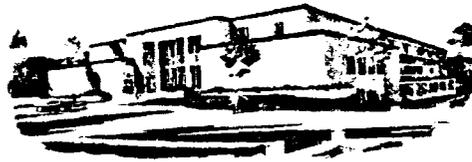


State of New Mexico

8386



JIM BACA
COMMISSIONER

Commissioner of Public Lands

March 6, 1985

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

Peito Oil Company
One Allen Center, Suite 1800
500 Dallas Street
Houston, Texas 77002

Re: Pinon Unit Well No. 2 Well Location
Pinon Unit Area
Santa Fe County, New Mexico

ATTENTION: Mr. Bruce L. Taylor

Gentlemen:

This office is in receipt of your letter of March 4, 1985, wherein as per Sec. 9 of the Pinon Unit Agreement you have requested our approval of the location for the second Unit Test Well, being 2583' FSL and 1528' FEL of protracted Section 26-14N-8E, Santa Fe County, New Mexico. Your estimated total depth for said well is 7500' or to a depth sufficient to penetrate and evaluate the Dakota formation whichever is the lesser.

The Commissioner of Public Lands has this date approved your request for the location of your second Unit Test Well. Our approval is subject to Like approval by the Bureau of Land Management.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

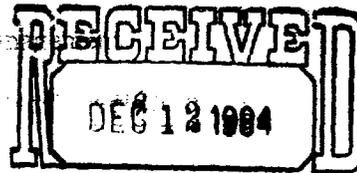
BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attention: Mr. Robert Kent
BLM-Roswell, New Mexico Attention: Mr. Armando Lopez

#8386

Pinon Unit (015)



OIL CONSERVATION DIVISION
SANTA FE

NOV 28 1984

Pelto Oil Company
Attention: Bruce L. Taylor
Two Greenspoint Plaza, Suite 400
16825 Northchase
Houston, Texas 77060

Gentlemen:

An approved copy of the Pinon Unit Agreement, Santa Fe County, New Mexico is enclosed. The agreement has been assigned No. 14-08-0001-19589 and is effective the same date as approved.

You are requested to furnish all interested principals with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) CARY A. STEPHENS

For District Manager

Enclosure

cc:
Micrographics (w/enc.)
FRAH--Fluids Section (w/enc.)
~~WFOCD~~
Comm. of Public Lands
Roswell District--Fluids
File: Pinon Unit
O&G Chron

015:RKent:tt:11/28/84:A

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

November 26, 1984

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

Pelto Oil Company
Two Greenspoint Plaza, Suite 400
16825 Northchase
Houston, Texas 77060

Re: Pinon Unit Area
Santa Fe County, New Mexico

ATTENTION: Mr. Bruce L. Taylor

Gentlemen:

The Commissioner of Public Lands has this date approved the Pinon Unit, Santa Fe County, New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed are Five (5) Certificates of Approval.

Your filing fee in the amount of \$2,310.00 has been received.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

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

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico, Attn: Mr. Armando Lopez

Bureau
Albuquerque
P.O. Box 100
Albuquerque

Pinon Unit
3180 (015)

MAY 14 1986

Pelto Oil Company
ATTN: Mr. Bruce L. Taylor
One Allen Center, Suite 1800
500 Dallas St.
Houston, TX 77002

Gentlemen:

The Pinon Unit Agreement, No. 14-08-0001-19589, Santa Fe County, New Mexico was approved November 28, 1984, effective as of that date. The term of the agreement is contingent upon the unit operator drilling one well at a time, allowing not more than six months time between the completion of one well and the beginning of the next, until a well capable of producing unitized substances in paying quantities is completed.

The Pinon Unit Well No. 2 was completed on October 28, 1985, making commencement of drilling operations on the next unit well due by April 28, 1986.

Inasmuch as the next unit test well was not commenced, the Pinon Unit Agreement is considered to have terminated automatically as of April 28, 1986, pursuant to section 9 of the unit agreement.

If you have any questions concerning this matter, please contact Robert Kent at the above address or telephone (505) 766-2841.

Sincerely,

For District Manager

cc:
Micrographics (943B-1)
FRA Fluids (016)
NMSO (943-C)
✓ NMOCD
Com. of Public Lands
Albuq. Cartog. Section
O&C chron
015:RKent:rlm:5-7-86:1851M

Note to leasing unit (NMSO): We recommend that the Federal leases committed to this unit not receive a two year extension because all obligation wells were not drilled.



State of New Mexico



113

JIM BACA
COMMISSIONER

Commissioner of Public Lands
May 21, 1986

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

Pelto Oil Company
Attn: Mr. Bruce L. Taylor
One Allen Center, Suite 1800
500 Dallas St.
Houston, Tx. 77002

Re: Termination of Pinon Unit
Agreement Santa Fe County, New
Mexico

Gentlemen:

The Bureau of Land Management has notified this office that the Pinon Unit Agreement, Santa Fe County, New Mexico has been terminated.

Our records also reflect that the Pinon Unit Agreement was approved effective as of November 28, 1984. The term of the agreement is contingent upon the unit operator drilling one well at a time, allowing not more than six months time between the completion of one well and the beginning of the next, until a well capable of producing unitized substances in paying quantities is completed.

Our records also indicate that the Pinon Unit Well No. 2 was completed on October 28, 1985, making commencement of drilling operations on the next unit well due by April 28, 1986.

In view of the above and inasmuch as the next unit well was not timely commenced, this office concurs with the Bureau of Land Management and has this date also terminated the Pinon Unit Agreement effective as of April 28, 1986.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

JB/FOP/pm

cc: OCD-Santa Fe, New Mexico

BLM-Albuquerque, New Mexico Attn: Fluids Branch