

GAS 2212: Application of ODESSA
NATURAL GAS. COMPANY for approval
of GETTY DEEP UNIT AGREEMENT.

T

CASE No.

2758

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

2758
March 26, 1968

Odessa Natural Gasoline Company
P. O. Box 3908
Odessa, Texas 79760

Attention: Mr. Roland L. Hamblin

Gentlemen:

60 MAR 27 AM 8

The Getty Deep unit agreement, No. 14-08-0001-8514, Eddy County, New Mexico, was approved and effective on April 25, 1963, for a period of five years and so long thereafter as unitized substances are produced in paying quantities unless sooner terminated as provided for in the unit agreement.

One well, Odessa Natural Gasoline Company's Federal Dooley No. 1 in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 24, T. 20 S., R. 29 E., has been drilled under the terms of the unit agreement. The well was drilled to a total depth of 13,415 feet and then plugged back to complete in the Morrow formation 12,102 to 12,229 feet. The well was tested from the Morrow at a calculated open flow potential rate of 16,600 MCFGPD on October 19, 1963. By letter of June 25, 1965, this office concurred in your determination, as unit operator, that the well was incapable of producing unitized substances in paying quantities as defined by Section 9 of the unit agreement. All production from the well was allocated on the basis of the 360-acre nonstandard proration unit established by the New Mexico Oil Conservation Commission's Order No. R-2941. The well continued to produce through April of 1967, at which time the gas purchaser discontinued taking from the well because of the high water content of the gas. Inasmuch as the reservoir calculations of recoverable gas reserves showed the well would not pay out, the additional expense of removing and disposing of this water was not justified and the well was subsequently plugged and abandoned on September 20, 1967. Cumulative recovery from the well was 514,335 MCF of gas and 1,964 barrels of condensate.

In view of these circumstances, the Getty Deep unit agreement will expire on April 24, 1968, the end of the five-year term, as provided in the first paragraph of Section 20 of the unit agreement. Accordingly, you are requested to prepare a notice of such automatic termination of the unit agreement and to furnish copies of such notice to the

Director, the New Mexico Oil Conservation Commission, and to each
signatory party to the unit agreement as soon as practicable after
April 24, 1968.

Sincerely yours,

(ORIG. SCD) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington
Artesia
NMOCC, Santa Fe
Accounts
Stauffer

2758

JUN 4 - 1968

Olesea Natural Gasoline Company
Post Office Box 3903
Olesea, Texas 79760

Gentlemen:

Receipt is acknowledged of your notice of May 14, 1968, wherein it was noted that the Getty Deep unit agreement, No. 14-03-0001-8514, in Eddy County, New Mexico, terminated automatically on April 24, 1968, pursuant to section 20 of the unit agreement.

Copies of the notice are being distributed to the Federal agencies concerned in order that their records will reflect the termination of the Getty Deep unit agreement effective as of April 24, 1968.

Sincerely yours,

Thomas A. Baker

Acting Director

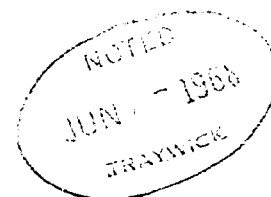
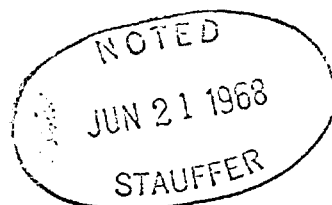
cc: Roswell ✓ (w/2 copies of notice)

COPY TO AMERICA

" " NMOC

" " Com. F.B.I.

68 JUN 24 11 10 AM



*Noted
Smith
Weyatt*

May 14, 1968

2758

Director, United States Geological Survey
Washington 25, D. C.

A. L. Porter, Jr., Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: NOTICE OF TERMINATION
Getty Deep Unit
14-08-0001-8514
Eddy County, New Mexico

Gentlemen:

On April 25, 1963, by a Certification-Determination, Arthur S. Baker, Acting Director of the United States Geological Survey, approved the above Unit Agreement, effective as of the date of his approval.

By Order No. R-2431 in Case No. 2758, the Oil Conservation Commission of the State of New Mexico approved the formation of the above Unit Agreement.

The Initial Unit Well, known as the Dooley Federal #1 Well has been drilled and was completed as a gas distillate in the Morrow formation. This well was determined to be non-commercial. No participating area was formed and the proceeds from this well was allocated on a lease basis to a 360 acre non-standard gas proration unit. On September 20, 1967, the well was plugged and abandoned.

Article 20 EFFECTIVE DATE AND TERM of the Unit Agreement provides "This Agreement shall become effective upon approval by the Secretary or by his duly authorized representative and shall terminate five (5) years from effective date unless":

- (a) The expiration date is extended by the Director.
- (b) The Unit Agreement is terminated by the Director before 5 years.
- (c) A valuable discovery of unitized substances has been made and the unit is extended by production.

10 May 15 1968

NOTICE OF TERMINATION
Getty Deep Unit 14-08-0001-8514
Eddy County, New Mexico
Page two.

None of these contingencies has occurred. Therefore, Odessa Natural Gasoline Company, as Unit Operator for the Getty Deep Unit, hereby gives official notice to all parties concerned that the Getty Deep Unit has automatically terminated under the provisions of Article 20. The effective date of termination is April 24, 1968, five (5) years from the effective date of the unit. Copies of this notice are being sent to all working interest owners and all royalty owners of record.

Yours very truly,

ODESSA NATURAL GASOLINE COMPANY

By


Roland L. Hamblin

RLH:ff

cc:

Getty Oil Company
P. O. Box 1404
Houston, Texas
Attention: Mr. T. L. Roberts

James R. Sowell
Suite 1617
211 North Ervay Building
Dallas 1, Texas

Getty Oil Company
P. O. Box 1231
Midland, Texas
Attention: Mr. Clayton Powless

Jason B. Sowell
2315 Adolphus Tower
Dallas, Texas

Mr. J. Paul Getty
c/o Skelly Oil Company
P. O. Box 1650
Tulsa 2, Oklahoma

North Central Oil Corporation
608 Fannin Street
Houston 2, Texas

Texaco, Inc.
P. O. Box 3109
Midland, Texas

Fred H. Cambell
1022 Franklin Street
Whittier, California

Amarillo Oil Company
P. O. Box 151
Amarillo, Texas

Ada A. Nichols
106 West Oliver Street
Roswell, New Mexico

Apache Corporation
823 South Detroit
Tulsa, Oklahoma

Albuquerque National Bank, Testamentary
Trustee of Frank A. Andrews, deceased
Albuquerque, New Mexico

Dixilyn Corporation
P. O. Box 3427
Odessa, Texas

C. Ray Holbrook
P. O. Box 6127
Bakersfield, California

Mr. H. P. Grimm
176 North Mansfield Avenue
Los Angeles, California

Marshall & Winston, Inc.
1054 Broton Avenue
Los Angeles, California

Joseph D. Ambrose
Fair Building
Fort Worth 2, Texas

May 14, 1968

Director, United States Geological Survey
Washington 25, D. C.

A. L. Porter, Jr., Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: NOTICE OF TERMINATION
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14-08-000i-8514
Eddy County, New Mexico

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NOTICE OF TERMINATION
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Eddy County, New Mexico
Page two.

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Yours very truly,

ODESSA NATURAL GASOLINE COMPANY

By *Roland L. Hamblin*
Roland L. Hamblin

RLH:ff

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P. O. Box 1404
Houston, Texas
Attention: Mr. T. L. Roberts

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Suite 1617
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Dallas 1, Texas

Getty Oil Company
P. O. Box 1231
Midland, Texas
Attention: Mr. Clayton Powless

Jason B. Sowell
2315 Adolphus Tower
Dallas, Texas

Mr. J. Paul Getty
c/o Skelly Oil Company
P. O. Box 1650
Tulsa 2, Oklahoma

North Central Oil Corporation
608 Fannin Street
Houston 2, Texas

Texaco, Inc.
P. O. Box 3109
Midland, Texas

Fred H. Cambell
1022 Franklin Street
Whittier, California

Amarillo Oil Company
P. O. Box 151
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Ada A. Nichols
106 West Oliver Street
Roswell, New Mexico

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823 South Detroit
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Albuquerque National Bank, Testamentary
Trustee of Frank A. Andrews, deceased
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P. O. Box 3427
Odessa, Texas

C. Ray Holbrook
P. O. Box 6127
Bakersfield, California

Mr. H. P. Grimm
176 North Mansfield Avenue
Los Angeles, California

Marshall & Winston, Inc.
1054 Broton Avenue
Los Angeles, California

Joseph D. Ambrose
Farr Building
Fort Worth 2, Texas

**P
C
A**

POTASH COMPANY OF AMERICA

MINE AND REFINERY: P. O. BOX 31 • CARLSBAD, NEW MEXICO

MAIN OFFICE OCC
1963 FEB 18 2 AM 8:25

February 15, 1963

R. H. BLACKMAN
RESIDENT COUNSEL

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

*Case file
Case No 2758
[Signature]*

Re: #2758
Application of Odessa
Natural Gasoline Company
for Approval of Unit Agreement.

Dear Pete:

Odessa Natural Gasoline Company has applied for approval of a unitization agreement for certain land in Township 20 South, Range 29 East in Eddy County. The property is within the oil-potash area as defined in Order No. R-111-A in Case No. 278.

If the approval order in some appropriate manner recognizes that that order still applies to the property, we would have no objection to approval of the unitization agreement. Language such as, "approved subject to the provisions of Order No. R-111-A in Case No. 278 and all other applicable rules, regulations and orders of the Commission" is suggested.

I will not be able to be present at the hearing on February 21 since I must travel Washington next week. I hope that this will not be too much inconvenience.

Sincerely,

[Signature]

RHB/b



MEMBER: AMERICAN POTASH INSTITUTE

MAIN OFFICE 600
J. M. HERVEY 1874-1953

HIRAH M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE C. HONIGER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.

LAW OFFICES
HERVEY, DOW & HINKLE
HINKLE BUILDING
ROSWELL, NEW MEXICO

March 12, 1963

TELEPHONE 622-6510
AREA CODE 505
POST OFFICE BOX 10

New Mexico Oil Conservation Commission
P. O. Box 1721
Santa Fe, New Mexico

Re: Getty Deep Unit Agreement -
Case No. 27588

Gentlemen:

In the above case a copy of the proposed Unit Agreement was introduced. A typographical error was found on page 10, and a revised page 10 has been prepared. Will you please substitute the enclosed copies of that revised page 10 in the Unit Agreement in your possession.

Very truly yours,

HERVEY, DOW & HINKLE


Howard C. Bratton

HCB:lm

Enclosures

LAND OFFICE 800

1933 MAR 13 AM 9 19

9. DRILLING TO DISCOVERY. Within 6 months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Devonian formation has been tested; provided, however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 13,200 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities to-wit: quantities sufficient to repay the costs of drilling, and producing operations, with a reasonable profit, the Unit Operator shall continue drilling diligently one well at a time, such wells as shall be approved by the Supervisor, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director may modify the drilling requirements of this section by granting reasonable extensions of time when, in his opinion, such action is warranted.

9. DRILLING TO DISCOVERY. Within 6 months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Devonian formation has been tested; provided, however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 13,200 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities to-wit: quantities sufficient to repay the costs of drilling, and producing operations, with a reasonable profit, the Unit Operator shall continue drilling diligently one well at a time, such wells as shall be approved by the Supervisor, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director may modify the drilling requirements of this section by granting reasonable extensions of time when, in his opinion, such action is warranted.

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MAIN OFFICE OCC
1963 JAN 23 AM 8 23

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF
GETTY DEEP UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

Case 2758

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Comes the undersigned, Odessa Natural Gasoline Company, Odessa, Texas, acting by and through the undersigned attorneys, Hervey, Dow & Hinkle of Roswell, New Mexico, and files herewith three copies of the proposed Unit Agreement for the development and operation of the Getty Deep Unit Area, Eddy County, New Mexico, and hereby makes application for the approval of said Unit Agreement as provided by law and the rules and regulations of the New Mexico Oil Conservation Commission and in support thereof states:

1. That the proposed unit area covered by said agreement embraces 1,680 acres, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN

Township 20 South, Range 29 East

Section 13: $W\frac{1}{2}SE\frac{1}{4}$ and $SW\frac{1}{4}$
Section 14: $SE\frac{1}{4}$
Section 23: $E\frac{1}{2}NW\frac{1}{4}$ and $E\frac{1}{2}$
Section 24: $W\frac{1}{2}$, $NE\frac{1}{4}$ and $W\frac{1}{2}SE\frac{1}{4}$
Section 25: $NW\frac{1}{4}$
Section 26: $NE\frac{1}{4}$

2. That the lands embraced in the Unit Area are all Federal lands and the Unit Area has heretofore been designated by the Director of the United States Geological Survey as an

area logically subject to unitization.

3. That applicant is informed and believes and upon such information and belief states that the proposed unit area contains all or substantially all of the geophysical features involved and that in the event of the discovery of oil or gas thereon, that said Unit Agreement will permit the producing area to be developed and operated in the interest of conservation and the prevention of waste of unitized substances.

4. That the Odessa Natural Gasoline Company, Odessa, Texas, is designated as the Unit Operator in the proposed Unit Agreement and as such is given authority under the terms thereof to carry on all operations necessary for the development and operation of the Unit Area for oil and gas subject to all applicable laws and regulations. That said Unit Agreement provides for the drilling of an initial test well to a depth sufficient to test the Devonian Formation; however, the Unit Operator will not be obligated to drill said well in any event to a depth in excess of 13,200 feet.

5. That applicant believes that in the event oil or gas in paying quantities is discovered on the land within the Unit Area, that the pool or field can be developed more economically and efficiently under the terms of said Unit Agreement, to the end that the maximum recovery of unitized substances will be obtained and that said Unit Agreement is in the interest of conservation and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes and regulations.

6. That upon an order being entered by the New Mexico Oil Conservation Commission and after approval of said Unit Agreement by the Director of the United States Geological Survey, an approved copy will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a hearing be held before an examiner on the matter of approval of said Unit Agreement and that upon said hearing said Unit Agreement be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and the prevention of waste.

DATED this the 25th day of January, 1963.

Respectfully submitted,

ODESSA NATURAL GASOLINE COMPANY

By *Sam E. Hinkle*
att'y

HERVEY, DOW & HINKLE

By *Sam E. Hinkle*
Attorneys for Odessa Natural Gasoline
Company
P.O. Box 10
Roswell, New Mexico

DOCKET MAILED

Date 2/8/63

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF
GETTY DEEP UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

Case 2758

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

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Respectfully submitted,

ODESSA NATURAL GASOLINE COMPANY

By *[Signature]*
att

HERVEY, DOW & HINKLE

By *[Signature]*
Attorneys for Odessa Natural Gasoline
Company
P.O. Box 10
Roswell, New Mexico

OFFICE OF THE

1933 JAN 23 AM 11
BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF
GETTY DEEP UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

662 2958

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

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Section 24: W $\frac{1}{2}$, NE $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$
Section 25: NW $\frac{1}{4}$
Section 26: NE $\frac{1}{4}$

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all Federal lands and the Unit Area has heretofore been designated
by the Director of the United States Geological Survey as an

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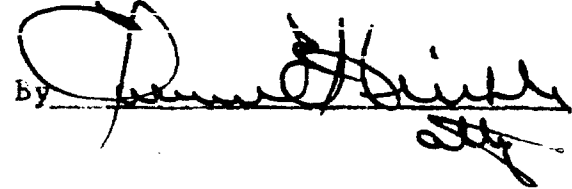
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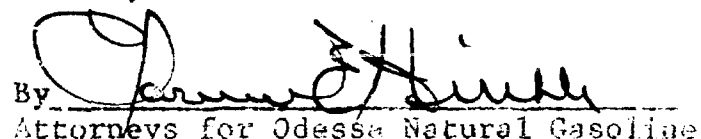
DATED this the 25th day of January, 1963.

Respectfully submitted,

ODESSA NATURAL GASOLINE COMPANY

By  *Daniel Hinkle*

HERVEY, DOW & HINKLE

By  *Daniel Hinkle*
Attorneys for Odessa Natural Gasoline
Company
P.O. Box 10
Roswell, New Mexico



IN REPLY REFER TO:

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

Airmail

DEC 19 1962

Odessa Natural Gasoline Company
Post Office Box 3908
Midland, Texas

Gentlemen:

Attention: Mr. W. T. Edwards

Your letter of August 20 filed with the Oil and Gas Supervisor, Roswell, New Mexico, requested reconsideration of our action of July 16, 1962, concerning the designation of 1,680 acres of Federal land in Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended. You request that unitization be restricted to all formations below the base of the Seven Rivers formation. You indicated that substantial agreement has been reached between the owners of oil and gas interests and the potash interests.

Pursuant to the Unit Plan Regulations of December 22, 1950, 30 CFR 226.3, the land requested as outlined on the map marked "Exhibit A, Getty Deep unit, Eddy County, New Mexico," which accompanied the May 2 application, is hereby designated as a logical unit area.

You proposed to use the standard unit agreement form (1961 reprint) with required modifications. Only the following modifications thereon should be incorporated into the agreement:

1. The following language is offered for modification of section 3 in lieu of that proposed in the May 2 application:

"3. UNITIZED LAND AND UNITIZED SUBSTANCES. All lands committed to this agreement, as to all formations below the base of the Seven Rivers formation (1,530 feet below ground level in the El Paso Natural Gas Company's No. 1 Lambie Federal well, in the SE 1/4 of section 3, T. 20 S., R. 29 E., N.M.P.M., Eddy County, New Mexico) shall constitute land referred to herein as "unitized land" or "land subject to this agreement". All oil and gas in such formations in the unitized lands are unitized and designated as "unitized substances" under the terms of this agreement."

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>5</u>
CASE NO. <u>2758</u>

2. Item (b) of Section 6 (Successor Unit Operator) beginning on line 5, page 7 of the 1961 reprint, should be changed to read:

"(b) the selection shall have been filed with the Supervisor. If no successor unit operator is selected and qualified as herein provided, the Director at his election may declare this unit agreement terminated."

3. Section 9 of the unit agreement submitted for the area designated should provide for the drilling of the initial exploratory well to test the Devonian or to a depth of 13,200 feet. In addition, Section 9 must be modified as follows:

Page 8, Standard 1961 Reprint, Lines 26 and 27 - delete "* * * allowing not more than 6 months between the completion of one well and the beginning of the next well * * *" and insert in lieu thereof "* * * such wells as shall be approved by the Supervisor, * * *"

4. The "Fair Employment" section should be replaced with the following "Nondiscrimination" section:

"Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of section 301(1) to (7) inclusive, of Executive Order 10925 (26 F. R. 1977), which are hereby incorporated by reference in this agreement."


5. Add as a new section the standard "Potash Protection" language quoted in the application of May 2.

In the absence of any other type of land requiring special provisions, or of any objections not now apparent, a duly executed agreement identical with said form, modified as stated above, will be approved if submitted in approvable status within a reasonable period of time. However, the right is reserved to deny approval of any executed agreement submitted which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all acreage. In preparation

of Exhibits A and B, follow closely the format of the sample exhibits attached to the 1961 reprint of the standard form.

Sincerely yours,


Acting Director

C. J. Smith *E. H. 4*

GEOLOGICAL REPORT
PROPOSED GETTY DEEP UNIT
EDDY COUNTY, NEW MEXICO
ODESSA NATURAL GASOLINE COMPANY
February 21 1963

PROPOSED GETTY DEEP UNIT

EDDY COUNTY, NEW MEXICO

INTRODUCTION

The purpose of this report is to point out and describe the many excellent reservoir possibilities which are believed to exist in the Permian and pre-Permian sediments underlying the proposed Getty Deep Unit. The structural and stratigraphic aspects that characterize the prospecting area greatly enhance the reservoir potential of the proposed unit.

LOCATION

The proposed Getty Deep Unit, outlined in red on Plate I, is located in Township 20 South, Range 29 East, Eddy County, New Mexico and lies approximately 15 miles northeast of the town of Carlsbad, New Mexico. The unit is readily accessible by automobile as it underlies the Getty Field which is located approximately two miles to the north of U. S. Highway 180. U. S. Highway 180 connects the towns of Hobbs and Carlsbad, New Mexico. The Getty Field presently produces oil from the Yates formation of the Upper Guadalupian Series of the Permian System.

The Getty #7-A Dooley, the deepest well in the Getty Field, was drilled to a total depth of 6683'. Failing to find commercial production in either the Delaware Mountain Group or the upper portion of the Bone Springs formation, the well was plugged back to 1430' and completed from the Yates formation. At the time it was drilled, the Getty #7-A Dooley was the deepest well in Eddy County, New Mexico.

PROPOSED UNIT AREA

The Getty Deep Unit, as proposed, contains 1,680 acres and is described as follows:

T-20-S, R-29-E

Section 13	SW/4, W/2 SE/4
Section 14	SE/4
Section 23	E/2, E/2 NW/4
Section 24	W/2, NE/4, W/2 SE/4
Section 25	NW/4
Section 26	NE/4

It is requested that the forementioned acreage, outlined in red on Plate II, be unitized for the drilling of a 13,200' Devonian test. The boundaries of the proposed unit were selected on the basis of a prominent Yates anomaly which is believed to be the shallow expression of a deeper structure.

SUMMARY AND CONCLUSIONS

The Odessa Natural Gas Co. Company's desire to form the Getty Deep Unit is based on the theory that many of the Yates anomalies in this area are, in reality, the shallow expression of deeper structures.

The Getty Field, as indicated by the Yates structural contour map, Plate III, is located on a very prominent closed Yates anomaly. It is believed that this anomaly, when projected into the pre-Permian sediments, is of sufficient magnitude to warrant the drilling of a 13,200' exploratory well to test the Permian and pre-Permian sediments down to and including those of the Devonian System.

The proposed Getty Deep Unit, because of its marginal position between the Carlsbad Shelf and Delaware Basin will be characterized by both structural and stratigraphic traps. Although the sands of the Atoka-Morrow Series of the Pennsylvanian System are primarily blanket type deposits, they are characterized by numerous facies changes and localized porosity development.

STRATIGRAPHY

The following is a generalized description of the stratigraphic sequence in the general vicinity of the proposed Getty Deep Unit. The section is described through the Devonian System as the proposed well terminates within this system.

GENERALIZED STRATIGRAPHIC COLUMN

PROPOSED GETTY DEEP UNIT

EDDY COUNTY, NEW MEXICO

SYSTEM	SERIES	FORMATION	LITHOLOGY	INTERVAL & THICKNESS
QUATERNARY	RECENT		Caliche, Mescalero Sands, Stream gravels	0'-40' (40')
TRIASSIC	OCHOA	Dockum	Dark red shales & clays with thin gypsum beds & gray sandstone	40'-110' (70')
PERMIAN	GUADALUPE	Dewey Lake	Red sandstone, shale & siltstone	
		Rustler	Anhydrite, dolomite, red shale & sandstone	110'-365' (255')
		Salado	Salt, anhydrite, potash salts, thin beds of red shale & sand	365'-985' (620')
		Tansill	Anhydrite, silt, interbedded with dolomite & siltstone	985'-1155' (170')
		Yates	Sandstone with frosted quartz grains, dolomitic reefs, dolomite & red shaley sandstone	1155'-1380' (225')
		Seven Rivers	Dolomite, anhydrite & interbedded sandstone	1380'-1470' (90')

SYSTEM	SERIES	FORMATION	LITHOLOGY	INTERVAL & THICKNESS
PERMIAN	Guadalupe	Carlsbad & Goat Seep Reef	Dolomitic limestone interbedded with brown sandstone	1470'-3415' (1945')
		Delaware Mountain Group	Sandstone interbedded with limestone & shale	3415'-5570' (2155')
	Leonard	Bone Springs	Limestone interbedded with sandstone, shale & chert	5570'-7530' (3960')
	Wolfcamp		Limestone interbedded with dolomite, shale & chert	9530'-10350' (820')
		UNCONFORMITY		
PENNSYLVANIAN	Cisco	Cisco Reef	Gray-tan limestone	10350'-10500' (150')
	Canyon		Gray & black shale	10500'-10710' (210')
	Strawn		Predominately reef limestone interbedded with gray shale & sandstone	10710'-10960' (250')
	Atoka		Gray & black shale interbedded with limestone & sandstone	10960'-11210' (250')
	Morrow		Limestone, gray & black sandstone	11210'-11910' (700')

SYSTEM	SERIES	FORMATION	LITHOLOGY	INTERVAL & THICKNESS
MISSISSIPPIAN	Chester	"Upper Mississippian Lime"	Limestone, gray & black shale	11910'-12120' (210')
		Barnett	Black shale	12120'-12300' (180')
	Meramec & Osage	"Mississippian Lime"	Limestone interbedded with chert	12300'-12790' (490')
	Kinderhook	Woodford	Gray, black, brown shale	12790'-12860' (70')
DEVONIAN			White & tan dolomite interbedded with pink & white chert	12860'-13095' (235')

QUATERNARY AND TRIASSIC SYSTEMS

Subsurface studies in the Getty Deep area indicate that the surface sands and caliche, Quaternary System, are underlain by approximately 70' of red shale and sand of the Dockum Group of Triassic age. There is a possibility that a portion of the forementioned red shale and sand may be the Dewey Lake redbeds of Permian age.

PERMIAN SYSTEM

Rustler Formation

The redbeds, in the Getty Deep area are underlain by approximately 255' of anhydrite, dolomite, limestone, salt and stringers of red shale and sandstone of the Rustler formation.

Salado Formation

The Salado formation, commonly referred to as the salt section, is composed of salt, anhydrite, potash salts and stringers of red shale and sand. The Salado will be approximately 620' thick.

Tansill Formation

The Tansill formation will be composed of approximately 170' of dolomite, anhydrite and interbedded siltstone.

Yates Formation

The Yates formation in the prospecting area attains a maximum thickness of approximately 225'; and is composed of gray fine grained sandstone with frosted quartz grains, dolomite reefs, anhydrite and red and gray shale.

Seven Rivers

The Seven Rivers formation is predominately a white to tan dolomite interbedded with anhydrite and gray-white fine grained sandstone. The Seven Rivers will be approximately 90' thick.

Carlsbad Limestone and Goat Seep Reef Formations

The Queen, Grayburg and San Andres formations of the Shelf environment will be replaced by the more basinward Carlsbad and Goat Seep facies. The Carlsbad and Goat Seep facies will consist of approximately 1945' of dolomite and dolomitic limestone interbedded with brown sandstone.

Delaware Mountain Group

The Delaware Mountain Group in the prospecting area is predominately a fine, gray to brown sandstone interbedded with dense tan and brown, finely crystalline dolomite. The Delaware Mountain Group should be approximately 2155' thick.

Bone Springs Formation

The Bone Springs formation will be approximately 3960' thick and will be a tan and brown finely crystalline limestone interbedded with gray fine grained sandstone, gray and brown shale and tan to brown finely crystalline dolomite.

Wolfcamp Series

The Wolfcamp Series will be characterized by tan and brown limestone and dolomite interbedded with gray and brown shale. The approximate thickness of the Wolfcamp Series will be 820'.

PENNSYLVANIAN SYSTEM

Cisco-Canyon Series

The Cisco-Canyon Series will be approximately 360' thick and will be composed of tan and brown limestone and gray and black shale. It is anticipated that the Cisco Series will be represented by a limestone reef with a maximum thickness of 150'. The Canyon Series will be represented by approximately 210' of gray and black shale.

Strawn Series

The Strawn Series will be a tan to brown, dense to medium crystalline, fractured limestone interbedded with gray and black shale. It is anticipated that the Strawn Series will be represented by a reef development, and will attain a

maximum thickness of approximately 250'.

Atoka Series

The Atoka Series will be predominately a gray to black shale interbedded with sandstone and limestone. The estimated thickness of the Atoka Series is 250'.

Morrow Series

The Morrow Series will be approximately 730' thick in the proposed unit area. The Upper 250' will be a tan to brown fine crystalline limestone interbedded with gray and black shale. The lower 480' will be alternating sand and shale sections. The shale will be gray and black, and the sands will be composed of medium to coarse, sub-round quartz grains.

MISSISSIPPIAN SYSTEM

Chester Series

"Upper Mississippian Lime" Barnett Formation

The Chester Series attains a maximum thickness of 390' in the prospecting area, and is subdivided into the "Upper Mississippian Lime" and the Barnett Shale. The "Upper Mississippian Lime" is a tan to brown fine crystalline limestone and will be approximately 210' thick. The Barnett shale is predominately black in color and will be approximately 180' thick.

Meramec and Osage Series

"Mississippian Lime"

The Meramec and Osage Series will be represented by approximately 400' of tan to brown crystalline limestone interbedded with gray and brown chert. The Meramec and Osage Series are commonly referred to as the "Mississippian Lime".

Kinderhook Series

Woodford Formation

The Woodford formation, a gray, black and brown shale, will attain a maximum thickness of approximately 70' in the prospecting area.

DEVONIAN SYSTEM

The Devonian System will be represented by approximately 235' of medium to coarse crystalline dolomite interbedded with gray, brown and smoky chert.

GEOLOGICAL AND STRUCTURAL CONDITIONS

PERTINENT TO THE PROPOSED GETTY DEEP UNIT

In areas of sparse well control, such as the proposed Getty Deep Unit, an accurate subsurface interpretation of the deeper horizons is practically impossible. It has been noted throughout this area that the majority of the Yates anomalies are actually reflecting deeper structural features. The El Paso Lusk Deep Unit, the Pan American Greenwood Unit and the Ohio Lea Unit Federal have one point in common, each was drilled on a Yates anomaly. The Lusk Deep Unit is presently producing oil from the Strawn formation and gas and distillate from the Morrow formation. The Greenwood Unit produces oil from the Bone Springs and gas and distillate from the Morrow and Devonian formations. The Lea Unit is presently producing oil from the Bone Springs and Devonian formations and gas and distillate from the Morrow formation.

It is believed that the Yates anomaly of the Getty Field is also a shallow expression of a deep seated structure. The structural and stratigraphic relationships of the proposed Getty Deep Unit, as interpreted by Odessa Natural Gasoline Company, have been illustrated by Cross-Section A-A' (Plate IV).

The prospecting area is located on the hingeline of the Delaware Basin and the Carlsbad Shelf; consequently the significant structural and stratigraphic features are the results of two major orogenies, the Marathon and the Laramide. The environmental conditions along the marginal area between the basin and shelf were conducive to the growth and development of organic reefs. Reefing is anticipated in the Cisco and Strawn Series of the Pennsylvanian System and the Guadalupe Series of the Permian System.

The downwarping of the Delaware Basin was initiated during the Pennsylvanian Period by the Marathon Orogeny, and continued throughout the Pennsylvanian and Permian Periods. The Pennsylvanian and Permian stratigraphy of the prospecting area was greatly influenced by the continual downwarping of the Delaware Basin, and will be characterized by numerous facies changes.

The Delaware Basin and Carlsbad Shelf assumed their present structural attitude near the end of the Cretaceous Period as a result of the Laramide Orogeny. Although the Pre-Pennsylvanian sediments were subjected to both orogenies, it is reasonable to assume that the present structures are primarily the results of the Laramide. If this is the case, then the Yates and older sediments were folded simultaneously, and the Yates anomaly of the Getty Field is, in fact, an indicator of deeper structure.

POSSIBLE PRODUCTIVE FORMATIONS

A test well drilled in the SW/4 of the SW/4 of Section 24, Township 20 South, Range 29 East, should encounter excellent reservoir conditions throughout the Permian and pre-Permian sediments.

The first major reservoir to be encountered will be the porous carbonates of the Wolfcamp Series (9530-10350) of the Permian System. The organic reefs of the Cisco Series (10350-10500) and the Strawn Series (10710-10960) of the Pennsylvanian System are characteristically very prolific reservoirs. The Lower Pennsylvanian System, being the Atoka-Morrow Series (10960-11910), is known to contain numerous sandstone reservoirs. Many wells throughout this general area are presently producing large quantities of gas and distillate from the porous sand zones of the Atoka-Morrow Series.

The Devonian System (12860-13095) produces both oil and gas throughout Southeastern New Mexico. The porous Devonian dolomite is characteristically a very prolific reservoir.

It is therefore recommended that the Getty Deep Unit be approved, as proposed, for the drilling of a test well to a depth of approximately 13,200' sufficient to test the Devonian formation.



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Receivd 1857
Roswell, New Mexico

1963 APR 1

2758
April 26, 1963

Memorandum

To: Chief, Conservation Division
Through: Chief, Branch of Oil and Gas Operations

From: Regional Oil and Gas Supervisor, Roswell, New Mexico

Subject: Getty Deep unit area, Eddy County, New Mexico

Mr. W. T. Edwards, of Odessa Natural Gasoline Company, advised me by telephone today that the Getty Deep unit agreement, Eddy County, New Mexico, was approved by the Director, Geological Survey, on April 25.

I informed Mr. Roy Blackman, of Potash Company of America, that the unit agreement had been approved and he informed me that Potash Company of America's protest to the drilling of a well in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 24, T. 20 S., R. 29 E., in the Getty Deep unit area would be withdrawn as soon as he receives Odessa's amended Notice of Intention to Drill. Mr. R. E. Billman, of National Potash Company, also has informed me that National Potash Company will withdraw its protest to the drilling of the well identified above upon the receipt of the amended Notice of Intention to Drill. The amendment of such notice will provide for the setting of an intermediate casing string at 5,000 feet rather than at 4,000 feet.

Apparently, all objections to the drilling of a well in the Getty Deep unit area to test the Devonian, or to a depth of 13,200 feet, have now been resolved.

(Orig. S-1) JOHN A. ANDERSON

JOHN A. ANDERSON

Copy to: Washington
Mining Supervisor Fulton, Carlsbad
Mr. Porter, O.C.C., Santa Fe
Artesia

W. D. NOEL
PRESIDENT

W. T. EDWARDS
EXEC. VICE-PRESIDENT

J. W. COLE, JR.
VICE-PRESIDENT

JOHN BEN SHEPPERD
SECY-TREAS.

H. G. MCBEE
ASST SECY-TREAS.

MAIL ROOM QDC

1963 FEB 25 AM 11 27
ODESSA NATURAL GASOLINE COMPANY
AMERICAN BANK OF COMMERCE BUILDING
POST OFFICE BOX 3908
ODESSA, TEXAS

February 22, 1963

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

RE: Getty Deep Unit
Eddy County, New Mexico

Attention: Mr. E. A. Utz

Dear Sir:

Enclosed are copies of cross section which are a part of a geological report submitted by Odessa Natural Gasoline Company in connection with the formation of the Getty Unit.

Yours very truly,

ODESSA NATURAL GASOLINE COMPANY

M. T. Johnson
M. T. JOHNSON

MTJ:jan

Enclosures

W. D. NOEL
PRESIDENT

W. T. EDWARDS
EXEC. VICE-PRESIDENT

J. W. COLE, JR.
VICE-PRESIDENT

JOHN BEN SHEPPERD
SECY-TREAS.

H. G. MCBEE
ASST SECY-TREAS.

ODESSA NATURAL GASOLINE COMPANY

AMERICAN BANK OF COMMERCE BUILDING

POST OFFICE BOX 3908

ODESSA, TEXAS

May 3, 1963

2758

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
State Land Office Bldg.
Santa Fe, New Mexico

RE: Getty Deep Unit,
Eddy Co., N. M.
Case No. 2758,
Order No. R-2431

Dear Mr. Porter:

Enclosed is a copy of Unit Agreement which has been approved by the Director of the United States Geological Survey.

Thank you for your cooperation on this application.

Sincerely,

W. T. Edwards

W. T. Edwards

WTE..j

Enclosure

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1162

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 21, 1963

EXAMINER HEARING

IN THE MATTER OF:)

Application of Odessa Natural Gasoline)
Company for a unit agreement, Eddy)
County, New Mexico. Applicant, in the)
above-styled cause, seeks approval of)
the Getty Deep Unit Area comprising)
1,680 acres, more or less, of Federal)
land in Township 20 South, Range 29)
East, Eddy County, New Mexico.)

Case 2758

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2758.

MR. DURRETT: Application of Odessa Natural Gasoline
Company for a unit agreement, Eddy County, New Mexico.

MR. BRATTON: Howard Bratton, appearing on behalf of
the applicant. We have one witness.

(Witness sworn.)

MR. UTZ: Are there any other appearances? You may
proceed.

MARSHALL JOHNSON

called as a witness, having been first duly sworn, testified as
follows:



DIRECT EXAMINATION

BY MR. BRATTON:

Q Will you state your name, by whom you are employed and in what capacity?

A Marshall Johnson, petroleum engineer, employed by Odessa Natural Gasoline Company.

Q Have you previously testified before this Commission as an expert witness?

A Yes.

Q Are you familiar with the proposed Getty Deep Unit?

A Yes.

Q And the area in question?

A Yes.

MR. BRATTON: Mr. Examiner, before proceeding, I believe we have submitted with our application three copies of the proposed unit agreement, is that correct?

MR. UTZ: That's true.

MR. BRATTON: There have been some revisions of certain pages. Those are pages 5 and 10 and two of the pages of Exhibit B to the unit agreement, and we would give those substituted pages to be put into those copies of the unit agreement. If we could, we will refer to the unit agreement as Exhibit No. 1.

MR. UTZ: All right.

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PHONE 243-6641



(Whereupon, Applicant's Exhibit No. 1 was marked for identification.)

Q (By Mr. Bratton) Mr. Johnson, are you familiar with the provisions of the proposed unit agreement?

A Yes.

Q Is it a standard Federal type of unit agreement?

A Yes.

Q Are all the lands in question Federal lands?

A All Federal lands.

Q Is the unit agreement, in form, satisfactory to the U. S. Geological Survey?

A Yes.

Q And it calls for the drilling of a 13,200 foot Devonian test, is that correct?

A That is correct.

Q Odessa Natural Gasoline Company is the unit operator?

A Yes.

Q The lands in the unit area are described in the unit agreement and total 1680 acres, is that correct?

A That's correct.

Q What percentage of these lands do you have committed to the unit agreement?

A That is 88%. There's 200 acres of the total 1680

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PHONE 243-6691

acres that are not committed.

Q Those are in the northernmost portion of the proposed unit agreement, is that correct?

A That's correct.

Q And we will go into that in connection with your geological exhibits?

A Yes.

Q Do you believe you have sufficient area committed to the unit agreement to give you effective control to where the unit agreement will result in conservation and the prevention of waste?

A Yes, sir.

(Whereupon, Applicant's Exhibit No. 2 was marked for identification.)

Q Will you refer then to your Exhibit No. 2, which is a plat of the general area?

A Yes.

Q Would you explain what that reflects?

A Well, this is a plat showing the outline of the various units in the area and also the deep wells in the area, this being a deep prospect, why the wells shown on here are mainly deep wells.

Q The proposed Getty Deep Unit is reflected on there?



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A Yes, it's cross hatched in red.

Q It's north and west of the Big Eddy Unit?

A Yes.

(Whereupon, Applicant's Exhibit No. 3 was marked for identification.)

Q Refer to your Exhibit No. 3, if you would, please, which is the structure contour map. Does that reflect the outline of the unit area and the contours on which the unit is essentially based and upon which it's projected?

A Yes. It's a structure contour map on the top of the Yates formation and also shows the unit area.

Q Now, this is a Devonian location, is that correct?

A Yes.

Q How do you project to this from the Yates to the Devonian?

A Well, of course, there's a Devonian Yates structure here with substantial amount of closure, being probably one of the larger closures in the Yates in this area. We feel like the structure on the Yates formation reflects structure on the deeper beds down to and including the Devonian closure.

Q Does your interpretation and your projection of the structure indicate to you that the unit area will substantially enclose the formation, the Devonian formation, that you hope to



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PHONE 243 6691

obtain?

A Yes, that's what we feel like it will. It will cover the productive area of the Devonian.

Q Now, the lands that are not committed to the unit are located in Sections 13 and 14, is that correct?

A Yes, that's correct. There's an 80-acre tract, being the East Half of the Southeast Quarter, I mean the West Half of the Southeast Quarter of 13 and the North Half of the Southeast Quarter of 14 and the Southwest of the Southeast of 14.

Q Is there anything else you care to state in connection with Exhibit No. 3?

A No, I don't believe so.

(Whereupon, Applicant's Exhibit No. 4 was marked for identification.)

Q Now, refer to Exhibit No. 4, Mr. Johnson. Is that your geological report which ties in with your Exhibit No. 3?

A Yes, that's correct.

Q And which is the geological information and interpretation upon which the unit is being formed and the well will be drilled?

A That's correct.

Q And it indicates the various formations that you anticipate obtaining?



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PHONE 243 6691

A Yes.

Q Is there anything you care to state in connection with Exhibit No. 4?

A I don't believe so. I think it's pretty well explained in the report.

MR. BRATTON: I will hand Mr. Examiner a letter from the United States Geological Survey and ask that it be marked as Exhibit No. 5.

(Whereupon, Applicant's Exhibit No. 5 was marked for identification.)

Q That is a letter from the United States Geological Survey giving tentative approval as to form and area of this unit, is that correct?

A That's correct.

Q Have the proposed changes by the United States Geological Survey been made in the unit agreement?

A Yes.

Q Wherever there are changes suggested by them that have not been incorporated fully, have you worked that out with the United States Geological Survey to their satisfaction?

A Yes.

Q Exhibits 1 through 4 were prepared by you or under your supervision?



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PHONE 243 6691

A No.

Q I will withdraw that question. This unit was actually originally proposed by El Paso Natural Gas and Odessa Natural has a farmout on it?

A That's correct. We took it from them.

Q And you've obtained some of their work and you are utilizing it in connection with this application?

A That's correct.

Q That would include Exhibits 1 through 4?

A That's right.

MR. BRATTON: We would offer in evidence Applicant's Exhibits 1 through 5.

MR. UTZ: Without objection the Applicant's Exhibits 1 through 5 will be entered into the record.

MR. BRATTON: We have nothing further to offer at this time.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Johnson, did you state, or does your unit agreement state as to when you will drill this well?

MR. BRATTON: I believe it's in the unit agreement and I believe it's within a certain time after approval, six months is the standard.



Q And Exhibit 3 indicates the location of this well?

A Yes.

MR. UTZ: Are there other questions?

MR. DURRETT: Yes, sir, I have a question.

BY MR. DURRETT:

Q Mr. Johnson, I am correct in assuming this is in the oil-potash area as defined by the Commission by Order R-1111-A?

A That's correct.

Q And it is your intention to operate this unit in accordance with all of the provisions of that order?

A That's right. We would follow the rules of the Commission and be subject to the rules of the potash area.

MR. DURRETT: Thank you. I believe that's all I have.

MR. UTZ: Are there any other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Are there any other statements in this case? The case will be taken under advisement.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

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PHONE 243 6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

A. BUQUEROE, N. M.
PHONE 243-6691

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 1st day of March, 1963.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:
June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the New Mexico hearing of Case No. 2758, heard by me on Feb. 21, 1963.

Thos. A. D. H., Examiner
New Mexico Oil Conservation Commission



GEOLOGICAL REPORT
PROPOSED GETTY DEEP UNIT
EDDY COUNTY, NEW MEXICO

ODESSA NATURAL GASOLINE COMPANY

February 21 1963

PROPOSED GETTY DEEP UNIT

EDDY COUNTY, NEW MEXICO

INTRODUCTION

The purpose of this report is to point out and describe the many excellent reservoir possibilities which are believed to exist in the Permian and pre-Permian sediments underlying the proposed Getty Deep Unit. The structural and stratigraphic aspects that characterize the prospecting area greatly enhance the reservoir potential of the proposed unit.

LOCATION

The proposed Getty Deep Unit, outlined in red on Plate I, is located in Township 20 South, Range 29 East, Eddy County, New Mexico and lies approximately 15 miles northeast of the town of Carlsbad, New Mexico. The unit is readily accessible by automobile as it underlies the Getty Field which is located approximately two miles to the north of U. S. Highway 180. U. S. Highway 180 connects the towns of Hobbs and Carlsbad, New Mexico. The Getty Field presently produces oil from the Yates formation of the Upper Guadalupian Series of the Permian System.

The Getty #7-A Dooley, the deepest well in the Getty Field, was drilled to a total depth of 6683'. Failing to find commercial production in either the Delaware Mountain Group or the upper portion of the Bone Springs formation, the well was plugged back to 1430' and completed from the Yates formation. At the time it was drilled, the Getty #7-A Dooley was the deepest well in Eddy County, New Mexico.

PROPOSED UNIT AREA

The Getty Deep Unit, as proposed, contains 1,680 acres and is described as follows:

T-20-S, R-29-E

Section 13	SW/4, W/2 SE/4
Section 14	SE/4
Section 23	E/2, E/2 NW/4
Section 24	W/2, NE/4, W/2 SE/4
Section 25	NW/4
Section 26	NE/4

It is requested that the forementioned acreage, outlined in red on Plate II, be unitized for the drilling of a 13,200' Devonian test. The boundaries of the proposed unit were selected on the basis of a prominent Yates anomaly which is believed to be the shallow expression of a deeper structure.

SUMMARY AND CONCLUSIONS

The Odessa Natural Gas Co. Company's desire to form the Getty Deep Unit is based on the theory that many of the Yates anomalies in this area are, in reality, the shallow expression of deeper structures.

The Getty Field, as indicated by the Yates structural contour map, Plate III, is located on a very prominent closed Yates anomaly. It is believed that this anomaly, when projected into the pre-Permian sediments, is of sufficient magnitude to warrant the drilling of a 13,200' exploratory well to test the Permian and pre-Permian sediments down to and including those of the Devonian System.

The proposed Getty Deep Unit, because of its marginal position between the Carlsbad Shelf and Delaware Basin will be characterized by both structural and stratigraphic traps. Although the sands of the Atoka-Morrow Series of the Pennsylvanian System are primarily blanket type deposits, they are characterized by numerous facies changes and localized porosity development.

STRATIGRAPHY

The following is a generalized description of the stratigraphic sequence in the general vicinity of the proposed Getty Deep Unit. The section is described through the Devonian System as the proposed well terminates within this system.

GENERALIZED STRATIGRAPHIC COLUMN

PROPOSED GETTY DEEP UNIT

EDDY COUNTY, NEW MEXICO

SYSTEM	SERIES	FORMATION	LITHOLOGY	INTERVAL & THICKNESS
QUATERNARY	RECENT		Caliche, Mescalero Sands, Stream gravels	0'-40' (40')
TRIASSIC	OCHOA	Dockum	Dark red shales & clays with thin gypsum beds & gray sandstone	40'-110' (70')
PERMIAN	GUADALUPE	Dewey Lake	Red sandstone, shale & siltstone	
		Rustler	Anhydrite, dolomite, red shale & sandstone	110'-365' (255')
		Salado	Salt, anhydrite, potash salts, thin beds of red shale & sand	365'-985' (620')
		Tansill	Anhydrite, silt, interbedded with dolomite & siltstone	985'-1155' (170')
		Yates	Sandstone with frosted quartz grains, dolomitic reefs, dolomite & red shaley sandstone	1155'-1380' (225')
		Seven Rivers	Dolomite, anhydrite & interbedded sandstone	1380'-1470' (90')

SYSTEM	SERIES	FORMATION	LITHOLOGY	INTERVAL & THICKNESS
PERMIAN	Guadalupe	Carlsbad & Goat Seep Reef	Dolomitic limestone interbedded with brown sandstone	1470'-3415' (1945')
		Delaware Mountain Group	Sandstone interbedded with limestone & shale	3415'-5570' (2155')
	Leonard	Bone Springs	Limestone interbedded with sandstone, shale & chert	5570'-7530' (3960')
	Wolfcamp		Limestone interbedded with dolomite, shale & chert	9530'-10350' (820')
		UNCONFORMITY		
PENNSYLVANIAN	Cisco	Cisco Reef	Gray-tan limestone	10350'-10500' (150')
	Canyon		Gray & black shale	10500'-10710' (210')
	Strawn		Predominately reef limestone interbedded with gray shale & sandstone	10710'-10960' (250')
	Atoka		Gray & black shale interbedded with limestone & sandstone	10960'-11210' (250')
	Morrow		Limestone, gray & black sandstone	11210'-11910' (700')

SYSTEM	SERIES	FORMATION	LITHOLOGY	INTERVAL & THICKNESS
MISSISSIPPIAN	Chester	"Upper Mississippian Lime"	Limestone, gray & black shale	11910'-12120' (210')
		Barnett	Black shale	12120'-12300' (180')
	Meramec & Osage	"Mississippian Lime"	Limestone interbedded with chert	12300'-12790' (490')
	Kinderhook	Woodford	Gray, black, brown shale	12790'-12860' (70')
DEVONIAN			White & tan dolomite interbedded with pink & white chert	12860'-13095' (235')

QUATERNARY AND TRIASSIC SYSTEMS

Subsurface studies in the Getty Deep area indicate that the surface sands and caliche, Quaternary System, are underlain by approximately 70' of red shale and sand of the Dockum Group of Triassic age. There is a possibility that a portion of the forementioned red shale and sand may be the Dewey Lake redbeds of Permian age.

PERMIAN SYSTEM

Rustler Formation

The redbeds, in the Getty Deep area are underlain by approximately 255' of anhydrite, dolomite, limestone, salt and stringers of red shale and sandstone of the Rustler formation.

Salado Formation

The Salado formation, commonly referred to as the salt section, is composed of salt, anhydrite, potash salts and stringers of red shale and sand. The Salado will be approximately 620' thick.

Tansill Formation

The Tansill formation will be composed of approximately 170' of dolomite, anhydrite and interbedded siltstone.

Yates Formation

The Yates formation in the prospecting area attains a maximum thickness of approximately 225'; and is composed of gray fine grained sandstone with frosted quartz grains, dolomite reefs, anhydrite and red and gray shale.

Seven Rivers

The Seven Rivers formation is predominately a white to tan dolomite interbedded with anhydrite and gray-white fine grained sandstone. The Seven Rivers will be approximately 90' thick.

Carlsbad Limestone and Goat Seep Reef Formations

The Queen, Grayburg and San Andres formations of the Shelf environment will be replaced by the more basinward Carlsbad and Goat Seep facies. The Carlsbad and Goat Seep facies will consist of approximately 1945' of dolomite and dolomitic limestone interbedded with brown sandstone.

Delaware Mountain Group

The Delaware Mountain Group in the prospecting area is predominately a fine, gray to brown sandstone interbedded with dense tan and brown, finely crystalline dolomite. The Delaware Mountain Group should be approximately 2155' thick.

Bone Springs Formation

The Bone Springs formation will be approximately 3960' thick and will be a tan and brown finely crystalline limestone interbedded with gray fine grained sandstone, gray and brown shale and tan to brown finely crystalline dolomite.

Wolfcamp Series

The Wolfcamp Series will be characterized by tan and brown limestone and dolomite interbedded with gray and brown shale. The approximate thickness of the Wolfcamp Series will be 820'.

PENNSYLVANIAN SYSTEM

Cisco-Canyon Series

The Cisco-Canyon Series will be approximately 360' thick and will be composed of tan and brown limestone and gray and black shale. It is anticipated that the Cisco Series will be represented by a limestone reef with a maximum thickness of 150'. The Canyon Series will be represented by approximately 210' of gray and black shale.

Strawn Series

The Strawn Series will be a tan to brown, dense to medium crystalline, fractured limestone interbedded with gray and black shale. It is anticipated that the Strawn Series will be represented by a reef development, and will attain a

maximum thickness of approximately 250'.

Atoka Series

The Atoka Series will be predominately a gray to black shale interbedded with sandstone and limestone. The estimated thickness of the Atoka Series is 250'.

Morrow Series

The Morrow Series will be approximately 730' thick in the proposed unit area. The Upper 250' will be a tan to brown fine crystalline limestone interbedded with gray and black shale. The lower 480' will be alternating sand and shale sections. The shale will be gray and black, and the sands will be composed of medium to coarse, sub-round quartz grains.

MISSISSIPPIAN SYSTEM

Chester Series

"Upper Mississippian Lime" Barnett Formation

The Chester Series attains a maximum thickness of 390' in the prospecting area, and is subdivided into the "Upper Mississippian Lime" and the Barnett Shale. The "Upper Mississippian Lime" is a tan to brown fine crystalline limestone and will be approximately 210' thick. The Barnett shale is predominately black in color and will be approximately 180' thick.

Meramec and Osage Series

"Mississippian Lime"

The Meramec and Osage Series will be represented by approximately 490' of tan to brown crystalline limestone interbedded with gray and brown chert. The Meramec and Osage Series are commonly referred to as the "Mississippian Lime".

Kinderhook Series

Woodford Formation

The Woodford formation, a gray, black and brown shale, will attain a maximum thickness of approximately 70' in the prospecting area.

DEVONIAN SYSTEM

The Devonian System will be represented by approximately 235' of medium to coarse crystalline dolomite interbedded with gray, brown and smoky chert.

GEOLOGICAL AND STRUCTURAL CONDITIONS

PERTINENT TO THE PROPOSED GETTY DEEP UNIT

In areas of sparse well control, such as the proposed Getty Deep Unit, an accurate subsurface interpretation of the deeper horizons is practically impossible. It has been noted throughout this area that the majority of the Yates anomalies are actually reflecting deeper structural features. The El Paso Lusk Deep Unit, the Pan American Greenwood Unit and the Ohio Lea Unit Federal have one point in common, each was drilled on a Yates anomaly. The Lusk Deep Unit is presently producing oil from the Strawn formation and gas and distillate from the Morrow formation. The Greenwood Unit produces oil from the Bone Springs and gas and distillate from the Morrow and Devonian formations. The Lea Unit is presently producing oil from the Bone Springs and Devonian formations and gas and distillate from the Morrow formation.

It is believed that the Yates anomaly of the Getty Field is also a shallow expression of a deep seated structure. The structural and stratigraphic relationships of the proposed Getty Deep Unit, as interpreted by Odessa Natural Gasoline Company, have been illustrated by Cross-Section A-A' (Plate IV).

The prospecting area is located on the hingeline of the Delaware Basin and the Carlsbad Shelf; consequently the significant structural and stratigraphic features are the results of two major orogenies, the Marathon and the Laramide. The environmental conditions along the marginal area between the basin and shelf were conducive to the growth and development of organic reefs. Reefing is anticipated in the Cisco and Strawn Series of the Pennsylvanian System and the Guadalupe Series of the Permian System.

The downwarping of the Delaware Basin was initiated during the Pennsylvanian Period by the Marathon Orogeny, and continued throughout the Pennsylvanian and Permian Periods. The Pennsylvanian and Permian stratigraphy of the prospecting area was greatly influenced by the continual downwarping of the Delaware Basin, and will be characterized by numerous facies changes.

The Delaware Basin and Carlsbad Shelf assumed their present structural attitude near the end of the Cretaceous Period as a result of the Laramide Orogeny. Although the Pre-Pennsylvanian sediments were subjected to both orogenies, it is reasonable to assume that the present structures are primarily the results of the Laramide. If this is the case, then the Yates and older sediments were folded simultaneously, and the Yates anomaly of the Getty Field is, in fact, an indicator of deeper structure.

POSSIBLE PRODUCTIVE FORMATIONS

A test well drilled in the SW/4 of the SW/4 of Section 24, Township 20 South, Range 29 East, should encounter excellent reservoir conditions throughout the Permian and pre-Permian sediments.

The first major reservoir to be encountered will be the porous carbonates of the Wolfcamp Series (9530-10350) of the Permian System. The organic reefs of the Cisco Series (10350-10500) and the Strawn Series (10710-10960) of the Pennsylvanian System are characteristically very prolific reservoirs. The Lower Pennsylvanian System, being the Atoka-Morrow Series (10960-11910), is known to contain numerous sandstone reservoirs. Many wells throughout this general area are presently producing large quantities of gas and distillate from the porous sand zones of the Atoka-Morrow Series.

The Devonian System (12860-13095) produces both oil and gas throughout Southeastern New Mexico. The porous Devonian dolomite is characteristically a very prolific reservoir.

It is therefore recommended that the Getty Deep Unit be approved, as proposed, for the drilling of a test well to a depth of approximately 13,200' sufficient to test the Devonian formation.

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February 21 1963

BEFORE EXAMINER LITZ	
OIL CONSERVATION COMMISSION	
<i>Odessa</i> EXHIBIT NO.	<i>4</i>
CASE NO.	<i>2758</i>

GENERALIZED STRATIGRAPHIC COLUMN

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T-20-S, R-29-E

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It is requested that the forementioned acreage, outlined in red on Plate II, be unitized for the drilling of a 13,200' Devonian test. The boundaries of the proposed unit were selected on the basis of a prominent Yates anomaly which is believed to be the shallow expression of a deeper structure.

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The prospecting area is located on the hingeline of the Delaware Basin and the Carlsbad Shelf; consequently the significant structural and stratigraphic features are the results of two major orogenies, the Marathon and the Laramide. The environmental conditions along the marginal area between the basin and shelf were conducive to the growth and development of organic reefs. Reefing is anticipated in the Cisco and Strawn Series of the Pennsylvanian System and the Guadalupe Series of the Permian System.

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Atoka Series

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The Morrow Series will be approximately 730' thick in the proposed unit area. The Upper 250' will be a tan to brown fine crystalline limestone interbedded with gray and black shale. The lower 480' will be alternating sand and shale sections. The shale will be gray and black, and the sands will be composed of medium to coarse, sub-round quartz grains.

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POSSIBLE PRODUCTIVE FORMATIONS

A test well drilled in the SW/4 of the SW/4 of Section 24, Township 20 South, Range 29 East, should encounter excellent reservoir conditions throughout the Permian and pre-Permian sediments.

The first major reservoir to be encountered will be the porous carbonates of the Wolfcamp Series (9530-10350) of the Permian System. The organic reefs of the Cisco Series (10350-10500) and the Strawn Series (10710-10960) of the Pennsylvanian System are characteristically very prolific reservoirs. The Lower Pennsylvanian System, being the Atoka-Morrow Series (10960-11910), is known to contain numerous sandstone reservoirs. Many wells throughout this general area are presently producing large quantities of gas and distillate from the porous sand zones of the Atoka-Morrow Series.

The Devonian System (12860-13095) produces both oil and gas throughout Southeastern New Mexico. The porous Devonian dolomite is characteristically a very prolific reservoir.

It is therefore recommended that the Getty Deep Unit be approved, as proposed, for the drilling of a test well to a depth of approximately 13,200' sufficient to test the Devonian formation.

No. 7-63

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 21, 1963

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter as Alternate Examiner:

- CASE 2755: Application of General American Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation, High Lonesome Pool, Eddy County, New Mexico, through 16 wells in Sections 11, 12, 13 and 14, Township 16 South, Range 29 East.
- CASE 2756: Application of Humble Oil & Refining Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its State "S" Well No. 24, located in Unit J, Section 2, Township 22 South, Range 37 East, Lea County, New Mexico, as a triple completion (tubingless), to produce oil from the Blinebry and Drinkard Pools and from a third zone, either lower Drinkard or Abo, through parallel strings of 2 7/8-inch casing cemented in a common well bore.
- CASE 2757: Application of Cabot Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location of its New Mexico State L Well No. 1 at a point 1970 feet from the North line and 330 feet from the West line of Section 23, Township 11 South, Range 33 East, North Bagley-Wolfcamp Pool, Lea County, New Mexico.
- CASE 2758: Application of Odessa Natural Gasoline Company for a unit agreement Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Getty Deep Unit Area comprising 1,680 acres, more or less, of Federal land in Township 20 South, Range 29 East, Eddy County, New Mexico.
- CASE 2759: Application of Continental Oil Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its Skaggs R-12, Well No. 5, located in Unit C of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico, to produce oil from the Skaggs Glorieta, East Weir Blinebry, and Skaggs-Drinkard Pools through parallel strings of tubing.

- CASE 2760: Application of Gulf Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Scarborough Estate Well No. 7, located in Unit K of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Blinbry Oil Pool and from the Ellenburger formation through parallel strings of tubing.
- CASE 2761: Application of Compass Exploration, Inc. for the creation of a Gallup Gas Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order deleting certain acreage from the South Blanco-Tocito Pool and redesignating portions of said acreage to comprise a new Gallup gas pool for its North-west Lindrita Well No. 1-3, located in Unit K of Section 3, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.
- CASE 2314: (Reopened)
In the matter of the hearing called in accordance with Order No. R-2191, to permit Shell Oil Company to appear and show cause why its State Well No. 1-A, located in Unit D, Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico should not be reclassified as an oil well in said pool.
- CASE 2480: (Reopened & Continued)
In the matter of Case 2480 being reopened pursuant to the provisions of Order No. R-2182, which order established temporary 80-acre proration units for the Henshaw-Wolfcamp Pool, Eddy County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.
- CASE 2762: Application of Pan American Petroleum Corporation for a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion of its USG Section 19 Well No. 17, located in Unit I of Section 19, Township 29 North, Range 16 West, San Juan County, New Mexico, to produce oil from the Hogback-Pennsylvanian Pool through tubing and to dispose of produced salt water into the Chinle formation through the intermediate casing annulus.
- CASE 2763: Application of Sunray DX Oil Company for the creation of a Strawn Gas Pool and for Special Temporary Pool Rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn Gas Pool for its New Mexico State "AH" Well No. 1, located in Unit K of Section 30, Township 18 South, Range 23 East, Eddy County, New Mexico, and the establishment of temporary pool rules therefor, including a provision for 640-acre proration units.

CASE 2764:

Application of Skelly Oil Company for the creation of a Strawn Gas Pool and for Temporary Special Pool Rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn Gas Pool for its West Jal Unit Well No. 1, located in Unit H, of Section 20, Township 25 South, Range 36 East, Lea County, New Mexico, and the establishment of temporary special pool rules therefor, including a provision for 640-acre proration units.

CASE 2746:

(Continued)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Continental National Insurance Group and all other interested parties to appear and show cause why the Kenneth V. Barbee Well No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 9, Township 11 South, Range 25 East, NMPM, Chaves County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

CASE 2747:

(Continued)

Application of El Paso Natural Gas Company for cancellation of a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks cancellation of a non-standard gas proration unit comprising the SW/4 of Section 23 and the NW/4 of Section 26, Township 31 North, Range 7 West, Blanco-Mesaverde Gas Pool, San Juan County, New Mexico, said unit having been established and designated Block "N" by Order No. R-1066.

No. 7-63

SUPPLEMENTAL DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 21, 1963

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following case will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner:

CASE 2765:

Application of Perry R. Bass for an
unorthodox gas well location, Lea
County, New Mexico.

Applicant, in the above-styled cause seeks an exception to the
Special Rules and Regulations for the Lusk-Morrow gas pool to permit
the drilling of a gas well 1980 feet from the North line and 660
feet from the West line of Section 28, Township 19 South, Range 32
East.

DRAFT

JMD/esr
February , 1963

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

[Handwritten signature]
[Handwritten initials]
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2758

Order No. R- 2431

APPLICATION OF ODESSA NATURAL
GASOLINE COMPANY FOR APPROVAL
OF THE GETTY DEEP UNIT AGREE-
MENT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 21, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Odessa Natural Gasoline Company, seeks approval of the Getty Deep Unit Agreement covering 1,680 acres, more or less, of Federal land in Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) That approval of the proposed Getty Deep Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the Getty Deep Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the

That the Unit Area lies within the Potash-Oil Area and that all operations under the Unit Agreement shall be conducted in accordance with the provisions of Order No. R-111-A as amended.

development and operation of the Getty Deep Unit Area, and such plan shall be known as the Getty Deep Unit Agreement Plan.

(3) That all operations under the Getty Deep Unit Agreement Plan shall be conducted in accordance with the provisions of Order No. R-111-A as amended.

(3) (4) That the Getty Deep Unit Agreement Plan 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 shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the Getty Deep Unit, or relative to the production of oil or gas therefrom.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

EDDY COUNTY, NEW MEXICO
TOWNSHIP 20 SOUTH, RANGE 29 EAST

Section 13: W¹/₂ SE¹/₄ and SW¹/₄
Section 14: SE¹/₄
Section 23: E¹/₂ NW¹/₄ and E¹/₂
Section 24: W¹/₂, NE¹/₄ and W¹/₂ SE¹/₄
Section 25: NW¹/₄
Section 26: NE¹/₄

containing 1,680 acres, more or less.

(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Getty Deep unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file

with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

State of New Mexico
Oil Conservation Commission



February 22, 1963

Re: Case No. 2758
Order No. R-2431
Applicant:
Odessa Natural Gasoline Co.

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

A. L. Porter, Jr.

OTHER Mr. Roy Blackman

Case 2758
Heard, 2-21-63
Rec. 2-21-63

1. Approve unit as requested
by applicant.

Thurs. 2/21/63

Rush

J. M. HERVEY 1974-1953
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER
HOWARD C. BRATTON
S. B. CHRISTY
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.

LAW OFFICES
HERVEY, DOW & HINKLE
HINKLE BUILDING
ROSWELL, NEW MEXICO

January 25, 1963

Feb. 21st
Case 2758
TELEPHONE 622-6510
AREA CODE 505
POST OFFICE BOX 10

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

U.S. Boray & Chem
Nat'l Potash Co.
Potash Co of America

Re: Getty Deep Unit Agreement

Dear Mr. Porter:

We enclose herewith in triplicate application of the Odessa Natural Gasoline Company for approval of the Getty Deep Unit Agreement, Eddy County, New Mexico, together with three copies of the proposed form of Unit Agreement.

Please have this matter set down for hearing at the first examiner's hearing after allowing the proper time for publication of notice. Please send us a copy of the notice of hearing.

Yours very truly,

HERVEY, DOW & HINKLE

By Conrad E. Coffield

CEH: ev

Encls.

cc: Mr. W. T. Edwards
Odessa Natural Gasoline Company
Box 3908
Odessa, Texas
W/Cy Application

DOCKET MAILED

Date 2/8/63
JH

to be sent to Odessa Natural Gasoline Company

1-7
1-1-1963
NEW MEXICO

CERTIFICATION - DETERMINATION

14-08-0001 8514

Pursuant to the authority vested in the Secretary of Interior as to Federal Lands, under the Act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Secs. 181, et seq., and delegated to the Director of the Geological Survey pursuant to Departmental Order No. 2365 of October 8, 1947, 43 C.F.R. Sec. 4.611, 12 F.R. 6784, I do hereby:

A. Approve the attached agreement for the development and operation of the Getty Deep Unit Area, Eddy County, State of New Mexico.

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

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

APR 25 1963

William A. Baker

DATE

Action

DIRECTOR, UNITED STATES GEOLOGICAL SURVEY,

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2700
Order No. A-2431

APPLICATION OF ODESSA NATURAL
GASOLINE COMPANY FOR APPROVAL
OF THE GATTY DEEP UNIT AGREE-
MENT, SAGU COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 21, 1963, at Santa Fe, New Mexico, before Elvís A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

Now, on this 22nd day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvís A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Odessa Natural Gasoline Company, seeks approval of the Gatty Deep Unit Agreement covering 1,000 acres, more or less, of Federal land in Township 20 South, Range 29 East, N34W, Sagu County, New Mexico.

(3) That approval of the proposed Gatty Deep Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

(4) That the unit area lies within the Potash-Oil Area and that all operations under the unit agreement should be conducted in accordance with the provisions of Order No. A-111-A as amended.

IT IS THEREFORE ORDERED:

(1) That the Gatty Deep Unit Agreement is hereby approved.

Order No. 2733
Order No. R-2431

(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Getty Deep Unit Area, and such plan shall be known as the Getty Deep Unit Agreement Plan.

(3) That all operations under the Getty Deep Unit Agreement Plan shall be conducted in accordance with the provisions of Order No. R-111-A as amended.

(4) That the Getty Deep Unit Agreement Plan 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 shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the Getty Deep Unit, or relative to the production of oil or gas therefrom.

(5) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

NEW MEXICO, NEW MEXICO
TOWNSHIP 20 NORTH, RANGE 20 WEST
Section 13: $1/2$ SE/4 and SW/4
Section 14: SE/4
Section 15: $1/2$ SW/4 and S/2
Section 24: $1/2$, NE/4 and W/2 SE/4
Section 25: NW/4
Section 26: SE/4

containing 1,680 acres, more or less.

(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(6) That the unit operator shall file with the Commission an executed original or accepted counterpart of the Getty Deep Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(7) That this order shall become effective upon the approval of said unit agreement by the Director of the United

-3-
Case No. 2752
Order No. R-2431

States Geological Survey, and shall terminate inso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. FORSTER, Jr., Member & Secretary

S S A L

ccr/

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
GETTY DEEP UNIT AREA
EDDY COUNTY, NEW MEXICO

RECEIVED
FEB 20 1963
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

NO. _____

THIS AGREEMENT, entered into as of the 22nd day of JANUARY, 1963, 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 and gas interests in the unit area subject to this agreement; and

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

WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by an act of the Legislature (Article 3, N.M. Stat. 1953 Annotated) to approve this agreement and the conservation provisions hereof; and

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

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

NOW, THEREFORE, in consideration of the premises and the

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

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

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

T-20-S, R-29-E, NMPM

Sec. 13: $W\frac{1}{2}SE\frac{1}{4}$ and $SW\frac{1}{4}$
Sec. 14: $SE\frac{1}{4}$
Sec. 23: $E\frac{1}{2}NW\frac{1}{4}$ and $E\frac{1}{2}$
Sec. 24: $W\frac{1}{2}$, $NE\frac{1}{4}$ and $W\frac{1}{2}SE\frac{1}{4}$
Sec. 25: $NW\frac{1}{4}$
Sec. 26: $NE\frac{1}{4}$

Containing 1,680 acres, more or less.

Exhibit A attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit B attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the

ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits A and B shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary, or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor" and not less than seven copies of the revised exhibits shall be filed with the Supervisor, and one copy with the New Mexico Oil Conservation Commission, hereinafter referred to as "Commission."

The above-described unit area shall when practicable be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this agreement, or shall be contracted to exclude lands not within any participating area whenever such expansion or contraction is necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be effected in the following manner:

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director," after preliminary concurrence by the Director, 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, preferably the first day of a month subsequent to the date of notice.

(b) Said notice shall be delivered to the Supervisor, 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 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, together with an application in sufficient number, for approval of such expansion or contraction and with appropriate joinders.

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

(e) All legal subdivisions of unitized lands (i.e., 40 acres by Government survey or its nearest lot or tract equivalent in instances of irregular surveys, however, unusually large lots or tracts shall be considered in multiples of 40 acres, or the nearest aliquot equivalent thereof, for the purpose of elimination under this subsection), no parts of which are entitled to be in a participating area within five (5) years after the first day of the month following the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective as of the first day thereafter, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless at the expiration of said 5-year period diligent drilling operations are in progress on unitized lands not entitled to participation, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than 90 days' time elapsing between the completion of one such well and the commencement of the next such well, except that the time allowed between such wells shall not expire earlier than 30 days after the expiration of any period of time during which drilling operations are prevented by a matter beyond the reasonable control of unit operator as set forth in the section hereof entitled "Unavoidable Delay", provided that all legal subdivisions of lands not in a participating area and not entitled

to become participating under the applicable provisions of this agreement within 10 years after said first day of the month following the effective date of said first initial participating area shall be eliminated as above specified. Determination of creditable "Unavoidable Delay" time shall be made by unit operator and subject to approval of the Director. The unit operator shall, within 90 days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the Director and promptly notify all parties in interest.

If conditions warrant extension of the five (5) and the ten (10) year periods specified in this subsection 2(e), an extension of such periods may be accomplished by consent of the owners of 90% of the current unitized working interests and 60% of the current unitized basic royalty interests (exclusive of the basic royalty interests of the United States), on a total-nonparticipating-acreage basis, respectively, with approval of the Director, provided such extension application is submitted to the Director not later than 60 days prior to the expiration of said five (5) year or ten (10) year periods.

Any expansion of the unit area pursuant to this section which embraces lands theretofore eliminated pursuant to this subsection 2(e) shall not be considered automatic commitment or recommitment of such lands.

3. UNITIZED LAND AND UNITIZED SUBSTANCES. All lands committed to this agreement, as to all formations below the base of the Yates formation, or 1,580 feet below the ground level within the unit area, whichever first occurs, shall constitute land referred to herein as "unitized land" or "land subject to this agreement". All oil and gas in such formations in the unitized lands are unitized and designated as "unitized substances" under the terms of this agreement.

4. UNIT OPERATOR. Odessa Natural Gasoline Co., Odessa, Texas, is hereby designated as Unit Operator and by signature hereto as Unit Operator commits to this agreement all interests in unitized substances vested in it 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 owner of interest in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

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

Unit Operator shall have the right to resign in like manner and subject to like limitations as above provided at any time a participating area established hereunder is in existence, but, in all instances of resignation or removal, until a successor unit operator is selected and approved as hereinafter provided, the working interest

owners shall be jointly responsible for performance of the duties of unit operator, and shall not later than 30 days before such resignation or removal becomes effective appoint a common agent to represent them in any action to be taken hereunder.

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

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

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

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by working interest owners, the owners of the working interests in the

participating area or areas according to their respective acreage interests in such participating area or areas, or, until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by majority vote select a successor Unit Operator: Provided, That, if a majority but less than 75 per cent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of one or more additional working interest owners shall be required to select a new operator. Such selection shall not become effective until

(a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and

(b) the selection shall have been filed with the Supervisor. If no successor Unit Operator is selected and qualified as herein provided, the Director at his election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement." Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their re-

spective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between the unit agreement and the unit operating agreement, this unit agreement shall prevail. Three (3) true copies of any unit operating agreement executed pursuant to this section should be filed with the Supervisor, prior to approval of this unit agreement by the Director.

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

9. DRILLING TO DISCOVERY. Within 6 months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Devonian formation has been tested; provided, however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 13,200 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities to-wit: quantities sufficient to repay the costs of drilling, and producing operations, with a reasonable profit, the Unit Operator shall continue drilling diligently one well at a time, such wells as shall be approved by the Supervisor, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director may modify the drilling requirements of this section by granting reasonable extensions of time when, in his opinion, such action is warranted.

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

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within 6 months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, 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 a plan for an additional specified period for the development and operation of the unitized land.

Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the diligent drilling necessary for determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor 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.

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 is authorized to grant a reasonable extension of the 6-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing any unitized substance in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement or such as may be specifically approved by the Supervisor, shall be drilled except in accordance with a plan of development approved as herein provided.

11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor, the Unit Operator shall submit for approval by the Director a schedule, based on subdivisions of the public-land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all lands in said schedule on approval of the Director to constitute a participating area, effective as of the date of completion of such well or the effective date of the unit agreement, whichever is later. The acreages of both Federal and non-Federal lands shall be based upon appropriate computations from the courses and distances shown on the last approved public-land survey as of the effective date of the initial participating area. Said schedule also shall set forth the percentage

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

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

In the absence of agreement at any time between the Unit Operator and the Director 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, which shall be determined by the Supervisor and the amount thereof deposited, as directed by the Supervisor, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal royalty on the basis of such approved participating area.

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

12. ALLOCATION OF PRODUCTION. All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, camp and other production or development purposes, for repressuring or recycling in

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

13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR FORMATIONS. Any party hereto owning or controlling the working interest in any unitized land having thereon a regular well location

may with the approval of the Supervisor, at such party's sole risk, costs, and expense, drill a well to test any formation for which a participating area has not been established or to test any formation for which a participating area has been established if such location is not within said participating area, unless within 90 days of receipt of notice from said party of his intention to drill the well the Unit Operator elects and commences to drill such a well in like manner as other wells are drilled by the Unit Operator under this agreement.

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

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

14. ROYALTY SETTLEMENT. The United States and any State and all royalty owners who, under existing contract, are entitled to take in kind a share of the substances now unitized hereunder produced from any tract, shall hereafter be entitled to the right to take in kind their share of the unitized substances allocated to

such tract, and Unit Operator, or in case of the operation of a well by a working interest owner as herein in special cases provided for, such working interest owner, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be made by working interest owners responsible therefor under existing contracts, laws and regulations on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any royalties due under their leases.

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

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in

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

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

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

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

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

18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development, or operation for oil or gas of lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary shall and by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect

to each and every part or separately owned tract subject to this agreement, regardless of whether there is any development of any particular part or tract of the unit area, notwithstanding anything to the contrary in any lease, operating agreement or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.

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

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

(d) Each lease, sublease or contract relating to the exploration, drilling, development or operation for oil or gas of lands other than those of the United States committed to this agreement, which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided

therein or by law as to the land committed so long as such lease remains subject hereto, provided that production is had in paying quantities under this unit agreement prior to the expiration date of the term of such lease, or in the event actual drilling operations are commenced on unitized land, in accordance with the provisions of this agreement, prior to the end of the primary term of such lease and are being diligently prosecuted at that time, such lease shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities in accordance with the provisions of the Mineral Leasing Act Revision of 1960.

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

(g) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(j) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided, however, That any such lease as to the non-unitized portion shall continue in force and effect for the term

thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

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

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

20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Secretary or his duly authorized representative and shall terminate five (5) years from said effective date unless

(a) such date of expiration is extended by the Director, or

(b) it is reasonably determined prior to the expiration of the fixed term of any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, the agreement is terminated with the approval of the Director, or

(c) a valuable discovery of unitized substances has been made or accepted on unitized land during said initial term or any extension thereof, in which event the agreement shall remain in effect for such term and so long as unitized substances can be produced in quantities sufficient to pay for the cost of producing same from wells on unitized land within any participating area established hereunder and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid, or

(d) it is terminated as heretofore provided in this agreement.

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

21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The Director is hereby vested with authority to alter or modify from time to time in his discretion the quantity and rate of production under this agreement when such quantity and rate is not fixed pursuant to Federal or State law or does not conform to any state-wide voluntary

conservation or allocation program, which is established, recognized, and generally adhered to by the majority of operators in such State, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification. Without regard to the foregoing, the Director is also hereby vested with authority to alter or modify from time to time in his discretion the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law.

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

22. PROTECTION OF POTASH DEPOSITS. No wells will be drilled for oil or gas at a location which in the opinion of the Oil and Gas Supervisor of the Geological Survey, would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.

The drilling or the abandonment of any well on unitized land shall be done in accordance with applicable oil and gas operating regulations including such requirements as the Oil and Gas Supervisor of the Geological Survey may prescribe as necessary to prevent the infiltration of oil, gas or water into formations containing potash deposits or into mines or workings being utilized in the extraction of such deposits.

Well records and survey plats that an oil and gas lessee must file, pursuant to applicable operating regulations (30 CFR Part 221), shall be available for inspection at the office of the Oil and Gas Supervisor, to any party holding a potash permit or lease on the land on which the well is situated insofar as such records are pertinent to the mining and protection of potash deposits.

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

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

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

issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

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

27. NONDISCRIMINATION. In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of section 301 (1) to (7) inclusive, of Executive Order 10925 (26 F. R. 1977), which are hereby incorporated by reference in this agreement.

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

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

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

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

regarded as committed hereto. Joinder to the unit agreement by a working-interest owner, at any time, must be accompanied by appropriate joinder to the unit operating agreement, if more than one committed working-interest owner is involved, in order for the interest to be regarded as committed to this unit agreement. Except as may otherwise herein be provided subsequent joinders to this agreement shall be effective as of the first day of the month following the filing with the Supervisor of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director.

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

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

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have set opposite their respective

names the date of execution.

ATTEST:

H. G. McBee
Assistant Secretary

Date: January 22, 1963

ODESSA NATURAL GASOLINE CO.

By H. J. Edwards
Executive Vice President
P.O. Box 3908
Odessa, Texas

UNIT OPERATOR AND WORKING INTEREST
OWNER

WORKING INTEREST OWNERS:

J. PAUL GETTY, Testamentary Trustee
of the Estate of Sarah C. Getty,
Deceased.

By _____

Address: _____

GETTY OIL COMPANY

By Charles T. King

Address: Pennsylvania Building
Vice President

in Wilmington, Delaware

ATTEST:

G. H. Hessler
Asst Secretary

Date: February 18, 1963

STATE OF TEXAS)
) ss.
COUNTY OF ECTOR)

The foregoing instrument was acknowledged before me this 22nd
day of January, 1963, by W. T. Edwards,
Executive Vice President of the ODESSA NATURAL GASOLINE CO., a
Texas corporation, on behalf of said corporation.

My Commission Expires:
June 1, 1963.

Johnnie Joiner
Notary Public in and for
Ector County, Texas

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____
day of _____, 1963, by _____

My Commission Expires:
_____.

Notary Public

STATE OF Delaware)
) ss.
COUNTY OF New Castle)

The foregoing instrument was acknowledged before me this 18th
day of February, 1963, by _____,
_____ of the GETTY OIL COMPANY, a Delaware
corporation, on behalf of said corporation.

My Commission Expires:
NOTARY PUBLIC
My Commission Expires February 21, 1963
Wilmington, Del. _____

Alma L. Brasure
Notary Public
ALMA L. BRASURE

RATIFICATION AND JOINDER
OF
UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

IN CONSIDERATION of the execution of the Unit Agreement, dated the _____ day of _____, 1963, for the Development and Operation of the Getty Deep Unit Area, Eddy County, New Mexico, in form approved on behalf of the Secretary of the Interior, and in consideration of the execution or ratification by other working interest owners of the Unit Operating Agreement for the Getty Deep Unit Area, Eddy County, New Mexico, of the same date, the undersigned hereby expressly ratifies, approves, and adopts said Unit Agreement, and also hereby expressly ratifies, approves, and adopts said Unit Operating Agreement, as fully as though the undersigned had executed both of the original agreements.

THIS Ratification and Joinder shall be effective as to all interests of the undersigned in any lands and leases within the Unit Area and shall operate to commit to both of the aforementioned agreements all interests owned by the undersigned in the Unit Area.

THIS Ratification and Joinder shall be binding upon the undersigned, his heirs, legal representatives, successors and assigns.

EXECUTED this 5th day of MARCH, 1963.

WITNESSED BY

DATE: March 5, 1963
Sutton Place
Guildford, Surrey, England

J. PAUL GETTY, Testamentary Trustee
of the Estate of Sarah C. Getty,
Deceased
c/o Skelly Oil Company
P. O. Box 1650
Tulsa 2, Oklahoma

The foregoing instrument was acknowledged before me this _____ day of _____, 1963, by J. PAUL GETTY, Testamentary Trustee of the Estate of Sarah C. Getty, Deceased.

My Commission Expires: _____

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.

On the _____ day of _____, 1963, personally appeared before me, Notary Public in and for the County of Los Angeles, State of California, George F. Getty II known to me to be the witness who subscribed his name to the within instrument, and acknowledged to me that J. Paul Getty is the person who subscribed the within instrument as a party, that J. Paul Getty executed the within instrument and that George F. Getty II subscribed his name thereto as a witness.

Notary Public in and for Said County
and State

CONSENT AND RATIFICATION
GETTY DEEP UNIT AGREEMENT AND UNIT OPERATING AGREEMENT
EMBRACING LANDS IN EDDY COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of copies of the Unit Agreement for the Development and Operation of the Getty Deep Unit Area, and Unit Operating Agreement, Getty Deep Unit Area, embracing lands situated in Eddy County, New Mexico, which said Agreements are dated the 22nd day of January, 1963, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold, royalty or other interests in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Getty Deep Unit Agreement and Unit Operating Agreement, and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement and Unit Operating Agreement or counterparts thereof.

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

Approved:

TEXACO Inc.

Terms MS
Form OSP
Acctg MS

By J. L. Slusher
Attorney-in-Fact

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 17th day of April, 1963, by Attorney-in-Fact for TEXACO Inc., on behalf of said corporation.

Betty R. Davis
NOTARY PUBLIC

My Commission Expires:

June 1, 1963

CONSENT AND RATIFICATION
GETTY DEEP UNIT AGREEMENT
EMBRACING LANDS IN EDDY COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Getty Deep Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 22 day of January 1963, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold, royalty or other interests in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Getty Deep Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

_____ Ada A. Nicholas

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss.

The foregoing instrument was acknowledged before me this
8th day of February, 1963, by Ada A. Nicholas

My Commission Expires:
October 30, 1963

Marian Roney
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this
____ day of _____, 1963, by _____

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION
GETTY DEEP UNIT AGREEMENT
EMBRACING LANDS IN EDDY COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Getty Deep Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 27 day of January 1963, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold, royalty or other interests in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Getty Deep Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

ATTEST:

Dorothy A. Remick
Assistant Cashier

Albuquerque National Bank, Testamentary
Trustee of Frank A. Andrews, deceased
By Ralph E. Becker
Trust Officer

STATE OF New Mexico)
COUNTY OF Bernalillo) ss.

The foregoing instrument was acknowledged before me this
12th day of February, 1963, by Ralph E. Becker,
Trust Officer of Albuquerque National Bank

My Commission Expires:
My Commission Expires Aug. 12, 1966

Maria Garcia
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this
_____ day of _____, 1963, by _____

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION
GETTY DEEP UNIT AGREEMENT
EMBRACING LANDS IN EDDY COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Getty Deep Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 25 day of January 1963, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold, royalty or other interests in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Getty Deep Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

ATTEST:

Jawadhus
Secretary

VIRGINIA TRUST COMPANY, Guardian for
Elizabeth Homes Hinton

By R. A. Hills Vice President

STATE OF Virginia)
CITY) ss.
COUNTY OF Richmond)

The foregoing instrument was acknowledged before me this 25th day of January, 1963, by R. A. Hills and J. P. Woodruff Vice President and Secretary, respectively

My Commission Expires: _____

John B. Bradley
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1963, by _____

My Commission Expires: _____

Notary Public

CONSENT AND RATIFICATION
GETTY DEEP UNIT AGREEMENT
EMBRACING LANDS IN EDDY COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Getty Deep Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 22 day of January 1963, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold, royalty or other interests in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Getty Deep Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Estate of Harold H. Kendrick
By
C. Ray Holbrook, Executor
Chay Holbrook
STATE OF California)
COUNTY OF Kern) ss.

The foregoing instrument was acknowledged before me this
12th day of February, 1963, by C. Ray Holbrook

My Commission Expires:
MY COMMISSION EXPIRES DECEMBER 18, 1965

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this
____ day of _____, 1963, by _____

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION
GETTY DEEP UNIT AGREEMENT
EMBRACING LANDS IN EDDY COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Getty Deep Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 14 day of January 1963, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold, royalty or other interests in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Getty Deep Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Robert Marks Huntinton
Edith Matthew Louie

STATE OF Texas)
COUNTY OF Dumont)

ss.

The foregoing instrument was acknowledged before me this 5 day of Feb, 1963, by Robert Marks Huntinton

My Commission Expires: _____

M. Charles Ferree
Notary Public

STATE OF _____)
COUNTY OF _____)

ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1963, by _____

My Commission Expires: _____

Notary Public

CONSENT AND RATIFICATION
GETTY DEEP UNIT AGREEMENT
EMBRACING LANDS IN EDDY COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Getty Deep Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 12 day of February 1963, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold, royalty or other interests in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Getty Deep Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

ATTEST:

[Signature]
Secretary

MARSHALL & WINSTON, INC.

[Signature]
President

STATE OF NEW MEXICO)
COUNTY OF CHAVIS) ss.

The foregoing instrument was acknowledged before me this 12 day of February, 1963, by James H. Marshall
President, Marshall & Winston, Inc.

My Commission Expires:

3/31/64

[Signature]
Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1963, by _____

My Commission Expires:

Notary Public

CONSENT AND RATIFICATION
GETTY DEEP UNIT AGREEMENT
EMBRACING LANDS IN EDDY COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Getty Deep Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 22 day of January 1963, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold, royalty or other interests in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Getty Deep Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

James B. Russell Jr.

STATE OF Texas)
COUNTY OF Dallas) ss.

The foregoing instrument was acknowledged before me this 27th day of February, 1963, by James B. Russell Jr.

My Commission Expires:

June 1, 1963
STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1963, by _____

My Commission Expires:

Ellye M. Jordan
Notary Public

Notary Public

CONSENT AND RATIFICATION
GETTY DEEP UNIT AGREEMENT
EMBRACING LANDS IN EDDY COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Getty Deep Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 2nd day of January 1963, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of leasehold, royalty or other interests in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Getty Deep Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

_____ James R. Howell

STATE OF Texas)
COUNTY OF Dallas) ss.

The foregoing instrument was acknowledged before me this 12th day of January, 1963, by _____

My Commission Expires:

June 1st 1963

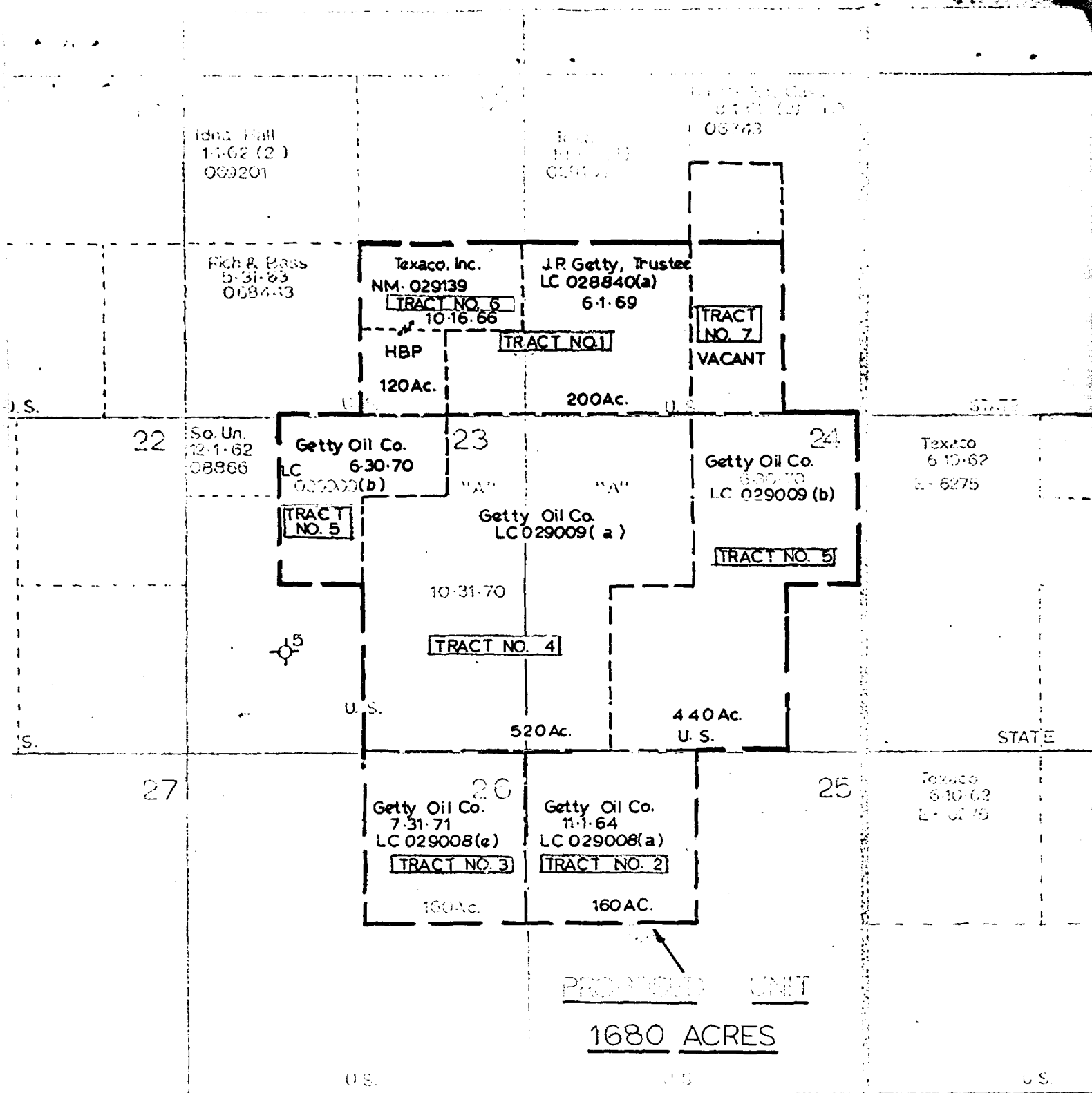
STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1963, by _____

My Commission Expires:

Louise Hutson
Notary Public LOUISE HUTSON

Notary Public



ODESSA NATURAL GASOLINE CO.
PLAT OF
GETTY DEEP UNIT
T-20-S, R-29-E
EDDY COUNTY, NEW MEX.
SCALE: 1" = 2000'
EXHIBIT "A"



EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND
OF OWNERSHIP OF ALL LANDS IN THE
GETTY DEEP UNIT AREA, EDDY COUNTY, NEW MEXICO

Tract Number	Description of Land	No. of Acres	Serial No. and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
FEDERAL LANDS							
1-20-S, R-29-E, N4PM:							
1	SW 1/4 Sec. 13; SE 1/4 Sec. 14.	200	LC 028840(a) 6-1-59	Step Scale "C" Royalty Schedule	J. Paul Getty, Testamentary Trustee of the Estate of Sarah C. Getty, Dec.	None	*J. Paul Getty, Testamentary Trustee of the Estate of Sarah C. Getty, Dec. - All
2.	NW 1/4 Sec. 25.	160	LC 029008(a) 11-1-54	Step Scale "C" Royalty Schedule	Getty Oil Company	Ada A. Nicholas: 1/2%; Fred Campbell: 1%; Julius Sigall: 2%; Odessa Natural Gasoline Co.: 4%.	*Getty Oil Company - All
3	NE 1/4 Sec. 26.	160	LC 029008(e) 8-1-61	Sliding Scale "D" Royalty Schedule	Getty Oil Company	None	*Getty Oil Company - All
4	NE 1/4 NE 1/4, S 1/4 NE 1/4, SE 1/4 Sec. 23; NW 1/4, W 1/4 SW 1/4 Sec. 24.	520	LC 029009(a) 11-1-60	Step Scale "C" Royalty Schedule	Getty Oil Company	.0046295% Albuquerque Nat. Bank, Trustee, Frank A. Andrews .0053705% Selma Andrews .0028503% J. E. Bemis & D.L. McRae .0033333% Fred H. Campbell and M. F. Campbell .03333334% Chase Manhattan Bank .0025600% H.P. Grim .0004167% Hinton Bros., Inc .0004166% Virginia Trust Co., Richmond, Va., Guardian, Estate Elizabeth Homes Hinton .0033333% C. Ray Holbrook, Executor, Estate Harold H. Kendrick, dec. .0006250% Malvern Marks, Administrator, Estate Mathew Lowrie, dec. .01333334% Marshall & Winston, Inc .0004830% Rodger B. Owings .0043750% J.B. Sowell, Jr., and James R. Sowell	**Getty Oil Company - All

Tract Number	Description of Land	Serial No. No. of Acres of and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
5	1/2NW1/4, NW1/4NE1/4 Sec. 23; NE1/4, 1/2SE1/4, E1/2SW1/4 Sec. 24.	440 LC 029009(b) 7-1-60	Sliding Scale "D" Royalty Schedule	Getty Oil Company	None	*Getty Oil Company - All
6	N1/2SE1/4, SW1/2SE1/4 Sec. 14.	120 NM 029139 1-1-57 (Competitive Lease in Ex- tended term by production)	Step Scale 12 1/2% to 25% "G" Royalty Schedule	Texaco, Inc.	None	Texaco, Inc. - All
7	W1/2SE1/4 Sec. 13.	80 Not Leased	Not Leased	Not Leased	None	Not Leased.
TOTAL: SEVEN (7) FEDERAL TRACTS CONTAINING 1,680 ACRES						

* Odessa Natural Gasoline Co. will earn 50% of operating rights upon completion of the initial test well as to all formations below the base of the Yates Formation.

** If the initial test well is completed as a dry hole, Odessa Natural Gasoline Co. will earn 50% of the operating rights below the base of the Yates Formation. If the initial test well is completed as a well capable of production, Odessa Natural Gasoline Co. will earn 100% of operating rights below the base of the Yates Formation as to the proration unit established for the initial test well, and 50% of operating rights below the base of the Yates Formation as to all other land.

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
GETTY DEEP UNIT AREA
EDDY COUNTY, NEW MEXICO

NO. Case 2758

THIS AGREEMENT, entered into as of the ____ day of _____, 1963, 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 and gas interests in the unit area subject to this agreement; and

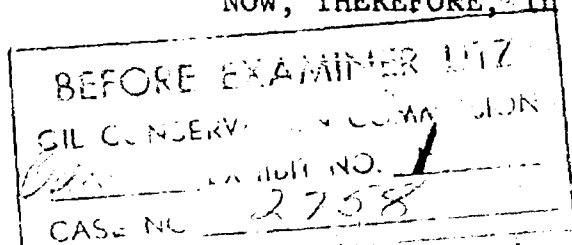
WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Secs. 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating a cooperative or unit plan of development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

WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by an act of the Legislature (Article 3, N.M. Stat. 1953 Annotated) to approve this agreement and the conservation provisions hereof; and

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

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

NOW, THEREFORE, in consideration of the premises and the



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

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

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

T-20-S, R-29-E, NMPM

Sec. 13: $W\frac{1}{2}SE\frac{1}{4}$ and $SW\frac{1}{4}$
Sec. 14: $SE\frac{1}{4}$
Sec. 23: $E\frac{1}{2}NW\frac{1}{4}$ and $E\frac{1}{2}$
Sec. 24: $W\frac{1}{2}$, $NE\frac{1}{4}$ and $W\frac{1}{2}SE\frac{1}{4}$
Sec. 25: $NW\frac{1}{4}$
Sec. 26: $NE\frac{1}{4}$

Containing 1,680 acres, more or less.

Exhibit A attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit B attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the

ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits A and B shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary, or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor" and not less than seven copies of the revised exhibits shall be filed with the Supervisor, and one copy with the New Mexico Oil Conservation Commission, hereinafter referred to as "Commission."

The above-described unit area shall when practicable be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this agreement, or shall be contracted to exclude lands not within any participating area whenever such expansion or contraction is necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be effected in the following manner:

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director," after preliminary concurrence by the Director, 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, preferably the first day of a month subsequent to the date of notice.

(b) Said notice shall be delivered to the Supervisor, 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 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, together with an application in sufficient number, for approval of such expansion or contraction and with appropriate joinders.

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

(e) All legal subdivisions of unitized lands (i.e., 40 acres by Government survey or its nearest lot or tract equivalent in instances of irregular surveys, however, unusually large lots or tracts shall be considered in multiples of 40 acres, or the nearest aliquot equivalent thereof, for the purpose of elimination under this subsection), no parts of which are entitled to be in a participating area within five (5) years after the first day of the month following the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective as of the first day thereafter, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless at the expiration of said 5-year period diligent drilling operations are in progress on unitized lands not entitled to participation, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than 90 days' time elapsing between the completion of one such well and the commencement of the next such well, except that the time allowed between such wells shall not expire earlier than 30 days after the expiration of any period of time during which drilling operations are prevented by a matter beyond the reasonable control of unit operator as set forth in the section hereof entitled "Unavoidable Delay", provided that all legal subdivisions of lands not in a participating area and not entitled

to become participating under the applicable provisions of this agreement within 10 years after said first day of the month following the effective date of said first initial participating area shall be eliminated as above specified. Determination of creditable "Unavoidable Delay" time shall be made by unit operator and subject to approval of the Director. The unit operator shall, within 90 days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the Director and promptly notify all parties in interest.

If conditions warrant extension of the five (5) and the ten (10) year periods specified in this subsection 2(e), an extension of such periods may be accomplished by consent of the owners of 90% of the current unitized working interests and 60% of the current unitized basic royalty interests (exclusive of the basic royalty interests of the United States), on a total-nonparticipating-acreage basis, respectively, with approval of the Director, provided such extension application is submitted to the Director not later than 60 days prior to the expiration of said five (5) year or ten (10) year periods.

Any expansion of the unit area pursuant to this section which embraces lands theretofore eliminated pursuant to this subsection 2(e) shall not be considered automatic commitment or recommitment of such lands.

3. UNITIZED LAND AND UNITIZED SUBSTANCES. All lands committed to this agreement, as to all formations below the base of the Yates formation, or 1,580 feet below the ground level within the unit area, whichever first occurs, shall constitute land referred to herein as "unitized land" or "land subject to this agreement". All oil and gas in such formations in the unitized lands are unitized and designated as "unitized substances" under the terms of this agreement.

4. UNIT OPERATOR. Odessa Natural Gasoline Co., Odessa, Texas, is hereby designated as Unit Operator and by signature hereto as Unit Operator commits to this agreement all interests in unitized substances vested in it 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 owner of interest in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

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

Unit Operator shall have the right to resign in like manner and subject to like limitations as above provided at any time a participating area established hereunder is in existence, but, in all instances of resignation or removal, until a successor unit operator is selected and approved as hereinafter provided, the working interest

owners shall be jointly responsible for performance of the duties of unit operator, and shall not later than 30 days before such resignation or removal becomes effective appoint a common agent to represent them in any action to be taken hereunder.

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

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

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

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by working interest owners, the owners of the working interests in the

participating area or areas according to their respective acreage interests in such participating area or areas, or, until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by majority vote select a successor Unit Operator: Provided, That, if a majority but less than 75 per cent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of one or more additional working interest owners shall be required to select a new operator. Such selection shall not become effective until

(a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and

(b) the selection shall have been filed with the Supervisor. If no successor Unit Operator is selected and qualified as herein provided, the Director at his election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement." Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their re-

spective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between the unit agreement and the unit operating agreement, this unit agreement shall prevail. Three (3) true copies of any unit operating agreement executed pursuant to this section should be filed with the Supervisor, prior to approval of this unit agreement by the Director.

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

9. DRILLING TO DISCOVERY. Within 6 months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Devonian formation has been tested; provided, however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 13,200 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, such wells as shall be approved by the Supervisor, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director may modify the drilling requirements of this section by granting reasonable extensions of time when, in his opinion, such action is warranted.

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

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within 6 months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, 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 a plan for an additional specified period for the development and operation of the unitized land.

Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the diligent drilling necessary for determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor 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.

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 is authorized to grant a reasonable extension of the 6-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing any unitized substance in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement or such as may be specifically approved by the Supervisor, shall be drilled except in accordance with a plan of development approved as herein provided.

11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor, the Unit Operator shall submit for approval by the Director a schedule, based on subdivisions of the public-land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all lands in said schedule on approval of the Director to constitute a participating area, effective as of the date of completion of such well or the effective date of the unit agreement, whichever is later. The acreages of both Federal and non-Federal lands shall be based upon appropriate computations from the courses and distances shown on the last approved public-land survey as of the effective date of the initial participating area. Said schedule also shall set forth the percentage

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

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

In the absence of agreement at any time between the Unit Operator and the Director 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, which shall be determined by the Supervisor and the amount thereof deposited, as directed by the Supervisor, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal royalty on the basis of such approved participating area.

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

12. ALLOCATION OF PRODUCTION. All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, camp and other production or development purposes, for repressuring or recycling in

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

13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR FORMATIONS. Any party hereto owning or controlling the working interest in any unitized land having thereon a regular well location

may with the approval of the Supervisor, at such party's sole risk, costs, and expense, drill a well to test any formation for which a participating area has not been established or to test any formation for which a participating area has been established if such location is not within said participating area, unless within 90 days of receipt of notice from said party of his intention to drill the well the Unit Operator elects and commences to drill such a well in like manner as other wells are drilled by the Unit Operator under this agreement.

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

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

14. ROYALTY SETTLEMENT. The United States and any State and all royalty owners who, under existing contract, are entitled to take in kind a share of the substances now unitized hereunder produced from any tract, shall hereafter be entitled to the right to take in kind their share of the unitized substances allocated to

such tract, and Unit Operator, or in case of the operation of a well by a working interest owner as herein in special cases provided for, such working interest owner, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be made by working interest owners responsible therefor under existing contracts, laws and regulations on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any royalties due under their leases.

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

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in

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

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

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

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

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

18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development, or operation for oil or gas of lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary shall and by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect

to each and every part or separately owned tract subject to this agreement, regardless of whether there is any development of any particular part or tract of the unit area, notwithstanding anything to the contrary in any lease, operating agreement or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.

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

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

(d) Each lease, sublease or contract relating to the exploration, drilling, development or operation for oil or gas of lands other than those of the United States committed to this agreement, which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided

therein or by law as to the land committed so long as such lease remains subject hereto, provided that production is had in paying quantities under this unit agreement prior to the expiration date of the term of such lease, or in the event actual drilling operations are commenced on unitized land, in accordance with the provisions of this agreement, prior to the end of the primary term of such lease and are being diligently prosecuted at that time, such lease shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities in accordance with the provisions of the Mineral Leasing Act Revision of 1960.

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

(g) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(j) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided, however, That any such lease as to the non-unitized portion shall continue in force and effect for the term

thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

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

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

20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Secretary or his duly authorized representative and shall terminate five (5) years from said effective date unless

(a) such date of expiration is extended by the Director, or

(b) it is reasonably determined prior to the expiration of the fixed term of any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, the agreement is terminated with the approval of the Director, or

(c) a valuable discovery of unitized substances has been made or accepted on unitized land during said initial term or any extension thereof, in which event the agreement shall remain in effect for such term and so long as unitized substances can be produced in quantities sufficient to pay for the cost of producing same from wells on unitized land within any participating area established hereunder and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid, or

(d) it is terminated as heretofore provided in this agreement.

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

21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The Director is hereby vested with authority to alter or modify from time to time in his discretion the quantity and rate of production under this agreement when such quantity and rate is not fixed pursuant to Federal or State law or does not conform to any state-wide voluntary

conservation or allocation program, which is established, recognized, and generally adhered to by the majority of operators in such State, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification. Without regard to the foregoing, the Director is also hereby vested with authority to alter or modify from time to time in his discretion the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law.

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

22. PROTECTION OF POTASH DEPOSITS. No wells will be drilled for oil or gas at a location which in the opinion of the Oil and Gas Supervisor of the Geological Survey, would result in undue waste of potash deposits or constitute a hazard to or unduly interfere with mining operations being conducted for the extraction of potash deposits.

The drilling or the abandonment of any well on unitized land shall be done in accordance with applicable oil and gas operating regulations including such requirements as the Oil and Gas Supervisor of the Geological Survey may prescribe as necessary to prevent the infiltration of oil, gas or water into formations containing potash deposits or into mines or workings being utilized in the extraction of such deposits.

Well records and survey plats that an oil and gas lessee must file, pursuant to applicable operating regulations (30 CFR Part 221), shall be available for inspection at the office of the Oil and Gas Supervisor, to any party holding a potash permit or lease on the land on which the well is situated insofar as such records are pertinent to the mining and protection of potash deposits.

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

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

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

issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

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

27. NONDISCRIMINATION. In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of section 301 (1) to (7) inclusive, of Executive Order 10925 (26 F. R. 1977), which are hereby incorporated by reference in this agreement.

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

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

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

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

regarded as committed hereto. Joinder to the unit agreement by a working-interest owner, at any time, must be accompanied by appropriate joinder to the unit operating agreement, if more than one committed working-interest owner is involved, in order for the interest to be regarded as committed to this unit agreement. Except as may otherwise herein be provided subsequent joinders to this agreement shall be effective as of the first day of the month following the filing with the Supervisor of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director.

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

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

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have set opposite their respective

names the date of execution.

ATTEST:

Secretary

Date: _____

ODESSA NATURAL GASOLINE CO.

By _____

P.O. Box 3908
Odessa, Texas

UNIT OPERATOR AND WORKING INTEREST
OWNER

WORKING INTEREST OWNERS:

J. PAUL GETTY, Testamentary Trustee
of the Estate of Sarah C. Getty,
Deceased.

By _____

Address: _____

GETTY OIL COMPANY

By _____

Address: _____

ATTEST:

Secretary

Date: _____

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this ____
day of _____, 1963, by _____,
_____ of the ODESSA NATURAL GASOLINE CO., a
_____ corporation, on behalf of said corporation.

My Commission Expires: _____

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this ____
day of _____, 1963, by _____

My Commission Expires: _____

Notary Public

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this ____
day of _____, 1963, by _____,
_____ of the GETTY OIL COMPANY, a _____
corporation, on behalf of said corporation.

My Commission Expires: _____

Notary Public

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND
OF OWNERSHIP OF ALL LANDS IN THE
GETTY DEEP UNIT AREA, EDDY COUNTY, NEW MEXICO

Tract Number	Description of Land	No. of Acres	Serial No. and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
FEDERAL LANDS T-20-S, R-29-E, NEPM:							
1	SW $\frac{1}{4}$ Sec. 13; SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 14.	200	LC 028840(a) 6-1-59	Step Scale "C" Royalty Schedule	J. Paul Getty, Testamentary Trustee of the Estate of Sarah C. Getty, Deceased.	None	*J. Paul Getty, Testamentary Trust- tee of the Estate of Sarah C. Getty, Deceased. - All
2	NW $\frac{1}{4}$ Sec. 25.	160	LC 029008(a) 11-1-54	Step Scale "C" Royalty Schedule	Getty Oil Company	Ada A. Nicholas: 1/2%; Fred Camp- bell: 1%; Julius Sigall: 2%; Odessa Natural Gasoline Co.: 4%.	*Getty Oil Company - All
3	NE $\frac{1}{4}$ Sec. 26.	160	LC 029008(e) 8-1-61	Sliding Scale "D" Royalty Schedule	Getty Oil Company	None	* Getty Oil Company - All
4	NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ Sec. 23 and NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 24.	520	LC 029009(a) 11-1-60	Step Scale "C" Royalty Schedule	Getty Oil Company	.0046295% Albuquerque Nat. Bank, Trustee, Frank A. Andrews All .0053705% Selma Andrews .0028503% J. H. Bemis & D. L. McRae .0033333% Fred H. Campbell and M. F. Campbell .03333334% Chase Manhattan Bank .0025000% H. P. Grim .0004167% Hinton Bros., Inc. .0004166% Elizabeth Homes .0033333% Harold H. Kendrick .0006250% Mathew Lowrie .0133334% Marshall & Winston, Inc. .0004830% Rodger B. Owings .0043750% J. H. Rowland	**Getty Oil Company - All
5	E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 23; NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 24	440	LC 029009(b) 7-1-60	Sliding Scale "D" Royalty Schedule	Getty Oil Company	None	* Getty Oil Company - All

Tract Number	Description of Land	No. of Acres	Serial No. and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
6	N 4 S 4 E 4 , SW 4 S 4 E 4 Sec. 14.	120	NM 029139 1-1-57 (Competitive Lease in Ex- tended term by production)	Step Scale 12 $\frac{1}{2}$ % to 25% "B" Royalty Schedule	Texaco, Inc.	None	Texaco, Inc. - All
7	N 4 S 4 E 4 Sec. 13.	80	Not Leased	Not Leased	Not Leased	None	Not Leased

TOTAL:

SEVEN (7) FEDERAL TRACTS CONTAINING 1,680 ACRES.

* Odessa Natural Gasoline Co. will earn 50% of operating rights upon completion of the initial test well as to all formations below the base of the Yates Formation.

** If the initial test well is completed as a dry hole, Odessa Natural Gasoline Co. will earn 50% of the operating rights below the base of the Yates Formation. If the initial test well is completed as a well capable of production, Odessa Natural Gasoline Co. will earn 100% of operating rights below the base of the Yates Formation as to the production unit established for the initial test well, and 50% of operating rights below the base of the Yates Formation as to all other land.

to become participating under the applicable provisions of this agreement within 10 years after said first day of the month following the effective date of said first initial participating area shall be eliminated as above specified. Determination of creditable "Unavoidable Delay" time shall be made by unit operator and subject to approval of the Director. The unit operator shall, within 90 days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the Director and promptly notify all parties in interest.

If conditions warrant extension of the 10-year period specified in this subsection 2(e), a single extension of not to exceed 2 years may be accomplished by consent of the owners of 90% of the current unitized working interests and 60% of the current unitized basic royalty interests (exclusive of the basic royalty interests of the United States), on a total-nonparticipating-acreage basis, respectively, with approval of the Director, provided such extension application is submitted to the Director not later than 60 days prior to the expiration of said 10-year period.

Any expansion of the unit area pursuant to this section which embraces lands theretofore eliminated pursuant to this subsection 2(e) shall not be considered automatic commitment or recommitment of such lands.

3. UNITIZED LAND AND UNITIZED SUBSTANCES. All lands committed to this agreement, as to all formations below the base of the Seven Rivers formation (1,580 feet below ground level in the El Paso Natural Gas Company's No. 1 Lambie Federal well, in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of section 3, T. 20 S , R 29 E , N.M.P.M., Eddy County, New Mexico) shall constitute land referred to herein as "unitized land" or "land subject to this agreement". All oil and gas in such formations in the unitized lands are unitized and designated as "unitized substances" under the terms of this agreement.

9. DRILLING TO DISCOVERY. Within 6 months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Devonian formation has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to wit: quantities sufficient to repay the costs of drilling, and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the Supervisor that further drilling of said well would be unwarranted or impracticable, provided, however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 13,200 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, such wells as shall be approved by the Supervisor, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director may modify the drilling requirements of this section by granting reasonable extensions of time when, in his opinion, such action is warranted.

to become participating under the applicable provisions of this agreement within 10 years after said first day of the month following the effective date of said first initial participating area shall be eliminated as above specified. Determination of creditable "Unavoidable Delay" time shall be made by unit operator and subject to approval of the Director. The unit operator shall, within 90 days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the Director and promptly notify all parties in interest.

If conditions warrant extension of the 10-year period specified in this subsection 2(e), a single extension of not to exceed 2 years may be accomplished by consent of the owners of 90% of the current unitized working interests and 60% of the current unitized basic royalty interests (exclusive of the basic royalty interests of the United States), on a total-nonparticipating-acreage basis, respectively, with approval of the Director, provided such extension application is submitted to the Director not later than 60 days prior to the expiration of said 10-year period.

Any expansion of the unit area pursuant to this section which embraces lands theretofore eliminated pursuant to this subsection 2(e) shall not be considered automatic commitment or recommitment of such lands.

3. UNITIZED LAND AND UNITIZED SUBSTANCES. All lands committed to this agreement, as to all formations below the base of the Seven Rivers formation (1,580 feet below ground level in the El Paso Natural Gas Company's No. 1 Lambie Federal well, in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of section 3, T. 20 S , R. 29 E , N M P M., Eddy County, New Mexico) shall constitute land referred to herein as "unitized land" or "land subject to this agreement". All oil and gas in such formations in the unitized lands are unitized and designated as "unitized substances" under the terms of this agreement.

9. DRILLING TO DISCOVERY. Within 6 months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Devonian formation has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to wit: quantities sufficient to repay the costs of drilling, and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the Supervisor that further drilling of said well would be unwarranted or impracticable, provided, however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 13,200 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, such wells as shall be approved by the Supervisor, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director may modify the drilling requirements of this section by granting reasonable extensions of time when, in his opinion, such action is warranted.

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EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND
OF OWNERSHIP OF ALL LANDS IN THE
GETTY DEEP UNIT AREA, EDDY COUNTY, NEW MEXICO

Tract Number	Description of Land	No. of Acres	Serial No. and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
FEDERAL LANDS							
T-20-S, R-29-E, NMPM:							
1	SW $\frac{1}{4}$ Sec. 13; SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 14.	200	LC 028840(a) 6-1-59	Step Scale "C" Royalty Schedule	J. Paul Getty, Testamentary Trustee of the Estate of Sarah C. Getty, Dec.	None	*J. Paul Getty, Testamentary Trust- ee of the Estate of Sarah C. Getty, Dec. - All
2.	NW $\frac{1}{4}$ Sec. 25.	160	LC 029008(a) 11-1-54	Step Scale "C" Royalty Schedule	Getty Oil Company	Ada A. Nicholas: 1/2%; Fred Camp- bell: 1%; Julius Sigall: 2%; Odessa Natural Gasoline Co.: 4%	*Getty Oil Company - All
3	NE $\frac{1}{4}$ Sec. 26.	160	LC 029008(e) 8-1-61	Sliding Scale "D" Royalty Schedule	Getty Oil Company	None	*Getty Oil Company - All
4	NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ Sec. 23; NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 24.	520	LC 029009(a) 11-1-60	Step Scale "C" Royalty Schedule	Getty Oil Company	.0046295% Albuquerque Nat. Bank, Trustee, Frank A. Andrews .0053705% Selma Andrews .0028503% J. H. Bemis & D.L. McRae .0033333% Fred H. Campbell and M. F. Campbell .03333334% Chase Manhattan Bank .0025900% H. P. Grim .0004167% Hinton Bros., Inc .0004166% Virginia Trust Co., Richmond, Va., Guardian, Estate Elizabeth Homes Hinton .00333333% C. Ray Holbrook, Executor, Estate Harold H. Kendrick, dec. .0006250% Malvern Marks, Administrator, Estate Mathew Lowrie, dec. .01333334% Marshall & Winston, Inc .0004830% Rodger B. Owings .0043750% J. B. Sowell, Jr., and James R. Sowell	**Getty Oil Company - All

Tract Number	Description of Land	Serial No. No. of Acres of and Date Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
5	E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 23; NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 24.	440 LC 029009(b) 7-1-60	Sliding Scale "D" Royalty Schedule	Getty Oil Company	None	*Getty Oil Company - All
6	N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 14.	120 NM 029139 1-1-57 (Competitive Lease in Ex- tended term by production)	Step Scale 12 $\frac{1}{2}$ % to 25% "B" Royalty Schedule	Texaco, Inc.	None	Texaco, Inc. - All
7	W $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 13.	80 Not Leased	Not Leased	Not Leased	None	Not Leased.

TOTAL:

SEVEN (7) FEDERAL TRACTS CONTAINING 1,680 ACRES

* Odessa Natural Gasoline Co. will earn 50% of operating rights upon completion of the initial test well as to all formations below the base of the Yates Formation.

** If the initial test well is completed as a dry hole, Odessa Natural Gasoline Co. will earn 50% of the operating rights below the base of the Yates Formation. If the initial test well is completed as a well capable of production, Odessa Natural Gasoline Co. will earn 100% of operating rights below the base of the Yates Formation as to the proration unit established for the initial test well, and 50% of operating rights below the base of the Yates Formation as to all other land.

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND
OF OWNERSHIP OF ALL LANDS IN THE
GETTY DEEP UNIT AREA, EDDY COUNTY, NEW MEXICO

Tract Number	Description of Land	No. of Acres	Serial No. and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
FEDERAL LANDS T-20-S, R-29-E, NMPM:							
1	SW $\frac{1}{4}$ Sec. 13; SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 14.	200	LC 028840(a) 6-1-59	Step Scale "C" Royalty Schedule	J. Paul Getty, Testamentary Trustee of the Estate of Sarah C. Getty, Dec.	None	*J. Paul Getty, Testamentary Trust- tee of the Estate of Sarah C. Getty, Dec. - All
2.	NW $\frac{1}{4}$ Sec. 25.	160	LC 029008(a) 11-1-54	Step Scale "C" Royalty Schedule	Getty Oil Company	Ada A. Nicholas: 1/2%; Fred Campbell: 1%; Julius Sigall: 2%; Odessa Natural Gasoline Co.: 4%.	*Getty Oil Company - All
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Tract Number	Description of Land	No. of Acres	Serial No. and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
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7	W $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 13.	80	Not Leased	Not Leased	Not Leased	None	Not Leased.

TOTAL:

SEVEN (7) FEDERAL TRACTS CONTAINING 1,680 ACRES

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EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND
OF OWNERSHIP OF ALL LANDS IN THE
GETTY DEEP UNIT AREA, EDDY COUNTY, NEW MEXICO

Tract Number	Description of Land	No. of Acres	Serial No. and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
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FEDERAL LANDS
T-20-S, R-29-E, NMPM:

Tract Number	Description of Land	No. of Acres	Serial No. and Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
5	E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 23; NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 24.	440	LC 029009(b) 7-1-60	Sliding Scale "D" Royalty Schedule	Getty Oil Company	None	*Getty Oil Company - All
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7	W $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 13.	80	Not Leased	Not Leased	Not Leased	None	Not Leased.
TOTAL: SEVEN (7) FEDERAL TRACTS CONTAINING 1,680 ACRES							

* Odessa Natural Gasoline Co. will earn 50% of operating rights upon completion of the initial test well as to all formations below the base of the Yates Formation.

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2758
Order No. R-2431

APPLICATION OF ODESSA NATURAL
GASOLINE COMPANY FOR APPROVAL
OF THE GETTY DEEP UNIT AGREE-
MENT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 21, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 22nd day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Odessa Natural Gasoline Company, seeks approval of the Getty Deep Unit Agreement covering 1,680 acres, more or less, of Federal land in Township 20 South, Range 29 East, NMPN, Eddy County, New Mexico.

(3) That approval of the proposed Getty Deep Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

(4) That the unit area lies within the Potash Oil Area and that all operations under the unit agreement should be conducted in accordance with the provisions of Order No. R-111-A as amended.

IT IS THEREFORE ORDERED:

(1) That the Getty Deep Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Getty Deep Unit Area, and such plan shall be known as the Getty Deep Unit Agreement Plan.

(3) That all operations under the Getty Deep Unit Agreement Plan shall be conducted in accordance with the provisions of Order No. R-111-A as amended.

(4) That the Getty Deep Unit Agreement Plan 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 shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the Getty Deep Unit, or relative to the production of oil or gas therefrom.

(5) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

EDDY COUNTY, NEW MEXICO
TOWNSHIP 20 SOUTH, RANGE 29 EAST
Section 13: W/2 SE/4 and SW/4
Section 14: SE/4
Section 23: E/2 NW/4 and E/2
Section 24: W/2, NE/4 and W/2 SE/4
Section 25: NW/4
Section 26: NE/4

containing 1,680 acres, more or less.

(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(6) That the unit operator shall file with the Commission an executed original or executed counterpart of the Getty Deep Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(7) That this order shall become effective upon the approval of said unit agreement by the Director of the United

-3-

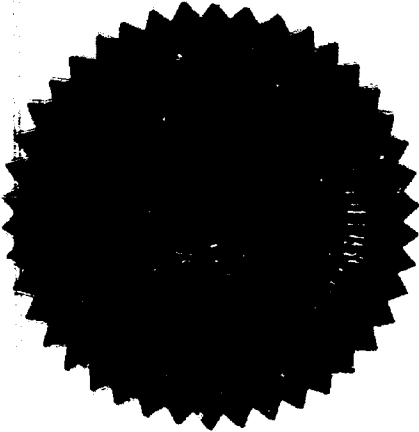
CASE No. 2758
Order No. R-2431

States Geological Survey, and shall terminate inso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(8) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Jack M Campbell

JACK M. CAMPBELL, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

A. L. PORTER, Jr., Member & Secretary