

MONTGOMERY & ANDREWS

OF COUNSEL
William R. Federici

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

J. O. Seth (1883-1963)
A. K. Montgomery (1903-1987)
Frank Andrews (1914-1981)

Victor R. Ortega
Jeffrey R. Brannen
John B. Pound
Gary R. Kilpatric
Thomas W. Olson
William C. Madison
Walter J. Melendres
Bruce Herr
Robert P. Worcester
John B. Draper
Nancy Anderson King
Janet McL. McKay
Joseph E. Earnest
W. Perry Pearce
Sarah M. Singleton
Stephen S. Hamilton
Michael H. Harbour
Mack E. With
Katherine W. Hall
Robert J. Mroz
Richard L. Puglisi
Galen M. Buller

Edmund H. Kendrick
Jay R. Hone
Deborah J. Van Vleck
Gary P. Kaplan
Anne B. Hemenway
Deborah S. Dungan
Anne B. Tallmadge
Kenneth B. Baca
Robert A. Bassett
Susan Andrews
Paula G. Maynes
Neils L. Thompson
Nancy A. Taylor
Rod D. Baker
Sheila Scott Harris
Elizabeth A. Jaffe
R. Michael Shickich
Janet W. Cordova
Martin R. Esquivel
Scott K. Atkinson
Catherine E. Pope

December 15, 1989

HAND DELIVERED

Handwritten:
DNE
Case File - 9839

SANTA FE OFFICE
325 Paseo de Peralta
Post Office Box 2307
Santa Fe, New Mexico 87504-2307

Telephone (505) 982-3873
Telecopy (505) 982-4289

ALBUQUERQUE OFFICE
707 Broadway, N.E.
Suite 500
Post Office Box 26927
Albuquerque, New Mexico 87125-6927

Telephone (505) 242-9677
Telecopy (505) 243-4397

REPLY TO SANTA FE OFFICE

David Catanach, Hearing Examiner
New Mexico Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: Application of Robert J. Mannes; OCD Case No. 9839

Dear David:

Following the hearing of Case 9839 on December 13, 1989, the applicant, Robert J. Mannes, has determined that it is appropriate to delete from the proposed Sand Draw Unit area all of Section 35, Township 3 South, Range 27 East.

The effect of this change will be to entirely eliminate any impact on that acreage of the approval of this unit, to reduce the percentage of federal lands participating in the unit, and, therefore, to eliminate the need for federal approval of this unit.

We have had discussions with the representative of the Commissioner of Public Lands of the State of New Mexico who has requested that, in light of the fact that the federal participation percentage has been reduced, that the state unit agreement form be utilized. In view of these changes, we request that the normal order approving units be amended to eliminate the necessity for approval of the Bureau of Land Management or other federal agency before the unit can become effective.

David Catanach, Hearing Examiner
December 15, 1989
Page 2

Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read 'W. Perry Pearce', written in dark ink.

W. Perry Pearce

WPP/rmm/89
#10637-89-01
cc: Robert J. Mannes

W. PERRY PEARCE
ATTORNEY AT LAW

MONTGOMERY & ANDREWS
PROFESSIONAL ASSOCIATION
(505) 982-3873

325 PASEO DE PERALTA
POST OFFICE BOX 2307
SANTA FE, NEW MEXICO 87504-2307

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

December 13, 1989

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

Robert J. Mannes
168 West 32nd Street
Holland, Michigan 49422-1918

ATTN: Mr. Robert J. Mannes

RE: Proposed Sand Draw Unit
Chaves County, New Mexico

Gentlemen:

This office has reviewed the unexecuted copy of the unit agreement submitted for the proposed Sand Draw Unit Area, Chaves County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands who 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.

When submitting your agreement for final approval, please include the following items:

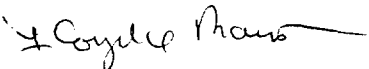
1. Application letter requesting final approval by the Commissioner identifying the tracts that have been committed and those that are not committed.
2. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
3. Order of the New Mexico Oil Conservation Division. Our approval will be contingent upon subsequent favorable approval by the New Mexico Oil Conservation Division.
4. An original AND ONE COPY of BOTH the Unit Agreement and the Unit Operating Agreement for our files. Again, the original set must contain original signatures.
5. Letter of Designation by the BLM.

6. Certificate of Determination by the BLM.

If we may be of further help, please do not hesitate to call Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

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

WHR/FOP/SMH

State of New Mexico

#9539



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

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

December 21, 1989

Robert J. Mannes
P.O. Box 1918
Holland, Michigan 49422-1918

ATTN: Mr. Robert J. Mannes

RE: Approval of Sand Draw Unit
Chaves County, New Mexico

Gentlemen:

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Sand Draw Unit Agreement, Chaves County, New Mexico. It is our understanding that tracts 2, 3, 10, and 13 are not committed at this time. The effective date of the Unit Agreement is today, December 21, 1989.

Our approval is subject to like approval by the New Mexico Oil Conservation Division. Enclosed are five (5) Certificates of Approval and one copy of the approved Unit Agreement.

Your filing fee in the amount of three hundred thirty dollars (\$330.00) was received. The correct filing fee for this unit is three hundred dollars (\$300.00) and your refund in the amount of thirty dollars (\$30.00) will be forthcoming.

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*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5749

WRH/FOP/SMH
enclosures
cc: OCD - Santa Fe, New Mexico
BLM - Roswell, New Mexico

Unit Name Sand Draw Unit
Operator Robert J. Mannes
County Chaves County, NM

DATE	OCC CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.	DATE	ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
December 21, 1989	Case: 9839 Order: R-9089	December 21, 1989	6064.27	5664.27	400.00	-0-	Strict	5/So Long

UNIT AREA

TOWNSHIP 3 SOUTH, RANGE 27 EAST, NMPM
Sections 34 through 36: All

TRACTS 2, 3, 10, AND 13 ARE NOT COMMITTED AS OF 12/21/89

TOWNSHIP 3 SOUTH, RANGE 28 EAST, NMPM
Section 28: All
Section 29: E/2
Sections 31 and 32: All

TOWNSHIP 4 SOUTH, RANGE 27 EAST, NMPM
Sections 1 and 2: All

TOWNSHIP 4 SOUTH, RANGE 28 EAST, NMPM
Section 6: All

SAND DRAW UNIT
REPORT TO DEPARTMENTS

APPROVED AND EFFECTIVE 12/21/89

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER AND EXPIRATION DATE	BASIC ROYALTY AND PER- CENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE	BENEFICIARY
1.	Township 3 South, Range 28 East N.M.P.M. Section 28: A11	640	LG-7665-1 2-1-90	12.5%	Chevron U.S.A. Inc. Robert J. Mannes	0	100%	C.S.
2. ***	Township 3 South, Range 28 East N.M.P.M. Section 29: E/2	320	NM-78240 11-30-93	12.5%	Robert J. Mannes	0	Uncommitted	Federal Awarage.
3. ***	Township 3 South, Range 28 East N.M.P.M. Section 32: A11	640	LG-7666-1 2-1-90	12.5%	Enron Oil & Gas Co.	6.25%	100%	C.S.
4.	Township 3 South, Range 28 East N.M.P.M. Section 31: A11	632.80	V-3121 11-1-94	16.66%	Robert J. Mannes	0	100%	C.S.
5.	Township 4 South, Range 28 East Section 6: A11	631.95	VA-276 11-1-94	12.5%	Robert J. Mannes	0	100%	C.S.
6.	Township 3 South Range 27 East N.M.P.M. Section 36: A11	640	LG-7446-1 1-1-90	12.5%	Chevron U.S.A. Inc. Robert J. Mannes	0	100%	C.S.

*** These tracts are not committed to the Unit Agreement as of 12/21/89

SAND DRAW UNIT
REPORT TO DEPARTMENTS

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER AND EXPIRATION DATE	BASIC ROYALTY AND PER- CENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE	BENEFICIARY
7.	Township 4 South Range 27 East N.M.P.M. Section 1: All	640	VA-266 10-1-94	12.5%	Robert J. Mannes	0	100%	<u>C.S.</u>
8.	Township 3 South, Range 27 East N.M.P.M. Section 34: N/2 Section 35: NW/4	480	LG-7445-1 1-1-90	12.5%	Chevron U.S.A. Inc. Robert J. Mannes	0	100%	<u>C.S.</u>
9.	Township 3 South Range 27 East N.M.P.M. Section 35: NE/4	160	VA-265 10-1-94	12.5%	Robert J. Mannes	0	100%	<u>C.S.</u>
10.	*** Township 3 South Range 27 East N.M.P.M. Section 35: NE/4SW/4, SW/4SW/4	80	No. 67495 12-31-96	12.5%	Flag-Redford	12.5% Kerr-McGee Corp.	Uncommitted Lease	<u>Redford</u> <u>Arrago</u>
11.	Township 3 South Range 27 East N.M.P.M. Section 34: S/2, Section 35: NW/4SW/4, SE/4SW/4, SE/4	560	LG-7444 1-1-90	12.5%	Chevron U.S.A. Inc. Robert J. Mannes	0	100%	<u>Port. Norm.</u>

*** This tract is not committed to the Unit Agreement as of 12/21/89

SAND DRAW UNIT
REPORT TO DEPARTMENTS

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER AND EXPIRATION DATE	BASIC ROYALTY AND PER- CENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE	BENEFICIARY
12.	Township 4 South Range 27 East N.M.P.M. Section 2: SE/4	160	VA-267 10-1-94	12.5%	Robert J. Mannes	0	100%	C.S.
13.	*** Township 4 South Range 27 East N.M.P.M. Section 2: Lots 1,2,3,4, S/2N/2, SW/4	479.52	LG-7679-1 2-1-90	12.5%	Enron Oil & Gas Co	6.25% Enron Oil & Gas Co.	100%	C.S.

*** This tract is not committed to the Unit Agreement as of 12/21/89

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

January 26, 1990

W. Perry Pearce
P.O. Box 2307
Santa Fe, New Mexico 87504-2307

RE: Subsequent Joinder of Tracts 3 and 13 to the
Sand Draw Unit

Gentlemen:

We received your letter, dated January 24, 1990, and attached ratifications for subsequent joinder of Tracts 3 and 13 to the Sand Draw Unit Agreement and Unit Operating Agreement on behalf of Mr. Robert J. Mannes.

Please be advised that the Commissioner of Public Lands has this date granted approval to the subsequent joinder of Tract 3 (T3S, R28E, Section 32: All) and Tract 13 (T4S, R27E, Section 2: Lots 1, 2, 3, 4, S/2N/2, and SW/4) to the Sand Draw Unit. This subsequent joinder will be effective February 1, 1990.

If you have any questions, please contact Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES,
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

cc: OCD
Mr. Robert J. Mannes

Unit Name Sand Draw Unit
Operator Robert J. Mannes
County Chaves County, NM

DATE	OCC CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE
APPROVED	OCC ORDER NO.	DATE	ACREAGE	STATE	FEDERAL	INDIAN-FEE
December 21, 1989	Case: 9839 Order: R-9089	December 21, 1989	6064.27	5664.27	400.00	-0-

UNIT AREA

TOWNSHIP 3 SOUTH, RANGE 27 EAST, NMPM
Sections 34 through 36: All

TOWNSHIP 3 SOUTH, RANGE 28 EAST, NMPM
Section 28: All
Section 29: E/2
Sections 31 and 32: All

TOWNSHIP 4 SOUTH, RANGE 27 EAST, NMPM
Sections 1 and 2: All

TOWNSHIP 4 SOUTH, RANGE 28 EAST, NMPM
Section 6: All

TRACTS 2, 3, 10, AND 13 ARE NOT COMMITTED AS OF

TRACTS 3 AND 13 ARE COMMITTED TO THE UNIT BY S

EFFECTIVE FEB. 1, 1990. As of 1/26/90, Tracts

uncommitted to the Unit Agreement.

SAND DRAW UNIT
REPORT TO DEPARTMENTS

APPROVED AND EFFECTIVE 12/21/89
Effective 2/1/90:
Tracts 3 and 13 are committed to the Unit

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER AND EXPIRATION DATE	BASIC ROYALTY AND PER- CENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE	BENEFICIARY
1.	Township 3 South, Range 28 East N.M.P.M. Section 28: All	640	LG-7665-1 2-1-90	12.5%	Chevron U.S.A. Inc. Robert J. Mannes	0	100%	C.S.
2. ***	Township 3 South, Range 28 East N.M.P.M. Section 29: E/2	320	NM-78240 11-30-93	12.5%	Robert J. Mannes	0	Uncommitted	Federal Average
3.	Township 3 South, Range 28 East N.M.P.M. Section 32: All	640	LG-7666-1 2-1-90	12.5%	Enron Oil & Gas Co.	6.25%	100%	C.S.
4.	Township 3 South, Range 28 East N.M.P.M. Section 31: All	632.80	V-3121 11-1-94	16.66%	Robert J. Mannes	0	100%	C.S.
5.	Township 4 South, Range 28 East Section 6: All	631.95	VA-276 11-1-94	12.5%	Robert J. Mannes	0	100%	C.S.
6.	Township 3 South Range 27 East N.M.P.M. Section 36: All	640	LG-7446-1 1-1-90	12.5%	Chevron U.S.A. Inc. Robert J. Mannes	0	100%	C.S.

*** These tracts are not committed to the Unit Agreement as of 12/21/89

SAND DRAM UNIT
REPORT TO DEPARTMENTS

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER AND EXPIRATION DATE	BASIC ROYALTY AND PER- CENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE	BENEFICIARY
7.	Township 4 South Range 27 East N.M.P.M. Section 1: All	640	VA-266 10-1-94	12.5%	Robert J. Mannes	0	100%	C.S.
8.	Township 3 South, Range 27 East N.M.P.M. Section 34: N/2 Section 35: NW/4	480	LG-7445-1 1-1-90	12.5%	Chevron U.S.A. Inc. Robert J. Mannes	0	100%	C.S.
9.	Township 3 South Range 27 East N.M.P.M. Section 35: NE/4	160	VA-265 10-1-94	12.5%	Robert J. Mannes	0	100%	C.S.
10.	*** Township 3 South Range 27 East N.M.P.M. Section 35: NE/4SW/4, SW/4SW/4	80	No. 67495 12-31-96	12.5%	Flag-Redford	12.5% Kerr-McGee Corp.	Uncommitted lease Average	Redford
11.	Township 3 South Range 27 East N.M.P.M. Section 34: S/2, Section 35: NW/4SW/4, SE/4SW/4, SE/4	560	LG-7444 1-1-90	12.5%	Chevron U.S.A. Inc. Robert J. Mannes	0	100%	Port. Norm.

*** This tract is not committed to the Unit Agreement as of 12/21/89

SAND DRAW UNIT
REPORT TO DEPARTMENTS

*** This tract is not committed to the Unit Agreement as of 12/21/89

TRACT NUMBER	DESCRIPTION OF LANDS	ACRES	SERIAL NUMBER AND EXPIRATION DATE	BASIC ROYALTY AND PER- CENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE	BENEFICIARY
12.	Township 4 South Range 27 East N.M.P.M. Section 2: SE/4	160	VA-267 10-1-94	12.5%	Robert J. Mannes	0	100%	C.S.
13.	Township 4 South Range 27 East N.M.P.M. Section 2: Lots 1,2,3,4, S/2N/2, SW/4	479.52	LG-7679-1 2-1-90	12.5%	Enron Oil & Gas Co	6.25% Enron Oil & Gas Co.	100%	C.S.

MONTGOMERY & ANDREWS

OF COUNSEL
William R. Federici

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

J. O. Seth (1883-1963)
A. K. Montgomery (1903-1987)
Frank Andrews (1914-1981)

SANTA FE OFFICE
325 Paseo de Peralta
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Santa Fe, New Mexico 87504-2307

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January 24, 1990

ALBUQUERQUE OFFICE
707 Broadway, N.E.
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Post Office Box 26927
Albuquerque, New Mexico 87125-6927

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Telecopy (505) 243-4397

REPLY TO SANTA FE OFFICE

Victor R. Ortega	Edmund H. Kendrick
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Richard L. Puglisi	Catherine E. Pope
Galen M. Butler	

Ms. Susan Howrath
Oil and Gas Division
Commissioner of Public Lands
State Land Office Building
Santa Fe, New Mexico 87503

Re: Sand Draw Unit

Dear Ms. Howrath:

Enclosed please find the Ratification and Joinder of Unit Agreement and Unit Operating Agreement which has been completed by Enron Oil and Gas Company. This Ratification and Joinder affects Tracts numbered 3 and 13 in the previously approved Sand Draw Unit, Chaves County, New Mexico.

Pursuant to the provisions of Section 23 of the Sand Draw Unit Agreement, the unit operator, Robert J. Mannes, hereby requests that Tracts 3 and 13, as shown on Exhibits A and B to that unit agreement, be added to the unit by subsequent joinder. By copy of this letter, we are filing the Ratification and Joinder of Enron Oil and Gas relating to Tracts 3 and 13 with the Oil Conservation Division in accordance with the provisions of paragraph 23.

Ms. Susan Howrath
January 24, 1990
Page 2

Thank you for your assistance with this matter. If you have any questions regarding this request, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Perry", with a long horizontal flourish extending to the right.

W. Perry Pearce

WPP/rmm/228
Enclosures
cc: Robert J. Mannes
Roy Johnson

RATIFICATION AND JOINDER OF UNIT AGREEMENT

AND

UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the SAND DRAW UNIT AREA, County of Chaves, State of New Mexico, dated December 18 , 1989, in form approved on behalf of the Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement the undersigned hereby expressly ratifies, approves and adopts said Unit Agreement as fully as though the undersigned had executed the original agreement.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering the lands within the Unit Area in which the undersigned may be found to have an oil and gas interest.

This Ratification and Joinder of Unit Agreement shall be binding upon the undersigned, his, her or its heirs, devisees, executors, assigns or successors in interest.

EXECUTIED this 23rd day of January , 1990 .

Attest

TRACT(S) 3 & 13

ENRON OIL & GAS COMPANY

Gary L. Thomas
Gary L. Thomas

Agent & Attorney-in-Fact

Address: P. O. Box 2267

Midland, Texas 79702

STATE OF TEXAS)

COUNTY OF MIDLAND)

On this 23rd day of January , 1990 , before me personally Gary L. Thomas , to me known to be the person described in and who executed the foregoing instrument, and acknowledged that (s)he executed the same as his/her free act and deed.

My Commission Expires:

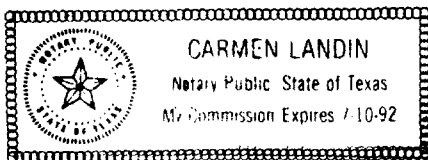
SEAL

Notary Public

STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on the 23rd day of January, 1990, by Gary L. Thomas, Agent & Attorney-in-Fact for Enron Oil & Gas Company, a Delaware corporation, on behalf of said corporation.



Carmen Landin
Notary Public

State of New Mexico

#9839



JIM BACA
COMMISSIONER

Commissioner of Public Lands

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

January 15, 1991

Robert J. Mannes
168 West 32nd Street
P.O. Box 1918
Holland, Michigan 49422-1918

Re: Sand Draw Unit
Commercial Determination of the
Mannes State 1-35 Well
1991 Plan of Development

Dear Mr. Mannes:

This office is in receipt of your letter requesting approval of your 1991 Plan of Development and the commercial determination of the Mannes State 1-35 Well.

Please be advised that the Commissioner of Public Lands this day approves your 1991 Plan of Development and concurs with the commerciality of the Mannes State 1-35 Well.

If you have any questions regarding this matter, please contact Clyde Langdale at (505) 827-5791.

Sincerely,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

Floyd O. Prando by B.S.
By:
Floyd O. Prando, Director
Oil, Gas & Minerals Division

JB/FOP/CL/dm

cc: OCD
Unit POD File
Unit Correspondence



JIM BACA
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

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

April 10, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Southeastern Petroleum, Inc.
911 N. Pearson
Roswell, New Mexico 88201

Attn: Mr. Sonny Longo

Re: ~~NOT~~ ~~TERMINATION~~ of Sand Draw Unit
Chaves County New Mexico

RECEIVED

APR 1 1992

OIL CONSERVATION DIVISION

Reference is made to our letter of February 25, 1992, wherein you were notified that approval of Southeastern Petroleum, Inc. as the successor unit operator of the Sand Draw Unit Area, could not be approved until a \$20,000.00 Blanket Surface Damage Bond had been filed with this office. As of this date, this office has not received the proper surface damage bond to enable us to approve your application for successor unit operator of the unit.

In view of the above please be advised that if the required \$20,000.00 blanket bond is not submitted within thirty days, the Sand Draw Unit will be terminated without further notice, pursuant to Section 5 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,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*

FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm

encls. - Surface Improvement Damage Bond

cc: Reader File
R. J. Mannes
Chevron USA, Inc.
OCD-Santa Fe



JIM BACA
COMMISSIONER

State of New Mexico
OFFICE OF THE
Commissioner of Public Lands
Santa Fe

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

April 20, 1992

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Southeastern Petroleum, Inc.
911 N. Pearson
Roswell, New Mexico 88201

Attn: Mr. Sonny Longo

Re: Sand Draw Unit
Chaves County, New Mexico

Dear Mr. Longo:

Reference is made to our termination letter of April 10, 1992, wherein you were given thirty days notice to submit a \$20,000.00 Blanket Surface Damage Bond so that we could proceed with our approval of Southeastern Petroleum, Inc. as the successor unit operator of the Sand Draw Unit Area.

Please be advised that upon further review, we find that the State's surface acreage within this unit has been patented with caliche, sand and gravel being reserved to the State of New Mexico. In view of the above, please be advised that a surface damage bond will not be required for this unit and our letter of April 10, 1992 is hereby rescinded.

Please also be advised that the Commissioner of Public Lands has this date approved the resignation of Robert J. Mannes as unit operator and the designation of Southeastern Petroleum, Inc. as the successor unit operator of the Sand Draw Unit.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:

Floyd O. Prando
FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744
JB/FOP/pm

encls.

cc: Reader File
BLM
OCD
R. Mannes

168 West 32nd Street
P.O. Box 1918
Holland, Michigan 49422-1918

Res: (616) 335-2502
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Robert J. Mannes
Oil & Gas Exploration

January 29, 1991

Mr. Floyd Prando
Oil, Gas and Minerals Division
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

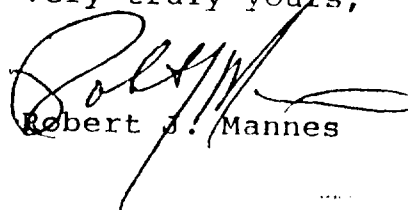
Re: Sand Draw Unit

Dear Mr. Prando:

This letter is written to notify you that Robert J. Mannes has resigned as unit operator of the Sand Draw Unit and has designated Southeastern Petroleum, Inc. as the unit operator. You can contact Sonny Longo of Southeastern Petroleum, Inc. in the future.

If there is any need for further clarification or specific forms to be completed, please let us know immediately.

Very truly yours,


Robert J. Mannes

RJM/mm

