

HOLLAND & HART ^{LLP}
AND
CAMPBELL & CARR
ATTORNEYS AT LAW

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

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

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
www.hollandhart.com

August 13, 2001

VIA HAND DELIVERY

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Energy, Minerals and
Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case No. 12594: Application of Matador Petroleum Corporation for Compulsory Pooling and an Unorthodox Subsurface Well Location, Eddy County, New Mexico.

Dear Ms. Wrotenbery:

By Order No. R-11589 the Division granted the application of Matador Petroleum Corporation in the above-referenced case pooling the interest of Chevron USA Inc. in certain spacing units in Section 20, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico. On June 27, 2001, Chevron filed its Application for Hearing De Novo in this case. No hearing has been scheduled on this application.

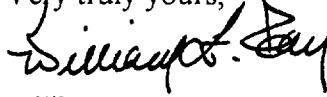
Order No. R-11589 named Matador operator of the subject spacing units and the well to be drilled thereon. Ordering Paragraph (3) of this order provides that "In the event the operator does not commence drilling the well on or before September 1, 2001, Ordering Paragraph (1) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause shown."

Chevron requests that no time extension of Order No. R-11589 be granted pursuant to Ordering Paragraph (3), and, should Matador request an extension of this pooling order, Chevron further requests that the case be reopened for additional hearing concerning Matador's proposal to drill a well on these spacing units.

Letter to Lori Wrotenbery
August 13, 2001
Page 2

Your attention to this request 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., Inc.

cc: W. Thomas Kellahin (Hand-Delivered)
Jim Bruce (by facsimile)
Scott Ingram, Chevron (by facsimile)
Ray Vaden, Chevron (by facsimile)