

January 27, 1998



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

CW
Donna

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

Re: Status of the Mark Well No. 8

Dear Mr. Stogner:

The Mark Well No. 8 (API No. 30-025-09998) is currently an active Blinebry "oil" producer.

Chevron apologizes for the oversight, and respectfully requests that Administrative Application for simultaneous dedication, unorthodox gas well locations, and non-standard gas spacing and proration unit for the Mark Well Nos. 2, 7 and 11 in Units "B", "H" and "A" of Section 3, Township 22 South, Range 37 East, NMPM, Blinebry Oil and Gas Pool, Lea County, New Mexico be **withdrawn**.

Chevron still intends to add perforations to the Blinebry zone in the Mark Well No. 11 as originally planned. If, upon completion of the workover, Well No. 11 becomes a Blinebry "gas" producer, Chevron will submit an administrative application requesting creation of an unorthodox 80-acre gas spacing and proration unit comprising Lot 1 and SE/4 NE/4 of said Section 3. Chevron will also request that Mark Wells Nos. 7 & 11 be simultaneously dedicated to this 80-acre Gas Proration Unit.

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

Sincerely,

Craig A Wright
Craig A. Wright
Production Engineer
FBPC

Attachment - OCD letter from Michael E. Stogner dated January 21, 1998.

cc: NMOCD - Hobbs, New Mexico
Central Files - Lease and Well Files

January 6, 1998



**Administrative Application for
Simultaneous Dedication,
Unorthodox Gas Well Locations
and Unorthodox Gas Spacing
and Proration Unit
Mark Well #2
454' FNL & 2086' FEL, Unit B
Mark Well #7
1980' FNL & 760' FEL, Unit H
Mark Well #11
430' FNL & 960' FEL, Unit A
Section 3, T22S, R37E
Lea County, New Mexico**

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Santa Fe, New Mexico 87505

Attention: Mr. William J. LeMay - Director

Dear Mr. LeMay:

Chevron U.S.A. Inc. respectfully requests administrative approval for Unorthodox Blinebry Gas Well Locations, Simultaneous Dedication and creation of an Unorthodox Blinebry Gas Spacing and Proration Unit for Mark Wells Nos. 2, 7, and 11.

Chevron U.S.A is planning to recomplete the Mark #2 and Mark #11 into the Blinebry Gas Pool. Mark #2 is currently completed in the Drinkard Pool. The location of the proposed recompletion is 454' FNL and 2086' FEL of Section 3, T22S, R37E, Lea County, New Mexico. Mark #11, currently classified as a Blinebry "oil" producer, will have perforations added to the Blinebry gas zone, which should ultimately reclassify the well as a Blinebry "gas" producer. The location of the proposed recompletion is 430' FNL and 960' FEL of said Section 3.