

October 25, 1994 Midland, Texas

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

Administrative Application for Reclassification from Oil to Gas Well, Non-Standard Gas Proration Unit, and Non-Standard Gas Well Location Blinebry Oil and Gas Pool Scarborough Estate #2 1880' FNL and 660' FEL, Unit H, Section 31, T22S, R38E Lea County, New Mexico

John H. Hendrix Corporation 223 Wall St. Midland, TX 79701

Gentlemen:

Attached is a copy of an administrative application for NMOCD approval for a reclassification of the Scarborough Estate #2 from an oil well to a gas well, creation of a non-standard 40 acre gas proration unit, and a non-standard gas well location.

The GOR of the Scarborough Estate #2 has increased above the 50,000 to 1 limit for oil wells in the Blinebry field. With this change, a non-standard well location and a non-standard 40 acre gas proration unit needs to be approved.

If you have any questions about the application, please contact Lloyd Trautman at (915) 687-7152.

Sincerely,

Trail

L. V. Trautman Sr. Petroleum Engineer New Mexico Area

/tmdr 14289.DOC

Attachments

cc: Central Files-Lease and Well Files