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William F. Carr

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June 21, 2002

BY HAND DELIVERY

Ms. Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 88505

Re: Texaco Exploration & Production Inc.'s New Mexico "O" State
NCT-1 Lease and State "BA" Lease Pressure Maintenance Project,
Lea County, New Mexico. Order No. R-11608

Dear Ms. Wrotenbery;

By Order No. R-11608 entered in Case No. 12638 on June 22, 2001, the Oil Conservation Division approved the application of Texaco Exploration & Production Inc. for a pressure maintenance project in its New Mexico "O" State NCT-1 Lease and its State "BA" Lease.

Order Paragraph No. (11) provides that the injection authority granted therein for the State "BA" Wells No. 6 and 8 and the New Mexico "O" State NCT-1 Well No. 38 shall terminate one year after the date of this order unless injection has commenced or the Division, upon written request by the operator, has granted an extension for good cause shown.

The purpose of this letter is to request extension of the injection authority granted by Order No. R-11608 for an additional year. As you are aware, Texaco and Chevron USA merged in 2001. Chevron/Texaco still intends to commence injection into the Abo, Wolfcamp and Upper-Pennsylvanian formations pursuant to Order No. R-11608. The commencement of water injection has been delayed due to oil pricing considerations and the logistical problems related to the Chevron/Texaco merger. We therefore request that the injection authority granted by order No. R-11608 be extended to June 22, 2003.

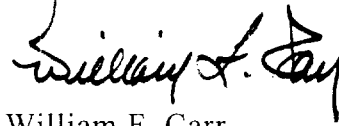
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Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is written in a cursive, slightly stylized font.

William F. Carr
for Holland & Hart LLP

cc: Mr. David Catanach
Mr. Britton McQuien