Chevron U.S.A. Production Company Kevin Hickey New Mexico Waterflood Petroleum Engineer 15 Smith Road Midland, Texas 79705

ChevronTexaco

September 3, 2002

APPLICATION FOR AUTHORIZATION TO INJECT - OCD FORM C-108 EUNICE MONUMENT SOUTH UNIT EUNICE MONUMENT OIL POOL LEA COUNTY, NEW MEXICO

State of New Mexico Energy and Minerals Dept. Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Attention: Ms. Lori Wrotenbery, Director

Ladies and Gentlemen:

Chevron U.S.A. Production Co. requests your approval of the subject application to inject water into the following Eunice Monument South Unit Wells:

- EMSU No. 343 located in Unit M, Sec. 10, T21S-R36E, Lea County, NM
- EMSU No. 345 located in Unit O, Sec. 10, T21S-R36E, Lea County, NM
- EMSU No. 347 located in Unit M, Sec. 11, T21S-R36E, Lea County, NM
- EMSU No. 357 located in Unit A, Sec. 15, T20S-R37E, Lea County, NM
- EMSU No. 359 located in Unit C, Sec. 15, T20S-R37E, Lea County, NM

Chevron plans on converting these producers to an injection as part of an ongoing infill drilling and pattern re-alignment program. These conversions will provide the much needed injection support in this area and enhance the production of the EMSU secondary recovery unit.

Attached is an OCD Form C-108 with information relative to the water injection conversion of the referenced wells. A copy of this application is being sent to applicable surface land owners and offset operators by certified mail as their notice as well as a legal notice was placed in the Hobbs Sun-Times. A copy of this application will also be sent to the OCD Hobbs District Office.

Your prompt consideration and approval of this application will be greatly appreciated. If further information is required, please contact me at (915) 687-7260.