

August 21, 2007

Mr. Mark Fesmire, P.E.,
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Case 13961: Application of Chevron USA Inc. for amendment of Division Order No. R-4442, as amended, to authorize a tertiary recovery project by the injection of carbon dioxide in its Vacuum Grayburg-San Andres Unit Area, approval of amendment of the Cooperative Water Injection Agreement between the Central Vacuum Unit and the Vacuum Grayburg-San Andres Unit, and qualification of the project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.

Dear Mr. Fesmire:

On behalf of the Commission of Public Lands for New Mexico, I hereby waiver notice of the hearing on the above-referenced application which will be heard by a Division Examiner on August 23, 2007 in which Chevron USA, Inc. seeks approval to institute a tertiary recovery project in its Vacuum Grayburg-San Andres Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations in the Vacuum-Grayburg-San Andres Pool. The Vacuum Grayburg-San Andres Pressure Maintenance Project encompasses portions of Section 35 of Township 17 South, Range 34 East and portions of Sections 1, 2, 11 and 12 of Township 18 South Range 35 East, N.M.P.M.

Sincerely,


John Bemis
Assistant Commissioner

cc: William F. Carr
Attorney for Chevron USA, Inc.