

Case No.

359

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Application, Transcript,  
Small Exhibits, Etc.

# STANOLIND OIL AND GAS COMPANY

STANOLIND BUILDING

MAIN OFFICE OCC

TULSA, OKLAHOMA

PRODUCING DEPARTMENT  
G. B. JENKINSON  
UNITIZATION MANAGER

1954 MAR 19 AM 8:42

March 16, 1954

359

File: GBJ-41.490

Re: Notice of Termination  
Polecat Canyon Unit  
Chaves County  
New Mexico

New Mexico Oil Conservation Commission (2)  
Santa Fe, New Mexico

Gentlemen:

Supplementing our Notice of Intention to terminate date November 6, 1954, we wish to advise that on March 3, 1954, effective March 1, 1954, Acting Director of the Geological Survey, Thomas B. Nolan, approved the termination of the Polecat Canyon Unit Agreement, New Mexico, I. Sec. No. 947 pursuant to the last paragraph of Section 20 thereof.

The New Mexico Oil Conservation Commission approved the termination January 11, 1954 and the New Mexico State Land Office approval is dated February 17, 1954.

We wish to thank you for your cooperation in this venture.

Yours very truly,

*G. B. Jenkinson*  
G. B. Jenkinson

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

January 12, 1954

Re: Polecat Canyon Unit  
Chaves County  
New Mexico  
AFE-9645

Stanolind Oil and Gas Company  
Stanclind Building  
Tulsa, Oklahoma

Attention: Mr. G. B. Jenkinson

Gentlemen:

We are enclosing herewith five sets of counterparts of eight copies each of an "Application for Approval of Termination of the Polecat Canyon Unit Agreement I-Sec. No. 947" which has been approved as of January 11, 1954.

Very truly yours,

R. R. SPURRIER  
Secretary and Director

RRS:vc  
Encls.

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# STANOLIND OIL AND GAS COMPANY

STANOLIND BUILDING

TULSA, OKLAHOMA

November 20, 1953

File: GBJ-41,490

Re: Polecat Canyon Unit  
Chaves County,  
New Mexico  
AFE-9645

PRODUCING DEPARTMENT  
G. B. JENKINSON  
UNITICATION MANAGER

OIL CONSERVATION COMMISSION  
SANTA FE, N.M.

RECEIVED  
NOV 30 1953

Oil Conservation Commission  
of the State of New Mexico  
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier, Secretary

Gentlemen:

Please find herewith six sets of counterparts of eight copies each of an "Application for Approval of Termination of the Polecat Canyon Unit Agreement I-Sec. No. 947", which is self-explanatory. You will note that all parties named in the application except Gulf Oil Corporation have executed counterparts of the application. The parties whose signatures are in evidence represent more than seventy-five per cent (75%), which is satisfactory compliance with Section 20 of the Unit Agreement.

Approval by the Commission and the Commissioner of Public Lands of this application is therefore respectfully requested.

Yours very truly,

*G. B. Jenkinson*  
G. B. Jenkinson

JM/gjc  
Enclosures

cc: Mr. E. S. Walker  
Commissioner of Public Lands

*Approved 1-11-54  
all copies mailed  
out on 1-13-54  
1 set returned for file*

## STANOLIND OIL AND GAS COMPANY

P. O. Box 899  
Roswell, New Mexico

November 27, 1953

OIL CONSERVATION COMMISSION  
SANTA FE, N. MEXICO

NOV 30 1953

Re: Polecat Canyon Unit  
Chaves County, New Mexico  
AFE-9645

Oil Conservation Commission  
of the State of New Mexico  
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Gentlemen:

Please find herewith six sets of counterparts of eight copies each of an "Application for Approval of Termination of the Polecat Canyon Unit Agreement T-Section No. 947", and letter dated November 20, 1953, from Mr. G. B. Jenkinson to Mr. Spurrier.

The Termination Agreements of this unit were inadvertently furnished the U. S. G. S. and they requested, in view of the large percentage of State lands, that we obtain approval from the State prior to approval by the Federal government.

Mr. Jenkinson states in his letter that all working interest owners have executed by counterpart the Termination Agreement. However, since this letter was written, we have been furnished executed copies by Gulf Oil Corporation and they are attached to the enclosed Termination Agreements.

After you have noted your records and approved these agreements, we respectfully request that you return the approved agreements to the undersigned at the above address. Furthermore, the U. S. G. S. advises that they require five counterparts properly approved by the State and we would appreciate if at all possible, your compliance with this request.

Very truly yours,

STANOLIND OIL AND GAS COMPANY

*W. A. Blankenship, Jr.*  
W. A. Blankenship, Jr.

SHH/ao  
Encls.

cc: Mr. E. S. Walker,  
Commissioner of Public Lands

New Mexico  
OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L. MECHEM  
CHAIRMAN  
LAND COMMISSIONER E.S. WALKER  
MEMBER  
STATE GEOLOGIST R.R. SPURRIER  
SECRETARY AND DIRECTOR



P. O. BOX 871  
SANTA FE, NEW MEXICO

January 8, 1954

Memo to R. R. Spurrier and W. B. Macey

Re: Polecat Unit Termination

Standind has the approval of 5760.83 acres or 92.3% of the  
leasehold. so there is nothing to do but approve this termination  
since this is in compliance with the last paragraph of Section 30.

Elvis A. Utz

Case 359

May 7, 1953

Stanolind Oil and Gas Company  
P.O. Box 1410  
Fort Worth, Texas

Attention: Mr. D. E. Radford

Gentlemen:

RE: Extension, Polcast Canyon Unit,  
Chaves County, New Mexico

This will acknowledge receipt of your letter dated May 1, 1953, and your application for six months extension of time for commencement of a second well on the Polcast Canyon Unit Agreement in Chaves County, New Mexico.

In view of the reasons presented in the application, I have no objection to the requested extension, and hereby consent to the six months extension of time for commencement of a second well on the Polcast Canyon Unit on or before May 13, 1953; provided, however, like consent therefor is had and obtained from the United States Geological Survey and duly filed in this office.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

cc: U. S. Geological Survey  
Roswell, New Mexico

Oil Conservation Commission  
Santa Fe, New Mexico

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Y

# STANOLIND OIL AND GAS COMPANY

OIL AND GAS BUILDING

FORT WORTH, TEXAS

C. F. BEDFORD  
DIVISION PRODUCTION SUPERINTENDENT

June 11, 1953

File: JTM-7172-216.99

Subject: Polecat Canyon Unit,  
Chaves County, New Mexico

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO.

JUN 15 1953

Mr. R. R. Spurrier  
Oil Conservation Commission  
P.O. Box 371  
Santa Fe, New Mexico

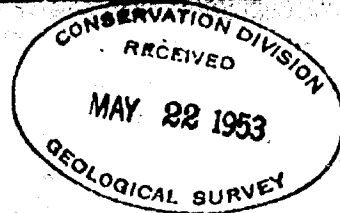
Dear Sir:

Attached is an approved copy of an application for  
six-months' extension of time for commencement of a second test  
well under the Polecat Canyon Unit Agreement, Chaves County,  
New Mexico.

Very truly yours,

*C. F. Bedford*

JTB/ek  
Attachment



APPLICATION FOR EXTENSION OF TIME FOR COMMENCEMENT OF TEST WELL

RECEIVED  
MAY 4 1953  
U. S. GEOLOGICAL SURVEY  
BOSWELL, NEW MEXICO

TO THE DIRECTOR OF THE UNITED STATES GEOLOGICAL SURVEY:

Stanolind Oil and Gas Company, as Unit Operator of the Unit Agreement for the Development and Operation of the Polecat Canyon Unit Area, County of Chaves, State of New Mexico, has heretofore completed the first test well referred to in Article 9 of said Unit Agreement, such well being a dry hole. The said Unit Operator is now obligated to commence the drilling of an additional Siluro-Devonian test well on the unit area on or before May 13, 1953; however, further study is being made of this area and Unit Operator believes that a reasonable extension of time for the commencement of such additional test well would be proper.

Premises considered, Stanolind Oil and Gas Company, Unit Operator under the Polecat Canyon Unit Agreement, hereby makes application to the Director of the United States Geological Survey, pursuant to Article 9 of said Unit Agreement, for an extension of six months for the commencement of the additional test well hereinabove referred to, so that said test well shall be commenced on or before November 13, 1953. A similar application has been filed with the Commissioner of Public Lands of the State of New Mexico and the Oil Conservation Commission of the State of New Mexico.

IN WITNESS WHEREOF, this application is hereby made this 29<sup>th</sup> day of April, 1953.

ATTEST:

[Signature]  
Assistant Secretary

STANOLIND OIL AND GAS COMPANY  
Unit Operator of the Polecat Canyon  
Unit Agreement

BY [Signature]  
Attorney-in-Fact



The foregoing application is hereby approved this        day of       , 1953, and the time for the commencement of the test well referred to in the foregoing application is hereby extended to November 13, 1953.

DIRECTOR OF THE UNITED STATES  
GEOLOGICAL SURVEY

MAY 29 1953

Date Approved

BY

[Signature]  
Acting Director, U. S. Geological Survey

Case 359

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

May 5, 1953

C  
O  
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Y

Stanelind Oil & Gas Company  
P. O. Box 1410  
Ft. Worth, Texas

Attention: Mr. C. F. Bedford

Gentlemen:

RE: Extension, Polocat Canyon Unit,  
Chaves County, New Mexico

Please be advised that I have carefully examined your application for six months extension of time for commencement of a second well on the Polocat Canyon Unit.

Subject to the approval of the Land Commissioner and the Oil and Gas Supervisor, I approve this particular application for the following reasons:

1. An expensive first well on the southernmost closure within the unit resulted in a dry hole on state lands.
2. The geological evidence adduced at the hearing of the original case indicates that there are two additional closures which have possibilities of production lying north of the dry hole which should be tested in the interest of state land exploration.

It is assumed that this office will be provided within a reasonable time the pertinent results of the study you are making to reinterpret the seismic data of the unit; and, if the same offers no encouragement, the unit will be voluntarily terminated.

Very truly yours,

R. R. Sparrier  
Secretary - Director

RBS:mr

cc: State Land Commissioner, Santa Fe  
U. S. Geological Survey, Albuquerque

# Memo

From  
WILLIAM B. MACEY  
Chief Engineer

To George:

The well file  
Charles County  
Sec 34-10-31  
is in files

Better write a  
letter approving  
extension

KS  
WOM

New Mexico  
OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L. MECHEM  
CHAIRMAN  
LAND COMMISSIONER E.S. WALKER  
MEMBER  
STATE GEOLOGIST R.R. SPURRIER  
SECRETARY AND DIRECTOR



P. O. BOX 871  
SANTA FE, NEW MEXICO

May 4, 1953

MEMORANDUM

To: Mr. Spurrier  
From: George Graham  
Re: Polecat Canyon Unit, Chaves County.

The Polecat Canyon Unit is in the general vicinity of the Red Store covering what has long been known locally as Polecat Canyon where the Roswell-Tatum highway goes up the hill.

The Oil Conservation order approving the unit was dated May 1, 1952 - the Land Office certificate was dated April 17, 1952 and the U.S. Geological Survey approved it on June 13, 1952. Six months after the latter date, Stanolind, the operator, should have commenced the first well which they recite that they did; drilled at something over 11,000 feet to the Siluro-Devonian formation. The well was a dry hole. The operator asserts that this well was completed November 13, 1952. The second well, under the terms of the agreement is therefore to be commenced May 13, 1953 under the provisions of Sec. 10 of the agreement.

Stanolind of course spent considerable money on this dry hole and are now trying to re-interpret the seismic, geophysical, data and determine whether or not with-in the applied for 6 month extension they wish to continue the unit.

Examination of the plat indicates that about 80% of the area is state land, 10% privately owned, 10% Federal.

For your information we were unable to find in our files the C-101 or any other information with reference to the well supposed to be in the SE/4 SE/4 of Section 28, Twp. 10S, Rge. 31E.

A casual examination of the area indicates that most of the state acreage covered by "B" leases, will doubtless expire in the near future.

The seismic maps indicate that Stanolind has drilled on the lower anomaly for a dry hole. There are two more closures northward within the unit, the upper of which is apparently on state land.

Memo. to Mr. Spurrier, p. 2

I am not informed as to the policy of the Commissioner as to his present practice of extending these units under authority of Sec. 10 but, since the operator has spent considerable money on the dry hole and doubtless will elect to drill on the upper end of the unit within the requested 6 month extension, I do not feel that it will be objectionable to approve the extension subject of course to the Land Commissioner and the U. S. G.S. approval.

It is doubtful if the operator could actually commence a well legitimately between now and the 13th of this month. Failure to commence before that date in absence of a requested extension would of course terminate the unit.

INTER-OFFICE TRANSMITTAL SLIP

TO GAAG

2/4

FROM RE

- ☐ For Approval
- ☐ For Signature
- ☐ Note and Advise
- ☐ Note and Return
- ☐ For Your Files
- ☒ For Your Handling

Remarks:

Nothing

# STANOLIND OIL AND GAS COMPANY

OIL AND GAS BUILDING

FORT WORTH, TEXAS

C. F. BEDFORD  
DIVISION PRODUCTION SUPERINTENDENT

CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

RECEIVED  
MAY 4 1953

May 1, 1953

File:

JTM-7125-216.99

Subject:

Polecat Canyon Unit,  
Chaves County, New Mexico

Oil Conservation Commission  
State of New Mexico  
Santa Fe, New Mexico

Gentlemen:

Attached are two copies of a letter to the Supervisor of the United States Geological Survey at Roswell, New Mexico, together with two copies of an Application wherein Stanolind Oil and Gas Company, as Unit Operator, is making application for a six-month deferment on the commencement date of a second well in the Polecat Canyon Unit Area. We believe this letter is self-explanatory. Copies of the letter and the Application are also being sent to the State Land Commission of the State of New Mexico for approval.

We would appreciate being advised of your reaction toward this deferment at your earliest convenience.

Very truly yours,

*C. F. Bedford*  
K2

JTM/ek

STANOLIND OIL AND GAS COMPANY  
FORT WORTH, TEXAS

May 1, 1953

File: JTM-7126-216.99

Subject: Polscat Canyon Unit,  
Chaves County, New Mexico

AIRMAIL - SPECIAL DELIVERY

Mr. John A. Anderson  
Regional Oil and Gas Supervisor  
United States Geological Survey  
P. O. Box 997  
Roswell, New Mexico

Dear Sir:

Stanolind Oil and Gas Company, as Unit Operator of the Polscat Canyon Unit, Chaves County, New Mexico, completed the first obligatory well in the Unit on November 13, 1952, this well being a dry hole to the Siluro-Devonian formation. This well was drilled in accordance with Section IX of the Unit Agreement, and formations down to and including the Siluro-Devonian were found to be non-productive.

Prior to plugging and abandoning this well, Stanolind ran a velocity survey. At the present time, information obtained as a result of this survey is being used to re-interpret the seismic data in this area; however, such work has not been completed but should be completed in the near future. Upon completion of this work, Stanolind, as Unit Operator, will then be in a position to determine whether further development is warranted in this Unit.

Section IX of the Unit Agreement further provides that the Director and Commissioner may modify drilling requirements of the Unit Agreement by granting reasonable extensions of time when, in his opinion, such action is warranted. Stanolind Oil and Gas Company, as Unit Operator, is hereby making application for a six-month deferment of the commencement date of the second test well in the Unit, as required by Section IX of the Unit Agreement. We are attaching six copies of this Application.

As the commencement date for this second well in the Polscat Canyon Unit Area is May 12, 1953, we would appreciate being advised of your decision on this matter at your earliest convenience.

Very truly yours,

COPY

Original signed  
G. F. Bradford  
by AG

JTM/ek  
Attachments - 6

APPLICATION FOR EXTENSION OF TIME FOR COMMENCEMENT OF TEST WELL

TO THE DIRECTOR OF THE UNITED STATES GEOLOGICAL SURVEY:

Stanolind Oil and Gas Company, as Unit Operator of the Unit Agreement for the Development and Operation of the Polcat Canyon Unit Area, County of Chaves, State of New Mexico, has heretofore completed the first test well referred to in Article 9 of said Unit Agreement, such well being a dry hole. The said Unit Operator is now obligated to commence the drilling of an additional Siluro-Devonian test well on the unit area on or before May 13, 1953; however, further study is being made of this area and Unit Operator believes that a reasonable extension of time for the commencement of such additional test well would be proper.

Premises considered, Stanolind Oil and Gas Company, Unit Operator under the Polcat Canyon Unit Agreement, hereby makes application to the Director of the United States Geological Survey, pursuant to Article 9 of said Unit Agreement, for an extension of six months for the commencement of the additional test well heretofore referred to, so that said test well shall be commenced on or before November 13, 1953. A similar application has been filed with the Commissioner of Public Lands of the State of New Mexico and the Oil Conservation Commission of the State of New Mexico.

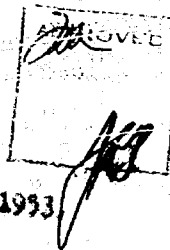
IN WITNESS WHEREOF, this application is hereby made this 29<sup>th</sup> day of April, 1953.

ATTEST:

[Signature]  
Assistant Secretary

STANOLIND OIL AND GAS COMPANY  
Unit Operator of the Polcat Canyon  
Unit Agreement

BY [Signature]  
Attorney-in-Fact



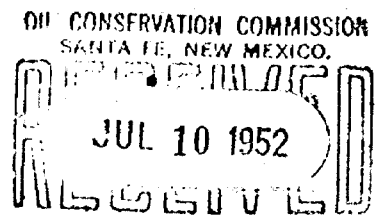
The foregoing application is hereby approved this \_\_\_\_\_ day of \_\_\_\_\_, 1953, and the time for the commencement of the test well referred to in the foregoing application is hereby extended to November 13, 1953.

DIRECTOR OF THE UNITED STATES  
GEOLOGICAL SURVEY

BY \_\_\_\_\_

J. O. SETH  
A. K. MONTGOMERY  
OLIVER SETH  
WM. FEDERICI  
JUSTIN T. REID

SETH AND MONTGOMERY  
ATTORNEYS AND COUNSELORS AT LAW  
III SAN FRANCISCO ST.  
SANTA FE, NEW MEXICO



July 10, 1952

359

Oil Conservation Commission  
Santa Fe  
New Mexico

Re: Polecat Canyon Unit  
Agreement

Gentlemen:

Please find enclosed herewith an executed and  
approved copy of the Polecat Canyon Unit Agreement which  
was approved by the Commission by Order No. R-150, Case  
No. 359.

Yours very truly,

*Oliver SETH*

*Entered 10/10/52*

OS/mds

Enc

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF CON-  
SIDERING:

CASE NO. 359  
ORDER No. R-150

THE APPLICATION OF STANOLIND OIL  
AND GAS COMPANY FOR AN ORDER  
APPROVING A PROPOSED UNIT AGREE-  
MENT FOR THE DEVELOPMENT AND  
OPERATION OF THE POLECAT CANYON  
UNIT AREA CONSISTING OF 6,240.83  
ACRES SITUATED IN TOWNSHIP 10 SOUTH,  
RANGE 31 EAST, NMPM, CHAVES COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 15, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this <sup>87</sup>1 day of May, 1952, the Commission, a quorum being present, having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises:

FINDS, that the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste:

IT IS THEREFORE ORDERED:

That the order herein shall be known as the:

"POLECAT CANYON UNIT AGREEMENT ORDER"

SECTION 1. (a) That the project herein shall be known as the Polecat Canyon Unit Agreement and shall hereafter be referred to as the Project.

(b) That the plan by which the Project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Polecat Canyon Unit Area referred to in the Petitioner's petition and filed with said petition and such plan shall be known as the Polecat Canyon Unit Agreement Plan.

SECTION 2. That the Polecat Canyon Unit Agreement Plan shall be and is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval of said agreement shall not be considered as waiving or relinquishing in any manner any rights, duties or obligations which are now or may hereafter be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Polecat Canyon Unit Agreement or relative to the production of oil or gas therefrom.

Case No. 359  
Order No. R-150

SECTION 3. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

T. 10S., R. 31 E.

Sec. 2: W/2

Sec. 3: All

Sec. 10: All

Sec. 11: W/2

Sec. 14: W/2

Sec. 15: All

Sec. 22: All

Sec. 23: W/2

Sec. 26: W/2

Sec. 27: All

Sec. 28: All

Sec. 33: N/2

Sec. 34: N/2

Sec. 35: NW/4

Total Unit Area embraces 6,240.83 acres, more or less.

(b) The Unit Area may be enlarged or diminished as provided in said Plan.

SECTION 4. That the unit operator shall file with the Commission an executed original or executed counterpart thereof of the Polecat Canyon Unit Agreement not later than 30 days after the effective date hereof.

SECTION 5. That any party owning rights in the unitized substances who does not commit such rights to said Unit Agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or a counterpart thereof. The Unit Operator shall file with the Commission within 30 days an original or any such counterpart.

SECTION 6. That this order shall become effective on the first day of the calendar month next following the approval of the Commissioner of Public Lands and the Director of the United States Geological Survey and shall terminate ipso facto on the termination of said Unit Agreement. The last Unit Operator shall immediately notify the Commission in writing of such termination.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Edwin L. Mechem*  
EDWIN L. MECHEM, Chairman

*Guy Shepard*  
GUY SHEPARD, Member

*R. R. Spurrer*  
R. R. SPURRER, Secretary

SEAL

**CIL CONSERVATION COMMISSION**

P. O. BOX 871  
SANTA FE, NEW MEXICO

April 2, 1952

C  
O  
P  
Y  
  
Mr. Oliver Seth  
SETH & MONTGOMERY  
Santa Fe, New Mexico

Dear Mr. Seth: RE: CCG Cases 358 and 359

You will note that the Guadalupe Foothills and Polscat Canyon Unit Agreements (Stanolind Oil and Gas Company applications) have been set for hearing on April 15, 1952, as Cases 358 and 359, respectively.

Enclosed is an informal docket sheet listing cases and continuations for the April 15 session.

Very truly yours,

W. B. MACEY,  
Chief Engineer

WBM:mr

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
Santa Fe, New Mexico

TRANSCRIPT OF PROCEEDINGS

CASE NO. 359

Regular Hearing

April 15, 1952

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9645 AND 4-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

April 15, 1952

-----  
In the Matter of:

Stanolind's application for approval  
of Polecat Canyon Unit Agreement  
embracing 6,240.83 acres in Township  
10 South, Range 31 East, Chaves  
County, New Mexico.

Case No. 359

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(Notice of Publication read by Mr. Graham.)

MR. SETH: Seth and Montgomery appears on behalf of  
Stanolind Oil and Gas Company. Application in the usual form  
for the approval of the unit agreement. The only unusual thing  
being the name of the unit agreement.

T O M   L .   I N G R A M ,

having been first duly sworn, testified as follows:

DIRECT   EXAMINATION

By MR. SETH:

Q     You are the same Mr. Tom Ingram that testified in Case  
358, is that correct?

A     I am.

Q     Are you familiar with the geology in the area which is  
known as the Polecat Unit area?

A     I am.

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-8845 AND 8-9548  
ALBUQUERQUE, NEW MEXICO

Q Would you state to the Commission the source of the geological information on this area?

A The area is located approximately 40 miles east of Roswell in Township 9 and 10, South, Range 31 East, in east central Chaves County. It is also some 13 miles northwest of the

Bagley field which is producing from the Permo Pennsylvanian and Siluro Devonian formations. It is also 12 miles north and slightly west of the Amerada No. 1 ECA. The Siluro Devonian discovery is the well in the East Caprock field which was completed for initial flowing potential of 549 barrels of oil per day. The field or the area is some five miles north and slightly east of the Hunt No. 1 Elliott currently drilling test which is making good shows of gas and distillate from the base of the Pennsylvanian. The Stanolind Seismic exploration in the area has delineated an anti clinal monal approximately five and one-half miles long and one and one-half miles wide trending in a general south direction with 150 feet of closure.

Q Does this indicate a structure within the unit boundaries?

A Yes, the outlines of the area are based on the Seismic contour as contoured on the top of the Mississippi.

Q Would you state what formations are expected to be encountered and what is the ultimate test?

A Anticipate the Cretaceous and Triassic from zero to 950 feet, Rustler-Salado from 1290 to 2020, Guadalupe 2020 to 3200, Leonard 3790, Wolfcamp from 3790 to 8570, Pennsylvanian from 8570

to 9500, Mississippian from 9500 to 10,150 feet, and the Siluro-Devonian from 10,150 to 10,620. And we believe a test drilled to a maximum of 11,000 should be sufficient to test the Siluro Devonian. These estimates are based on Amerada No. 1 ECA and the Magnolia No. 1 Lightcap.

Q Well, the Seismic data and other indication do you believe that there is a reasonable expectation of encountering production in the unit area?

A Yes, I do.

Q Is there any other testimony that you would like to give on the specific geology in the area?

A Well, by testing, by setting up a test for 11,000 feet it will not only evaluate the possibilities of the shallow horizons that are known to carry oil and gas in this area but it will also evaluate the Wolfcamp Pennsylvanian and Siluro Devonian.

Q In your opinion will the operation in this area of development as a unit lead to the greatest ultimate recovery and the best utilization of the reservoir energy?

A Yes, it will.

Q Do you believe that the operation in this area as a unit will permit the state to receive its fair share of the oil and gas that is recoverable?

A It will.

Q Do you also believe that it will promote the rapid and orderly development of the area according to the best geological

information?

A Yes, sir.

Q Is there anything further you would like to add?

A No.

MR. SETH: That is all the questions of this witness.

MR. SPURRIER: Any questions of the witness? If not, the witness may be excused.

(Witness excused.)

E L M E R J A C K S O N,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SETH:

Q Would you state your name, please, Mr. Jackson.

A Elmer Jackson. I am employed in the unitization section of Stanolind Oil and Gas Company, Tulsa, Oklahoma.

Q Are you familiar with the Polecat Canyon Unit Agreement, Mr. Jackson?

A Yes, sir, I am.

Q Would you state, please, in a general term, the essential provisions of the unit agreement.

A The unit agreement is in the usual form of an agreement that has heretofore been approved by the Commission for the exploratory type unit. It provides for participation based on proven acreage. It provides for the commencement of the initial

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9546 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

test well within six months after final approval. It provides that if the well is dry a second test well will be commenced within six months unless that date is extended or the unit agreement is terminated, in accordance with its own terms. If the well is completed as a producer a plan of development is to be filed to provide for further drilling.

Q Well, first, would you state, please, the acreage in the various classifications within that area? What is the total acreage?

A The total acreage in this unit is 6,240.83 acres. Of this, 640 or 10.26 per cent are federal; 4,960.83 acres or 79.8 per cent are state, and 640 or 10.26 per cent are patented lands.

Q Do you have available a map that shows the ownership within the area?

A I have.

MR. SETH: We would like to offer this as Stanolind's Exhibit No. 1.

MR. SPURRIER: Without objection it will be received.

Q Do you have with you executed copies of the unit agreement, Mr. Jackson?

A I have two copies.

MR. SETH: We would like to offer these two copies, executed copies, to the Commission, reserving the right to withdraw them later and substitute copies not executed.

MR. SPURRIER: Very well.

Q Would you state, Mr. Jackson, please, the proportion in the three categories of acreage committed.

A At present there is 68.6 per cent of the interest committed. We have reasonable expectations that an additional ten and one-quarter per cent will be committed, and we are awaiting decisions on interest covering an additional 10.6 per cent. We have not yet been able to contact the owners of 2.56 per cent, in that they were purchasers at the state sale on April 10 and have not yet been contacted. We have had refusals from 8.33 per cent of the owners in the unit area. I might explain that because of early lease expirations it was necessary to set that matter for hearing a little earlier than we would have liked to and as a result our commitments aren't all in. However, we do have almost 70 per cent committed at this time of the state acreage. There is presently committed 77 per cent, with an additional 6.5 per cent which will probably be committed in the very near future. We are awaiting a decision from the owners of 3 per cent of the state acreage and those parties who have not yet been contacted own 3½ per cent of the state acreage. We have received refusals from 10½ per cent of the state acreage.

Q Does the agreement contain the usual provision that other interested owners may join at later date if they wish to do so?

A It does.

Q Will an opportunity be given to them to join if they

wish?

A It will be.

Q Under the terms of the agreement who is to be the operator?

A Stanolind Oil and Gas Company will be the unit operator.

Q Under the provisions of the agreement as presented will, in your opinion, the state receive its fair share of the oil and gas recoverable?

A It will.

Q Will operation under this unit agreement tend to promote the development of this area and be in the best interest of the State of New Mexico?

A Yes, sir.

Q Do you also believe that the unit operation as provided in this agreement will lead to orderly and rapid development of the area and the best ultimate recovery?

A Yes, sir.

Q Anything further on this agreement that you would like to comment on?

A I think of nothing.

Q Did Mr. Bond name this agreement, do you know?

A I am afraid Mr. Bond is not responsible for that.

MR. SETH: That is all the questions we have.

MR. SPURRIER: Any questions of the witness? If not, the witness may be excused and the case will be taken under

advisement.

The Commission has agreed to recess for that case until tomorrow at 10 o'clock. Therefore, the next case on the Docket is Case 361.

(Witness excused.)

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 359 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on April 15, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 23rd day of April, 1952.

Ada Dearnley  
REPORTER

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-8845 AND 5-9846  
ALBUQUERQUE, NEW MEXICO



BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

CASE NO. 359

April 15, 1952

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9645 AND 3-8546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
April 15, 1952

-----  
In the Matter of:

Stanolind's application for approval  
of Polecat Canyon Unit Agreement  
embracing 6,240.83 acres in Township  
10 South, Range 31 East, Chaves  
County, New Mexico.

Case No. 359

-----  
(Notice of Publication read by Mr. Graham.)

MR. SETH: Seth and Montgomery appears on behalf of  
Stanolind Oil and Gas Company. Application in the usual form  
for the approval of the unit agreement. The only unusual thing  
being the name of the unit agreement.

T O M L. I N G R A M,  
having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SETH:

Q You are the same Mr. Tom Ingram that testified in Case  
358, is that correct?

A I am.

Q Are you familiar with the geology in the area which is  
known as the Polecat Unit area?

A I am.

Q Would you state to the Commission the source of the geological information on this area?

A The area is located approximately 40 miles east of Roswell in Township 9 and 10, South, Range 31 East, in east central Chaves County. It is also some 13 miles northwest of the

Bagley field which is producing from the Permo Pennsylvanian and Siluro Devonian formations. It is also 12 miles north and slightly west of the Amerada No. 1 ECA. The Siluro Devonian discovery is the well in the East Caprock field which was completed for initial flowing potential of 549 barrels of oil per day. The field or the area is some five miles north and slightly east of the Hunt No. 1 Elliott currently drilling test which is making good shows of gas and distillate from the base of the Pennsylvanian. The Stanolind Seismic exploration in the area has delineated an anti clinal monal approximately five and one-half miles long and one and one-half miles wide trending in a general south direction with 150 feet of closure.

Q Does this indicate a structure within the unit boundaries?

A Yes, the outlines of the area are based on the Seismic contour as contoured on the top of the Mississippi.

Q Would you state what formations are expected to be encountered and what is the ultimate test?

A Anticipate the Cretaceous and Triassic from zero to 950 feet, Rustler-Salado from 1290 to 2020, Guadalupe 2020 to 3200, Leonard 3790, Wolfcamp from 3790 to 8570, Pennsylvanian from 8570

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

to 9500, Mississippian from 9500 to 10,150 feet, and the Siluro-Devonian from 10,150 to 10,620. And we believe a test drilled to a maximum of 11,000 should be sufficient to test the Siluro Devonian. These estimates are based on Amerada No. 1 ECA and the Magnolia No. 1 Lightcap.

Q Well, the Seismic data and other indication do you believe that there is a reasonable expectation of encountering production in the unit area?

A Yes, I do.

Q Is there any other testimony that you would like to give on the specific geology in the area?

A Well, by testing, by setting up a test for 11,000 feet it will not only evaluate the possibilities of the shallow horizons that are known to carry oil and gas in this area but it will also evaluate the Wolfcamp Pennsylvanian and Siluro Devonian.

Q In your opinion will the operation in this area of development as a unit lead to the greatest ultimate recovery and the best utilization of the reservoir energy?

A Yes, it will.

Q Do you believe that the operation in this area as a unit will permit the state to receive its fair share of the oil and gas that is recoverable?

A It will.

Q Do you also believe that it will promote the rapid and orderly development of the area according to the best geological

information?

A Yes, sir.

Q Is there anything further you would like to add?

A No.

MR. SETH: That is all the questions of this witness.

MR. SPURRIER: Any questions of the witness? If not,  
the witness may be excused.

(Witness excused.)

E L M E R J A C K S O N,  
having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SETH:

Q Would you state your name, please, Mr. Jackson.

A Elmer Jackson. I am employed in the unitization section  
of Stanolind Oil and Gas Company, Tulsa, Oklahoma.

Q Are you familiar with the Polecat Canyon Unit Agreement,  
Mr. Jackson?

A Yes, sir, I am.

Q Would you state, please, in a general term, the essen-  
tial provisions of the unit agreement.

A The unit agreement is in the usual form of an agreement  
that has heretofore been approved by the Commission for the  
exploratory type unit. It provides for participation based on  
proven acreage. It provides for the commencement of the initial

test well within six months after final approval. It provides that if the well is dry a second test well will be commenced within six months unless that date is extended or the unit agreement is terminated, in accordance with its own terms. If the well is completed as a producer a plan of development is to be filed to provide for further drilling.

Q Well, first, would you state, please, the acreage in the various classifications within that area? What is the total acreage?

A The total acreage in this unit is 6,240.83 acres. Of this, 640 or 10.26 per cent are federal; 4,960.83 acres or 79.8 per cent are state, and 640 or 10.26 per cent are patented lands.

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Q Does the agreement contain the usual provision that other interested owners may join at later date if they wish to do so?

A It does.

Q Will an opportunity be given to them to join if they

wish?

A It will be.

Q Under the terms of the agreement who is to be the operator?

A Stanolind Oil and Gas Company will be the unit operator.

Q Under the provisions of the agreement as presented will, in your opinion, the state receive its fair share of the oil and gas recoverable?

A It will.

Q Will operation under this unit agreement tend to promote the development of this area and be in the best interest of the State of New Mexico?

A Yes, sir.

Q Do you also believe that the unit operation as provided in this agreement will lead to orderly and rapid development of the area and the best ultimate recovery?

A Yes, sir.

Q Anything further on this agreement that you would like to comment on?

A I think of nothing.

Q Did Mr. Bond name this agreement, do you know?

A I am afraid Mr. Bond is not responsible for that.

MR. SETH: That is all the questions we have.

MR. SPURRIER: Any questions of the witness? If not, the witness may be excused and the case will be taken under

advisement.

The Commission has agreed to recess for that case until tomorrow at 10 o'clock. Therefore, the next case on the Docket is Case 361.

(Witness excused.)

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 359 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on April 15, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 23rd day of April, 1952.

Ada Dearnley  
REPORTER

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9645 AND 5-9646  
ALBUQUERQUE, NEW MEXICO



STANOLIND OIL AND GAS COMPANY

RS

February 29, 1952

File: OSJ-41.490  
APE 2645

Re: Polocat Canyon Unit  
Chaves County  
New Mexico

Commissioner of Public Lands  
State of New Mexico  
Santa Fe, New Mexico

Director of New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

We submit to each of you for your inspection the enclosed copy of the Polocat Canyon Unit Agreement together with a Geological Memorandum and a plat of the area. This Unit has been given preliminary approval by the U.S.G.S. as to area, test well depth and form of agreement.

Your informal comments on the above proposal will be greatly appreciated at this time to diminish the possibility of revision after execution of the unit is completed.

Yours very truly,

Original  
Signed by G. B. JENKINSON

G. B. Jenkinson

Enclosures

COPY

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
MAR 7 1952

DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

U. S. GEOLOGICAL SURVEY  
WASHINGTON, D. C.

IN THE MATTER OF THE ) APPLICATION FOR APPROVAL OF  
UNIT AGREEMENT ) TERMINATION OF THE  
FOR THE DEVELOPMENT AND ) POLECAT CANYON UNIT AGREEMENT  
OPERATION OF THE POLECAT CANYON ) PURSUANT TO SECTION 20  
UNIT AREA, COUNTY OF CHAVES, ) THEREOF.  
STATE OF NEW MEXICO )

To: THE HONORABLE DIRECTOR OF THE GEOLOGICAL SURVEY,  
DEPARTMENT OF THE INTERIOR, WASHINGTON, D. C.:

Stanolind Oil and Gas Company in its own behalf and as Unit Operator and the undersigned parties, representing more than seventy-five per centum (75%), on an acreage basis of the owners of working interest signatory to the Polecat Canyon Unit Agreement, I-Sec. No. 947, hereby agree to the termination of the said Polecat Canyon Unit Agreement, pursuant to the provisions of Section 20, thereof, and respectfully request approval of the Director of the United States Geological Survey to said termination.

In support of this Application for Termination, the following is respectfully submitted:

(1) Pursuant to Section 9 of said Unit Agreement, the Polecat Canyon Unit Well #1 otherwise known as the State "Z" well, located in the NW/4 NW/4 Section 34, Township 10 South, Range 31 East, Chaves County, New Mexico, was drilled to a total depth of 11,750'.

(2) The following formation tops were recorded:

Anhydrite	+ 2961	Abo	- 2759
Yates	+ 2236	Wolfcamp	- 3839
San Andres	+ 991	Mississippian	- 6569
Glorietta	- 394	Fusselman	- 7264
Ordovician	- 1889		

(3) No commercial oil or gas showings were encountered in any of the zones penetrated.

(4) The well was plugged and abandoned on November 13, 1952.

The undersigned working interest owners believe it is reasonably determined that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested and therefore none of said working

interest owners are willing to incur the expense and risk of drilling any additional test wells.

This application may be executed in any number of counterparts no one of which needs to be signed by all parties.

Dated this \_\_\_\_\_ day of November, 1953.

ATTEST:

STANOLIND OIL AND GAS COMPANY

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

MAGNOLIA PETROLEUM COMPANY

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

HONOLULU OIL CORPORATION

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
President

ATTEST:

MALCO REFINERIES, INC.

*Joe W. Laskey*  
\_\_\_\_\_  
Secretary

By *Donald B. Carlson*  
\_\_\_\_\_  
Vice President

ATTEST:

THE ATLANTIC REFINING COMPANY

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

THE OHIO OIL COMPANY

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

GULF OIL CORPORATION

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

KERR-McGEE OIL INDUSTRIES, INC.

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

UNION OIL COMPANY OF CALIFORNIA

By \_\_\_\_\_  
Its Attorney-In-Fact

RALPH LOWE

By \_\_\_\_\_  
Ralph Lowe

Approved this 11th day of January, 1954

NEW MEXICO OIL CONSERVATION COMMISSION

BY: R. R. Somerville  
Secretary and Director

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF New Mexico )  
COUNTY OF Chaves )

On this 13<sup>th</sup> day of Nov., 1953, before me appeared Donald B. Anderson, to me personally known, who being by me duly sworn, did say that he is the Vice President of Malco Refineries, Inc. and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Donald B. Anderson acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal 13<sup>th</sup> day of Nov., 1953.

My commission expires:

6-30-56

H. E. Harrington  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

interest owners are willing to incur the expense and risk of drilling any additional test wells.

This application may be executed in any number of counterparts no one of which needs to be signed by all parties.

Dated this 10<sup>th</sup> day of November, 1953.

ATTEST:

STANOLIND OIL AND GAS COMPANY

Assistant Secretary

By Vice President

ATTEST:

MAGNOLIA PETROLEUM COMPANY

Assistant Secretary

By Vice President

ATTEST:

HONOLULU OIL CORPORATION

Assistant Secretary

By L. L. Larrison  
EXEC. VICE President

ATTEST:

MALCO REFINERIES, INC.

Secretary

By Vice President

ATTEST:

THE ATLANTIC REFINING COMPANY

Assistant Secretary

By Vice President

ATTEST:

THE OHIO OIL COMPANY

Assistant Secretary

By Vice President

ATTEST:

GULF OIL CORPORATION

Assistant Secretary

By Vice President

ATTEST:

KERR-McGEE OIL INDUSTRIES, INC.

Assistant Secretary

By Vice President

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This application may be executed in any number of counterparts no one of which needs to be signed by all parties.

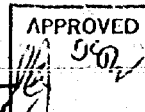
Dated this 9th day of November, 1953.

ATTEST:

*Ray C. [Signature]*  
Assistant Secretary

STANOLIND OIL AND GAS COMPANY

By *Frank [Signature]*  
Vice President



ATTEST:

\_\_\_\_\_  
Assistant Secretary

MAGNOLIA PETROLEUM COMPANY

By \_\_\_\_\_  
Vice President

ATTEST:

\_\_\_\_\_  
Assistant Secretary

HONOLULU OIL CORPORATION

By \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

MALCO REFINERIES, INC.

By \_\_\_\_\_  
Vice President

ATTEST:

\_\_\_\_\_  
Assistant Secretary

THE ATLANTIC REFINING COMPANY

By \_\_\_\_\_  
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\_\_\_\_\_  
Assistant Secretary

THE OHIO OIL COMPANY

By \_\_\_\_\_  
Vice President

ATTEST:

\_\_\_\_\_  
Assistant Secretary

GULF OIL CORPORATION

By \_\_\_\_\_  
Vice President

ATTEST:

\_\_\_\_\_  
Assistant Secretary

KERR-McGEE OIL INDUSTRIES, INC.

By \_\_\_\_\_  
Vice President

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This application may be executed in any number of counterparts no one of which needs to be signed by all parties.

Dated this 11<sup>th</sup> day of November, 1953.

ATTEST:

STANOLIND OIL AND GAS COMPANY

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

MAGNOLIA PETROLEUM COMPANY

*H. W. Clark*  
Assistant Secretary  
H. W. Clark

By *J. H. Thompson* ✓  
Vice President

APPROVED	
Legal	
Title	
Exec.	
Gen.	
Asst.	
Sec'y	

ATTEST:

HONOLULU OIL CORPORATION

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
President

ATTEST:

MALCO REFINERIES, INC.

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Vice President

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THE ATLANTIC REFINING COMPANY

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Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

THE OHIO OIL COMPANY

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Assistant Secretary

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GULF OIL CORPORATION

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Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

KERR-McGEE OIL INDUSTRIES, INC.

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Assistant Secretary

By \_\_\_\_\_  
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Dated this 11 day of November, 1953.

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STANOLIND OIL AND GAS COMPANY

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Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

MAGNOLIA PETROLEUM COMPANY

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

HONOLULU OIL CORPORATION

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
President

ATTEST:

MALCO REFINERIES, INC.

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

THE ATLANTIC REFINING COMPANY

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

THE OHIO OIL COMPANY

  
\_\_\_\_\_  
Assistant Secretary

By W.B. Emery  
Vice President

ATTEST:

GULF OIL CORPORATION

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

KERR-McGEE OIL INDUSTRIES, INC.

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Assistant Secretary

By \_\_\_\_\_  
Vice President

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Dated this 11<sup>th</sup> day of November, 1953.

ATTEST:

\_\_\_\_\_  
Assistant Secretary

STANOLIND OIL AND GAS COMPANY

By \_\_\_\_\_  
Vice President

ATTEST:

\_\_\_\_\_  
Assistant Secretary

MAGNOLIA PETROLEUM COMPANY

By \_\_\_\_\_  
Vice President

ATTEST:

\_\_\_\_\_  
Assistant Secretary

HONOLULU OIL CORPORATION

By \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

MALCO REFINERIES, INC.

By \_\_\_\_\_  
Vice President

ATTEST:

M. M. Miller  
Assistant Secretary

THE ATLANTIC REFINING COMPANY

By R. A. Sunkel  
Vice President

ATTEST:

\_\_\_\_\_  
Assistant Secretary

THE OHIO OIL COMPANY

By \_\_\_\_\_  
Vice President

ATTEST:

\_\_\_\_\_  
Assistant Secretary

GULF OIL CORPORATION

By \_\_\_\_\_  
Vice President

ATTEST:

\_\_\_\_\_  
Assistant Secretary

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By \_\_\_\_\_  
Vice President

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MAGNOLIA PETROLEUM COMPANY

By Vice President

HONOLULU OIL CORPORATION

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By Vice President

THE OHIO OIL COMPANY

By Vice President

GULF OIL CORPORATION

By Vice President

KERR-McGEE OIL INDUSTRIES, INC.

By Vice President

UNION OIL COMPANY OF CALIFORNIA

By E. R. Atwill EAL  
E. R. Atwill, Its Attorney-In-Fact

RALPH LOWE

By \_\_\_\_\_  
Ralph Lowe

Approved this 11th day of January, 1954

NEW MEXICO OIL CONSERVATION COMMISSION.

BY: R. R. Spurrer  
Secretary and Director

UNION OIL COMPANY OF CALIFORNIA

By \_\_\_\_\_  
Its Attorney-In-Fact

RALPH LOWE

By Ralph Lowe  
Ralph Lowe

Approved this 11th day of January, 1954

NEW MEXICO OIL CONSERVATION COMMISSION

BY: R. R. Gouvier  
Secretary and Director

interest owners are willing to incur the expense and risk of drilling any additional test wells.

This application may be executed in any number of counterparts no one of which needs to be signed by all parties.

Dated this \_\_\_\_\_ day of November, 1953.

ATTEST:

STANOLIND OIL AND GAS COMPANY

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

MAGNOLIA PETROLEUM COMPANY

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

HONOLULU OIL CORPORATION

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
President

ATTEST:

MALCO REFINERIES, INC.

\_\_\_\_\_  
Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

THE ATLANTIC REFINING COMPANY

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:


THE OHIO OIL COMPANY

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

ATTEST:

GULF OIL CORPORATION

  
H. M. CRAIG Assistant Secretary

  
By \_\_\_\_\_  
Vice President

ATTEST:

KERR-McGEE OIL INDUSTRIES, INC.

\_\_\_\_\_  
Assistant Secretary

By \_\_\_\_\_  
Vice President

STATE OF Texas )  
COUNTY OF Tarrant )

On this 20 day of November, 1953, before me appeared F. J. ADAMS, to me personally known, who being by me duly sworn, did say that he is the Vice President of GULF OIL CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said F. J. ADAMS acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 20 day of November, 1953.

My commission expires:

June 1, 1955

Eva Marie Cooper  
Notary Public Eva Marie Cooper

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

CITY AND

STATE OF CALIFORNIA )  
COUNTY OF SAN FRANCISCO )

On this 10<sup>th</sup> day of November, 19 53, before me appeared  
L. A. CRANSON, to me personally known, who being  
by me duly sworn, did say that he is the EXEC. VICE President of  
HONOLULU OIL CORPORATION and that the seal affixed to said instru-  
ment is the corporate seal of said corporation, and that said instrument  
was signed and sealed in behalf of said corporation by authority of its  
Board of Directors, and said L. A. CRANSON acknowl-  
edged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 10<sup>th</sup> day of \_\_\_\_\_  
November, 1953.

My commission expires:

August 27, 1955

Helen G. Boyle (Helen G. Boyle)  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared  
\_\_\_\_\_, to me personally known, who being  
by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_  
and that the seal affixed to said instru-  
ment is the corporate seal of said corporation, and that said instrument  
was signed and sealed in behalf of said corporation by authority of its  
Board of Directors, and said \_\_\_\_\_ acknowl-  
edged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared  
\_\_\_\_\_, to me personally known, who being  
by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_  
and that the seal affixed to said instru-  
ment is the corporate seal of said corporation, and that said instrument  
was signed and sealed in behalf of said corporation by authority of its  
Board of Directors, and said \_\_\_\_\_ acknowl-  
edged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF Texas )

COUNTY OF Midland )

On this 9th day of November, 1953, before me personally appeared Ralph Lowe to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 9th day of November, 1953.

My commission expires:

6-1-55

Mary Childs  
Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

STATE OF Oklahoma )  
COUNTY OF LeFlore )

On this 13<sup>th</sup> day of November, 1953, before me appeared Frank Lindeman, Jr., to me personally known, who being by me duly sworn, did say that he is the Vice President of STANOLIND OIL AND GAS COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Frank Lindeman, Jr. acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 13<sup>th</sup> day of November, 1953.

My commission expires:

My Commission Expires October 4, 1955

Maxine McAdams  
Notary Public  
Maxine McAdams

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF Texas )  
COUNTY OF Dallas )

On this 11 day of November, 1953, before me appeared S. A. Thompson, to me personally known, who being by me duly sworn, did say that he is the Vice President of MAGNOLIA PETROLEUM COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said S. A. Thompson acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal 11 day of November, 1953.

My commission expires:

My commission expires  
**June 1, 1956**

Gladys H. Walters  
Notary Public  
GLADYS H. WALTERS, Notary Public  
In and for Dallas County, Texas

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF Texas )  
COUNTY OF Dallas )

On this 11<sup>th</sup> day of November, 1953, before me appeared L. A. Sunkel, to me personally known, who being by me duly sworn, did say that he is the Vice President of The Atlantic Refining Company and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said L. A. Sunkel acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 11<sup>th</sup> day of November, 1953.

My commission expires:

6-1-55

Holly Mae Tippet  
Notary Public  
HOLLY MAE TIPPETT

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

THE STATE OF TEXAS  
COUNTY OF MIDLAND

On this 9th day of November, 1953, before me personally appeared E. R. ATWILL, to me known to be the person who executed the foregoing instrument in behalf of Union Oil Company of California, a corporation, and acknowledged that he executed the same as the free act and deed of Union Oil Company of California.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

*Alice Adams*  
Notary Public in and for Midland County, Texas

My Commission Expires:

*June 1, 1955*

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF Alta )  
COUNTY OF Alta )

On this 11 day of Nov, 1953, before me appeared D. A. Wecker, to me personally known, who being by me duly sworn, did say that he is the \_\_\_\_\_ President of Ken Wecker Industries, Inc. and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said D. A. Wecker acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 11 day of Nov, 1953.

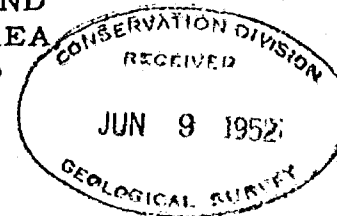
My commission expires:

Feb 4 - 1957

Lennie Baker  
Notary Public

RECEIVED  
JUN 4 1952  
U. S. GEOLOGICAL SURVEY  
ROSWell, NEW MEXICO

UNIT AGREEMENT FOR THE DEVELOPMENT AND  
OPERATION OF THE POLECAT CANYON UNIT AREA  
COUNTY OF CHAVES, STATE OF NEW MEXICO



I - SEC. NO. 947

THIS AGREEMENT, entered into as of the 1st day of March,  
1952, by and between the parties subscribing, ratifying, or consenting hereto,  
and herein referred to as the "parties hereto";

WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty,  
or other oil and gas interests in the unit area subject to this agreement; and

WHEREAS, the term "Working Interest" as used herein shall  
mean the interest held in unitized substances or in lands containing unitized  
substances by virtue of a lease, operating agreement, fee title, or otherwise,  
which is chargeable with and obligated to pay or bear all or a portion of the  
cost of drilling, developing, producing, and operating the land under the unit  
or cooperative agreement. The right delegated to the unit operator as such  
by this unit agreement is not to be regarded as a working interest; and

WHEREAS, the act of February 25, 1920, 41 Stat. 437, as a  
mended by the act of August 8, 1945, 60 Stat. 950, 30 U.S.C. Secs. 181,  
et seq., authorizes Federal lessees and their representatives to unite with  
each other, or jointly or separately with others, in collectively adopting  
and operating a cooperative or unit plan of development or operation of any  
oil or gas pool, field or like area, or any part thereof, for the purpose of  
more properly conserving the natural resources thereof whenever determined  
and certified by the Secretary of the Interior to be necessary or advisable in  
the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of  
New Mexico is authorized by an Act of the Legislature (Chap. 88, Laws 1943)  
to consent to or approve this agreement on behalf of the State of New Mexico,

December, 1951

insofar as it covers and includes lands and mineral interests of the State of New Mexico; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by an Act of the Legislature (Chap. 168, Laws 1949) to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the Polecat Canyon Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions, and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the below-defined unit area, and agree severally among themselves as follows:

1. ENABLING ACT AND REGULATIONS: The act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal lands, the oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State in which the non-Federal land is located, are hereby accepted and made a part of this agreement.

2. UNIT AREA: The following-described land is hereby designated and recognized as constituting the unit area:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T10S-R31E

Sec. 2: W/2  
Sec. 3: All  
Sec. 10: All  
Sec. 11: W/2  
Sec. 14: W/2  
Sec. 15: All  
Sec. 22: All  
Sec. 23: W/2  
Sec. 26: W/2  
Sec. 27: All  
Sec. 28: All  
Sec. 33: N/2  
Sec. 34: N/2  
Sec. 35: NW/4

Total Unit Area embraces 6,240.83 acres, more or less.

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary, or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor", and not less than five copies of the revised exhibits shall be filed with the Supervisor, and two copies each with the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Commissioner".

The above-described unit area shall when practicable be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this agreement, or shall be contracted

to exclude lands not within any participating area whenever such expansion or contraction is necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be effected in the following manner:

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director", or on demand of the Commissioner shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof.

(b) Said notice shall be delivered to the Supervisor and Commissioner, and copies thereof mailed to the last known address of each working interest owner, lessee, and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor and Commissioner evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the Unit Operator.

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the Director and Commissioner, become effective as of the date prescribed in the notice thereof.

All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement".

3. UNITIZED SUBSTANCES: All oil and gas in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

4. UNIT OPERATOR: Stanolind Oil and Gas Company is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees

and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interest in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

5. RESIGNATION OR REMOVAL OF UNIT OPERATOR: Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of 6 months after notice of intention to resign has been served by Unit Operator on all working interest owners, the Director and the Commissioner, and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment whichever is required by the Supervisor and Commissioner, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

Unit Operator shall have the right to resign in like manner and subject to like limitations as above provided at any time a participating area established hereunder is in existence, but until a successor unit operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for performance of the duties of unit operator, and shall not later than 30 days before such resignation becomes effective appoint a common agent to represent them in any action to be taken hereunder.

The resignation of Unit Operator shall not release Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests determined in like manner as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the Director and Commissioner.

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title, or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, materials, and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor Unit Operator or to the owners thereof if no such new Unit Operator is elected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of any wells.

6. SUCCESSOR UNIT OPERATOR: Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as herein-above provided, the owners of the working interests in the participating area or areas according to their respective acreage interests in such participating area or areas, or, until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by majority vote select a successor Unit Operator: Provided, That, if a majority but less than 75 per cent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of one or more additional working interest owners shall be required to select a new operator. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall

have been approved by the Director and Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director and Commissioner at their election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT: If the Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement". Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between the unit agreement and the unit operating agreement, this unit agreement shall prevail. Three true copies of any unit operating agreement executed pursuant to this section shall be filed with the Supervisor and one true copy with the Commissioner.

8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR: Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto which are

necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY: Within 6 months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor if such location is upon lands of the United States, and if upon State lands or Patented lands, such location shall be approved by the Commission, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Siluro-Devonian formation has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to wit: quantities sufficient to repay the costs of drilling, and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the Supervisor as to wells on Federal lands, or the Commission as to wells on State lands or Patented lands, that further drilling of said well would be unwarranted or impracticable, provided, however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 11,000 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than 6 months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances

in paying quantities is completed to the satisfaction of said Supervisor and Commission, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted.

Upon failure to comply with the drilling provisions of this section, the Director and Commissioner may, after reasonable notice to the Unit Operator, and each working interest owner, lessee, and lessor at their last known addresses, declare this unit agreement terminated.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION:

Within 6 months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner and the Commission an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, the Commissioner, and the Commission, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission a plan for an additional specified period for the development and operation of the unitized land. Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete

and adequate as the Supervisor, the Commissioner, and the Commission may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall (a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and (b) to the extent practicable specify the operating practices regarded as necessary and advisable for proper conservation of natural resources. Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor, the Commissioner and the Commission. Said plan or plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and the Commissioner are authorized to grant a reasonable extension of the 6-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing any unitized substance in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement or such as may be specifically approved by the Supervisor and the Commissioner, shall be drilled except in accordance with a plan of development approved as herein provided.

11. PARTICIPATION AFTER DISCOVERY: Upon completion of a well capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor and Commissioner, the Unit Operator shall submit for approval by the Director, the Commissioner and the Commission, a schedule, based on subdivisions of the public-land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all lands in said schedule on approval of the Director, the Commissioner and the

Commission to constitute a participating area, effective as of the date of first production. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from and after the date the participating area becomes effective. A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone, and any two or more participating areas so established may be combined into one with the consent of the owners of all working interests in the lands within the participating areas so to be combined, on approval of the Director, the Commissioner, and the Commission. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities, or to exclude land then regarded as reasonably proved not to be productive and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first of the month in which is obtained the knowledge or information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule. No land shall be excluded from a participating area on account of depletion of the unitized substances.

It is the intent of this section that a participating area shall represent the area known or reasonably estimated to be productive in paying quantities; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the Director, the Commissioner, and the Commission as

to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interests, except royalties due the United States and the State of New Mexico, which shall be determined by the Supervisor and the Commissioner respectively and the amount thereof deposited, as directed by the Supervisor and the Commissioner, respectively, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the Supervisor, as to wells on Federal land, the Commissioner as to wells on State land, and the Commission as to Patented land, that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well shall, for the purposes of settlement among all parties other than working interest owners, be allocated to the land on which the well is located so long as such land is not within a participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a well shall be made as provided in the unit operating agreement.

12. ALLOCATION OF PRODUCTION: All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, camp and other production or development purposes, for repressuring or recycling in accordance with a plan of development approved by the Supervisor, the Commissioner and the Commission, or unavoidably lost, shall be deemed to be produced

equally on an acreage basis from the several tracts of unitized land of the participating area established for such production and, for the purpose of determining any benefits accruing under this agreement, each such tract of unitized land shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area bears to the total acres of unitized land in said participating area. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein regardless of whether any wells are drilled on any particular part or tract of said participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from such last-mentioned participating area for sale during the life of this agreement shall be considered to be the gas so transferred until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as constituted at the time of such final production.

13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR FORMATIONS: Any party hereto owning or controlling the working interest in any unitized land having thereon a regular well location may with the respective approval of the Supervisor, the Commissioner or the Commission at such party's sole risk, cost, and expense drill a well to test any formation for which a participating area has not been established or to test any formation for which a participating area has been established if such location is not within said participating area, unless within 90 days of receipt of notice from said party of his intention to drill the well the Unit Operator elects and commences to drill such well in like manner as other wells are drilled by the Unit Operator under this agreement.

If any well drilled as aforesaid by a working interest owner results in production such that the land upon which it is situated may properly

be included in a participating area, such participating area shall be established or enlarged as provided in this agreement and the well shall thereafter be operated by Unit Operator in accordance with the terms of this agreement and the unit operating agreement.

If any well drilled as aforesaid by a working interest owner obtains production in quantities insufficient to justify the inclusion in a participating area of the land upon which such well is situated, such well may be operated and produced by the party drilling the same subject to the conservation requirements of this agreement. The royalties in amount or value of production from any such well shall be paid as specified in the underlying lease and agreements affected.

14. ROYALTY SETTLEMENT: The United States and the State of New Mexico and all royalty owners who, under existing contract, are entitled to take in kind a share of the substances now unitized hereunder produced from any tract, shall hereafter be entitled to the right to take in kind their share of the unitized substances allocated to such tract, and Unit Operator, or in case of the operation of a well by a working interest owner as herein in special cases provided for, such working interest owner, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be made by working interest owners responsible therefor under existing contracts, laws, and regulations, on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any royalties due under their leases.

If gas obtained from lands not subject to this agreement is introduced into any participating area hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery, which shall be

in conformity with a plan first approved by the Supervisor and the Commissioner, a like amount of gas, after settlement as herein provided for any gas transferred from any other participating area and with due allowance for loss or depletion from any cause, may be withdrawn from the formation into which the gas was introduced, royalty free as to dry gas, but not as to the products extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the plan of operations or as may otherwise be consented to by the Supervisor, the Commissioner and the Commission as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation: provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

15. RENTAL SETTLEMENT: Rental or minimum royalties due on leases committed hereto shall be paid by working interest owners responsible therefor under existing contracts, laws, and regulations, provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum royalty in lieu thereof due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective leases from the United States unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative. Rentals

on State of New Mexico lands subject to this agreement shall be paid at the rates specified in the respective leases, or may be reduced and suspended upon the order of the Commissioner of Public Lands of the State of New Mexico pursuant to applicable laws and regulations.

With respect to any lease on non-Federal land containing provisions which would terminate such lease unless drilling operations were within the time therein specified commenced upon the land covered thereby or rentals paid for the privilege of deferring such drilling operations, the rentals required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue and become payable during the term thereof as extended by this agreement and until the required drilling operations are commenced upon the land covered thereby or some portion of such land is included within a participating area.

16. CONSERVATION: Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State or Federal law or regulation.

17. DRAINAGE: The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement or pursuant to applicable regulations pay a fair and reasonable compensatory royalty as determined by the Supervisor and the Commissioner.

18. LEASES AND CONTRACTS CONFORMED AND EXTENDED: The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development, or operation for oil or gas of lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto holding interests embracing unitized land of the United States or of the State of New Mexico hereby consent that the Secretary of the Interior,

hereinafter referred to as "Secretary", and the Commissioner, respectively, shall, and said Secretary and Commissioner by their approval hereof, or by the approval hereof by their duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal and State leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every part or separately owned tract subject to this agreement, regardless of whether there is any development of any particular part or tract of the unit area, notwithstanding anything to the contrary in any lease, operating agreement or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.

(b) Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Secretary or his duly authorized representative and on all unitized lands of the State of New Mexico pursuant to the direction or consent of the Commissioner or his duly authorized representative, shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land.

(d) Each lease, sublease or contract relating to the exploration, drilling, development or operation for oil or gas of lands other than those of

the United States, committed to this agreement, which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the committed land so long as such land remains committed hereto, provided unitized substances are discovered in paying quantities within the unit area prior to the expiration date of the primary term of such lease.

(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

(g) Any lease having only a portion of its lands committed hereto shall be segregated as to the portion committed and the portion not committed, and the terms of such lease shall apply separately to such segregated portions commencing as of the effective date hereof. In the event any such lease provides for a lump-sum rental payment, such payment shall be prorated between the portions so segregated in proportion to the acreage of the respective tracts.

19. COVENANTS RUN WITH LAND: The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance, of interest in land or leases

subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any working interest, royalty, or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

20. EFFECTIVE DATE AND TERM: This agreement shall become effective upon approval by the Secretary and the Commissioner or their duly authorized representatives and shall terminate five years from said effective date unless (a) such date of expiration is extended by the Director and Commissioner, or (b) it is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, the agreement is terminated with the approval of the Director and the Commissioner, or (c) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof, in which event the agreement shall remain in effect for such term and so long as unitized substances can be produced in paying quantities, i. e., in this particular instance in quantities sufficient to pay for the cost of producing same from wells on unitized land within any participating area established hereunder and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid, or (d) it is terminated as heretofore provided in this agreement.

This agreement may be terminated at any time by not less than 75 per centum, on an acreage basis, of the owners of working interests

signatory hereio, with the approval of the Director and the Commissioner; notice of any such approval to be given by the Unit Operator to all parties hereto.

21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION: The Director is hereby vested with authority to alter or modify from time to time in his discretion the quantity and rate of production under this agreement when such quantity and rate is not fixed pursuant to Federal or State law or does not conform to any state-wide voluntary conservation or allocation program, which is established, recognized, and generally adhered to by the majority of operators in such State, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification. Without regard to the foregoing, the Director is also hereby vested with authority to alter or modify from time to time in his discretion the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law; provided further that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

Powers in this section vested in the Director shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than 15 days from notice.

22. CONFLICT OF SUPERVISION: Neither the Unit Operator nor the working interest owners nor any of them shall be subject to any

forfeiture, termination, or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability for delay or failure in whole or in part to comply therewith to the extent that the said Unit Operator, working interest owners or any of them are hindered, delayed, or prevented from complying therewith by reason of failure of the Unit Operator to obtain with the exercise of due diligence the concurrence of the representatives of the United States and the representatives of the State of New Mexico in and about any matters or thing concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this contract are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

23. APPEARANCES: Unit Operator shall, after notice to other parties affected, have the right to appear for or on behalf of any and all interests affected hereby before the Department of the Interior and to appeal from orders issued under the regulations of said Department or to apply for relief from any of said regulations or in any proceedings relative to operations before the Department of the Interior or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his own expense to be heard in any such proceeding.

24. NOTICES: All notices, demands or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if given in writing and personally delivered to the party or sent by postpaid registered mail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party may have furnished in writing to party sending the notice, demand or statement.

25. NO WAIVER OF CERTAIN RIGHTS: Nothing in this agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State wherein said unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

26. UNAVOIDABLE DELAY: All obligations under this agreement requiring the Unit Operator to commence or continue drilling or to operate on or produce unitized substances from any of the lands covered by this agreement shall be suspended while, but only so long as, the Unit Operator despite the exercise of due care and diligence is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

27. FAIR EMPLOYMENT: The Unit Operator shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin, and an identical provision shall be incorporated in all sub-contracts.

28. LOSS OF TITLE: In the event title to any tract of unitized land shall fail and the true owner cannot be induced to join in this unit agreement, such tract shall be automatically regarded as not committed hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title as to any royalty, working interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal and State land or leases, no payments of funds due the United States or the State

of New Mexico should be withheld, but such funds shall be deposited as directed by the Supervisor and the Commissioner of Public Lands of the State of New Mexico, respectively, to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

29. NON-JOINDER AND SUBSEQUENT JOINDER: If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the owner of the working interest in that tract may withdraw said tract from this agreement by written notice to the Director, the Commissioner and the Unit Operator prior to the approval of this agreement by the Director and the Commissioner. Any oil or gas interests in lands within the unit area not committed hereto prior to submission of this agreement for final approval may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this agreement, and, if the interest is a working interest, by the owner of such interest also subscribing to the unit operating agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements or approvals, if any, pertaining to such joinder, as may be provided for in the unit operating agreement. After final approval hereof joinder by a non-working interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such non-working interest. Prior to final approval hereof, joinder by any owner of a non-working interest must be accompanied by appropriate joinder by the owner of the corresponding working interest in order for the interest to be regarded as effectively committed hereto. Except as may otherwise herein be provided subsequent joinders

to this agreement shall be effective as of the first day of the month following the filing with the Supervisor and the Commissioner of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director or Commissioner.

30. COUNTERPARTS: This agreement may be executed in any number of counterparts no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument in writing specifically referring hereto and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above-described unit area.

31. SURRENDER: Nothing in this agreement shall prohibit the exercise by any working interest owner of the right to surrender vested in such party in any lease, sub-lease, or operating agreement as to all or any part of the lands covered thereby, provided that each party who will or might acquire such working interest by such surrender or by forfeiture as hereafter set forth, is bound by the terms of this agreement.

If as a result of any such surrender, the working interest rights as to such lands become vested in any party other than the fee owner of the unitized substances, said party shall forfeit such rights and no further benefits from operations hereunder as to said land shall accrue to such party, unless within ninety (90) days thereafter said party shall execute this agreement and the unit operating agreement as to the working interest acquired through such surrender, effective as though such land had remained continuously subject to this agreement and the unit operating agreement. And in the event such agreements are not so executed, the party next in the chain of title shall be and become the owner of such working interest at

the end of such ninety (90) day period, with the same force and effect as though such working interest had been surrendered to such party.

If as the result of any such surrender or forfeiture the working interest rights as to such lands become vested in the fee owner of the unitized substances, such owner may:

(1) Execute this agreement and the unit operating agreement as a working interest owner, effective as though such land had remained continuously subject to this agreement and the unit operating agreement.

(2) Again lease such lands but only under the condition that the holder of such lease shall within thirty (30) days after such lands are so leased execute this agreement and the unit operating agreement as to each participating area theretofore established hereunder, effective as though such land had remained continuously subject to this agreement and the unit operating agreement.

(3) Operate or provide for the operation of such land independently of this agreement as to any part thereof or any oil or gas deposits therein not then included within a participating area.

If the fee owner of the unitized substances does not execute this agreement and the unit operating agreement as a working interest owner or again lease such lands as above provided with respect to each existing participating area, within six (6) months after any such surrender or forfeiture, such fee owner shall be deemed to have waived the right to execute the unit operating agreement or lease such lands as to each such participating area, and to have agreed, in consideration for the compensation hereinafter provided, that operations hereunder as to any such participating area or areas shall not be affected by such surrender.

For any period the working interest in any lands are not expressly committed to the unit operating agreement as the result of any such surrender or forfeiture, the benefits and obligations of operations accruing to such lands

under this agreement and the unit operating agreement shall be shared by the remaining owners of unitized working interests in accordance with their respective participating working interest ownerships in any such participating area or areas, and such owners of working interests shall compensate the fee owner of unitized substances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands were unitized, as to such participating area or areas.

Upon commitment of a working interest to this agreement and the unit operating agreement as provided in this section, an appropriate accounting and settlement shall be made, to reflect the retroactive effect of the commitment, for all benefits accruing to or payments and expenditures made or incurred on behalf of such surrendered working interest during the period between the date of surrender and the date of recommitment, and payment of any moneys found to be owing by such an accounting shall be made as between the parties then signatory to the unit operating agreement and this agreement within thirty (30) days after the recommitment. The right to become a party to this agreement and the unit operating agreement as a working interest owner by reason of a surrender or forfeiture as provided in this section shall not be defeated by the non-existence of a unit operating agreement and in the event no unit operating agreement is in existence and a mutually acceptable agreement between the proper parties thereto cannot be consummated, the Supervisor may prescribe such reasonable and equitable agreement as he deems warranted under the circumstances.

Nothing in this section shall be deemed to limit the right of joinder or subsequent joinder to this agreement as provided elsewhere in this agreement. The exercise of any right vested in a working interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

32. TAXES: The working interest owners shall render and pay for their account and the account of the royalty owners all valid taxes on or measured by the unitized substances in and under or that may be produced, gathered and sold from the land subject to this contract after the effective date of this agreement, or upon the proceeds or net proceeds derived therefrom. The working interest owners on each tract shall and may charge the proper proportion of said taxes to the royalty owners having interests in said tract, and may currently retain and deduct sufficient of the unitized substances or derivative products, or net proceeds thereof from the allocated share of each royalty owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or the State of New Mexico or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

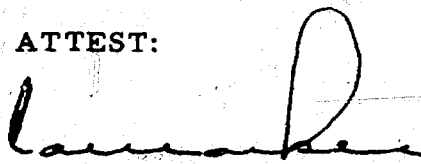
33. NO PARTNERSHIP: It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing in this agreement contained, expressed or implied, nor any operations conducted hereunder, shall create or be deemed to have created a partnership or association between the parties hereto or any of them.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have set opposite their respective names the date of execution.

UNIT OPERATOR AND WORKING INTEREST OWNER

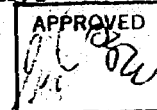
ATTEST:

DATE: STANOLIND OIL AND GAS COMPANY

  
Assistant Secretary

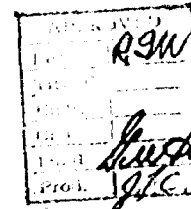
By

  
Vice President



Address: P. O. Box 591, Tulsa 2, Oklahoma

WORKING INTEREST OWNERS



ATTEST:

DATE:

[Signature] 4/5/52 By D. E. Christ  
Asst. Secretary Vice-President

Magnolia Petroleum Company  
Address: P.O. Box 200, Dallas 1, Texas

ATTEST:

DATE:

HONOLULU OIL CORPORATION

[Signature] 7/7/52 By [Signature]  
Secretary President

HONOLULU OIL CORPORATION  
215 MARKET STREET  
Address: SAN FRANCISCO 5, CALIF.

ATTEST:

DATE:

MALCO REFINERIES, INC.

Joe W. Ladd 5/5/52 By Donald B. Anderson  
Secretary Vice-President

MALCO REFINERIES, INC.  
Address: BOX 660  
ROSWELL, NEW MEXICO

ATTEST:

DATE:

THE ATLANTIC REFINING COMPANY

M. M. Miller 5-7-52 By L. D. [Signature]  
Asst. Secretary Vice-President

Address: P.O. Box 2819 Dallas, Texas

ATTEST:

DATE:

THE OHIO OIL COMPANY

[Signature] MAY 8 '52 By [Signature]  
Asst. Secretary Vice-President

Address: P.O. Box 3128, City National Bank Bldg., Houston, Texas

ATTEST:

DATE:

GULF OIL CORPORATION

[Signature] 5/21/52 By [Signature]  
H. M. CRAIG Asst. Secretary Vice-President

Address: P. O. Drawer 1290, Fort Worth, Texas

WORKING INTEREST OWNERS

Address: Box 832  
Midland, Texas

Date: 4-12-52

Reese Sewell

Address: 200 Wilkinson-Easton Bldg.  
Midland, Texas

Date: 5/2/52

E. R. Atwell

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

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Date: \_\_\_\_\_

129

CERTIFICATE OF RESOLUTION  
OF  
EXECUTIVE COMMITTEE OF BOARD OF DIRECTORS  
OF  
UNION OIL COMPANY OF CALIFORNIA

"RESOLVED, that E. R. ATWILL and C. L. SHERWOOD, and each of them individually, be constituted and appointed the true and lawful attorneys for the Company to execute for and on its behalf any and all types of Instruments affecting or pertaining to acquisition of lands, operation and administration of leased or owned properties, and to the disposition of crude oil, gas and other hydrocarbon substances produced therefrom, in the States of TEXAS, NEW MEXICO and ARIZONA, such Instruments to include, but not be limited to, oil and gas leases together with assignments and quitclaims thereof, contracts for drilling, and for the transportation, purchase or sale of crude oil, natural gas and natural gasoline, - and division orders.

"BE IT FURTHER RESOLVED that the President or a Vice President and the Secretary or an Assistant Secretary be and they are hereby authorized and directed to execute a formal power of attorney constituting and appointing the said E. R. ATWILL and C. L. SHERWOOD, and each of them, the true and lawful attorneys for the Company for the purposes hereinbefore set forth."

I, R. F. NIVEN, Secretary of UNION OIL COMPANY OF CALIFORNIA, do hereby certify the foregoing to be a full, true and correct copy of resolution unanimously adopted at a meeting of the Executive Committee of Board of Directors of said Corporation, held at the office of the Corporation at Los Angeles, California, on Tuesday, the 15th day of August, 1950, - at which meeting a quorum was at all times present and voting, and that said resolutions are now in full force and effect; and

I FURTHER CERTIFY that the following is a full, true and correct copy of Sec. 5 of ARTICLE IV of the current By-Laws of said Company, viz:

"Sec. 5. POWERS

The Executive Committee in the intervals between meetings of the Board of Directors shall have full power to act for the Board of Directors and to bind the Company in all matters as fully as the Board of Directors might or could do but subject at all times to the control of the Board of Directors. The Committee shall not have the power to declare dividends or to make any changes in the By-Laws."

IN WITNESS WHEREOF I have hereunto set my hand and the seal of said Company this 16th day of August, 1950.

  
Secretary  
UNION OIL COMPANY OF CALIFORNIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS,

That Union Oil Company of California has made, constituted and appointed, and by these presents does make constitute and appoint, L. H. A'HILL and C. L. CHERWOOD, and each of them, its true and lawful attorneys, for it and in its name, place and stead, giving and granting unto its said attorneys full power and authority to execute any and all types of instruments affecting or pertaining to acquisition of lands, operation and administration of leased or owned properties, and to the disposition of crude oil, gas and other hydrocarbon substances produced therefrom, in the States of TEXAS, NEW MEXICO and ARIZONA, - such instruments to include, but not be limited to, oil and gas leases together with assignments and quit-claims thereof, contracts for drilling, and for the transportation, purchase or sale of crude oil, natural gas and natural gasoline, - and division orders.

D 1241 August 16, 1950.

(Seal)

UNION OIL COMPANY OF CALIFORNIA

By

Vice-President

By

Secretary

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

THIS \_\_\_\_\_ day of \_\_\_\_\_, 1952, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn did say that he is the Vice-President of UNION OIL COMPANY OF CALIFORNIA, and that the Seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and said A. C. A'HILL acknowledged said instrument to be the free act and deed of said corporation.

I, \_\_\_\_\_, a Notary Public in and for the State of California, do hereby certify that the foregoing is a true and correct copy of the original instrument as the same appears in my records.

Notary Public in and for  
said County and State

Commission Expires \_\_\_\_\_

OTHER PARTIES

ATTEST:

DATE:

\_\_\_\_\_  
Secretary By \_\_\_\_\_ President

Address: \_\_\_\_\_

ATTEST:

DATE:

\_\_\_\_\_  
Secretary By \_\_\_\_\_ President

Address: \_\_\_\_\_

Address: \_\_\_\_\_ Date: \_\_\_\_\_

Address: \_\_\_\_\_ Date: \_\_\_\_\_

Address: \_\_\_\_\_ Date: \_\_\_\_\_

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Address: \_\_\_\_\_ Date: \_\_\_\_\_

Address: \_\_\_\_\_ Date: \_\_\_\_\_

STATE OF OKLAHOMA)  
COUNTY OF TULSA )

On this 6<sup>th</sup> day of March, 1952, before me appeared J. E. Rouse, to me personally known, who being by me duly sworn, did say that he is the Vice President of STANOLIND OIL AND GAS COMPANY, a Delaware corporation, and that the seal affixed to said instrument is the corporate seal of said corporation by authority of its Board of Directors, and said J. E. Rouse acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 6<sup>th</sup> day of March, 1952.

My commission expires:  
My Commission Expires October 4, 1955

Maxine McAdams  
Notary Public

STATE OF Texas  
COUNTY OF Dallas

On this 4<sup>th</sup> day of April, 1952, before me appeared A. E. Chester, to me personally known, who, being by me duly sworn, did say that he is the Vice President of MAGNOLIA PETROLEUM COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. E. Chester acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 4<sup>th</sup> day of April, 1952.

My commission expires:

June 4, 1953

Joan Stephens  
Notary Public

JOAN STEPHENS, Notary Public  
in and for Dallas County, Texas

STATE OF CALIFORNIA  
City and COUNTY OF San Francisco

On this 17<sup>th</sup> day of April, 1952, before me appeared A. C. MATTEI, to me personally known, who, being by me duly sworn, did say that he is the - President of HONOLULU OIL CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. C. MATTEI acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 17<sup>th</sup> day of April, 1952.

My commission expires:  
August 27, 1955

Helen G. Boyle  
Notary Public Helen G. Boyle

STATE OF NEW MEXICO  
COUNTY OF GRAVES

On this 2nd day of May, 1952, before me personally appeared E. R. Atwill, to me personally known, who being by me duly sworn, did say that he is the Attorney-in-Fact for the Union Oil Company of California, and that said instrument was signed and sealed on behalf of said company by authority of its Board of Directors, and said E. R. Atwill acknowledged said instrument to be the free act and deed of said company.

STATE OF New Mexico  
COUNTY OF Chaves

On this 5th day of May, 1952, before me appeared Donald B. Anderson, to me personally known, who being by me duly sworn, did say that he is the Vice President of Wolfe Reimeries INC and that the seal affixed to said instrument is the corporate seal of said corporation by authority of its Board of Directors, and said Donald B. Anderson acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 5th day of May, 1952.

My commission expires:

Mar. 21, 1954

William B. McLaughlin  
Notary Public

STATE OF Texas  
COUNTY OF Dallas

On this 7th day of May, 1952, before me appeared L. A. Sonkel, to me personally known, who being by me duly sworn, did say that he is the Vice President of THE ATLANTIC REFINING COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation by authority of its Board of Directors, and said THE ATLANTIC REFINING COMPANY L. A. Sonkel acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 7th day of May, 1952.

My commission expires:

6-1-53

Holly Mae Tippet  
Notary Public  
HOLLY MAE TIPPETT

STATE OF Texas  
COUNTY OF Harris

On this 8th day of May, 1952, before me appeared R. C. Gwilliam, to me personally known, who being by me duly sworn, did say that he is the Vice President of THE OHIO OIL COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation by authority of its Board of Directors, and said R. C. Gwilliam acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this 8th day of May, 1952.

My commission expires:

6-1-53

R. J. Grubb  
Notary Public

R. J. GRUBB  
Notary Public In and for Harris County, Texas  
My Commission Expires June 1, 1953

STATE OF Texas  
COUNTY OF midland

On this 12th day of April, 1952, before me personally appeared RALPH Lowe to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12th day of April, 1952.

My commission expires:  
6-1-53

Mary Hammack Giblin  
Notary Public in and for  
Midland County, Texas  
My Commission Expires June 1, 1953

Mary Hammack Giblin  
Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

THE STATE OF TEXAS

COUNTY OF TARRANT

On this 21 day of May, 1952, before me appeared F. J. ADAMS to me personally known, who, being by me duly sworn did say that he is Vice President of Gulf Oil Corporation, and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said F. J. ADAMS acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal on this the day and year first above written.

B. R. Jordan B. R. JORDAN  
Notary Public in and for Tarrant  
County, Texas

My Commission Expires  
June 1, 1953.

Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

Notary Public

819-824

On this day of . 19 before me personally

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.

**Notary Public**

On this day of \_\_\_\_\_, 19\_\_\_\_, before me personally

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_

**Notary Public**

On this day of , 19 , before me personally

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

**Notary Public**

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Polecat Canyon Unit Area, County of Chaves, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

### SIGNATURES AND ADDRESSES

Name Donald B. Anderson *trout 2*

Address BOX 660  
ROSWELL, NEW MEXICO

Address \_\_\_\_\_

Name Patricia Gaylord Anderson

Address BOX 660  
ROSWELL, NEW MEXICO

Address \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

STATE OF New Mexico  
COUNTY OF Chaves

On this 12th day of June, 1952, before me personally appeared Donald B. Anderson & Patricia Taylor Anderson to me known to be the person A described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12th day of June, 1952.

My commission expires:

Jul. 21, 1956

Ruth B. Loe  
Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person \_\_\_\_\_ described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person \_\_\_\_\_ described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

CONSENTED  
JUN 18 1952  
GEOLOGY

In consideration of the execution of the Unit Agreement for the Development and Operation of the Polecat Canyon Unit Area, County of Chaves, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

TRACT 2

Name \_\_\_\_\_

Address \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Name Bonnie H. Howell

Address 409 Bluff Wichita Falls, Texas

Name \_\_\_\_\_

Address \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally  
appeared \_\_\_\_\_ to me known to be the  
person \_\_\_\_\_ described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally  
appeared \_\_\_\_\_ to me known to be the  
person \_\_\_\_\_ described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

STATE OF TEXAS )  
COUNTY OF WICHITA )

On this 9th day of June, 1952, before me personally  
appeared Bonnie H. Howell to me known to be the  
person \_\_\_\_\_ described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that she executed the same as her free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 9th day of  
June, 1952.

My commission expires:

June 1st, 1953

W. E. Bristol

W. E. Bristol  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared  
\_\_\_\_\_, to me personally known, who, being by me duly  
sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation,  
and that said instrument was signed and sealed in behalf of said corporation by  
authority of its Board of Directors, and said \_\_\_\_\_ acknowledged  
said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

NO. F- 66086

EX PARTE

BRUNNHILDE MIGNON

HOLMGREN, ET. AL.

IN THE 45th JUDICIAL

DISTRICT COURT OF

BEXAR COUNTY, TEXAS

- - - - -

On this the 13th day of June, A. D., 1951, came on to be heard the application of Brunnhilde Mignon Holmgren to change her name to Bonnie Holmgren Howell, and the application to change her minor daughter's name from Bonnie Beth Holmgren to Bonnie Beth Howell, which application reads as follows:

TO THE HONORABLE JUDGE OF SAID COURT:

Now comes Brunnhilde Mignon Holmgren, who sues individually and as next friend of her minor, female daughter, Bonnie Beth Holmgren, and files this application to change her name and her minor daughter's name, and to that end would respectfully show the Court:

I.

That said applicants' full names are: Brunnhilde Mignon Holmgren and Bonnie Beth Holmgren; that said Bonnie Beth Holmgren is a minor, unmarried female less than two years of age; that said Brunnhilde Mignon Holmgren is over twenty-one (21) years of age and legally qualified in all respects to maintain this suit individually and as next friend of her minor daughter; that said applicants are residents of Bexar County, Texas.

II.

That said applicants desire to change their said names so that hereafter the said Brunnhilde Mignon Holmgren's name will hereafter be Bonnie Holmgren Howell, and so that hereafter the said Bonnie Beth Holmgren's name will hereafter be Bonnie Beth Howell.

III.

That the causes which induce applicants to desire the above change of name are: that the said Brunnhilde Mignon Holmgren has been known by her friends, relatives and associates as Bonnie Holmgren Howell for more than one year, and that all of her personal records, insurance policies, and financial transactions have been transacted in said latter name for over one year. That the said Bonnie Beth Holmgren is known as Bonnie Beth Howell, and that she is designated as beneficiary in her mother's insurance policy as Bonnie Beth Howell; and that such changes in applicants' names would be beneficial to said applicants for the reasons above alleged.

WHEREFORE, your applicants pray that the Court order that the said Brunnhilde Mignon Holmgren's name be changed to Bonnie Holmgren Howell, and that the said Bonnie Beth Holmgren's name be changed to Bonnie Beth Howell.

/s/ Joe Lee Hensley  
Joe Lee Hensley  
Attorney for Applicants  
715 Frost National Bank Bldg.  
San Antonio 5, Texas

STATE OF TEXAS  
COUNTY OF BEXAR

BEFORE ME, the undersigned authority, on this date personally appeared Brunnhilde Mignon Holmgren, who after being by me first duly sworn, upon her oath deposes and says: that she is one of the applicants in the above entitled and numbered cause, and that all of the allegations contained in the foregoing and attached application to change her name and her minor, female, unmarried daughter's name are true and correct. /s/ Bronnhilde Mignon Holmgren

SWORN AND SUBSCRIBED TO before me, on this 13th day of June, A. D., 1951.

/s/ Leo Langsdorf  
Notary Public, Bexar County,  
Texas.

(Seal)

And the Court having considered said application, finding it in due form, and having heard the evidence, the Court is of the opinion and finds that all of the allegations in said application have been proven by full and satisfactory evidence, and that the change of names prayed for in said application would be beneficial to said applicants, it is accordingly ORDERED, ADJUDGED and DECREED that the said Brunnhilde Mignon Holmgren's name be, and it is hereby changed to "Bonnie Holmgren Howell," and it is further ORDERED, ADJUDGED and DECREED that the said Bonnie Beth Holmgren's name be, and it is hereby changed to "Bonnie Beth Howell." It further appearing to the Court that all costs in this cause having been paid, it is ordered that no execution issue for the same.

ENTERED this 13th day of June A. D., 1951.

P. C. Sanders  
Judge Presiding

# CERTIFICATE

THE STATE OF TEXAS,  
COUNTY OF BEXAR

I, HART McCORMICK, Clerk of the District Courts of Bexar County, Texas, do hereby certify that the above and foregoing is a true and correct copy of the original;

ORDER CHANGING NAME

entered in cause No. F— 66086 , wherein EX PARTE: BRUNNHILDE MIGNON HOLMGREN,  
ET. AL

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~ ; as the same appears of Record on the Minutes of the 45th

Judicial District Court of Bexar County, in Volume 51 , at page - - -

WITNESS, HART McCORMICK, Clerk of the District Courts of Bexar County, Texas. Given under my hand and seal of said Courts, at office in San Antonio, this 13th day of June A. D. 1951 .

HART McCORMICK,  
Clerk District Courts, Bexar County, Texas

By *Deputy*, Deputy.

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Polecat Canyon Unit Area, County of Chaves, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

### SIGNATURES AND ADDRESSES

tract 6

Name <u>Lida P. Weaver</u>	Name _____
Address <u>2310 Conn. Ave. NW</u>	Address _____
<u>Washington D.C.</u>	_____
Name _____	Name _____
Address _____	Address _____
_____	_____
Name _____	Name _____
Address _____	Address _____
_____	_____

STATE OF District of  
COUNTY OF Columbia

On this 21 day of March, 1954, before me personally  
appeared Lida L. Meant to me known to be the  
person described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that she executed the same as her free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 21 day of  
March, 1954.

My commission expires:

Nov. 14 1956

[Signature]  
Notary Public  
NOTARY PUBLIC, D. C.  
Commission Expires Nov. 14, 1956

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally  
appeared \_\_\_\_\_ to me known to be the  
person described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally  
appeared \_\_\_\_\_ to me known to be the  
person described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared  
\_\_\_\_\_, to me personally known, who, being by me duly  
sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation,  
and that said instrument was signed and sealed in behalf of said corporation by  
authority of its Board of Directors, and said \_\_\_\_\_ acknowledged  
said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_.

My commission expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Polecat Canyon Unit Area, County of Chaves, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

Name Allen M. Mesison  
as Ancillary Executor of Last Will & Testament of  
Alice Edmonds Weaver, deceased  
Address 910 - 17th St. N.W.  
Washington 6, D. C.

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

tract 7

STATE OF District of Columbia  
COUNTY OF Columbia

On this 5 day of May, 1952, before me personally  
appeared \_\_\_\_\_ to me known to be the  
person described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that he executed the same as his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 5 day of  
May, 1952

My commission expires:

January 31, 1953

[Signature]  
Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally  
appeared \_\_\_\_\_ to me known to be the  
person described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally  
appeared \_\_\_\_\_ to me known to be the  
person described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared  
\_\_\_\_\_, to me personally known, who, being by me duly  
sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation,  
and that said instrument was signed and sealed in behalf of said corporation by  
authority of its Board of Directors, and said \_\_\_\_\_ acknowledged  
said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Polecat Canyon Unit Area, County of Chaves, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

## SIGNATURES AND ADDRESSES

Name Edna Killingsworth

Address Box 6657

Roswell, N.M.

Name Elizabeth Killingsworth

Address Box 6657

Roswell, N.M.

Name \_\_\_\_\_

Address \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

tract 13

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally  
appeared \_\_\_\_\_ to me known to be the  
person described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF NEW MEXICO )  
COUNTY OF CHAVES )

On this 20th day of March, 1952, before me personally  
appeared E.D. Killingsworth and Elizabeth Killingsworth, his wife  
person s described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 20 day of  
March, 1952.

My commission expires:

December 6, 1954

*Pauline Crauen*  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally  
appeared \_\_\_\_\_ to me known to be the  
person described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared  
\_\_\_\_\_, to me personally known, who, being by me duly  
sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation,  
and that said instrument was signed and sealed in behalf of said corporation by  
authority of its Board of Directors, and said \_\_\_\_\_ acknowledged  
said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Polecat Canyon Unit Area, County of Chaves, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

### SIGNATURES AND ADDRESSES

Name William Spruck  
Address 707 So. Hill St.,  
Los Angeles 14, Calif.

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name Wada Spruck  
Address 707 So. Hill St.  
Los Angeles 14, Calif.

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

tract 19

STATE OF California  
COUNTY OF Los Angeles

On this 28th day of March, 1954, before me personally appeared William J. Spence & Violet Spence his wife to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 28th day of March, 1954

My commission expires:

March 18th 1956

Fulton Johnson  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

Notary Public

## RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Polecat Canyon Unit Area, County of Chaves, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

### SIGNATURES AND ADDRESSES

tract 21

Name <u>Walter N Erickson</u>	Name <u>Edna L Erickson</u>
Address <u>9922 E Woodruff Ave.</u>	Address <u>9922 E Woodruff Ave.</u>
<u>Tempe City California</u>	<u>Tempe City, California</u>
Name _____	Name _____
Address _____	Address _____
_____	_____
Name _____	Name _____
Address _____	Address _____
_____	_____

STATE OF California  
COUNTY OF Los Angeles

On this 31st day of March, 1951, before me personally appeared Walter H. Erickson and Edna L. Erickson his wife to me known to be the persons described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 31st day of March, 1951.

My commission expires:

April 7, 1952

Mae J. Feltz  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me appeared \_\_\_\_\_, to me personally known, who, being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_

\_\_\_\_\_  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the Polecat Canyon Unit Area, County of Chaves, State of New Mexico, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, as may appear, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURES AND ADDRESSES

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Attested by:

J. C. Lowe  
Assistant Secretary

KERR-McGEE OIL INDUSTRIES, INC.

By [Signature]  
Executive Vice President

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally  
appeared \_\_\_\_\_ to me known to be the  
person \_\_\_\_\_ described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally  
appeared \_\_\_\_\_ to me known to be the  
person \_\_\_\_\_ described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally  
appeared \_\_\_\_\_ to me known to be the  
person \_\_\_\_\_ described in and who executed and delivered the foregoing instrument, and  
acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_ free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

STATE OF Oklahoma )  
COUNTY OF Oklahoma )

On this 23 day of May, 1952, before me appeared  
D. A. McGee to me personally known, who, being by me duly  
sworn, did say that he is the Vice President of  
Herr McGee Oil Industries, Inc.  
and that the seal affixed to said instrument is the corporate seal of said corporation,  
and that said instrument was signed and sealed in behalf of said corporation by  
authority of its Board of Directors, and said D. A. McGee acknowledged  
said instrument to be the free act and deed of said corporation.

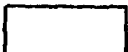
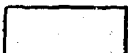




Given under my hand and notarial seal this 23 day of May,  
1952

My commission expires:

Feb. 4, 1953

Lennie Baker  
Notary Public

R.31 E.

- LEGEND
-  FEDERAL LAND
  -  STATE LAND
  -  PATENTED LAND
  -  UNIT BOUNDARY
  -  TRACT BOUNDARY
  -  TRACT NUMBER

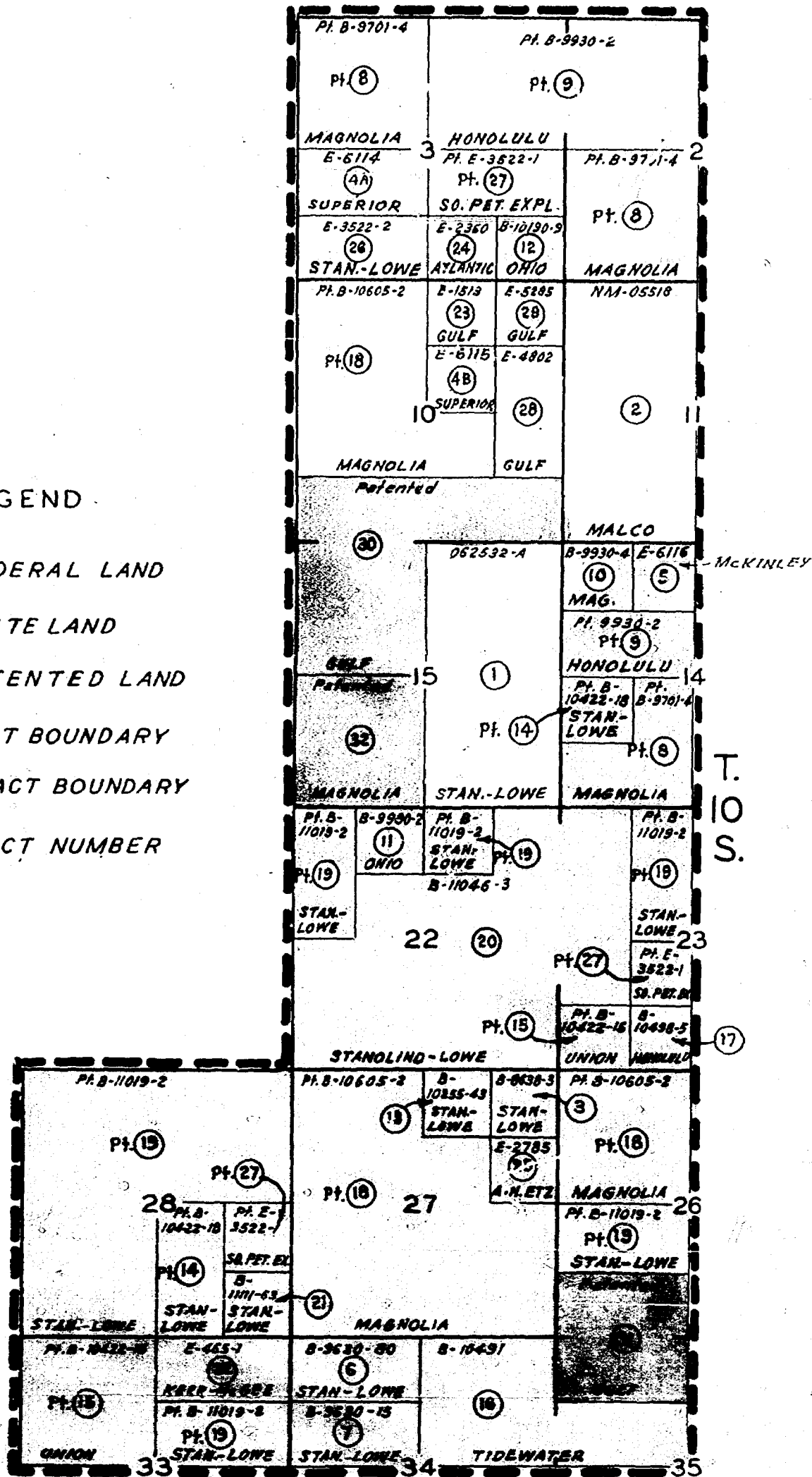


EXHIBIT "A"  
TO ACCOMPANY  
POLECAT CANYON UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO  
SCALE: 2"=1 MILE

# EXHIBIT "B"

## SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS IN ALL LAND IN THE POLECAT CANYON UNIT, CHAVES COUNTY, NEW MEXICO

Tract No.	Description	No. of Acres	Serial No. and Effective Date of Lease	Landowner and Percentage of Royalty	Record Owner Of Lease Or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
<u>Federal Lands</u>							
<u>T10S-R31E</u>							
1	Sec. 15: E/2	320.00	LC-062532-A 4-1-49	USA - 12 1/2%	Stanolind and Ralph Lowe ✓	Warren F. Ratliff - 2 1/2%	Stanolind and Ralph Lowe ✓ - 85%
2	Sec. 11: W/2	320.00	NM-05518 10-1-51	USA - 12 1/2%	Donald B. ✓ Anderson	Bonnie Holmgren - 1%	Malco Refineries, ✓ Inc. - 86 1/2%

Total Federal Land 640.00 Acres or 10.26% of Unit Area.

Tract No.	Description	No. of Acres	Serial No. and Effective Date of Lease	Landowner and Percentage of Royalty	Record Owner Of Lease Or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
<u>State Lands</u>							
<u>T10S-R31E</u>							
3	Sec. 27: NE/4 NE/4	40.00	B-8638-3 4-19-40 (HBP)	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe	✓ Earl G. Levick - 5%	Stanolind and Ralph Lowe - 82 1/2%
4A	Sec. 3: N/2 SW/4	80.00	E-6114 4-10-52	State of New Mexico-12 1/2%	Superior	None	Superior - 87 1/2%
4B	Sec. 10: SW/4 NE/4	40.00	E-6115 4-10-52	State of New Mexico-12 1/2%	Superior	None	Superior - 87 1/2%
5	Sec. 14: NE/4 NW/4	40.00	E-6116 4-10-52	State of New Mexico-12 1/2%	W. H. McKinley	None	W. H. McKinley - 87 1/2%
6	Sec. 34: N/2 NW/4	80.00	B-9630-80 5-6-42	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe	Lida L. Weaver - 2%	Stanolind and Ralph Lowe - 85 1/2%
7	Sec. 34: S/2 NW/4	80.00	B-9630-15 5-6-42	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe	✓ Allen M. Mesirov, Executor and Trustee under Will of Alice Edmunds Weaver, deceased - 3%	Stanolind and Ralph Lowe - 84 1/2%
8	Sec. 3: NW/4 Sec. 2: SW/4 Sec. 14: NE/4 SW/4, S/2 SW/4	440.44	B-9701-4 6-18-42	State of New Mexico-12 1/2%	Magnolia Petroleum Co. ✓	None	Magnolia ✓ - 87 1/2%
9	Sec. 3: NE/4 Sec. 2: NW/4 Sec. 14: S/2 NW/4	400.39	B-9930-2 11-28-42	State of New Mexico-12 1/2%	Honolulu Oil Corporation ✓	None	Honolulu ✓ - 87 1/2%

GEOLOGICAL MEMORANDUM

Polecat Canyon Area  
Townships 9 & 10S, Range 31E  
Chaves County, New Mexico

Standard seismic exploration in east central Chaves County, New Mexico, has delineated an anticlinal anomaly approximately five and one-half miles long and one and one-half miles wide, trending generally north-south, with fifty to one hundred (plus or minus) feet of closure, centering at the common corners of Sections 26-27-33 and 34, a similar closure embracing most of the northwest half of Section 22 and a third closure covering most of the west half of Section 10 and most of the west half of Section 3, all in Township 10S, Range 31E. A map showing our interpretation of deep seismic reflections is attached hereto.

In order to more properly conserve any oil or gas resources underlying the subject area, which has been designated as "Polecat Canyon" (formerly referred to as North Caprock), we believe the 6240 acres within the red outline on the attached map should be joined in a Unit Agreement with provision for a well of sufficient depth to test all horizons down to and including the Siluro-Devonian dolomite. (Approximately 11,000 feet).

The subject area is approximately 13 miles northwest of the multi-pay Bagley Field which is producing from the Permian-Pennsylvanian and Siluro-Devonian. The area is also 12 miles north and west of the Amerada No. 1 State SE "A", a recent Siluro-Devonian discovery which was completed for a flowing initial production of 549 barrels of oil per day. Total depth of the latter well was 11,314 feet with top of pay at 11,240 feet. The Caprock Field which is producing from the Queen sand at approximately 3000 feet is 15 miles to the south.

Formations to be encountered, with the thickness of each, based on data from the Amerada No. 1 State EC "A" in Section 4, T-123, R-32E, 12 miles to the south and east and the Magnolia No. 1 Lightcap a Siluro-Devonian discovery in Section 6, T-8N, R-30E, 17 miles to the northwest are as follows:

<u>FORMATION OR SERIES</u>	<u>ESTIMATED DEPTH</u>
Cretaceous and Triassic	0' - 1290'
Rustler and Salado	1290' - 2020'
Guadalupe Series	2020' - 3200'
Leonard Series	3200' - 7790'
Wolfcamp	7790' - 8570'
Pennsylvanian	8570' - 9500'
Mississippian	9500' - 10150'
Siluro-Devonian	10150' - 10420'

A test of the Siluro-Devonian would serve to evaluate the productive possibilities of the shallow zones which are known to carry oil and gas in the area, as well as evaluate the Wolfcamp, Pennsylvanian and Siluro-Devonian, which are showing for prolific production throughout the area. The proposed location for such a test is the SE/4 of the SE/4 of Section 28, T-10N, R-31E.

It is requested that the attached seismic map and the information contained in this memorandum be held in strictest confidence.

Original  
Signed By THOS. A. HENDRICKS

Thos. A. Hendricks  
Division Geologist  
Stamokind Oil and Gas Company  
Fort Worth, Texas

HEH:ab  
Attachment.

Tract No.	Description	No. of Acres	Serial No. and Effective Date of Lease	Landowner and Percentage of Royalty	Record Owner Of Lease Or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
<u>State Lands</u>							
<u>T10S-R31E</u>							
10	Sec. 14: NW/4 NW/4	40.00	B-9930-4 11-28-42	State of New Mexico-12 1/2%	Magnolia Petroleum Co. ✓	None	Magnolia ✓ -87 1/2%
11	Sec. 22: NE/4 NW/4	40.00	B-9980-2 12-29-42	State of New Mexico-12 1/2%	Ohio Oil Company ✓	None	Ohio ✓ -87 1/2%
12	Sec. 3: SE/4 SE/4	40.00	B-10190-9 3-31-43	State of New Mexico-12 1/2%	Ohio Oil Company ✓	None	Ohio ✓ -87 1/2%
13	Sec. 27: NW/4 NE/4	40.00	B-10255-43 4-26-43	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe ✓	E. D. Killingsworth -5%	Stanolind and Ralph Lowe ✓ -82 1/2%
14	Sec. 14: NW/4 SW/4 Sec. 28: W/2 SE/4	120.00	B-10422-18 7-8-43	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe ✓	None	Stanolind and Ralph Lowe ✓ -87 1/2%
15	Sec. 23: SW/4 SW/4 Sec. 33: NW/4	200.00	B-10422-15 7-8-43	State of New Mexico-12 1/2%	Union Oil Co. of California ✓	W. L. Allard and wife Margaret Allard-5%	Union ✓ -82 1/2%
16	Sec. 34: NE/4 Sec. 35: S/2 NW/4	240.00	B-10491 7-28-43	State of New Mexico-12 1/2%	Tide Water Associated Oil Company	None	Tide Water -87 1/2%
17	Sec. 23: SE/4 SW/4	40.00	B-10498-5 7-30-43	State of New Mexico-12 1/2%	Honolulu Oil Corporation ✓	None	Honolulu ✓ -87 1/2%

Tract No.	Description	No. of Acres	Serial No. and Effective Date of Lease	Landowner and Percentage of Royalty	Record Owner Of Lease Or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
<u>State Lands</u>							
<u>T10S-R31E</u>							
18	Sec. 10: NW/4, N/2 SW/4, NW/4 SE/4 Sec. 26: NW/4 Sec. 27: S/2, NW/4, SW/4 NE/4	960.00	B-10605-2 9-9-43	State of New Mexico-12 1/2%	Magnolia Petroleum Co. ✓	Allie M. Lee Reservation-Oil payment of \$20.00 per acre payable out of 1/16 of 7/8 production	Magnolia-82.03% to 87 1/2%
19	Sec. 22: W/2 NW/4, NW/4 NE/4 Sec. 23: E/2 NW/4 Sec. 26: N/2 SW/4 Sec. 28: N/2, SW/4 Sec. 33: S/2 NE/4	840.00	B-11019-2 2-19-44	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe ✓	William Spurck and Vada Spurck, his wife-5%	Stanolind and Ralph Lowe ✓ -82 1/2%
20	Sec. 22: S/2, SE/4 NW/4, S/2 NE/4, NE/4 NE/4 Sec. 23: W/2 NW/4, NW/4 SW/4	600.00	B-11046-3 3-3-44	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe ✓	None	Stanolind and Ralph Lowe ✓ -87 1/2%
21	Sec. 28: SE/4 SE/4	40.00	B-11111-63 3-4-44	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe ✓	Walter Erickson and Edna L. Erickson, his wife-5%	Stanolind and Ralph Lowe ✓ -82 1/2%
22	Sec. 33: N/2 NE/4	80.00	E-465-1 8-10-45	State of New Mexico-12 1/2%	Kerr-McGee Oil Industries, Inc. ✓	None	Kerr-McGee ✓ -87 1/2%

Tract No.	Description	No. of Acres	Serial No. and Effective Date of Lease	Landowner and Percentage of Royalty	Record Owner Of Lease Or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage
<u>State Lands</u>							
23	T10S-R31E Sec. 10: NW/4 NE/4	40.00	E-1513 10-10-47	State of New Mexico-12 1/2%	Gulf Oil Corporation	None	Gulf -87 1/2%
24	Sec. 3: SW/4 SE/4	40.00	E-2360 1-10-49	State of New Mexico-12 1/2%	The Atlantic Refining Co.	None	Atlantic -87 1/2%
25	Sec. 27: SE/4 NE/4	40.00	E-2785 7-11-49	State of New Mexico-12 1/2%	A. N. Etz	None	A. N. Etz -87 1/2%
26	Sec. 3: S/2 SW/4	80.00	E-3522-2 5-10-50	State of New Mexico-12 1/2%	Stanolind and Ralph Lowe	Bonnie H. Matlock and J. B. Headley Reservation - Oil Payment of \$500.00 per acre payable out of 1/16 of 7/8 production	Stanolind and Ralph Lowe -82% to 87 1/2%
27	Sec. 3: N/2 SE/4 Sec. 23: NE/4 SW/4 Sec. 28: NE/4 SE/4	160.00	E-3522-1 5-10-50	State of New Mexico-12 1/2%	Southern Petroleum Exploration, Inc.	None	Southern Petroleum Exploration, Inc.-87 1/2%
28	Sec. 10: SE/4 NE/4, NE/4 SE/4	80.00	E-4802 12-11-50	State of New Mexico-12 1/2%	Gulf Oil Corporation	None	Gulf -87 1/2%
29	Sec. 10: NE/4 NE/4	40.00	E-5285 6-11-51	State of New Mexico-12 1/2%	Gulf Oil Corporation	None	Gulf -87 1/2%

Total State Land 4,960.83 Acres or 79.48% of Unit Area.

Tract No.	Description	No. of Acres	Expiration Date of Lease	Landowner and Percentage of Royalty	Record Owner Of Lease Or Application	Overriding Royalty Owner and Percentage	Working Interest Owner
<u>Patented Lands</u>							
<u>T10S-R31E</u>							
30	Sec. 10: S/2 S/2 Sec. 15: NW/4	320.00	9-25-60	Elsie E. Reid -6.25% Leonard Oil Company-6.25%	Gulf Oil Corporation	None	Gulf -87 1/2%
31	Sec. 26: S/2 SW/4 Sec. 35: N/2 NW/4	160.00	11-22-60	Elsie E. Reid -12.5%	Gulf Oil Corporation	None	Gulf -87 1/2%
32(1)	Sec. 15: SW/4	160.00	7-16-57	S. P. Johnson -1.5625% S. P. Johnson, Jr. -1.5625%	Magnolia Petroleum Co.	None	Magnolia -87 1/2%
32(2)			7-16-57	Lura Flanagan -1.5625%			
32(3)			7-16-57	Henry G. Peveler -6.25%			
32(4)			7-18-57	Jack Markham -1.5625%			
<u>RECAPITULATION</u>							
		Acres in Unit	Percentage of Unit Area				
<u>Land</u>							
<u>Federal</u>		640.00	10.26				
State		4,960.83	79.48				
Patented		640.00	10.26				
Total Unit Area		6,240.83	100.00%				

54601.87  
6,240.83  
92.3%

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF CON-  
SIDERING:

CASE NO. 1  
ORDER No.

THE APPLICATION OF STANOLIND OIL  
AND GAS COMPANY FOR AN ORDER  
APPROVING A PROPOSED UNIT AGREE-  
MENT FOR THE DEVELOPMENT AND  
OPERATION OF THE POLECAT CANYON  
UNIT AREA CONSISTING OF 6,240.83  
ACRES SITUATED IN TOWNSHIP 10 SOUTH,  
RANGE 31 EAST, NMPM, CHAVES COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 15, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 1<sup>ST</sup> day of May, 1952, the Commission, a quorum being present, having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises:

FINDS, that the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste:

IT IS THEREFORE ORDERED:

That the order herein shall be known as the:

"POLECAT CANYON UNIT AGREEMENT ORDER"

SECTION 1. (a) That the project herein shall be known as the Polecat Canyon Unit Agreement and shall hereafter be referred to as the Project.

(b) That the plan by which the Project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Polecat Canyon Unit Area referred to in the Petitioner's petition and filed with said petition and such plan shall be known as the Polecat Canyon Unit Agreement Plan.

SECTION 2. That the Polecat Canyon Unit Agreement Plan shall be and is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval of said agreement shall not be considered as waiving or relinquishing in any manner any rights, duties or obligations which are now or may hereafter be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Polecat Canyon Unit Agreement or relative to the production of oil or gas therefrom.

Case No. 359  
Order No. R-150

SECTION 3. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

T. 10S., R. 31 E.  
Sec. 2: W/2  
Sec. 3: All  
Sec. 10: All  
Sec. 11: W/2  
Sec. 14: W/2  
Sec. 15: All  
Sec. 22: All  
Sec. 23: W/2  
Sec. 26: W/2  
Sec. 27: All  
Sec. 28: All  
Sec. 33: N/2  
Sec. 34: N/2  
Sec. 35: NW/4

Total Unit Area embraces 6,240.83 acres, more or less.

(b) The Unit Area may be enlarged or diminished as provided in said Plan.

SECTION 4. That the unit operator shall file with the Commission an executed original or executed counterpart thereof of the Polecat Canyon Unit Agreement not later than 30 days after the effective date hereof.

SECTION 5. That any party owning rights in the unitized substances who does not commit such rights to said Unit Agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or a counterpart thereof. The Unit Operator shall file with the Commission within 30 days an original or any such counterpart.

SECTION 6. That this order shall become effective on the first day of the calendar month next following the approval of the Commissioner of Public Lands and the Director of the United States Geological Survey and shall terminate ipso facto on the termination of said Unit Agreement. The last Unit Operator shall immediately notify the Commission in writing of such termination.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Edwin L. Mechem*  
EDWIN L. MECHEM, Chairman

*Guy Shepard*  
GUY SHEPARD, Member

*R. R. Spurrier*  
R. R. SPURRIER, Secretary

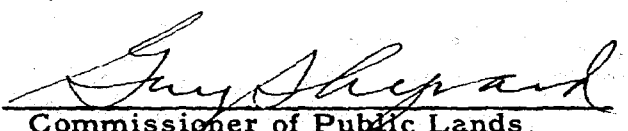
IN THE MATTER OF THE APPLICATION OF  
STANOLIND OIL AND GAS COMPANY FOR THE  
APPROVAL OF THE POLECAT CANYON UNIT  
AGREEMENT EMBRACING 6,240.83 ACRES OF  
LAND IN TOWNSHIP 10 SOUTH, RANGE 31 EAST,  
N. M. P. M., CHAVES COUNTY, NEW MEXICO

The undersigned, Commissioner of Public Lands of the State of New Mexico, having considered the application of Stanolind Oil and Gas Company for approval of the Polecat Canyon Unit Agreement covering lands in Chaves County, New Mexico, described in said Agreement, and the undersigned having considered the aforesaid application and the evidence offered by the Petitioner at the hearing before the Oil Conservation Commission on the 15th day of April, 1952, FINDS:

1. That said Polecat Canyon Unit Agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
2. That under the operation of the proposed Unit Agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area affected.
3. That the Agreement is in other respects for the best interests of the State of New Mexico.

Said Agreement is hereby approved.

Dated April 17, 1952, in Santa Fe, New Mexico.

  
Commissioner of Public Lands

CERTIFICATE - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, 30 U.S.C. secs. 181 et seq., as amended by the act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey pursuant to Departmental Order No. 2365 of October 8, 1947, 43 CFR sec. 4.611, 12 F. R. 6784, I do hereby:

A. Approve the attached agreement for the development and operation of the Polecat Canyon Unit Area, State of New Mexico.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated JUN 13 1952

Thomas B. Nolan  
Acting Director, United States Geological Survey

Case No. 357

J. O. SETH  
A. K. MONTGOMERY  
OLIVER SETH  
WM. FEDERICI  
JUSTIN T. REID

SETH AND MONTGOMERY  
ATTORNEYS AND COUNSELORS AT LAW  
III SAN FRANCISCO ST.  
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

March 17, 1952 MAR 17 1952

RECEIVED

Oil Conservation Commission  
Santa Fe  
New Mexico

Attention: Mr. R. R. Spurrier

Gentlemen:

Please find enclosed herewith application for approval of the Polecat Canyon Unit Agreement in Township 10 South, Range 31 East, N.M.P.M. Chaves County. It will be appreciated if this matter can be set down for the April hearing.

OK

Very truly yours,

*Alvin S. S. S.*

OS/mds  
Encs

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
STANOLIND OIL AND GAS COMPANY FOR THE  
APPROVAL OF THE POLECAT CANYON UNIT  
AGREEMENT EMBRACING 6,240.83 ACRES  
OF LAND LOCATED IN TOWNSHIP 10 SOUTH,  
RANGE 31 EAST, N.M.P.M. CHAVES COUNTY,  
NEW MEXICO.

CASE NO. \_\_\_\_\_

APPLICATION

An application is hereby made by Stanolind Oil and Gas Company, a corporation, for approval by the Oil Conservation Commission, of a unit agreement entitled "Unit Agreement for the Development and Operation of the Polecat Canyon Unit Area, County of Chaves, State of New Mexico," the said agreement having been entered into between the applicant herein as the Unit Operator and certain working interest owners and royalty owners as have, or may hereafter, subscribe to or consent to the agreement.

The Polecat Canyon Unit Area embraces the following described lands located in Chaves County, New Mexico, to-wit:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 10 S., R 31 E.  
Sec. 2; W/2  
Sec. 3; All  
Sec. 10; All  
Sec. 11; W/2  
Sec. 14; W/2  
Sec. 15; All  
Sec. 22; All  
Sec. 23; W/2  
Sec. 26; W/2  
Sec. 27; All  
Sec. 28; All  
Sec. 33; N/2  
Sec. 34; N/2  
Sec. 35; NW/4

Total Unit Area embraces 6,240.83 acres, more or less.

At the hearing hereinafter requested, the requisite number of signed copies of the unit agreement will be submitted

for approval and it is requested that the same be returned to the applicant in order that it may file the necessary counterparts thereof with the Department of the Interior of the United States for the purpose of obtaining final approval of the agreement by the Secretary of the Interior. After approval of the agreement by the Secretary of the Interior a complete and signed copy of the unit agreement will be filed in the Office of the Commissioner of Public Lands of the State of New Mexico. An unsigned copy of the unit agreement is herewith filed in the office of the Commission for a temporary record pending the receipt of the final completed copy.

The form of unit agreement has previously been considered by the Commissioner of Public Lands. Geological evidence concerning the structure affected by this unitization will be submitted to the Commissioner of Public Lands and at the hearing hereinafter requested.

With reference to the lands embraced in this unit, there is attached to the unsigned copy of the unit agreement hereinafter filed, a map of the unit area on which is shown the ownership of the various lands embraced in the said unit. The applicant is continuing efforts to obtain commitments to the unit agreement from those owners of interests who have not yet joined and a full showing of the commitments will be made at the time of the hearing hereinafter requested.

Within six (6) months after the date the unit agreement becomes effective the unit operator is obligated to commence drilling operations on an adequate test well. Should commercial production be discovered the unitized operation will assure an orderly development program based on structural position and will enable productive operations to be conducted in accordance with the best over-all reservoir practices. Development and operation

will be conducted in accordance with the plans have the joint approval of Federal and State authorities. Under this agreement the State of New Mexico will receive its fair share of the oil and gas and this will be allocated to it on an acreage basis in any and all participating areas that may be established. This unit agreement is in all respects to the best interests of the State of New Mexico and tends to eliminate waste and promote conservation of oil and gas.

The unit agreement makes express provision that additional parties may join and to subject their interests to the said agreement after its final approval.

The Commission is respectfully requested to set this matter and application down for hearing and following said hearing to give its approval to the unit agreement.

Respectfully submitted this 17th day of March, 1952.

STANOLIND OIL AND GAS COMPANY

By *Oliver Smith*  
Its Agent and Attorney

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
STANOLIND OIL AND GAS COMPANY FOR THE  
APPROVAL OF THE POLECAT CANYON UNIT  
AGREEMENT EMBRACING 6,240.83 ACRES  
OF LAND LOCATED IN TOWNSHIP 10 SOUTH,  
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NEW MEXICO.

CASE NO. \_\_\_\_\_

APPLICATION

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NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 10 S., R 31 E.

Sec. 2; W/2  
Sec. 3; All  
Sec. 10; All  
Sec. 11; W/2  
Sec. 14; W/2  
Sec. 15; All  
Sec. 22; All  
Sec. 23; W/2  
Sec. 26; W/2  
Sec. 27; All  
Sec. 28; All  
Sec. 33; N/2  
Sec. 34; N/2  
Sec. 35; NW/4

Total Unit Area embraces 6,240.83 acres, more or less.

At the hearing hereinafter requested, the requisite number of signed copies of the unit agreement will be submitted

for approval and it is requested that the same be returned to the applicant in order that it may file the necessary counterparts thereof with the Department of the Interior of the United States for the purpose of obtaining final approval of the agreement by the Secretary of the Interior. After approval of the agreement by the Secretary of the Interior a complete and signed copy of the unit agreement will be filed in the Office of the Commissioner of Public Lands of the State of New Mexico. An unsigned copy of the unit agreement is herewith filed in the office of the Commission for a temporary record pending the receipt of the final completed copy.

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The unit agreement makes express provision that additional parties may join and to subject their interests to the said agreement after its final approval.

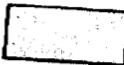
The Commission is respectfully requested to set this matter and application down for hearing and following said hearing to give its approval to the unit agreement.

Respectfully submitted this 17th day of March, 1952.

STANOLIND OIL AND GAS COMPANY

By *Clavin Smith*  
Its Agent and Attorney

[illegible]

 FEDERAL LAND  
 STATE LAND  
 PATENTED LAND  
 UNIT BOUNDARY  
 TRACT BOUNDARY  
 TRACT NUMBER

T.  
10  
S.

EXHIBIT "A"  
TO ACCOMPANY  
POLECAT CANYON UNIT AGREEMENT  
CHAVES COUNTY, NEW MEXICO  
SCALE: 2"=1 MILE  
M. J. F. 12-17-51