

Casa No.

382

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS  
CASE NO. 382

July 15, 1952  
Regular Hearing

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG  
PHONES 7-9245 AND 5-9546  
ALBUQUERQUE, NEW MEXICO



BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

JULY 15, 1952

-----  
In the Matter of:

Southern Production Company's application  
for approval of the Cloudcroft Unit agree-  
ment involving an area of 67,507.50 acres,  
more or less, in Otero County, New Mexico.

Case No. 382.

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

MR. HUNKER: I am George H. Hunker, Jr., representing  
Southern Production Company. I am from Roswell, New Mexico.

MR. B. B. LARSH,  
having been first, duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HUNKER:

- Q State your full name for the record, please.  
A B. B. Larsh.  
Q By whom are you employed, Mr. Larsh?  
A Southern Production Company.  
Q In what capacity?  
A District Geologist for west Texas and New Mexico.  
Q How long have you been with Southern Production Co.?  
A Approximately three years.  
Q Before that time with what company were you associated?  
A Sinclair Oil and Gas Company.

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PHONES 7-9845 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

Q Were you employed by the Danziger Oil Company too?

A Yes, sir.

Q Prior to that time?

A Yes, sir.

(Marked Exhibit "B" for  
identification.)

Q I hand you herewith what we have marked Exhibit "B" which is attached to the application filed by Southern Production Company to its application before the Commission for the approval of the Cloudcroft Unit Area and ask you to tell the Commission what that map shows.

A That map is a, - - shows a surface geology of this Cloudcroft Area as made by Mr. Harvard Giddens.

Q Have you examined the report prepared by Mr. Harvard Giddens?

A Yes, sir.

Q Was it attached to Southern's application for approval of this unit area?

A That is my understanding, yes, sir.

Q Do you agree with that report?

A I believe it is correct.

Q Have you been in the area covered by this particular map?

A Yes, sir.

Q Is there a large surface structure present in that area?

A I think it is recognized, widely recognized, that there



is.

Q Would you explain to the Commission why this report was prepared by Mr. Giddens and why the map was prepared by Mr. Giddens and approved by Mr. Walter Gill, the chief geologist for Danziger Oil and Refining Company?

A My understanding that Mr. Giddens did his work, the surface geology for the Texas Company.

Q I see. Is Texas Company one of the working interest owners of leases in this area?

A Yes, sir.

Q To what extent were they parties in the drilling of the test well?

A I believe it is approximately one quarter. Mr. Cody can check that.

Q To what extent does Southern Production Co. propose to drill its official test well?

A I believe it is estimated approximately 6,250 feet.

Q What zone or horizon will that test?

A That should test all sedimentary beds down to the Cambrian area.

Q That is the Ellenburger formation?

A It would test - -

Q (Interrupting) It would include that?

A Yes.

Q If the Commission should approve this agreement, Mr. Larsh, do you think that in your opinion the entire geological

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PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

feature is included within the boundaries of the unit area?

A I think it does. Roughly Mr. Giddens states in his report approximately 750 feet of closure and on this map that would include down to this contour here (indicating) which roughly follows the outline of the block.

Q Are you a graduate geologist, Mr. Larsh?

A Yes, sir.

Q You have been doing geological work for the companies for whom you have been employed for the last how many years?

A Approximately 25 years.

Q From what school did you graduate?

A Missouri School of Mines.

Q In your opinion if the unit agreement should be approved do you think that the development of unitized substances in the unit area would be in the interest of conservation?

A I do.

MR. HUNKER: I have no further question. I would like to offer this Exhibit "B" in evidence, a copy of which was attached to the original application.

(Larsh Exhibit "B", Case No. 382  
marked for identification.)

MR. SPURRIER: Without objection it will be received. Is there any further question of this witness? If not, the witness may be excused.

(Witness excused.)

MR. E. D. COADY,  
having been first duly sworn, testified as follows:

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

DIRECT EXAMINATION

By MR. LARSH:

Q Will you state your name and occupation?

A E. D. Coady. I am Assistant Manager, Land Department, Southern Production Co., Inc.

Q How long have you been employed by that company, Mr. Coady?

A A little over two years.

Q By whom were you employed previous to that time?

A Danziger Oil and Refining Company.

Q Will you explain to the Commission why the original application for a designation of an area suitable for development under a unit plan was originally proposed by Danziger Oil and Refining Company?

A At the time of the application the property owned by Danziger Oil and Refining Company approximately two years ago Southern Production Company bought the stock of Danziger Oil and Refining Company and merged the two companies now operating as Southern Production Company.

Q Southern Production Company is a successor to Danziger?

A That is right.

Q In the proposed unit plan what company has been designated as the operator?

A Southern Production Co., Inc.

Q Approximately how much acreage is covered by this unit area?

A 56,810.048.

Q Of what type of land?

A It is Federal, State of New Mexico and fee land.

Q I believe you made a slight error.

A That is right. Let me give you a total of 68,187.50.

Q Of which - -

A (Interrupting) You want a breakdown? Federal lands 56,810.04. State of New Mexico is 2,882.90. Fee land is 8,494.56.

Q Has this area been approved by the U. S. Geological Survey as being an area logical and suitable for purposes of unitization?

A It has.

Q Would you explain to the Commission what type of well you propose to drill and when you propose to drill it?

A We would like very much to get started right away to take advantage of the good weather. It is going to be very slow in drilling. We propose Mr. Larsh siad to make test there of what we commonly refer to as Ellenburger. It would take, we estimate five or six months to complete. We would like to get started right away.

Q Where is this particular unit area, Mr. Coady?

A Relative to locations of the town?

Q Yes.

A It is south of Cloudercroft.

Q In the mountains?

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PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

A Yes.

Q When do you propose to start your well in any event, within what period of time?

A We would like to get started right away.

Q In any event within six months?

A Within six months. It provides in the agreement with the government six months from the approval of the unit.

Q In your opinion is this unit agreement in the interest of conservation?

A Yes.

Q Is it similar in respect to other unit agreements that have heretofore been approved by this Oil Conservation Commission?

A Yes, sir.

MR. LARSH: I have no other questions.

MR. SPURRIER: Is there a question of this witness?

MR. WHITE: What percentage of the fee holders have consented to this unit agreement?

A Of fee holders?

Q Yes.

A We figure a little over 90%.

Q What arrangements have been made for the remaining to come in?

A What arrangements have been made?

Q Yes?

A We are still trying to get them to come in. I think

that is the correct percentage.

Q The location is on Federal land?

A The proposed location is on Federal lands.

MR. GRAHAM: It is indicated on the map?

A If it is not we can put it in there.

MR. HUNKER: It is not on the map. I don't believe it is in the application. I don't know that it is necessary.

MR. MACEY: That 90% figure was just the fee ownership?

A Fee.

Q What about the overall?

A The overall, it is about 98%.

MR. GRAHAM: Application has been made to the State Land Office?

MR. HUNKER: Yes, it has been made.

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

(Witness excused.)

Any further witnesses?

MR. HUNKER: No, sir.

MR. SPURRIER: Any comment in this case? If not, the case will be taken under advisement and we will move to Case 383.

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 382 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on July 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 \_\_\_\_\_ of July, 1952.

\_\_\_\_\_  
REPORTER

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 12, CROMWELL BLDG.  
PHONES 7-9545 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR THE  
PURPOSE OF CONSIDERING:

CASE No. 382  
ORDER No. R-178

IN THE MATTER OF THE APPLICATION  
OF SOUTHERN PRODUCTION COMPANY, INC.,  
FOR APPROVAL OF THE CLOUDCROFT UNIT  
AGREEMENT, EMBRACING 67,507.50 ACRES  
IN OTERO COUNTY, NEW MEXICO, WITHIN  
TOWNSHIPS 16, 17 AND 18 SOUTH, RANGES  
11 AND 12 EAST, N.M.P.M.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 24<sup>th</sup> day of July, 1952, the Commission,  
a quorum being present, having considered said application and  
the evidence introduced in support thereof, and being fully  
advised in the premises,

FINDS:

(1) That due public notice having been given as  
required by law, the Commission has jurisdiction of this cause  
and the subject matter thereof.

(2) That the proposed unit plan will in principle  
tend to promote the conservation of oil and gas and the preven-  
tion of waste.

IT IS THEREFORE ORDERED:

SECTION 1. That this order shall be known as the

CLOUDCROFT UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to  
shall be known as the Cloudcroft Unit Agreement, and shall here-  
after 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 Cloudcroft  
Unit Area referred to in the Petitioner's petition and filed  
with said petition, and such plan shall be known as the Cloudcroft  
Unit Agreement Plan.



SECTION 3. That the Cloudcroft Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement this approval 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 Cloudcroft Unit Agreement, or relative to the production of oil or gas therefrom.

SECTION 4. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

Twp. 16 S., Rge. 11 E.

Secs. 11-14, inclusive, all  
Sec. 22: Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$   
Secs. 23-26: inclusive, all  
Sec. 27: E $\frac{1}{2}$   
Sec. 34: E $\frac{1}{2}$   
Secs. 35 and 36: All

Twp. 17 S., Rge. 11 E.

Secs. 1-3: both inclusive, All  
Sec. 8: All  
Sec. 9: NW $\frac{1}{4}$ , S $\frac{1}{2}$   
Secs. 10-16: both inclusive, all  
Sec. 17: N $\frac{1}{2}$ , SE $\frac{1}{4}$   
Secs. 21-28: both inclusive, all  
Sec. 34: Lots 1 and 2, N $\frac{1}{2}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$   
Secs. 35 and 36: All

Twp. 18 S., Rge. 11 E.

Secs. 1 and 2: All  
Sec. 12: All

Twp. 16 S., Rge. 12 E.

Secs. 7-10: both inclusive, All  
Secs. 15-22: both inclusive, All  
Secs. 27-34: both inclusive, All

Twp. 17 S., Rge. 12 E.

Secs. 3-10: both inclusive, All  
Sec. 11: SW $\frac{1}{4}$   
Sec. 14: W $\frac{1}{2}$   
Secs. 15-22: both inclusive, All  
Sec. 23: NW $\frac{1}{4}$ , S $\frac{1}{2}$   
Secs. 26-36: both inclusive, All

Twp. 18 S., Rge. 12 E.

Secs. 1-11: both inclusive, All  
Sec. 12: NW $\frac{1}{4}$   
Secs. 14-17: both inclusive, All  
Sec. 18: Lots 1-6, inclusive, E $\frac{1}{2}$   
Sec. 20: N $\frac{1}{2}$   
Sec. 21: N $\frac{1}{2}$ , SE $\frac{1}{4}$   
Secs. 22 and 23: All

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Case No. 382  
Order No. R-178

Total unit area: 67,507.50 acres, more or less.

(b) The unit area may be enlarged or contracted as provided in said Plan.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Cloudcroft Unit Agreement within 30 days after the effective date thereof.

SECTION 6. 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 counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission within 30 days an original of any such counterpart or ratification.

SECTION 7. That this order shall become effective upon approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commissioner 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

S E A L

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR THE  
PURPOSE OF CONSIDERING:

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ORDER No. R-178

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IN OTERO COUNTY, NEW MEXICO, WITHIN  
TOWNSHIPS 16, 17 AND 18 SOUTH, RANGES  
11 AND 12 EAST, N.M.P.M.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 24 day of July, 1952, the Commission,  
a quorum being present, having considered said application and  
the evidence introduced in support thereof, and being fully  
advised in the premises,

FINDS:

(1) That due public notice having been given as  
required by law, the Commission has jurisdiction of this cause  
and the subject matter thereof.

(2) That the proposed unit plan will in principle  
tend to promote the conservation of oil and gas and the preven-  
tion of waste.

IT IS THEREFORE ORDERED:

SECTION 1. That this order shall be known as the

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SECTION 2. (a) That the project herein referred to  
shall be known as the Cloudcroft Unit Agreement, and shall here-  
after 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 Cloudcroft  
Unit Area referred to in the Petitioner's petition and filed  
with said petition, and such plan shall be known as the Cloudcroft  
Unit Agreement Plan.

-2-

Case No.  
Order No.

SECTION 3. That the Cloudcroft Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement this approval 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 Cloudcroft Unit Agreement, or relative to the production of oil or gas therefrom.

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Secs. 14-17: both inclusive, All  
Sec. 18: Lots 1-6, inclusive, E $\frac{1}{2}$   
Sec. 20: N $\frac{1}{2}$   
Sec. 21: N $\frac{1}{2}$ , SE $\frac{1}{4}$   
Secs. 22 and 23: All

-3-  
Case No.  
Order No.

Total unit area: 67,507.50 acres, more or less.

(b) The unit area may be enlarged or contracted as provided in said Plan.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Clouderoft Unit Agreement within 30 days after the effective date thereof.

SECTION 6. 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 counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission within 30 days an original of any such counterpart or ratification.

SECTION 7. That this order shall become effective upon approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commissioner 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. SPURRIER, Secretary

S E A L

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

*Case 382*

November 10, 1952

C  
O  
P  
Y

Southern Production Company, Inc.  
Fort Worth National Bank Building  
Fort Worth, Texas

Attention: Mr. E. D. Coady

Gentlemen:

Oil Conservation Commission Order No. R-178,  
Case No. 382, Cloudcroft Unit Agreement, Otero County,  
New Mexico, executed Counterpart was received in  
the Santa Fe office of the New Mexico Oil Conservation  
Commission on November 10, 1952.

Very truly yours,

R. R. Spurrler  
Secretary - Director

lh

FU -11/17

SOUTHERN PRODUCTION COMPANY, INC.

FORT WORTH NATIONAL BANK BUILDING

FORT WORTH, TEXAS

November 7, 1952

Re: Cloudcroft Unit Agreement  
Otero County, New Mexico

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

Gentlemen:

In accordance with your Order No. R-178, Case No. 382,  
we hand you executed Counterpart of the Cloudcroft Unit Agree-  
ment, which has now been approved by the Acting Director, United  
States Geological Survey, Washington, D.C. This Agreement was  
approved October 28, 1952.

Please acknowledge receipt.

Yours very truly,

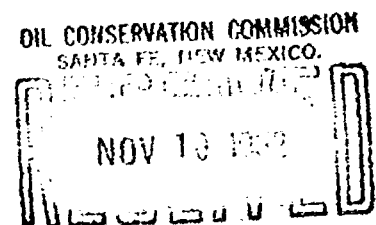
SOUTHERN PRODUCTION COMPANY, INC.

*E.D. Coady*  
E.D. Coady

EDC  
RLL:ln  
Enc.

REGISTERED MAIL -  
RETURN RECEIPT REQUESTED

*Acknowledged - 11-10-52  
and mailed -  
Hayward*



DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	SERIAL
DAY LETTER	NIGHT LETTER

# WESTERN UNION

1206

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate	
FULL RATE	DEFERRED
CODE	NIGHT LETTER

W. P. MARSHALL, PRESIDENT			CHARGE TO THE ACCOUNT OF		TIME FILED
Oil Conservation Commission					
NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.			

Send the following message, subject to the terms on back hereof, which are hereby agreed to

SANTA FE, N. M.      JULY 25, 1952

GEORGE H. HUNKER, JR.  
HERVEY, DOW & HINKLE  
ROSWELL, NEW MEXICO

CLOUDCROFT UNIT ORDER R-178 SIGNED EFFECTIVE JULY 24.

OIL CONSERVATION COMMISSION



**OIL CONSERVATION COMMISSION**

P. O. BOX 871  
SANTA FE, NEW MEXICO

July 25, 1952

C

O

Mr. George H. Hunker, Jr.  
Hervey, Dow and Hinkle  
Roswell, New Mexico

P

Dear Mr. Hunker:

Please find enclosed signed copy of order R-178  
in Case 382, effective July 24, 1952.

Y

Very truly yours,



For R. R. Spurrier

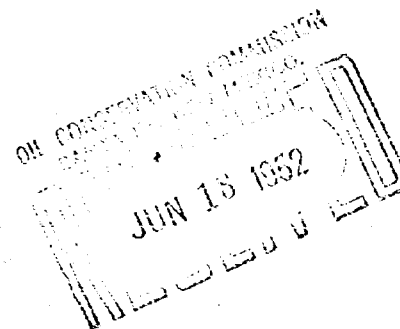
J. M. HERVEY  
HIRAM M. DOW  
CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
GEORGE H. HUNKER, JR.

ROSS MADOLE  
WILLIAM C. SCHAUER

LAW OFFICES  
HERVEY, DOW & HINKLE  
ROSWELL, NEW MEXICO

*Case 382*

*July 15 hearing*



Mr. R. R. Spurrier  
Executive Secretary  
New Mexico Oil Conservation Commission  
Capitol Building  
Santa Fe, New Mexico

Re: Cloudcroft Unit Area  
Otero County, New Mexico

Dear Mr. Spurrier:

We hand you herewith in triplicate the application of the Southern Production Company, Inc., for approval of the Cloudcroft Unit Agreement, embracing lands in Otero County, together with three copies of the proposed Unit Agreement.

The Southern Production Company, Inc., is anxious to have a hearing before the Commission for the purpose of approving this Unit as quickly as possible, and we would appreciate your arranging for such hearing at a time as soon as you can conveniently do so. The Company would like to drill the Unit this summer, and if it is possible would like a special hearing before the regular July 15 hearing.

Please advise us promptly of the date set for the hearing so that we may arrange for the same accordingly.

Yours sincerely,

HERVEY, DOW & HINKLE

By *Clarence E. Hinkle*  
*George H. Hunker*

CEH:H: jh  
Enclosures.

EXHIBIT "B"

Case # 352

GEOLOGY - CLOUDCROFT STRUCTURE  
Otero County, New Mexico

by Harvard Giddings

The Sacramento Mountains form a prominent structural ridge in southeastern New Mexico. At the front of the mountains, there probably is a large fault which dropped Tularosa Basin downward in relation to these mountains. Eastward, from the crest of the Sacramento Mountains, the sedimentary beds of Permian age dip gently toward the Permian Basin of Texas. The escarpment face of the Sacramento Mountains contain a fairly complete sequence of beds from Ordovician times up to middle Permian. Since rocks of equivalent age form the reservoir beds for much of the oil production in West Texas and Eastern New Mexico, it is believed that under suitable structural conditions the Sacramento Mountains should also be productive.

It is believed that favorable structural conditions have been found along the crest of the mountains southeast of the town of Cloudcroft. This structure, which the writer called the Cloudcroft Structure, consists of a large anticline with approximately 750 feet of closure. It occupies an area approximately eighteen miles long and eight miles wide. The accompanying map which shows this structure is contoured on the top of the Glorieta sandstone of the Permian. Elevations of the outcrops were obtained with an aneroid and the locations were plotted from a topographical map. The amount of closure of the structure is controlled by the amount of west dip or reversal. Here the Permian beds form part of the Sacramento escarpment and the west dip may extend past this escarpment into the area where the beds have been eroded, thus increasing the reversal somewhat. The closure is also controlled on the southwest by the drag into the Sacramento River fault. Here, the amount of southwest dip is believed to be approximately as mapped. East dip is normal dip and extends eastward for miles.

Alamo Canyon, which enters Tularosa Basin approximately three miles southeast of the city of Alamogordo, has a representative section of beds. The beds found in the canyon are expected to extend eastward under the mountains and may be expected in any well drilled on the Cloudcroft Structure. This section was measured and sampled by Mr. R. T. Drake and the writer. The measured section started in the Montoya of the Ordovician and approximately 300 feet of dolomite was found. It is

Case # 382

probable that under the Montoya, some El Paso dolomites of the Ordovician will also be found although they were not measured by the writer. Above the Montoya are the Fusselman dolomites of the Silurian with a thickness of two to three hundred feet, then the Percha shale of the Devonian approximately 150 feet thick. The Lake Valley lime of the Mississippian here is approximately 350 feet thick. The Magdalena formation of the Pennsylvanian, which contains numerous sands, shales and limes, has a thickness in the Canyon of approximately 3100 feet. The Permian System is represented by four formations, the Abo with a thickness of approximately 300 feet, the Yeso which varies from 1100 to 1600 feet thick, the Glorieta approximately 20 feet thick, and the San Andres, of which only the lower 200 to 500 feet is present. The upper part of the San Andres limestone has been eroded throughout the area mapped.

A very considerable amount of oil production has been found in Eastern New Mexico and West Texas in beds which are equivalent to those found in Alamo Canyon and are expected under the Clouderoft Structure. Any oil migrating up-dip from a large section of Eastern New Mexico might reach the Sacramento Mountains and there be trapped in the Clouderoft Structure. The writer, therefore, recommends this structure as prospective for the production of oil and gas.

It is recommended that a well be drilled to test the possibilities of production of oil and gas on the Clouderoft Structure. The area adjacent to the southeast corner of T-16-S, R-11-E and the southwest corner of T-16-S, R-12-E is believed to be the highest part of the structure. A well drilled in this locality should be favorably located and this vicinity is recommended as a well site.

APPROVED:

*[Signature]*  
Richard Hill, Chief Geologist  
For American Oil Refining Company.

H. Giddings  
August 29, 1950

*[Signature]*



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
MAIN OFFICE GEOLOGICAL SURVEY

IN REPLY REFER TO:

1954 SEP 7 AM 8 P. O. Box 6721  
Roswell, New Mexico

September 3, 1954

Southern Production Company, Inc.  
Fort Worth National Bank Building  
Fort Worth, Texas

Gentlemen:

By letter of February 19, 1954, you advised this office that it was not the intention of the working interest owners under the Cloudercroft unit agreement, New Mexico, No. 14-08-001-339, to drill any additional wells in the unit area and that you would submit a formal request of dissolution of the unit agreement.

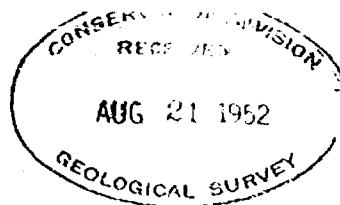
It is requested that you file the formal request as soon as possible so that the agreement may be terminated without prejudice instead of being terminated for failure to comply with the provisions thereof.

Very truly yours,

  
JOHN A. ANDERSON

Regional Oil and Gas Supervisor

Copy to: Cons. Div., Wash., D.C.  
Cons. Comm. Santa Fe ✓



RECEIVED  
AUG 21 1952  
U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

CERTIFICATION-DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the Act approved February 25, 1920, 41 Stat. 437, 30 W.P.U.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 2365 of October 8, 1947, 43 C.F.R. Sec. 4.611, 12 F.R. 6784, I do hereby:

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

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

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.

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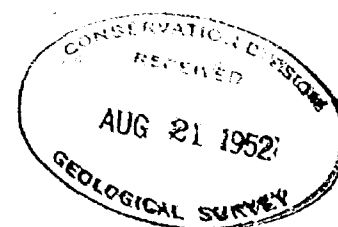
Dated \_\_\_\_\_

Acting

Thomas B. Nolan  
Director, United States  
Geological Survey

JUN 4 1952  
U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE CLOUDCROFT UNIT AREA  
COUNTY OF OTERO, STATE OF NEW MEXICO



~~See~~ No. 14-08-001-339

THIS AGREEMENT, entered into as of the 8 day of October 1951  
by and between the parties subscribing, ratifying or consenting hereto, and  
herein referred to as the "parties hereto",

W I T N E S S E T H:

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

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended  
by the Act of August 8, 1946, 60 Stat. 950, 30 U. S. C, Sections 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 under 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 pur-  
pose of more properly conserving the natural resources thereof whenever de-  
termined 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  
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 (Chapter 72, Laws 1935)  
to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the  
CLOUDCROFT 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, applicable State laws and operating regulations not inconsistent with the terms hereof 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

- T. 16 S., R.11 E.,  
Secs. 11-14, inclusive, all;  
Sec. 22, Lot 1, SE/4 NE/4; SE/4;  
Secs. 23-26, inclusive, all;  
Sec. 27, E/2;  
Sec. 34, E/2;  
Secs. 35 and 36, all.
- T. 17 S., R.11 E.  
Secs. 1-3, inclusive, all;  
Sec. 8, all;  
Sec. 9, NW/4; S/2;  
Secs. 10-16, inclusive, all;  
Sec. 17, N/2; SE/4;  
Secs. 21-28, inclusive, all;  
Sec. 34, Lots 1 and 2, N/2; N/2 SE/4;  
Secs. 35 and 36, all.
- T. 18 S., R. 11 E.,  
Secs. 1 and 2, All;  
Secs. 12, All.
- T. 16 S., R.12 E.,  
Secs. 7 - 10, inclusive, all;  
Secs. 15-22, inclusive, all;  
Secs. 27-34, inclusive, all.



T. 17 S., R.12 E.,  
Secs. 3 - 10, inclusive, all;  
Sec. 11, SW/4;  
Sec. 14, W/2;  
Secs. 15-22, inclusive, all;  
Sec. 23, NW/4; S/2;  
Secs. 26-36, inclusive, all;

T. 18 S., R.12 E.,  
Secs. 1-11, inclusive, all;  
Sec. 12, NW/4;  
Sec. 14-17, inclusive, all;  
Sec. 18, Lots 1-6, inclusive, E/2;  
Sec. 20, N/2;  
Sec. 21, N/2; SE/4;  
Secs. 22 and 23, all.

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", or the Commissioner of Public Lands hereinafter referred to as "Commissioner", and not less than five (5) copies of the revised exhibits shall be filed with the Supervisor, and at least one copy shall be filed with the Commissioner, and one copy with the New Mexico Oil Conservation Commission, hereinafter referred to as "Commission".

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

sion 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. Southern Production Company, Inc. is hereby designated as Unit Operator and by signature hereto commits to this agreement all interests in unitized substances vested in it as set forth in Exhibit "B", and 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 interests 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 him from his duties and obligations and terminate

his rights as such for a period of six (6) months after notice of intention to resign has been served by him on all working interest owners, the Director and Commissioner, and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment as may be required by the Supervisor as to Federal Lands, and the Commission as to State and privately owned lands, 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 after a participating area or areas have been established provided a successor unit operator has been selected and approved and has agreed to accept the duties and responsibilities of Unit Operator effective upon the relinquishment of such duties and responsibilities by the retiring Unit Operator. 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 his 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 resign as Unit Operator or shall be removed as hereinabove 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 percent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than 75 per cent of the total working interests, 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 in conducting Unit Operations hereunder shall be paid in the first instance by Unit Operator, and such costs and expenses so paid by Unit Operator shall be apportioned among and borne by the owners of working interests and the Unit Operator reimbursed, 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 as between the working interest owners and Unit Operator may provide for such limitations upon the power of the Unit Operator respecting the liability of the working interest owners for cost of operations hereunder 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 (3) true copies of any Unit Operating Agreement executed pursuant to this section shall be filed with the Supervisor.

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 of 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 Six (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 privately-owned 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 Ellenburger limestone 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 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 to a depth in

excess of 6,500 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 six (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, if on Federal land, or the Commissioner if on State, or the Commission if on privately-owned land, 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 the 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 the 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 Six (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 Commissioner are authorized to grant a reasonable extension of the six (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 oil and gas 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 Commission 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 or the 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 land 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, except that as among The Texas Company, Southern Production Company, Inc., and C. H. Murphy, Jr., the allocation to each of them as to their working interest in the acreage owned by each of them as shown on Exhibit "B" shall be 2/8th to The Texas Company, 3/8th to Southern Production Company, Inc., and 3/8th to C. H. Murphy, Jr. regardless of the acreage owned by each of said three parties. This exception shall not affect the allocation of royalties, overriding royalties or production payments, if any, on an acreage basis as above provided. 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 be also revised accordingly. The effective date of any revision shall be the first of the month in which is obtained 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 apportionment of any sums accrued or paid for production obtained prior to the effective date of 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 and the amount thereof deposited, as directed by the Supervisor and 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, and Commissioner as to wells on State land, and the Commission as to wells on privately-owned 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 be allocated to the land on which the well is located so long as that well is not within a participating area established for the pool or deposit from which such production is obtained.

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, 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, subject to the exception in Section 11 hereof, each tract of unitized land shall have allocated to it such percentage of said production as the number of acres in such tract 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, any 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 approval of the Supervisor as to Federal land, the Commissioner as to State land, and the Commission as to privately-owned land, 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 transferred to and 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 establishment or the enlargement of a participating area, 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 any State 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 interests 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 Unit Operator introduces gas obtained from sources other than the unitized substances 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, the Commissioner and the Commission, a like amount of gas if available, 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.

Royalty due on account of State and privately-owned lands shall be computed and paid on the basis of all unitized substances allocated to such lands.

15. RENTAL SETTLEMENT. Rentals 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, or as otherwise provided by law or regulation. Such rental or minimum royalty may be waived, suspended or reduced to the extent authorized by law and regulation.

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 be deemed to accrue and become payable during the primary term thereof and thereafter 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.

18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions and provisions of all leases, sub-leases 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 hereby consent that the Secretary and the Commissioner, respectively, shall and by their approval hereof, or by the approval hereof by their duly authorized representatives do 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 to said requirements to the provisions of this agreement, and without limiting the generality of the foregoing, all leases, sub-leases 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 produce wells situated on land therein embraced.

(c)- Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Secretary and Commissioner, or their duly authorized representatives 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, sub-lease or contract relating to the exploration, drilling, development or operation for oil or gas of lands other

than those of the United States and the State of New Mexico, 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. Termination of this agreement shall not affect any lease which, pursuant to the terms thereof, or applicable law, shall continue in full force and effect thereafter.

(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 the lease remains committed hereto provided a valuable deposit of unitized substances is discovered within the Unit Area prior to the expiration date of the primary term of such lease.

(f)- Each sub-lease 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.

19. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interests 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, 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 or his duly authorized representative and shall terminate in five (5) years after such 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 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 case the agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities 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 provided in Section 6 or Section 9 hereof.

This agreement may be terminated at any time by not less than 75 percentum, on an acreage basis - of the owners of working interests signatory hereto, with the approval of the Director and Commissioner.

21. RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION. All production and the disposal thereof shall be in conformity with allocation, allotments and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State statute. The Director is hereby vested with authority to alter or modify from time to time in his discretion the rate of prospecting and development and within the limits made or fixed by the Commission to alter or modify the quantity and rate of production under this agreement, 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; 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.

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 on account of delay or failure in whole or in part to comply with any applicable provision thereof 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, in the exercise of due diligence, the concurrence of proper representatives of the United States and proper 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 provision 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, the Commissioner of Public Lands and the New Mexico Oil Conservation Commission, and to appeal from orders issued under the regulations of said Department, the Commissioner or Commission, or to apply for relief from any of said regulations, or in any proceedings relative to operations before the Department of the Interior, the Commissioner, or Commission, 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 post paid 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 or unitized land or substantial interest therein shall fail and the true owner cannot be induced to join this unit agreement, so that such tract is not committed to this unit agreement, or the operation thereof hereunder becomes impractical as a result thereof, such tract may be eliminated from the unitized area, and there shall be such readjustment of future costs and benefits as may be required on account of the loss of said acreage. In the

event of a dispute as to title as to any royalty, working or other interests subject thereto, the Unit Operator may withhold payment or delivery on account thereof 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 shall be withheld, but such funds shall be deposited with the Bureau of Land Management, or as directed by the Supervisor, and with 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 working interest owner in that tract may withdraw said tract from this agreement by notice to the Director, Commissioner and the Unit Operator prior to the approval of this agreement by the Director. 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 of such rights subscribing or consenting to this agreement, and, if such owner is also a working interest owner, by subscribing to the Unit Operating Agreement. It is understood and agreed, however, that 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, if any, pertaining to such joinder, as may be provided for in the Unit Operating Agreement, and it is also understood and agreed that after discovery of unitized substances in paying quantities hereunder, a subsequent joinder by a non-working interest owner must be consented to by the working interest owner responsible for the payment of any benefits that may accrue hereunder in behalf of such non-working interest. A subsequent joinder shall be effective as of the first day of the month following the filing with the Supervisor, the Commissioner and the Commission of duly executed counterparts of all or any papers necessary to establish effective commit-

ment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director, Commissioner or Commission.

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. During the life of this agreement, no right to surrender any lease or operating agreement reserved in any such instrument shall be exercised as to any lands within a participating area established pursuant to this agreement. There shall be no restriction on the right to surrender any lease or operating agreement embracing non-participating lands if that right is reserved in such instrument, subject, however, to the conditions hereinafter prescribed: (a) if a lease or portion thereof embracing non-participating lands is terminated as a result of a surrender to the lessor, such lands shall not be deemed committed to this agreement unless and until such lands are recommitted hereto by an agreement with the Unit Operator; (b) if operating rights are surrendered to a lessee, said lessee shall have the right to become a party to a unit operating agreement with the Unit Operator, effective as of the date of such surrender, or may with the consent of the lessor withdraw such lease from the unit agreement and operate such lease independently but in accord with the conservation provisions of the unit agreement, provided, that if neither of these alternatives is adopted within a period of six (6) months following the effective date of surrender, the lease shall automatically terminate as to the lands remaining in the unit area.

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

P. CO., INC.		
APPROV.	BY	DATE
LAND	<i>RD</i>	<i>10/15/51</i>
Land	<i>RD</i>	<i>10/15/51</i>
ACTG.		
LEGAL	<i>NCH</i>	<i>10/15/51</i>
PRES.		

ATTEST:

*G.B. Magruder, Jr.*  
G.B. Magruder, Jr. Ass't. Sec'y.

SIGNATURES AND ADDRESSES:

SOUTHERN PRODUCTION COMPANY, INC.

By *J. E. Vaeth*  
J. E. Vaeth, Vice-President

Address: P. O. Box 670  
Fort Worth, Texas

Date: *October 15, 1951*

UNIT OPERATOR

THE TEXAS COMPANY

By *C. B. Williams*  
C. B. Williams, Attorney-in-Fact

Address: P. O. Box 1720  
Fort Worth, Texas

Date: *October 12, 1951*

Witnesses to signature of  
C. H. Murphy, Jr.:

*Betty Hall*

*Margaret Lacey*

*C. H. Murphy, Jr.*  
C. H. Murphy, Jr.

Address: First National Bank Bldg.,  
El Dorado, Arkansas

Date: *October 8, 1951*

STATE OF ARKANSAS )  
COUNTY OF UNION )

ON this 8th day of October, 1951, before me personally appeared  
C. H. MURPHY, JR. 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 8th day of October, 1951.

My Commission expires July 12, 1955

*Dean Miller*  
Notary Public

STATE OF TEXAS  
COUNTY OF TARRANT

On this the 12th day of October, personally appeared before  
me C. B. Williams, Attorney-in-Fact for The Texas Company, to  
me known to be the person who executed the foregoing instrument  
in behalf of The Texas Company, and acknowledged that he executed  
the same as the free act and deed of said The Texas Company.

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

*Cyrus O. Willis*  
Notary Public in and for Tarrant  
County, Texas.

My Commission Expires: 6-1-53

STATE OF TEXAS )  
COUNTY OF TARRANT )

On this, the 15th day of October, 1951, personally appeared J.E.VAETH,  
to me personally known, who being by me duly sworn did say that he is the Vice-  
President of SOUTHERN PRODUCTION COMPANY, INC., and that the seal affixed to  
the foregoing 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 the said J. E. VAETH 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 the day and year in this certificate above written.

*Esther M. Ray*  
Notary Public in and for Tarrant County,  
Texas

My commission expires  
June 1, 1953.

ESTHER M. RAY  
Notary Public in and for Tarrant Co., Texas

CLOUDCROFT UNIT AREA

OTERO COUNTY - NEW MEXICO

EXHIBIT "B"

SCHEDULE SHOWING PERCENTAGE AND KIND OF OWNERSHIP OF  
OIL AND GAS INTERESTS IN ALL LANDS IN THE UNIT AREA

Tract No.	Description of Land	No. of Acres	Application or Serial No. and effective date of lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
1	NE; S/2 NW; N/2 SW Sec. 17, T 18S, R 12E	319.88	HLM-A-011308 5/14/53	U. S. All	Ruth Bigler Lytle	Ruth Bigler Lytle - 1% under option agreement	The Texas Company 86-1/2%
2	W/2 W/2 Sec 4; E/2; E/2 SW; Sec. 8; W/2 Sec. 9; N/2 NW Sec. 17; NE SE; SE NE Sec. 18; T 18S, R 12E	1,014.61	HLM-A-011309 6/1/53	U. S. All	Wilbur J. Acree	Wilbur J. Acree - 1% under option agreement	The Texas Company 86-1/2%
2-A	SE Sec. 7; W/2 SW; SE NW Sec. 8; E/2 NW; W/2 NE; NE NE Sec. 18; T 18S, R 12E	480.00	HLM-A-011309 6/1/53	U. S. All	Wilbur J. Acree	Wilbur J. Acree - 1% under option agreement	The Texas Company 86-1/2%
3	All Sec. 1; NE; E/2 NW and E/2 SE Sec. 2; NE; E/2 NW; E/2 SE Sec. 12; T 18S, R 12E	1,284.83	HLM-A-011310 6/1/53	U. S. All	Mrs. Virginia Sears	Mrs. Virginia Sears-1% under option agreement	The Texas Company 86-1/2%
4	W/2 Sec. 33; T 17S, R 12E	320.00	HLM-A-011311 6/1/53	U. S. All	W. R. McCamy	Ralph S. Powell - 5% under option agreement	Southern Production Company and C. H. Murphy, Jr. 83-1/2%
4-A	N/2; N/2 S/2 Sec. 29; T 17S, R 12E, W/2 SE; and Lot 4 Sec. 2, T 18S R 11E	600.29	HLM-A-011311 6/1/53	U. S. All	M. R. McCamy US FLO #656 8/15/50	Ralph S. Powell - 5% under option agreement	Southern Production Company and C. H. Murphy, Jr. 82-1/2%
5	All Sec. 32, T 17S, R 12E	647.15	HLM-A-011520 7/1/53	U. S. All	Wilma Beery Conner	Wilma Beery Conner- 1% under option agreement	The Texas Company 86-1/2%

CLOUDCROFT UNIT AREA - Cont'd.

Tract No.	Description of Land	No. of Acres	Application or Serial No. and effective date of lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
6	NW 1/2 NE; NE NE; E/2 SE; SW SE Sec. 21, NW NW; S/2 NW; SW NE W/2 SE Sec. 22; NW; W/2 NE; E/2 SW; W/2 SE; SE SE Sec. 27; NE Sec. 34; W/2 NW; SW Sec. 35, T 17S, R 12E	1,638.42	HM-A-011521 7/1/53	U. S. All	Willie Berry	Willie Berry - 1% under option agreement	The Texas Company 86-1/2%
6-A	S/2 S/2 Sec. 29, T 17S, R 12E	160.00	HM-A-011521 7/1/53	U. S. All	Willie Berry	Willie Berry - 1% under option agreement	The Texas Company 86-1/2%
7	West 15 acres out of NW NE Sec. 7; T 16S, R 12E	15.00	NM-07799 3/26/52	U. S. All	E. D. Coady	---	Southern Production Company, Inc. and C. H. Murphy, Jr. 87-1/2%
8	E/2 Sec. 33; E/2; E/2 NW Sec. 35; T 17S, R 12E; Lots 3 and 4; SW Sec. 3; Lots 1, 2, and 3; SE; E/2 SW Sec. 4; E/2 Sec. 9; W/2 SE; SE SE Sec. 18; T 18S, R 12E	1,832.78	HM-A-020860 3/16/50	U. S. All	John L. Mountjoy	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
8-A	Lots 2, 3, 4, 5 Sec. 18; T 18S, R 12E, SW; SW NW Sec. 2; W/2 NW; E/2 SW; W/2 SE Sec. 12, T 18S, R 11E	560.88	HM-A-020860 3/16/50	U. S. All	John L. Mountjoy US PLO #655 8/15/50	---	Southern Production Company, Inc. and C. H. Murphy, Jr. 87-1/2%
9	W/2 Sec. 14; NW SE; N/2 SW; SW SW Sec. 15; N/2 SW; SW SW Sec. 21; E/2 E/2 Sec. 22; SE; W/2 Sec. 23; NW; S/2 S/2; NE SE Sec. 26; E/2 NE; W/2 SW Sec. 27, All Sec. 28, NW Sec. 34; T 17S, R 12E	2,560.00	HM-A-020861 3/1/57	U. S. All	Danny Briscoe	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%

CLOUDCROFT UNIT AREA - Cont'd.

Tract No.	Description of Land	No. of Acres	Application or Serial No. and effective date of lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
10	S/2; S/2 N/2 Sec. 17; S/2 NE; NE SW; SE Sec. 18; Lot 2, SE NW; NE NW; NE Sec. 19; NE Sec. 20; N/2; N/2 SE; SE SE Sec. 21; W/2 SW Sec. 22; T 16S, R 12E	1,720.30	NW-04374 8/1/56	U. S. All	E. P. Miremont	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
10-A	NW Sec. 20, T 16S, R 12E	160.00	NW-04374 8/1/56	U. S. All	E. P. Miremont	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc. and C. H. Murphy, Jr. 82-1/2%
10-B	S/2; NW Sec. 16, T 16S, R 12E	480.00	NW-04374 12/5/50	U. S. All	E. P. Miremont	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
10-C	NE Sec. 16; T 16S, R 12E	160.00	NW-04374 Application 12/5/50	U. S. All	E. P. Miremont	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%
*11	Lots 3 and 5; S/2 NE; NE NW; W/2 NE SW NW; SE SW NW; E/2 SE NW; E/2 W/2 SE NW; E/2 NW NE SW; E/2 NE SW; N/2 SE; N/2 SE SE Sec. 7; E/2 NE NW; S/2 NW; N/2 SW; NE NE SE; W/2 E/2 SE; W/2 SE Sec. 8; N/2; N/2 N/2 SW; SE NE SW; E/2 SE SW; N/2 SE; SW SE Sec. 9; W/2 Sec. 10, T 16S, R 12E	1,670.84	LC-063022 6/1/52	U. S. All	W. R. McCamy	F. Purnell Powell - 5% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%

\* Lease contains 2,310.99 acres but only 1,670.84 acres inside unit outline. (640.15 acres outside)



CLOUDCROFT UNIT AREA - Cont'd.

Tract No.	Description of Land	No. of Acres	Application or Serial No. and effective date of lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
12	E/2 Sec. 10; NW; W/2 SW; SE SW; SE SE Sec. 15; SW SE Sec. 20; N/2; NW SE; NE SW Sec. 22; S/2 SW; N/2; N/2 S/2; SW SE Sec. 27; N/2 SE; SE SE; S/2 SW; NE SW; E/2 NW Sec. 28; SE; W/2 NE Sec. 29, T 16S, R 12E	2,240.00	NM-03326 12/1/55	U. S. All	Jack Valentine	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
12-A	NE Sec. 15; NE Sec. 28; T 16S R 12E	320.00	NM-03326 12/1/55	U. S. All	Jack Valentine	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%
13	N/2 SW; SE NW Sec. 11; Lots 3 and 4; SW; SW NW; W/2 SE Sec. 12; Lot 1; NW NE; E/2 NW; W/2 SE and SW Sec. 13; W/2 NE; SW; S/2 SE Sec. 14; N/2; N/2 S/2 Sec. 23; W/2; Lots 3 and 4, W/2 SE Sec. 24; T 17S, R 11E	2,223.11	NM-03329 9/5/50	U. S. All	E. P. Miremont US. PLO #656 8/15/50	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
13-A	NW Sec. 14; Lots 1 and 2, W/2 NE Sec 24; T 17S, R 11E	340.24	NM-03329 Application 9/5/50	U. S. All	E. P. Miremont US. PLO #656 8/15/50	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%

CLOUDPROFT UNIT AREA - Cont'd.

Tract No.	Description of Land	No. of Acres	Application or Serial No. and effective date of lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
14	S/2 SE; SE SW; Lot 4 Sec. 19; NW SW Sec. 20; NW; N/2 SW; SE SW Sec. 29; NE SE; NW NE; NE NW Sec. 30; SE; SE SW; Lots 3 and 4 Sec. 31; E/2 E/2; NW NE; SW SE; S/2 SW Sec. 32; S/2; S/2 NE; NE NE Sec. 33; W/2; N/2 S/2; SW SE Sec. 34; T 16S, R 12E	2,161.42	NM-03327 12/1/55	U. S. All	Jack Valentine	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
14-A	Lots 1, 2, 3, 4, (W/2 W/2) Sec. 30; NW Sec. 33; T 16S, R 12E	321.02	NM-03327 12/1/55	U. S. All	Jack Valentine	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc. and C. H. Murphy, Jr. 82-1/2%
15	S/2 S/2 Sec. 23; Lots 1, 2, 3 and 4; N/2 NW; NW NE; SW SE Sec. 25; NE NE; SW NE; S/2 NW; NW SE Sec. 26; all Sec. 35; Lots 1, 3, 6, 7; NW; W/2 NE Sec. 36; T 17S, R 11E Lots 1, 2, 3, 4; W/2 NE; NW SE; E/2 W/2 Sec. 30; T 17S, R 12E	2,211.50	NM-03328 Application 9/5/50	U. S. All	Jack Valentine US. PLO #656 8/15/50	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
15-A	SW Sec. 26; Lots 4 and 5; N/2 SW Sec. 36; T 17S, R 11E	330.32	NM-03328 Application 9/5/50	U. S. All	Jack Valentine US. PLO #656 8/15/50	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%

CLOUDROFT UNIT AREA - Cont'd.

Tract No.	Description of Land	No. of Acres	Application or Serial No. and effective date if lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
15	Lots 1, 2 and 4; S/2 N/2; SE Sec. 3; Lots 1 and 2; S/2 N/2; S/2 Sec. 4; S/2 N/2, Lot 4; S/2 Sec. 5; Lots 1, 2, 6 and 7; S/2 NE; SE; E/2 SW Sec. 6; T 17S, R 12E	2,052.85	NM-03323 12/1/55	U. S. All	Cecil M. Swank	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
*16-A	SW Sec. 3; Lots 3, 4 and 5; SE NW Sec. 6; T 17S, R 12E	323.09	NM-03323 12/1/55	U. S. All	Cecil M. Swank	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%
17	NE NE; W/2 NE; NE NW; NE SE Sec. 7; E/2; SE NW; SW Sec. 8; SE NE; NW NW; SE NW Sec. 17; T 17S, R 12E	840.00	NM-03324 4/1/56	U. S. All	Cecil M. Swank	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
17-A	Lots 1 and 2, SE NW, W/2 SE; SE SE Sec. 7; SW NW and SW Sec. 17; Lot 4, SE SW; S/2 SE Sec. 18; All Sec. 19; N/2 NW; NW NE Sec. 20, T 17S, R 12E	1,383.11	NM-03324 Application 9/5/50	U. S. All	Cecil M. Swank US. PLO #656 8/15/50	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
17-B	SE Sec. 17, T 17S, R 12E	160.00	NM-03324 4/1/56	U. S. All	Cecil M. Swank	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%

\* Lease Contains 2,547.52 acres, but only 2,375.94 acres included in unit outline

CLOUDCROFT UNIT AREA - Cont'd.

Tract	Description of Land	No. of Acres	Application or Serial No. and effective date of lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
17-C	Lots 3 and 4, E/2 SW Sec. 7; T 17S, R 12E	158.83	NM-03324 Application 9/5/50	U. S. All	Cecil M. Swank US. PIO #656 8/15/50	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%
18	NW; W/2 E/2 Sec. 11; SW NE; NW SE; NW; SW SE Sec. 13; All Sec. 14; Lots 1, 2, 3, and 4; N/2 SE; SW SE; SW; S/2 N/2 Sec. 23; Lots 3 and 4 Sec. 24; NW; W/2 NE Sec. 26; T 16S R 11E	2,036.63	NM-03325 12/1/55	U. S. All	Cecil M. Swank	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
18-A	SW Sec. 11; SW Sec. 13; T 16S R 11E	320.00	NM-03325 12/1/55	U. S. All	Cecil M. Swank	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%
19	Lots 1, 2, 3, 4, 5 and 6, SW NE S/2 NW Sec. 1; Lots 1 and 2 Sec. 2, T 17S, R 11E; Lots 3 and 4 Sec. 25; W/2 SW Sec. 26; S/2 NE; NW; S/2 Sec. 35; Lots 1, 2, 3 and 4; NW; W/2 NE; W/2 SW Sec. 36. T 16S, R 11E	1,567.38	NM-03613 6/1/56	U. S. All	E. P. Miremont	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%

CLOUDCROFT UNIT AREA - Cont'd.

Tract	Description of Land	No. of Acres	Application or Serial No. and effective date of lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
19-A	Lots 7, 8, 9 and 10; W/2 SE Sec. 1; S/2 NE; N/2 SE; N/2 NE SW SE; SE NE SW SE; NE NW SW SE; SW SW SE; S/2 SE SW SE; N/2 SE SE; SE SE Sec. 2; NW NE; N/2 NE NE NE; S/2 SE NE NE; W/2 W/2 NE NE Sec. 11, T 17S, R 11E	479.28	NM-03613 Application 9/21/50	U. S. All	E. P. Wiremont U.S. P.L.O. #656 8/15/50	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
19-B	Lot 3, Sec. 2, T 17S, R 11E	25.88	NM-03613 6/1/56	U. S. All	E. P. Wiremont	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%
19-C	SW Sec. 1; Lot 4, S/2 NW Sec. 2; T 17S, R 11E	265.71	NM-03613 Application 9/21/50	U. S. All	E. P. Wiremont U.S. P.L.O. #656 8/15/50	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%
*20	N/2; SE Sec. 9; N/2 N/2; SW NW; S/2 S/2 Sec. 10; All Sec. 16; E/2 NE; NE SE Sec. 20, T 17S, R 12E	1,600.00	LC-063038 Application 8/6/51	U. S. All	E. P. Wiremont	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2

\* All of Sec. 16 conflicts with State lease to Texas Company (Tr. 45)  
SE SE Sec. 9 conflicts with State lease to Southern Production Company (Tr. 46).

CLOUDCROFT UNIT AREA - Cont'd.

Tract No.	Description of Land	No. of Acres	Application or Serial No. and effective date of lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
20-A	S/2 NW; SW NE; W/2 SE; SE SE Sec. 20; E/2 E/2; SW SE Sec. 30; NE; NE NW Sec. 31; T 17S, R 12E	640.00	LC-063038 Application 8/6/51	U. S. All	E. P. Miremont U.S. P.L.O. #656 8/15/50	---	Southern Production Company, Inc., and C. E. Murphy, Jr. 87-1/2%
20-B	SW Sec. 9; T 17S, R 12E	160.00	LC-063038 Application 8/6/51	U. S. All	E. P. Miremont	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. E. Murphy, Jr. 82-1/2%
20-C	SW Sec. 20; T 17S, R 12E	160.00	LC-063038 Application 8/6/51	U. S. All	E. P. Miremont U.S. P.L.O. #656 8/15/50	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. E. Murphy, Jr. 82-1/2%
21	SE; Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 Sec. 6; SW; W/2 SE; Lots 1, 2, 3 and 4 Sec. 5; T 18-S, R 12E	1,061.24	LC-063333 9/1/53	U. S. All	Mrs. Virginia Sears U.S. P.L.O. #656 8/15/50	Mrs. Virginia Sears 1% under option agreement	The Texas Company 86-1/2%
22	Lot 1, Sec. 19, T 16S, R 12E	40.26	LC-063335 5/1/56	U. S. All	Mrs. Quilla Dexter	Mrs. Quilla Dexter 1% under option agreement	The Texas Company 86-1/2%
22-A	SE Sec. 3; S/2 NE; SE Sec. 10; NE NW Sec. 11, T 17S, R 11E	440.00	LC-063335 Application 7/19/44	U. S. All	Mrs. Quilla Dexter U.S. P.L.O. #656 8/15/50	Mrs. Quilla Dexter 1% under option agreement	The Texas Company 86-1/2%

CLOUDCROFT UNIT AREA - Cont'd.

Tract No.	Description of Land	No. of Acres	Application or Serial No. and effective date of lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
23	Lots 3 and 4, SE SW Sec. 18 T 16S, R 12E; SE SE Sec. 13; SW SE Sec. 25; T 16S, R 11E	200.47	LC-063336 1/1/56	U. S. All	C. J. Dexter	C. J. Dexter - 1% under option agreement	The Texas Company 86-1/2%
24	NE NW Sec. 17; T 17S, R 12E	40.00	LC-063337 1/1/53	U. S. All	J. W. Berry	J. W. Berry - 1% under option agreement	The Texas Company 86-1/2%
24-A	Lot 4, Sec. 13; T 17S, R 11E	51.81	LC-063337 1/1/53	U. S. All	J. W. Berry U.S. P.L.O. #656 8/15/50	J. W. Berry - 1% under option agreement	The Texas Company 86-1/2%
25	E/2 SE Sec. 34; T 17S, R 12E	80.00	LC-063336 2/1/53	U. S. All	Willie Berry	Willie Berry - 1% under option agreement	The Texas Company 86-1/2%
26	Lot 3, NW SE Sec. 36; T 17S R 11E; Lots 1, 2, 3 and 4; SE NW; E/2 SW; SE Sec. 31 T 17S, R 12E	573.97	LC-063339 10/1/53	U. S. All	Wilma Berry Conner U.S. P.L.O. #656 8/15/50	Wilma Berry Conner 1% under option agreement	The Texas Company 86-1/2%
27	Lots 2 and 3, NW SE; N/2 SW Sec. 2; E/2 SE Sec. 5; T 18S R 12E	309.80	LC-063340 5/1/56	U. S. All	Wilbur J. Acree	Wilbur J. Acree 1% under option agreement	The Texas Company 86-1/2%
27-A	Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, NW Sec. 7; N/2 NW; SW NW Sec. 8, T 18S, R 12E	677.54	LC-063340 Application	U. S. All	Wilbur J. Acree U.S. P.L.O. #656 8/15/50	Wilbur J. Acree 1% under option agreement	The Texas Company 86-1/2%

CLOUDCROFT UNIT AREA - Cont'd.

Tract No.	Description of land	No. of Acres	Application of Serial No. and effective date of lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
28	Lots 3 and 4, W/2; W/2 SE Sec. 16; N/2 NE; S/2 SE Sec. 21; W/2; SE Sec. 22; T 17S, R 11E	1,118.36	LC-063341 11/1/51	U. S. All	Dorothy Berry Roundtree U.S. P.L.O. #656 8/15/50	Dorothy Berry Roundtree 1% under option agreement	The Texas Company 86-1/2%
29	SE; S/2 SW Sec. 17; NE Sec. 20; Lots 3, 4, 5 and 6 Sec. 21, T 18S, R 12E	538.35	LC-063342 4/1/54	U. S. All	Ruth Bigler Ruth Bigler Lytle 1% under option agreement		The Texas Company 86-1/2%
30	S/2; S/2 N/2 Sec. 8; SW Sec. 9; N/2; SE Sec. 17; W/2 Sec. 21, T 17S, R 11E	1,440.00	LC-063445 3/1/52	U. S. All	Mrs. Dorothy Berry Roundtree U.S. P.L.O. #656 8/15/50	Mrs. Dorothy Berry Roundtree 1% under option agreement	The Texas Company 86-1/2%
31	E/2 SW; SW SE Sec. 30; Lots 1 and 2; E/2 NW; W/2 NE; SE NE; NE SW Sec. 31; S/2 NW; N/2 SW; NE NW; SW NE; NW SE Sec. 32; S/2 SW; SE SE Sec. 34; T 16S, R 12E, Lot 3 Sec. 3; Lots 3 and 4 Sec. 4; Lots 1, 2, and 3 Sec. 5; N/2 NE; SW NE Sec. 17, T 17S, R 12E	1,248.29	LC-064514 9/1/56	U. S. All	Mrs. Clover B. Cole ---		Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
32	Lots 1 and 2; S/2 NE Sec. 3; E/2 Sec. 15; NE Sec. 22; T 17S, R 11E	611.28	NM-07257 Application 2/6/52	U. S. All	Southern Production Ralph Powell Company, Inc. under option agreement U.S. P.L.O. #656 8/15/50	5% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%



CLOUDCROFT UNIT AREA - Cont'd.

Tract No.	Description of Land	No. of Acres	Application or Serial No. and Effective or Date of Lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
33	Lots 1 and 2, NW NE Sec. 12, T 17S, R 11E	157.52	LC-065073 9/1/52	U.S. ALL	Cecil M. Swank U.S.A. P.L.O. #656 8/15/50	---	Southern Production Company, Inc. and C. H. Murphy, Jr.
4	Lots 3 and 4, S/2 NW; SW Sec. 3; N/2 N/2 Sec. 8, NW Sec. 9; W/2 Sec. 10; W/2 Sec. 15; Lots 1 and 2, W/2 NE Sec. 16, T 17S, R 11E	1,417.74	NW-07782 Application 3/31/52	U.S. ALL	A. D. Stovall U.S.A. P.L.O. #656 8/15/50	---	Southern Production Company, Inc. and C. H. Murphy, Jr.
35	SW; W/2 SE Sec. 34; T 17S; R 12E; Lots 1, 2, 3, 4, 5, 6; N/2 SW; NW SE Sec. 1; Lot 1, NE SE; SW SE; S/2 SW Sec. 2; SE Sec. 3; NE; SW Sec. 10, NW NW; E/2 NE; SW NE; S/2 Sec. 11; NW Sec. 12; E/2; SW; N/2 NW Sec. 14, T 18S, R 12E	2,558.25	LC-068794 9/1/56	U.S. ALL	E. D. Coady	---	Southern Production Company, Inc. and C. H. Murphy, Jr.
36	N/2 N/2; E/2 SE NW; SW SW SE NW; E/2 W/2 SE NW; NW NW SE NW; N/2 SW NW; SW SW NW; W/2 SE SW NW Sec. 15; Lots 1, 2, 7 and 8, SE Sec. 21; N/2; N/2 S/2; SW SW Sec. 22; all Sec. 23, T 18S, R 12E	1,691.20	LC-068795 9/1/56	U.S. ALL	E. D. Coady	---	Southern Production Company, Inc. and C. H. Murphy, Jr.
37	Lots 1 and 4 Sec. 7; T 16S; R 12E; E/2 SE Sec. 11; N/2; N/2 S/2 Sec. 12, T 16S, R 11E	640.77	LC-069628 10/1/56	U.S. ALL	Mrs. Erdice Beaver	---	Mrs. Erdice Beaver

CLOUDCROFT UNIT AREA - Cont'd.

Track No.	Description of Land	No. of Acres	Application or Serial No. and effective or expiration date if lease	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
38	SW Sec. 11, T 17S, R 12E	160.00	NW-01802 Application 3/10/50	U. S. All	Wm. S. Hanson	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
39	SE NE Sec. 11; Lot 1, SE NE; SE Sec. 22; NE Sec. 27; T 16S, R 11E	421.60	NW-01803 Application 3/10/50	U. S. All	Wm. S. Hanson	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
39-A	S/2 S/2 Sec. 12, T 16S R 11E	160.00	NW-01803 Application 3/10/50	U. S. All	Wm. S. Hanson	---	REJECTED Cloudcroft Experimental Forest - (11/30/35)
39-B	SE Sec. 27; E/2 Sec. 34; T 16S, R 11E	480.00	NW-01803 Application 3/10/50	U. S. All	Wm. S. Hanson	---	REJECTED Alamogordo Municipal Water Shed
39-C	109.48 acres of SE Sec. 9; All Sec. 28; W/2 NW Sec. 34; T 17S, R 11E	829.48	NW-01803 Application 3/10/50	U. S. All	Wm. S. Hanson U.S. P.L.O. #656 8/15/50	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
40	NW; W/2 NE; SE NE; S/2 Sec. 27; NE; E/2 NW; W/2 SE, Lots 1 and 2, Sec. 34; T 17S, R 11E	996.76 <i>55640.04</i>	NW-01942 Application 3/24/50	U. S. All	Ray L. Landon U.S. P.L.O. #656 8/15/50	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%

CLOUDCROFT UNIT AREA - Cont'd.

S T A T E L A N D S

Tract No.	Description of Land	No. of Acres	State Lease No. and Exp. Dates	Basic Royalty and Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
45 *	All Sec. 16; NW SW; N/2 SE Sec. 10; SE SW; SE NE; NW SE Sec. 21; NW NE; NE NW Sec. 22; SW Sec. 36; NE SW; Lot 3, N/2 SE Sec. 18 T 17S; R 12E; all Sec. 16; T 18S; R 12E	1,922.90	B-11179 4/17/54	State of New Mexico	All The Texas Company	---	The Texas Company
46 *	SE SE Sec. 9; NE Sec. 26; NW; E/2 Sec. 36; T 17S, R 12E	680.00	E-3327 3/10/60	State of New Mexico	All Southern Production Company, Inc.	---	Southern Production Company, Inc., and C. E. Murphy, Jr.
47	SE SE Sec. 9; E/2 SE; SW SE; SE SW Sec. 22; SE SE Sec. 27; NW SE Sec. 30; T 16S, R 12E	280.00	E-4715 11/21/60	State of New Mexico	All Southern Production Company, Inc.	5% in Proportions G. V. Clayton 1/3 P. B. Hendricks 1/3 George Abbott 1/6 Dale W. Scott 1/6	Southern Production Company, Inc., and C. E. Murphy, Jr.

2882.90

(45\* and 46\* - See Tract 20 for Conflict)

CLOUDCROFT UNIT AREA - Cont'd.

F E E L A N D S

Tract No.	Description of Land	No. of Acres	FEE Lease No. and Expiration Date	Percentage Royalty Payable to Land or Mineral Owners	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
48	Tracts A and B in the H. E. Survey #207, all in Sec. 9 T 17S, R 11E	50.52	5/12/54	H. G. Bell and wife Ella F. Bell ALL	The Texas Company	---	The Texas Company 87-1/2%
49	N/2 SE; NE SW; Lot 3 Sec 19 T 16S, R 12E	160.34	5/10/54	Don O. Bonnell and wife Bessie B. Bonnell ALL	The Texas Company	---	The Texas Company 87-1/2%
50	Lots 1, 2, 5, 6 and 7, SW NE; W/2 SE; S/2 NW; N/2 SW Sec. 24; Lots 1 and 2; W/2 NE; NW SE; SW; E/2 NW Sec. 25, T 16S R 11E; S/2 SW Sec. 8, N/2 NW Sec. 17, T 16S, R 12E	1,051.70	5/10/54	Frank Bonnell and Lula Mae Bonnell; James M. Bonnell and wife, Ann Bonnell, Glenn O'Bannon and wife, Ruby O'Bannon ALL	The Texas Company	---	The Texas Company 87-1/2%
51	NE NW; S/2 NW; NW NE Sec. 11, T 18S, R 12E	160.00	5/13/54	William P. Calkins Estate, Carrie N. Calkins, Surviving widow, Roy P. Calkins et ux; Ruth Calkins Fuller et viz; Wayland Calkins et ux ALL	The Texas Company	---	The Texas Company 87-1/2%

CLOUDROFF UNIT AREA - Cont'd.

FREE LANDS

Tract No.	Description of Land	No. of Acres	Free Lease No. and Expiration Date	Percentage Royalty Payable to Land or Mineral Owners	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
52	N/2 NW; SW NW Sec. 8; SE NE Sec. 7; T 17S, R 12E	160.00	10/12/54	U. S.	ALL The Texas Company	---	The Texas Company 87-1/2%
53	W/2 SE; NE SE; E/2 SW Sec. 26; W/2 SE; NE SW; W/2 SE SW Sec. 35; NW NE Sec. 35; T 16S, R 11E	380.00	5/16/54	Mrs. W. D. Davis, widow; William I. Davis and wife Wanda Jean Davis; Frances Young and husband W. C. Young Thomas Douglas Davis	The Texas Company	---	The Texas Company 76.5625% Thomas Douglas Davis 10.9375%
54	SW Sec. 2; T 17S, R 11E	160.00	5/16/54	Mrs. W. D. Davis, widow; William I. Davis and wife Wanda Jean Davis; Frances Young and husband W. C. Young Thomas Douglas Davis	The Texas Company	---	The Texas Company 76.5625% Thomas Douglas Davis 10.9375%
55	SE SW; SW SE; E/2 SE Sec. 15; T 17S, R 12E	160.00	10/12/54	Homer Davis and wife Isabel Davis	ALL The Texas Company	---	The Texas Company 87-1/2%

CLOUDCROFT UNIT AREA - Cont'd.

T E E L A N D S

Tract No.	Description of Land	No. of Acres	FEE Lease No. and Expiration Date	Percentage Royalty Payable to Land or Mineral Owners	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
56	NE Sec. 18, T 17S, R 12E	160.00	5/9/54	Howard L. Goss and Marion I. Goss	ALL The Texas Company U.S. P.L.O. #656 8/15/50	---	The Texas Company 87-1/2%
57	N/2 NE Sec. 17; E/2 SE SE; SE NE SE Sec. 8; SW SW; S/2 NW SW; SW NE SW; W/2 SE SW Sec. 9; T 16S, R 12E	200.00	5/16/54	Leon Green and wife Carrie Green	ALL The Texas Company	---	The Texas Company 87-1/2%
58	S/2 SW; NE SW; NW SE Sec. 20, T 16S, R 12E	170.00	5/17/54	Mrs. Pearl Green Bass	ALL The Texas Company	---	The Texas Company 87-1/2%
58-A	E/2 SE Sec. 20, T 16S R 12E	80.00	5/17/54	Mrs. Pearl Green Bass	1/2 The Texas Company	---	The Texas Company 43.75%
			11/26/56	New Mexico-Osage Cooperative Royalty Company	5/8 Southern Production Company, Inc.	---	Southern Production Company, Inc. and C. H. Murphy, Jr. )
			11/26/56	Mrs. May Patterson	1/16 Southern Production Company, Inc.	---	Southern Production Company, Inc. and C. H. Murphy, Jr. )
			12/28/56	Fred T. Hildt and wife Lena Hildt C. R. Nixon and wife Lydia M. Nixon	2/48 Southern Production Company, Inc.	---	Southern Production Company, Inc. and C. H. Murphy, Jr. )

CLOUDCROFT UNIT AREA - Cont'd.

F E E L A N D S

<u>Tract No.</u>	<u>Description of Land</u>	<u>No. of Acres</u>	<u>FEE Lease No. and Expiration Date</u>	<u>Percentage Royalty Payable to Land or Mineral Owners</u>	<u>Lessee of Record</u>	<u>Overriding Royalty and Percentage</u>	<u>Working Interest and Percentage</u>
	NE NE and East 25 acres of the NW NE Sec. 7; NW NW Sec. 3; T 16S, R 12E	105.00	5/16/54	Phillip Green and wife Ollie Lee Green	ALL The Texas Company	---	The Texas Company 87-1/2%
60	S4 SW Sec. 29; SE NW; SW NE; E/2 NE; SE SE Sec. 30; NE NE; Sec. 31; NW NW Sec. 32, T 16S, R 12E	320.00	5/19/54	Leon Green and wife Carrie Green	ALL The Texas Company	---	The Texas Company 87-1/2%
61	N/2 NE; SE NE; NE SE Sec. 13; T 16S, R 11E, Lots 1 and 2 E/2 NW less 3.02 acres out of NE NW Sec. 18, T 16S, R 12E	317.39	5/12/54	Vernis M. Carey and wife Mary Louise Carey	ALL The Texas Company	---	The Texas Company 87-1/2%
62	SE SE Sec. 23; S/2 SW Sec. 24; W/2 NW Sec. 25; E/2 NE Sec. 26; T 16S, R 11E	280.00	5/18/54	Dora Kotosky, widow	ALL The Texas Company	---	The Texas Company 87-1/2%

# THANKS

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CLOUDCROFT UNIT AREA - Cont'd.

F E E   L A N D S

<u>Tract No.</u>	<u>Description of Land</u>	<u>No. of Acres</u>	<u>FEE Lease No. and Expiration Date</u>	<u>Percentage Royalty Payable to Land or Mineral Owners</u>	<u>Lessee of Record</u>	<u>Overriding Royalty and Percentage</u>	<u>Working Interest and Percentage</u>
65	N/2 SW Sec. 26; NE SE Sec. 27, T. 17S, R 12E	120.00	5/11/54	Dewey Middleton and wife Dora Middleton	The Texas Company	---	The Texas Company 87-1/2%
66	SE SW; SW SE Sec. 7; N/2 NE Sec. 18; T 16S, R 12E	160.00	5/12/54	Harvey C. Talley and wife, Maggie N. Talley	The Texas Company	---	The Texas Company 87-1/2%
67	SE SE Sec. 26; NE NE Sec. 35, T 16S, R 11E	80.00	1/10/60	D. J. Yerton and wife Maude B. Yerton	Southern Production Company, Inc.	---	Southern Production Company, Inc., and C. E. Murphy, Jr. 87-1/2%
68	E/2 NE SW NW; w/2 w/2 SE NW; w/2 w/2 NE SW; E/2 SW NE SW; S/2 SE SE; less 3.18 acres in the SE SE Sec. 7; T 16S, R 12E; 3.02 acres out of NE NW Sec. 18, T 16S, R 12E	49.84	11/8/56	Harvey C. Talley and wife, Maggie N. Talley	Southern Production Company, Inc	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
69	N/2 SE; SW SE; NE SW Sec. 15; T 16S, R 12E	160.00	11/12/56	Crayton Ellison and wife Lora Ellison	Southern Production Company, Inc.	---	Southern Production Company, Inc. and C. H. Murphy, Jr. 87-1/2%

CLOUDCROFT UNIT AREA - Cont'd.

F E E L A N D S

Tract No.	Description of Land	No. of Acres	FEE Lease No. and Expiration Date	Percentage Royalty Payable to Land or Mineral Owners	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
70	N/2 SW; SE SW; SW SE Sec. 21; T 16S, R 12E	160.00	11/7/56	Pearl Green Bass and husband N. C. Bass	Southern Production Company, Inc.	---	Southern Production Company, Inc., and C. H. Murphy, Jr.
71	SW SW Sec. 21; W/2 NW; NW SW; SW SE Sec. 28; E/2 NE Sec. 29; NW NE Sec. 33; T 16S, R 12E	320.00	11/7/56	Pearl Green Bass and husband N. C. Bass	Southern Production Company, Inc.	---	Southern Production Company, Inc., and C. H. Murphy, Jr.
			11/26/56	New Mexico-Osage Cooperative Royalty Company	3/8		
			11/26/56	Mrs. May Patterson	1/16		
			12/28/56	Fred T. Hildt and wife Lena Hildt C. R. Nixon and wife Lydia M. Nixon	2/48 1/48		
72	NE NE Sec. 11, T 16S, R 11E	40.00		El Paso YMCA	ALL	Unleased	El Paso YMCA
73	E/2 SE SW Sec. 36, T 16S, R 11E	20.00	2/5/57	Albert Ward Estate	ALL	Southern Production Company, Inc.	Southern Production Company, Inc., and C. H. Murphy, Jr.

CLOUDCROFT UNIT AREA - Cont'd.

F E E L A N D S

<u>Tract No.</u>	<u>Description of Land</u>	<u>No. of Acres</u>	<u>Free Lease No. and Expiration Date</u>	<u>Percentage Royalty Payable to Land or Mineral Owners</u>	<u>Lessee of Record</u>	<u>Overriding Royalty and Percentage</u>	<u>Working Interest and Percentage</u>
(	S/2 NE; SE NW Sec. 10, T 17S, R 12E	120.00	11/9/56	Lita Polson, widow of B. R. Polson (deceased)	Southern Production Company, Inc.	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
74-A	NE SW Sec. 10, T 17S, R 12E	40.00	5/10/54	Lita Polson, widow of B. R. Polson (deceased)	The Texas Company	---	The Texas Company 87-1/2%
75	NW SE Sec. 26, T 17S, R 12E	40.00		Dewey Middleton and wife Dora Middleton	Unleased	---	Dewey Middleton and wife Dora Middleton 87-1/2%
76	W/2 NW SW SE; SE NW SW SE; SW NE SW SE; N/2 SE SW SE; SW SE SE Sec. 2; E/2 W/2 NE NE; S/2 NE NE NE; N/2 SE NE NE Sec. 11, T 17S, R 11E	45.00	11/9/56	Mrs. W. D. Davis, surviving wife of W. D. Davis (deceased) William Irwin Davis and wife Wanda Jean Davis; Frances Davis Young and husband W. C. Young	Southern Production Company, Inc.	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 76.5625%
				Thomas Douglas Davis	Unleased	---	Thomas Douglas Davis 10.9375%
77	S/2 NE; N/2 SE Sec. 21; T 17S, R 11E	160.00		R. E. Windham and A. B. Carter	Unleased	---	R. E. Windham and A. B. Carter 87-1/2%

CLOUDCROFT UNIT AREA - Cont'd.

F E E L A N D S

<u>act</u> <u>No.</u>	<u>Description of Land</u>	<u>No of</u> <u>Acres</u>	<u>FEE Lease</u> <u>No. and</u> <u>Expiration</u> <u>Date</u>	<u>Percentage</u> <u>Royalty Payable</u> <u>to Land or</u> <u>Mineral Owners</u>	<u>Lessee of Record</u>	<u>Overriding</u> <u>Royalty and</u> <u>Percentage</u>	<u>Working</u> <u>Interest and</u> <u>Percentage</u>
	W/2 SW Sec. 12, T 18S, R 11E	80.00		El Paso and S. W. RR. Co.	ALL Unleased	---	El Paso and S. W. RR. Co. 87-1/2%
79	SW SE Sec. 1, T 18S, R 12E	40.00		First National Bank of Roswell, Trustee for Boy Scouts, Roswell, New Mex.	ALL Unleased	---	First National Bank of Roswell, Trustee for Boy Scouts, Roswell, New Mexico 87-1/2%
80	S/2 SW Sec. 1; SE SE Sec. 2, T 18S, R 12E	120.00		E. N. M. Council for Boy Scouts and Jay Leck Estate	ALL Unleased	---	E. N. M. Council for Boy Scouts and Jay Leck Estate 87-1/2%
81	Lot 4, Sec. 2; Lots 1 and 2 Sec. 3, T 18S, R 12E	163.97	11/24/56	Ray V. Davis and wife Nora Loe Davis	ALL Southern Production Company, Inc.	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%

CLOUDCROFT UNIT AREA - Cont'd.

F E E L A N D S

<u>Tract No.</u>	<u>Description of Land</u>	<u>No. of Acres</u>	<u>FREE Lease No. and Expiration Date</u>	<u>Percentage Royalty Payable to Land or Mineral Owners</u>	<u>Lease of Record</u>	<u>Overriding Royalty and Percentage</u>	<u>Working Interest and Percentage</u>
82	NW 1/2 SE; SE SE Sec. 10; S/2 NW Sec. 14; S/2 NE Sec. 15; S/2 SE; SE SW Sec. 22, T 18S, R 12E	560.00		William Moss and Paul A. Moss and wife, Tommye A. Moss	Unleased	---	William Moss and Paul A. Moss and wife, Tommye A. Moss 87-1/2%
83	NE SE Sec. 10, T 18S, R 12E	40.00	2/4/57	L. L. Umsted, widower and Virginia Umsted, widow	Southern Production Company, Inc.	---	Southern Production Company, Inc. and C. H. Murphy, Jr. 87-1/2%
84	SE Sec. 15, T 18S, R 12E	160.00	12/20/56	Samuel D. Zook and wife Helen V. Zook	Southern Production Company, Inc.	---	Southern Production Company, Inc. and C. H. Murphy, Jr. 87-1/2%
85	SW NW SE NW; NW SW SE NW; E/2 SE SW NW; E/2 NW SW; NE SW SW Sec. 15, T 18S R 12E, All of H.E. Survey #178, in Sec. 21, T 18S, R 12E	78.22	11/16/56	Roy P. Calkins and wife Wenona Calkins	Southern Production Company, Inc.	---	Southern Production Company, Inc. and C. H. Murphy, Jr. 87-1/2%

CLUDCROFT UNIT AREA - Cont'd.

F E E L A N D S

Tract No.	Description of Land	No. of Acres	FREE Lease No. and Expiration Date	Percentage Royalty Payable to Land or Mineral Owners	Lease of Record	Overriding Royalty and Percentage	Working Interest and Percentage
86	3.181 acres, being a strip of land in the SE SE Sec. 7, T 16S, R 12E	3.181	12/28/56	James M. Bonnell and wife Ann Bonnell	ALL Southern Production Company, Inc.	---	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%
* 87	S/2 S/2 Sec. 11; S/2 NW; SW NE; NW SE Sec. 25; T 17S, R 11E	320.00	3/10/57	Don T. Lee and Vincent M. Lee, Trustees of "The Trust Estate" of Curtis A. Lee; Curtis A. Lee, Jr. and wife, Corine Lee; Geraldine Lee Grant and husband, Charles Grant	ALL Southern Production Company, Inc.	---	Southern Production Company, Inc. and C. H. Murphy, Jr. 87-1/2%

*find 2nd acreage  
87 1/2 - 5691*

\* This lease conflicts with Federal  
Application on Tract # 42.

\*\*\*\*\*

RATIFICATION AND JOINDER OF UNIT AGREEMENT

**RECEIVED**  
AUG 13 1952  
U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

A. D. Stovall  
A. D. Stovall,  
P. O. Box 670,  
Ft. Worth, Texas

Tract No. 34

STATE OF NORTH DAKOTA,

COUNTY OF Stark

On this 8 day of August, 1952, before me personally appeared  
A. D. Stovall

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 8 day of August, 1952.

Harvey L. Hansen  
Notary Public

My commission expires:  
1-19-56

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Ruth Bigler Lytle, now Ruth Bigler

Tract No. 1

Ruth Bigler

Tract No. 29

c/o J. W. Berry  
Box 1074  
Artesia, New Mexico

Ruth Bigler  
Ruth Bigler

STATE OF New Mexico

COUNTY OF Eddy

On this 24 day of November, 1951, before me personally appeared Ruth Bigler

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 24 day of Nov, 1951.

Verakles J. Jarama  
Notary Public

My commission expires:

November 17, 1952



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

~~Wilbur J. Acree and wife, Evelyn M. Acree,~~  
~~Box 513, Manhattan Beach, California~~  
513 Longfellow Avenue, Hermosa Beach, Calif

Tract No. 2  
Tract No. 27  
Tract No. 2-A  
Tract No. 27-A

Wilbur J. Acree  
Wilbur J. Acree

Evelyn M. Acree  
Evelyn M. Acree

STATE OF California

COUNTY OF Los Angeles

On this 27 day of November, 1951, before me personally appeared

Wilbur J. Acree and wife, Evelyn M. Acree,

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 27 day of Nov, 1951.

[Signature]  
Notary Public

My commission expires:  
Feb. 26, 1955

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in for 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Mrs. Virginia Sears

Tract No. 3.  
Tract No. 21.

c/o J. W. Berry  
Box 1074  
Artesia, New Mexico

Mrs. Virginia Sears  
Mrs. Virginia Sears  
Ross Sears  
Ross Sears

STATE OF NEW MEXICO )  
COUNTY OF EDDY )

On this 22 day of November, 1951, before me personally appeared

Mrs. Virginia Sears and husband, Ross Sears

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 22 day of November, 1951.

Joan M. Jones  
Notary Public

My commission expires Dec. 27, 1954  
MY COMMISSION EXPIRES DEC. 27, 1954

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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 delivery of (whichever may be required under prior agreements) oil and gas shall be 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

*Len Powell*  
Len Powell, Executor of the Estate of Ralph S. Powell,  
Deceased  
  
2101 Vorinth,  
Dallas, Texas.

Tract No. 4  
Tract No. 10-A  
Tract No. 13-A  
Tract No. 14-A  
Tract No. 15-A  
Tract No. 17-A  
Tract No. 18-A  
Tract No. 19-B  
Tract No. 20-B  
Tract No. 4-A  
Tract No. 10-C  
Tract No. 13-A  
Tract No. 15-A  
Tract No. 17-C  
Tract No. 19-C  
Tract No. 20-C  
Tract No. 32

STATE OF Texas )  
COUNTY OF Dallas )

On this 1st day of November, 1951, before me personally appeared

Len Powell, as Executor of the Estate of Ralph S. Powell, Deceased.  
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, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 1st day of November, 1951.

My commission expires;  
June 1, 1953.

*J. Barrier* - J. BARRIER  
Notary Public  
for Dallas County, Tex.

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

A. N. (Abe) Lloyd,  
*A. N. Lloyd*  
1928 H. & N. Tower,  
Dallas, Texas.

DESCRIPTION

Tract No. 10-A  
Tract No. 12-A  
Tract No. 14-A  
Tract No. 16-A  
Tract No. 17-A  
Tract No. 18-A  
Tract No. 19-A  
Tract No. 20-A  
Tract No. 10-B  
Tract No. 13-A  
Tract No. 15-A  
Tract No. 17-B  
Tract No. 19-B  
Tract No. 20-B

STATE OF Texas )  
COUNTY OF Dallas )

On this 19th day of November, 1951, before me personally appeared

A. N. LLOYD

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 19th day of November, 1951.

*Laurence Humphrey*  
Notary Public Laurence Humphrey

My commission expires:  
June 1, 1953

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Wilma Berry Connor

Tract No. 5.

c/o J. W. Berry  
Box 1074  
Artesia, New Mexico

Tract No. 26

Wilma Berry Connor  
Wilma Berry Connor

Clarence Connor  
CLARENCE CONNOR

STATE OF NEW MEXICO }

COUNTY OF EDDY }

On this 26th day of November, 1951, before me personally appeared

Wilma Berry Connor and husband, Clarence Connor

to me known to be the person as 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 26th day of November, 1951.

Notary Public

My commission expires:

November 14, 1952

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

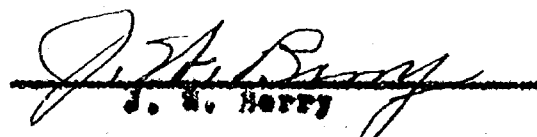

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties 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.

SIGNATURE AND ADDRESS

DESCRIPTION

J. W. Berry and wife, Willie Berry,  
Box 1074, Ardenia, New Mexico

Tract No. 6 & Tract No. 6-A  
Tract No. 21 & Tract No. 21-A  
Tract No. 25

  
J. W. Berry  
  
Willie Berry

STATE OF New Mexico )  
COUNTY OF Ardenia )

On this 27th day of November, 1951, before me personally appeared

J. W. Berry and wife, Willie Berry,

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 27th day of November, 1951.

  
Notary Public

My commission expires:  
November 12, 1952

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREST SERVICE  
SOUTHERN FOREST AND RANGE EXPERIMENT STATION



P. O. BOX 281  
TUCSON, ARIZONA

R-SW  
BRANCH STATIONS  
Cloudercroft

April 24, 1952

U.S.S.  
(Oil and Gas Lease, NM 04374  
E. P. Miremont)

*Tracts 10-B and 10-C*

Southern Production Company, Inc.  
W. T. Waggoner Building  
Fort Worth, Texas

Gentlemen:

Further reference is made to your letter of April 7 and to my letter of April 10. We have now had an opportunity to give further consideration to your proposal.

Because of the special use of the area (Section 16, Township 16 South, Range 12 East), which is a part of our Cloudercroft Experimental Forest, we regret to inform you that it is not possible to take favorable action on your request.

Very truly yours,

RAYMOND PRICE  
Director



1-11-29-10-18

Don Rich, Director  
Forest Service, Denver, Colorado

67055-100, dated 10/27/52  
Bureau of Land Management  
Washington, D.C.

Re: Forest Supervisor, Grand Canyon National Monument, Arizona  
Under date of February 27, 1952, your letter was forwarded to me  
of our letter to him of February 12, 1952, above subject matter.

Section 16, Township 16 South, Range 12 East, Coconino County, Arizona  
lies within the approved outline of the Grand Canyon Unit Area which was  
of the The Grand Canyon Company and G. H. Murphy, Jr. are attempting to  
develop for oil and gas development. It is our understanding that this  
section has been withdrawn from all forms of appropriation for use as the  
Grand Canyon Experimental Forest. By decision dated July 16, 1933, Mr. H. B.  
Porter, Adjutant General and Surveyor General, Bureau of Land Manage-  
ment, Department of the Interior, advised that the  
Forest Service opposes the location of the proposed section on the  
grounds that exploitation of the land for any other purpose would be con-  
trary to that for which it was withdrawn.

On June 11, 1952, your letter dated June 11, 1952, was received and  
advised that the land in question was withdrawn from public lands and  
was reserved to the Grand Canyon Company and G. H. Murphy, Jr. The lease  
included in the application is for a term of 10 years and the 640 acre  
included in the application is to hold on the land and build a dam.

In your letter of June 11, 1952, you stated that the Forest Supervisor  
at Flagstaff, Arizona, has advised that the land in question is within  
the Grand Canyon National Monument and that the land is withdrawn from  
public lands and is reserved to the Grand Canyon Company and G. H. Murphy, Jr.  
The Forest Supervisor at Flagstaff has advised that the land is within  
the Grand Canyon National Monument and that the land is withdrawn from  
public lands and is reserved to the Grand Canyon Company and G. H. Murphy, Jr.  
The Forest Supervisor at Flagstaff has advised that the land is within  
the Grand Canyon National Monument and that the land is withdrawn from  
public lands and is reserved to the Grand Canyon Company and G. H. Murphy, Jr.  
The Forest Supervisor at Flagstaff has advised that the land is within  
the Grand Canyon National Monument and that the land is withdrawn from  
public lands and is reserved to the Grand Canyon Company and G. H. Murphy, Jr.

From the above it is apparent that the land in question is within  
the Grand Canyon National Monument and that the land is withdrawn from  
public lands and is reserved to the Grand Canyon Company and G. H. Murphy, Jr.  
but we are not sure of the exact location of the land in question.  
Forest Supervisor, Grand Canyon National Monument, Arizona



I 11871018

Page 2-

Mr. Raymond Price, Director

67-8- USA RM- 101374

You may have already given this matter consideration, and we would appreciate your advising us of your reaction at the earliest possible date. We are making every effort to complete this investigation in order to be in a position to start our development operations as soon as weather conditions will permit.

We feel sure you can understand that the Texas Company, J. C. Murphy, Jr., and this company have a very large investment in the area and the drilling of our proposed test well will also be a very expensive operation.

If you can give the above matter favorable consideration it will be very much appreciated.

Very truly,

JOHN H. MURPHY, JR., PRESIDENT, TEXAS COMPANY, INC.

J. H. Condy

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

*F. Funnell Powell*

F. Funnell Powell and wife, Lotta Powell

Tract No. 11

*Lotta Powell*

3317 Liberty Heights Avenue,  
Baltimore, Maryland.

STATE OF Maryland )  
CITY Baltimore )  
COUNTY OF Baltimore )

On this 5th day of November, 1951, before me personally appeared

F. Funnell Powell and wife, Lotta Powell,

to me known to be the 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 5th day of November, 1951.

*Catherine Roff*  
Notary Public

My commission expires;

5/53

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

G. J. Dexter and wife, Mrs. Gullie Dexter,  
10750 Lindbrook Drive,  
Los Angeles, California

Tract No. 22 & Tract No. 22-A  
Tract No. 23

G. J. Dexter

Mrs. Gullie Dexter

STATE OF California

COUNTY OF Los Angeles

On this 27 day of November, 1951, before me personally appeared  
G. J. Dexter and wife, Mrs. Gullie Dexter,

to me known to be the person so 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 27 day of Nov, 1951.

Notary Public

My commission expires:

Feb-26, 1955

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

**Dorothy Berry Rountree**

**Tract No. 28**

**Tract No. 30**

*Dorothy Berry Rountree*  
*64 Cypress Dr.*  
*Pine Bluff,*  
*Ark.*

*Dorothy Berry Rountree*  
**Dorothy Berry Rountree**

*Wiley Rountree*  
**Wiley Rountree**

STATE OF ARKANSAS }

COUNTY OF JEFFERSON }

On this 24<sup>th</sup> day of November, 1951, before me personally appeared Dorothy Berry Rountree and husband, Wiley Rountree 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 24<sup>th</sup> day of November, 1951.

*Wm. M. McGee*  
**Notary Public**

My commission expires;

Jan. 10, 1953.

Mrs. Erdice Beavers  
X-Lovington Abstract Company  
Lovington, New Mexico

(Tract #37)

Cloudercroft Unit Area - Otero County, New Mex.  
Mrs. Erdice Beavers- USA-LC-069628, Lots 1 and  
4, Section 7, T-16-S, R-12-E; E/2 of SE/4  
Section 11; N/2, N/2 of S/2, Section 12, T-16-S,  
R-11-E, 640.77 Acres

Dear Mrs. Beaver:

You are the owner and holder of USA Oil & GAS Lease, as described in the above caption.

The land in your above lease lies within an area embraced in T-16-17-18-S, R-11-12-E, where we are at work on a unitization of Federal, State and Patented land under a cooperative or unit plan of development or operation, as evidenced by our Unit Agreement of October 8, 1951, executed by The Texas Company, our company, and C. H. Murphy, Jr., in which we are designated as Operator.

In order to comply with the various Government statutes and regulations, we must invite all owners of interests within our unitized area to participate in the development plan, and the owners of royalty join therein through the execution of ratification and joinder of unit agreement. If such owners do not care to participate, lease or assign leases to us, and execute the ratification and joinder of unit agreement, then we must, in lieu of such papers, show evidence of such owner's refusal to participate.

Our Mr. A. D. Howell called upon you in your office on March 4, 1952 and discussed this unitization matter with you. And, he advised him you did not desire to participate in the unitization.

An error copy of this letter is enclosed for your information. It could be appreciated if you would return the original to the undersigned.

SOUTHERN PRODUCTION COMPANY

Mrs. Erdice Beavers  
#2 -4/1/52

We are anxious to place all papers in line for final approval in order that we might proceed with our development plans at the earliest date possible, and it would be very greatly appreciated if you would favor us with early action in the premises.

Very truly yours,

SOUTHERN PRODUCTION COMPANY, INC.

*E. D. Coady*  
E. D. Coady

EDC  
ADS:mb

Lovington, New Mexico

Date: 4-7-52

I do not care to participate in the above unit plan.

*Erdice Beavers*



ILLEGIBLE

SOUTHERN PRODUCTION COMPANY, INC.

Mrs. Erdice Beavers  
#2 -4/1/52

We are anxious to place all papers in line for final approval in order that we might proceed with our development plans at the earliest date possible, and it would be very greatly appreciated if you would favor us with early action in the premises.

Very truly yours

SOUTHERN PRODUCTION COMPANY, INC.

*E. D. Coady*  
E. D. Coady

EDC  
ADS:mb

Lovington, New Mexico

Date: 4-7-52

I do not care to participate in the above unit plan.

*Erdice Beavers*





UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREST SERVICE  
LINCOLN NATIONAL FOREST



ADDRESS REPLY TO  
FOREST SUPERVISOR  
AND REFER TO

ALAMOGORDO, NEW MEXICO  
February 20, 1952

U  
ISFS-Lincoln  
Oil and Gas Lease Appl.  
NE 01803

Re: #6416- USA NE-01803  
Otero Co., New Mexico

Mr. E. D. Condy  
Southern Production Company, Inc.  
W. T. Waggoner Building  
Fort Worth, Texas

Dear Sir:

Reference is made to your letter of February 12, 1952 addressed to this office.

We have considered your request for a recommendation to the Bureau of Land Management that they issue oil and gas leases on the Cloudcroft Experimental Forest and the Alamogordo Municipal Watershed. Both of these areas have been withdrawn from use by the Secretary of Agriculture. Exploitation of either of these areas for any purpose would be contrary to the withdrawal action.

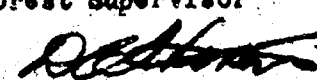
The lands included within the watershed area supplies the domestic waters for the City of Alamogordo and Holloman Air Force Base. This use is considered of the highest priority, therefore, we cannot act with favor on your request.

Areas included within the withdrawal action under Public Land Order #656 precludes the issuance of any oil or gas leases on those areas.

We regret that we cannot take favorable action on your request.

Very truly yours,

C. E. MOORE  
Forest Supervisor

  
By: D. C. STEVENS, Acting



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Land & Survey Office  
Santa Fe, New Mexico

In Reply Refer To:  
Bureau  
Santa Fe, N.M.  
February 24, 1952

DECISION

W. S. Hanson

#6416  
Oil and Gas

Protest Dismissed

Reference is made to oil and gas lease application NM 01803 of W. S. Hanson, filed March 13, 1950, and to the applicant's letter of December 31, 1951, protesting the action taken in our decision of December 14, 1951, transmitting lease forms for execution and rejecting the application as to certain lands withdrawn by Public Land Order 656 approved by the Secretary of the Interior August 15, 1950.

In the letter the applicant states that he wished to protest the withdrawal of the lands in Sections 9, 28, 34, Township 17 South, Range 11 East, covered by his application. No specific error is set out in the letter; however, the applicant does state that the land involved was designated as a logical unit area to be known as the Cloudercroft Unit Area.

As shown in our decision of December 14, 1951, the land withdrawn by Public Land Order 656 was withdrawn from all forms of appropriation under the Public Land Laws, including the mining and mineral leasing laws, and reserved for the use of the Department of the Air Force in connection with a solar observatory. Accordingly, the protest is dismissed. The right of appeal is allowed.

If an appeal is filed, it must be filed 30 days from receipt of notice hereof, and must follow the procedure contained in departmental rules of practice, Rule No. 50, which states:

"Such notice of appeal must be in writing, and set forth in clear, concise language the grounds of the appeal, in the form of specifications of error, which shall be separately stated and numbered; where error is based upon insufficiency of the evidence to justify the decision, in the assignment thereof the particulars wherein it is deemed insufficient must specifically set forth in the notice."

*J. A. DeLahy*  
J. A. DeLahy  
Manager

FORT WORTH, TEXAS

Tract #3

March 26, 1952

Mr. A. W. Thompson  
Thompson-Garr, Inc.  
328 Oil & Gas Building  
Houston, Texas

Cloudcroft Unit Area  
Otero County, New Mexico - Tract #3

Dear Mr. Thompson:

You are the owner and holder of USA Oil & Gas Lease, bearing Serial No. Las Cruces-064513, dated October 1, 1951 and covering the NW/4 and the N/2 of the NE/4, Section 15, T-17-S, R-12-E, Otero County, New Mexico.

The land in your above lease lies within an area embraced in T-16-17-18-S, R-11-12-E, where we are at work on a unitization of Federal, State and Patented lands under a cooperative or unit plan of development or operation, as evidenced by our Unit Agreement of October 8, 1951, executed by The Texas Company, our company and C. H. Murphy, Jr., in which we are designated as Operator.

In order to comply with the various Government statutes and regulations, we must invite all owners of interests within our unitized area to participate in the development plan, and the owners of royalty join therein through the execution of ratification and joinder of unit agreement. If such owners do not care to participate, lease or assign leases to us, and execute the ratification and joinder of unit agreement, then we must, in lieu of such papers, show evidence of such owner's refusal to participate.

Our Mr. A. D. Stovall called upon you in your office last Monday morning and discussed this unitization matter with you, and you advised him you did not desire to make your leased acreage subject to the unitization agreement.

An extra copy of this letter is enclosed for your file.

signing in the space provided, indicating your refusal to place your  
lease in this unit.

We are anxious to place all papers in line for final approval  
in order that we might proceed with our development plans at the earliest  
date possible, and it would be very greatly appreciated if you would  
favor us with early action in the premises.

Very truly yours

SOUTHERN PRODUCTION COMPANY, INC.

*E. D. Condy*  
E. D. Condy

EDC  
ADS:mb

Houston, Texas

Date: 3-29-52

I do not care to participate in the above unit plan.

*Andrew W. Thompson*  
Andrew W. Thompson

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS  
 G. V. Clayton and wife, Vera Clayton,  
 Tularosa, New Mexico  
G. V. Clayton  
Vera Clayton  
 (Vera Clayton)

P. B. Hendricks and wife, Frances L.  
 Hendricks, Tularosa, New Mexico  
P. B. Hendricks  
Frances L. Hendricks  
 (Frances L. Hendricks)

STATE OF NEW MEXICO

COUNTY OF OTERO

DESCRIPTION

Tract #47

George Abbott and wife, Revis Abbott  
 Alamogordo, New Mexico  
George Abbott  
Revis Abbott  
 (Revis Abbott)

Dale W. Scott and wife, Deloma Scott  
 Alamogordo, New Mexico  
Dale W. Scott  
Deloma Scott  
 (Deloma Scott)

On this 25th day of April, 1952, before me personally appeared G. V. Clayton and Vera Clayton, his wife; P. B. Hendricks and Frances L. Hendricks, his wife; George Abbott and Revis Abbott, his wife; Dale W. Scott and Deloma Scott, 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 25th day of April, 1952.

Notary Public

My commission expires:

10-15-55

My name is [redacted] I am a landman for Southern Petroleum Company, Inc., 1111 [redacted] Building, Fort Worth, Texas, one of the parties signatory to that certain Unit Agreement for the Development and Operation of the [redacted] Unit Area, County of [redacted] State of New Mexico, dated October 1, 1951, and duly executed by said Company, The Texas Company, and [redacted] consisting of 22 pages, and Exhibit No. 1, consisting of [redacted] pages of land descriptions involved, by tract numbers, and map of the unitized area, said agreement calling for ratification and joinder of the unit agreement, by separate instrument by owners (holders) of royalty interest, as well as other owners of mineral interest in said lands;

That on November 15, 1951, I called at the Ranch Home of H. G. Bell, lessor and owner of Tract No. [redacted], described in said agreement. Mr. Bell was away from home on an extensive hunting trip for wild game, and in his absence I presented the Unit Agreement and Ratification thereof together with an opinion thereon written by Mr. George A. Shidpley, an attorney of long practice, of Alamogordo, New Mexico, dated November 3, 1951. My notary public, Mrs. Mary S. Winchester, accompanied me on this trip. I went over this agreement and ratification in detail with Mrs. H. G. Bell, left copies of the agreement, ratification and opinion with her, asking that she discuss it with her husband on his return that night or the next night, and then call me, as they have a local telephone. She said they planned to come here to town on [redacted] day, and that after she talked to him and he was interested she would call me relative to their coming here to sign the papers. They [redacted] called me, and still have all the papers. I have just talked over [redacted] with Mrs. Bell, and she said that he husband came in on [redacted] Thursday night; that she talked to him about the agreement and [redacted] conversation relative to a meeting; that he had stated [redacted] didn't have time to fool with it; and [redacted] and [redacted] [redacted] in signing it nor in discussing it.

Further affidavit [redacted]



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Don O. Bonnell and wife, Bessie B. Bonnell,  
La Luz, New Mexico

Tract No. 49

*Don O. Bonnell*

*Bessie B. Bonnell*

STATE OF New Mexico }  
COUNTY OF Otero }

On this 17th day of November, 1951, before me personally appeared

~~Don O. Bonnell and wife, Bessie B. Bonnell,~~

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 17th day of November, 1951.

*Mary H. Winchester*  
Notary Public

My commission expires:

9-1-54

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Frank Bonnell and wife, Lula Mae Bonnell,  
Clouderoft, New Mexico

Tract No. 50

*Frank Bonnell*  
*Lula Mae Bonnell*  
*James M Bonnell*  
*Ann Bonnell*  
*Clouderoft, N.M.*

STATE OF New Mexico }  
COUNTY OF Otero }

On this 24th day of November, 1951, before me personally appeared

~~Frank Bonnell and wife, Lula Mae Bonnell,~~ JAMES M. BONNELL AND WIFE  
ANN BONNELL  
to me known to be the person as 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 24th day of November, 1951.

*Winston B. Morgan*  
Notary Public  
OTERO COUNTY, N.M.

My commission expires:

NOV 11, 1951



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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<u>SIGNATURE AND ADDRESS</u>	<u>DESCRIPTION</u>
James M. Bonnell and wife, Ann Bonnell, Cloudcroft, New Mexico.	Tract No. 86 Tract No. 30

James M. Bonnell  
(James M. Bonnell)

Ann Bonnell  
(Ann Bonnell)

STATE OF New Mexico )  
COUNTY OF Otero )

On this 5 day of January, 1952, before me personally appeared James M. Bonnell and wife, Ann Bonnell,

to me known to be the person<sup>s</sup> 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 5 day of January, 1952.

Ed Gordon  
Notary Public

My commission expires:

Aug 9, 1952

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

William F. Calkins Estate,  
By: Wayland Calkins (a son)  
Lillian Calkins, wife of Wayland Calkins  
R. F. D. #1, Homeolla, Oregon

Tract No. 51

Wayland Calkins  
Lillian Calkins

STATE OF OREGON

COUNTY OF Douglas

On this 1<sup>st</sup> day of December, 1951, before me personally appeared Wayland Calkins and wife, Lillian Calkins

to me known to be the person<sup>s</sup> 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 1<sup>st</sup> day of December, 1951.

My commission expires:



Flora D. Holt Postmaster  
Notary Public  
by office

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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<u>SIGNATURE AND ADDRESS</u>	<u>DESCRIPTION</u>
<p>By: <u>Charles M. Co. Kings, Survivors of</u>  <u>Roy P. Calkins and wife, Vernon Calkins,</u>  <u>Ruth Calkins Fuller (deceased) and</u>  <u>husband, John R. Fuller,</u>  <u>all of Montezuma, New Mexico; and</u>  <u>Raymond Calkins (deceased) and wife,</u>  <u>Millie Calkins, of Montezuma, New Mexico, RFD #1.</u></p> <p><i>Roy P. Calkins</i>  <i>Vernon Calkins</i>  <i>Carrie M. Calkins</i></p>	<p>Acres 51</p> <p><i>Ruth Calkins Fuller</i>  <i>John R. Fuller</i></p>

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

On this 16th day of August, 1954, before me personally  
appeared John R. Fuller

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 16th day of \_\_\_\_\_, 1954.

Mary M. Winchester  
Notary Public

My commission expires:  
9-1-54

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Roy P. Gaulkins and wife, Wenona Gaulkins,  
(also called "Galkins")  
Weed, New Mexico

Tract No. 51  
Tract No. 65

*Roy P. Gaulkins*  
*Wenona Gaulkins*

STATE OF New Mexico  
COUNTY OF Otero

On this 15th day of November, 1951, before me personally appeared Roy P. Gaulkins and wife, Wenona Gaulkins, to me known to be the person 5 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 15th day of November, 1951,

*Mary Winchester*  
Notary Public

My commission expires:

9-1-54

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Mrs. W. D. Davis, widow,  
William I. Davis and wife, Wanda Jean Davis,  
Frances Young and husband, W. G. Young,  
Box 848, Alamogordo, New Mexico

Tract No. 53  
Tract No. 54  
Tract No. 76

*Mrs. W. D. Davis*

*Wanda Jean Davis*

*William I. Davis*

*Frances Davis Young*

*W. G. Young*

STATE OF New Mexico

COUNTY OF Otero

On this 9th day of November, 1951, before me personally appeared Mrs. W. D. Davis, widow, William I. Davis and wife, Wanda Jean Davis, and Frances Young and husband, W. G. Young,

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 9th day of November, 1951.

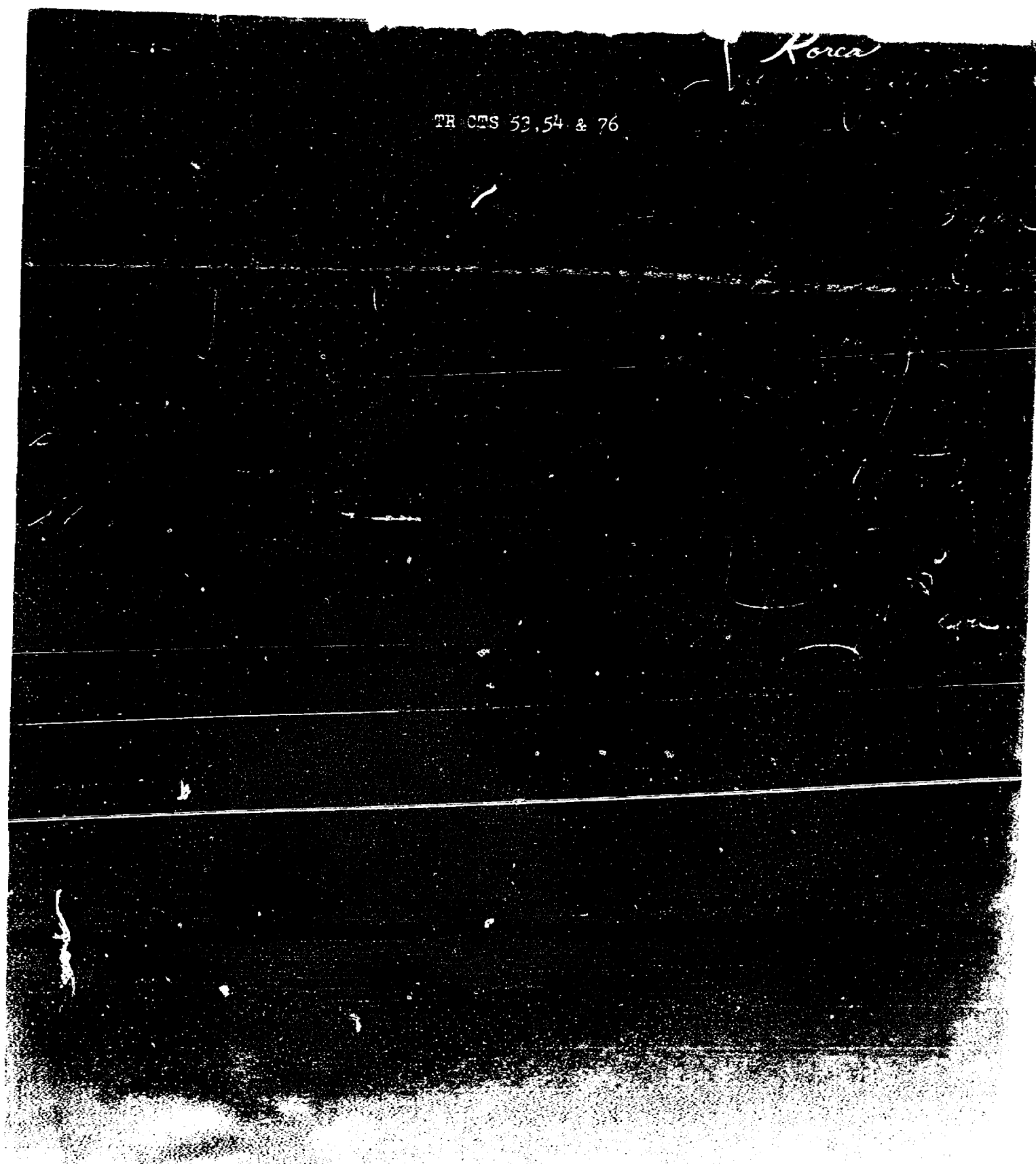
*Mary Ellen White*  
Notary Public

My commission expires:

9-1-54

(over)

ILLEGIBLE



111 Egl...  
PFC Thomas Douglas Davis, 54027969  
Heavy Mortar Company,  
160th Infantry Regiment, 40th Div.,  
APO 6,  
San Francisco, California

Re: Cloudercroft Unit Area  
Otero County, New Mexico  
Tracts: 53, 54, and 76

Dear Sirs:

Possibly in your exchange of correspondence with your mother in Alamogordo, New Mexico you have been advised that we were unitizing an area for development under oil and gas leases held by this Company, The Texas Company and C. H. Murphy, Jr., and that your mother, brother and sister had executed certain papers in connection therewith.

We enclose herewith photostatic copy of the ratification and joinder of unit agreement and photostatic copy of oil and gas lease showing execution thereof by your mother, brother and sister.

We also enclose herewith original oil and gas lease drawn for your execution covering the lands described in your mother's lease, plus the 380.00 acres, tract #49, which is The Texas Company lease that you did not sign with your other folks in 1944 for the reason that you were then a minor.

Also, we enclose herewith, drawn for your execution, ten (10) copies of ratification and joinder of unit agreement covering the above captioned tracts. Also enclosed is our Company check 16449 dated December 20, 1951 made payable to you in the amount of \$25.57 which is in payment for your undivided 1/5th interest in the lands described in the oil and gas lease.

Please go before a proper officer and sign and acknowledge the oil and gas lease, the rider containing the description of said lease and have the same to be certain to properly fill in all blank spaces. Also the (10) copies of the ratification and joinder of unit agreement.



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Homer Davis and wife, Isabel Davis,  
Cloudcroft, New Mexico

Tract N o. 55

*Homer Davis,*  
*Isabel Davis*

STATE OF New Mexico

COUNTY OF Otero

On this 16th day of November, 1951, before me personally appeared

Homer Davis and wife, Isabel Davis,

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 16th day of November, 1951.

*Mary S. Winchester*  
Notary Public

My commission expires:

9-1-54



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Howard L. Goss and wife,  
Marion Goss,  
Cloudcroft, New Mexico

Tract no. 56

Howard L. Goss

Marion Goss

STATE OF NEW MEXICO }  
COUNTY OF OTERO }

On this 20 day of November, 1951, before me personally appeared Howard L. Goss and wife Marion Goss to me known to be the 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 November, 1951.

Laura M. Shiley  
Notary Public

My commission expires:

4/23/55

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Leon Green and wife, Carrie Green,  
Cloudcroft, New Mexico

Tract No. 57  
Tract No. 60

*Leon Green*  
*Carrie Green*

STATE OF New Mexico }  
COUNTY OF Otero }

On this 7th day of March, 1952, before me personally appeared

Leon Green and wife, Carrie Green,

to me known to be the person as 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 7th day of March, 1952.

*W. H. Scott*  
\_\_\_\_\_  
Notary Public

My commission expires:

10/25/55

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

*msw*  
Pearl Green Bass, *and husband, N. C. Bass*  
1412 Michigan Ave. Cloudcroft, N.M.  
Alamogordo, New Mexico

DESCRIPTION

*Tracts now:*  
~~Tract No. 53~~  
Tract No. 54 *54-67-68-69*  
~~Tract No. 67~~  
~~Tract No. 68~~ *msw*  
~~Tract No. 69~~  
Tract No. 58  
Tract No. 58-A  
Tract No. 70  
Tract No. 71

*Pearl Green Bass*  
*N. C. Bass*

STATE OF New Mexico )  
COUNTY OF Otero )

On this 17th day of November, 1951, before me personally appeared Pearl Green Bass, and husband, N. C. Bass 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 17th day of November, 1951.

*Mary M. Smith*  
Notary Public

My commission expires:

9-1-54

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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<u>SIGNATURE AND ADDRESS</u>	<u>DESCRIPTION</u>
New Mexico-Osage Cooperative Royalty Co.,	
By <u>James Patterson</u>	Tract #58-A
President	" #63
	" #71
Attest:	
<u>James Patterson</u>	
Secretary.	
(221) N. Main Street,	
Roswell, N. M.)	

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

On this \_\_\_\_ day of \_\_\_\_\_, 195\_\_, 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 \_\_\_\_\_, 195\_\_.

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

My commission expires:  
\_\_\_\_\_

continued-over- for acknowledgment.

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Mrs. May Patterson, widow of G. F.  
Patterson, deceased,  
1014 N. 97th Street.,  
Oklahoma City 14, Oklahoma.

Tract #58-A  
" #71

*Mrs. May Patterson*  
(Mrs. May Patterson)

STATE OF Oklahoma

COUNTY OF Oklahoma

On this 6<sup>th</sup> day of December, 1951, before me personally appeared Mrs. May Patterson, widow of G. F. Patterson, deceased,  
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 6<sup>th</sup> day of December, 1951.

*[Signature]*  
Notary Public

My commission expires,  
Jan 31-1953

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

U. R. Nixon, and wife, Lydian M. Nixon,  
All Paces Bldg.,  
Tulsa, Oklahoma.

Tract No. 58-A  
Tract No. 71  
Tract No. 63

C. R. Nixon  
(C. R. Nixon)  
Lydian M. Nixon  
(Lydian M. Nixon)

STATE OF Oklahoma }  
COUNTY OF Tulsa }

On this 24<sup>th</sup> day of January, 1952, before me personally appeared  
U. R. Nixon and wife, Lydian M. Nixon,

to me known to be the person <sup>a</sup> 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 24<sup>th</sup> day of January, 1952.

Elyshette Foley  
Notary Public

My commission expires:  
June 15, 1955

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Fred T. Hildt, and wife Lena Hildt  
~~Daniels~~ Building, Tulsa, Oklahoma.  
Thompson

Tract No. 58-A  
Tract No. 71  
Tract No. 63

Fred T. Hildt  
Fred T. Hildt  
Lena Hildt

STATE OF OKLAHOMA )  
COUNTY OF TULSA )

On this 28th day of January, 1952, before me personally appeared  
Fred T. Hildt and wife, Lena Hildt.

to me known to be the 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 28th day of January, 1952.

Elizabeth Foley  
Notary Public

My commission expires,  
June 15, 1955.

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Phillip Green and wife, Callie Lee Green,  
Cloudcroft, New Mexico

Tract No. 59

*Phillip Green*  
*Callie Lee Green*

STATE OF New Mexico }

COUNTY OF Otero }

On this 24th day of November, 1951, before me personally appeared

Phillip Green and wife, Callie Lee Green,

to me known to be the 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 24th day of November, 1951.

*Mary S. Manchester*  
Notary Public

My commission expires:

9-1-54



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Vernus M. Carey and wife, Mary Louise Carey,  
c/o INOCA, El Paso, Texas.

Tract No. 61

*Vernus M. Carey*  
*Mary Louise Carey*

STATE OF Texas )  
COUNTY OF El Paso )

On this 12th day of November, 1951, before me personally appeared

Vernus M. Carey and wife, Mary Louise Carey,

to me known to be the 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 12th day of November, 1951.

*[Signature]*  
Notary Public

My commission expires:

June 1953

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Dora Kotosky, a widow,  
202 S. El Paso St.,  
El Paso, Texas

Tract No. 62

*Dora Kotosky*

STATE OF Texas )  
COUNTY OF El Paso )

On this 12th day of November, 1951, before me personally appeared Dora Kotosky, a widow,

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 12th day of November, 1951.

*Sallie Moore*  
\_\_\_\_\_  
Notary Public

My commission expires:

June 1, 1953

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Mrs. May Patterson, widow of G. F.  
Patterson, deceased  
1014 NW 97th Street  
Oklahoma City 14, Oklahoma

Tract #63

Mrs. May Patterson  
(Mrs. May Patterson)

STATE OF Oklahoma )  
COUNTY OF Oklahoma )

On this 2<sup>nd</sup> day of January, 1952, before me personally appeared Mrs. May Patterson, widow of G. F. Patterson, deceased,  
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 2<sup>nd</sup> day of January, 1952.

J. D. Jones  
Notary Public

My commission expires:  
April 21, 1953

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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 hold 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Tract No. 63

*T.B. Langwell*  
*Mamie Langwell*

STATE OF NEW MEXICO

COUNTY OF OTERO

On this 19 day of April, 1954, 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 19 day of April, 1954.

*William B. E. Hoover*  
Notary Public

My commission expires;

3-21-54

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

*Glenn O'Bannon and wife,  
Ruby O'Bannon,  
Artesia, N. M.*

*Tract No. 64  
Tract No. 50*

*Glenn O'Bannon  
Ruby O'Bannon*

STATE OF New Mexico  
COUNTY OF Eddy

On this 23 day of November, 1951, before me personally appeared Glenn O'Bannon and wife Ruby O'Bannon 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 23 day of November, 1951.

*Jack J. J. J.*  
Notary Public

My commission expires;  
11-22-53

ILLEGIBLE

Registered Mail  
Return Receipt Requested

Mr. Dewey Middleton and wife,  
Dora Middleton  
Weed, New Mexico

Blondcroft Unit Area - Otero County, New Mex.  
Tract #65 - N/2 of SE/4, Section 26, and NE/4  
SE/4 of Section 27, T-17-S, R-12-E. The Texas  
Company Lease.

Dear Mr & Mrs Middleton:

Tract #25 - NW/4 SE/4 of Section 26, T-17-S,  
R-12-E - Unleased

You are the owners and holders of the lands described in the above caption.

The above lands lie within an area embraced in T-16-17-18-S, R-11-12-E, where we are at work on a unitization of Federal, State and Patented land under a cooperative or unit plan of development or operation, as evidenced by our Unit Agreement of October 8, 1951, executed by The Texas Company, our company, and C. H. Murphy, Jr., in which we are designated as Operator.

Under date of March 8, 1952, our representative Mr. A. D. Stovall, called on you at your ranch near Weed, New Mexico and discussed with you the matter of your joining in this unitization plan, and you informed him that you did not care to participate in this unit agreement.

In order to comply with the various Government statutes and regulations, we must include all owners of interests in the unitization area in the unitization agreement. In the event you do not wish to join in the unitization, we will proceed to execute the unitization agreement without you, and you will be bound by the terms of the unitization agreement.

ILLEGIBLE

Mr. Dewey Middleton and wife,  
Dora Middleton  
#2 - 4/2/52

We are anxious to place all papers in line for final approval in order that we might proceed with our development plans at the earliest date possible, and it would be very greatly appreciated if you would favor us with early action in the premises.

Very truly yours

SOUTHERN PRODUCTION COMPANY, INC.

E. D. Gandy

EDC  
ADStab

Wood, New Mexico

Date:

We do not



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Harvey G. Tally and wife, Maggie M. Tally,  
Cloudcroft, New Mexico  
*Cloudcroft,*

Tract No. 66  
Tract No. 68

*Harvey G. Tally*  
*Maggie M. Tally*

STATE OF New Mexico

COUNTY OF Otero

On this 8th day of November, 1951, before me personally appeared

Harvey G. Tally and wife, Maggie M. Tally,

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 8th day of November, 1951.

*Mary Ellen Wheeler*  
Notary Public

My commission expires:

9-1-54



ILLEGIBLE

REGISTERED MAIL  
RETURN RECEIPT REQUESTED

Mr. D. J. Yerian  
Jet, Oklahoma

#6908 - Clouderoft Area - Otero County, New Mex.  
Tract #67 - SE/4 SE/4, Sec. 26; NE 4 NE/4, Sec.  
35, T-16-S, R-11-E.

Dear Mr. Yerian:

You are the owner in fee simple title of the above-described land, on which we own a valid and subsisting oil and gas lease in current good standing.

The captioned land lies within an area embraced in T-16-17-18-S, R-11-12-E, where we are at work on a unitization of Federal, State and Patented land under a cooperative or unit plan of development or operation, as evidenced by our Unit Agreement of October 6, 1951, executed by The Texas Company, our company, and C. H. Murphy, Jr., in which we are designated as Operator.

Under date of December 18, 1951 we mailed to you a copy of Unit Agreement, together with 11 copies of ratification and joinder of unit agreement, which, if executed by you, would place this lease and your royalty in that unitization agreement. We did not receive a reply from you in the premises and under date of January 30, 1952, we had our representative, Mr. A. D. Stovall, call on you and discuss these matters with you. You advised that you would give us your decision shortly thereafter as to whether or not you wanted to unitize your royalty.

We have not heard from you, and in order to comply with the various Government statutes and regulations, we must invite all owners of interests within our unitized area to participate in the development plan, and the conveyance of royalty paid therein through the execution of ratification and joinder of unit agreement. If such owners do not care to participate, lease or assign lease to us, and execute the ratification and joinder of unit agreement, then we must, in lieu of such ratification, show evidence of such owner's refusal to participate.

An enclosure of this letter is enclosed for your information and is being retained by us for your reference. We are sure that you will find it of interest and value. We are sure that you will find it of interest and value.

ILLEGIBLE

Mr. D. J. Jordan  
72 - 1/1/52

We are anxious to place all papers in line for final approval in order that we might proceed with our development plans at the earliest possible moment, and it would be very greatly appreciated if you would favor us with early action in the premises.

Very truly yours

SOUTHERN PRODUCTION COMPANY, INC.

E. D. Gandy

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

*Crayton Ellison and wife,  
Lara Ellison,  
Cloudcroft N.M.  
Lara Ellison*

*Tract #69*

*Witnesses  
to mark: Crayton & Ellison  
Arthur Ellison*

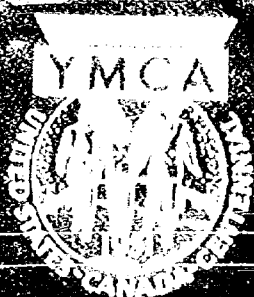
STATE OF New Mexico )  
COUNTY OF Otero )

On this 17th day of November, 1956, before me personally appeared Crayton Ellison and wife, Lara Ellison, 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 17th day of November, 1956

Mary D. Winchester  
Notary Public

My commission expires;  
9-1-54



EL PASO, TEXAS

TRACT #72

BOARD OF DIRECTORS

H. D. FULWILLER, President  
ROBERT E. MCKEE, 1st Vice-President  
W. G. MAGRUDER, 2nd Vice-President  
DAVIS BILE, Secretary  
A. R. GRAMBLING, Treasurer

March 5, 1952

CARLOS L. CARTER  
L. M. McDANIEL  
W. J. CHESAK  
H. J. PONSFORD  
PAUL O. MOORE  
DR. J. L. WALLER  
B. A. FINDLEY  
JOHN C. SCHULLER, JR.  
CLAUDE B. OLNEY  
V. M. CARY  
DALE RESLER  
THAD A. STYER  
DAVID B. PRICE  
EAVIN H. SCHWARTZ  
W. E. CASTREE  
R. T. HOOVER, JR.  
B. M. KELLEY  
C. L. NORTH, JR.  
R. F. HAYNEWORTH

HONORARY BOARD

JAS. A. DICK, SR.  
C. M. HAAVEY  
J. D. POSTER  
A. L. HOLM  
ROBERT LANDER  
C. R. MORRILL  
LEO DOUGLAS  
DR. PRICE SCHULLER  
EDW. D. HOOGE  
ROBT. H. WILKEY  
JOHN W. COMPTON

EMPLOYED STAFF

V. M. CARY, General Secretary  
J. L. BOWLING, Building and Membership  
W. G. MAGRUDER, Health & Welfare  
H. D. FULWILLER, Finance

Mr. E. D. Coady  
Southern Production Company, Inc.  
W. T. Waggoner Building  
Fort Worth, Texas

Dear Mr. Coady:

This letter concerns the lease on Tract #72, Cloudcroft Area, NE/4 NE/4, Sec. 11, T-16-S, R-11-E.

I am very sorry that it has not been possible to give you an answer before this. During the month of February we were in the middle of our Annual Membership Roundup, and the Board tabled this matter until the March meeting.

They feel that at this time they would prefer not to go into any type of agreement or lease.

Sincerely,  
  
Vernus Carey  
General Secretary

VC/ot

ILLEGIBLE

TRACT #72

December 14, 1951

Mr. V. H. Carey  
Gen. Secretary, YMCA  
El Paso, Texas

Clouderoft Area  
Otero County, New Mexico  
Tract #72, El Paso Y.M.C.A.  
H. H. H. / 4, Sec. 1, T-10-1, R-11-1

Dear Mr. Carey:

This is in further reference to conversation in El Paso, Texas on December 6, 1951 between you and the writer hereby, concerning the above captioned tract of land, which is yet unleased. You suggested that we write to you here sending to you the Unitization Agreement, ratification thereof, and the oil and gas lease and draft, which papers would be for execution by your authorized officers, before which execution it would be necessary that you place all this matter before your board and they would then appoint a committee to investigate the matter and make report thereon.

We enclose herewith copy of Unit Agreement for the development and operation of the Clouderoft Unit area, County of Otero, State of New Mexico, comprising 22 pages, the last two pages of which are photostatic copies showing execution and acknowledgment of this agreement as on October 8, 1951 by Southern Production Company, Inc., The Texas Company and C. H. Murphy, Jr., to which is attached Exhibit "A", being a map of the unit area, and Exhibit "B", consisting of 19 pages, being a schedule showing percentage and kind of ownership of oil and gas interests in all lands in the unit area.

This agreement consists largely of numerous paragraphs affecting government regulations and shows the continuous obligations on our part for drilling and developing, and shows the manner in which royalty owners participate in participating areas, if production of the unitized substances should be discovered, which participating areas we would have to develop while, at the same time, continuing the drilling of non-participating areas, which might result in additional participating areas within the unit area.

We enclose herewith photostatic copy of letter from the Hon. George A. Shipley, Attorney at Law, Alamogordo, New Mexico, dated November 3, 1951, addressed to the writer, in which he recites the execution of the above described unit agreement, and advises for the benefit of several resident owners who had requested same, that the unit area in this area subject to lease to any of the oil and gas interests in this unit area, and that the unit area, being a schedule showing percentage and kind of ownership of oil and gas interests in all lands in the unit area, is being submitted to the Board of the Southern Production Company, Inc., for their consideration and action thereon.



ILLEGIBLE

Mr. J. H. Carey  
22 - 12/14/51

We enclose herewith for execution by the State of Texas, the original and duplicate of this agreement, and the original and duplicate of the ratification of this agreement, the original and duplicate of the lease, and the original and duplicate of the draft to the El Paso Bank, which should be drawn and endorsed by your proper officers.

As mentioned to you, we are having for the oil and gas lease the lease being on a standard New Mexico form, running for a primary term of 5 years. Original and duplicate of the lease is enclosed for your consideration, together with draft to the El Paso Bank, which should be drawn and endorsed by your proper officers.

We are unable to prepare these papers ready for execution because we do not know your manner of execution, and we ask that, in case your committee recommends the execution of all papers, your company complete the same filling out all blanks, inserting the name of your depository bank, and having proper New Mexico acknowledgment, according to your authority, with certified copy of Resolution by your board, authorizing the execution of these papers, and then forward all matter through the bank of your choice for collection through our Ft. Worth bank as indicated in the draft. You are to retain a complete certification agreement, copy of the ratification agreement and copy of the oil and gas lease for your files.

We thank you very kindly for the execution by you and your wife of the ratification agreement covering your personally owned lands in the area which were under lease to The Texas Company and which ratification you executed about a month ago when the writer first visited you.

We respectfully await a reply from you in the premises.

Very truly yours

SOUTHERN PRODUCTION COMPANY, INC.

*[Signature]*  
A. B. Stewart

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Albert Ward Kotato, Virginia  
c/o Ruth Crabtree, Otero, ~~NEW MEXICO~~

Tract No. 73 ✓

Ruth Crabtree  
Ruth Crabtree

STATE OF

Virginia

COUNTY OF

Bland

On this 5 day of February, 1952, before me personally appeared

Ruth Crabtree

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 5 day of Feb., 1952.

Catherine Groseclose  
Notary Public

My commission expires:

Sept. 17, 1955

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

Lita Polson, Widow,  
Cloudcroft, New Mexico

DESCRIPTION

Tract No. 74  
Tract No. 74-A

*Lita Polson*

STATE OF New Mexico )  
COUNTY OF Otero )

On this 9th day of November, 1951, before me personally appeared

Lita Polson, Widow

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 November, 1951.

*Mary S. H. H. H.*  
Notary Public

My commission expires:

9-1-54



ILLEGIBLE

San Angelo, Texas  
February 25, 1952

Gentlemen;

TRACT #77

I never knew that owning property could be such a burden.  
I have not been able to get hold of R. E. Windham, so I  
am writing you that I am not interested in your deal  
all and I would appreciate it very much if you folks  
would just forget me.

Yours very truly,

*A. B. Carter*

A. B. Carter  
1807 Webster St  
San Angelo, Texas

ILLEGIBLE

February 22, 1952

Messrs. R. E. Windham and A. B. Carter  
1807 Webster  
San Angelo, Texas

Tract #77 - R. E. Windham & A. B. Carter  
Glendora Area - Otter County, New Mex.  
3/2 NE/4 and N/2 SE/4, Sec. 21-17-31,  
containing 160 acres

Gentlemen:

This company, The Texas Company and C. H. Murphy, Jr. had entered into a unit agreement for the development and operation of the Glendora unit area in the above county, such agreement being dated October 8, 1951, which unitizes leases on federal, state and patented lands, it being necessary for such purposes that royalty owners ratify such agreement unitizing their royalty.

If patented tracts in the unit area are unleased, in order to comply with Government regulations we must offer to lease such tracts and give such owners a chance to participate in this development. If they do not care to lease, then we must show evidence of such refusal, and this evidence must be attached to the unit agreement and other papers for approval by governmental authorities.

Mr. Stovall, on December 3 and 4, 1951, discussed this matter in detail with Mr. Windham and Mr. Carter who were then in Midland, Texas. You stated that Mr. Windham had stated from the City and that you would later discuss the matter with him. We mailed the unit agreement and necessary papers to Mr. A. B. Carter on December 15, 1951 and receiving no reply, we mailed Mr. Carter under date of January 17, 1952, which letter is also herewith.

Mr. Stovall has just called Mr. Carter from this office and was advised that Mr. Carter had received the unit agreement and necessary papers and that he would mail them to Mr. Windham. We are now waiting for Mr. Windham to mail them to Mr. Carter. We are now waiting for Mr. Windham to mail them to Mr. Carter. We are now waiting for Mr. Windham to mail them to Mr. Carter.

ILLEGIBLE

*Southern Pacific Company*

65 MARKET STREET, SAN FRANCISCO 5, CALIFORNIA  
LAND DEPARTMENT

SOUTHERN PACIFIC LAND CO.  
SOUTHERN PACIFIC RAILROAD CO.  
CENTRAL PACIFIC RAILWAY CO.

IN REPLY PLEASE REFER TO

3261

L. FRANDSEN  
LAND COMMISSIONER  
C. W. GOODWIN  
ASSISTANT LAND COMMISSIONER

Tract # 78

Southern Production Company, Inc.  
W. T. Waggoner Building  
Fort Worth, Texas

DEC 23 1951

Attention: Mr. A. D. Stovall

RE: Cludcroft Area  
Otero County, New Mex.  
Tract #78-El Paso and Southwestern RR Co

Gentlemen:-

Your letter of December 15, 1951 to Mr. Paul V. Harris Tax and Right of Way Agent at El Paso, Texas, and attached copy of Unit Agreement for the Development and Operation of the Cludcroft Unit Area, eleven copies of Ratification and Joinder of Unit Agreement, original and duplicate of Oil and Gas Lease standard New Mexico form, Draft in the amount of \$40.00 prepared for endorsement by our Executive Officers and photostatic copy of a letter from George A. Shipley, Attorney at Law, Alamogordo, New Mexico, have been referred to me for consideration.

Please be advised that I do not wish to recommend to our Executive Officers that we lease this property for oil and gas development at the present time, and therefore return herewith the enclosures forwarded to Mr. Harris listed above.

Very truly yours,

*L. Frandsen*

ILLEGIBLE

December 15, 1951

Mr. Paul V. Harris  
Tax & Right-of-Way Agent  
Southern Pacific Company  
416 N. Stanton Street  
El Paso, Texas

Tract #78

Glendcroft Area  
Otero County, New Mex.

Tract #78 - El Paso and Southwestern RR Co

Dear Mr. Harris:

On December 6, 1951, when the writer was in El Paso, we discussed briefly over the telephone the matter of the unitization agreement we are working on covering various lands in the Glendcroft unit area, your above captioned tract being the N/2 of the SW/4 of Section 12, T-16-S, R-11-E, comprising 80 acres, more or less, which is not presently under an oil and gas lease. You advised that this proposition will have to be submitted to your San Francisco, California office for decision and suggested that we mail to you all of the papers for consideration.

We enclose herewith copy of Unit Agreement for the development and operation of the Glendcroft Unit area, County of Otero, State of New Mexico, comprising 23 pages, the last two pages of which are photostatic copies showing execution and acknowledgment of this agreement as of October 9, 1951 by Southern Production Company, Inc., The Texas Company and O. H. Murphy, Jr., to which is attached Exhibit "A", being a map of the unit area, and Exhibit "B", consisting of 19 maps, being a schedule showing percentages and kind of interests of all oil and gas interests in all lands in the unit area.

This agreement contains details of unitization, including a description of the unit area, the lands included, the interests of the parties, the terms of the agreement, the method of operation, the distribution of proceeds, and the method of termination. It is a comprehensive document which sets forth the terms and conditions of the unitization of the Glendcroft Unit area.

ILLEGIBLE

Mr. Paul V. Harris  
Page 2, 12/15/51

when they could place their trust. Such owners have readily joined in this effort since being so advised.

We enclose herewith, for execution by your companies, 11 copies of Ratification and Joinder of Unit Agreement, 10 of which are for execution and return to this office, the other copy being for your file.

As mentioned to you, we are paying for the unleased patented land the sum of \$04 per acre as bonus, with an annual delay rental of \$54 per acre, the lease being on a standard New Mexico form, running for a primary term of 5 years. Original and duplicate of the lease are enclosed for your consideration, together with draft in the amount of \$40.00, which should be drawn and endorsed by your proper officers.

We are unable to prepare these papers ready for execution because we do not know your manner of execution, and we ask that, in case your committee recommends the execution of all papers, your company complete the same filling out all blanks, inserting the name of your depository bank, and having proper New Mexico acknowledgments, according to your authority, with certified copy of Resolution by your board authorizing the execution of these papers, and then forward all matter through the bank of your choice for collection through our Ft Worth bank as indicated in the draft. You are to retain the complete unitization agreement, copy of the ratification thereof and copy of the oil and gas lease for your files.

We do not know the exact manner of execution by your companies, as above stated, but we did note on the Otero County papers that various instruments are executed by "El Paso Southern Railroad Company" by General Counsel, President, Attorney, Ray G. Williams, Secretary, and Treasurer, Paul J. Williams, and ask that you kindly note all papers and instruments and execute them in the same manner as the Otero County papers.

We would greatly appreciate your cooperation in this matter and ask that you kindly note all papers and instruments and execute them in the same manner as the Otero County papers.

ILLEGIBLE

Registered Mail  
Return Receipt Requested

Mr. James L. Garner  
1051 South Canyon Street  
Carlsbad, New Mexico

Tract #80, Cloudcroft Unit Area  
Socorro County, New Mexico  
1/2 Sec. 1; 1/2 Sec. 2  
1-18-1, 1-18-2

Mr. J. L. Garner:

This refers to a discussion with you in your office on January 24, 1951, by one of our representatives, Mr. E. L. Stovall, regarding your interest in this land as evidenced by Warranty Deed dated January 31, 1946, of record in Vol. 139, Page 41, of the deed records of Socorro County, New Mexico, wherein Jay Leck and wife, Bertha S. Leck, of your city, conveyed this land to E. L. Merrill, of El Paso, Texas, and received in said deed an undivided 1/2 interest in and to all of the land, etc., and other minerals, etc.

You informed Mr. Stovall that Jay Leck died testate on January 1, 1950, the estate then being probated but not closed, through which probate all of his property of every nature goes to his said wife and 1/2 each to his two minor children; namely, J. Bert Leck, a son, now about 19 years of age, and Mary Ann Leck, a daughter, now about 17 years of age, said estate being legally represented by you.

Mr. Stovall informed you, the captioned land lies within the area covered in 1-16-17-18-1, 1-11-2-3, where we are at work on a unitization of Federal, State and patented land under a cooperative or unit plan of development operation, as evidenced by our Unit Agreement of October 8, 1951, executed by the United States, our company, and C. H. Murphy, Jr., in which we are designated as operator.

In order to comply with the various Government statutes and regulations, we must invite all owners of interests within our unitized area to participate in the development plan, and the owners of royalty join therein through the execution of ratification and joinder of unit agreement. If such owners do not care to participate, lease or assign leases to us, and execute the ratification and joinder of unit agreement, then we must, in lieu of such papers, show evidence of such owner's refusal to participate.

You advised Mr. Stovall that you did not desire to have your clients lease this land to us and make their royalty subject to the unitization agreement. In reply, none of this matter is required for your file, and it would



ILLEGIBLE

Mr. James M. Stagner  
#2 - 1/2/52

be appreciated if you would return the original report to us, stating in the space provided no legal representation of the U.S. Government, indicating your refusal to have your clients lease the premises, and to not utilize their royalty.

We are anxious to place all papers in line for final approval in order that we might proceed with our development. Should it be possible, and it would be very greatly appreciated if you would favor us with early action in the premises.

Very truly yours

SOUTHERN PRODUCTION COMPANY, INC.

E. D. Condy

Carlsbad, New Mexico

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

As legal representative of the U.S. Govt. and  
I do not care to have my clients lease the  
premises until then.

President:  
Vice President:  
O. L. H. H. H.  
O. L. H. H. H.  
O. L. H. H. H.  
O. L. H. H. H.  
O. L. H. H. H.

Commissioner:  
D. N. Pope

Treasurer:  
T. L. Gardner, Jr.

National Council  
Members:  
E. B. Bullock  
V. Scott Johnson  
Melvin Schenck  
Zane E. Smith

Executive Board  
Members:

W. E. Aldridge  
Ben Alexander  
Earl Allen  
W. D. Askew  
F. E. Atkinson  
L. A. Beard  
J. W. Blocker  
Austin Brooks  
J. L. Burke, Jr.  
Rene Cagle  
Bedford Caldwell  
John Campbell  
Floyd Childress  
J. S. Click  
Wilbur Coe  
Thad Cox  
James E. Craft  
Jack Dargatzis  
K. M. Davis  
W. O. Dunlap  
J. W. Eaves  
Jack Eichenberger  
Henry Felts  
H. A. Fisher  
Hobby Gann  
Floyd Golden  
Jack Gomez  
James Hall  
Therman Harris  
H. J. Heard  
Walker Hubbard  
M. G. Hunt  
A. E. Huntsinger  
Peter Hurd  
J. D. Jackson  
G. Wilbur Jones  
Hugh W. Kiddy  
S. W. Lodewick  
Ray Lofton  
R. B. McAllister  
A. C. McIntosh  
J. F. Maddox  
Charles Malone  
M. A. Mansur  
Grady Maples  
Robert Mehrose  
A. D. Menoud  
Frank Miller  
W. O. Moody  
B. N. Muncy, Jr.  
Irvin P. Murphy  
E. W. Parchman  
Bruce Pardo  
E. C. Reddy  
Henry E. Samson  
Lyman Sanders  
Charles Sanford  
B. A. Scherid  
O. D. Scott  
A. W. Starda  
Clifford Smith  
J. D. Smith  
E. A. Spence  
Howard Strop  
F. T. Tamm  
E. W. Tamm, Jr.  
A. W. Tamm

EASTERN NEW MEXICO AREA COUNCIL

# BOY SCOUTS OF AMERICA

Box 791

Roswell, New Mexico

February 28, 1952

Southern Production Co.  
14th Floor  
Waggoner Building  
Ft. Worth, Texas

Gentlemen:

TRACTS 79 & 80

The question of leasing our camp property in the Sacramento mountains was discussed at our Executive Board meeting held in Roswell, January 22, 1952.

A motion was passed authorizing the Council President to appoint a committee to study this and in the same motion the committee was given full authority to act in behalf of the council.

The committee has had its meeting and has decided not to enter into the agreement.

Very sincerely yours,

EASTERN NEW MEXICO AREA COUNCIL  
Boy Scouts of America

*Howard Braun*

Howard Braun  
Scout Executive

C. O. J. F. Maddox, Council President

HB:1b



ILLEGIBLE

January 10, 1952

20 3/3

Eastern New Mexico Area Council  
Boy Scouts of America  
Box 791  
Roswell, New Mexico

Attn: Mr. Howard Brown  
Scout Executive and Sec'y Executive Board

Clouderoft Unit Area  
Otero County, New Mexico  
Tracts Nos. 79 and 80

Gentlemen:

This refers to our letter of November 29, 1951, with which we mailed to you unitization agreement, ratification thereof, and an oil and gas lease with draft attached, which papers were for execution by your authorized officers should you care to enter into this plan for development as described herein.

We have not heard from you in the above connection. Please advise us by return mail the present status of this matter. If the papers are not returned, please advise us by return mail the reason therefor. We are anxious to hear from you.

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Ray V. Davis and wife, Nora Lee Davis,  
116 Canal St., Carlsbad, New Mexico

Tr of No. 81

*Nora Lee Davis*  
*Ray Davis*

STATE OF New Mexico }

COUNTY OF Eddy }

On this 24 day of November, 1951, before me personally appeared

Ray V. Davis and wife, Nora Lee Davis,

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 24 day of November, 1951.

*William M. Jackson*  
Notary Public

My commission expires:

5-22-52

ILLEGIBLE

TRACT #82

WILLIAM MOSS

POST OFFICE BOX 3229

ODessa, TEXAS

ILLEGIBLE

ENAP 482

December 14, 1951

Mr. William Moss  
P.O. Box 3229  
Odessa, Texas

Cloudcroft Area  
Otero County, New Mex.  
Tract 482 - Wm. MOSS, ET AL  
NW/4, W/2 SE/4 and SE/4 SE/4 Sec. 10  
S/2 NW/4 Sec. 14; S/2 NE/4 Sec. 15; and  
S/2 SE/4 and SE/4 SW/4 Sec. 22; T-18-S, R-12-E,  
containing 360 acres.

Dear Mr. Moss:

When the writer was in Midland on December 4, 1951 we discussed with you over the telephone our efforts towards unitizing various leases in the Cloudcroft area, Otero County, New Mexico, in which area you and your father, Paul Moss, own the above captioned land, which is unleased.

You advised us that you were too busy at the time for a personal inspection of the papers and a discussion of the matter in detail, stating also that you were not interested in seeing the unit agreement worked out and preexisting thereunder engaged in, but did say that you would be back in Odessa in about 10 days, suggesting that we mail all papers to you and that you would go over same with your father, who is an attorney at law, after which you would advise us of your decision on the matter.

We enclose herewith copy of Unit Agreement for the development and operation of the Cloudcroft area, Otero County, New Mexico, which is a 22 page document, the first page of which is a map of the area. The map shows the location of the area and the location of the leases. The map also shows the location of the leases and the location of the leases. The map also shows the location of the leases and the location of the leases.

ILLEGIBLE

Mr. William Moss  
#2 - 12/14/51

These securing development for the area for the production of oil and gas. This was written for the benefit of many of the resident owners who were unfamiliar with such papers and who wanted the advice of an attorney of their locality in whom they could place their trust. Such owners have readily joined in this effort since being so advised.

As mentioned to you, we are paying for the unleased patented land the sum of \$25 per acre as bonus, with an annual delay rental of 25¢ per acre, the lease being on a standard New Mexico form, running for a primary term of 5 years. Such lease is herewith enclosed, in duplicate, together with draft in the amount of \$250.00 drawn against us through our local bank, which you, your Father, Mother and wife may sign and endorse and send for collection, should you elect to participate in this well.

We also enclose herewith 11 copies of Ratification and Joinder of Unit Agreement, 10 of which copies should be returned to us with the lease and draft if you should decide to execute same. You are to retain the unit agreement for your files.

We would greatly appreciate it if you could find the time within the next few days to discuss this matter and advise us of your decision in the premises.

Very truly yours

AMERICAN PRODUCTION COMPANY, INC.

*W. H. Strickland*  
President

STATE OF NEW MEXICO, Oklahoma  
County of Stephens

(Acknowledgment for Individual)

On this 4th day of February, 1952, before me personally appeared

Virginia Umsted, a widow

to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she  
executed the same as her free act and deed.

Witness my hand and official seal the day and year last above written.

My commission expires 5-24-54

Jay Paschall

Notary Public

Postoffice

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

*L. L. Umsted and wife, Virginia Umsted*  
*P.O. Box 142, Alty, Oklahoma*  
*Tract No. 83*

Tract No. 83

Witnesses to mark:

*Charlene Umsted*

*Virginia Umsted*  
*her*  
*mark.*

STATE OF Oklahoma

COUNTY OF Grady

On this 4th day of February, 1952, before me personally appeared  
*L. L. Umsted and wife, Virginia Umsted*

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 4th day of February, 1952

*[Signature]*  
Notary Public

My commission expires:

*June 12, 1954*



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Samuel W. Zook and wife, Helen V. Zook,

Tract No. 84

*Samuel W. Zook*  
P. O. Box 409, Abilene, Kansas

*Helen V. Zook*

Helen V. Zook  
1245 1/2 So. Serrano  
Los Angeles 6, California (Temporary)  
address

P. O. Box 409, Abilene, Kansas --- Permanent Address

STATE OF Kansas

COUNTY OF Dickinson

On this 1st day of February, 1952, before me personally appeared

Samuel W. Zook and wife

to me known to be the person <sup>he</sup> described in and who executed and delivered the foregoing instrument, and acknowledged to me that ~~they~~ executed the same as ~~their~~ his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 1st day of February, 1952.

*Edmund A. Dickinson*  
Notary Public

My commission expires;  
March 12, 1955



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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<u>SIGNATURE AND ADDRESS</u>	<u>DESCRIPTION</u>
<u>Don T. Lee</u> and <u>Vincent M. Lee</u> (Don T. Lee) (Vincent M. Lee) Trustees of "The Trust Estate" of Curtis A. Lee, 1701 La Luz Place, and 1206 Ohio Ave., respectively, Alamogordo, N. M.	Tract No. 87
<u>Curtis A. Lee, Jr.</u> and <u>Geraldine Lee</u> (Curtis A. Lee, Jr.) (Geraldine Lee) Husband and wife, La Luz, New Mexico.	
<u>Geraldine Lee</u> and <u>Charles Gent</u> (Geraldine Lee) (Charles Gent) wife and husband, Yoleta, Texas.	

STATE OF New Mexico,

COUNTY OF Otero

On this 10 day of March, 1952, before me personally appeared

Don T. Lee and Vincent M. Lee, Trustees of "The Trust Estate" of  
Curtis A. Lee,  
to me known to be the person as 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, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 10 day of March, 1952

[Signature]  
Notary Public

My commission expires;

10/5/53.

(Over)

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Samuel W. Zook and wife, Helen V. Zook,  
*Samuel D. Zook*  
P. O. Box 409, Abilene, Kansas

Tract No. 84

*Helen V. Zook*

Helen V. Zook  
1245 1/2 So. Serrano  
Los Angeles 6, California (Temporary)  
address

P. O. Box 409, Abilene, Kansas --- Permanent Address

STATE OF Kansas

COUNTY OF Dickinson

On this 1st day of February, 1952, before me personally appeared

Samuel D. Zook and wife ~~XXXXXXXXXXXXX Zook~~

to me known to be the person <sup>he</sup> described in and who executed and delivered the foregoing instrument, and acknowledged to me that ~~they~~ executed the same as ~~their~~ his free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 1st day of February, 1952.

*Edmund A. Dickinson*  
Notary Public

My commission expires;

March 12, 1955

upon the understanding, the same shall be binding on successors in interest in the land referred to, and when the document shall be filed in the office of the County Clerk, it shall be binding on all other parties coming or being interested in the land referred to, and shall be binding upon the same document and shall be binding upon the Board who execute a certificate thereunder of compliance with the same terms and shall be of full and complete force and effect. This ratification and joining of this agreement may be executed in any manner.

**COUNTY OF**

**Helen V. Zook**

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 12th day of April 1952

**Notary Public**

**My Commission expires:**

# RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

<u>SIGNATURE AND ADDRESS</u>	<u>DESCRIPTION</u>
<u>Don T. Lee</u> & <u>Vincent M. Lee</u> (Don T. Lee) (Vincent M. Lee) Trustees of "The Trust Estate" of Curtis A. Lee, 1701 La Luz Place, and 1206 Ohio Ave., respectively, Alamogordo, N. M.	Tract No. 87
<u>Curtis A. Lee, Jr.</u> and <u>Carline Lee</u> (Curtis A. Lee, Jr.) (Carline Lee) Husband and wife, La Luz, New Mexico.	
<u>Geraldine Lee Gent</u> and <u>Charles Gent</u> (Geraldine Lee Gent) (Charles Gent) Wife and husband, Yoleta, Texas.	

STATE OF New Mexico, )  
 COUNTY OF Otero )

On this 10 day of March, 1952, before me personally appeared

Don T. Lee & Vincent M. Lee, Trustees of "The Trust Estate" of  
Curtis A. Lee,  
 to me known to be the person as 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, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 10 day of March, 1952

[Signature]  
 Notary Public

My commission expires;

10/5/53.

(Over)

Notary Public for the State of Texas, County of Dallas, Texas. I, the undersigned, do hereby certify that the foregoing instrument, to-wit: a certain deed of conveyance, bearing date of the 10th day of March, 1952, and executed by Curtis A. Lee, Jr., and wife, Gertrude Lee, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

THE STATE OF NEW MEXICO,  
COUNTY OF OTERO. On this 10th day of March, 1952, before me personally appeared Curtis A. Lee, Jr., and wife, Gertrude Lee, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal the day and year last above written.  
My commission expires: 10/5/53 [Signature] Notary Public

THE STATE OF TEXAS,  
COUNTY OF EL PASO. On this 12th day of March, 1952, before me personally appeared Gertrude Lee Gent, and husband, Charles Gent, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Witness my hand and official seal the day and year last above written.  
My commission expires: June 1, 1953 [Signature] Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

Ray L. Landon  
(Ray L. Landon)

Tract No. 40

Clarissa D. Landon  
(Clarissa D. Landon)

P.O. Box 670  
Pt Worth, Texas

STATE OF TEXAS )  
COUNTY OF TARRANT )

On this 23rd day of July, 1952, before me personally appeared

Ray L. Landon and wife, Clarissa D. Landon

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 23rd day of July, 1952.

Esther M. Ray  
Notary Public

My commission expires:

6/1/53

ESTHER M. RAY  
Notary Public in and for Tarrant Co., Texas

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Danny Briscoe  
Denny Briscoe  
Box 670, Ft Worth, Texas

Tract #9

STATE OF TEXAS )  
COUNTY OF TARRANT )

On this 23rd day of July, 1952, before me personally appeared

Denny Briscoe

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 23rd day of July, 1952.

Esther M. Ray  
Notary Public

My commission expires;  
6/1/53

ESTHER M. RAY  
Notary Public in and for Tarrant Co., Texas

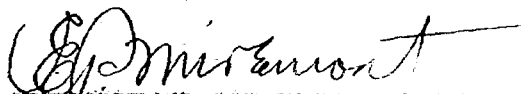
RATIFICATION AND JOINDER OF UNIT AGREEMENT


In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

  
E. P. Miramont

  
Florence E. Miramont

P.O. Box 670  
St North, Texas

Tract	10
"	10-A
"	10-B
"	10-C
"	13
"	13-A
"	19
"	19-A
"	19-B
"	19-C
"	20
"	20-A
"	20-B
"	20-C

STATE OF Texas )  
COUNTY OF Tarrant )

On this 22nd day of July, 1952, before me personally appeared E. P. Miramont and wife, Florence E. Miramont 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 22nd day of July, 1952.

  
Notary Public

My commission expires: 6/30/53

ESTHER M. RAY  
Notary Public in and for Tarrant Co., Texas



RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Jack Valentine  
Jack Valentine

Karlene B. Valentine  
Karlene B. Valentine

Tract 12  
" 12-A  
" 14  
" 14-A  
" 15  
" 15-A

P.O. Box 670  
Ft Worth, Texas

STATE OF Texas )  
COUNTY OF Tarrant )

On this 22nd day of July, 1952, before me personally appeared Jack Valentine and wife, Karlene B. Valentine

to me known to be the person<sup>s</sup> 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 22nd day of July, 1952.

Esther M. Day  
Notary Public

My commission expires:  
6/1/53

ESTHER M. DAY  
Notary Public in and for Tarrant Co., Texas

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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<u>SIGNATURE AND ADDRESS</u>	<u>DESCRIPTION</u>
<u>W. S. Hanson</u> W. S. Hanson	Tract 38
	" 39
	" 39-A
	" 39-B
	" 39-C
	" 41
	" 44

P.O. Box 670  
Fort Worth, Texas

STATE OF Texas )  
COUNTY OF Tarrant )

On this 22nd day of July, 1952, before me personally appeared W. S. Hanson and wife, Doris A. Hanson

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 22nd day of July, 1952.

Esther M. Ray  
Notary Public

My commission expires:  
6/1/53

ESTHER M. RAY  
Notary Public in and for Tarrant Co., Texas

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

E. D. Coady  
E. D. Coady

Ruby A. Coady  
Ruby A. Coady

Tract 7  
" 35  
" 36  
" 42  
" 31

P.O. Box 670  
Fort Worth, Texas

STATE OF TEXAS )  
COUNTY OF TARRANT )

On this 22 day of July, 1952, before me personally appeared

E. D. Coady and wife, Ruby A. Coady

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 22 day of July, 1952.

Esther M. Ray  
Notary Public

My commission expires:

6/1/53

NOTARY PUBLIC FOR THE STATE OF TEXAS

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

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SIGNATURE AND ADDRESS

DESCRIPTION

Cecil M. Swank  
Cecil M. Swank

Andrey L. Swank  
Andrey L. Swank

Tract 16  
" 16-A  
" 17  
" 17-A  
" 17-B  
" 17-C  
" 18  
" 18-A  
" 33

P.O. Box 670  
Fort Worth, Texas

STATE OF TEXAS )  
COUNTY OF TARRANT )

On this 22 day of July, 1953, before me personally appeared

Cecil M. Swank and wife, Andrey L. Swank

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 22 day of July, 1953.

Orther M. Ray  
Notary Public

My commission expires;  
6/1/53

OROTHER M. RAY  
Notary Public in and for the State of Texas

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

W.R. McCamy  
W. R. McCamy

Tract 4  
Tract 4-A  
Tract 11

Bernice P. McCamy  
Bernice P. McCamy

P.O. Box 670  
Fort Worth, Texas

STATE OF TEXAS )  
COUNTY OF TARRANT )

On this 22 day of July, 1952, before me personally appeared

W. R. McCamy and wife, Bernice P. McCamy

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 22 day of July, 1952.

Esther M. Ray  
Notary Public

My commission expires:

6/1/53

ESTHER M. RAY  
Notary Public in and for Tarrant Co., Texas

RATIFICATION AND JOINDER OF UNIT AGREEMENT

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, 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, briefly described opposite his signature, 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.

SIGNATURE AND ADDRESS

DESCRIPTION

JOHN L. MOUNTJOY

Tract No. 8

By John L. Mountjoy  
John L. Mountjoy, Attorney-in-Fact

Tract No. 8-1

Jean L. Mountjoy  
Jean L. Mountjoy, Individually and Attorney-in-Fact for John L. Mountjoy.

P.O. Box 670  
Fort Worth, Texas

STATE OF TEXAS  
COUNTY OF TARRANT

On this 30th day of July, 1952, before me personally appeared Jean L. Mountjoy, individually and as attorney-in-fact for John L. Mountjoy.

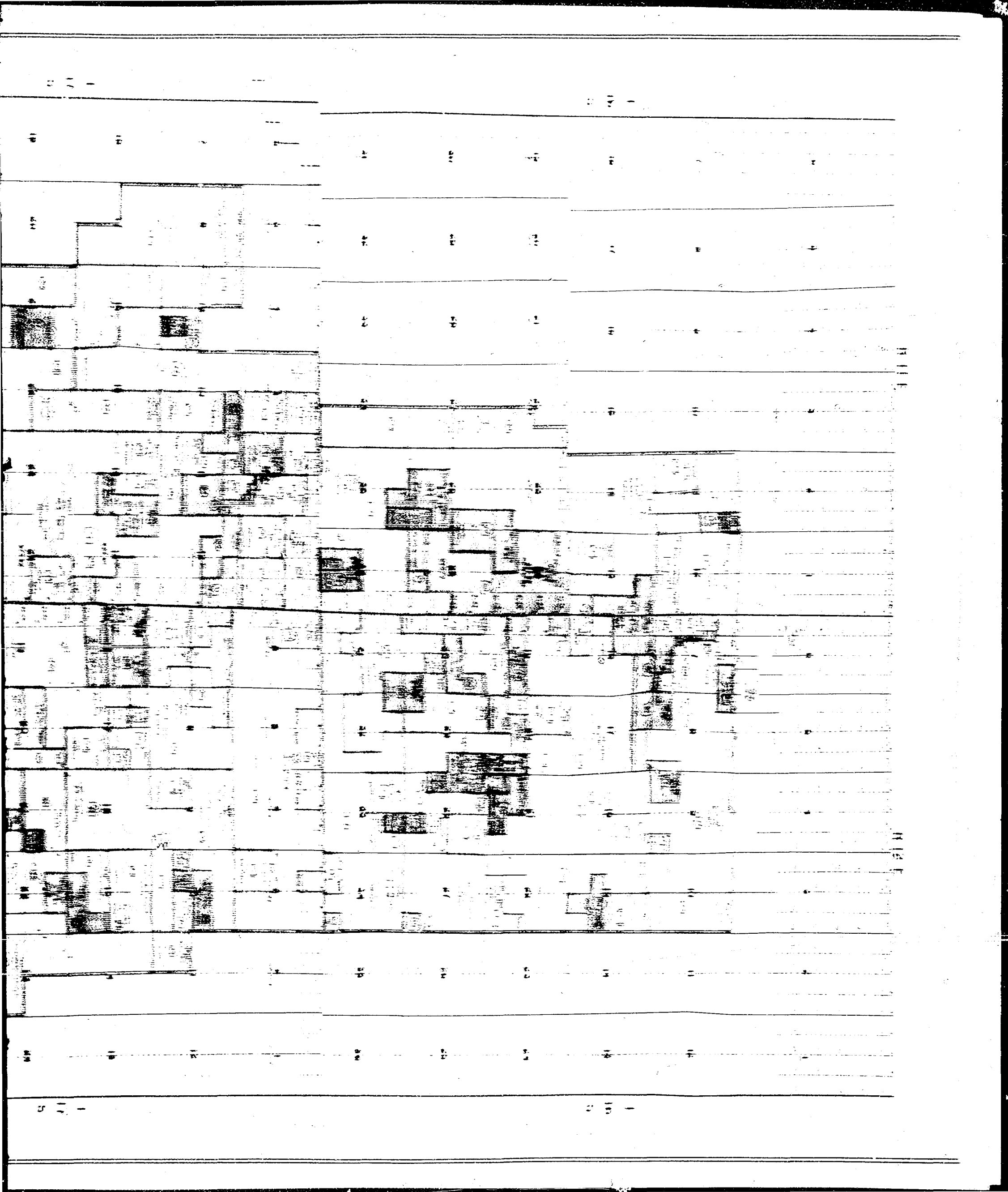
to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that she executed the same as her free act and deed, and in the capacity as stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 30th day of July, 1952.

Arthur M. Ray  
Notary Public

My commission expires:  
6/17/58

ARTHUR M. RAY  
Notary Public in and for the State of Texas





R 1 E

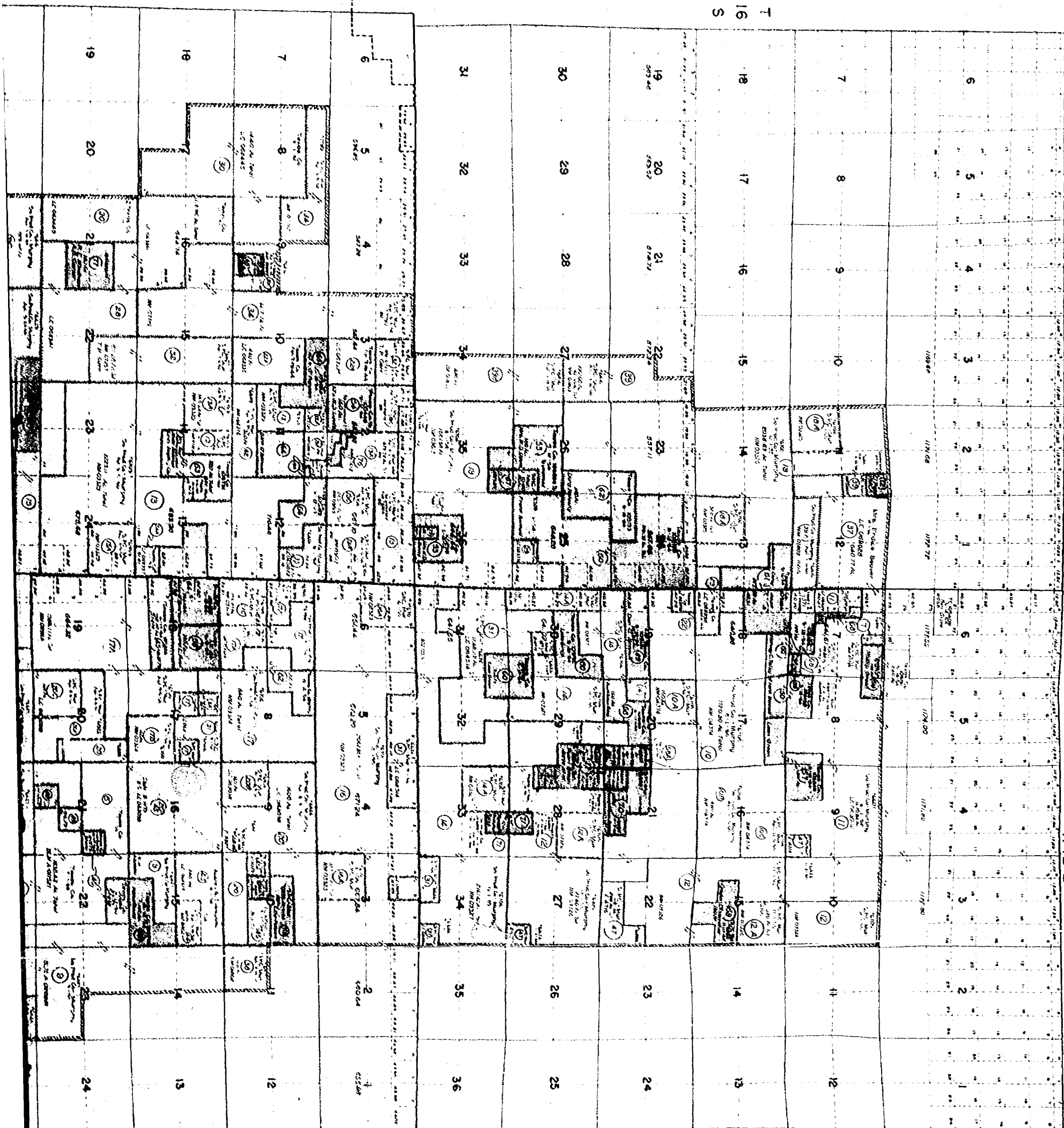
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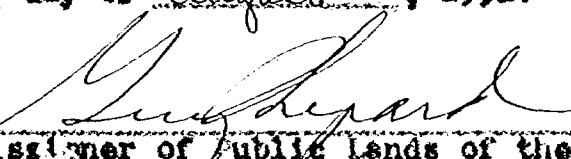
CERTIFICATE OF APPROVAL  
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO  
OF UNIT AGREEMENT FOR DEVELOPMENT AND OPERATION OF  
CLOUDCROFT UNIT AREA, OTERO COUNTY  
NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, an agreement for the development and operation of the Cloudcroft Unit Area, Otero County, New Mexico, dated the 8th day of October, 1951, in which Southern Production Company, Inc., is designated as Operator, and which has been executed by various parties owning and holding oil and gas leases embracing lands within the Unit Area, and upon examination of said Agreement the Commissioner finds:

- (a) That such Agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said fields;
- (b) That under the operations proposed, the State will receive its fair share of the recoverable oil or gas in place under its land in the area affected;
- (c) That the Agreement is in other respects for the best interest of the State;
- (d) That the Agreement provides for the unit operation of the field, for the allocation of production, and the sharing of proceeds from a part of the area covered by the agreement on an acreage basis as specified in the agreement.

NOW, THEREFORE, by virtue of the authority conferred upon me by the Laws of the State of New Mexico, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the above referred to Cloudcroft Unit Agreement as to the lands of the State of New Mexico committed thereto, and all oil and gas leases embracing lands of the State of New Mexico committed to said Agreement shall be and the same are hereby amended so that the provisions thereof will conform to the provisions of said Unit Agreement and so that the length of the secondary term of each such lease as to the lands within the unit area will be extended, in so far as necessary, to coincide with the term of said Unit Agreement, and in the event the term of said Unit Agreement shall be extended as provided therein such extension shall also be effective to extend the term of each oil and gas lease embracing lands of the State of New Mexico committed to said Unit Agreement which would otherwise expire, so as to coincide with the extended term of such Unit Agreement.

IN WITNESS WHEREOF, this certificate of approval is executed as of this the 5th day of August, 1952.

  
Commissioner of Public Lands of the  
State of New Mexico

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR THE  
PURPOSE OF CONSIDERING:

CASE No. 382  
ORDER No. R-178

IN THE MATTER OF THE APPLICATION  
OF SOUTHERN PRODUCTION COMPANY, INC.,  
FOR APPROVAL OF THE CLOUDCROFT UNIT  
AGREEMENT, EMBRACING 67,507.50 ACRES  
IN OTERO COUNTY, NEW MEXICO, WITHIN  
TOWNSHIPS 16, 17 AND 18 SOUTH, RANGES  
11 AND 12 EAST, N.M.P.M.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 24 day of July, 1952, the Commission,  
a quorum being present, having considered said application and  
the evidence introduced in support thereof, and being fully  
advised in the premises,

FINDS:

- (1) That due public notice having been given as  
required by law, the Commission has jurisdiction of this cause  
and the subject matter thereof.
- (2) That the proposed unit plan will in principle  
tend to promote the conservation of oil and gas and the preven-  
tion of waste.

IT IS THEREFORE ORDERED:

SECTION 1. That this order shall be known as the

CLOUDCROFT UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to  
shall be known as the Clouderoft Unit Agreement, and shall here-  
after 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 Clouderoft  
Unit Area referred to in the Petitioner's petition and filed  
with said petition, and such plan shall be known as the Clouderoft  
Unit Agreement Plan.

-2-  
Case No.  
Order No.

**SECTION 3.** That the Cloudcroft Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement this approval 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 Cloudcroft Unit Agreement, or relative to the production of oil or gas therefrom.

**SECTION 4.** (a) That the Unit Area shall be:

**NEW MEXICO PRINCIPAL MERIDIAN**

**Twp. 16 S., Rge. 11 E.**

Secs. 11-14, inclusive, all  
Sec. 22: Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$   
Secs. 23-26, inclusive, all  
Sec. 27: NE $\frac{1}{4}$   
Sec. 34: E $\frac{1}{2}$   
Secs. 35 and 36: All

**Twp. 17 S., Rge. 11 E.**

Secs. 1-3, both inclusive, All  
Sec. 8: All  
Sec. 9: NW $\frac{1}{4}$ , S $\frac{1}{2}$   
Secs. 10-16, both inclusive, all  
Sec. 17: NE $\frac{1}{4}$ , SE $\frac{1}{4}$   
Secs. 21-28, both inclusive, all  
Sec. 34: Lots 1 and 2, NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$   
Secs. 35 and 36: All

**Twp. 18 S., Rge. 11 E.**

Secs. 1 and 2: All  
Sec. 12: All

**Twp. 16 S., Rge. 12 E.**

Secs. 7-10, both inclusive, All  
Secs. 15-22, both inclusive, All  
Secs. 27-34, both inclusive, All

**Twp. 17 S., Rge. 12 E.**

Secs. 3-10, both inclusive, All  
Sec. 11: SW $\frac{1}{4}$   
Sec. 14: W $\frac{1}{2}$   
Secs. 15-22, both inclusive, All  
Sec. 23: NW $\frac{1}{4}$ , S $\frac{1}{2}$   
Secs. 26-36, both inclusive, All

**Twp. 18 S., Rge. 12 E.**

Secs. 1-11, both inclusive, All  
Sec. 12: NW $\frac{1}{4}$   
Secs. 14-17, both inclusive, All  
Sec. 18: Lots 1-6, inclusive, E $\frac{1}{2}$   
Sec. 20: NE $\frac{1}{4}$   
Sec. 21: NE $\frac{1}{4}$ , SE $\frac{1}{4}$   
Secs. 22 and 23: All

-3-  
Case No.  
Order No.

Total unit area: 67,507.50 acres, more or less.

(b) The unit area may be enlarged or contracted as provided in said Plan.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Cludcroft Unit Agreement within 30 days after the effective date thereof.

SECTION 6. 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 counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission within 30 days an original of any such counterpart or ratification.

SECTION 7. That this order shall become effective upon approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commissioner 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*

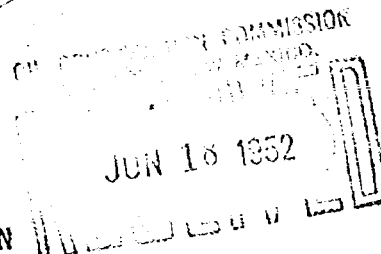
EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

*R. R. Spurrer*  
R. R. SPURRIER, Secretary

S E A L

Case 382



NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION OF THE CLOUDCROFT UNIT AREA,  
OTERO COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission,  
Santa Fe, New Mexico.

Comes the undersigned, Southern Production Company,  
Inc., of Fort Worth, Texas, (successor to Danciger Oil &  
Refining Company), and files herewith three copies of a  
proposed Unit Agreement for the development and operation of  
the Cloudcroft Unit Area, Otero County, New Mexico, and hereby  
makes application for the approval of said Unit Agreement by  
the New Mexico Oil Conservation Commission as provided by law,  
and in support thereof shows:

1. That the unit area designated in said agreement  
comprises 67,507.50 acres, more or less, more particularly  
described as follows:

New Mexico Principal Meridian, New Mexico

T. 16 S., R. 11 E.,

Secs. 11-14, inclusive, all;  
Sec. 22, Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ ;  
Secs. 23-26, inclusive, all;  
Sec. 27, E $\frac{1}{2}$ ;  
Sec. 34, E $\frac{1}{2}$ ;  
Secs. 35 and 36, all.

T. 17 S., R. 11 E.

Secs. 1-3, inclusive, all;  
Sec. 8, All;  
Sec. 9, NW $\frac{1}{4}$ , S $\frac{1}{2}$ ;  
Secs. 10-16, inclusive, all;  
Sec. 17, N $\frac{1}{2}$ , SE $\frac{1}{4}$ ;  
Secs. 21-28, inclusive, all;  
Sec. 34, Lots 1 and 2, N $\frac{1}{2}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ ;  
Secs. 35 and 36, all.

T. 18 S., R. 11 E.

Secs. 1 and 2, All;  
Sec. 12, All.



T. 16 S., R. 12 E.

Secs. 7-10, inclusive, all;  
Secs. 15-22, inclusive, all;  
Secs. 27-34, inclusive, all.

T. 17 S., R. 12 E.

Secs. 3-10, inclusive, all;  
Sec. 11, SW $\frac{1}{4}$ ;  
Sec. 14, W $\frac{1}{2}$ ;  
Secs. 15-22, inclusive, all;  
Sec. 23, NW $\frac{1}{4}$ , S $\frac{1}{2}$ ;  
Secs. 26-36, inclusive, all.

T. 18 S., R. 12 E.

Secs. 1-11, inclusive, all;  
Sec. 12, NW $\frac{1}{4}$ ;  
Secs. 14-17, inclusive, all;  
Sec. 18, Lots 1-6, inclusive, E $\frac{1}{2}$ ;  
Sec. 20, N $\frac{1}{2}$ ;  
Sec. 21, N $\frac{1}{2}$ , SE $\frac{1}{4}$ ;  
Secs. 22 and 23, all.

That of the above described lands 56,810.04 acres are Federal Lands, 2,882.90 acres are lands of the State of New Mexico, and 8,494.56 acres are fee or privately owned lands. (There is a conflict between the United States and the State of New Mexico as to 640 acres.)

2. That said area has heretofore been designated by the Director of the United States Geological Survey as an area suitable and proper for unitization, a photostatic copy of the letter of the Acting Director to Danciger Oil & Refining Company, under date of December 15, 1950, so designating said area and determining the depth of the initial test well is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A".

That there is also attached hereto, made a part hereof, and for purposes of identification marked Exhibit "B", a photostatic copy of the Geological Report prepared by H. Giddings under date of August 29, 1950, and approved by Willard Gill, Chief Geologist for the Danciger Oil & Refining Company, covering the proposed unit area, and which is a copy of the Geological Report which was filed with the application

of the Danciger Oil & Refining Company to the United States Geological Survey for the designation of said area as one suitable and proper for unitization.

3. That the Southern Production Company, Inc., is designated as Unit Operator in said Unit Agreement, and as such is given authority under the terms thereof to carry on all operations necessary for the development and operation of the unit area for oil and gas, subject to all applicable laws and regulations. That said Unit Agreement provides for the commencement of a test well upon some part of the unit area within six months after the effective date of the Unit Agreement, and for the drilling of the same with due diligence until the Ellenberger limestone formation has been tested, but the Unit Operator shall not in any event be required to drill said well to a depth in excess of 6,500 feet.

4. That said Unit Agreement is in substantially the same form as unit agreements heretofore approved by the Commissioner of Public Lands of the State of New Mexico and the New Mexico Oil Conservation Commission, and it is believed that operations to be carried on under the terms of said agreement will promote the economical and efficient recovery of oil and gas to the end that the maximum yield may be obtained from the field or area in the event oil or gas should be discovered in paying quantities. It is also believed that the unit area covers all or substantially all of the geological feature involved so as to give effective control thereof in the event oil or gas is discovered, and that in such event said agreement will be in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the Oil Conservation Statutes.

5. That a petition is being filed for approval of said Agreement by the Commissioner of Public Lands of the State of New Mexico, and that upon an order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement and after approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, an executed and approved copy thereof will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a public hearing be held on the matter of the approval of said Unit Agreement as provided by the statutes of the State of New Mexico and the regulations of the New Mexico Oil Conservation Commission, and that upon said hearing said Unit Agreement be approved by said New Mexico Oil Conservation Commission.

Respectfully Submitted,

SOUTHERN PRODUCTION COMPANY, INC.

By

Vice President

S. P. CO., INC.		
APPROV.	BY	DATE
LAND	<i>[Signature]</i>	6/13/52
DRILLING		
ACTS.		
LEGAL		
FINCS.		
MKTG.		



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
WASHINGTON 25, D. C.

DEC 15 1950

Danciger Oil and Refining Company  
W. T. Waggoner Building  
Fort Worth, Texas

Gentlemen:

Reference is made to your application, filed with the Oil and Gas Supervisor on October 3, 1950, requesting designation of certain lands in Ts. 16, 17 and 18 S., Rs. 11 and 12 E., N.M.P.M., New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to regulations of January 17, 1947, 30 C. F. R., section 226.3, the following land is designated as a logical unit area to be known as the Cloudercroft Unit Area:

New Mexico Principal Meridian, New Mexico

T. 16 S., R. 11 E.,  
secs. 11-14, inclusive, all;  
sec. 22, lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ ;  
secs. 23-26, inclusive, all;  
sec. 27, E $\frac{1}{2}$ ;  
sec. 34, E $\frac{1}{2}$ ;  
secs. 35 and 36, all.

T. 17 S., R. 11 E.  
secs. 1-3, inclusive, all;  
sec. 8, all;  
sec. 9, NW $\frac{1}{4}$ , S $\frac{1}{2}$ ;  
secs. 10-16, inclusive, all;  
sec. 17, N $\frac{1}{2}$ , SE $\frac{1}{4}$ ;  
secs. 21-28, inclusive, all;  
sec. 34, lots 1 and 2, N $\frac{1}{2}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ ;  
secs. 35 and 36, all.

T. 18 S., R. 11 E.,  
secs. 1 and 2, all;  
sec. 12, all.

T. 16 S., R. 12 E.,  
secs. 1-10, inclusive, all;  
secs. 11-12, inclusive, all;

T. 17 S., R. 12 E.,  
secs. 3-10, inclusive, all;  
sec. 11, SW $\frac{1}{4}$ ;  
sec. 12, NW $\frac{1}{4}$ ;  
secs. 13-22, inclusive, all;  
sec. 23, NW $\frac{1}{4}$ , SE $\frac{1}{4}$ ;  
secs. 24-36, inclusive, all.

T. 18 S., R. 12 E.,

secs. 1-11, inclusive, all;  
sec. 12, NW $\frac{1}{4}$ ;  
sec. 14-17, inclusive, all;  
sec. 18, lots 1-6, inclusive, SE $\frac{1}{4}$ ;  
sec. 20, NE $\frac{1}{4}$ ;  
sec. 21, NE $\frac{1}{4}$ , SE $\frac{1}{4}$ ;  
secs. 22 and 23, all.

Any unit agreement submitted for the above described area should conform with section 226.12 of the above cited regulations and provide for a test well drilled to a depth of 6500 feet.

Your application stated that you intended to follow forms heretofore approved by the Department of the Interior. However, in the event you should decide to use any form other than a standard text, three copies thereof should be submitted through the Supervisor's office for preliminary approval and all deviations from the guide form should be plainly marked and explained. In any form, the term should not exceed five years.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all Federal acreage, showing the current record owner of all issued leases and the current status of all lease applications, if any. Notice is hereby given that the right is reserved to deny approval to any executed agreement submitted, which is the prerogative of the Bureau, and does not have the full commitment and sufficient funds for the effective control of all operations.

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS  
CASE NO. 382

July 15, 1952  
Regular Hearing

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

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

CASE NO. 382

July 15, 1952  
Regular Hearing

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

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

JULY 15, 1952

-----  
In the Matter of:

Southern Production Company's application  
for approval of the Cloudcroft Unit agree-  
ment involving an area of 67,507.50 acres,  
more or less, in Otero County, New Mexico.

Case No. 382.

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

MR. HUNKER: I am George H. Hunker, Jr., representing  
Southern Production Company. I am from Roswell, New Mexico.

MR. B. B. LARSH,  
having been first, duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HUNKER:

- Q State your full name for the record, please.  
A B. B. Larsh.  
Q By whom are you employed, Mr. Larsh?  
A Southern Production Company.  
Q In what capacity?  
A District Geologist for west Texas and New Mexico.  
Q How long have you been with Southern Production Co.?  
A Approximately three years.  
Q Before that time with what company were you associated?  
A Sinclair Oil and Gas Company.

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



Q Were you employed by the Danziger Oil Company too?

A Yes, sir.

Q Prior to that time?

A Yes, sir.

(Marked Exhibit "B" for  
identification.)

Q I hand you herewith what we have marked Exhibit "B" which is attached to the application filed by Southern Production Company to its application before the Commission for the approval of the Cloudcroft Unit Area and ask you to tell the Commission what that map shows.

A That map is a, - - shows a surface geology of this Cloudcroft Area as made by Mr. Harvard Giddens.

Q Have you examined the report prepared by Mr. Harvard Giddens?

A Yes, sir.

Q Was it attached to Southern's application for approval of this unit area?

A That is my understanding, yes, sir.

Q Do you agree with that report?

A I believe it is correct.

Q Have you been in the area covered by this particular map?

A Yes, sir.

Q Is there a large surface structure present in that area?

A I think it is recognized, widely recognized, that there

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

is.

Q Would you explain to the Commission why this report was prepared by Mr. Giddens and why the map was prepared by Mr. Giddens and approved by Mr. Walter Gill, the chief geologist for Danziger Oil and Refining Company?

A My understanding that Mr. Giddens did his work, the surface geology for the Texas Company.

Q I see. Is Texas Company one of the working interest owners of leases in this area?

A Yes, sir.

Q To what extent were they parties in the drilling of the test well?

A I believe it is approximately one quarter. Mr. Cody can check that.

Q To what extent does Southern Production Co. propose to drill its official test well?

A I believe it is estimated approximately 6,250 feet.

Q What zone or horizon will that test?

A That should test all sedimentary beds down to the Cambrian area.

Q That is the Ellenburger formation?

A It would test - -

Q (Interrupting) It would include that?

A Yes.

Q If the Commission should approve this agreement, Mr. Larsh, do you think that in your opinion the entire geological

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

feature is included within the boundaries of the unit area?

A I think it does. Roughly Mr. Giddens states in his report approximately 750 feet of closure and on this map that would include down to this contour here (indicating) which roughly follows the outline of the block.

Q Are you a graduate geologist, Mr. Larsh?

A Yes, sir.

Q You have been doing geological work for the companies for whom you have been employed for the last how many years?

A Approximately 25 years.

Q From what school did you graduate?

A Missouri School of Mines.

Q In your opinion if the unit agreement should be approved do you think that the development of unitized substances in the unit area would be in the interest of conservation?

A I do.

MR. HUNKER: I have no further question. I would like to offer this Exhibit "B" in evidence, a copy of which was attached to the original application.

(Larsh Exhibit "B", Case No. 382  
marked for identification.)

MR. SPURRIER: Without objection it will be received. Is there any further question of this witness? If not, the witness may be excused.

(Witness excused.)

MR. E. D. COADY,  
having been first duly sworn, testified as follows:

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DIRECT EXAMINATION

By MR. LARSH:

Q Will you state your name and occupation?

A E. D. Coady. I am Assistant Manager, Land Department, Southern Production Co., Inc.

Q How long have you been employed by that company, Mr. Coady?

A A little over two years.

Q By whom were you employed previous to that time?

A Danziger Oil and Refining Company.

Q Will you explain to the Commission why the original application for a designation of an area suitable for development under a unit plan was originally proposed by Danziger Oil and Refining Company?

A At the time of the application the property owned by Danziger Oil and Refining Company approximately two years ago Southern Production Company bought the stock of Danziger Oil and Refining Company and merged the two companies now operating as Southern Production Company.

Q Southern Production Company is a successor to Danziger?

A That is right.

Q In the proposed unit plan what company has been designated as the operator?

A Southern Production Co., Inc.

Q Approximately how much acreage is covered by this unit area?

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A 56,810.048.

Q Of what type of land?

A It is Federal, State of New Mexico and fee land.

Q I believe you made a slight error.

A That is right. Let me give you a total of 68,187.50.

Q Of which - -

A (Interrupting) You want a breakdown? Federal lands 56,810.04. State of New Mexico is 2,882.90. Fee land is 8,494.56.

Q Has this area been approved by the U. S. Geological Survey as being an area logical and suitable for purposes of unitization?

A It has.

Q Would you explain to the Commission what type of well you propose to drill and when you propose to drill it?

A We would like very much to get started right away to take advantage of the good weather. It is going to be very slow in drilling. We propose Mr. Larsh siad to make test there of what we commonly refer to as Ellenburger. It would take, we estimate five or six months to complete. We would like to get started right away.

Q Where is this particular unit area, Mr. Coady?

A Relative to locations of the town?

Q Yes.

A It is south of Cloudercroft.

Q In the mountains?

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A Yes.

Q When do you propose to start your well in any event, within what period of time?

A We would like to get started right away.

Q In any event within six months?

A Within six months. It provides in the agreement with the government six months from the approval of the unit.

Q In your opinion is this unit agreement in the interest of conservation?

A Yes.

Q Is it similar in respect to other unit agreements that have heretofore been approved by this Oil Conservation Commission?

A Yes, sir.

MR. LARSH: I have no other questions.

MR. SPURRIER: Is there a question of this witness?

MR. WHITE: What percentage of the fee holders have consented to this unit agreement?

A Of fee holders?

Q Yes.

A We figure a little over 90%.

Q What arrangements have been made for the remaining to come in?

A What arrangements have been made?

Q Yes?

A We are still trying to get them to come in. I think

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that is the correct percentage.

Q The location is on Federal land?

A The proposed location is on Federal lands.

MR. GRAHAM: It is indicated on the map?

A If it is not we can put it in there.

MR. HUNKER: It is not on the map. I don't believe it is in the application. I don't know that it is necessary.

MR. MACEY: That 90% figure was just the fee ownership?

A Fee.

Q What about the overall?

A The overall, it is about 98%.

MR. GRAHAM: Application has been made to the State Land Office?

MR. HUNKER: Yes, it has been made.

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

(Witness excused.)

Any further witnesses?

MR. HUNKER: No, sir.

MR. SPURRIER: Any comment in this case? If not, the case will be taken under advisement and we will move to Case 383.

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 382 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on July 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 \_\_\_\_\_ of July, 1952.

\_\_\_\_\_  
REPORTER

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