

January 27, 1998



Chevron

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

CW
Downa

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"H" and "A" of Section 3, Township 22 South, Range 37 East, NMPM, Blinebry Oil and Gas Pool, Lea County, New Mexico be withdrawn.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
PBPC

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

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