



United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

BEFORE EXAMINER STAFFETS
OIL CONSERVATION COMMISSION

IN REPLY REFER TO: APPLICANTS EXHIBIT NO. 2

CASE NO. 5837, 5838, 5839

Submitted by J. Jumper

Hearing Date 1/19/77

DEC 8 1976



TransOcean Oil, Inc.
Attention: Mr. Donald G. Jumper
1700 First City East Building
1111 Farnin
Houston, Texas 77002

Gentlemen:

Your application of November 5, 1976 filed with the Assistant Area Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of the Omega unit area embracing 35,195.89 acres, more or less, Catron 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 30 CFR 226, the land requested as outlined on your plat marked "Exhibit 'A', Omega Unit" is hereby designated as a logical unit area.

The unit agreement submitted for the area designated should provide for a well to penetrate 30 feet into the basement complex or to a depth of 5,000 feet. Your proposed use of the Form of Agreement for Unproved Areas will be accepted with the modifications requested in your application provided it is further modified as follows:

Add the words "as amended after (30 F.R. 12319) in Section 26, Nondiscrimination.

If conditions are such that further modification of said standard form is deemed necessary, three copies of the proposed modifications with appropriate justification must be submitted to this office through the Oil and Gas Supervisor for preliminary approval.

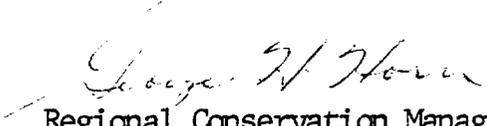
In the absence of any other type of land requiring special provisions or of any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice

is hereby given that the right is reserved to deny approval of any executed agreement submitted which, in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to Roswell, New Mexico, for the Supervisor's approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the 1968 reprint of the aforementioned form.

Inasmuch as this unit agreement involves State land, we are sending a copy of the letter to the Commissioner of Public Lands. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the State.

Sincerely yours,


Regional Conservation Manager
For the Director