

February 13, 1996



Re: OCD Commissioner's Hearing On
February 15, 1996, Case No. 11468
Prorated Gas Allowables For April, 1996 - September, 1996
Eumont Yates 7 Rivers Qn (Pro Gas) Pool
Lea County, New Mexico

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

Mr. William J. LeMay, Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Mr. LeMay,

Chevron U.S.A. Production Company, as a principal operator in the Eumont (Pro Gas) Pool, fully supports the Oil Conservation Division's proposed allowable adjustments which result in a Monthly Acreage Allocation Factor (F1) of 38,000 MCF for the Eumont Yates 7-Rivers Qn (Pro Gas) Pool, presented in the OCD's Memorandum dated January 26, 1996.

During 1995, Chevron has completed two new-drills and fifteen re-completions/re-stimulations yielding an incremental increase of approximately 5.0 MMCF gas per day in the subject gas pool. Further, Chevron plans to pursue a similar program in 1996 augmenting current pool daily production with an estimated incremental increase of approximately 3.2 MMCF gas per day.

In order to economically pursue the already budgeted program for 1996, Chevron requests that the proposed Monthly Acreage Allocation Factor of 38,000 MCF be adopted for the period of April, 1996 through September, 1996. Any lower allowable would have a negative economic impact, jeopardizing continuation of our development program within the Eumont (Pro Gas) Pool.

We feel that maintaining the Monthly Acreage Allocation Factor at the proposed 38,000 MCF for the Eumont (Pro Gas) Pool through the upcoming proration period will allow continuation of current development levels throughout the Eumont (Pro Gas) Pool thus preventing waste while still protecting correlative rights.

Very truly yours,

A handwritten signature in cursive script that reads "Alan W. Bohling".

Alan W. Bohling
Petroleum Engineer
Chevron U.S.A. Production Company