



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office

P. O. Box 1397

Roswell, New Mexico 88201

IN REPLY
REFER TO:

T3100

December 10, 1984

Inexco Oil Company
Attn: L.J. Tacconi
Inexco Oil Co. Building
Suite 201
211 Highland Cross
Houston, TX 77073

BEFORE EXAMINER QUINTANA	
OIL CONSERVATION DIVISION	
<i>Inexco</i>	EXHIBIT NO. <u>2</u>
CASE NO.	<u>8388</u>

Gentlemen:

Your application of December 5, 1984 filed with the BLM, requests the designation of the Five Mile Draw Unit area, embracing 6,457.74 acres, more or less, Chaves County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act as amended, for all formations.

Pursuant to unit plan regulations, 43 CFR 3180, the land requested as outlined on your plat marked "Inexco Oil Company, Abo Sand Study, Chaves County, New Mexico," is hereby designated as a logical unit area for all formations.

The unit agreement submitted for the area designated should provide for 1 well to test the Abo Formation, or to a depth of 3600' feet. Your use of the Form of Agreement for Unapproved Areas will be accepted with the modifications requested in your application.

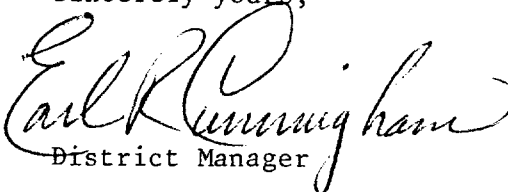
If conditions are such that further modification of said standard form is deemed necessary, three copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any other type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outlined 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 agreements 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.

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

Sincerely yours,


District Manager