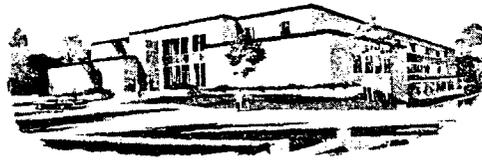


State of New Mexico



Commissioner of Public Lands

March 12, 1984

JIM BACA
COMMISSIONER

James F. Davenport & Co.
1230 Two First City Center
Midland, Texas 79701

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Re: Proposed Form of Unit Agreement
Enterprise (Deep) Unit
Lea County, New Mexico

ATTENTION: Mr. Steven R. Foy

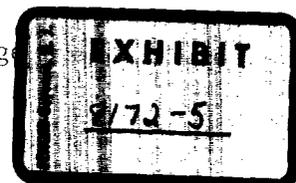
Gentlemen:

This office has reviewed the unexecuted copy of unit agreement for the proposed Enterprise (Deep) Unit Agreement, Lea County, New Mexico. 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.

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. All state leases should be listed in chronological order with the oldest lease being listed first and the newest lease being listed last.
2. Exhibit "A" should be submitted reflecting the tract nos. as shown on Exhibit "B".
3. Exhibit "B" Tract No. 9 the expiration date of lease No. L-5393 is April 1, 1981. Tract No. 16, the expiration date should be September 1, 1987.
4. Exhibit "B" needs a recapitulation reflecting the percentages and kinds of ownership of all lands.



James F. Davenport & Co.
March 12, 1984
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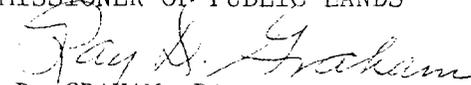
5. Application for formal approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
6. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged before a Notary and one set must contain original signatures.
7. Order of the New Mexico Oil Conservation Division and Designation from the Bureau of Land Management. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.
8. One copy of the Unit Operating Agreement.

Enclosed is a copy of your agreement reflecting the date received in this office.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: 
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

RECEIVED MAR 13 1984