



RAY B. POWELL  
COMMISSIONER

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

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

September 9, 1993

Kellahin and Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504-2265

Attn: Mr. W. Thomas Kellahin

Re: Request for Preliminary Approval  
Vacuum Glorieta East Unit  
Lea County, New Mexico

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

EXHIBIT NO. 18

CASE NO. 10485, 10486

Dear Mr. Kellahin:

This office has reviewed the unexecuted copy of unit agreement for the proposed Vacuum Glorieta East Unit, Lea County, New Mexico which you have submitted on behalf of Phillips Petroleum Company. 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.

According to your application, it is our understanding that the fresh water makeup required will be used primarily in the first four years of the waterflood development, when the reservoir is undergoing the critical phase of repressurization. Our preliminary approval is given with the condition that not more than 6,600,000 barrels of fresh water makeup be used in the waterflood.

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 are given.

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

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. The filing fee in the amount of \$300.00. The filing fee for a unit agreement is thirty (\$30.00) dollars for every section or partial section thereof.
3. Two copies of the Unit Agreement.
4. All ratifications from Lessees of Record and Working Interest Owners. All signatures should be acknowledged before a notary. One set of ratifications must contain original signatures.

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5. Initial Plan of Operation.
6. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
7. A copy of the Unit Operating Agreement.

In addition, we have also taken the liberty of reviewing the unexecuted copy of the Vacuum Glorieta East Unit Agreement which was also submitted with your application and would like to point out the following corrections:

- A. On Exhibits "A" and "B", Tract No. 5, the correct lessee of record should be Atlantic Richfield Company.
- B. On Exhibits "A" and "B", Tract No. 17, the correct lessee of record should be Mobil Producing Texas and New Mexico Inc.
- C. On Exhibits "A" and "B", Tract No. 33, the correct lease number is B-2224.
- D. On Exhibits "A" and "B", Tract No. 35, the correct lessee of record should be Mobil Producing Texas & New Mexico Inc.
- E. On Exhibits "A" and "B", Tract No. 37, the correct lease number is B-2354-2.
- F. On Exhibits "A" and "B", Tract No. 38, the correct lease number is B-2423-19.
- G. On Exhibits "A" and "B", Tract No. 44, the correct lessee of record is Mobil Producing Texas & New Mexico Inc.
- H. On Page 4, Section 3 of the Unit Agreement and on Exhibit "B" Page 11, the total acreage should be 4,239.80.

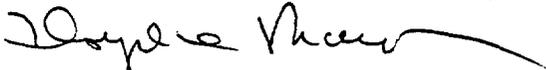
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I. Please date the unit agreement.

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

Very truly yours,

RAY B. POWELL  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
RBP/FOP/pm  
cc: Reader File