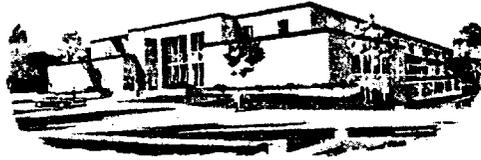


State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER

Commissioner of Public Lands

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

August 31, 1989

Murphy Operating Corporation  
P.O. Box 2648  
Roswell, New Mexico 88202-2648

ATTN: Ann Ezzell

RE: Proposed Jennifer Chaveroo San Andres Unit  
Roosevelt County, New Mexico

Gentlemen:

This office has reviewed the unexecuted copy of the unit agreement submitted for the proposed Jennifer Chaveroo San Andres Unit Area, Roosevelt County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands who 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 term leases until final approval and an effective date have been given.

When submitting your agreement for final approval, please include the following items:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and those that are not committed.
2. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.

3. Order of the New Mexico Oil Conservation Division. Our approval will be contingent upon subsequent favorable approval by the New Mexico Oil Conservation Division.

BEFORE EXAMINER ~~STOONER~~

Oil Conservation Division

Exhibit No. 6

Case No. 974219743

4. The filing fee. The filing fee for a Unit Agreement is thirty dollars (\$30.00) for every section or partial section thereof. Ten (10) sections or partial sections are included in the Unit Area. You have submitted \$30.00 of the required three hundred dollars (\$300.00). Please submit the remaining two hundred seventy dollars (\$270.00).
5. Please send an original and one copy of the final Unit Agreement and Unit Operating Agreement for our files.

We received a copy of the letter sent to you by the Bureau of Land Management designating the Unit Area as a logical Unit. Please be advised that our final approval will be subject to like approval by the Bureau of Land Management.

If we may be of further help, please do not hesitate to call Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *F. Coyde Man*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

cc: OCD - Santa Fe, NM  
BLM - Roswell, NM  
Unit Files



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Roswell District Office

P.O. Box 1397

Roswell, New Mexico 88202-1397



IN REPLY  
REFER TO:

Jennifer Chaveroo Unit  
3180 (065)

Murphy Operating Corporation  
P. O. Box 2648  
Roswell, New Mexico 88202-2648

APR 21 1989

Gentlemen:

Your application of July 18, 1989, filed with the BLM requests the designation of the Proposed Jennifer Chaveroo unit area, embracing 5,147.00 acres, more or less, in Roosevelt County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended for waterflood operations.

Pursuant to unit plan regulations 43 CFR 3180, the land requested as outlined on your plat marked "Murphy Operating Corporation, Proposed Jennifer Chaveroo Unit, Roosevelt, County, New Mexico", is hereby designated as a logical unit area for the San Andres Formation, 4,116 - 4,424 feet as measured on the Compensated Formation Density Log Run in the Murphy Operating Corporation Hobbs "W" Well No. 2.

Your proposed use of the Form of Agreement for Secondary/Enhanced Recovery Areas as submitted for preliminary review will be accepted with the modifications requested in your application.

If conditions are such that further modification of said form is deemed necessary, three copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any other type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreements submitted which, in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the BLM for approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the exhibits attached to the aforementioned form.

BEFORE EXAMINER STOGNER

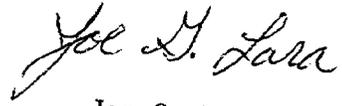
Oil Conservation Division

Exhibit No. 7

Case No. 9742 & 9743

Inasmuch as this unit agreement involves State land, we are sending a copy of this letter to the Commissioner of Public Lands.

Sincerely,

A handwritten signature in cursive script that reads "Joe G. Lara".

Joe G. Lara  
Assistant District Manager,  
Minerals