

January 6, 1998



**Administrative Application for
Simultaneous Dedication
Blinebry Gas Pool
Hugh Well #1
660' FNL & 660' FWL, Unit D
Hugh Well #5
1980' FNL & 1980' FWL, Unit F
Section 14, T22S, R37E
Lea County, New Mexico**

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

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 simultaneous dedication of the Hugh Well No. 1 and Hugh Well No. 5 with the Hugh Well No. 8.

Chevron U.S.A is planning to recomplate the Hugh #1 and Hugh #5 into the Blinebry Gas Pool. Hugh #1 is currently completed in the Wantz/Abo pool. The location of the proposed recompletion is 660' FNL and 660' FWL. Hugh #5 is currently completed in the Wantz/Abo pool. The location of the proposed recompletion is 1980' FNL and 1980' FWL. Both wells are located in Section 14, T22S, R37E, Lea County, New Mexico.

The Hugh Well No. 8 is dedicated to a non-standard 120 acre Gas Proration Unit which consists of the NW/4 NW/4 and S/2 NW/4 of Section 14, T22S, R37E. This was approved October 28, 1997 under Administrative Order NSP-1780(L). Well No. 8 is located 2030' FNL and 560' FWL (Unit E) of said Section 14.

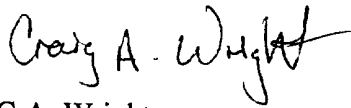
Hugh Well No. 1 was drilled in 1946 as a Drinkard producer. The Penrose Skelly and Paddock were dually completed in 1961. The well was shut-in for poor economics in 1962. In 1974 the Drinkard was restimulated and returned to production. The wellbore was deepened to the Wantz/Abo in 1987 and placed on production.

Hugh Well No. 5 was drilled in 1948 as a Drinkard producer. The wellbore was deepened to the Granite Wash in 1980 and returned to production. In 1981, the Granite Wash was plugged back and the Wantz/Abo was completed and placed on production.

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 plats illustrating the proration unit acreage and well locations. Also included is a copy of the letter sent to our offset operators and a copy of Administrative Order NSP-1780(L).

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 fluid and cursive, with the first name "Craig" being more prominent.

C.A. Wright
Production Engineer
PBPC

Attachments

cc: NMOCD - Hobbs, New Mexico
C.O. Blake
J.K. Ripley
B.A. Foster
C.A. Wright
Central Files - Lease and Well Files

[illegible]

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Aramis, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-10
Revised February 10, 1995
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-10257		Pool Code 72480	Pool Name Blinebry (Pro Gas)
Property Code 2641	Property Name Hughes		Well Number 1
OGRID No. 4323	Operator Name Chevron U.S.A.		Elevation

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
0	14	22S	37E		660'	North	660'	West	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedication Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Tanya Kerley</u> Printed Name: <u>Tanya Kerley</u> Title: <u>Office Assistant</u> Date: <u>1-5-98</u>	
#8				#5	
				18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was placed from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Aramis, NM 88211-0719
District III
1000 Rio Branco Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-10
Revised February 10, 1995
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Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-10261		Pool Code 72480		Pool Name Blinebry (ProGas)	
Property Code 2641		Property Name Hugh			Well Number 5
OGRID No. 4323		Operator Name Chevron U.S.A.			Elevation

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
F	14	22S	37E		1980'	North	1980'	West	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Tanya Kerley</u> Printed Name: <u>Tanya Kerley</u> Title: <u>Office Assistant</u> Date: <u>1-5-98</u>	
	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey: Signature and Seal of Professional Surveyer: Certificate Number:	

PO Drawer 00, Artesia, NM 88211-9719
District III
1000 Rio Brazos Rd., Artesia, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Revised February 10.
Instructions on
Submit to Appropriate District
State Lease - 4 C
Fee Lease - 3 C

☐ AMENDED REF

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-21625	Pool Code 72480	Pool Name Blinebry (Pro Gas)
Property Code 2641	Property Name Hugh	Well Number 8
OGRID No. 4323	Operator Name Chevron U.S.A. Inc.	Elevation

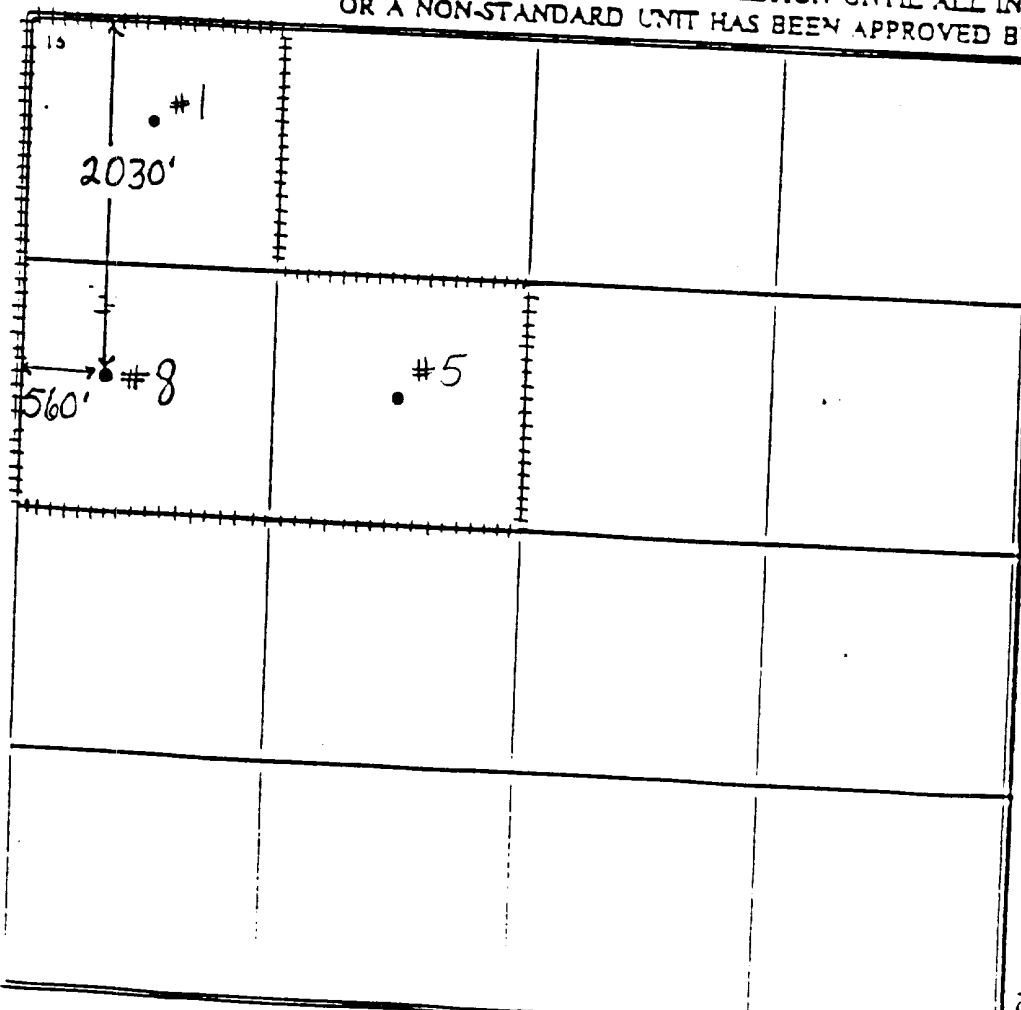
10 Surface Location

UT or lot no. E	Section 14	Township 22S	Range 37E	Lot Idn	Feet from the 2030'	North/South line North	Feet from the 560'	East/West line West	County Lea
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11 Bottom Hole Location If Different From Surface

UT or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Distance 1 Acre 12 Joint or Infill 13 Commencement Code 14 Order No.									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief.

Tanya Kerley
Signature
Tanya Kerley
Printed Name
Office Assistant
Title
1-5-98
Date

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was located from field notes of accurate surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
Signature and Seal of Professional Surveyor

Certificate Number

January 6, 1998

**Administrative Application for
Simultaneous Dedication
Blinebry Gas Pool
Hugh Well #1
660' FNL & 660' FWL, Unit D
Hugh Well #5
1980' FNL & 1980' FWL, Unit F
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 simultaneous dedication of Hugh Wells Nos. 1 & 5 with Hugh Well No. 8.

Chevron U.S.A is planning to recomplate the Hugh #1 and Hugh #5 into the Blinebry Gas Pool. Hugh #1 is currently completed in the Wantz/Abo pool. The location of the proposed recompletion is 660' FNL and 660' FWL. Hugh #5 is currently completed in the Wantz/Abo pool. The location of the proposed recompletion is 1980' FNL and 1980' FWL. Both wells are located in Section 14, T22S, R37E, Lea County, New Mexico.

The Hugh Well No. 8 is dedicated to a non-standard 120 acre Gas Proration Unit which consists of the NW/4 NW/4 and S/2 NW/4 of Section 14, T22S, R37E. This was approved October 28, 1997 under Administrative Order NSP-1780(L). Well No. 8 is located 2030' FNL and 560' FWL (Unit E) of said Section 14.

Hugh Well No. 1 was drilled in 1946 as a Drinkard producer. The Penrose Skelly and Paddock were dually completed in 1961. The well was shut-in for poor economics in 1962. In 1974 the Drinkard was restimulated and returned to production. The wellbore was deepened to the Wantz/Abo in 1987 and placed on production.

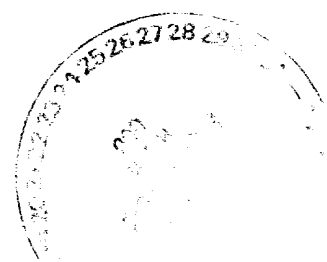
Hugh Well No. 5 was drilled in 1948 as a Drinkard producer. The wellbore was deepened to the Granite Wash in 1980 and returned to production. In 1981, the Granite Wash was plugged back and the Wantz/Abo was completed and placed on production.

Attached is a commercial map and Form C-102 plats illustrating the proration unit acreage and well locations.

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
PBPC



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

Shell Western E & P Inc.
P.O. Box 4655
Houston, TX 77001-0576







NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 28, 1997

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, Texas 79702-1150
Attention: Craig A. Wright

Administrative Order NSP-1780(L)

Dear Mr. Wright:

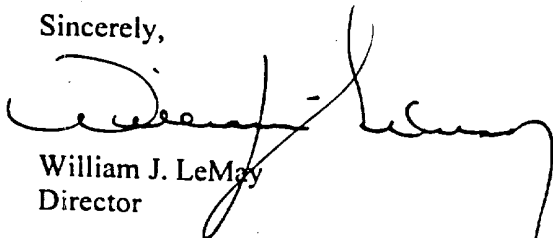
Reference is made to your application dated September 8, 1997, as revised September 29, 1997, for a 120-acre non-standard gas spacing and proration unit ("GPU") consisting of the following acreage in the Blinebry Oil and Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 14: NW/4 NW/4 and S/2 NW/4.

It is my understanding that this unit is to be dedicated to the existing Hugh Well No. 8 (API No. 30-025-21625), which was drilled in 1965 and completed in the Drinkard Pool at a standard oil well location 2030 feet from the North line and 560 feet from the West line (Unit E) of said Section 14. Upon issuance of an order by the Division in this matter, said Hugh Well No. 8 is to be re-completed up-hole into the Blinebry Oil and Gas Pool. This location, pursuant to **Rule 2(b)1** of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil and Gas Pool," is considered to be "unorthodox".

By authority granted me under the provisions of **Rule 2(d)** of said special pool rules the above-described 120-acre non-standard gas spacing and proration unit and unorthodox gas well location for the Hugh Well No. 8 are hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 120 acres.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
File: Division Administrative Order NSL-3508

