

H-3105-1 - COOPERATIVE CONSERVATION PROVISIONS

Format for Letter Transmitting Approved Unit Agreement
(Exploratory Unit)



IN REPLY REFER TO

United States Department of the Interior
BUREAU OF LAND MANAGEMENT

3105 (Office Code)

Unit Operator
(Address)

Dear _____:

The (Name) Unit Agreement, (County and State), was approved on (Date unit agreement approved). This agreement has been designated number (Serial number of unit agreement) and is effective (Date) /OR/ as of the date of approval.

The basic information is as follows:

1. No oil or gas has been discovered in the unit area. The depth of the test well and the area to be unitized were approved under the unit plan regulations of August 12, 1983, by letter dated _____.
2. All formations are unitized.
3. The unit embraces 8,708.36 acres, more or less, of which 7,923.05 acres (90.98 percent) are Federal lands and 785.31 acres (9.02 percent) are patented lands.
4. The following Federal leases embrace lands within the unit area:

(List by serial number of lease; indicate by an * those leases that are to be considered for segregation; indicate if the serial number is for a lease offer.)

* Indicates fully and effectively committed leases to be considered for segregation pursuant to Section 18(g) of the unit agreement, Public Law 86-705, and 43 CFR 3107.3-2.

All lands and interests are fully committed except Tract 4 containing 160.00 acres with a total of 3.57 percent that is not committed, and Tracts 6 and 7 containing 960.14 acres with a total of 21.43 percent that are partially committed. Certain overriding royalty interest owners have not signed the unit agreement. All parties owning interests within the unit were invited to join the unit agreement.

Unleased Federal land, comprising Tracts 8 and 9, totaling 847.00 acres (9.73 percent), is uncommitted but is considered to be controlled acreage because, prior to issuance of leases for that acreage, the lessees will be required to commit to the unit agreement.

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In view of the foregoing commitment status, effective control of operations within the unit area is assured. We are of the opinion that the agreement is necessary and in the public interest and is advisable for the purpose of conservation of the natural resources.

This unit provides for the drilling of one obligation well and subsequent drilling obligations pursuant to Section 9 of the unit agreement. This obligation well is considered to be a contractual commitment on the part of the unit operator. No extension of time beyond (Date) will be granted to commence this "obligation well" other than "unavoidable delay" (Section 25 of the unit agreement), where justified. Any extension granted for "unavoidable delay" shall require convincing written justification and documentation prior to the critical date, and is limited to 30 days with possible renewal for 30-day periods if the delay is extensive, with timely written documentation to the Bureau of Land Management for each extension.

Pursuant to 43 CFR 3183.4(b) and Section 9 of the unit agreement, if the public interest requirement is not fulfilled, the unit shall be declared invalid ab initio and no lease committed to this agreement shall receive the benefits of 43 CFR 3107.3-2 and 3107.4.

Copies of the approved agreement are being distributed to the appropriate Federal offices. You are requested to furnish all interested parties with evidence of this unit agreement approval.

Sincerely,

Authorized Officer

1 Enclosure

1 - Copy of Approved Unit Agreement

Distribution:

SO Fluid Lease Adjudication w/enclosure
Field Office Operations w/enclosure (if appropriate)
SMA w/ enclosure (if other than BLM)
MMS-DMD, MS 3110 w/enclosure