



JIM BACA  
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

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

August 20, 1992

Siete Oil and Gas Corporation  
P. O. Box 2523  
Roswell, New Mexico 88202

Attn: Mr. Robert Lee

Re: Proposed Parkway Delaware Unit  
Eddy County, New Mexico

Dear Mr. Lee:

This office has reviewed the additional data submitted with your letter of August 13, 1992 and the unexecuted copy of unit agreement for the proposed Parkway Delaware Unit, Eddy County, New Mexico. This 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 term leases until final approval and an effective date are given.

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

1. Final approval will be conditional upon our understanding that no fresh water will be used in this operation. (water containing 10,000 milligrams per liter or less of total dissolved solids).
2. Initial Plan of Operation.
3. Re-Designation of well names and numbers.
4. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
5. All ratifications from Lessees of Record and Working Interest Owners. All signatures should be acknowledged before a Notary. One set must contain original signatures.

BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION  
SIETE OIL & GAS CORP. EXHIBIT NO. 4  
CASE NO. 10618 and 10619

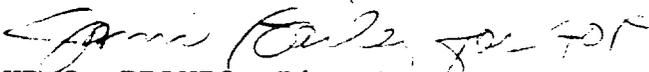
Siete Oil and Gas Corporation  
Parkway Delaware Unit  
August 20, 1992  
Page 2

6. Certificate of Determination by the Bureau of Land Management.
7. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.
8. Two copies of the Unit Operating Agreement.
9. Two copies of the Unit Agreement including Exhibits "A", "B", and "C". The Exhibits as submitted in your preliminary draft will be acceptable.

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-Santa Fe  
BLM-Roswell Attn: Mr. Armando Lopez