

Case No.

500

Application, Transcript,
Small Exhibits, Etc.

T R A N S C R I P T

CASE 500:

Special Hearing 9 a.m. March 31, 1953

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

CASE 500
SPECIAL HEARING MARCH 31, 1953

Present:

George H. Hunker, jr., Roswell, N. M.	- Hervey, Dow & Hinkle
George W. Marshall, jr., Roswell	Continental Oil Company
M. E. Thrash, Roswell	Continental Oil Company

For the Commission:

E. S. Walker, Member
R. R. Spurrier, Secretary
George Graham, Attorney

Transcript

SPURRIER: The meeting will come to order, please. This hearing is for the purpose of hearing evidence presented in Case 500. Will you read the notice please, Mr. Graham?

GRAHAM: Case 500. In the matter of the application of Continental Oil Company for an order approving the East Texas Hill Unit Agreement embracing 26,921.78 acres of land, more or less, in Eddy County, New Mexico, as described:

NEW MEXICO PRINCIPAL MERIDIAN

Twp. 21 South, Rge. 21 East
Sects. 20 thru 28, incl., all;
Sect. 29: N/2, N/2 SE/4, SE/4 SE/4;
Sect. 33: NE/4, N/2 NW/4, SE/4 NW/4,
N/2 SE/4, SE/4 SE/4;
Sects. 34, 35 and 36, all

Twp. 21 South, Rge. 22 East
Sects. 29 thru 32, incl., all;
Sect. 33: SW/4

Twp. 22 South, Rge. 21 East
Sects. 1 and 2: all;
Sect. 3: Lots 1 and 2, S/2 NE/4,
Lots 3 and 4, SE/4 NW/4, N/2 SE/4, SE/4 SE/4;
Sect. 10: NE/4 NE/4;
Sect. 11: N/2, E/2 SW/4, SE/4;
Sects. 12 and 13: all;
Sect. 14: NE/4, NE/4 SE/4;
Sect. 24: NE/4, NE/4 NW/4, E/2 SE/4

Twp. 22 South, Rge. 22 East
Sect. 4: NW/4 and S/2;

Cont'd.

(Twp. 22 South, Rge. 22 East)
Sects. 5 thru 9, incl.: all;
Sect. 10; W/2;
Sect. 15; W/2;
Sects. 16 thru 21, incl.: all;
Sect. 22; NW/4 and W/2 SW/4;
Sects. 28 thru 33, incl.: all

SPURRIER: Will you proceed, Mr. Hunker?

HUNKER: My name is George H. Hunker, jr., representing Continental Oil Company of Ft. Worth, Texas, and Roswell, New Mexico, being a member of the firm of Hervey, Dow and Hinkle. Case 500 involves the application of Continental Oil Company for the approval of the East Texas Hill Unit Agreement situated in Eddy County, New Mexico. The unit area consists of 26,921.78 acres, of which 85.81 per cent, or 23,101.56 acres, are Federal lands, or a part of the public domain, and 3,740.22 acres, or 13.89 per cent, being lands of the State of New Mexico. Eighty acres, or .30 per cent, are fee lands. Attached to Continental Oil Company's application for approval of this unit is a designation by the United States Geological Survey stating that the area is suitable and proper for unitization. Also attached is an Exhibit B, being the geological report prepared by the applicant showing the results of surveys made by the applicant in the area. In this connection, the applicant has requested that this information be treated as confidential by the Commission. At this time I would like to call as witness and have Mr. George W. Marshall sworn.

GRAHAM: (Swearing witness) Do you solemnly swear the testimony you are about to give in this case to be the truth, the whole truth, and nothing but the truth, so help you God?

MARSHALL: I do.

HUNKER: Will you state your name and occupation, Mr. Marshall?

MARSHALL: My name is George W. Marshall, jr. I am Division Geologist, Roswell Division, Continental Oil Company.

HUNKER: Have you qualified to testify before the Oil Conservation Commission as an expert?

MARSHALL: I have not been before this Commission before.

HUNKER: Will you tell the Commission if you will, Mr. Marshall, briefly what your qualifications are with regard to education and experience.

MARSHALL: I have a B.A. degree in petroleum geology from the University of Texas. I have been with Continental Oil Company engaged in petroleum geology for approximately five years. I have been in this Roswell Division seven months.

HUNKER: Will the Commission accept the qualifications of this witness?

SPURRIER: It will.

HUNKER: Mr. Marshall, will you tell the Commission what your Exhibit B, attached to Continental Oil Company's application, shows with regard to this unit area, East Texas Hill?

MARSHALL: Exhibit B attempts to point out the thinning of the combined Ieso and Abo sections in the Continental No. 1 Bass Well, as compared to the Magnolia No. 1 State W Well; and that 4273 feet of Wolfcamp and Pennsylvanian, present in the Magnolia well, were missing in the Continental No. 1 Bass well.

We believe that the steep northeast dips of the San Andres outcrop along the Huisache monocline may be explained in several ways, one probable explanation being that these dips are the result of post-Permian movement along an older, probably pre-Permian fault. Termination of the Pennsylvanian section between the Magnolia well and the Continental well, whatever the cause, creates a condition favorable for stratigraphic trap accumulations in the Pennsylvanian.

HUNKER: Will you tell the Commission if the proposed unit area covers substantially all of this geologic feature that you have just explained, in your opinion?

MARSHALL: Yes.

HUNKER: Do you propose to drill a test well on the unit area, and within what period of time?

MARSHALL: We propose to drill an 11,000-foot Ellenburger test, contingent upon the approval of this unit, and six months subsequent thereto.

HUNKER: Are you familiar with the terms of the unit agreement that has been presented to the Commission, and is it substantially in the same form as other unit agreements that have heretofore been approved by the Commission?

MARSHALL: Yes.

HUNKER: In the event oil or gas in paying quantities is discovered on the lands within the unit area, is it your opinion that this field or area can be developed economically and efficiently under the terms of the agreement to the end that maximum recovery may be obtained and that the agreement will be in the interests of conservation of oil and gas, and in the prevention of waste, as contemplated by the statutes of the State of New Mexico?

MARSHALL: Yes.

HUNKER: Has Continental made application to the Commissioner of Public Lands for approval of this agreement?

MARSHALL: Yes.

HUNKER: I have no other questions, Mr. Spurrier. If the Commission has any questions, we welcome them at this time.

SPURRIER: Does anyone have a question of this witness? If not, the witness may be excused. Do you have anything further in the case, Mr. Hunker? If there are no further questions or comments, the meeting is adjourned.

* * * *

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) SS.

I, Nancy Royal, hereby certify that the above and foregoing transcript of proceedings in Case No. 500, taken before the New Mexico Oil Conservation Commission on March 31, 1953, at Santa Fe, New Mexico, is a true and correct record to the best of my ability.

Dated in Santa Fe, New Mexico, this 8th day of April, 1953.

Nancy Royal

Notary Public:

Bill Bratty

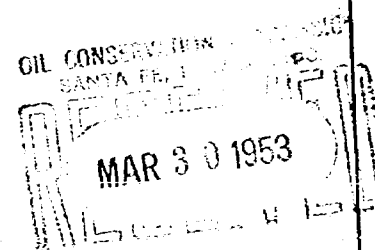
My Commission Expires May 24, 1953.

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Santa Fe, New Mexico
March 17, 1953

TRANSCRIPT OF HEARING

CASE NO. 500



E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1303
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico
March 17, 1953

In the Matter of:

Application of Continental Oil Company for
approval of the East Texas Hill Unit Agree-
ment embracing 26,921.78 acres, more or less,
Twps. 21 and 22 South, Rges. 21 and 22 East,
Eddy County.

Case No. 500.

TRANSCRIPT OF HEARING

MR. SPURRIER: We will now take up Case 500.

MR. HINKLE: It is my understanding that the advertisement
in connection with 500 was all garbled and this setting will be
vacated and re-advertised.

MR. SPURRIER: Yes, sir, and it is my understanding that
the 31st of this month would be a suitable date.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS.

I, ADA DEARNLEY, hereby certify that the above and foregoing
transcript of proceedings in Case No. 500, taken before the Oil
Conservation Commission on March 17, 1953, at Santa Fe, New
Mexico, is a true and correct record.

Dated in Albuquerque, New Mexico, this 24th day of March, 1953.

Ada Dearnley
Notary Public

My Commission Expires:
June 19, 1955.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1303
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

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T R A N S C R I P T

CASE 500:

Special Hearing 9 a.m. March 31, 1953

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

R E G I S T E R

New Mexico Oil Conservation Commission Special Hearing March 31, 1953

<u>Name</u>	<u>Representing</u>
George H. Humboldt, Jr. Roswell, N. Mex	Continental Oil Company.
George H. Marshall Jr Roswell, N. M.	Continental Oil Company
M. E. Thrush Roswell, N. Mex	Continental Oil Company

For the Commission:

R. R. Spurrier, Secretary

E. S. Walker, Member

George Graham, Attorney

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* * * *

STATE OF NEW MEXICO)
: SS.
COUNTY OF SANTA FE)

I, Nancy Royal, hereby certify that the above and foregoing transcript of proceedings in Case No. 500, taken before the New Mexico Oil Conservation Commission on March 31, 1953, at Santa Fe, New Mexico, is a true and correct record to the best of my ability.

Dated in Santa Fe, New Mexico, this 8th day of April, 1953.

Nancy Royal

Notary Public:

W. M. C. C. C.

My Comm. Expires May 24, 1954.

July 20, 1954

Continental Oil Company
1710 Fair Building
Fort Worth, Texas

Re: East Texas Hill
Unit Agreement

Gentlemen:

We have your letter dated July 1, 1954 requesting approval of a twelve month extension of time in which to elect to commence an additional well in the above captioned unit agreement.

Please be advised that we approve a twelve month extension from and after July 1, 1954 within which to commence an additional well, subject to like approval being obtained from the United States Geological Survey and Oil Conservation Commission.

Very truly yours,

E. S. Walker
Commissioner of Public Lands

cc: U. S. Geological Survey
Roswell, New Mexico (3)
Oil Conservation Commission ✓
Santa Fe, New Mexico (1)

C
O
P
Y

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

July 16, 1954

Continental Oil Company
1710 Fair Building
Ft. Worth, Texas

RE: East Texas Hill Unit Agreement

Gentlemen:

Reference is made to your letter of July 1, 1954 requesting approval of an extension of time in which to elect to commence an additional well in the above captioned unit.

Please be advised that an extension of time to July 1, 1955, within which to commence an additional well, is hereby approved by the New Mexico Oil Conservation Commission effective as of this date, subject to like approval by the U. S. G. S. and the Commissioner of Public Lands, State of New Mexico.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:jh

cc: U. S. G. S.
Roswell, New Mexico

State Land Office
Santa Fe, New Mexico

C
O
P
Y



CONTINENTAL OIL COMPANY

MAIN OFFICE OCC

1954 JUL 8 AM 9:35

1710 Fair Building
Fort Worth 2, Texas
July 1, 1954

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

Subject:
East Texas Hill Unit Agreement
Eddy County, New Mexico

The first test well drilled pursuant to the above Unit Agreement was designated Continental Oil Company, East Texas Hill Unit, No. 1, and was plugged and abandoned as a dry hole on January 5, 1954. The Unit Agreement provides in part:

"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 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 land, 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 formation drilled hereunder."

It is further provided that the drilling requirements may be modified by granting reasonable extensions of time when, in your opinion, special action is warranted.

Continental Oil Company, as Unit Operator, hereby respectfully requests that there be granted an extension of

PIONEERING IN PETROLEUM PROGRESS SINCE 1875

New Mexico Oil Conservation Commission
Page 2

time for a period of one year from the date hereof within which to elect to commence an additional well. In support of this request, the following data is presented for your consideration.

Exploration and drilling operations in this locality are slow and very expensive. The test well was spudded June 20, 1953, and was plugged and abandoned at a total depth of 10,596 feet on January 5, 1954, having reached Ellenburger dolomite. No commercially productive oil zones were encountered in the drilling of this well.

Information obtained from the drilling of the East Texas Hill Unit, No. 1, has indicated the presence of geological section which was not encountered in the Continental Bass well approximately four miles west. It is necessary that additional geological studies be completed before another costly test well is started. It is intended to accelerate our geological study with seismos work, which has been programmed to be commenced in the next forty-five to sixty days. It is believed that the results obtained from our seismograph survey and the conclusions arrived at by the geological studies will enhance the selection of a desirable drillsite for subsequent exploration.

Since the abandonment of the East Texas Hill Unit, No. 1, rentals have been paid, and it is expected that additional rentals will be paid if the unit can be extended until such time as current studies and work are completed and possibly another test well is drilled and final evaluation has been made.

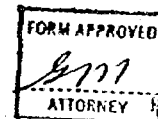
Respectfully submitted,

CONTINENTAL OIL COMPANY

By *L. B. Washington*
Vice President

ATTEST:

Marie Rodgers
Assistant Secretary



RECEIVED
STATE LAND OFFICE
JUL 8 11 29 AM '54
SANTA FE, N. M.

CONTINENTAL OIL COMPANY

1710 Fair Building
Fort Worth 2, Texas
July 1, 1954

Mr. E. S. Walker
Commissioner of Public Lands
Santa Fe, New Mexico

Dear Mr. Walker:

Subject:
East Texas Hill Unit Agreement
Eddy County, New Mexico

The first test well drilled pursuant to the above Unit Agreement was designated Continental Oil Company, East Texas Hill Unit, No. 1, and was plugged and abandoned as a dry hole on January 5, 1954. The Unit Agreement provides in part:

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RECEIVED
STATE LAND OFFICE
JUL 8 11 29 AM '54
SANTA FE, N. M.

CONTINENTAL OIL COMPANY

1710 Fair Building
Fort Worth 2, Texas
July 1, 1954

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Commissioner of Public Lands
Santa Fe, New Mexico

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East Texas Hill Unit Agreement
Eddy County, New Mexico

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Director, U. S. Geological Survey
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Respectfully submitted,

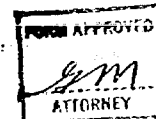
CONTINENTAL OIL COMPANY

By

[Signature]
Vice President

ATTEST:

[Signature]
Assistant Secretary



C
O
P
Y

June 4, 1953

Continental Oil Company
Fair Building
Fort Worth, Texas

Re: East Texas Hill Unit
Agreement, Eddy County,
New Mexico
Case Number 500
Order R-312

Gentlemen:

Our records reveal that the East Texas Hill Unit Agreement has been approved by the Oil Conservation Commission.

Please forward a copy of the Oil Conservation Commission Order to this office together with the proper ratifications and joinders. Upon receipt of this information we will proceed to post our leases and tract books accordingly.

Very truly yours,

E. S. WALKER
Commissioner of Public Lands

cc: U. S. Geological Survey
Roswell, New Mexico (3)
Oil Conservation Commission
Santa Fe, New Mexico (1)

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

April 8, 1953

Mr. George Hunter
HERVEY, DOW AND HINKLE
ROSWELL, NEW MEXICO

RE: OCC Case 500

Dear Sir:

We send you herewith two signed copies of Order R-312 approved by the Commission in Case 500, subject of special hearing held on March 31 with Continental Oil Company as petitioner. We will appreciate your transmitting these to your client.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:mf

C
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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. 500
ORDER NO. R-3121

THE APPLICATION OF CONTINENTAL
OIL COMPANY FOR APPROVAL OF THE
EAST TEXAS HILL UNIT AGREEMENT
EMBRACING 26,921.78 ACRES OF
LAND, MORE OR LESS, IN EDDY
COUNTY, NEW MEXICO, WITHIN
TOWNSHIPS 21 AND 22 S., RANGES
21 AND 22 E., N.M.P.M.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock A.M. on
March 17, 1953, at Santa Fe, New Mexico, before the Oil Conser-
vation Commission of New Mexico, hereinafter referred to as
the "Commission".

NOW, on this 31st day of MARCH, 1953, 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 prevention of
waste.

IT IS THEREFORE ORDERED:

SECTION 1. That this order shall be known as the

EAST TEXAS HILL UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall
be known as the East Texas Hill Unit Agreement, and shall hereafter
be referred to as the "Project".

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

SECTION 3. That the East Texas Hill Unit Agreement Plan
shall be, and hereby is, approved in principle as a proper con-
servation 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 right, 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 East Texas Hill 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. 21 S., R. 21 E.

Secs. 20 to 28 (incl.): All

Sec. 29: $N\frac{1}{2}$, $N\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$

Sec. 33: $NE\frac{1}{4}$, $N\frac{1}{2}NW\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$

Secs. 34, 35 and 36: All

Twp. 21 S., R. 22 E.

Secs. 29 to 32 (incl.): All

Sec. 33: $SW\frac{1}{4}$

Twp. 22 S., R. 21 E.

Secs. 1 and 2: All

Sec. 3: Lots 1 and 2, $S\frac{1}{2}NE\frac{1}{4}$, Lots 3 and 4, $SE\frac{1}{4}NW\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$

Sec. 10: $NE\frac{1}{4}NE\frac{1}{4}$

Sec. 11: $N\frac{1}{2}$, $E\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}$

Secs. 12 and 13: All

Sec. 14: $NE\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$

Sec. 24: $NE\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}$, $E\frac{1}{2}SE\frac{1}{4}$

Twp. 22 S., R. 22 E.

Sec. 4: $NW\frac{1}{4}$ and $S\frac{1}{2}$

Secs. 5 to 9 (incl.): All

Sec. 10: $W\frac{1}{2}$

Sec. 15: $W\frac{1}{2}$

Secs. 16 to 21 (incl.): All

Sec. 22: $NW\frac{1}{4}$ and $W\frac{1}{2}SW\frac{1}{4}$

Secs. 28 to 33 (incl.): All

Situated in Eddy County, New Mexico, containing 26,921.78 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 East Texas Hill 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

CASE NO. 500
ORDER NO. _____

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, Chairman



E. S. WALKER, Member



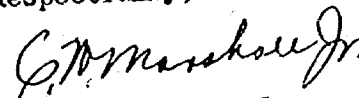
R. R. SPURRIER, Secretary

SEAL

Page 4

in an orderly manner and in the best interests of conservation.

Respectfully,



G. W. Marshall, Jr.
Division Geologist
Roswell Division
Continental Oil Company

Case 500

March 2, 1953

Continental Oil Company
Fair Building
Fort Worth 2, Texas

Re: East Texas Hill Unit Agreement,
Eddy County, New Mexico

Gentlemen:

I have examined the proposed form of the East Texas Hill Unit Agreement in Eddy County, New Mexico. It appears that this proposal form is substantially the form of agreement heretofore approved by me for others.

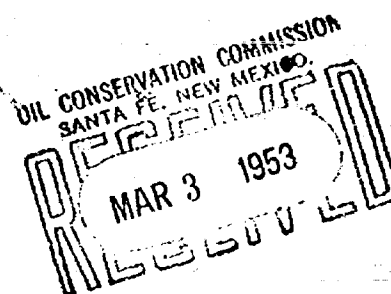
I am withholding approval of the proposition pending a hearing to be had before the Oil Conservation Commission of the State of New Mexico and the evidence adduced at that time in support of the Unit Agreement.

Yours very truly,

E. S. WALKER
Commissioner of Public Lands

cc: U. S. Geological Survey
Roswell, New Mexico (3)
Oil Conservation Commission
Santa Fe, New Mexico (1)

et



C
O
P
Y

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

WILLIAM C. SCHAUER
HOWARD C. BRATTON
S. B. CHRISTY IV

LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO
February 23, 1953

Case 500

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: East Texas Hill Unit Agreement

Gentlemen:

We enclose herewith three copies of application of Continental Oil Company for approval of the East Texas Hill Unit Agreement, Eddy County. We also enclose three copies of the proposed form of Unit Agreement.

You will note from Exhibit "A" attached to the application, that this area has heretofore been designated as an area suitable and proper for unitization by the United States Geological Survey. There is also attached as Exhibit B, a geological report with structural map, which is to be treated as confidential.

We would appreciate your placing this on the docket to be heard at your first hearing in March. Please let us have copy of notice of publication at your earliest convenience showing date of same.

Yours very truly,

HERVEY, DOW & HINKLE

By 

CEH:mp
Enclosures

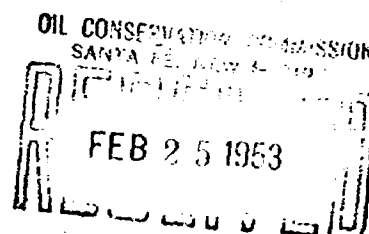


Exhibit "B"
Geological Report - East Texas Hill Unit Area
T 21-22 S, R 21-22 E
Eddy County, New Mexico

500

The East Texas Hill Unit Area is located near the west central edge of Eddy County, 31 miles west of Carlsbad, New Mexico, in T 21-22 S, R 21-22 E. An index map is attached hereto, and made a part hereof, which shows the position of the proposed unit in relation to nearby producing fields. The area so designated is east of a prominent hill, called Texas Hill, which rises about 700' above the eastward area. Texas Hill is a topographic expression of the Texas Hill Anticline which is illustrated on the attached Exhibit "1". Just east of the Texas Hill Anticline lies a well defined monoclinial structure in the Permian, known as the Huapache monocline.

Exhibit "1" is an integration of surface and subsurface mapping by the Continental Oil Company, with further control being added from an aerial and structural interpretive map of the Geophoto Services, Inc. The scale of the map is 1" - 4000'; the datum is the top of the San Andres Limestone; and the contour interval is 100'.

Exhibit "2" presents a general east-west geological cross section from the Magnolia No. 1 State "W" (Burro Hills), Section 16, T 21 S, R 22 E, through the Continental No. 1 H. W. Bass, Section 5, T 22 S, R 21 E, to the Standard of Texas No. 1 Scarp Unit, Section 18, T 21 S, R 18 E. It is a photostatic reduction from the original scale of 1" - 3/4ths of a mile horizontal and 1" - 2000' vertical. As the cross section attempts to illustrate, the combined Yesso and Abo sections in the Continental No. 1 Bass thinned 878' compared to the Magnolia No. 1 State "W"; and 4273' of Wolfcamp and Pennsylvanian section present in the Magnolia well were missing in the Continental No. 1 Bass.

Although the steep northeast dips in the San Andres outcrop along the Huapache monocline may be explained in several ways, one probable explanation is that these dips are the result of post-Permian movement along an older, probably pre-Permian fault. Pennsylvanian formations which are absent west of the Huapache monocline were probably removed on the upthrown side of the buried fault by pre-Abo erosion.

Termination of the Pennsylvanian section between the Magnolia well and the Continental well, whatever the cause, creates a condition favorable for stratigraphic trap accumulations in the Pennsylvanian. If faulting is the cause, then the pre-Pennsylvanian formations on the downthrown side are also favorable prospects. Continental believes that the most favorable area for all horizons would be that parallel to and immediately northeast of the Huapache monocline, and lying between the Magnolia No. 1 State "W" well and the Texas Hill Anticline.

Exhibit "1" indicates that the subsurface structural contours on top of the San Andres limestone may reflect a deep seated fold possibly closing against the postulated fault. Even though control is limited along the east flank of the monocline, we believe that the bounding synclines to the northwest and southeast of the Texas Hill Anticline will control the attitude of the subsurface formations immediately to the east of the Texas Hill Anticline, as shown on the attached Exhibit "1". Should this fact prove true, then the Pennsylvanian and pre-Pennsylvanian prospects are even more favorable under the unit here being proposed.

The following horizons are considered prospective producing horizons in the East Texas Hill Unit Area:

<u>Horizon</u>	<u>Est. Depth to Horizon</u>
Yeso (Permian)	1800-3300'
Abo (Permian)	3300-5000'
Pennsylvanian	5000-9000'
Siluro-Devonian	9000-9600'
Montoya (Ordovician)	9600-10,100'
Ellenburger (Ordovician)	10,000-10,500'

The tentative location for the first test is contemplated in the vicinity of Section 1, T 22 S, R 21E; however, the terrain at this locality will have to be examined thoroughly before an exact location can be made.

This well is projected to a depth sufficient to test the Ellenburger, or 11,000'; unless unitized substances shall be discovered in paying quantities at a lesser depth.

The closest oil production to the proposed unit is in the Dayton-Grayburg (Permian) Pool, 40 miles northeast (see attached index map).

Development in the subject area tends to be retarded due to the wide diversity of ownership. It is thought that the best and most logical area for prospecting along the Huapache monocline lies between the two synclines shown on the Exhibit "1" attached hereto; and between the two wells referred to above, immediately northeast of the Huapache monocline. This area, as shown on Exhibit "A", is believed to constitute an area logically subject to unitization and supported by the available geological information and interpretation above referred to. Therefore, Continental proposes the formation of the East Texas Hill Unit to bring this diversified ownership together so that development might be carried out

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Case 500

APPLICATION FOR APPROVAL OF EAST TEXAS HILL UNIT AGREEMENT,
EDDY COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, the CONTINENTAL OIL COMPANY,
a corporation with offices at Fort Worth, Texas, and files
herewith three copies of a proposed Unit Agreement for the
development and operation of the East Texas Hill Unit Area,
Eddy 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 proposed unit area covered by said agree-
ment embraces 26,921.78 acres, more or less, more particularly
described as follows:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 21 S., R. 21 E.

Secs. 20 to 28, (incl.): All
Sec. 29: $N\frac{1}{2}$, $N\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$
Sec. 33: $NE\frac{1}{4}$, $N\frac{1}{2}NW\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$
Secs. 34, 35 and 36: All

T. 21 S., R. 22 E.

Secs. 29 to 32, (incl.): All
Sec. 33: $SW\frac{1}{4}$

T. 22 S., R. 21 E.

Secs. 1 and 2: All
Sec. 3: Lots 1 and 2, $S\frac{1}{2}NE\frac{1}{4}$, Lots 3 and 4,
 $SE\frac{1}{4}NW\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$
Sec. 10: $NE\frac{1}{4}NE\frac{1}{4}$
Sec. 11: $N\frac{1}{2}$, $E\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}$
Secs. 12 and 13: All
Sec. 14: $NE\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$
Sec. 24: $NE\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}$, $E\frac{1}{2}SE\frac{1}{4}$

T. 22 S., R. 22 E.

Sec. 4: $NW\frac{1}{4}$ and $S\frac{1}{2}$
Secs. 5 to 9 (incl.): All
Sec. 10: $W\frac{1}{2}$
Sec. 15: $W\frac{1}{2}$
Secs. 16 to 21 (incl.): All
Sec. 22: $NW\frac{1}{4}$ and $W\frac{1}{2}SW\frac{1}{4}$
Secs. 28 to 33 (incl.): All

That of the above described land 23,101.56 acres or 85.81% are Federal lands or part of the Public Domain, and 3,740.22 acres or 13.89% are lands of the State of New Mexico, and 80 acres or .30% are fee or privately owned lands.

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 copy of the letter so designating said area being attached hereto, made a part hereto, and for purposes of identification marked Exhibit "A".

That there is also attached hereto, made a part hereto, and for purposes of identification marked Exhibit "B", a geological report prepared by applicant showing the result of a seismographic survey made of the area, which applicant requests be treated as confidential.

3. That applicant believes and upon such information and belief states that the proposed unit area covers substantially all of the geological feature involved, and in the event of the discovery of oil or gas thereon, that said Unit Agreement will afford effective control of the entire structure.

4. That the Continental Oil Company, a corporation, 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 for oil and gas upon some part of the lands embraced in the unit area within six months from the effective date thereof and for the drilling of said well with due diligence until the Ellenberger formation has been tested, however, Operator is not required to drill said well to a depth in excess of 11,000 feet.

5. 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 by the New Mexico Oil Conservation Commission. It is believed that in the event oil or gas in paying quantities is discovered on the lands within the unit area that the field or area can be developed more economically and efficiently under the terms of said agreement to the end that the maximum recovery may be obtained and that the agreement will be in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the New Mexico Oil Conservation statutes.

6. 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 the New Mexico Conservation Commission.

Dated this the 23 day of February 1953.

Respectfully submitted,

CONTINENTAL OIL COMPANY

By M. E. Frank

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

February 16, 1953

Hervey, Dow & Hinkle
White Building
Roswell, New Mexico

Gentlemen:

Reference is made to the application of January 31, 1953, revising the application of December 29, 1952, for the Continental Oil Company's East Texas Hill unit area. The revision was submitted as a result of conferences in Washington on January 16 and 19, 1953, requesting designation of 23,102 acres, more or less, in Eddy County, New Mexico, as an area logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended. Reference is also made to the three copies of a proposed form submitted for preliminary approval with your letter of December 30, 1952.

Pursuant to regulations of December 22, 1950, 30 C.F.R., sec. 226.3, the following-described land is designated as a logical unit area, to be known as the East Texas Hill unit area:

New Mexico Principal Meridian, New Mexico

T. 21 S., R. 21 E.
Sec. 20 through 28, all
Sec. 29, $N\frac{1}{2}$, $N\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$
Sec. 33, $NE\frac{1}{4}$, $N\frac{1}{2}NW\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$
Sec. 34 through 36, all

T. 22 S., R. 21 E.
Sec. 1 and 2, all
Sec. 3, $NE\frac{1}{4}$, $N\frac{1}{2}NW\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$
Sec. 10, $NE\frac{1}{4}NE\frac{1}{4}$
Sec. 11, $N\frac{1}{2}$, $E\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}$
Sec. 12 and 13, all
Sec. 14, $NE\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$
Sec. 24, $NE\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}$, $E\frac{1}{2}SE\frac{1}{4}$

T. 21 S., R. 22 E.
Sec. 29 through 32, all
Sec. 33, $SW\frac{1}{4}$

T. 22 S., R. 22 E.
Sec. 4, $NW\frac{1}{4}$, $S\frac{1}{2}$
Sec. 5 through 9, all
Sec. 10, $W\frac{1}{2}$
Sec. 15, $W\frac{1}{2}$
Sec. 16 through 21, all
Sec. 22, $NW\frac{1}{4}$, $W\frac{1}{2}SW\frac{1}{4}$
Sec. 28 through 33, all

EXHIBIT "A"

The proposed depth of 11,000 feet or a test of the Ellenberger formation is deemed acceptable.

The proposed form substantially follows the 1950 standard form, including modifications heretofore approved as applicable to New Mexico State lands, except for certain modifications of sections 12, 16, and 19, as heretofore approved in the Big Eddy and James Ranch, New Mexico, agreements. Accordingly, the form will be regarded as acceptable if modified as indicated by red pencil and attached rider (ignore underscoring and marginal notes). One copy so marked is returned herewith, one copy is being furnished the Oil and Gas Supervisor, and one copy is being retained.

In the absence of any objections not now apparent, a duly executed agreement identical with the above-mentioned form as modified will be approved if submitted within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement which, in the Survey's opinion, does not have the full commitment of sufficient lands to afford effective control of operations.

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.

Very truly yours,

/s/ Julian D. Sears

Acting Director

Enclosure

MAIL ROOM 800

RECEIVED - 10-03-55

Terminated

500

October 3, 1955

file

Continental Oil Company
Box 749
Roswell, New Mexico

Re: Requesting termination of
(East Texas Hill Unit Agreement)
Eddy County, New Mexico

Attention: W. R. Hall
Land Superintendent
Roswell Division

Gentlemen:

We are enclosing two (2) copies, including
the direct copy, of Approval of the Request for Termination of the East Texas Hill Unit, said termination to become effective as of October 1, 1955.

Yours truly,

E. S. WALKER
Commissioner of Public Lands

Encl.
cc: USOS-Roswell
OCO-Santa Fe
MR

RECEIVED OFFICE OF
FEB 11 1955

CONTINENTAL OIL COMPANY

file

Box 749
Roswell, New Mexico
September 30, 1955
REGISTERED MAIL

Mr. E. S. Walker
Commissioner of Public Lands
Santa Fe, New Mexico

Dear Mr. Walker:

RE: Requesting termination of
(East Texas Hill Unit Agreement,
Department Contract No. 14-08-
001-555, Approved June 12, 1953,
Eddy County, New Mexico.

On September 14, 1955, effective as of October 1, 1955,
Acting Director of the United States Geological Survey, Thomas
B. Nolan, approved the termination of the East Texas Hill Unit
Agreement, Eddy County, New Mexico, No. 14-08-001-555, approved
June 12, 1953, pursuant to the last paragraph of Section 21 thereof,
subject to like approval by the Commissioner of Public Lands of
the State of New Mexico. In this connection enclosed please find
the following:

1. Three executed copies of a letter dated June 21, 1955, addressed to the Director of the United States Geological Survey, Commissioner of Public Lands for the State of New Mexico, and Director of Oil Conservation Commission for the State of New Mexico.
2. Three photostatic copies of Mr. H. J. Duncan's letter of September 19, 1955, stating that the U.S.G.S. has approved termination of the East Texas Hill Unit Agreement effective as of October 1, 1955.
3. Three executed copies of termination requests signed by Humble, Sinclair, Phillips, Standard Oil of Texas, Malco Refineries, Inc., Cities Service, and Magnolia.

Mr. E. S. Walker
Page 2

If this termination meets with your approval, it is kindly requested you so indicate by executing in the space provided on Page 3 of the above mentioned letter dated June 21, 1955. We further kindly request that you return two sets of the above mentioned material, including the set containing the direct copy, to this office and retain the third copy for your records.

Should additional material be needed from us in connection with this matter, it would be appreciated if you would please so advise.

Yours very truly,

W. R. Hall
Land Superintendent
Roswell Division

WRH-jh
Encls.
cc:

Mr. W. B. Macey
Secretary and Director of
Oil Conservation Commission
Santa Fe, New Mexico

MAIN OFFICE OCC

JUL 11 11 2:48

Box 749
Roswell, New Mexico
July 8, 1955

file

Mr. John A. Anderson
Regional Supervisor of the
United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Dear Mr. Anderson

RE: ~~Requesting termination of the~~
~~East Texas Hill Unit Agreement.~~
Department Contract No. 14-08-001-555,
approved June 12, 1953, Eddy
County, New Mexico.

Reference is made to my letter to you dated June 28,
1955, above subject, wherein I enclosed the original and six
copies, the last being a direx, of request dated June 22, 1955,
for termination of the subject unit located in Eddy County,
New Mexico, which request was executed only by Continental
Oil Company.

ju
In accordance with your instructions I enclose five
sets of photostatic copies of telegrams and/or letters
evidencing concurrence with this request for termination of
the unit from Sinclair Oil and Gas Company, Standard Oil of
Texas, Phillips Petroleum Company, Humble Oil and Refining
Company, United States Smelting, Refining, and Mining Company,
and Malco Refineries, Inc.

The interests of these companies when taken collectively
with the interest of Continental Oil Company in this unit,
represent at least 75% on an acreage basis of the owners of

Mr. John A. Anderson
Page 2

working interest acreage held at the present time that is
committed to the East Texas Mill Unit Agreement.

In the event additional information is needed from
us in connection with this matter, we will be glad to furnish
it.

Yours very truly,

ORIGINAL SIGNED
W.R. HALL

W. R. Hall
Land Superintendent
Roswell Division

WRH-jh
Att.

Carbon copies to: Mr. E. S. Walker
Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Mr. W. D. Lacey
New Mexico Oil Conservation Commission
Capitol Annex Building
Santa Fe, New Mexico

file

RECEIVED OFFICE 000
JUN 28 1955

CONTINENTAL OIL COMPANY

Box 749
Roswell, New Mexico
June 28, 1955

Mr. John A. Anderson
Regional Supervisor of the
United States Geological Survey
P. O. Box 6721
Roswell, New Mexico

Dear Mr. Anderson:

RE: Requesting Termination of
East Texas Hill Unit Agreement,
Department Contract #14-08-001-555,
Approved June 12, 1953, Eddy
County, New Mexico

Attached please find original and six copies, the last copy being a direx, of request dated June 22, 1955, for termination of the subject unit, located in Eddy County, New Mexico, which request has been executed by Continental Oil Company.

John
In accordance with information we received from your office this afternoon, we are requesting from our Fort Worth, Texas, office, photostatic copies of correspondence showing concurrence in this request to terminate of at least 75% on an acreage basis of the owners of working interest acreage held at the present time that is committed to this unit agreement. This material will be passed to you as soon as it is received.

If this instrument is satisfactory to you, approval of termination by the United States Geological Survey is kindly requested. We would appreciate the return of three

Mr. John A. Anderson
Page 2

approved copies, including the direx copy, to this office
for further handling with the Commissioner of Public Lands
of the State of New Mexico.

Should additional information be needed from us in
connection with this matter, it is kindly requested you
please so advise.

Yours very truly,

ORIGINAL SIGNED
W.R. HALL

W. R. Hall
Land Superintendent
Roswell Division

WRH-mf
Att.

Carbon copies to: Mr. E. S. Walker
Commissioner of Public Lands
of the State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Mr. W. B. Macey
New Mexico Oil Conservation Commission
Capitol Annex Building
Santa Fe, New Mexico

MALCO REFINERIES, INC.

P. O. BOX 660

ROSWELL, NEW MEXICO

August 3, 1955

file

United States Geological Survey
Post Office Building
Roswell, New Mexico

Gentlemen:

In accordance with the request of Continental Oil Company,
we are enclosing herewith, for your further handling, eight
copies of a consent to the termination of the East Texas Hills
Unit Agreement, Eddy County, New Mexico.

By carbon copy of this letter we are furnishing copies of
this consent to the Commissioner of Public Lands for the State
of New Mexico and the New Mexico Oil Conservation Commission.

Very truly yours,

MALCO REFINERIES, INC.

H. E. Harrington
H. E. Harrington

Enc.
HEH/yw

cc: Commissioner of Public Lands
for State of New Mexico
New Mexico Oil Conservation Commission
Continental Oil Company

MALCO REFINERIES, INC.

P. O. BOX 660
ROSWELL, N. M.

August 3, 1955

The Director of the U. S.
Geological Survey
Department of the Interior
Washington 25, D. C.

Commissioner of Public Lands
for State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Director of Oil Conservation
Commission for State of
New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Gentlemen:

SUBJECT: Requesting Termination of
East Texas Hill Unit Agreement,
Departmental Contract #14-08-001-555,
Approved June 12, 1953, Eddy County,
New Mexico

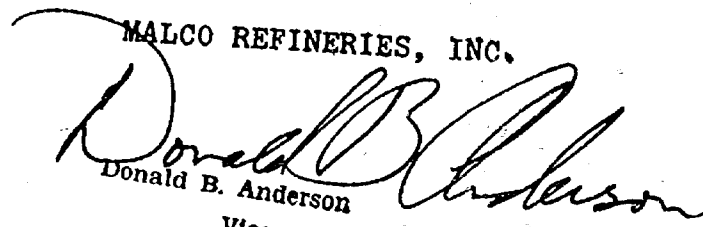
The undersigned is one of the signatory non-operating parties to the unit agreement for the development and operation of the East Texas Hill Unit area, Eddy County, New Mexico, dated March 10, 1953, bearing Departmental No. 14-08-001-555, approved June 12, 1953, referred to in Continental Oil Company's letter dated June 22, 1955, addressed to the Director of the U. S. Geological Survey, Department of the Interior, Washington 25, D. C., the Commissioner of Public Lands and the Director of Oil Conservation Commission for the State of New Mexico, Capitol Annex Building, Santa Fe, New Mexico, requesting termination of said unit agreement.

The undersigned has been furnished a photostatic copy of Continental Oil Company's letter dated June 22, 1955, action on which has been declined by the Washington Office of the U. S. Geological Survey because the evidence furnished therewith does not show that at least seventy-five percent (75%) of the working interest owners have in a satisfactory manner consented to such termination.

Now, therefore, the undersigned, in order to supply the supervising departments of both the federal government and the State of New Mexico with the further consents required, hereby joins Continental Oil Company, requesting that said unit agreement be terminated effective as of the first of the month

following the date of such approval and that rental adjustments and the counting of the two-year lease extension period become effective as of the date of such termination.

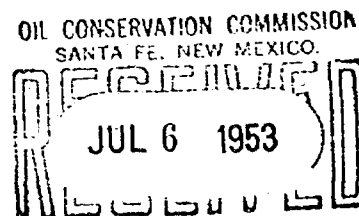
Respectfully submitted.

MALCO REFINERIES, INC.

Donald B. Anderson
Vice PRESIDENT



CONTINENTAL OIL COMPANY

Roswell, New Mexico
July 1, 1953



Mr. R.R. Spurrier
Oil Conservation Commission
Mabry Hall
Santa Fe, New Mexico

Dear Mr. Spurrier:

Enclosed for your files is an executed copy of the
UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE EAST
TEXAS HILL UNIT, EDDY COUNTY, NEW MEXICO.

This Agreement was executed by Mr. Thomas G. Nolan,
Acting Director of the United States Geological Survey, effective
June 12, 1953.

We have commenced drilling operations for the ini-
tial test on this unit and as of this date, we are drilling at
385 feet.

Very truly yours,

M. E. Thrash

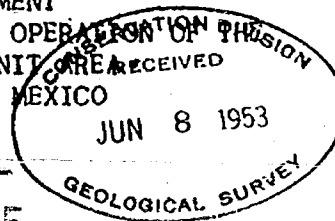
M. E. Thrash
Land Superintendent
Roswell Division

MET:JB

Enclosure

PIONEERING IN PETROLEUM PROGRESS SINCE 1875

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
EAST TEXAS HILL UNIT AREA
EDDY COUNTY, NEW MEXICO



RECEIVED
JUN 2 1953
U. S. GEOLOGICAL
ROSWELL, NEW MEXICO

14-08-001-555

THIS AGREEMENT, entered into as of the 10th day of March
1953, 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. Secs. 181 et seq.,
authorizes Federal lessees and their representatives to unite with each
other, or jointly or separately with others, in collectively adopting and
operating 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
purpose of more properly conserving the natural resources thereof whenever
determined and certified by the Secretary of the Interior to be necessary
or advisable in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico
is authorized by an Act of the Legislature (Chap. 88, Laws 1943) to consent
to or approve this agreement on behalf of the State of New Mexico, 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 law (Chap. 72, Laws of 1935, as amended by Chap. 193,
Laws of 1937, Chap. 166, Laws of 1941, and Chap. 168, Laws of 1949) to
approve this agreement and the conservation provisions hereof; and

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

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

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

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

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

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 21 S., R. 21 E.

Secs. 20 to 28 (incl.): All
Sec. 29: $N\frac{1}{2}$, $N\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$
Sec. 33: $NE\frac{1}{4}$, $N\frac{1}{2}NW\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$
Sec. 34, 35 and 36: All

T. 21 S., R. 22 E.

Secs. 29 to 32 (incl): All
Sec. 33: $SW\frac{1}{4}$

T. 22 S., R. 21 E.

Secs. 1 and 2: All
Sec. 3: Lots 1 and 2, $S\frac{1}{2}NE\frac{1}{4}$, Lots 3 and 4, $SE\frac{1}{4}NW\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SE\frac{1}{4}$
Sec. 10: $NE\frac{1}{4}NE\frac{1}{4}$
Sec. 11: $N\frac{1}{2}$, $E\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}$
Secs. 12 and 13: All
Sec. 14: $NE\frac{1}{4}$, $NE\frac{1}{4}SE\frac{1}{4}$
Sec. 24: $NE\frac{1}{4}$, $NE\frac{1}{4}NW\frac{1}{4}$, $E\frac{1}{2}SE\frac{1}{4}$

T. 22 S., R. 22 E.

Sec. 4: NW $\frac{1}{4}$ and S $\frac{1}{2}$
Secs. 5 to 9 (incl.): All
Sec. 10: W $\frac{1}{2}$
Sec. 15: W $\frac{1}{2}$
Sec. 16 to 21 (incl.): All
Sec. 22: NW $\frac{1}{4}$ and W $\frac{1}{2}$ SW $\frac{1}{4}$
Secs. 28 to 33 (incl.): All

Situated in Eddy County, New Mexico, containing 26,921.76 acres,
more or less.

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary, or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor", or the Commissioner of Public Lands, hereinafter referred to as "Commissioner", and not less than six 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 purpose of this agreement, or shall be contracted to exclude lands not within any participating area whenever such expansion or contraction is necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be effected in the following manner:

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director", or on

demand of the Commissioner shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof.

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

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

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

(e) Notwithstanding any other provisions of this agreement, land subject hereto, which, five years from the effective date hereof or two years after the date of first sale of unitized substances discovered hereunder, whichever period expires later, is situated one mile or more outside the boundary of participating lands then established hereunder, shall be automatically eliminated by legal subdivisions from and no longer subject to this agreement unless on the expiration of the applicable period as specified above drilling operations by the Unit Operator are in progress at a location one mile or more outside the participating lands, in which event non-participating land shall remain subject hereto for so long as such drilling operations are continued diligently without a lapse of time of more than one year between the completion of one such well and the beginning of the next such well. Inasmuch as any contraction under this section is automatic, the Unit Operator shall, within 90 days after any

such contraction hereunder, define the area so eliminated, and upon the approval of the Director of the Geological Survey of the area to be eliminated, promptly notify all parties affected thereby.

If conditions beyond the control of the Unit Operator require modification of the provisions of this subsection, such modification, if filed 90 days in advance of the time limit of any provisions specified in this subsection, may be accomplished by consent of 90 percent of the current, unitized working interests and record interests, respectively, with approval of the Director.

If non-participating lands eliminated under this section are subsequently proved productive and determined to be a logical part of this unit area, the provisions of Section 2 of this agreement prescribing procedures for expansion of the area shall become applicable just as if such lands had never been a part of the unit. Reinclusion in the unit area of such lands shall not be considered automatic commitment or recommitment 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. Continental Oil Company, a corporation, with offices at Fort Worth, Texas, is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of 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 Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of 6 months after notice of intention to resign has been served by Unit Operator on all working interest owners, the Director, and Commissioner, and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment whichever is 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 in like manner and subject to like limitations as above provided at any time a participating area established hereunder is in existence, but until a successor Unit Operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for performance of the duties of Unit Operator, and shall not later than 30 days before such resignation becomes effective appoint a common agent to represent them in any action to be taken hereunder.

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

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

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title, or interest as the owner of a working

interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, materials, and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor Unit Operator or to the owners thereof if no such new Unit Operator is elected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of any wells.

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as 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 interest qualified to vote are owned by one party to this agreement, a concurring vote of one or more additional working interest owners shall be required to select a new operator. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Director and Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director and Commissioner at their election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and

between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement". Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between the unit agreement and the unit operating agreement this unit agreement shall prevail. Three true copies of any unit operating agreement executed pursuant to this section shall be filed with the Supervisor, and one true copy with the Commissioner.

8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of

possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within six 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 or privately owned lands, such location shall be approved by the Commission or Commissioner whichever is appropriate, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Ellenberger 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 said well to a depth in excess of 11,000 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than six 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 land 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 formation 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 to 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 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. Such 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 this approved plan of development. The Supervisor and Commissioner are authorized to grant a reasonable extension of the 6-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing any unitized substances 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 sub-divisions 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. 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, and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first of the month in which is obtained the knowledge or information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule. No land shall be excluded from a participating area on account of depletion of the unitized substances.

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

In the absence of agreement at any time between the Unit Operator and the Director, the Commissioner and the Commission as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interests, except royalties due the United States and the State of New Mexico, which shall be determined by the Supervisor and the Commissioner, respectively, and the amount thereof deposited as directed by the Supervisor and Commissioner, 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, for the purposes of settlement among all parties other than working interest owners, be allocated to the land on which the well is located so long as such land is not within a participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a well shall be made as provided in the unit operating agreement.

12. ALLOCATION OF PRODUCTION. All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, camp and other production or development purposes, for repressuring or recycling in accordance with a plan of development approved by the Supervisor, Commissioner and the Commission, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land of the participating area established for such production and, for the purpose of determining any benefits accruing under this agreement each such tract of unitized land shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area bears to the total number of acres of unitized land in said participating area except that allocation of production hereunder for purposes other than for settlement of the royalty, overriding royalty, or payment out of production obligations of the respective working interest owners, shall be on the basis prescribed in the unit operating agreement whether in conformity with the basis of allocation herein set forth or otherwise. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein regardless of whether any wells are drilled on any particular part or tract of said participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from such last mentioned participating area for sale during the life of

this agreement shall be considered to be the gas so transferred until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as constituted at the time of such final production.

13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR FORMATIONS.

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

If any well drilled as aforesaid by a working interest owner results in production such that the land upon which it is situated may properly be included in a participating area, such participating area shall be established or enlarged as provided in this agreement and the well shall thereafter be operated by Unit Operator in accordance with the terms of this agreement and the unit operating agreement.

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

14. ROYALTY SETTLEMENT. The United States and the State of New Mexico and all royalty owners who, under existing contract, are entitled to

take in kind a share of the substances now unitized hereunder produced from any tract, shall hereafter be entitled to the right to take in kind their share of the unitized substances allocated to such tract, and Unit Operator, or in case of the operation of a well by a working interest owner as herein in special cases provided for, such working interest owner shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, law 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 gas obtained from lands not subject to this agreement is introduced into any participating area hereunder, for use in repressuring, stimulation or 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, after settlement as herein provided for any gas transferred from any other participating area, and with due allowance for loss or depletion from any cause, may be withdrawn from the formation into which the gas was introduced, royalty free as to dry gas, but not as to the products extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the plan of operations or as may otherwise be consented to by the Supervisor, the Commissioner and the Commission as conforming to good petroleum engineering practice, and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to

unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

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, unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

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

16. RIGHTS OF WORKING INTEREST OWNERS IN UNITIZED SUBSTANCES. Notwithstanding any provision contained herein to the contrary, if any, each working interest owner shall have the right to take such owner's proportionate share of the unitized substances in kind or to personally

sell or dispose of the same, and nothing herein contained shall be construed as giving or granting to the Unit Operator the right to sell or otherwise dispose of the proportionate share of any working interest owner without specific authorization from time to time so to do.

Any working interest owner who takes its share of the unitized substances in kind shall pay or secure the payment of the royalty on its interest and furnish at its own expense all tankage and other equipment necessary for taking said unitized substances in kind and shall also pay any other additional expenses of Unit Operator occasioned thereby. Likewise, any royalty owners who under existing contracts are entitled to take their share of the unitized substances in kind shall furnish at their own expense all equipment necessary in connection therewith, and shall reimburse Unit Operator for all expenses incurred on account thereof; provided, that as to Federal lands such expense, equipment and storage of royalty oil taken in kind shall be assumed and furnished pursuant to the provisions of the Federal leases involved.

17. 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 regulations.

18. 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 for Federal land, or as approved by the Commissioner as to State land, or as determined by agreement between the Unit Operator and the royalty owner as to fee land.

19. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development or operation for oil or gas of lands committed to this agreement are hereby expressly modified and amended to the

extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect, and the parties hereto 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 said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases and contracts are particularly modified in accordance with the following:

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

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

(d) Each lease, sublease or contract relating to the exploration, drilling, development or operation for oil or gas of lands other than those of the United States 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, provided, however, each such lease, sublease, or contract shall only be extended in the event unitized substances are capable of being produced from some part of the lands embraced in such lease committed to this agreement, or some part of said lands are committed to a participating area prior to the expiration of the primary term of such lease, sublease, or contract. 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 such land remains committed hereto, provided unitized substances are discovered in paying quantities within the unit area prior to the expiration date of the primary term of such lease. (Provided, however, if permitted by applicable law or any applicable valid regulation notwithstanding the foregoing, such other Federal lease committed hereto shall continue in force beyond the term so provided therein so long as such land remains committed hereto, provided unitized substances are discovered in paying quantities within the unit area prior to the expiration date of such lease or any extension thereof.)

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

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

(h) Any lease embracing lands of the State of New Mexico, which is made subject to this agreement, shall continue in force beyond the term provided therein until the termination hereof.

20. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any working interest, royalty, or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

21. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Secretary or his duly authorized representative and shall terminate five 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 formation 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 event the agreement shall remain in effect for such term and so long as unitized substances can be produced in paying quantities, i.e., in this particular instance in quantities sufficient to pay for the cost of producing the same from wells on unitized land within any participating area established hereunder, and should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid, or (d) it is terminated as heretofore provided in this agreement.

This agreement may be terminated at any time by not less than 75 per centum, on an acreage basis, of the owners of working interests signatory hereto, with the approval of the Director; notice of any such approval to be given by the Unit Operator to all parties hereto.

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

be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

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

23. 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.

24. 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.

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

26. 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.

27. 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 accident, 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.

28. 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.

29. LOSS OF TITLE. In the event title to any tract of unitized land shall fail and the true owner cannot be induced to join this unit agreement,

such tract shall be automatically regarded as not committed hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title as to any royalty, working interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that as to Federal and State land or leases, no payments of funds due the United States or the State of New Mexico should be withheld, but such funds shall be deposited as directed by the Supervisor, and with the Commissioner of Public Lands of the State of New Mexico, 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.

30. NON-JOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the owner of the working interest in that tract may withdraw said tract from this agreement by written notice to the Director, 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 thereof subscribing or consenting to this agreement, and if the interest is a working interest, by the owner of such interest also subscribing to the Unit Operating Agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements or approvals, if any, pertaining to such joinder, as may be provided for in the Unit Operating Agreement. After final approval hereof joinder by a non-working interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such non-working interest. Prior to final approval hereof, joinder by any owner of

a non-working interest must be accompanied by appropriate joinder by the owner of the corresponding working interest in order for the interest to be regarded as effectively committed hereto. Except as may otherwise herein be provided, subsequent joinders to this Agreement shall be effective as of the first day of the month following the filing with the Supervisor, the Commissioner and the Commission of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director, Commissioner or Commission.

31, 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.

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

21a-1a-1b-5-6a-6b-7a-7b-9-11-12a-13a-13b-15a-
15b-15c-16-17a-17b-18-19-20a-20b-21-23-24-25a-
25b-26-27-28-31a-35-36-37a-39-43a-44-46a-46b-
48a-48b-51

ATTEST:

M. Marie Rodgers
Asst. Secretary

Date 5-21-53

CONTINENTAL OIL COMPANY, a corporation

By

T. G. [Signature]
VICE PRESIDENT

Address 1710 Fair Building

Fort Worth 2, Texas

UNIT OPERATOR AND
WORKING INTEREST OWNER

ATTEST:

[Signature]
Secretary

Date May 6, 1953

ATTEST:

[Signature]
Secretary

Date 5-25-1953

ATTEST:

Elizabeth H. Kenney
Asst. Secretary

Date 5-7-53

ATTEST:

[Signature]
Secretary

Date May 15, 1953

ATTEST:

[Signature]
Asst. Secretary

Date 5-21-53

ATTEST:

[Signature]
ASSISTANT Secretary

Date _____

ATTEST:

Secretary

Date _____

ATTEST:

Secretary

Date _____

Pro. 22-30-32

AMERICAN REPUBLICS CORPORATION

By [Signature]
President

Address Petroleum Building

Houston 2, Texas

210.12-13-14-15-16-17-18-19-20-21-22-23-24
25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51

STANDARD OIL COMPANY OF TEXAS

By [Signature]
Vice President

Address P. O. Box 1249

Houston, Texas

Pro. 31-50

HUMBLE OIL & REFINING COMPANY

By [Signature]
Vice President

Address Humble Building

Houston, Texas

210.14

MALCO REFINERIES, INC.

By [Signature]
Vice-President

Address Roswell, New Mexico

210.12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51

MAGNOLIA PETROLEUM COMPANY

By [Signature]
Vice-President

Address Magnolia Building

Dallas, Texas

210.12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51

PHILLIPS PETROLEUM COMPANY

By [Signature]
Vice-President

Address Phillips Petroleum Building

Bartlesville, Oklahoma

210.45

CITIES SERVICE OIL COMPANY

By [Signature]
Attorney-in-Fact

Address Masonic-Empire Building

Bartlesville, Oklahoma

210.49

U. S. SMELTING, REFINING & MINING

By _____

Address V. & J. Building

Midland, Texas

STATE OF TEXAS)
COUNTY OF HARRIS) SS

On this 6 day of May, 1953, before me personally appeared A.K. TYSON to me personally known who being by me duly sworn, did say that he is the -- President of American Republics Corporation and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. K. Tyson acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:
June 1, 1953

Myrtle L. Cruz
Notary Public

MYRTLE L. CRUZ
Notary Public, in and for Harris County, Texas

STATE OF TEXAS)
COUNTY OF HARRIS) SS

On this 25 day of May, 1953, before me personally appeared John Dornier to me personally known who being by me duly sworn did say that he is the Vice President of Standard Oil Company of Texas and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said John Dornier acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:
June 1st, 1953

Robert Davis
Notary Public

NOTARY PUBLIC
Notary Public in and for Harris County, Texas
My Commission Expires June 1, 1953

STATE OF TEXAS)
COUNTY OF HARRIS) SS

On this 7 day of May, 1953, before me personally appeared MORGAN J. DAVIS to me personally known who being by me duly sworn did say that he is the Vice President of Humble Oil & Refining Company and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and MORGAN J. DAVIS acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:
6-1-53

Wayne Lehen
Notary Public

WAYNE LEHEN
NOTARY PUBLIC IN AND FOR
HARRIS COUNTY, TEXAS

STATE OF Texas)
COUNTY OF Dallas) SS

On this 21 day of May, 1953, before me personally appeared Don E. Chastain to me personally known who being by me duly sworn, did say that he is the Vice-President of Magnolia Petroleum Company and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Vice-President acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

6-1-53

Don E. Chastain
Notary Public

STATE OF Oklahoma)
COUNTY OF Washington) SS

On this 20 day of May, 1953, before me personally appeared H. E. KOOPMAN to me personally known who being by me duly sworn did say that he is the Vice-President of Phillips Petroleum Company and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said H. E. KOOPMAN acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

11-5-56

Elva Jean Coale
Notary Public

STATE OF Oklahoma)
COUNTY OF Washington)
STATE OF OKLAHOMA)
WASHINGTON COUNTY) SS

NEW MEXICO

On this 20th day of May, 1953, before me personally appeared J. W. McColl, to me known to be the person who executed the foregoing instrument as Attorney-in-Fact in behalf of Cities Service Oil Company, and acknowledged that he executed the same as the free act and deed of said Cities Service Oil Company.

My Commission Expires:
My commission expires
January 25, 1955

Maguire Mulkins
Notary Public

STATE OF New Mexico)
COUNTY OF Chaves) SS

On this 15th day of May, 1953, before me personally appeared Donald B. Anderson to me personally known who being by me duly sworn, did say that he is the Vice President of Malco Refineries, Inc. and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Donald B. Anderson acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:
June 30, 1956

H. E. Harrington
Notary Public

STATE OF Texas)
COUNTY OF Tarrant) SS

On this 21st day of May, 1953, before me personally appeared A. W. Darrington to me personally known who being by me duly sworn did say that he is the Vice-President of Continental Oil Company and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. W. Darrington acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:
MY COMMISSION EXPIRES JUNE 1, 1953

Kay Mitchell Kay Mitchell
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this ____ day of _____, 195__, before me personally appeared _____ to me personally known who being by me duly sworn did say that he is the _____ President of _____ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and _____ acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS: \

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof. ~~Exhibit "B" is to be corrected to reflect the interest of undersigned as appear of record in U. S. Land Office, Santa Fe, New Mexico.~~

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

2a. 1a-12 Henry G. Reed

Margaret G. Reed

2a. 1a-12 X Carey S. Hill

Lilla L. Hill

STATE OF Calif SS
COUNTY OF Los Angeles

2a. 1a-12 Murray Ward

Emily K. Connell

Thomas Connell

2a. 2-5

On this 15th day of May, 1953, before me personally appeared Thomas Connell and wife, Emily K. Connell; Henry G. Reed and wife, Margaret Y. Reed; Carey S. Hill and wife, Lilla L. Hill; Murray Ward and wife, Virginia Dr. Ward to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as free act and deed.

WITNESS my hand and official seal this 15th day of May, 1953.

My Commission Expires: 9-2-54

June Selby
Notary Public

STATE OF _____ SS
COUNTY OF _____

On this _____ day of _____, 1953, before me personally appeared

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

WITNESS my hand and official seal this _____ day of _____, 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

W. O. Ross ^{2rs. 2-3-4-8-10-47}
Vee K. Ross

STATE OF

COUNTY OF

On this 16 day of May 1953, before me personally appeared

W. O. Ross, and wife, Vee K. Ross
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 this 16 day of May 1953.

My Commission Expires:
July 30, 1956

Chas. C. Ross
Notary Public

STATE OF

COUNTY OF

On this _____ day of _____ 1953, before me personally appeared

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

WITNESS my hand and official seal this _____ day of _____ 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

22-2-3-4-8-10-47

A. C. Holder
Ruby F. Holder

STATE OF

COUNTY OF

New Mexico
Lea SS

On this 15 day of May 1953, before me personally appeared

A. C. Holder, and wife, Ruby F. Holder
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 this 15 day of May 1953.

My Commission Expires:

July 20, 1956

[Signature]
Notary Public

STATE OF

COUNTY OF

SS

On this _____ day of _____ 1953, before me personally appeared

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

WITNESS my hand and official seal this _____ day of _____ 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ Anna J. Baetz 24.3
Herman M. Baetz

STATE OF TEXAS

COUNTY OF BEXAR

SS

On this 28th day of March 1953, before me personally appeared

Anna J. Baetz and husband, HERMAN M. BAEZ

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 this 28th day of March 1953.

My Commission Expires:

6/1/53

Stuart H. Silcock
Notary Public Bexar Co Tex

STATE OF

COUNTY OF

SS

On this day of 1953, before me personally appeared

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

WITNESS my hand and official seal this day of 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to said Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Elaie May Heaton 2nd
George A. Heaton

STATE OF New Mexico
COUNTY OF Eddy

SS

On this 20th day of May

1953, before me personally appeared

George A. Heaton, and wife, Elaie May Heaton
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 this 20th day of May 1953.

My Commission Expires 8-21-54

R. L. Brunel
Notary Public

STATE OF
COUNTY OF

SS

On this _____ day of _____

1953, before me personally appeared

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

WITNESS my hand and official seal this _____ day of _____ 1953.

My Commission Expires: _____

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Charles B. Read
Jean Read
Ars. 6a-6b-7a-7d

STATE OF NEW MEXICO
COUNTY OF CHAVES

SS

On this 19th day of March 1953, before me personally appeared
Charles B. Read and wife Jean Read

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 this 19th day of March 1953.

My Commission Expires:
Oct. 30, 1955.

Marion Roney
Notary Public

STATE OF
COUNTY OF

SS

On this day of 1953, before me personally appeared
~~Daniel S. Harroun and wife Eleanor M. Harroun~~

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

WITNESS my hand and official seal this day of 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW: ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Vance G. Kinahan Jr.
Jessie Thomson Kinahan

STATE OF COLORADO

COUNTY OF DENVER

SS

On this 28th day of May 1953, before me personally appeared

Vance G. Kinahan, and wife, Jessie Thomson Kinahan
to me known to be the person 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 this 28th day of May 1953.

My Commission Expires:

July 13, 1954

Margaret J. Spahn
Notary Public

STATE OF

COUNTY OF

SS

On this day of 1953, before me personally appeared

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

WITNESS my hand and official seal this day of 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the Development and operation of the East Texas Hill Unit Area dated the 10th day of March 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Jane Stapp 22.9
Thomas B. Stapp

STATE OF NEW MEXICO)
COUNTY OF CHAVES) SS

On this 24th day of April, 1953, before me personally appeared Jane Stapp and husband, Thomas B. Stapp to me known to be the person 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 this 24th day of April, 1953.

My Commission Expires:
7-13-54

Edward J. [Signature]
Notary Public

STATE OF _____)
COUNTY OF _____) SS

Post Office

On this _____ day of _____, 1953, before me personally appeared _____ to me known to be the person described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

WITNESS my hand and official seal this _____ day of _____, 1953.

My Commission Expires:

Notary Public

Post Office

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, Roland Rich Woolley and wife, Alice S. Woolley, hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit area dated the 10th day of March 1953, embracing lands situated in Eddy County, State of New Mexico; and

The undersigned further acknowledge that they have read the same and are familiar with the terms and conditions thereof.

NOW, THEREFORE, the undersigned, subject to existing agreements, reserving to the undersigned certain oil payments out of specified overriding royalties on a portion of the lands included within said unit, do hereby consent to the said Unit arrangement for conservation purposes and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said unit agreement or counterpart thereof with the reservation and understanding that the terms and provisions of said agreements referred to, reserving unto the undersigned certain oil payments as specified therein, would not be changed or modified.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Witness: Thomas J. Ryan
Witness: Thomas J. Ryan

22.10
Roland Rich Woolley
Alice S. Woolley

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

SS

On this 5th day of May 1953, before me personally appeared Roland Rich Woolley and wife, Alice S. Woolley 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 this 5th day of May 1953.

My Commission Expires:

My Commission Expires May 2, 1954

Roberta Luning
Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the Development and operation of the East Texas Hill Unit Area dated the 20th day of March 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

2nd. 19-21-
J. B. Stromberg
June B. Stromberg

24.11
Doris Paton
Henry R. Paton

STATE OF New Mexico)
COUNTY OF Eddy) SS

On this 20th day of March, 1953, before me personally appeared Doris Paton and husband Henry R. Paton to me known to be the person s 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 this 20th day of March, 1953.

My Commission Expires:
August 28, 1953

Luanna D. Dutton
Notary Public

STATE OF New Mexico)
COUNTY OF Eddy) SS

Artesia, New Mexico
Post Office

On this 20th day of March, 1953, before me personally appeared T.O. Stromberg and wife June B. Stromberg to me known to be the person s 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 this 20th day of March, 1953.

My Commission Expires:
August 28, 1953

Luanna D. Dutton
Notary Public
Artesia, New Mexico
Post Office

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the Development and operation of the East Texas Hill Unit Area dated the 10th day of March 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

J. M. Hall
Bertie B. Hall

Allen R. Thompson
Sara L. Thompson

STATE OF New Mexico)
COUNTY OF Eddy) SS

On this 1st day of April, 1953, before me personally appeared J. M. Hall and wife Bertie B. Hall 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 this 1st day of April, 1953.

My Commission Expires:
December 14, 1955

Georgia Crawford
Notary Public

STATE OF New Mexico)
COUNTY OF Quay) SS

Arthur New Mexico
Post Office

On this 28 day of March, 1953, before me personally appeared Allen R. Thompson and wife Sara L. Thompson 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 this 28 day of March, 1953.

My Commission Expires:
April 17, 1955

Tom L. Lawson
Notary Public
Guernsey N. Mex.
Post Office

CONSENT AND RATIFICATION
OF
EAST TEXAS HILLS UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned hereby acknowledge receipt of an identical copy of the Unit Agreement for the Development and Operation of the East Texas Hills Unit Area, dated March 10, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned are the leasehold owners of record of the lands included under Tract No. 14 of Exhibit "B" attached to the said Unit Agreement, and have, under date of February 16, 1953, granted to Malco Refineries, Inc. an Option to acquire said leasehold interest, said Option providing for the reservation by the undersigned in any Assignment to Malco Refineries, Inc. of an overriding royalty of 5%.

The undersigned do hereby commit all of their said leasehold interest to the East Texas Hill Unit Agreement and do hereby consent to and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof; providing, however, that the undersigned except from their commitment to said Unit Agreement, the overriding royalty of 5% provided for in the Option to Malco Refineries, Inc., dated February 16, 1953, and referred to hereinabove.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their acknowledgment.

Joe Whitehurst 2-14
Joe Whitehurst
Lucille Whitehurst
Lucille Whitehurst

STATE OF NEW MEXICO)
COUNTY OF CHAVES) SS

On this 29th day of May, 1953, before me personally appeared Joe Whitehurst and Lucille Whitehurst, his wife, to me known to be the persons described in and who executed the foregoing and acknowledged to me that they executed the same as their free act and deed.

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

My commission expires:

June 30, 1956

H. E. Farmington
Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Ralph Nix 21.25a-25e
Frances Nix
Josephine Rodke 21.17a-17e
Emily Belle Smith 21.15a-15e
J. F. Smith 15c-33

STATE OF New Mexico

COUNTY OF Eddy

SS

On this 26th day of March, 1953, before me personally appeared

Frances Nix and husband Ralph Nix

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 this 26th day of March, 1953.

My Commission Expires:
December 14, 1955

Georgia Crawford
Notary Public

STATE OF

COUNTY OF

Texas
Taylor

SS

On this 30 day of March 1953, before me personally appeared

Josephine Rodke and husband Robert B. Rodke (also known as R.B. Rodke)

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 this 30 day of March 1953.

My Commission Expires:

6-1-53

Ida Oliver
Notary Public

STATE OF TEXAS)
COUNTY OF BELL) SS

On this 24 day of March, 1953, before me personally appeared Emily Belle Smith and husband J. E. Smith, Jr. 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 this 24 day of March, 1953.

My Commission Expires: 6-1-53

Robert W. Winters
Notary Public

Temple, Texas
Post Office

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ Mary E. Wills ^{20.18}
W. H. Wills

STATE OF New Mexico §
COUNTY OF Eddy § SS

On this 20th day of May 1953, before me personally appeared

Mary E. Wills and husband, W. H. Wills

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 this 20th day of May 1953.

My Commission Expires: 8-21-54

R. L. Bunnell
Notary Public

STATE OF §
COUNTY OF § SS

On this day of 1953, before me personally appeared

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

WITNESS my hand and official seal this day of 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Ruby S. Crosby 2a, 18
Stanley W. Crosby

STATE OF NEW MEXICO

SS

COUNTY OF CHAVES

On this 23rd. day of March 1953, before me personally appeared
Ruby S. Crosby and husband, Stanley W. Crosby

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 this 23rd day of March 1953.

My Commission Expires:

7-13-54

Howard A. [Signature]
Notary Public

STATE OF

SS

COUNTY OF

On this day of 1953, before me personally appeared

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

WITNESS my hand and official seal this day of 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

J.C. Vandeventer
Emma B. Vandeventer
22.18

STATE OF Texas
COUNTY OF Midland | SS

On this 30 day of March 1953, before me personally appeared

J. C. Vandeventer and wife, Emma B. Vandeventer

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 this 30 day of March 1953.

My Commission Expires: June 1, 53 Frankie L. Hairren
Notary Public

FRANKIE L. HAIRREN

STATE OF Texas
COUNTY OF Midland | SS

On this 30th day of March 1953, before me personally appeared

J.C. Vandeventer and wife, Emma B. Vandeventer
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 this 30th day of March 1953.

My Commission Expires: June 1, 1953 Frankie L. Hairren
Notary Public FRANKIE L. HAIRREN

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Daniel S. Harroun
Eleanor F. Harroun

STATE OF New Mexico
COUNTY OF Eddy SS

On this _____ day of _____ 1953, before me personally appeared
Daniel S. Harroun and wife, Eleanor F. Harroun

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 this 20 day of April 1953.

My Commission Expires:

Sept 10, 1955

Carrie Hickory
Notary Public

STATE OF _____
COUNTY OF _____ SS

On this _____ day of _____ 1953, before me personally appeared

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

WITNESS my hand and official seal this _____ day of _____ 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments. *No. 202-204-23*

Faye N. Saunders
Caldwell J. Saunders

STATE OF TEXAS
COUNTY OF DALLAS

SS

On this 27th day of March 1953, before me personally appeared Faye N. Saunders and husband, Caldwell J. Saunders to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as free act and deed.

WITNESS my hand and official seal this 27th day of March 1953.

My Commission Expires: 6-1-53

Linda P. Leiper
Notary Public
LINDA P. LEIPER, Notary Public in and for Dallas County, Texas

STATE OF
COUNTY OF

SS

On this _____ day of _____ 1953, before me personally appeared _____ to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as free act and deed.

WITNESS my hand and official seal this _____ day of _____ 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ J. W. Wingfield 5-22-30
Martha Wingfield

STATE OF TEXAS
COUNTY OF HARRIS

SS

On this 29 day of May 1953, before me personally appeared
J. W. WINGFIELD, AND WIFE Martha

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 this 29 day of May 1953.

My Commission Expires: June 1, 1953 Peggy B. Porter
Notary Public

STATE OF
COUNTY OF

SS

On this _____ day of _____ 1953, before me personally appeared

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

WITNESS my hand and official seal this _____ day of _____ 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the Development and operation of the East Texas Hill Unit Area dated the 10th day of March 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Leland J. Price 22.24
Ethelene Price

STATE OF New Mexico } SS
COUNTY OF Eddy }

On this _____ day of _____, 1953, before me personally appeared Leland J. Price and wife Ethelene Price to me known to be the person 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 this 30th day of April, 1953.

My Commission Expires: 3/11/54

Robert S. Gombour
Notary Public
Artemio D. Mex.
Post Office

STATE OF _____ } SS
COUNTY OF _____ }

On this _____ day of _____, 1953, before me personally appeared _____ to me known to be the person described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

WITNESS my hand and official seal this _____ day of _____, 1953.

My Commission Expires:

Notary Public

Post Office

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Elma W. Knight 22.26
Sarah E. Rembert 22.27
Mrs. Banks Thompson 22.28

Thomas A. Knight
Adair Rembert
W. Lee Thompson

STATE OF TEXAS
COUNTY OF DALLAS

SS

On this 23rd day of March, 1953, before me personally appeared

Thomas A. Knight and wife, Elma W. Knight

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 this 23rd day of March, 1953.

My Commission Expires:
June 1, 1953.

Grace Price
Notary Public

GRACE PRICE
NOTARY PUBLIC,
DALLAS COUNTY, TEXAS

STATE OF
COUNTY OF

SS

On this 23rd day of March, 1953, before me personally appeared

Adair Rembert and wife, Sarah E. Rembert

to me known to be the person 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 this 23rd day of March, 1953.

My Commission Expires:

June 1, 1953

Ora S. Fleming ORA S. FLEMING
Notary Public

Dallas County, Texas

STATE OF Texas }
COUNTY OF Dallas } SS

On this 26 day of March, 1953, before me personally appeared Will C. Thompson and wife, Mrs. Banks Thompson to me known to be the person 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 this 26 day of March, 1953.

My Commission Expires:

June 1, 1953

Julia Bonner
Notary Public
Dallas County, Texas
Post Office

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Mrs. Alex F. Weisberg 2m. 29
Individually and as Independent
Executrix of the Estate of
Alex F. Weisberg

STATE OF TEXAS

COUNTY OF DALLAS

SS

On this 9th day of April 1953, before me personally appeared

Mrs. Alex F. Weisberg, a widow,
to me known to be the person is described in and who executed the foregoing instru-
ment, and acknowledged that she executed the same as her free act and deed.

WITNESS my hand and official seal this 9th day of April 1953.

My Commission Expires:
June 1, 1953

Mary L. Crow
Notary Public
Mary L. Crow, Dallas County, Texas

STATE OF

COUNTY OF

SS

On this day of 1953, before me personally appeared

to me known to be the person described in and who executed the foregoing instru-
ment, and acknowledged that he executed the same as free act and deed.

WITNESS my hand and official seal this day of 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

C. F. Koehn 24, 34-a
Sarah A. Koehn

STATE OF ILLINOIS
COUNTY OF DEKALB

SS

On this 20th day of April 1953, before me personally appeared
(also known as C. F. Koehn)
Charles P. Koehn and wife, Sarah A. Koehn

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 this 20th day of April 1953.

My Commission Expires:
April 18, 1954

Walter W. Winters
Notary Public

STATE OF
COUNTY OF

SS

On this day of 1953, before me personally appeared

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

WITNESS my hand and official seal this day of 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Bailey, John
Bailey, John

Steen 2d. 35
Susie Constant Nelms

STATE OF TEXAS
COUNTY OF HARRIS

SS

On this 31st day of MARCH 1953, before me personally appeared

H. G. Nelms and wife, Susie Constant Nelms

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 this 31st day of MARCH 1953.

My Commission Expires:
June 1, 1953

Ottie Houston OTTIE HOUSTON
Notary Public

STATE OF
COUNTY OF

SS

On this day of 1953, before me personally appeared

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

WITNESS my hand and official seal this day of 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments. *Dr. 35-46a-46b-48a-48b*

Howard W. Jennings
Peggy P. Jennings

STATE OF NEW MEXICO

COUNTY OF CHAVES

SS

On this day of 1953, before me personally appeared

Howard W. Jennings and wife, Peggy P. Jennings

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

WITNESS my hand and official seal this day of 1953.

My Commission Expires:

8/23/53

Charles B. Read
Notary Public

STATE OF

COUNTY OF

SS

On this day of 1953, before me personally appeared

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

WITNESS my hand and official seal this day of 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Marquita L. Heary
E. E. Peice
Frank D. Brown

Harper L. Proctor 2x.36
Hellie A. Proctor

STATE OF Florida
COUNTY OF Neuval

SS

On this 30th day of March 1953, before me personally appeared

Harper L. Proctor and wife, Hellie A. Proctor

to me known to be the person 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 this 30th day of March 1953.

My Commission Expires:

E. E. Peice
Notary Public
Notary Public, State of Florida at large
My commission expires Oct. 14, 1954.
Bonded by American Surety Co. of N. Y.

STATE OF
COUNTY OF

SS

On this day of 1953, before me personally appeared

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

WITNESS my hand and official seal this day of 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart, thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Eva F. Marolf 2a-37a

STATE OF Idaho §
COUNTY OF Blaine § SS

On this 10 day of April 1953, before me personally appeared

Eva F. Marolf, a single person

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 this 10 day of April 1953.

My Commission Expires: July 4-1954

Robert H. McLaughlin
Notary Public

STATE OF §
COUNTY OF § SS

On this day of 1953, before me personally appeared

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

WITNESS my hand and official seal this day of 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ Alvin E. Clawson Jr. 39
_____ Mabel Clawson

STATE OF Iowa.
COUNTY OF Winnebago SS

On this 21st day of April 1953, before me personally appeared

Alvin E. Clawson and wife, Mabel Clawson

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 this 21st day of April 1953.

My Commission Expires:

July 4th 1954

Notary Public

STATE OF _____
COUNTY OF _____ SS

On this _____ day of _____ 1953, before me personally appeared

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

WITNESS my hand and official seal this _____ day of _____ 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

W. W. Simon, Jr. 42

STATE OF
COUNTY OF

Arizona
Maricopa

SS
|

On this 30th day of March 1953, before me personally appeared

W. W. Simon

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

WITNESS my hand and official seal this 30th day of March 1953.

My Commission Expires: March 7, 1957

Thos. J. [Signature]
Notary Public

STATE OF
COUNTY OF

SS
|

On this _____ day of _____ 1953, before me personally appeared

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

WITNESS my hand and official seal this _____ day of _____ 1953.

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Florence G. Emerson 2h. 43a

STATE OF California
COUNTY OF Los Angeles

SS

On this 2nd day of April 1953, before me personally appeared

Florence G. Emerson, 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 this 2nd day of April 1953.

My Commission Expires: 2-16-55

Darius Pashman
Notary Public

STATE OF
COUNTY OF

SS

On this _____ day of _____ 1953, before me personally appeared

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

WITNESS my hand and official seal this _____ day of _____ 1953.

My Commission Expires: _____

Notary Public

CONSENT AND RATIFICATION OF
EAST TEXAS HILL UNIT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

The undersigned (whether one or more) hereby acknowledge receipt of an identical copy of the Unit Agreement for the development and operation of the East Texas Hill Unit Area dated the 10th day of March, 1953, embracing lands situated in Eddy County, New Mexico, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals as indicated on the schedule attached to said Unit Agreement as Exhibit "B" do hereby commit all of their said interests to the East Texas Hill Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof exactly the same as if the undersigned had executed the original of said Unit Agreement, or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Frank Hemig Jr.
809 Franklin St
Williamsport Pa

Bertha Hemig
809 Franklin St
Williamsport Pa

STATE OF
COUNTY OF

SS

On this day of 1953, before me personally appeared

Frank Hemig and wife, Bertha Hemig

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 this day of 1953.

My Commission Expires:

Notary Public

STATE OF Pennsylvania
COUNTY OF Lycoming

SS

On this 22nd day of May 1953, before me personally appeared

Bertha Hemig, surviving Spouse

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 this 22nd day of May 1953.

My Commission Expires:

Helen E. Luse

Notary Public

HELEN LUSE Notary Public
WILLIAMSPORT, PA.

My Commission Expires Jan. 29, 1955

R-21-E

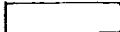
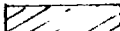
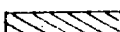
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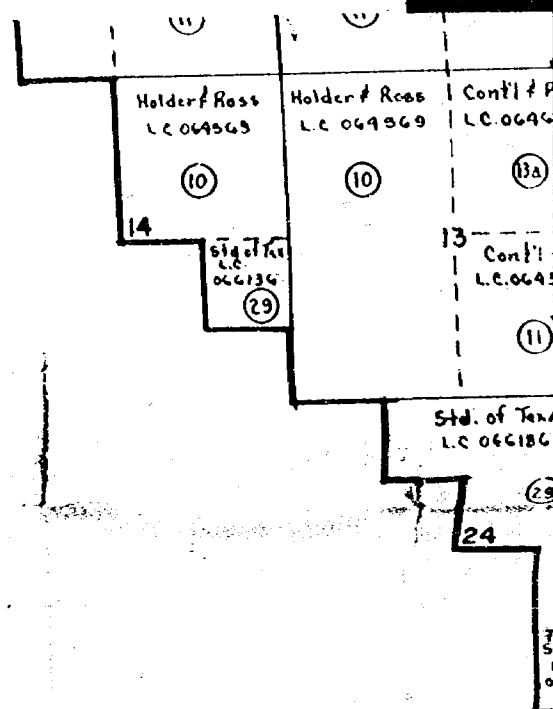
<p>Amer. Rep. L.C. 066546</p> <p>(30)</p> <p>20</p> <p>Std. of Tex. Cont'l, Phillips E-6431</p> <p>(46a)</p>	<p>Std. Con. Phs. L.C. 066030</p> <p>(23)</p>	<p>Std. of Tex. Con. Phs. L.C. 066030</p> <p>21</p> <p>(23)</p>	<p>Std. of Tex. Cont'l, Phs. L.C. 066030</p> <p>22</p> <p>(23)</p>	<p>Std. Cont'l, Phs. L.C. 065966</p> <p>(20b)</p> <p>23</p> <p>Std. Cont'l, Phs. L.C. 066030</p> <p>(23)</p>	<p>Continental L.C. 066866</p> <p>(20a)</p> <p>24</p> <p>Continental N.M. 07854</p> <p>(5)</p> <p>Maleo L.C. 064850</p> <p>(14)</p>
<p>Std. Cont'l, Phillips L.C. 066511</p> <p>(19)</p> <p>29</p> <p>Std. of Tex. Cont'l, Phillips L.C. 066131</p> <p>(26)</p>	<p>Amer. Rep. L.C. 066546</p> <p>(30)</p> <p>52</p> <p>AD. Arm. strong</p> <p>28</p> <p>Std. of Tex. Cont'l, Phillips L.C. 066131</p> <p>(26)</p>	<p>Std. Cont'l, Phs. L.C. 066030</p> <p>(23)</p> <p>27</p> <p>Std. of Tex. Cont'l, Phs. L.C. 066131</p> <p>(26)</p> <p>Maleo L.C. 064850</p> <p>(14)</p>	<p>Std. of Tex. Cont'l, Phs. L.C. 066030</p> <p>(23)</p> <p>26</p> <p>Cont. Phs. E-6431</p> <p>(46a)</p>	<p>Maleo L.C. 064850</p> <p>(14)</p>	<p>Maleo L.C. 064850</p> <p>(14)</p> <p>25</p> <p>USSR E-6431</p> <p>(46)</p>
	<p>Std. of Tex. Cont'l, Phillips L.C. 066131</p> <p>(26)</p> <p>33</p>	<p>LC 066131</p> <p>(26)</p> <p>34</p> <p>Holder & Ross L.C. 064569</p> <p>(10)</p>	<p>Magnolia L.C. 064673</p> <p>(13c)</p> <p>35</p> <p>Cont. Phs. E-6431</p> <p>(46a)</p>	<p>Maleo L.C. 064850</p> <p>(14)</p> <p>36</p> <p>Cont. Phs. E-6431</p> <p>(46a)</p>	<p>Cont. Phs. E-6431</p> <p>(46a)</p> <p>37</p> <p>Cont. Phs. E-6431</p> <p>(46a)</p>
	<p>Std. Cont'l, Ph L.C. 066124</p> <p>(27)</p>	<p>Holder & Ross L.C. 064569</p> <p>(10)</p>	<p>40.49 40.34 40.20 40.05</p> <p>39.95 39.90 39.84 39.79</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p> <p>40.49 40.34 40.20 40.05</p> <p>39.95 39.90 39.84 39.79</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p> <p>40.49 40.34 40.20 40.05</p> <p>39.95 39.90 39.84 39.79</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p>	<p>39.79 39.85 39.91 39.97</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p> <p>39.79 39.85 39.91 39.97</p> <p>4</p> <p>3</p> <p>2</p> <p>1</p>	<p>Maleo L.C. 064850</p> <p>(14)</p>
	<p>Holder & Ross L.C. 064569</p> <p>(10)</p>	<p>Holder & Ross L.C. 064569</p> <p>(10)</p>	<p>Holder & Ross L.C. 064569</p> <p>(10)</p>	<p>Amer. Repub. L.C. 068065</p> <p>(32)</p>	<p>Amer. Repub. L.C. 068065</p> <p>(32)</p>
	<p>Holder & Ross L.C. 064569</p> <p>(10)</p>	<p>Holder & Ross L.C. 064569</p> <p>(10)</p>	<p>Holder & Ross L.C. 064569</p> <p>(10)</p>	<p>Cont'l. Phs. L.C. 064570</p> <p>(11)</p>	<p>Cont'l. Phs. L.C. 064570</p> <p>(11)</p>
	<p>Holder & Ross L.C. 064569</p> <p>(10)</p>	<p>Holder & Ross L.C. 064569</p> <p>(10)</p>	<p>Holder & Ross L.C. 064569</p> <p>(10)</p>	<p>Holder & Ross L.C. 064569</p> <p>(10)</p>	<p>Cont'l. Phs. L.C. 064570</p> <p>(11)</p>

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OWNERSHIP PLAT
EAST TEXAS HILL UNIT AREA
EDDY COUNTY, NEW MEXICO

 FEDERAL LANDS - 23,101.54 ACRES
 STATE LANDS - 3,740.22 ACRES
 FEE LANDS - 80.00 ACRES
TOTAL NO. OF ACRES 26,921.76
— UNIT OUTLINE
○ TRACT NUMBERS



EXH

Holder/Ross L.C. 064565 (10)	Holder/Ross L.C. 064569 (10)	Cont'l Phs L.C. 064673 (11a)	21.05 Std, Cont'l, Phs 21.09 L.C. 064673 21.17 (11b)	Amer Rep L.C. 066012-A (22)	Std, Con, Phs L.C. 066012 (21)	Cont'l Phillips E-6433 (48b)	Cont'l E-6433 (48a)	Continental L.C. 065589 (17a)
Std of Tex L.C. 066136 (29)	13 Cont'l - Phs L.C. 064570 (11)	21.27 L.C. 064570 (11)	18 3 Cont'l - Phs 21.27 L.C. 064570 21.35 (11)	Magnolia L.C. 064671 (12b)	17	16 Std, Con 18-10450 E-6433 (48b)	15	
Std. of Texas L.C. 066186 (29)	24	21.45 L.C. 064578 (11)	21.53 3 Cont'l Ph L.C. 065702 (18)	19 C.B. Read L.C. 067663 (31)	Magnolia L.C. 064671 (12b)	Cont'l Phs L.C. 065586 (15c)	Cont'l Phs L.C. 065589 (17b)	22
Std of Tex L.C. 066195 (28)		21.78 L.C. 065703 (18)	21.82 (18)	30 C.B. Read L.C. 067663 (31)	20 Cont'l Ph L.C. 064671 (12a)	21		
		21.88 (18)	21.90 (18)	29 Holder/Ross N.M. 07580 (4)	C.B. Read L.C. 067663 (31)	Cont'l Phs L.C. 064671 (12a)	28 (15c)	
		21.95 Cont'l Phs L.C. 065703 (18)	22.03 (18)	31 C.B. Read L.C. 067663 (31)	Cont'l Phs B-M49-231 (44)	Cont'l Phillips E-6433 (48b)	Cont'l Phs L.C. 065589 (17a)	
		22.09 (18)	22.17 (18)	32 MAG B-10564-9 (38)	Cont'l Phs E-6433 (48b)	Holder/Ross N.M. 07580 (4)	33 Amer. Rep L.C. 066012-A (22)	
				39 E Nelson B-M46-6 (40)	40 MAG B-10564-9 (38)	Cont'l Phillips E-6433 (48b)		

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EXHIBIT "A"

EXHIBIT "B"
EAST TEXAS HILL UNIT AREA, EDDY COUNTY, NEW MEXICO
Twps. 21 and 22 South, Rgs. 21 and 22 East

SCHEDULE SHOWING THE 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. & Effective Date	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty & Percentage	Working Interest Owner *	
FEDERAL LAND								
1.	(a) T-22-S, R-22-E Sec. 6: NE $\frac{1}{4}$ NE $\frac{1}{4}$ (Lot 1)	39.97	NM 06721 2/1/52	USA ALL	Henry G. Reed Carey S. Hill Murray Ward	1/3 1/3 1/3	Henry G. Reed 3% Continental Oil Co. ✓	
	(b) T-22-S, R-22-E Sec. 6: Lots 2, 3, 4, 5, 6, 7, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	484.61	NM 06721 2/1/52	USA ALL	Henry G. Reed Carey S. Hill Murray Ward	1/3 1/3 1/3	Henry G. Reed 3% Standard Oil of Texas Continental Oil Co. Phillips Petr. Co. ✓	
2.	T-22-S, R-22-E Sec. 4: SE $\frac{1}{4}$	160	NM 06885- A 3/1/52	USA ALL	W. G. Ross ✓	Emily K. Connell	3% A. C. Holder W. G. Ross	50% 50% 50% ✓
3.	T-21-S, R-22-E Sec. 33: N $\frac{1}{2}$ SW $\frac{1}{4}$	80	NM 07283 A 3/1/52	USA ALL	Anna Z. Baetz W. G. Ross ✓	Anna Z. Baetz ✓	3% A. C. Holder W. G. Ross	50% 50% 50% ✓
4.	T-22-S, R-22-E Sec. 20: W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 29: SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 33: S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$	400	NM 07580 7/1/52	USA ALL	Vee K. Ross ✓	Elsie May Heaton	3% A. C. Holder W. G. Ross	50% 50% 50% ✓
5.	T-21-S, R-21-E Sec. 24: N $\frac{1}{2}$ SW $\frac{1}{4}$	80	NM 07854 6/1/52	USA ALL	Emily K. Connell ✓	Thomas Connell and wife, Emily K. Connell	3% Continental Oil Co. ✓	50% 50% 50% ✓

6.	(a) <u>T-22-S, R-22-E</u> Sec. 4: Lots 3, 4, SW _{1/4} , S ₂ NW _{1/4} Sec. 5: Lots 1, 2, 3, 4, S ₂ N ₂ , SE _{1/4}	798.54	NM 07865 9/1/52	USA	ALL	Charles B. Read ✓	None	Continental Oil Co. ✓	
	(b) <u>T-22-S, R-22-E</u> Sec. 5: SW _{1/4}	160	NM 07865 9/1/52	USA	ALL	Charles B. Read ✓	None	Standard Oil of Texas Phillips Petr. Co. Continental Oil Co.	50% 25% 25%
7.	(a) <u>T-21-S, R-22-E</u> Sec. 29: All Sec. 30: Lots 1, 3, 4, E _{1/2} SW _{1/4} , E _{1/2} Sec. 31: NE _{1/4} , NW _{1/4} , SE _{1/4} , SE _{1/4} SE _{1/4}	1462.38	NM 07866 9/1/52	USA	ALL	Charles B. Read ✓	None	Continental Oil Co.	
	(b) <u>T-21-S, R-22-E</u> Sec. 31: Lots 1, 2, 3, 4, E _{1/2} SW _{1/4} , SW _{1/4} SE _{1/4}	284.32	NM 07866 9/1/52	USA	ALL	Charles B. Read ✓	None	Standard Oil of Texas Phillips Petr. Co. Continental Oil Co.	50% 25% 25%
8.	<u>T-21-S, R-22-E</u> Sec. 33: S ₂ SW _{1/4}	80	NM 08028 6/1/52	USA	ALL	W. G. Ross ✓	Vance G. Kinahan ✓	A. C. Holder W. G. Ross	50% 50%
9.	<u>T-21-S, R-21-E</u> Sec. 23: SW _{1/4} NW _{1/4}	40	NM 08179 9/1/52	USA	ALL	Jane Stapp ✓	Jane Stapp	Continental Oil Co. Phillips Petr. Co.	75% 25%
10.	<u>T-21-S, R-21-E</u> Sec. 34: SE _{1/4}	1000.05	LC 064569 2/1/51	USA	ALL	R. R. Woolley W. G. Ross ✓	R. R. Woolley, obligation \$750 per acre out of 3% production	A. C. Holder W. G. Ross	50% 50%
11.	<u>T-22-S, R-21-E</u> Sec. 11: SE _{1/4} Sec. 12: SW _{1/4} Sec. 13: SE _{1/4} <u>T-22-S, R-22-E</u> Sec. 18: Lots 3, 4, E _{1/2} SW _{1/4} Sec. 19: Lots 1, 2, E _{1/2} NW _{1/4}	725.60	LC 064570 1/1/53 (Secondary Term)	USA	ALL	Doris Paton ✓	Doris Paton and husband, Henry R. Paton	Continental Oil Co. Phillips Petr. Co.	75% 25%

12.	(a) <u>T-22-S, R-22-E</u> Sec. 20: N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 29: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{2}$ SE $\frac{1}{4}$	280	LC 064671 9/1/48	USA	ALL	J. M. Hall ✓	J. M. Hall and wife, 3% Bertha B. Hall	Continental Oil Co. Phillips Petroleum Co.	75% 25%
	(b) <u>T-22-S, R-22-E</u> Sec. 18: S $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 19: NE $\frac{1}{4}$ Sec. 20: E $\frac{1}{2}$ SW $\frac{1}{4}$, N $\frac{1}{2}$	640	LC 064671 9/1/48	USA	ALL	J. M. Hall ✓	J. M. Hall and wife, Bertha B. Hall	Magnolia Petroleum Co.	3%
13.	(a) <u>T-22-S, R-21-E</u> Sec. 13: NE $\frac{1}{4}$	160	LC 064673 2/1/53 (Secondary Term)	USA	ALL	Allen R. Thompson ✓	Allen R. Thompson and wife, Sara L. Thompson	Continental Oil Co. Phillips Petr. Co.	75% 25%
	(b) <u>T-22-S, R-22-E</u> Sec. 18: Lots 1, 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$	362.26	LC 064673 2/1/53 (Secondary Term)	USA	ALL	Allen R. Thompson ✓	Allen R. Thompson and wife, Sara L. Thompson	Standard Oil of Texas Continental Oil Co. Phillips Petr. Co.	50% 25% 25%
	(c) <u>T-21-S, R-21-E</u> Sec. 34: NW $\frac{1}{4}$ Sec. 35: W $\frac{1}{2}$	480	LC 064673 2/1/53 (Secondary Term)	USA	ALL	Allen R. Thompson ✓	Allen R. Thompson and wife, Sara L. Thompson	Magnolia Petroleum Co.	2%
14.	<u>T-21-S, R-21-E</u> Sec. 24: SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 25: N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, SE $\frac{1}{4}$ Sec. 26: E $\frac{1}{2}$, NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 27: SE $\frac{1}{4}$ Sec. 35: NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{2}$ SE $\frac{1}{4}$	2519.52	LC 064850 2/1/50	USA	ALL	Joe Whitehurst ✓	Joe Whitehurst	Malco Refineries, Inc.	5% ✓
	<u>T-22-S, R-21-E</u> Sec. 1: All								
15.	(a) <u>T-22-S, R-22-E</u> Sec. 9: E $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	440	LC 065586 2/1/53 (Secondary Term)	USA	ALL	Emily Belle Smith ✓	Emily Belle Smith	Continental Oil Co.	3% ✓
	(b) <u>T-22-S, R-22-E</u> Sec. 9: SW $\frac{1}{4}$ SW $\frac{1}{4}$	40	LC 065586 2/1/53 (Secondary Term)	USA	ALL	Emily Belle Smith ✓	Emily Belle Smith	Standard Oil of Texas Continental Oil Co. Phillips Petr. Co.	50% 25% 25%

15. (continued)									
(c) <u>I-22-S, R-22-E</u>	1280	LC 065586	USA	ALL	Emily Belle Smith	Emily Belle Smith	3%	Continental Oil Co.	75%
Sec. 21: All		2/1/53						Phillips Petr. Co.	25%
Sec. 28: All		(Secondary Term)							
16. <u>I-22-S, R-22-E</u>	320	LC 065587	USA	ALL	J. F. Smith	J. F. Smith	5%	Continental Oil Co.	
Sec. 10: $W\frac{1}{2}$		3/1/48							
17. (a) <u>I-22-S, R-22-E</u>	400	LC 065589	USA	ALL	Mrs. Josephine Rodke	Josephine Rodke and husband, Robert B. Rodke	3%	Continental Oil Co.	
Sec. 15: $W\frac{1}{2}$		2/1/53							
Sec. 22: $E\frac{1}{2}NW\frac{1}{4}$		(Secondary Term)							
(b) <u>I-22-S, R-22-E</u>	240	LC 065589	USA	ALL	Mrs. Josephine Rodke	Josephine Rodke and husband, Robert B. Rodke	3%	Continental Oil Co.	75%
Sec. 22: $W\frac{1}{2}$		2/1/53						Phillips Petr. Co.	25%
Sec. 33: $E\frac{1}{2}NE\frac{1}{4}$		(Secondary Term)							
18. <u>I-22-S, R-22-E</u>	$6\frac{1}{8}, 9\frac{1}{4}$ 618.96	LC 065703	USA	ALL	Eleanor F. Harroun Ruby S. Crosby	J.C. Vandeventer Mary E. Willis	1 1/2% 1%	Continental Oil Co.	75%
Sec. 19: Lots 3, 4,		3/1/51						Phillips Petr. Co.	25%
$E\frac{1}{2}SW\frac{1}{4}$									
Sec. 30: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{2}$									
Sec. 31: Lots 1, 2, 3, 4, $E\frac{1}{2}W\frac{1}{2}$									
19. <u>I-21-S, R-21-E</u>	160	LC 065911	USA	ALL	T. C. Stromberg	T.C. Stromberg, obligation \$1500 per acre out of 3% production		Standard Oil of Texas	50%
Sec. 29: $N\frac{1}{2}NE\frac{1}{4}$		10/1/51						Continental Oil Co.	25%
20. (a) <u>I-21-S, R-21-E</u>	480	LC 065966	USA	ALL	Faye N. Saunders	Faye N. Saunders and husband, Caldwell J. Saunders	3%	Continental Oil Co.	
Sec. 23: $NE\frac{1}{4}$		9/1/48							
Sec. 24: $N\frac{1}{2}$									
(b) <u>I-21-S, R-21-E</u>	120	LC 065966	USA	ALL	Faye N. Saunders	Faye N. Saunders and husband, Caldwell J. Saunders	3%	Standard Oil of Texas	50%
Sec. 23: $N\frac{1}{2}NW\frac{1}{4}$		9/1/48						Continental Oil Co.	25%
$SE\frac{1}{4}NW\frac{1}{4}$								Phillips Petr. Co.	25%
21. <u>I-22-S, R-22-E</u>	320	LC 066012	USA	ALL	T. C. Stromberg	T.C. Stromberg, obligation \$500 per acre out of 3% production		Standard Oil of Texas	50%
Sec. 17: $E\frac{1}{2}$		10/1/48						Continental Oil Co.	25%
								Phillips Petr. Co.	25%
22. <u>I-22-S, R-22-E</u>	480	LC 066012-A	USA	ALL	J.W. Wingfield	None		American Republics Corp.	
Sec. 17: $W\frac{1}{2}$		10/1/48							
Sec. 33: $W\frac{1}{2}NPL, N\frac{1}{2}SE\frac{1}{4}$									

23. <u>T-21-S, R-21-E</u> Sec. 20: E ₁ Sec. 21: A11 Sec. 22: A11 Sec. 23: S ₁ Sec. 27: N ₁ Sec. 28: NE ₁ , E ₁ NW ₁	2480	LC 066030 10/1/51	USA ALL	Caldwell J. Saunders ✓ Caldwell J. Saunders and wife, Faye N. Saunders	3% ✓ Standard Oil of Texas Continental Oil Co. Phillips Petr. Co.	50% ✓ 25% ✓ 25% ✓
24. <u>T-22-S, R-22-E</u> Sec. 7: A11 Sec. 8: S ₁	884.32	LC 066038 12/1/51	USA ALL	Leland J. Price ✓ Leland J. Price and wife, Ethelyn Price	3% ✓ Standard Oil of Texas Continental Oil Co. Phillips Petr. Co.	50% ✓ 25% ✓ 25% ✓
25 (a) <u>T-22-S, R-22-E</u> Sec. 8: NE ₁ NE ₁	40	LC 066040 4/1/52	USA ALL	Frances Nix ✓ Frances Nix and husband, Ralph Nix	3% ✓ Standard Oil of Texas Continental Oil Co. Phillips Petr. Co.	50% ✓ 25% ✓ 25% ✓
(b) <u>T-22-S, R-22-E</u> Sec. 8: NW ₁ , W ₁ NE ₁ , SE ₁ NE ₁	280	LC 066040 4/1/52	USA ALL	Frances Nix ✓ Frances Nix and husband, Ralph Nix	3% ✓ Standard Oil of Texas Continental Oil Co. Phillips Petr. Co.	50% ✓ 25% ✓ 25% ✓
26. <u>T-21-S, R-21-E</u> Sec. 27: SW ₁ Sec. 28: S ₁ Sec. 29: S ₁ N ₁ , N ₁ SE ₁ , SE ₁ SE ₁ Sec. 33: NE ₁ , N ₁ SE ₁ , SE ₁ SE ₁ , N ₁ NW ₁ , SE ₁ NW ₁ Sec. 34: W ₁	1460	LC 066131 9/1/48	USA ALL	Thomas A. Knight ✓ Standard Oil of Texas Continental Oil Co. Phillips Petr. Co.	1.56% ✓ 50% ✓ 25% ✓ 25% ✓	50% ✓ 25% ✓ 25% ✓
27. <u>T-22-S, R-21-E</u> Sec. 3: Lots 2, 3, 4, SE ₁ NW ₁ , SW ₁ NE ₁ , NW ₁ SE ₁ Sec. 10: NE ₁ NE ₁	281.03	LC 066134 7/1/48	USA ALL	Adair Rembert ✓ Adair Rembert	1.56% ✓ Standard Oil of Texas Continental Oil Co. Phillips Petr. Co.	50% ✓ 25% ✓ 25% ✓
28. <u>T-22-S, R-21-E</u> Sec. 24: SE ₁ SE ₁	40	LC 066135 9/1/48	USA ALL	Will C. Thompson ✓ Will C. Thompson	1.56% ✓ Standard Oil of Texas Continental Oil Co. Phillips Petr. Co.	50% ✓ 25% ✓ 25% ✓

29. <u>I-22-S, R-21-E</u> Sec. 14: NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 24: NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$	280	LC 066136 9/1/48	USA	ALL	Alex F. Weisberg ✓	Marie K. Weisberg	1.56% ✓	Standard Oil of Texas ✓
30. <u>I-21-S, R-21-E</u> Sec. 20: NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 28: NW $\frac{1}{4}$ NW $\frac{1}{4}$	280	LC 066546 10/1/48	USA	ALL	June B. Stenberg J.W. Wingfield ✓	None		American Republics ✓ Corporation
31. <u>I-22-S, R-22-E</u> Sec. 19: SE $\frac{1}{4}$ Sec. 29: W $\frac{1}{4}$ Sec. 30: E $\frac{1}{4}$ Sec. 31: E $\frac{1}{4}$	1120	LC 067663 6/1/52	USA	ALL	Daniel S. Harroun ✓	Daniel S. Harroun and wife, Eleanor F. Harroun	5% ✓	Humble Oil & Refining Co. *
32. <u>I-22-S, R-21-E</u> Sec. 11: NE $\frac{1}{4}$ Sec. 12: SE $\frac{1}{4}$, N $\frac{1}{2}$	640	LC 068065 2/1/53 (Secondary Term)	USA	ALL	American Republics ✓ Corporation	Allen R. Thompson	2% ✓	American Republics ✓ Corporation
33. <u>I-22-S, R-22-E</u> Sec. 9: NW $\frac{1}{4}$	160	LC 069981 2/1/53 (Secondary Term)	USA	ALL	Magnolia Petroleum Company	Emily Belle Smith	3% ✓	Magnolia Petroleum ✓ Company

33 FEDERAL TRACTS, CONTAINING 23,101.56 ACRES, OR 85.81% OF UNIT AREA

* Some working interests are held under Option Agreements,
which will be promptly exercised upon approval of the
Unit Agreement.

Tract Description No.	Serial No. No. of & Expiration Acres Date of Lease	Basic Royalty % Percentage	Overriding Royalty Lessee of Record & Percentage	Working Interest Owner
STATE LAND				
34. (a) <u>T-21-S, R-21-E</u> Sec. 36: SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	120 B-10407-11 6/24/53	State of New Mexico- All	C. F. Koehn ✓	3% ✓ Standard Oil of Texas Continental Oil Co. 25% Phillips Petr. Co. 25%
(b) <u>T-21-S, R-21-E</u> Sec. 36: W $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$	160 B-10407-16 6/24/53	State of New Mexico All	Magnolia Petroleum Company	None Magnolia Petroleum Company ✓
35. <u>T-22-S, R-22-E</u> Sec. 16: NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	80 B-10490-7 7/26/53	State of New Mexico All	Howard W. Jennings ✓	4.16% ✓ Standard Oil of Texas Continental Oil Co. 25% Phillips Petr. Co. 25%
36. <u>T-22-S, R-21-E</u> Sec. 2: SW $\frac{1}{4}$ SE $\frac{1}{4}$	40 B-10497-16 7/29/53	State of New Mexico All	Dr. Harper L. ✓ Proctor	3% ✓ Standard Oil of Texas Continental Oil Co. 25% Phillips Petr. Co. 25%
37. (a) <u>T-22-S, R-21-E</u> Sec. 2: W $\frac{1}{2}$ SW $\frac{1}{4}$	80 B-10560-17 8/13/53	State of New Mexico All	Miss Eva F. Marolf ✓ Eva F. Marolf	3% ✓ Standard Oil of Texas Continental Oil Co. 25% Phillips Petr. Co. 25%
(b) <u>T-22-S, R-21-E</u> Sec. 2: S $\frac{1}{2}$ NW $\frac{1}{4}$	80 B-10560-19 8/13/53	State of New Mexico All	Homer L. Clark and wife, Mary G. Clark ✓	None Homer L. Clark ✓ Mary G. Clark
(c) <u>T-22-S, R-21-E</u> Sec. 2: S $\frac{1}{2}$ NE $\frac{1}{4}$	80 B-10560-21 8/13/53	State of New Mexico All	Magnolia Petroleum Company ✓	None Magnolia Petroleum Company ✓
38. <u>T-22-S, R-22-E</u> Sec. 32: S $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$	200 B-10564-9 8/18/53	State of New Mexico All	Magnolia Petroleum Company ✓	None Magnolia Petroleum Co. ✓
39. <u>T-22-S, R-22-E</u> Sec. 32: NE $\frac{1}{4}$ SW $\frac{1}{4}$	40 B-10580-2 8/1/53	State of New Mexico All	Alvin E. Clawson ✓	5% ✓ Continental Oil Co. Phillips Petr. Co. 25%
40. <u>T-21-S, R-22-E</u> Sec. 32: SE $\frac{1}{4}$ SW $\frac{1}{4}$	40 B-10606-6 9/9/53	State of New Mexico All	Edward Nelson ✓	None Edward Nelson ✓

41. <u>T-22-S, R-21-E</u> Sec. 2: NE $\frac{1}{4}$ SW $\frac{1}{4}$	40	B-10891-19 12-23/53	State of New Mexico All	Magnolia Petroleum Company	None	Magnolia Petroleum Company
42. <u>T-22-S, R-22-E</u> Sec. 32: NW $\frac{1}{4}$ SE $\frac{1}{4}$	40	B-10898-15 1/7/54	State of New Mexico All	Magnolia Petroleum Company	W. W. Simon, obligation \$25 per acre out of 2.74% production	Magnolia Petroleum Company
43. (a) <u>T-21-S, R-21-E</u> Sec. 36: SE $\frac{1}{4}$ SE $\frac{1}{4}$	40	B-11117-26 3/4/54	State of New Mexico All	Mrs. Florence G. Emerson	Florence G. Emerson 3%	Standard Oil of Texas Phillips Petr. Co. 25%
(b) <u>T-22-S, R-21-E</u> Sec. 2: SE $\frac{1}{4}$ SW $\frac{1}{4}$	40	B-11117-34 3/4/54	State of New Mexico All	Magnolia Petroleum Company	None	Magnolia Petroleum Company
44. <u>T-22-S, R-22-E</u> Sec. 32: NW $\frac{1}{4}$ NW $\frac{1}{4}$	40	B-11119-23 3/4/54	State of New Mexico All	Frank Hemig	Frank Hemig 3%	Continental Oil Co. Phillips Petr. Co. 25%
45. <u>T-22-S, R-21-E</u> Sec. 2: Lots 2, 3, 4 NE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	239.69	E-5453 8/10/61	State of New Mexico All	Cities Service Oil Company	None	Cities Service Oil Company
46. (a) <u>T-21-S, R-21-E</u> Sec. 26: NE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 35: NW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 36: NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$	400	E-6431 8/11/62	State of New Mexico All	Howard W. Jennings	None	Continental Oil Co. Phillips Petr. Co. 25%
(b) <u>T-21-S, R-21-E</u> Sec. 20: E $\frac{1}{2}$ SW $\frac{1}{4}$	80	E-6431 8/11/62	State of New Mexico All	Howard W. Jennings	None	Standard Oil of Texas Continental Oil Co. 25%
47. <u>T-21-S, R-22-E</u> Sec. 32: NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	320	E-6432 8/11/62	State of New Mexico All	W. G. Ross and wife, Vee K. Ross	None	A. C. Holder W. G. Ross 50%
48. (a) <u>T-22-S, R-22-E</u> Sec. 16: E $\frac{1}{2}$ NE $\frac{1}{4}$	80	E-6433 8/11/62	State of New Mexico All	Howard W. Jennings	None	Continental Oil Co.

48.	(b) T-22-S, R-22-E	1000	E-6433	State of New Mexico	All
	Sec. 16: NE $\frac{1}{4}$, NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$		8/11/62		
	Sec. 32: E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ N $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$				
	Sec. 33: NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$				
49.	T-21-S, R-21-E	40	E-6489	State of New Mexico	All
	Sec. 25: SE $\frac{1}{4}$ NE $\frac{1}{4}$		9/10/62		
50.	T-22-S, R-21-E	40	E-6886	State of New Mexico	All
	Sec. 3: SE $\frac{1}{4}$ SE $\frac{1}{4}$		1/10/63		
51.	T-21-S, R-22-E	420.53	E-6893	State of New Mexico	All
	Sec. 32: W $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$		1/10/63		
	Sec. 30: Lot 2				
	T-22-S, R-21-E				
	Sec. 2: NE $\frac{1}{4}$ NE $\frac{1}{4}$ (Lot 1)				
	T-22-S, R-22-E				
	Sec. 6: SW $\frac{1}{4}$ SE $\frac{1}{4}$				

Howard W. Jennings	None	Continental Oil Co. 75%
		Phillips Petr. Co. 25%
U. S. Smelting, Refining & Mining	None	U. S. Smelting, Refining & Mining
Humble Oil & Refining Co.	None	Humble Oil & Refining Co.
Continental Oil Co.	None	Standard Oil Co. of Texas 50%
		Continental Oil Co. 25%
		Phillips Petr. Co. 25%

18 STATE TRACTS, CONTAINING 3,740.22 ACRES, OR 13.89% OF UNIT AREA

Tract No.	Description	No. of Acres	Expiration date of lease	Basic Royalty Owner & Percentage	Lessee of Record	Overriding Royalty & Percentage	Working Interest
<u>FEE OR PRIVATELY OWNED LAND</u>							
52	<u>T-21-S, R-21-E</u> <u>Sec. 28: SW $\frac{1}{4}$ NW $\frac{1}{4}$</u>	40		A. B. Armstrong All	Unleased		
53	<u>T-22-S, R-22-E</u> <u>Sec. 20: SE $\frac{1}{4}$ SE $\frac{1}{4}$</u>	40		Nat. Livestock Co. All	Unleased		

2 FEE TRACTS, CONTAINING 80 ACRES, OR .30% OF UNIT AREA

TOTAL 53 TRACTS, CONTAINING 26,921.76 ACRES, EAST TEXAS HILL UNIT AREA

CASE NO. 300
ORDER NO. R-312

THE APPLICATION OF THE
EAST TEXAS HILL UNIT
AGREEMENT FOR THE
CONSERVATION OF OIL AND
GAS IN THE
EAST TEXAS HILL AREA
OF THE
SOUTHERS DISTRICT
OF THE
NEW MEXICO
OIL AND GAS
COMMISSION
FILED IN THE
NEW MEXICO
OIL AND GAS
COMMISSION
ON MARCH 17, 1933
AT SANTA FE, NEW MEXICO
BY THE COMMISSIONER

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock A.M. on March 17, 1933, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

Now, on this 31ST day of March, 1933, 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 prevention of waste.

IT IS THEREFORE ORDERED:

SECTION 1. That this order shall be known as the

EAST TEXAS HILL UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall be known as the East Texas Hill Unit Agreement, and shall hereafter be referred to as the "Project".

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

SECTION 3. That the East Texas Hill Unit Agreement Plan shall be, and hereby is, approved in principle as a primary conservation measure, provided, however, that notwithstanding any of the provisions contained in said unit agreement this approval shall not be construed as waiving or relinquishing in any manner the right, power or jurisdiction which the New Mexico Oil and Gas Commission has and is vested in the New Mexico Oil Conservation Commission by law.

ORDER OF THE COMMISSIONER OF PUBLIC LANDS OF THE STATE OF NEW MEXICO, IN AND FOR THE COUNTY OF SAGUO, IN RESPONSE TO A PETITION FOR A UNIT OF PUBLIC LANDS.

SECTION 4. (a) That the said area shall be:

THE SAGUO NATIONAL MONUMENT

Sec. 1 to 10 (incl.): All

Sec. 11: All
Sec. 12: All
Sec. 13: All
Sec. 14: All
Sec. 15: All

Sec. 16 to 20 (incl.): All

Sec. 21: All

Sec. 22 to 25 (incl.): All

Sec. 26: All
Sec. 27: All
Sec. 28: All
Sec. 29: All
Sec. 30: All
Sec. 31: All
Sec. 32: All
Sec. 33: All
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Sec. 39: All
Sec. 40: All
Sec. 41: All
Sec. 42: All
Sec. 43: All
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Sec. 98: All
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Sec. 100: All

Sec. 101 to 110 (incl.): All

Sec. 111: All
Sec. 112: All
Sec. 113: All
Sec. 114: All
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Sec. 117: All
Sec. 118: All
Sec. 119: All
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Sec. 198: All
Sec. 199: All
Sec. 200: All

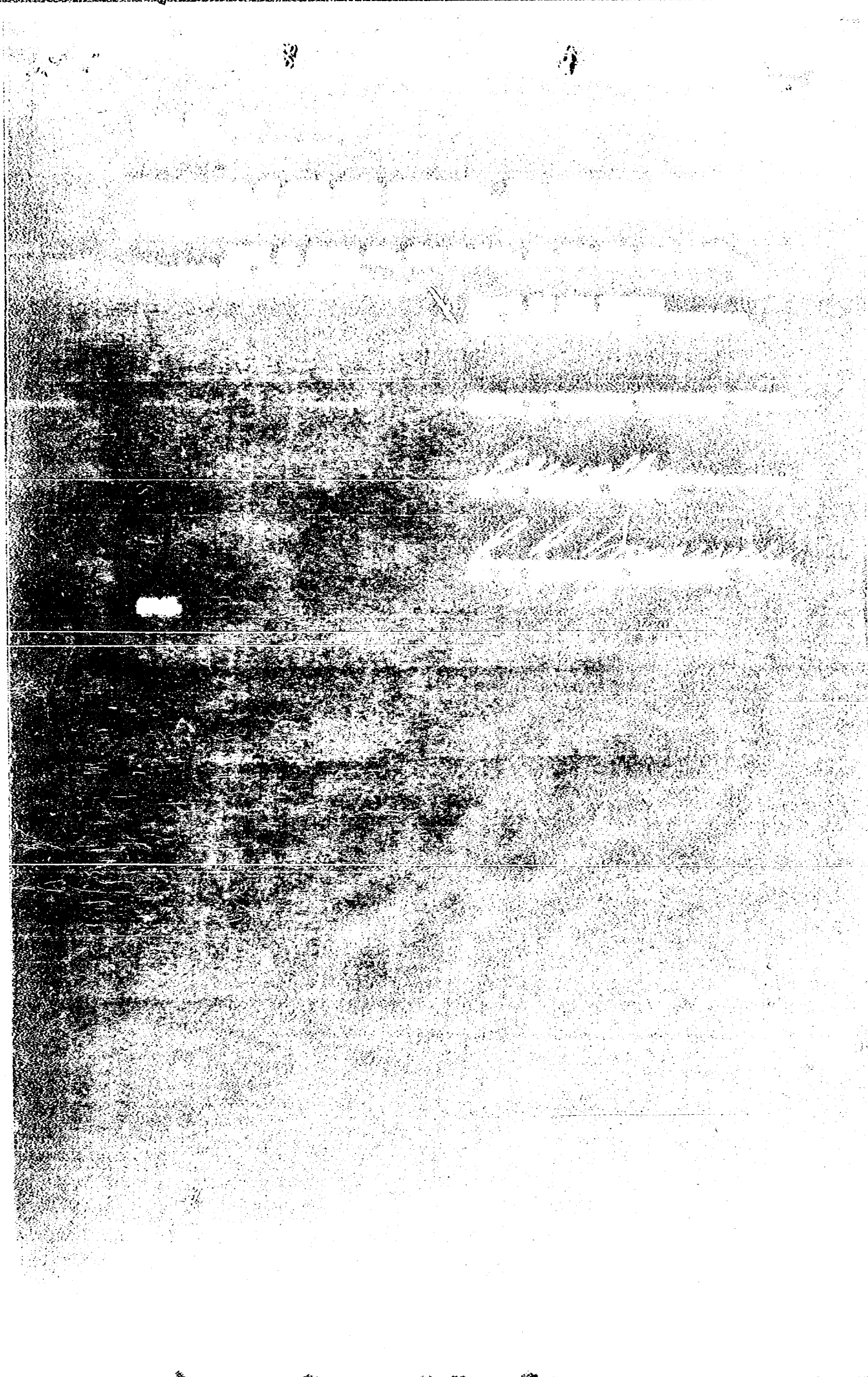
Situated in Saguo County, New Mexico, containing 26,921.78 acres, more or less.

(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 amended original or corrected counterpart of the East Texas Mill Unit Agreement within 30 days after the effective date thereof.

SECTION 6. That any party owning rights in the unitized substances who does not consent 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, or 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 upon the



APR 27 8 44 AM '53

CERTIFICATE OF APPROVAL
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO
OF UNIT AGREEMENT FOR DEVELOPMENT AND OPERATION OF
EAST TEXAS HILL UNIT AREA, EDDY 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 East Texas Hill Unit Area, Eddy County, New Mexico, dated the 10th day of March, 1953, in which the Continental Oil Company, a corporation, 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 field;
- (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 East Texas Hill 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, insofar 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 10th day of May, 1953.



Commissioner of Public Lands of the
State of 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 U.S.C., Secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey pursuant to Departmental Order 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 East Texas Hill 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.

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.

Thomas B. Nole
Acting Director
United States Geological Survey

Date JUN 12 1953