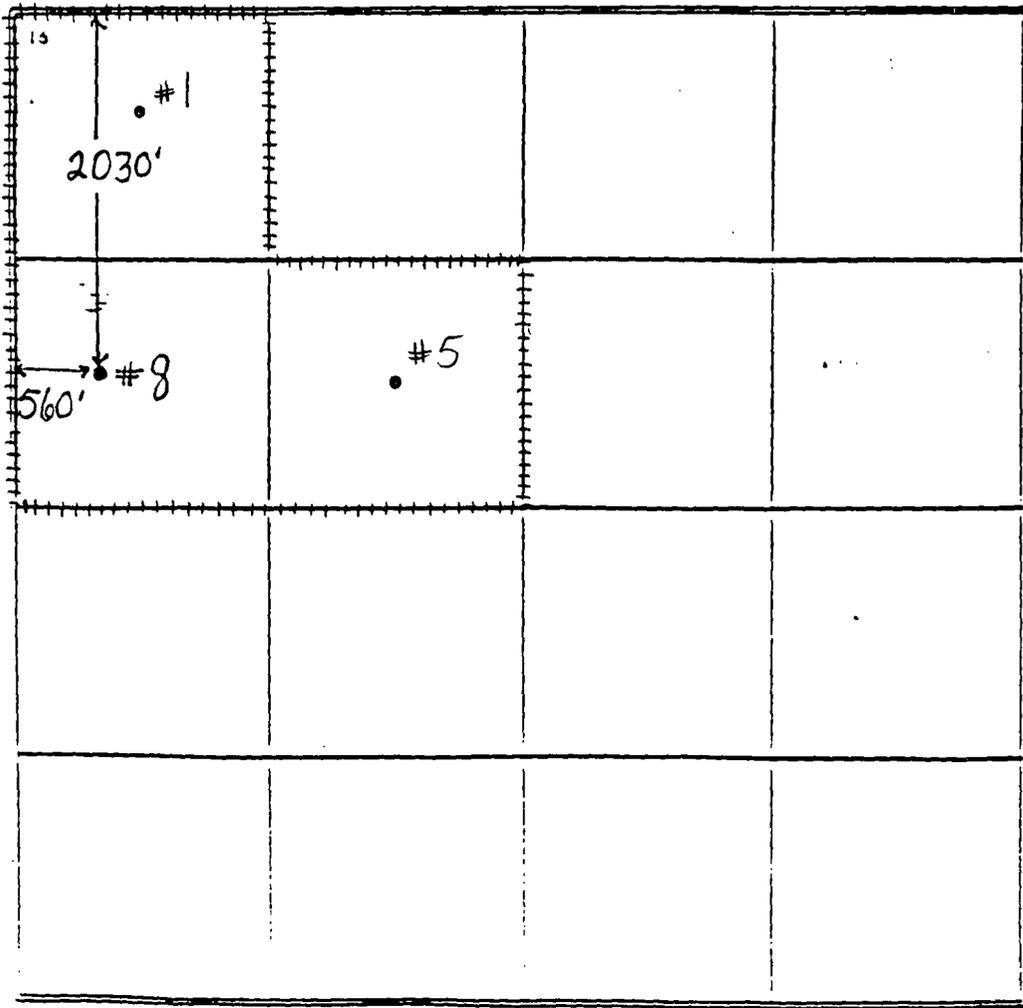
UL of sec no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
E	14	22S	37E		2030'	North	560'	West	Lea

11 Bottom Hole Location If Different From Surface

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

12 District	1 Acre	12 Joins or fails	13 Commencement Code	14 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 complete to the best of my knowledge and belief.

Signature: Tanya Kerley
 Printed Name: Tanya Kerley
 Title: Office Assistant
 Date: 1-5-98

18 SURVEYOR CERTIFICATION:
I hereby certify that the well location shown on this plat was located 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: _____

January 6, 1998

**Administrative Application for
Simultaneous Dedication
Blinebry Gas Pool
Hugh Well #1
660' FNL & 660' FWL, Unit D
Hugh Well #5
1980' FNL & 1980' FWL, Unit F
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 simultaneous dedication of Hugh Wells Nos. 1 & 5 with Hugh Well No. 8.

Chevron U.S.A is planning to recomplete the Hugh #1 and Hugh #5 into the Blinebry Gas Pool. Hugh #1 is currently completed in the Wantz/Abo pool. The location of the proposed recompletion is 660' FNL and 660' FWL. Hugh #5 is currently completed in the Wantz/Abo pool. The location of the proposed recompletion is 1980' FNL and 1980' FWL. Both wells are located in Section 14, T22S, R37E, Lea County, New Mexico.

The Hugh Well No. 8 is dedicated to a non-standard 120 acre Gas Proration Unit which consists of the NW/4 NW/4 and S/2 NW/4 of Section 14, T22S, R37E. This was approved October 28, 1997 under Administrative Order NSP-1780(L). Well No. 8 is located 2030' FNL and 560' FWL (Unit E) of said Section 14.

Hugh Well No. 1 was drilled in 1946 as a Drinkard producer. The Penrose Skelly and Paddock were dually completed in 1961. The well was shut-in for poor economics in 1962. In 1974 the Drinkard was restimulated and returned to production. The wellbore was deepened to the Wantz/Abo in 1987 and placed on production.

Hugh Well No. 5 was drilled in 1948 as a Drinkard producer. The wellbore was deepened to the Granite Wash in 1980 and returned to production. In 1981, the Granite Wash was plugged back and the Wantz/Abo was completed and placed on production.

Attached is a commercial map and Form C-102 plats 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
PBPC

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

Shell Western E & P Inc.
P.O. Box 4655
Houston, TX 77001-0576