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June 13, 1997

HAND DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: <u>Case 1163</u> : Application of Citation Oil & Gas Corp. for two unorthodox well locations and for simultaneous dedication. Lea County, New Mexico.

Dear Mr. LeMay:

Chevron U.S.A. Inc., hereby withdraws its opposition to the relief sought in the above-referenced case insofar as it seeks to: (a) reclassify the Devonian State 2 (Unit B) and the Devonian State 3 (Unit A) from Eumont oil wells to Eumont gas wells; (b) simultaneously dedicate those wells to the Communitized Acreage; and (c) obtain approval to re-enter and complete the Devonian State Com 3 (Unit J) to the Eumont Gas Pool and to drill the Devonian State Com 2 (Unit P) to the Eumont Pool.

Mery truly yours,

WILLIAM F. CARR

Attorney for Chevron U.S.A. Inc.

WFC:mlh

cc: Robert Sample

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