 STATE OF N.M. LANDS-2,080 Ac.

//////, UNIT OUTLINE

 TRACT NUMBER

SOUTHEAST LEA UNIT  
LEA COUNTY, NEW MEXICO  
EXHIBIT "A"



JIM BACA  
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

#3569

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

August 11, 1992

Graham Royalty Ltd.  
P. O. Box 3134  
Covington, Louisiana 70434-3134

Attn: Ms. Elaine C. Bourgeois

Re: Change of Operator  
Southeast Lea Unit  
Lea County, New Mexico

Dear Ms. Bourgeois:

The New Mexico Oil Conservation Division has notified this office that the Southeast Lea Unit has had an operator change from Graham Royalty Ltd. to Blake Production Co., Inc.,. A copy of this report is enclosed for your review.

As per the terms of the Southeast Lea Unit, any change in unit operators must be approved by the Commissioner. Since you are the operator of record for the Southeast Lea Unit, please submit a copy of the above mentioned change to this office for approval. The change of unit operators will not be approved until Blake Production Company, Inc. submits the required \$20,000 Multiple Surface Improvement Damage Bond with this office.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744

JB/FOP/pm

encls.

cc: Reader File  
OCD-Santa Fe



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

JIM BACA  
COMMISSIONER

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

January 10, 1992

Graham  
P. O. Box 3134  
Covington, Louisiana 70434-3134

Attn: Ms. Elaine C. Bourgeois

Re: Southeast Lea Unit  
Contraction of Unit Area  
Lea County, New Mexico

Dear Ms. Bourgeois:

The Commissioner of Public Lands has this date approved your application for the contraction of the Southeast Lea Unit, Lea County, New Mexico.

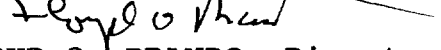
This contraction is in accordance with Section 9, Paragraph 4 of the Unit Agreement which amends the unit area by terminating the W/2 of Section 36, Township 20 South, Range 35 East, 320.00 acres from the unit area. The lands remaining in the unit area are the SW/4 of Section 25 and All of Section 26, Township 20 South, Range 35 East containing 800.00 acres.

The effective date of this contraction is February 9, 1989, being the date of your application. Please advise all interested parties of this action.

If you have any questions, or if we can be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.

cc: Reader File  
OG-3955-1  
OCD

8/2/67

Unit Name SOUTHEAST LEA UNIT- (EXPLORATORY)  
Operator AMERICAN TRADING & PRODUCTION CORPORATION  
County LEA

DATE	OCC CASE NO. 3569	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO. R-3236							
Commissioner	OCC: approved 5/11/67	8/2/67	<del>2,080.00</del>	All	-0-	-0-	Modified	2yrs.
8/2/67		<del>3-31-70</del>	<del>4,120.00</del>				Seg. Clause	or so
		elim of 2/9/89	800.00					long as

UNIT AREA

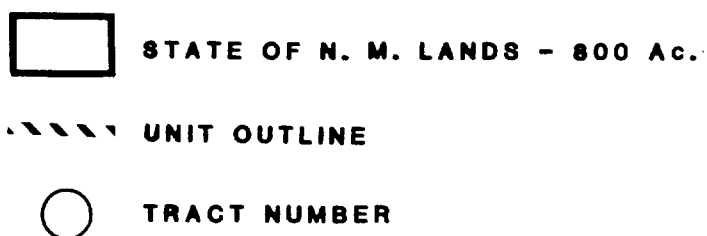
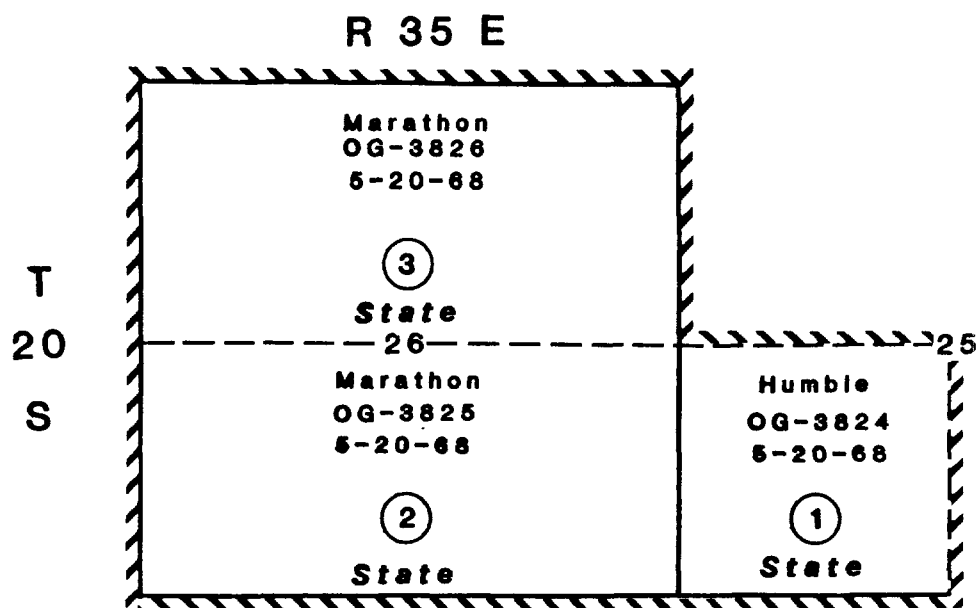
TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM

Section 25: SW/4  
Section 26: All  
~~Section 35: E/2~~  
~~Section 36: All~~  
Section 36: W/2

eliminated 2-9-89  
eliminated 2-9-89  
Average CONTRACTED  
2/9/89

W/2 Sec. 36

ELIMINATION OF LEASES			
OG-2286	320.00 Acres	3.31.70	
OG-3827	320.00 Acres		
K-5219	320.00 Acres		
OG-3955	320.00 Acres	2/9/89	
LEASES REMAINING IN UNIT			
OG-3824	160.00 Acres	See attached exhibits	
OG-3825	320.00 Acres		
OG-3826	320.00 Acres		
OG-3955	320.00 Acres	eliminated eff. 2/9/89	



# SOUTHEAST LEA UNIT

LEA COUNTY, NEW MEXICO

EXHIBIT "A"

( REVISED- APRIL 18,1991 )

**EXHIBIT "B"**  
 Revised April 18, 1991  
 SOUTHEAST LEA UNIT  
 LEA COUNTY, NEW MEXICO

*Average Remaining in Unit  
 following Conversion on 2/9/84*

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date	Basic Royalty	Original Lessee
1	Sec. 25 - SW/4	160	OG-3824 5/20/68	State 12 1/2%	Humble Oil & Refining Company
2	Sec. 26 - S/2	320	OG-3825 5/20/68	State 12 1/2%	Marathon Oil Company
3	Sec. 26 - N/2	320	OG-3826 5/20/68	State 12 1/2%	Marathon Oil Company

**TOTAL - 3 tracts containing 800 acres - 100% of unit area**



JIM BACA  
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

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

January 10, 1992

Graham  
P. O. Box 3134  
Covington, Louisiana 70434-3134

Attn: Ms. Elaine C. Bourgeois

Re: Southeast Lea Unit  
Contraction of Unit Area  
Lea County, New Mexico

Dear Ms. Bourgeois:

The Commissioner of Public Lands has this date approved your application for the contraction of the Southeast Lea Unit, Lea County, New Mexico.

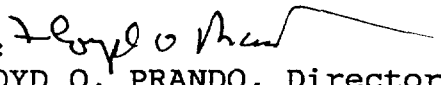
This contraction is in accordance with Section 9, Paragraph 4 of the Unit Agreement which amends the unit area by terminating the W/2 of Section 36, Township 20 South, Range 35 East, 320.00 acres from the unit area. The lands remaining in the unit area are the SW/4 of Section 25 and All of Section 26, Township 20 South, Range 35 East containing 800.00 acres.

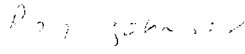
The effective date of this contraction is February 9, 1989, being the date of your application. Please advise all interested parties of this action.

If you have any questions, or if we can be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.

cc: Reader File  
OG-3955-1  
OCD - 

8/2/67

Unit Name SOUTHEAST LEA UNIT- (EXPLORATORY)  
Operator AMERICAN TRADING & PRODUCTION CORPORATION  
County IEA

DATE	OCC CASE NO. 3569	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO. R-3236							
Commissioner	OCC: approved 5/11/67	8/2/67	<del>2,080.00</del>	All	-0-	-0-	Modified	2yrs.
8/2/67			<del>2,110.00</del>				Seg. Clause	or so
			2,110.00					long as

elim of 2/9/89 800.00

UNIT AREA

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM

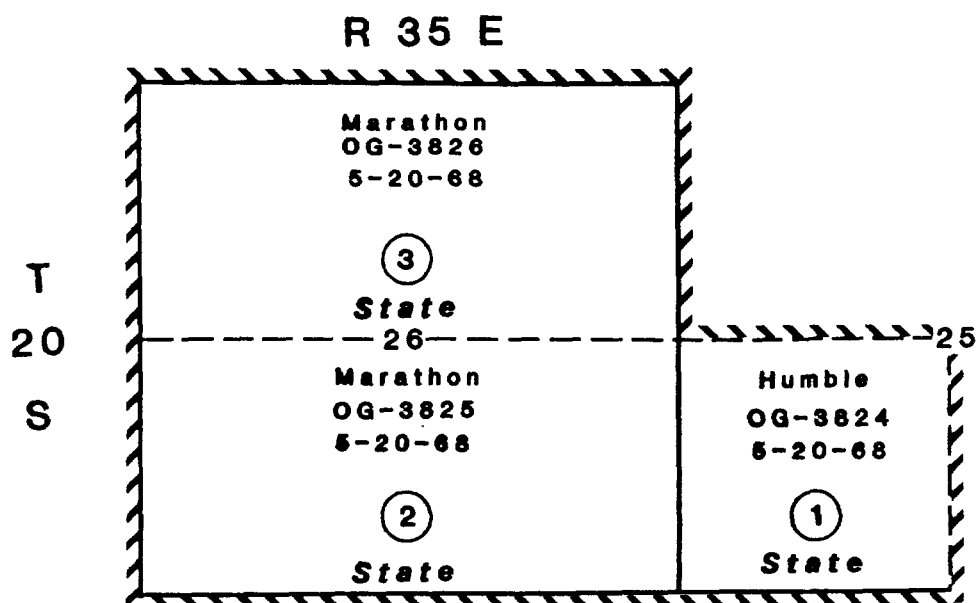
Section 25: SW/4  
Section 26: All  
~~Section 35: All~~  
Section 36: W/2

eliminated 2-9-89  
Average CONTRACTED:  
2/9/89

W/2 Soc. 36

ELIMINATION OF LEASES			
OG-2286	320.00 Acres	3.31.70	
OG-3827	320.00 Acres		
K-5219	320.00 Acres		
OG-3955	320.00 Acres	2/9/89	
LEASES REMAINING IN UNIT			
OG-3824	160.00 Acres	See attached exhibits	
OG-3825	320.00 Acres		
OG-3826	320.00 Acres		
OG-3955	320.00 Acres	eliminated 2/9/89	





STATE OF N. M. LANDS - 800 Ac.



UNIT OUTLINE



TRACT NUMBER

# SOUTHEAST LEA UNIT

LEA COUNTY, NEW MEXICO

EXHIBIT "A"

( REVISED- APRIL 18,1991 )

**EXHIBIT "B"**  
 Revised April 18, 1991  
 SOUTHEAST LEA UNIT  
 LEA COUNTY, NEW MEXICO

Average Remaining in Unit  
 following Completion on 2/9/84

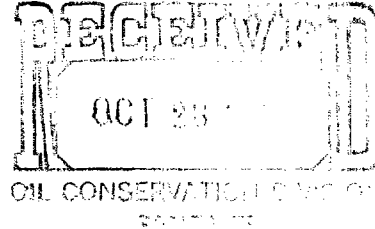
Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date	Basic Royalty	Original Lessee
1	Sec. 25 - SW/4	160	OG-3824 5/20/68	State 12 1/2%	Humble Oil & Refining Company
2	Sec. 26 - S/2	320	OG-3825 5/20/68	State 12 1/2%	Marathon Oil Company
3	Sec. 26 - N/2	320	OG-3826 5/20/68	State 12 1/2%	Marathon Oil Company
TOTAL - 3 tracts containing 800 acres - 100% of unit area					

**PETRO LEWIS CORPORATION**  
Central Region

#3569

Petro-Lewis Tower  
717 17th Street  
P.O. Box 2250  
Denver, Colorado 80201  
303/294-1000

October 21, 1985



Commissioner of Public Lands  
Oil and Gas Division  
310 Old Santa Fe Road  
Santa Fe, NM 87501

Attn: Mr. Ray D. Graham  
  
Re: Plan of Development  
Southeast Lea Unit  
Lea County, NM

Dear Mr. Graham:

In compliance with your request that our 1986 Plan of Development provide for the drilling of well in the W/2, Section 36, T-20-S, R-35-E, Petro-Lewis Corporation, as operator, initiated an extensive geologic evaluation of the area. After a review of this study, we determined that we could not recommend drilling this location to our working interest partners in the unit. These partners were then polled for their recommendations, and it appears that there is not sufficient interest among these parties to get the well drilled.

Our plan at this time is to attempt to jointly farmout the acreage to a third party to drill. Several companies have indicated an interest in this area in the past. A farmout package has been sent out to companies which are active in this area, and we hope to be able to put together a deal to drill this well.

I will keep you advised as to our progress and would request that the State continue to work with us if we are able to obtain a commitment by year-end to drill and complete a well on this acreage.

Sincerely,

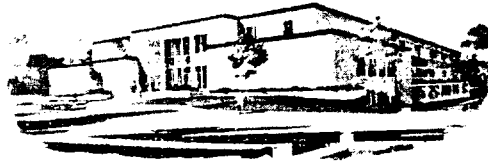
A handwritten signature in cursive script, appearing to read "Carla Konopka".

Carla Konopka  
Landman  
Central Region

CK/kp  
D32.133

State of New Mexico

#3569



JIM BACA  
COMMISSIONER

Commissioner of Public Lands  
February 20, 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

Petro Lewis Corporation  
P. O. Box 2250  
Denver, Colorado 80201

Re: Southeast Lea Unit  
Plan of Development  
September 11, 1984-September 11, 1985

ATTENTION: Mr. Wayne Wise

Gentlemen:

The Commissioner of Public Lands has this date approved your Plan of Development for the Southeast Lea Unit for the Period September 11, 1984 to September 11, 1985. Such plan calls for Petro-Lewis Corp. to initiate a seismic program calling for 2 seismic lines through the W/2 of Section 36, Township 20 South, Range 35 East. As per Article 9 of the unit agreement please file your next Plan of Development within 30 days after the expiration of this twelve-month period.

Your Plan of Development for September 11, 1985 to September 11, 1986 must provide for either drilling and completing a well in the W/2 of Section 36, before December 31, 1985 or, contracting the unit to eliminate the W/2 of Section 36 on or before December 31, 1985 in order for your Plan of Development to be acceptable and approved by this office.

Enclosed is an approved copy of your plan for your files.

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.

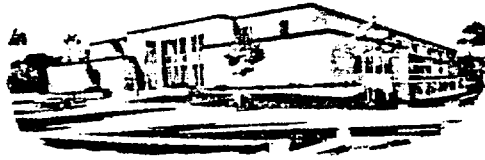
cc: OCD-Santa Fe, New Mexico

State of New Mexico

#3569



JIM BACA  
COMMISSIONER



Commissioner of Public Lands

February 8, 1985

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

Petro Lewis Corporation  
P. O. Box 2250  
Denver, Colorado 80201

Re: Southeast Lea Unit  
Successor Unit Operator  
Lea County, New Mexico

ATTENTION: Mr. Samuel C. Moore

Gentlemen:

This office is in receipt of your letter dated January 30, 1985, together with an instrument entitled Certificate of Amendment of Certificate of Incorporation, wherein Sabine Exploration Corporation has changed the name of the Corporation to Barber Oil Exploration, Inc.

The Commissioner of Public Lands has this date approved the Resignation of Barber Oil Exploration, Inc., successor to Sabine Exploration Corporation as Unit Operator to the captioned unit and approved the Designation of Petro-Lewis Corporation as successor Unit Operator of the Southeast Lea Unit Agreement effective as of January 1, 1981.

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 Attention: Mr. Michael Stogner

5-2

**PETRO LEWIS CORPORATION**  
Central Region

Petro-Lewis Tower  
717 17th Street  
P.O. Box 2250  
Denver, Colorado 80201  
303/294-1000

January 30, 1985

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Re: 709-NM-04A  
Southeast Lea Unit  
T20S, R35E, N.M.P.M.  
Section 25: SW $\frac{1}{4}$   
Section 26: All  
Section 36: W $\frac{1}{2}$   
Lea County, New Mexico

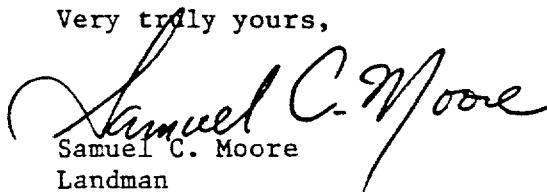
Gentlemen:

Barber Oil Exploration, Inc., "Barber", Successor to Sabine Exploration Corporation, (see attached Certificate of Amendment) has resigned as operator to the captioned unit effective January 1, 1981. Partnership Properties Co., a Colorado General Partnership, has acquired Barber's interest in the unit and has requested that Petro-Lewis Corporation "PLC" operate this unit. The "Certificate of Authority to do Business" number for Petro-Lewis Corporation is 0646075.

Barber provided its resignation to all working interest owners and nominated PLC as successor operator, pursuant to the attached letter dated December 22, 1980. PLC has been operating this property and drilled one well during this time.

Per the Southeast Lea Unit Agreement dated July 3, 1967, PLC's succession as unit operator requires approval of the Commissioner of Public Lands. Please indicate your approval of PLC as successor unit operator by signing and returning one copy of this letter

Very truly yours,

  
Samuel C. Moore  
Landman  
Central Region

APPROVED AND ACCEPTED this 25<sup>th</sup> day of of February, 1985.

Commissioner of Public Lands

By: \_\_\_\_\_

Rolf C. Walther  
Vice President-Exploration

St. James Place Suite 600  
Houston, Texas 77056  
(713) 961-3700

**Barber Oil Exploration, Inc.**



December 22, 1980

CERTIFIED MAIL -  
RETURN RECEIPT REQUESTED

Exxon Co., U.S.A.  
P. O. Box 1600  
Midland, Texas 79701

Phillips Petroleum Company  
Room 421, Frank Phillips Bldg.  
Bartlesville, Oklahoma 74004

Ms. Betty M. Dean  
P. O. Box 10140  
El Paso, Texas 79992

Marathon Oil Company  
P. O. Box 3128  
Houston, Texas 77001

American Trading & Production Corp.  
Capital National Bank Bldg.  
Houston, Texas 77002

Re: Resignation of Operator  
For Operating Agreement Covering  
Southeast Lea Unit  
Southeast Lea Prospect  
Lea County, New Mexico -

Dear Non-Operators:

This is to inform you that Barber Oil Exploration, Inc. (BOE) and several limited partnerships (Partnerships) affiliated with Petro-Lewis Corporation (PLC) have entered into an agreement whereby the Partnerships have agreed to purchase all the outstanding stock of BOE. Upon closing (anticipated within 60 days) BOE will be liquidated and the assets of BOE will be conveyed to nominees for the Partnerships.

Pursuant to the Operating Agreement covering the above-referenced property, BOE is resigning as Operator effective 7:00 A.M. on the day after closing. At that time PLC shall assume operation of the referenced property.

Yours very truly,

BARBER OIL EXPLORATION, INC.

Rolf C. Walther

EGC:rk

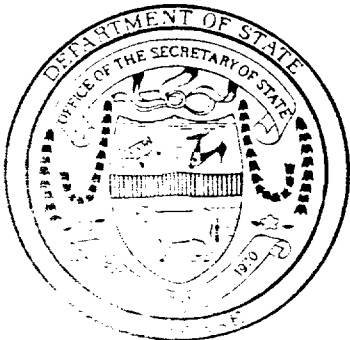


# State of DELAWARE



## Office of SECRETARY OF STATE

I, Glenn C. Kenton, Secretary of State of the State of Delaware,  
do hereby certify that the attached is a true and correct copy of  
Certificate of \_\_\_\_\_ Amendment \_\_\_\_\_  
filed in this office on \_\_\_\_\_ December 21, 1972 \_\_\_\_\_.



*Glenn C. Kenton*

Glenn C. Kenton/Secretary of State

BY: \_\_\_\_\_

*B. Ahers*

DATE: \_\_\_\_\_

April 11, 1983



CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION

SABINE EXPLORATION CORPORATION, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY.

FIRST: That the Board of Directors of said corporation, by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of said corporation:

RESOLVED, that the Certificate of Incorporation of Sabine Exploration Corporation be amended by changing the Article thereof numbered "FIRST" so that, as amended, said Article shall be and read as follows:

"FIRST. The name of the Corporation is  
BARBER OIL EXPLORATION, INC."

SECOND: That in lieu of a meeting and vote of stockholders, the sole stockholder has given unanimous written consent to said amendment in accordance with the provisions of section 228 of The General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 and 228 of The General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said SABINE EXPLORATION CORPORATION has caused this certificate to be signed by C. Marks Hinton its President and attested by D. W. Johnston , its Secretary , this 7th day of December, 1972.

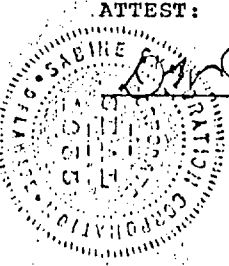
SABINE EXPLORATION CORPORATION

By

C. Marks Hinton  
President

ATTEST:

D. W. Johnston  
Secretary



MAIN OFFICE 0000

'70 APR 1 AM 8 29

3569

March 31, 1970

Sabine Exploration Corporation  
2627 Tenneco Building  
Houston, Texas 77002

Re: Southeast Lea Unit  
CONTRACTION  
Lea County, New Mexico

ATTENTION: Mr. T. P. McConn

Gentlemen:

The Commissioner of Public Lands has this date approved your application for the contraction of the Southeast Lea Unit, Lea County, New Mexico.

This contraction is in accordance with Section 9, Paragraph 4 of the Unit Agreement.

The effective date of this contraction is March 31, 1970.

We are returning one copy of the application, executed by the Commissioner, for your files.

Very truly yours,

Ted Bilberry, Director  
Oil and Gas Department

TB/ML/s

encls.

cc: OCC-Santa Fe, New Mexico

C  
O  
P  
Y

# State of New Mexico



## Commissioner of Public Lands



GUYTON B. HAYS  
COMMISSIONER

P. O. BOX 1148  
SANTA FE, NEW MEXICO

August 2, 1967

Mr. Clarence E. Hinkle  
Hinkle, Bondurant & Christy  
600 Hinkle Building  
Roswell, New Mexico, 88201

Re: Southeast Lea Unit  
Lea County, New Mexico

Dear Mr. Hinkle:

The Commissioner of Public Lands has this date approved the Southeast Lea Unit, Lea County, New Mexico. Agreement effective as of the date of approval.

We are enclosing nine (9) Certificates of Approval, as requested in your letter, also Official Receipt No. I 11703 in the amount of Twenty-Five (\$25.00) Dollars which covers the filing fee.

Very truly yours,

GUYTON B. HAYS  
COMMISSIONER OF PUBLIC LANDS

BY:  
Eddie Lopez, Supervisor  
Unit Division

GBH/TB/EL/s  
Enclosures

cc: OCC-Santa Fe, New Mexico ✓

1967 AUG 3 AM 11 01

GOVERNOR  
DAVID F. CARGO  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission

LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

P. O. BOX 2088  
SANTA FE

May 11, 1967

Mr. Clarence Hinkle  
Hinkle, Bondurant & Christy  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

Re: Case No. 3569  
Order No. R-3236  
Applicant: American Trading & Prod. Co.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,



A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC       

Aztec OCC       

Other                     Unit Division - Land Office

CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER  
STUART D. SHANOR

LAW OFFICES  
**HINKLE, BONDURANT & CHRISTY**  
600 HINKLE BUILDING  
ROSWELL, NEW MEXICO 88201

MIDLAND, TEXAS OFFICE  
521 MIDLAND TOWER  
(915) MU 3-4891  
OF COUNSEL: HIRAM M. DOW

May 9, 1967

TELEPHONE (505) 822-6510  
POST OFFICE BOX 10

New Mexico Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico

37 MAY 10 AM '67

Attention: Daniel S. Nutter, Chief Engineer

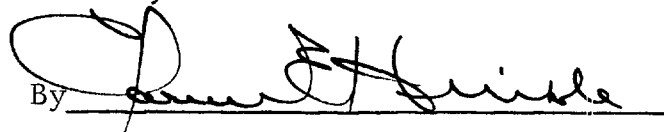
Gentlemen:

We enclose in triplicate application of American Trading and Production Corporation for approval of the Southeast Lea Unit Agreement, which has heretofore been set down on your examiner's docket for May 10. As previously discussed with Mr. Nutter, this matter is to be continued until 10:00 a.m. Thursday May 11.

You will note that Exhibit "A", being the plat of the unit area, is not attached to the unit agreement. This plat is in the process of being prepared by American Trading and Production Corporation but has not yet been received. I will bring this exhibit with me to the hearing to be inserted in the form.

Yours sincerely,

HINKLE, BONDURANT & CHRISTY

By 

CEH:cs  
Enc.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

May 4, 1967

C  
O  
P  
Y  
  
Mr. Clarence Hinkle  
Hinkle, Bondurant & Christy  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

Dear Mr. Hinkle:

I have a dental appointment for 9 o'clock a.m. on May 11, 1967.

If it is satisfactory with you, I would like to continue American Trading and Production Corporation's case from 9 a.m. on May 10 to 10 a.m. on May 11.

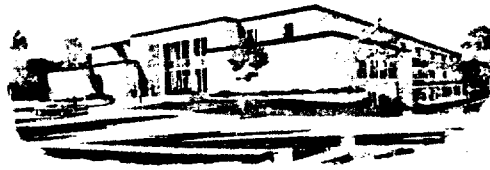
Very truly yours,

DANIEL S. NUTTER  
Chief Engineer

DSN/ir

# State of New Mexico

#3569



JIM BACA  
COMMISSIONER

## Commissioner of Public Lands

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

September 30, 1986

Petro Lewis Corporation  
ATTENTION: Mr. William F. Aspinwall  
P. O. Box 90500  
Houston, Texas 77290

Re: Southeast Lea Unit  
1986 Plan of Development  
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1986 Plan of Development for the Southeast Lea Unit Area, Lea County, New Mexico. Your plan of development is approved contingent upon your company's agreement to contract the unit if an 11,300' Wolfcamp Formation test well is not drilled on the W-2 of Section 36-20S-38E by September 11, 1987.

Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

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:

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

JB, FOP/pm  
encls.  
cc: OCD-Santa Fe, New Mexico



STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

TONEY ANAYA  
GOVERNOR

October 20, 1986

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Petro Lewis Corporation  
P. O. Box 90500  
Houston, Texas 77290

Attention: William F. Aspinwall

Re: Southeast Lea Unit Area  
Plan of Development  
Lea County, New Mexico

Gentlemen:

The above-referenced submittal has been approved by the New Mexico Oil Conservation Division effective this date. Such approval is contingent upon like approval by the New Mexico Commissioner of Public Lands and the Bureau of Land Management.

Sincerely,

ROY E. JOHNSON,  
Senior Petroleum Geologist

REJ/dr

cc: Commissioner of Public Lands - Santa Fe  
Bureau of Land Management - Albuquerque



PETRO LEWIS CORPORATION  
Eastern Region

Four Greenspoint Plaza  
16945 Northchase Drive  
P.O. Box 90500  
Houston, Texas 77290  
713/874-8000

October 9, 1986

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Re: Southeast Lea Unit Area  
Plan of Development  
Lea County, New Mexico

Gentlemen:

Enclosed for your review, please find a copy of our current Plan of Development for the above unit. This Plan was previously submitted to the Commissioner of Public Lands and was approved by that office on September 30, 1986. A copy of the Commissioner's approval letter is also enclosed for your reference and files.

We would appreciate your consideration and respectfully request your approval of the enclosed Plan of Development.

Very truly yours,

PETRO-LEWIS CORPORATION



William F. Aspinwall  
Senior Landman

WFA:crk

Enclosure



JIM BACA  
COMMISSIONER

# State of New Mexico



## Commissioner of Public Lands

LAND DEPARTMENT

REC'D OCT 03 1986

EASTERN REGION

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

September 30, 1986

Petro Lewis Corporation  
ATTENTION: Mr. William F. Aspinwall  
P. O. Box 90500  
Houston, Texas 77290

Re: Southeast Lea Unit  
1986 Plan of Development  
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1986 Plan of Development for the Southeast Lea Unit Area, Lea County, New Mexico. Your plan of development is approved contingent upon your company's agreement to contract the unit if an 11,800' Wolfcamp Formation test well is not drilled on the W/2 of Section 36-20S-38E by September 11, 1987.

Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is an approved copy for your files.

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: 

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

JB/FOP/pm  
encls.  
cc: OCD-Santa Fe, New Mexico

**PETRO LEWIS CORPORATION.**  
Gulf Coast Region

Petro-Lewis Tower  
16945 Northchase Drive  
P. O. Box 90500  
Houston, Texas 77290  
713-591-8000

September 11, 1986

State of New Mexico  
Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

Attention: Mr. Floyd Prando, Director  
Oil and Gas Division

Re: Southeast Lea Unit  
Plan of Development  
(9/11/85 to 9/11/87)  
T20S-R35E, Lea County, NM  
Lease No. OG-3955

Gentlemen:

Petro-Lewis Corporation, as Operator of the above-referenced unit, has been actively seeking a farmout drilling commitment for the drilling of a test well on the  $W\frac{1}{2}$  of Section 36 within said unit since October, 1985. During this period, economic conditions have deteriorated to the extent that an operator cannot currently maintain a reasonable expectation of a profit in considering such a test well. Further, the geologic evaluation accepted by the State indicates that a well drilled to test the Morrow Formation under the said  $W\frac{1}{2}$  of Section 36 would also not be considered economic.

A farmout commitment from TXO Production Corp. to drill an 11,800' Wolfcamp Test was recently withdrawn due to such unfavorable economics. However, the working interest owners within the Southeast Lea Unit, in consideration of their previous investments in developing the Southeast Lea Unit, request that the State of New Mexico allow an additional one year period for developing the said  $W\frac{1}{2}$  of Section 36, prior to deleting said land from the unit.

Therefore, Petro-Lewis Corporation, as Unit Operator, submits that the Plan of Development for the Southeast Lea Unit for September 11, 1985 to September 11, 1987 will include the drilling of an 11,800' Wolfcamp Formation test well on the said  $W\frac{1}{2}$  of Section 36. If operations to drill such test well are not commenced on or before September 11, 1987, then the unit will be contracted by the deletion of said  $W\frac{1}{2}$  of Section 36.

September 11, 1986

Page 2

Considering the current economics of the oil and gas industry, we respectfully request the State's approval of the foregoing Plan of Development.

Very truly yours,

PETRO-LEWIS CORPORATION



William F. Aspinwall  
Senior Landman

WFA:crk

