



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

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

SANTA FE, NEW MEXICO 87504-1148

January 28, 1994

Rodey, Dickason, Sloan, Akin & Robb, P.A.
P.O. Box 1357
Santa Fe, New Mexico 87504-1357

Attn: Mr. Paul A. Cooter

Re: Request for Preliminary Approval
Caprock Maljamar Unit
Lea County, New Mexico

Dear Mr. Cooter:

This office has reviewed the unexecuted copy of unit agreement for the proposed Caprock Maljamar Unit, Lea County, New Mexico which you have submitted on behalf of Quality Production Company. 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.

According to your application, it is our understanding that the total makeup water requirements are estimated to be approximately 14 million barrels over the life of the project. Our preliminary approval is given with the condition that not more than 14 million barrels of fresh water makeup be used in the waterflood.

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. Application for final approval by the Commissioner identifying the tracts that have been committed and the tracts that have not been committed.
2. The filing fee in the amount of \$330.00. The filing fee for a unit agreement is thirty ~~BEFORE EXAMINER CARE~~ dollars for every section or partial section thereof.
3. Two copies of the Unit Agreement.

OIL CONSERVATION DIVISION	
EXHIBIT NO.	7
CASE NO.	10930

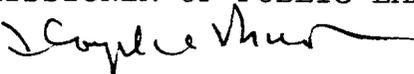
Rodey, Dickason, Sloan, Akin & Robb, P.A.
January 28, 1994
Page 2

4. Two sets of ratifications from Lessees of Record and Working Interest Owners. All signatures should be acknowledged before a notary. One set of ratifications must contain original signatures.
5. Initial Plan of Operation.
6. 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.
7. A copy of the Unit Operating Agreement.
8. A Certificate of Determination from the Bureau of Land Management.
9. On Exhibits "A" and "B" please identify the Lessee of Record for each tract.
10. Please date the unit agreement.
11. The termination of the Mal-Gra Unit pursuant to Article 22(c) of the unit agreement.

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

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

RBP/FOP/pm

cc: Reader File

BLM
OCD