

Gulf Oil Exploration and Production Company

L. A. Turner
GENERAL MANAGER - WESTERN DIVISION
U. S. PRODUCTION OPERATIONS

January 16, 1984

P. O. Drawer 1150
Midland, TX 79702

SP-2 - Data File

Working Interest Owners
South Penrose Skelly Unit

Re: Termination of Unit Operations

Gentlemen:

As required under Section 21 of the Unit Agreement, we have received approval from 82.350% of the Working Interest Ownership to terminate the Unit. The attached tabulation shows a breakdown of the voting on our October 7, 1983 ballot.

We are in the process of obtaining the approval of the New Mexico State Land Commissioner and the District Director of the United States Bureau of Land Management as required by the Unit Agreement. The effective date of termination will be the first day of the month after we obtain these approvals.

The remaining unsold Unit production will be gauged the morning of the effective date of termination. According to the Unit Agreement, we will have a period of six months after termination to "salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with Unit Operations". You will be receiving additional correspondence in the near future from our Northwest Area Production office in Hobbs regarding your election to take back wells and purchase salvageable equipment. If you have not already done so, you should begin making plans to keep your individual leases in force following termination of Unit Operations.

Please feel free to contact Mr. R. C. Anderson, Northwest Area Production Manager, in Hobbs (AC 505-393-4121) if you have questions regarding well status, equipment, witnessing the final tank gauge etc.

Yours very truly,



L. A. TURNER

DTB:ac

cc: Mr. R. C. Anderson
P. O. Box 670
Hobbs, New Mexico 88240

BLISS PETROLEUM, INC.
Case No. 8773
4/2/86 Examiner Hearing
Exhibit No. 7



SOUTH PENROSE SKELLY UNIT
TERMINATION OF UNIT BALLOT
10-7-83

<u>Company</u>	<u>W. I.</u> <u>Percent</u>	Approve Termination	
		<u>Yes</u>	<u>No</u>
Hanson Oil Corp.	0.11520	X	
Marathon Oil Co.	2.15600	X	
Dallas McCasland Pro.	0.62060	X	
Douglas L. Cone	0.00260	X	
Gulf Oil Corp.	15.92130	X	
Bliss Petroleum, Inc.	23.72630	X	
Sun E&P Co.	0.58190	X	
Robert N. Haynes	1.59100		X
Shell Oil Co.	9.57750	X	
Conoco Inc.	1.76390	X	
Hanagan & Hanagan	0.25240	X	
The Wiser Oil Co.	3.25850	X	
Texaco Inc.	7.67230	X	
Kenneth G. Cone	0.00260	X	
ARCO Oil & Gas Co.	7.43020	X	
Brown Donaldson Trusts	0.52280	X	
Chevron USA Inc.	1.76380	X	
Thomas R. Cone	0.00260	X	
Amerada Hess Corp.	5.93190	X	
Sohio Petroleum Co.	1.04570	X	
Cathie Auvenshine	0.00260	X	
TOTALS		82.3507	1.5910

Note: Ballots were not returned by 16.0583% Working Interest Ownership.