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September 27, 1996

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87503

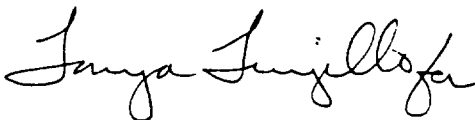
Re: Administrative Application of Citation Oil & Gas Corp. for an Unorthodox
Gas Well Location and Simultaneous Dedication; Eumont Gas Pool, Lea
County, New Mexico

Dear Mr. LeMay:

Chevron U.S.A. Production Company, received the enclosed application for administrative approval dated September 9, 1996. On behalf of Chevron we object to the proposed unorthodox well location and request that the matter be set for hearing at the next available examiner hearing.

Thank you for your attention to this matter.

Very truly yours,



William F. Carr

WFC/edr

cc: Tom Kellahin
M.R. Gilmore, Jr.

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June 13, 1997

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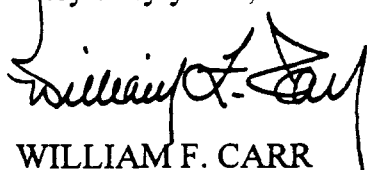
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: **Case 11638**: *Application of Citation Oil & Gas Corp. for two unorthodox
well locations and for simultaneous dedication, Lea County, New Mexico*

Dear Mr. LeMay:

Chevron U.S.A. Inc., hereby withdraws its opposition to the relief sought in the above-referenced case insofar as it seeks to: (a) reclassify the Devonian State 2 (Unit B) and the Devonian State 3 (Unit A) from Eumont oil wells to Eumont gas wells; (b) simultaneously dedicate those wells to the Communitized Acreage; and (c) obtain approval to re-enter and complete the Devonian State Com 3 (Unit J) to the Eumont Gas Pool and to drill the Devonian State Com 2 (Unit P) to the Eumont Pool.

Very truly yours,



WILLIAM F. CARR
Attorney for Chevron U. S. A. Inc.
WFC:mlh

cc: Robert Sample
✓W. Thomas Kellahin, Esq.
Rand Carroll, Esq.