

UNIT NAME EAST CORBIN DELAWARE UNIT  
OPERATOR: MERIDIAN OIL  
COUNTY: LEA

DATE APPROVED OCC CASE NO. EFFECTIVE DATE TOTAL ACREAGE STATE FEDERAL INDIAN/FEE SEGREGATION CLAUSE TERM

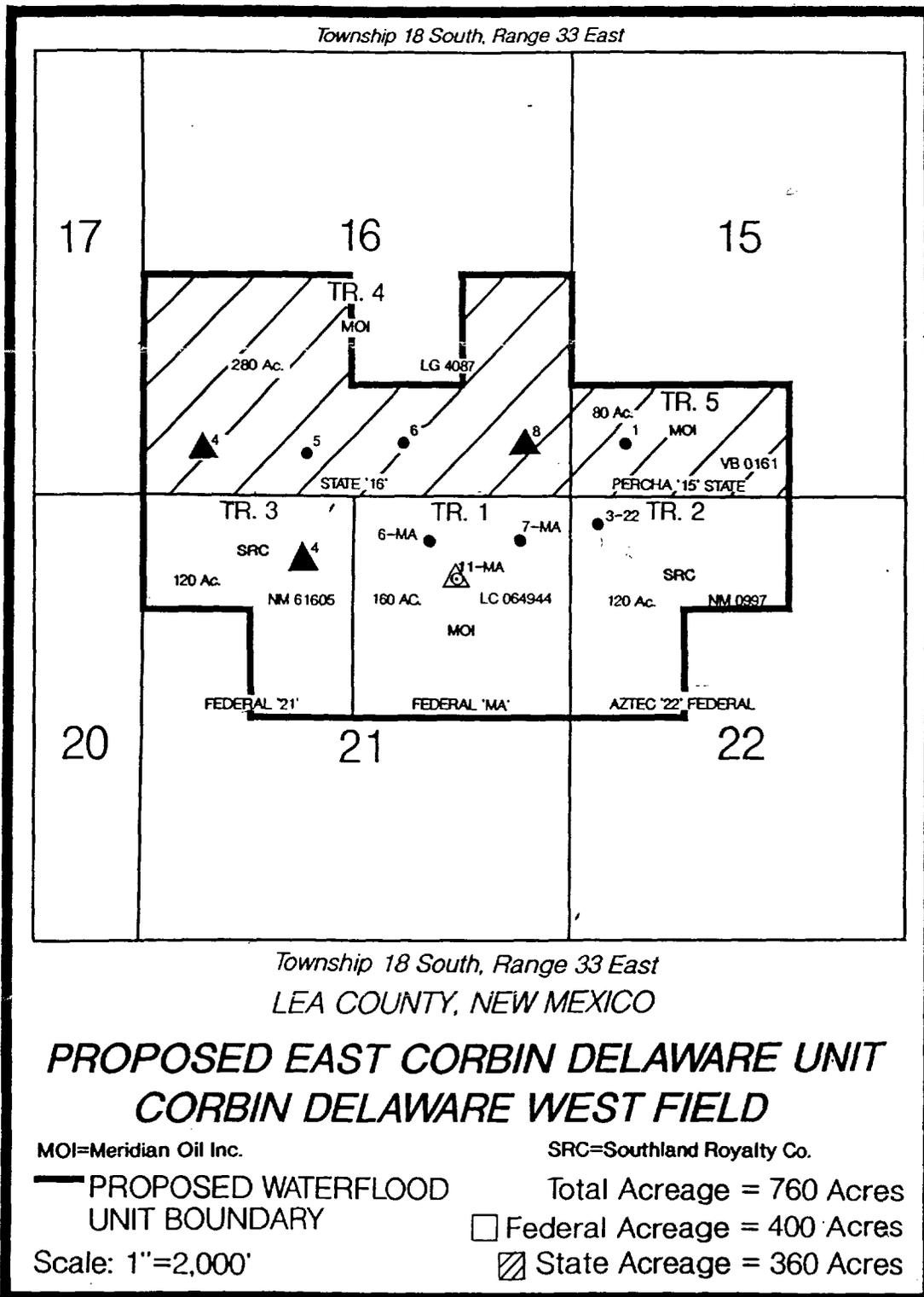
06-01-1995 R-10317 06-01-1995 760.00 360.00 400.00 -0- Modified So long as  
Case Number 11207

UNIT AREA

TOWNSHIP 18 SOUTH, RANGE 33 EAST

SECTION 15: S2SW4  
SECTION 16: SW4, NE4SE4, S2SE4  
SECTION 21: NE4, N2NW4, SE4NW4  
SECTION 22: N2NW4, SW4NW4

# EXHIBIT A



101 = 1319 3

# EXHIBIT B

Tract No.	Description of Lands	Acres	Serial No. & Effective Date	Basic Royalty Owner	Lessee of Record	Overriding Royalty Owner & Percentage	Working Interest Owner & Percentage Interest	Participation of Tract In Unit
1	NE 1/4 of Section 21, T18S - R33E Federal MA# #6 & 7 wells (and the proposed #11 well)	160	USA LC-06-944 6/1/47 HBP	USA 12.50%	Southland Royalty Company	Summit Energy Inc. 1.6670%	Southland Royalty Company 100%	50.8165%
						Verna Fay Scott, Trustee 1.6670%		
						Betty L. Rogers, Trustee 0.8333%		
						Katy Hale Kruse 0.8333%		
2	N1/2 of the NW1/4 & the SW1/4 of the NW1/4 Section 22, T18S - R33E Alec Federal #2# #3 well	120	USA NM-0997 2/1/50 HBP	USA 12.50%	Southland Royalty Company	Ronald H. Breland 0.833330%	Southland Royalty Company 100%	4.4874%
						Mary Loomis Cleve 1.666667%		
						Prenliss C. Breland 0.833330%		
						Howard B. Wright 1.666667%		
3	N1/2 of the NW1/4 & the SE1/4 of the NW1/4 Section 21, T18S - R33E Federal #21 #4 well	120	USA NM-61605 5/1/85 HBP	USA Sch B	Southland Royalty Company	NONE	Southland Royalty Company 100%	4.3276%
4	SW1/4 of Section 16, T18S - R33E and the NE1/4 of the SE1/4 & the S1/2 of the SE1/4 Section 16, T18S - R33E State #1# #4, 5, 6 & 8 wells	280	LG 4087 3/1/77 HBP	State of New Mexico 12.50%	L. R. French, Jr.	L. R. French, Jr. 6.25%	Southland Royalty Company 100%	38.0520%
5	S1/2 of the SW 1/4 of Section 15, T18S - R33E Percha #15 State #1 well	80	VB-0161 11/1/87 HBP	State of New Mexico 18.75%	Meridian Oil Inc.	NONE	Meridian Oil Inc. 100%	2.3167%
		Acres	Percentage					
		Federal Lands	400	53%				
		State Lands	360	47%				
		Total	760	100%				

Schedule of Land Ownership for All Lands and Leases Within the proposed EAST CORBIN DELAWARE UNIT  
Lea County, New Mexico



ALL CONCERNING OIL DIVISION  
RECEIVED  
1995 JUN 1 11 48 52

11207

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

State of New Mexico  
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

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

June 1, 1995

Meridian Oil  
P. O. Box 51810  
Midland, Texas 79710-1810

Attn: Mr. James B. (Trey) Shepherd III

Re: Final Approval  
East Corbin Delaware Unit Agreement  
Lea County, New Mexico

Dear Mr. Shepherd:

This office is in receipt of your letter of May 17, 1995, requesting final approval of the East Corbin Delaware Unit Agreement, Lea County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the East Corbin Delaware Unit Agreement, Lea County, New Mexico. Also, approved on this date is your initial plan of operation for the above mentioned unit area.

Pursuant to Section 24 of the East Corbin Delaware Unit Agreement, the unit will become effective upon submittal of a "Certificate of Effectiveness".

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 \$120.00 Dollars has been received.

Meridian Oil  
June 1, 1995  
Page 2

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, Deputy Director  
Oil/Gas and Minerals Division  
(505) 827-5744

RP/JB/pm

cc: BLM-Roswell Attn: Ms. Alexis Swoboda  
OCD-Santa Fe Attn: Mr. Roy Johnson  
TRD-Santa Fe Attn: Mr. Valdean Severson  
Reader file



OIL CONSERVATION DIVISION  
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RAY POWELL, M.S., D.V.M.  
COMMISSIONER

State of New Mexico  
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

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

April 5, 1995

Meridian Oil  
P. O. Box 51810  
Midland, Texas 79710-1810

Attn: Mr. James B. (Trey) Shepard III

Re: Application for Final Approval  
East Corbin Delaware Unit  
Lea County, New Mexico

Dear Mr. Shepard:

This office is in receipt of your letter of March 27, 1995 requesting final approval of the East Corbin Delaware Unit, Lea County, New Mexico.

We regret to inform you that we cannot approve your agreement at this time for the following reasons:

1. Our lessee of record under Tract No. 4, LG-4087-0, is L. R. French, Jr.,. Please submit a ratification and joinder to the unit agreement for L. R. French, Jr. Enclosed, for your information, is a copy of page 279 of our oil and gas manual regarding ratifications.
2. On page 5, Section 13, the tract participation formula should be corrected as per your Exhibit "C".
3. On Exhibit "B", Tract No. 2, the correct description should be the N $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ .
4. On Exhibit "B", Tract No. 4, the lessee of record for LG-4087-0 is L. R. French, Jr.

Pursuant to your telephone conversation with Pete Martinez of this office, please be advised that your application for final approval of the East Corbin Delaware Unit will be held in abeyance until we receive the above listed requirements.

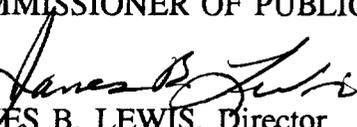
Meridian Oil  
April 5, 1995  
Page 2

Please provide a copy of all unit amendments to the Bureau of Land Management and the New Mexico Oil Conservation Division.

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:   
JAMES B. LEWIS, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JBL/pm

cc: Reader File  
OCD-Santa Fe  
BLM-Roswell Attn: Ms. Alexis Swoboda

State of New Mexico  
**ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT**  
Santa Fe, New Mexico 87505



February 27, 1995

KELLAHIN AND KELLAHIN  
Attorneys at Law  
P. O. Drawer 2265  
Santa Fe, New Mexico 87504

RE: CASE NO. 11207  
ORDER NO. R-10317

Dear Sir:

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

Sincerely,

  
Sally E. Martinez  
Administrative Secretary

cc: BLM - Carlsbad

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**VILLAGRA BUILDING - 408 Galisteo**  
Forestry and Resources Conservation Division  
P.O. Box 1948 87504-1948  
827-5830  
Park and Recreation Division  
P.O. Box 1147 87504-1147  
827-7465

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**2040 South Pacheco**  
Office of the Secretary  
827-5950  
Administrative Services  
827-5925  
Energy Conservation & Management  
827-5900  
Mining and Minerals  
827-5970  
Oil Conservation  
827-7131



STATE CONSERVATION DIVISION  
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State of New Mexico  
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

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FAX (505) 827-5766

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

February 15, 1995

Kellahin and Kellahin  
P.O. Box 2265  
Santa Fe, New Mexico 87504-2265

Attention: Mr. W. Thomas Kellahin

*Case 11207*

Re: Request for Preliminary Approval  
East Corbin Delaware Unit  
Lea County, New Mexico

Dear Mr. Kellahin:

This office has reviewed the unexecuted copy of the proposed East Corbin Delaware Unit Agreement, Lea County, New Mexico which you have submitted on behalf of Meridian Oil Incorporated. 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 are given.

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

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. The filing fee in the amount of \$120.00. The filing fee for a unit agreement is thirty (\$30.00) dollars for every section or partial section thereof.
3. Two copies of the Unit Agreement.
4. All ratifications from Lessees of Record and Working Interest Owners. All signatures should be acknowledged before a notary. One set of ratifications must contain original signatures.
5. Initial Plan of Operation.

6. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
7. A copy of the Unit Operating Agreement (if applicable).
8. Designation letter from the Bureau of Land Management. Our approval will be conditioned upon subsequent favorable approval by the Bureau of Land Management.
9. A redesignation of all well names and numbers (including API numbers).

In addition, we have also taken the liberty of reviewing the unexecuted copy of the East Corbin Delaware Unit Agreement which was also submitted with your application and would like to point out the following corrections:

- A. On Page 2, Subsection (a) of the Unit Agreement, the acreage should be changed from 880.00 acres to 760.00 acres.
- B. On Page 5, Subsection 13. Tract Participation of the Unit Agreement, please correct the participation formula per your letter of February 9, 1995.
- C. On Revised Exhibit "B" Tract No. 2, the correct description should be N2SW4, SW4NW4, Section 22-18S-33E, and the correct acreage should be 120.00 acres.
- D. On Revised Exhibit "B" Tract No. 3, the correct description should be N2NW4, SE4NW4, Section 21-18S-33E, and the correct acreage should be 120.00 acres.
- E. On Revised Exhibit "B" Tract No. 4, the correct description should be SW4, NE4SE4, S2SE4, Section 16-18S-33E, and the correct acreage should be 280.00 acres.
- F. On Exhibit "B" please also provide a recapitulation by land type:

Federal Lands	400 acres	53%
State Lands	360 acres	47%
<hr/>		
Total	760 acres	100%

Kellahin and Kellahin  
Page 3  
February 15, 1995

- G. On Exhibit "C", please change the land descriptions for each tract to coincide with Exhibit "B".

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:   
JAMES B. LEWIS, Director  
Oil/Gas and Minerals Division  
(505) 827-5744

RP/JBL/cpm

Enclosure

cc: Reader File  
BLM-Roswell--Attn: Ms. Alexis Swoboda  
OCD-Santa Fe--Attn: Mr. Roy Johnson