

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF  
CHEVRON U.S.A., INC., FOR  
AN UNORTHODOX OIL WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

CASE NO. 10094

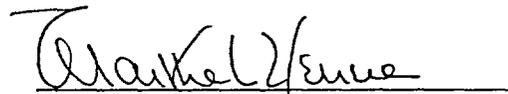
AFFIDAVIT

STATE OF NEW MEXICO     )  
                                          )ss.  
COUNTY OF SANTA FE     )

WILLIAM F. CARR, attorney in fact and authorized representative of Chevron U.S.A., Inc., the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.

  
WILLIAM F. CARR

SUBSCRIBED AND SWORN to before me this 18th day of September, 1990.

  
Notary Public

My Commission Expires:  
August 19, 1991

BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION  
CHEVRON EXHIBIT NO. 3  
CASE NO. 10094

EXHIBIT A

Pennzoil Company  
Post Office Drawer 1828  
Midland, Texas 79702  
Attn: Lonnie Whitfield

Pennzoil Company  
Post Office Box 2967  
Houston, Texas 77252

Conoco Inc.  
Post Office Box 1959  
Midland, Texas 79702  
Attn: David Twomey, Land Supervisor

BP Exploration Inc.  
Post Office Box 4587  
Houston, Texas 77210

C. B. Gillespie, Jr.  
Two First City Center  
500 West Texas  
Midland, Texas 79701

Nearburg Producing Company  
Post Office Box 31405  
Dallas, Texas 75231

Mesa Operating Limited Partnership  
Post Office Box 2009  
Amarillo, Texas 79189-2009

Amerind Oil Company  
Limited Partnership  
415 West Wall Street  
Suite 500 Wilco Building  
Midland, Texas 79701  
Attn: Robert Liebrock

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  
PATRICIA A. MATTHEWS

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

September 7, 1990

CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

Mesa Operating Limited Partnership  
Post Office Box 2009  
Amarillo, Texas 79189-2009

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,  
Lea County, New Mexico

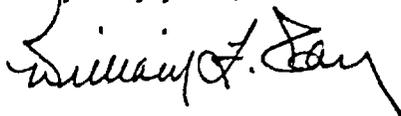
Dear Mr. Gillespie:

This letter is to advise you that Chevron U.S.A., Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval of an unorthodox oil well location in the Strawn formation, Shipp-Strawn Pool, for its Lea "YL" State Well No. 2 at a point 2230 feet from the South line and 2310 feet from the East line of Section 2, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to dedicate the W/2 SE/4 of Section 2 to this well.

This application has been set for hearing before a Division Examiner on October 3, 1990. You are not required to attend this hearing but, as the operator of a spacing unit or an owner of an interest that may be affected by this unorthodox well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



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

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.  
 1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Mesa Operating Limited Partnership  
 Post Office Box 2009  
 Amarillo, Texas 79189-2009

4. Article Number  
 P-106 678 332

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

5. Signature - Address  
 X

6. Signature - Agent  
 X *[Signature]*

7. Date of Delivery  
 SEP 10

8. Addressee's Address (ONLY if requested and fee paid)  
 Always obtain signature of addressee or agent and DATE DELIVERED.

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 678 332

RECEIPT FOR CERTIFIED MAIL  
 NO INSURANCE COVERAGE PROVIDED  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

Mesa Operating Limited Partnership  
 Post Office Box 2009  
 Amarillo, Texas 79189-2009

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date	SEP - 7 1990

PS Form 3800, June 1985

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  
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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

September 7, 1990

CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

Nearburg Producing Company  
Post Office Box 31405  
Dallas, Texas 75231

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,  
Lea County, New Mexico

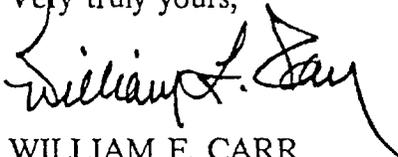
Gentlemen:

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WFC:mlh

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1.  Show to whom delivered, date, and addressee's address. 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:

Nearburg Producing Company  
Post Office Box 31405  
Dallas, Texas 75231

4. Article Number  
P-106 678 339

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
X

6. Signature - Agent  
X *[Signature]*

7. Date of Delivery  
9-14-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 678 339

RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Nearburg Producing Company  
Post Office Box 31405  
Dallas, Texas 75231

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	91.00
Postmark or Date	SEP - 7 1990

PS Form 3800, June 1985

P-106 678 339

RECEIPT FOR CERTIFIED MAIL  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Nearburg Producing Company  
Post Office Box 31405  
Dallas, Texas 75231

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 0.00
Postmark or Date	SEP - 7 1990

PS Form 3800, June 1985

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for bags and check boxes for additional services requested.

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Nearburg Producing Company  
Post Office Box 31405  
Dallas, Texas 75231

4. Article Number: P-106 678 339

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
X

6. Signature - Agent  
X *Wanda S. Walden*

7. Date of Delivery  
9-14-90

8. Addressee's Address (ONLY if requested and fee paid)

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 Post Office Box 31405  
 Dallas, Texas 75231

4. Article Number: P-106 678 339

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

5. Signature - Address  
 X

6. Signature - Agent  
 X *Wanda S. Halpern*

7. Date of Delivery  
 9-14-90

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

P-106 678 339

RECEIPT FOR CERTIFIED MAIL  
 NO INSURANCE COVERAGE PROVIDED  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

Nearburg Producing Company  
 Post Office Box 31405  
 Dallas, Texas 75231

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 0.00
Postmark or Date	SEP - 7 1990

PS Form 3800, June 1985

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  
PATRICIA A. MATTHEWS

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

September 7, 1990

CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

C. B. Gillespie, Jr.  
Two First City Center  
500 West Texas  
Midland, Texas 79701

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,  
Lea County, New Mexico

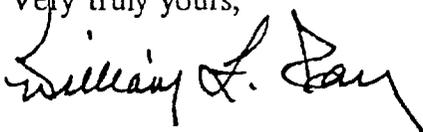
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Very truly yours,



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

P-106 678 338

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

C. B. Gillespie, Jr.  
Two First City Center  
500 West Texas  
Midland, Texas 79701

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 0.11
Postmark or Date	SEP - 7 1990

PS Form 3800, June 1985

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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1.  Show to whom delivered (Extra charge)

2.  Restricted Delivery (Extra charge)

3. Article Addressed to: C. B. Gillespie, Jr.  
Two First City Center  
500 West Texas  
Midland, Texas 79701

4. Article Number: P-106 678 338

Type of Service:  Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

B. Addressee's Address (ONLY if requested and fee paid)  
550 W 1st place

5. Signature - Address: X

6. Signature Agent: X  
C. B. Gillespie, Jr.

7. Date of Delivery: 9-11

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  
PATRICIA A. MATTHEWS

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

September 7, 1990

CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

BP Exploration Inc.  
Post Office Box 4587  
Houston, Texas 77210

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,  
Lea County, New Mexico

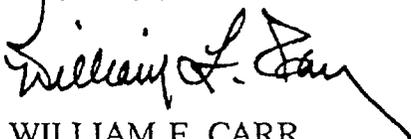
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WFC:mlh

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3. Article Addressed to:  
 BP Exploration Inc.  
 Post Office Box 4587  
 Houston, Texas 77210

4. Article Number  
 P-106 678 337

Type of Service:  
 Registered  
 Certified  
 Insured  
 COD  
 Return Receipt for Merchandise  
 Express Mail

5. Signature - Address  
 X

6. Signature - Agent  
 X *[Signature]*

7. Date of Delivery  
 SEP 13 1990

8. Addressee's Address (ONLY if requested and fee paid)  
 L4

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

P-106 678 337

RECEIPT FOR CERTIFIED MAIL  
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 (See Reverse)

BP Exploration Inc.  
 Post Office Box 4587  
 Houston, Texas 77210

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date	SEP - 7 1990

PS Form 3800, June 1985

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  
PATRICIA A. MATTHEWS

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

September 7, 1990

CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

Conoco Inc.  
Post Office Box 1959  
Midland, Texas 79702  
Attn: David Twomey, Land Supervisor

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,  
Lea County, New Mexico

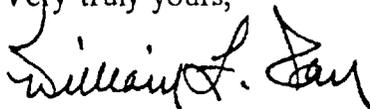
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3. Article Addressed to:  
 Conoco Inc.  
 Post Office Box 1959  
 Midland, Texas 79702  
 Attn: David Twomey, Land Supervisor

4. Article Number  
 P-106 678 336

Type of Service:  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.  
 8. Addressee's Address (ONLY if requested and fee paid)  
 SAME

5. Signature -- Address  
 X

6. Signature -- Agent  
 X *Micki D. Collins*

7. Date of Delivery  
 SEP 11 1990

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-965 DOMESTIC RETURN RECEIPT

P-106 678 336

RECEIPT FOR CERTIFIED MAIL  
 NO INSURANCE COVERAGE PROVIDED  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

Conoco Inc.  
 Post Office Box 1959  
 Midland, Texas 79702  
 Attn: David Twomey, Land Supervisor

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.85
Postmark or Date	SEP - 7 1990

PS Form 3800, June 1985

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  
PATRICIA A. MATTHEWS

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POST OFFICE BOX 2208  
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TELEPHONE: (505) 988-4421  
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September 7, 1990

CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

Amerind Oil Company  
Limited Partnership  
415 West Wall Street  
Suite 500 Wilco Building  
Midland, Texas 79701  
Attn: Robert Liebrock

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,  
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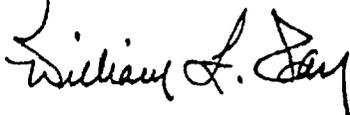
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This application has been set for hearing before a Division Examiner on October 3, 1990. You are not required to attend this hearing but, as the operator of a spacing unit or an owner of an interest that may be affected by this unorthodox well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



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

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.  
 Show to whom delivered, date, and addressee's address.  Restricted Delivery (Extra charge)

3. Article Addressed to: Amerind Oil Company Limited Partnership 415 West Wall Street Suite 500 Wilco Building Midland, Texas 79701 Attn: Robert Liebrock

4. Article Number: P-106 678 335

Type of Service:  
 Registered  
 Certified  
 Express Mail  
 Insured  
 COD  
 Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address: *Robert Liebrock* B. Addressee's Address (ONLY if requested and fee paid)

6. Signature - Agent: *Robert Liebrock*

7. Date of Delivery: *9-11* *11500 W Wall* *Fl 500*

PS Form 3841, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 678 335

RECEIPT FOR CERTIFIED MAIL  
 NO INSURANCE COVERAGE PROVIDED  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

Amerind Oil Company  
 Limited Partnership  
 415 West Wall Street  
 Suite 500 Wilco Building  
 Midland, Texas 79701  
 Attn: Robert Liebrock

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.00
Postmark or Date	SEP - 7 1990

PS Form 3800, June 1985

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  
PATRICIA A. MATTHEWS

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

September 7, 1990

CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

Pennzoil Company  
Post Office Box 2967  
Houston, Texas 77252

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,  
Lea County, New Mexico

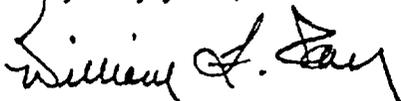
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WILLIAM F. CARR  
ATTORNEY FOR CHEVRON U.S.A., INC.  
WFC:mlh

P-106 678 334

UNITED STATES POSTAL SERVICE  
FIRST CLASS PERMIT NO. 402 HOUSTON, TX  
POST OFFICE BOX 2967  
HOUSTON, TEXAS 77252  
*(See Reverse)*

Pennzoil Company  
Post Office Box 2967  
Houston, Texas 77252

PS Form 3800, June 1985

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2. <sup>00</sup>
Postmark or Date  SEP - 7 1990	

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
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SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

September 7, 1990

CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

Pennzoil Company  
Post Office Drawer 1828  
Midland, Texas 79702  
Attn: Lonnie Whitfield

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,  
Lea County, New Mexico

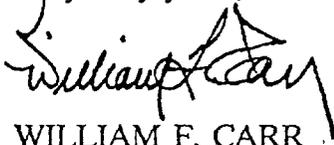
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ATTORNEY FOR CHEVRON U.S.A., INC.  
WFC:mlh

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3. Article Addressed to:

Pennzoil Company  
 Post Office Drawer 1828  
 Midland, Texas 79702  
 Attn: Lonnie Whitfield

5. Signature - Address  
 X

6. Signature - Agent  
 X *[Signature]*

7. Date of Delivery  
 SEP 11 1990

4. Article Number  
 P-106 678 333

Type of Service:  
 Registered  
 Certified  
 Insured  
 COD  
 Express Mail  
 Return Receipt for Merchandise

8. Addressee's Address (ONLY if requested and fee paid)  
 Always obtain signature of addressee or agent and DATE DELIVERED.  
 SAME

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 678 333

RECEIPT FOR CERTIFIED MAIL  
 NO INSURANCE COVERAGE PROVIDED  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

Pennzoil Company  
 Post Office Drawer 1828  
 Midland, Texas 79702  
 Attn: Lonnie Whitfield

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.18
Postmark or Date	SEP - 7 1990

SEP 13 1990 9:23 FROM PERCO TLO ONE 1111

**PENNZOIL EXPLORATION AND PRODUCTION COMPANY**

PENNZOIL PLACE • P.O. BOX 2967 • HOUSTON, TEXAS 77252-2967 • (713) 546-4000

September 13, 1990

Campbell and Black, P.A.  
P. O. Box 2208  
Santa Fe, New Mexico 87504-2208

Attention: Mr. William F. Carr  
Attorney for Chevron USA, Inc.  
FAX NO.: 505-983-6043

Chevron USA, Inc.  
P. O. Box 1150  
Midland, Texas 79702

Attention: Mr. Mickey Cohlma  
FAX NO.: 915-687-7666

BEFORE EXAMINER GATANACH
OIL CONSERVATION DIVISION
CHEVRON EXHIBIT NO. <u>4</u>
CASE NO. <u>10094</u>

RE: Notice of Application for  
Unorthodox Well Location  
Lea "YL" State Well No. 2  
2230' FSL and 2310' FEL, Section 2,  
T17S, R37E  
Lea County, New Mexico  
Shipp-Strawn Field

Gentlemen:

In response to William Carr's letter dated August 28, 1990 wherein Pennzoil was notified of Chevron's intent to drill the captioned well at the referenced unorthodox location, please be advised that Pennzoil will not protest the subject well location conditioned upon Chevron's acceptance of the following terms:

1. Chevron will not protest a similar unorthodox location which Pennzoil may propose in the future in the E/2SW/4, Section 2, T17S, R37E.
2. Chevron agrees to provide Pennzoil with copies of all logs performed under the Lea "YL" State Well No. 2 within one (1) month of reaching total depth thereunder.



L13290RB

all logs to be held  
confidential between  
Pennzoil and Chevron  
MK

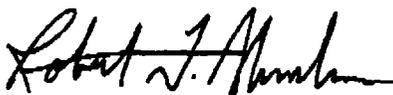
PENNZOIL EXPLORATION AND PRODUCTION COMPANY

Campbell and Black, P.A., Mr. William F. Carr  
Chevron USA, Inc., Mr. Mickey Cohlmia  
September 13, 1990  
Page Two

If Chevron is in agreement with the above terms and conditions, please so indicate by signing both copies of this letter and telecopy one (1) copy hereof to the undersigned at 713-546-6495 on or before 5:00 p.m. on September 13, 1990.

Very truly yours,

PENNZOIL EXPLORATION AND  
PRODUCTION COMPANY



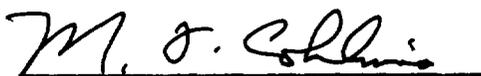
Robert F. Blucher  
Advanced Landman

RFB:ls

cc: A. Bell  
R. Burton  
J. Butler  
X Ref. Unit File No. 066712-000  
G. Kornegay  
M. McCullough  
G. SanFilippo

AGREED TO AND ACCEPTED THIS 13TH DAY OF SEPTEMBER, 1990.

CHEVRON USA, INC.



By:

Title: Senior Land Representative



L13290RB

**PENNZOIL EXPLORATION AND PRODUCTION COMPANY**  
 PENNZOIL PLACE • P.O. BOX 2967 • HOUSTON, TEXAS 77252-2967 • (713) 546-4000

September 13, 1990

Campbell and Black, P.A.  
 P. O. Box 2208  
 Santa Fe, New Mexico 87504-2208

Attention: Mr. William F. Carr  
 Attorney for Chevron USA, Inc.  
 FAX NO.: 505-983-6043

Chevron USA, Inc.  
 P. O. Box 1150  
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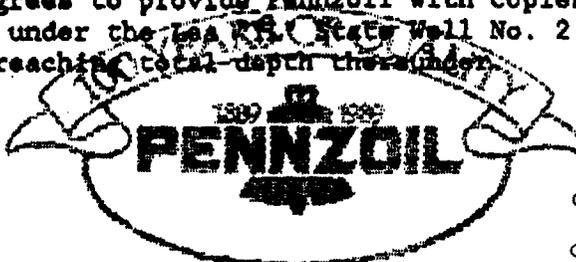
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 MK*

L13290RB

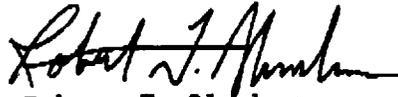
PENNZOIL EXPLORATION AND PRODUCTION COMPANY

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Robert F. Blucher  
Advanced Landman

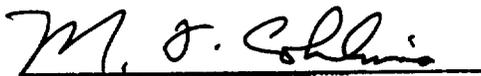
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cc: A. Bell  
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G. Kornegay  
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CHEVRON USA, INC.



By:  
Title: Senior Land Representative



L13290RB