



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

September 12, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Chevron U.S.A. Production Company
P.O. Box 1150
Midland, Texas 79702

Attention: Mr. Tracy G. Love

Re: Form C-108, Application to Inject
EMSU Nos. 163, 190, 196 and 575

Request to Increase Injection Pressure
EMSU

Dear Mr. Love:

These applications were filed with the Division for administrative approval on December 13, 2000, and on November 6, 2000. Please be advised that we are returning these applications unprocessed to Chevron at this time. This waterflood expansion and proposed pressure increase are related to Chevron's application in Case No. 12320, which is currently on the Division's hearing docket for October 4, 2001. We believe that a decision in Case No. 12320 will provide the Division, and Chevron, the necessary guidance on how to proceed with future expansions of this waterflood project.

It is recommended that Chevron re-file these applications, if applicable, at such time as the Division renders a decision in Case No. 12320.

If you should have any questions, please contact me at (505) 476-3466.

Sincerely,

David Catanach
Engineer

Xc: Case File-12320 ✓