

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

April 9, 2002

**VIA HAND DELIVERY**

Lori Wrotenberg, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

COPIED - 9 PM 3:24  
APR 10 2002

Re: Oil Conservation Division Case 12320: The application of Chevron U.S.A. Production Company for approval to convert the EMSU Wells No. 210, 212, 222, 252 and 258 to Injection in the Eunice Monument South Unit, Lea County, New Mexico.

Dear Ms. Wrotenberg,

Chevron U.S.A. Production Company hereby withdraws its application in the above-referenced case and requests that Case No. 12320 be dismissed and Order No. R-7766-B be rescinded. Chevron does not at this time intend to use the wells which are the subject of this application for injection and additional hearings on this application are unnecessary. Furthermore, rescission of Order No. R-7766-B will remove from the records of the Oil Conservation Division the findings which are the subject of the Application for Hearing de novo filed in this case by Doyle Hartman, Oil Operator.

This request for rescission of Order No. R-7766-B has been reviewed with J. E. Gallegos, attorney for Mr. Hartman. Mr. Hartman does not oppose this request for withdrawal of the Chevron application, dismissal of case 12320 and rescission of Division Order No. R-7766-B.

Should Chevron determine that some time in the future that the wells which the subject of this application are needed for injection into the Eunice Monument South Unit Waterflood Project, a new application will be filed and notice provided as required by Division rules.

Enclosed for your consideration is a proposed order dismissing this case and rescinding order No. R-7766-B.

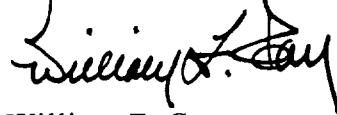
HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

April 9, 2002

Page 2

Your attention to this matter is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

William F. Carr  
Attorney for Chevron U.S.A.  
Production Company

cc: David R. Catanach  
David K. Brooks, Esq.  
Stephen Ross, Esq.  
Frank Cusimano, Esq.  
J. E. Gallegos, Esq.

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

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

**CASE NO. 12320  
ORDER NO. R-7766-C**

**CHEVRON U.S.A. PRODUCTION CO.'S  
PROPOSED 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 Catanach.

Now this \_\_\_ day of April, 2002, the Division Director, having considered the record and the recommendations of the Examiner,

**FINDS THAT:**

1. On November 10, 1999, Chevron filed an administrative application with the New Mexico Oil Conservation Division seeking authorization to convert its Eunice Monument South Unit ("EMSU") wells 210, 212, 222, 252 and 258 for the injection of water into the Grayburg formation in the Chevron-operated Eunice Monument South Unit Waterflood Project.

2. Chevron's application was set for hearing before an examiner of the Oil Conservation Division on March 2, 2000 at which time Chevron presented evidence in support of its application and Doyle Hartman, an operator of wells in the area, appeared through his attorney and cross examined the Chevron witnesses.

3. On March 29, 2000, the Division entered Order No. R- 7766-B.

4. Hartman timely filed an application for hearing de novo in Case 12320 and the case was remanded to the Division for further proceedings.

5. Chevron U.S.A. Production Co. has withdrawn its application in this case and requests Case No. 12320 be dismissed and Order No. R-7766-B be rescinded.

6. The applicant's request for dismissal should be granted and Order No. R-7766-B should be rescinded.

7. With the rescission of Order No. R-7766-B, the application for hearing de novo is moot and should also be dismissed.

**IT IS THEREFORE ORDERED THAT:**

1. Case No. 12320 is dismissed.
2. Order No. R-7766-B is rescinded.
3. The de novo appeal of Order No. R-7766-C is dismissed.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

LORI WROTENBERY  
Director

SEAL