

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 12320 (Reopened)
ORDER NO. R-7766-C**

**APPLICATION OF CHEVRON U.S.A. PRODUCTION COMPANY TO
CONVERT THE EMSU WELLS NO. 210, 212, 222, 252 AND 258 TO INJECTION
WITHIN THE EUNICE MONUMENT SOUTH UNIT, LEA COUNTY, NEW
MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on April 18, 2002, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 17th day of June, 2002, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) On November 10, 1999, Chevron U.S.A. Production Company ("Chevron") filed an administrative application with the Division seeking authorization to convert its Eunice Monument South Unit ("EMSU") Wells No. 210, 212, 222, 252 and 258 located respectively in Unit K of Section 4, Unit I of Section 5, Unit O of Section 6, Unit W of Section 6, and Unit U of Section 4, all in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, to injection wells within the EMSU Waterflood Project.

(3) Chevron's application was subsequently set for hearing and was heard before a Division examiner on March 2, 2000, at which time Chevron presented evidence to support its application, and Doyle Hartman ("Hartman"), an operator of wells in the area, appeared through counsel and cross examined Chevron's witnesses.

(4) On March 29, 2000, the Division entered Order No. R-7766-B in Case No. 12320. This order approved Chevron's application to convert the subject wells to injection.

(5) Hartman timely filed an application for a hearing de novo in Case No. 12320. The case was subsequently remanded to the Division for further proceedings.

(6) Chevron appeared through legal counsel at the April 18, 2002 hearing and requested that:

- (a) its application in Case No. 12320 be withdrawn;
- (b) reopened Case No. 12320 be dismissed; and
- (c) Division Order No. R-7766-B be rescinded.

(7) Chevron stated that Hartman concurs with its request in this case.

(8) Chevron's request should be granted.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the request of Chevron U.S.A. Production Company, its application in reopened Case No. 12320 to convert its Eunice Monument South Unit ("EMSU") Wells No. 210, 212, 222, 252 and 258 located respectively in Unit K of Section 4, Unit I of Section 5, Unit O of Section 6, Unit W of Section 6, and Unit U of Section 4, all in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, to injection wells within the EMSU Waterflood Project, is hereby dismissed.

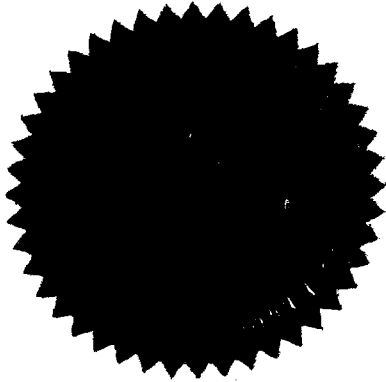
(2) Division Order No. R-7766-B, entered in Case No. 12320 on March 29, 2000, is hereby rescinded.

(3) By virtue of rescinding Order No. R-7766-B, the de novo appeal of Case No. 12320 is hereby deemed moot and of no consequence.

(4) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

Case No. 12320 (Reopened)
Order No. R-7766-C
Page 3

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenberg
LORI WROTENBERY
Director