

CASE RECORD FILE

99

Check

January 6, 1953

Mr. Clarence M. Hinkle
Survey, Box 1 Hinkle
Marquette, Mich.
Marquette, Mich.

Re: Certificate of Dissolution
Survey Unit No. 1, Cheven and
Clare Counties, Michigan

Dear Mr. Hinkle:

Reference is made to a petition submitted on October 1, 1952 by the United Oil Company of Michigan requesting Dissolution of the above named Unit. Our records reveal that all copies of the petition filed by the Commissioner of State and returned for a reply by the Director of the Michigan Geological Survey. It was further requested that inasmuch as the petition was filed in our office we could make the necessary changes in our books and that books. Please send us a copy of the petition for our records.

Very truly yours,

ILLEGIBLE

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

RECEIVED
OCT 1 1951

September 25, 1951

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

Oil Scarp Unit Agreement

Attention: H. H. Maister, Land Lease Division.

Dear Sir:

I have examined your revised application for extension of the Scarp Unit Agreement, and subject to the approval of the United States Geological Survey being had and obtained, I am pleased to advise that I approve your Application for Extension of said Unit Agreement to December 31, 1952, and the same being subject to your agreement to commence a second test well upon some part of the area prior to the extension date aforesaid.

Very truly yours,

Guy Shepard
Guy Shepard,
Commissioner of Public Lands.

GG/vch

cc: Standard Oil Co.
Foster Correll
R. A. Spurrier
Unit Agreement File

ILLEGIBLE

September 13, 1950

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

Attention of Mr. H. H. Kester

Re: I Sec. No. 516
Scarp Unit Agreement

Gentlemen:

I have carefully examined your application for an extension of time of eighteen months (until March 29, 1952) within which time:

- (1) to commence a second test well on the Scarp Unit Area and
- (2) and a like extension of the term of said Scarp Unit Agreement.

Because of the wildcat nature of the area I have concluded that the best interests of the State of New Mexico would be served by such requested extensions under the appropriate provision of the original agreement. Therefore, subject to the following conditions, I approve your application for extension of time within which the second well shall be commenced, through the same date.

This approval is entirely conditioned upon approval of this application for extension being had from the proper officials of the Department of Interior whose lands by and large are the most affected.

Very truly yours,

Guy S. Smith
GUY S. SMITH

Commissioner of Public Lands

YLC

ILLEGIBLE

DEPT. OF THE INTERIOR
STATE OF TEXAS
LAND OFFICE, DALLAS

October 1, 1940

Standard Oil Company of Texas
Land Office, Box 1111
Houston 1, Texas

I - 10132
BY THE COMMISSIONER
Charles C. Lee, Director
of Lands

Gentlemen:

After carefully considering the application of Standard Oil Company of Texas for an extension of time within which to comply with the provisions of the Act, this Commission has given the matter due consideration, and having concluded that the best interest of the State of Texas would be served by such further extension, I, therefore, approve said application for the extension of said term until September 1, 1941, or one year from the date of this decision, September 1, 1940, to September 1, 1941.

It is provided that said extension is conditional upon said company being able to show to the satisfaction of the United States Department of Interior.

Very truly yours,

John E. Miller

ILLEGIBLE

STANDARD OIL COMPANY OF TEXAS

P. O. Box 1249

HOUSTON 1, TEXAS

October 10, 1947

SCARP UNIT AGREEMENT
Chaves and Otero Counties,
New Mexico.

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

Gentlemen:

We enclose herewith for filing a counterpart of the above Unit Agreement which has been approved by the Department of the Interior. This counterpart is incomplete only with respect to a counterpart executed by Nay Hightower; however, a counterpart of the Unit Agreement executed by Nay Hightower is also enclosed herewith for your record.

Also enclosed is a copy of letter dated September 30, 1947, from Mr. H. J. Duncan of the Geological Survey, which explains why the enclosed counterpart approved by the Department of the Interior does not contain the Nay Hightower counterpart.

Yours very truly,

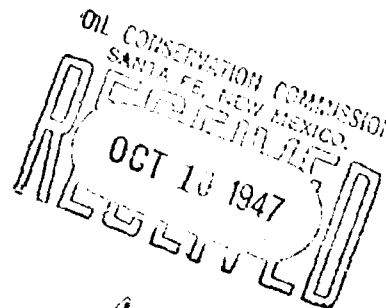
H. H. Kuester
H. H. Kuester, Manager,
Land and Lease Division

VS:mw

Encls.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico
October 8, 1947



Mr. R. R. Spurrier
New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Subject: Lease Las Cruces 032828

Dear Mr. Spurrier:

In accordance with our agreement to furnish each office with copies of notices and records covering drilling operations on federal and state-owned or patented lands embraced in unit agreements approved by both Federal and State officials, I am enclosing for your files a copy of Notice of Intention to Drill, submitted by Standard Oil Company of Texas, for well No. 1 Blaize, approved by M. H. Soyster, District Engineer, on July 25, 1947. The well is located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 18, T. 21 S., R. 18 E., Otero County, New Mexico on federal oil and gas lease Las Cruces 062828.

On September 10, 1947 the Assistant Secretary of the Interior, C. Girard Davidson, approved the unit agreement for the Scarp area, designated I-Sec. No. 516 for lands including the above lease and well location. Remaining reports on this well will be forwarded to you as received.

Very truly yours,

Foster Morrell

FOSTER MORRELL,
Supervisor, Oil and Gas Operations.

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico
July 25, 1947

Standard Oil Company of Texas
P. O. Box 1249
Houston, Texas

Las Cruces 068828

Gentlemen:

(RECEIVED AND APPROVED)

Receipt is acknowledged of your Notice of Intention to Drill dated July 23, 1947, covering your No. 1 Gabriel Y. Kaise, Jr. well on subject land in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 18, T. 21 S., R. 18 E., N.M.P.M., wildcat area, Otero County, New Mexico.

The proposed work as outlined by this Notice is 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 upon request, and also subject to the following conditions:

- (1) Drilling operations so authorized are subject to the general conditions set forth on the attached sheet.
- (2) Please furnish this office with copies of the electrical log, sample log, or any other surveys that may be run in the well.

Very truly yours,

M. H. Soyster
M. H. SOYSTER,
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 these 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 9-551a, 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 9-529, 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 9-530, 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.)

C
O
P
Y

Law Offices
Long, St. Lewis & Nyce
National Press Bldg.
Washington, D. C.

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

SEP 30 1947

Long, St. Lewis, and Nyce, Esqs.,
National Press Building
Washington 4, D. C.

Gentlemen:

On September 10, 1947, Assistant Secretary of the Interior C. Girard Davidson approved the unit agreement for the Scarp Area, Chaves and Otero Counties, New Mexico, filed by you in behalf of the Standard Oil Company of Texas, unit operator thereunder. The agreement is effective as of date of approval and has been designated I-Sec. No. 516.

Four sets of approved counterparts thereof are enclosed, to one of which has been attached a counterpart filed in this office September 29, 1947, signed by Nay and Emma Hightower. An insufficient number of the Hightower counterpart were filed to permit its attachment to the other three sets of approved counterparts herewith. One complete counterpart of this agreement should be delivered to the State of New Mexico for its record.

Yours very truly,

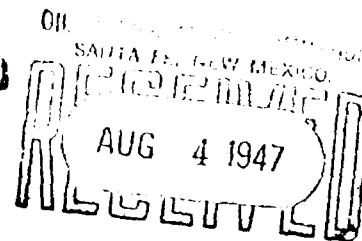
(Sgd) H. J. Duncan

H. J. Duncan,
For the Director.

Enclosure 423.

STANDARD OIL COMPANY OF TEXAS

P. O. Box 1660
Midland, Texas
July 31, 1947



New Mexico Oil Conservation Commission
Santa Fe, New Mexico

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

Gentlemen:

We hand you herewith in triplicate our Notice of Intention to Drill Standard Oil Company of Texas Gabriel Y. Blaize, Jr. No. 1 Well in the NE/4 SE/4, Section 18, Township 21 South, Range 18 East, Otero County, New Mexico. We also hand you herewith certified plats showing the location of this well with reference to section lines.

This well is to be drilled on Federal Permit No. Las Cruces 062828, and our Notice of Intention to Drill has been conditionally approved by the U. S. Geological Survey on July 25, subject to a justification in writing for the well being drilled a distance of only 120' from the East line of Section 18, also subject to the submission to it of four copies of a certified plat of the location. These conditions are being complied with by letter today.

We submit to you the following as justification for making the location of Standard Oil Company of Texas Blaize No. 1 Well at a point 120' west of the East line and 2360' north of the South line of Section 18, Township 21 South, Range 18 East, Otero County, New Mexico:

Aside from the primary consideration of locating this test on top of the structure, two other factors must be taken into account - topography and faulting.

The Scarp structure lies along the crest of a high scarp with steep west slope and gentle east slope. The gentle east slope offers more opportunity to make the location of the test conform to the land lines, but a test on top of the scarp would start 1500' higher stratigraphically than the proposed location near the foot of the scarp and would have to penetrate nearly 1000' of cavernous limestone (San Andres formation) which has been eroded from the proposed location. Water would

New Mexico Oil Conservation Commission
July 31, 1947 Page 2

also be more of a problem on top the scarp.

The Scarp structure has a major fault along its west side with a vertical displacement of approximately 1300' down thrown to the west. Outcrops along the fault indicate that the plane of the fault is probably nearly vertical with steep dip to the west, but in spite of these indications it is entirely possible that the fault is a reverse fault with its plane dipping steeply to the east. Consequently, it is necessary to make the location a safe distance east of this major fault, as well as a minor fault that branches off the major fault in the vicinity of the location.

The location for the test of the structure has been made at the foot of the scarp to avoid drilling through the cavernous San Andres limestone which would be necessary at any location on top of the scarp. It has been placed as far east as rough topography permits in order to avoid the danger of crossing the major fault or any associated fault at depth. The selected location is only 1600' east of the major fault and about 800' east of a minor fault. No other location to the north or south can be made as far east of the fault on topography as suitable for building a road and levelling a well site. Locally, the location chosen can be levelled off more easily than any other spot within 300 yards.

In the event it is necessary that a special hearing be called to further justify the location which we propose, we request that such a hearing be called at your earliest convenience.

Very truly yours



D. S. Googins
Div. Petroleum Engr.
Western Division

BSG/pb

cc - Mr. Glenn Staley, Chairman
Lea County Operators Committee

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. 99

ORDER NO. 106

THE APPLICATION OF THE STANDARD OIL
COMPANY OF TEXAS FOR AN ORDER OF
APPROVAL OF PROPOSED SCARP UNIT AGREE-
MENT WHOSE UNIT AREA COVERS 63,995.05 ACRES
SITUATED IN TOWNSHIPS 19, 20, 21, and 22
SOUTH, RANGES 17, 18 AND 19 EAST IN CHAVES
AND OTERO COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A. M.,
May 23, 1947, at Santa Fe, New Mexico, before the Oil Conserva-
tion Commission of New Mexico, hereinafter referred to as the
"Commission."

NOW, on this 23 day of May, 1947, the
Commission having before it for consideration the testimony
adduced at the hearing of said case and being fully advised
in the premises:

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

IT IS THEREFORE ORDERED:

That the order herein shall be known as the:

"SCARP UNIT AGREEMENT ORDER"

SECTION 1. (a). That the project herein shall be
known as the Scarp Unit Agreement and shall hereinafter be refer-
red 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 Scarp Unit Area referred to in
the petitioner's petition and filed with said petition and such
plan shall be known as the Scarp Unit Agreement Plan.

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

T. 19 S., R. 17 E.
Sec. 36, E $\frac{1}{2}$;

T. 19 S., R. 18 E.
Sec. 19, SE $\frac{1}{4}$;
Sec. 20, SW $\frac{1}{4}$;
Sec. 29, W $\frac{1}{2}$;
Sec. 30, E $\frac{1}{2}$, SW $\frac{1}{4}$;
Secs. 31 and 32, all;

T. 20 S., R. 17 E.
Sec. 1, E $\frac{1}{2}$;
Sec. 12, E $\frac{1}{2}$;
Sec. 13, E $\frac{1}{2}$;
Sec. 24, E $\frac{1}{2}$;
Sec. 25, E $\frac{1}{2}$;
Sec. 36, E $\frac{1}{2}$;

T. 20 S., R. 18 E.
Secs. 5, 6, 7, and 8, all;
Sec. 14, W $\frac{1}{2}$;
Secs. 15 to 36, inclusive, all;

T. 20 S., R. 19 E.
Sec. 19, W $\frac{1}{2}$;
Sec. 29, S $\frac{1}{2}$;
Sec. 30, SE $\frac{1}{4}$, W $\frac{1}{2}$;
Secs. 31 and 32, all;
Sec. 33, W $\frac{1}{2}$;

T. 21 S., R. 17 E.
Sec. 1, E $\frac{1}{2}$;
Sec. 12, E $\frac{1}{2}$;
Sec. 13, E $\frac{1}{2}$;
Sec. 24, NE $\frac{1}{4}$;

T. 21 S., R. 18 E.
All secs. 1 to 29, inclusive;
Sec. 30, NE $\frac{1}{4}$;
All secs. 32 to 36, inclusive;

T. 21 S., R. 19 E.
Sec. 4, W $\frac{1}{2}$;
All Secs. 5, 6, 7, and 8;
Sec. 9, W $\frac{1}{2}$;
All Secs. 17, 18, 19, 20, 29, 30, 31, 32;

T. 22 S., R. 18 E.
All secs. 1, 2, 3, 4, 10, 11, 12, 13, 14;

T. 22 S., R. 19 E.
Sec. 5, W $\frac{1}{2}$;
All Sec. 6;
Sec. 7, W $\frac{1}{2}$;

Chaves and Otero Counties
containing 63,995.05 acres,
more or less.

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

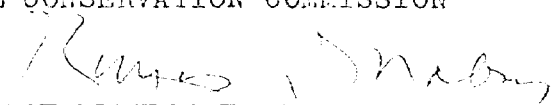
SECTION 4. That the unit operator shall file with
the Commission an executed original, or executed counterparts
thereof, of the Scarp Unit Agreement not later than 30 days
after the effective date thereof.

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 there-
after become a party thereto by subscribing to such Agreement
or a counterpart thereof. The Unit Operator shall file with
the Commission within 30 days an original of any such counterpart.

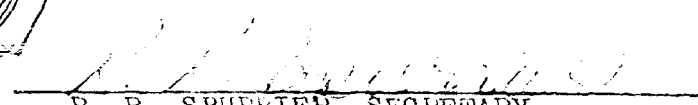
SECTION 6. That the order herein shall become
effective on the first day of the calendar month next following
the approval of Commissioner of Public Lands and the Secretary
of the Interior and shall terminate ipso facto on the termina-
tion of said Unit Agreement. The last Unit Operator shall
immediately notify the Commission in writing of such termination.

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

OIL CONSERVATION COMMISSION


THOMAS J. MABRY, CHAIRMAN


JOHN E. MILES, MEMBER


R. R. SPURRIER, SECRETARY

SEAL

CERTIFICATE OF APPROVAL BY COMMISSIONER OF
PUBLIC LANDS, STATE OF NEW MEXICO, OF UNIT
AGREEMENT FOR DEVELOPMENT AND OPERATION OF
SCARP UNIT AREA, CHAVES AND OTERO COUNTIES,
NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, an agreement for the development and operation of the Scarp Unit Area, Chaves and Otero Counties, New Mexico, dated April 28, 1947, in which the Standard Oil Company of Texas is designated as Operator and which has been executed by various parties owning and holding oil and gas leases embracing lands within the unit area and upon examination of said agreement the Commissioner finds:

a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said field;

b. That under the operations proposed, the State will receive its fair share of the recoverable oil or gas in place under its lands in the area affected;

c. That the agreement is in other respects for the best interest of the State;

d. That the agreement provides for the unit operation of the field, for the allocation of production, and the sharing of proceeds from a part of the area covered by the agreement on an acreage basis as specified in the agreement;

NOW, THEREFORE, by virtue of the authority conferred upon me by 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 in said Scarp Unit Agreement, and subject to all the provisions of the aforesaid Chapter 88 of the Laws of the State of New Mexico, 1943.

Executed this 23 day of May, 1947.

John E. Miller
Commissioner of Public Lands of
the State of New Mexico

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

"NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

"The Oil Conservation Commission, as provided by law, hereby gives notice of the following hearing, to be held at Santa Fe, New Mexico, at 10:00 A.M., May 23, 1947:

CASE NO. 99

In the matter of the application of the Standard Oil Company of Texas, for an order of approval for the unit Agreement for the development and operation of the Scarp Unit Area, within Townships 19, 20, 21 and 22S, Ranges 17, 18 and 19E, N.M.P.M., containing 63,995.05 acres, more or less, Chaves and Otero Counties, New Mexico.

Given under the seal of said Commission at Santa Fe, New Mexico, on May 5, 1947.

OIL CONSERVATION COMMISSION

BY: (SGD)

R. R. Spurrier, Secretary.

SEAL"

Hon. T. J. Mabry, Governor, Chairman
Hon. John E. Miles, State Land Commissioner, Member
Hon. R. R. Spurrier, Secretary Oil Conservation Commission, Member
Hon. George Graham, Attorney, Legal Adviser

R E G I S T E R

<u>NAME</u>	<u>COMPANY</u>	<u>ADDRESS</u>
Clarence Hinkle Attorney	Stanolind Oil Company	Roswell, N. M.
H. G. Barton	U. S. Geological Survey	Washington, D. C.
Foster Morrell	U. S. Geological Survey	Roswell, N. M.
E. L. Shafer	N. M. Oil Conservation Com.	Hobbs, N. M.

P R O C E E D I N G S

MR. CLARENCE M. HINKLE (Attorney for Standard Oil Company of Texas)

The meeting before the Commission this morning on the application of the Standard Oil Company of Texas for the approval of the unit agreement for the operation and development of this area situated in Chaves and Otero Counties comprises some 63,995.05 acres, situate in Township 19, 20, 21 and 22 South, Range 17, 18, and 19 East, in Chaves and Otero Counties.

I would like to offer in evidence a plat which shows the proposed unit area, I think it is the same plat attached to the proposed form of unit agreement. This plat shows by different symbols the Federal Lands, State Lands and For Lands. The State lands comprise 2,234.23 acres, or approximately .035 of the total lands in the proposed unit area. There are only 124.95 acres of fee lands which is a very small percentage. The lands included in the proposed unit area were designated by the Director of United States Geological Survey as federal, pursuant to an application signed with the department by the Standard Oil Company of Texas similar to the application filed here.

In that connection a geological report was furnished with the application made to the United States Geological Survey, and I would like to offer in evidence here a copy of the same report.

If the Commission would like I can read the report to them. It is simply a report gotten up between H. N. Frenzel and Walter Staehely for the Standard Oil Company of Texas, and it is the result of a geological survey made by the investigating department of the Standard Oil Company of Texas. Attached to the geological report is a plat which shows the structural conditions prevailing in the area, and which is the basis for the boundaries of the suggested unit areas. These contours on top of the Glorieta contain a generalized section of the structure as they have mapped it - it can have quite a large area.

MR. GEORGE GRAHAM:

That is the northern spur of the Guadalupe Mountains?

MR. HINKLE:

Yes, I understand it is.

It is on the strength of this geological report the United States Geological Survey designated it.

In connection with the application for approval of the unit area by this Commission we have filed with the Commission the form of Unit Agreement, it has heretofore been submitted to the Department of Interior and approved. After it was submitted, Mr. Graham raised some objections to the terms of the Agreement, but Mr. Graham and myself went over these suggested changes and agreed tentatively as to the changes recommended to the Commission. They were then submitted to the Director of the United States Geological Survey - to an attorney in Washington, D. C., and they still object to it. Two of the suggested changes, however, I have discussed these changes with Mr. Graham, Attorney for the Commission, and we have agreed, and I think he will recommend to the Commission that the same can be accepted, but that in the order of the Commission in this agreement be added a savings clause.

Section 25 of the Unit Agreement was that he thought it might possibly be considered as waiving some rights the Commission had. Section 25 provides in effect the joing control of the Unit Agreement shall not become operative until such time as development takes place on some of the State lands involved in the Unit Area, or ^{after} such time some of the State Lands are included in the area. That same wording has been approved by this Commission previously.

In order to answer Mr. Graham's suggestion I think it would be well for this Commission to say by their approval they do not waive or relinquish any rights given to the Commission given them by law, in connection with the approval of the Unit Agreement.

The other changes agreed upon and which meet with the approval of the Department of Interior, have been arranged and I am submitting re-drafts of the pages, which have been re-drafted, to meet these changes and these have been delivered to Mr. Graham and are to be inserted with the consent of the Commission in the forms which have been filed.

We believe the Unit agreement if approved and until production is obtained, will tend to promote conservation of oil and gas and prevention of waste. It is in line with the previous Unit Agreements approved by this Commission.

I think that is all I have, unless the Commission would like to ask some questions.

COMMISSIONER MILES:

Mr. Morrell, do you have a statement to make?

MR. MORRELL:

No, I don't have.

COMMISSIONER MILES:

I don't know if there is anything further - we discussed some of the changes Mr. Hinkle presented here this morning, and we, I think, came to an agreement. We thought it would be satisfactory and overcome the objections Mr. Graham made.

MR. GRAHAM:

I believe if included in the Order would be sufficient to preserve the Commission's status, since the State has created an Oil Commission for the purpose of regulating these matters.

We hope to have the field occupied, and at the same time preserve our status as a regulatory body.

COMMISSIONER MILES:

The Commission seems to be in accord, and the Order will be granted.

MEETING ADJOURNED

NEW MEXICO CLIPPING BUREAU
Santa Fe, New Mexico

MAY 8 1947

Roswell Dispatch

No. 4898

May 8, 1947

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION

The Oil Conservation Commission, as provided by law, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico, at 10:00 A. M., May 23, 1947:

Case 99

In the matter of the application of the Standard Oil Company of Texas, for an order of approval for the unit agreement for the development and operation of the Scarp Unit Area, within Townships 19, 20, 21 and 22S, Ranges 17E, 18E and 19E, N.M.P.M., containing 63,955.05 acres, more or less, Chaves and Otero Counties, New Mexico.

Given under the seal of said Commission at Santa Fe, New Mexico, on May 5, 1947.

(SEAL)

OIL CONSERVATION
COMMISSION

BY: (SGD) E. R. Spurrier,
Secretary.

as published in said newspaper
and not in any supplement, a
true copy of which is attached hereto, the same being:

Notice of Publication

That said notice was published in The Roswell

Morning Dispatch as follows: *One* consecutive
(days) (weeks) on the following dates:

May 8, 1947

San (B) H. C. G.

Publisher

STATE OF NEW MEXICO,

County of Chaves:

Subscribed and sworn to before me this *15th*
day of *May*, 1947.

Qualson May
Notary Public
Chaves County, New Mexico

My Commission Expires *4-2-49*

PROOF OF PUBLICATION

ROSSELL MORNING DISPATCH
ROSSELL, NEW MEXICO

COPY OF PUBLICATION

No. 4898

May 8, 1947

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Given under the seal of said Commission at Santa Fe, New Mexico, on May 5, 1947.

(SEAL)

OIL CONSERVATION
COMMISSION

SOURCE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
The Oil Conservation Commission, as provided by law, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico, at 10:00 A.M., May 23, 1947.
Case #9
In the matter of the application of the Standard Oil Company of Texas, for an order of approval for the unit Agreement for the development and operation of the Scarp Unit Area, within Townships 18, 20, 21 and 22S, Ranges 17, 18 and 19 E, N.M.P.M., containing 61,993.65 acres, more or less, Chaves and Otero Counties, New Mexico.
Given under the seal of said Commission at Santa Fe, New Mexico, on May 5, 1947.
OIL CONSERVATION COMMISSION
By: (Sgd) R. R. SPURRIER, Secretary.

SEAL:
Pub. May 6, 1947

Affidavit of Publication

State of New Mexico, }
County of Santa Fe } ss.

I, C. B. Floyd, being first duly sworn, declare and say that I am the (Business Manager) (~~Editor~~) of the Santa Fe New Mexican, a daily newspaper, published in the English Language, and having a general circulation in the City and County of Santa Fe, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937; that the publication, a copy which is hereto attached, was published in said paper ~~once each week~~ for one time ~~consecutive weeks and on the same day of each week in~~ the regular issue of the paper during the time of publication, and that the notice was published in the newspaper proper, and not in any supplement, once each week for one time ~~weeks consecutively, the first~~ publication being on the 8th day of May, 1947, ~~and the last publica-~~ tion on the ~~day of~~ May; that payment for said advertisement has been (duly made) or (assessed as court costs); that the undersigned has personal knowledge of the matters and things set forth in this affidavit.

[Signature]
Manager
Subscribed and sworn to before me this 8th day of May, A.D., 1947.
[Signature]
Notary Public

My Commission expires June 14, 1949

PUBLISHER'S BILL
25 lines, one time at \$ 2.00
_____ lines, _____ times, \$ _____
Tax \$ _____
Total \$ 2.00
Received payment, _____
By _____

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

May 6, 1947

Mr. Glenn Staley
Proration Office
Hobbs, New Mexico

RE: Case 99 - Notice of Publication

Dear Glenn:

Enclosed is notice of publication in Case 99.

Very truly yours,

RRS:bsp

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

May 6, 1947

Honorable Clarence Hinkle
Harvey, Dow & Hinkle
Roswell, New Mexico

RE: Case 99 - Notice of Publication

Dear Clarence:

Enclosed is notice of publication in Case 99.

Very truly yours,

RES:bsp

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

May 6, 1947

Alamogordo News
Alamogordo, New Mexico

Roswell News Dispatch
Roswell, New Mexico

Santa Fe New Mexican
Santa Fe, New Mexico

Gentlemen:

RE: Notice of Publication - Case No. 99

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
enclosed.

Very truly yours,

RRS:bap

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NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, as provided by law, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico, at 10:00 A.M., *May 23, 1947*:

Case 99

In the matter of the application of the Standard Oil Company of Texas, for an order of approval for the unit Agreement for the development and operation of the Scarp Unit Area, within Townships 19, 20, 21 and 22S, Ranges 17, 18 and 19E, N.M.P.M., containing 63,995.05 acres, more or less, Chaves and Otero Counties, New Mexico.

Given under the seal of said Commission at Santa Fe, New Mexico, on May 5, 1947.

OIL CONSERVATION COMMISSION

BY: (SGD)

R. R. Spurrier, Secretary.

SEAL

LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO

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

April 23, 1947

GEORGE H. HUNKER, JR.

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

Attention: Mr. Spurrier

Gentlemen:

We hand you herewith, in triplicate, Application of the Standard Oil Company of Texas for approval of the unit agreement for the development and operation of the Scarp Unit Area, Chaves and Otero Counties, New Mexico.

We also enclose three copies of the proposed unit agreement. You will note that the form of agreement has heretofore been approved by the Department of the Interior and we are also filing an application on behalf of the Standard Oil Company of Texas for approval of the unit agreement by the Commissioner of Public Lands.

We are extremely anxious to have the hearing set on the matter of the unit agreement at a date as early as possible and will appreciate your advising us when we may expect to have the hearing.

Yours sincerely

HERVEY, DOW & HINKLE

BY 

ceh:s
encl.

cc: Standard Oil Co. of Texas
Houston, Texas

Handwritten notes:
Standard Oil Co. of Texas
Houston, Texas
Santa Fe, New Mexico

UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE SCARP UNIT AREA,
CHAVES AND CTERO COUNTIES STATE OF NEW MEXICO

I. SEC. NO. _____

This agreement, entered into as of the 28th day of April, 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 interest; and

WHEREAS the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Chap. 38, 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 Scarp 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 development and operation of the area subject to this agreement under the terms, conditions, and limitations herein set forth;

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

ENABLING ACT AND REGULATIONS

1. The act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement, and as to non-Federal land applicable State laws are accepted and made 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

- T. 19 S., R. 17 E.
Sec. 36, E $\frac{1}{2}$;
- T. 19 S., R. 18 E.
Sec. 19, SE $\frac{1}{4}$;
Sec. 20, S $\frac{1}{2}$ W $\frac{1}{2}$;
Sec. 29, W $\frac{1}{2}$;
Sec. 30, E $\frac{1}{2}$, SW $\frac{1}{4}$;
Secs. 31 and 32, all;
- T. 20 S., R. 17 E.
Sec. 1, E $\frac{1}{2}$;
Sec. 12, E $\frac{1}{2}$;
Sec. 13, E $\frac{1}{2}$;
Sec. 24, E $\frac{1}{2}$;
Sec. 25, E $\frac{1}{2}$;
Sec. 36, E $\frac{1}{2}$;
- T. 20 S., R. 18 E.
Secs. 5, 6, 7, and 8, all;
Sec. 14, W $\frac{1}{2}$;
Secs. 15 to 36, inclusive, all;
- T. 20 S., R. 19 E.
Sec. 19, W $\frac{1}{2}$;
Sec. 29, S $\frac{1}{2}$;
Sec. 30, SE $\frac{1}{4}$, W $\frac{1}{2}$;
Secs. 31 and 32, all;
Sec. 33, W $\frac{1}{2}$;
- T. 21 S., R. 17 E.
Sec. 1, E $\frac{1}{2}$;
Sec. 12, E $\frac{1}{2}$;
Sec. 13, E $\frac{1}{2}$;
Sec. 24, NE $\frac{1}{4}$;
- T. 21 S., R. 18 E.
All Secs. 1 to 29, inclusive;
Sec. 30, NW $\frac{1}{4}$;
All Secs. 32 to 36, inclusive;
- T. 21 S., R. 19 E.
Sec. 4, W $\frac{1}{2}$;
All Secs. 5, 6, 7, and 8;
Sec. 9, W $\frac{1}{2}$;
All Secs. 17, 18, 19, 20, 29, 30, 31, 32;
- T. 22 S., R. 18 E.
All Secs. 1, 2, 3, 4, 10, 11, 12, 13, 14;
- T. 22 S., R. 19 E.
Sec. 5, W $\frac{1}{2}$;
All Sec. 6;
Sec. 7, W $\frac{1}{2}$;

Chaves and Otero Counties
containing 63,995.05 acres,
more or less.

Exhibit A attached hereto is a map showing the unit area and the known ownership of all land and 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. Exhibits A and B shall be revised by the Unit Operator whenever changes in the unit area or other changes render such revision necessary, and not less than six copies of the revised exhibits shall be filed with the Oil and Gas Supervisor.

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 of the U. S. Geological Survey, hereinafter referred to as Director, or on demand of the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as Commissioner, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof.

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

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor and Commissioner evidence of mailing of the notice of

expansion or contraction and a copy of any objections thereto which have been filed with the Unit Operator.

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

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

UNITIZED SUBSTANCES

3. All oil, gas, natural gasoline, and associated fluid 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 OPERATOR

4. The Standard Oil Company of Texas, with offices at Houston, Texas, is hereby designated as Unit Operator and by signature hereto commits to this agreement all interests in unitized substances vested in it as set forth in Exhibit B, and agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in unitized substances.

The Unit Operator may resign as Unit Operator whenever not in default under this agreement, but no Unit Operator shall be relieved from the duties and obligations of Unit Operator for

a period of 6 months after it has served notice of intention to resign on all owners of working interests subject hereto and the Director and Commissioner, 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 by a majority vote of owners of working interests 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 Unit Operator, the duly qualified successor Unit Operator shall have an option to purchase on reasonable terms all or any part of the equipment, material, and appurtenances in or upon the land subject to this agreement, owned by the retiring Unit Operator and used 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. At any time within the next ensuing 6 months any equipment, material, and appurtenances not purchased and not necessary for the preservation of wells may be removed by the retiring Unit Operator, but if not removed shall become the joint property of the owners of unitized working interests in the participating area 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 right, title, or interest of such Unit Operator 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. A majority vote of the working interests qualified to vote shall be required to select a new Unit Operator; PROVIDED, That, if a majority but less than 75 percent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of at least one additional working interest owner shall be required to select a new operator. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Director and Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director and Commissioner at their election may declare this unit agreement terminated.

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.

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. 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.

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 revenue and benefits derived from 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 the 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 in conformity with operating agreements, leases, or other independent contracts between the Unit Operator and the parties hereto either collectively or individually.

The development and operation of land subject to this agreement under the terms hereof shall be deemed full performance by the Unit Operator of all obligations for such development and operation 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 in any lease, operating agreement, or other contract by and between the parties hereto or any of them.

DRILLING TO DISCOVERY

8. Within 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, if such location is upon lands of the United States, and if upon State lands or

patented lands, such location shall be approved by the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the Commission, and thereafter continue such drilling diligently until a well not less than 6500 feet in depth has been drilled, unless at a lesser depth unitized substances shall be discovered which can be produced in paying quantities or the Unit Operator shall at any time establish to the satisfaction of the Supervisor as to wells on Federal land, and the Commission as to wells on State land or patented land, that further drilling of said well would not be warranted. If the first or any subsequent test well fails to result in the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than 6 months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor if on Federal land and the Commissioner if on State land or patented land, 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, 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 may notify the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted. Upon failure to comply with the drilling provisions of this section, the Director

and Commissioner may, after reasonable notice to the Unit Operator, and each working interest owner, lessee, and lessor at their last known addresses, declare this unit agreement terminated.

PLAN OF FURTHER DEVELOPMENT AND OPERATION

9. Within 6 months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission, an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, the Commissioner, and Commission, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission, a plan for an additional specified period for the development and operation of the unitized land. Any plan submitted pursuant to this section shall provide for exploration of the unitized area 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 area and shall (a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and (b) to the extent practicable specify the operating practices regarded as necessary and advisable for proper conservation of natural resources. Separate plans may be submitted for separate productive

zones, subject to the approval of the Supervisor, Commissioner, and the Commission. Said plan or plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and Commissioner are authorized to grant a reasonable extension of the 6-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 not under this agreement, shall be drilled except in accordance with a plan of development approved as herein provided.

PARTICIPATION AFTER DISCOVERY

10. Upon completion of a well capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor, the Commissioner, and Commission, the Unit Operator shall submit for approval by the Director, the Commissioner, and the Commission a schedule, based on subdivision of the public land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all land in said schedule on approval of the Director, the Commissioner, and the Commission to constitute a participating area, effective as of the date of first production. Said schedule shall also set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from

and after the date the participating area becomes effective. A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities, and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first of the month 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. No land shall be excluded from a participating area on account of depletion of the unitized substances.

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

In the absence of agreement at any time between the Unit Operator, the Director, the Commissioner, and the Commission as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable

to the owners of working interests, except royalties due the United States and the State of New Mexico, which shall be determined by the Supervisor and the Commissioner and the amount thereof deposited with the District Land Office of the Bureau of Land Management and the Commissioner of Public Lands, respectively, to be held as unearned money until the participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the Supervisor as to wells on Federal land and the Commissioner as to wells on State land, and the Commission as to patented land, that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well shall 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.

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, each such tract shall have allocated to it such percentage of said production as its area bears to the said participating area. It is hereby agreed that production of unitized

substances from a participating area shall be allocated as provided herein regardless of whether any wells are drilled on any particular part or tract of said participating area.

DEVELOPMENT OR OPERATION OF 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 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 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 similar wells in the unit area, and the well shall be operated pursuant to the terms of this agreement as though the well had been drilled by the Unit Operator.

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, within 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. 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 an owner of working interest other than the Unit Operator shall be operated pursuant to the terms and provisions of this agreement. Royalties in amount or value of production from any such well shall be paid as specified in the lease affected.

ROYALTIES AND RENTALS

13. The Unit Operator, on behalf of the parties hereto, shall pay in value or deliver in kind, according to the rights of the parties established by underlying leases or agreements, all royalties due upon production allocated to unitized land and shall pay all rentals or minimum royalties due on unitized land. 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 lessees of Federal or State land from their obligations under the terms of their respective leases to pay rentals and royalties.

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by

law or regulation: PROVIDED, That for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

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.

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 with adequate realization of fuel and other values.

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.

LEASES AND CONTRACTS 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 consent that the Secretary and Commissioner, respectively, may, and said Secretary and Commissioner, by their approval of this agreement do hereby 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, but otherwise the terms and conditions of said leases shall remain in full force and effect.

Said parties further consent and agree, and the Secretary and Commissioner by their approval hereof determine, 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 under and for the benefit of all unitized leases embracing land of the United States and the State of New Mexico; and that no such lease shall be deemed to expire by reason of failure to produce wells situated on land therein embraced. Any Federal lease for a term of 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. Any 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 unitized substances is discovered prior to the expiration date of the primary term of such lease. Authorized suspension of all operations and production on the

unitized land shall be deemed to constitute authorized suspension with respect to each unitized lease.

The parties hereto holding interests in land within the unit area other than Federal land consent and agree, to the extent of their respective interests, that all leases or other contracts concerning such land shall be modified to conform to the provisions of this agreement and shall be continued in force and effect during the life of this agreement.

COVENANTS RUN WITH LAND

17. The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary and as to State land shall be subject to approval by the Commissioner.

EFFECTIVE DATE AND TERM

18. This agreement shall become effective upon approval by the Commissioner and Secretary and shall terminate on December 31, 1949, unless (a) such date of expiration is extended by the Director and Commissioner, or (b) it is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities and after notice of

Intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, the agreement is terminated with the approval of the Director and the Commissioner, or (c) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof, in which case the agreement shall remain in effect so long as unitized substances can be produced from 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 not less than 75 per centum, on an acreage basis, of the owners of working interests signatory hereto with the approval of the Director and the Commissioner.

RATE OF PROSPECTING DEVELOPMENT, 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 applicable statute. The Director is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and developing and within the limits made or fixed by the Commission to modify the quantity and rate of production under this agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided further that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the

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

CONFLICT OF SUPERVISION

20. Neither the Unit Operator nor the working interest owners nor any of them shall be subject to any forfeiture, termination, or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability for delay or failure in whole or in part to comply therewith to the extent that the said Unit Operator, working interest owners or any of them are hindered, delayed, or prevented from complying therewith by reason of failure of the Unit Operator to obtain the joint consent of the representatives of the United States and the representatives of the State of New Mexico in and about any matters or thing concerning which it is required herein that such joint consent be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this contract are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

UNAVOIDABLE DELAY

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

COUNTERPARTS

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 be effective on the first day of the month next following the filing thereof with the Supervisor and the Commissioner, unless objection thereto is made by the Director and Commissioner and notice of such objection is served upon the appropriate parties within 60 days after such filing.

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

ATTEST:

V. Clark
Assistant Secretary
June 26 - 1947
Date

STANDARD OIL COMPANY OF TEXAS

[Signature]
By *[Signature]*
Vice President

UNIT OPERATOR

June 16 - 1947
Date

[Signature]
Bertie R. Koch

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Blank lined area for notes or entries.

STATE OF Illinois)
COUNTY OF Franklin) SS

On this 26th day of April, 1927, before
me personally appeared ,
to me personally known who being by me duly sworn, did say
that he is the Vice President of

STANDARD OIL CO. OF TEXAS
and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said
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.

M. Bernice Dwyer
Notary Public

My Commission Expires
M. Bernice Dwyer
My Commission Expires June 1, 1929

STATE OF)
COUNTY OF) SS

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

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said
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.

Notary Public

My Commission Expires

STATE OF Pennsylvania
COUNTY OF Verano

On this 16 day of June, 1947, before me personally appeared John Koch and Bertha R. Koch, 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 24, 1949.

James H. Courtney
Notary Public

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.

My commission expires:

Notary Public

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.

My commission expires:

Notary Public

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, 1948, 60 Stat. 950, I do hereby:

- A. Approve the attached agreement for the development and operation of the Scarp Unit Area, State of New Mexico.
- B. Certify and determine that the unit plan of development and operation set forth in the attached agreement is necessary and advisable in the public interest and is for the purpose of more properly conserving the natural resources of the unit area.
- C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Date _____

Secretary of the Interior

EXHIBIT "B"

SCARP UNIT AREACHAVES AND OTERO COUNTIES, NEW MEXICOSCHEDULE SHOWING THE NATURE AND EXTENT OF OWNERSHIP OF
OIL AND GAS RIGHTS IN ALL LANDS IN THE UNIT AREA

L. C. Serial Number	Lessee or Applicant	Description			Acres (more or less)
		Twp.	Rge. TTPM	Sec.	
064936	Dillon Anderson 3414 Del Monte Drive Houston, Texas	20 S	17 E	15; E $\frac{1}{2}$ 24; E $\frac{1}{2}$	640
064925	George Barrow 3024 Ella Lee Lane Houston, Texas	20 S	19 E	29; S $\frac{1}{2}$ 31; all 32; all 33; W $\frac{1}{2}$	1,873.12
062828	Gabriel Y. Blaize, Jr. 3702 Binkley Avenue Dallas, Texas	21 S	18 E	9; all 17; all 15; W $\frac{1}{2}$ 16; N $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ 18; E $\frac{1}{2}$	2,280
065227	J. Curtiss Brown Y. M. C. A. Houston, Texas	21 S	19 E	7; E $\frac{1}{2}$ 18; all, including lots 1, 2, 3 & 4	
		21 S	18 E	13; all 24; all	2,132.44
065353	J. Curtiss Brown Y. M. C. A. Houston, Texas	19 S	18 E	19; SE $\frac{1}{4}$	160
064919	Homer L. Bruce 2607 Prospect Avenue Houston, Texas	20 S	18 E	27; all 34; all 21; S $\frac{1}{2}$ 22; S $\frac{1}{2}$ 28; NE $\frac{1}{4}$	2,080
064987	Radford Byerly 2338 Addison Houston, Texas	21 S	18 E	33; all	
		22S	18 E	3; all 4; all	1,919.44
065228	Radford Byerly 2338 Addison Houston, Texas	20 S	18 E	14; W $\frac{1}{2}$ 15; E $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and Lots 1, 2, 3, 4 & 5 16; S $\frac{1}{2}$, NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, and Lots 1 & 2 21; N $\frac{1}{2}$ 22; N $\frac{1}{2}$ 23; NW $\frac{1}{4}$	2,332.51

L. C. Serial Number	Lessee or Applicant	Description			Acres (more or less)
		Twp.	Rge. N.E.P.M.	Sec.	
064922	F. G. Coates	20 S	18 E	23; S $\frac{1}{2}$, NE $\frac{1}{4}$ 24; all 26; all 35; all	2,400
063063	Anna K. Cox 4433 Emerson Avenue Dallas, Texas	20 S	18 E	28; S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ 33; all	
		21 S	18 E	3; Lots 3,4,5,6, 11,12,13,14, SW $\frac{1}{4}$ 4; Lots 1,2,7,8, 9,10,15,16, SE $\frac{1}{4}$ 10; W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	2,548.08
065229	John F. Heard 2245 Branard Houston, Texas	19 S	18 E	29; W $\frac{1}{2}$ 30; E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, Lots 3 & 4 31; SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, Lots 3 & 4	
		20 S	17 E	1; S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ lots 1 & 2 12; E $\frac{1}{2}$	1,752.44
064918	Henry F. Holland 3618 Garrett Street Houston, Texas	20 S	17 E	25; E $\frac{1}{2}$	
		21 S	17 E	1; Lots 1,2,7, 8,9,10, SE $\frac{1}{4}$ 12; NE $\frac{1}{4}$	889.98
064929	J. C. Hutchinson III 600 Lovett Boulevard Houston, Texas	21 S	17 E	12; SE $\frac{1}{4}$ 24; NE $\frac{1}{4}$ 13; E $\frac{1}{2}$	
		21 S	18 E	18; Lots 1,2,3,4,E $\frac{1}{2}$ W $\frac{1}{2}$ 19; all 30; NE $\frac{1}{4}$ 29; W $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	1,995.72
065230	Maine Kerr 5516 Chenevert Street Houston, Texas	21 S	19 E	17; W $\frac{1}{2}$ 20; W $\frac{1}{2}$ 29; W $\frac{1}{2}$ 19; all, including Lots 1,2,3 & 4 30; all, including Lots 1, 2, 3 & 4	2,024.83
064937	Paul A. Langford 1821 Wroxton Road Houston, Texas	20 S	18 E	25; all 36; all	
		20 S	19 E	19; E $\frac{1}{2}$ W $\frac{1}{2}$, Lots 1,2,3,4 30; E $\frac{1}{2}$ W $\frac{1}{2}$, SE $\frac{1}{4}$, Lots 1,2,3 & 4	1,983.28

L.C. Serial Number	Lessee or Applicant	Description RGE.			Acres (more or less)
		Two.	MPM	Sec.	
064939	Ernest Langston 2517 Inwood Drive Houston, Texas	21 S	18 E	1; all	1,768.24
		21 S	19 E	12; all 7; $\frac{1}{2}$ NW $\frac{1}{4}$, Lots 1, 2, 3 & 4	
064926	L. Alexander Lovett 1821 Price Street Houston, Texas	21 S	19 E	4; Lots 3, 4, 5, 6, 11, 12, $\frac{1}{2}$ NW $\frac{1}{4}$, $\frac{1}{2}$ SW $\frac{1}{4}$	1,900.09
				5; Lots 1 to 12, inclusive $\frac{1}{2}$ NW $\frac{1}{4}$, $\frac{1}{2}$ SW $\frac{1}{4}$	
064438	H. M. Lovett 1214 Bertha St., Houston	21 S	18 E	6; all	280
				16; SE $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	
064923	John T. McCullough 3633 Overbrook Lane Houston, Texas	21 S	18 E	34; all	2,561.04
				35; all 36; all	
064103	Harry McKurry 7431 Elm Street Houston, Texas	22 S	18 E	2; all	2,545.04
		21 S	18 E	6; Lots 16, 17, 18, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ 7; all 8; all 10; E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ 15; E $\frac{1}{2}$ 29; E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	
064110	Albert M. Miller Texas State Hotel Houston, Texas	20 S	18 E	29; all	2,571.44
				30; all 31; all 32; all	
064924	Raymond Neilson 2248 Pelham Drive Houston 6, Texas	21 S	18 E	23; all	2,560
				25; all 26; all 27; all	
064932	W. A. Parish 3918 Mt. Vernon St. Houston, Texas	21 S	18 E	2; all	2,193
				11; all 14; all	
062834	Katherine Stuart Powell 4530 Edmondson St. Dallas, Texas	21 S	18 E	20; all	2,560
				21; all 22; all 28; all	

L. C. Serial Number	Lessee or Applicant	Description Rge.			Acres (more or less)
		Two.	Range	Sec.	
065226	Garrett R. Tucker, Jr. 1959 Danville Houston, Texas	22 S	19 E	5; SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, Lots 3 & 4	1,814.03
		22 S	18 E	7; E $\frac{1}{2}$ W $\frac{1}{4}$, Lots 1,2,3,4, 1; all, incl. Lots 1,2, 3,4 12; all	
065225	A. B. White 4214 St. Emanuel Houston, Texas	22 S	18 E	10; all 11; all 13; all 14; all	2,560
065354	A. B. White 4214 St. Emanuel Houston, Texas	21 S	19 E	4; S $\frac{1}{2}$ SW $\frac{1}{4}$ 5; S $\frac{1}{2}$ S $\frac{1}{2}$ 8; all 9; W $\frac{1}{2}$ 17; E $\frac{1}{2}$ 20; E $\frac{1}{2}$	1,840
064114	Harold M. Wilson Route #12, Box 185 Houston, Texas	21 S	18 E	3; Lots 1, 2, 7,8,9,10, 15 & 16, SE $\frac{1}{4}$ 4; Lots 3,4,5, 6,11,12,13, 14, SW $\frac{1}{4}$ 5; all 6; Lots 1-15, incl.	2,362.42
065260	James K. Nance 2305 Albans Houston, Texas	21 S	19 E	29; E $\frac{1}{2}$ 31; all, incl. Lots 1,2,3,4 32; all	2,026.02
		22 S	19 E	6; all, incl. Lots 1,2,3,4, 5,6,7	
062830	Evelyn Beach 41 Brewer Hartford, Conn.	20 S	18 E	5; all 6; all 7; all 8; all	2,403.37
062826	Otis Bradford 1617 Bonham Street Commerce, Texas	20 S	18 E	17; all 18; all 19; all (except 52 acres of land which has been patented) 20; all	2,511.34
062977	Mr. H. H. H. H. 211 Ward Building Artesia, N.M.	19 S	18 E	20; SW $\frac{1}{4}$	130

STATE LANDS

State Lease Number	Present Owner or Lessee	Description Rge.			Acres (more or less)
		Twp.	NMPM	Sec.	
E-927	Standard Oil Company of Texas Houston, Texas	21 S	18 E	32; all	640
E-1162	Standard Oil Company of Texas Houston, Texas	20 S	17 E	36; E $\frac{1}{2}$	320
B-10822	Benjamin Morris c/o W. K. Clayton Capitol Hill Station Denver, Colorado	19 S	17 E	36; NE $\frac{1}{2}$ NE $\frac{1}{2}$	40
B-10822	Dr. Thomas Jespersen 1729 N. Wisconsin Ave. Milwaukee 3, Wisc.	19 S	17 E	36; NW $\frac{1}{2}$ NE $\frac{1}{2}$	40
B-7936	G. C. Parker 302 Nat'l Bank of Tulsa Tulsa, Okla.	19 S	17 E	36; S $\frac{1}{2}$ NE $\frac{1}{2}$	80
B-11048	B. E. Spencer Artesia, New Mexico	19 S	17 E	36; N $\frac{1}{2}$ SE $\frac{1}{2}$	80
B-11034	A. M. Hoffstater and Margaret A. Porter c/o W. K. Clayton Capitol Hill Station Denver, Colorado	19 S	17 E	36; SW $\frac{1}{2}$ SE $\frac{1}{2}$	40
B-11034	Jack K. Davis Box 186 Port Townsend, Wash.	19 S	17 E	36; SE $\frac{1}{2}$ SE $\frac{1}{2}$	40
B-11049	Lillian Macoste 2017 Tremont Ave. Fort Worth 7, Texas	19 S	18 E	31; NE $\frac{1}{2}$ NE $\frac{1}{2}$, Lots 1, 2, E $\frac{1}{2}$ NW $\frac{1}{2}$, SW $\frac{1}{2}$ NE $\frac{1}{2}$	236.23
B-7173	J. M. Koch R.D. 1, Oil City, Pa.	19 S	18 E	31; NW $\frac{1}{2}$ NE $\frac{1}{2}$, SE $\frac{1}{2}$ NE $\frac{1}{2}$	80
B-7173	J. M. Koch R.D. 1 Oil City, Pa.	19 S	18 E	32; NE $\frac{1}{2}$ NE $\frac{1}{2}$, SW $\frac{1}{2}$ NE $\frac{1}{2}$, NW $\frac{1}{2}$ NW $\frac{1}{2}$, SE $\frac{1}{2}$ NW $\frac{1}{2}$, NE $\frac{1}{2}$ SE $\frac{1}{2}$, SW $\frac{1}{2}$ SE $\frac{1}{2}$	240
B-11038	Dr. L. E. Bees Bennett, Iowa	19 S	18 E	32; NW $\frac{1}{2}$ NE $\frac{1}{2}$, NE $\frac{1}{2}$ NW $\frac{1}{2}$, SE $\frac{1}{2}$ NE $\frac{1}{2}$	120

State Lease Number	Present Owner or Lessee	Description Rge. Twp. NTPM Sec.			Acres (more or less)
B-11039	Irene Bower Box 101 La Moille, Illinois	19 S	18 E	32: SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$	80
B-7173	Nivla Oil Corporation Box 521 Tyler, Texas	19 S	18 E	32: SW $\frac{1}{4}$	160
B-11039	Irving Manrose R.F.D. 5 Princeton, Illinois	19 S	18 E	32: NW $\frac{1}{4}$ SE $\frac{1}{4}$	40

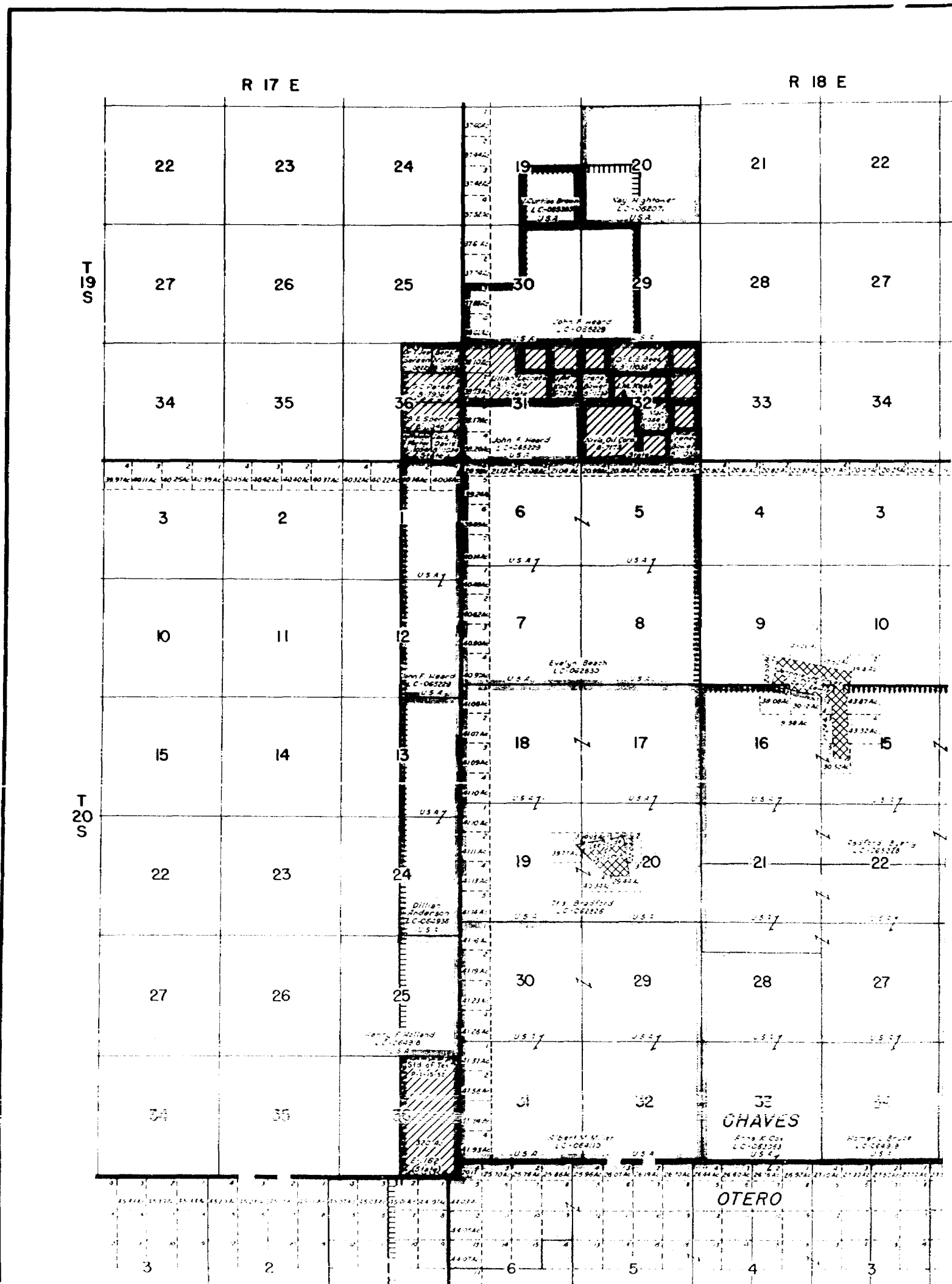
FEE LANDS

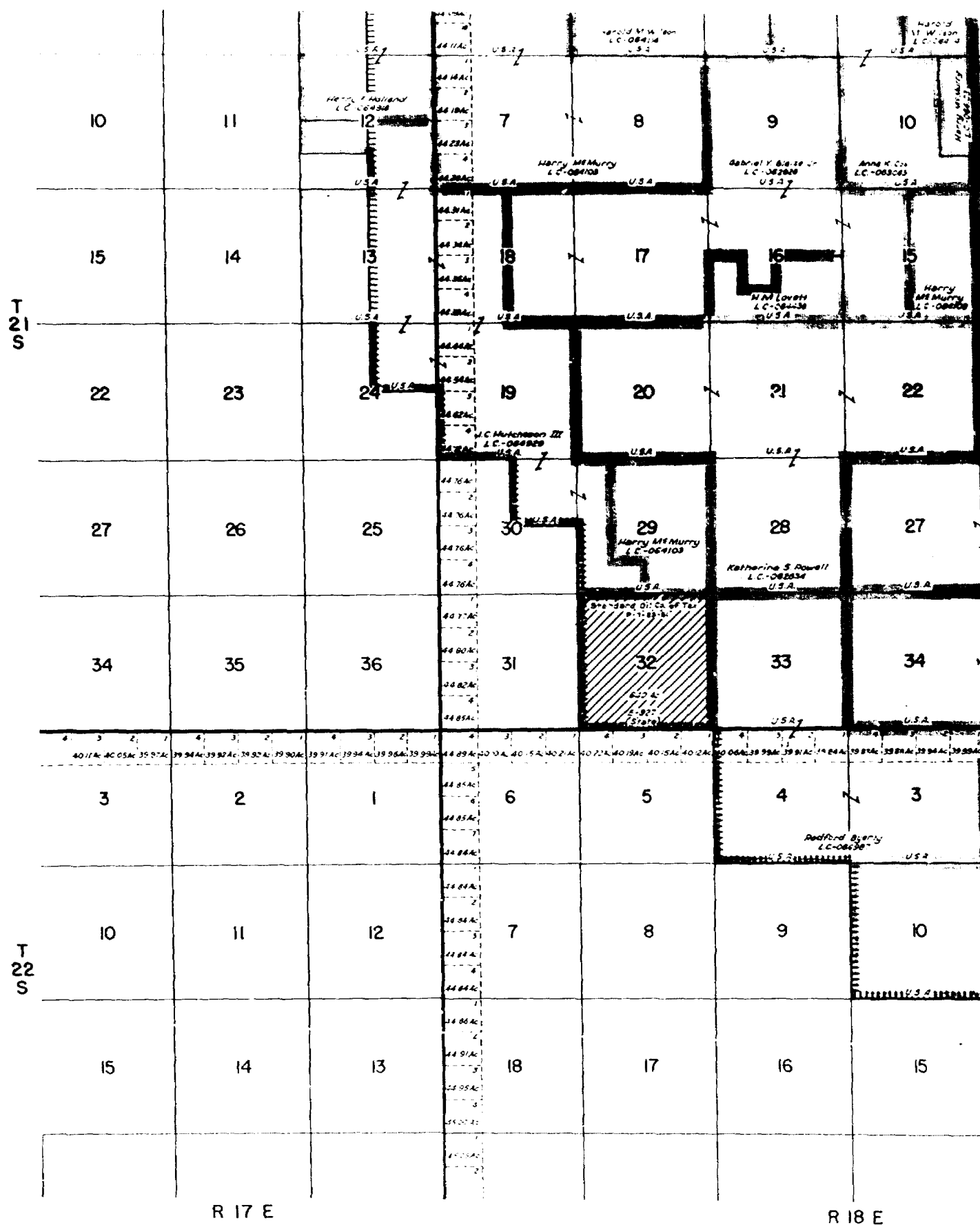
Owner	Description	Acres (more or less)
Carl Lewis and Johnnie Prude Artesia, New Mexico	T. 20 S., R. 18 E., N.M.P.M. NW $\frac{1}{4}$ Sec. 15, except Lots 1, 2, 3, and 4, and all of NW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 15, Except Lot 5; also, that part of Sec. 16 lying North of Lots 1 and 2	67.49
Carl Lewis and Johnnie Prude Artesia, New Mexico	A tract of land lying in Secs. 19 and 20, T. 20 S., R. 18 E., N.M.P.M. that part lying in Sec. 20 being bounded on the North by Lots 1 and 2, on the East by Lots 2 and 3, and on the South and West by Lots 3 and 4; and that part lying in Sec. 19 being bounded on the North, West, and South by Lot 3	57.46

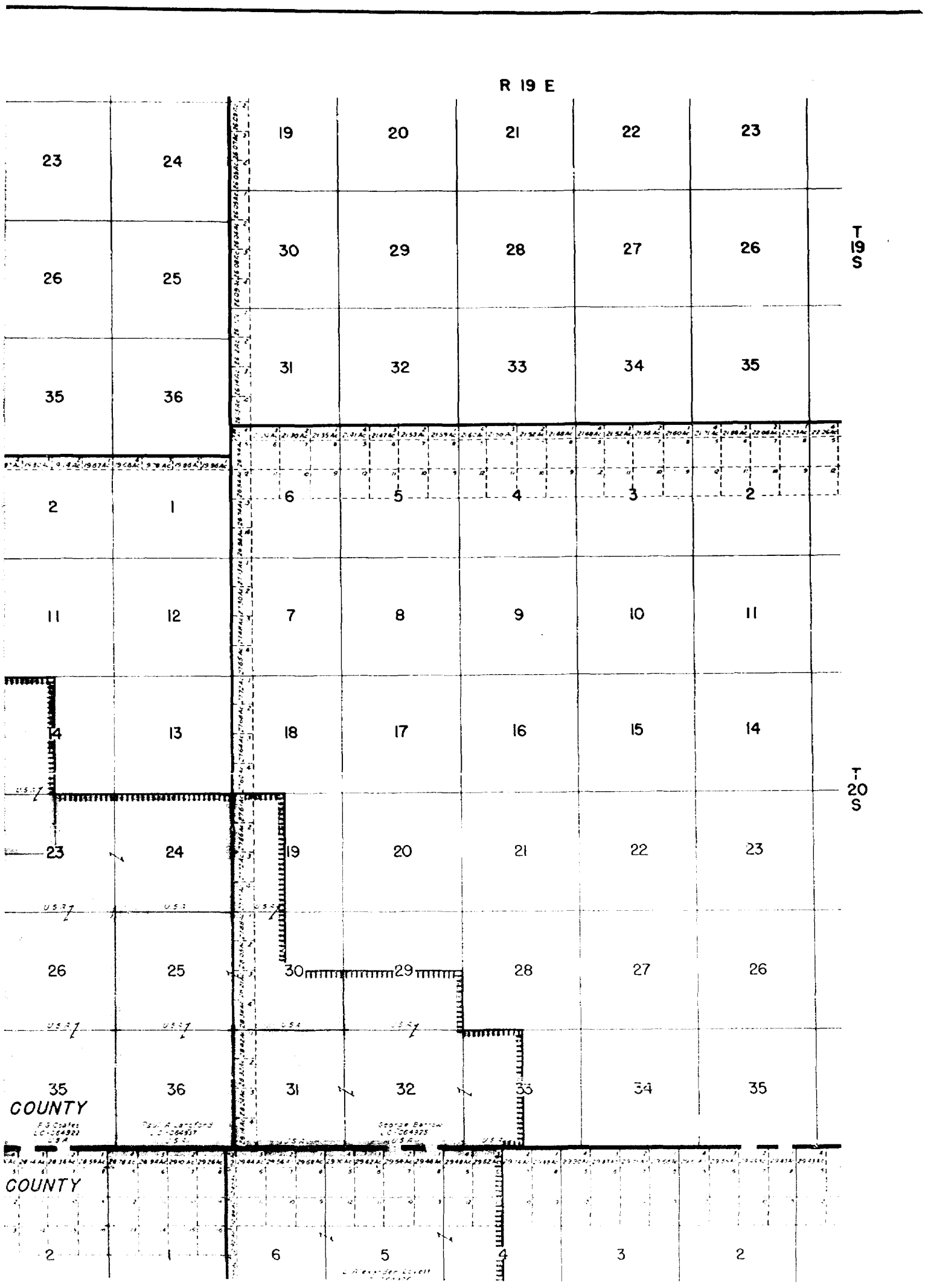
RECAPITULATION

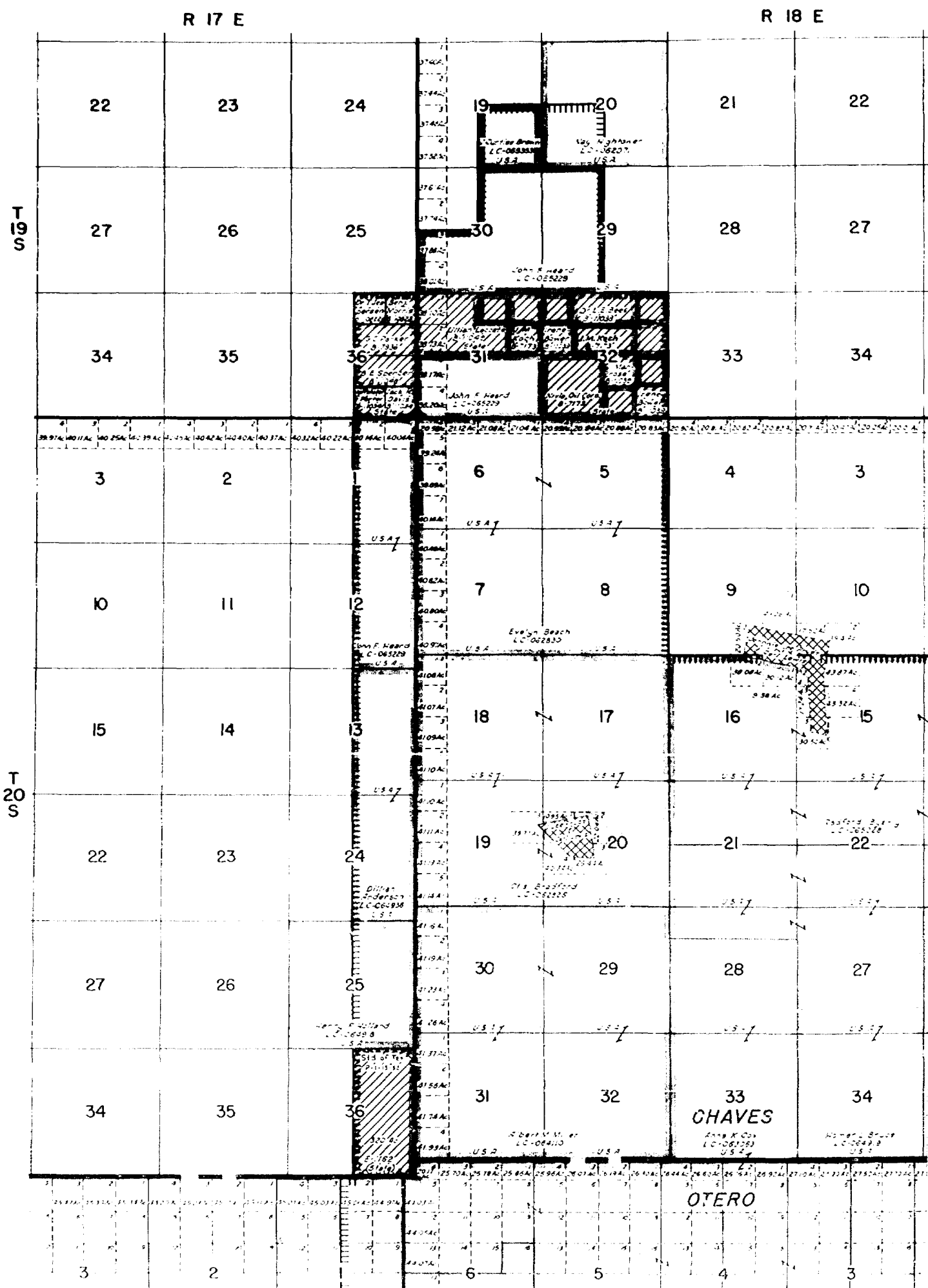
Federal Lands	- - - - -	61,653.87
State Lands	- - - - -	2,256.25
Fee Lands	- - - - -	124.95

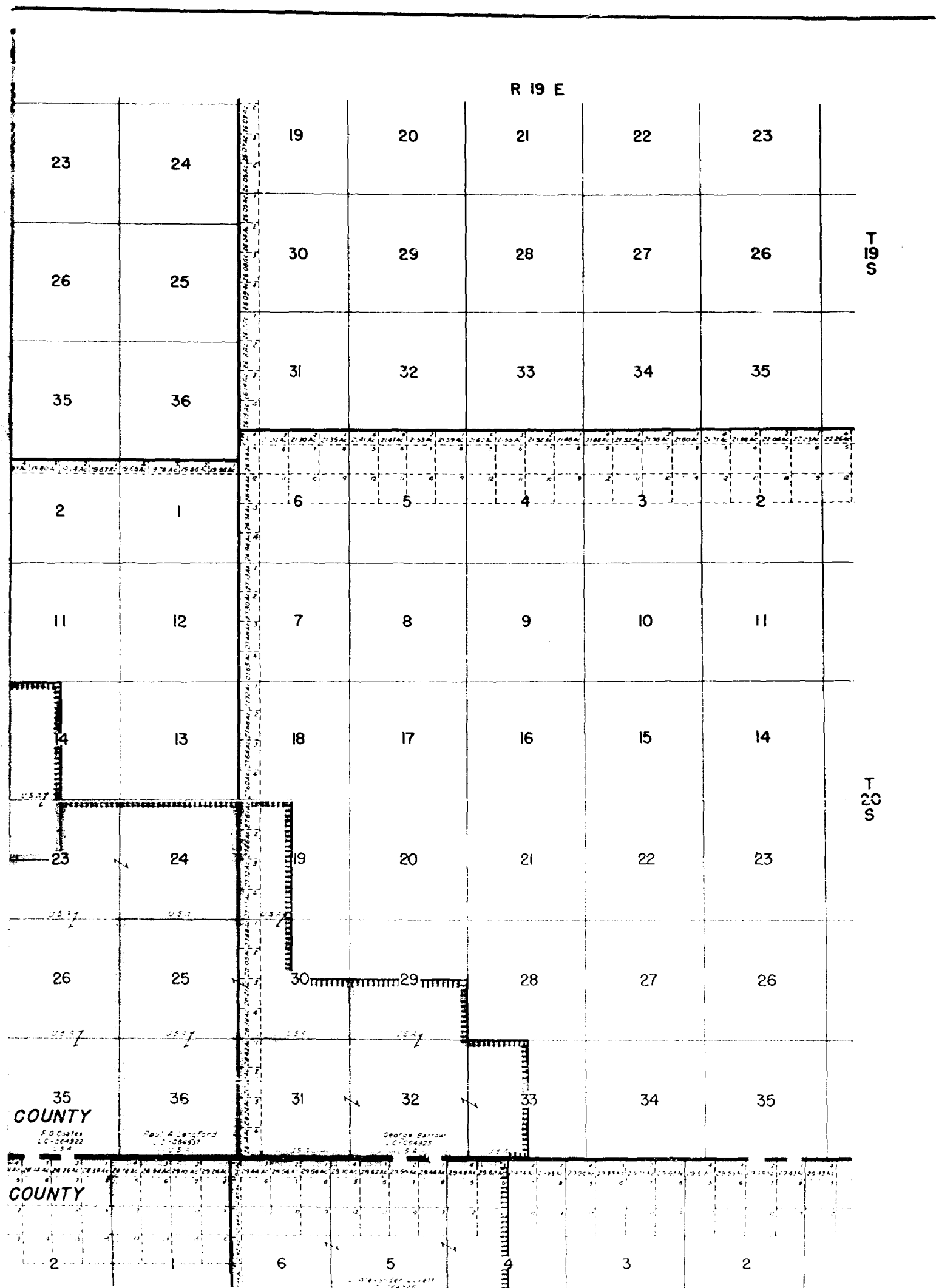
TOTAL NUMBER OF ACRES IN	
SCARP UNIT AREA	- - - - - 63,995.05

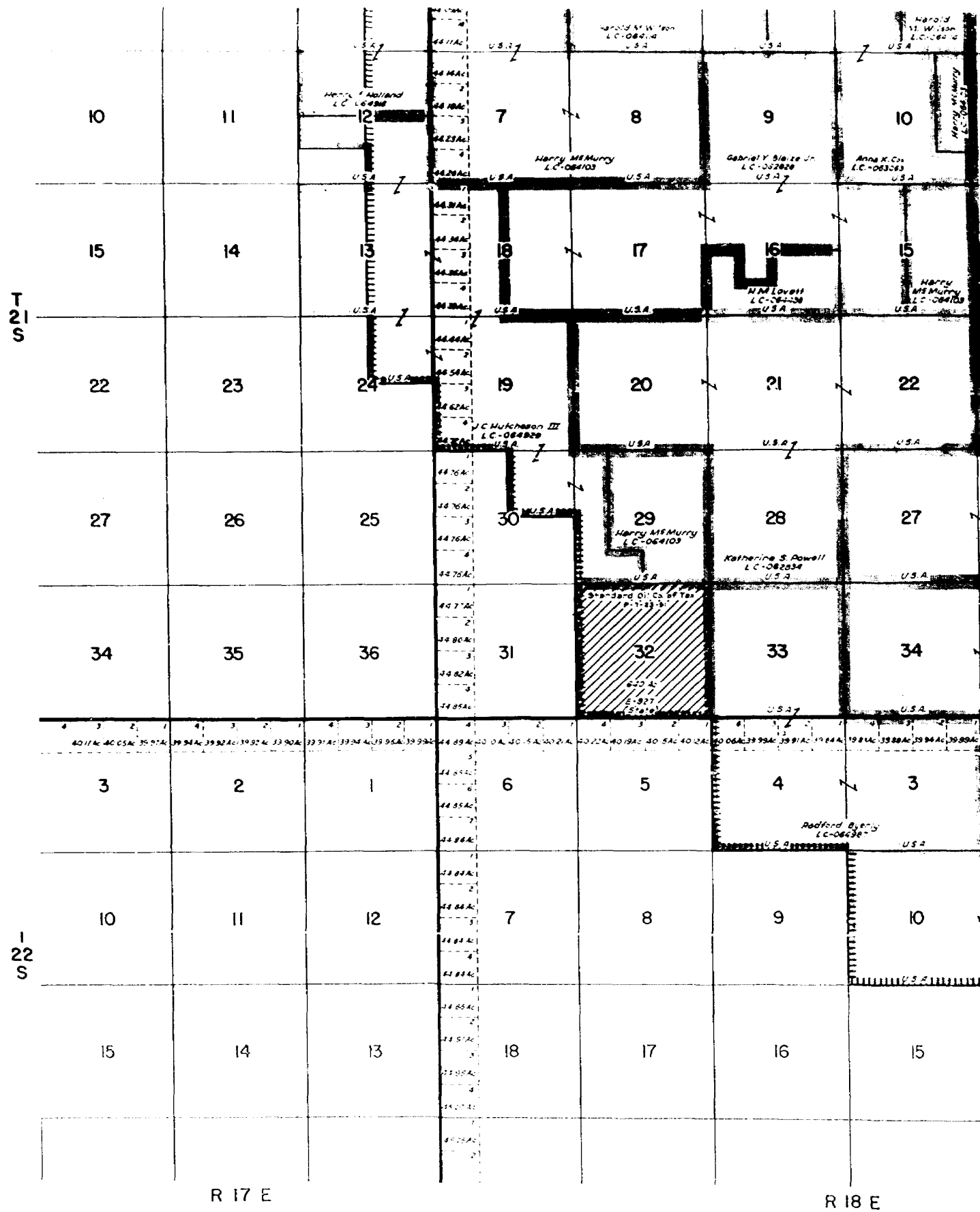










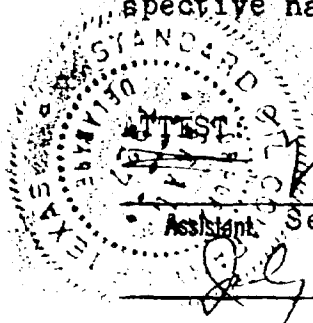


TOTAL
IN SCA

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

ATTEST:

Assistant Secretary
July 3, 1947
Date

STANDARD OIL COMPANY OF TEXAS

By [Signature]
Vice President

UNIT OPERATOR

June 20 - 1947
Date

June 20 1947
Date

June 20, 1947
Date

Date

Anna K. Cox
John R. Cox

Robert E. Blaine
Mary E. Blaine
Katherine Blaine
Lena E. Blaine

STATE OF Ill. In }
COUNTY OF La Salle } SS

On this 31 day of July, 1947, before
me personally appeared W. G. Fox,
to me personally known who being by me duly sworn, did say
that he is the Vice President of

STANDARD OIL CO. OF TEXAS

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said W. G. Fox
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.



M. Bernice Dwyer
Notary Public

STATE OF _____ }
COUNTY OF _____ } SS

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

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said _____
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.

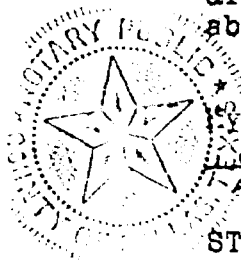
Notary Public

My Commission Expires _____

STATE OF Texas)
COUNTY OF Dallas)

On this 20th day of June, 1947, before me personally appeared Anna R. Cox and husband, John R. Cox, 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.



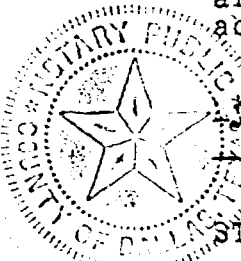
My commission expires
June 1, 1949

Alma House Daigle
Notary Public
ALMA HAUSE DAIGLE
Notary Public, Dallas County, Texas

STATE OF Texas)
COUNTY OF Dallas)

On this 20th day of June, 1947, before me personally appeared Gabriel Y. Blazier, Jr. and wife, Mary E. Blazier, 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.



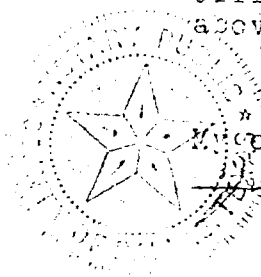
My commission expires:
June 1, 1949

Alma House Daigle
Notary Public
ALMA HAUSE DAIGLE
Notary Public, Dallas County, Texas

STATE OF Texas)
COUNTY OF Dallas)

On this 20th day of June, 1947, before me personally appeared Katherine Stewart Powell and husband, Ben E. Powell, 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:
June 1, 1949

Alma House Daigle
Notary Public

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

ATTEST:

[Signature]
Assistant Secretary
June 27 - 1947
Date

STANDARD OIL COMPANY OF TEXAS

[Signature]
By *[Signature]*
Vice President

UNIT OPERATOR

Date

Date

Date

Date

Date _____

Date

Date

6/12/47
Date

Date _____

Date

Date _____

Date _____

Date

Date _____

Date

Faint

Adopted, June 18
Margaret A. Porter Widow

STATE OF Texas)
COUNTY OF Tarrant) SS

On this 27th day of August, 1947, before
me personally appeared J. G. Miller,
to me personally known who being by me duly sworn, did say
that he is the Vice President of

STANDARD OIL CO. OF TEXAS

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said J. G. Miller
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.

M. Bernice Dwyer
Notary Public

My Commission Expires
M. Bernice Dwyer

My Commission Expires June 1, 1949

STATE OF _____)
COUNTY OF _____) SS

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

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said _____
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.

Notary Public

My Commission Expires

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 194____, before me
personally appeared _____,
to be 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

April 29-1957

Notary Public

STATE OF Washington
COUNTY OF King

On this 12 day of June, 1947, before me
personally appeared Margaret A. Foster Widows
to be 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.

My commission expires:

April 29-1951

Walter H. Litchman
Notary Public

STATE OF Washington
COUNTY OF King

On this 12 day of June, 1947, before me
personally appeared Margaret A. Foster Widows
to be 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.

My commission expires:

April 1951

Walter H. Litchman
Notary Public

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

ATTEST:

V. Clark
Assistant Secretary
June 10, 1947
Date

STANDARD OIL COMPANY OF TEXAS

By *D. Tox*
Vice President

UNIT OPERATOR

ATTEST:

Virginia C. Sutton
Secy.-Treas.
June 10, 1947
Date

NIVLA OIL CORPORATION

BY *G. M. E. Harn*
President

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

STATE OF Texas }
COUNTY OF Smith } SS

On this 10 day of June, 19 47, before
me personally appeared A. M. Sutton,
to me personally known who being by me duly sworn, did say
that he is the President of

Nivla Oil Corporation

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said A. M. Sutton
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.

E. D. Simmons
Notary Public

My Commission Expires

6-1-49

STATE OF Texas }
COUNTY OF Dallas } SS

On this 25th day of June, 19 47, before
me personally appeared C. P. Doe,
to me personally known who being by me duly sworn, did say
that he is the President of

Stand Oil Co. of Dallas
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. P. Doe
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.

W. B. Smith
Notary Public

My Commission Expires

W. B. Smith
Notary Public

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

ATTEST:

V. Clark
Assistant Secretary
July 3-1947
Date

STANDARD OIL COMPANY OF TEXAS

By [Signature]
Vice President

UNIT OPERATOR

June 28, 1947
Date

Evelyn Beach
Richard H. Beach

Date

Date

Date

STATE OF Texas }
COUNTY OF Harris } SS

On this 3 day of July, 1947, before
me personally appeared J. P. Foy,
to me personally known who being by me duly sworn, did say
that he is the Vice President of STANDARD OIL CO. OF TEXAS

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said J. P. Foy
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.

M. Bernard Taylor
Notary Public

My Commission Expires

My Commission Expires June 1, 1949

STATE OF _____ }
COUNTY OF _____ } SS

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

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said _____
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.

Notary Public

My Commission Expires

STATE OF Connecticut
COUNTY OF Hartford

On this 28 day of June, 1947, before me personally appeared Richard L. Beach to be known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as this 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.

W. M. Milman
Notary Public

My commission expires
April 1, 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.

My commission expires: _____
Notary Public

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.

My commission expires: _____
Notary Public

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

ATTEST:

V. Clark
Assistant Secretary

July 3 - 1947
Date

STANDARD OIL COMPANY OF TEXAS

By *[Signature]*
Vice President

UNIT OPERATOR

June 27, 1947
Date

June 27, 1947
Date

Date

Date

Colia Bradford
Commerce, Texas

Mildred L. Bradford
Commerce, Texas

STATE OF Texas }
COUNTY OF Harris } SS

On this 3 day of July, 1947, before
me personally appeared J. P. Felt,
to me personally known who being by me duly sworn, did say
that he is the Vice President of _____

STANDARD OIL CO. OF TEXAS

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said J. P. Felt
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.

M. Bernice Dwyer
Notary Public

My Commission Expires
M. Bernice Dwyer
My Commission Expires June 1; 1949

STATE OF _____ }
COUNTY OF _____ } SS

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

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said _____
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.

Notary Public

My Commission Expires

STATE OF Texas)
COUNTY OF Hunt)

On this 21 day of June, 1947, before me
personally appeared John Bradford and Mildred S. Bradford, 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.

My commission expires

June 1st 1949

E. W. Weems
Notary Public
E. W. WEEMS NOTARY PUBLIC
HUNT COUNTY, TEXAS

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.

My commission expires:

Notary Public

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.

My commission expires:

Notary Public

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

ATTEST:

V. Clark
Assistant Secretary
4/28/47
Date

STANDARD OIL COMPANY OF TEXAS

By *J. Fox*
Vice President

UNIT OPERATOR

Date

Date

5-1-47
Date

Date

William Anderson
Lena C. Anderson

George B. Row

Albert M. Miller

J. Curtis Brown

Date

Date

5-1-47
Date

5-2-47
Date

Date

Date

Date

5-6-47
Date

Date

Date

Harmon L. Bruce
 Clara C. Bruce
 Relford Bigley
 Ruth Lawrence Bigley
 Harold H. Wilson
 Helen G. Wilson
 Mary M. Murray
 Edna M. Murray
 John F. Heard
 Eleanor D. Heard
 Mary F. Holland
 Betty Holland
 J. C. Hutchison III
 Mary Catherine Hutchison
 Baine Kerr
 Mildred Caldwell Kerr
 Pauline Langford
 Lucille B. Langford
 Ernest Langford
 Anne Thomson Langston
 L. Alexander Lovett
 Madeline C. Lovett
 H. M. Lovett
 Marion Wicks Lovett

APR 2 1947
Date

5-3-47
Date

5-24-47
Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

John S. McCullough
David B. McCullough

F. E. Coates
Emily Davis Coates

James K. Nance
Kathryn S. Nance

Ragnar A. Neilson
Kirsten A. Neilson

W. A. Parish
Nettie Lee Parish

Garrett B. Tucker Jr.
Phyllis B. Tucker

H. B. White
Marguerite Anne White

STATE OF Dallas }
COUNTY OF Tarrant } SS

On this 28th day of April, 1947, before me personally appeared G. C. Orr, to me personally known who being by me duly sworn, did say that he is the President of Standard Oil Co. of Texas and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said G. C. Orr 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.

M. Bernice Dwyer
Notary Public

My Commission Expires
M. Bernice Dwyer
My Commission Expires June 1, 1947

STATE OF _____ }
COUNTY OF _____ } SS

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

and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ 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.

Notary Public

My Commission Expires

STATE OF Texas)
COUNTY OF Harris)

On this 29th day of April, 1947, before me personally appeared William C. Anderson and
Paul C. Anderson, 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

6-1-47

J. H. Freeman
Notary Public

STATE OF Texas)
COUNTY OF Harris)

On this 29th day of April, 1947, before me personally appeared Leah Mae Barrow 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:

6-1-47

J. H. Freeman
Notary Public

STATE OF Texas)
COUNTY OF Harris)

On this 1st day of May, 1947, before me personally appeared Albert M. Miller 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:

6-1-47

Edward J. Painter
Notary Public

STATE OF Texas)
COUNTY OF Harris)

On this 29th day of April, 1947, before me personally appeared C. Curtis Brown, 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
6-1-47

J. H. Freeman
Notary Public

STATE OF Texas)
COUNTY OF Harris)

On this 29th day of April, 1947, before me personally appeared Edward L. Bruce and Clara O. Bruce, 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.

My commission expires:
6-1-47

J. H. Freeman
Notary Public

STATE OF Texas)
COUNTY OF Harris)

On this 29th day of April, 1947, before me personally appeared Edward L. Bruce and Clara O. Bruce, 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.

My commission expires:
6-1-47

J. H. Freeman
Notary Public

STATE OF Texas)
COUNTY OF Harris)

On this 12th day of May, 1947, before me
personally appeared Harold B. Wilson and
Helen B. Wilson, to me known to be the persons 5
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.

EDWARD J. PAINTER
My Commission Expires Jan 1, 1948
My commission expires

Edward J. Painter
Notary Public
Notary Public in and for Harris County, Texas

STATE OF Texas)
COUNTY OF Harris)

On this 24th day of May, 1947, before me
personally appeared Harry McMurry and
Edna McMurry, to me known to be the persons 5
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:

EDWARD J. PAINTER
My Commission Expires Jan 1, 1948

Edward J. Painter
Notary Public
Notary Public in and for Harris County, Texas

STATE OF Texas)
COUNTY OF Harris)

On this 24th day of April, 1947, before me
personally appeared John D. Beard and
Charles D. Beard, to me known to be the persons 5
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:

J. H. Freeman
Notary Public

STATE OF Texas)

COUNTY OF Harris)

On this 29th day of April, 1947, before me personally appeared Henry B. Hall and Betty Hall, 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.

My commission expires

6-1-47

J. H. Freeman
Notary Public
J. H. Freeman

STATE OF Texas)

COUNTY OF Harris)

On this 29th day of April, 1947, before me personally appeared J. C. Hutchinson III and Mary Catherine Hutchinson, 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.

My commission expires:

6-1-47

J. H. Freeman
Notary Public
J. H. Freeman

STATE OF Texas)

COUNTY OF Harris)

On this 29th day of April, 1947, before me personally appeared Paul Sweetheart and Mildred Paul Sweetheart, 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.

My commission expires:

6-1-47

J. H. Freeman
Notary Public
J. H. Freeman

STATE OF Texas)

COUNTY OF Harris)

On this 29th day of April, 1947, before me personally appeared Paul A. Langford and Lucille B. Langford, 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

6-1-47

J. H. Freeman
Notary Public
J. H. FREEMAN

STATE OF Texas)

COUNTY OF Harris)

On this 6th day of May, 1947, before me personally appeared Ernest Langston and Anne Thomas Langston, 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:

6-1-47

J. H. Freeman
Notary Public

STATE OF Texas)

COUNTY OF Harris)

On this 29th day of April, 1947, before me personally appeared Mr. Wyatt Lee Webb and Madeline Lee Webb, 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:

6-1-47

J. H. Freeman
Notary Public

STATE OF Texas

COUNTY OF Harris

On this 29th day of April, 1947, before me personally appeared H. M. Lovett and Martha Lovett, 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

6-1-47

J. H. Freeman
Notary Public
J. H. FREEMAN

STATE OF Texas

COUNTY OF Harris

On this 29th day of April, 1947, before me personally appeared John B. McElroy and Jewel B. McElroy, 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:

6-1-47

J. H. Freeman
Notary Public

STATE OF Texas

COUNTY OF Harris

On this 5th day of May, 1947, before me personally appeared F. G. Coates and Emily Coates, 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:

6-1-47

G. L. Griffiths
Notary Public
G. L. Griffiths

STATE OF Texas
COUNTY OF Harris

On this 24th day of May, 1947, before me personally appeared James H. Jones and Kathryn A. Jones, 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
6-1-47

J. H. Freeman
Notary Public
J. H. FREEMAN

STATE OF Texas
COUNTY OF Harris

On this 29th day of April, 1947, before me personally appeared Raymond Nelson and Nina H. Nelson, 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:
6-1-47

J. H. Freeman
Notary Public
J. H. FREEMAN

STATE OF Texas
COUNTY OF Harris

On this 29th day of April, 1947, before me personally appeared W. G. Parish, and Nellie G. Parish, 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:
6-1-47

J. H. Freeman
Notary Public
J. H. FREEMAN

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.

My commission expires _____

Notary Public

STATE OF Texas)
COUNTY OF Harris)

On this 29th day of April, 1947, before me personally appeared Garrett R. Tucker, Jr., and Phyllis B. Tucker, 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.

My commission expires: _____

J. H. Freeman
Notary Public
1212121212

STATE OF Texas)
COUNTY OF Harris)

On this 29th day of April, 1947, before me personally appeared G. B. White and Marguerite Anne White, 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.

IF 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: _____

J. H. Freeman
Notary Public


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 agreement for the development and operation of the Scarp Unit Area, State of New Mexico.
- B. Certify and determine that the unit plan of development and operation set forth in the attached agreement is necessary and advisable in the public interest and is for the purpose of more properly conserving the natural resources of the unit area.
- C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

SEP 10 1947

Date _____


Assistant Secretary of the Interior

EVIDENCE OF AUTHORITY OF OFFICERS TO EXECUTE PAPERS

RESOLVED: That the President or any Vice-President of this corporation, or C. E. Baltmann, Contract Agent of this corporation, together with the Secretary or an Assistant Secretary be and they are hereby empowered to execute all papers requiring execution in the name of this corporation, excepting oil leases to others covering fee lands of this corporation and deeds conveying real estate other than rights of way and similar encumbrances, and the Secretary or any Assistant Secretary of this corporation is hereby authorized to affix the seal of the corporation to such papers as require a seal, and each of said persons is hereby empowered to acknowledge and deliver any such instruments as fully as if special authority were granted in each particular instance.

I, H. L. Smith, Secretary of STANDARD OIL COMPANY OF TEXAS, a Delaware corporation, do hereby certify that the foregoing is a full, true and correct copy of a certain resolution of the Board of Directors of said corporation unanimously adopted at a regular meeting of said Board duly held at the office of said corporation in Houston, Texas, on the 27th day of December, 1944, at which meeting a quorum of said Board was present and acting, and that said resolution is in full force and unrevoked.

I further certify that J. F. Fox and L. W. Clark were on April 28, 1947, the duly elected, qualified and acting Vice President and Assistant Secretary, respectively, of STANDARD OIL COMPANY OF TEXAS, on which day they executed Unit Agreement For The Development and Operation of the Scarp Unit Area, Chavez and Otero Counties, State of New Mexico; that they were on that date, and are on this date, fully empowered to execute said Unit Agreement and any other instruments in connection therewith and that their action in executing the same binds the said corporation to full performance of all obligations thereunder.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation this 10th day of July, 1947.

H. L. Smith
Secretary

ILLUSTRABLE

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

ATTEST:

V. Clark
Assistant Secretary
September 25 - 1947
Date

STANDARD OIL COMPANY OF TEXAS

[Signature]
Vice President

UNIT OPERATOR

Date

Date

August 23 1947
Date

Date

May Hightower
Emma Hightower

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Date

Blank lined area for notes or additional entries.

STATE OF Texas }
COUNTY OF Harris } SS

On this 25 day of September, 1947, before
me personally appeared J. L. Fox
to me personally known who being by me duly sworn, did say
that he is the Vice President of

STANDARD OIL CO. OF TEXAS

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said J. L. Fox
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.

Blaine McKinney
Notary Public

BLAINE MCKINNEY
Notary Public in and for Harris County, Texas
My Commission Expires June 1, 1949

My Commission Expires

STATE OF _____ }
COUNTY OF _____ } SS

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

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said _____
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.

Notary Public

My Commission Expires

STATE OF New Mexico

COUNTY OF Sandoval

On this 23rd day of August, 1947, before me personally appeared Ray and Emma Highower, 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.

My commission expires

4/7/51

Maxine Farmer
Notary Public

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.

My commission expires:

Notary Public

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.

My commission expires:

Notary Public

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

ATTEST:

STANDARD OIL COMPANY OF TEXAS

Secretary

By _____

Date

UNIT OPERATOR

Date

Date

August 23, 1947
Date

Date

Nay Hightower
Emma Hightower

(continued)

[illegible]

STATE OF _____ }
COUNTY OF _____ } SS

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

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said _____
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.

Notary Public

My Commission Expires

STATE OF _____ }
COUNTY OF _____ } SS

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

and that the seal affixed to said instrument is the corporate
seal of said corporation, and that said instrument was signed
and sealed in behalf of said corporation by authority of its
Board of Directors, and said _____
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.

Notary Public

My Commission Expires

STATE OF New Mexico)

COUNTY OF Sandoval)

On this 23rd day of August, 1947, before me personally appeared Ray and Emma Lightner, 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.

My commission expires

4/7/51

Margaret Farmer
Notary Public

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.

My commission expires:

Notary Public

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.

My commission expires:

Notary Public

STANDARD OIL COMPANY OF TEXAS

Midland, Texas
January 3, 1947

SCARP STRUCTURE
Chaves & Otero Counties

MR. J. P. FOX:

Enclosed are three copies of a surface structure map of the Scarp structure located in Chaves and Otero Counties, New Mexico, together with an accompanying geological report by H. N. Frenzel and Walter Staehely and a transmitting letter by A. C. Warren.

The surface geology of the area was mapped by Frenzel and Staehely under the direction of Warren. The west side of the structure along the fault scarp was mapped by planetable and alidade and the gently sloping east flank was mapped on aerial photos using Paulin altimeter readings for elevation control. Structure contours were drawn to a datum on the top of the Glorieta formation.

The Scarp structure is a large faulted anticlinal structure along the west edge of the northern Guadalupe Mountains. The east flank dips very gently eastward into the Permian Basin. A series of normal faults together with associated steep west dip form the short west flank of the structure. The crest of the structure at a datum of 5873' on the Glorieta lies in the southwest quarter of Sec. 21, T. 21S, R. 18E. The structure plunges southeastward approximately 375' into a saddle in the northwest part of T. 22S, R. 19E, but structural plunge is resumed farther southeast. Critical closure lies to the north and total effective structural closure on the Glorieta amounts to about 475' and encloses an area of at least 75 square miles. A total of 56 square miles are enclosed by the 5500' contour on the Glorieta within the top 375' of closure. The San Andres formation of Permian age is present on the surface over the crest and east flank of the structure. On the scarp forming the west flank the San Andres is underlain by Glorieta sandstone and the Yezo formation.


As recommended by Warren, Frenzel and Staehely, the large size of the Scarp structure, both in area and structural relief, and the expectation of a favorable underlying pre-Permian section based on the Magnolia Black Hills Unit #1 well amply justify a test of this feature. The location recommended for the test is 1000' south of the north line and 200' west of the east line of Sec. 19, T. 21S, R. 18E. This location is about two miles northwest of the Glorieta crest to allow for the northward thinning of the interval between the Glorieta and the upper portion of the Yezo. The well will start in Yezo beds about 450' below the top of the Glorieta and will thus avoid the difficult drilling of the cavernous San Andres beds which overlie the higher topographic portions of the structure.

Mr. J. P. Fox
January 3, 1947
Page 2.

A depth of 6500' should be sufficient to reach the basement rock and to test possible objectives in marine Wolfcamp, Pennsylvanian, Mississippian, Silurian, and Ellenburger formations.


ELBERTS

EB/im
3 Encls.

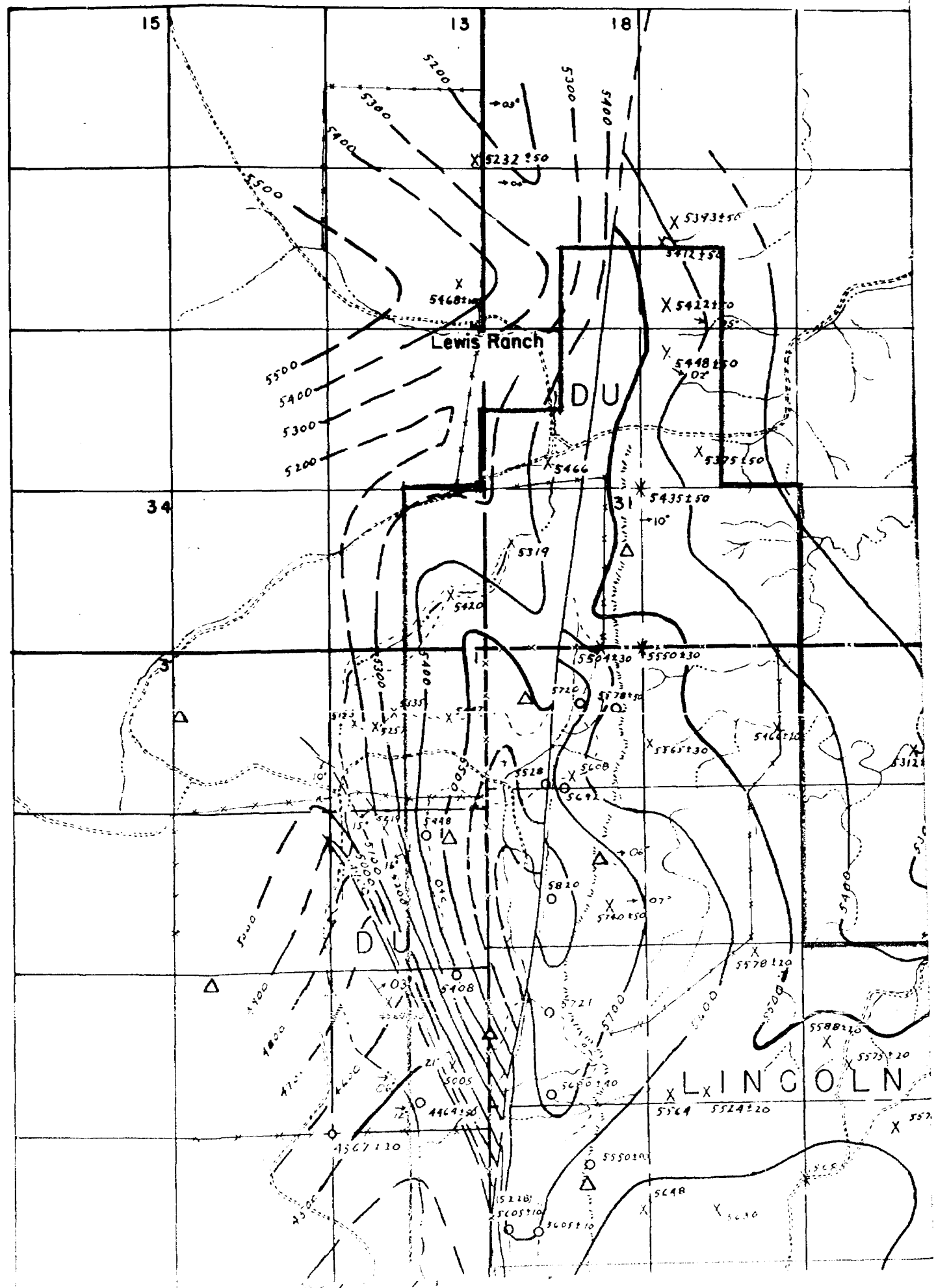


R. 17 E.

R. 18

T. 19 S.

T. 20 S.



E.

R. 19 E.

13

18

31

36

6

Bunting Ranch

5200

X 5198

X 5313

5388110

5573 ± 50

X
5416

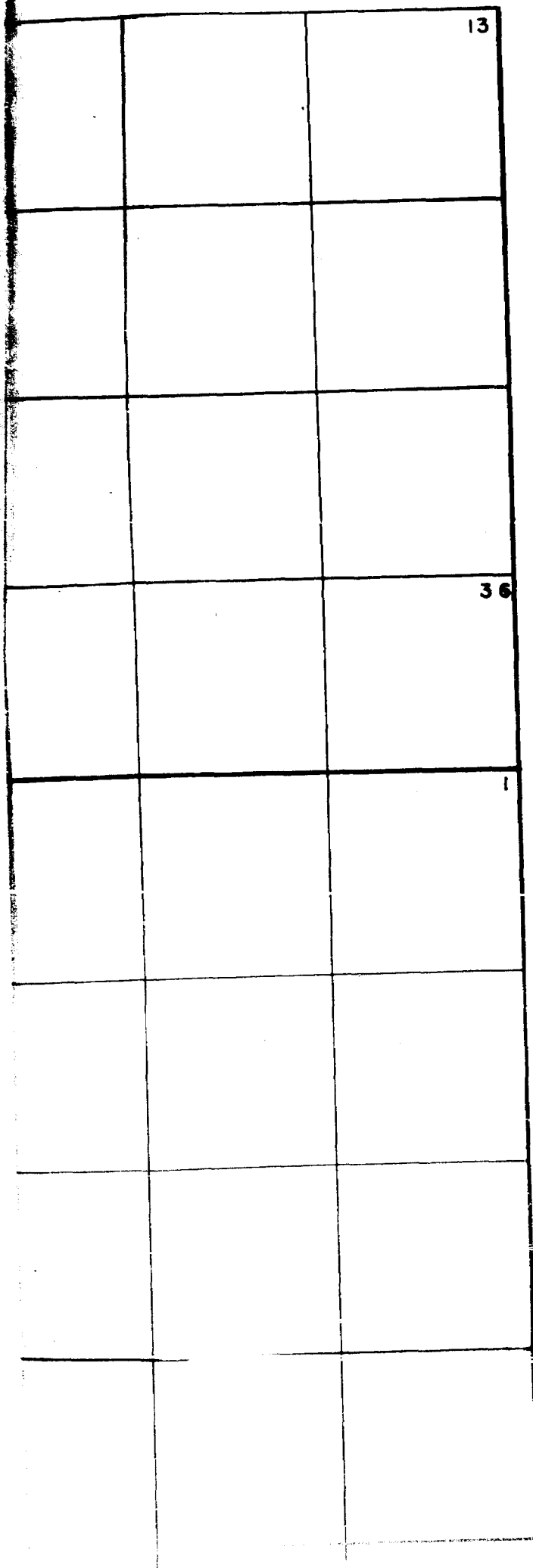
X 5234

X 5191

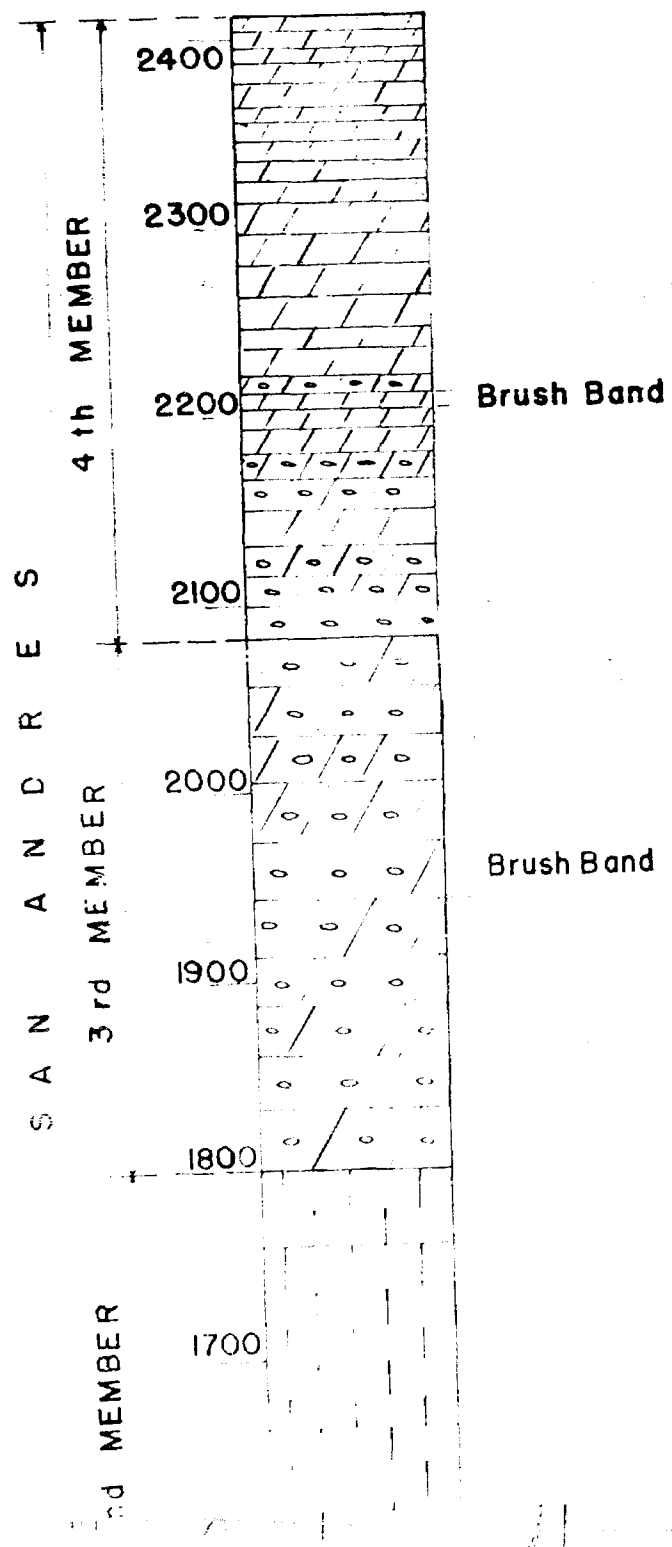
X 5088
1015

X 518110

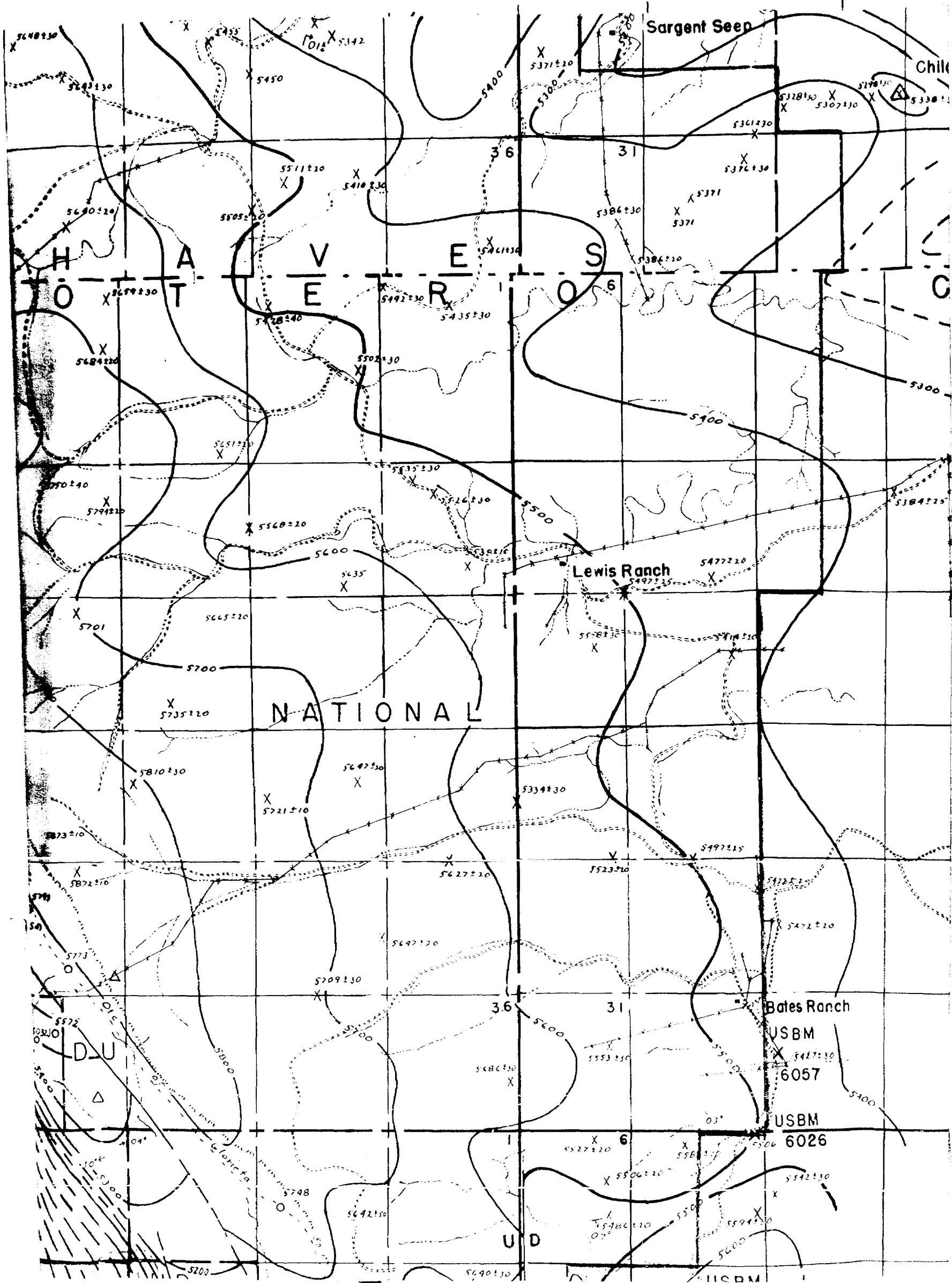
5100



GENERALIZED SECTION
SCARP STRUCTURE
scale 1"=100'



This is a detailed topographic map of a region in North Carolina, showing the area around the town of Wilkesboro. The map features a grid system with section numbers 34, 31, 36, and 3. Key locations include Wilkesboro W.M., Green, and various points of interest marked with triangles and circles. Elevation contours are shown, ranging from 3900 to 5800 feet. The map also includes a network of roads and a river labeled 'Green'.



bars

10

36

C O.

5200

5014

36

1600

1500

GLORIETA

Red Sand

1400

1300

1200

1100

Yaso Ledge

1000

900

800

700

600

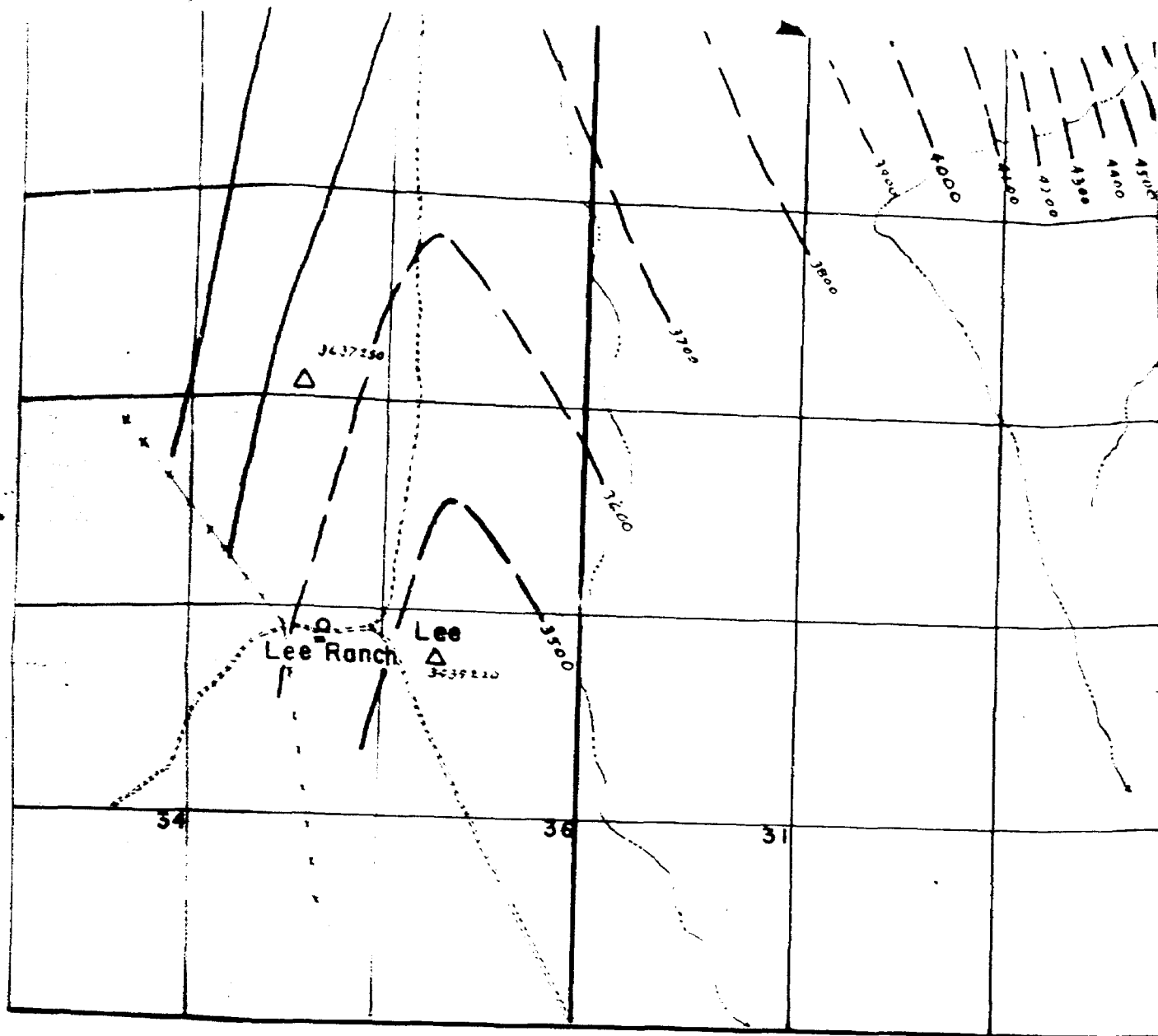
500

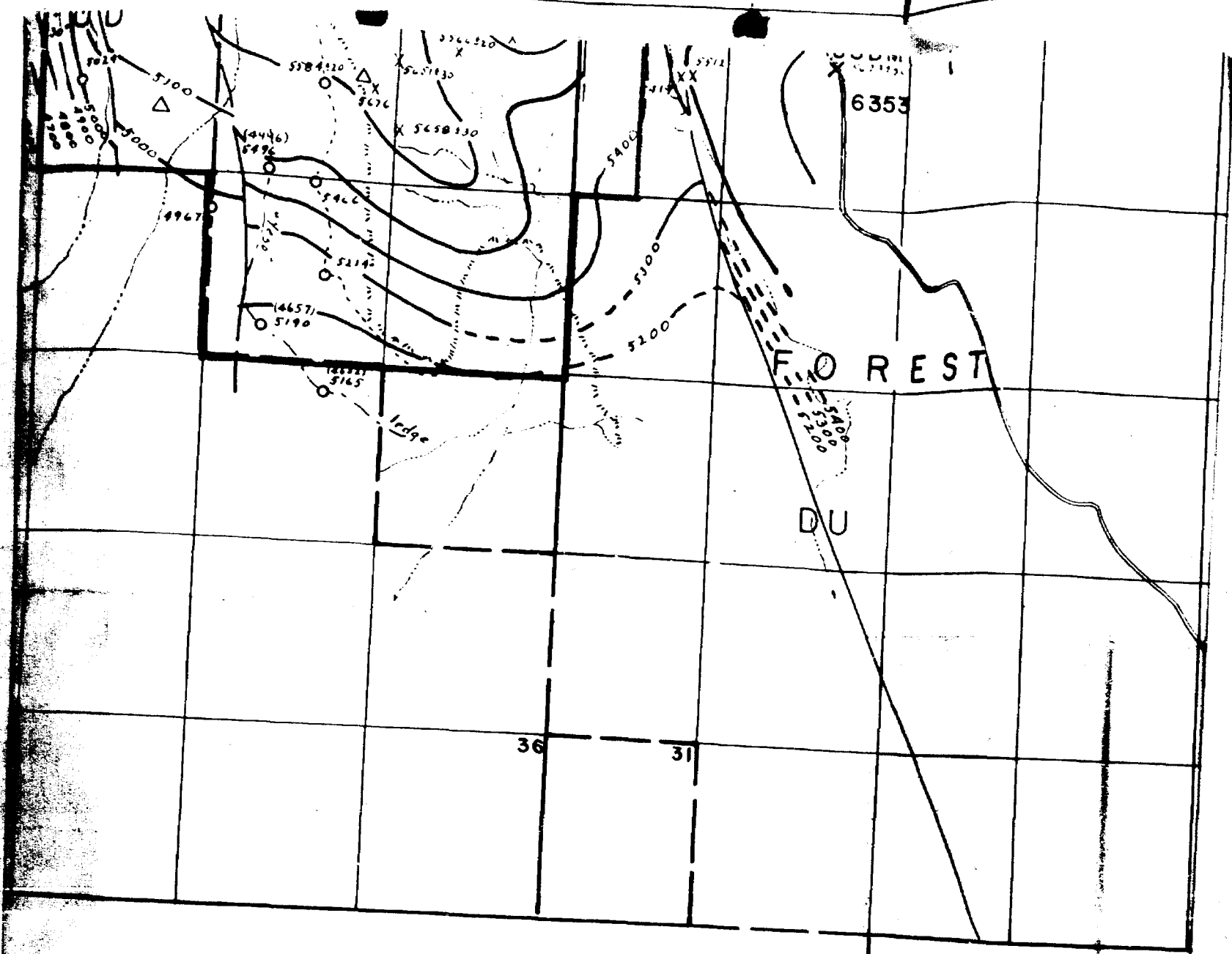
Red Sand

400

1500

T. 22 S.

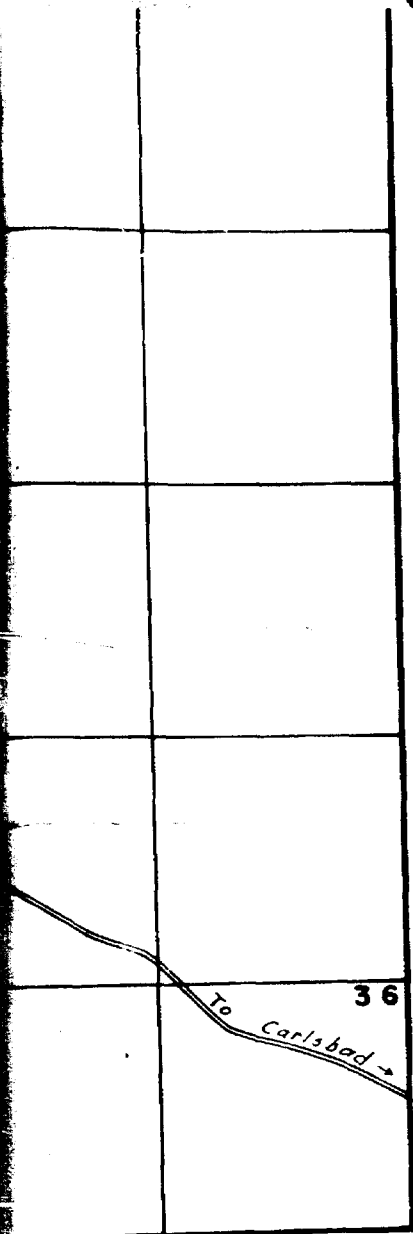




L E G E N D

- △ TRIANGULATION STATION
- PLANE TABLE STATION
- x PAULIN STATION
- (5313) ELEVATION ON YESO LEDGE
- OUTLINE OF UNIT AREA

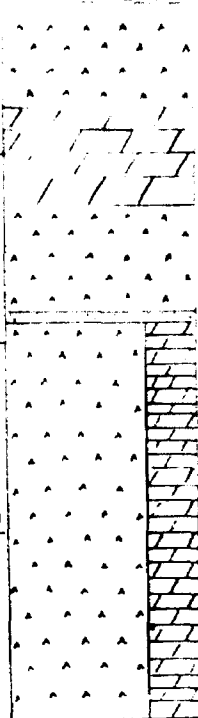
REVISIONS	STANDARD		
	SURFA		
	SCARP		
	CHAVES & OTEI		
	CONTOURED		
	W.C. WARREN		
	SCALE	DATE	AT
	1" = 4000'	12-24-46	



300

200

100



CO. OF TEXAS

STRUCTURE MAP
STRUCTURE
RO COUNTIES, NEW MEXICO
ON TOP OF GLORIETA
H. FRENZEL W. STAEHEL

APPROVED

DR BY
TR BY
CH BY

WCW

D-5571

R 18 E

**T
19
S**

T
20
S

CHAVES

OTERO




R 19 E

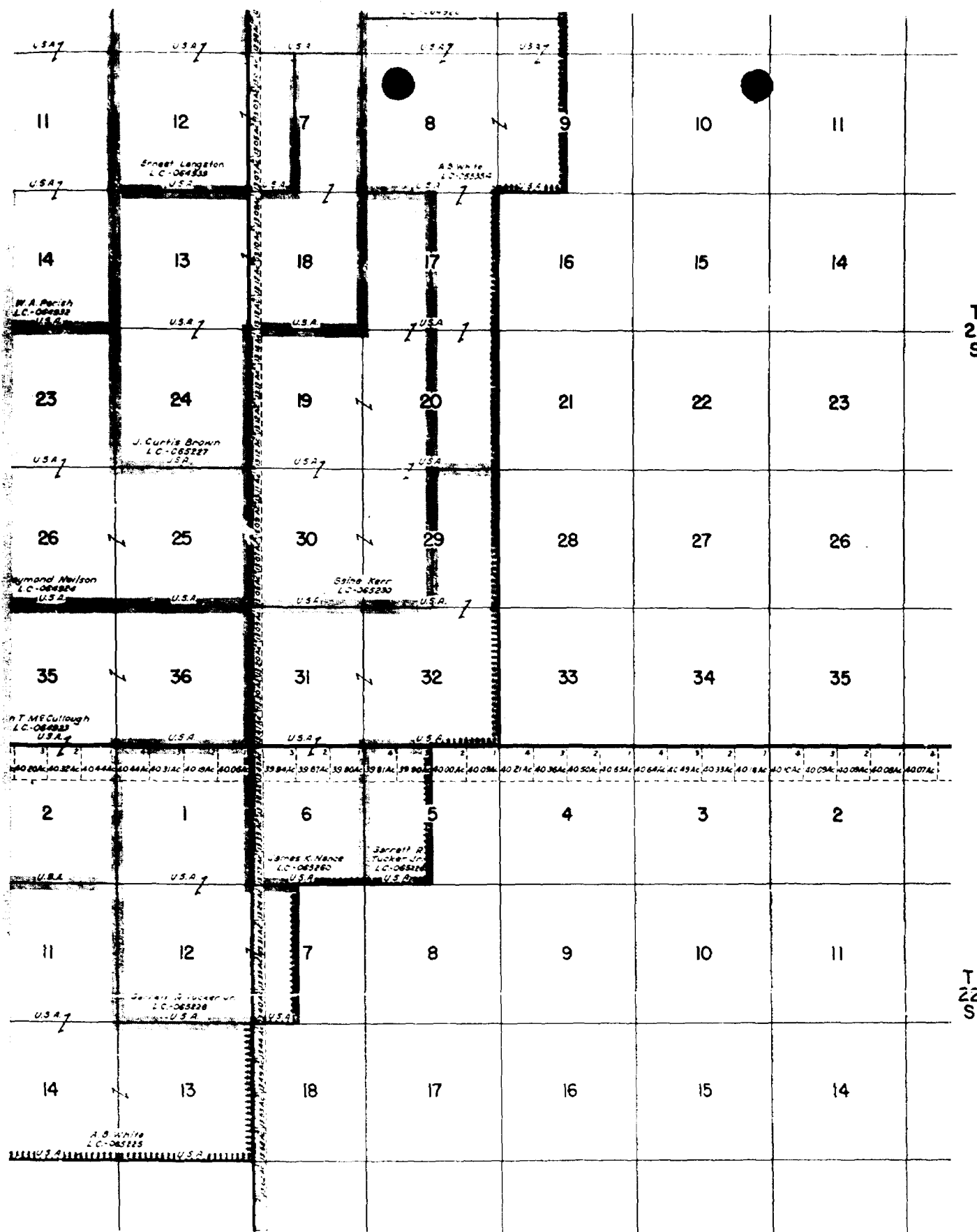
**T
19
S**

T
20
S

COUNTY

JUNTY

	F
	S
	E
TOTAL NO IN SCARP	



LEGEND

FEDERAL LANDS - 61,633.87 Ac.

STATE LANDS - 2,036.23 Ac.

EE LANDS - 124.95 Ac.

TOTAL OF ACRES
UNIT AREA - 63,995.05



OUTLINE OF UNIT AREA



COMMITTED LEASE



LEASE BOUNDARIES

R 19 E

EXHIBIT "A"

SECTIONS	STANDARD OIL CO. OF TEXAS
	OWNERSHIP PLAT
	SCARP UNIT AREA
	CHAVES & OTERO COS.,
	NEW MEXICO
SCALE	DATE APPROVED
1" = 5000'	4-1-47
	0-7492

(File 74-96)

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF
THE SCARP UNIT AREA,
CHAVES AND OTERO COUNTIES, NEW MEXICO

To the New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned Standard Oil Company of Texas, with offices at Houston, Texas, and files herewith three copies of a proposed unit agreement for the development and operation of the Scarp Unit Area, Chaves and Otero Counties, New Mexico, and respectfully requests that said unit agreement be approved, and in support thereof shows:

1. That the unit area comprises 63,995.05 acres situated in Townships 19, 20, 21 and 22 South, Ranges 17, 18 and 19 East, Chaves and Otero Counties, New Mexico, as will more particularly appear by the plat attached to the copy of the proposed unit agreement filed herewith as Exhibit "A" and made a part hereof by reference; that of the lands embraced in the proposed unit area 61,633.87 acres are Federal Lands, 2,236.23 acres are State Lands, and 124.95 acres are fee land.

2. That the lands embraced in the unit area were designated by the Acting Director of the United States Geological Survey on March 28, 1947 as logical for inclusion in a unit plan of operation, and all of the lands situated in the unit area are believed to be located upon the same geologic structure.

3. That said unit agreement has been approved as to form by the Department of the Interior and complies with the regulations of the Secretary of the Interior relative to unit agreements, but contains appropriate provisions for joint control between the Secretary of the Interior and the Commissioner of Public Lands in substantially the same form as unit agreements heretofore approved by the Commissioner of Public Lands, the Secretary of the Interior, and the New Mexico Oil Conservation Commission. Said proposed agreement is made subject to the approval of the Commissioner of Public Lands, the Secretary of the Interior and to the approval of the New Mexico Oil Conservation Commission, after hearing, as provided by law.

4. That the undersigned applicant is designated as unit operator under the terms of said unit agreement, and as such unit operator will have the right to carry on exploration and development work in accordance with the terms of said unit agreement. That applicant, as unit operator, proposes to commence within six months from the effective date of the unit agreement a test well for oil and gas upon some part of the lands embraced in the unit area selected by the unit operator and to drill said well in accordance with the terms of said unit agreement to a depth of not less than 6,500 feet, unless oil or gas in paying quantities is encountered at a lesser depth, or to such a depth as further drilling would not be warranted.

5. That it is believed that operations to be carried on under the terms of said unit agreement will promote the economic and efficient recovery of oil and gas to the end that the maximum yield may be obtained from the field or

area, if oil or gas should be discovered in paying quantities, and the production is to be limited to such production as may be put to beneficial use with adequate realization of fuel and other values; and it is further believed that such agreement will be in the interest of conservation of oil and gas and the prevention of waste as contemplated by the Oil Conservation Statutes of the State of New Mexico.

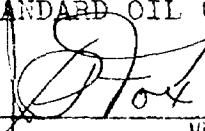
6. That upon an order being entered by the New Mexico Oil Conservation Commission approving said unit agreement, and after the approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Secretary of the Interior of the United States, an approved copy of said agreement will be filed with the New Mexico Oil Conservation Commission.

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


Respectfully submitted,

STANDARD OIL COMPANY OF TEXAS

By

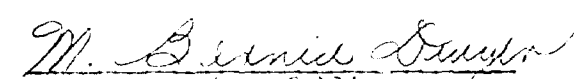

Vice President

ATTEST:


Secretary.

Subscribed and Sworn to ~~Before~~ To Before Me This 22nd Day of April, 1947.

M. Bernice Dwyer
Notary Public, 1947


Notary Public