

CASE 2963: Application of TOM
BROWN DRLG. CO. for approval of
the WEST ANTELOPE SINK UNIT.

CASE No.
2963

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

December 10, 1964

Tom Brown Drilling Company, Inc.
P. O. Box 5131
Billings, Texas

Re: West Antelope Sink Unit
Hddy County, New Mexico
Termination.

Gentlemen:

This office has received an Application dated November 17, 1964, requesting the approval of the Commissioner of Public Lands to the Termination of the West Antelope Sink Unit, Hddy County, New Mexico.

The Application for termination is executed by more than seventy-five (75) per cent on an acreage basis of the committed working interest Owners to the Unit and requests the Commissioner's approval to this termination.

The Commissioner approves this termination to become effective December 1, 1964. We are enclosing three (3) copies of this approved Application.

Tom Brown Drilling Company, Inc.
December 10, 1964
- page 2 -

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil & Gas Department

ESW/nmr/v

CC:

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
L. B. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

January 9, 1964

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1713
Santa Fe, New Mexico

Re: Case No. 2963
Order No. R-2634
Applicant:
Tom Brown Drilg. Co.

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Astec OCC

OTHER

FOSTER MORRELL
PETROLEUM CONSULTANT
PETROLEUM BUILDING
ROSWELL, NEW MEXICO

2962

February 10, 1964

Mr. A. L. Porter, Jr.
Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: West Antelope Sink Unit
Eddy County, New Mexico

Dear Sir:

In accordance with the provisions of Order No. R-2634, Case No. 2963, dated January 9, 1964, there is filed herewith an executed counterpart of the West Antelope Sink Unit Agreement, and a copy of Certificate of Approval signed by the Commissioner of Public Lands, February 7, 1964.

All parties in interest have executed the Unit Agreement and all lands within the unit are fully committed except for Tract 8, embracing 640.00 acres of state land owned by The British-American Oil Producing Company.

Very truly yours,

TOM BROWN DRILLING CO., INC.

By Foster Morrell
Foster Morrell, Its Representative

FM/ma
Enclosures

cc: Mr. Thomas C. Brown, President
Tom Brown Drilling Co., Inc.
P. O. Box 5131
Midland, Texas

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
WEST ANTELOPE SINK UNIT AREA
EDDY COUNTY, NEW MEXICO

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- Exhibit "A" - Map of Unit Area
Exhibit "B" - Schedule of Ownership in Lands

CONFORMED COPY

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
WEST ANTELOPE SINK UNIT AREA
EDDY COUNTY, NEW MEXICO

NO. _____

THIS AGREEMENT, entered into as of the 16th day of December, 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 or gas interests in the unit area subject to this agreement; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943) as amended by Sec. 1 of Chapter 162, Laws of 1951, (Chap. 7, Art. 11, Sec. 39, N.M. Statutes 1953 Annot.), to consent to and approve the development or operation of State lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field, or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 1, Chap. 162), (Laws of 1951, Chap. 7, Art. 11, Sec. 41 N.M. Statutes 1953 Annotated) to amend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil and gas lease embracing State lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field or area; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico (Hereinafter referred to as the "Commission") is authorized by an Act of the Legislature (Chap. 72, Laws 1935; Chap. 65, Art. 3, Sec. 14 N.M. Statutes 1953 Annotated) to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the West Antelope Sink Unit Area covering the lands 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. UNIT AREA: The following described land is hereby designated and recognized as constituting the unit area:

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

Sec. 23: $E\frac{1}{2}$, $S\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$

Secs. 24, 25: All

Sec. 26: $E\frac{1}{2}$, $E\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$

Secs. 35, 36: All

containing 3,680.00 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 lands 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 on said map or schedule as owned by such party. Exhibits A and B shall be revised by the Unit Operator whenever changes in ownership in the unit area render such revisions necessary or when requested by the Commissioner of Public Lands, hereinafter referred to as "Commissioner."

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

2. UNITIZED SUBSTANCES: All oil, gas, natural gasoline and associated fluid hydrocarbons in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances."

3. UNIT OPERATOR: Tom Brown Drilling Co., Inc., with offices at Midland, Texas, is hereby designated as Unit Operator and by signature hereto

commits to this agreement all interest in unitized substances vested in it as set forth in Exhibit B, and agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

4. RESIGNATION OR REMOVAL OF UNIT OPERATOR: Unit Operator shall have the right to resign at any time but such resignation shall not become effective until a successor Unit Operator has been selected and approved in the manner provided for in Section 5 of this agreement. The resignation of the Unit Operator shall not release the Unit Operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

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 Commissioner.

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

5. SUCCESSOR UNIT OPERATOR: Whenever the Unit Operator shall resign as Unit Operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitized land shall by a majority vote select a successor Unit Operator; provided that, if a majority but less than seventy-five per cent (75%) of the working interests

qualified to vote is owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than seventy-five per cent (75%) of the total working interests, shall be required to select a new operator. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Commissioner at his election may declare this unit agreement terminated.

6. ACCOUNTING PROVISIONS: The Unit Operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder, and such costs and expenses and the working interest benefits accruing hereunder shall be apportioned among the owners of the unitized working interests in accordance with an operating agreement entered into by and between the Unit Operator and the owners of such interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "Operating Agreement." No such agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement and in case of any inconsistencies or conflict between this unit agreement and the operating agreement, this unit agreement shall prevail.

7. 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.

8. DRILLING TO DISCOVERY: The Unit Operator shall, before February 16, 1964, commence drilling operations upon an adequate test well for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth sufficient to test through the Pennsylvanian formation or to such a depth as unitized substances shall be discovered in paying quantities at a lesser depth or until it shall, in the opinion of Unit Operator, be determined that the further drilling of said well shall 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 8,800 feet. Until a 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) Unit Operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the commencement of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Commissioner, or until it is reasonably proven to the satisfaction of the Unit Operator that the unitized land is incapable of producing unitized substances in paying quantities in the formation drilled hereunder.

Any well commenced prior to and drilling on the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner 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 article the Commissioner may, after reasonable notice to the Unit Operator and each working interest owner, lessee and lessor at their last known addresses, declare this unit agreement terminated, and all rights, privileges and obligations granted and assumed by this unit agreement shall cease and terminate as of such date.

9. OBLIGATIONS OF UNIT OPERATOR AFTER DISCOVERY OF UNITIZED SUBSTANCES: Should unitized substances in paying quantities be discovered upon the unit area the Unit Operator shall on or before six months from the time of the completion of the initial discovery well and within thirty days after the expiration of each

twelve months period thereafter file a report with the Commissioner and Commission of the Status of the development of the unit area and the development contemplated for the following twelve months period.

It is understood that one of the main considerations for the approval of this agreement by the Commissioner of Public Lands is to secure the orderly development of the unitized lands in accordance with good conservation practices so as to obtain the greatest ultimate recovery of unitized substances.

After discovery of unitized substances in paying quantities as herein defined, Unit Operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the commencement of the next well until Unit Operator has drilled a well on each numbered section within the unit area.

If the Unit Operator should fail to comply with the above covenant for reasonable development this agreement may be terminated by the Commissioner as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units but in such event the basis of participation by the working interest owners shall remain the same as if this agreement had not been terminated as to such lands; provided, however, the Commissioner shall give notice to the Unit Operator and the lessees of record in the manner prescribed by Sec. 7-11-14, N.M. Statutes 1953 Annotated of intention to cancel on account of any alleged breach of said covenant for reasonable development and any decision entered thereunder shall be subject to appeal in the manner prescribed by Sec. 7-11-17, N.M. Statutes 1953 Annotated and, provided further, in any event the Unit Operator shall be given a reasonable opportunity after a final determination within which to remedy any default, failing in which this agreement shall be terminated as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units.

10. PARTICIPATION AFTER DISCOVERY: Upon completion of a well capable of producing unitized substances in paying quantities, the owners of working interests shall participate in the production therefrom and in all other producing wells which may be drilled pursuant hereto in the proportions that their respective leasehold interests covered hereby on an acreage basis bears to the total number of acres committed to this unit agreement, and such unitized substances shall be deemed to have been produced from the respective leasehold interests participating therein. For the purpose of determining any benefits accruing under this agreement

and the distribution of the royalties payable to the State of New Mexico and other lessors, each separate lease shall have allocated to it such percentage of said production as the number of acres in each lease respectively committed to this agreement bears to the total number of acres committed hereto.

Notwithstanding any provisions contained herein to the contrary, each working interest owner shall have the right to take such owner's proportionate share of the unitized substances in kind or to personally sell or dispose of the same, and nothing herein contained shall be construed as giving or granting to the Unit Operator the right to sell or otherwise dispose of the proportionate share of any working interest owner without specific authorization from time to time so to do.

11. ALLOCATION OF PRODUCTION: All unitized substances produced from each tract in the unitized area established under this agreement, except any part thereof used for production or development purposes hereunder, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of the unitized land, and for the purpose of determining any benefits that accrue on an acreage basis, each such tract shall have allocated to it such percentage of said production as its area bears to the entire unitized area. It is hereby agreed that production of unitized substances from the unitized area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular tract of said unitized area.

12. PAYMENT OF RENTALS, ROYALTIES AND OVERRIDING ROYALTIES: All rentals due the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

All royalties due the State of New Mexico under the terms of the leases committed to this agreement shall be computed and paid on the basis of all unitized substances allocated to the respective leases committed hereto; provided, however, the State shall be entitled to take in kind its share of the unitized substances allocated to the respective leases, and in such case the Unit Operator shall make deliveries of such royalty oil in accordance with the terms of the respective leases.

All rentals, if any, due under any leases embracing lands other than the State of New Mexico, shall be paid by the respective lease owners in accordance with the terms of their leases and all royalties due under the terms of any such

leases shall be paid on the basis of all unitized substances allocated to the respective leases committed hereto.

If the Unit Operator introduces gas obtained from sources other than the unitized substances into any producing formation for the purpose of repressuring, stimulating or increasing the ultimate recovery of unitized substances therefrom, a like amount of gas, if available, with due allowance for loss or depletion from any cause may be withdrawn from the formation into which the gas was introduced royalty free as to dry gas but not as to the products extracted therefrom; provided, that such withdrawal shall be at such time as may be provided in a plan of operation consented to by the Commissioner and approved by the Commission as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

If any lease committed hereto is burdened with an overriding royalty, payment out of production or other charge in addition to the usual royalty, the owner of each such lease shall bear and assume the same out of the unitized substances allocated to the lands embraced in each such lease as provided herein.

13. LEASES AND CONTRACTS CONFORMED AND EXTENDED INSOFAR AS THEY APPLY TO LANDS WITHIN THE UNITIZED AREA: The terms, conditions and provisions of all leases, subleases, operating agreements and other contracts relating to the exploration, drilling development or operation for oil or gas of the lands committed to this agreement, shall as of the effective date hereof, be and the same are hereby expressly modified and amended insofar as they apply to lands within the unitized area to the extent necessary to make the same conform to the provisions hereof and so that the respective terms of said leases and agreements will be extended insofar as necessary to coincide with the term of this agreement and the approval of this agreement by the Commissioner and the respective lessors and lessees shall be effective to conform the provisions and extend the term of each such lease as to lands within the unitized area to the provisions and term of this agreement; but otherwise to remain in full force and effect. Each lease committed to this agreement, insofar as it applies to lands within the unitized area, shall continue in force beyond the term provided therein so long as this agreement remains in effect, provided, drilling operations upon the initial test well provided for herein shall have been commenced or said well is in the process of being drilled by the Unit Operator prior to the expiration of the shortest

term lease committed to this agreement. Termination of this agreement shall not affect any lease which pursuant to the terms thereof or any applicable laws would continue in full force and effect thereafter. The commencement, completion, continued operation or production of a well or wells for unitized substances on the unit area shall be construed and considered as the commencement, completion, continued operation or production on each of the leasehold interests committed to this agreement and operations or production pursuant to this agreement shall be deemed to be operations upon and production from each leasehold interest committed hereto and there shall be no obligation on the part of the Unit Operator or any of the owners of the respective leasehold interests committed hereto to drill offsets to wells as between the leasehold interests committed to this agreement, except as provided in Section 9 hereof.

Any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall be segregated as to the portion committed and as to the portion not committed and the terms of such leases shall apply separately as to such segregated portions commencing as of the effective date hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease, if oil and gas, or either of them, are discovered and are capable of being produced in paying quantities from some part of the lands embraced in such lease committed to this agreement at the expiration of the secondary term of such lease; or if, at the expiration of the secondary term, the lessee or the Unit Operator is then engaged in bona fide drilling or reworking operations on some part of the lands embraced therein shall remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil and gas, or either of them, are being produced in paying quantities from any portion of said lands.

14. 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 laws or regulations.

15. DRAINAGE: In the event a well or wells producing oil or gas in paying quantities should be brought in on land adjacent to the unit area draining unitized substances from the lands embraced therein, Unit Operator shall drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

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

17. EFFECTIVE DATE AND TERM: This agreement shall become effective upon approval by the Commissioner and shall terminate in two years after such date unless (a) such date of expiration is extended by the Commissioner, or (b) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof in which case this agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities, and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid. This agreement may be terminated at any time by not less than seventy-five per cent (75%) on an acreage basis of the owners of the working interests signatory hereto with the approval of the Commissioner. Likewise, the failure to comply with the drilling requirements of Section 8 hereof may subject this agreement to termination as provided in said section.

18. RATE OF PRODUCTION: All production and the disposal thereof shall be in conformity with allocations, allotments and quotas made or fixed by the Commission and in conformity with all applicable laws and lawful regulations.

19. 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 Commissioner of Public Lands and the New Mexico Oil Conservation Commission, and to appeal from orders issued under the regulations of the Commissioner or Commission or to apply for relief from any of said regulations or in any proceedings on its own behalf relative to operations pending before the Commissioner or Commission; provided, however, that any other interested party shall also have the right at his own expense to appear and to participate in any such proceeding.

20. 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 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.

21. 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, war, 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.

22. LOSS OF TITLE: In the event title to any tract of unitized land or substantial interest therein shall fail and the true owner cannot be induced to join the unit agreement so that such tract is not committed to this agreement or the operation thereof hereunder becomes impracticable as a result thereof, such tract may be eliminated from the unitized area, and the interest of the parties readjusted as a result of such tract being eliminated from the unitized area. In the event of a dispute as to the title to any royalty, working or other interest subject hereto, the Unit Operator may withhold payment or delivery of the allocated portion of the unitized substances involved on account thereof without liability for interest until the dispute is finally settled, provided that no payments of

funds due the State of New Mexico shall be withheld. Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

23. SUBSEQUENT JOINDER: Any oil or gas interest in lands within the unit area not committed hereto prior to the submission of this agreement for final approval either by the Commission or Commissioner may be committed hereto by the owner or owners of such rights subscribing or consenting to this agreement or executing a ratification thereof, and if such owner is also a working interest owner, by subscribing to the operating agreement providing for the allocation of costs of exploration, development and operation. A subsequent joinder shall be effective as of the first day of the month following the approval by the Commissioner of duly executed counterparts of the instrument or instruments committing the interest of such owner to this agreement, but such joining party or parties before participating in any benefits hereunder shall be required to assume and pay to Unit Operator their proportionate share of the unit expense incurred prior to such party's or parties' joinder in the unit agreement, and the Unit Operator shall make appropriate adjustments caused by such joinder, without any retroactive adjustment of revenue.

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

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set forth opposite their signatures.

UNIT OPERATOR AND WORKING INTEREST OWNER

TOM BROWN DRILLING CO., INC.

Date: January 29, 1964

By Thomas C. Brown
President

ATTEST:
Warren D. Barton
Secretary

Address: 820 Midland Savings Building
P. O. Box 5131
Midland, Texas

OTHER WORKING INTEREST OWNERS

MARATHON OIL COMPANY

Date: January 30, 1964 By: J. J. Barwell c.i.s.
Division Manager
Address: 9th Floor, Midland National
Bank Building
P. O. Box 552
Midland, Texas

SOUTHERN MINERALS CORPORATION

Date: February 3, 1964 By: J. T. Johnson
Vice President
ATTEST: W. J. Jackson
Assistant Secretary
Address: Somico Building
P. O. Box 716
Corpus Christi, Texas

THE BRITISH-AMERICAN OIL PRODUCING COMPANY

Date: _____ By: _____
President
ATTEST: _____
Secretary
Address: Mercantile-Dallas Building
P. O. Box 749
Dallas, Texas

STATE OF Texas)
COUNTY OF Midland)

The foregoing instrument was acknowledged before me this 29th day of January, 1964, by Thomas C. Brown, President of TOM BROWN DRILLING CO., INC., a Texas corporation, on behalf of said corporation.

Régina J. Neill
Notary Public in and for

My Commission Expires June 1, 1965

Midland County, Texas

STATE OF Texas)
COUNTY OF Midland)

The foregoing instrument was acknowledged before me this 30th day of January, 1964, by I. G. Burrell, Division Manager of MARATHON OIL COMPANY, an Ohio corporation, on behalf of said corporation.

Geard D. Koonce
Notary Public in and for

My Commission Expires 6-1-65

Midland County, Texas

STATE OF TEXAS)
COUNTY OF NUECES)

The foregoing instrument was acknowledged before me this 3rd day of February, 1964, by J. T. Jamison, Vice President of SOUTHERN MINERALS CORPORATION, a Delaware corporation, on behalf of said corporation.

Sarabeth Siddall
Notary Public in and for
(Sarabeth Siddall)
Nueces County, Texas

My Commission Expires June 1, 1965

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of THE BRITISH-AMERICAN OIL PRODUCING COMPANY, a Delaware corporation, on behalf of said corporation.

Notary Public in and for

My Commission Expires _____

_____ County, _____

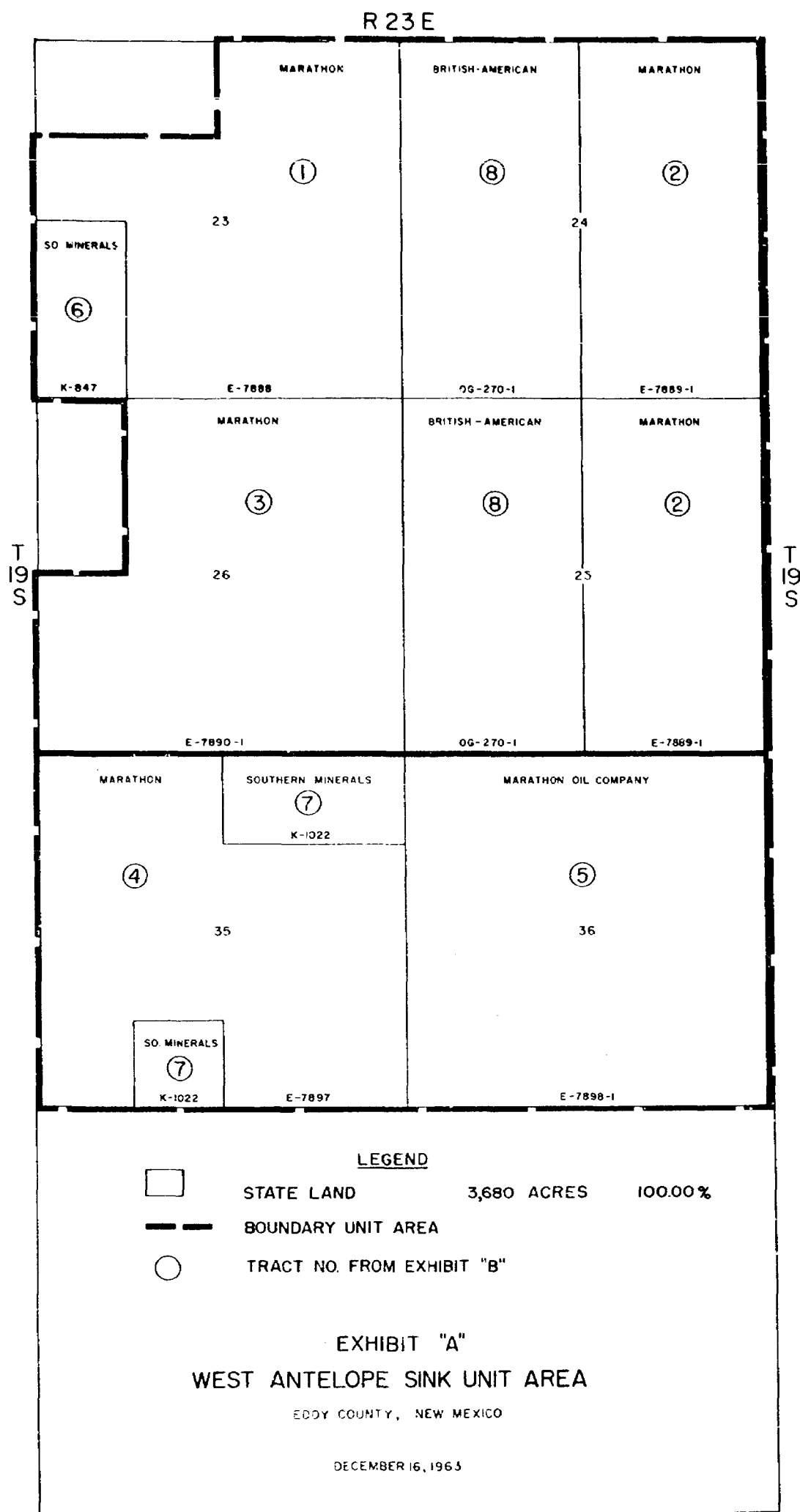


EXHIBIT "B" - WEST ANTELOPE SINK UNIT AREA - EDDY COUNTY, NEW MEXICO

Page 1

Tract No.	Description	No. of Acres	Serial No. and Lease Date	Land Owner Percentage of Royalty	Record Owner of Lease or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage of Interest
<u>STATE LANDS</u>							
1	Sec. 23: E $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$ E $\frac{1}{2}$, S $\frac{1}{2}$ S $\frac{1}{2}$ E $\frac{1}{2}$	480.00	E-7888 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
2	Sec. 24: E $\frac{1}{2}$ Sec. 25: E $\frac{1}{2}$	640.00	E-7889-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
3	Sec. 26: E $\frac{1}{2}$, E $\frac{1}{2}$ N $\frac{1}{2}$ E $\frac{1}{2}$, S $\frac{1}{2}$ E $\frac{1}{2}$	560.00	E-7890-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
4	Sec. 32: S $\frac{1}{2}$ N $\frac{1}{2}$ E $\frac{1}{2}$, N $\frac{1}{2}$ E $\frac{1}{2}$, S $\frac{1}{2}$ E $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ E $\frac{1}{2}$, S $\frac{1}{2}$ S $\frac{1}{2}$ E $\frac{1}{2}$	520.00	E-7897 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	Marathon Oil Company	Tom Brown Drilling Co., Inc. All
5	Sec. 36: All	640.00	E-7898-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	Marathon Oil Company	Tom Brown Drilling Co., Inc. All
6	Sec. 23: N $\frac{1}{2}$ S $\frac{1}{2}$ E $\frac{1}{2}$	80.00	K-847 10-18-60 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Southern Minerals Corporation	None	Southern Minerals Corporation All
7	Sec. 35: N $\frac{1}{2}$ N $\frac{1}{2}$ E $\frac{1}{2}$, S $\frac{1}{2}$ E $\frac{1}{2}$ S $\frac{1}{2}$ E $\frac{1}{2}$	120.00	K-1022 12-20-60 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Southern Minerals Corporation	None	Southern Minerals Corporation All

December 16, 1963

EXHIBIT "B" - WEST ANTELOPE SINK UNIT AREA - EDDY COUNTY, NEW MEXICO

Page 2

Tract No.	Description	No. of Acres	Serial No. and Lease Date	Land Owner Percentage of Royalty or Application	Record Owner of Lease	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage of Interest
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STATE LANDS (Continued)

T. 19 S., R. 23 E.

3	Sec. 24: 1/2 Sec. 25: 1/2	640.00	OG-270-1 10-16-56 10 years	State of New Mexico 12 1/2%	The British-American Oil Producing Company	Earl G. Levick	2.50% The British-American Oil Producing Company
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TOTAL STATE LANDS - AND - TOTAL UNIT AREA - 3,680.00 Acres

December 13, 1963

CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO


LAND IN OIL AND GAS UNIT
FROM COMMISSIONER, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated March 16, 1953, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

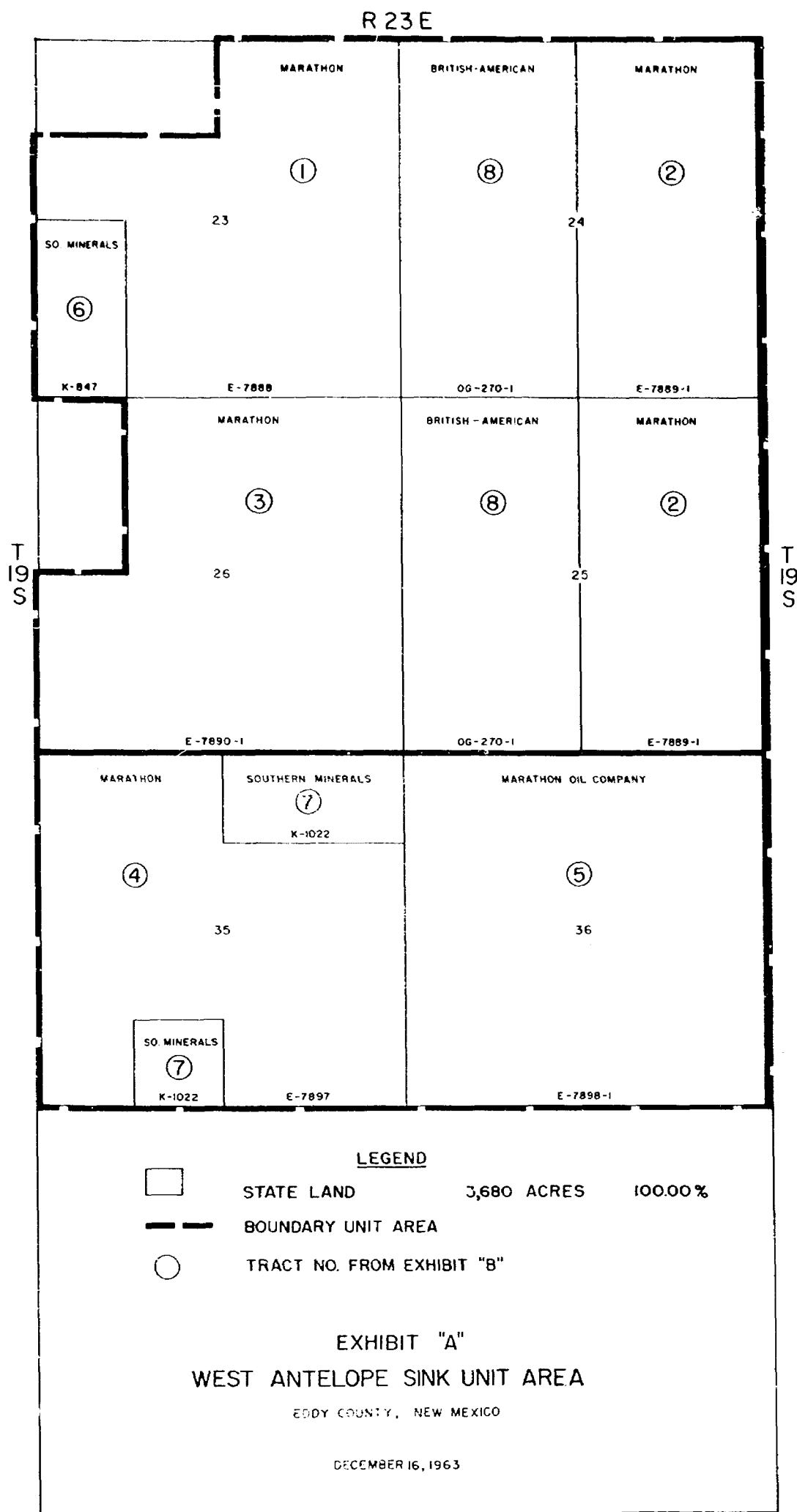
- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, 7-11-48, New Mexico Statutes Annotated 1953 Compilation, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 7th day of February 19 64.



Commissioner of Public Lands
of the State of New Mexico



1651 2563
1/14/63

EXHIBIT "B" - WEST ANTELOPE SINK UNIT AREA - EDDY COUNTY, NEW MEXICO

Page 1

Tract No.	Description	No. of Acres	Serial No. and Lease Date	Land Owner Percentage of Royalty	Record Owner of Lease or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage of Interest
<u>STATE LANDS</u>							
<u>T. 19 S., R. 23 E.</u>							
1	Sec. 23: E $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$ E, E $\frac{1}{2}$ S $\frac{1}{2}$ E	480.00	E-78888 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
2	Sec. 24: E $\frac{1}{2}$ Sec. 25: E $\frac{1}{2}$	640.00	E-78889-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
3	Sec. 26: E $\frac{1}{2}$, E $\frac{1}{2}$ N $\frac{1}{2}$ E, S $\frac{1}{2}$ E	560.00	E-7890-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
4	Sec. 35: S $\frac{1}{2}$ N $\frac{1}{2}$ E, N $\frac{1}{2}$ E, S $\frac{1}{2}$ E, N $\frac{1}{2}$ S $\frac{1}{2}$ E, S $\frac{1}{2}$ S $\frac{1}{2}$ E	520.00	E-7897 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	Marathon Oil Company	Tom Brown Drilling Co., Inc. 1/2
5	Sec. 36: All	640.00	E-7898-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	Marathon Oil Company	Tom Brown Drilling Co., Inc. 1/2
6	Sec. 37: N $\frac{1}{2}$ S $\frac{1}{2}$ E	80.00	K-847 10-13-60 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Southern Minerals Corporation	None	Southern Minerals Corporation 1/2
7	Sec. 37: N $\frac{1}{2}$ N $\frac{1}{2}$ E, S $\frac{1}{2}$ S $\frac{1}{2}$ E	120.00	K-1022 12-20-60 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Southern Minerals Corporation	None	Southern Minerals Corporation All

December 16, 1963

Tract No.	Description	No. of Acres	Serial No. and Lease Date	Land Owner Percentage of Royalty	Record Owner of Lease or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage of Interest
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STATE LANDS (Continued)

T. 19 S., R. 23 E.

3	Sec. 24: 14 Sec. 25: 14	640.00	OG-270-1 10-16-56 10 years	State of New Mexico 12 1/2%	The British-American Oil Producing Company	Earl G. Levick	2.50% The British-American Oil Producing Company
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TOTAL STATE LANDS - AND - TOTAL UNIT AREA - 3,680.00 Acres

December 13, 1963

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 8, 1964

9:00 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

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

- CASE 2963: Application of Tom Brown Drilling Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Antelope Sink Unit Area comprising 3680 acres, more or less, of State land in Township 19 South, Range 23 East, Eddy County, New Mexico.
- CASE 2964: Application of Socony Mobil Oil Company, Inc. for an exception to Rule 506, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the statewide limiting gas-oil ratio of 2,000 feet of gas per barrel of oil as promulgated by Commission Rule 506 for its State Bridges Well No. 96, located in Unit H of Section 26, Township 17 South, Range 34 East, Vacuum-Pennsylvanian Pool, Lea County, New Mexico.
- CASE 2965: Application of Stanley J. Stanley for rescission of Order No. R-2585, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order rescinding Order No. R-2585 and authorizing the applicant to assume ownership and operation of the Bunce-Federal Well No. 1, located 1586 feet from the North line and 1503 feet from the East line of Section 19, Township 29 North, Range 10 West, San Juan County, New Mexico.
- CASE 2966: Application of Harlan Production Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into the Queen formation through four wells located in Sections 16 and 17, Township 17 South, Range 30 East.
- CASE 2720 (Reopened) : In the matter of Case No. 2720 being reopened pursuant to the provisions of Order No. R-2397, which order established special rules governing the production of oil and gas wells in the Double-X Delaware Pool, Lea County, New Mexico, including classification of wells as gas wells when the gas-liquid hydrocarbon ratio exceeds 30,000 to one.
- CASE 2682 (Reopened): In the matter of Case 2682 being reopened pursuant to the provisions of Order No. R-2375, which order established temporary 80-acre oil proration units for the Simpson-Gallup Oil Pool, San Juan 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 2967: Application of Standard Oil Company of Texas for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Jurnegan Point Unit Area comprising 7680 acres, more or less, of State and Fee land in Township 24 South, Ranges 24 and 25 East, Eddy County, New Mexico.

FOSTER MORRELL
PETROLEUM CONSULTANT
PETROLEUM BUILDING
ROSWELL, NEW MEXICO
December 14, 1963

RECEIVED
DEC 17 1963

2963

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. D. S. Nutter

Re: West Antelope Sink Unit
Eddy County, New Mexico

Gentlemen:

This will confirm my oral request on December 10, 1963, that the subject unit be included on the Docket for examiner hearing on January 8, 1964.

Enclosed is a copy of letter of even date to the Commissioner of Public Lands and a copy of the proposed form of unit agreement.

Very truly yours,

TOM BROWN DRILLING CO., INC.

By Foster Morrell
Foster Morrell, Its Representative

FM/rpd

Enclosures

cc: Mr. Thomas C. Brown
Tom Brown Drilling Co., Inc.
P. O. Box 5131
Midland, Texas

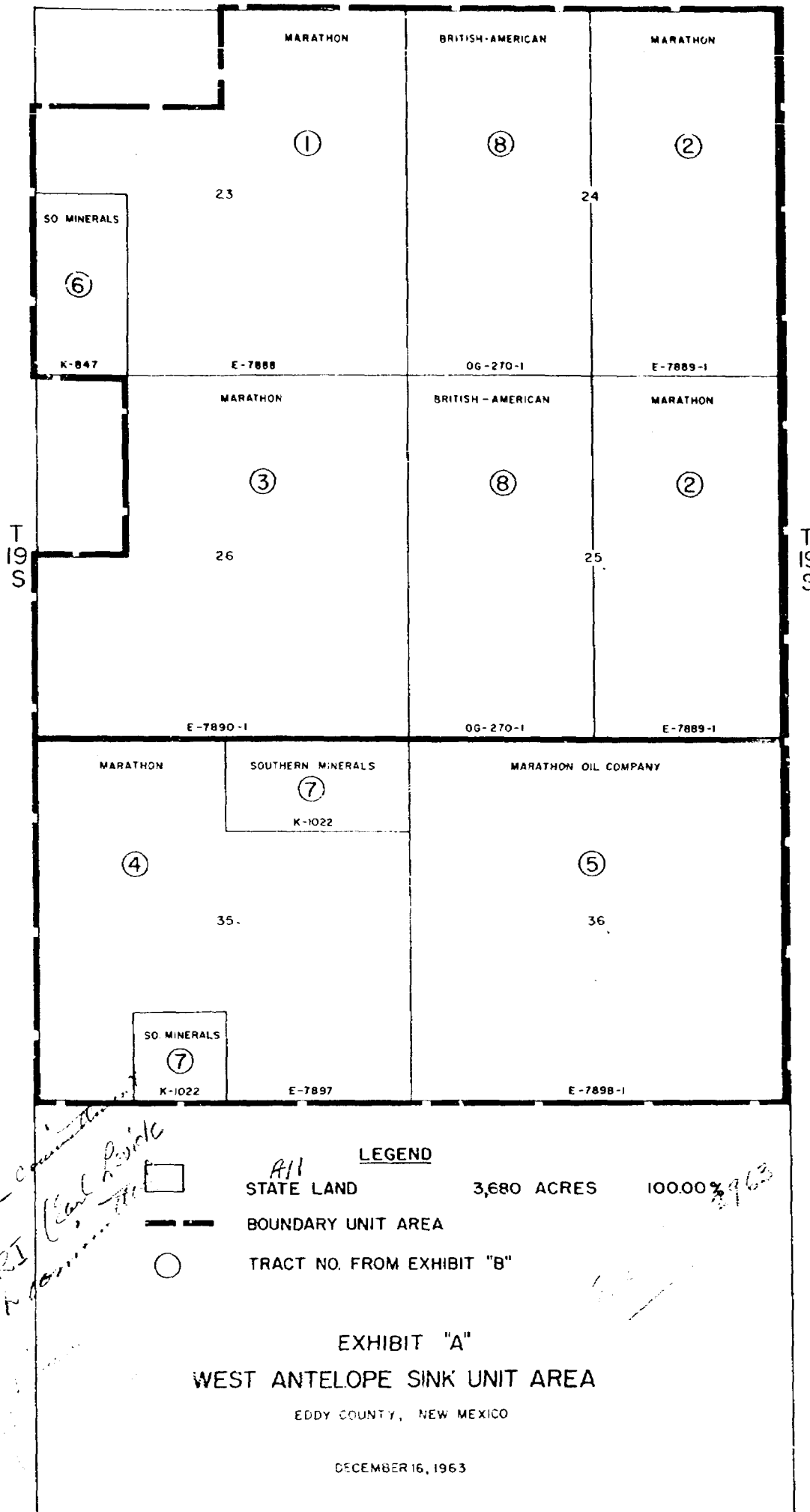
cc: Mr. C. L. Southard
Marathon Oil Company
P. O. Box 552
Midland, Texas

DOCKED FILED

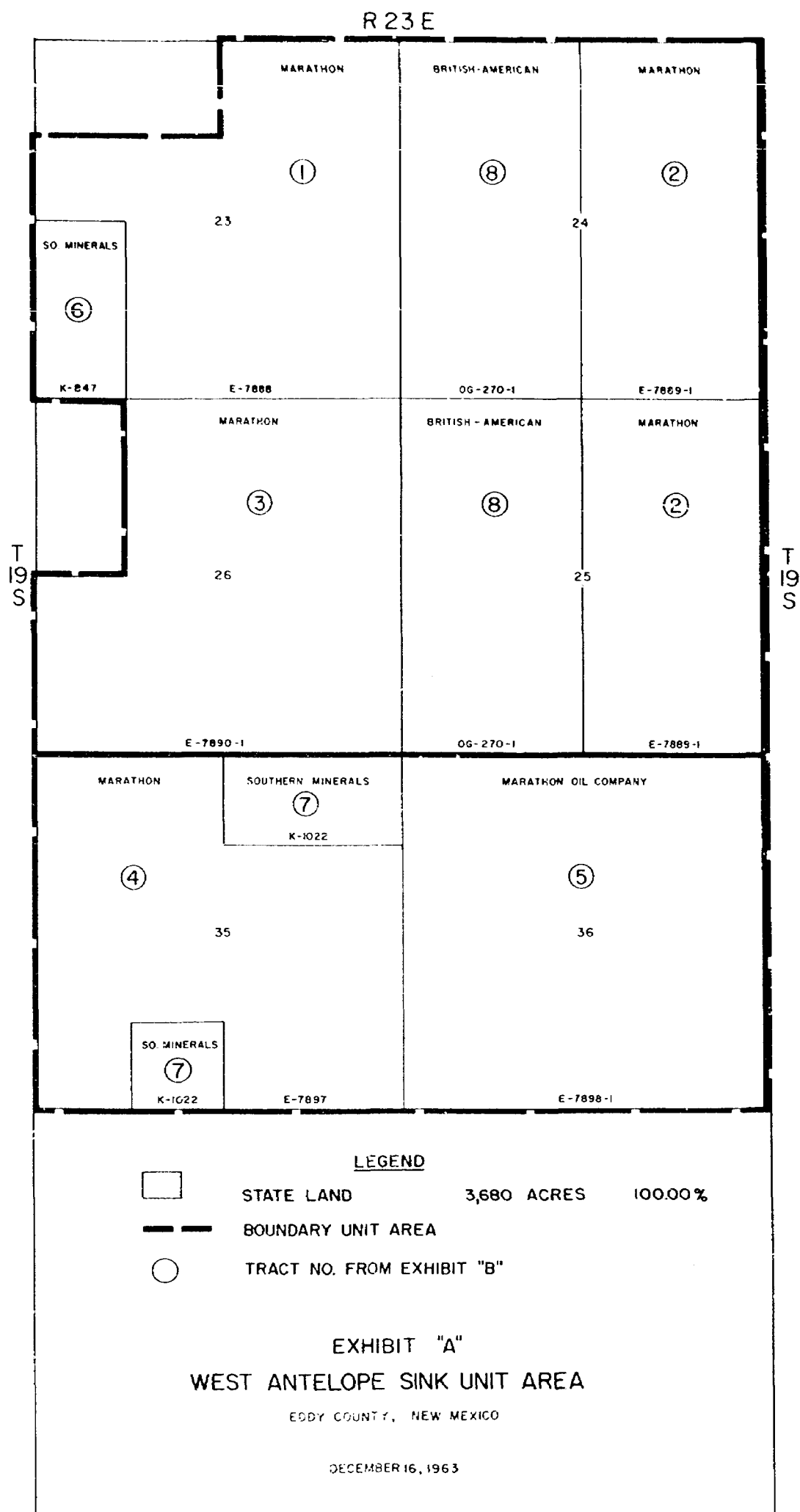
Date 12-26-63

[Signature]

R 23 E



3,680 ACRES 100.00% 3963



BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

APPLS. EXHIBIT NO. 3

CASE NO. 2963

EXHIBIT "B" - WEST ANTELOPE SINK UNIT AREA - EDDY COUNTY, NEW MEXICO

Page 1

Tract No.	Description	No. of Acres	Serial No. and Lease Date	Land Owner Percentage of Royalty	Record Owner of Lease or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage of Interest
<u>STATE LANDS</u>							
<u>T. 19 S., R. 22 E.</u>							
1	Sec. 23: E $\frac{1}{2}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$	480.00	E-7888 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
2	Sec. 24: E $\frac{1}{2}$ Sec. 25: E $\frac{1}{2}$	640.00	E-7889-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
3	Sec. 26: E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	560.00	E-7890-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
4	Sec. 25: S $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$, SE $\frac{1}{4}$, NW $\frac{1}{4}$, SW $\frac{1}{4}$, SE $\frac{1}{4}$	520.00	E-7897 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	Marathon Oil Company	Tom Brown Drilling Co., Inc. All
5	Sec. 36: All	640.00	E-7898-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	Marathon Oil Company	Tom Brown Drilling Co., Inc. All
6	Sec. 23: E $\frac{1}{2}$ SW $\frac{1}{4}$	30.00	K-847 10-18-60 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Southern Minerals Corporation	None	Southern Minerals Corporation All
7	Sec. 35: NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	120.00	K-1022 12-20-60 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Southern Minerals Corporation	None	Southern Minerals Corporation All

December 16, 1963

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 2563

EXHIBIT "B" - WEST ANTELOPE SINK UNIT AREA - EDDY COUNTY, NEW MEXICO

Page 2

Tract No.	Description	No. of Acres	Serial No. and Lease Date	Land Owner Percentage of Royalty	Record Owner of Lease or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage of Interest
<u>STATE LANDS (Continued)</u>							
<u>T. 29 S., E. 21 E.</u>							
3	Sec. 24: 12 Sec. 25: 12	640.00	OG-270-1 10-16-56 10 years	State of New Mexico 12 1/2%	The British-American Oil Producing Company	Earl G. Levick	2.50% The British-American Oil Producing Company

TOTAL STATE LANDS - AND - TOTAL UNIT AREA - 3,680.00 Acres

December 13, 1963

FOSTER MORRELL
PETROLEUM CONSULTANT
PETROLEUM BUILDING
ROSWELL, NEW MEXICO 88201

December 17, 1963

Mr. E. S. Johnny Walker
Commissioner of Public Lands
State Land Office
P. O. Box 791
Santa Fe, New Mexico

Re: Proposed West Antelope Sink Unit
Eddy County, New Mexico

Dear Mr. Walker:

This is to advise that the terms for the subject unit as outlined in your letter of December 9, 1963, are acceptable.

Accordingly, there are submitted herewith for your consideration and approval as to form two copies of the Unit Agreement for the West Antelope Sink Unit Area. This has been prepared in accordance with the sample copy you furnished and includes the drilling provisions under Section 9 which calls for one well every six months until each section is proven or drilled.

At the suggestion of Mrs. Marian M. Rhea, Supervisor, Unit Division, the following additional changes in the form of Agreement were made:

1. The word "beginning" is changed to "commencement" in the last sentence of the first paragraph of Section 8 and in the third paragraph of Section 9.
2. The words "and drilling on" are added following "Any well commenced prior to" in the first sentence of the second paragraph of Section 8.
3. In the second sentence of Section 23 the words "following the filing with the Commissioner and the Commission" are changed to read "following the approval by the Commissioner."

Attached is check for \$30.00 to cover the filing fee for consideration of this unit.

Mr. E. S. Johnson Walker

-2-

Request has been made to the Oil Conservation Commission to consider this unit and it will be included in the docket for examiner hearing on January 8, 1964.

Very truly yours,

TOM BROWN DRILLING CO., INC.

By COPI (Original Signed) Foster Merrell
Foster Merrell, Its Representative

FM/rpd

Enclosures

- cc: Mr. D. S. Miller
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico
- cc: Mr. Thomas C. Brown
Tom Brown Drilling Co., Inc.
P. O. Box 5131
Midland, Texas
- cc: Mr. C. L. Southard
Marathon Oil Company
P. O. Box 552
Midland, Texas

Page 2963

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
WEST ANTELOPE SINK UNIT AREA
EDDY COUNTY, NEW MEXICO

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Section 2 - Unitized Substances	2
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Section 5 - Successor Unit Operator	4
Section 6 - Accounting Provisions	4
Section 7 - Rights and Obligations of Unit Operator	5
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EXHIBITS

- Exhibit "A" - Map of Unit Area
Exhibit "B" - Schedule of Ownership in Lands

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
<u>Apply</u> EXHIBIT NO. <u>1</u>
CASE NO. <u>2963</u>

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
WEST ANTELOPE SINK UNIT AREA
EDDY COUNTY, NEW MEXICO

NO. _____

THIS AGREEMENT, entered into as of the 16th day of December, 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 or gas interests in the unit area subject to this agreement; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943) as amended by Sec. 1 of Chapter 162, Laws of 1951, (Chap. 7, Art. 11, Sec. 39, N.M. Statutes 1953 Annot.), to consent to and approve the development or operation of State lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field, or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 1, Chap. 162), (Laws of 1951, Chap. 7, Art. 11, Sec. 41 N.M. Statutes 1953 Annotated) to amend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil and gas lease embracing State lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field or area; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico (Hereinafter referred to as the "Commission") is authorized by an Act of the Legislature (Chap. 72, Laws 1935; Chap. 65, Art. 3, Sec. 14 N.M. Statutes 1953 Annotated) to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the West Antelope Sink Unit Area covering the lands 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. UNIT AREA: The following described land is hereby designated and recognized as constituting the unit area:

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

Sec. 23: $E\frac{1}{2}$, $S\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$

Secs. 24, 25: All

Sec. 26: $E\frac{1}{2}$, $E\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$

Secs. 35, 36: All

containing 3,680.00 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 lands 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 on said map or schedule as owned by such party. Exhibits A and B shall be revised by the Unit Operator whenever changes in ownership in the unit area render such revisions necessary or when requested by the Commissioner of Public Lands, hereinafter referred to as "Commissioner."

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

2. UNITIZED SUBSTANCES: All oil, gas, natural gasoline and associated fluid hydrocarbons in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances."

3. UNIT OPERATOR: Tom Brown Drilling Co., Inc., with offices at Midland, Texas, is hereby designated as Unit Operator and by signature hereto

commits to this agreement all interest in unitized substances vested in it as set forth in Exhibit B, and agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

4. RESIGNATION OR REMOVAL OF UNIT OPERATOR: Unit Operator shall have the right to resign at any time but such resignation shall not become effective until a successor Unit Operator has been selected and approved in the manner provided for in Section 5 of this agreement. The resignation of the Unit Operator shall not release the Unit Operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

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 Commissioner.

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

5. SUCCESSOR UNIT OPERATOR: Whenever the Unit Operator shall resign as Unit Operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitized land shall by a majority vote select a successor Unit Operator; provided that, if a majority but less than seventy-five per cent (75%) of the working interests

qualified to vote is owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than seventy-five per cent (75%) of the total working interests, shall be required to select a new operator. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Commissioner at his election may declare this unit agreement terminated.

6. ACCOUNTING PROVISIONS: The Unit Operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder, and such costs and expenses and the working interest benefits accruing hereunder shall be apportioned among the owners of the unitized working interests in accordance with an operating agreement entered into by and between the Unit Operator and the owners of such interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "Operating Agreement." No such agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement and in case of any inconsistencies or conflict between this unit agreement and the operating agreement, this unit agreement shall prevail.

7. 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.

8. DRILLING TO DISCOVERY: The Unit Operator shall, before February 16, 1964, commence drilling operations upon an adequate test well for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth sufficient to test through the Pennsylvanian formation or to such a depth as unitized substances shall be discovered in paying quantities at a lesser depth or until it shall, in the opinion of Unit Operator, be determined that the further drilling of said well shall 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 8,800 feet. Until a 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) Unit Operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the commencement of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Commissioner, or until it is reasonably proven to the satisfaction of the Unit Operator that the unitized land is incapable of producing unitized substances in paying quantities in the formation drilled hereunder.

Any well commenced prior to and drilling on the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner 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 article the Commissioner may, after reasonable notice to the Unit Operator and each working interest owner, lessee and lessor at their last known addresses, declare this unit agreement terminated, and all rights, privileges and obligations granted and assumed by this unit agreement shall cease and terminate as of such date.

9. OBLIGATIONS OF UNIT OPERATOR AFTER DISCOVERY OF UNITIZED SUBSTANCES: Should unitized substances in paying quantities be discovered upon the unit area the Unit Operator shall on or before six months from the time of the completion of the initial discovery well and within thirty days after the expiration of each

twelve months period thereafter file a report with the Commissioner and Commission of the Status of the development of the unit area and the development contemplated for the following twelve months period.

It is understood that one of the main considerations for the approval of this agreement by the Commissioner of Public Lands is to secure the orderly development of the unitized lands in accordance with good conservation practices so as to obtain the greatest ultimate recovery of unitized substances.

After discovery of unitized substances in paying quantities as herein defined, Unit Operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the commencement of the next well until Unit Operator has drilled a well on each numbered section within the unit area.

If the Unit Operator should fail to comply with the above covenant for reasonable development this agreement may be terminated by the Commissioner as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units but in such event the basis of participation by the working interest owners shall remain the same as if this agreement had not been terminated as to such lands; provided, however, the Commissioner shall give notice to the Unit Operator and the lessees of record in the manner prescribed by Sec. 7-11-14, N.M. Statutes 1953 Annotated of intention to cancel on account of any alleged breach of said covenant for reasonable development and any decision entered thereunder shall be subject to appeal in the manner prescribed by Sec. 7-11-17, N.M. Statutes 1953 Annotated and, provided further, in any event the Unit Operator shall be given a reasonable opportunity after a final determination within which to remedy any default, failing in which this agreement shall be terminated as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units.

10. PARTICIPATION AFTER DISCOVERY: Upon completion of a well capable of producing unitized substances in paying quantities, the owners of working interests shall participate in the production therefrom and in all other producing wells which may be drilled pursuant hereto in the proportions that their respective leasehold interests covered hereby on an acreage basis bears to the total number of acres committed to this unit agreement, and such unitized substances shall be deemed to have been produced from the respective leasehold interests participating therein. For the purpose of determining any benefits accruing under this agreement

and the distribution of the royalties payable to the State of New Mexico and other lessors, each separate lease shall have allocated to it such percentage of said production as the number of acres in each lease respectively committed to this agreement bears to the total number of acres committed hereto.

Notwithstanding any provisions contained herein to the contrary, each working interest owner shall have the right to take such owner's proportionate share of the unitized substances in kind or to personally sell or dispose of the same, and nothing herein contained shall be construed as giving or granting to the Unit Operator the right to sell or otherwise dispose of the proportionate share of any working interest owner without specific authorization from time to time so to do.

11. ALLOCATION OF PRODUCTION: All unitized substances produced from each tract in the unitized area established under this agreement, except any part thereof used for production or development purposes hereunder, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of the unitized land, and for the purpose of determining any benefits that accrue on an acreage basis, each such tract shall have allocated to it such percentage of said production as its area bears to the entire unitized area. It is hereby agreed that production of unitized substances from the unitized area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular tract of said unitized area.

12. PAYMENT OF RENTALS, ROYALTIES AND OVERRIDING ROYALTIES: All rentals due the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

All royalties due the State of New Mexico under the terms of the leases committed to this agreement shall be computed and paid on the basis of all unitized substances allocated to the respective leases committed hereto; provided, however, the State shall be entitled to take in kind its share of the unitized substances allocated to the respective leases, and in such case the Unit Operator shall make deliveries of such royalty oil in accordance with the terms of the respective leases.

All rentals, if any, due under any leases embracing lands other than the State of New Mexico, shall be paid by the respective lease owners in accordance with the terms of their leases and all royalties due under the terms of any such

leases shall be paid on the basis of all unitized substances allocated to the respective leases committed hereto.

If the Unit Operator introduces gas obtained from sources other than the unitized substances into any producing formation for the purpose of repressuring, stimulating or increasing the ultimate recovery of unitized substances therefrom, a like amount of gas, if available, with due allowance for loss or depletion from any cause may be withdrawn from the formation into which the gas was introduced royalty free as to dry gas but not as to the products extracted therefrom; provided, that such withdrawal shall be at such time as may be provided in a plan of operation consented to by the Commissioner and approved by the Commission as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

If any lease committed hereto is burdened with an overriding royalty, payment out of production or other charge in addition to the usual royalty, the owner of each such lease shall bear and assume the same cut of the unitized substances allocated to the lands embraced in each such lease as provided herein.

13. LEASES AND CONTRACTS CONFORMED AND EXTENDED INSOFAR AS THEY APPLY TO LANDS WITHIN THE UNITIZED AREA: The terms, conditions and provisions of all leases, subleases, operating agreements and other contracts relating to the exploration, drilling development or operation for oil or gas of the lands committed to this agreement, shall as of the effective date hereof, be and the same are hereby expressly modified and amended insofar as they apply to lands within the unitized area to the extent necessary to make the same conform to the provisions hereof and so that the respective terms of said leases and agreements will be extended insofar as necessary to coincide with the term of this agreement and the approval of this agreement by the Commissioner and the respective lessors and lessees shall be effective to conform the provisions and extend the term of each such lease as to lands within the unitized area to the provisions and term of this agreement; but otherwise to remain in full force and effect. Each lease committed to this agreement, insofar as it applies to lands within the unitized area, shall continue in force beyond the term provided therein so long as this agreement remains in effect, provided, drilling operations upon the initial test well provided for herein shall have been commenced or said well is in the process of being drilled by the Unit Operator prior to the expiration of the shortest

term lease committed to this agreement. Termination of this agreement shall not affect any lease which pursuant to the terms thereof or any applicable laws would continue in full force and effect thereafter. The commencement, completion, continued operation or production of a well or wells for unitized substances on the unit area shall be construed and considered as the commencement, completion, continued operation or production on each of the leasehold interests committed to this agreement and operations or production pursuant to this agreement shall be deemed to be operations upon and production from each leasehold interest committed hereto and there shall be no obligation on the part of the Unit Operator or any of the owners of the respective leasehold interests committed hereto to drill offsets to wells as between the leasehold interests committed to this agreement, except as provided in Section 9 hereof.

Any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall be segregated as to the portion committed and as to the portion not committed and the terms of such leases shall apply separately as to such segregated portions commencing as of the effective date hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease, if oil and gas, or either of them, are discovered and are capable of being produced in paying quantities from some part of the lands embraced in such lease committed to this agreement at the expiration of the secondary term of such lease; or if, at the expiration of the secondary term, the lessee or the Unit Operator is then engaged in bona fide drilling or reworking operations on some part of the lands embraced therein shall remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil and gas, or either of them, are being produced in paying quantities from any portion of said lands.

14. 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 laws or regulations.

15. DRAINAGE: In the event a well or wells producing oil or gas in paying quantities should be brought in on land adjacent to the unit area draining unitized substances from the lands embraced therein, Unit Operator shall drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

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

17. EFFECTIVE DATE AND TERM: This agreement shall become effective upon approval by the Commissioner and shall terminate in two years after such date unless (a) such date of expiration is extended by the Commissioner, or (b) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof in which case this agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities, and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid. This agreement may be terminated at any time by not less than seventy-five per cent (75%) on an acreage basis of the owners of the working interests signatory hereto with the approval of the Commissioner. Likewise, the failure to comply with the drilling requirements of Section 8 hereof may subject this agreement to termination as provided in said section.

18. RATE OF PRODUCTION: All production and the disposal thereof shall be in conformity with allocations, allotments and quotas made or fixed by the Commission and in conformity with all applicable laws and lawful regulations.

19. 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 Commissioner of Public Lands and the New Mexico Oil Conservation Commission, and to appeal from orders issued under the regulations of the Commissioner or Commission or to apply for relief from any of said regulations or in any proceedings on its own behalf relative to operations pending before the Commissioner or Commission; provided, however, that any other interested party shall also have the right at his own expense to appear and to participate in any such proceeding.

20. 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 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.

21. 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, war, 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.

22. LOSS OF TITLE: In the event title to any tract of unitized land or substantial interest therein shall fail and the true owner cannot be induced to join the unit agreement so that such tract is not committed to this agreement or the operation thereof hereunder becomes impracticable as a result thereof, such tract may be eliminated from the unitized area, and the interest of the parties readjusted as a result of such tract being eliminated from the unitized area. In the event of a dispute as to the title to any royalty, working or other interest subject hereto, the Unit Operator may withhold payment or delivery of the allocated portion of the unitized substances involved on account thereof without liability for interest until the dispute is finally settled, provided that no payments of

funds due the State of New Mexico shall be withheld. Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

23. SUBSEQUENT JOINDER: Any oil or gas interest in lands within the unit area not committed hereto prior to the submission of this agreement for final approval either by the Commission or Commissioner may be committed hereto by the owner or owners of such rights subscribing or consenting to this agreement or executing a ratification thereof, and if such owner is also a working interest owner, by subscribing to the operating agreement providing for the allocation of costs of exploration, development and operation. A subsequent joinder shall be effective as of the first day of the month following the approval by the Commissioner of duly executed counterparts of the instrument or instruments committing the interest of such owner to this agreement, but such joining party or parties before participating in any benefits hereunder shall be required to assume and pay to Unit Operator their proportionate share of the unit expense incurred prior to such party's or parties' joinder in the unit agreement, and the Unit Operator shall make appropriate adjustments caused by such joinder, without any retroactive adjustment of revenue.

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

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set forth opposite their signatures.

UNIT OPERATOR AND WORKING INTEREST OWNER

TCM BROWN DRILLING CO., INC.

Date: _____

By _____
President

ATTEST:

Address: 820 Midland Savings Building
P. O. Box 5131
Midland, Texas

Secretary

OTHER WORKING INTEREST OWNERS

MARATHON OIL COMPANY

Date: _____

By _____
Division Manager

Address: 9th Floor, Midland National
Bank Building
P. O. Box 552
Midland, Texas

SOUTHERN MINERALS CORPORATION

Date: _____

By _____
Vice President

ATTEST:

Assistant Secretary

Address: Somico Building
P. O. Box 716
Corpus Christi, Texas

THE BRITISH-AMERICAN OIL PRODUCING COMPANY

Date: _____

By _____
President

ATTEST:

Secretary

Address: Mercantile-Dallas Building
P. O. Box 749
Dallas, Texas

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of TOM BROWN DRILLING CO., INC., a Texas corporation, on behalf of said corporation.

Notary Public in and for

My Commission Expires _____ County, _____

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, Division Manager of MARATHON OIL COMPANY, an Ohio corporation, on behalf of said corporation.

Notary Public in and for

My Commission Expires _____ County, _____

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, Vice President of SOUTHERN MINERALS CORPORATION, a Delaware corporation, on behalf of said corporation.

Notary Public in and for

My Commission Expires _____ County, _____

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of THE BRITISH-AMERICAN OIL PRODUCING COMPANY, a Delaware corporation, on behalf of said corporation.

Notary Public in and for

My Commission Expires _____ County, _____

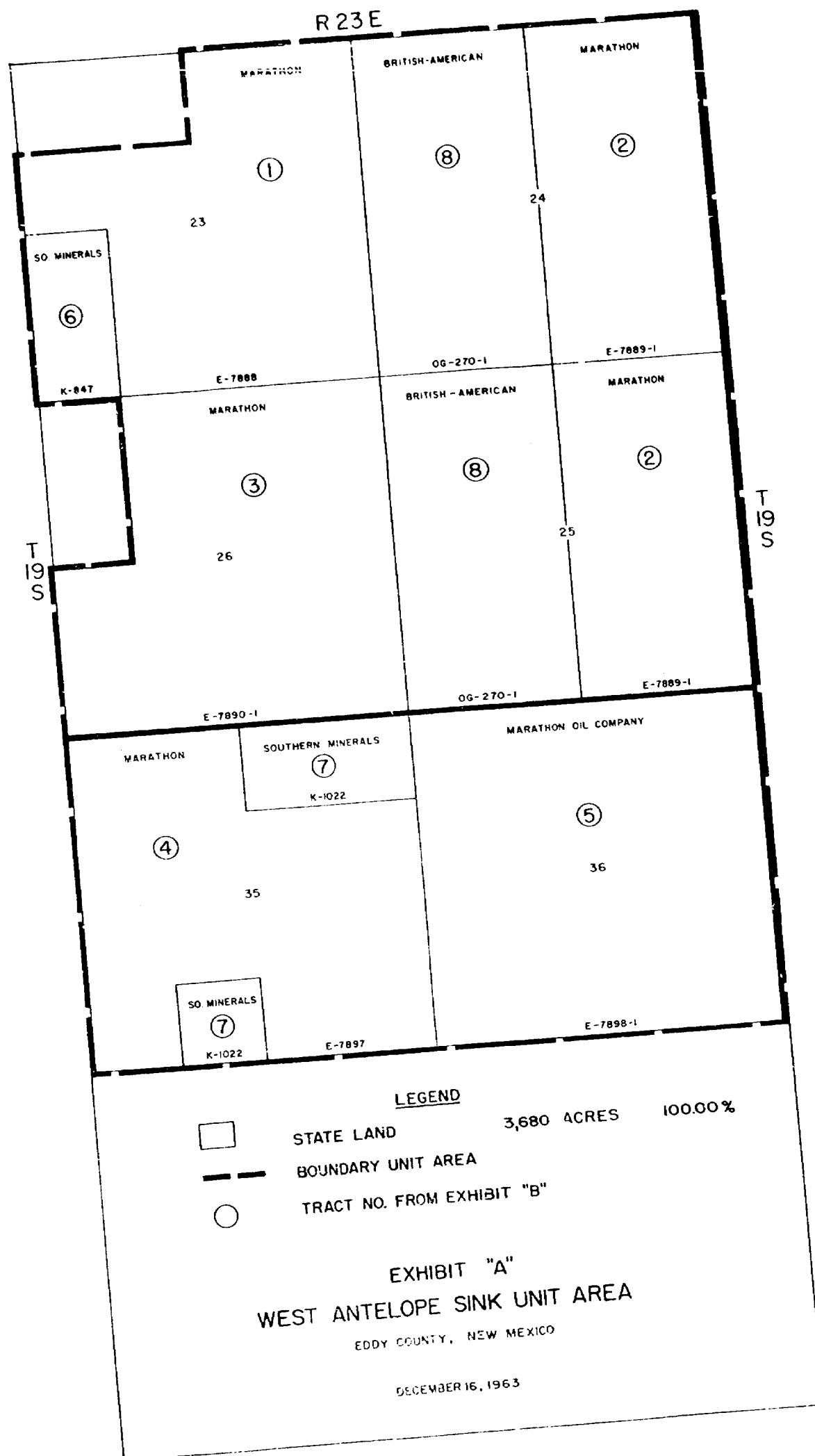


EXHIBIT "B" - WEST ANTELOPE SINK UNIT AREA - EDDY COUNTY, NEW MEXICO

Page 1

Tract No.	Description	No. of Acres	Serial No. and Lease Date	Land Owner Percentage of Royalty	Record Owner of Lease or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage of Interest
<u>STATE LANDS</u>							
<u>T. 29 S. 1. E. 23 E.</u>							
1	Sec. 23: E $\frac{1}{2}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$	480.00	E-7888 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
2	Sec. 24: E $\frac{1}{2}$ Sec. 25: E $\frac{1}{2}$	640.00	E-7889-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
3	Sec. 26: E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	560.00	E-7890-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
4	Sec. 25: S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$	520.00	E-7897 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	Marathon Oil Company	Tom Brown Drilling Co., Inc. All
5	Sec. 26: All	640.00	E-7893-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	Marathon Oil Company	Tom Brown Drilling Co., Inc. All
6	Sec. 23: N $\frac{1}{2}$ SW $\frac{1}{4}$	80.00	K-847 10-18-60 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Southern Minerals Corporation	None	Southern Minerals Corporation All
7	Sec. 35: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	120.00	K-1022 12-20-60 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Southern Minerals Corporation	None	Southern Minerals Corporation All

December 16, 1963

Tract No.	Description	No. of Acres	Serial No. and Lease Date	Land Owner Percentage of Royalty	Record Owner of Lease or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage of Interest
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STATE LANDS (Continued)

T. 29 S., R. 23 E.

3	Sec. 24: 1/2 Sec. 25: 1/2	640.00	06-270-1 10-16-56 10 years	State of New Mexico 12 1/2%	The British-American Oil Producing Company	Earl G. Levick	2.50% The British-American Oil Producing Company
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TOTAL STATE LANDS - AND - TOTAL UNIT AREA - 3,680.00 Acres

December 13, 1963

EXHIBIT "B" - WEST ANTELOPE SINK UNIT AREA - EDDY COUNTY, NEW MEXICO

Page 1

Tract No.	Description	No. of Acres	Serial No. and Lease Date	Land Owner Percentage of Royalty	Record Owner of Lease or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage of Interest
<u>STATE LANDS</u>							
<u>T. 19 S., R. 23 E.</u>							
1	Sec. 23: E $\frac{1}{2}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$	480.00	E-73388 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
2	Sec. 24: E $\frac{1}{2}$ Sec. 25: E $\frac{1}{2}$	640.00	E-73889-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
3	Sec. 26: E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	560.00	E-7390-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company Tom Brown Drilling Co., Inc. 1/2
4	Sec. 35: S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$	520.00	E-7397 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	Marathon Oil Company	Tom Brown Drilling Co., Inc. 1/2
5	Sec. 36: All	640.00	E-7398-1 2-16-54 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Marathon Oil Company	Marathon Oil Company	Tom Brown Drilling Co., Inc. 1/2
6	Sec. 33: E $\frac{1}{2}$ SW $\frac{1}{4}$	80.00	K-847 10-13-60 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Southern Minerals Corporation	None	Southern Minerals Corporation 1/2
7	Sec. 35: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{2}$ SW $\frac{1}{4}$	120.00	K-1022 12-20-60 10 years	State of New Mexico 12 $\frac{1}{2}$ %	Southern Minerals Corporation	None	Southern Minerals Corporation 1/2

December 16, 1963

EXHIBIT "B" - WEST ANTELOPE SINK UNIT AREA - EDDY COUNTY, NEW MEXICO

Page 2

Tract No.	Description	No. of Acres	Serial No. and Lease Date	Land Owner Percentage of Royalty	Record Owner of Lease or Application	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage of Interest
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STATE LANDS (Continued)

1. 19. 2. 3. 23 E.

3	Sec. 24: 1/2 Sec. 25: 1/2	640.00	OG-270-1 10-16-56 10 years	State of New Mexico 12 1/2%	The British-American Oil Producing Company	Earl G. Levick	2.50% The British-American Oil Producing Company
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TOTAL STATE LANDS - AND - TOTAL UNIT AREA - 3,680.00 Acres

December 13, 1963

DRAFT
JMD/esr

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. 2963

Order No. R- 2634

APPLICATION OF TOM BROWN DRILLING
COMPANY FOR APPROVAL OF THE WEST
ANTELOPE SINK UNIT AGREEMENT, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
January 8, 1964, at Santa Fe, New Mexico, before Daniel S. Nutter,
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 January, 1964, the Commission,
a quorum being present, having considered the application, the
evidence adduced, and the recommendations of the Examiner,
Daniel S. Nutter, 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, Tom Brown Drilling Company, seeks
approval of the West Antelope Sink Unit Agreement covering 3,680
acres, more or less, of State land in Township 19 South, Range 23
East, NMPM, Eddy County, New Mexico.

(3) That approval of the proposed West Antelope Sink 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 West Antelope Sink 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 West Antelope Sink Unit Area, and such plan shall be known as the West Antelope Sink Unit Agreement Plan.

(3) That the West Antelope Sink 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 West Antelope Sink 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 19 SOUTH, RANGE 23 EAST

Section 23: E/2, S/2 NW/4, SW/4 ✓
Section 24: All
Section 25: All
Section 26: E/2, E/2 NW/4, SW/4
Section 35: All
Section 36: All

containing 3,680 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 West Antelope Sink 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 Commissioner of Public Lands for the State of New Mexico, 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.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 8, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Tom Brown Drilling Company
for a unit agreement, Eddy County, New
Mexico.

Case No. 2963

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 8, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Tom Brown Drilling Company)
for a unit agreement, Eddy County, New)
Mexico.)

CASE NO. 2963

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case Number 2963.

MR. DURRETT: Application of Tom Brown Drilling Company
for a unit agreement, Eddy County, New Mexico.

MR. KELLAHIN: Jason Kellahin, of Kellahin & Fox, Santa
Fe, New Mexico, representing the applicant. We have one witness.

(Witness sworn)

MR. KELLAHIN: If the Examiner please, we would like
at this time to ask that the form of the unit which was submitted
with the application be accepted by the Examiner as an exhibit in
the case in lieu of offering another copy at this time.



MR. NUTTER: We do have a copy of the unit Agreement, which was filed with the application?

MR. KELLAHIN: That is correct.

MR. NUTTER: Then, the unit agreement, has it been offered for approval to the operators and to the other regulatory agencies?

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(Whereupon, the unit agreement was admitted into evidence as Exhibit Number One for the Applicant)

FOSTER MORRELL,

called as a witness herein, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A My name is Foster Morrell?

A Mr. Morrell, what business are you engaged in?

A Petroleum consultant, Roswell, New Mexico.

Q In your business as a petroleum consultant, have you had any connection with the Tom Brown Drilling Company application in Case Number 2963?



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A I have.

Q What connection have you had with that?

A I prepared that application and prepared the unit agreement.

Q And have you handled the unit agreement as to circulating it for signature and the other work that is done in connection with it?

A I have.

Q Have you testified before the Oil Conservation Commission before as a petroleum consultant?

A I have.

Q All right.

MR. KELLAHIN: The witness' qualifications acceptable?

MR. NUTTER: Yes, sir.

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A In Case 2963, we propose the West Antelope Sink Unit area, embracing a total of 3,680 acres of State lands. The unit area embraces Section 23, 19 South, 23 East. The East Half of the South Half of the Northwest Quarter, and the Southwest Quarter. In Section 24, all. Section 25, all. Section 26, the East Half of the Northwest Quarter, the Southwest Quarter, and all of Sections 35 and 36.

Q Now, is all of that acreage in common ownership?

A It is common as to the lessor, all being State land.



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Q Have all of the working interest owners agreed to the proposed unit agreement?

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A The only overriding royalty other than working interest owners, is Mr. Earl Lavick.

Q What interest does he own?

A He has a two and one half percent overriding royalty.

Q Do you have a plat, an exhibit, showing the ownership in the unit? Now, referring to what has been marked, Mr. Morrell, as Exhibit Number Two, is that a list of the ownership involved in the proposed unit?

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Q That is the same as the Exhibit B which is attached to the unit agreement; is that correct?

A There will be one correction made on Exhibit B under Tracts Four and Five, the overriding royalty of Marathon Oil Company will be corrected to read from 6.25 percent instead of 12.5.

Q Actually, it appears as being one-half?

A Total.

Q Of the total; is that correct?

A Should be 12½ percent of one-half, or - -



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Q Or 6.25 percent. Otherwise, the exhibit is correct?

A To the best of my knowledge.

Q Now, Exhibit Number Three, is that the plat of the area you have described?

A That is the plat of the unit area, yes.

Q And that is the exhibit which is attached as Exhibit A to the unit agreement? Is that correct?

A That is correct.

Q Now, has the unit agreement, or is the unit agreement in a form that has heretofore been approved by the Commissioner of Public Lands and by this Commission?

A This is the suggested form for State lands, and has been heretofore approved by this Commission, and by the Commissioner of Public Lands.

Q Has the form, as it is finally drafted, been submitted to the Commissioner of Public Lands for approval?

A It has and on January 7, 1964, it was approved, on behalf- - on behalf of the Commissioner of Public Lands.

Q Approved as to form?

A Approved as to form.

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A This unit adjoins the Antelope Sink Unit which lies to the east, and adjoins the Segrest Draw Unit which lies to the west.

Q And in connection with the presentation of the Antelope Sink Unit, was geological information presented to the Commission regarding the west Antelope Sink Unit area, which is under consideration here?

A It was.

Q All right.

MR. KELLAHIN: If the Examiner please, we ask the Commission to takenotice of Case Number 2767, which was heard on March 7, 1963 resulting in Order No. R-2447, dated March 11, 1963, approving the Antelope Sink Unit area. We ask that the Examiner take particular attention of the geological report by James R. Day, dated February 9, 1963, which, in addition to the Antelope



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MR. NUTTER: The Commission will take administrative notice of the geological maps and reports contained in Case 2767.

Q (By Mr. Kellahin) Mr. Morrell, Exhibits One, Two and Three, were prepared by you or under your supervision?

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MR. KELLAHIN: At this time, I would like to offer in evidence Exhibits One, Two and Three.

MR. NUTTER: Applicant's Exhibits One through Three will be admitted in evidence.

(Whereupon, the Applicant's Exhibits One, Two and Three, were admitted into evidence by the Examiner.)

MR. KELLAHIN: That is all the questions I have on direct examination.

* * * *

MR. NUTTER: Does anyone have any questions of Mr. Morrell?

CROSS EXAMINATION

BY MR. NUTTER:



Q Mr. Norrell, regarding the geological report and maps presented in the previous case, has a well been drilled on the Antelope Sink Unit?

A The well has been drilled and completed for an initial production of approximately two million one hundred fifty thousand feet of gas from the Penn formation, in the Northwest Quarter of Section 18, 19 South, Range 24 East, which tends to confirm the geology presented in the previous case.

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Q That would be directly south of Section 35?

A Right.

Q Which included in this unit?

A Yes, sir.

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A That well has been completed for initial production of excess of two million feet of gas.

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A All but British American.

Q They have indicated that they will probably sign this unit?

A That is correct.

Q Now, you mentioned Mr. Lavick's two and a half overriding royalty interest. Is he committed, or not?

A He intends to commit.

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A And Mr. Lavick's overriding royalty is subject to the British American lease.

Q I see.

MR. NUTTER: Are there further questions of Mr. Morrell? He may be excused. Do you have anything else, Mr. Kellahin?

MR. KELLAHIN: That is all.

MR. NUTTER: Does anyone have anything they wish to offer in Case 2963? Take the case under advisement.

* * * * *



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State of New Mexico X
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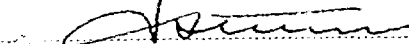
I, ROY D. WILKINS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill, and ability.

WITNESS My Hand and Seal of Office, this 9th day of January, 1964.


NOTARY PUBLIC

My Commission Expires:
September 6, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing of Case No. 2963, heard by me on 1/8, 1964.


Examiner
New Mexico Oil Conservation Commission



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 8, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Tom Brown Drilling Company
for a unit agreement, Eddy County, New
Mexico.

Case No. 2963

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

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BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case Number 2963.

MR. DURRETT: Application of Tom Brown Drilling Company
for a unit agreement, Eddy County, New Mexico.

MR. KELLAHIN: Jason Kellahin, of Kellahin & Fox, Santa
Fe, New Mexico, representing the applicant. We have one witness.

(Witness sworn)

MR. KELLAHIN: If the Examiner please, we would like
at this time to ask that the form of the unit which was submitted
with the application be accepted by the Examiner as an exhibit in
the case in lieu of offering another copy at this time.



MR. NUTTER: We do have a copy of the unit agreement, which was filed with the application?

MR. KELLAHIN: That is correct.

MR. NUTTER: Then, the unit agreement, has it been offered for approval to the operators and to the other regulatory agencies?

MR. KELLAHIN: State of New Mexico, yes, sir.

MR. NUTTER: This unit agreement will be satisfactory for an exhibit in this case.

(Whereupon, the unit agreement was admitted into evidence as Exhibit Number One for the Applicant)

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Phone 243-6691

Albuquerque, New Mexico

Suite 1120 Simms Building

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Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

State of New Mexico X
County of Bernalillo X

I, ROY D. WILKINS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill, and ability.

WITNESS My Hand and Seal of Office, this 9th day of January, 1964.

[Signature]
NOTARY PUBLIC

My Commission Expires:
September 6, 1967.

I do hereby certify that the foregoing is
a true and correct record of the proceedings in
the hearing of Case No. 2963,
and is filed on 1/8, 1964.

[Signature]
New Mexico Oil Conservation Commission

BEFORE EXAMINED MATTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. _____
CASE NO. _____



NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE JANUARY 8, 1964TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
Justin Perlberg	Modell, Leysner, Spring, Ruidoso Haven	Albuquerque
R L Flower Jr.	Mobil Oil	Albbs
Jason Kellish	Kelick & Co.	Santa Fe
Foster Merrill	Tom Brown Valley Co., Inc.	Roswell, N.M.
W. C. [unclear]	[unclear]	" "
[unclear]	Quincey Oil	Midland, Texas
J. E. [unclear]	Harlan Prod. Co.	Monahans, Tex.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

REGISTER

HEARING DATE JANUARY 8, 1964 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:

To the ...

West ...

3600 ...

Y 17 ...

John ...

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. 2963
Order No. R-2634

APPLICATION OF TOM BROWN DRILLING
COMPANY FOR APPROVAL OF THE WEST
ANTELOPE SINK UNIT AGREEMENT, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 8, 1964, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 9th day of January, 1964, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Tom Brown Drilling Company, seeks approval of the West Antelope Sink Unit Agreement covering 3,630 acres, more or less, of State land in Township 19 South, Range 23 East, NMPM, Eddy County, New Mexico.

(3) That approval of the proposed West Antelope Sink 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 West Antelope Sink 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 West Antelope Sink Unit Area, and such plan shall be known as the West Antelope Sink Unit Agreement Plan.

(3) That the West Antelope Sink 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 West Antelope Sink 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 19 SOUTH, RANGE 23 EAST
Section 23: E/2, S/2 NW/4, SW/4
Section 24: All
Section 25: All
Section 26: E/2, E/2 NW/4, SW/4
Section 35: All
Section 36: All

containing 3,680 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 West Antelope Sink 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 Commissioner of Public Lands for the State of New Mexico, 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.

-3-

CASE No. 2963
Order No. R-2634

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

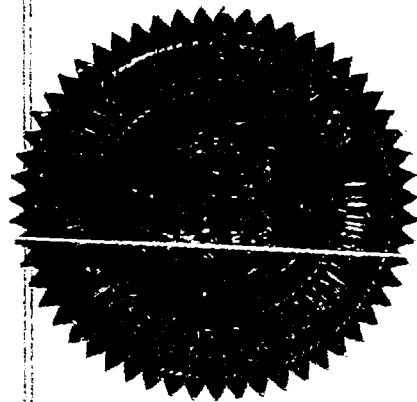
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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



esr/

THE BRITISH-AMERICAN OIL PRODUCING CO.
17TH FLOOR, WILCO BLDG.
MIDLAND, TEXAS

J. W. GAZZALE
DIVISION LANDMAN

PHONE MU 3-4201
RES. PH. MU 2-4723