

Mr. Victor T. Lyons
August 11, 1989
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E/2 Section 32 to the 40 acres consisting of NE/4 SE/4 Section 32, it will also be necessary for Chevron to file an application for a new non-standard Jalmat (gas) proration unit consisting of the NE/4 SE/4 Section 32 as well as an amended C-102 dedicating the NE/4 SE/4 Section 32 as the new proration unit for the Arnott Ramsey NCT-B No. 7.

If the Arnott Ramsey No. 13 well is completed as a commercial producer and in compliance with any currently applicable requirements of the Natural Gas Policy Act of 1978, an application, if required, will be submitted to the New Mexico Oil Conservation Division to obtain administrative approval for the well as a Section 103 infill well.

Three copies of a color-coded land map outlining the proposed 280-acre Jalmat (gas) proration unit as well as the proposed location of our Arnott Ramsey NCT-B No. 13 well are enclosed for your review. Supplementing the enclosed color-coded land plat is a companion table describing, by tract number and color, all Jalmat (gas) proration units (including the operators of the Jalmat (gas) rights) that offset the proposed Arnott Ramsey NCT-B No. 13 infill well and corresponding 280-acre proration unit. Complete copies of this application have also been sent by certified mail to all offsetting parties owning Jalmat (gas) rights as described on the enclosed plat and table. The following is a list of the offsetting Jalmat (gas) operators:

ARCO Oil and Gas Comany
Post Office Box 1610
Midland, Texas 79702

Attention: Mr. Craig Payken
Area Engineer

Lewis B. Burleson, Inc.
Post Office Box 2479
Midland, Texas 79702

Attention: Mr. Steven Burleson

Lanexco
Post Office Box 2730
Midland, Texas 79701

Attention: Mr. Tommy Phipps

Chevron USA, Inc.
Post Office Box 1150
Midland, Texas 79702

Attention: Mr. Alan W. Bohling
Division Proration Engineer

Meridian Oil, Inc.
#6 Desta Drive
Midland, Texas 79701