

NSL

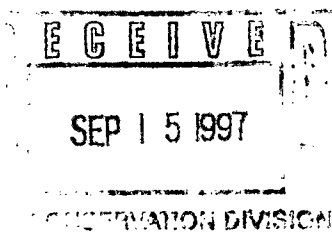
10/6/97

**Chevron**

September 8, 1997

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

**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**



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 Blinbry Gas Well Location and an Unorthodox Blinbry Gas Spacing and Proration Unit for the Hugh Well No. 8.

Chevron U.S.A. is planning to recomplete the Hugh #8 into the Blinbry Gas Pool. The well currently is completed in the Drinkard Pool. The location of the proposed recomplection 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.

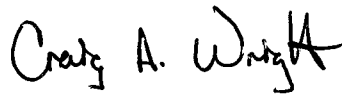
Well No. 8 was drilled in 1966 as a Drinkard producer. Current production from the Drinkard formation is 0 bopd, 100 mcf/d, and 1 bwpd.

9-19-97 - Application deemed incomplete.  
- Further explanation is needed as to why a 120-acre unit is necessary as opposed to a standard 160. Also, on the C-102 please show all Blinbry producing wells (oil and gas) within the NW/4 of said Section 14.  
Michael E. Stogner

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 plat illustrating the well location and proposed proration unit acreage. 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  
C.O. Blake  
C.A. Wright  
J.K. Ripley  
B.A. Foster  
Central Files - Lease and Well Files

September 5, 1997

**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 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.

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.

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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

September 8, 1997



**Chevron**

**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

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

Ladies/Gentlemen:

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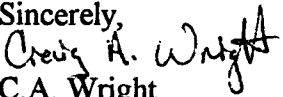
Chevron U.S.A. is planning to recomplate the Hugh #8 into the Blinebry Gas Pool. The well currently is completed in the Drinkard Pool. The location of the proposed recompletion is 2030' FNL & 560' FWL in Section 14, T22S, R37E, Lea County, New Mexico.

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.

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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



September 8, 1997



**Chevron**

**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

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

Ladies/Gentlemen:

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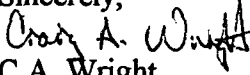
Chevron requests an unorthodox gas well location for said well, and an under-sized gas spacing and proration unit comprising 120 acres (three standard 40-acre tracts) underlying the NW/ NW/4 and S/2 NW/4 of said Section 14.

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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







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



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 27, 1995

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

Attention: Lloyd V. Trautman

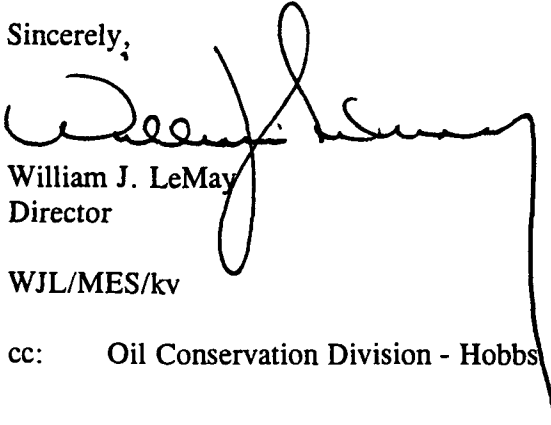
*Administrative Order NSL-3508*

Dear Mr. Trautman:

Reference is made to your application dated February 22, 1995 for an unorthodox Blinebry gas well location for your existing 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, Lea County, New Mexico. The NW/4 of said Section 14 shall be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said pool.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Blinebry Oil and Gas Pool, as promulgated by Division Order No. R-8170, as amended, the location of the Hugh Well No. 7 is hereby approved as an unorthodox Blinebry gas well location.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

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

RE: Proposed:

MC \_\_\_\_\_  
DHC \_\_\_\_\_  
NSL X \_\_\_\_\_  
NSP \_\_\_\_\_  
SWD \_\_\_\_\_  
WFX \_\_\_\_\_  
PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

Chevron USA Inc Hugh #8-E 14-22s-37e  
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Set to hearing - request for unorthodox location.

Yours very truly,

Chris Williams  
Supervisor, District 1

/ed