



IN REPLY REFER TO:

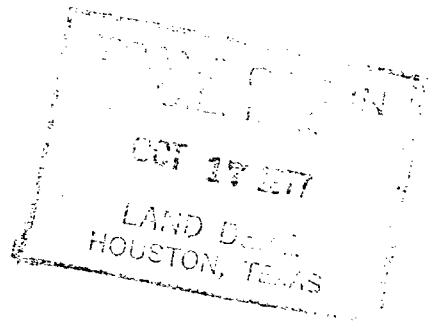
United States Department of the Interior

GEOLOGICAL SURVEY

Box 25046

Denver Federal Center
Denver, Colorado 80225

OCT 12 1977



TransOcean Oil, Inc.
Attention: Mr. C. R. Church
1700 First City East Building
1111 Fannin
Houston, Texas 77002

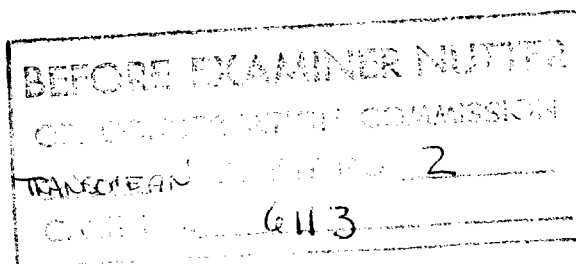
Gentlemen:

Your application of September 9, 1977, filed with the Assistant Area Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of the Cibola unit, embracing 30,683.59 acres, more or less, in Catron County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as Amended. Our records indicate this area to be 30,733.49 acres, more or less. Please recheck your acreage computation, and if appropriate, correct these figures prior to submitting the unit agreement for final approval.

Pursuant to unit plan regulations 30 CFR 226, the land requested as outlined on your plat marked "Exhibit 'A', Cibola Unit Area" is hereby designated as a logical unit area. It being understood that certain land within the proposed Cibola unit are also embraced by the Omega unit agreement which must be terminated prior to or simultaneously with the final approval of the Cibola unit agreement.

The unit agreement submitted for the area designated should provide for a well to penetrate the basement complex or to a depth of 6,500 feet. Your proposed use of the Form of Agreement for Unproved Areas, modified as shown in your application, will be accepted.

If conditions are such that further modification of said standard form is deemed necessary, two copies of the proposed modifications with appropriate justification must be submitted to this office through the Oil and Gas Supervisor for preliminary approval.

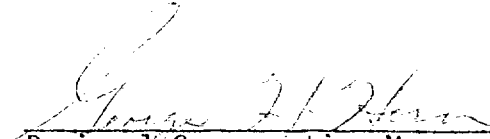


In the absence of any other type of land requiring special provisions or of any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby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

When the executed agreement is transmitted to Roswell, New Mexico for the Supervisor's approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the 1968 reprint of the aforementioned form.

Inasmuch as this agreement involves State lands we are sending a copy of the letter to the Commissioner of Public Lands. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearance from the State.

Sincerely yours,


Regional Conservation Manager

For the Director

Enclosure