

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 5444
DENVER, COLORADO 80217-5444

January 15, 1990

Oil Conservation Division
District III
1000 Rio Brazos Rd.
Aztec, New Mexico 87410

REF: Acreage Dedication
Badland Hills 15 Well #1
API #30-039-24536

Gentleman,

Attached is the revised Acreage Dedication Plat for the above referenced well. This is to change the dedicated acreage from 40 acres to 640 acres to correspond with the Badland Hills-Mancos oil pool Order #R-9085, rule #2.

Amoco Production Company and Mobil Producing Texas & New Mexico control all interest in section 15, and have come to an Operating Agreement dated September 14, 1989, attached.

This letter also serves as notice that this well is an authorized producer under Page 7, Paragraph (3) of Order #R-9789.

Thank you,

B. R. Maynard

B.R. Maynard
Regulatory Compliance Mgr.

pcadams/
attachements
baddec

RECEIVED
JAN 18 1990
OIL CON. DIST.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-120
Effective 1-1-85

All distances must be from the outer boundaries of the Section.

Operator MOBIL PRODUCING TEXAS & NEW MEXICO, INC.			Lease BADLAND HILLS 15		Well No. 1
Unit Letter E	Section 15	Township 23 NORTH	Range 1 WEST	County RIO ARriba	

Actual Postage Location of Wells

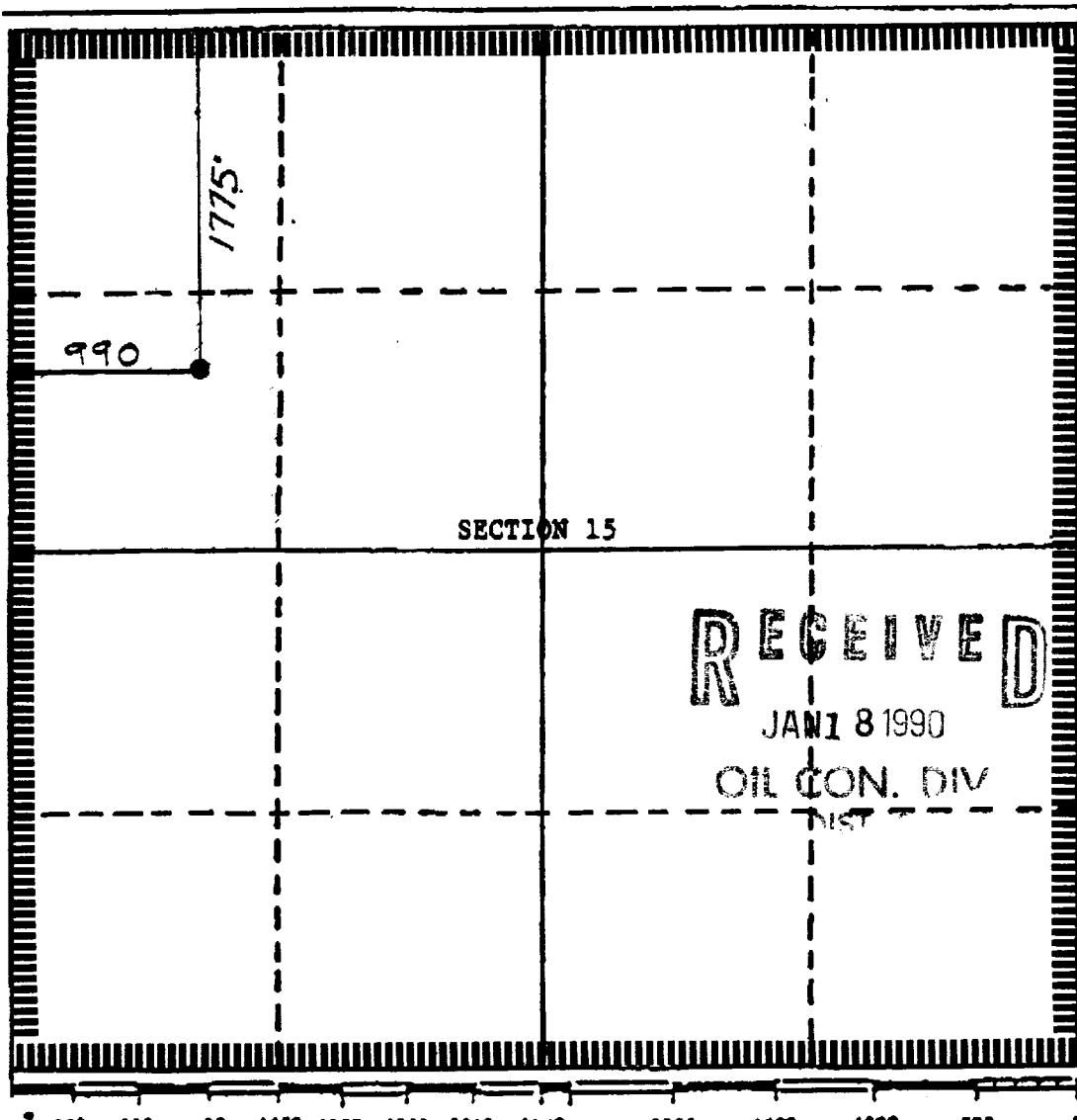
1775	feet from the NORTH	line and	990	feet from the WEST	line
Ground Level Elev. 7390	Producing Formation GALLUP	Pool BADLAND HILLS-MANCOS	Dedicated Acreage 640 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation OPERATING AGREEMENT

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>P. C. Adams</i>	
Name	P. C. ADAMS
Position	REGULATORY ENGINEERING TECH.
Company	MOBIL OIL CORPORATION
Date	JANUARY 15, 1990
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
Date Surveyed	AUGUST 2, 1989
Registered Professional Engineer and/or Land Surveyor	J. ROGER MILLER
Certificate No.	9752

Mobil Exploration & Producing U.S. Inc.

P.O. BOX 5444
DENVER, COLORADO 80217-5444

Denver Division
November 7, 1989

Amoco Production Company
Southern Division
1670 Broadway
Denver, Colorado 80201

OPERATING AGREEMENT
DATED SEPTEMBER 14, 1989
BADLAND HILLS #15-1 WELL
SECTION 15: ALL
TOWNSHIP 23 NORTH, RANGE 1 WEST
RIO ARriba COUNTY, NEW MEXICO
PEND #121-89

Gentlemen:

Reference is made to the above-captioned Operating Agreement and your Conditional Letter of Acceptance dated September 25, 1989.

Mobil Exploration & Producing U.S. Inc. acting as agent for Mobil Producing Texas and New Mexico Inc. ("Mobil") accepts the amendments and clarifications set forth in your Conditional Letter of Acceptance subject to the following changes:

1. Paragraph 2 of the Letter shall be deleted and the following paragraph substituted:

"Article III.D., p. 2, line 37 - Delete, 'and is not set forth in Exhibit "A"' and Insert the words, 'or relevant title opinions' after the words, 'disclosed in writing' in line 38."
2. With respect to paragraph 7 of the Letter, this paragraph and the interests set forth shall be subject to the Division Order Title Opinion to be written for the Badland Hills #1-15 Well and any changes in interest that may derive therefrom.

Mobil

Amoco Production Company
November 7, 1989
Page 2

If you agree with the above amendments and clarification, please so indicate by signing below and by returning one executed original of this letter to the undersigned at your earliest opportunity.

Very truly yours,


R. H. Lichty
Land Advisor

RHL876:mjh

AGREED TO AND ACCEPTED THIS
21st day of November, 1989.

AMOCO PRODUCTION COMPANY

By: G.W. Chipman *mjc*
Title: Attorney-in-Fact



Robert B. Wilson
Division Land Manager

Amoco Production Company

Southern Division
1670 Broadway
P.O. Box 800
Denver, Colorado 80201
303-830-~~4070~~

4230

September 25, 1989

Mobil Producing Texas & New Mexico Inc.
c/o Mobil Exploration & Producing U.S. Inc.
PO Box 5444
Denver, CO 80217-5444

Attention: Roger L. Lichty

Conditional Letter of Acceptance
Operating Agreement, dated September 14, 1989
Badland Hills #15-1 Well
All of Section 15-T23N-R1W-NMPM
Rio Arriba County, New Mexico

Gentlemen:

Enclosed herewith please find one (1) complete original of the referenced Operating Agreement which has been executed by Amoco Production Company ("Amoco"), subject to the following amendments and clarifications:

1. Article III.B., p.2, line 15 - Delete "25%" and insert in lieu thereof "16.67%".
2. Article III.D., p.2, lines 37-39 - Delete that portion of the language beginning with the words "or if such a burden existed..." and ending with the words "obligation of all parties".
3. Article III.D, p.2, lines 39-40 - Delete the words "irrespective of the timing of its creation."
4. Article IX., p.12, line 63 - Delete "1954" and insert in lieu thereof "1986".
5. Exhibit "A", Article I. - Insert land description as follows:

Township 23 North, Range 1 West, N.M.P.M.
Section 15: All
Rio Arriba County, New Mexico

6. Exhibit "A", Article II. - Insert "Amoco Production Company's lease numbers: 665090 A & B, 665143 A-F & I-K".

7. Exhibit "A", Article III. - The Working Interest of Amoco Production Company shall be changed to "21.063705%" and the Working Interest of Mobil Producing Texas and New Mexico Inc. shall be changed to "78.936295%".
8. Exhibit "A", Article IV. - The address currently included in Exhibit "A" is Amoco's address for billing purposes. Amoco's address for all other matters shall be as follows:

Amoco Production Company
PO Box 800
Denver, CO 80201
Attention: Southern Division Land Manager

9. Exhibit "C" (Accounting Procedure), Article III.1.A.(1), p.4 - Delete "\$5,560.00" and "\$556.00" as the Drilling and Producing Well Rates and insert in lieu thereof "\$4,500.00 and \$420.00" respectively.
10. Exhibit "E" (Gas Balancing Agreement) - Insert the following as Article 10:

"Notwithstanding any provision to the contrary in this or any other agreement, any underproduced party shall have the right for a period of two (2) years after the date that gas accounts are balanced by settlement to audit overproduced party's records as to volumes and price of gas from the contract area and any overproduced party shall have the right for a period of two (2) years after the gas accounts are balanced by settlement to audit any underproduced party's records as to volumes".

Should you agree with the above amendments and clarifications, please so indicate by dating and signing below and returning two (2) executed originals of this letter to M. E. Cuba at the above address (Suite 2218).

Very truly yours,

AMOCO PRODUCTION COMPANY

By: G.W. Chapman
Its Attorney-in-Fact *mc*

Agreed to and Accepted this 7th day of November, 1989.
MOBIL EXPLORATION and PRODUCING U.S. INC.,
as Agent for MOBIL PRODUCING TEXAS and NEW MEXICO INC. *

By: [Signature]
Title: Land Manager
MEC40:sh
Enclosure

*Subject to Conditional Letter of
Acceptance dated November 7, 1989.