



United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

Roswell District Office  
P.O. Box 1397  
Roswell, New Mexico 88202-1397



RECEIVED

IN REPLY  
REFER TO:  
Eunice Monument South UA  
3180 (065)

MAY 16 1990

LAND - CENTRAL REGION  
INTERIOR DIVISION

MAY 10 1990

Chevron U.S.A., Inc.  
P. O. Box 1635  
Houston, TX 77251

Gentlemen:

Your application of April 2, 1990, filed with the BLM requests the designation of the expansion to the Eunice Monument South Unit area, embracing 3,000 acres, more or less, Lea County, New Mexico, as logically subject to secondary operations under the unitization provisions of the Mineral Leasing Act as amended.

Pursuant to unit plan regulations 43 CFR 3180, and Section 4 of the unit agreement, the lands requested as outlined on your plat marked Chevron U.S.A., Inc., Eunice Monument South Expansion Area, Lea County, New Mexico, is hereby designated as a logical unit area expansion for the purpose of conducting secondary recovery operations by waterflooding. Waterflooding will be limited to the following interval: the top of the Grayburg or - 100 feet, whichever is the higher, to the lower limit of the San Andres formation, as defined by Section 2(h) of the unit agreement.

Your basis for allocation of unitized substances are acceptable. This designation is valid for a period of one year from the date of this letter.

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

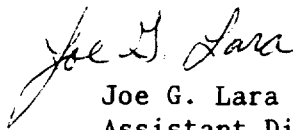
In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outline above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that 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 the BLM for 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 reprint of the aforementioned form.

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
CHEVRON EXHIBIT NO. <u>44</u>
CASE NO. <u>0259-61</u>

Inasmuch as this unit agreement involves State land and Patented land, we are sending a copy of the letter to the Commissioner of Public Lands and the NMOCD. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the State.

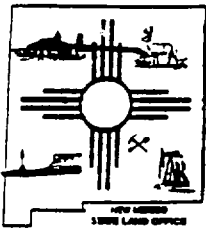
Sincerely,

A handwritten signature in cursive script that reads "Joe G. Lara". The signature is written in dark ink and is positioned above the printed name and title.

Joe G. Lara  
Assistant District Manager,  
Minerals

Enclosure

1 - Exhibit "B"



*State of New Mexico*  
*Commissioner of Public Lands*

RECEIVED

APR 30 1990

LAND - CENTRAL REGION  
INTERIOR DIVISION

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COMMISSIONER

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April 23, 1990

Chevron, U.S.A. Inc.,  
P.O. Box 1635  
Houston, Texas 77251

ATTN: Mr. Ray Vaden

RE: Proposed Expansion of Eunice Monument South Unit  
Lea County, New Mexico

Gentlemen:

We received your letter, dated April 2, 1990, requesting preliminary concurrence and approval of the proposed expansion of the Eunice Monument South Unit.

This office has reviewed the proposal which meets the general requirements of the Commissioner of Public Lands who has this date granted you preliminary approval to the proposed expansion of the Eunice Monument South Unit.

Preliminary approval shall not be construed to mean final approval in any way and will not extend any short term leases until final approval and an effective date for the expansion have been given.

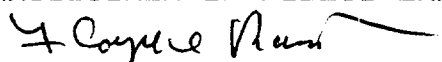
In order to grant final approval to this proposed unit expansion, we require the following additional information:

1. Initial Plan of Operations
2. Ratifications of Lessees of Record and Working Interest Owners. Please submit two sets of ratifications: one set must contain original signatures.
3. A letter that identifies which tracts have been committed and which are not committed to the Unit Agreement.
4. Concurrence by the Oil and Gas Conservation Division and the BLM.

If we may be of further help, please do not hesitate to call this office at (505) 827-5746.

Very truly yours,

W.R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5746