

OIL CONSERVATION DIVISION
RECEIVED

'90 OCT 1 AM 9 57

DOYLE HARTMAN

Oil Operator

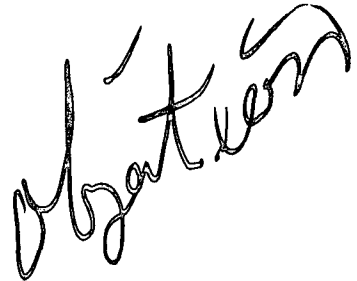
500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

September 28, 1990



CERTIFIED RETURN RECEIPT REQUESTED

~~Chevron U.S.A. Inc.~~

P.O. Box 1150
Midland, Texas 79702

Attention: Mr. R. C. Anderson

RE: Waiver Request
Unorthodox Gas Well Location
And Simultaneous Dedication

~~Bell Ramsay (NCT-C) Com. No. 2~~

1980' FNL and 1980' FWL

~~Section 34, T-20-S, R-37-E~~

Lea County, New Mexico

Gentlemen:

We are in receipt of your letter of September 10, 1990 (received September 12, 1990) wherein Chevron has given notice of its proposed re-entry of Pan American's (AMOCO) Gillully "B" Federal No. 14 and of its proposed completion of the well to a Eumont Yates 7 Rivers Queen (Pro Gas) Pool well. We are also on notice of Chevron's request for approval of an unorthodox location for the Gillully "B" Federal No. 14 (Bell Ramsay (NCT-C) Com No. 2) and to simultaneously dedicate the well along with the existing Bell Ramsay (NCT-C) Com No. 1 (J-34-20S-37E) to the existing 480-acre Eumont Gas Proration Unit consisting of the S/2 & NW/4 Section 34, T-20-S, R-37-E, Lea County, New Mexico.

As an offset operator, Doyle Hartman must at this time conditionally object to Chevron's waiver request concerning the above proposal.

In addition to the above referenced waiver request and our denial of such, it appears that over the past several months that Chevron and Doyle Hartman have been on opposing sides concerning the redevelopment of certain acreage located in the Eumont and Jalmat Gas Pools. Specifically the following comes to mind:

1) Chevron's opposition to Doyle Hartman's proposed 280-acre Britt-Laughlin Eumont proration unit (NMOCD Case # 9898) wherein Hartman (in order to accommodate Chevron's objection) voluntarily consented to limiting the producing rate of his Britt-Laughlin Com No. 5 well in

order to be able to receive a timely order from the NMOCD (Order No. R-9199).

2) Chevron's opposition to Doyle Hartman's proposed 280-acre State "A" communitized proration unit (NMOCD pending Case # 9994) wherein Hartman proposed the pooling and drilling of the infill State "A" Com No. 5 well after various attempts had been made by Hartman to purchase, trade, farm-in, or include Chevron's acreage so that the proposed proration unit and acreage could be fully and efficiently developed.

3) Doyle Hartman's conditional opposition to Chevron's proposed 400-acre Graham St. NCT-E proration unit and unorthodox gas well location (NMOCD pending Case No. 9949) wherein Hartman opposed Chevron's application unless Chevron approved Hartman's similar proposal as to the adjacent State "A" Com acreage.

4) Doyle Hartman's conditional opposition to Chevron's proposed 240-acre Meyer-Bell Ramsay proration unit and the subsequent re-configuration of the two (2) 120-acre Bell Ramsay "A" No. 5 and No. 8 proration units (NMOCD pending Case # 10092) wherein Hartman opposed Chevron's application being approved without Chevron's approval of Hartman's similar proposal as to the adjacent State "A" Com acreage.

5) Chevron's current opposition and non-cooperation with Doyle Hartman's proposed 198-acre Carter Eaves proration unit and associated infill gas well proposal (NMOCD Case # 10008 scheduled for hearing November 7, 1990) wherein Hartman has again made several proposals to Chevron to purchase, trade, farm-out or include Chevron's interest so that the proposed enlarged proration unit and acreage can be both fully and efficiently developed.

Based upon the above, it is quite apparent that while both Chevron and Hartman have the same ultimate goal, that being the redevelopment of the Eumont and Jalmat gas pools as a valuable resource to the State of New Mexico, both parties have spent a large amount of time and effort fighting each other rather than applying those very same resources in a more cooperative and productive manner. While we continue to oppose each other's efforts, a well has yet to be drilled and no gas has been produced even though it appears that allowable levels may soon be increased in the Eumont and Jalmat Pools as a result of Texaco's recent Minimum Allowable Hearing for the Eumont Gas Pool.

Therefore it is our desire and request that a meeting be arranged with Chevron and its management whereby we can sit down face-to-face and genuinely and promptly attempt to resolve our pending differences whether it be through a purchase, trade, farm-out, voluntary joinder or any combination of the aforementioned. We believe that by cooperating both parties will be able to go about their business of drilling wells and replacing reserves in a much more efficient manner. By cooperating

both parties can promptly commence with their proposed drilling activities thereby capturing a portion of the attractive winter gas market demand especially in light of potentially higher allowable rates.


Without such a meeting and subsequent resolution, we feel as an offset operator that we must deny Chevron's waiver request corresponding to the proposed Bell Ramsay (NCT-C) No. 2 well since Chevron continues to insist upon opposing our similar requests for efficient development of our Eumont and Jalmat acreage. To date, Chevron has caused us to waste unnecessary time and energy and may ultimately cause us to drill unnecessary wells in order for us to fully develop our Eumont and Jalmat reserves.

All that we are asking is that both parties take similar and consistent positions as to the further development of their Eumont and Jalmat rights.

Your early attention to this matter is appreciated and again it is requested that we be able to meet with Chevron in the near future so as to resolve our differences. Should Chevron concur please contact Brian Jones or myself so that we can arrange a meeting time convenient to both parties.

Very Truly Yours

DOYLE HARTMAN

A handwritten signature in black ink, appearing to read 'M. Stewart', written over the typed name.

Michael Stewart
Engineer

MS/lr
549:CHEV0928

cc Mr. Sam Martin
NM District Land Manager
Chevron USA, Inc.
Post Office Box 1150
Midland, Texas 79702

Mr. A. W. Bohling
Proration Engineer
Chevron USA, Inc.
Post Office Box 1150
Midland, Texas 79702

Mr. Michael J. Evans
Land Representative
Chevron USA, Inc.
Post Office Box 1635
Houston, Texas 77251

✓ Mr. William J. LeMay
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Mr. James A. Davidson
Post Office Box 494
Midland, Texas 79702

Mr. J. E. Gallegos
Gallegos Law Firm
141 East Palace Avenue
Santa Fe, New Mexico 87501

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
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BRADFORD C. BERGE
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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

October 16, 1990

HAND-DELIVERED

RECEIVED

OCT 16 1990

OIL CONSERVATION DIVISION

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of Chevron U.S.A., Inc. for Administrative
Approval of an Unorthodox Gas Well Location and Simultaneous Dedication,
Eumont Gas Pool, Lea County, New Mexico

Dear Mr. LeMay:

On September 10, 1990 Chevron filed an application with the Oil Conservation Division seeking administrative approval for an unorthodox gas well location for its Gillully "B" Federal Well No. 14 located 1980 feet from the North and West lines of Section 34, Township 20 South, Range 37 East, Lea County, New Mexico and the simultaneous dedication of this well with Chevron's Bell Ramsay (NCT-C) Com. Well No. 1. This unorthodox well location results from Chevron's reentering and recompleting the Gillully "B" Federal Well No. 14 in the Eumont-Yates-Seven Rivers Queen prorated gas pool. The well was plugged and abandoned in 1969.

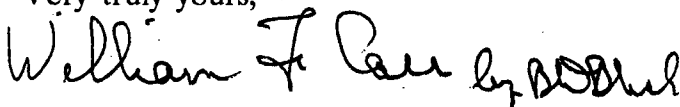
The Gillully Federal Well No. 14 and the Bell Ramsay (NCT-C) Com. Well No. 1 will be simultaneously dedicated to an existing 480-acre gas proration unit in the Eumont Gas Pool which was approved by the Division by Order No. R-689. Copies of Chevron's application and Order R-689 are enclosed for your easy reference as Exhibits "A" and "B" to this letter.

William J. LeMay, Director
Oil Conservation Division
October 16, 1990
Page Two

Chevron provided notice of this application pursuant to OCD Rule 104 to all operators of proration or spacing units offsetting the unit for which the unorthodox location is sought by Certified Mail on September 10, 1990. The only objection to this application was from Doyle Hartman, Oil Operator, who by letter dated September 28, 1990 and copied to William J. LeMay stated that Hartman "conditionally objects" to Chevron's waiver request. Hartman objects not because of any waste or correlative rights consideration, but because of other disputes between Hartman and Chevron, Mr. Hartman also states that unless an agreement can be reached to resolve other differences between Hartman and Chevron unrelated to this case, he will persist in this opposition.

Inasmuch as the proposed unorthodox location does not encroach on any tract owned by Hartman but in fact, is farther away from his tracts than required by OCD Rules (see Plat attached to Chevron's application of September 10, 1990) and since the proration unit involved has previously been approved by the Division, Chevron requests that the Division grant administrative approval to this application, thereby avoiding what will otherwise be an unnecessary hearing before a Division Examiner.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr by [illegible]", written over the typed name.

WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A., INC.
WFC:mlh

Enclosures

cc w/enclosure:

Mr. Doyle Hartman
Post Office Box 10426
Midland, Texas 79702

Ms. Joanne Reuter
Gallegos Law Firm
141 East Palace Avenue
Santa Fe, New Mexico 87501



Chevron U.S.A. Inc.
P.O. Box 1150, Midland, TX 79702

OIL CONSERVATION DIVISION
RECEIVED

'90 SEP 14 AM 10 06

September 10, 1990

ADMINISTRATIVE APPLICATION FOR
UNORTHODOX GAS WELL LOCATION
AND SIMULTANEOUS DEDICATION
EUMONT YATES 7 RVRS QN (PRO GAS) POOL
1980' FNL AND 1980' FWL
SECTION 34, T-20-S, R-37-E, NMPM
LEA COUNTY, NEW MEXICO

State Of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Attention: Mr. William J. LeMay - Director

Gentlemen:

Chevron U.S.A. Inc. respectfully requests your approval of our administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

We are currently planning to re-enter the Pan American Petroleum Corporation's Gillully "B" Federal Well No. 14, which was plugged and abandoned in August, 1969, and recomplete this well in the Eumont Yates 7 Rvrs Qn (Pro Gas) Pool. This wellbore is located 1980 feet FNL and 1980 feet FWL of Section 34, T-20-S, R-37-E, Lea County, New Mexico. This location will be within an existing 480-acre Eumont Gas Proration Unit currently dedicated to Chevron's existing Bell Ramsay (NCT-C) Com Well No. 1 (Order R-689). We plan to Simultaneously Dedicate this 480-acres to both of these wells thus making this location unorthodox in that it is less than 990 feet from the side boundary of the proration unit. The Gillully "B" Federal Well No. 14 is to be renamed to Bell Ramsay (NCT-C) Com Well No. 2.

In order to prevent waste, Chevron respectfully requests your approval of this administrative application under the provisions of Rule 104 (F). Attached is a map showing offset

EXHIBIT A

operators and a Form C-102. A copy of this letter and attachments are being furnished to the Offset Operators by Certified Mail, as notice of this application.

Yours very truly, .

Alan W. Bohling

A. W. BOHLING

awb
Attachments
Enclosures

cc: NMOCD - Hobbs

CHEVRON U.S.A. INC.
Bell Ramsay (NCT-C) Lease

**Application For An Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Eumont Yates 7 Rvrs Qn (Pro Gas)
1980' FNL and 1980' FWL
Section 34, T20S, R37E
Lea County, New Mexico**

OFFSET OPERATORS

**Amerada Hess Corporation
Entex Bldg.
1200 Milam Street
Houston, Texas 77002**

**American Exploration Company
2100 Republic Bank Center
Houston, Texas 77002**

**Amoco Producing Company
P.O. Box 3092
Houston, Texas 77253**

**ARCO Oil And Gas Company
P.O. Box 1610
Midland, Texas 79702**

**Conoco Inc.
P.O. Box 1959
Midland, Texas 79702**

**Estoril Producing Corporation
400 W. Illinois
Suite 1600
Midland, Texas 79701**

**Greenhill Petroleum Corporation
16010 Barkers Point Lane
Suite 325
Houston, Texas 77079**

**Doyle Hartman
500 N. Main
Midland, Texas 79702**

**Me-Tex Supply Company
P.O. Box 2070
Hobbs, New Mexico 88241**

**Meridan Oil Inc.
2919 Allen Parkway
Suite 900
Houston, Texas 77019**

**Oxy U.S.A., Inc.
P.O. Box 300
Tulsa, Oklahoma 74102**

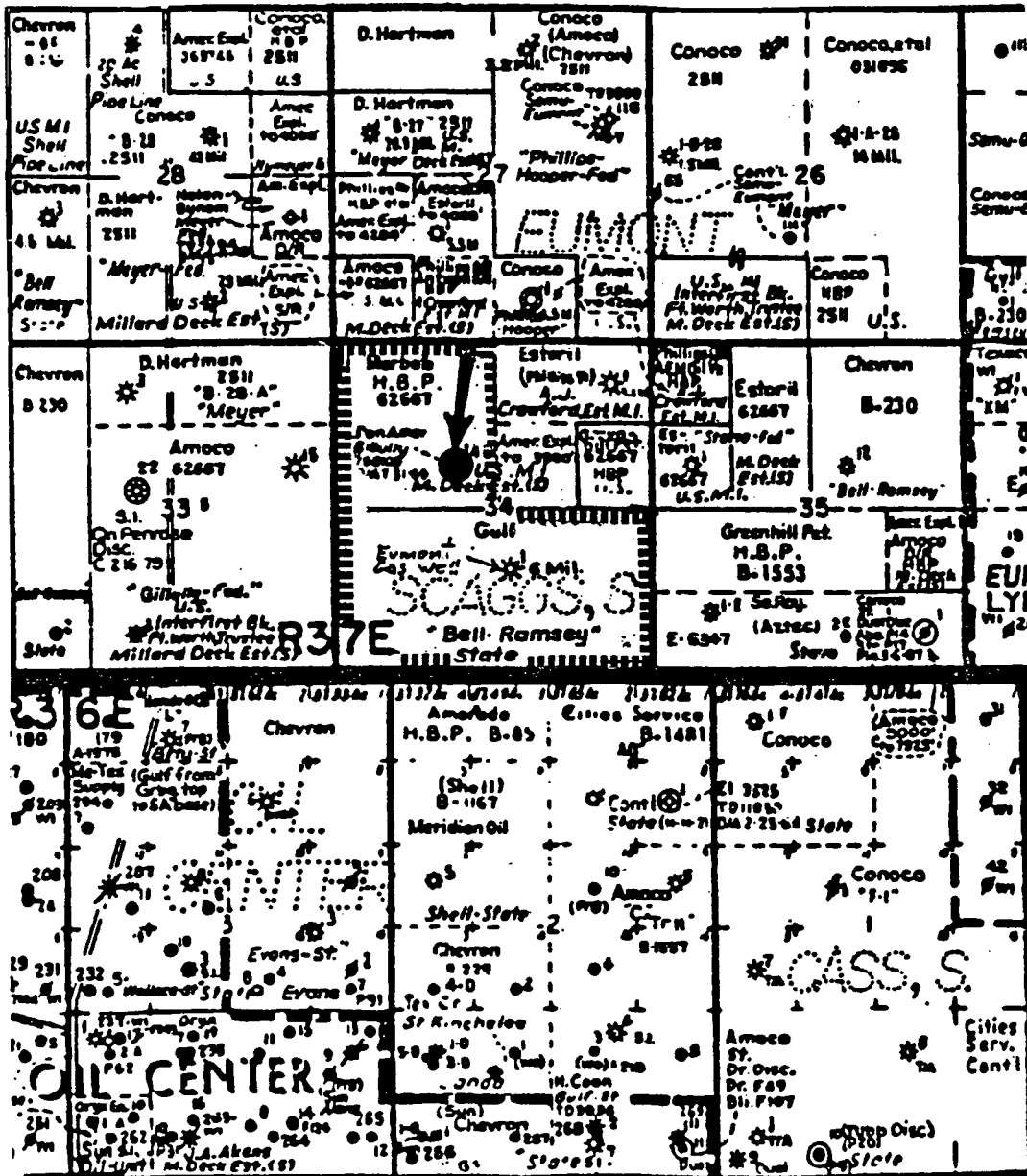
**Shell Western E & P Co.
P.O. Box 576
Houston, Texas 77001**

**Marbob Energy Corp.
Dr. 217
Artesia, NM 88210**

**Southland Royalty Co.
21 Desta Drive
Midland, Texas 79701**

CHEVRON U.S.A. INC.
Bell Ramsay (NCT-C) Lease

Application For An Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Eumont Yates 7 Rvrs Qn (Pro Gas)
· 1980' FNL and 1980' FWL
Section 34, T20S, R37E
Lea County, New Mexico



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 945
Order No. R-689

THE APPLICATION OF GULF OIL
CORPORATION FOR AN ORDER
GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 5
(a) OF THE SPECIAL RULES AND
REGULATIONS FOR THE EUMONT GAS
POOL OF ORDER R-520 IN ESTABLISHMENT
OF A 480 ACRE NON-STANDARD GAS PRO-
RATION UNIT CONSISTING OF THE S/2 AND
NW/4 OF SECTION 34, TOWNSHIP 20 SOUTH,
RANGE 37 EAST, NMPM, LEA COUNTY,
NEW MEXICO, TO BE ASSIGNED TO
APPLICANT'S BELL-RAMSEY "C" WELL NO.
1, (FORMERLY BEARING THE NAME BELL-
RAMSEY WELL NO. 11,) FOR GAS PRORATION
PURPOSES IN THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 17, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 13th., day of October, 1955, the Commission, a quorum being present, having considered the record and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That the Commission has the power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Gulf Oil Corporation, for approval of a non-standard proration unit consisting of the following described acreage:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
NW/4 and S/2 of Section 34

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Bell-Ramsey "C" Well No. 1, located in the NW/4 SE/4 of Section 34, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above described 480 acre unit bears to the standard proration unit for said pool, all until further order of the Commission. That upon completion of unitization agreement applicant shall advise the Commission that the unit agreement has been completed and approved by all parties concerned.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

ir/

(3) That applicant, Gulf Oil Corporation, is the owner of a state oil and gas lease in Lea County, New Mexico, which lease covers land consisting of other than a legal section, and described as follows:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
S/2 of Section 34

containing 320 acres, more or less.

(4) That Stanolind is the owner of a federal oil and gas lease in Lea County, New Mexico, which lease covers land consisting of other than a legal section, and described in part as follows:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
NW/4 of Section 34

containing 160 acres, more or less.

(5) That applicant, Gulf Oil Corporation, has a producing gas well on the lease described in paragraph (3) above, which well is known as Gulf Oil Corporation's Bell-Ramsey "C" Well No. 1, located 1650 feet from the South line and 2310 feet from the East line of Section 34, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, the name of said well having been changed on July 20, 1955 from Bell-Ramsey Well No. 11 to Bell-Ramsey "C" Well No. 1.

(6) That the aforesaid well is located within the horizontal limits of the Eumont Gas Pool as presently defined.

(7) That the aforesaid well was completed as a gas well in the Eumont Gas Pool in June 1954, which date precedes the effective date of Order R-520.

(8) That it is practical to pool applicant's aforesaid lease with adjoining acreage in the NW/4 of Section 34, and that negotiations are currently underway between the applicant and Stanolind Oil and Gas Company to effect the unitization of their respective leaseholds as described above.

(9) That all the acreage included in the proposed proration unit is reasonably presumed to be productive of gas from the Eumont Gas Pool.

(10) That unless a proration unit consisting of the aforesaid acreage owned by applicant and Stanolind Oil and Gas Company is approved, the applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(11) That the creation of a proration unit as described above and the assignment of said acreage to the well identified above will prevent waste and protect

correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Gulf Oil Corporation, for approval of a non-standard proration unit consisting of the following described acreage:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
NW/4 and S/2 of Section 34

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Bell-Ramsey "C" Well No. 1, located in the NW/4 SE/4 of Section 34, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above described 480 acre unit bears to the standard proration unit for said pool, all until further order of the Commission. That upon completion of unitization agreement applicant shall advise the Commission that the unit agreement has been completed and approved by all parties concerned.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

ir/

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

October 25, 1990

HAND-DELIVERED

Mr. Michael E. Stogner
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87501

RECEIVED

OCT 25 1990

OIL CONSERVATION DIVISION

Re: Application of Chevron U.S.A. Inc. for Administrative Approval of an
Unorthodox Gas Well Location, and Simultaneous Dedication, Lea County,
New Mexico

Dear Mr. Stogner:

Currently pending before you for consideration is the application of Chevron U.S.A. Inc. for administrative approval of an unorthodox gas well location in the Eumont-Yates-Seven Rivers-Queen (prorated) Gas Pool for the Chevron Gillully "B" Federal Well No. 14 (Bell Ramsay (NCT-C) Com No. 2), to be located 1980 feet from the North and West lines of Section 34, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico and for authority to simultaneously dedicate this well with the existing wells on a 480-acre Eumont gas proration unit consisting of the S/2 and the NW/4 of said Section 34.

By letter dated September 28, 1990 Doyle Hartman conditionally objected to Chevron's request for a waiver to this application.

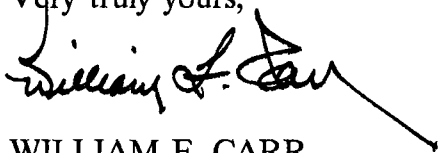
Mr. Michael E. Stogner
Hearing Examiner
Oil Conservation Division
October 25, 1990
Page Two

Enclosed hereto you will find a copy of Mr. Hartman's letter dated October 24, 1990 in which he withdraws his previous objection to Chevron's application.

We therefore request that you proceed with administrative consideration of this matter.

If you need anything further from Chevron concerning this request, please advise.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr", with a long horizontal line extending to the right.

WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A., INC.

WFC:mlh

Enclosure

cc w/enc.: Al Bohling

OIL CONSERVATION DIVISION
RECEIVED

DOYLE HARTMAN

'90 OCT 30 AM 8 42

Oil Operator

500 N. MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

October 24, 1990

HAND DELIVERED

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

Attention: Mr. R. C. Anderson

Re: Waiver Request
Unorthodox Gas Well Location
and Simultaneous Dedication
Bell Ramsay (NCT-C) Com. No. 2
1980' FNL and 1980' FWL
Section 34, T-20-S, R-37-E
Lea County, New Mexico

NSL-2915

Gentlemen:

By letter dated September 28, 1990, Doyle Hartman responded by conditionally objecting to Chevron's waiver request of September 10, 1990 wherein Chevron had given notice of its proposed re-entry of Pan American's (AMOCO) Gillully "B" Federal No. 14 and of its proposed completion of the well to an Eumont Yates 7-Rivers Queen (Pro Gas) Pool well. Such notice accompanied Chevron's request for approval of an unorthodox location for the Gillully "B" Federal No. 14 (Bell Ramsay (NCT-C) Com No. 2) and to simultaneously dedicate the well along with the existing 480-acre Eumont Gas Proration Unit consisting of the S/2 and NW/4 Section 34, T-20-S, R-37-E, Lea County, New Mexico.

Within our letter of September 28, 1990, we referenced several recent issues concerning the redevelopment of certain acreage located in the Eumont and Jalmat Gas Pools which Chevron and Doyle Hartman has been on opposing sides and requested that a meeting be arranged with Chevron and its management whereby we can attempt to resolve our pending differences. To date we have received no reply to our request but are encouraged that such a meeting can be arranged in the near future.


However, in an effort to cooperate with Chevron and allow you to go forward with your proposed redevelopment of the Gillully "B" No. 14 (Bell Ramsay (NCT-C) Com No. 2) and thereby possibly capturing a portion of the attractive winter gas market demand we hereby withdraw our previous objection. Attached please find a copy of our waiver to objection executed on behalf of Doyle Hartman as an offset operator to the referenced lease. The original and two (2) copies of the fully

executed waiver have been forwarded to the NMOCD in Santa Fe with an additional copy being sent to the NMOCD in Hobbs.

With redevelopment plans of our own pending before other operators and the State of New Mexico Oil Conservation Division, Doyle Hartman is aware and sensitive to the increasing demand and subsequent shortage of available drilling rigs and personnel and the fast approaching winter gas market demand. Therefore, we would hope that our waiver will allow Chevron to proceed with their proposed redevelopment of the referenced lease and also illustrate our willingness and intent to cooperate with Chevron to resolve our pending differences.

Very truly yours,

DOYLE HARTMAN



Michael Stewart
Engineer

MS/lr
549:CHEV1024

cc Mr. Sam Martin
NM District Land Manager
Chevron USA, Inc.
Post Office Box 1150
Midland, Texas 79702

Mr. A. W. Bohling
Proration Engineer
Chevron USA, Inc.
Post Office Box 1150
Midland, Texas 79702

Mr. Michael J. Evans
Land Representative
Chevron USA, Inc.
Post Office Box 1635
Houston, Texas 77251

✓ Mr. William J. LeMay
Director
New Mexico Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504-2088

Chevron USA, Inc.
October 24, 1990
Page 3

Mr. Jerry Sexton
District I Supervisor
New Mexico Oil Conservation Division
Post Office Box 1980
Hobbs, New Mexico 88240-1980

Mr. James A. Davidson
Post Office Box 494
Midland, Texas 79702

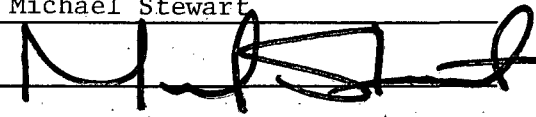
Mr. J. E. Gallegos
Gallegos Law Firm
141 East Palace Avenue
Santa Fe, New Mexico 87501

CHEVRON U.S.A. INC.
Bell Ramsay (NCT-C) Lease

Application For An Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Eumont Yates 7 Rvrs Qn (Pro Gas)
1980' FNL and 1980' FWL
Section 34, T20S, R37E
Lea County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Chevron U.S.A. Inc.'s application for NMOCD approval of an Unorthodox Gas Well Location in the Eumont Yates 7 Rvrs Qn (Pro Gas) Pool. This location is to be 1980' FNL and 1980' FWL, Section 34, T-20-S, R-37-E, NMPM, Lea County, New Mexico. We further understand that this well will also be assigned to the already dedicated 480-acre proration unit of Chevron's Bell Ramsay (NCT-C) Com Well No. 1 comprising the NW/4 and S/2 of Section 34, T-20-S, R-37-E, NMPM, Lea County, New Mexico.

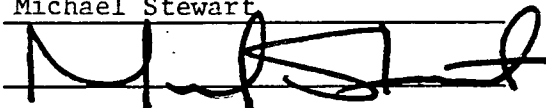
Company: Doyle Hartman, Oil Operator
Representative: Michael Stewart
Signature: 
Title: Engineer
Date: October 24, 1990

CHEVRON U.S.A. INC.
Bell Ramsay (NCT-C) Lease

Application For An Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Eumont Yates 7 Rvrs Qn (Pro Gas)
1980' FNL and 1980' FWL
Section 34, T20S, R37E
Lea County, New Mexico

WAIVER TO OBJECTION

We, the undersigned, as an offset operator, waive any objection to Chevron U.S.A. Inc.'s application for NMOCD approval of an Unorthodox Gas Well Location in the Eumont Yates 7 Rvrs Qn (Pro Gas) Pool. This location is to be 1980' FNL and 1980' FWL, Section 34, T-20-S, R-37-E, NMPM, Lea County, New Mexico. We further understand that this well will also be assigned to the already dedicated 480-acre proration unit of Chevron's Bell Ramsay (NCT-C) Com Well No. 1 comprising the NW/4 and S/2 of Section 34, T-20-S, R-37-E, NMPM, Lea County, New Mexico.

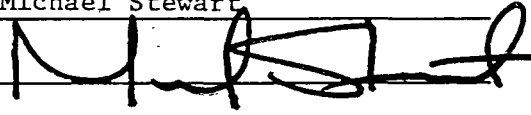
Company: Doyle Hartman, Oil Operator
Representative: Michael Stewart
Signature: 
Title: Engineer
Date: October 24, 1990

CHEVRON U.S.A. INC.
Bell Ramsay (NCT-C) Lease

Application For An Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Eumont Yates 7 Rvrs Qn (Pro Gas)
1980' FNL and 1980' FWL
Section 34, T20S, R37E
Lea County, New Mexico

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