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M.S.

February 26, 1987

Mr. William J. LeMay
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504

RECEIVED

FEB 26 1987

OIL CONSERVATION DIVISION

Re: NMOCD Case 9086
Application of Harvey E. Yates
for Compulsory Pooling

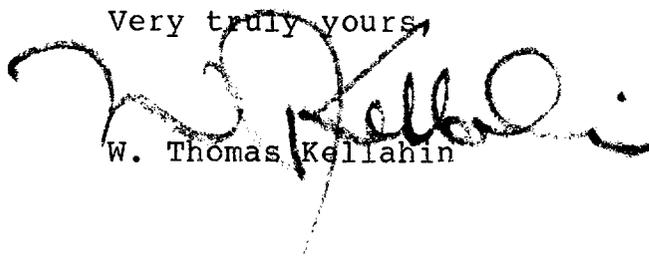
Dear Mr. LeMay:

The referenced case has been set for hearing on the Examiner's docket of March 4, 1987. Please enter my appearance in that case on behalf of Chevron USA, Inc.

I have been notified today by Mr. Bob Strand, attorney for Harvey E. Yates, that he will continue this case to the examiner's hearing scheduled for March 18, 1987.

Unless you otherwise notify me, I will assume that Mr. Strand's requested continuance will be granted.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: Chevron USA, Inc.
P. O. Box 1660
Midland, Texas 79701
Attn: Mr. Micky Cohlma

Robert H. Strand, Esq.
P. O. Box 700
Roswell, New Mexico 88201

(622-6221)

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P O. BOX 1933

ONE SUNWEST CENTRE

505 623 8601

ROSWELL, NEW MEXICO 88201

May 27, 1987

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. William J. LeMay, Director

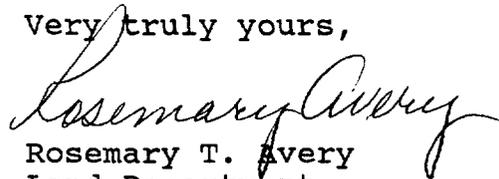
Re: Case No. 9086; Order No. R-8433
Proposed Taylor Deep WI Unit
All Sections 12 & 13,
T-18S, R-31E, N.M.P.M.
Eddy County, New Mexico

Gentlemen:

The purpose of this letter is to inform you that Harvey E. Yates Company and Chevron USA, Inc., have reached an amicable agreement regarding the proposed Taylor Deep Working Unit.

It is our understanding that, in view of our agreement, Chevron will be writing to cancel the de novo hearing now set for June 18, 1987.

Very truly yours,


Rosemary T. Avery
Land Department

RTA:r

xc: Chevron USA, Inc.
P. O. Box 1150
Midland, TX 79702
Attn: Mickey Cohlma