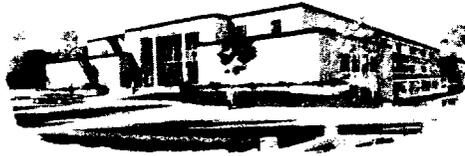


State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

January 24, 1974

ALEX J. ARMIJO
COMMISSIONER

P. O. Box 1148
SANTA FE, NEW MEXICO

Griffin, Soss & Burnett, Inc.
2102 Wilco Building
Midland, Texas 79701

Re: Proposed Salt Lake South Unit
Lea County, New Mexico

ATTENTION: Mr. Kenneth H. Griffin

Gentlemen:

The Commissioner of Public Lands has this date approved Skally's Salt Lake South Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey.

Enclosed are Ten (10) Certificates of approval as per your request.

Please advise this office when the United States Geological Survey has approved this unit so that we may finish processing the unit and ascertain the effective date.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encls.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓

Griffin, Ross & Burnett, Inc.

Oil Properties

5127

KENNETH H. GRIFFIN
ROBERT B. ROSS
GARY G. BURNETT

2102 WILCO BUILDING
MIDLAND, TEXAS 79701
915 683-2705

January 29, 1974

Re: File No. 2211
Salt Lake South Unit
Lea County, New Mexico



NEW MEXICO OIL CONSERVATION COMMISSION
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Reference is made to Case No. 5127, Order No. R-4687.

In accordance with the above referenced Order of the Commission we enclose herewith a copy of the Unit Agreement executed by Skelly Oil Company, together with copies of Ratifications executed by J. C. Barnes, Sr., Phillips Petroleum Company and Fluor Oil and Gas Corporation.

Should any additional information be required, please so advise.

Yours very truly,

GRIFFIN, ROSS & BURNETT, INC.


Kenneth H. Griffin

KHG:mw
Encl.

cc: Mr. W. B. Crownover
SKELLY OIL COMPANY
Wall Towers West Bldg.
Midland, Texas

CERTIFICATION--DETERMINATION

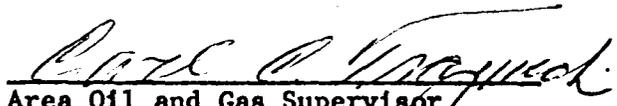
Pursuant to the authority vested in the Secretary of Interior, under the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U. S. C. secs. 181, et seq., and delegated to the Area Oil and Gas Supervisors of the Geological Survey, I do hereby:

A. Approve the attached agreement for the development and operation of the Salt Lake South Unit Area, State of New Mexico.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Dated January 25, 1974.


Acting Area Oil and Gas Supervisor
United States Geological Survey

Contract Number 14-08-0001-13816



NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

SALT LAKE SOUTH UNIT

LEA COUNTY, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated November 15, 1973, which said Agreement has been executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, and 7-11-48, New Mexico Statutes Annotated, 1953 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby consent to and approve the said Agreement, however, such consent and approval being limited and restricted to such lands within the Unit Area, which are effectively committed to the Unit Agreement as of this date, and, further, that leases insofar as the lands covered thereby committed to this Unit Agreement shall be and the same are hereby amended to conform with the terms of such Unit Agreement, and said leases shall remain in full force and effect in accordance with the terms and conditions of said Agreement. This approval is subject to all of the provisions and requirements of the afore-said statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 24th. day of January, 19 74.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

Unit Name SALT LAKE SOUTH UNIT (EXPLORATORY)
 Operator SKELLY OIL COMPANY
 County LEA

DATE	OCC CASE NO.	5127	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.	R-4687							
Commissioner	11-30-73		<i>1-25-74</i>	7,080.12	640.00	6,440.12	-0-	Yes	5 yrs

UNIT AREA
 TOWNSHIP 21 SOUTH RANGE 32 EAST, NMPM
 Sections 15 through 22: A11
 Sections 28 through 30: A11

TERMINATED
CR 6-18-75

Unit Name SALT LAKE SOUTH UNIT (EXPLORATORY)
 Operator SKELLY OIL COMPANY
 County LEA

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
14	L-3879-1	C.S.	16	21S	32E	A11	1-17-74	640.00		J. C. Barnes

TERMINATED
 6-18-75
 JH.

Unit Name SALT LAKE SOUTH UNIT (EXPLORATORY)
 Operator SKELLY OIL COMPANY
 County LEA

See
 5127

DATE	OCC CASE NO.	5127	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.	R-4687							
Commissioner	11-30-73		1-25-74	7,080.12	640.00	6,440.12	-0-	Yes	5 yrs.

UNIT AREA

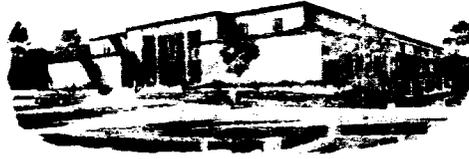
TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
 Sections 15 through 22: A11
 Sections 28 through 30: A11

Unit Name SALT LAKE SOUTH UNIT (EXPLORATORY)
 Operator SKELLY OIL COMPANY
 County LEA

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
14	L-3879-1	C.S.	16	21S	32E	A11	1-17-74	640.00		J. C. Barnes



State of New Mexico



Commissioner of Public Lands

Aug. 25, 1975

PHIL R. LUCERO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Shell Oil Company
P. O. Box 1151
Midland, Texas 79701

Re: Salt Lake South Unit
TERMINATION
Las Alamos, New Mexico

ATTENTION: Mr. William Crowder

Gentlemen:

Our records reflect that your second test well on the Salt Lake South Unit was to be commenced June 18, 1975. Inasmuch as the second unit test well was not commenced, the Salt Lake South unit agreement has been terminated by the Commissioner of Public Lands effective as of June 18, 1975.

The United States Geological Survey advised you of the termination June 19, 1975.

Please advise all interested parties of this action.

Very truly yours,

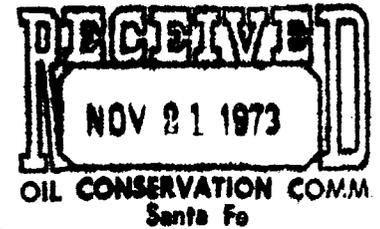
PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s

cc: USGS-Koswell, New Mexico
OCC- Santa Fe, New Mexico ✓

WHITE,
KOCH, KELLY
&
McCARTHY



November 20, 1973

New Mexico Oil Conservation Commission
State Land Office
Santa Fe, New Mexico 87501

Re: Applications of Skelly Oil Company for

- (a) Approval of the Salt Lake South Unit Agreement, Lea County, New Mexico
- (b) An Order Authorizing a Waterflood Project in the Grayburg-Jackson Pool by Injection Into its Lea "C" Lease Well Nos. 4, 7 and 9, Located in Section 11, Township 17 South, Range 31 East, Eddy County, New Mexico
- (c) An Order Authorizing the Drilling of Two Wells at Unorthodox Locations in the Grayburg-Jackson Skelly Unit Waterflood Project, Eddy County, New Mexico
- (d) An Order Authorizing a Waterflood Project in the Fren Seven-Rivers Pool Underlying the Skelly Unit Area, Eddy County, New Mexico

Gentlemen:

I have enclosed an original entry of appearance in each of the above captioned matters on behalf of Skelly Oil Company.

Sincerely,

A handwritten signature in cursive script that reads "L. C. White".

L. C. White

LCW:m
enclosure as indicated

*L.C. White
Sumner S. Koch
William Booker Kelly
John F. McCarthy, Jr.
Kenneth Bateman
Benjamin Phillips
Ronald M. Friedman*

Attorneys and Counselors at Law



BEFORE THE NEW MEXICO
OIL CONSERVATION COMMISSION

APPLICATION OF SKELLY OIL COMPANY
FOR APPROVAL OF THE SALT LAKE SOUTH
UNIT AGREEMENT, LEA COUNTY, NEW
MEXICO

ENTRY OF APPEARANCE

Comes now L. C. White, of White, Koch, Kelly & McCarthy, P. O.
Box 787, Santa Fe, New Mexico, and herewith enters their
appearance as local counsel for and on behalf of the applicant
Skelly Oil Company in the above entitled matter.

WHITE, KOCH, KELLY & MCCARTHY

By L.C. White