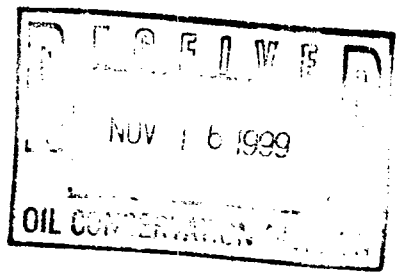
DOYLE HARTMAN
Oil Operator
3811 TURTLE CREEK BLVD., SUITE 200
DALLAS, TEXAS 75219

(214) 520-1800
(214) 520-0811 FAX



November 15, 1999

VIA FACSIMILE: 505/827-8177
and FEDERAL EXPRESS

7 PAGES

Lori Wrotenbery, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Re: Chevron's November 10, 1999 Water Injection Application
Eunice Monument South Unit Waterflood Program

Dear Ms. Wrotenbery:

Reference is made to Chevron's November 10, 1999 application to convert additional wells to water injection within the Chevron-operated Eunice Monument South Unit ("EMSU") waterflood project (copy of application enclosed).

In order that we do not inadvertently waive any legal rights, while waiting to be furnished with sufficient supporting documentation regarding Chevron's newly proposed injection wells, please initially consider this letter as our objection to Chevron's application.

However, Doyle Hartman is not opposed to additional injection wells being added to the EMSU waterflood project providing that Chevron can make a satisfactory showing that its proposed additional injection wells can be installed and operated in accordance with the following set of industry-accepted injection practices and standards:

1) The proposed additional EMSU water injection will be kept, at all times, within Chevron's originally approved EMSU water injection interval.

2) The proposed new EMSU injection wells have been properly cemented with adequate volumes of API sulfate-resistant cement and the individual injection well cement jobs demonstrate satisfactory bonding and pipe characteristics using a state-of-the-art 360° bond-pipe evaluation tool such as Schlumberger's USI-GR-CCL log.

3) The wellhead injection pressure for the proposed injection wells will always be kept at or below the NMOCD's maximum surface injection pressure limit of 0.2 psi/ft.

4) The primary cement job for the proposed injection wells has not been compromised by nitro-glycerin stimulation or excessive acid treatments.

5) The individual well and overall project injection-to-withdrawal ratios are kept at 1.0 or less ensuring that out-of-zone non-oil-recovery injection is not occurring.

6) The proposed new injection wells do not exhibit injection profiles that indicate a large volume (or percentage) of injection water is exiting the wellbore at the upper part of the injection interval.

For the following reasons, we are requesting that the foregoing requirements be met:

A) Our State "A" Nos. 4 and 5 Eumont gas wells (Sections 5 and 8, T-21-S, R-36-E) are now producing water from a Eumont completion interval that was originally non-productive of water; and

B) We have experienced additional significant negative impact (on the order of several million dollars), in the overall Eunice-Monument-Jalmat trend, due to water injection projects that have injected substantial volumes of water out of zone, although such injection projects were to have originally been operated in accordance with NMOCD rules and regulations.

Very truly yours,

Doyle Hartman

DH/ao
Enclosures

cc w/ encs.:

VIA FACSIMILE: 505/827-8177
and FEDERAL EXPRESS
Michael Stogner, Chief Hearing Examiner
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

7 PAGES

VIA FACSIMILE: 915/687-7905 **7 PAGES**
and FEDERAL EXPRESS
Tracy G. Love, Petroleum Engineer
Chevron U.S.A. Production Co.
P.O. Box 1150
Midland, TX 79702

VIA FACSIMILE: 505/986-0741 **7 PAGES**
G.E. Gallegos, Esq.
Gallegos Law Firm
460 St. Michaels Drive, Bldg. 300
Santa Fe, New Mexico 87505

James A. Davidson
214 W. Texas, Suite 710
Midland, TX 79701

DOYLE HARTMAN, Oil Operator (Dallas)

DOYLE HARTMAN, Oil Operator (Midland)
Don Mashburn
Steve Hartman
Sheila Potts
Linda Land
Cindy Brooks