

L. EDWARD INNERARITY, JR.

OIL AND GAS PROPERTIES
310 W. TEXAS, SUITE 410
P.O. BOX 2113
MIDLAND, TEXAS 79702
(915) 687-2456

September 25, 1989

RECEIVED

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

SEP 27 1989

OIL CONSERVATION DIV.
SANTA FE

Attn: Mike Stogner

Case 9778

RE: Proposed **Tres Amigos Federal/State Unit** covering the leases more fully described on the attached exhibit.

Gentlemen:

On behalf of Heafitz Energy Mangement, Inc. (the operator of the planned unit), we propose to form a 3,320 acre exploratory unit including BLM and State leases. Attached is a map outlining the proposed unit and a list of the State and Federal leases to be included.

The first exploratory test on the proposed unit will be the deepening/re-drilling of a well in the NW/4 of Section 21. This exploratory effort will test the pre-Woodford strata at a depth exceeding 19,000 feet. (This information we would like keep confidential until such time as the Unit is approved.)

Later this week we expect to receive preliminary approval from the BLM, and hope to have the tentative approval of the State of New Mexico prior to our scheduled October 18, 1989 hearing with you.

Please let me know the time of our hearing and feel free to call if you have any questions.

Yours very truly,



L. Edward Innerarity, Jr., on behalf of
Heafitz Energy Mangement, Inc.

attch.

cc: Heafitz Energy Management, Inc.
654 Madison Ave., Suite 1607
New York, N. Y. 10021

EXHIBIT "B"

Lands and leases to be included in proposed Tres Amigos Unit. All of the following are located in T-26-S, R-31-E, Lea County, New Mexico:

<u>Lease #</u>	<u>Legal Description</u>	<u>Record title ownership</u>
NM 448921A	W/2, W/2 E/2, NE/4 NE/4 Sec 21	Heafitz Energy Management, Inc. 654 Madison Ave, Suite 1607 New York, NY 10021
NM 68827	E/2 SE/4, SE/4 NE/4, Section 21	Heafitz Energy Management, Inc.
NM 77107	S/2, S/2 NE/4 Section 9, SW/4 SW/4 Section 10 N/2, N/2 S/2 Section 15 N/2, SE/4 Section 22	Heritage Resources, Inc. 3131 Turtle Creek, Suite 1200 Dallas, Texas 75219
V - 1307	Section 16	Heafitz Energy Management, Inc.
NM 77109	NE4, E2 SE4, NW4 SE4 Section 21 SE/4 SE/4 Section 17	Heritage Resources, Inc.
NM 63385	SW/4 SW/4 Section 22	Pogo Producing Company, P. O. Box 10340, Midland, Texas 79702
NM 70356	S/2 S/2 Section 15	Yates Petroleum, 105 S. 4th St. Artesia, New Mexico 88210
NM NM 185	N/2 SE/4, SE/4 SE/4 Section 22	Heafitz Energy Management, Inc.

