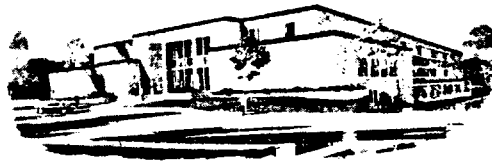


State of New Mexico



#8655

JIM BACA
COMMISSIONER

Commissioner of Public Lands

July 23, 1986

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

Marshall R. Young Oil Company
ATTENTION: Mr. William J. Hopper
750 West Fifth Street
Fort Worth, Texas 76102

Re: Termination of Saltys Unit
Agreement Grant County, New
Mexico

Gentlemen:

Our records reflect that the Saltys Unit Agreement was approved effective as of October 2, 1985. The term of the agreement is contingent upon the unit operator drilling one well at a time, allowing not more than six months time between the completion of one well and the beginning of the next, until a well capable of producing unitized substances in paying quantities is completed.

Your letter from Mrs. Arlene Hollimon of your office dated January 22, 1986, reflects that you filed with the Bureau of Land Management a request dated December 26, 1985, to plug and abandon the Saltys Unit Well No. 1, making commencement of the next unit well due by June 26, 1986.

In view of the above and inasmuch as the next unit well was not timely commenced, this office has on this date terminated the Saltys Unit Agreement effective as of June 26, 1986 as per Section 9 of the Unit Agreement.

This action is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Please advise all interested parties of this action.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*

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

JB/FOP/pm

cc: OCD-Santa Fe, New Mexico

BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

Unit Name Saltys Unit
Operator Marshall R. Young Oil Company
County Grant County

DATE	OCC CASE NO. 8655	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	MINIMUM FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO. R-8009	October 2, 1985	23,822.14	12,724.70	9,974.72	1,122.72	MODIFIED	5 years and so long as
COMMISSIONER: 9/26/1985								
BLM: 10/2/1985								
OCD: 8/20/1985								

UNIT AREA

TOWNSHIP 25 SOUTH, RANGE 14 WEST, NMPM
Sections 19 and 20: All
Sections 29 and 30: All
TOWNSHIP 25 SOUTH, RANGE 15 WEST, NMPM
Sections 13 through 36: All
TOWNSHIP 26 SOUTH, RANGE 15 WEST, NMPM
Sections 2 through 10: All
TOWNSHIP 26 SOUTH, RANGE 16 WEST, NMPM
Section 1: All

TERMINATED

APR: 7/23/86
EPR: 6-26-86

2ND WELL ON UNIT WAS NOT TIMELY COMPLETED

TERMINATED
EFFECTIVE DATE 6-26-86
APP. 7-23-86

Unit Name SALTYS UNIT AGREEMENT
Operator Marshall R. Young Oil Company
County Grant

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
26	LG-5797	T. Normals	30	25S	15W	Lots 1,2,3,4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$	8/21/85	767.04		Texaco Inc.
		T. Normals	33	25S	15W	N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	8/2/85	40.00		Marshall R. Young Oil Co.
27	LH-1435	C. S.	29	25S	14W	NE $\frac{1}{4}$ NW $\frac{1}{4}$	8/30/85			Marathon Oil Company &
28	LH-1435-1	C. S.	29	25S	14W	NE $\frac{1}{4}$	9/26/85	160.00		Getty Oil Company
29	LH-1436-1	T. Normals	30	25S	14W	Lots 3,4, E $\frac{1}{2}$ SW $\frac{1}{4}$	8/2/85			Williams Exploration Co.
		T. Normals	30	25S	14W	W $\frac{1}{2}$ E $\frac{1}{2}$	8/14/85	160.09		Melvin Wolf
30	LH-1436-2	T. Normals	30	25S	14W		8/30/85			Marathon Oil Company &
		T. Normals	30	25S	14W		9/26/85	160.00		Getty Oil Company
31	LH-1441	T. Normals	13	25S	15W	N $\frac{1}{2}$ SE $\frac{1}{4}$	8/2/85	80.00		Marshall R. Young Oil Co.
32	LH-1441-1	T. Normals	13	25S	15W	SW $\frac{1}{4}$	8/14/85	160.00		Marvin Wolf
33	LH-1441-2	T. Normals	13	25S	15W	NE $\frac{1}{4}$	8/30/85			Marathon Oil Company &
		T. Normals	13	25S	15W		9/26/85	160.00		Getty Oil Company
34	LH-1442	T. Normals	14	25S	15W	S $\frac{1}{2}$ NW $\frac{1}{4}$				
		T. Normals	22	25S	15W	SE $\frac{1}{4}$				
		T. Normals	23	25S	15W	N $\frac{1}{2}$ NW $\frac{1}{4}$				
		T. Normals	22	25S	15W	SW/4				
35	LH-1442-1	T. Normals	22	25S	15W		8/2/85	320.00		Marshall R. Young Oil Co.
		T. Normals	22	25S	15W		8/2/85			Williams Exploration Co. &
		T. Normals	22	25S	15W		8/14/85	160.00		Melvin Wolf
36	LH-1442-2	T. Normals	14	25S	15W	SW/4				
		T. Normals	23	25S	15W	W $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$	8/2/85			Williams Exploration Co. &
		T. Normals	23	25S	15W		8/14/85	320.00		Marvin Wolf
37	LH-1443	C. S.	16	25S	15W	NW $\frac{1}{4}$, SE $\frac{1}{4}$	8/2/85	320.00		Marshall R. Young Oil Co.
38	LH-1443-1	C. S.	16	25S	15W	NE $\frac{1}{4}$, SW $\frac{1}{4}$	8/30/85			Marathon Oil Company &
		T. Normals	14	25S	15W		9/26/85	320.00		Getty Oil Company
39	LH-1444	T. Normals	17	25S	15W	NW $\frac{1}{4}$	8/2/85	486.91		Marshall R. Young Oil Co.
		T. Normals	18	25S	15W	Lots 1,2, E $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$	8/2/85			Williams Exploration Co. &
40	LH-1444-1	T. Normals	17	25S	15W	SW $\frac{1}{4}$	8/14/85	160.00		Melvin Wolf
41	LH-1444-2	T. Normals	18	25S	15W	Lots 3,4, E $\frac{1}{2}$ SW $\frac{1}{4}$	8/2/85			Williams Exploration Co. &
		T. Normals	18	25S	15W		8/14/85	166.33		Marvin Wolf
42	LH-1444-3	T. Normals	17	25S	15W	E $\frac{1}{2}$	8/30/85			Marathon Oil Company &
		T. Normals	18	25S	15W	NE $\frac{1}{4}$	9/26/85	480.00		Getty Oil Company
43	LH-1445	T. Normals	19	25S	15W	Lots 1,2, E $\frac{1}{2}$ NW $\frac{1}{4}$				
		T. Normals	20	25S	15W	NW $\frac{1}{4}$	8/2/85	325.61		Marshall R. Young Oil Co.

TERMINATED

EFFECTIVE DATE 6-26-86
APP: 7/23/86Unit Name SALTYS UNIT AGREEMENT
Operator Marshall R. Young Oil Company
County Grant

STATE TRACT NO.	LEASE NO.	INSTL-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
44	LH-1445-1	T. Normals	20	25S	15W	S $\frac{1}{2}$	8/2/85	320.00		Williams Exploration Co. Marvin Wolf
45	LH-1445-2	T. Normals	19	25S	15W	E $\frac{1}{2}$	8/14/85			
		T. Normals	20	25S	15W	NE $\frac{1}{4}$	8/30/85	480.00		Marathon Oil Company Getty Oil Company
46	LH-1446	T. Normals	21	25S	15W	NW $\frac{1}{4}$, SE $\frac{1}{4}$	8/2/85	320.00		Marshall R. Young Oil Co. Williams Exploration Co.
47	LH-1446-1	T. Normals	21	25S	15W	SW $\frac{1}{4}$	8/2/85	160.00		Melvin Wolf Marathon Oil Company & Getty Oil Company
48	LH-1446-2	T. Normals	21	25S	15W	NE $\frac{1}{4}$	8/30/85	160.00		Marathon Oil Company & Getty Oil Company
49	LH-1447	T. Normals	24	25S	15W	SE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$	8/2/85	400.00		Marshall R. Young Oil Co.
50	LH-1447-1	T. Normals	25	25S	15W	N $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$	8/30/85			Marathon Oil Company & Getty Oil Company
			24	25S	15W	SW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$	8/30/85	400.00		
			25	25S	15W	N $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$	9/26/85			
51	LH-1448	ENM Norm.	26	25S	15W	W $\frac{1}{2}$ SE $\frac{1}{4}$		400.00		
		ENM Norm.	34	25S	15W	S $\frac{1}{2}$ SE $\frac{1}{4}$	8/2/85	240.00		Marshall R. Young Oil Co.
		ENM Norm.	35	25S	15W	W $\frac{1}{2}$ SE $\frac{1}{4}$	8/14/85	80.00		Marvin Wolf
52	LH-1448-1	ENM Norm.	34	25S	15W	S $\frac{1}{2}$ SW $\frac{1}{4}$	8/14/85	120.00		Melvin Wolf
53	LH-1448-2	ENM Norm.	33	25S	15W	W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	8/30/85	240.00		Marathon Oil Company & Getty Oil Company
54	LH-1448-3	ENM Normal	33	25S	15W	S $\frac{1}{2}$ SE $\frac{1}{4}$	9/26/85	160.00		Marshall R. Young Oil Co.
55	LH-1449	T. Reform	28	25S	15W	NW $\frac{1}{4}$	8/2/85	160.00		Marathon Oil Company
56	LH-1449-1	T. Reform	28	25S	15W	NE $\frac{1}{4}$	9/26/85	160.00		Marshall R. Young Oil Co.
57	LH-1450	T. Normals	29	25S	15W	NW $\frac{1}{4}$	8/2/85	160.00		Melvin Wolf
58	LH-1450-1	T. Normals	29	25S	15W	SW $\frac{1}{4}$	8/14/85	160.00		Marathon Oil Company
59	LH-1450-2	T. Normals	29	25S	15W	E $\frac{1}{2}$	9/26/85	320.00		Marshall R. Young Oil Co.
60	LH-1451	T. Pen.	35	25S	15W	NW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$	8/30/85	240.00		Marathon Oil Co. & Getty Oil Company
61	LH-1451-1	T. Pen.	35	25S	15W	N $\frac{1}{2}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$	9/26/85	160.00		Marshall R. Young Oil Co.
62	LH-1452	C. S.	36	25S	15W	NW $\frac{1}{4}$	8/2/85	160.00		Melvin Wolf
63	LH-1452-1	C. S.	36	25S	15W	SW $\frac{1}{4}$	8/14/85	160.00		

Unit Name Salty's Unit Agreement
Operator Marshall R. Young Oil Co.
County Grant

TERMINATED
EFFECTIVE DATE 6-26-86
APP: 7/23/86

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED		ACRES	ACREAGE		LESSEE
							DATE			NOT RATIFIED		
64	LH-1452-2	C. S.	36	25S	15W	E $\frac{1}{2}$	8/30/85					Marathon Oil Company &
65	LH-3602	T. Normals	19	25S	14W	W $\frac{1}{2}$ SE $\frac{1}{4}$	9/26/85		320.00			Getty Oil Company
66	LH-3603	T. Mil Inst	15	25S	15W	SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$	8/2/85		80.00			Marshall R. Young Oil Co
67	LH-3604	T. Normals	26	25S	15W	NW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$	8/2/85		240.00			Marshall R. Young Oil Co
68	LH-3605	T. Normals	27	25S	15W	N $\frac{1}{2}$, E $\frac{1}{2}$ SE $\frac{1}{4}$	8/2/85		360.00			Marshall R. Young Oil Co
69	LH-3606	C. S.	32	25S	15W	All	8/2/85		400.00			Marshall R. Young Oil Co
70	LH-3607	T. Normals	34	25S	15W	W $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$	8/2/85		640.00			Marshall R. Young Oil Co
71	LH-3609	C. S.	2	26S	15W	Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$	8/2/85		240.00			Marshall R. Young Oil Co
72	LH-3612	T. Reform	1	26S	16W	Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$	8/2/85		545.04			Marshall R. Young Oil Co
									553.68			Marshall R. Young Oil Co



JIM BACA
COMMISSIONER

State of New Mexico



Commissioner of Public Lands

August 20, 1985

#8655

Edmundson & Associates
P. O. Box 1707
Denver, Colorado 80201

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Proposed Saltys Unit Area
Grant County, New Mexico

ATTENTION: Mr. Brad W. Hentschel

Gentlemen:

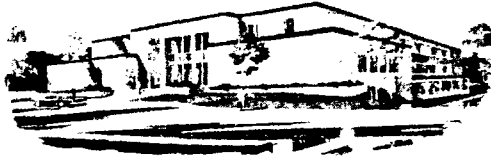
This office has reviewed the unexecuted copy of unit agreement for the proposed Saltys Unit Area, Grant County, New Mexico. This proposed agreement meets the general requirements of the Commissioner of Public Lands and has this date granted you preliminary approval as to form and content.

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. On Exhibit "B" all Tract Nos. should be listed in chronological and numerical order with State Lease No. LG-5797 being the first state tract. Exhibit "A" should also coincide with the changes made to Exhibit "B".
2. On Exhibits "A" and "B", Tract No. 64, the correct Lease No. is LH-3603 issued to Marshall R. Young Oil Company. The expiration date is July 1, 1995.
3. On Exhibits "A" and "B", Tract No. 65, the correct Lease No. is LH-3602, issued to Marshall R. Young Oil Company. The Expiration date is July 1, 1995.

State of New Mexico



Commissioner of Public Lands

September 26, 1985

JIM BACA
COMMISSIONER

Edmundson & Associates
P. O. Box 1707
Denver, Colorado 80201

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Used
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Saltys Unit Agreement
Grant County, New Mexico

ATTENTION: Mr. Brad W. Hentschel

Gentlemen:

The Commissioner of Public Lands has this date approved the Saltys Unit Agreement, Grant County, New Mexico, which you have submitted on behalf of Marshall R. Young Oil Company as Unit Operator. Tract Nos. 5, 9, 13, 17, 21, 23 and 74 are not committed at this time. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed are five (5) Certificates of Approval.

Your filing fee in the amount of \$1,140.00 Dollars has been received.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



IN REPLY REFER TO

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Box 1397, Roswell, New Mexico - 88201

42-061P55-850502
3180(065)

Marshall & Associates
P. O. Box 1707
Denver, Colorado 80201

OCT 2 1985

Gentlemen:

One approved copy of the Salty's Unit Agreement, Grant County, New Mexico, filed on behalf of Marshall & Young Oil Company, is enclosed. Such agreement has been assigned No. 42-061P55-850502 and is effective the same date as approval.

Sincerely,

(ORIG. SGD.) JOE G. LARA

Francis R. Cherry, Jr.
District Manager

Enclosure

cc:

Comm. of Public Lands, Santa Fe - (letter)

✓ NMOCD (letter)

THE UNIVERSITY OF CHICAGO PRESS

CHICAGO, ILL. 60607



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1000 1000 (1000 1000)

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

October 2, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Edmundson & Associates, Inc.
P. O. Box 1707
Denver, Colorado 80201

Re: Saltys Unit Area
Ratification and Joinders
Grant County, New Mexico

ATTENTION: Mr. Brad W. Hentschel

Gentlemen:

This office is in receipt of your letter dated September 30, 1985, together with a Ratification and Joinder instrument to the Saltys Unit and Operating Agreement executed on behalf of Getty Oil Company and Phoenix Resources Company.

These instruments have this date been accepted and Tract Nos. 5, 9, 13, 17, 21 and 23 are considered to be committed to the Saltys Unit Agreement.

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

Very truly yours,

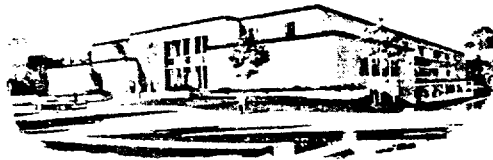
JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

State of New Mexico



JIM BACA
COMMISSIONER

Commissioner of Public Lands

October 16, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Used
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Edmundson & Associates, Inc.
P. O. Box 1707
Denver, Colorado 80201

Re: Saltys Unit Area
Revised Exhibit "B"
Grant County, New Mexico

ATTENTION: Mr. Brad W. Hentschel

Gentlemen:

This office is in receipt of your letter of October 9, 1985, together with copies of revised pages 22 and 24 to the Saltys Unit Agreement Exhibit "B".

These revisions have this date been accepted and filed in our unit file.

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

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

August 21, 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 8655
ORDER NO. R-3009

Applicant:

Marshall R. Young Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Sincerely,
B. L. Smith

R. L. STAMETS
Director

RLS / fd

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	x
Aztec OCD	

Other _____