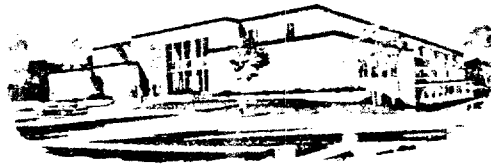


State of New Mexico

# 8923



Commissioner of Public Lands

June 12, 1986

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

JIM BACA  
COMMISSIONER

Varco Petroleum Corporation  
ATTN: Mr. Jim Ball  
207 South Fourth Street  
Alameda, New Mexico 88210

Re: Proposed Sandsage State Unit  
Lea County, New Mexico

Gentlemen:

This office has reviewed the unexecuted copy of unit agreement for the proposed Sandsage State Unit, Lea County, New Mexico. This 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. Application for formal approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been 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 conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
4. Geological report and engineering data.
5. The filing fee for a unit agreement is thirty dollars per

Vates Petroleum Corporation  
June 12, 1986  
Page 2

section or partial thereof. Please submit a filing fee in the amount of \$210.00.

This office is also in receipt of your letter of June 10, 1986, together with some replacement pages which corrected an error in the description of tract No. 5 and an error in the state lease number of tract No. 12. These replacement pages have been accepted and filed in our unit files.

Our preliminary approval is also contingent upon you submitting the geological information as outlined in your letter of June 10, 1986.

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: 

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

JB:FCP/pm

OLD

# State of New Mexico



JIM BACA  
COMMISSIONER

## Commissioner of Public Lands

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

July 28, 1986

Yates Petroleum Corporation  
Attn: Mr. Jim Ball  
207 South Fourth Street  
Artesia, New Mexico 88210

Re: Sandsage State Unit  
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date granted you final approval to the Sandsage State Unit Agreement, Lea County, New Mexico. It is our understanding that Tract No. 12 is not committed to the unit at this time. The effective date of your agreement is July 28, 1986. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

As per your conversation with this office please submit a revised Exhibit "A" and "B" schedule reflecting the current changes which have recently occurred on this date.

Enclosed are Five (5) Certificates of Approval.

Your filing fee in the amount of \$210.00 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: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

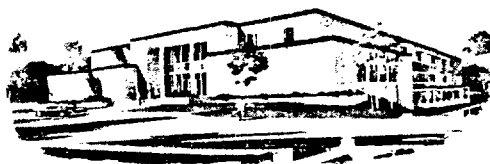
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encls.

cc: OCD-Santa Fe, New Mexico

# State of New Mexico



JIM BACA  
COMMISSIONER



## Commissioner of Public Lands

August 20, 1986

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

Yates Petroleum Corporation  
ATTENTION: Mr. Jim Ball  
207 South Fourth Street  
Artesia, New Mexico 88210

Re: Sandsage State Unit  
Revised Operating Agreement and  
Exhibit "B"  
Lea County, New Mexico

Gentlemen:

This office is in receipt of your letter of August 20, 1986, together with revisions to the Operating Agreement and the Exhibit "B" to the Unit Agreement.

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

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: *Floyd O. Prando*

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

JB/FOP/pm

cc: OCD-Santa Fe, New Mexico