



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

NOV 15 1967

Tamarack Petroleum Company, Inc.
910 Bank of the Southwest Building
Midland, Texas 79701

Attention: Mr. Albert G. Metcalfe

Gentlemen:

Your application of September 16 filed with the Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of the South Pearl Queen unit encompassing 1,520 acres in Lea County, New Mexico, as logically subject to unit operations under the unitization provisions of the Mineral Leasing Act, as amended. Our records show the proposed unit area embraces 1,522.71 acres, containing 1,320.77 acres (86.8 percent) of Federal lands and 201.94 acres (13.2 percent) of fee lands. Please recheck and correct your acreage figures, if appropriate.

Unitization is for the purpose of conducting secondary recovery operations by waterflooding and will be limited to the Queen formation as defined in Section 2(f) of the unit agreement. The unit area has been developed by 28 wells completed in the formation to be unitized. Phase I participation is based 100 percent on current production for the period from January 1, 1967, to July 1, 1967. Phase II participation is based 75 percent on reservoir volume and 25 percent on cumulative production. You estimate the waterflood project will result in the recovery of 1,614,525 barrels of oil over and above that recoverable by primary methods.

The land outlined on your plat marked "Exhibit A, South Pearl Queen Unit, Lea County, New Mexico," is acceptable as a logical unit area for secondary recovery operations. Your proposed form of unit agreement which modifies the standard form (1961 reprint) to the extent necessary to cover conditions incidental to secondary recovery operation of a producing unit will be acceptable if further modified as

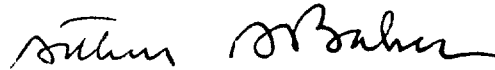
Case 77307-575

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marked on the attached form. One copy of the marked form is returned herewith and the remaining copies are retained for distribution to the appropriate offices of the Geological Survey.

In the absence of any type of land requiring special provisions or any other objections not now apparent, a duly executed agreement conformed to the marked copy will be approved if submitted in approvable status within a reasonable period of time. However, the right is reserved to deny approval of any executed agreement that, in our opinion, does not have the full commitment of sufficient lands to afford effective control of secondary recovery operations. Please include the latest status of all acreage when the executed agreement is submitted for final approval.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Arthur O. Bahner".

Acting Director