



United States Department of the Interior

GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

November 2, 1970

Coastal States Gas Producing Company
c/o Hinkle, Bondurant, Cox & Eaton
Post Office Box 10
Roswell, New Mexico 88201

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Attention: Mr. Clarence E. Hinkle

HINKLE, BONDURANT, COX & EATON
ROSWELL, NEW MEXICO

Gentlemen:

Your application of October 1, 1970, filed with the Oil and Gas Supervisor, Roswell, New Mexico, requests preliminary approval of a proposed expansion of the Flying "M" San Andres unit area, Lea County, New Mexico, and approval of the proposed basis of participation for the commitment of currently noncommitted tracts within the unit area.

The lands proposed for addition to the unit area consist of 240 acres of Federal land, 239.48 acres of State of New Mexico land, and 400 acres of fee land. The expansion will increase the unit area from 4,240.00 acres to 5,119.48 acres. All tracts included in the proposed addition contain lands indicated by available geologic information to be within the productive limits of the San Andres reservoir. The inclusion of these tracts in the unit area and the commitment of unit tracts 23, 24, 26, 27 and 28 is deemed necessary to obtain maximum recovery of secondary oil through better control of waterflood operations in the south end of the field.

No objection will be offered to the proposed expansion and commitment of currently noncommitted tracts within the unit area on the same basis of participation as the tracts added to the unit by the proposed expansion, provided the expansion is accomplished in accordance with the applicable provisions of section 3 of the unit agreement within a reasonable period of time.

When the Oil and Gas Supervisor, Roswell, New Mexico, is asked to grant final approval of the proposed expansion, a minimum of five copies of the request for final approval should be submitted along with five copies of each of the necessary joinders and evidence that the request has been approved by the appropriate officials of the State of New Mexico.

Sincerely yours,

W. A. Radlinski
W. A. Radlinski
Acting Director

BEFORE EXAMINATION

1-6-7

Exhibit 3

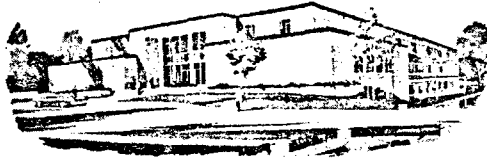
4400 2 Apt #3

State of New Mexico

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OCT 10 1970

HINKLE, BONDURANT, COX & EATON
ROSWELL, NEW MEXICO



Commissioner of Public Lands

October 9, 1970

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Hinkle, Bondurant, Cox & Eaton
600 Hinkle Building
P. O. Box 10
Roswell, New Mexico 88201

Re: Expansion of Flying "M"
San Andres Unit Area

Gentlemen:

The Commissioner of Public Lands has this date given preliminary concurrence to the proposed expansion of the Unit Area and the proposed commitment of Tracts 23, 24, 26, 27, and 28 which are within the present area but which have never been committed to the unit; also the participation formula for the above mentioned tracts and the tracts which are within the proposed expanded area, subject to like concurrence by the United States Geological Survey and the Oil Conservation Commission.

The proposed expansion embraces 879.48 acres comprised of 239.48 State land, 240 Federal and 400 Fee land. Such expansion will increase the Unit Area from 4,240.00 to 5,119.48 acres.

Please submit two (2) copies of the application for final approval accompanied by appropriate joinders for all the tracts now being committed to the unit. This office requires the ratifications of all Lessees of Record for each State tract that is to be committed.

Very truly yours,

Gordon G. Marcum, II
GORDON G. MARCUM, II, Director
Oil and Gas Department

AJA/GGM/s

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico