



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

AUG 29 1972

Chalfant, Magee & Hansen, Inc.
1004 Gihls Tower West
Midland, Texas 79701

Attention: Mr. John E. Hansen

Gentlemen:

Your application of July 21, 1972, filed with the Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of the Sitting Bull unit area embracing 6,964.54 acres, more or less, all of which is Federal land in Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

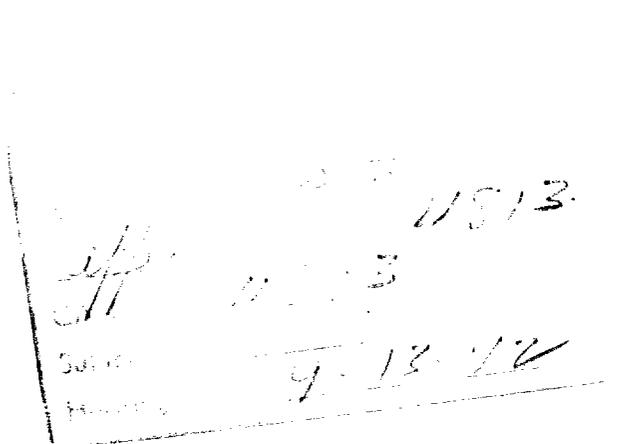
Pursuant to the unit plan regulations of December 22, 1950, 30 CFR 226.3, the land requested, as described on your plat marked "Exhibit A, Sitting Bull Unit, Eddy County, New Mexico," is hereby designated as a logical unit area.

As proposed by your application, the Federal Form of Unit Agreement for Unproved Areas (1968 reprint) should be used as modified by item 9 of your application to include the Forest Land Stipulation. Such agreement should further provide for the drilling of the initial exploratory well to test all formations of Pennsylvanian Age or to a depth of 6,300 feet. 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 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 land to afford effective control of unit operations.

When the agreement is transmitted to the Oil and Gas 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.

Sincerely yours,

Acting Director



Exh. b1 #5