BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF CHEVRON U.S.A., INC., FOR AN UNORTHODOX OIL WELL LOCATION, LEA COUNTY, NEW MEXICO.

CASE NO. 10094

AFFIDAVIT

STATE OF NEW MEXICO)
)ss.
COUNTY OF SANTA FE)

WILLIAM F. CARR, attorney in fact and authorized representative of Chevron U.S.A., Inc., the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.

SUBSCRIBED AND SWORN to before me this 18th day of September, 1990.

Notary Public

My Commission Expires:

August 19,1991

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

CHEVERON EXHIBIT NO. 3

CASE NO. 10094

EXHIBIT A

Pennzoil Company Post Office Drawer 1828 Midland, Texas 79702 Attn: Lonnie Whitfield

Pennzoil Company Post Office Box 2967 Houston, Texas 77252

Conoco Inc.
Post Office Box 1959
Midland, Texas 79702
Attn: David Twomey, Land Supervisor

BP Exploration Inc. Post Office Box 4587 Houston, Texas 77210

C. B. Gillespie, Jr. Two First City Center 500 West Texas Midland, Texas 79701

Nearburg Producing Company Post Office Box 31405 Dallas, Texas 75231

Mesa Operating Limited Partnership Post Office Box 2009 Amarillo, Texas 79189-2009

Amerind Oil Company Limited Partnership 415 West Wall Street Suite 500 Wilco Building Midland, Texas 79701 Attn: Robert Liebrock

11

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGS
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE I - 110 NORTH GUADALUPE
POST OFFICE BOX 220B

SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

September 7, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Mesa Operating Limited Partnership Post Office Box 2009 Amarillo, Texas 79189-2009

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,

Lea County, New Mexico

Dear Mr. Gillespie:

This letter is to advise you that Chevron U.S.A., Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval of an unorthodox oil well location in the Strawn formation, Shipp-Strawn Pool, for its Lea "YL" State Well No. 2 at a point 2230 feet from the South line and 2310 feet from the East line of Section 2, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to dedicate the W/2 SE/4 of Section 2 to this well.

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Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR CHEVRON U.S.A., INC.

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL (See Reverse)

Mesa Operating Limited Partnership Post Office Box 2009 Amarillo, Texas 79189-2009

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	Certified Fee		-
	Special Delivery Fee		
	Restricted Delivery Fee		_
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June 1985	Return Receipt showing to whom, Date, and Address of Delivery		
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Form 3800,	Postmark or Date		•
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-865 DOMESTIC RETURN RECEIPT	PS Form 3811, Mar. 1988 + U.S.G.P.O. 1988-212-865
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or agent and DATE DELIVERED.	
Always obtain signature of addressee	
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(Extra charge)	(Extra charge)
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services are desired, and complete items	SENDER: Complete items 1 and 2 when additional services are desired, and complete items

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

September 7, 1990

<u>CERTIFIED MAIL -</u> RETURN RECEIPT REQUESTED

Nearburg Producing Company Post Office Box 31405 Dallas, Texas 75231

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,

Lea County, New Mexico

Gentlemen:

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Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR CHEVRON U.S.A., INC.

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL (See Reverse)

Nearburg Producing Company Post Office Box 31405 Dallas, Texas 75231

	Certified Fee	
	Special Delivery Fee	
PS Form 3800, June 1985	Restricted Delivery Fee	
	Return Receipt showing to whom and Date Delivered	
	Return Receipt showing to whom, Date, and Address of Delivery	
	TOTAL Postage and Fees	20°
	Postmark or Date	
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-866 DOMESTIC RETURN RECEIPT	PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865
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Always obtain eignature of addressee or egent and DATE DELIVERED.	
Express Mail GOD Return Receipt	Post Office Box 31405 Dallas Texas 75231
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ovide you the name of the person delivered services are available. Consult postmaster	Put your address in the THE IONN IO Space on the payers above, remains to of the person delivered card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery, For additional fees the following services are available. Consult postmaster
services are desired, and complete items	SENDER: Complete Items 1 and 2 whon additional services are desired, and complete items 3 and 4.

. 23 .

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL (See Reverse)

Nearburg Producing Company Post Office Box 31405 Dallas, Texas 75231

	Special Delivery Fee Restricted Delivery Fee	
S Form 3800, June 1985	Return Receipt showing to whom and Date Delivered	
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865 DOMESTIC RETURN RECEIPT	. 1988 * U.S.G.P.O. 1988-212-865	PS Form 3811, Mar. 1988
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RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL (See Reverse)

Nearburg Producing Company Post Office Box 31405 Dallas, Texas 75231

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	Special Delivery Fee	
PS Form 3800, June 1985	Restricted Delivery Fee	
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PS Form 3	SEP - 7 1990	

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Registered Insured COD Express Mail Return Receipt Or Merchandise		Nearburg Producing Company Post Office Box 31405 Dallas, Texas 75231	Nearburg Producing Co Post Office Box 31405 Dallas, Texas 75231	
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JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE I - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

September 7, 1990

<u>CERTIFIED MAIL</u> -RETURN RECEIPT REQUESTED

C. B. Gillespie, Jr. Two First City Center 500 West Texas Midland, Texas 79701

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,

Lea County, New Mexico

Dear Mr. Gillespie:

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ATTORNEY FOR CHEVRON U.S.A., INC.

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C. B. Gillespie, Jr. Two First City Center 500 West Texas Midland, Texas 79701

1	<u> </u>	
	Certified Fee	
	Special Delivery Fee	
June 1985	Restricted Delivery Fee	
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JACK M. CAMPBELL
BRUCE D. BLACK
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MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

September 7, 1990

<u>CERTIFIED MAIL -</u> RETURN RECEIPT REQUESTED

BP Exploration Inc. Post Office Box 4587 Houston, Texas 77210

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,

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(See Reverse)

BP Exploration Inc.
Post Office Box 4587 Houston, Texas 77210

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	Certified Fee		-
	Special Delivery Fee	 	
	Restricted Delivery Fee		
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2	Return Receipt showing to whom, Date, and Address of Delivery		
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JACK M. CAMPBELL
BRUCE D. BLACK
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JEFFERSON PLACE
SUITE I - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

September 7, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Conoco Inc.
Post Office Box 1959
Midland, Texas 79702

Attn: David Twomey, Land Supervisor

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Lea County, New Mexico

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Very truly yours

WILLIAM F. CARR

ATTORNEY FOR CHEVRON U.S.A., INC.

P-105 678 336

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL (See Reverse)

Conoco Inc.

Post Office Box 1959

Midland, Texas 79702 Attn: David Twomey, Land Supervisor

1		
	Certilied Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt showing to whom and Date Delivered	
	Return Receipt showing to whom. Date, and Address of Delivery	
	TOTAL Postage and Fees	52,02
	Postmark or Date	
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or agent and DATE DELIVERED.	
Always obtain signature of addressee	A Action of the Country of the Count
Express Mail Cor Merchandise	Alin: David Twomey Land Supervisor
	Midland Texas 79702
ă 30	Post Office Box 1959
Type of Service:	Conoco Inc.
P-106 678 336	
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services are desired, and complete items	SENDER: Complete items 1 and 2 when additional services are desired, and complete items

PS Form 3800, June 1985

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE

SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421

TELECOPIER: (505) 983-6043

September 7, 1990

CERTIFIED MAIL -RETURN RECEIPT REQUESTED

Amerind Oil Company
Limited Partnership
415 West Wall Street
Suite 500 Wilco Building
Midland, Texas 79701
Attn: Robert Liebrock

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WILLIAM F. CARR

ATTORNEY FOR CHEVRON U.S.A., INC.

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL WAIL (See Reverse)

Amerind Oil Company Limited Partnership 415 West Wall Street Suite 500 Wilco Building

Midland, Texas 79701 Attn: Robert Liebrock

1		
	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt showing to whom and Date Delivered	
1985	Return Receipt showing to whom. Date, and Address of Delivery	
June	TOTAL Postage and Fees	\$2.00
90	Postmark or Date	
PS Form 3800, June 1985	SEP - 7 1990	

PS Form 3811, Mar. 1988 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address.

2. Restricted Delivery Date of Delivery 9-1/Signature - Agent Signature - Address Article Addressed to: SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4. 415 West Wall Street Suite 500 Wilco Building Midland, Texas 79701 Amerind Oil Company Attn: Robert Lichrock Limited Partnership * U.S.G.P.O. 1988-212-865 Type of Service:
Registered
Certified
Express Mail B. Addressee's Address (ONLY (f requested and fee paid) or agent and DATE DELIVERED. Always obtain signature of addressee 4. Article Number 2. Restricted Delivery (Extra charge) DOMESTIC RETURN RECEIPT insured
COD
Return Receipt
for Merchandise 678 335

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

September 7, 1990

CERTIFIED MAIL -RETURN RECEIPT REQUESTED

Pennzoil Company Post Office Box 2967 Houston, Texas 77252

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,

Lea County, New Mexico

Gentlemen:

This letter is to advise you that Chevron U.S.A., Inc. has filed an application with the New Mexico Oil Conservation Division seeking approval of an unorthodox oil well location in the Strawn formation, Shipp-Strawn Pool, for its Lea "YL" State Well No. 2 at a point 2230 feet from the South line and 2310 feet from the East line of Section 2, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico. Chevron U.S.A., Inc. proposes to dedicate the W/2 SE/4 of Section 2 to this well.

This application has been set for hearing before a Division Examiner on October 3, 1990. You are not required to attend this hearing but, as the operator of a spacing unit or an owner of an interest that may be affected by this unorthodox well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR CHEVRON U.S.A., INC.

B. Larin, Did to Electric (20 tal all polarity assistant process organis and processes (Sing Faverge)

Pennzoil Company Post Office Box 2967 Houston, Texas 77252

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	Restricted Derivery Fige	
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June 1985	Return Receipt chowing to whom Date, and Address of Delivery	
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n 3800, June 1985

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY
PATRICIA A. MATTHEWS

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

TELEPHONE: (505) 988-4421

TELECOPIER: (505) 983-6043

September 7, 1990

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Pennzoil Company Post Office Drawer 1828 Midland, Texas 79702 Attn: Lonnie Whitfield

Re: Application of Chevron U.S.A., Inc. for an Unorthodox Oil Well Location,

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Very truly yours,

WILLIAM F. CARR

ATTORNEY FOR CHEVRON U.S.A., INC.

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED NOT FOR INTERNATIONAL MAIL (See Reverse)

Pennzoil Company Post Office Drawer 1828 Midland, Texas 79702 Attn: Lonnie Whitfield

	Certified Fee	
	Special Delivery Fee	
	Restricted Delivery Fee	
	Return Receipt showing to whom and Date Delivered	
June 1985	Return Receipt showing to whom, Date, and Address of Delivery	
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-865 DOMESTIC RETURN RECEIPT	PS Form 3811, Mar. 1988 + U.S.Q.P.O. 1986-212-865
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8. Addressee's Address (ONLY if requested and fee paid)	5. Signatura – Address X
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services are desired, and complete terms	SENDER: Complete Items 1 and 2 when additional services are desired, and complete items 3 and 4.

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ברב שום טנו טסופה חסאה בסוב שבי בי אפר

PENNZOIL EXPLORATION AND PRODUCTION COMPANY

PENNZOIL PLACE . P.O. BOX 2967 . HOUSTON, TEXAS 77252-2967 . (713) 546-4000

September 13, 1990

Campbell and Black, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: Mr. William F. Carr

Attorney for Chevron USA, Inc.

FAX NO.: 505-983-6043

Chevron USA, Inc. P. O. Box 1150 Midland, Texas 79702

Attention: Mr. Mickey Cohlmia

FAX NO.: 915-687-7666

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

CHEVRON EXHIBIT NO. 4

CASE NO. 10094

RE: Notice of Application for Unorthodox Well Location Lea "YL" State Well No. 2 2230' FSL and 2310' FEL, Section 2, T17S, R37E Lea County, New Mexico Shipp-Strawn Field

Gentlemen:

In response to William Carr's letter dated August 28, 1990 wherein Pennzoil was notified of Chevron's intent to drill the captioned well at the referenced unorthodox location, please be advised that Pennzoil will not protest the subject well location conditioned upon Chevron's acceptance of the following terms:

1. Chevron will not protest a similar unorthodox location which Pennzoil may propose in the future in the E/2SW/4, Section 2, T17S, R37E.

2. Chevron agrees to provide Pannzoil with copies of all logs performed under the Lea VII State Well No. 2 within one (1) month of reaching total depth the sunder.

L13290RB

all logs to be held Confidentil between Pennyol and Chevron

a subsidiary of PENNZOIL COMPANY

PENNZOIL EXPLORATION AND PRODUCTION COMPANY

Campbell and Black, P.A., Mr. William F. Carr Chevron USA, Inc., Mr. Mickey Cohlmia September 13, 1990 Page Two

If Chevron is in agreement with the above terms and conditions, please so indicate by signing both copies of this letter and telecopy one (1) copy hereof to the undersigned at 713-546-6495 on or before 5:00 p.m. on September 13, 1990.

Very truly yours,

PENNZOIL EXPLORATION AND PRODUCTION COMPANY

Advanced Landman

RFB:1s

cc: A. Bell

G. Kornegay

R. Burton

M. McCullough

J. Butler

G. SanFilippo

X Ref. Unit File No. 066712-000

AGREED TO AND ACCEPTED THIS 13TH DAY OF SEPTEMBER, 1990.

CHEVRON USA, INC.



L13290RB

PENNZOIL EXPLORATION AND PRODUCTION COMPANY

PENNZOIL PLACE . P.O. BOX 2967 . HOUSTON, TEXAS 77252-2967 . (713) 546-4000

September 13, 1990

Campbell and Black, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: Mr. William F. Carr

Attorney for Chevron USA, Inc.

FAX NO.: 505-983-6043

Chevron USA, Inc. F. O. Box 1150 Midland, Texas 79702

Attention: Mr. Mickey Cohlmia

FAX NO.: 915-687-7666

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L13290RB

all logs to be held Confidential between Pennyil and Chevan

a subsidiary of PENNZOIL COMPANY

PENNZOIL EXPLORATION AND PRODUCTION COMPANY

Campbell and Black, P.A., Mr. William F. Carr Chevron USA, Inc., Mr. Mickey Cohlmia September 13, 1990 Page Two

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PENNZOIL EXPLORATION AND PRODUCTION COMPANY

Robert F. Blucher Advanced Landman

RFB:1s

cc: A. Bell

G. Kornegay

R. Burton

M. McCullough

J. Butler

G. SanFilippo

X Ref. Unit File No. 066712-000

AGREED TO AND ACCEPTED THIS 13TH DAY OF SEPTEMBER, 1990.

CHEVRON USA, INC.

By:

Title: Sema Land Remartalin



L13290RB