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New Mexico Oil Conservations Division
1220 South San Francis Drive
Santa Fe, New Mexico 87504

Re Request for Administrative Approval
Non Standard Gas Well Location & Non Standard Proration Unit
NM 'BZ' State NCT-10, Well # 6
480' FSL & 1650' FWL
Unit N, Sec 2, T25S, R37E,
Lea County, New Mexico

Chevron U.S.A. Inc. respectfully request administrative approval for a Non-Standard location, (unorthodox well) for the NM 'BZ' State NCT-10, Well # 6 to be recompleted as a gas well, in the Justis Glorieta (Pro Gas – 79360). The subject well was originally completed in the Blinbry-Tubb-Drinkard in 1996 as an oil well. After 4 years, the Blinbry perms were squeezed and an open-hole horizontal section was drilled in the Drinkard formation. The well is currently producing from the DKR horizontal section and the original Tubb-Drinkard formations, and is currently producing 1 to 2 BOPD and negligible gas.

The Chevron U.S.A. Inc. lease NM BZ State NCT-10 encompasses 160 acres (the SW4 of Sec 2), and therefore a Non Standard Proration Unit is also requested for approval for the NM BZ State NCT-10, Well #6.

The recompletion to the Glorieta will be the only gas well location within the section. If approved, it would allow the NM 'BZ' State NCT-10, Well # 6 to be returned to economic production.

A copy of this application was mailed via certified mail to all affected offset operators, and the list includes all the offset operators within 160 acres in all directions of the NM 'BZ' State NCT-10, Well # 6. The 160 acres was chosen because the workover for this well will include setting the CIBP with cement on top, above all open formations lower than the Glorieta.

For your convenience, I have enclosed an envelope with my return address so the decision for this application can be sent directly to me for distribution. If you require additional information, please contact me at 432-687-7261, or by email at chay@chevron.com.

Sincerely,

Carolyn Haynie
NM PE Technical Assistant

JAN 23 2012

Enclosure cc NMOCD – District 1: Hobbs