

CASE NO.

108

Application, TRANSCRIPT
SMALL Exhibits, Etc

COPY

SOUTHERN UNION GAS COMPANY

But Building
DALLAS 1, TEXAS

October 25, 1951

Director United States Geological Survey
Roswell, New Mexico

Dear Sir:

Re: Hope Unit Agreement

Reference is made to the notice of termination, and application for approval thereof, regarding the Hope Unit Agreement, I-Sec. No. 556.

This is to transmit the advice that by letter dated October 11, 1951, Mr. Guy Shepard, Commissioner of Public Lands of the State of New Mexico, indicated approval by the State Land Office of the termination of the said agreement as of September 26, 1951.

We believe you have been supplied a copy of this letter of approval by Mr. Shepard.

Yours very truly,

L. H. G. Ward

RMW:nl

cc: Oil Conservation Commission
Magnolia Petroleum Company
State Land Office

RECEIVED
OCT 26 1951
STATE LAND OFFICE

October 11, 1951

Southern Union Gas Company
Burt Building
Dallas 1, Texas

Attention: Mr. R. H. Martin

Re: Hope Unit Agreement

Gentlemen:

We have your letter dated September 17, 1951 together with your application requesting approval of termination of the Hope Unit Agreement, L-Sec. No. 556. Please be advised that your request was approved on September 26, 1951.

Very truly yours,

GUY SHERMAN
Commissioner of Public Lands

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

Oil Conservation Commission
Santa Fe, New Mexico

Magnolia Petroleum Company
Dallas, Texas

OIL CONSERVATION COMMISSION
SANTA FE, N.M.
OCT 19 1951

24-2-1
108

January 8, 1931

Southern Union Gas Company
Burt Building
Dallas, 1, Texas

Attention: Mr. R. B. Martin

Dear Mr. Martin:

I have carefully examined your application for an extension of time within which to commence further exploratory drilling under the Hope Unit Agreement.

I have concluded that the best interests of the State of New Mexico would be served by such requested extension under the appropriate provisions of the original agreement. Therefore, I approve your application for extension of time until July 1, 1931.

This approval is entirely conditioned upon approval of this application for extension being had from the proper officials of the Department of the Interior.

Very truly yours,

Guy Shepard
GUY SHEPARD
Commissioner

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LEGAL DEPARTMENT
WILLIS L. LEA, JR.
GENERAL ATTORNEY

SOUTHERN UNION GAS COMPANY
BURT BUILDING
DALLAS 1, TEXAS

A. S. GRENIER
QUILMAN B. DAVIS
R. M. MARTIN, JR.
CLYDE L. DAVIS

August 8, 1950

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

Gentlemen:

We have been advised that on July 27, 1950, the Acting Director of the United States Geological Survey approved two applications filed by Southern Union Production Company as Unit Operator under the Hope Unit Agreement, one of which requested the substitution of Southern Union Gas Company as Unit Operator, and the other requesting the fourth extension of time within which to commence the drilling of a second test well.

The approval relating to the drilling obligation extends the time for drilling a second well until November 13, 1950.

Very truly yours,



RMM:gw

STATE OF NEW MEXICO
Santa Fe, New Mexico

June 21, 1950

Southern Union Gas Company
Burt Building
Dallas, Texas

Attention of Mr. H. M. Martin

Gentlemen:

I have carefully examined the application of Southern Union Gas Company for an extension of time from May 13, 1950, to November 13, 1950, inclusive, within which the company may comply with the further requirements of the unit agreement covering the HOPS UNIT AREA. The agreement is sometimes referred to as I-Sec. No. 556.

I have concluded that the best interests of the State of New Mexico would be served by such extension of time, as provided by Section 8 of said agreement, and I therefore approve said application for extension for a period of six months from May 13, 1950 to and including November 13, 1950. This approval of the application for extension is conditioned, however, upon similar consent and approval in the premises being given by the proper officials of the Department of Interior.

Very truly yours,

Guy Shepard
Governor
Commissioner of Public Lands

(3) cc.
U.S.G.S.
Roosevelt, N.M.

All Conservation Commission
Santa Fe, N.M.

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January 18, 1950

Southern Union Production Co.
Post Building
Dallas, Texas

Re: Modification of Hope
Unit Agreement—Internal
Revenue Ruling I.T.3930

Gentlemen: (Attention: Robert M. Martin, Jr.)

This acknowledges receipt of supplemental agreements with duplicates modifying Hope Unit Agreement— I-sec. 556, executed by: Southern Union Production Company, Delhi Oil Corporation, Magnolia Petroleum Company, Habel C. Kenny, et vir, William Mueller et ux, Victor Bryan Light et ux, H. M. Wade et ux, William S. McWhorter et ux, George R. Hollington et ux, Annie L. Elliott et vir, Charles Dailoy, Harold S. Brown, Len E. Ogden et ux, William C. Acton et ux, Benjamin D. Luchini et ux, Edward O'Neil et ux, Alice A. West, B. M. Keohane, et ux, C. M. Johnson et ux, Harry M. Crouch et ux, Roy C. Barton et ux, and George P. Gibson.

After careful examination of the several supplemental agreements submitted, I find no objection to the modification of Hope Unit Agreement I-sec. 556 as set out in said supplemental agreements and therefore approve each of them.

Very truly yours,

Guy Shepard
GUY SHEPARD
Commissioner of Public Lands

cc: 2 to Houston Office, U.S.D.I., Austin, Tex.
1 to New Mexico Oil Conservation Commission
2 to Southern Union Production Co.

GS/sg

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BY THE LAND OFFICE
SANDERS, NEW MEXICO

November 4, 1949

Southern Union Production Company
Burt Building
Dallas 1, Texas

Attention of Legal Department

In Re: Extension- HOPE UNIT
to and including November 13, 1951;
extension of time for commence-
ment of additional well to
May 13, 1950.

Gentlemen:

I have carefully examined your (1) application to extend the Hope Unit agreement from December 31, 1949, to and including November 13, 1951, pursuant to Section 18 a, and (2) your application for extension of time in which to conduct further exploratory drilling on the area, pursuant to Section 8 of the Unit Agreement, received in this office October 27, 1949.

After considering the statements in the respective applications and discussing the matter with Mr. Willis L. Lee, Jr., General Attorney, Southern Union, I hereby approve the application and consent to extension of the Hope Unit Agreement from December 31, 1949, to and including November 13, 1951, and approve the application and consent to extension of time for further drilling from November 13, 1949, to and including May 13, 1950. These approvals and consents are conditioned, however, upon like approvals and consents being received from the United States Geological Survey.

Very truly yours,

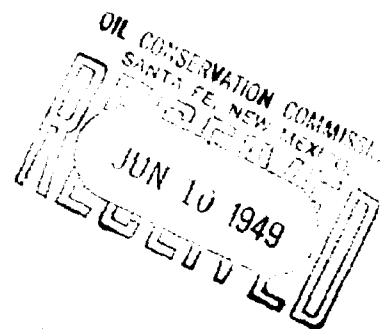
Samuel J. ...
Secretary of the Board of Directors

cc: U.S.G.S. (3), ...
Oil Conservation Division of
Bureau of Land Management

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June 9, 1949



Mr. Allen D. Schrodt
Land and Lease Department
Southern Union Production Company
Burt Building
Dallas, Texas

In Re: Expiring leases within
Hope Unit Area, I-Sec.
No. 556

Dear Mr. Schrodt:

This acknowledges receipt of your inquiry in the matter of extension of leases as indicated in the caption hereof. The Commissioner of Public Lands has heretofore approved the Hope Unit Agreement and has lately agreed to an extension of time within which further drilling may be begun. Section 16 of the Agreement, particularly the last paragraph thereof, seems to authorize modifications of leases to conform to the life of the agreement.

The Commissioner of Public Lands as to state lands is authorized by Section 3 of Chapter 88, N.M. Laws of 1943, to amend state oil and gas leases so as to conform them with the agreement. Since the lessees under the agreement have approved such modification, the Commissioner of Public Lands, also a party to the agreement, would undoubtedly approve an application for the extension of any state lease within the unit area. Apparently this would be true for any lease or assignment within the unit area whether or not it was immediately expiring.

It is suggested that you file an application with the State Land Office for extension of leases that they may be co-extensive with the agreement. In such application the leases or assignments thereof within the unit area, subject to proper annual rental payments of course, would undoubtedly be extended by proper order of the Commissioner of Public Lands. The foregoing is in line with previous practice, and for purposes of

Page 2
Mr. Allen D. Schrodt

June 9, 1949

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this office is satisfactory from an administrative point of view, because the Extension Order would be in the files and cause each lease to be extended by notation and the tract-books marked accordingly.

Under Section 3 of Chapter 88, supra, the lessees also have the right to relinquish existing leases and take new leases in lieu. However, by reason of the extra work involved in releasing, posting and issuing new leases, this office has heretofore merely extended leases to conform to the agreement by order based on application. In all probability, Southern Union Production Company holds a majority of the acreage under various leases. This should be the subject matter of one application; each separate lessee, other than Southern Union, should file application for extension of his leases.

Trusting that the foregoing will be of some informational value to you.

Very truly yours,

GEORGE GRAHAM, Attorney
State Land Office

GAG/mih
cc. Oil & Gas Division
State Land Office

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May 16, 1949

Southern Union Production Company
Surt Building
Dallas, Texas

Attention of Mr. Willis L. Lea, Jr.
General Attorney

Gentlemen:

I have carefully examined the application of Southern Union Production Company for an extension of time from May 13, 1949 to November 13, 1949, inclusive, within which the company may comply with the further requirements of the unit agreement covering the HOPE UNIT AREA. The agreement is sometimes referred to as I-Sec. No. 556.

I have concluded that the best interests of the State of New Mexico would be served by such extension of time, as provided by Section 3 of said agreement, and I therefore approve said application for extension for a period of six months from May 13, 1949 to and including November 13, 1949. This approval of the application for extension is conditioned, however, upon similar consent and approval in the premises being given by the proper officials of the Department of Interior.

Very truly yours,

Guy Shepard
Guy Shepard
Commissioner of Public Lands

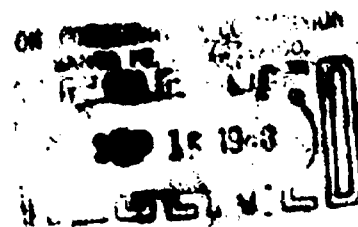
cc. U.S.O.S.
Roswell, N.M.

Oil Conservation Commission
Santa Fe, New Mexico

STATE LAND OFFICE
SANTA FE, NEW MEXICO

*Case
108*

September 14, 1948



Mr. Willis H. Lee, Jr.
Southern Union Production Company
Surt Building
Dallas, Texas

Dear Sir:

After having carefully examined the application of Southern Union Production Company for an extension of time within which to conduct further exploratory drilling, pursuant to Section 8 of the Hope Area Unit Agreement, and on the basis of statements therein contained, I have concluded that the best interest of the State of New Mexico will be served by such requested extension.

I, therefore, approve said application for extension of said Hope Area Unit Agreement for a period of six months from and after November 13, 1948. This extension to end May 13, 1949.

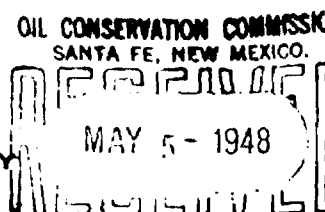
My consent to this extension is conditioned, however, upon similar action being taken in the premises by the proper officials of the United States Department of Interior.

Very truly yours,

JOHN H. HARRIS
Commissioner of Public Lands
of the State of New Mexico

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SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS



May 4, 1948

*File in
Hope Unit Case # 108
Graham*

Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier,
State Geologist

Gentlemen:

There is enclosed and filed herewith one
(1) fully executed counterpart of the Hope
Area Unit Accounting Agreement which relates
to the Unit Agreement dated November 28, 1947.

We are also filing 1 copy of the Account-
ing Agreement with the New Mexico Commissioner
of Public Lands and 3 copies with the Supervisor
of the United States Geological Survey.

If additional counterparts of this instru-
ment are required for your purposes, please so
advise us in order that they may be supplied.

Yours very truly,

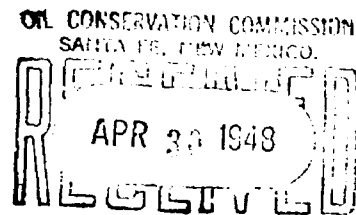
Willis L. Lea, Jr.

Willis L. Lea, Jr.
Assistant Secretary

WLL:fr
encl.

SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

April 28, 1948



Graham

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier,
State Geologist

Gentlemen:

As provided by the Hope Unit Agreement affecting lands in Eddy County, New Mexico, we are glad to enclose one (1) fully executed and acknowledged counterpart of the ratification by certain overriding royalty owners, being all the subsequent ratifications received to date.

Yours very truly,

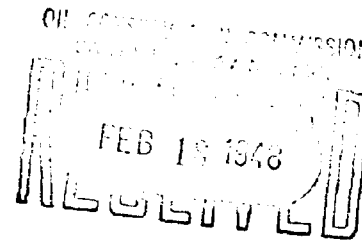
Willis L. Lea, Jr.

Willis L. Lea, Jr.,
Assistant Secretary

W.L.L.:fr
encls.

**SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS**

February 14, 1948



New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. R. E. Spurrier,
State Geologist

Gentlemen:

We are glad to enclose an executed copy of the Hope Area Unit Agreement bearing approval of the Secretary of the Interior and also containing the Commission's affirmative Order and the consent of the Commissioner of Public Lands.

This is intended, of course, for your permanent records.

With best regards, I am

Yours very truly,

A handwritten signature in cursive script, appearing to be "W. L. Frick", is written over the typed name "General Attorney".

General Attorney

WLL:fr
encls.

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey
Washington 25, D.C.

Feb 10 1948

Long, St. Lewis & Nye, Esqs.,
National Press Building,
Washington 4, D.C.

Gentlemen:

On February 5, 1948, Acting Assistant Secretary of the Interior Martin G. White approved the unit agreement for the Hope Area, Eddy County, New Mexico, submitted by the Southern Union Production Company, as unit operator thereunder. The agreement is effective as of the date of approval and has been designated I-Sec. No. 556.

Seven approved counterparts of the agreement are enclosed. One of these counterparts should be forwarded to the State of New Mexico for its record.

Very truly yours,

/s/ H. J. Duncan,

H. J. Duncan,
For the Director.

Enclosure 370.

copy

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P. O. Box 171
January 2, 1941

Southern Union Production Company
Burt Building
Dallas, Texas

RE: Hope Unit Agreement Order

Gentlemen:

We are forwarding you three additional edged
copies of Order No. 737 in Case No. 102, as per your
request.

Very truly yours,

Betty Mistrand, Chief Clerk

CLASS OF SERVICE
This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

JOSEPH L. EGAN
PRESIDENT

1201

SYMBOLS	
DL	Day Letter
NL	Night Letter
LC	Deferred Cable
NLT	Cable Night Letter
	Ship Radiogram

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

VASA PD=SU DALLAS TEX 29 1201 **NOV 29 AM 11 45**

GEORGE GRAHAM=

ATTORNEY OIL CONSERVATION COMMISSION SF=

NO COPIES OF ORDER RECEIVED YET WHERE ARE THEY RECORDS=
SOUTHERN UNION PRODUCTION CO BY WILLIS L LEA JR.

No. *8489* TO *Dallas*
Del Monday

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE DESIRED	
DOMESTIC	CABLE
TELEGRAM	FULL RATE
DAY LETTER	DEFERRED
NIGHT MESSAGE	NIGHT LETTER
NIGHT LETTER	SHIP RADIOGRAM

Patrons should check class of service desired; otherwise message will be transmitted as a full-rate communication.

COPY OF WESTERN UNION TELEGRAM

Dec. 1, 1947

WILLIS L. LEA JR.
SOUTHERN UNION PRODUCTION CO.
BURT BLDG.,
DALLAS, TEXAS

ORDER BY AIRMAIL TODAY. THANKSGIVING INTERFERED. SORRY.

GEORGE A. GRAHAM
OIL CONSERVATION COMMISSION

THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
NOV 27 1947
RECEIVED

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

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

CASE NO. 108

ORDER NO. 737

THE APPLICATION OF THE SOUTHERN UNION
PRODUCTION COMPANY, PETITIONER, FOR AN
ORDER OF APPROVAL OF PROPOSED HOPE AREA
UNIT AGREEMENT, THE UNIT AREA OF WHICH
EMBRACES 17,134 ACRES, MORE OR LESS, IN
TOWNSHIPS 18 and 19 SOUTH, RANGES 23 AND
24 EAST, IN EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock A. M., November
25, 1947, at Santa Fe, New Mexico, before the Oil Conservation Commission
of New Mexico, hereinafter referred to as the "Commission."

NOW, on this the 26th day of November, 1947, the Commission having
before it for consideration the testimony and other evidence adduced at
the hearing of said case and the application of petitioner and being fully
advised in the premises:

FINDS that the proposed unit plan will in principle tend to promote
the conservation of oil and gas and the prevention of waste, and that such
plan is fair to the royalty owners and other interest owners;

IT IS THEREFORE ORDERED:

That the order herein shall be known as the:

"HOPE UNIT AGREEMENT ORDER"

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

(b) That the plan by which the Project shall be operated shall be
embraced in the form of unit agreement for the development and operation
of the Hope Unit Area referred to in the petitioner's application and as
finally submitted to the Commission in definitive revised form as a part
of the testimony adduced at said hearing of November 25, 1947; and such
plan shall be known as the Hope Unit Agreement Plan.

SECTION 2. That the Hope Agreement Plan shall be and is hereby ap-
proved in principle as a proper conservation measure; provided, however,
that notwithstanding any of the provisions contained in said Unit Agree-
ment, this approval of said agreement shall not be considered as waiving

or relinquishing in any manner any rights, duties or obligations which are now or may hereafter be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Hope Unit Agreement or relative to the production of oil and gas therefrom.

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

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO, (Eddy County)

<u>T. 18 S., R. 23 E.</u> Sections 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35 and 36:	All
<u>T. 18 S., R. 24 E.</u> Sections 17, 18, 19, 20, 29, 30, 31 and 32: Section 33:	All S $\frac{1}{2}$ and NW $\frac{1}{4}$
<u>T. 19 S., R. 23 E.</u> Sections 1, 2 and 3:	All
<u>T. 19 S., R. 24 E.</u> Sections 4, 5 and 6:	All

Total unit area 17,134 acres, more or less.

(b). That the Unit area may be enlarged or diminished as provided in said plan.

SECTION 4. That the unit operator shall file with the Commission an executed original, or executed counterparts thereof, of the Hope Unit Agreement not later than 30 days after the effective date thereof.

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

SECTION 6. That the order herein shall become effective as of the first day of the calendar month next following the approval of said Unit Agreement by the Commissioner of Public Lands and the Secretary of the Interior of the United States, and it shall terminate ipso facto upon the termination of said Unit Agreement. The last unit operator shall immediately notify the Commission in writing of any such termination.

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

OIL CONSERVATION COMMISSION

Rene M. M. M.
CHAIRMAN

John E. M.
MEMBER

R. R. M.
SECRETARY

(Seal)



NOTICE FOR PUBLICATION

The State of New Mexico, acting by and through the Oil Conservation Commission, pursuant to law, hereby gives notice of the following hearing to be held by the Oil Conservation Commission on November 25, 1947, beginning at 10:00 A.M., on said day at Santa Fe, New Mexico:

Case 108

In the matter of the application of Southern Union Production Company for approval of the Hope Unit Agreement, Eddy County, New Mexico, embracing the following lands:

Sections 17, 18, 19, 20, 29, 30, 31, 32 and the $S\frac{1}{2}$ and $NW\frac{1}{4}$ of Section 33, in Township 18 South, Range 24 East, N.M.P.M.; Sections 4, 5 and 6 in Township 19 South, Range 24 East, N.M.P.M.; Sections 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35 and 36 in Township 18 South, Range 23 East, N.M.P.M.; Sections 1, 2, and 3 in Township 19 South, Range 23 East, N.M.P.M., containing 17,134 acres, more or less.

Given by the Oil Conservation Commission of New Mexico in the name and on behalf of the State of New Mexico, at Santa Fe this ____ day of November, 1947.

THE STATE OF NEW MEXICO

By _____ Secretary
OIL CONSERVATION COMMISSION

(Seal)

C
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P. O. Box 871
November 21, 1947

Mr. Willis L. Lea, Jr.
Attorney
Southern Union Gas Company
Dallas 1, Texas

Dear Sir:

With reference to your request of November 19,
Mr. Graham states that he will be very glad to recommend
to the Commission that Case 108 be heard first.

Very truly yours,

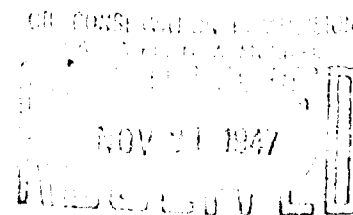
Betty Mistrand, Chief Clerk

LEGAL DEPARTMENT

WILLIS L. LEA, JR.
GENERAL ATTORNEY
A. S. GRENIER
FRANK M. CARR
QUILMAN B. DAVIS

SOUTHERN UNION GAS COMPANY
BURT BUILDING
DALLAS 1, TEXAS

November 19, 1947



Air Mail

Mr. George Graham,
Attorney
Oil Conservation Commission
Santa Fe, New Mexico

Dear George:

It just fits that I can be in Santa Fe for the Conservation hearing at 10:00 on November 25. As I will have to return by plane the same day my time is quite limited. Would it be possible for our matter to be heard first. I believe it will not take five minutes for the incorporation by reference and for any questions which may arise.

Please let me know if you think this can be handled. Looking forward to seeing you and with best regards, I am

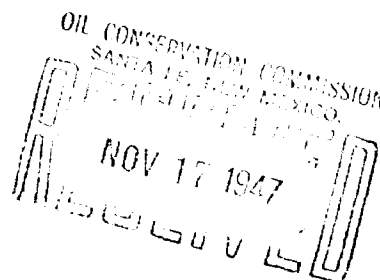
Yours very truly,

Willis L. Lea, Jr.

WLL:fr

SOUTHERN UNION PRODUCTION COMPANY
SURT BUILDING
DALLAS, TEXAS

November 12, 1947



Mr. George A. Graham, Attorney
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Graham:

Thanks very much for your advice concerning the hearing of the Commission to be held November 25 at Santa Fe, at which time the Hope Unit matter will be considered.

It is still my desire to attend this hearing, but in the event that is not feasible, I will ask Mr. Manuel A. Sanchez to do the necessary in my absence.

In due course please furnish for our files publishers' affidavits covering the notice of this hearing wherever it is run. We will be glad, of course, to pay the expense incurred in connection with obtaining affidavits of publication.

With thanks for your cooperation and best personal regards, I am

Yours very truly,

A handwritten signature in cursive script, appearing to read "Willis L. Lea, Jr.".

Willis L. Lea, Jr.

WLL:fr

cc - Mr. J. R. Cole

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P. O. Box 671
November 10, 1947

Mr. Willis L. Lea, Jr., Attorney
Southern Union Production Company
Dallas, Texas

Dear Sir:

This is to advise you that Case 108, as re-
advertised, will be before the Commission at 10:00
o'clock a.m. on November 25, 1947. The hearing will
be held in the Coronado Room of La Fonda Hotel,
Santa Fe.

Yours very truly,

hgw

GEORGE A. GRAYMAN, Attorney

SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

November 8, 1947

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. George Graham,
Attorney

Gentlemen:

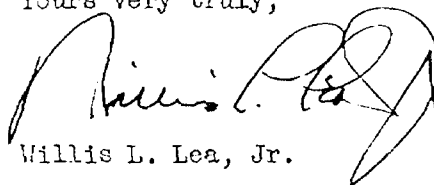
Reference is made to the application of Southern Union Production Company filed on or about May 24, 1947, for approval and consent of the Commission with respect to the Hope Area Unit Agreement and Plan. It is desired that the Commission by regular notice set the matter for hearing at the Commission's regular meeting which is understood to be scheduled for November 25, 1947, in Santa Fe. A suggested form of notice covering this matter is enclosed together with a suggested form of order believed to be suitable for entry by the Commission. Your attention is directed to the fact that the lands involved are located in Eddy County, New Mexico.

This request for hearing is made in an abundance of caution and simply for the purpose of eliminating from the formal record minor defects believed not to be of substance, which occurred incident to the hearing of the Commission held July 15, 1947. In view of the fact that a regular hearing on the same matter has already been held, pursuant to published notice, at which oral testimony and documentary evidence was submitted by the applicant, it is suggested that the November hearing be formally conducted and that the Commission's order be entered with the evidence of the previous hearing incorporated by reference. The Company stipulates that the Commission's attorney, or the Company's own attorney if he be present, may, on behalf of the Company, stipulate into the record of the November hearing the complete transcript of testimony and exhibits thereto taken and introduced at the hearing on July 15, 1947.

We appreciate your cooperation in this matter and will be glad to hear from you if anything further is required in connection with the November hearing. In particular, please advise us if additional filing fees or cost should be paid.

With thanks, we are

Yours very truly,


Willis L. Lea, Jr.

WLL:fr

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Artesia, New Mexico

July 25, 1947

RECEIVED
JUL 28 1947
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

Southern Union Production Company
1104 Burt Building
Dallas, Texas

Re: L.C. 062226

(Hwy. 100 - Artesia)

Gentlemen:

I-SEC. No. 556.

Receipt is acknowledged of your "Notice of Intention to Drill" dated July 8, 1947, covering your No. 1 Elliott well on the subject land in the SW $\frac{1}{4}$ SW $\frac{1}{4}$, section 24, T. 18S., R. 23E., Wildcat Field, Eddy County, New Mexico.

Your proposed work is hereby approved subject to compliance with the provisions of the "Oil and Gas Operating Regulations" revised May 25, 1942, a copy of which will be sent you on request, and subject to the following conditions:

1. Drilling operations so authorized are subject to the attached sheet for general conditions of approval.
2. Copies are requested of the sample log, electric log, or other surveys made.

Yours very truly

Frank B. Stahl

FRANK B. STAHL
Acting District Engineer



PLEASE READ BEFORE STARTING OPERATIONS

Because suspension of field operations will be required by the District Engineer for failure to comply with the Operating Regulations and the conditions of drilling approval, particular attention is called to those general and special requirements most likely to be overlooked by the operator:

GENERAL

1. All drilling and producing wells shall be permanently marked in a conspicuous place with the name of operator, lease name, well number, and location. Necessary precautions must be taken to preserve such signs.
2. Any desired change of drilling plan or conditions of approval must have the written approval of the District Engineer before the change is made.
3. Unless otherwise specified in the approval to drill, the production string of casing must be set at the top of the pay zone, and completion shall be made with a reasonable gas-oil ratio.
4. Before work is started written approval must be obtained and after work is completed results must be reported to the U. S. Geological Survey by submitting complete information in triplicate on form 9-221a, covering:
 - a. Mudding or cementing, including proposed date and method of testing water shut-off.
 - b. Drill-stem tests or perforating.
 - c. Casing alterations, packer settings, or repairs of any kind.
 - d. Shooting, acid treatment, deepening or plugging back.
 - e. Gas-lift installations.
 - f. Drilling of water wells.
5. Monthly report of operations in duplicate, on form 9-329, must be submitted promptly each month beginning with spudding of the first well on a lease and continuing until approved abandonment of all drilling and producing operations.
6. Log, in triplicate, on form 9-330, must be submitted within 10 days of reaching temporary or permanent drilling depth. Copies of all electrical logs, cutting logs, drilling-time logs, and any other well information not given on the standard form, should be attached to same.
7. Separate application to drill any water well on federal land is required, and special procedure is necessary for abandonment of any well having a desirable water supply.
8. All wells and lease premises shall be maintained in first class condition with due regard to safety, conservation, appearance, and refuse disposal.
9. The notice of intention to drill any well is rescinded without further notice if drilling is not started within 90 days of approval.
10. Cement must be allowed to set a minimum of 72 hours on all strings of casing prior to drilling the plug.

SPECIAL (none, if so indicated.)

(SUBMIT IN TRIPLICATE)
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office Las Cruces
Lease No. 062226
Unit _____

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL	<input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF		SUBSEQUENT REPORT OF ALTERING CASING	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL		SUBSEQUENT REPORT OF REDRILLING OR REPAIR	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE		SUBSEQUENT REPORT OF ABANDONMENT	
NOTICE OF INTENTION TO PULL OR ALTER CASING		SUPPLEMENTARY WELL HISTORY	
NOTICE OF INTENTION TO ABANDON WELL			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

July 8, 1947, 19__

#1, Elliott- Federal
Well No. / is located 660 ft. from N line and 660 ft. from W line of sec. 24
SW 1/4 Section 24 18 South 23 East N.M.P.M.
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
Wilcox Doody County New Mexico
(Field) (County or Subdivision) (State or Territory)

The elevation of the derrick floor above sea level is _____ ft. — Will be furnished when determined

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Propose to drill wildcat well to granite. Casing program approximately as follows:

13-3/8" O.D. — 550 feet — cemented
9-5/8" O.D. — 1700 feet — aquogel
7" O.D. — 7500 feet — cemented

Well to be drilled first 2000 feet with Cable Tools, remainder of depth with Rotary.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Southern Union Production Company

Address 1104 Burt Building

Dallas, Texas

By S. H. Newman
S. H. Newman
Title Engineer

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

July 8, 1947

Mr. Willis L. Lea, Jr.
General Attorney
Southern Union Gas Company
Burt Building
Dallas 1, Texas

Case 108

Dear Mr. Lea:

Attached you will find evidence of publication from the
Santa Fe and Eddy county newspapers as requested in your
letter of May 22d.

Very truly yours,

RRS:bsp

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 THE
STATE OF NEW MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 108

ORDER NO. 777

THE APPLICATION OF THE SOUTHERN UNION
PRODUCT OIL COMPANY, PETITIONER, FOR AN
ORDER OF APPROVAL OF PROPOSED HOPE AREA
UNIT AGREEMENT, THE UNIT AREA OF WHICH
EMBRACES 17,120 ACRES, MORE OR LESS,
IN TOWNSHIPS 18 AND 19 SOUTH, RANGES
23 AND 24 EAST, IN EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., July 15, 1947,
at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico,
hereinafter referred to as the "Commission."

NOW, on this the 16th day of July, 1947, the Commission having
before it for consideration the testimony and other evidence adduced at the
hearing of said case and the application of petitioner and being fully
advised in the premises:

FINDS that the proposed unit plan will in principle tend to promote
the conservation of oil and gas and the prevention of waste, and that such
plan is fair to the royalty owners and other interest owners;

IT IS THEREFORE ORDERED:

That the order herein shall be known as the:

"HOPE UNIT AGREEMENT ORDER"

SECTION 1. (a). That the project herein shall be known as the
Hope Unit Agreement and shall hereinafter be referred to as the project.

(b) That the plan by which the project shall be operated shall
be embraced in the form of unit agreement for the development and operation
of the Hope Unit Area referred to in the petitioner's application and as
finally submitted to the Commission in definitive revised form as a part of
the testimony adduced at said hearing on July 15, 1947; and such plan shall
be known as the Hope Unit Agreement Plan.

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

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

NEW MEXICO PRINCIPAL MERIDIAN, NEW SPAIN, (Eddy County)

T. 18 S., R. 23 E.

Sections 13, 14, 15, 22,
23, 24, 25, 26, 27, 34,
35 and 36:

All

T. 18 S., R. 24 E.

Sections 17, 18, 19, 20,
29, 30, 31 and 32:
Section 33:

All
S $\frac{1}{2}$ and NW $\frac{1}{4}$

T. 19 S., R. 23 E.

Sections 1, 2 and 3:

All

T. 19 S., R. 24 E.

Sections 4, 5 and 6:

All

Total unit area 17,120 acres, more or less.

(b) That the Unit area may be enlarged or diminished as provided in said plan.

SECTION 4. That the unit operator shall file with the Commission an executed original, or executed counterparts thereof, of the Hope Unit Agreement not later than 30 days after the effective date thereof.

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

SECTION 6. That the order herein shall become effective as of the first day of the calendar month next following the approval of said Unit Agreement by the Commissioner of Public Lands and the Secretary of the Interior of the United States, and it shall terminate ipso facto upon the termination of said Unit Agreement. The last unit operator shall immediately notify the Commission in writing of any such termination.

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

UNIT OPERATOR

John E. Miles
OWNER

SEALER

R. L. Purrier
SEALER

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission of New Mexico pursuant to law, hereby gives notice of the following hearings to be held July 15, 1947, beginning at 10:00 A.M., on said day at Santa Fe, New Mexico:

Case 100

In the matter of the petition of American Employers Insurance Company for an order directed to Charles R. Tarkenton, address unknown, W. R. Childers, Hobbs, New Mexico and Gene R. Burke, Hobbs, New Mexico to show cause why a well located in Chaves County, New Mexico in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, Township 11 South, Range 25 East, N.M.P.M., should not be declared abandoned and ordered plugged.

Case 101

In the matter of the petition of American Employers Insurance Company for an order directed to Frank Griggs, Lubbock, Texas, John Darden, Lubbock, Texas and John H. Hawkins, Fort Sumner, New Mexico to show cause why a well located in DeBaca County, New Mexico, in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 11, Township 4 North, Range 26 East, should not be declared abandoned and ordered plugged.

Case 102

In the matter of the petition of American Employers Insurance Company for an order directed to San Juan Oil & Gas Co., Inc., 922 North Second Street, Phoenix, Arizona, O. R. Cassidy, 922 North Second Street, Phoenix, Arizona, Arthur Wilson, Phoenix, Arizona, L. E. Snavely, 900 East Van Buren, Phoenix, Arizona, A. H. Vaughn, 2314 Oak St., Phoenix, Arizona, J. A. DeWar, 2138 East Yale Street, Phoenix, Arizona, to show cause why a well located in San Juan County, New Mexico, in the SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 19, Township 29 North, Range 11 West, should not be declared abandoned and ordered plugged.

Case 103

In the matter of the petition of the Leonard Oil Company, a New Mexico corporation, Roswell, New Mexico for authority to deepen Leonard Oil Company's State Well No. 8, located in Eddy County, New Mexico, 1177 feet north of the south line and 1230 feet west of the east line of Section 21, Township 17 south, Range 29 east to the oil producing horizon or that vicinity.

Case 104

In the matter of the application of Walter Lumariss Jr., for permission to purchase and process tank bottoms, bit oil, Gasoline Plant "Catchings", and other oil or waste not otherwise merchantable, and to sell the merchantable crude derived therefrom.

Case 105

In the matter of the application of the Panhandle Carbon Company, Inc., for an extension for ten years of its permit heretofore granted November 27, 1944 respecting use of residue and/or flare gas in the manufacture of carbon black.

Case 106

In the matter of application of the Oil Conservation Commission of New Mexico, upon its own motion for an order, as recommended by the New Mexico Nomenclature Committee, supplementing Supplemental Order No. 6 to Order No. 633, and relating to overlap in defining boundaries of Loco Hills and Grayburg-Jackson pools, Eddy County, New Mexico.

Case 107

In the matter of the application of Barney Cockburn, for an unorthodox well location in Eddy County, in the NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 29, Township 17 South, Range 33 East, N.M.P.M., on State Lease B-2516 in connection with an application for unit operation.

Case 108

In the matter of the application of Southern Union Gas Company for approval of the Hope Unit Agreement, Eddy County, New Mexico, embracing the following lands:

Sections 17,18,19,20,29,30,31,32 and the S $\frac{1}{2}$ and NW $\frac{1}{4}$ of Section 33, in township 18 South, Range 24 East, N.M.P.M.; Sections 4,5 and 6, in township 19 South, Range 23 East, N.M.P.M.; Sections 13,14,15,22, 23,24,25,26,27,34,35 and 36 in township 18 South, Range 23 East, N.M.P.M.; Sections 1,2, and 3 in Township 19 South, Range 23 East, N.M.P.M., containing 17,120 acres, more or less.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico on June 27 1947.

OIL CONSERVATION COMMISSION

BY:

R. R. Spurrish

R. R. SPURRISH, Secretary

NEW MEXICO
STATE OF NEW MEXICO
OIL AND GAS COMMISSION

The Oil Conservation Commission of New Mexico pursuant to law, hereby gives notice of the following hearings to be held July 15, 1947, beginning at 10:00 A.M., on said day at Santa Fe, New Mexico:

Case 103

In the matter of the petition of the Leonard Oil Company, a New Mexico corporation, Roswell, New Mexico for authority to deepen Leonard Oil Company's State Well No. 8, located in Eddy County, New Mexico, 1177 feet north of the south line and 1230 feet west of the east line of Section 21, Township 17 South, Range 29 east to the oil producing horizon of that vicinity.

Case 104

In the matter of the application of Walter Fazariss Jr., for permission to purchase and process tank bottoms, Bit Oil, Gasoline Plant "Catchings", and other Oil or Waste not otherwise merchantable, and to sell the merchantable crude derived therefrom.

Case 106

In the matter of application of the Oil Conservation Commission of New Mexico, upon its own motion for an order, as recommended by the New Mexico Nomenclature Committee, supplementing Supplemental Order No. 6 to Order No. 633, and relating to overlap in defining boundaries of Loco Hills and Grayburg-Jackson pools, Eddy County, New Mexico.

Case 107

In the matter of the application of Barney Cockburn, for an unorthodox well location in Eddy County, in the NE 1/4, Section 29, Township 17 South, Range 33 East, N.M.P.M., on State Lease B-2516 in connection with an application for unit operation.

Case 108

In the matter of the application of Southern Union Gas Company for approval of the "Open Unit Agreement", Eddy County, New Mexico, embracing the following lands:

Sections 17, 18, 19, 20, 29, 30, 31, 32 and the SW 1/4 and NE 1/4 of Section 33 in Township 17 South, Range 26 East, N.M.P.M.; Sections 4, 5 and 6, in Township 19 South, Range 27 East, N.M.P.M.; Sections 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35 and 36 in Township 18 South, Range 23 East, N.M.P.M.; Sections 1, 2, and 3 in Township 19 South, Range 23 East, N.M.P.M., containing 17,120 acres, more or less.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico on June 17, 1947.

Oil Conservation Commission of New Mexico

By: *W. B. Frazier*
Secretary

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

June 25, 1947

Mr. Willis T. Lea Jr.
General Attorney
Southern Union Gas Company
Burt Bldg.,
Dallas 1, Texas

Case No. 108
RE: Petition of Southern Union
Gas Company.

Dear Mr. Lea:

This is to advise you that the hearing in the above captioned case has been set by the Commission beginning at 10:00 o'clock A.M. on the 15th day of July in the Coronado Room, La Ponda Hotel, Santa Fe, New Mexico.

Very truly yours,

GEORGE A. GRAHAM
Attorney,
Oil Conservation Commission

RRS:bsp

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STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

May 26, 1947

Mr. Willis L. Lea, Jr.
General Attorney
Southern Union Gas Company
Burt Building
Dallas 1, Texas

Dear Mr. Lea:

This will acknowledge the arrival of Southern Union petition for approval of the unit agreement applicable to the Hope Area of Eddy County, New Mexico.

Mr. Graham and I will go over this unit agreement together, soon, and will register any complaints with you as soon as we complete our work. I have taken note of your last sentence in your letter and evidence of the publication of notice will be sent to you to complete your files.

Very truly yours,

RRS:bsp

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SOUTHERN UNION GAS COMPANY

BURT BUILDING
DALLAS 1, TEXAS

LEGAL DEPARTMENT

WILLIS L. LEA, JR.
GENERAL ATTORNEY
A. S. GRENIER
FRANK M. CARR
QUILMAN B. DAVIS

May 22, 1947

Mr. R. R. Spurrier, State Geologist,
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Spurrier:

Confirming our long-distance telephone conversation of this morning we are enclosing herewith Southern Union Production Company's Petition for approval by the Commission of the Unit Agreement applicable to the Hope Area of Eddy County, New Mexico. We trust you will find this in order but will appreciate hearing from you if anything further is desired.

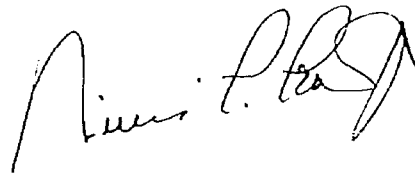
As I indicated this morning, we will desire to have this matter included in your notice of hearing for the July 15 regular session unless it progresses in Washington sufficiently to justify an earlier hearing. We will keep you advised as information reaches us concerning the Washington developments. It is appreciated that sufficient time must be allowed for you to arrange publication in the Santa Fe and Eddy County newspapers. Incidentally, we would like to have in due course evidence of the publication of our notice in both these papers, for the completion of our files.

Bertha :

Please note

With thanks for your cooperation, we are

Yours very truly,



WLL:fr
encl.

UNIT ACCOUNTING AGREEMENT

HOPE UNIT AREA

Eddy County, New Mexico

THIS AGREEMENT, entered into as of the 28th day of November, 1947, by and between SOUTHERN UNION PRODUCTION COMPANY, a Delaware corporation (herein referred to as "Unit Operator" or "Operator") and MAGNOLIA PETROLEUM COMPANY and DELHI OIL CORPORATION, and such other Working Interest Owners who may hereafter subscribe, ratify, adopt or consent to this agreement, in one of the manners hereinafter provided, (each herein referred to as a "Non-operator" or collectively as "Non-operators"),

W I T N E S S E T H :

WHEREAS, each of the parties hereto has become, or concurrently with the execution hereof is becoming a party to the Unit Agreement for the Development and Operation of the Hope Unit Area, dated as of November 28, 1947, (herein referred to as the "Unit Agreement"); and

WHEREAS, the Unit Agreement provides for the execution or adoption, by the Working Interest Owners parties thereto, of a Unit Accounting Agreement:

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto agree severally among themselves as follows:

1. By reference the Unit Agreement is incorporated herein and made a part hereof, and the terms defined therein shall have the same meaning in this agreement unless it clearly appears from the context hereof that some other or additional meaning is intended. By becoming a party to this agreement in one of the manners herein provided each party hereto also expressly adopts, ratifies and agrees to be bound by the Unit Agreement with the same force and effect as if such party had subscribed the Unit Agreement or a counterpart thereof. Any owner of a working interest in the unit area is qualified to become a party hereto. This agreement may be executed in any number of counterparts with the same force and effect as if all parties had subscribed the same document, or this agreement may be ratified and adopted by a Working Interest Owner with like force and effect by a separate instrument in writing signed by such party.

2. The test well provided for in Section 8 of the Unit Agreement, located in the southwest quarter (SW $\frac{1}{4}$) of Section 24, Township 18 South, Range 23 East, (24-18 S.-23 E.), N.M.P.M., Eddy County, New Mexico shall be drilled and completed and equipped for production of oil and/or gas (or plugged and abandoned as a non-

commercial well) by Operator at its sole cost, risk and expense and free of cost, expense and liability to the other parties hereto except insofar as any such other party shall have expressly agreed with Operator to share therein. If said well is plugged and abandoned as a dry hole or noncommercial well the Operator may salvage and remove all casing, equipment and other material and supplies used in the drilling, completion or testing thereof, all such items to remain the property of the parties who paid for same.

3. If said test well proves to be a dry hole or noncommercial well, there shall be no obligation on Operator to drill a second well, and no additional well shall be drilled unless consented to as provided in Section 7 hereof; provided, however, one or more additional test wells may be drilled prior to the establishment of a participating area if the basis of cost participation in such well(s) is expressly agreed to between Operator and one or more Non-operators and the cost of drilling is expressly assumed by them. In the absence of such consent or agreement the Unit Agreement shall be terminated according to its terms; provided, however, that Operator may, in its discretion, apply for and obtain extensions of time within which to conduct further drilling operations on the unit area, as contemplated by the Unit Agreement. The parties hereto recognize Operator's right to resign, according to the Unit Agreement, and be thereby relieved of all obligations as Unit Operator accruing after the effectiveness of resignation.

4. Upon completion of a well capable of producing one or more of the unitized substances in paying quantities Operator shall, in accordance with the Unit Agreement and subject to the approval of the Director, the Commission and the Commissioner, promptly file and from time to time revise a schedule showing the unitized land in the proposed participating area(s) and the percentage of production from each such area to be allocated on an equal acreage basis to each tract of unitized land included therein. A participating area may be enlarged or diminished only in the manner and to the extent provided in the Unit Agreement.

Operator shall use reasonable diligence in its efforts to market unitized substances from such area(s) whenever any one or more of such substances shall have become available for production and sale by Operator in quantities sufficient to justify a market outlet therefor. Any party hereto claiming the right, on the basis of a separate contract antedating his or its commitment to the Unit Agreement, to receive a share of the unitized substances in kind shall, as a

condition to the exercise of such right, provide his/its own facilities for the receipt or storage thereof and shall regularly pay to Operator cash equal to the additional expense, if any, incurred by Operator in making deliveries in kind.

(In this connection, each Magnolia Petroleum Company, Southern Union Production Company and Delhi Oil Corporation has reserved the right, by separate contract antedating commitment to the Unit Agreement, to receive in kind and to use or market its proportionate share of all unitized substances produced from the unit area, subject to the Operator's prior right of use thereof to the extent necessary in development or operation of the unit area; moreover, by the same agreements Magnolia Petroleum Company has certain rights to purchase the proportionate share of each such other in the oil, casinghead gas, distillate and other liquid hydrocarbons and Southern Union Production Company has certain rights to purchase the proportionate share of each such other in the dry gas.)

Any party hereto buying or marketing gas, oil or other liquid hydrocarbon substances from the unitized lands shall buy or market the available production equitably, without favor or preference to any land or person.

Each owner of a unitized interest in unitized land within a duly approved participating area shall be entitled to receive a portion of the proceeds derived from the sale by Operator of unitized substances allocated to the tract or tracts to which his interest(s) pertain (or, a portion of such unitized substances in kind if such owner so elects pursuant to a pre-existing contractual right) equal to the portion to which such owner would be entitled had the unitized substances so allocated to his tract(s) been in fact produced therefrom, and Operator shall render each month to the owners of unitized substances in each participating area an accounting of its operations with respect to such area during the previous calendar month and (to the extent not delivered in kind) shall pay, in value, in conformity with applicable provisions of the Unit Agreement, of the oil and gas leases committed thereto and of this agreement, to each such owner his proportionate and allocated share, determined as aforesaid, of the benefits from unitized substances produced from the participating area and sold during the previous calendar month; provided, that Operator may first deduct proportionately and pay over to the proper governmental authorities any and all taxes due on or because of unitized substances so produced or, in the event of a delivery in kind, may require that the recipient of such benefits either pay or provide security for the payment of any and all such taxes with respect to the products delivered in kind; and

provided further that Operator shall be entitled, to the full extent of any sum(s) owed to it hereunder by any Non-operator, to retain or receive as an off-set against such sum(s) all or any part of the unitized substances, or proceeds from sale thereof, otherwise deliverable to such Non-operator. Insofar as practicable Operator shall arrange for the collection and regular distribution of funds accruing from sale by it of unitized substances during the month ensuing the calendar month in which such substances are sold, but shall not be required to make payment to anyone of moneys representing the proceeds of such sale unless and until actually received by Operator; moreover, to the extent that the distribution of production benefits may be at any time determined by the action finally taken on a proposed participating area, or enlargement or diminution thereof, the distribution of such benefits may, to that extent only, be delayed pending final approval or rejection of the proposed area or enlargement or diminution.

In lieu of accepting payment for one or more of the unitized substances sold from unitized land and thereafter making distribution of such funds to the persons entitled thereto, Operator may permit the purchaser(s) to make distribution of the proceeds of sale, less any applicable taxes, directly to some or all the persons entitled thereto as their interest(s) may appear from division orders executed by them, respectively; provided, if Operator at any time notifies any such purchaser in writing to pay to Operator, on account of indebtedness owing hereunder by any Non-operator, proceeds otherwise due or to become due to such Non-operator, such purchaser shall pay, and shall be protected in paying, the proceeds according to Operator's said notice. On receipt of any such funds Operator shall apply them to the indebtedness of such Non-operator.

5. Except for the costs and expenses of completing the initial test well referred to in Section 2 hereof, all costs and expenses incurred by Operator in connection with development and operation for unitized substances of unitized lands within the participating area, including (without being limited to) the locating, drilling, testing, surveying, plugging, completing or recompleting, and equipping of wells and the management, production and operation thereof as intended by the Unit Agreement, and the handling, treating and marketing of production, shall be borne and paid by the parties hereto in the same proportion that the number of working interest acres, including fractions, belonging to each from time to time in the participating area bears to the total number of working interest acres, including fractions, in the participating area. As ad-

adjustments are made in the schedule and percentages of participation in production from the participating area corresponding adjustments shall be made, effective as of the same time, in the allocation of costs and expenses to the Working Interest Owners in the participating area. The term "working interest acre" shall mean, for purposes of this agreement, the right(s) and interest(s) (whether held by lease, operating agreement, fee mineral title or otherwise) to explore for, develop and produce unitized substances from one or more acres of land equivalent to the entire and exclusive right and interest to explore for, develop and produce such substances from one acre of land.

If there shall be more than one participating area the benefits of production from and the costs and expenses attributable to each such area shall be allocated and shared with respect to it in the same manner as is provided herein for a single participating area.

All such costs, expenses and related matters, as well as the method of accounting and billing with respect thereto, shall be in accordance with the provisions of Accounting Procedure attached hereto, made a part hereof and designated "Exhibit A". Operator shall pay all such costs and expenses and shall charge each of the other Working Interest Owners with a proper proportion thereof, determined as herein provided. In case of any inconsistency or conflict between the provisions of Exhibit A and the other provisions of this agreement such other provisions shall prevail over Exhibit A.

Operator shall render and pay ad valorem taxes on all tangible personal property in any participating area owned by it in its capacity as Operator, and shall charge such ad valorem taxes to the Working Interest Owners in each participating area in proportion to the number of working interest acres owned by each therein. Any and all other ad valorem taxes levied or assessed against unitized lands or interests therein shall be paid by the owner of such interests and each such owner shall prevent the attachment of a tax lien to his interests, and shall, in the event of tax sale, take such action at his or its own expense to redeem the interests sold for taxes.

Operator may at its election from time to time require each of the Non-operators in the participating area to advance periodically an amount estimated by Operator to be equal to each such Non-operator's proportionate part of all costs and expenses to be incurred hereunder with respect to such area, as follows: on or before the 10th day of any calendar month Operator may submit in-

voices to the Non-operators containing a reasonably accurate estimate of such costs and expenses for the then current month, and within ten (10) days after receipt thereof each Non-operator shall pay, as invoiced, its proportionate part of such estimate to Operator; within thirty (30) days after the close of such month Operator shall submit to each of the Non-operators a corrected bill covering their respective parts of the costs and expenses actually incurred during such month, and at such time shall, either by adjusted charge or repayment, reconcile the corrected bill with such estimate.

Any costs and expenses incurred pursuant to this agreement by Operator with respect to lands not within any participating area shall be billed to the Working Interest Owners for whose benefit they are incurred.

With the approval of those holding at least a majority of the working interest acres in unitized federal lands Operator may furnish a collective corporate surety bond covering all such lands, as provided by applicable regulations, and in such event the premium cost thereof shall be distributed and charged by Operator to each party hereto in proportion to the number of working interest acres held in federal lands. Until such time each party shall furnish and keep in effect at his own expense any bond or bonds required with respect to his own federal lease(s).

To the extent not offset by cash funds in Operator's possession, representing proceeds from sale of unitized substances belonging to the respective Non-operators, all invoices rendered by Operator as contemplated in this agreement shall be paid to Operator at its office designated by it within not to exceed fifteen (15) days after receipt thereof by the respective Non-operators, and past due accounts shall bear interest at the rate of five percent (5%) per annum until paid, except that no interest shall accrue on any portion of the net sum owing Operator if such portion is the subject of a bona fide challenge by the Non-operator(s) invoiced therefor. Accounts rendered by Operator and paid by the Non-operators or any of them may be reopened at any time within sixty (60) days after receipt of the pertinent invoice by the Non-operators billed, and if upon reopening any adjustment is found to be due it shall be promptly made between the parties involved.

All invoices to the Non-operators shall be itemized in reasonable detail.

Operator shall have an express contract lien, hereby granted, upon the interest of each Non-operator in the unitized land, in the unitized substances produced therefrom, and in the materials, equipment and facilities located thereon, to secure the payment by such Non-operator of its proportionate part of the costs

and expenses incurred or paid by Operator hereunder and interest, if any, accrued on such part, and such lien may be at any time enforced and foreclosed as any other contract lien.

6. Operator shall

(a) conduct its operations hereunder in good workmanlike manner consistent with the practices generally followed in southeastern New Mexico by oil and gas producers;

(b) keep accurate accounts and records of its operations hereunder and at reasonable times permit any Non-operator upon his request to examine same and the supporting vouchers; upon request of any Non-operator(s) holding a majority of that part of the working interest not held by Operator in a participating area (or, if none is established, in the unit area), Operator will submit its books and records pertaining to such participating area or unit area, as the case may be, to audit by Barrow, Wade, Guthrie & Co. or by any other accountant or firm satisfactory to it, the cost of such audit to be charged in the same manner as an operating expense;

(c) make bona fide efforts to comply in its operations hereunder with applicable laws and rules, regulations and orders of duly constituted governmental authorities effective from time to time;

(d) keep the interests of others within the unit area free from liens occasioned by its operations except liens expressly herein provided for;

(e) upon request of a Non-operator having an investment in or committed to participate in the cost of any well on the unit area, permit such Non-operator to have at reasonable times access to said well and to the available information pertaining thereto, including cores and cuttings, and copies of the log; provided no information obtained by a Non-operator concerning any such well shall be made available by him to any other for the latter's use or benefit unless such other is similarly interested in the production from such well; and

(f) maintain in effect insurance contracts complying with applicable workman's compensation laws of the State of New Mexico and also providing indemnity in reasonable amounts against the hazards of injury or damage to persons or property resulting from Operator's performance of this agreement; and a fairly allocated amount of Operator's premium cost of

maintaining such insurance coverage shall be apportioned among the parties hereto according to the number of working interest acres, including fractions, held by them from time to time in the participating area(s) or, if none is established, in the unit area.

7. Without first obtaining express consent of those holding at least a majority of the working interest acres in the participating area or areas affected (or, if none is established, in the unit area) including at least one Working Interest Owner in addition to the Operator, the Operator shall not:

(a) submit for approval of governmental authorities any original, supplemental or amended plan of development and operation for unitized land;

(b) drill or let any contract for the drilling of any well unless such well is provided for in a then effective plan of development and operation submitted in accordance with this agreement; provided, when any well is consented to as herein contemplated, either specially or as part of an effective plan of development and operation, all expenses reasonably necessary or appropriate to the locating, drilling, testing, surveying, plugging, completing and equipping thereof, including any necessary lease tankage, treating and gathering facilities, shall be authorized hereunder;

(c) make expenditures aggregating in excess of Twenty-Five Hundred Dollars (\$2,500) for any single project, or acquisition, or unit of equipment, unless such project, acquisition or unit of equipment is expressly provided for in a then effective plan of development and operation submitted in accordance with this agreement, or is otherwise authorized hereunder;

(d) use or make arrangements for the use of any equipment or facilities of a participating area except for the benefit of such area;

(e) abandon any well on account of depletion of unitized substances; provided, if the parties hereto are unable to agree as to abandonment of any well and the owner(s) of at least 25% of the working interest acres then unitized advise Operator that they desire to continue operation of the well proposed to be abandoned, such owner(s) may with the express approval of all governmental authorities having jurisdiction and of each person interested in the royalty production of such well, acquire from

those desiring to abandon (upon payment to them of cash equal to their proportionate shares in the salvage value of materials, facilities and equipment in or connected with such well, determined according to Exhibit A insofar as applicable) an assignment without warranty covering the well and the working interest production obtainable therefrom, and the well shall thereafter be operated, abandoned and/or recompleted by Operator at the sole risk and expense of the parties so acquiring, for their benefit and as they from time to time direct, but in any event consistent with applicable lease provisions and the conservation and other principles of the Unit Agreement and applicable rules and regulations; and provided further that no change shall be made in the unit area or in any participating area or in the allocation of benefits to royalty owners on account of such acquisition, but the working interest production from the well so acquired, notwithstanding that it may be in a participating area, shall be allocated only to the acquiring person(s), their heirs, successors and assigns; and provided, further, if no payment or firm offer of payment of salvage value is made to Operator by the person(s) desiring to acquire a well, as herein provided, within ninety (90) days after notice that it is proposed to be abandoned, Operator may, with the required majority consent of Working Interest Owners, proceed to abandon such well as proposed;

(f) submit for approval of governmental authorities any proposed participating area or enlargement thereof or any proposed consolidation of participating areas;

(g) fix or approve the basis of investment adjustment or the adjusted basis for allocation of future development and operating costs or the adjusted basis of participation, upon enlargement of a participating area or upon contraction thereof for failure of title;

(h) acquire by negotiation any well drilled outside a participating area pursuant to Section 12 of the Unit Agreement by others than the Operator; or

(i) make any arrangement for repressuring or cycling or stimulation of production or any other radical change in the method of operation. When consented to as herein provided by the requisite Working Interest Owners, any such proposed action or expense, including incidental expense reason-

ably necessary or appropriate, should be deemed authorized for all purposes.

8. In the event a well drilled pursuant to Section 12 of the Unit Agreement by some party(ies) hereto other than the Operator results in production of unitized substances such that the land upon which it is situated may properly be included in a participating area, the party(ies) paying the cost of drilling and completing such well shall, unless the Operator by negotiation promptly acquires such well and all its equipment, including any tankage, be entitled to produce and operate same and to retain the benefits of all unitized substances produced therefrom, subject to royalty interests, until such party(ies) shall have recovered from the working interest production thereof an amount equal to twice the cost incurred in drilling, completing and equipping such well (including in such cost all taxes with respect to working interest production during the period of recovery), plus an amount equal to the reasonable and bona fide cost of operating the well during the period of recovery. The land on which any such well is located shall be proposed for inclusion in a participating area as of a date not later than the first day of the calendar month next following that during which Operator acquires such well by negotiation, or during which there shall have accrued to the drilling party(ies) the final sum to be recovered as above specified; provided, if such well is, as it may be, included in a participating area effective as of the first day of the calendar month following completion thereof, or some other more appropriate effective date, as contemplated by the Unit Agreement, all royalty interests payable shall be computed and paid by the party(ies) operating such well on the basis of an allocation of production therefrom to all tracts within such participating area according to the principles of Section 11 of the Unit Agreement without prejudice of the right to such party(ies) to their recovery out of the working interest production, as above specified.

Following acquisition of the well by Operator from the party(ies) drilling same, either as a result of negotiation or of the completion of said recovery by such party(ies), and following inclusion of such well in a participating area, the well and all its equipment, including tankage, shall belong to and be operated by Operator for the account of all unitized interests in the participating area as if it had been originally drilled and equipped by Operator hereunder. Moreover, in the computation of investment in the participating area and in the allocation thereof among Working Interest Owners according to Section 11 hereof, the Working Interest Owners in the participating area prior to such enlargement

shall be credited with an amount equal to the actual cost incurred by the drilling party(ies) in drilling, completing and equipping such well, in proportion to their respective aggregate investments in the participating area prior to enlargement, and the party(ies) having originally paid such cost shall receive no credit under Section 11.

9. In drilling on the unit area any well properly authorized hereunder Operator may, if it so elects, use its own drilling rig and equipment, but in such case (unless the actual cost is to be allocated and billed to the Working Interest Owners participating therein, with indirect charges computed according to Exhibit A) the charges for drilling and completing or abandoning such well shall not exceed the prevailing competitive rate charged by responsible independent contractors regularly engaged in like drilling in southeastern New Mexico; and before commencing any well with its own drilling equipment on an independent contract basis, Operator shall obtain with respect to the rates to be charged by it, including any day-work rates, approval by the parties hereto who will be obligated to pay at least a majority of that portion of the total cost which is not to be borne by Unit Operator in its capacity as a Working Interest Owner.

In any event, the cost of equipment for the well shall be as provided in Exhibit A.

When the cost of any such well is charged on a contract basis, Operator shall be deemed to have assumed all risk and expense in connection with such operations and as to each other party participating in the cost thereof Operator shall be deemed to be an independent contractor in such operations; provided, that Operator in that capacity shall not be liable for any loss, cost, injury or damage resulting (except to its own employees and equipment) from blow-out or cratering of the well, whether or not accompanied by fire, or from loss of the hole. Where the cost of any well is not charged on a contract basis but on a basis of actual cost Operator in that capacity shall assume none of the risks incident to drilling and completing or abandoning the well, all such risk being borne by those participating in the cost of such well.

10. Operator may drill a well or wells not consented to under Section 7 hereof if the total cost and expense thereof is assumed by one or more of the parties under a separate agreement.

11. The participating area(s) may be enlarged, as provided in the Unit Agreement, to include additional land in the unit area then regarded as reason-

ably proved to be productive of unitized substances in paying quantities. Upon any such enlargement becoming effective the aggregate investment in wells, facilities and equipment of the participating area shall be adjusted in the following manner:

Credit for the cost of drilling, completing and equipping the well or wells justifying the enlargement shall be given to the parties hereto at whose cost such well(s) were drilled. Credit shall likewise be given to the Working Interest Owners in the participating area prior to such enlargement in amount equal to their respective aggregate investments in the well or wells in such area, including all internal well equipment and well head valves, but excluding equipment commencing with the outlet of such valves and all other surface equipment of a participating area. Credit shall also be given to such Working Interest Owners in an amount equal to their respective interests in the appraised value of all other physical equipment, facilities and improvements of the participating area not credited as a part of the cost of well(s) located thereon, including drilling and production facilities, gathering and other lines, tanks, separators, boiler stations, treating facilities, buildings and structures, camps, automotive equipment and (without limitation to the types enumerated) other facilities used and useful in the operation or development of such area for unitized substances.

The initial total investment in the enlarged participating area, which is the aggregate of the credits provided for above in this section, shall be charged and invoiced to all Working Interest Owners in the participating area as enlarged, in the proportion that the number of working interest acres owned by each bears to the total number of working interest acres therein, and any and all excess of such total charges over the total credits of each party hereto shall be promptly paid by such party in cash to the Operator which shall with such funds make settlement with those parties hereto having a net credit balance from the adjustments. Until all sums due as a result of such adjustments have been paid in full as herein provided Operator shall have an express contract lien, hereby granted, for the proportionate benefit of all parties hereto occupying a creditor position, upon the interest of each such debtor Working Interest Owner in the unitized land, in the unitized substances produced therefrom and in the materials, equipment and facilities located thereon, to secure the payment due from such Working Interest Owner, and interest, if any, accrued thereon, and the lien may be at any time enforced and foreclosed as any other contract lien.

The appraisal referred to above shall be made by a qualified individual satisfactory to all the parties affected by such appraisal; provided, if they do not concur in the selection of such an appraiser within thirty (30) days after requisite approval of the enlargement, the appraisal shall be conducted by three (3) persons, one selected by a majority in interest of the Working Interest Owners in the participating area before its enlargement, one by a majority in interest of the Working Interest Owners in the enlargement, and a third by the two so selected; and the decision of any two such persons shall be the appraisal contemplated herein. Any person(s) approved or selected as appraiser shall have access to all records pertinent to the original cost of the facilities, equipment and improvements to be appraised, the condition thereof when acquired and the time of installation, and also to records of any prior appraisal(s) of the same items; moreover, such person(s) shall make a personal inspection of the subject items before completing the appraisal.

Nothing herein shall be construed as requiring any retroactive apportionment of any expenses incurred, or of any sums or other benefits accrued or delivered on account of unitized substances produced, prior to the effective date of revision or consolidation of participating areas.

12. Operator may resign or be removed in the manner and with the effect provided in the Unit Agreement. The term "Operator" or "Unit Operator" herein shall mean the Operator from time to time duly appointed according to the Unit Agreement. If the retiring Operator owns in that capacity (as distinguished from an interest in its capacity as a Working Interest Owner) any equipment, material or appurtenance which is subject to a purchase option provided by the Unit Agreement in favor of a successor Operator or of Working Interest Owners, the purchase price of any such item(s) purchased through exercise of the option shall be concurrently paid in cash to the retiring Unit Operator, the amount to be determined in accordance with Exhibit A to the extent applicable, provided, that the purchase option and loss of title provisions in Section 4 of the Unit Agreement shall not apply to any drilling rig or appurtenant equipment of the retiring Operator, but, if such facilities are actually in use on the effective date of removal of or relinquishment by the retiring Operator, the latter shall permit the use to continue until the particular work is completed, but only upon payment of cash to it in an amount equal to the fair rental value of such facilities from and after the effective date and for so long a period thereafter as the retiring Operator is deprived of the use thereof.

As to any property of the retiring Operator which is necessary for the preservation of wells and is, therefore, not removable, unless such property is purchased from the retiring Operator by payment of an amount in cash equal to its then depreciated fair market value, the retiring Operator shall be paid in cash by the person(s) using such property an amount equal to the fair rental value thereof to the extent and for the period(s) that the retiring Operator is deprived of the use thereof.

If the parties are unable to agree on the fair market or rental value of any item belonging to the retiring Operator and subject to purchase or use by one or more other parties pursuant to this section, such value shall be determined by an appraisal conducted as in Section 11 hereof provided, one appraiser to be appointed by the retiring Operator, one by the parties purchasing or using the facilities and one by the two appraisers so selected.

13. Commencing as soon as it has completed the necessary arrangements and system and, in any event, not later than sixty (60) days after effectiveness of this agreement, Operator shall assume the responsibility for paying and shall pay, as provided in the Unit Agreement, all rentals and minimum royalties becoming due

12. Operator may resign or be removed in the manner and with the effect provided in the Unit Agreement. The term "Operator" or "Unit Operator" herein shall mean the Operator from time to time duly appointed according to the Unit Agreement. If the retiring Operator owns in that capacity (as distinguished from an interest in its capacity as a Working Interest Owner) any equipment, material or appurtenance which is subject to a purchase option provided by the Unit Agreement in favor of a successor Operator or of Working Interest Owners, the purchase price of any such item(s) purchased through exercise of the option shall be concurrently paid in cash to the retiring Unit Operator, the amount to be determined in accordance with Exhibit A to the extent applicable, provided, that the purchase option and loss of title provisions in Section 4 of the Unit Agreement shall not apply to any drilling rig or appurtenant equipment of the retiring Operator, but, if such facilities are actually in use on the effective date of removal of or relinquishment by the retiring Operator, the latter shall permit the use to continue until the particular work is completed, but only upon payment of cash to it in an amount equal to the fair rental value of such facilities from and after the effective date and for so long a period thereafter as the retiring Operator is deprived of the use thereof.

As to any property of the retiring Operator which is necessary for the preservation of wells and is, therefore, not removable, unless such property is purchased from the retiring Operator by payment of an amount in cash equal to its then depreciated fair market value, the retiring Operator shall be paid in cash by the person(s) using such property an amount equal to the fair rental value thereof to the extent and for the period(s) that the retiring Operator is deprived of the use thereof.

If the parties are unable to agree on the fair market or rental value of any item belonging to the retiring Operator and subject to purchase or use by one or more other parties pursuant to this section, such value shall be determined by an appraisal conducted as in Section 11 hereof provided, one appraiser to be appointed by the retiring Operator, one by the parties purchasing or using the facilities and one by the two appraisers so selected.

13. Commencing as soon as it has completed the necessary arrangements and system and, in any event, not later than sixty (60) days after effectiveness of this agreement, Operator shall assume the responsibility for paying and shall pay, as provided in the Unit Agreement, all rentals and minimum royalties becoming due

to the United States or the State of New Mexico with respect to unitized land. All rentals and minimum royalties becoming due with respect to unitized land before the date as of which any such land is included in a participating area shall be charged by Unit Operator to the individual Working Interest Owners thereof; all becoming due thereafter shall be charged to the Working Interest Owners in such participating area in the same proportion as operating expenses are charged. If only a part of such rental or minimum royalty is applicable to land within a participating area the expense shall be divided in proportion to acreage within and without the participating area and only that portion applicable to the land within shall be prorated among the Working Interest Owners in such area, the remainder to be charged to the individual Working Interest Owners, respectively, of the land involved.

Unit Operator shall also pay all royalty due on account of unitized interests in a participating area on the basis of production allocated to the tract or tracts to which such royalty relates.

If on request Operator pays any rental or royalty which it is not required to pay by the Unit Agreement or this agreement, it shall receive reimbursement and may, in addition, receive reasonable compensation from the Working Interest Owner(s) requesting such payment.

Before production of unitized substances is obtained Non-operators acknowledge a responsibility to Operator to pay a reasonable amount to be agreed upon, in proportion to their interests, to reimburse Operator for its overhead expenses incurred in accounting for and paying rentals and in performing other functions required by the Unit Agreement or this agreement.

Any compensatory royalty paid by Operator, as contemplated by the Unit Agreement, shall be allocated among and paid by the Working Interest Owners in the participating area (or areas if more than one), in proportion to the total working interest acres held by each in such area(s).

Each party hereto shall deliver to the Operator as soon as practicable after receipt thereof every communication concerning any payment which the Operator is required or requested to make hereunder.

14. If any Working Interest Owner desiring to surrender or suffering to terminate any lease or part thereof within a participating area is prevented from doing so by the failure of consent of other Working Interest Owners, as contemplated by Section 13 of the Unit Agreement, such Working Interest Owner may, when not in default in the performance of his obligations under the Unit Agreement and

this agreement, assign all of his right, title and interest in and to such acreage to the Working Interest Owner or Owners who within thirty (30) days' notice of the request for consent failed to give consent to the surrender, and such Working Interest Owner shall by delivery of his said assignment(s) transfer to such assignee(s) all his duties and liabilities thereafter accruing under the Unit Agreement and this agreement with respect to the interests so transferred.

15. The covenants herein shall be construed to be covenants running with the land with respect to the unitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is made expressly conditioned upon the assumption by the grantee, transferee or other successor in interest of all privileges and obligations hereunder and under the Unit Agreement. Transfer of any working interest in unitized land by a party hereto shall relieve such party of obligations thereafter accruing hereunder with respect to the particular working interest transferred, but no further; provided, Operator shall not be required to take notice for any purpose of any such transfer, whether voluntary or involuntary, unless and until it is furnished with an executed, recorded or acceptable photostatic copy of the instrument(s) effecting the transfer.

16. Any communications or other instruments required or contemplated to be delivered to one of the parties hereto may be delivered as provided in Section 23 of the Unit Agreement.

17. Upon Operator's request for an abstract covering any unitized land addressed to the party(ies) owning the working interest in such land, such party(ies) shall, as soon as practicable, furnish to Unit Operator for examination a complete abstract of title and other title papers and status reports, all in form customarily furnished for examination of title to lands of the type involved. After completion of its examination Operator will furnish to such other party(ies) a copy of the title opinion and of any supplemental opinion thereafter rendered, specifying the title defects noted and the requirements, if any. Thereafter, supplemental abstracts, title papers and status reports will likewise be furnished Operator on its request from time to time. Each Working Interest Owner shall be responsible for curing title defects with respect to his or its own working interest.

Upon the approval of those holding at least a majority of the working interest acres in the participating area or areas affected, including at least one Working Interest Owner in addition to Operator, the Operator may incur and charge in the same manner as operating costs, expenses in the defense of title to any working interest within a participating area. Notwithstanding defense by the Operator, each Working Interest Owner shall be obligated to the others to take reasonable actions in the defense of his own titles.

Each party hereto agrees to indemnify and hold harmless each of the others, including Unit Operator in that capacity, from and against all expense, liability and loss (except loss of expected future profits) resulting directly or indirectly from defect in the title to or from invalidity of any interest represented by such party to be owned by him or it in the unit area and no examination of or reliance upon abstracts of title shall impair such covenant.

Delay or forbearance by Operator in enforcing any right or in invoking any provision hereof designed for the protection of itself or other parties hereto shall not be deemed a waiver of such right or provision.

Operator shall not be liable to any Working Interest Owner for any loss or damage occasioned by an erroneous payment or delivery of benefits hereunder if it is the result of an honest mistake or omission not caused by failure to use that degree of care used in the conduct of Operator's own private business. Any such loss shall be borne by all Working Interest Owners in the participating area affected in proportion to the number of working interest acres owned therein.

18. This agreement shall be subject to all applicable laws and rules, regulations and orders of governmental authorities which may be effective from time to time, and Operator shall not be held liable in damages, nor shall this agreement be terminated by judicial proceedings, if Operator's failure to comply with this agreement is occasioned by its compliance or attempted compliance with any such law or regulation which it in good faith believes to be valid and applicable. Substantive rights hereunder and the interpretation of this agreement shall be governed by and determined in accordance with the laws of the State of New Mexico.

The rights of the parties hereunder shall be individual and not joint or collective. Each party hereto shall be responsible only for its obligations as set out herein and in the Unit Agreement, and shall be liable only for costs and expenses as expressly provided. It is not the purpose or intention of this agree-

ment to create as between the parties, nor shall it be construed as creating, any mining partnership, commercial partnership or other partnership relation, nor shall the operations hereunder be construed as a joint venture.

19. This agreement shall become effective with effectiveness of the Unit Agreement and shall remain in effect until termination of the Unit Agreement, as it may be amended or extended, and for such additional period as may be reasonably necessary for Operator to wind up operations in good workmanlike manner and make disposition of assets remaining or of the proceeds from the sale thereof; provided, that termination of this agreement or of the Unit Agreement shall not relieve any party of duties or obligations theretofore accrued.

20. All obligations of Operator hereunder shall be suspended while but only so long as Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations in whole or in part by labor disturbances, fire, explosion, acts of God, federal, state or municipal laws or regulations, or authorities, accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the ability of Unit Operator reasonably to anticipate or control, whether similar to matters herein enumerated or not.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed so as to be binding upon and inure to the benefit of himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties").

A T T E S T :

[Signature]
Secretary

A T T E S T :

[Signature]
Asst. Secretary

A T T E S T :

[Signature]
Secretary

SOUTHERN UNION PRODUCTION COMPANY

By

[Signature]
Vice President

Unit Operator
(and Working Interest Owner)

MAGNOLIA PETROLEUM COMPANY

By

[Signature]
Vice President

DELHI OIL CORPORATION

By

[Signature]
President

Non-operators

STATE OF TEXAS)
) SS
COUNTY OF DALLAS)

On this 12th day of April, 1948, before me appeared Scott Hughes, to me personally known, who, being by me duly sworn did say that he is the President of Southern Union Production 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 Scott Hughes acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this 12th day of April, 1948.

Arlene Rawls Watt
Notary Public in and for
Dallas County, Texas.

My Commission Expires:
ARLENE RAWLS WATT
Notary Public, Dallas County, Texas
My Commission Expires June 1, 1949

STATE OF TEXAS)
) SS
COUNTY OF DALLAS)

On this 21 day of April, 1948, before me appeared A. E. Chester, to me personally known, who, being by me duly sworn did say that he is the President of Magnolia Petroleum Company and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. E. Chester acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this 21 day of April, 1948.

Irpe ZutaVERN
Notary Public in and for
Dallas County, Texas

My Commission Expires:
JUN 1 1949

IRPE ZUTAVERN, Notary Public
in and for Dallas County, Texas

STATE OF TEXAS)
COUNTY OF DALLAS) SS

On this 27th day of April, 1948, before me appeared C. W. Murchison, to me personally known, who, being by me duly sworn did say that he is the President of Delhi Oil Corporation and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said C. W. Murchison acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this 27 day of April, 1948.

Frances Stripling
Notary Public in and for
Dallas County, Texas FRANCES STRIPLING

My Commission Expires:

June 1, 1949

STATE OF TEXAS)
COUNTY OF DALLAS) SS

On this 21st day of April, 1948, before me appeared C. W. Murchison, to me personally known, who, being by me duly sworn did say that he is the _____ President of Delhi Oil Corporation and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said C. W. Murchison acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this 21 day of April, 1948.

Frances Stripling
Notary Public in and for
Dallas County, Texas FRANCES STRIPLING

My Commission Expires:

June 1, 1949

"EXHIBIT"

Attached to and made a part of Unit Accounting
Agreement (Southern Union Production Company,
Operator) dated November 28, 1947.

ACCOUNTING PROCEDURE
(UNIT AND JOINT LEASE SCHEDULE)

The term "joint property" as herein used shall be construed to mean the subject area covered by the agreement to which this "Accounting Procedure" is attached ~~and physical facilities appurtenant to such area.~~

The term "Operator" as herein used shall be construed to mean the party designated to conduct the development and operation of the leased premises for the joint account.

The term "Non-operator" as herein used shall be construed to mean any one or more of the non-operating parties.

Operator shall bill Non-operator on or before the last day of each month for its proportionate share of costs and expenditures during the preceding calendar month. Itemized statements shall accompany such bills. Each party shall pay its proportion of all such bills within fifteen (15) days after the receipt thereof. If payment is not made within such time, the unpaid balance shall bear interest at the rate of ~~per annum until paid.~~ Payment of any such bill shall not prejudice the right of any party to protest or question the correctness thereof.

I. DEVELOPMENT AND OPERATING CHARGES

Subject to limitations hereinafter prescribed, Operator shall charge the joint account with the following items:

- (1) Delay or other rentals, when such rentals are paid by Operator for the joint account; royalties, when not paid direct to royalty owners by the purchaser of the oil, gas, casinghead gas or other products.
- (2) Labor, teaming and other services necessary for the development, maintenance and operation of the joint property.
- (3) Materials, equipment and supplies purchased and/or furnished by Operator from its warehouse stocks or from its other leases for use on the joint property. In so far as is practical and consistent with efficient and economical operation, only such materials shall be purchased for or transferred to the joint property as are required for immediate use, and the accumulation of warehouse and/or lease stock on the joint property shall be avoided.
- (4) Moving materials to the joint property from vendor's or from Operator's warehouse in the district or from other properties of Operator, but in either of the last events no charge shall be made to the joint account for a distance greater than the distance from the nearest reliable supply store or railway receiving point.
- (5) Moving surplus materials from the joint property to outside vendees, if sold f.o.b. destination, or minor returns to Operator's warehouse or other storage point. No charge shall be made to the joint account for moving major surplus materials to Operator's warehouse or other storage point for a distance greater than the distance to the nearest reliable supply store or railway receiving point, except by special agreement with Non-operator; and no charge shall be made to the joint account for moving materials to other properties belonging to Operator, except by special agreement with Non-operator.
- (6) Use of and service by Operator's exclusively owned equipment and utilities as provided in Paragraph (6) of Section II: "Basis of Charges to Joint Account."
- (7) Damages or losses incurred by fire, flood, storm or from any other cause not controllable by Operator through the exercise of reasonable diligence. Operator shall furnish Non-operator written notice of damages or losses incurred by fire, storm, flood or other natural or accidental causes as soon as practicable after report of the same has been received by Operator.
- (8) Expenses of litigation, liens, judgments and liquidated claims involving the joint property or incident to its development and operation. Actual expenses incurred by Operator or Non-operator in securing evidence pertaining to the joint property shall be a proper charge against the joint account.
 - (a) When any case, by prior agreement, is handled by Operator's and/or Non-operator's legal staff, thereby eliminating the retaining of outside counsel, a charge commensurate with the cost of services rendered may be made to the joint account. Charges of this nature shall not be rendered until the respective legal departments have agreed upon the proper amount.
 - (b) Fees and expenses of outside attorneys shall not be charged to the joint account except where the employment of such outside attorneys is authorized by a vote of the majority interests.
- (9) All taxes paid for the benefit of the parties hereto including ad valorem, property, gross production, occupation and any other taxes assessed against the ~~properties~~ properties, the production therefrom or the operations thereon.
- (10) Insurance:
 - (a) Premiums paid for insurance carried for the benefit of the joint account together with all expenditures incurred and paid in settlement of any and all losses, claims, damages, judgments and other expenses, including legal services, not recovered from insurance carrier.
 - (b) If no insurance is required to be carried, all actual expenditures incurred and paid by Operator in settlement of any and all losses, claims, damages, judgments and any other expenses, including legal services, shall be charged to the joint account.
- (11) District and Camp Expenses:
 - (a) District Expense: A proportionate share of the salaries and expenses of Operator's district superintendent and other general district employees serving the joint property whose time is not allocated directly to the joint property, and a proportionate share of the expense of maintaining and operating a district office in conducting the management of operations on the joint property and other properties in the same locality owned and operated by Operator, such charges to be apportioned to such properties served on the following basis: **on a well basis, each drilling well equivalent to 4 producing wells.**
 - (b) Camp Expense: The expense of providing and maintaining on or in the vicinity of the joint property all necessary camps, housing facilities for employees and boarding employees, if necessary. When properties other than the joint property are served by these facilities, then an equitable distribution of expense, including depreciation, or a fair monthly rental in lieu of the investment, maintenance and operating cost of buildings and other camp facilities, shall be prorated against all properties so served on the following basis: **on a well basis, each drilling well equivalent to 4 producing wells.**
- (12) Overhead charges, which shall be in lieu of any charges for any part of the compensation or salaries paid to managing officers and employees of Operator, including the division superintendent, the entire staff and expenses of the division office located at Santa Fe, New Mexico Dallas, Texas but not in lieu of field office expenses incurred in operating any such properties, and such overhead charges do not include any other expenses of Operator incurred in the development and operation of oil properties, and Operator shall have the right to assess against the joint property covered hereby the following overhead charges:
 - (a) \$ 150.00 per month for each drilling well, beginning on the date the well is spudded and terminating when it is on production or is plugged, as the case may be, except that no charge shall be made during suspension of drilling operations for fifteen (15) or more consecutive days.
 - (b) \$ 25.00 per well per month for the first five (5) producing wells.
 - (c) \$ 15.00 per well per month for the second five (5) producing wells.
 - (d) \$ 10.00 per well per month for all producing wells over ten (10).In connection with overhead charges, the status of wells shall be as follows:
 - (1) Input or key wells shall be included in overhead schedule the same as producing oil wells.
 - (2) Producing gas wells shall be included in overhead schedule the same as producing oil wells.
 - (3) Wells permanently shut down but on which plugging operations are deferred, shall be dropped from overhead schedule at the time the shutdown is effected. When such wells are plugged, overhead shall be charged at the producing well rate during the time required for the plugging operation.
 - (4) Wells being plugged back or drilled deeper shall be included in overhead schedule the same as drilling wells.
 - (5) Wells which are shut down temporarily and later replaced on production. If and when a well is shut down (other than for production) and not produced or worked upon for a period of a full calendar month it shall not be included in the overhead schedule for each month.
 - (6) Salt water disposal wells shall not be included in overhead schedule.

The above specific overhead rates may be amended from time to time by agreement between Operator and Non-operator, or in practice they are found to be insufficient or excessive.

(13) Warehouse Handling Charges: **None**

- (14) Any other expenditure incurred by Operator for the necessary and proper development, maintenance and operation of the joint property, except that Operator shall not charge the joint account with any expenditure or contribution made by Operator towards employee stock purchase plan, group life insurance, pension, retirement, or bonus, other than such expenditures or contributions ~~for the joint property full time.~~

II. BASIS OF CHARGES TO JOINT ACCOUNT

- (1) Outside Purchases: All materials and equipment purchased and all service procured from outside sources shall be charged at their actual cost to Operator, after deducting any and all trade and/or cash discounts actually allowed off invoices, or received by Operator.
- (2) New materials furnished by Operator (Condition "A"):
New materials transferred to the joint property from Operator's warehouse or other properties shall be priced f o b the nearest supply store or railway receiving point at replacement cost of the same kind of materials. This will include large equipment such as tanks, rigs, pumps, boilers and engines. All tubular goods (2" and over) shall be charged on the basis of mill shipment or carload price. Other materials, where the replacement cost cannot be readily ascertained, may, for the purposes of consistency and convenience, be charged on the basis of a reputable supply company's preferential list price f o b nearest supply store or railway receiving point to the joint property prevailing on the date of transfer of the materials to the joint property.
In determining the value of any transferred materials, all special and preferential discounts shall be allowed but the regular cash discount shall not be considered.
- (3) Secondhand materials furnished by Operator (Conditions "B" and "C"):
 - (a) Tubular goods (2" and over), fittings, machinery and other equipment which is in sound and serviceable condition at date of transfer, will be classed as condition "B" and charged at 75% of the price of new materials, in accordance with the provisions of Paragraph (2) above.
 - (b) Tanks, derricks, and buildings or other equipment involving erection costs shall be charged on a basis not to exceed 75% of knocked-down new price for similar materials.
 - (c) Other secondhand materials, such as units of machinery or other equipment that is serviceable, but substantially not good enough to be considered first-class secondhand material when transferred to the joint property, shall be classed as condition "C" and charged at 50% of the new price.
 - (d) There may also be cases where some items of equipment, due to their unusual condition, should be fairly and equitably priced by Operator.
- (4) Warranty of Materials Furnished by Operator: Operator does not warrant the materials furnished from its warehouse or other properties beyond or back of the dealer's or manufacturer's guaranty, and in case of defective materials, credit shall not be passed until adjustment has been received by Operator from the manufacturers or their agents.
- (5) If materials required are not available in Operator's surplus stocks, Operator shall, whenever in its judgment it is practical to do so, give Non-operator opportunity of furnishing the materials required in proportion to his or its interest, provided that the same can be furnished at the time such materials are required, and further provided that any such materials so furnished shall be in condition acceptable to Operator and shall be charged to the joint account on the same terms and conditions as are provided herein to cover the furnishing of materials by Operator.
- (6) Operator's Exclusively-owned Facilities: The following rates shall apply to service rendered to the joint property by facilities owned exclusively by Operator:
 - (a) Water service, gas, teaming, power, and compressor service: All at rates currently prevailing in the field where the joint property is located.
 - (b) Automotive Equipment: Rates commensurate with cost of ownership and operation and in line with schedule of rates adopted by the Petroleum Motor Transport Association as recommended uniform standardized charges against the joint account. Automotive charges will be based on use in actual service on or in connection with the joint property. Truck, tractor and pulling unit rates shall include wages and expenses of driver.
 - (c) A fair rate shall be charged for the use of drilling and cleaning-out tools and any other items of Operator's fully-owned machinery or equipment which shall be ample to cover maintenance, repairs, depreciation and the service furnished the joint property. Provided, however, that such charges shall not exceed those currently prevailing in the field where the joint property is located.
 - (d) Whenever requested, Operator shall inform Non-operator in advance of the rates it proposes to charge.
 - (e) Rates shall be revised and adjusted from time to time when found to be either excessive or insufficient.

III. DISPOSAL OF LEASE EQUIPMENT AND MATERIALS

- (1) Materials purchased by Operator shall be credited to the joint account and included in the monthly statement of operations for the month in which the materials are removed from the joint property.
- (2) Materials purchased by Non-operator shall be invoiced by Operator and paid for by Non-operator to Operator immediately following receipt of invoice and delivery of materials. Operator shall thereupon immediately pass credit to the joint account and include the same in the monthly statement of operations for the month in which the materials were paid for by Non-operator.
- (3) Division of materials in kind, if made between Operator and Non-operator, shall be in proportion to their respective interests in the joint property. Each party will thereupon be charged individually with the value of the materials received or receivable and corresponding credits will be made to the joint account by Operator, and both credits shall appear in the same monthly operating statement.
- (4) Sales to outsiders of major materials shall be made only with the consent of Non-operator as to both terms and price and where made the proceeds shall be credited by Operator to the joint account at the full amount collected from vendee. Any claims by vendee for defective materials or otherwise shall be charged back to the joint account, if and when paid by Operator.

IV. BASIS OF PRICING MATERIALS TRANSFERRED FROM JOINT ACCOUNT

Materials and equipment purchased by either Operator or Non-operator, or divided in kind between them, unless otherwise agreed, shall be valued on the following basis of condition and price: (New price as used in the following paragraphs shall have the same meaning and application as that used above in Section II: "Basis of Charges to Joint Account.")

- (1) New Materials: (Condition "A") being new equipment or supplies purchased or procured for the joint property but never used thereon at 100% of current new prices.
- (2) Good Secondhand Materials: (Condition "B") being good serviceable materials which are further usable without repair, at:
 - (a) 75% of current new prices, if materials were new when originally charged to the joint property.
 - (b) 75% of current new prices less depreciation consistent with their usage on and service to the joint property, if materials were originally charged to the joint property as secondhand at 75% of new prices.
- (3) Other Used Materials: (Condition "C") being materials further usable for their original function only after repair and reconditioning; at 50% of current new prices.
- (4) Bad Order Materials: (Condition "D") being materials not further usable for their original function but for possible other service; at 25% of current new prices.
- (5) Junk: (Condition "E") being obsolete and unserviceable materials, at prevailing junk prices in the district. Where practicable, junk should be disposed of at the joint property.
- (6) Temporarily Used Materials: When the use of certain items of equipment on the joint property has been only temporary, and the time of actual use thereon does not justify the deduction of depreciation as listed in (a) and (b) of Paragraph (2) hereof, such materials will be priced on a basis that will leave a net charge against the joint account consistent with the service rendered and adequate for the time the materials were in use.

V. INVENTORIES

- (1) Periodic inventories shall be taken by Operator of the materials and equipment on the joint property, which shall include such materials and equipment as are ordinarily considered controllable by operators of oil and gas properties.
- (2) Notice of intention to take inventory shall be given by Operator to Non-operator a week before any inventory is to begin, so that Non-operator may be represented when any inventory is being taken.
- (3) Special inventories shall be taken whenever there is any sale or change of interest in the joint property, and it shall be the duty of the party selling to notify the other party as quickly as possible after the transfer of interest takes place. In such cases both the seller and the purchaser shall be represented and shall be governed by the joint inventory.
- (4) If the initial test on the joint property is a dry hole and no further tests thereon are immediately contemplated, Non-operator may require that an inventory be taken of all materials as soon as the casing has been recovered from the well and that the materials be classified before any materials are removed from the joint property by Operator or otherwise disposed of.
- (5) Failure of Non-operator to be represented at the physical inventory shall bind it to accept the inventory taken by Operator who shall in that event furnish Non-operator with a copy thereof.
- (6) Reconciliation of inventory with charges to the joint account shall be made by each party at interest, and a list of overages and shortages shall be jointly determined by Operator and Non-operator.
- (7) Inventory adjustments shall be made by Operator on the joint account for overages and shortages, but Operator shall only be held accountable to Non-operator for shortages due to lack of reasonable diligence.

LEGAL DEPARTMENT
WILLIS L. LEA, JR.
GENERAL ATTORNEY

SOUTHERN UNION GAS COMPANY
BURT BUILDING
DALLAS 1, TEXAS

A. S. GRENIER
QUILMAN B. DAVIS
R. M. MARTIN, JR.
CLYDE L. DAVIS

November 22, 1950

108
Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

There is enclosed herewith for your information a conformed copy of application made to the Commissioner of Public Lands of the State of New Mexico relative to drilling obligation under the Hope Unit Agreement.

This application is in substitution for the one which was transmitted to you by letter dated November 7, 1950, and we have requested the Commissioner and the Director of the United States Geological Survey to consider the former application withdrawn.

Very truly yours,

R. M. Martin, Jr.

RMM:gv
Encl.

November 13, 1950

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

In re: Hope Area Unit Agreement, Eddy County, New Mexico, I-Sec. No. 556; Application of Unit Operator, Southern Union Gas Company, for extension of time within which to conduct further exploratory drilling pursuant to Section 8 of the Unit Agreement.

Dear Sir:

Reference is made to the Hope Unit Agreement dated as of November 28, 1947, as extended, providing for the development and operation of the Hope Unit Area in Eddy County, New Mexico. Section 8 of the Unit Agreement provides in substance that until paying production of unitized substances is obtained the undersigned, Unit Operator, shall continue drilling one well at a time, allowing not more than six months between the completion of one well and the beginning of the next. Section 8 also provides that the Director of the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico concurring may modify said drilling requirement by granting reasonable extensions of time when, in their opinion, such action is warranted.

Southern Union Production Company, as Unit Operator, diligently prosecuted the drilling of a first test well on the Unit Area located in the SW¹/₄SW¹/₄ of Section 24, Township 18 South, Range 23 East, N.M.P.M. Drilling of this well was concluded on May 13, 1948, at a depth of approximately 9885 feet because the well had reached at that depth igneous or metamorphic formations which renders further drilling impractical. No commercial production of oil or gas having been encountered, this well was plugged and abandoned.

Further extension of time under Section 8 is needed prior to drilling of a second well within the Unit Area because of two factors which will indicate whether further drilling is practicable and, if so, where it should be attempted:

- (1) Magnolia Petroleum Company is drilling in the Black Hills Unit in Section 31, Township 17 South, Range 20 East, Graves County, New Mexico, a well known as the Magnolia No. 1 Roadley-Federal and the results of this well will greatly influence further exploration and will have a direct effect upon any drilling which would be done within the Hope Unit Area.

(2) Magnolia Petroleum Company has also accomplished considerable geophysical work in this area and such information, together with the results of the Black Hills unit test will enable the Operator of the Hope Unit to decide upon the justification of the drilling of another well within the Unit Area.

Under these circumstances the undersigned, Unit Operator, requests that the date within which the drilling of a second test well under the Hope Unit Agreement is required to be commenced be postponed and extended until July 1, 1951. If this application is granted, Operator and Magnolia Petroleum Company, the owners of more than seventy-five percent (75%) of the interest in the Hope Unit Area, agree to commence a well prior to July 1, 1951, or in the alternative, agree to terminate the Hope Unit Agreement at the request of the Director of the United States Geological Survey. A similar request for extension of time pursuant to Section 8 of the Unit Agreement is being filed with the Director of United States Geological Survey, and upon receipt of his definitive action a copy of the pertinent decision will be supplied for your records.

If additional information is needed in connection with this application, the undersigned, Unit Operator, will be glad to furnish it upon receipt of your request.

Your prompt consideration and advice will be appreciated.

Respectfully submitted,

SOUTHERN UNION GAS COMPANY

(seal)
ATTEST:

By /s/ J. C. Reid
Vice President

/s/ H. V. McConkey
Secretary

UNIT OPERATOR

Agreed to and concurred in,
MAGNOLIA PETROLEUM COMPANY

MSJ
RTW
HWC

By /s/ E. C. Seymour
Vice President
E. C. Seymour

ATTEST:
(seal)

/s/ H. W. Clark
Asst. - Secretary H. W. Clark

LEGAL DEPARTMENT
WILLIS L. LEA, JR.
GENERAL ATTORNEY

SOUTHERN UNION GAS COMPANY
BURT BUILDING
DALLAS 1, TEXAS

A. S. GRENIER
QUILMAN B. DAVIS
R. M. MARTIN, JR.
CLYDE L. DAVIS

November 7, 1950

Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

There is enclosed herewith for your information a copy of the application being made concurrently to The Director of the United States Geological Surveys and to the Commissioner of Public Lands of the State of New Mexico, to further extend the time within which to conduct further exploratory drilling in the Hope Unit Area pursuant to the terms of the Hope Unit Agreement, I-Sec-556.

The action of the Director and the Commissioner in response to this application will be communicated to you when received.

Very truly yours,



RM:FG
Incl.

November 13, 1950

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

In re: Hope Area Unit Agreement, Eddy County, New Mexico, I-See. No. 556;
Application of Unit Operator, Southern Union Gas Company, for extension of time within which to conduct further exploratory drilling pursuant to Section 8 of the Unit Agreement.

Dear Sir:

Reference is made to the Hope Unit Agreement dated as of November 28, 1947, as extended, providing for the development and operation of the Hope Unit Area in Eddy County, New Mexico. Section 8 of the Unit Agreement provides in substance that until paying production of unitized substances is obtained the undersigned, as Unit Operator, shall continue drilling one well at a time, allowing not more than six months between the completion of one well and the beginning of the next. Section 8 also provides that the Director of the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico concurring may modify said drilling requirement by granting reasonable extensions of time when, in their opinion, such action is warranted.

Southern Union Production Company, as Unit Operator, diligently prosecuted the drilling of a first test well on the Unit Area located in the SW $\frac{1}{4}$ of Section 24, Township 18 South, Range 23 East, N.M.P.M. Drilling of this well was concluded on May 13, 1948, at a depth of approximately 9885 feet because the well had reached at that depth igneous or metamorphic formations which renders further drilling impractical. No commercial production of oil or gas having been encountered, this well was plugged and abandoned.

Further extension of time under Section 8 is needed prior to drilling of a second well within the Unit Area because of two factors which will indicate whether further drilling is practicable and, if so, where it should be attempted:

- (1) Magnolia Petroleum Company is drilling in the Black Hills Unit in Section 31, Township 17 South, Range 20 East, Chaves County, New Mexico, a well known as the Magnolia No. 1 Headley-Federal and

the results of this well will greatly influence further exploration and will have a direct effect upon any drilling which would be done within the Hope Unit Area.

(2) Magnolia Petroleum Company has also accomplished considerable geophysical work in this area and such information, together with the results of the Black Hills unit test will enable the Operator of the Hope Unit to decide upon the justification of the drilling of another well within the Unit Area.

Under these circumstances the undersigned, Unit Operator, requests that the date within which the drilling of a second test well under the Hope Unit Agreement is required to be commenced be postponed and extended for a period of six months from November 13, 1950, to May 13, 1951. A similar request for extension of time pursuant to Section 8 of the Unit Agreement is being filed with the Director of the United States Geological Survey, and upon receipt of his definitive action a copy of the pertinent decision will be supplied for your records.

If additional information is needed in connection with this application, the undersigned, Unit Operator, will be glad to furnish it upon receipt of your request.

Your prompt consideration and advice will be appreciated.

Respectfully submitted,


SOUTHERN UNION GAS COMPANY

By


Vice President

UNIT OPERATOR

ATTACHED :


Secretary

LEGAL DEPARTMENT

WILLIS L. LEA, JR.
GENERAL ATTORNEY

SOUTHERN UNION GAS COMPANY
BURT BUILDING
DALLAS 1, TEXAS

May 25, 1950

A. S. GRENIER
QUILMAN B. DAVIS
R. M. MARTIN, JR.
CLYDE L. DAVIS

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

Gentlemen:

For your information there are enclosed
herewith two copies of a revised Exhibit B
to the Hope Unit Agreement, I-Sec. No. 556.

Yours very truly,



RMM:gw
Encl.

cc - Commissioner of Public Lands
Santa Fe, New Mexico

cc - United States Geological Survey
Roswell, New Mexico

LEGAL DEPARTMENT

WILLIS L. LEA, JR.
GENERAL ATTORNEY

SOUTHERN UNION GAS COMPANY
BURT BUILDING
DALLAS 1, TEXAS

A. S. GRENIER
QUILMAN B. DAVIS
R. M. MARTIN, JR.
CLYDE L. DAVIS

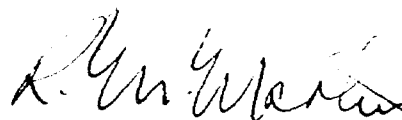
May 25, 1950

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

Gentlemen:

For your information there are enclosed
herewith two copies of a revised Exhibit B
to the Hope Unit Agreement, I-Sec. No. 556.

Yours very truly,



RMM:gw
Encl.

cc - Commissioner of Public Lands
Santa Fe, New Mexico

cc - United States Geological Survey
Roswell, New Mexico

COPY

SOUTHERN UNION GAS COMPANY

May 25, 1950

Mr. Foster Morrell
United States Geological Survey
Roswell, New Mexico

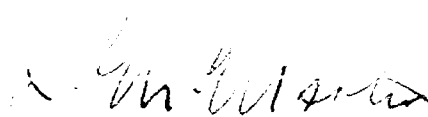
Dear Mr. Morrell:

In further reply to your letter of May 1, 1950, there are enclosed herewith ten copies of the revised Exhibit B, relating to the Hope Unit Agreement, I-Sec. No. 556. Since the Unit Agreement specifies that "not less than six copies" shall be submitted, this number will probably be sufficient; however, additional copies are available and if you have need for more, please advise.

Copies of the revised Exhibit B are also being transmitted to the Commissioner of Public Lands of the State of New Mexico and to the Oil Conservation Commission of the State of New Mexico.

I trust that this will complete the requirements of your letter of May 1, 1950.

Very truly yours,



RMM:gw
Encl.

cc - Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico
cc - Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

COPY

SOUTHERN UNION GAS COMPANY

May 25, 1950

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

Dear Sir:

There are enclosed herewith ten copies of the revised Exhibit B to the Hope Unit Agreement, I-Sec. No. 556, prepared in accordance with the request of Mr. Morrell of the U. S. Geological Survey. Copies are being sent to the U. S. Geological Survey in Roswell, as required by the Unit Agreement, and also information copies are being sent to the Oil Conservation Commission.

Very truly yours,

J. M. L. Carter

RMH:aw
Encl.

cc - United States Geological Survey
Roswell, New Mexico

cc - Oil Conservation Commission ✓
Santa Fe, New Mexico

Exhibit "B"
Hope Area Unit Agreement

Exhibit showing ownership of oil and gas interests
in the Hope Unit Area, insofar as known to the
Unit Operator. (Revised to May 1, 1950)

Federal Lands			
Serial No.	Lessee	T. 18 S., R. 23 E., N.M.P.M.	Overriding Royalty
L.C.062859	Wm. S. McWhorter	Sec. 13: $W\frac{1}{2}NE\frac{1}{4}$; $SE\frac{1}{4}NW\frac{1}{4}$	
L.C.062226	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation	Sec. 13: $W\frac{1}{2}SE\frac{1}{4}$	(Annie L. Elliott and Elmer E. Elliott, 1%; (L. E. Elliott and Edna M. Elliott, 1/2%; (Sunshine Royalty Company, 1 1/2%.
		Sec. 13: $S\frac{1}{2}$; $NE\frac{1}{4}NE\frac{1}{4}$ Sec. 14: $E\frac{1}{2}SE\frac{1}{4}$ Sec. 24: All Sec. 25: All	(Annie L. Elliott and Elmer E. Elliott, 1%; (Sunshine Royalty Company, 2%.
L.C.062770	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation	Sec. 15: $SE\frac{1}{4}SW\frac{1}{4}$ Sec. 23: $W\frac{1}{2}$; $W\frac{1}{2}E\frac{1}{2}$; $NE\frac{1}{4}SE\frac{1}{4}$; $SE\frac{1}{4}NE\frac{1}{4}$	(Mary E. Orton and Charles M. Orton, 1%; (L. E. Elliott and Edna M. Elliott, 1/2%; (Sunshine Royalty Company, 1 1/2%.
		Sec. 15: $SW\frac{1}{4}NW\frac{1}{4}$; $W\frac{1}{2}SW\frac{1}{4}$ Sec. 23: $NE\frac{1}{4}NE\frac{1}{4}$; $SE\frac{1}{4}SE\frac{1}{4}$ Sec. 26: All	(Mary E. Orton and Charles M. Orton, 1%; (Sunshine Royalty Company, 2%.
L.C.062230	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation	Sec. 22: $NE\frac{1}{4}$; $E\frac{1}{2}SE\frac{1}{4}$	(Gertrude L. Parcell and Charlie W. Parcell, 1%; (L. E. Elliott and Edna M. Elliott, 1/2%; (Sunshine Royalty Company, 1 1/2%.
		Sec. 22: $W\frac{1}{2}$; $W\frac{1}{2}SE\frac{1}{4}$ Sec. 27: $N\frac{1}{4}$ Sec. 28: $S\frac{1}{2}$	(Gertrude L. Parcell and Charlie W. Parcell, 1%; (Sunshine Royalty Company, 2%.
L.C.067508	B. M. Keohane	Sec. 27: $S\frac{1}{2}$ Sec. 28: $N\frac{1}{4}$	
T. 22 S., R. 23 E., N.M.P.M.			
N.M.0510	Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation (and see T. 18 S., R. 24 E.)	Sec. 1: $SW\frac{1}{4}$; $NE\frac{1}{4}SE\frac{1}{4}$ Sec. 2: Lots 3, 4; $SE\frac{1}{4}NW\frac{1}{4}$; $SW\frac{1}{4}NW\frac{1}{4}$ (480.00 ac.) Sec. 3: Lots 1, 2, 3, 4; $SW\frac{1}{4}NE\frac{1}{4}$ (480.00 ac.)	(Joe M. Simmons and Eloise Simmons, 1%; (Sunshine Royalty Company, 2%.
L.C.062206	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation (and see T. 18 S., R. 24 E.)	Sec. 1: Lots 1, 2, 3, 4; $SW\frac{1}{4}NE\frac{1}{4}$ (480.00 ac.)	(Ora R. Hall, Jr. and Edna Ione Hall, 1%; (Sunshine Royalty Company, 2%.

T. 19 S., R. 23 E., N.M.P.M.

N.M.0510	Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation (and see T. 19 S., R. 23 E.)	Sec. 19: NE ¹ SW ¹ Sec. 20: NW ¹	(Joe M. Simmons and (Eloise Simmons, 1%; (Sunshine Royalty Company, 2%.
L.C.062206	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation (and see T. 19 S., R. 23 E.)	Sec. 19: Lots 3, 4; E ¹ ₂ SW ¹ ₄ (160.35ac) Sec. 20: SW ¹ ₄ Sec. 30: All (641.60 ac.) Sec. 31: All (645.08 ac.) Sec. 33: W ¹ ₂ ; SE ¹ ₄	(Ora R. Hall and Edna (Ione Hall, 1%; (Sunshine Royalty Company, 2%.
L.C.062340	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation (and see T. 19 S., R. 24 E.)	Sec. 20: W ¹ ₂ E ¹ ₂	(Eloise S. Simmons and (Joe M. Simmons, 1%; (Sunshine Royalty Company, 2%.
L.C.062852	A. J. Barnes	Sec. 17: N ¹ ₂ SW ¹ ₄	
L.C.062706	Francis Nix	Sec. 20: NE ¹ ₄ SW ¹ ₄	

T. 19 S., R. 24 E., N.M.P.M.

L.C.062340	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation (and see T. 18 S., R. 24 E.)	Sec. 4: All (639.88 ac.) Sec. 5: All (641.88 ac.) Sec. 6: All (645.84 ac.)	(Eloise S. Simmons and (Joe M. Simmons, 1%; (Sunshine Royalty Company, 2%.
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NOTE: All tracts are regular unless otherwise indicated.

*Approvals of assignments pending.

WATF LAND

State	Lease	Lessee	T. 18 S., R. 23 E., N.M.P.M.		Overriding Royalty	
	B-7935-4	SUGCo., Mag., D.O.C.	Sec. 36:	NE 1/4	G. C. Parker	5%
	B-9280-36	SUGCo., Mag., D.O.C.	Sec. 36:	NE 1/4	Geo. R. Hollington	3%
	B-8694	Helen M. Brewer	Sec. 36:	NE 1/4		
	E-743	Barnsdall Oil Company	Sec. 36:	NE 1/4		
	B-9058	Tulsa Oil & Mineral Co.	Sec. 36:	SW 1/4		
	B-11325	Richfield Oil Corp.	Sec. 36:	SE 1/4 NW 1/4; SE 1/4 SE 1/4		
	B-9245	De Kalb Agricultural Association, Inc.	Sec. 36:	SW 1/4		
	B-10335	Abel Johnson	Sec. 36:	SE 1/4 NE 1/4		
	B-8126-13	SUGCo., Mag., D.O.C.	Sec. 36:	NW 1/4 SW 1/4	Fay Ferris	3%
	B-8832	Belle Morse Sutton	Sec. 36:	NE 1/4 SW 1/4		
	B-9426-37	SUGCo., Mag., D.O.C.	Sec. 36:	NW 1/4 SE 1/4	Katharine R. Holmes	3%
	B-8832	Belle Morse Sutton	Sec. 36:	NE 1/4 SE 1/4		
	B-10102	Intercoast Pet. Corp.	Sec. 36:	SE 1/4 SW 1/4; SW 1/4 SE 1/4		
T. 18 S., R. 24 E., N.M.P.M.						
	B-9667-30	SUGCo., Mag., D.O.C.	Sec. 17:	NE 1/4		
	B-8728-38	SUGCo., Mag., D.O.C.	Sec. 17:	NW 1/4 NE 1/4; SW 1/4 NW 1/4	Victor Bryan Light	3%
	B-8903-23	SUGCo., Mag., D.O.C.	Sec. 17:	NE 1/4 NE 1/4	George P. Holman	3%
	B-8903-24	SUGCo., Mag., D.O.C.	Sec. 17:	NE 1/4 SE 1/4	Alice E. West	3%
	B-1245	SUGCo., Mag., D.O.C.	Sec. 17:	SE 1/4 NW 1/4		
	B-11643	Richfield Oil Corp.	Sec. 17:	SW 1/4 NE 1/4		
	B-11643	SUGCo., Mag., D.O.C.	Sec. 19:	NE 1/4 NE 1/4		
	B-8903-22	SUGCo., Mag., D.O.C.	Sec. 17:	SE 1/4 NE 1/4	Alice G. Spanton	3%
	B-9280	De Kalb Agricultural Association, Inc.	Sec. 17:	NW 1/4 SE 1/4		
	B-11109-28	SUGCo., Mag., D.O.C.	Sec. 17:	SW 1/4 SW 1/4	Charles L. Butterfield	5%
	E-571-2	SUGCo., Mag., D.O.C.	Sec. 17:	SE 1/4 SW 1/4		
		SUGCo., Mag., D.O.C.	Sec. 18:	NW 1/4 NW 1/4 (39.76 ac.)		
		SUGCo., Mag., D.O.C.	Sec. 18:	SW 1/4 SW 1/4 (39.88 ac.)		
		SUGCo., Mag., D.O.C.	Sec. 19:	SE 1/4 SE 1/4		
		SUGCo., Mag., D.O.C.	Sec. 20:	NW 1/4 SE 1/4		
		SUGCo., Mag., D.O.C.	Sec. 32:	NE 1/4 NW 1/4		
		SUGCo., Mag., D.O.C.	Sec. 32:	NE 1/4 SE 1/4		
	B-7656	Vida M. Heelan	Sec. 17:	S 1/4 SE 1/4		
	B-8630-24	SUGCo., Mag., D.O.C.	Sec. 18:	NE 1/4 NW 1/4	Charles Dailey	5%
	B-11325	Richfield Oil Corp.	Sec. 18:	NW 1/4 NE 1/4		
		Richfield Oil Corp.	Sec. 20:	SE 1/4 NW 1/4		
		Richfield Oil Corp.	Sec. 20:	SW 1/4 SE 1/4		
	B-10672	William Mueller	Sec. 18:	NE 1/4 NE 1/4		
	B-10327	David L. Stewart	Sec. 18:	SW 1/4 NW 1/4 (39.80 ac.)		
	E-1245-2	SUGCo., Mag., D.O.C.	Sec. 18:	SW 1/4 NW 1/4		
		SUGCo., Mag., D.O.C.	Sec. 18:	SE 1/4 SE 1/4		
		SUGCo., Mag., D.O.C.	Sec. 18:	SW 1/4 SE 1/4		
		SUGCo., Mag., D.O.C.	Sec. 20:	SE 1/4 NW 1/4; NW 1/4 SW 1/4		
	B-11116-28	SUGCo., Mag., D.O.C.	Sec. 18:	SE 1/4 NE 1/4	Lilla Bond Markel	3%
	B-9798-28	SUGCo., Mag., D.O.C.	Sec. 18:	NW 1/4 NW 1/4 (39.24 ac.)	Roy G. Barton	3%
	B-8903-21	SUGCo., Mag., D.O.C.	Sec. 18:	NE 1/4 NW 1/4	Dora I. May	3%
	B-7650-3	SUGCo., Mag., D.O.C.	Sec. 18:	NE 1/4 NW 1/4	Est. of Guy A. Gowen	3%
	B-8755-42	SUGCo., Mag., D.O.C.	Sec. 18:	NW 1/4 NW 1/4 (39.94 ac.)	Benj. D. Luchini	3%
	B-10064-9	SUGCo., Mag., D.O.C.	Sec. 18:	NE 1/4 NW 1/4		
	B-9845-24	SUGCo., Mag., D.O.C.	Sec. 18:	NW 1/4 NW 1/4	Edward O'Neil	3%
	B-11106-50	SUGCo., Mag., D.O.C.	Sec. 18:	SW 1/4 NW 1/4 (40.03 ac.)	Harry W. Crouch	5%
	B-10899	Rose F. Wilson	Sec. 18:	SE 1/4 NW 1/4		
	E-1390-1	SUGCo., Mag., D.O.C.	Sec. 18:	NE 1/4 NW 1/4		
	B-7623-43	SUGCo., Mag., D.O.C.	Sec. 18:	NE 1/4 NW 1/4	(Keith E. Crouse and L. E. Manseau	3%

State	Lease	Lessee	T. 18 S., R. 2 E., N.M.P.M.	Overriding Royalty
	B-10255-1	SUGCo., Mag., D.O.C.	Sec. 19: NW-SE ¹	Wm. C. Acton 5%
	B-10255	Richfield Oil Corp.	Sec. 19: NE-SE ¹	
	B-10946	Richfield Oil Corp.	Sec. 19: SW-SE ¹	
	B-8828	L. L. Heinen	Sec. 20: NW-NE ¹	
	B-9933	Richfield Oil Corp.	Sec. 20: SW-SW ¹	
	B-9667-29	SUGCo., Mag., D.O.C.	Sec. 20: SE-SW ¹	(Wm. C. Uphoff and (Louis C. Williams 5%
	B-9667	Mrs. E. B. Winkler	Sec. 20: SE-SE ¹	
	B-9663	K. W. Hewitt and Sam Emerson	Sec. 29: NW-NW ¹	
	B-10190	Richfield Oil Corp.	Sec. 29: NE-NW ¹	
	B-10666-27	SUGCo., Mag., D.O.C.	Sec. 29: W-NW ¹	(Len R. Ogden and (Jennie Ogden 5%
	B-9845-2	SUGCo., Mag., D.O.C.	Sec. 29: NE-NE ¹	Margaret K. Also- brook, et al 3%
	B-9878-22	SUGCo., Mag., D.O.C.	Sec. 29: SW-NW ¹	Elvira Ude 3%
	B-9667-28	SUGCo., Mag., D.O.C.	Sec. 29: SE-NE ¹	Mabel C. Kenney 5%
	B-9545-20	SUGCo., Mag., D.O.C.	Sec. 29: NE-NE ¹	(Abel Johnson and (Ziegner Swanson 3%
	B-9093-22	SUGCo., Mag., D.O.C.	Sec. 29: SE-SE ¹	Howard M. Wade 5%
	B-11013	Richfield Oil Corp.	Sec. 32: NW-NE ¹	
	B-647-2	SUGCo., Mag., D.O.C.	Sec. 32: NE-NE ¹	
	B-10945-20	SUGCo., Mag., D.O.C.	Sec. 32: SW-NW ¹	Harold S. Brown 3%
	B-9413-20	SUGCo., Mag., D.O.C.	Sec. 32: SE-NW ¹	
	B-8328-14	SUGCo., Mag., D.O.C.	Sec. 32: SW-NE ¹	Lucy A. Morris 3%
	B-9884-19	SUGCo., Mag., D.O.C.	Sec. 32: SE-NE ¹	C. M. Johnson 3%
	B-8230-25	SUGCo., Mag., D.O.C.	Sec. 32: NW-SW ¹	George P. Gibson 3%
	B-9981-30	SUGCo., Mag., D.O.C.	Sec. 32: NE-SW ¹	
	B-10499	Frank J. Wissink	Sec. 32: NW-SE ¹	

NOTE: All tracts are regular in area unless otherwise shown.

The interest of Southern Union Gas Company, Magnolia Petroleum Company and Delhi Oil Corporation in all cases where shown as joint owners of the leasehold estate is 7/16, 1/2 and 1/16, respectively.

The ownership of Southern Union Gas Company is by virtue of assignment from Southern Union Production Company. At the date of this revision the assignments from Southern Union Production Company to Southern Union Gas Company have been filed with the State Land Office, but approval thereof has not yet been received.

<u>Lessee</u>	<u>Tract</u>	<u>Mineral and Royalty Owners</u>
Richfield Oil Corporation	Sec. 13: NW1/4, NE1/4, SE1/4, SW1/4	(Fred Gray (G. E. Self
Richfield Oil Corporation	Sec. 14: NW1/4	W. M. Coats
Richfield Oil Corporation	Sec. 14: NW1/4 Sec. 14: SE1/4	G. E. Self G. E. Self
Martin Yates, III	Sec. 14: NW1/4	F. B. Chambers
SUGCo., Mgr., and D. O. C.	Sec. 14: NW1/4	J. S. Covert and Ruth K. Covert
SUGCo., Mgr., and D. O. C.	Sec. 14: NW1/4	S. P. Johnson and Geraldine O. Johnson
Richfield Oil Corporation	Sec. 14: NW1/4 Sec. 15: NW1/4	(Catherine Williams (Robert E. Williams (Elizabeth Ann Williams (M. W. Coll (Catherine Williams, guardian (of Estates of John Finlay (Williams and Barbara Jane (Williams
Richfield Oil Corporation	Sec. 15: NW1/4, NW1/4	(Viera Collier (Catherine Williams (M. W. Coll (Bruce K. Matlock (Marshall & Winston (Elizabeth Ann Williams (Robert E. Williams (Catherine Williams, guardian (of Estates of John Finlay (Williams and Barbara Jane (Williams
Richfield Oil Corporation	Sec. 15: NW1/4 Sec. 15: NW1/4	W. M. Coates W. M. Coates
<u>T. 18 S., R. 24 E., N.W.P.M.</u>		
Richfield Oil Corporation	Sec. 32: NW1/4	(Viera Collier (Catherine Williams (Robert E. Williams (Elizabeth Ann Williams (Catherine Williams, guardian (of Estates of John Finlay (Williams and Barbara Jane (Williams (M. W. Coll (Bruce K. Matlock
<u>T. 12 S., R. 24 E., N.W.P.M.</u>		
Richfield Oil Corporation	Sec. 32: NW1/4 (NW1/4, SE1/4)	(Viera Collier (Catherine Williams (M. W. Coll (Bruce K. Matlock (Elizabeth Ann Williams (Robert E. Williams (Catherine Williams, guardian (of Estates of John Finlay (Williams and Barbara Jane (Williams

NOTE: All tracts are registered in the public land records.

Exhibit "B"
Hope Area Unit Agreement

Exhibit showing ownership of all land interests
in the Hope Unit Area, insofar as known to the
Unit Operator. (Revised to May 1, 1950)

Federal Lands

<u>Serial No.</u>	<u>Lessee</u>	<u>T. 18 S., R. 23 E., N.M.P.M.</u>	<u>Overriding Royalty</u>
L.C.062859	Wm. S. McWhorter	Sec. 13: $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$	
L.C.062226	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation	Sec. 13: $\frac{1}{2}$ SE $\frac{1}{4}$	(Annie L. Elliott and Elmer E. Elliott, 1%; (L. E. Elliott and Edna M. Elliott, 1/2%; (Sunshine Royalty Company, 1 1/2%.
		Sec. 13: $\frac{1}{2}$; NW $\frac{1}{4}$	(Annie L. Elliott and Elmer E. Elliott, 1%; (Sunshine Royalty Company, 2%.
		Sec. 14: $\frac{1}{2}$ SE $\frac{1}{4}$	
		Sec. 24: All	
		Sec. 25: All	
L.C.062770	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation	Sec. 15: SE $\frac{1}{4}$ SW $\frac{1}{4}$	(Mary E. Orton and Charles M. Orton, 1%; (L. E. Elliott and Edna M. Elliott, 1/2%; (Sunshine Royalty Company, 1 1/2%.
		Sec. 23: $\frac{1}{2}$; $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$	
		Sec. 15: SW $\frac{1}{4}$ NW $\frac{1}{4}$; $\frac{1}{2}$ SW $\frac{1}{4}$	(Mary E. Orton and Charles M. Orton, 1%; (Sunshine Royalty Company, 2%.
		Sec. 23: NE $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ SE $\frac{1}{4}$	
		Sec. 26: All	
L.C.062230	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation	Sec. 22: NE $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$	(Gertrude L. Parcell and Charlie W. Parcell, 1%; (L. E. Elliott and Edna M. Elliott, 1/2%; (Sunshine Royalty Company, 1 1/2%.
		Sec. 22: $\frac{1}{2}$; $\frac{1}{2}$ SW $\frac{1}{4}$	(Gertrude L. Parcell and Charlie W. Parcell, 1%; (Sunshine Royalty Company, 2%.
		Sec. 27: $\frac{1}{2}$	
		Sec. 28: $\frac{1}{2}$	
L.C.067508	S. M. Keohane	Sec. 21: $\frac{1}{2}$	
		Sec. 21: $\frac{1}{2}$	
		<u>T. 12 S., R. 23 E., S.M.P.M.</u>	
N.M.0510	Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation (and see T. 18 S., R. 24 E.)	Sec. 1: SW $\frac{1}{4}$; NW $\frac{1}{4}$	(Joe M. Simmons and Eloise Simmons, 1%; (Sunshine Royalty Company, 2%.
		Sec. 2: NE $\frac{1}{4}$; NW $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$ (10.22 ac.)	
		Sec. 3: NE $\frac{1}{4}$; NW $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$ (10.22 ac.)	
L.C.062206	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation (and see T. 12 S., R. 24 E.)	Sec. 1: NE $\frac{1}{4}$; NW $\frac{1}{4}$; SE $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ SW $\frac{1}{4}$ (10.22 ac.)	(Ora R. Hall, Jr. and Edna Ione Hall, 1%; (Sunshine Royalty Company, 2%.

T. 18 S., R. 23 E., N.M.P.M.

N.M.0510	Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation (and see T. 19 S., R. 23 E.)	Sec. 18: NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 20: NW $\frac{1}{4}$	(Joe M. Simmons and (Eloise Simmons, 1%; (Sunshine Royalty Company, 2%.
L.C.062206	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation (and see T. 19 S., R. 23 E.)	Sec. 19: Lots 3, 4; E $\frac{1}{2}$ SW $\frac{1}{4}$ (160.35ac) Sec. 29: SW $\frac{1}{4}$ Sec. 30: All (641.60 ac.) Sec. 31: All (645.08 ac.) Sec. 33: W $\frac{1}{2}$; SE $\frac{1}{4}$	(Ora R. Hall and Edna (Ione Hall, 1%; (Sunshine Royalty Company, 2%.
L.C.062340	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation (and see T. 19 S., R. 24 E.)	Sec. 20: W $\frac{1}{2}$ E $\frac{1}{2}$	(Eloise S. Simmons and (Joe M. Simmons, 1%; (Sunshine Royalty Company, 2%.
L.C.062852	A. J. Barnes	Sec. 17: NE $\frac{1}{2}$ SW $\frac{1}{4}$	
L.C.062706	Francis Nix	Sec. 20: NE $\frac{1}{4}$ SW $\frac{1}{4}$	

T. 19 S., R. 24 E., N.M.P.M.

L.C.062340	*Southern Union Gas Company, Magnolia Petroleum Company, Delhi Oil Corporation (and see T. 18 S., R. 24 E.)	Sec. 4: All (639.88 ac.) Sec. 5: All (641.88 ac.) Sec. 6: All (645.84 ac.)	(Eloise S. Simmons and (Joe M. Simmons, 1%; (Sunshine Royalty Company, 2%.
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NOTE: All tracts are regular unless otherwise indicated.

*Approvals of assignments pending.

STATE LANDS

State	Lease	Lessee	18 S., R. 21 E., N.M.P.M.	Overriding Royalty
B-7936-4	SUGCo., Mag., D.O.C.	Sec. 36: NW ¹ / ₄	G. C. Parker	5%
B-9280-36	SUGCo., Mag., D.O.C.	Sec. 36: NE ¹ / ₄	Geo. R. Hollington	3%
B-8694	Helen M. Brewer	Sec. 36: SW ¹ / ₄		
B-743	Barnsdall Oil Company	Sec. 36: NE ¹ / ₄		
B-9058	Tulsa Oil & Mineral Co.	Sec. 36: SW ¹ / ₄		
B-11325	Richfield Oil Corp.	Sec. 36: SE ¹ / ₄ NW ¹ / ₄ ; SE ¹ / ₄ SE ¹ / ₄		
B-9245	De Kalb Agricultural Association, Inc.	Sec. 36: SW ¹ / ₄		
B-10335	Abel Johnson	Sec. 36: SE ¹ / ₄ NE ¹ / ₄		
B-8126-13	SUGCo., Mag., D.O.C.	Sec. 36: NW ¹ / ₄ SW ¹ / ₄	Fay Ferris	3%
B-8832	Belle Morse Sutton	Sec. 36: NE ¹ / ₄ SW ¹ / ₄		
B-9426-37	SUGCo., Mag., D.O.C.	Sec. 36: NW ¹ / ₄ SE ¹ / ₄	Katharine R. Holmes	3%
B-8832	Belle Morse Sutton	Sec. 36: NE ¹ / ₄ SE ¹ / ₄		
B-10102	Intercoast Pet. Corp.	Sec. 36: S ¹ / ₂ SW ¹ / ₄ ; SW ¹ / ₄ SE ¹ / ₄		
18 S., R. 21 E., N.M.P.M.				
B-9667-30	SUGCo., Mag., D.O.C.	Sec. 17: NE ¹ / ₄		
B-8728-38	SUGCo., Mag., D.O.C.	Sec. 17: NW ¹ / ₄ NE ¹ / ₄ ; SW ¹ / ₄ NW ¹ / ₄	Victor Bryan Light	3%
B-8903-23	SUGCo., Mag., D.O.C.	Sec. 17: NE ¹ / ₄ NE ¹ / ₄	George P. Holman	3%
B-8903-24	SUGCo., Mag., D.O.C.	Sec. 17: NE ¹ / ₄ SE ¹ / ₄	Alice E. West	3%
B-1245	SUGCo., Mag., D.O.C.	Sec. 17: SE ¹ / ₄ NW ¹ / ₄		
B-11643	Richfield Oil Corp.	Sec. 17: SW ¹ / ₄ NE ¹ / ₄		
B-11643	SUGCo., Mag., D.O.C.	Sec. 19: NE ¹ / ₄ NE ¹ / ₄		
B-8903-22	SUGCo., Mag., D.O.C.	Sec. 17: SE ¹ / ₄ NE ¹ / ₄	Alice G. Spanton	3%
B-9280	De Kalb Agricultural Association, Inc.	Sec. 17: NW ¹ / ₄ SE ¹ / ₄		
B-11109-28	SUGCo., Mag., D.O.C.	Sec. 17: SW ¹ / ₄ SW ¹ / ₄	Charles L. Butterfield	5%
E-571-2	SUGCo., Mag., D.O.C.	Sec. 17: SW ¹ / ₄ SW ¹ / ₄		
	SUGCo., Mag., D.O.C.	Sec. 18: NW ¹ / ₄ NW ¹ / ₄ (39.76 ac.)		
	SUGCo., Mag., D.O.C.	Sec. 18: SW ¹ / ₄ SW ¹ / ₄ (39.88 ac.)		
	SUGCo., Mag., D.O.C.	Sec. 19: SE ¹ / ₄ SE ¹ / ₄		
	SUGCo., Mag., D.O.C.	Sec. 20: NE ¹ / ₄ SE ¹ / ₄		
	SUGCo., Mag., D.O.C.	Sec. 32: NE ¹ / ₄ NW ¹ / ₄		
	SUGCo., Mag., D.O.C.	Sec. 32: NE ¹ / ₄ SE ¹ / ₄		
B-7656	Vida M. Heelan	Sec. 17: S ¹ / ₂ SE ¹ / ₄		
B-8630-24	SUGCo., Mag., D.O.C.	Sec. 18: NE ¹ / ₄ NW ¹ / ₄	Charles Dailey	5%
B-11325	Richfield Oil Corp.	Sec. 18: NW ¹ / ₄ NE ¹ / ₄		
	Richfield Oil Corp.	Sec. 20: SE ¹ / ₄ NW ¹ / ₄		
	Richfield Oil Corp.	Sec. 20: SW ¹ / ₄ SE ¹ / ₄		
B-10672	William Mueller	Sec. 18: NE ¹ / ₄ NE ¹ / ₄		
B-10327	David L. Stewart	Sec. 18: SW ¹ / ₄ NW ¹ / ₄ (39.80 ac.)		
B-1245-2	SUGCo., Mag., D.O.C.	Sec. 18: SE ¹ / ₄ NW ¹ / ₄		
	SUGCo., Mag., D.O.C.	Sec. 18: SE ¹ / ₄ SW ¹ / ₄		
	SUGCo., Mag., D.O.C.	Sec. 18: SW ¹ / ₄ SE ¹ / ₄		
	SUGCo., Mag., D.O.C.	Sec. 20: SE ¹ / ₄ NE ¹ / ₄ ; NW ¹ / ₄ SW ¹ / ₄		
B-11116-28	SUGCo., Mag., D.O.C.	Sec. 18: S ¹ / ₂ NE ¹ / ₄	Lilla Bond Markel	3%
B-9798-28	SUGCo., Mag., D.O.C.	Sec. 18: NW ¹ / ₄ (39.84 ac.)	Roy G. Barton	3%
B-8903-21	SUGCo., Mag., D.O.C.	Sec. 18: NE ¹ / ₄ NE ¹ / ₄	Dora I. May	3%
B-7650-3	SUGCo., Mag., D.O.C.	Sec. 18: SE ¹ / ₄ NE ¹ / ₄	Est. of Guy A. Gowen	3%
B-8755-42	SUGCo., Mag., D.O.C.	Sec. 19: NW ¹ / ₄ NE ¹ / ₄ (39.94 ac.)	Banj. D. Luchini	3%
B-10064-9	SUGCo., Mag., D.O.C.	Sec. 19: NE ¹ / ₄ NW ¹ / ₄		
B-9845-24	SUGCo., Mag., D.O.C.	Sec. 19: NW ¹ / ₄ NE ¹ / ₄	Edward O'Neil	3%
B-11106-50	SUGCo., Mag., D.O.C.	Sec. 19: SW ¹ / ₄ NE ¹ / ₄ (40.03 ac.)	Harry W. Crouch	5%
B-10899	Rose F. Wilson	Sec. 19: SE ¹ / ₄ NE ¹ / ₄		
E-1390-1	SUGCo., Mag., D.O.C.	Sec. 19: SE ¹ / ₄ NE ¹ / ₄		
B-7623-48	SUGCo., Mag., D.O.C.	Sec. 19: SE ¹ / ₄ NE ¹ / ₄	(Keith E. Crouse and L. E. Manseau	3%

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B-8828	L. L. Heinen	Sec. 20: NE-NE	
B-9933	Richfield Oil Corp.	Sec. 20: SW-SW	
B-9667-29	SUGCo., Mag., D.O.C.	Sec. 20: SE-SW	(Wm. C. Uphoff and Louis C. Williams 5%
B-9667	Mrs. E. B. Winkler	Sec. 20: SE-SE	
B-9663	K. W. Hewitt and Sam Emerson	Sec. 29: NW-NW	
B-10190	Richfield Oil Corp.	Sec. 29: NE-NW	
B-10666-27	SUGCo., Mag., D.O.C.	Sec. 29: W-NE	(Len R. Ogden and Jennie Ogden 5%
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B-9878-22	SUGCo., Mag., D.O.C.	Sec. 29: SW-NW	Elvira Ude 3%
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B-9413-20	SUGCo., Mag., D.O.C.	Sec. 32: SE-NW	
B-8328-14	SUGCo., Mag., D.O.C.	Sec. 32: SW-NE	Lucy A. Morris 3%
B-9884-19	SUGCo., Mag., D.O.C.	Sec. 32: SE-NE	C. M. Johnson 3%
B-8230-25	SUGCo., Mag., D.O.C.	Sec. 32: NW-SW	George P. Gibson 3%
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B-10499	Frank J. Wissink	Sec. 32: NW-SE	

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Richfield Oil Corporation	Sec. 14: NW 1/4	W. M. Coats
Richfield Oil Corporation	Sec. 14: NW 1/4 Sec. 14: SE 1/4	G. E. Self G. E. Self
Martin Yates, III	Sec. 14: NW 1/4	F. B. Chambers
SUGCo., Mag., and D. O. C.	Sec. 14: NW 1/4	J. S. Covert and Ruth K. Covert
SUGCo., Mag., and D. O. C.	Sec. 14: NW 1/4	S. P. Johnson and Geraldine O. Johnson
Richfield Oil Corporation	Sec. 14: NW 1/4 Sec. 14: SE 1/4	(Catherine Williams (Robert E. Williams (Elizabeth Ann Williams (M. W. Coll (Catherine Williams, guardian (of Estates of John Finlay (Williams and Barbara Jane (Williams
Richfield Oil Corporation	Sec. 15: NW 1/4, NW 1/4	(Viera Collier (Catherine Williams (M. W. Coll (Bruce K. Matlock (Marshall & Winston (Elizabeth Ann Williams (Robert E. Williams (Catherine Williams, guardian (of Estates of John Finlay (Williams and Barbara Jane (Williams
Richfield Oil Corporation	Sec. 15: NW 1/4 Sec. 15: NE 1/4	W. M. Coates W. M. Coates
<u>T. 16 S., R. 24 E., N.E.P.M.</u>		
Richfield Oil Corporation	Sec. 32: NW 1/4	(Viera Collier (Catherine Williams (Robert E. Williams (Elizabeth Ann Williams (Catherine Williams, guardian (of Estates of John Finlay (Williams and Barbara Jane (Williams (M. W. Coll (Bruce K. Matlock
<u>T. 12 S., R. 24 E., N.E.P.M.</u>		
Richfield Oil Corporation	Sec. 32: NW 1/4 (160.15 ac.)	(Viera Collier (Catherine Williams (M. W. Coll (Bruce K. Matlock (Elizabeth Ann Williams (Robert E. Williams (Catherine Williams, guardian (of Estates of John Finlay (Williams and Barbara Jane (Williams

NOTE: All tracts are subject to prior oil and gas leases.

SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

March 7, 1950

Oil Conservation Commission of New Mexico
Santa Fe, New Mexico

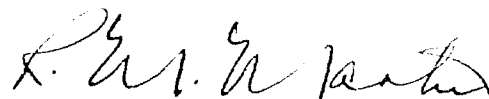
Gentlemen:

For your information, there is enclosed herewith a copy of a Supplemental Agreement, dated as of June 21, 1949, modifying the Hope Unit Agreement, designated I-Sec. No. 556. This instrument has been executed by the various owners of oil and gas interests within the unit area for the purpose of complying with the Treasury Decision known as I.T. 3930, in order to avoid the treatment of the unit operation as an association taxable as a corporation.

Also enclosed herewith is a list of the names and addresses of the various owners of presently existing oil and gas interests in the area whose interests are committed to the Unit Agreement. The signatures of all of these parties have been secured on counterparts identical to the one enclosed.

Signed counterparts of the Supplemental Agreement have been furnished to the Director of the United States Geological Survey and to the Commissioner of Public Lands of the State of New Mexico for their approval in accordance with the terms of the Unit Agreement.

Yours very truly,



R. M. Martin, Jr.
Legal Department

RMM:FG
Encl.

<u>Name</u>	<u>Address</u>
Southern Union Production Company (Unit Operator and Working Interest Owner)	Burt Building Dallas 1, Texas
Magnolia Petroleum Company	Magnolia Building Dallas, Texas
Delhi Oil Corporation	1315 Pacific Dallas, Texas
Mrs. Mabel C. Kenney and her husband, Clarence Kenney	504 Hemlock-Milbrae Highlands Milbrae, California
William Mueller and Anna Mueller, his wife	134 Harding Avenue Clifton, New Jersey
Victor Bryan Light and Pearl R. Light, his wife	1840 Ripple Street Los Angeles 26, California
Howard M. Wade and Rosalie T. Wade, his wife	c/o Wade Manufacturing Company, Charlotte, North Carolina
Wm. S. McWhorter and Edith D. McWhorter, his wife	22 Tracy Place Carlsbad, New Mexico
George R. Hollington and Marie E. Hollington, his wife	1247 Fifth Street Santa Monica, California
Annie L. Elliott and Elmer E. Elliott, her husband	Santa Maria, California
Charles Dailey, a single man	Box 385 Fort Dodge, Iowa
Harold S. Brown, a single man	1340 West 30th Street Los Angeles, California
Len R. Ogden and Jennie Ogden, his wife	309 South First Street Council Bluffs, Iowa
William C. Acton and Julia M. Acton, his wife	106 Calhoun Street Marysville, Kansas
Benjamin D. Luchini and Margaret W. Luchini, his wife	P. O. Box 1301 Albuquerque, New Mexico
Edward O'Neil and Bessie O'Neil, his wife	Eckerman, Michigan

<u>Name</u>	<u>Address</u>
Alice E. West	2017 - 15th Street Sacramento, California
B. M. Keohane and Margie T. Keohane, his wife	Box 522 Roswell, New Mexico
C. M. Johnson and Edna E. Johnson, his wife	620 North Tyler Street Dallas, Texas
Harry W. Crouch and Eleanor Crouch, his wife	1010 $\frac{1}{2}$ First Avenue, South Fort Dodge, Iowa
Roy G. Barton and Opal Barton, his wife	401 E. Broadway Hobbs, New Mexico
George P. Gibson, a single man	1113 North Marengo Avenue Pasadena 3, California
L. E. Elliott and Edna M. Elliott, his wife	Box 147, Roswell, New Mexico
Sunshine Royalty Company	Box 147, Roswell, New Mexico
Gertrude L. Parcell and Charlie W. Parcell	Box 1415 Santa Fe, New Mexico
Mary E. Orton and Chas. M. Orton	411 So. Mesa Street Carlsbad, New Mexico
Ora R. Hall, Jr. and Edna Ione Hall	Santa Fe, New Mexico

ACKNOWLEDGMENT

STATE OF NEW MEXICO §
 § SS
COUNTY OF _____ §

On this _____ day of _____, 1950, before me personally appeared _____, to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

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

Notary Public in and for

County, New Mexico

My Commission Expires _____

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO §
 § SS
COUNTY OF _____ §

On this _____ day of _____, 1950, before me appeared _____, to me personally known, who, being by me duly sworn did say that he is the _____ President of _____ 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 _____ acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and official seal on this _____ day of _____, 1950.

Notary Public in and for

County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT

TO
UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

1-Sec. No. 556

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: _____

ADDRESS: _____

DATE: _____

ADDRESS: _____

DATE: _____

ADDRESS: _____

(See reverse side for "Testimony" and "Notary")

May 13, 1950

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

In re: Hope Area Unit Agreement, Eddy County, New Mexico, I-Sec. No. 556;
Application of Unit Operator, Southern Union Gas Company, for extension of time within which to conduct further exploratory drilling pursuant to Section 8 of the Unit Agreement.

Dear Sir:

Reference is made to the Hope Unit Agreement dated as of November 28, 1947, providing for the development and operation of the Hope Unit Area in Eddy County, New Mexico. Section 8 of the Unit Agreement provides in substance that until paying production of unitized substances is obtained the undersigned, as Unit Operator, shall continue drilling one well at a time, allowing not more than six months between the completion of one well and the beginning of the next. Section 8 also provides that the Director of the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico concurring may modify said drilling requirement by granting reasonable extensions of time when, in their opinion, such action is warranted.

Southern Union Production Company, as Unit Operator, diligently prosecuted the drilling of a first test well on the Unit Area located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 24, Township 18 South, Range 23 East, N.M.P.M. Drilling of this well was concluded on May 13, 1948, at a depth of approximately 9885 feet because the well had reached at that depth igneous or metamorphic formations which renders further drilling impractical. No commercial production of oil or gas having been encountered, this well was plugged and abandoned.

Additional time is needed under Section 8 because Magnolia Petroleum Company, which is the owner of approximately one-half of the working interest committed to the Hope Unit Agreement, has not yet completed the present seismic work, which indicates a need for additional sub-surface geological mapping and sub-surface correlation.

Under these circumstances the undersigned, Unit Operator, requests that the date within which the drilling of a second test well under the Hope

Unit Agreement is required to be commenced be postponed and extended for a period of six months from May 13, 1950, to November 13, 1950. A similar request for extension of time pursuant to Section 8 of the Unit Agreement is being filed with the Director of United States Geological Survey, and upon receipt of his definitive action a copy of the pertinent decision will be supplied for your records.

If additional information is needed in connection with this application, the undersigned, Unit Operator, will be glad to furnish it upon receipt of your request.

Your prompt consideration and advice will be appreciated.

Respectfully submitted,

SOUTHERN UNION GAS COMPANY


Vice President

UNIT OPERATOR

September 10, 1948

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

In re: Hope Area Unit Agreement, Eddy County, New Mexico, I-Sec. No. 556;
Application of Unit Operator, Southern Union Production Company,
for Extension of Time in Which to Conduct Further Exploratory
Drilling Pursuant to Section 8 of the Unit Agreement.

Dear Sir:

Reference is made to the Hope Unit Agreement dated as of November 28, 1947, providing for the development and operation of the Hope Unit Area in Eddy County, New Mexico. Section 8 of the Unit Agreement provides in substance that until paying production of unitized substances is obtained the undersigned, as Unit Operator, shall continue drilling one well at a time, allowing not more than six months between the completion of one well and the beginning of the next. Section 8 also provides that the Director of the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico concurring may modify said drilling requirement by granting reasonable extensions of time when, in their opinion, such action is warranted.

Southern Union Production Company, as Unit Operator, diligently prosecuted the drilling of a first test well on the Unit Area located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 24, Township 18 South, Range 23 East, N.M.P.M. Drilling of this well was concluded on May 13, 1948, at a depth of approximately 9885 feet because the well had reached at that depth igneous or metamorphic formations which renders further drilling impractical. No commercial production of oil or gas having been encountered, this well was plugged and abandoned.

Prior to any further drilling activity, it will be necessary for the Unit Operator to engage in additional geophysical work and in analysis of data from wells drilled and/or drilling in the general area in an effort to determine whether the drilling of an additional test well on the Unit Area is justified economically or otherwise; and, if justified, in an effort to determine where upon the Unit Area such well should be most advantageously located. Among pertinent circumstances in this connection is the early prospect for an additional test well to be drilled in the general area under

the Foster Unit Agreement, the unit area of which is reported to lie within a reasonable distance south of the Hope Unit Area.

Under these circumstances the undersigned, Unit Operator, requests that the date within which the drilling of a second test well under the Hope Unit Agreement is required to be commenced be postponed and extended for a period of six months from November 13, 1948, to May 13, 1949.

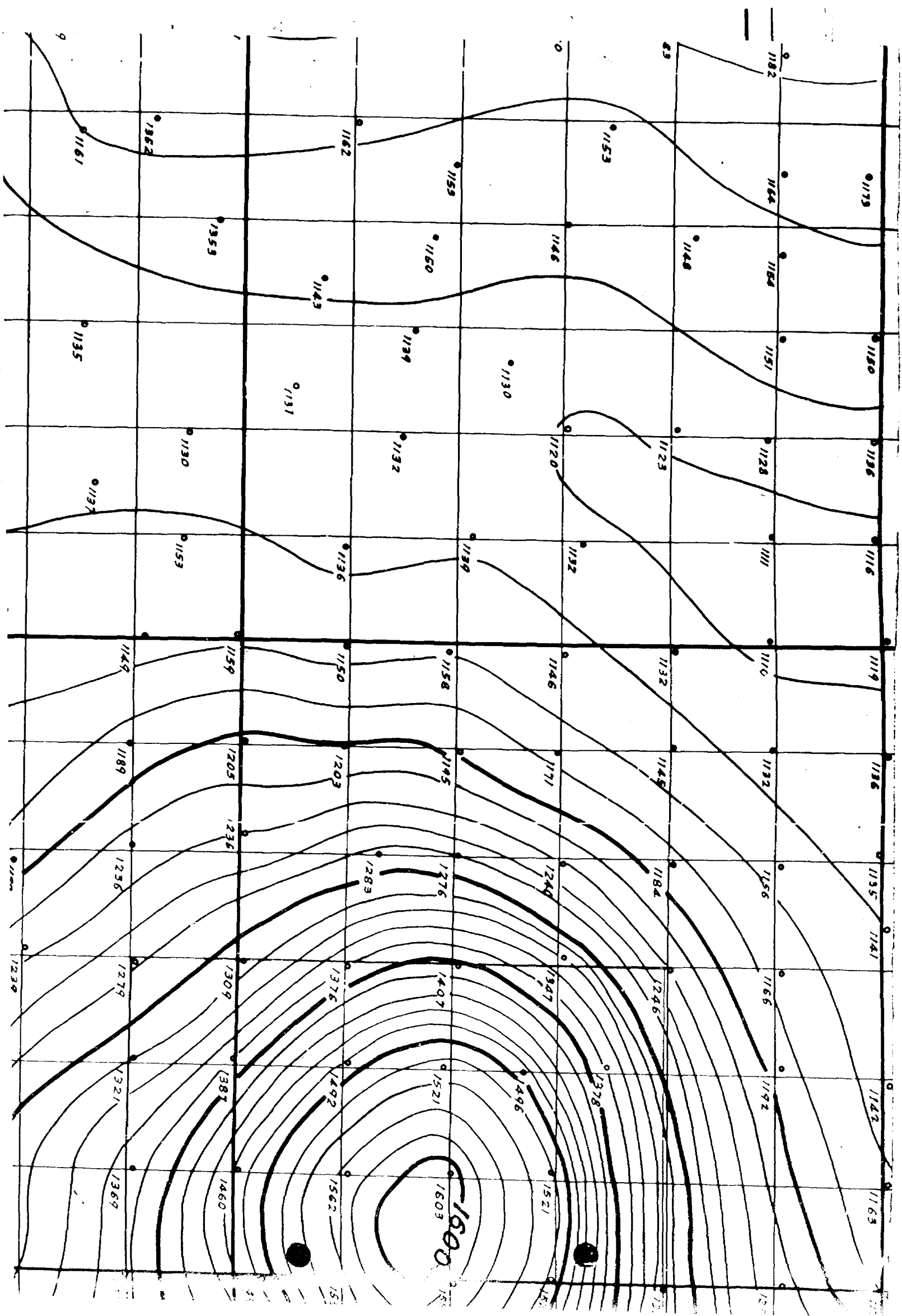
A similar application for extension of time pursuant to Section 8 of the Unit Agreement is being concurrently filed with the Director of the United States Geological Survey. As we are required to submit to the Department of the Interior, in due course, a copy of the Commissioner's decision in connection with this extension, we will appreciate your early advice.

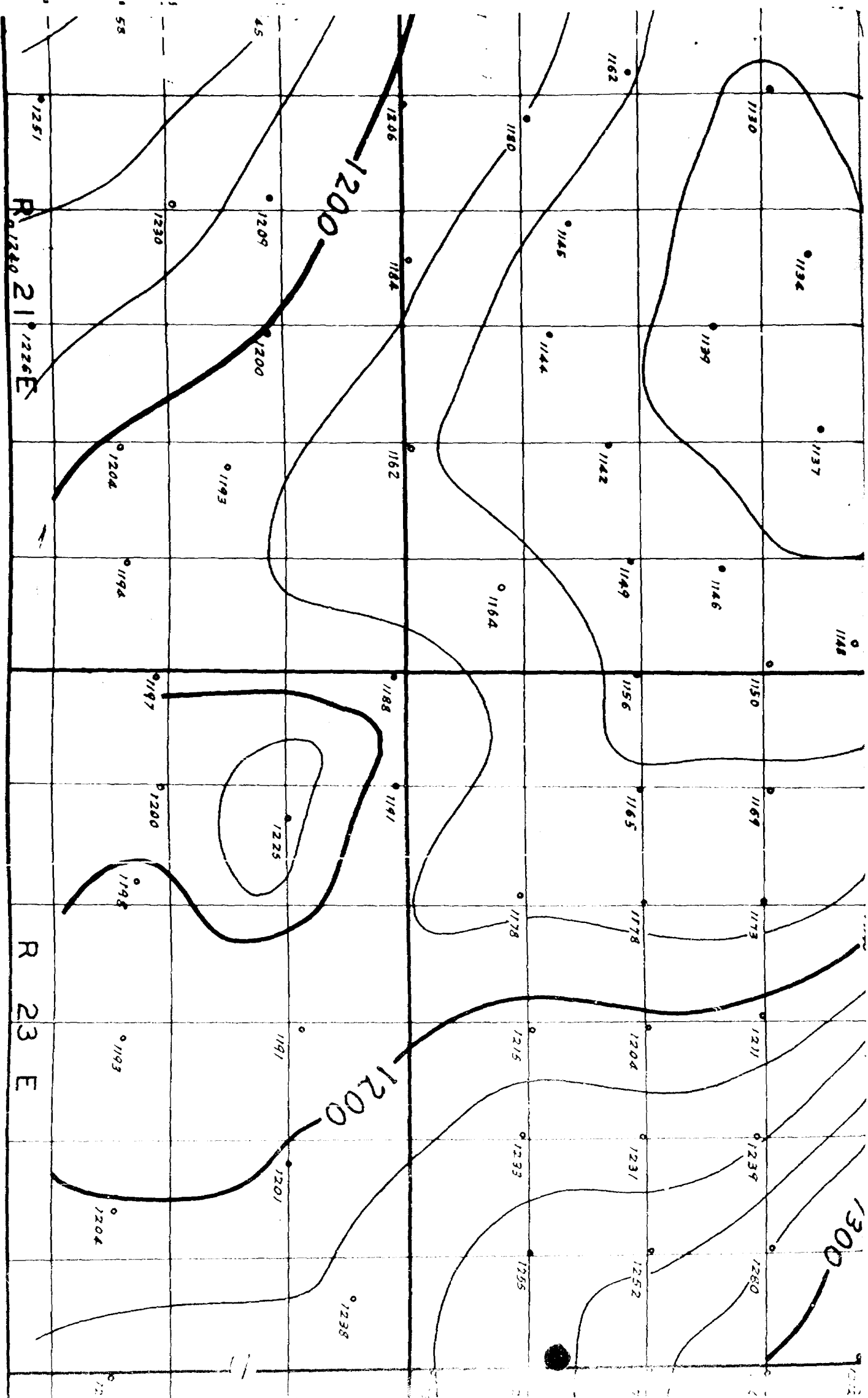
Respectfully submitted,

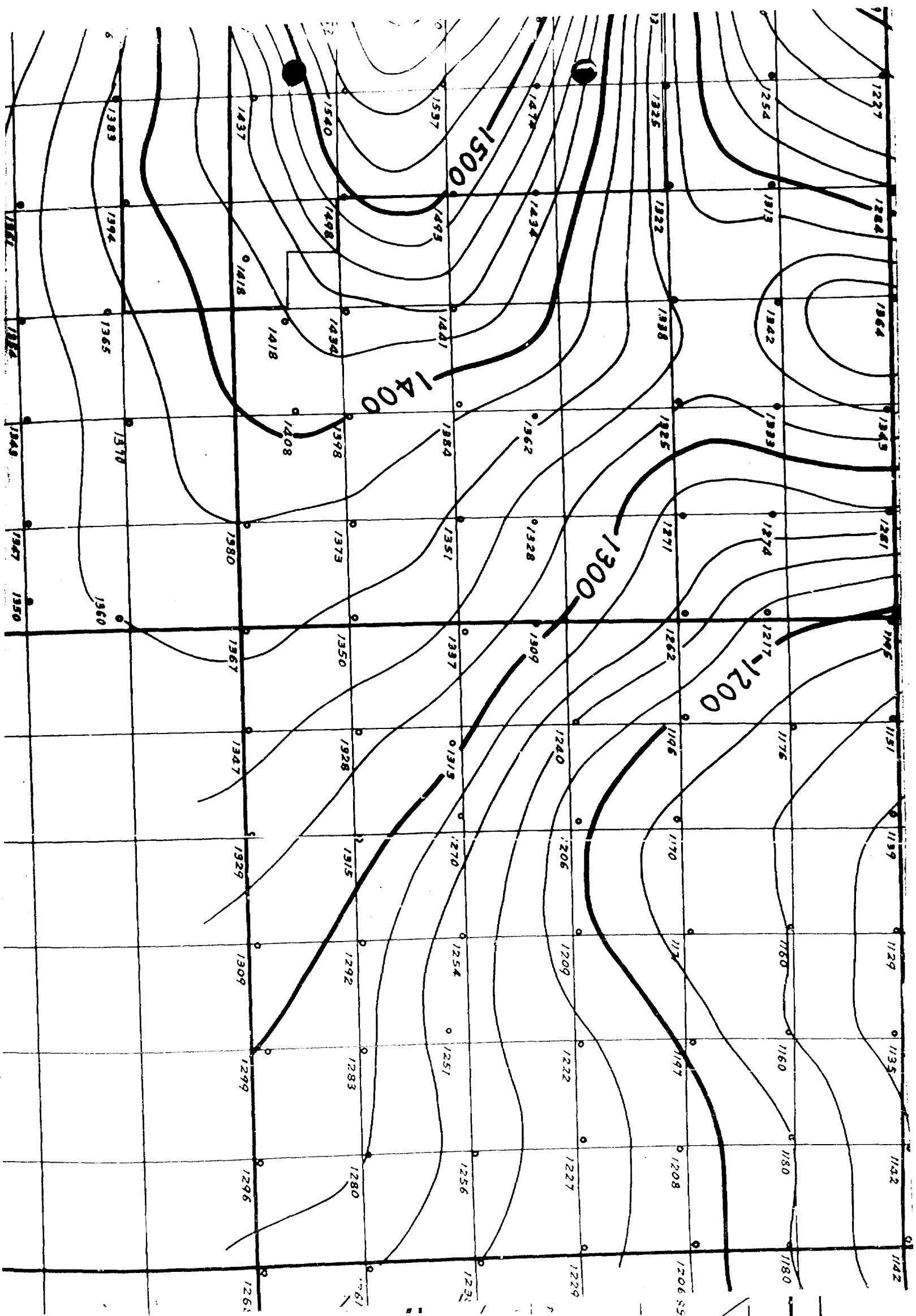
SOUTHERN UNION PRODUCTION COMPANY

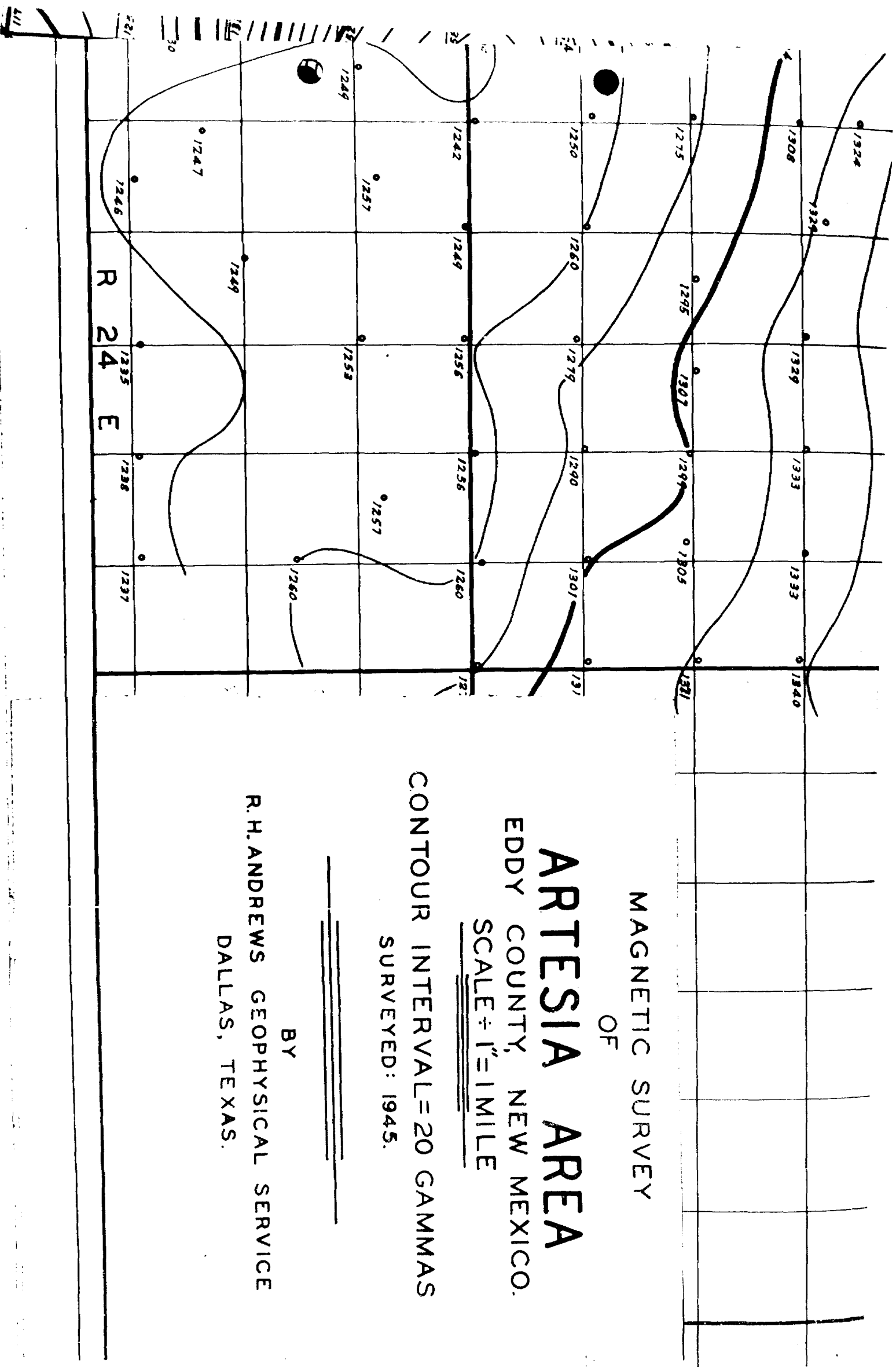
By J. C. [Signature]
Vice President

UNIT OPERATOR



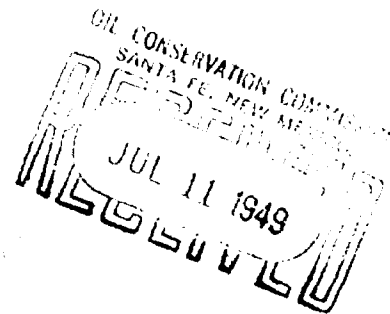






SOUTHERN UNION PRODUCTION COMPANY
BURT BUILDING
DALLAS, TEXAS

July 8, 1949



Mr. R. R. Spurrier,
State Geologist
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Spurrier:

As provided by the Hope Unit Agreement affecting lands in Eddy County, New Mexico, we are glad to enclose one fully executed and acknowledged counterpart of the ratification by certain owners of mineral interests in the area committing their interests to the Unit Agreement. These are all the subsequent ratifications received to date.

Yours very truly,

A handwritten signature in cursive script, reading "Robert M. Martin, Jr.".

Robert M. Martin, Jr.
Legal Department

RMM:FG
Encl.

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 20th day of May, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

William Mueller
~~William Mueller~~
Address: 134 Harding Avenue
Clifton, New Jersey

Joined by his wife,

Anna Mueller
ANNA Mueller
Address: 134 Harding Avenue
Clifton, New Jersey

Address: _____

Address: _____

STATE OF NEW JERSEY)
COUNTY OF PASSAIC) SS:

On this 20th day of MAY, 1948, before me personally appeared William Mueller and Anna Mueller, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that the 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 above written.

Grace A. Brown
Notary Public of N.J.

My Commission Expires: Jan. 20th, 1952

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 194_, 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.

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

Notary Public

My Commission Expires:

1948

RATIFICATION AND ADOPTION

OF

UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (KIDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Kidy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, the undersigned, B. M. Kechane, is the successful applicant for a United States oil and gas lease, Las Cruces 067508, covering the S $\frac{1}{2}$, Section 27, N $\frac{1}{2}$, Section 34, Township 18 South, Range 23 East, N.M.P.M., Kidy County, New Mexico, containing 640 acres, more or less, and each of the undersigned desires with respect to such lease to subscribe, ratify and adopt the Unit Agreement and the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and the related Unit Accounting Agreement with respect to said lease and lease application, Las Cruces 067508, with the intention that each of the undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if the undersigned had executed and delivered an original copy thereof concurrently with the other parties thereto and with the same effect as if said leasehold interest of undersigned had been from the beginning described in Exhibit B to the Unit Agreement.

IN WITNESS WHEREOF, this instrument is executed on this 14th day of Oct, 1948, so as to be binding upon and inure to the benefit of each of the undersigned and the respective heirs, successors, personal representatives and assigns of each.

B. M. Kechane
B. M. Kechane

James R. ...
...

...
...

Address _____

Note: If the lessee is not married, he or she should be so designated, thus "a widow" or "a single man."

FILED

STATE OF New Mexico
COUNTY OF Chaves

On this 14th day of October, 1948, before me personally appeared E. H. Kachane, 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.

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

Halden B. Smith
Notary Public

My Commission expires:

June 11, 1950

STATE OF New Mexico
COUNTY OF Chaves

On this 14th day of October, 1948, before me personally appeared Margie J. Kachane, 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.

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

Halden B. Smith
Notary Public

My Commission expires:

June 11, 1950

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 4 day of October, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

Charles Dailey
Charles Dailey
Address: Box 385

Fort Dodge, Iowa
joined by his wife,

Dailey
Address: Box 385

Fort Dodge, Iowa

Address: _____

Address: _____

(over)

STATE OF IOWA)
COUNTY OF WEBSTER)

On this 4th day of October, 1948, before me personally appeared Charles Bailey, a single man, 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.

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

[Signature]
Notary Public in and for
Webster County, Iowa.

My Commission Expires:

July 4, 1951.

STATE OF IOWA)
COUNTY OF _____)

On this _____ day of _____, 1948, before me personally appeared Bailey, his wife, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as her 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 above written.

Notary Public

My Commission Expires:

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 1st day of June, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

C. M. Johnson
C. M. Johnson
Address: 620 North Tyler Street

Dallas, Texas

joined by his wife,

Mrs. Edna E. Johnson
Johnson
Address: 620 North Tyler Street

Dallas, Texas

Address: _____

Address: _____

(over)

STATE OF TEXAS)
COUNTY OF DALLAS)

On this 1st day of June, 1948, before me personally appeared C M Johnson and Edna E Johnson, his wife, 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.

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

Bruce C. Coltharp
Notary Public

My Commission Expires:

BRUCE C. COLTHARP
Notary Public, Dallas County, Texas
My Commission Expires June 1, 1949

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 194_, 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.

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

Notary Public

My Commission Expires:

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 28 day of April, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

Wm. S. McWhorter
Wm. S. McWhorter
Address: 206 West Church Street
Carlsbad, New Mexico

joined by his wife,

Edith D. McWhorter
Edith D. McWhorter
Address: 206 West Church Street
Carlsbad, New Mexico

Address: _____

Address: _____

(over)

STATE OF New Mex
COUNTY OF Eddy

On this 28 day of April, 1948, before me personally appeared Tom J. McWhorter, 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.

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

Myrtle V. Schreiner
Notary Public

My Commission Expires:

5-12-51

STATE OF New Mex
COUNTY OF Eddy

On this 28 day of April, 1948, before me personally appeared Edith D. McWhorter, 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.

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

Myrtle V. Schreiner
Notary Public

My Commission Expires:

5-12-51

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 27 day of April, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

Roy C. Barton
Roy C. Barton
Address: 401 E. Broadway
Hobbs, New Mexico

Joined by his wife,

Agnes Barton
Agnes Barton
Address: 401 E. Broadway
Hobbs, New Mexico

Address: _____

Address: _____

STATE OF New Mexico)
COUNTY OF Lea)

On this 27th day of April, 1948, before me personally appeared Roy G. Barton and his wife Opal Barton, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that the y 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 above written.

Christie B. Sel

Notary Public

Lea County, New Mexico

My Commission Expires:

September 17, 1949

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 194__, 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.

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

Notary Public

My Commission Expires:

SUPPLEMENTAL AGREEMENT

to
UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

I-Sec. No. 556

RECEIVED
STATE LAND OFFICE

JAN 16 9 29 AM '50

SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: Aug 1, 1949

George P. Gibson
George P. Gibson, a single man.
ADDRESS: 1113 North Marango Avenue
Pasadena 3, California

DATE: _____

ADDRESS: _____

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

California
STATE OF ~~NEW MEXICO~~
COUNTY OF *Los Angeles* SS

On this 1st day of Aug., 1949, before me personally appeared
George F. O'Brien, a single man, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that he executed the same as his free
act and deed.

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

My Commission Expires June 27 1950
My Commission Expires

[Signature]
Notary Public in and for
County, ~~New Mexico~~
NOTARY PUBLIC
IN AND FOR COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF _____ SS

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

My Commission Expires _____

Notary Public in and for
County, New Mexico

SUPPLEMENTAL AGREEMENT

to

UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

RECEIVED

STATE LAND OFFICE

JAN 16 9 29 AM '50

I-Sec. No. 556

SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: _____

ADDRESS: _____

DATE: _____

ADDRESS: _____

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF Lea

SS

On this 29th day of July, 1949, before me personally appeared
Ray G. Barton and his wife, Opal Barton, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that they executed the same as their free
act and deed.

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

My Commission Expires June 10, 1953

Elliott Johnson
Notary Public in and for
Lea County, New Mexico

My Commission Expires _____

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF _____

SS

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for
_____ County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT
to
UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

I-Sec. No. 556

RECEIVED
STATE LAND OFFICE
JAN 16 9 28 AM '50
SANTA FE, N.M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: _____

Harry W. Crouch
Harry W. Crouch
ADDRESS: 1010 1/2 First Avenue, South
Fort Dodge, Iowa

DATE: _____

Joined by his wife,
Eleanor Crouch
Eleanor Crouch
ADDRESS: 1010 1/2 First Avenue, South
Fort Dodge, Iowa

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

STATE OF ~~NEW MEXICO~~ ^{IOWA} SS
COUNTY OF Webster

On this 2nd day of August, 1949, before me personally appeared Harry W. Crouch and his wife, Eleanor Crouch, 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.

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

John B. Kershner
Notary Public in and for
Webster County, ~~New Mexico~~ ^{Iowa}

My Commission Expires July 4, 1951

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF _____ SS

On this _____ day of _____, 1949, before me appeared _____, to me personally known, who, being by me duly sworn did say that he is the _____ President of _____ 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 _____ acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of _____ 1949.

Notary Public in and for

County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT
to
UNIT AGREEMENT

RECEIVED
STATE LAND OFFICE

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

JAN 16 9 28 AM '50
SANTA FE, N. M.

I-Sec. No. 556

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: _____

Sam Johnson
S. M. Johnson
620 North Tyler Street
Dallas, Texas

DATE: _____

joined by his wife,
Edna E. Johnson
Edna E. Johnson
620 North Tyler Street
Dallas, Texas

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

STATE OF Texas
~~NEW MEXICO~~ | SS
 COUNTY OF Dallas

On this 9 day of August, 1949, before me personally appeared
C. H. Johnson and his wife, Ellen E. Johnson, to me known to
 be the person (s) described in and who executed the foregoing instrument, and acknow-
 ledged that they executed the same as their free
 act and deed.

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

Bruce C. Coltharp
 Notary Public in and for
Dallas County, New Mexico

My Commission Expires _____

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO | SS
 COUNTY OF _____

On this _____ day of _____, 1949, before me appeared _____
 _____, to me personally known, who, being
 by me duly sworn did say that he is the _____ President of _____
 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 cor-
 poration by authority of its Board of Directors, and said _____
 acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
 _____, 1949.

 Notary Public in and for
 _____ County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT
to
UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

RECEIVED
STATE LAND OFFICE

I-Sec. No. 556

JAN 16 9 28 AM '50

SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: 8-5-49

ADDRESS: Eddy County, New Mexico

DATE: 8-5-49

ADDRESS: Eddy County, New Mexico

DATE:

ADDRESS:

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

STATE OF NEW MEXICO

COUNTY OF Chavez

SS

On this 5 day of August, 1949, before me personally appeared
B. H. Buckner and his wife, Margie T. Buckner, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that they executed the same as their free
act and deed.

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

Edna Mae Bear
Notary Public in and for
Chavez County, New Mexico

My Commission Expires 5-21-53

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO

COUNTY OF _____

SS

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for
_____ County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT
to
UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

I-Sec. No. 556

RECEIVED
STATE LAND OFFICE
JAN 16 9 28 AM '50
SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: August 9, 1949

Alice F. West
Alice F. West, a single person
ADDRESS: 2017 - 15th Street
Sacramento, California

DATE: _____

ADDRESS: _____

DATE: _____

ADDRESS: _____

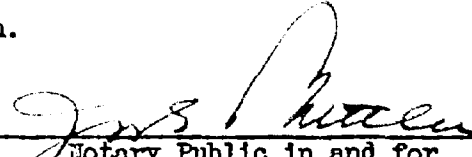
(See reverse side for acknowledgments)

ACKNOWLEDGMENT

CALIFORNIA
STATE OF ~~NEW MEXICO~~ |
COUNTY OF SACRAMENTO | SS

On this 5th day of August, 1949, before me personally appeared
Alice E. West, a single person, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that she executed the same as her free
act and deed.

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


Notary Public in and for
Sacramento County, ~~New Mexico~~
California

My Commission Expires August 24, 1950.

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO |
COUNTY OF _____ | SS

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for
_____ County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT

to
UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

I-Sec. No. 556

RECEIVED
STATE LAND OFFICE
JAN 16 9 28 AM '50
SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: _____

Edward J. Neil
Edward J. Neil

ADDRESS: ~~Lock Box 14~~ ECKELMAN, MICHIGAN.
Bulbert, Michigan

DATE: _____

Joined by his wife,
Bessie O'Neil
Bessie O'Neil

ADDRESS: ~~Lock Box 14~~ ECKELMAN, MICHIGAN.
Bulbert, Michigan

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

Michigan
STATE OF ~~NEW MEXICO~~ |
COUNTY OF Chippewa | SS

On this 8th day of August, 1949, before me personally appeared
Edward O'Reil and his wife, Jessie O'Reil, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that they executed the same as their free
act and deed.

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

Clifford J. Messinger
Notary Public in and for
Chippewa County, ~~New Mexico~~
Michigan

My Commission Expires March 9, 1952

CLIFFORD J. MESSINGER
Notary Public in and for Chippewa County, Mich.
My Commission Expires March 9, 1952

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO |
COUNTY OF _____ | SS

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for
_____, County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT

to
UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

I-Sec. No. 556

RECEIVED
STATE LAND OFFICE

JAN 16 9 28 AM '50

SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: AUG 1 1949

[Signature]
ADDRESS: Albuquerque, New Mexico
Joined by his wife,

DATE: AUG 1 1949

[Signature]
ADDRESS: Albuquerque, New Mexico

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

STATE OF NEW MEXICO |
COUNTY OF SAN RAFAEL | SS

On this 1st day of August, 1949, before me personally appeared
Benjamin B. Baskin and his wife Margaret W. Baskin, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that they executed the same as their free
act and deed.

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

Liam M. Wilborn
Notary Public in and for
San Rafael County, New Mexico

My Commission Expires June 22, 1953

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO |
COUNTY OF _____ | SS

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for
_____ County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT
to
UNIT AGREEMENT

Acton
FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

I-Sec. No. 556

RECEIVED
STATE LAND OFFICE

JAN 16 9 28 AM '50

THIS AGREEMENT, entered into as of the 21st day of June, 1949, ~~SANTA FE~~ between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: AUG 13 1949

William C. Acton
William C. Acton
ADDRESS: 106 Calhoun Street
Hargoville, Kansas

DATE: AUG 13 1949

Joined by his wife,
Julia M. Acton
Julia M. Acton
ADDRESS: 106 Calhoun Street
Hargoville, Kansas

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

STATE OF NEW MEXICO Kaua
COUNTY OF Marshall | SS

On this 13 day of August, 1949, before me personally appeared
William C. Astor and his wife, Julia M. Astor, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that they executed the same as their free
act and deed.

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

John Mollinger
Notary Public in and for
Marshall County, New Mexico Kaua

My Commission Expires April 15 1951

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO |
COUNTY OF _____ | SS

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for
_____ County, New Mexico

My Commission Expires _____

Supplemental Agreement

to the Unit Agreement

for the Development and Operation of the Hope Unit Area
Eddy County, State of New Mexico

T-Sub. No. 105

RECEIVED
STATE LAND OFFICE

JAN 16 9 28 AM '50

SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties undersigned, ratifying and consenting hereto, and herein referred to as the "parties hereto",

WITNESSETH:

WHEREAS, prior date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (and of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: August 11th 1949

Len R. Ogden
Len R. Ogden
ADDRESS: 309 South First Street
Council Bluffs, Iowa

DATE: August 11th 1949

Joined by his wife,
Jennie Ogden
Jennie Ogden
ADDRESS: 309 South First Street
Council Bluffs, Iowa

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

STATE OF ^{Quinn} ~~NEW MEXICO~~ |
COUNTY OF Packard | SS

On this 11 day of August, 1949, before me personally appeared
Sam E. Ogden and his wife, Jennie Ogden, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that they executed the same as their free
act and deed.

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

Caroline S. T. Ogden
Notary Public in and for
Packard County, New Mexico
Java

My Commission Expires July 4, 1951

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO |
COUNTY OF _____ | SS

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for
_____ County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT
to

UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

I-See. No. 256

RECEIVED

STATE LAND OFFICE
JAN 16 9 28 AM '50

SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 26, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: August 18, 1949

Harold S. Brown
Harold S. Brown, a single person
ADDRESS: 1340 West 30th Street
Los Angeles, California

DATE: _____

ADDRESS: _____

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

STATE OF California
COUNTY OF Los Angeles

On this 18 day of August, 1949, before me personally appeared
Harold S. Brown, a single person

, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that he executed the same as his free
act and deed.

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

L. Peterson
Notary Public in and for
Los Angeles County, California

My Commission Expires Oct. 17, 1950

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF _____

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for
_____ County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT

to

UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT
EDDY COUNTY, STATE OF NEW MEXICO

I-Sec. No. 556

RECEIVED
STATE LAND OFFICE
JAN 16 9 28 AM '50
SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: _____

ADDRESS: _____

Charles Bailey
Charles Bailey, a single man.
Box 555
Fort Dodge, Iowa

DATE: _____

ADDRESS: _____

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

STATE OF NEW MEXICO SS
COUNTY OF Lea

On this 29 day of August, 1949, before me personally appeared Charles Bailey, a single man, to me known to be the person (s) described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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

[Signature]
Notary Public in and for
Lea County, New Mexico Aug

My Commission Expires July 4, 1951

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO SS
COUNTY OF _____

On this _____ day of _____, 1949, before me appeared _____, to me personally known, who, being by me duly sworn did say that he is the _____ President of _____ 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 _____ acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of _____, 1949.

Notary Public in and for
_____ County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT
to
UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

I-Sec. No. 556

RECEIVED
STATE LAND OFFICE
JAN 16 9 28 AM '50
SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: _____

ADDRESS: _____

DATE: _____

ADDRESS: _____

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

STATE OF California
~~NEW MEXICO~~ SS
COUNTY OF Santa Barbara

On this 22nd day of August, 1949, before me personally appeared
Annie L. Elliott and her husband, Elmer E. Elliott, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that they executed the same as their free
act and deed.

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

R. S. Evans
Notary Public in and for
County, New Mexico

My Commission Expires My Commission Expires October 21, 1950

NOTARY PUBLIC
for the County of Santa Barbara, State of California

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF _____ SS

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for
_____, County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT

to

UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

RECEIVED
STATE LAND OFFICE

JAN 16 9 27 AM '50

I-Sec. No. 556

SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: Aug 2, 1949

George F. Hollington
ADDRESS: 1247 Fifth Street
Santa Monica, California

DATE: Aug 8, 1949

Joined by his wife,
Marie E. Hollington
ADDRESS: 1247 Fifth Street
Santa Monica, California

DATE:

ADDRESS:

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

STATE OF ~~NEW MEXICO~~ ^{California}
COUNTY OF ~~Los Angeles~~ ^{Los Angeles} SS

On this 22nd day of August, 1949, before me personally appeared
George R. Hollington and his wife, Marie E. Hollington, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that they executed the same as their free
act and deed.

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

Bette H. Franklin
Notary Public in and for
Los Angeles County, ~~New Mexico~~ ^{California}

My Commission Expires My Commission Expires Nov 9, 1952

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF _____ SS

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for
_____, County, New Mexico

My Commission Expires _____

Supplemental

SUPPLEMENTAL AGREEMENT
to
UNIT AGREEMENT

RECEIVED
STATE LAND OFFICE
JAN 16 9 27 AM '50

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

SANTA FE, N.M.

I-Sec. No. 556

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: _____

H. M. S. McWhorter

H. M. S. McWhorter
2211 1st Ave. N.E.
Albuquerque, New Mexico

DATE: _____

Edith D. McWhorter

Edith D. McWhorter
2211 1st Ave. N.E.
Albuquerque, New Mexico

DATE: _____

ADDRESS: _____

ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF Bolton SS

On this 27th day of August, 1949, before me personally appeared
Wm. S. McWhorter and his wife, Edith D. McWhorter to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that they executed the same as their free
act and deed.

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

Annie M. Turner
Notary Public in and for
Bolton County, New Mexico

My Commission Expires May 7, 1950

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF _____ SS

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for

County, New Mexico

My Commission Expires _____

11708
SUPPLEMENTAL AGREEMENT
to
UNIT AGREEMENT

RECEIVED
STATE LAND OFFICE

JAN 16 9 27 AM '50

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO SANTA FE, N. M.

I-Sec. No. 296

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: Aug. 31, 1949

H. M. Wade
ADDRESS: Wade Manufacturing Company
Charlotte, North Carolina

DATE: Aug. 31, 1949

Joined by his wife,
Rosalie F. Wade
ADDRESS: Rosalie F. Wade
c/o Wade Manufacturing Company
Charlotte, North Carolina

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

North Carolina
STATE OF ~~NEW MEXICO~~
COUNTY OF *Mecklenburg* SS

On this 31st day of August, 1949, before me personally appeared _____, to me known to be the person ~~whose name is on the foregoing instrument~~, and acknowledged that _____ executed the same as _____ free act and deed.

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

Rosaline Bartley Harris
Notary Public in and for
Mecklenburg County, ~~New Mexico~~ *North Carolina*

My Commission Expires 5/21/51

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF _____ SS

On this _____ day of _____, 1949, before me appeared _____, to me personally known, who, being by me duly sworn did say that he is the _____ President of _____ 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 _____ acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of _____, 1949.

Notary Public in and for

County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT
to
UNIT AGREEMENT

RECEIVED
STATE LAND OFFICE

JAN 16 9 27 AM '50

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA, SANTA FE, N. M.
EDDY COUNTY, STATE OF NEW MEXICO

I-Sec. No. 556

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: _____

Victor Bryan Light
Victor Bryan Light
ADDRESS: 1840 Ripple Street
Los Angeles 26, California
joined by his wife,

DATE: _____

Paul H. Light
Paul H. Light
ADDRESS: 1840 Ripple Street
Los Angeles 26, California

DATE: _____

ADDRESS: _____

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

California
STATE OF ~~NEW MEXICO~~ *SS*
COUNTY OF *Los Angeles*

On this 14 day of October, 1949, before me personally appeared
Victor Bryan Light and his wife, Pearl R. Light, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that they executed the same as their free
act and deed.

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

Fred J. Schmeckle
Notary Public in and for
State of *California* County, *Los Angeles*

My Commission Expires My Commission Expires Jan. 20, 1951

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF _____ *SS*

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for
County, *New Mexico*

My Commission Expires _____

SUPPLEMENTAL AGREEMENT
to
UNIT AGREEMENT

RECEIVED
STATE LAND OFFICE

JAN 16 9 27 AM '50

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

SANTA FE, N. M.

I-See. No. 156

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto";

W I T N E S S E T H:

WHEREAS, under date of November 26, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects; *insofar as the same may still be in full force and effect;*

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share. *Nothing herein contained shall be construed to extend the life of the Hope Unit Agreement, or to make any rights or privileges arising out hereof or hereunder in perpetuity.*

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: October 12, 1949

William Mueller

William Mueller

ADDRESS: 134 Harding Avenue
Clifton, New Jersey

Joined by his wife,

Anna Mueller

134 Harding Avenue

ADDRESS: Clifton, New Jersey

DATE: October 16, 1949

DATE: _____

ADDRESS: _____

ATTEST:

STATE OF NEW MEXICO
COUNTY OF LASCAI

On this 10 day of OCTOBER, 1949, before me personally appeared William Fuller and his wife, Jane Fuller, 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.

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

Chas. A. Brown
Notary Public in and for
Lascais County, New Mexico
Jersey

My Commission Expires 20, 1950

CORPORATION ACKNOWLEDGEMENT

STATE OF NEW MEXICO
COUNTY OF _____
SS

On this _____ day of _____, 1949, before me appeared _____, to me personally known, who, being by me duly sworn did say that he is the _____ President of _____ Company and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was adopted and signed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on this _____ day of _____, 1949.

Notary Public in and for

County, New Mexico

My Commission Expires _____

SUPPLEMENTAL AGREEMENT

to

UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

T-Sec. No. 106

RECEIVED
STATE LAND OFFICE
JAN 16 9 27 AM '50
SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

WITNESSETH:

WHEREAS, under date of November 26, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (and of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

DATE: _____

Mabel C. Zarny
Mabel C. Zarny
ADDRESS: 504 Franklin-Hillside
Hillside, California

DATE: _____

Clarence Zarny
Clarence Zarny
ADDRESS: 504 Franklin-Hillside
Hillside, California

DATE: _____

504 Franklin Hillside
ADDRESS: Hillside, California

(See reverse side for acknowledgments)

ACKNOWLEDGMENT

STATE OF California
COUNTY OF San Mateo SS

On this 31st day of December, 1949, before me personally appeared
Michael C. Runney and her husband, Clarence Runney, to me known to
be the person (s) described in and who executed the foregoing instrument, and acknow-
ledged that they executed the same as their free
act and deed.

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

Anna M. Ross
Notary Public in and for
State of California San Mateo County, New Mexico

My Commission Expires January 1, 1953

CORPORATION ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF _____ SS

On this _____ day of _____, 1949, before me appeared _____
_____, to me personally known, who, being
by me duly sworn did say that he is the _____ President of _____
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 cor-
poration by authority of its Board of Directors, and said _____
acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on this _____ day of
_____, 1949.

Notary Public in and for
_____ County, New Mexico

My Commission Expires _____

RECEIVED
STATE LAND OFFICE

SUPPLEMENTAL AGREEMENT
To
UNIT AGREEMENT

JAN 16 9 27 AM '50

SANTA FE, N.M.

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY, STATE OF NEW MEXICO

I-Sec. No. 556

THIS AGREEMENT, entered into as of the 21st day of June, 1949, by and between the parties subscribing, ratifying and consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

WHEREAS, under date of November 28, 1947, the parties hereto or their predecessors in interest entered into or consented by separate instrument to the Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, wherein Southern Union Production Company was designated unit operator; and

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

WHEREAS, the parties hereto desire to amend and supplement the said Hope Unit Agreement in certain respects;

NOW THEREFORE, in consideration of the premises and the promises herein contained the parties hereto agree severally among themselves as follows:

Notwithstanding any provision to the contrary in Section 7, or any other Section, of the Hope Unit Agreement, all parties hereto hereby agree that each and every one of the owners of the working interests in lands unitized under the agreement shall have (1) the right to take in kind that proportionate share of the unitized substances which is allocated or allocable to his working interest in accordance with the provisions of the agreement, (2) the right to personally sell such proportionate share, and (3) the right to revoke at will any authorization in the Hope Unit Agreement empowering a representative (or representatives) to sell his proportionate share of the unitized substances if that representative (or representatives) is authorized to sell the share of more than one owner. An owner who also acts in a representative capacity shall be regarded as being "authorized to sell the shares of more than one owner," as the phrase is used in the foregoing sentence, if he also sells or directs the sale of any part of his own share.

IN WITNESS WHEREOF, each of the parties hereto has caused this supplemental agreement to be executed so as to be binding (without regard to execution or not by other parties hereto) upon himself and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

ATTEST: (signed) H. V. McConkey
Secretary

SOUTHERN UNION PRODUCTION COMPANY
(Unit Operator and Working Interest Owner)

By: (signed) J. C. Reid
Vice-President

ATTEST: (signed) F. H. Pennington
Assistant Secretary

MAGNOLIA PETROLEUM COMPANY

By: (signed) S. A. Thomson
Vice-President

ATTEST: (signed) S. B. Petrie
Secretary

DELHI OIL CORPORATION

By: (signed) P. T. Bee
Vice-President

STATE OF TEXAS)
) SS
COUNTY OF DALLAS)

On this 1st day of July, 1949, before me appeared J. C. REID, to me personally known, who, being by me duly sworn did say that he is the Vice-President of SOUTHERN UNION PRODUCTION 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 J. C. REID acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office the day and year first above written.

(signed) Arlene Rawls Watt,
Notary Public in and for
Dallas County, Texas

My Commission Expires 6-1-51

STATE OF TEXAS)
) SS
COUNTY OF DALLAS)

On this 21st day of June, 1949, before me appeared S. A. THOMPSON, to me personally known, who, being by me duly sworn did say that he is the Vice-President of MAGNOLIA PETROLEUM COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said S. A. THOMPSON acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office on the day and year first above written.

(signed) Mary Stevens,
Notary Public in and for
Dallas County, Texas

My Commission Expires June 1, 1951

STATE OF TEXAS)
) SS
COUNTY OF DALLAS)

On this 27th day of June, 1949, before me appeared P. T. Bee, to me personally known, who, being by me duly sworn did say that he is the Exec. Vice-President of DELHI OIL CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said P. T. Bee acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have set my hand and seal of office the day and year first above written.

(signed) Ernestine Oerick,
Notary Public in and for
Dallas County, Texas

My Commission Expires June 1, 1951

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

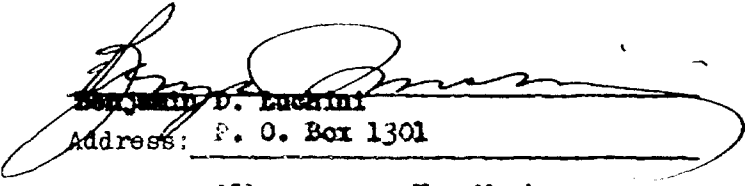
WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

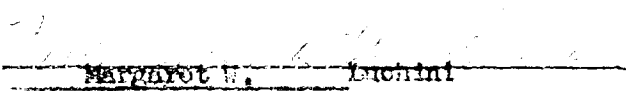
NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 27th day of February, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.


Benjamin D. Luchini
Address: P. O. Box 1301

Albuquerque, New Mexico

Joined by his wife,


Margaret W. Luchini
Address: P. O. Box 1301

Albuquerque, New Mexico

Address: _____

Address: _____

(over)

STATE OF NEW MEXICO)
COUNTY OF MEHUALILLO)

On this 27th day of February, 1948, before me personally appeared Benjamin D. Luchini and Margaret W. Luchini, his wife 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.

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

Lina M. Wilborn
Notary Public

My Commission Expires:

June 22, 1949

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 194_, 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.

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

Notary Public

My Commission Expires:

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 27th day of February, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

George P. Gibson
Address: 1113 North Maricopa Avenue
Pasadena 3, California

Joined by his wife,

Gibson
Address: 1113 North Maricopa Avenue
Pasadena 3, California

Address: _____

Address: _____

(over)

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

On this 27th day of February, 1948, before me personally appeared George P. Gibson, a single man, 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.

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


Notary Public

NOTARY PUBLIC
IN AND FOR COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

My Commission Expires:

My Commission Expires

June 30, 1950

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 194__, 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.

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

Notary Public

My Commission Expires:

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 2nd day of March, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

Harold S. Brown. A single man
Harold S. Brown
Address: 1340 West 30th Street
Los Angeles, California

joined by his wife,

Brown
Address: 1340 West 30th Street
Los Angeles, California

Address: _____

Address: _____

(over)

STATE OF California)
COUNTY OF Los Angeles)

On this 2nd day of March, 1948, before me personally appeared Harold 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.

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

My Commission Expires Oct. 17, 1950

W. Peterson
Notary Public

My Commission Expires:

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 194_, 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.

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

Notary Public

My Commission Expires:

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 24 day of Feb, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

Howard M. Wade
Howard M. Wade
Address: Wade Manufacturing Company
Charlotte, North Carolina

Joined by his wife,

Rosalie T. Wade
Rosalie T. Wade
Address: c/o Wade Manufacturing Company
Charlotte, North Carolina

Address: _____

Address: _____

STATE OF North Carolina
COUNTY OF Mecklenburg

On this 24th day of February, 1948, before me personally appeared Seward M. Thadde, 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.

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

Rosalind Bailey Harris
Notary Public

My Commission Expires:

5/21/49

STATE OF North Carolina
COUNTY OF Mecklenburg

On this 24th day of February, 1948, before me personally appeared Rosalind T. Thadde, 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.

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

Rosalind Bailey Harris
Notary Public

My Commission Expires:

5/21/49

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 2 day of March, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

Mabel C. Kenney
Mabel C. Kenney
Address: 504 Hemlock
Milbrae Highlands
Milbrae, California

joined by her husband,

Clarence Kenney
Clarence Kenney
Address: 504 Hemlock
Milbrae Highlands
Milbrae, California

Address: _____

Address: _____

(over)

STATE OF California
COUNTY OF San Mateo

On this 2 day of March, 1948, before me personally appeared Mabel C. Kenny & Clara Kenny 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.

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

Anna V. Ross
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES AUG. 7, 1949

STATE OF California
COUNTY OF San Mateo

On this 2 day of March, 1948, before me personally appeared Mabel C. Kenny & Clara Kenny 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.

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

Anna V. Ross
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES AUG. 7, 1949

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 28 day of February, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each. J

Len R. Oden
Len R. Oden
Address: 309 South First Street
Council Bluffs, Iowa

Joined by his wife,

Jennie Oden
Jennie Oden
Address: 309 South First Street
Council Bluffs, Iowa

Address: _____

Address: _____

STATE OF Iowa)
COUNTY OF Polk)

On this 18 day of February, 1948 before me personally appeared Sam R Ogden, 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.

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

Gertrude J. Tindley
Notary Public

My Commission Expires:

July 4, 1948

STATE OF Iowa)
COUNTY OF Polk)

On this 28 day of February, 1948 before me personally appeared Frank Ogden, 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.

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

Gertrude J. Tindley
Notary Public

My Commission Expires:

July 4, 1948

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 24th day of February, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

William C. Acton
William C. Acton
Address: 106 Calhoun Street
Marysville, Kansas

joined by his wife,

Julia M. Acton
Julia M. Acton
Address: 106 Calhoun Street
Marysville, Kansas

Address: _____

Address: _____

(over)

STATE OF Kansas)
COUNTY OF Marshall)

On this 24 day of February, 1948, before me personally appeared William C. Acton and Julia M. Acton, his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that the 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 above written.

John S. Mulligan
Notary Public

My Commission Expires: April 15, 1951

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 194 , 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.

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

Notary Public

My Commission Expires:

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 25 day of Feb, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

Kath E. Crouse
Kath E. Crouse
Address: 13606 Oxnard Street
Van Nuys, California

Joined by his wife,
Geraldine F. Crouse
Geraldine F. Crouse
Address: 13606 Oxnard Street
Van Nuys, California

L. F. Mansseau
L. F. Mansseau
Address: 13606 Oxnard Street
Van Nuys, California

Joined by his wife,
Ruth Mansseau
Ruth Mansseau
Address: 13606 Oxnard Street
Van Nuys, California

STATE OF California)
COUNTY OF Los Angeles)

On this 25th day of January, 1948, before me personally appeared Keith H. Grouse and Lawrence L. Grouse, 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.

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

C. E. Joy
Notary Public

My Commission Expires:

STATE OF CALIFORNIA)
COUNTY OF Los Angeles)

On this 25th day of February, 1948, before me personally appeared E. E. Henshaw and Ruth Henshaw, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he 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 above written.

C. E. Joy
Notary Public

My Commission Expires:

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

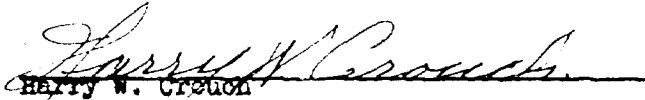
WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

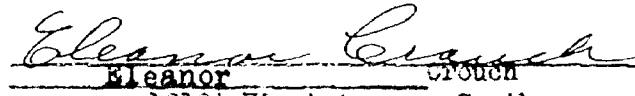
WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 8 day of March, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.


Harry W. Crouch
Address: 1010 1/2 First Avenue, South
Fort Dodge, Iowa

joined by his wife,


Eleanor Crouch
Address: 1010 1/2 First Avenue, South
Fort Dodge, Iowa

Address: _____

Address: _____

(over)

STATE OF IOWA)
COUNTY OF WEBSTER)

On this 8th day of March, 1948, before me personally appeared Harry W. Crouch and Eleanor Crouch, his wife, 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.

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

John B. Kuchner
Notary Public

My Commission Expires:

July 4, 1948.

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 194_, 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.

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

Notary Public

My Commission Expires:

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this _____ day of _____, 194____, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

Edward O'Neil
Edward O'Neil
Address: Lock Box 14

Hulbert, Michigan

joined by his wife,

Bessie O'Neil
Bessie O'Neil
Address: Lock Box 14

Hulbert, Michigan

Address: _____

Address: _____

(over)

STATE OF

COUNTY OF

On this 5th day of March, 1948, before me personally appeared Edward O. McGee, 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.

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

[Signature]
Notary Public

My Commission Expires:

STATE OF

COUNTY OF

On this 5th day of March, 1948, before me personally appeared Bennie W. McGee, 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.

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

[Signature]
Notary Public

My Commission Expires:

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 24th day of February, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

G. Howard Cowan, Executor of the Estate of Dr. Guy
A. Cowan, Deceased



G. Howard Cowan
Address: 2068 South Fourth Street

Springfield, Illinois

Address: _____

Address: _____

Address: _____

(over)

STATE OF Illinois
COUNTY OF Sangamon

On this 24 day of Feb, 1948, before me personally appeared G. W. Sargent, 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.

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

George E. Batson
Notary Public

GEORGE E. BATSON
NOTARY PUBLIC
728 North 5th Street
Springfield, Illinois

My Commission Expires:

My Commission Expires Jan. 24, 1949.

STATE OF _____
COUNTY OF _____

On this ____ day of _____, 194_, 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.

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

Notary Public

My Commission Expires:

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 12th day of March, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

Alice E. West
Alice E. West
Address: 2017 - 15th Street
Sacramento, California

joined by her husband,

West
Address: 2017 - 15th Street
Sacramento, California

Address: _____

Address: _____

(over)

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO)

On this 12 day of March, 1948, before me personally appeared Alice E. West, 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.

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

Jos B. Rutter
Notary Public

My Commission Expires:

8-24-50

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 194____, 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.

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

Notary Public

My Commission Expires:

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)


WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

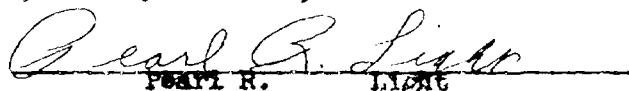
WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 28th day of February, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.


Victor Bryan Light
Address: 1340 Ripple Street
Los Angeles 26, California

Joined by his wife,


Pearl R. Light
Address: 1340 Ripple Street
Los Angeles 26, California

Address: _____

Address: _____

STATE OF California)
COUNTY OF Los Angeles)

On this 28th day of February, 1948, before me personally appeared Victor Bryan Light and Pearl R. Light, 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.

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



Notary Public

H. S. NORRIS

NOTARY PUBLIC in and for the County
of Los Angeles, State of California.
My Commission Expires April 2, 1948

My Commission Expires:

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 194__, 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.

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

Notary Public

My Commission Expires:

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 28 day of Feb, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

Ann L. Elliott
Ann L. Elliott
Address: Santa Maria, California

Joined by her husband,

Elmer A. Elliott
Elmer A. Elliott
Address: Santa Maria, California

Address: _____

Address: _____

STATE OF California)
COUNTY OF Santa Barbara)

On this 28th day of February, 1948, before me personally appeared Annie L. Elliott and Elmer E. Elliott, 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.

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

Chas W. Hatch
Notary Public

My Commission Expires:

July 24, 1950

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 194_, 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.

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

Notary Public

My Commission Expires:

PROPOSED OIL AND GAS UNIT AGREEMENT

Memorandum Re Changes Made in Form Suggested by Federal Government
for Use in Undeveloped Areas.

The lettered paragraphs below correspond with the marginal letters appearing on the marked copy of the proposed Unit Agreement which accompanies this memorandum.

- a. These provisions are considered necessary or advisable under State law or regulation; or, they are otherwise self-explanatory.
- b. This limitation of the commitment relates to the fact that under Section 2 (see f.) and Section 25 (see the concluding paragraph), the parties are required to make representation concerning ownership of the interests attributed to them by Exhibit B; accordingly, they should not be expected to commit any interest not attributed to them by Exhibit B. It is hoped that execution of the final agreement will be facilitated by reason of these more explicit provisions.

Addition of the words "oil and gas" is believed self-explanatory; it conforms to the opening paragraph of the agreement.

- c. These are definitions for the purpose of making terminology more explicit. Some of them appear in Title 30 of the Regulations, Section 226.2.
- d. This change originates in the theory explained opposite b. above. The exhibit will be explicit in definition of each party's interest committed.
- e. This change intended simply to permit refiling of complete exhibits at reasonable intervals and to permit filing during the intervals of information concerning changes, intended to avoid burdening the record and the unit operator unnecessarily.
- f. This addition also derives from the theory expressed opposite b. above. The parties' respective representations concerning their ownership of unitized interests are considered only prima facie.
- g. Omission of the word "lessors" at this point does not change the meaning in view of the definition of "Working Interest Owner." The term "lessor" is embraced by the defined term "owner of landowners royalty" which has the same meaning and definition.
- h. This addition is simply exposition to make definite the basis for expansion or contraction of the unit area.
- i. While the fee lands are limited in amount, they are not insignificant and it is believed undesirable for a unit operator to assume the obligation of an oil and gas lease

see except where the owner of landowners royalty is committed to principles of the agreement; accordingly, this addition limits the term "unitized land" to land in which both the royalty and working interests are committed, irrespective of the order of commitment. Section 25 (see ss.) has a similar purpose; that is, to provide for release of land under proper conditions in the event of title failures.

With these provisions it is hoped to obtain signature of fee working interests without regard to prior signature of royalty interests and vice versa—thus to expedite completion of the agreement.

- j. Change made in recognition of the fact that production may be obtained through drainage from lands not unitized.
- k. Addition to make definite the intention that unit operator may by resigning be relieved of obligations not accrued on effective date of the resignation, including drilling obligations.
- l. The unit accounting agreement will spell out more fully rights of the parties concerning equipment belonging to a retiring unit operator.
- m. This change is primarily intended to make more specific the voting provisions and to utilize defined terms.
- n. An addition simply specifying the methods of voting.
- o. This addition intended simply to preserve any and all independent purchase rights which are otherwise valid and effective. This is a qualification of a right above granted to unit operator to dispose of unitized substances so that operator will not, by virtue of the unit agreement, be compelled to ignore proper agreements entitling other parties to purchase or dispose of portions of unitized substances.
- p. The unit accounting agreement does in fact express and elaborate upon the operator's rights and obligations; such agreement is mentioned here for that reason. It should be remembered, however, that the unit accounting agreement yields to the unit agreement in event of conflict (see Section 6.).
- q. This addition considered necessary to avoid conflict with Section 12 which provides, among other things, for operation by other working interest owners of marginal wells.
- r. These two changes are intended to express more accurately the real intention of the parties.
- s. An addition recognizing the fact that courts have implied covenants in ordinary oil and gas leases in the absence of an expressed covenant on the subject matter.
- t. The language changes simply to conform with existing contractual arrangements without significant change in meaning. Also makes unnecessary the express recognition of the Commission's authority in addition to the leasehold.

- u. Addition intended to permit compliance by the operator after notice of default; to prevent a termination not desired or appropriate.
- v. Addition to provide for possibility that the test well may be started (or even completed) before effectiveness of the unit agreement. Avoids possible construction that under first sentence of Section 8 operator would be required to drill another well after effectiveness.
- w. "Unitized land" is a defined term superseding "unitized area" which is not defined. Change conforms to obvious intentions.
- x. A proper and realistic limitation on the parties drilling obligations, conforming with intention.
- y. To make definite that production prior to effectiveness of revised schedule is allocated to the producing lease, thus to avoid hiatus and to restate, without significant change in meaning, the last sentence of the paragraph.
- z. A change to recognize the fact that "benefits" may not be paid in money but, instead, may be delivered in kind, pursuant to lease requirement.
- aa. To identify by agreement the bank in which funds may be impounded and to provide for majority rule in designation of any alternate bank used for this purpose.
- bb. This addition meshes with the regular provisions of Section 12 under which the owner of a lease may take over and operate a marginal well thereon. Regardless of such owner's decision, the operator should be clearly exempted from unprofitable operation after a reasonable test period for the marginal well.
- cc. This addition also relates to the regular provisions of Section 12; it properly limits the provision to benefits accruing from operations by unit operator as distinguished from individual operation of marginal wells.
- dd. A provision believed to be fair and proper which is adopted from unit plans previously approved.
- ee. An addition to make clear that other working interest owners should not be entitled to drill on their lands if the operator is attempting by pending application to include such lands within a participating area.
- ff. This is simply a substitute provision regarding wells drilled by persons other than unit operator more consistent with the intention of the parties and believed to be fair. It has no effect on the unit plan, being a proper operative matter.
- gg. Intention of these changes is that operator will pay rentals and ~~minimum~~ royalties to the U. S. and the State for all unitized land; will pay all royalties allocated to land in a participating area (but not royalty on production from land outside a participating area obtained by a party drilling under Section 12); and ~~may~~ pay overriding royalty and for

lease delay rents, if requested to do so. Moreover, the unit operator is properly exempted from liability which might otherwise be asserted on account of its honest mistakes in making payment. It is submitted that these changes do not invade rights of the U. S. or the State and are a proper subject of agreement between the private parties.

- hh. The regular provision is simply expanded to apply as well to other leases as to Federal.
- ii. This addition primarily intended to permit discontinuance of delay rents on fee lands and to permit dropping of other nonproductive leases if rentals unduly burdensome and prospect of production unlikely, subject to applicable rules and regulations.
- jj. This addition is simply a separate unequivocal statement of the same idea expressed in the first paragraph of Section 11.
- kk. The last phrase is deleted as being so vague and uncertain as to be either meaningless or dangerous. Generalities of this sort might result in troublesome or costly disputes between the many private parties who are expected to sign the agreement.
- ll. This adjustment simply permits under stated conditions payment of compensatory royalty on interests other than Federal.
- mm. This provision added to extend leases on private lands once such land, or a part thereof, is in a participating area. Believed to be sound and in accordance with generally accepted intentions. Federal or State lands not affected.
- nn. This change intended simply to clarify and make more definite the obvious intention.
- oo. This addition simply expresses a proper intention of the parties making clear that substitute leases remain committed to the agreement.
- pp. A restatement of the suspension provision to make certain the type of authorized suspension referred to.
- qq. An adaptation of the regular provision believed to be a more accurate expression of the intention.
- rr. An addition for the protection of operator in accounting matters. It could apply only to an attempted separation of oil from gas rights, et cetera, not affecting State or Federal jurisdiction.
- ss. A change to conform this term with the same term used above ("fixed" instead of "initial" term).
- tt. This addition simply expresses the obvious intention that the agreement will remain in effect so long as either gas or oil is produced in paying quantities from any part of unitized lands.
- uu. Section 20 of the form (Determinations by Operator and Revision thereof) is omitted entirely as incompatible with the

quirements and jurisdiction of the New Mexico authorities. It is understood that precedent exists for this omission.

- vv. A simple restatement of the excusing causes without material change in meaning.
- ww. A provision added as compatible with jurisdiction of all authorities and as needed protection to the private parties. It is believed that precedent exists for this addition.
- xx. This is the regular form Section 22 (Counterparts) with a new title descriptive of the material contained.
- yy. These additions are believed to be equitable, sound provisions for the protection and convenience of the private parties without effect on jurisdiction. In some cases they are simply adaptations of the regular provisions.
- zz. A restatement and elaboration of regular Section 24 (Loss of Title).

RATIFICATION AND ADOPTION
OF
UNIT PLAN FOR DEVELOPMENT AND OPERATION OF
THE HOPE UNIT AREA (EDDY COUNTY, NEW MEXICO)

WHEREAS, under date of November 28, 1947, a Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, New Mexico, has been executed by various qualified parties interested in the oil, gas, natural gasoline and associated fluid hydrocarbons which may be producible from the unit area, and also executed by Southern Union Production Company as Unit Operator, such Unit Agreement being referred to for all its terms and provisions and for a description of the lands comprising the unit area; and

WHEREAS, each of the undersigned has received a copy of the Unit Agreement, including exhibits, and each of the undersigned who is a Working Interest Owner, as defined in such Unit Agreement, has also received a copy of the related Unit Accounting Agreement executed by various of the other Working Interest Owners under date of November 28, 1947, express reference being made to the Unit Accounting Agreement for all its terms and provisions; and

WHEREAS, each of the undersigned desires to subscribe, ratify, and adopt the Unit Agreement and, to the extent of any and all working interests held in the unit area, to subscribe, ratify and adopt the related Unit Accounting Agreement;

NOW, THEREFORE, as contemplated by such instrument(s), each of the undersigned, in consideration of the execution thereof by certain other proper parties, does hereby subscribe, ratify, approve and adopt the said Unit Agreement and, to the extent of any and all working interest(s) now held by him or it in the unit area, does hereby subscribe, ratify, approve and adopt the related Unit Accounting Agreement, with the intention that each of undersigned shall become a party to and be bound by such instrument(s) as fully and with the same effect as if he or it had executed and delivered an original copy of such instrument(s) concurrently with other parties thereto.

IN WITNESS WHEREOF, this instrument is executed on this 22 day of March, 1948, so as to be binding upon and inure to the benefit of each of undersigned and the respective heirs, successors, personal representatives and assigns of each.

George R. Hollington
George R. Hollington
Address: 1247 Fifth Street
Santa Monica, California

joined by his wife,

Marie E. Hollington
Marie E. Hollington
Address: 1247 Fifth Street
Santa Monica, California

Address: _____

Address: _____

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

On this 22nd day of March, 1948, before me personally appeared George R. and Marie Hollington, 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.

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

Robert C. Westenhaver
Notary Public

My Commission Expires:

September 1, 1951

STATE OF _____)
COUNTY OF _____)

On this ____ day of _____, 194_, 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.

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

Notary Public

My Commission Expires:

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

June 26, 1947

The Artesia Advocate
Artesia, New Mexico

Re: Cases 103, 104, 106, 107 and 108 -
Notice For Publication.

Gentlemen:

Please publish the enclosed notice once, immediately.
Please proof-read the notice carefully and send a copy of the
paper carrying such notice.

. UPON COMPLETION OF THE PUBLICATION, PLEASE SEND PUBLISHER'S
AFFIDAVIT. -

For payment please submit statement in duplicate, accompanied
by voucher executed in duplicate. The necessary blanks are en-
closed.

Very truly yours,

GEORGE A. CHAMAM
Attorney,
Oil Conservation Commission

AS:bap

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF
PETITION FOR APPROVAL
OF THE HOPE UNIT AGREE-
MENT, EDDY COUNTY

Southern Union Production Co.,
Petitioner

NO. _____

TO THE COMMISSION AND ITS HONORABLE MEMBERS:

There is filed herewith a proposed form of unit agreement for the development and operation of the Hope Unit Area in Eddy County, New Mexico. Your petitioner is Southern Union Production Company, a Delaware corporation authorized to transact business in the State of New Mexico. It maintains an office in Santa Fe at the corner of Marcy and Otero Streets, in charge of which is Mr. J. R. Cole, Vice President. It also maintains a general business office at 1104 Burt Building, Dallas 1, Texas.

The proposed unit area is described as follows:

BEGINNING at the NE corner of Section 17, T. 18 S., R. 24 E., and extending west to the NW corner of Section 15, T. 18 S., R. 23 E.; thence south to the SW corner of Section 3, T. 19 S., R. 23 E.; thence east to the SE corner, Section 4, T. 19 S., R. 24 E.; thence north to the NE corner of the SE $\frac{1}{4}$ of Section 33, T. 18 S., R. 24 E.; thence west to the center of said Section 33; thence north to the mid point on the north line of said Section 33; thence west to the NW corner of said Section 33; thence north to the place of beginning embracing in all 17,120 acres, more or less, in Eddy County, New Mexico.

Petitioner believes and represents to the Commission that the proposed unit agreement is in proper form, containing provisions compatible with the laws of the State of New Mexico and consistent with the jurisdiction of its authorities. In support of the proposed unit agreement, Petitioner also represents to the Commission as follows:

1. There is attached hereto and incorporated herein a map outlining the area above described, indicating by distinctive colors the federal, state and fee lands, respectively, according to the information and belief of Petitioner.

2. Petitioner is prepared to submit in evidence reports and maps containing the results of gravity meter and magnetometer surveys of the proposed unit area which indicate the existence of a structure favorable to the accumulation of oil or gas. The proposed unit area embraces lands which appear to be within the outlines of such structure.

3. Pursuant to the unit agreement, following its approval and effectiveness, Petitioner proposes to drill a test well on the unit area, the objective depth being 7,000 feet. Reference is made to Section 8 of the proposed form for the drilling provision. The proposed unit agreement will designate your Petitioner as the Unit Operator, reference being made to Section 4 thereof.

4. The pooling of properties to be effected by the unit agreement will be upon terms and conditions just and reasonable which will afford to the owner of each tract an opportunity to recover or receive the benefit of his just and equitable share of the oil and gas. Provisions of the proposed unit agreement are, moreover, believed to be consistent with sound, accepted practice and according to precedent. Development and operation of the unit area under the plan will result in the prevention of waste, in the conservation of oil and gas and in the fair distribution of benefits from production to each royalty owner and other person entitled to share therein.

5. Concurrently with this petition, application is being filed with the Commissioner of Public Lands, State of New Mexico, and with the proper representatives of the United States for approval of the proposed form of unit agreement herewith enclosed.

6. Petitioner is now engaged in the development and production of natural gas and associated hydrocarbons in the State of New Mexico. It has been so engaged for a number of years and, in the usual conduct of its

business, it maintains a staff of skilled employees experienced in development and production operations. Petitioner is willing and able to comply with all applicable requirements of law and duly constituted regulatory authorities.

WHEREFORE, Petitioner requests that the Commission, after notice and hearing as required by law and applicable regulations, enter its order approving the proposed unit agreement and its conservation provisions, and take all other steps and actions as may be necessary or appropriate to the end that the Commission's consent to and approval of the unitization program shall be given and properly evidenced.

Petitioner hereby offers to supply such other information concerning this matter as is available to it.

Respectfully submitted,

SOUTHERN UNION PRODUCTION COMPANY

By Scott Hughes
Vice President

A T T E S T:

John M. Cline
Secretary

VERIFICATION

STATE OF TEXAS)
)
COUNTY OF DALLAS)

Before me, a Notary Public in and for Dallas County, Texas, personally appeared Scott Hughes, Vice President of SOUTHERN UNION PRODUCTION COMPANY, a corporation, well known to me to be such person and officer, and he upon oath duly administered stated that he had read the foregoing petition and that the facts therein set forth are true and correct to the best of his information and belief, and that he had executed such petition

on behalf of said corporation as its free and voluntary act and deed,
pursuant to due authorization.

Green Hughes

Sworn to and subscribed before me this 22nd day of May,
1947, to certify which witness my hand and seal of office.

Pave Griffin
Notary Public in and for
Dallas County, Texas

My Commission Expires _____
PAVE GRIFFIN
Notary Public, Dallas County, Texas
My commission expires June 1, 1947

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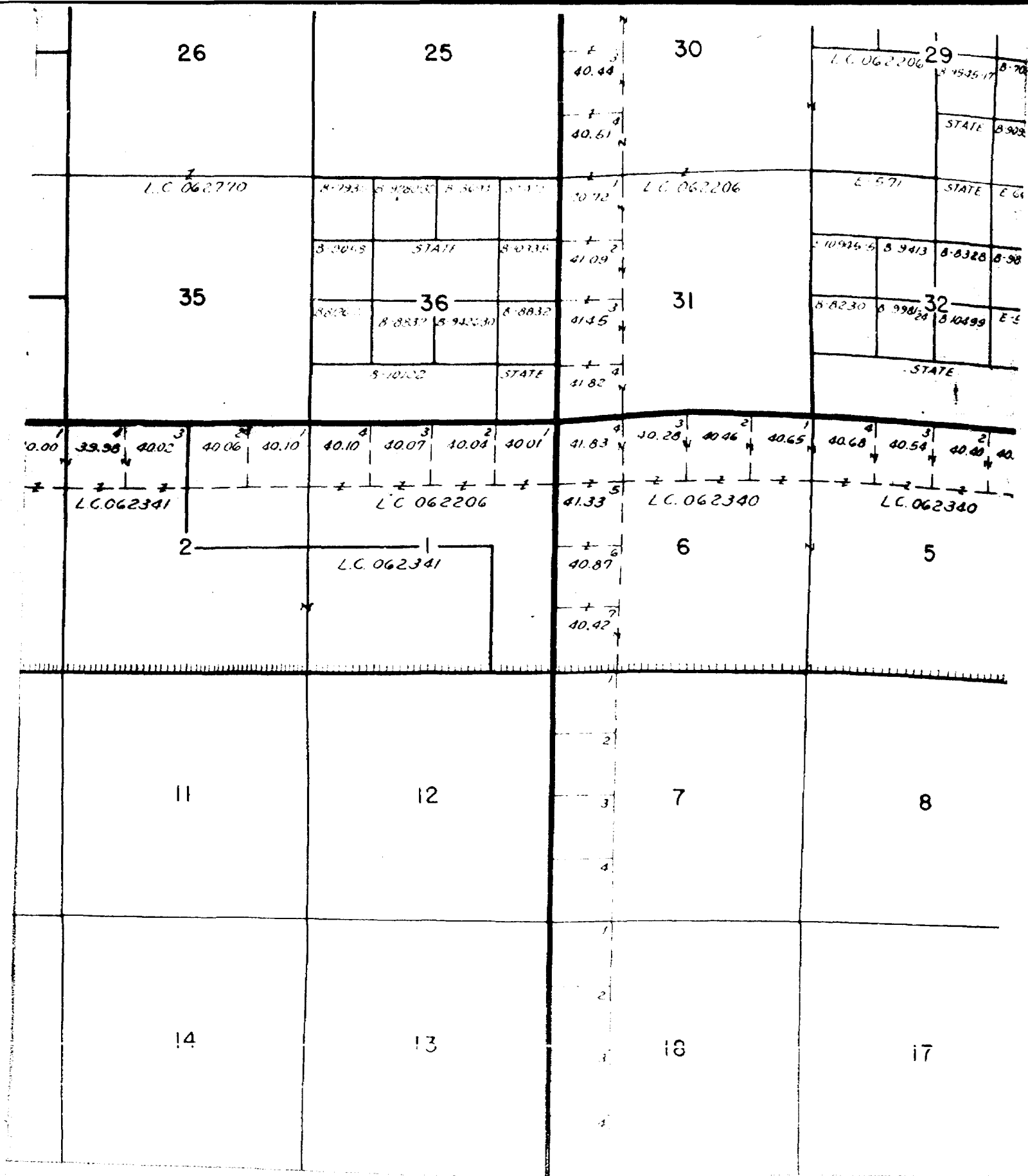
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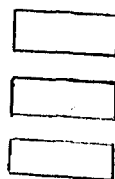


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HOPE UNIT AREA EDDY COUNTY, NEW MEXICO

Scale 2" = 1 Mile



Federal Land

State Land

Fee Land

28

27

26

L.C. 062206

33

34

35

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L.C. 062340

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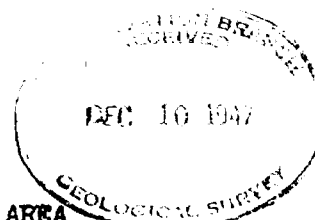
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UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE HOPE UNIT AREA
EDDY COUNTY STATE OF NEW MEXICO

I-Sec. No. 556



THIS AGREEMENT, entered into as of the 28th day of November, 1947,
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, 30 U.S.C. secs. 181,
et seq., as amended by the act of August 8, 1946, 60 Stat. 950, 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 in-
terest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is
authorized by an Act of the Legislature (Chap. 88, Laws 1943) to consent to
or approve this agreement on behalf of the State of New Mexico, insofar as it
covers and includes lands and mineral interests of the State of New Mexico;
and

WHEREAS, the Oil Conservation Commission of the State of New Mexico is
authorized by an Act of the Legislature (Chap. 72, Laws 1935) to approve this
agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the Hope Unit
Area 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 dev-
elopment 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, to the extent herein specified, their respective interests in the unit area and agree severally among themselves as follows:

DEFINITIONS

When used in this agreement, unless it clearly appears from the context that some other or additional meaning is intended:

the term "Secretary" means the Secretary of the Interior of the United States, or any person duly authorized to exercise the powers vested in that officer;

the term "Director" means the Director of the United States Geological Survey;

the term "Supervisor" means the Oil and Gas Supervisor of the United States Geological Survey for the region in which the unit area is situated;

the term "Commissioner" means the Commissioner of Public Lands of the State of New Mexico (including any duly qualified successor authority which may hereafter be vested with similar jurisdiction) or any person duly authorized to exercise the powers vested in that officer;

the term "Commission" means the Oil Conservation Commission of the State of New Mexico (including any duly qualified successor authority which may hereafter be vested with similar jurisdiction) or any person(s) duly authorized to exercise the powers vested in that body;

the term "Unit Operator" shall mean the Unit Operator designated herein or its successor Unit Operator from time to time duly selected, approved and acting hereunder;

the term "working interest" means an interest by virtue of a lease, working or operating agreement, fee mineral title or otherwise, under which the owner of such interest is vested with the right (whether exclusive or held in common with one or more others) to explore for, develop and produce from land oil, gas, natural gasoline and associated fluid hydrocarbons (except that the right vested in the Unit Operator as such by this agreement is not a working interest), and the term "Working Interest Owner" means the owner of such an interest;

the term "royalty interest" means an interest entitling the owner thereof to receive free of development and operating costs a portion of the production from land of oil, gas, natural gasoline and associated fluid hydrocarbons, or the value or proceeds from sale of such portion, and the term shall include such an interest which is limited to a specified dollar or volumetric amount of such production;

the term "landowner's royalty" means a royalty interest created in favor of an original lessor, by an oil and gas lease or a like instrument which vests a working interest in others;

the term "unitized interest" means any interest in oil, gas, natural gasoline and associated fluid hydrocarbons which is committed to this agreement in one of the manners herein provided.

Certain other terms are defined in various sections of this agreement to which definitions reference is made for all purposes hereof.

ENABLING ACT
AND
REGULATIONS

1. The act of February 25, 1920, as amended, and to the extent not inconsistent with this agreement 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, and as to non-federal land applicable State laws, including the Acts of the New Mexico Legislature referred to in the preambles hereof, and to the extent not inconsistent with this agreement all valid pertinent regulations heretofore issued thereunder or valid pertinent and reasonable regulations hereafter issued thereunder also are accepted and made a part of this agreement.

UNIT AREA

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

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO, (Eddy County)

T. 18 S., R. 23 E.
Sections 13, 14, 15, 22,
23, 24, 25, 26, 27, 34,
35 and 36: All

T. 18 S., R. 24 E.
Sections 17, 18, 19, 20,
29, 30, 31 and 32: All
Section 33: S $\frac{1}{2}$ and NW $\frac{1}{4}$

T. 19 S., R. 23 E.
Sections 1, 2 and 3: All

T. 19 S., R. 24 E.
Sections 4, 5 and 6: All

Total unit area 17,120 acres, more or less.

Exhibit A attached hereto is a map showing the unit area and the known ownership of all land and oil and gas leases in said area. Exhibit B attached hereto is a schedule showing the percentage and kind of ownership of oil and gas interests in all land in the unit area to which this agreement will become applicable by signature hereto, or to a counterpart or ratification hereof, by the owner(s) of such interests, respectively. Exhibits A and B shall be revised by the Unit Operator at reasonable intervals to reflect changes in the unit area or other changes rendering such revision necessary, and not less than six copies of the revised exhibits (or, when appropriate, the information necessary to correct them) shall be filed with the Supervisor and the Commissioner. While the information shown on Exhibits A and B is understood and believed to be accurate no representation of accuracy is made by the parties hereto except that each represents that he is at the time of his execution hereof the owner and holder of those interests attributed to him by the Exhibit B attached, and Unit Operator makes no representation concerning any revised exhibit or supplemental information filed hereunder except that it is accurate according to Unit Operator's information and belief insofar as it relates to the interests of other parties and that it is correct as to Unit Operator's own interests.

The above-described unit area shall be expanded or contracted, whenever such action is necessary or desirable to conform with the purposes of this agreement, in the following manner:

(a) Unit Operator, on its own motion or on demand of the Director or 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) A copy of said notice shall be delivered to the Supervisor, the Commissioner and the Commission, and a copy thereof shall be mailed to the last known address of each Working Interest Owner and owner of landowner's royalty whose interests are affected, advising that thirty (30) days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the thirty (30) day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor and the

Commissioner evidence of mailing of the notice of expansion or contraction and shall file with each the Supervisor, the Commissioner and the Commission 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, the Commissioner and the Commission, become effective as of the date prescribed in the notice thereof.

The unit area may be so redefined to include additional contiguous land believed to be potentially productive of oil, gas, natural gasoline or associated fluid hydrocarbons, or to exclude land (if not in a participating area) because it is believed to be barren of such substances.

All land committed to this agreement from time to time shall constitute land referred to herein as "unitized land" or "land subject to this agreement." Land within the unit area shall be deemed committed to this agreement by the execution of this agreement (or a counterpart or a written ratification or adoption hereof) by the persons owning the working interests and the landowner's royalty interests (including the lessees of record if not the Working Interest Owners) in such land, as described opposite the name of such persons in Exhibit B. (Reference is made to Section 25 for provisions covering the withdrawal from unitization of unitized interests in certain cases.) When both the working interest and the landowner's royalty in land are so committed the pertinent lease shall be regarded as committed hereto insofar as it embraces such committed land.

UNITIZED 3. All oil, gas, natural gasoline, and associated fluid
SUBSTANCES hydrocarbons in any and all formations of the unitized land
are unitized under the terms of this agreement, and herein are called "unitized
substances."

UNIT 4. Southern Union Production Company, a corporation with
OPERATOR offices in Dallas, Texas, is hereby designated as Unit
Operator and by signature hereto commits to this agreement all land (including
all interests in unitized substances) vested in it as set forth in Exhibit B,
and agrees and consents to accept the duties and obligations of Unit Operator
for the discovery, development, and production of unitized substances as here-
in 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 whenever reference is made to an owner of unitized substances or interests such reference shall be understood to include any interests in unitized substances owned by the Unit Operator.

The Unit Operator may resign as Unit Operator whenever not in default under this agreement, but no Unit Operator shall be so relieved from the duties and obligations of Unit Operator for a period of six (6) months after it has served notice of intention to resign on all owners of working interests in land subject to this agreement and on the Director, the Commissioner and the Commission, unless a new Unit Operator shall have been selected and approved and shall have assumed the duties and obligations of Unit Operator prior to the expiration of said 6-month period. Upon default or failure in the performance of its duties or obligations under this agreement the Unit Operator may be removed forthwith by majority vote of the Working Interest Owners determined in like manner as herein provided for the selection of a successor Unit Operator. Prior to the effective date of relinquishment by or within 6 months after removal of any Unit Operator, the duly qualified successor Unit Operator shall have an option to purchase on reasonable terms (to be fixed by the unit accounting agreement) all or any part of the equipment, material, and appurtenances in or upon the land subject to this agreement, owned and used by the retiring Unit Operator in its capacity as such Operator, or if no qualified successor operator has been designated, the Working Interest Owners may purchase such equipment, material, and appurtenances, all subject to applicable provisions of the unit accounting agreement. At any time within the next ensuing three (3) months any such property not purchased and not necessary for the preservation of wells may be removed by the retiring Unit Operator, but if not removed within such 3-month period shall become the joint property of the owners of unitized working interests in the participating area where such property is installed, or, if no participating area has been established, in the entire unit area. The termination of the rights as Unit Operator under this agreement shall not terminate the rights, titles, or interests of such Unit Operator in any property whatever owned in its separate capacity as owner of interests in unitized substances.

SUCCESSOR
UNIT
OPERATOR

5. Whenever the Unit Operator shall relinquish the right as Unit Operator or shall be removed, the owners of the

unitized working interests in the participating area on an acreage basis, or in the unit area on an acreage basis until a participating area shall have been established, shall select a new Unit Operator. The affirmative vote of Working Interest Owners then parties hereto holding the working interest in more than fifty percent (50%) in area of the land in the participating area (or of the land subject to this agreement, as the case may be) shall be required to select a new Unit Operator; provided, that, if a majority but less than seventy-five percent (75%) of the working interests qualified to vote are owned by one party to this agreement a concurring vote of at least one additional Working Interest Owner shall be required to select a new operator. The voting may be conducted by written ballot submitted by mail, by viva voce in person or by proxy or in any other democratic manner calculated to obtain the requisite expression, or by a combination of such methods, all upon reasonable notice. 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 the Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director and the Commissioner concurring may, at their election, declare this agreement terminated.

UNIT
ACCOUNTING
AGREEMENT

6. If the Unit Operator is not the sole owner of working interests, all costs and expenses incurred in conducting unit operations hereunder and the working interest benefits accruing hereunder shall be apportioned among the owners of unitized working interests in accordance with a unit accounting agreement by and between the Unit Operator and the other owners of such 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 accounting agreement." No such 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 this unit agreement and the unit accounting agreement this unit agreement shall prevail. Three true copies of any unit accounting agreement executed pursuant to

this section shall be filed with the Supervisor, one such copy shall be filed with the Commissioner and one with the Commission.

RIGHTS AND
OBLIGATIONS OF
UNIT OPERATOR

7. 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, and disposing of the unitized substances are hereby vested in and shall be exercised by the Unit Operator as herein provided (subject, however, to any independent contractual right otherwise valid and effective of any of the parties hereto to purchase for their own account or to dispose of any of the unitized substances). 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.

Except as otherwise expressly provided in Section 12 hereof, the Unit Operator shall pay all costs and expenses of operation with respect to the unitized land. If and when the Unit Operator is not the sole owner of all working interests, such costs shall be charged to the account of the owner or owners of working interests, and the Unit Operator shall be reimbursed therefor by such owners and shall account to the Working Interest Owners for their respective shares of the revenues and benefits derived from its operations hereunder, all in the manner and to the extent provided in the unit accounting agreement. The Unit Operator shall render each month to the owners of unitized interests entitled thereto an accounting of its operations on unitized land during the previous calendar month, and shall pay in value or deliver in kind to each party entitled thereto a proportionate and allocated share of the benefits accruing hereunder all in conformity with the unit accounting agreement, operating agreements, leases, or other independent contracts between the Unit Operator and the parties hereto either collectively or individually.

The development and operation by the Unit Operator of any land subject to this agreement under the terms hereof shall be deemed full performance of

all obligations for such development and operation, express or implied, with respect to each and every part or separately owned tract of land 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, express or implied, in any lease, operating agreement or other contract by and between the parties hereto or any of them.

DRILLING TO

DISCOVERY

8. Within six (6) months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location to be approved by the Supervisor (and also by the Commission if upon state land or land in which the oil and gas rights have been patented), and shall thereafter continue such drilling diligently until such well has been drilled to a depth of seven thousand (7000) feet unless at a lesser depth one or more of the unitized substances shall be discovered which can be produced in paying quantities or there is encountered igneous or metamorphic rock or some cavernous or other underground condition which in the opinion of the Supervisor would render further drilling impractical or inadvisable. If the first or any subsequent test well fails to result in the discovery of a deposit of one or more of the unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than six (6) months between the completion of one well and the beginning of the next well, until a well capable of producing one or more of the unitized substances in paying quantities is completed to the satisfaction of said Supervisor and the Commissioner, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign, as provided in section 4 hereof, and be thereby relieved from all obligations as Unit Operator subsequently accruing, after any well drilled under this section is placed in a satisfactory condition for suspension, or is plugged and abandoned, pursuant to applicable regulations. The Director and the Commissioner concurring may modify the drilling requirement 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 concurring may, after reasonable notice to the Unit Opera-

tor, and each Working Interest Owner, lessee, and lessor at their last known addresses, declare this unit agreement terminated unless within the period provided in such notice the Unit Operator shall take all actions necessary to remedy such default to the satisfaction of the Director and the Commissioner.

The drilling of an initial test well to the depth and in the manner hereinabove specified by Southern Union Production Company shall satisfy the requirement expressed above for the drilling of such well if commenced after the preliminary consideration and approval as to form of this agreement by federal representatives notwithstanding that such well may be commenced or completed prior to the effective date of this agreement.

PLAN OF FURTHER
DEVELOPMENT AND
OPERATION

9. Within six (6) months after completion of a well capable of producing one or more of the 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 so approved, 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 like approval 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 exploration of the unitized land and for the determination of the commercially productive area thereof 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 land and shall (a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and (b) to the extent practicable specify the operating practices regarded as necessary and advisable for proper conservation of natural resources. Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor, the Commissioner and the Commission. Said plan or plans shall, subject to like approval, be modified or supplemented in whole or in part from time to time as and when necessary to meet changed conditions or to protect the interests of all parties to this agreement, and future obligations of the Unit

Operator shall be conformed to the plan or plans from time to time in effect. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development, as from time to time amended and effective. The Supervisor and the Commissioner concurring are authorized to grant a reasonable extension of the six-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. All parties hereto agree that after completion of one commercially productive well no further wells, except such as may be necessary to afford protection against operations on land not subject to this agreement, shall be drilled unless in accordance with an approved plan of development; provided, during any period when it shall appear that an acceptable plan of development cannot be adopted because of the inability of the Supervisor, the Commissioner and the Commission to agree upon terms thereof, the Unit Operator may, in accordance with the applicable regulations referred to in Section 1 hereof, proceed with reasonable diligence to drill other wells to determine the limits of production and to develop the productive portion of the unit area, and shall operate all productive wells in conformity with good operating practices, and the conservation principles of this agreement.

PARTICIPATION
AFTER
DISCOVERY

10. Upon completion of a well capable of producing one or more of the unitized substances in paying quantities or as soon thereafter as required by the Supervisor or the Commissioner the Unit Operator shall submit for approval by the Director, the Commissioner and the Commission a schedule, based on subdivisions of the public land survey, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all lands in said schedule, when so approved, to constitute a participating area, effective as of the date of first production. There may be included any legal subdivision containing 40 acres, more or less, based on the public land survey, one-half or more of the area of which legal subdivision is then regarded as reasonably proved to be productive of unitized substances in paying quantities. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each tract of unitized land 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 estab-

lished in like manner and with like approval for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper to delete lands in which title has failed or, as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive of unitized substances in paying quantities, and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first day of the month following the date of first authentic knowledge or information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule as approved, and any production from land added by the proposed revision prior to the effective date thereof shall be allocated to the particular lease embracing such land. No land once included in a participating area shall be eliminated therefrom on account of depletion of the unitized substances or for any other cause save loss of title as provided in Section 25.

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

In the absence of agreement at any time between the Unit Operator, 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 and deposited in First National Bank in Dallas, Dallas, Texas, or some other bank or banks approved in writing by Working Interest Owners holding the working interest in more than fifty percent (50%) in area of the land subject to this agreement, except royalties due the United States or the State of New Mexico. Royalties due the United States shall be determined by the Supervisor and the amount thereof deposited with the district land office of the Bureau of Land Management 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 royalty on the basis of such approved participating area. Royalties due the State of New Mexico shall be determined tentatively by the Commissioner and the amount thereof deposited with the Commissioner to be held in a suspense fund or account pending a determination of the sum due as state royalty on the basis of such approved participating area and then applied as earned or refunded, accordingly.

Whenever it is determined, subject to the approval of the Supervisor, the Commissioner and the Commission that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well shall be allocated to the land on which the well is located so long as that well is not within a participating area established for the pool or deposit from which such production is obtained. Unit Operator shall not be required to produce any such well beyond a reasonable test period.

ALLOCATION
OF
PRODUCTION

11. All unitized substances produced from each participating area established under this agreement except any part thereof used for production or development purposes hereunder, 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 that accrue on an acreage basis as a result of operations by Unit Operator under this agreement, each such tract shall have allocated to it such percentage of such production as its area bears to the unitized land of said participating area. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein regardless of whether any well is drilled on any particular part or tract of said participating area. Unitized substances produced from any participating area and injected or used in conformity with good operating practice under a plan of operation approved by the Supervisor, the Commissioner and the Commission for repressuring, stimulation of production, increasing ultimate recovery or cycling in such participating area shall be free from any royalty charge unless and until recovered. If the Unit Operator injects into any participating area gas produced outside such participating area for use in repressuring, stimulation of production, increasing ultimate recovery or cycling in conformity with a plan so approved an equal

volume of gas, with due allowance (if and to the extent provided in such plan) for loss or shrinkage from any cause, may be drawn 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(s) as may be provided in the plan of operation 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 with any termination of this agreement.

DEVELOPMENT OR OPERATION ON NON-PARTICIPATING LAND 12. Any party hereto, other than the Unit Operator, owning or controlling a majority of the working interests in any unitized land not included in a participating area (including a proposed participating area or a proposed extension of a participating area) and having thereon a regular well location (in accordance with a well-spacing pattern established under an approved plan of development and operation) may drill a well at such location at his own expense, unless within ninety (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 such well is not drilled by the Unit Operator and results in production such that the land upon which it is situated may properly be included in a participating area, the party paying the cost of drilling such well shall be reimbursed as provided in the unit accounting agreement for the cost of drilling the well, and the well shall be operated as though it had been drilled by the Unit Operator hereunder.

If any well drilled by the Unit Operator or by an owner of working interests, as provided in this section, obtains production insufficient to justify inclusion of the land on which said well is situated in a participating area, said owner of working interests at his election, signified by written notice to Unit Operator within thirty (30) days after determination of such insufficiency, shall be wholly responsible for and may operate and produce the well at his sole expense and for his sole benefit, subject to royalty interests. If such well was drilled by the Unit Operator and said owner of working interests elects to operate said well, he shall pay the Unit Operator a fair salvage value for the casing and other necessary equipment left in the well.

Wells drilled or produced at the sole expense and for the sole benefit of a Working Interest Owner other than the Unit Operator shall be operated pursuant to the terms and provisions of this agreement, and upon termination of operations shall be plugged, by said Working Interest Owner. Royalties in amount or value of production from any such well shall be paid by said Working Interest Owner as specified in the lease affected.

ROYALTIES
AND
RENTALS

13. The Unit Operator, on behalf of the parties hereto, respectively, shall pay in value or deliver in kind, according to the rights of the parties hereto established by underlying leases or agreements, all landowner's royalty due upon production allocated to unitized land in a participating area, and shall pay all rentals or minimum royalties due to the United States or the State of New Mexico on unitized land, and shall pay royalty due any other unitized interest on account of production allocated to unitized land in a participating area. On request of any Working Interest Owner the Unit Operator may but shall not be required to pay, for the account of such Working Interest Owner, sums due on account of any royalty interest which is not a unitized interest or any delay rental payable under fee leases, all according to a schedule furnished Unit Operator by such Working Interest Owner. All such payments or deliveries in kind shall be charged by the Unit Operator to the appropriate Working Interest Owners as provided in the unit accounting agreement. Nothing herein contained shall operate to relieve the parties hereto from their several obligations under the terms of their respective leases and other applicable agreements, if any, to pay rentals and royalties. Unit Operator shall not be liable to any Working Interest Owner for failure properly to make any such payment when due if the failure is a result of an honest mistake or omission not occasioned by failure to use that degree of care used in the conduct of Unit Operator's own private business.

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 such 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 regulations; 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.

Rental or minimum royalty for land of the United States subject to this agreement shall be paid at the rates specified in the respective federal leases, or such rental or minimum royalty may be waived, suspended, or reduced to the extent authorized by law and applicable regulations.

Any Working Interest Owner may suffer to terminate, or surrender to his or its lessor(s), any lease or part thereof, or interest therein, on unitized land, if permitted by the provisions of such lease or of any applicable laws, rules and regulations; provided, however, if any part of such lease is productive the Working Interest Owner thereof shall not surrender or voluntarily suffer to terminate any part of such lease in any participating area or areas without the prior written consent of the lessor of such land and the Working Interest Owners holding the working interests in more than fifty percent (50%) of the participating area or areas. As to nonparticipating land so relinquished an application for contraction of the unit area shall be filed by Unit Operator pursuant to Section 2 of this agreement.

No royalty shall be due on any unitized substances used for production or development purposes hereunder or unavoidably lost.

The right is hereby secured to the United States and the State of New Mexico, respectively, to elect to take their respective royalty shares in kind or value, if and to the extent provided by applicable leases or by any valid pertinent laws, rules or regulations. The right of any other royalty owner to elect to receive his royalty shares in kind shall be determined by provisions of the applicable lease or other pertinent instruments.

CONSERVATION 14. Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances, to the end that the maximum efficient yield may be obtained without waste, as defined by or pursuant to State or Federal law or regulation; and production of unitized substances shall be limited to such production as can be put to beneficial use.

DRAINAGE 15. 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 interests and as approved by the Commissioner as to state interest; moreover, with the affirmative approval of more than fifty percent (50%) in interest of Working Interest Owners affected Unit Operator may pay a fair and reasonable compensatory royalty to other holders of royalty interests, as determined by agreement between the Unit Operator and such other royalty owners but at no greater rate than the compensatory royalty rate determined as fair and reasonable by the Supervisor and the Commission concurring under the circumstances prevailing.

LEASES AND CON-
TRACTS CONFORMED
TO AGREEMENT

16. The parties hereto holding interests in leases embracing unitized land of the United States or of the State of New Mexico severally consent that the Secretary and the Commissioner, respectively, may, and each the Secretary and the Commissioner, by his approval of this agreement, does, establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of such leases and the regulations in respect thereto, to conform said requirements to the provisions of this agreement.

Each of the parties hereto holding any unitized interest, including royalty and working interest, in, to and under an oil and gas lease of privately owned land subject to this agreement hereby agrees that such lease is hereby modified, as between such of the parties hereto as are interested therein, effective as of the effectiveness of this agreement, to the extent necessary that (1) such lease shall remain in full force and effect for the primary term therein stated, subject only to the payment of any and all delay rentals and the compliance with any other requirements therein provided, and for so long thereafter as one or more of the substances so leased is producible from lands embraced by such lease in quantities sufficient to justify the cost of production, and (2) in the event any of the land embraced by such lease is before expiration or termination thereof included within a participating area, or extension thereof, effective pursuant to this agreement, so that the holders of such interests become entitled to share in the production, or proceeds from sale thereof, from such participating area, payable at the rate or rates provided in such lease on the production allocated hereunder to the land so included, then the term of such lease is extended (free of subsequently accruing delay rentals, if any) as to all the land embraced by it, for and during the

entire term of this agreement.

The Secretary, the Commissioner and (except as provided in the immediately preceding paragraph) all other parties hereto further determine, consent and agree that during the effective life of this agreement, drilling and producing operations performed by the Unit Operator upon any unitized land will be accepted and deemed to be operations on, under and for the benefit of all unitized land and the respective leases embracing such land; and that no such lease shall be deemed to expire by reason or failure to produce wells situated on land therein embraced. Any federal lease for a 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 until the termination hereof. Each other federal lease committed hereto shall continue in force as to the committed land so long as the lease remains committed hereto, provided a valuable deposit of one or more unitized substances is discovered on any unitized land prior to the expiration date of the primary term of such lease. Each state lease committed hereto shall continue in force as to the committed land so long as one or more unitized substances are produced in paying quantities from any unitized land, provided a valuable deposit of one or more unitized substances is discovered on any unitized land prior to the expiration or termination of such lease. Prior to such discovery of unitized substances anywhere on unitized land the expiration date of each lease committed hereto in whole or in part shall be the date specified therein or in the applicable rules and regulations, without prejudice to any right which the then lessee(s) may have to renew or extend such lease, in whole or in part, or to surrender same in exchange for any other lease as may be provided by applicable law, rule or regulation, the renewed, extended or substitute lease and the interests therein and thereunder of all parties hereto to be, without further action, subject to this agreement to the same extent as the predecessor lease.

Suspension of all operations and production on the unitized land pursuant to the direction or consent of the Secretary and the Commissioner shall be deemed to constitute such suspension duly authorized by all parties hereto as to all unitized lands, and no lease shall expire with respect to land subject to this agreement on account of such suspension.

The parties hereto holding interests in land within the unit area other than federal land consent and agree, to the extent of their respective inter-

ests, that all leases and other contracts affecting such land shall be modified, effective with the effectiveness of this agreement, to conform to the provisions of this agreement during the life of this agreement and as so amended shall continue in force and effect.

COVENANTS
RUN WITH
LAND

17. The covenants herein shall be construed to be covenants running with the land with respect to the unitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest, and as to federal land shall be subject to approval by the Secretary, and as to state lands shall be subject to approval of the Commissioner. Each of the parties hereto agrees to file with the Unit Operator an executed, a photostatic or a certified, recorded copy of each instrument making transfer of any unitized interest, in whole or in part, or affecting the allocation of unitized substances, promptly following effectiveness of such instrument, and Unit Operator shall not be required to take notice of or give effect to any such transfer until the first day of the calendar month next following such filing but may do so in proper cases when the parties to such transfer so intend.

Unit Operator shall not be required to take notice of any separation or attempted separation of ownership of oil rights from gas rights or of the production of one or more horizons from others, but shall be entitled to treat the person(s) purporting to make any such transfer as continuing to own the interests purportedly transferred, for all purposes of this agreement, leaving to the parties to any such transaction the adjustment of rights and equities between themselves.

EFFECTIVE
DATE
AND TERM

18. This agreement shall become effective upon approval by the Commissioner and the Secretary; provided, however, nothing herein shall be construed to waive or limit the right of the Commission to approve this agreement pursuant to applicable state law. This agreement shall terminate on December 31, 1949, unless (a) such date of expiration is extended by the Director and the Commissioner concurring; 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 and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, the agreement is terminated with the approval of the Director and the Commissioner; or (c) a valuable discovery of unitized substances has been made on unitized land during said fixed term or any extension thereof, in which case the agreement shall remain in effect so long as any of the unitized substances can be produced from any of the unitized land in paying quantities; or (d) it is terminated as provided in section 5 or section 8 hereof. This agreement may be terminated at any time by agreement of Working Interest Owners holding the working interest in at least seventy-five percent (75%) in area of the unitized lands with the approval of the Director and the Commissioner.

RATE OF PROS-
PECTING, DEVELOP-
MENT, AND
PRODUCTION

19. All production and the disposal thereof shall be in conformity with allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under any federal or state statute. The Director is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and, within the limits made or fixed by the Commission, to alter or modify the quantity and rate of production under this agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided, that no such alteration or modification shall be effective as to the rate of prospecting and development of any lands of the State of New Mexico in the absence of the specific written approval thereof by the Commissioner or as to the quantity and rate of production from any land of the State of New Mexico or privately owned land subject to this agreement in the absence of specific written approval thereof by the Commission.

UNAVOIDABLE
DELAY

20. 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 land subject to 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 labor disturbances,

fire, explosion, acts of God, federal, state, or municipal laws or regulations or authorities, accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the ability of Unit Operator reasonably to anticipate or control, whether similar to matters herein enumerated or not.

CONFLICT OF
SUPERVISION

21. Neither the Unit Operator nor the Working Interest Owners nor any of them shall be subject to any forfeiture, termination or expiration of any right hereunder or under any unitized interest, lease or contract 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 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 any determination, decision, consent or approval concerning which it is required herein that such concurrence be obtained. The parties hereto and the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this contract are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico, subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

JOINDER, NONJOINDER AND SUBSEQUENT
JOINDER

22. This agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document, or this agreement may be ratified with like force and effect by a separate instrument in writing specifically referring hereto. Any separate counterpart, consent or ratification duly executed after approval hereof by the Secretary and the Commissioner shall subject to the provisions of Section 2 be effective on the first day of the month next following the filing thereof with the Supervisor, unless objection thereto is made by the Director and notice of such objection is served upon the appropriate parties within sixty (60) days after such filing; provided, that any Working Interest Owners shall have subscribed and complied with the unit accounting agreement as then in effect. A copy of each such

separate counterpart, consent or ratification shall also be filed with each the Commissioner and the Commission.

No person other than one of the parties hereto shall be entitled to any benefit under this agreement. Each of the parties hereto intends to join herein for all purposes to the extent of the oil and gas interests attributed to him by Exhibit B, including the relinquishment or commitment of any rights and possibilities of dower, homestead and curtesy in the property interest of another to the extent that such property interest becomes subject hereto.

If any of the parties hereto shall after his execution or ratification of this agreement acquire an interest in oil, gas, natural gasoline, or associated fluid hydrocarbons in any land within the unit area, which interest had not been previously subjected to this agreement, such person(s) may, subject to all provisions hereof, commit such interest to this agreement by appropriate instrument in writing duly acknowledged and delivered to the Unit Operator (or in the case of Unit Operator, by appropriately revising or correcting Exhibit B then on file with the Supervisor and the Commissioner). Each of the parties hereto agrees that his unitized interests shall, except to the extent otherwise specially provided in Section 2 and 25, be and remain subject to this agreement regardless of the fact that an oil and gas interest of one or more others qualified to subscribe this agreement does not become or remain subject hereto.

The undertakings of the parties hereto are several, not joint or collective.

NOTICES

23. Any notice to one of the parties hereto required or contemplated by this agreement shall be deemed delivered for all purposes of this agreement when deposited in the United States mail in a sealed envelope, postage prepaid, or when filed prepaid for telegraphic transmission with any agent of Western Union, or its successor telegraph company, addressed to such party according to his name and address set forth under his signature hereto or such other address as the party or his successors or assigns shall designate from time to time hereafter in a notice to Unit Operator; provided, that no such notice or other document hereunder shall be deemed delivered to any representative or agency of the United States or of the State of New Mexico or to Unit Operator unless and until actually received by the person or agency addressed.

FAIR 24. The Unit Operator shall not discriminate against any
EMPLOYMENT employee or applicant for employment because of race,
creed, color, or national origin, and an identical provision shall be incorpor-
ated in all subcontracts.

TITLE 25. In the event title to any unitized interest shall fail
DEFECTS and the true owner thereof fails or refuses to commit such
interest to this agreement it shall cease to be a unitized interest.

If said interest is landowner's royalty the holder(s) of the corresponding
working interest may, with the consent of Unit Operator and approval of the
Supervisor and the Commissioner concurring, by giving appropriate written notice
to Unit Operator within thirty (30) days after the royalty title failure, with-
draw such working interest from commitment hereunder effective on the first day
of the calendar month following expiration of the 30-day period or the granting
of such consent or approval, whichever is latest; if said interest is working
interest all corresponding royalty interest shall forthwith cease to be a unit-
ized interest and be withdrawn. Upon any such title failure or effective with-
drawal, there shall be made such amendment(s) to the appropriate schedule(s)
of participation, if any, as may be necessary on account thereof.

Unit Operator shall be under no obligation to defend title to any unitized
interests except its own, but may do so at its election.

In the event that the title to any unitized interest claimed by any one of
the other parties hereto shall be called in question at any time by pending
litigation or by notice from one or more adverse claimants to Unit Operator,
the latter may withhold payment or delivery on account of such interest without
liability or interest until the question(s) shall be finally adjudicated or
compromised or until the person(s) against whom the adverse claim is asserted
shall furnish to Unit Operator, for the benefit of all interested parties here-
to, a corporate surety bond in form and amount satisfactory to Unit Operator
indemnifying against all loss or expense which may be suffered or incurred by
reason of the controversy; provided, that, as to federal and state land or
leases, no payments of funds due the United States or the State of New Mexico,
shall be withheld, but such funds shall be deposited with the district land
office of the Bureau of Land Management or the Commissioner, as the case may
be, 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.

Each of the parties hereto other than the United States and the State of New Mexico agrees to indemnify and hold harmless each other, including the Unit Operator in that capacity, from and against any and all expense, liability and loss (except loss of expected future profits) resulting directly or indirectly from defect in the title to or from invalidity of any interest represented, pursuant to Section 2 hereof, to be owned by any such party, and no examination of or reliance upon abstracts of title shall impair such covenant.

COMMITMENT OF 26. This agreement provides for approval hereof by the
STATE LANDS Commissioner and the Commission, and in addition contains provisions authorizing the Commissioner and the Commission to exercise certain functions. It is hereby understood and agreed that, in view of the small percentage of State lands in the unit area which may be committed hereto, the Commissioner and Commission will exercise none of the functions prescribed in this agreement, except as to operations on State lands, until such time as said State lands, or a portion thereof, are included in an approved participating area.

In the event the Commissioner or Commission should not approve this agreement, it shall nevertheless be effective if and when approved by the Secretary of the Interior and thereupon all of the provisions of this agreement pertaining to the functions of the Commissioner or Commission shall be of no effect.

IN WITNESS WHEREOF, each of the parties hereto has caused this agreement to be executed so as to be binding upon himself, and his heirs, personal representatives, successors and assigns (all of whom are included within the term "parties hereto"), and has set opposite his name the date of such execution.

SOUTHERN UNION PRODUCTION COMPANY

ATTEST:

J. M. [Signature]
Secretary

Date: Nov. 28, 1947

By *J. C. [Signature]* *M*
Vice President

1104 Eurt Building
Dallas 1, Texas

UNIT OPERATOR
and
WORKING INTEREST OWNER

L. E. Elliott
L. E. Elliott

Edna M. Elliott
Edna M. Elliott, his wife

Address: P. O. Box 147
Roswell, New Mexico

Date: Aug 18th, 1947

Mary E. Orton
Mary E. Orton

Charles M. Orton
Charles M. Orton, her husband

Address: 411 So. Mesa Street
Carlsbad, New Mexico

Date: Aug 21, 1947

Gertrude L. Parcell
Gertrude L. Parcell

Charlie W. Parcell
Charlie W. Parcell, her husband

Address: P. O. Box 141
Santa Fe, New Mexico

Date: Sept. 7, 1947

Ora R. Hall, Jr.
Ora R. Hall, Jr.

Edna Ione Hall
Edna Ione Hall, his wife

Date: August 23, 1947

Address: c/o Exchange Bank
Perry, Oklahoma

Frank O. Elliott

Elliott his wife

Date: _____, 1947

Address: P. O. Box 147
Roswell, New Mexico

STATE OF Kansas)
COUNTY OF Dallas) SS

On this 28th day of November 1947, before me personally appeared H. C. Reid, to me personally known who being by me duly sworn, did say that he is the Vice President of Southern Union Production Co 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. C. Reid 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:
ARLENE RAWLS WATT
Notary Public, Dallas County, Texas
My Commission Expires June 1, 1949

Arlene Rawls Watt
Notary Public

STATE OF New Mexico)
COUNTY OF Chaves)

On this 18 day of August, 1947, before me personally appeared L. E. Elliott and Edna M. Elliott, his wife, 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.

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

My Commission Expires:
5-21-49

Edna M. Bear
Notary Public

STATE OF New Mexico)
COUNTY OF Eddy)

On this 21st day of Aug., 1947, before me personally appeared Mary E. Orton and Charles M. Orton, her husband, 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.

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

My Commission Expires:

April 12, 1951

William J. Hunter
Notary Public

STATE OF New Mexico)
COUNTY OF Santa Fe)

On this 2nd day of Sept, 1947, before me personally appeared Gertrude L. Parcell and Charlie W. Parcell, her husband, 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.

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

My Commission Expires:

Mar 3-1951

Hazel P. Adams
Notary Public

STATE OF Oklahoma)
COUNTY OF Noble)

On this 22nd day of August, 1947, before me personally appeared Ora B. Hall, Jr. and Edna Iona Hall, his wife, 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.

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

My Commission Expires:

Jan. 28, 1951

Geraldine M. Day
Notary Public

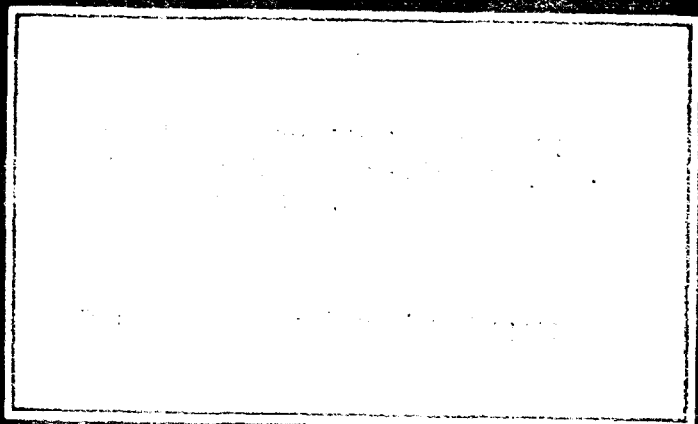
STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as _____ 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 above written.

My Commission Expires:

Notary Public



Dallas, Texas
July 27, 1945.

Report of a Gravity Meter Survey
of the Southwest Artesia Prospect,
Eddy County, New Mexico

INTRODUCTION

This report covers a gravity meter survey of Townships 17 South, Range 24 East, Township 18 South, Ranges 23 and 24 East and the north edge of Township 19 South, Range 24 East, all in Eddy County, New Mexico. The area is eight miles southwest of Artesia. Production in the Artesia Field is fifteen miles east of the area.

OPERATIONS

The field equipment consisted of a Frost gravity meter, eye levels, transits, and necessary trucks. The personnel included the party chief, computer, observer, observer's helper, two surveyors, and two rodmen.

GEOLOGY

The attached map (Figure 10) shows the regional structural features. The area under consideration is situated on the Artesia-Vacuum trend. The regional geology and local stratigraphy is described in Bulletin No. 18 - The Oil and Gas Resources of New Mexico.

Productive horizons in this area would be similar to those in the Artesia-Vacuum trend with depths approximately comparable to those in that area. These include the horizons productive in the Permian in the Artesia-Vacuum trend. Of these the Grayburg and San Andres are the most important with shallower possibilities in the Queen, Seven Rivers, and Yates above the Grayburg. Deeper possibilities include the lowest part of the Permian and if present, the Devonian, Silurian and Ordovician. It is believed that the greater part of this section is present.

Although a number of very shallow tests have been drilled in the area, no attempt has been made to depict local structural conditions other than through gravity observations.

The Pemasco River runs through the area resulting in a fairly rugged terrain. Elevations vary from 3600 to 3900 feet above sea level. All elevations are tied to U.S.G.S. Bench Marks.

Observations over the greater part of the area are made at half mile intervals. Control is ample for the desired accuracy.

The work was conducted during June and July 1945.

Attached to this report are maps showing the observed gravity and the relation of the area to the regional features.

INTERPRETATION

The observed gravity shows a single major anomaly, with a relatively steep gradient on the west side. The area covered would include all of Sections 31, 30, 19, 20, 29 and 32, and the SW $\frac{1}{4}$ Section 33, South $\frac{1}{2}$ Sections 17 and 18, all in Township 18 South, Range 24 East; the North $\frac{1}{2}$ Sections 5 and 6 and the NW $\frac{1}{4}$ Section 4, all in Township 19 South, Range 24 East; the North $\frac{1}{2}$ of Sections 1 and 2, and the NE $\frac{1}{4}$ of Section 3, Township 19 South, Range 23 East; all of Sections 35, 36, 25, 26, 23, 24 and the South $\frac{1}{2}$ of Sections 14 and 3, the SE $\frac{1}{4}$ of Section 15, the East $\frac{1}{2}$ of Sections 22, 27 and 34, all in Township 18 South, Range 23 East.

Over the remainder of the area there is no anomaly that is sufficiently pronounced to be of any significance.

The gravity disturbance appears to arise from an approximate depth of 5,000 feet which would be in the heavy dense limestones of the Lower Permian and Pennsylvanian.

As the anomaly is obvious on the observed gravity map, a residual gravity map is not essential.

GARRETT EXPLORATION COMPANY,

By Melvin M. Garrett

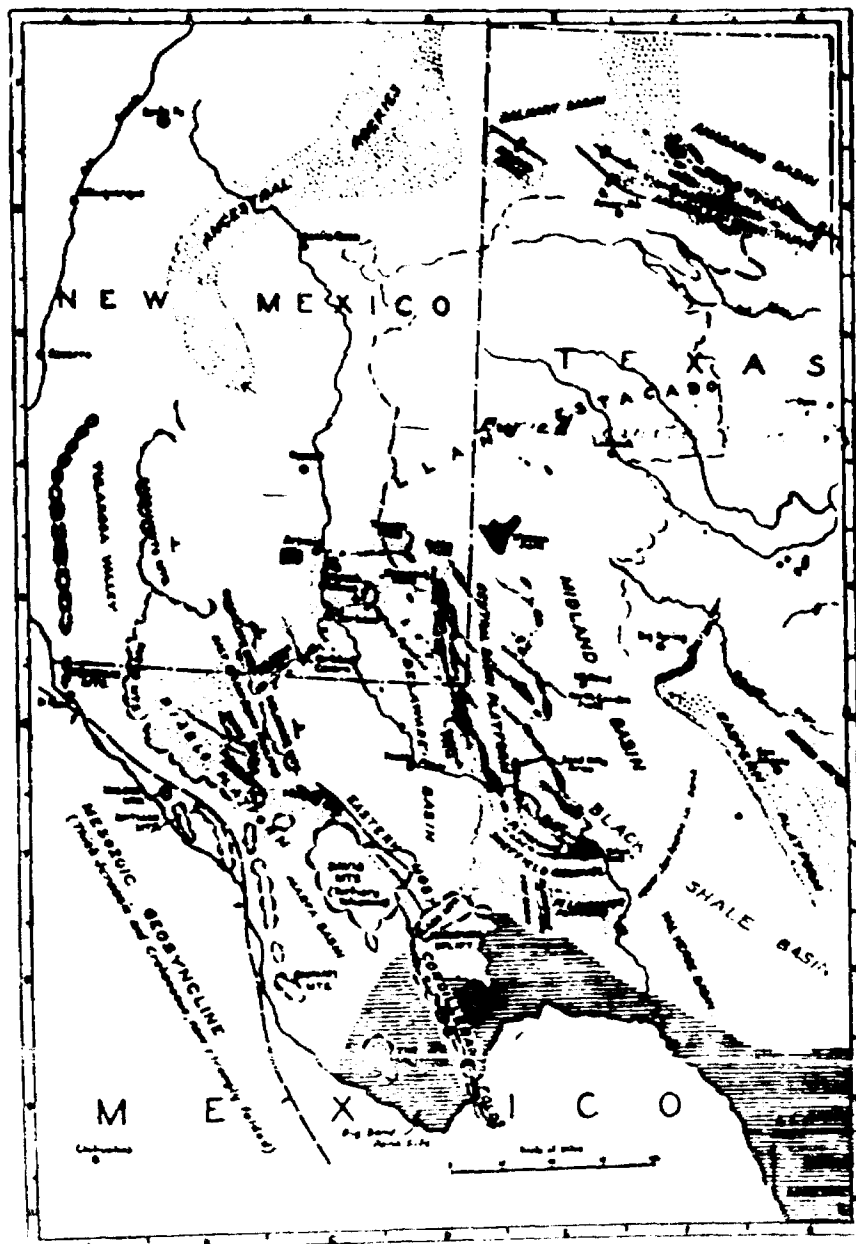


FIGURE 10.—Map showing regional structure of West Texas and eastern New Mexico. (From Lewis, F. E., Position of San Andres group, West Texas and New Mexico, Bull. Amer. Assoc. Petrol. Geol., Vol. 25, No. 1, p. 76, 1941.)

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GARRETT EXPLORATION CO.

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TOWNSHIP NO. 1-5

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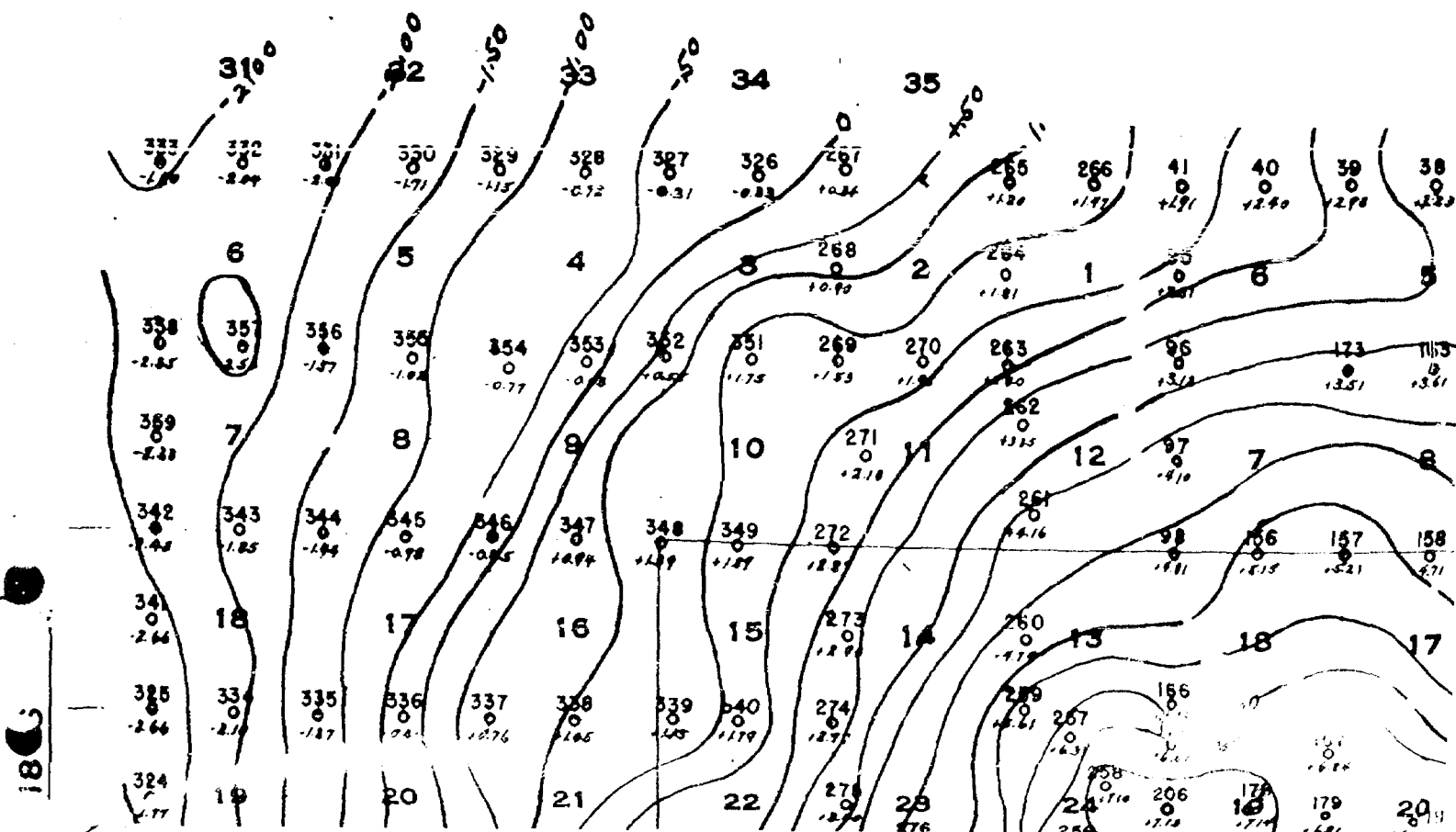
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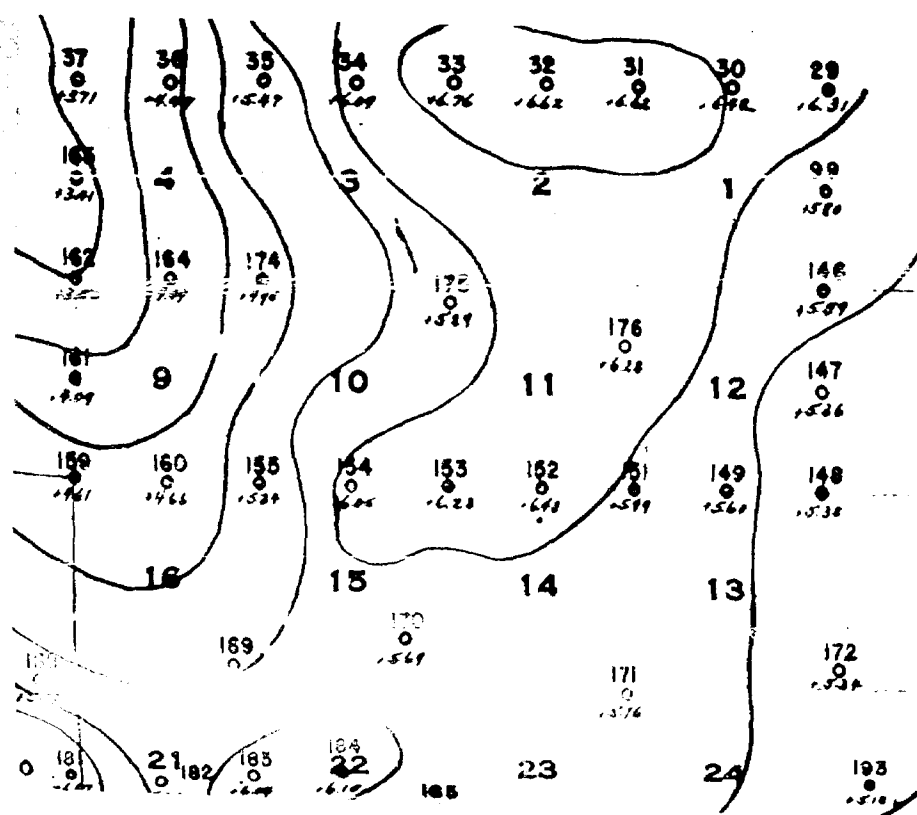
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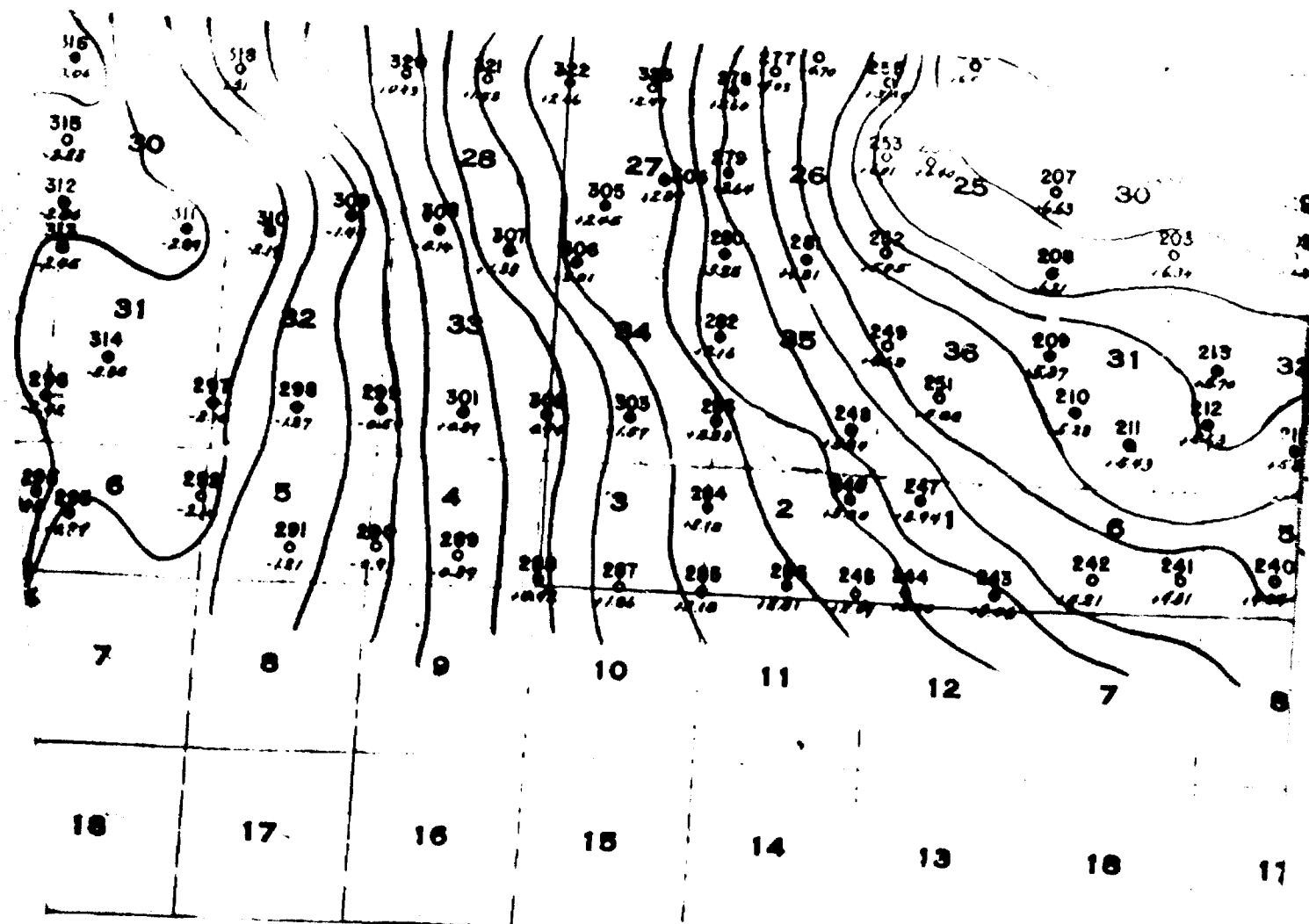
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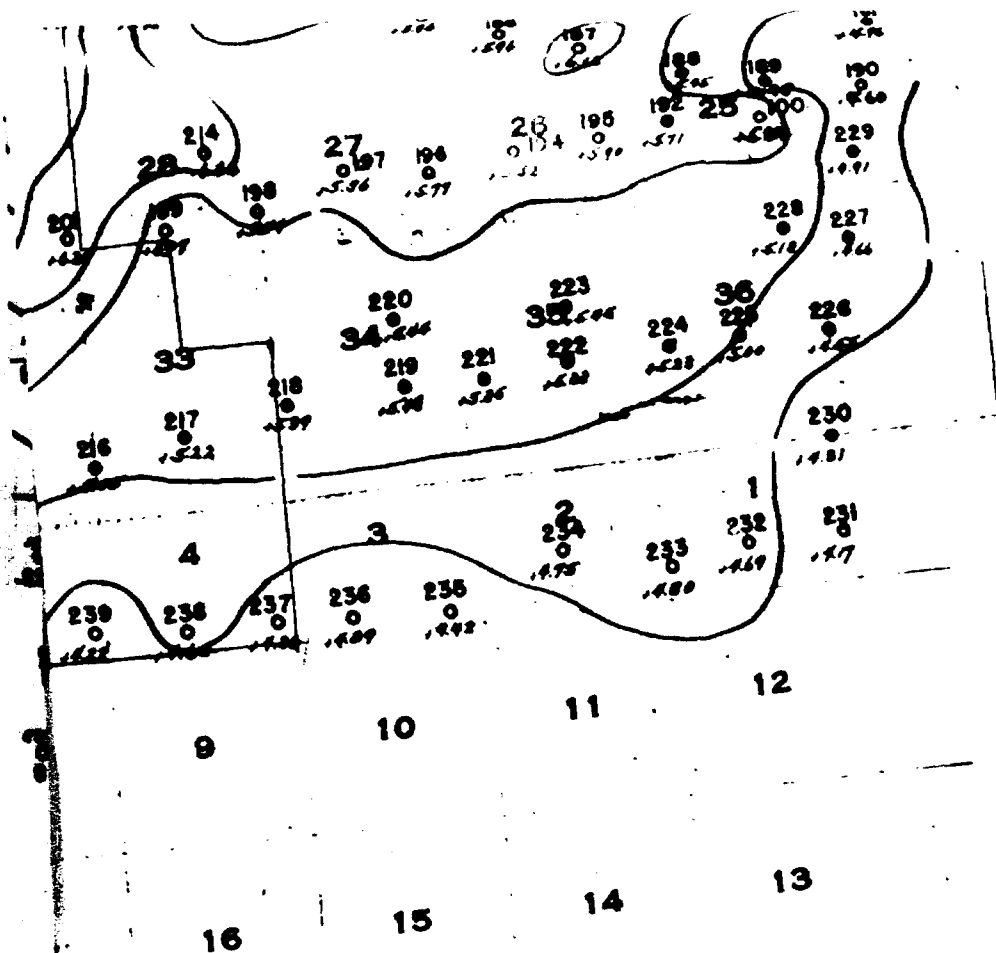
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RANGE NO. 24-E







GARRETT EXPLORATION CO.

SCALE: 1" = 1 MILE

7/25/45

EDDY COUNTY, NEW MEXICO

ARTESIA AREA

OBSERVED GRAVITY

BY

RANGE NO. 23-E

18-5

TOWNSHIP NO. 17-S

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					Richfield Oil Corp.				Richfield Oil Corp. Yates				Richfield Oil Corp.				L.C. 062226										
					L.C. 062770				L.C. 062226				Catherine Williams et al				S.P. Johnson, Jr.				J.S. Coates et al				S.U.P.Co.		
S	21				22				23				24														
	28				L.C. 062230				L.C. 062770				L.C. 062226														
					L.C. 062230				L.C. 062770				L.C. 062226														
					Gertrude L. Farrell				L.C. 064991				26				25										
T	33				34				35				36														
	4				L.C. 064991				L.C. 062770				B-7934 STATE S.U.P.Co.				B-9280 STATE S.U.P.Co.				B-8691 STATE Helen M. B. Brewer						
					Frank O. Elliott				L.C. 062230				B-3058 STATE Tulsa Oil & Min. Co.				B-11325 STATE Richfield Oil Corp.				B-9245 STATE DeKalb Agri. Fish Jo						
					Gertrude L. Farrell				Mary E. Orton				B-8678 STATE S.U.P.Co.				B-9336 STATE Belle Morse Tuttle				B-9436 STATE S.U.P.Co.						
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EXHIBIT A
UNIT AGREEMENT

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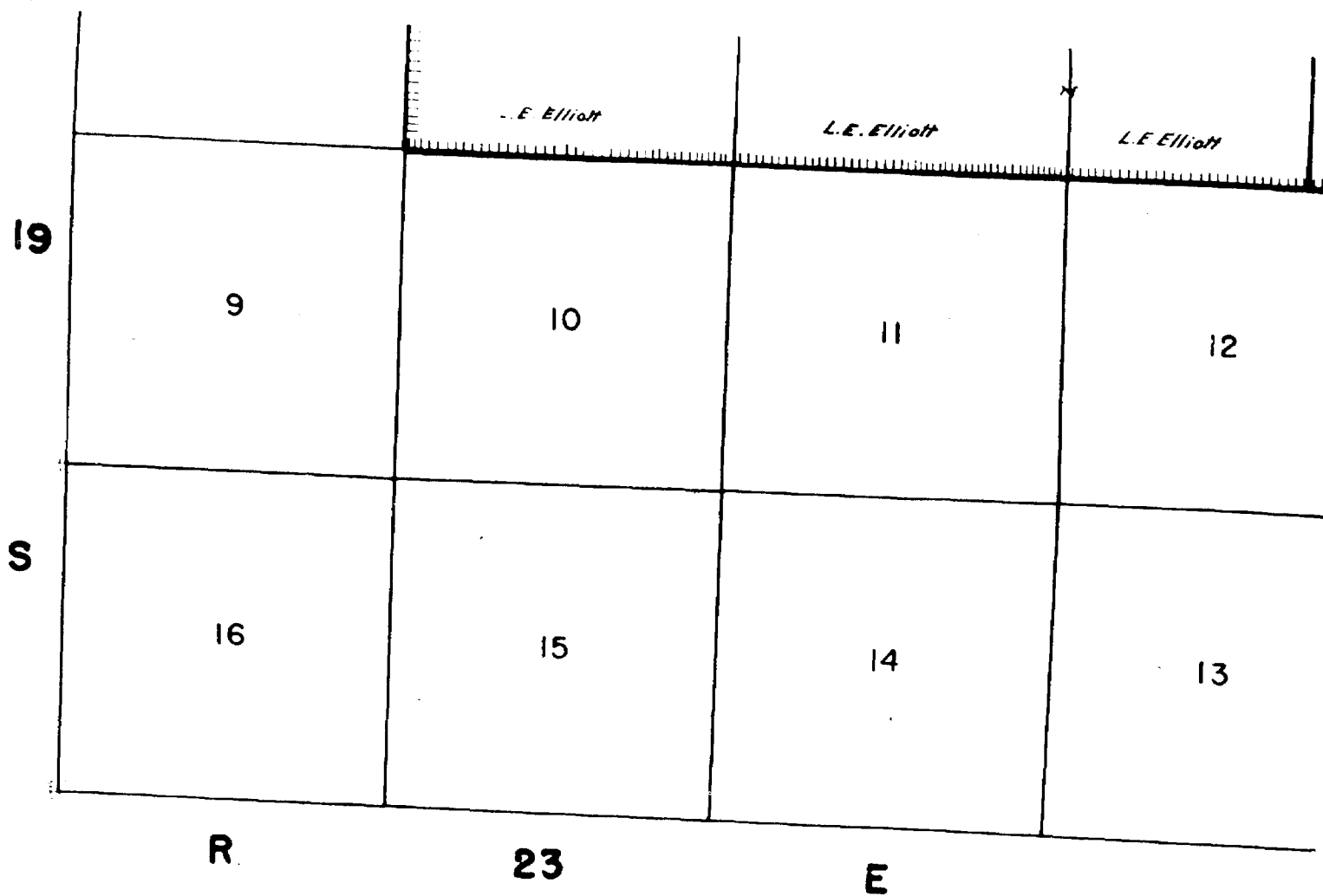
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HOPE L EDDY COUNT

Scale 2

FEDERAL	LANDS	12
STATE	LANDS	3
FEE	LANDS	1
GRAND	TOTAL	17

COMMITTED

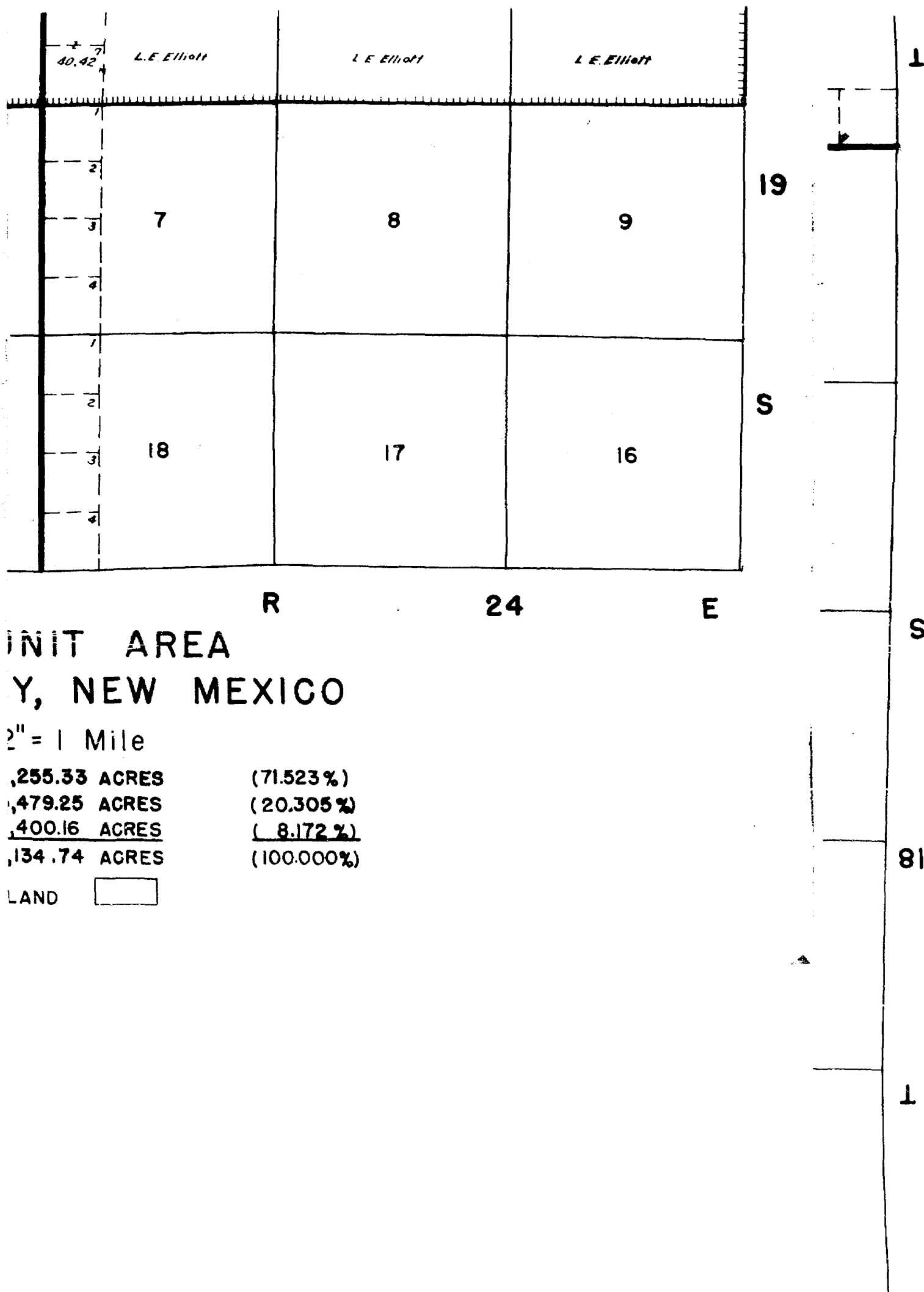


EXHIBIT B
HOPE AREA UNIT AGREEMENT

Schedule showing percentage and kind of
ownership of oil and gas interests in the
unit area to which the Agreement will
become applicable by signature of the
owner(s) of such interests, respectively.

Federal Lands			
Las Cruces Serial No.	Lessee	T. 18 S., R. 23 E., N.M.P.M.	Overriding Royalty
06285 ⁹ 4	Wm. S. McWhorter	Sec. 13: $W\frac{1}{2} NE\frac{1}{4}; SE\frac{1}{4} NW\frac{1}{4}$	(Elmer E. Elliott and
062226	Southern Union Production Company	Sec. 13: $S\frac{1}{2}; E\frac{1}{2} NE\frac{1}{4}$ Sec. 14: $E\frac{1}{2} SE\frac{1}{4}$ Sec. 15: $W\frac{1}{2} SE\frac{1}{4}$ Sec. 24: All Sec. 25: All	(Annie L. Elliott 1% (L. E. Elliott and 2% (Edna M. Elliott ((
062770	Mary E. Orton	Sec. 15: $SW\frac{1}{4} NW\frac{1}{4}; W\frac{1}{2} SW\frac{1}{4};$ $SE\frac{1}{4} SW\frac{1}{4}$ Sec. 23: All Sec. 26: All Sec. 35: All	
062230	Gertrude L. Parcell	Sec. 22: All Sec. 27: $N\frac{1}{2}$ Sec. 34: $S\frac{1}{2}$	
064991	Frank O. Elliott	Sec. 27: $S\frac{1}{2}$ Sec. 34: $N\frac{1}{2}$	
T. 19 S., R. 23 E., N.M.P.M.			
062341	L. E. Elliott (and see T. 18 S., R. 24 E.)	Sec. 1: $SW\frac{1}{4}; W\frac{1}{2} SE\frac{1}{4}$ Sec. 2: $W\frac{1}{2}; SE\frac{1}{4}$ Sec. 3: All (640.48 ac.)	(Joe M. Simmons and (wife, Eloise (Simmons 1%
062206	Ora R. Hall, Jr.	Sec. 1: $N\frac{1}{2}; E\frac{1}{2} SE\frac{1}{4}$ (400.22)	
T. 18 S., R. 24 E., N.M.P.M.			
062341	L. E. Elliott (and see T. 19 S., R. 23 E.)	Sec. 18: $N\frac{1}{2} SE\frac{1}{4}$ Sec. 20: $NW\frac{1}{4}$	(Joe M. Simmons and (wife, Eloise (Simmons 1%
062340	L. E. Elliott (and see T. 19 S., R. 24 E.)	Sec. 20: $W\frac{1}{2} E\frac{1}{2}$	(Joe M. Simmons and (wife, Eloise (Simmons 1%
062206	Ora R. Hall, Jr.	Sec. 19: $SW\frac{1}{4}$ (160.35 ac.) Sec. 29: $SW\frac{1}{4}$ Sec. 30: All (641.60 ac.) Sec. 31: All (645.08 ac.) Sec. 33: $W\frac{1}{2}; SE\frac{1}{4}$	
062852	A. J. Baryes ^N	Sec. 17: $N\frac{1}{2} SW\frac{1}{4}$	
062708 ⁶	Francis Nix	Sec. 20: $NE\frac{1}{4} SW\frac{1}{4}$	

<u>Las Cruces</u> <u>Serial No.</u>	<u>Lessee</u>	<u>T. 19 S., R. 24 E., N.M.P.M.</u>	<u>Overriding Royalty</u>
062340	L. E. Elliott (and see T. 18 S., R. 24 E.)	Sec. 4: All (639.88 ac.) Sec. 5: All (641.88 ac.) Sec. 6: All (645.84 ac.)	(Joe M. Simmons and wife, Eloise Simmons 1%

NOTE: All tracts are regular in area unless otherwise shown.

State Lands

State Lease	Lessee	T. 18 S., R. 23 E., N.M.P.M.	Overriding Royalty
B-7936	So. Union Prod. Co.	Sec. 36: NW $\frac{1}{4}$ NW $\frac{1}{4}$	G. C. Parker 5%
B-9280	"	Sec. 36: NE $\frac{1}{4}$ NW $\frac{1}{4}$	Geo. R. Hollington 3%
B-8694	Helen M. Brewer	Sec. 36: NW $\frac{1}{4}$ NE $\frac{1}{4}$	
E-743	Barnsdall Oil Co.	Sec. 36: NE $\frac{1}{4}$ NE $\frac{1}{4}$	
B-9058	Tulsa Oil & Mineral Co.	Sec. 36: SW $\frac{1}{4}$ NW $\frac{1}{4}$	
B-11325	Richfield Oil Corp.	Sec. 36: SE $\frac{1}{4}$ NW $\frac{1}{4}$; SE $\frac{1}{4}$ SE $\frac{1}{4}$	
B-9245	De Kalb Agricultural Association, Inc.	Sec. 36: SW $\frac{1}{4}$ NE $\frac{1}{4}$	
B-10335	Abel Johnson	Sec. 36: SE $\frac{1}{4}$ NE $\frac{1}{4}$	
B-8126	So. Union Prod. Co.	Sec. 36: NW $\frac{1}{4}$ SW $\frac{1}{4}$	Fay Ferris 3%
B-8832	Belle Morse Sutton	Sec. 36: NE $\frac{1}{4}$ SW $\frac{1}{4}$	
B-9426	So. Union Prod. Co.	Sec. 36: NW $\frac{1}{4}$ SE $\frac{1}{4}$	Katharine R. Holmes 3%
B-8832	Belle Morse Sutton	Sec. 36: NE $\frac{1}{4}$ SE $\frac{1}{4}$	
B-10102	Intercoast Pet. Corp.	Sec. 36: S $\frac{1}{2}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$	
T. 18 S., R. 24 E., N.M.P.M.			
B-9667	T. A. Thorsen	Sec. 17: N $\frac{1}{2}$ NW $\frac{1}{4}$	Victor Bryan
B-8728	So. Union Prod. Co.	Sec. 17: NW $\frac{1}{4}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$	Anna F. Light 3%
B-8903	"	Sec. 17: NE $\frac{1}{4}$ NE $\frac{1}{4}$	George P. Holman 3%
	"	Sec. 17: NE $\frac{1}{4}$ SE $\frac{1}{4}$	Alice E. West 3%
B-1245	"	Sec. 17: SE $\frac{1}{4}$ NW $\frac{1}{4}$	
B-11643	Richfield Oil Corp.	Sec. 17: SW $\frac{1}{4}$ NE $\frac{1}{4}$	
"	So. Union Prod. Co.	Sec. 19: NE $\frac{1}{4}$ NE $\frac{1}{4}$	
B-8903	Alice G. Spanton	Sec. 17: SE $\frac{1}{4}$ NE $\frac{1}{4}$	Alice G. Spanton 3%
B-9280	De Kalb Agr. Ass'n.	Sec. 17: NW $\frac{1}{4}$ SE $\frac{1}{4}$	
B-11109	So. Union Prod. Co.	Sec. 17: SW $\frac{1}{4}$ SW $\frac{1}{4}$	Charles L. Butterfield 5%
E-571	"	Sec. 17: SE $\frac{1}{4}$ SW $\frac{1}{4}$	
	"	Sec. 18: NW $\frac{1}{4}$ NW $\frac{1}{4}$ (39.76 ac.)	
	"	Sec. 18: SW $\frac{1}{4}$ SW $\frac{1}{4}$ (39.88 ac.)	
	"	Sec. 19: SE $\frac{1}{4}$ SE $\frac{1}{4}$	
	"	Sec. 20: NE $\frac{1}{4}$ SE $\frac{1}{4}$	
	"	Sec. 32: N $\frac{1}{2}$ NW $\frac{1}{4}$	
	"	Sec. 32: NE $\frac{1}{4}$ SE $\frac{1}{4}$	
B-7656	Vida M. Heelan	Sec. 17: S $\frac{1}{2}$ SE $\frac{1}{4}$	
B-8630	So. Union Prod. Co.	Sec. 18: NE $\frac{1}{4}$ NW $\frac{1}{4}$	Charles Dailey 5%
B-11325	Richfield Oil Corp.	Sec. 18: NW $\frac{1}{4}$ NE $\frac{1}{4}$	
	"	Sec. 29: SE $\frac{1}{4}$ NW $\frac{1}{4}$	
	"	Sec. 29: SW $\frac{1}{4}$ SE $\frac{1}{4}$	
B-10672	William Mueller	Sec. 18: NE $\frac{1}{4}$ NE $\frac{1}{4}$	
B-10327	David L. Stewart	Sec. 18: SW $\frac{1}{4}$ NW $\frac{1}{4}$ (39.80 ac.)	
E-1245	So. Union Prod. Co.	Sec. 18: SE $\frac{1}{4}$ NW $\frac{1}{4}$	
	"	Sec. 18: SE $\frac{1}{4}$ SW $\frac{1}{4}$	
	"	Sec. 18: SW $\frac{1}{4}$ SE $\frac{1}{4}$	
	"	Sec. 20: SE $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$	
B-11116	"	Sec. 18: S $\frac{1}{2}$ NE $\frac{1}{4}$	Lilla Bond Markel 3%
B-9798	"	Sec. 18: NW $\frac{1}{4}$ SW $\frac{1}{4}$ (39.84 ac.)	Roy G. Barton 3%
B-8903	Dora I. May	Sec. 18: NE $\frac{1}{4}$ SW $\frac{1}{4}$	Dora I. May 3%
B-7650	So. Union Prod. Co.	Sec. 18: SE $\frac{1}{4}$ SE $\frac{1}{4}$	Estate of Guy A. Gowen 3%
B-8755	"	Sec. 19: NW $\frac{1}{4}$ NW $\frac{1}{4}$ (39.94 ac.)	Benj. D. Luchini 3%
B-10064	"	Sec. 19: NE $\frac{1}{4}$ NW $\frac{1}{4}$	
B-9845	"	Sec. 19: NW $\frac{1}{4}$ NE $\frac{1}{4}$	Edward O'Neil 3%
B-11106	"	Sec. 19: SW $\frac{1}{4}$ NW $\frac{1}{4}$ (40.03 ac.)	Harry W. Crouch 5%
B-10899	Rose F. Wilson	Sec. 19: SE $\frac{1}{4}$ NW $\frac{1}{4}$	
E-1390	So. Union Prod. Co.	Sec. 19: SW $\frac{1}{4}$ NE $\frac{1}{4}$	
B-7623	"	Sec. 19: SE $\frac{1}{4}$ NE $\frac{1}{4}$	Keith E. Crouse and L. E. Manseau 3%
B-10255	"	Sec. 19: NW $\frac{1}{4}$ SE $\frac{1}{4}$	Wm. C. Acton 5%

State Lease	Lessee	T. 18 S., R. 24 E., N.M.P.M.	Overriding Royalty
B-10255	Richfield Oil Corp.	Sec. 19: NE $\frac{1}{4}$ SE $\frac{1}{4}$	
B-10946	"	Sec. 19: SW $\frac{1}{4}$ SE $\frac{1}{4}$	
B-8828	L. L. Heinen	Sec. 20: NE $\frac{1}{4}$ NE $\frac{1}{4}$	
B-9933	Richfield Oil Corp.	Sec. 20: SW $\frac{1}{4}$ SW $\frac{1}{4}$	
B-9667	So. Union Prod. Co.	Sec. 20: SE $\frac{1}{4}$ SW $\frac{1}{4}$	(Wm. C. Uphoff and (Louis C. Williams 5%
B-9667	Mrs. E. B. Winkler	Sec. 20: SE $\frac{1}{4}$ SE $\frac{1}{4}$	
B-9663	K. W. Hewitt and Sam Emerson	Sec. 29: NW $\frac{1}{4}$ NW $\frac{1}{4}$	
B-10190	Richfield Oil Corp.	Sec. 29: NE $\frac{1}{4}$ NW $\frac{1}{4}$	
B-10666	So. Union Prod. Co.	Sec. 29: W $\frac{1}{2}$ NE $\frac{1}{4}$	Len R. Ogden and Jennie ^{Ogden} 3% 5%
B-9845	"	Sec. 29: NE $\frac{1}{4}$ NE $\frac{1}{4}$	Margaret K. Also- brook et al 3%
B-9878	"	Sec. 29: SW $\frac{1}{4}$ NW $\frac{1}{4}$	Elvira Ude 3%
B-9667	"	Sec. 29: SE $\frac{1}{4}$ NE $\frac{1}{4}$	Mabel C. Kenney 5%
B-9545	"	Sec. 29: NW $\frac{1}{4}$ SE $\frac{1}{4}$	(Abel Johnson and (Ziegner Swanson 3%
B-9093	So. Union Prod. Co.	Sec. 29: NE $\frac{1}{4}$ SE $\frac{1}{4}$	
B-11013	Richfield Oil Corp.	Sec. 29: SE $\frac{1}{4}$ SE $\frac{1}{4}$	Howard M. Wade 5%
E-647	So. Union Prod. Co.	Sec. 32: NW $\frac{1}{4}$ NE $\frac{1}{4}$	
E-10945	"	Sec. 32: NE $\frac{1}{4}$ NE $\frac{1}{4}$	
B-9413	"	Sec. 32: SW $\frac{1}{4}$ NW $\frac{1}{4}$	Harold S. Brown 3%
B-8328	"	Sec. 32: SE $\frac{1}{4}$ NW $\frac{1}{4}$	
B-9884	"	Sec. 32: SW $\frac{1}{4}$ NE $\frac{1}{4}$	Lucy A. Morris 3%
B-8230	"	Sec. 32: SE $\frac{1}{4}$ NE $\frac{1}{4}$	C. M. Johnson 3%
B-9981	"	Sec. 32: NW $\frac{1}{4}$ SW $\frac{1}{4}$	George P. Gibson 3%
B-10499	Frank J. Wissink	Sec. 32: NE $\frac{1}{4}$ SW $\frac{1}{4}$	
		Sec. 32: NW $\frac{1}{4}$ SE $\frac{1}{4}$	

NOTE: All tracts are regular in area unless otherwise shown.

Fee Lands

<u>Lessee</u>	<u>T. 18 S., R. 23 E., N.M.P.M.</u>	<u>Mineral and Royalty Owners</u>
Richfield Oil Corp.	Sec. 13: $N\frac{1}{2} NW\frac{1}{4}$; $SW\frac{1}{4} NW\frac{1}{4}$	(Fred Gray (G. E. Self
Richfield Oil Corp.	Sec. 14: $NE\frac{1}{4}$ Sec. 14: $E\frac{1}{2} SW\frac{1}{4}$ Sec. 14: $NW\frac{1}{4} SE\frac{1}{4}$ Sec. 14: $SW\frac{1}{4} SE\frac{1}{4}$	W. M. Coats S. P. Johnson, Jr. S. P. Johnson, Jr. J. S. Covert and wife, Ruth K. Covert
Richfield Oil Corp.	Sec. 14: $N\frac{1}{2} NW\frac{1}{4}$ Sec. 14: $SE\frac{1}{4} NW\frac{1}{4}$	G. E. Self G. E. Self
Martin Yates, III	Sec. 14: $SW\frac{1}{4} NW\frac{1}{4}$	F. B. Chambers
Richfield Oil Corp.	Sec. 14: $W\frac{1}{2} SW\frac{1}{4}$ Sec. 15: $E\frac{1}{2} SE\frac{1}{4}$	(Catherine Williams (Robert E. Williams (Elizabeth Ann Williams (M. W. Coll (Catherine Williams, (guardian of Estates of (John Finlay Williams (and Barbara Jane (Williams
Richfield Oil Corp.	Sec. 15: $NE\frac{1}{4}$; $NW\frac{1}{4} NW\frac{1}{4}$	(Viera Collier (Catherine Williams (M. W. Coll (Bruce K. Matlock (Marshall & Winston (Elizabeth Ann Williams (Robert E. Williams (Catherine Williams, (guardian of Estates of (John Finlay Williams (and Barbara Jane (Williams
Richfield Oil Corp.	Sec. 15: $E\frac{1}{2} NW\frac{1}{4}$ Sec. 15: $NE\frac{1}{4} SW\frac{1}{4}$	W. M. Coates W. M. Coates
	<u>T. 18 S., R. 24 E., N.M.P.M.</u>	
Richfield Oil Corp.	Sec. 32: $S\frac{1}{2} S\frac{1}{2}$	(Viera Collier (Catherine Williams (Robert E. Williams (Elizabeth Ann Williams (Catherine Williams, (guardian of Estates of (John Finlay Williams (and Barbara Jane (Williams (M.W. Coll (Bruce K. Matlock

<u>Lessee</u>	<u>T. 19 S., R. 23 E., N.M.P.M.</u>	<u>Mineral and Royalty Owners</u>
Richfield Oil Corp.	Sec. 2: NE $\frac{1}{4}$ (160.16 ac.)	(Viera Collier (Catherine Williams (M. W. Coll (Bruce K. Matlock (Elizabeth Ann Williams (Robert E. Williams (Catherine Williams, (guardian of Estates of (John Finlay Williams (and Barbara Jane (Williams

NOTE: All tracts are regular in area unless otherwise shown.

CERTIFICATE OF APPROVAL AND CONSENT

OF THE STATE OF NEW MEXICO

The undersigned, having this day examined an agreement providing for the cooperative or unit development and operation of a prospective oil or gas pool, field or area, and for certain related matters, which agreement is entitled "Unit Agreement for the Development and Operation of the Hope Unit Area, Eddy County, State of New Mexico," entered into between SOUTHERN UNION PRODUCTION COMPANY, a Delaware corporation, as Unit Operator, and likewise subscribed by numerous Working Interest Owners and other interested parties, to which agreement this certificate is attached; and

WHEREAS, upon examination thereof the Commissioner finds:

(a) that such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy;

(b) that under the operations proposed the State will receive its fair share of the recoverable oil or gas in place under its lands in the area affected;

(c) that the agreement is in other respects for the best interests of the State;

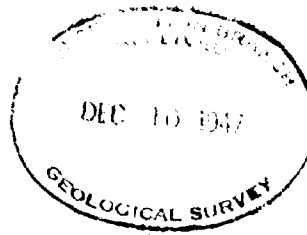
(d) that the agreement provides for the unit operation and development of the area, for the allocation of production and the sharing of proceeds from the area and lands covered by said agreement on an acreage basis, as specified in said agreement, regardless of the particular tract from which production is obtained or proceeds are derived, and for other proper matters;

NOW, THEREFORE, by virtue of the authority conferred upon me by Chapter 88 of the Laws of the State of New Mexico, 1943, approved April 14, 1943, 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 said agreement

as to the lands of the State of New Mexico included therein and the development and operation of such lands thereunder, subject to all the provisions of the aforesaid Chapter 88 of the Laws of the State of New Mexico, 1943. Upon effectiveness of such agreement each of the oil and gas leases on state lands within the unit area included in such agreement and committed thereto by the lessee(s), is hereby amended so that the terms of such lease will conform to the provisions of such agreement.

Executed this 16 day of July, 1947.

John E. Miles.
Commissioner of Public Lands of
the State of New Mexico



SOUTHERN UNION PRODUCTION COMPANY

CERTIFIED COPY OF RESOLUTION

The undersigned officer of Southern Union Production Company, a Delaware corporation, hereby certifies that the following is a true and complete copy of a resolution duly adopted by the Board of Directors of said corporation at its special meeting held on October 14, 1947, at which meeting a quorum of the directors was present and voting throughout:

BE IT RESOLVED that proper officers of this corporation, its President or any Vice President, be and each is hereby authorized in its name and behalf to execute and deliver with other interested parties the Hope Area Unit Agreement in form heretofore considered with such changes and additions as shall be deemed necessary or appropriate by the officer executing same.

BE IT FURTHER RESOLVED that such officers be and each is hereby also authorized in the name and on behalf of this corporation to execute and deliver with other owners of oil and gas working interests in the Hope Unit Area a form of Unit Accounting Agreement (or operating contract), naming this corporation as Unit Operator, containing terms and provisions usual to such instruments with such additions and modifications as the officer executing same shall approve.

BE IT FURTHER RESOLVED that in due course and without unnecessary delay the Unit Agreement and the Accounting Agreement shall be submitted for final approval to the Department of the Interior to the end that unitization shall be complete under Federal rules and regulations.

The undersigned further certifies that the foregoing resolution has been at all times since and now is in full force and effect, and having been heretofore recorded or filed in any records.

IN WITNESS WHEREOF, this certificate is executed at Dallas, Texas, on this the 24 day of December, 1947, by the undersigned officer of said Southern Union Production Company.

Assistant Secretary

(encl)

INDEXABLE

REPORT THE ALL COMMUNIST AND SUBVERSIVE OF THE
PAGE 17 NEW YORK

IN THE INTEREST OF THE TRADING CREDIT BY THE U.S. GOVERNMENT COMMISSION OF THE STATE OF NEW YORK FOR THE PURPOSE OF COMMERCE.

GAME NO. 100

NO. 737

[illegible]

1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 26

THE FUTURE OF THE FIRM

This case came on for hearing at 10:00 o'clock A. M., November 25, 1947, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

Now, on this the 26th day of November, 1947, the Commission having before it the ~~transcript~~ testimony and other evidence adduced at the hearing of said case and the application of petitioner and being fully advised in the premises:

EMMS that the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste, and that such plan is fair to the royalty owners and other interest owners;

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 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040 1041 1042 1043 1044 1045 1046 1047 1048 1049 1050 1051

That the order herein shall be known as the:

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RECEIVED: 11/11/1964
FROM: 11/11/1964
TO: 11/11/1964
SUBJECT: 11/11/1964

(b) That the plan by which the budget shall be executed shall be approved by the Board of Directors of the Corporation, and that the Board of Directors shall have the right to amend or modify the plan at any time.

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

or relinquishing in any manner any rights, duties or obligations which are now or may hereafter be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Rye Unit Agreement or relative to the production of oil and gas therefrom.

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

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO, (Sandoz County)

T. 10 S., R. 21 E.
Sections 11, 12, 13, 14,
15, 16, 17, 18, 19, 20,
21 and 22: All

T. 10 S., R. 22 E.
Sections 17, 18, 19, 20,
21, 22, 23 and 24:
Section 25: All
26 and 27

T. 10 S., R. 23 E.
Sections 1, 2 and 3: All

T. 10 S., R. 24 E.
Sections 4, 5 and 6: All

Total unit area 27,136 acres, more or less.

(b). That the Unit area may be enlarged or diminished as provided in said plan.

SECTION 4. That the unit operator shall file with the Commission an executed original, or executed counterparts thereof, of the Rye Unit Agreement not later than 30 days after the effective date thereof.

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

SECTION 6. That the order herein shall become effective as of the first day of the calendar month next following the approval of said Unit Agreement by the Commissioner of Public Lands and the Secretary of the Interior of the United States, and it shall terminate upon the termination of said Unit Agreement. The unit operator shall immediately notify the Commission in writing of any such termination.

WITNESSED at Santa Fe, New Mexico, on the day and year hereinafter designated.

ALL COMMISSIONERS CONCURRING

Thomas J. Gray

John E. Miller

Ed. J. J. J.

(2002)

Company SOUTHERN UNION PRODUCTION CO.

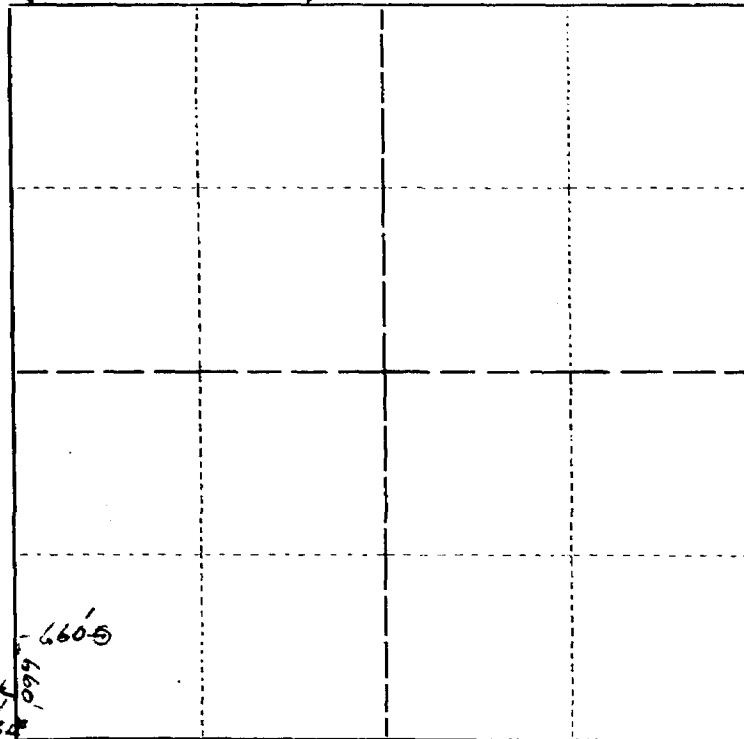
Lease FEDERAL Well No. 1

Sec. 24 T. 18 S., R. 23 E., N.M.P.M.

Location C. SW $\frac{1}{4}$, SE $\frac{1}{4}$

County Eddy New Mexico

(chained distances)



US6405
17011 544
17011 544
7185 7234

523 524
526 525

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:
Artesia, New Mexico

Registered Professional
Engineer and Land Surveyor.

Surveyed July 2, 19 47

14735 Advocate Print

R

23

T

18

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8	9	10
17	16	15 LC 062270 LC 062230
20	21	22

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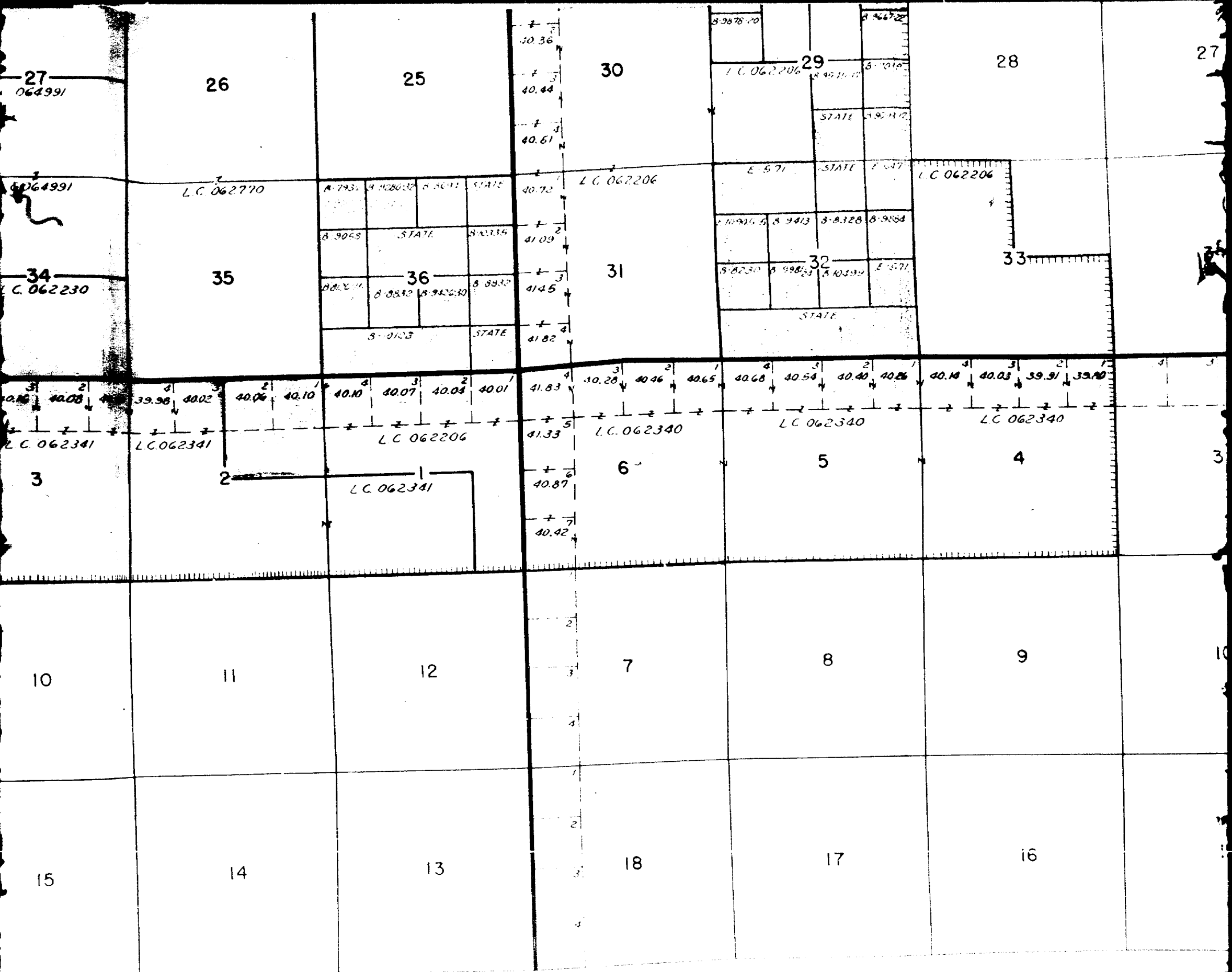
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-20

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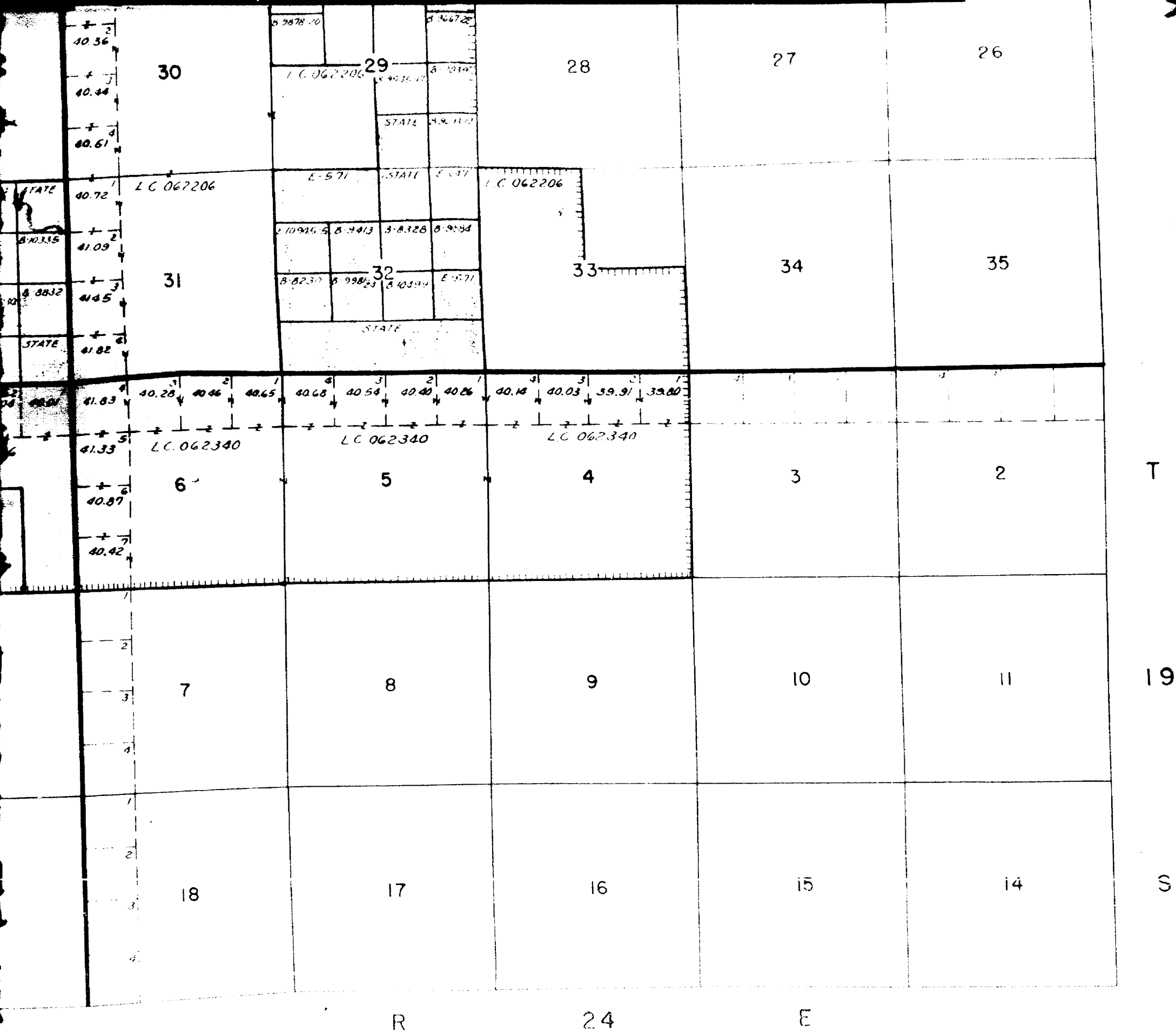
E



HOPE UNIT AREA EDDY COUNTY, NEW MEXICO

Scale 2" = 1 Mile

- ☐ Federal Land
- ☐ State Land
- ☐ Rec Land



APPROVAL - 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, I do hereby:

- A. Approve the attached Unit Agreement for the Development and Operation of the Hope Unit Area, State of New Mexico.
- B. Certify and determine that the unit plan of development and operation set forth in the attached agreement is necessary and advisable in the public interest and is for the purpose of more properly conserving the natural resources of the unit area.
- C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to the attached agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated: Feb 2, 1948

Washburn D. White
Acting ~~Assistant~~ Secretary of the Interior