

State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

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

(505) 827-5760
FAX (505) 827-5766

January 9, 1998

Permian Resources Inc.
P.O. Box 590
Midland, Texas 79702-0590

Attn: Ms. Beverly Bryant

Re: Voluntary Termination
West Tres Papalotes Unit
Lea County, New Mexico

Dear Ms. Bryant:

Your request to terminate the West Tres Papalotes Unit Agreement was received by this office on December 29, 1997.

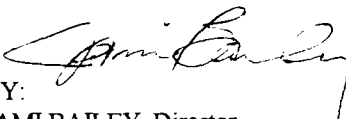
Please be advised that pursuant to Section 22 of the unit agreement, the West Tres Papalotes Unit Agreement has been terminated effective December 23, 1997.

Please advise the New Mexico Oil Conservation Division and all other interested parties of this action.

If we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS


BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
xc: Reader File

OCD-Roy Johnson

TRD-Valdean Severson

Case No. 9825

Unit Name West Tress Papalotes Penn Unit
 Operator Sage Energy Company
 County Lea County, NM

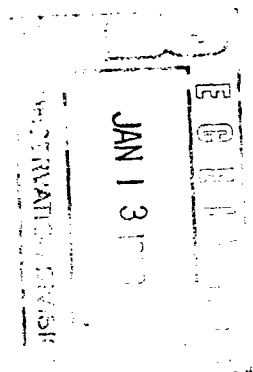
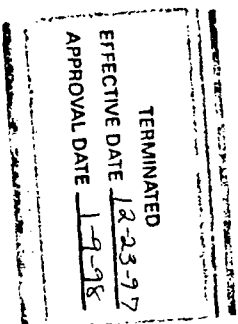
DATE	OCC CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	SECREGATION	TERM
APPROVED	OCC ORDER NO.						
January 31, 1990	Case No. : 9825	March 1, 1990	1120.00	800.00	-0-	320.00 Modified	So Long
	Order No. : R-9072						

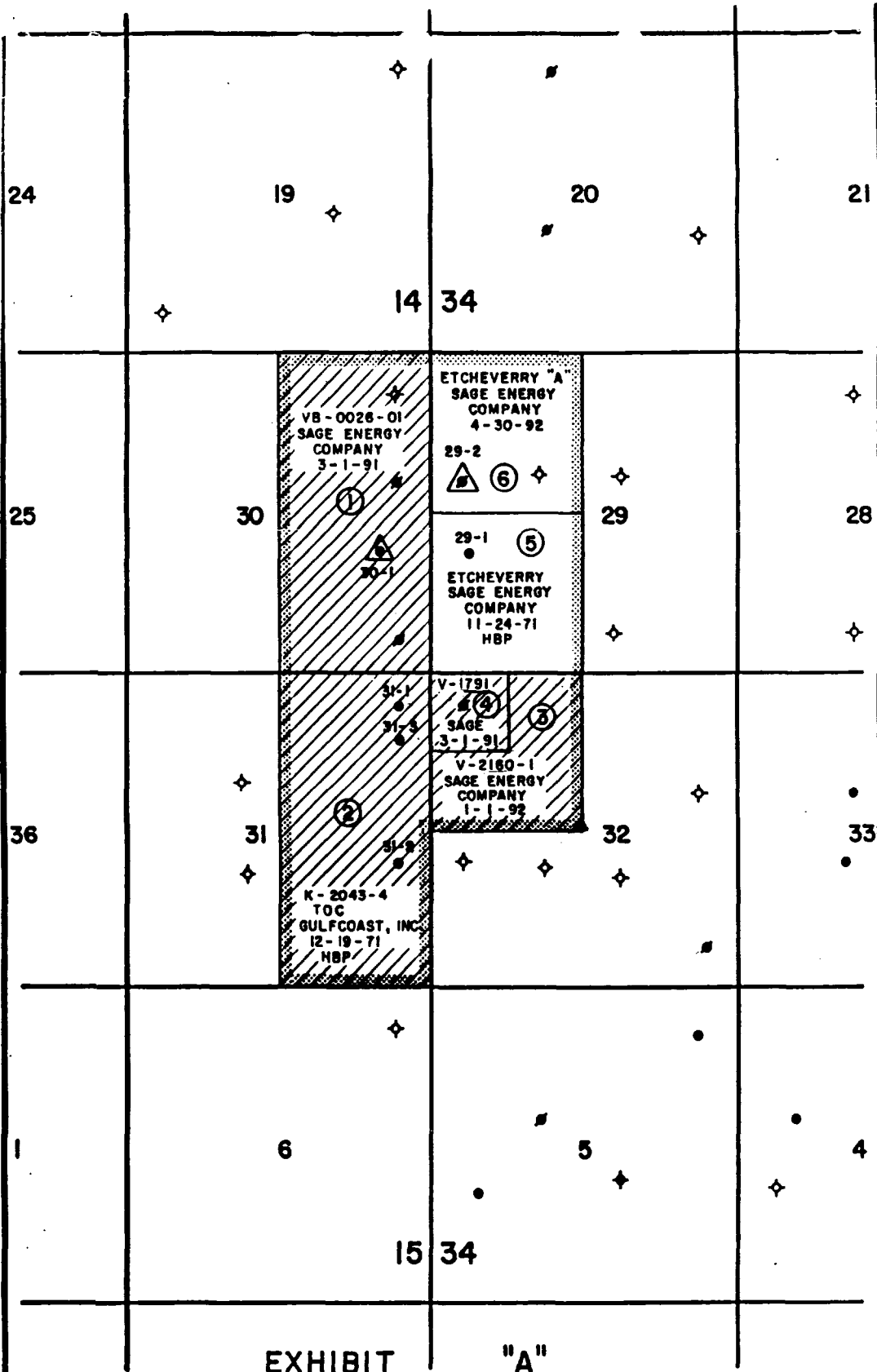
UNIT AREA

T14S, R34E

Section 29: W/2
 Section 30: E/2
 Section 31: E/2
 Section 32: NW/4

ALL TRACTS ARE COMMITTED TO THE UNIT AGREEMENT AT THIS TIME





LEGEND



STATE
LEASE

SAGE ENERGY COMPANY
WEST TRES PAPALOTES PENN UNIT
WEST TRES PAPALOTES FIELD
LEA COUNTY, NEW MEXICO

SCALE: 1" = 2000'

4-28-89

EXHIBIT "B"
UNIT AGREEMENT
West Tres Papalotes Pennsylvanian Unit

Tract Number & Participation Factor in Unit	Description of Land *	Number of Acres	Name or No. of exp. date of Lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
1) 15.27267	E/2 30-14-34 *	320	New Mexico St. VB-0026-1 exp. 3-1-91	State 18.75%	Sage Energy Company	-0-	Sage Energy 100%
2) 56.40217	E/2 31-14-34	320	New Mexico St. K-2043-5 exp. 12-19-71	State 12.5%	Fina Oil & Chemical Company	Sage Energy 12.5	Sage Energy 100%
3) -0-	S/2NW/4 NE/4NW/4 32-14-34	120	New Mexico St. V-2160-1 exp. 1-1-92	State 16.67%	Sage Energy Company	Sage Energy 1.0	Sage Energy 100%
4) 5.61122	NW/4NW/4 32-14-34	40	New Mexico St. V-1791-1 exp. 3-1-91	State 16.67%	Sage Energy Company	Sage Energy 1.0	Sage Energy 100%
5) 17.98006	SW/4 29-14-34	160	Etcheverry exp. 11-24-71	John Etcheverry 10.15626 Adella P. Tindle 4.29687 Josephine Selva 4.29687	Sage Energy Company	FDIC-A/C Metts .75 J.M. Huber Corp. 1.5625 Sage Energy 1.75	Sage Energy 100%
6) 4.73388	NW/4 29-14-34	160	Etcheverry "A" exp. 4-30-92	John Etcheverry 12.375 Adella P. Tindle 3.1875 Josephine Selva 3.1875	Sage Energy Company	-0-	Sage Energy 100%

*All lands are in Township 14 South
Range 34 East, and above No. 1's mean
Sec., T & R.

9825



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5795

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

February 25, 1997

Permian Resources Inc.
P.O. Box 590
Midland, Texas 79702-0590

Attn: Mr. Robert Marshall

Re: Resignation/Designation of Successor Unit Operator
West Tres Papalotes Unit
Lea County, New Mexico

Dear Mr. Marshall:


This office is in receipt of a resignation/designation of successor unit operator, wherein Sage Energy Company has resigned as unit operator of the West Tres Papalotes Unit and designated Permian Resources Inc. as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of Sage Energy Company and the designation of Permian Resources Inc. as the successor unit operator of this unit. This change in operators is effective October 1, 1996. In accordance with this approval, Permian Resources Inc. is now responsible for all operations and the reporting of all production from the unit.

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

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil/Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

Enclosure

cc: Reader File

Sage Energy Company

OCD-Roy Johnson

TRD

#9825

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

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

February 7, 1990

Sage Energy Company
10101 Reunion Place, Suite 800
San Antonio, Texas 78216-4158

ATTN: Mr. Lee Patrick

RE: West Tres Papalotes Unit
Lea County, New Mexico
Initial Plan of Operations

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Initial Plan of Operations for the West Tres Papalotes Unit. Our approval is subject to like approval by all other appropriate agencies.

If we may be of further help, please do not hesitate to contact Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY:

Floyd O. Prando

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5749

cc: OCD - Santa Fe, New Mexico
BLM
Unit Correspondence File
Unit P.O.D. File

WRH/FOP/SMH

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

October 12, 1989

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

Sage Energy Company
10101 Reunion Place, Suite 800
San Antonio, TX 78216-4158

ATTN: Mr. Lee Patrick

RE: **Proposed West Tres Papalotes Unit**
Lea County, New Mexico

Gentlemen:

This office has reviewed the unexecuted copy of the unit agreement submitted for the proposed West Tres Papalotes Unit Area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands who 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.

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

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and those that are not committed.
2. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
3. Order of the New Mexico Oil Conservation Division. Our approval will be contingent upon subsequent favorable approval by the New Mexico Oil Conservation Division.
4. The filing fee. The filing fee for a Unit Agreement is thirty dollars (\$30.00) for every section or partial section thereof. Please submit a filing fee in the amount of one hundred twenty dollars (\$120.00).


5. The initial plan of operations for this waterflood unit.
6. A list of the re-designated well names and numbers.
7. An original and one copy of both the Unit Agreement and the Unit Operating Agreement for our files. Again, the original set must contain original signatures.

As you requested, we have retained one copy of the Unit Agreement you sent with your letter dated October 3, 1989 and have enclosed the other four copies. For your information, we have also enclosed a brief list/description of the information required when submitting a unit containing New Mexico State Trust Lands for approval.

If we may be of further help, please do not hesitate to call Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD D. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WHR/FOP/SMH

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



OCL

Commissioner of Public Lands

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

January 31, 1990

Sage Energy Company
10101 Reunion Place, Suite 800
San Antonio, Texas 78216-4158

ATTN: Mr. Lee Patrick

RE: **Approval of West Tres Papalotes Penn Unit**
Lea County, New Mexico

Gentlemen:

Please be advised that the Commissioner of Public Lands has this date granted final approval to the West Tres Papalotes Penn Unit Lea County, New Mexico. It is our understanding that all tracts are committed to the Unit Agreement at this time. The effective date of the Unit Agreement is March 1, 1990.

Our approval is subject to like approval by the New Mexico Oil Conservation Division. Enclosed are five (5) Certificates of Approval and two copies of the approved Unit Agreement.

Your filing fee in the amount of one hundred twenty dollars (\$120.00) was received.

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

Very truly yours,

W.R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5749

WRH/FOP/SMH
enclosures
cc: OGD - Santa Fe, New Mexico
BLM - Roswell, New Mexico

Unit Name West Tres Papalotes Penn Unit
Operator Sage Energy Company
County Lea County, NM

DATE	OCC CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL
APPROVED	OCC ORDER NO.				

January 31, 1990	Case No. : 9825	March 1, 1990	1120.00	800.00	-0-
	Order No. : R-9072				

UNIT AREA

T14S, R34E

Section 29: W/2
Section 30: E/2
Section 31: E/2
Section 32: NW/4

ALL TRACTS ARE COMMITTED TO THE UNIT AGREEMENT

REPORT TO DEPARTMENT

West Tres Papalotes Pennsylvania Unit

West Tres Papalotes Pennsylvanian Unit										
BENEFICIARY		Tract Number & Participation Factor in Unit	Description of Land *	Number of Acres	Name or No. & exp. date of Lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage	
C.S.	1) 15.27267	E/2 30-14-34 *	320	New Mexico St. VB-0026-1 exp. 3-1-91	State	18.75%	Sage Energy Company	-0-	Sage Energy	
C.S.	2) 56.40217	E/2 31-14-34	320	New Mexico St. K-2043-5 exp. 12-19-71	State	12.5%	Fina Oil and Chemical Co.	Sage Energy 12.5	Sage Energy	
C.S.	3) -0-	S/2NW/4 NE/4NW/4 32-14-34	120	New Mexico St. V-2160-1 exp. 1-1-92	State	16.67%	Sage Energy Company	Sage Energy 1.0	Sage Energy	
C.S.	4) 5.61122	NW/4NW/4 32-14-34	40	New Mexico St. V-1791-1 exp. 3-1-91	State	16.67%	Sage Energy Company	Sage Energy 1.0	Sage Energy	
Not State	5) 17.98006	SW/4 29-14-34	160	Etcheverry exp. 11-24-71	John Etcheverry 10.15626 Adella P. Tindle 4.29687 Josephine Selvage 4.29687	Sage Energy Company	FDIC-A/C Metts .75 J.M. Huber Corp. 1.5625 Sage Energy 1.75	Sage Energy		
Not State	6) 4.73388	NW/4 29-14-34	160	Etcheverry "A" exp. 4-30-92	John Etcheverry 12.375 Adella P. Tindle 3.1875 Josephine Selvage 3.1875	Sage Energy Company	-0-	Sage Energy		

*All lands are in Township 14 South Range 34 East, and above No. 's mean Sec., T & R.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

December 20, 11989

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. James Bruce
Hinkle, Cox, Eaton,
Coffield & Hensley
Attorneys at Law
800 Marquette, N.W.
Suite 740
Albuquerque, New Mexico 87102

Dear Sir:

Re: CASE NO. 9825
ORDER NO. R-9072

Applicant:

Sage Energy Company

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

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other _____