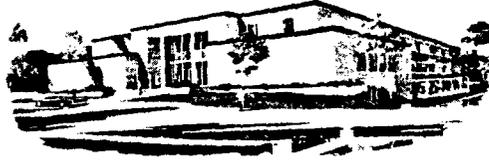


State of New Mexico

#8656



JIM BACA
COMMISSIONER

Commissioner of Public Lands

August 16, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Express Mail Delivery Use:
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Edmundson & Associates
P. O. Box 1707
Denver, Colorado, 80201

Re: Proposed South Cedar Mountain Unit Area
Grant County, New Mexico

ATTENTION: Mr. Brad W. Hentschel

Gentlemen:

This office has reviewed the unexecuted copy of unit agreement for the proposed South Cedar Mountain Unit Area, Grant County, New Mexico. This proposed 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 have been given. Also, any well commenced prior to the effective date of this agreement which penetrates its objective horizon prior to said effective date shall not be construed as the initial test well.

When submitting your agreement for final approval, please submit the following:

1. On Exhibit "A" & "B", Tract No. 49, the correct Lease Assignment Number should be LG-4115-1.
2. On Exhibits "A" & "B", Tract No. 51, delete Williams Exploration Company. Our records reflect that Lease No. LG-5810-0 is in the name of Marvin Wolf only.
3. On Exhibits "A" & "B". Tract No. 55 the correct Lease No. is LH-3608, the expiration date is July 1, 1995.
4. Application for formal approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.

Edmundson & Associates
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5. 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.
6. 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.
7. The official name and address of the unit operator.

Enclosed is a copy of your agreement reflecting the desired changes.

Your filing fee in the amount of \$1,170.00 has been received.

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.

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

