

5) That Oxy U.S.A. Inc. concurs that old gas pooling and operating agreements have terminated and Oxy does not elect to pursue new agreements for participation in Chevron's proposed re-entry of Bertie Whitmire Well No. 1.

6) That Chevron U.S.A. Inc. proposes to re-enter the Bertie Whitmire Well No. 1 and complete in the Eumont Yates-Seven Rivers-Queen (Prorated Gas) Pool and simultaneously dedicate the 160-acre Non-Standard Gas Proration Unit to both Bertie Whitmire Wells No. 1 and 2.

7) The proposed Non-Standard Gas Proration Unit complies with the following provisions:

a) The proposed unit consists of 160-acres that are contiguous.

b) The proposed unit lies wholly within a single governmental section in the Eumont Yates-Seven Rivers-Queen (Prorated Gas) Pool.

c) The entire proposed unit may reasonably be presumed to be productive of gas from the Eumont Yates-Seven Rivers-Queen (Prorated Gas) Pool.

d) A copy of this application will be sent by certified mail to all offset operators and operators owning interests in the proposed unit's boundary and shall serve as notification.

In support of this application, attached are plats outlining the proposed Non-Standard Gas Proration Unit, the acreage to be simultaneously dedicated to our Bertie Whitmire Wells No. 1 and 2, and showing all offset operated properties and wells.

In view of the facts submitted, Chevron U.S.A. Inc. requests that administrative approval of the subject 160-acre Non-Standard Gas Proration Unit and simultaneous dedication of acreage be granted.

Yours very truly,



R. C ANDERSON

AWB/awb
Attachments
Enclosures

cc: NMOCD - Hobbs