



8681

State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

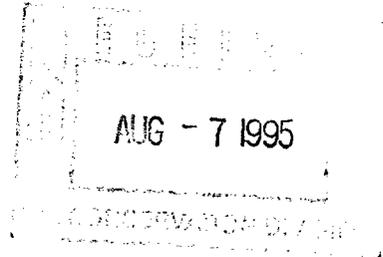
SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 4, 1995

Manzano Oil Corporation
P. O. Box 2107
Roswell, New Mexico 88202-2107



Attn: Mr. Ken Barbe

Re: Termination Notice
Airstrip Northwest Deep Unit
Expiration of Lease No. LG-2869-1
Lea County, New Mexico

Dear Mr. Barbe:

A review of the Airstrip Northwest Deep Unit Agreement, Lea County, New Mexico reveals the following:

1. The Unit Agreement was approved effective June 30, 1985.
2. The current operator of record for the above mentioned unit is Manzano Oil Corporation.
3. The Airstrip Northwest Deep Unit Well No. 1-B, Sec. 20-18S-34E, was plugged and abandoned on December 13, 1994.
4. Article 17. EFFECTIVE DATE AND TERM, of the unit agreement provides that "this agreement shall remain in effect so long as unitized substances are being produced in paying quantities from the unitized land".
5. Our records reflect that there has been no further drilling or re-working activity within the contracted boundaries of the Airstrip Northwest Deep Unit area.

Manzano Oil Corp.
Termination - Airstrip Northwest Deep Unit
August 4, 1995
Page 2

In view of the above, please be advised that the Airstrip Northwest Deep Unit Agreement is hereby terminated effective December 13, 1994 being the date the Airstrip Northwest Deep Unit Well No. 1-B, Sec. 20-18S-34E, was plugged and abandoned.

In addition, please also be advised that State of New Mexico Oil and Gas Lease No. LG-2869-1, NW/4NE/4 Sec. 20-18S-34E, containing 40.00 acres has expired by its own terms as a result of the Airstrip Northwest Deep Unit termination.

Please advise all interested parties of this action.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Deputy Director
Oil, Gas and Minerals Division
(505) 827-5745
RP/JB/pm

cc: Reader File
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Santa Fe Attn: Mr. Mike Holden
LG-2869-1
Mobil Producing Texas & NM Inc. Attn: Land Department

LANDS DIVISION



1995 AUG 13 52

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

RAY POWELL, M.S., D.V.M.
COMMISSIONER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 4, 1995

Manzano Oil Corporation
P. O. Box 2107
Roswell, New Mexico 88202-2107

Attn: Mr. Ken Barbe

Re: Termination Notice
Airstrip Northwest Deep Unit
Expiration of Lease No. LG-2869-1
Lea County, New Mexico

Dear Mr. Barbe:

A review of the Airstrip Northwest Deep Unit Agreement, Lea County, New Mexico reveals the following:

1. The Unit Agreement was approved effective June 30, 1985.
2. The current operator of record for the above mentioned unit is Manzano Oil Corporation.
3. The Airstrip Northwest Deep Unit Well No. 1-B, Sec. 20-18S-34E, was plugged and abandoned on December 13, 1994.
4. Article 17. EFFECTIVE DATE AND TERM, of the unit agreement provides that "this agreement shall remain in effect so long as unitized substances are being produced in paying quantities from the unitized land".
5. Our records reflect that there has been no further drilling or re-working activity within the contracted boundaries of the Airstrip Northwest Deep Unit area.

Manzano Oil Corp.
Termination - Airstrip Northwest Deep Unit
August 4, 1995
Page 2

In view of the above, please be advised that the Airstrip Northwest Deep Unit Agreement is hereby terminated effective December 13, 1994 being the date the Airstrip Northwest Deep Unit Well No. 1-B, Sec. 20-18S-34E, was plugged and abandoned.

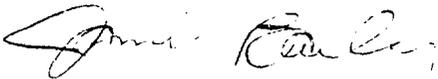
In addition, please also be advised that State of New Mexico Oil and Gas Lease No. LG-2869-1, NW/4NE/4 Sec. 20-18S-34E, containing 40.00 acres has expired by its own terms as a result of the Airstrip Northwest Deep Unit termination.

Please advise all interested parties of this action.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Deputy Director
Oil, Gas and Minerals Division
(505) 827-5745

RP/JB/pm

cc: Reader File
OCD-Santa Fe Attn: Mr. Roy Johnson
TRD-Santa Fe Attn: Mr. Mike Holden
LG-2869-1
Mobil Producing Texas & NM Inc. Attn: Land Department

Unit Name AIRSTRIP NORTHWEST DEEP UNIT
 Operator Manzano Oil Corporation
 County Lea

Report to Dept.

~~ELIMINATED~~
 EFFECTIVE DATE 9-1-90

DATE APPROVED	OCC CASE NO. 8681 OCC ORDER NO. R-8035	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	MINIMUM FEE	SEGREGATION CLAUSE	TERM
9/24/85		June 30, 1985	640.00	320.00	-0-	320.00	STRICT	5 years and so long as
		<i>Average following construction</i>	<i>40.00</i>	<i>40.00</i>	<i>-0-</i>	<i>-0-</i>		

UNIT AREA

All: Sec. 20 Township 18 South, Range 34 East, N.M.P.M

L A-D-S REMAINDER

NEW NE 4 Sec. 20-185-34E

~~ELIMINATED~~
 EFFECTIVE DATE 1-1-90
7/20/85 6/11/83

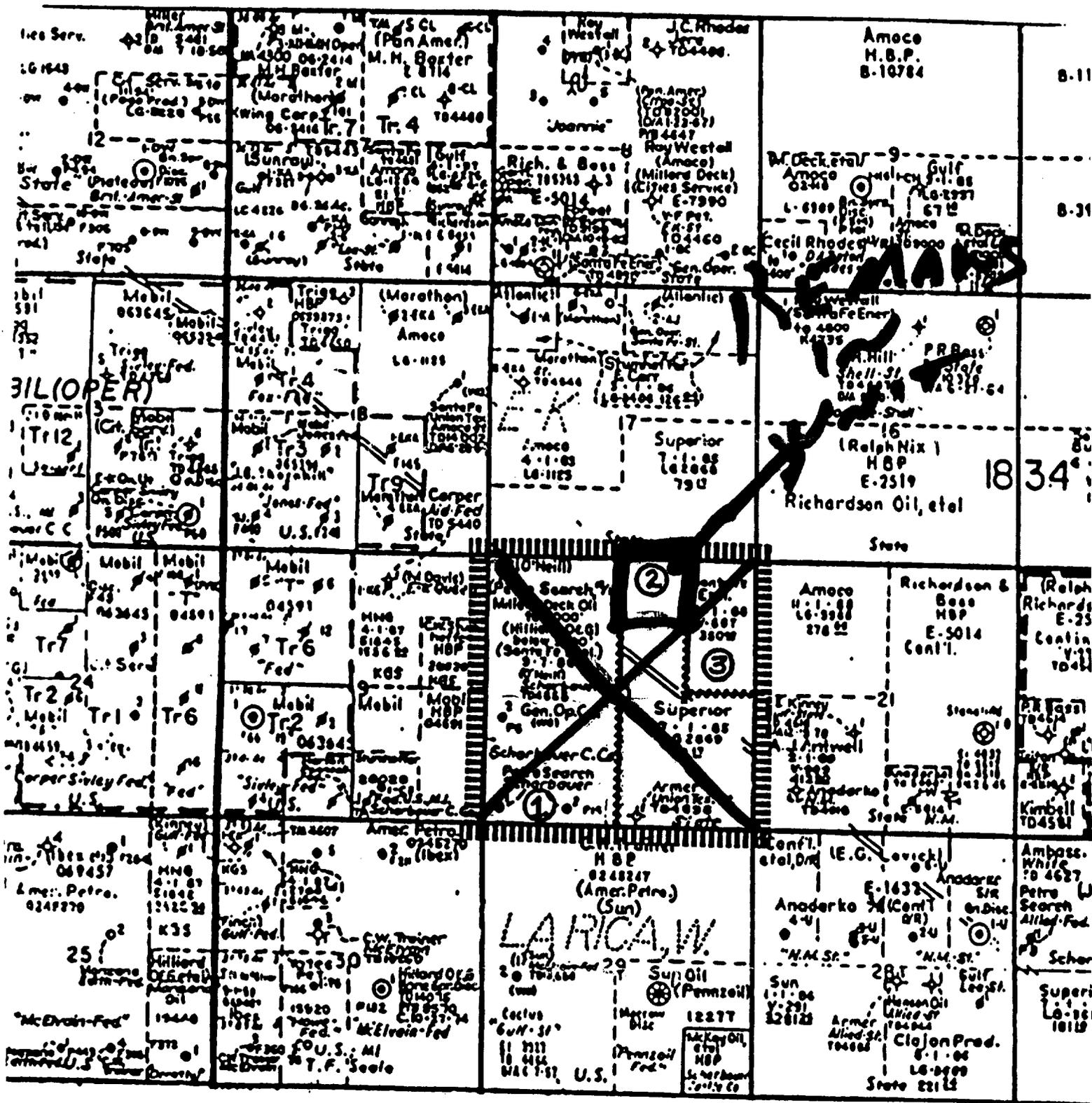
TERMINATED
 EFFECTIVE DATE 12-13-94
 APPROVAL DATE 8-4-95

Unit Name ATRSTRIP NORTHWEST DEEP UNIT
 Operator Manzano Oil Corporation
 County LEA

STATE	LEASE NO.	INSTITUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
2.	IG-2869	C. S.	20	18S	34E	<u>NE 4</u> (3/4) <u>W 2NE 4 SE 4</u>	8/27/85	<u>48.00</u>	<u>240.00</u>	The Superior Oil Co.
2.	IG-2869	C. S.	20	18S	34E	NE 4	8/27/85	48.00	240.00	The Superior Oil Co.
	<u>W-687</u>	<u>C. S.</u>	<u>20</u>	<u>18S</u>	<u>34E</u>	<u>E/2NE 4</u>	<u>8/27/85</u>	<u>89.00</u>		<u>Santa Fe Exploration</u>

~~Produced in accordance with the lease agreement dated 6/13/93~~

TERMINATED
 EFFECTIVE DATE 12-13-94
 APPROVAL DATE 8-4-95



UNIT OPERATOR:
 MANZANO OIL CORPORATION
 P.O. Box 571, Roswell, NM 88202
 505/623-1996

TERMINATED
 EFFECTIVE DATE 12-13-94
 APPROVAL DATE 8-4-95

Unit Acreage Boundary
 Tract Boundaries
 Tract Numbers

State of New Mexico

#8681



JIM BACA
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

July 8, 1986

Manzano Oil Corporation
ATTENTION: Ms. Jackie Midkiff
P. O. Box 571
Roswell, New Mexico 88201

Re: 1986-1987 Plan of Development
Airstrip Northwest Deep Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your Plan of Development covering the period of July 1, 1986 to July 1, 1987 for the Airstrip Northwest Deep Unit Area, Lea County, New Mexico. Such plan calls for the drilling of no wells but will evaluate the unit area for further development in December.

Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

JB/FOP/pm
encls.
cc: OCD-Santa Fe, New Mexico

State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1149
SANTA FE, NEW MEXICO 87504-1148

July 7, 1986

Manzano Oil Corporation
ATTENTION: Ms. Jackie Midkiff
P. O. Box 571
Roswell, New Mexico 88201

Re: Airstrip Northwest Deep Unit
All Sec. 20-18S-34E
Lea County, New Mexico

Gentlemen:

This office is in receipt of your letter of June 27, 1986 wherein, as unit operator of the Airstrip Northwest Deep Unit area you have determined that the Unit Well No. 1, located 660 FNL and 1980 FEL of Section 20, Township 18 South, Range 34 East is capable of producing unitized substances in paying quantities from the Wolfcamp formation.

According to the data submitted, the Commissioner of Public Lands concurs with your determination. You are also granted a three months extension from July 1, 1986 to submit your 1986 Plan of Development.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

JB/FOP/pm
cc: OCD-Santa Fe, New Mexico



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

July 22, 1986

50 YEARS



1935 - 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Manzano Oil Corporation
P. O. Box 571
Roswell, New Mexico 88201

Attention: Ms. Jackie Midkiff

Re: Airstrip Northwest Deep Unit
All Section 20, T-18-S, R-34-E
Lea County, New Mexico

Gentlemen:

The above-referenced submittal has been approved by the
New Mexico Oil Conservation Division effective this
date.

Sincerely,

ROY E. JOHNSON,
Senior Petroleum Geologist

REJ/dr

cc: Commissioner of Public Lands - Santa Fe
Bureau of Land Management - Albuquerque



Manzano Oil Corporation

P.O. Box 571
Roswell, New Mexico 88201
(505) 623-1996

July 15, 1986

JUL 18 1986

New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87501

Attention: Mr. Roy Johnson

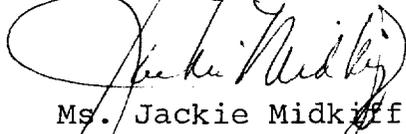
Re: Airstrip Northwest Deep Unit
All Section 20, T18S, R34E
Lea County, New Mexico

Gentlemen:

Please find enclosed a copy of a "Status of Development" report on the captioned unit for your approval. Also enclosed is a copy of this report which has been approved as indicated by the copy of the enclosed letter dated July 8, 1986.

Thanks and if you need additional information please advise.

Sincerely,



Ms. Jackie Midkiff

jam
encl.



Manzano Oil Corporation

P.O. Box 571
Roswell, New Mexico 88201
(505) 623-1996

STATUS OF DEVELOPMENT

Airstrip Northwest Deep Unit
All Section 20, T18S, R34E
Lea County, New Mexico

June 30, 1986

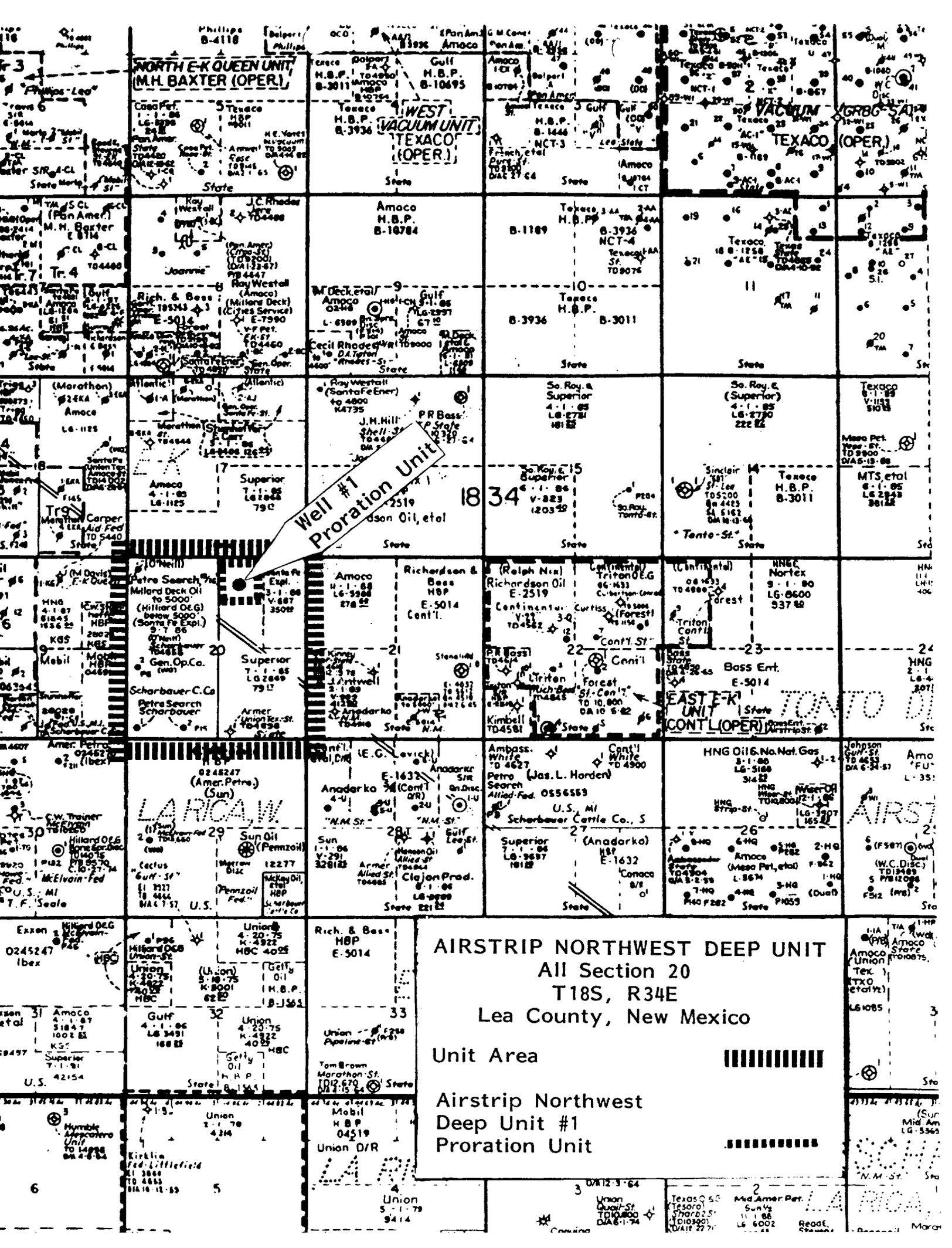
Manzano Oil Corporation as Operator of the Airstrip Northwest Deep Unit drilled and completed the Airstrip Northwest Deep Unit #1 well located 660' FNL and 1980' FEL of Section 20, T18S, R34E, Lea County, New Mexico. The well was completed on December 31, 1985 and produces from the Lower Wolfcamp formation through perforations from 11,420' to 11,440'. This well was drilled to a total depth of 13,850' and the Morrow formation was logged, evaluated and determined to be dry. The well was therefore plugged back to a total depth of 11,569'. The first sale of oil from this well was December 17, 1985. The following is a summary of the applicable monthly operational expenses and income for the months of April and May, 1986:

	Gross Income	Production Taxes	Operational Expenses
April, 1986	\$22,401	\$1,255	\$1,300
May, 1986	\$15,069	\$1,220	\$1,300

We request this well be considered a commercially productive well as required under the Unit Agreement.

As to the plan of development for the next twelve months on this unit, we have contacted all owners under the unit and they are in agreement with our determination it would be uneconomical to drill another well at this time because of the price of oil. Therefore, based upon the present economical situation, it is our intention to evaluate the economics of development on this unit in the month of December, 1986 and upon request this information will be furnished the Office of Commissioner of Public Lands for the State of New Mexico.

This report is respectfully submitted to the Office of the Commissioner of Public Lands, State of New Mexico at P.O. Box 1148, Santa Fe, New Mexico 87504-1148 this date.



NORTH-E-K QUEEN UNIT
(M.H. BAXTER (OPER.))

WEST VACUUM UNIT
(TEXACO (OPER.))

VACUUM (GRBG SA)
(OPER.)

Well #1
Proration Unit

EAST-E-K UNIT
(CONT'L (OPER.))

AIRSTRIPE NORTHWEST DEEP UNIT
All Section 20
T18S, R34E
Lea County, New Mexico

Unit Area
Airstrip Northwest
Deep Unit #1
Proration Unit

AIRST

LA RICA

State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

July 8, 1986

Manzano Oil Corporation
ATTENTION: Ms. Jackie Midkiff
P. O. Box 571
Roswell, New Mexico 88201

Re: 1986-1987 Plan of Development
Airstrip Northwest Deep Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your Plan of Development covering the period of July 1, 1986 to July 1, 1987 for the Airstrip Northwest Deep Unit Area, Lea County, New Mexico. Such plan calls for the drilling of no wells but will evaluate the unit area for further development in December.

Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

JB/FOP/pm
encls.
cc: OCD-Santa Fe, New Mexico



Manzano Oil Corporation

P.O. Box 571
Roswell, New Mexico 88201
(505) 623-1996

STATUS OF DEVELOPMENT

Airstrip Northwest Deep Unit
All Section 20, T18S, R34E
Lea County, New Mexico

June 30, 1986

Manzano Oil Corporation as Operator of the Airstrip Northwest Deep Unit drilled and completed the Airstrip Northwest Deep Unit #1 well located 660' FNL and 1980' FEL of Section 20, T18S, R34E, Lea County, New Mexico. The well was completed on December 31, 1985 and produces from the Lower Wolfcamp formation through perforations from 11,420' to 11,440'. This well was drilled to a total depth of 13,850' and the Morrow formation was logged, evaluated and determined to be dry. The well was therefore plugged back to a total depth of 11,569'. The first sale of oil from this well was December 17, 1985. The following is a summary of the applicable monthly operational expenses and income for the months of April and May, 1986:

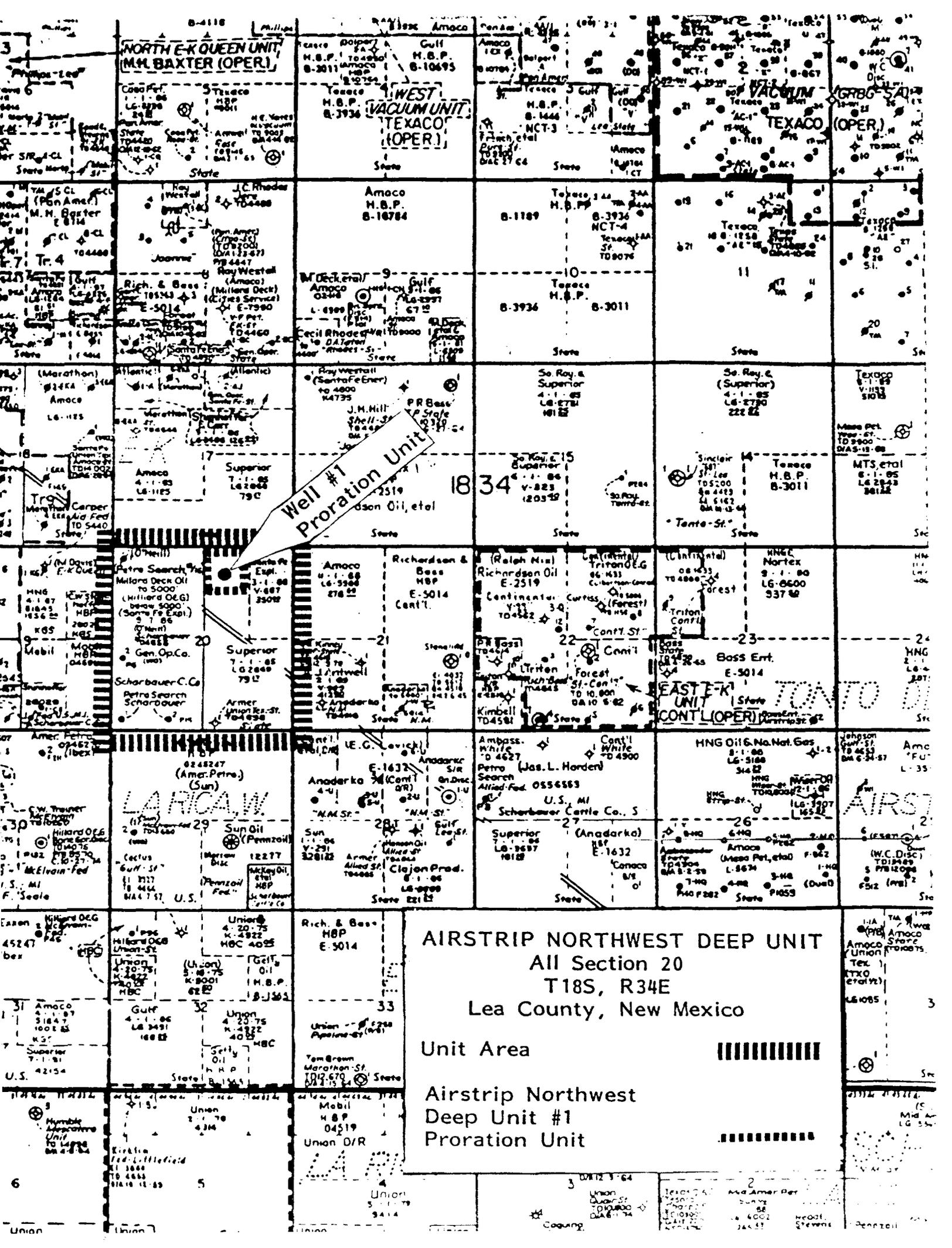
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We request this well be considered a commercially productive well as required under the Unit Agreement.

As to the plan of development for the next twelve months on this unit, we have contacted all owners under the unit and they are in agreement with our determination it would be uneconomical to drill another well at this time because of the price of oil. Therefore, based upon the present economical situation, it is our intention to evaluate the economics of development on this unit in the month of December, 1986 and upon request this information will be furnished the Office of Commissioner of Public Lands for the State of New Mexico.

This report is respectfully submitted to the Office of the Commissioner of Public Lands, State of New Mexico at P.O. Box 1148, Santa Fe, New Mexico 87504-1148 this date.

Approved..... 7/8/86
Jim Baca
COMMISSIONER OF PUBLIC LANDS



NORTH E-K QUEEN UNIT
M.H. BAXTER (OPER.)

WEST VACUUM UNIT
TEXACO (OPER.)

GRB5 UNIT
TEXACO (OPER.)

Well #1 Proration Unit

AIRSTRIp NORTHWEST DEEP UNIT
 All Section 20
 T18S, R34E
 Lea County, New Mexico

Unit Area

Airstrip Northwest Deep Unit #1 Proration Unit

LARICAW

AIRST

Union
 4-20-75
 HBC 4025

Rich. & Bass
 HBP
 E-5014

Gulf
 4-11-06
 LB 3491
 1682

Union
 4-24-75
 HBC 4022

Union
 1-1-76
 4314

Mobil
 HBP
 04519
 Union O/R

Union
 1-1-76
 4314

Union
 5-1-79
 9414

Union
 04519
 O/R

Union
 04519
 O/R

Union
 04519
 O/R

06A

Unit Name AIRSTRIP NORTHWEST DEEP UNIT
 Operator Manzano Oil Corporation
 County Lea

DATE	OCC CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	XXXXXXXX-FEE	SEGREGATION CLAUSE	TERM
APPROVED	8681 OCC ORDER NO. R-8035							
9/24/85		June 30, 1985	640.00	320.00	-0-	320.00	STRICT	5 years and so long as
9/27/85								

UNIT AREA

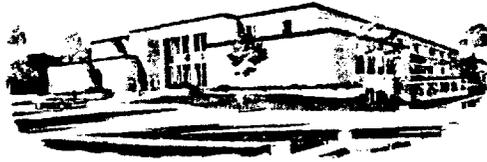
All: Sec. 20 Township 18 South, Range 34 East, N.M.P.M

Unit Name AIRSTRIP NORTHWEST DEPP UNIT
 Operator Manzano Oil Corporation
 County LEA

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
2.	LG-2869	C. S.	20	18S	34E	W/2NE/4,SE/4	8/27/85	240.00		The Superior Oil Co.
3.	V-687	C. S.	20	18S	34E	E/2NE/4	8/27/85	80.00		Santa Fe Exploration Co.

State of New Mexico

#8681



Commissioner of Public Lands

September 24, 1985

JIM BACA
COMMISSIONER

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Used
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Padilla & Snyder
P. O. Box 2523
Santa Fe, New Mexico 87504

Re: Airstrip Northwest Deep unit
Lea County, New Mexico

ATTENTION: Mr. Ernest L. Padilla

Gentlemtn:

The Commissioner of Public Lands has this date approved the Airstrip Northwest Deep Unit Agreement, Lea County, New Mexico which you have submitted on behalf of Manzano Oil Corporation as Unit Operator. Our approval is given with the understanding that you provide us with the New Mexico Oil Conservation Division Order for Case No. 8681 within thirty days from the date of this letter or our Certificates of Approval will be declared Null and Void. Upon subsequent favorable approval by the New Mexico Oil Conservation Division this agreement will be effective as of June 30, 1985.

Our records indicate that the Santa Fe Exploration Com Well No. 1 is being drilled in the NW/4NE/4 of Section 20-18S-34E. Please note that if this is to be considered as the initial test well on this unit, the name should be changed to the Airstrip Northwest Deep Unit Well No. 1. This name change may be done by submitting NMOCD Form C-104 to this office and the New Mexico Oil Conservation Division.

Enclosed are Five (5) Certificates of Approval.

Your filing fee in the amount of Thirty (\$30.00) Dollars has been received.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico

State of New Mexico



Commissioner of Public Lands

August 27, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

JIM BACA
COMMISSIONER

Ernest L. Padilla
P. O. Box 2253
Santa Fe, New Mexico 87501

Re: Proposed Airstrip Northwest Deep Unit
Lea County, New Mexico

Dear Ernest:

This office has reviewed the unexecuted copy of unit agreement for the proposed Airstrip Northwest Deep Unit Agreement, which you have submitted on behalf of Manzano Oil Corporation as Operator, Lea County, New Mexico. This proposed agreement meets the general requirements of the Commissioner of Public Lands and has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short terms leases, until final approval and an effective date have been given. Also, any well commenced prior to the effective date of this agreement which penetrates its objective horizon prior to said effective date shall not be construed as the initial test well.

When submitting your agreement for final approval, please submit the following.

1. On Exhibit "B" Tract No. 3, the expiration date of Lease No. V-687 should be March 1, 1988.
2. Application for formal approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged before a notary and one set must contain original signatures.

Your filing fee in the amount of Thirty Dollars has been received.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director Oil and Gas Division
AC 505/827-5744



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

JIM BACA
COMMISSIONER

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

REGISTERED MAIL RETURN RECEIPT REQUESTED

May 10, 1993

Manzano Oil Corporation
P. O. Box 571
Roswell, New Mexico 88201

Attn: Mr. Ken Barbe

Re: Automatic Elimination
Airstrip Northwest Deep Unit
Lea County, New Mexico

Dear Mr. Barbe:

Pursuant to Section 9 of the Airstrip Northwest Deep Unit Agreement, please be advised that the Airstrip Northwest Deep Unit area should have been contracted effective July 1, 1990. The acreage excluded from the unit is the E/2NE/4, SW/4NE/4, NW/4, S/2 of Section 20, Township 18 South, Range 34 East, containing 600.00 Acres.

A review of the Airstrip Northwest Deep Unit records reflects the following:

1. The Effective date of the unit agreement was June 30, 1985.
2. There has been one unit well drilled since the effective date. The initial test well, the Airstrip Northwest Deep Unit Well No. 1, located 660' FNL and 1980' FEL of Section 20-18S-34E, was completed on December 31, 1985 and produces from the EK-Wolfcamp pool.
3. The spacing or proration unit as set by the New Mexico Oil Conservation Division for this well is 40.00 acres.
4. The automatic elimination effective date is July 1, 1990. The last paragraph of Section 9 of the unit agreement is commonly referred to as the automatic elimination clause and provides for the following:

Notwithstanding any of the provisions of this Agreement to the contrary, all undeveloped regular well spacing or proration unit tracts within the unit boundaries embracing lands of the State of New Mexico shall be automatically eliminated from this Agreement and shall no longer be a part of the unit or be further subject to the terms of this Agreement unless at the expiration of five years (5) after the first day of the month following the effective date of this Agreement diligent drilling operations are in progress on said tracts.

6. The last paragraph of Section 13 has what is commonly referred to as a strict segregation clause and provides for the following:

Any lease embracing lands of the State of New Mexico of which only a portion is committed hereto shall be segregated as to the portion committed and as to the portion not committed and the terms of such leases shall apply separately as two separate leases as to such segregated portions, commencing as of the effective date hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced within the unitized area and committed to this agreement, in accordance with the terms of this agreement. If oil and gas, or either of them, are discovered and are being produced in paying quantities from some part of the lands embraced in such lease which part is committed to this agreement at the expiration of the secondary term of such lease, such production shall not be considered as production from lands embraced in such lease which are not within the unitized area, and which are not committed thereto, and drilling or reworking operations upon some part of the lands embraced within the unitized area and committed to this agreement shall be considered as drilling and reworking operations only as to lands embraced within the unit agreement and not as to lands embraced within the lease and not committed to this unit agreement; provided, however, as to any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto upon which oil and gas, or either of them, has been discovered is discovered upon that portion of such lands not committed to this agreement, and are being produced in paying quantities prior to the expiration of the primary term of such lease, such production in paying quantities shall serve to continue such lease in full force and effect in accordance with its terms as to all of the lands embraced in said lease.

Manzano Oil Corporation
May 10, 1993
Page 3

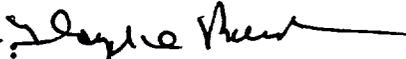
In view of the above please submit, within thirty (30) days, revised exhibits "A" and "B" describing the unit area following the contraction of the Airstrip Northwest Deep Unit Area. Because of the automatic elimination and the strict segregation clause only the NW/4NE/4 Sec. 20-18S-34E containing 40.00 acres remains in the unit. Please be advised that lease No. LG-2869 will be partially expired as to those lands outside of the unit area. In addition, since lease No. V-687 has no production it will also be expired.

Please advise all interested parties of this action.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm
encls.

cc: Reader File
OCD ✓
V-0687

Santa Fe Exploration Company
Attn: Land Department
P. O. Box 1136
Roswell, NM 88201

LG-2869
Mobil Exploration & Producing U.S. Inc.
as Agent for Mobil Producing Tx. & NM Inc.
Attn: Land Department
P. O. Box 633
Midland, Texas 79702



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

RAY B. POWELL
COMMISSIONER

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

REGISTERED MAIL - RETURN RECEIPT REQUESTED

June 17, 1993

Manzano Oil Corporation
P. O. Box 571
Roswell, New Mexico 88201

Attn: Mr. Ken Barbe

Re: Automatic Elimination
Airstrip Northwest Deep Unit
Lea County, New Mexico

Dear Mr. Barbe:

Reference is made to our letter of May 10, 1993, wherein you were notified that because of the automatic elimination and the strict segregation clause in the above referenced unit, only the NW/4NE/4 of Section 20, Township 18 South, Range 34 East containing 40.00 acres remains in the Airstrip Northwest Deep Unit Area.

Please be advised that lease No. LG-2869 has been partially expired as to those lands outside of the unit area and since lease No. V-687 has no production the entire lease has been expired. The effective date of contraction is July 1, 1990 being five years following the effective date of the unit agreement.

Please adjust your records accordingly.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY B. POWELL
COMMISSIONER OF PUBLIC LANDS

BY: 

FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744

RBP/FOP/pm

cc: Reader File

Santa Fe Exploration Company (V-687)
Mobil Exploration & Producing U.S. Inc. (LG-2869-1)

Report to Depts.

Unit Name AIRSTRIP NORTHWEST DEEP UNIT
Operator Manzano Oil Corporation
County Lea

ELIMINATED
EFFECTIVE DATE... 7-1-90

DATE	OCC CASE NO. 8681	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	XXXXXXXX-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO. R-8035							
9/24/85		June 30, 1985	640.00	320.00	-0-	320.00	STRICT	5 years and so long as
9/27/85			40.00	40.00	-0-	-0-		

ACREAGE following Contract 40.00

UNIT AREA

All: Sec. 20 Township 18 South, Range 34 East, N.M.P.M

LADS REMAINING:

NW4 NE4 Sec. 20-18S-34E

ELIMINATED
EFFECTIVE DATE... 7-1-90

APR: 6/12/93

Unit Name AIRSTRIP NORTHWEST DEPP UNIT
 Operator Manzano Oil Corporation
 County LEA

STATE	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
2.	LG-2869	C. S.	20	18S	34E	W/2NE/4, SE/4 <u>NW/4 NE/4 (RAMMUS AIRSTRIP UNIT)</u>	8/27/85	240.00 <u>40.00</u>		The Superior Oil Co.
3.	V-687	C. S.	20	18S	34E	E/2NE/4	8/27/85	80.00		Santa Fe Exploration Co

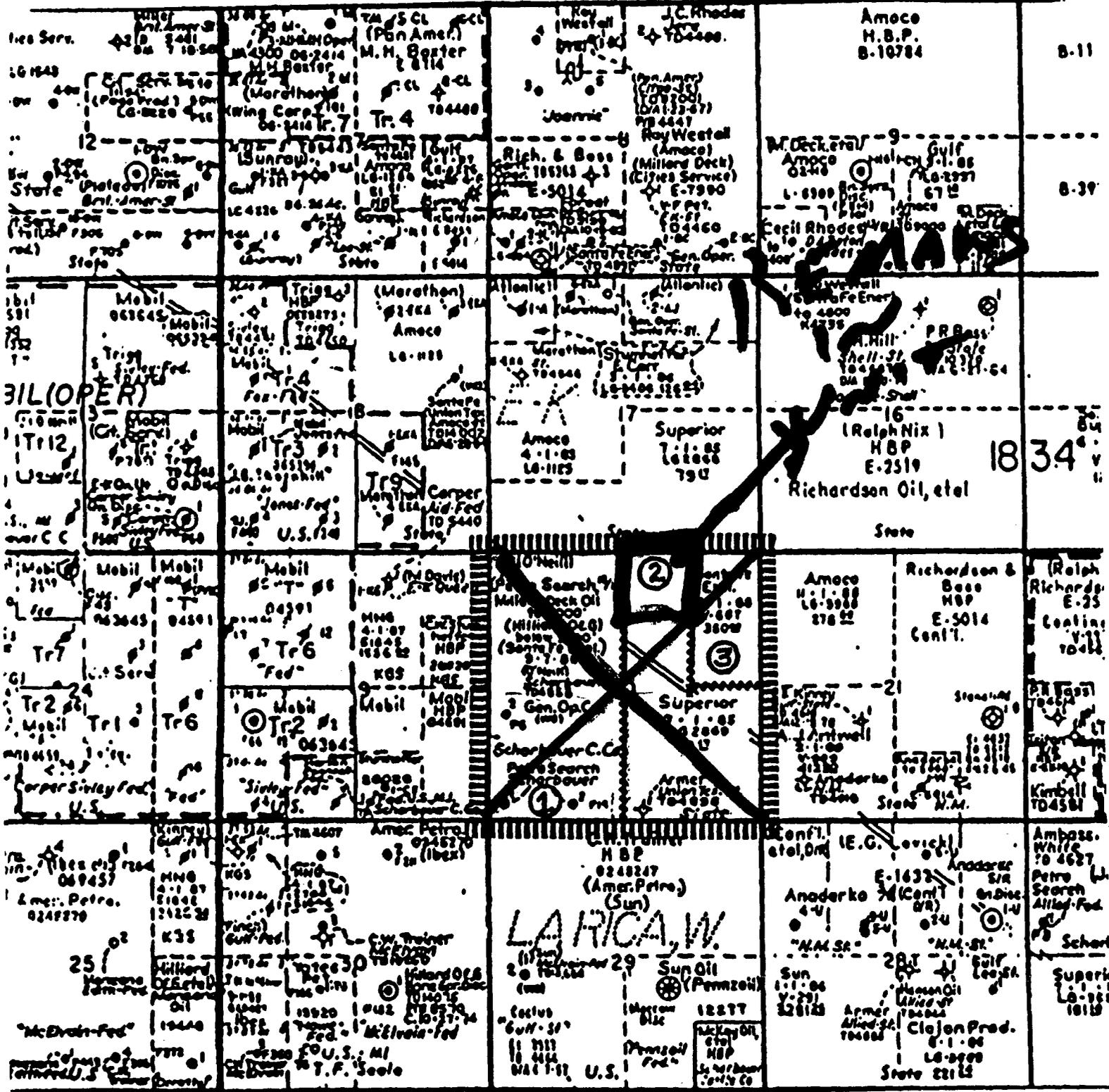
EXPIRES DATE 7-1-90

Page 6/17/93

EXHIBIT "A"

ELIMINATED
 7-1-90
 EFFECTIVE DATE.....

UNIT AGREEMENT
 FOR THE DEVELOPMENT AND OPERATION
 OF THE
 AIRSTRIP NORTHWEST DEEP UNIT AREA
 LEA COUNTY, NEW MEXICO



UNIT OPERATOR:

MANZANO OIL CORPORATION
 P.O. Box 571, Roswell, NM 88202
 505/623-1996

Unit Acreage Boundary

Tract Boundaries

Tract Numbers

