NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OFFICE OF THE SECRETARY 2040 South Pacheco Street Santa Fe, New Mexico 87505 (805) 827-5950

Jennifer A. Salisbury CABINET SECRETARY

December 5, 1996

Chevron USA Inc. ATT: A. L. Alexander P. O. Box 688 Eunice, NM 88231-0688

RE: Reclassification of Well Scarborough Estate, #8-L Sec. 31-T22E-R38E Tubb Oil & Gas Pool

Gentlemen:

According to the recently submitted Gas-Oil-Ratio Test the above-referenced well will be reclassified from a prorated gas well to an oil well in the Tubb Oil & Gas Pool effective January 1, 1997, and the gas allowable cancelled effective that date.

If for some reason you feel this test does not reflect the proper classification of this well, please submit another test for our considertion by December 19, 1996.

If the well is to be reclassified to an oil well in the Tubb Oil & Gas Pool, please submit the following:

- Revised Form C-102, acreage dedication plat, outlining 40 acres for this oil well completion.
- Form C-104 showing reclassification from gas to oil effective January 1, 1997. and designating change of transporters to oil and casinghead gas.

If you have questions concerning the above, please contact Nelda Morgan at (505) 393-6161.

Very truly yours,

OIL CONSERVATION DIVESION

Jerry Sexten

Supervisor, District I

JS:nm

NOTE: This well should have been reclassified in 1995.