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September 10, 2001

Via Facsimile

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Case No. 12594, Application of Matador Petroleum Corporation for Compulsory Pooling and an Unorthodox Subsurface Well Location, Eddy County, New Mexico.

Dear Ms. Wrotenbery,

Chevron USA, Inc. has advised me that they have reached a voluntary agreement with Matador concerning the drilling of a well.

According, please dismiss Chevron's *de novo* appeal of this matter scheduled for hearing before the Commission on September 14, 2001. In addition, because of this voluntary agreement, Compulsory Pooling Order R-11589 is no longer effective.

Very truly yours,



Michael H. Feldewert

MHF/ras

cc (via fax): W. Thomas Kellahin, attorney for Matador Petroleum Corporation
Scott Ingram, Chevron
Ray Vaden, Chevron