



United States Department of the Interior

GEOLOGICAL SURVEY

Denver Federal Center Denver, Colorado 80225

JUR : (1973

Midwest Oil Corporation Attention: Mr. Tom Coleman 1500 Wilco Building Midland, Texas 79701

Gentlemen:

BEFORE EXAMINER NUTTER OIL COMPRESSION

Your application dated May 24, 1973, filed with the Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of the Cottonwood Spring unit area embracing 3,837.88 acres, more or less, Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended. The unit area involves 2,918.28 acres (76.04 percent) of Federal land and 919.60 acres (23.96 percent) of fee land.

Pursuant to the unit plan regulations of December 22, 1950, 30 CFR 226.3, the land requested, as described on your plat marked "Exhibit A, Cottonwood Spring Unit, Eddy County, New Mexico," is hereby designated as a logical unit area.

The unit agreement submitted for the area designated should provide for a well to test all formations of Pennsylvanian Age or to a depth of 12,000 feet. Use of the Form of Agreement for Unproved Areas as proposed in your application will be acceptable if modified with appropriate language for the inclusion of fee land.

In the absence of any other type of land requiring special provisions or any objection not now apparent, a duly executed agreement identical to said form, modified as indicated above, will be approved if submitted in approvable status within a reasonable time. However, the right is reserved to deny approval of any executed agreement which in our opinion does not have full commitment of sufficient land to afford effective control of operations in the unit area.

When the agreement is transmitted to the Oil and Gas Supervisor

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of the sample exhibits attached to the 1968 reprint of the aforementioned form of agreement should be followed closely in the preparation of Exhibits A and B.

Sincerely yours,

Lenge II. Dform
Conservation Manager, Central Region

For the Director