



United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

Phillips Petroleum Company
P. O. Box 791
Midland, Texas 79701

MAY 26 1970

Attention: Mr. Fred Forward

Gentlemen:

Your application filed with the Regional Oil and Gas Supervisor, Roswell, New Mexico, on April 3, 1970, requests the designation of the Plata Deep unit area embracing 5,600 acres, more or less, Lea County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to unit plan regulations of December 22, 1950, 30 CFR 226.3 (1968 reprint), the land requested as outlined on your plat marked "Exhibit A, Plata Deep Unit, Lea County, New Mexico," is hereby designated as a logical unit area.

The unit agreement submitted for the area designated should provide for the drilling of the initial exploratory well to test the Morrow formation of Pennsylvanian age, or to a depth of 13,000 feet. Your proposed use of the Form of Unit Agreement for Unproved Areas (1968 reprint) modified to the extent necessary to afford proper protection of potash deposits underlying the unit area; to limit unitization to those formations which are found below a depth of 100 feet above the top of the Delaware Mountain Group; and the insertion of language incidental to the inclusion of State of New Mexico lands within the unit area, will be acceptable, provided lines 27 and 28 of page 8, Section 9, are not modified as proposed in your application.

In the absence of any other type of land requiring special provisions or any objection not now apparent, a duly executed agreement identical to said form, modified only as indicated above and approved by the appropriate officials of the State of New Mexico, will be approved if submitted in approvable status within a reasonable time. However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
<i>Phillips</i> EXHIBIT NO. <u>7</u>
CASE NO. <u>4394</u>

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all acreage. The format of the sample exhibits attached to the 1968 reprint of the standard form should be followed closely in the preparation of Exhibits A and B.

As the unit area contains State of New Mexico lands, we are sending a copy of this letter to the Commissioner of Public Lands of the State of New Mexico in Santa Fe. Please contact the State of New Mexico before soliciting joinders, regardless of prior contacts with or clearances from the State.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "W. A. Hollister".

Acting Director