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May 7, 1991

Mr. William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87501

RECEIVED

MAY 08 1991

OIL CONSERVATION DIVISION

HAND-DELIVERED

Re: Administrative Order NSL-3007 (SD)

Dear Mr. LeMay:

By Application dated March 26, 1991, Chevron USA, Inc. sought OCD approval of an Unorthodox Eumont Gas Well Location for its Arnott Ramsay NCT-C Well No. 5 located in Unit N of Section 21, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico. Chevron proposed to simultaneously dedicate the Eumont Yates Seven-Rivers Queen Pool to its Arnott Ramsay Wells 5 and 13 on the 640 acre spacing and proration unit comprised of said Section 21.

Certified letters advising affected offsetting parties of this application were mailed on March 27, 1991 and on April 25, 1991 Administrative Order NSL-3007 (SD) was entered by the Division approving this application.

On May 2, 1991, OXY wrote the Division protesting Chevron's application. Although OXY admits that it received the Notice in mid-April, it suggests that Chevron's notice letter was inappropriately mailed to OXY's office in Tulsa, Oklahoma.

In response to OXY's May 2 letter, Chevron states that on at least two occasions this year it has sought and obtained waivers from OXY on matters concerning properties in Southeast New Mexico by communicating with OXY at its address in Tulsa. Chevron submits that in seeking approval of this application it fully complied with all Division rules and, unless advised to the contrary, will proceed with its operations of this spacing and proration unit pursuant to Administrative Order NSL-3007 (SD).

William J. LeMay, Director
May 7, 1991
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Enclosed for your files is the return receipt confirming that OXY received notice of this request for Administrative Approval on April 1, 1991.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive style with a large, sweeping flourish at the end.

WILLIAM F. CARR

WFC:mtb
Enclosures

cc: A.W. Bohling (w/enclosures)
Richard E. Foppiano

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 service(s) requested.

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

<p>3. Article Addressed to:</p> <p>OXY U S A INC P O BOX 300 TULSA OKLAHOMA 74102</p> <p>ATTN: R.E. Foppiano</p>	<p>4. Article Number</p> <p>52409</p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p>
<p>5. Signature - Addressee</p> <p>X</p>	<p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>6. Signature - Agent</p> <p>X</p> <p><i>[Handwritten Signature]</i></p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>
<p>7. Date of Delivery</p> <p>APR 1 1991</p>	

PS Form 3811, Apr. 1989

U.S.G.P.O. 1989-238-815

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