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August 13, 2001

**VIA HAND DELIVERY**

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Energy, Minerals and  
Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Case No. 12594: Application of Matador Petroleum Corporation for Compulsory Pooling and an Unorthodox Subsurface Well Location, Eddy County, New Mexico.

Dear Ms. Wrotenbery:

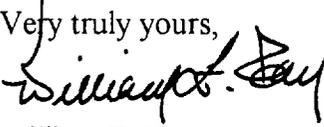
By Order No. R-11589 the Division granted the application of Matador Petroleum Corporation in the above-referenced case pooling the interest of Chevron USA Inc. in certain spacing units in Section 20, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico. On June 27, 2001, Chevron filed its Application for Hearing De Novo in this case. No hearing has been scheduled on this application.

Order No. R-11589 named Matador operator of the subject spacing units and the well to be drilled thereon. Ordering Paragraph (3) of this order provides that "In the event the operator does not commence drilling the well on or before September 1, 2001, Ordering Paragraph (1) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause shown."

Chevron requests that no time extension of Order No. R-11589 be granted pursuant to Ordering Paragraph (3), and, should Matador request an extension of this pooling order, Chevron further requests that the case be reopened for additional hearing concerning Matador's proposal to drill a well on these spacing units.

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Your attention to this request is appreciated.

Very truly yours,  
  
William F. Carr  
Attorney for Chevron U.S.A., Inc.

cc: W. Thomas Kellahin (Hand-Delivered)  
Jim Bruce (by facsimile)  
Scott Ingram, Chevron (by facsimile)  
Ray Vaden, Chevron (by facsimile)