

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



SLO REF NO. 06-515

Commissioner of Public Lands

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

October 22, 1987

Dickerson Fisk & Vandiver
ATTN: Mr. Chad Dickerson
Seventh & Mahone, Suite E
Artesia, New Mexico 88210

Re: Proposed Runyan Unit
Chaves County, New Mexico

Gentlemen:

This office has reviewed the unexecuted copy of unit agreement which you have submitted on behalf of Elk Oil Company, for the proposed Runyan Unit, Chaves 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 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. Application for formal approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been 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 conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.

ELK OIL COMPANY
Case No. 9243
11/04/87 Examiner Hearing
Exhibit No. 4

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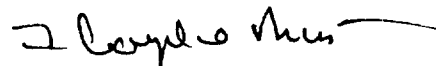
4. On Exhibit "A" Please renumber the tracts as shown in the enclosed copy. Please note that Exhibit "A" should reflect the tracts as revised in Exhibit "B".
5. On Exhibit "B", please list all state leases in chronological and numerical order first then list the Fee tract. All tracts should be renumbered as shown in the enclosed copy.
6. On Exhibit "B" on Revised Tract No. 6, (your tract No. 1.) on Lease No. V-235 the correct royalty rate should be 1/6th.
7. On Exhibit "B", please show the total acreage for State Lands and Fee lands as shown on your copy.

Your filing fee in the amount of \$180.00 has been received.

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

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 

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

WRH/FOP/pm
cc: DCD-Santa Fe, New Mexico
Gulram, Inc.