

October 28, 1997



Application of Me-Tex Oil & Gas, Inc.
For Pool Contraction, Pool Creation and
Special Pool Rules
Lea County, New Mexico

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

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. David Catanach - Hearing Examiner

Dear Mr. Catanach:

Chevron currently supports Me-Tex's application for pool contraction of the Skaggs-Drinkard Pool as well as pool creation and special rules for a new "lower Drinkard" oil and gas pool, including a 20,000:1 GOR limit. This application has been set for hearing (case #11,872) before a Division Examiner on November 6, 1997.

Since the suggested 20,000:1 limiting GOR is based primarily on recent completions, Chevron requests that these special rules be made temporary for the usual one-year period. At that time a new hearing should be scheduled to review historical production and development data prior to making these temporary special pool rules permanent.

Chevron appreciates the OCD's consideration of our current position as supporting the formation of temporary special pool rules in this case.

Sincerely,

A handwritten signature in black ink, appearing to read "F. E. Abegg".

F. E. Abegg, Ph.D.
Petroleum Geologist

cc: William F. Carr

BEFORE THE
OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 11872 Exhibit No. 10

Submitted by: Me-Tex Oil & Gas, Inc.

Hearing Date: November 6, 1997