



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

APR - 2 1964

Exhibit 3

Pan American Petroleum Corporation
Post Office Box 268
Lubbock, Texas .

Gentlemen:

Your application of March 20 filed with the Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of 3,514.52 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, and acceptance of the proposed form of unit agreement.

Pursuant to the unit plan regulations of December 22, 1950, 30 CFR 226.3 (1961 reprint), the land requested as outlined on your map marked "Exhibit A, Long Draw unit, Eddy County, New Mexico," is hereby designated as a logical unit area.

Your proposed form of unit agreement which conforms to the standard form (1961 reprint), with the addition of a working interest definition, a conflict of supervision section, and language required by the State of New Mexico, will be acceptable if further modified as marked in colored pencil. One copy of the marked form is returned herewith and the remaining copies are retained for distribution to the appropriate offices of the Geological Survey.

In the absence of any type of land requiring special provisions or any other objections not now apparent, a duly executed agreement conformed to the marked copy will be approved if submitted in approvable status within a reasonable period of time. However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations. When the executed agreement is transmitted to the Supervisor for approval include the latest status of all acreage.

The Commissioner of Public Lands of the State of New Mexico is being furnished a copy of this letter and you are requested to contact the Commissioner prior to soliciting joinders.

Sincerely yours,

Arthur B. Baker

Acting Director

Enclosure

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
Approved	EXHIBIT NO. <u>3</u>
CASE NO.	<u>3005</u>