

CASE 3262: Application of MONSANTO  
COMPANY for approval of the CUEVA  
UNIT AGREEMENT.

CASE NO.  
3262

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

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I N D E X

WITNESS

PAGE

JAMES D. WEBB

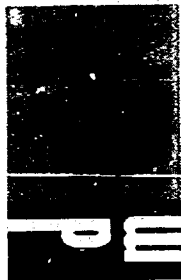
Direct Examination by Mr. Hinkle

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STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

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

WITNESS my Hand and Seal this 21st day of June, 1965.

Ada Dearnley

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3262, heard by me on June 9, 1965.

Elmer D. [Signature], Examiner  
New Mexico Oil Conservation Commission



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MR. UTZ: Exhibits 1 through 4 will be entered into the record of this case. Any questions of the witness. Any statements in the case. The case will be taken under advisement.

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PAGE 8

A Yes, it has.

Q Is Exhibit 4 a copy of the letter of approval of the formal agreement?

A Yes.

Q In the event this unit agreement is approved and the initial test well, or any subsequent well which may be drilled, results in the discovery of unitized substances in paying quantities, will the unit agreement be in the interest of conservation and the prevention of waste?

A Yes, it certainly will.

Q Will it also promote the greatest ultimate recovery of the unitized substances?

A Yes, it will.

Q What is the status of this unit as far as execution by the lease hold interest, the owners of the lease hold interest?

A We are currently getting signatures. The exact status of who has signed and who has not signed, I don't know.

Q You do anticipate, however, that a large percentage of the lease hold interest will be committed to the unit agreement?

A That's very true.

MR. HINKLE: I believe that's all we have. I

Q Copies of the unit agreement have been filed with the Oil Conservation Commission in connection with the application. Is Monsanto Company designated as the unit operator?

A Yes, they are.

Q Does the unit agreement provide for the drilling of the initial test well concerning which you have previously testified?

A Yes, it does.

Q Does the unit agreement provide for the expansion and contraction of the unit area?

A Yes, it does.

Q Do you know whether or not this is the same form or substantially the same form as has heretofore been used and approved in connection with units involving both Federal and State lands?

A Yes, it is.

Q Do you know how many acres or percentage of Federal lands and of State lands?

A Yes, there are 8,962.28 acres of Federal lands which is 71.76%; 2,867 acres or 23.09% of State land; patented land 642.69 or .515%.

Q Has the form of unit agreement heretofore been approved by the Commissioner of Public Lands or his staff?

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in red have penetrated the Devonian, we have mapped a large structural closure and we feel that this unit area is favorably located on this closure.

Q Is this the same map upon which the designation of the United States Geological Survey of the area was based?

A — That's right.

Q Do you feel that the control of the contours as shown by this map is fairly good in view of the several wells which have been drilled in the area?

A Yes, I do. There are good shows on the edge of the prospect.

Q In your opinion, does the unit area cover all or substantially all of the geological feature involved?

A Yes, it does.

Q Do you feel that in the event of production on the area that the unit area would give effective control of the pool for field?

A Yes.

Q Where will the initial test well be located?

A In the southeast of the southwest quarter of Section 28, Township 22 South, Range 25 East.

Q Are you familiar with the form of unit agreement which you propose to use in this case?

A Yes.

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proposed area with reference to Carlsbad?

A Yes.

Q Refer to Exhibit No. 1 and explain what that shows.

A Well, the unit is about ten miles southwest of Carlsbad, it's about ten miles north of Carlsbad Caverns. It's about eight miles southeast of the Indian Basin Gas Field. Geologically, the area is on the edge of the Delaware Basin.

Q Where is this situated with reference to the Carlsbad Caverns?

A It's ten miles north of the Caverns.

Q Has this area been designated as an area suitable and proper for unitization by the United States Geological Survey?

A Yes, it has.

Q Exhibit 2 purports to be such a designation by the United States Geological Survey, is that right?

A That is correct.

Q Now, refer to Exhibit 3, which is the structural map that you have referred to and explain to the Commission what it is and what it shows?

A All right. This map is contoured on top of the Devonian formation and it's, the contour interval is 100 feet. It's based upon electric log tops, the wells that are circled

acceptable?

MR. UTZ: Yes, sir.

Q (By Mr. Hinkle) Are you familiar with the application which Monsanto has filed in this case?

A Yes, I am.

Q What is Monsanto seeking to accomplish through this application?

A We're seeking approval of a unit agreement of an area in Eddy County that's located in Township 22, South and 23 South, Range 25, East, and the area encompasses 12,488.46 acres.

Q Does Monsanto propose to drill a deep test well on the unit area?

A Yes, we do.

Q In the drilling of this well, what probable producing formations will be penetrated?

A The Wolfcamp formation, the Cisco formation, the Strawn formation, the Morrow formation and the Devonian formation.

Q Have you prepared or has there been prepared under your direction a structural map covering this area?

A Yes, there has.

Q Before we get to that, though, have you prepared an index map showing the relative position of the

Q Will you give a brief resume of your educational background?

A I graduated from the University of Texas in 1952 and have been continuously employed as an Exploration Geologist since that time. I worked in west Texas in the Panhandle, west central Texas and the Gulf Coast.

Q How long have you been employed by Monsanto?

A I have been employed by Monsanto for three years.

Q What is your official position with them at the present time?

A District Geologist.

Q District Geologist?

A Yes.

Q Are you in charge of the exploration development work from a geological standpoint of Monsanto in southeast New Mexico?

A That is correct.

Q You are familiar with the operations which they have carried on?

A That is true.

Q Are you familiar with the proposed operations of Monsanto in the Cueva Unit Area?

A Yes, I am.

MR. HINKLE: Are the witness' qualifications

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MR. UTZ: Application of Monsanto Company for a unit agreement, Eddy County, New Mexico, Cueva Unit Area.

MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant and Christy, Roswell, appearing on behalf of Monsanto. We have one witness Mr. Jim Webb, whom we would like to have sworn.

(Witness sworn.)

(Whereupon, Applicant's Exhibits Nos. 1 to 4 inclusive were marked for identification.)

JAMES D. WEBB

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

DIRECT EXAMINATION

BY MR. HINKLE:

Q Your name is Jim Webb?

A That is correct.

Q You are employed by the Monsanto Company?

A That is correct.

Q In what capacity?

A District Geologist.

Q Are you a graduate geologist?

A Yes, I am.

Q Have you ever testified before the Oil Conservation Commission?

A No, I have not.



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PAGE 1

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 9, 1965

EXAMINER HEARING

IN THE MATTER OF:

Application of Monsanto Company for a  
unit agreement, Eddy County, New Mexico.

Case No. 3262

BEFORE: ELVIS A. UTZ

TRANSCRIPT OF HEARING

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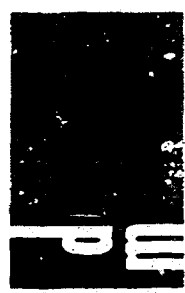
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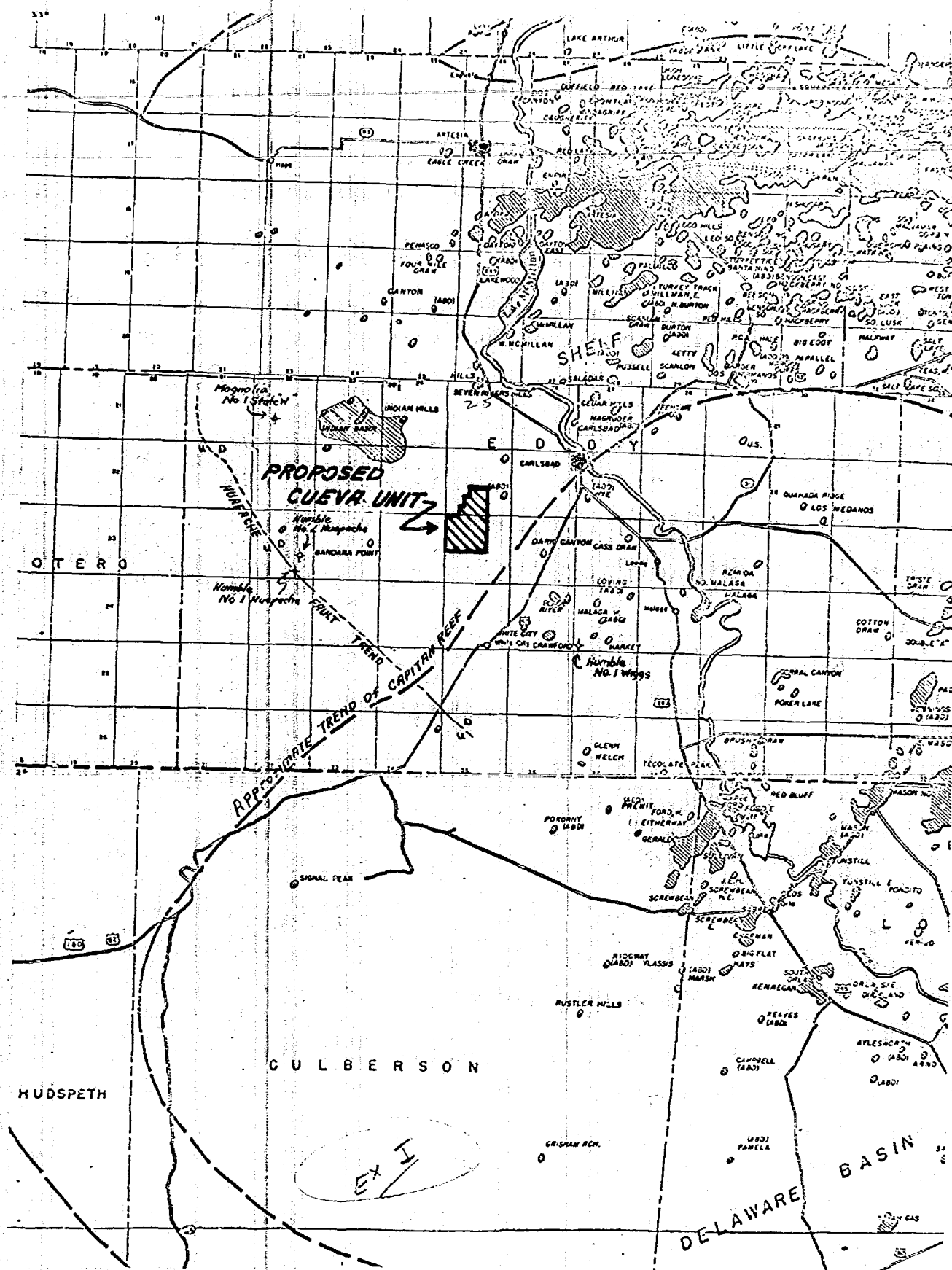


Figure 1: Index map showing location of proposed Cueva Unit, producing oil and gas fields, and location of wells and other features referred to in text but not shown on geologic maps.

Tract No.	Description of Land	Number of Acres	Serial Number & Exp. Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty Oil Payment & Percentage	Working Interest & Percentage
41.	T-23S, R-25E Sec. 16: S $\frac{1}{2}$ , S $\frac{1}{4}$ N $\frac{1}{2}$ , N $\frac{1}{2}$ E $\frac{1}{2}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$	600.00	K 4760 2-16-75	State All 12%	Claude Neeley	None	Claude Neeley 100%
11 Tracts State of New Mexico Lands, 2,883.67 acres						23.09% of unit area	
<u>PATENTED (FEE) LANDS</u>							
42.	T-22S, R-25E Sec. 22: N $\frac{1}{2}$ S $\frac{1}{2}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$	120.00	3-25-68	Jane G. Bujac	Northern Natural Gas	None	Mobil Oil 100%
43.	T-22S, R-25E Sec. 22: SW $\frac{1}{4}$ SW $\frac{1}{4}$	40.00	3-25-68	Jane G. Bujac	Union of Calif.	None	Union of Calif. 100%
44.	T-22S, R-25E Sec. 22: N $\frac{1}{2}$ N $\frac{1}{2}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$	160.00	7-29-68	C.M. McElhannon 1/4 Johnney Cockburn Ralph A. Shugart 1/2	Pan American	None	Pan American 100%
45.	T-23S, R-25E Sec. 4: Lot 3, 4, S $\frac{1}{2}$ NW $\frac{1}{4}$	160.69	5-6-67	G. F. Newman	Humble Oil	None	Humble Oil 100%
46.	T-23S, R-25E Sec. 6: Lot 1, 2, 3, 4 (N $\frac{1}{2}$ N $\frac{1}{2}$ )	162.00	5-25-67	Warren G. Smith 1/3 William G. Smith 1/3 Norma J. Smith 1/3	Humble Oil	None	Humble Oil 100%
5 Tracts Patented (Fee) Lands, 642.69 acres						5.15% of unit area	
<u>RECAPITULATION:</u>							
30 Tracts Federal Lands					3,962.28 acres	-	71.76% of Unit Area
11 Tracts State Lands					2,883.67 acres	-	23.09% of Unit Area
5 Tracts Fee Lands					642.69 acres	-	5.15% of Unit Area
46 Tracts					12,488.64 acres		100.00% of Unit Area

Tract No.	Description of Land	Number of Acres	Serial Number & Exp. Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty Oil Payment & Percentage	Working Interest & Percentage
32.	T-22S, R-25E Sec. 32: NW $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$	480.00	OG 396-1 6-17-68	State All 12%	Mobil Oil Co.	None	Mobil Curtis Inman Kern County Land Richfield Sinclair 50% 21.875% 12.5% 9.375% 6.25%
33.	T-23S, R-25E Sec. 4: SE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , Lots 1, 2	320.63	OG 4050 7-15-68	State All 12%	Mobil Oil Co.	None	Mobil Oil Co. 100%
34.	T-23S, R-25E Sec. 9: NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 10: W $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 16: NE $\frac{1}{4}$ W $\frac{1}{2}$	360.00	OG 5124 2-17-69	State All 12%	Sinclair	None	Sinclair 100%
35.	T-23S, R-25E Sec. 3: S $\frac{1}{2}$ N $\frac{1}{2}$ , Lot 2, 3	240.66	K 616 7-19-70	State All 12%	Union of Calif.	None	Union of Calif. 100%
36.	T-23S, R-25E Sec. 5: Lot 2	40.41	K 616-1 7-19-70	State All 12%	Curtis Inman	None	Curtis Inman Kern County Land Richfield Sinclair 66.25% 15.30% 11.25% 7.5%
37.	T-22S, R-25E Sec. 32: S $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 27: W $\frac{1}{2}$ NW $\frac{1}{4}$	160.00	K 1588 7-18-71	State All 12%	Marathon	None	Marathon 100%
38.	T-22S, R-25E Sec. 32: SW $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{2}$ SE $\frac{1}{4}$	80.00	K 2030 12-19-71	State All 12%	Marathon	None	Marathon 100%
39.	T-22S, R-25E Sec. 27: NE $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 28: E $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{2}$ SE $\frac{1}{4}$	240.00	K 2510 6-19-72	State All 12%	Southern Minerals	None	Southern Minerals 100%
40.	T-23S, R-25E Sec. 3: Lot 1, Lot 4	80.66	K 4591 12-15-74	State All 12%	Monsanto David Fasken	None	Monsanto David Fasken 50% 50%

Tract No.	Description of 1 and	Number of Acres	Serial Number & Exp. Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty Oil Payment & Percentage	Working Interest & Percentage
25.	T-23S, R-25E Sec. 10: E $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 15: SW $\frac{1}{4}$	240.00	NM 0440745 10-1-73	USA All 12%	Union of Calif.	H. Boscowitz \$750 p/a out of 5%	Union of Calif. 100%
26.	T-22S, R-25E Sec. 34: NW $\frac{1}{4}$ , NE $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$	280.00	NM 0452929-A 12-1-73	USA All 12%	Monsanto David Fasken	C. P. Ellis, III \$750 p/a out of 5%	Monsanto David Fasken 50%
27.	T-13S, R-25E Sec. 10: NW $\frac{1}{4}$ Sec. 15: NW $\frac{1}{4}$	320.00	NM 0474328 1-1-74	USA All 12%	Monsanto David Fasken	Mary C. Cooper \$1100 p/a out of 4% Wesley Chalfant 1% ORR	Monsanto David Fasken 50%
28.	T-23S, R-25E Sec. 3: SW $\frac{1}{4}$ T-22S, R-25E Sec. 21: NW $\frac{1}{4}$ , NE $\frac{1}{2}$ SW $\frac{1}{4}$ , NE $\frac{1}{2}$ SW $\frac{1}{4}$ , NW $\frac{1}{2}$ SE $\frac{1}{4}$ Sec. 22: NW $\frac{1}{2}$ NW $\frac{1}{4}$	600.00	NM 0523141 3-1-73	USA All 12%	Gulf Oil Corp.	C. M. Mask \$750 p/a out of 5%	Gulf Oil Corp. 100%
29.	T-23S, R-25E Sec. 17: All	640.00	NM 0556286 3-1-75	USA All 12%	Monsanto David Fasken	Earl G. Bateman 5% ORR	Monsanto David Fasken 50%
30.	T-22S, R-25E Sec. 29: NE $\frac{1}{4}$	160.00	NM 0556532 4-1-75	USA All 12%	Derrell G. Hanks		Monsanto David Fasken 50%

30 Tracts

Federal lands, 8,962.28 acres

71.76% of unit area

## STATE OF NEW MEXICO LANDS

31.	T-23S, R-25E Sec. 5: SW $\frac{1}{4}$ , Lots 1, 3 and 4	281.31	E 10089-1 5-15-66	State All 12%	Phillips Pet. Co.	None	Phillips Pet. Co. 40.00% Curtis Inman 26.25% Sinclair 7.5% Kern County Land 15% Richfield 11.25%
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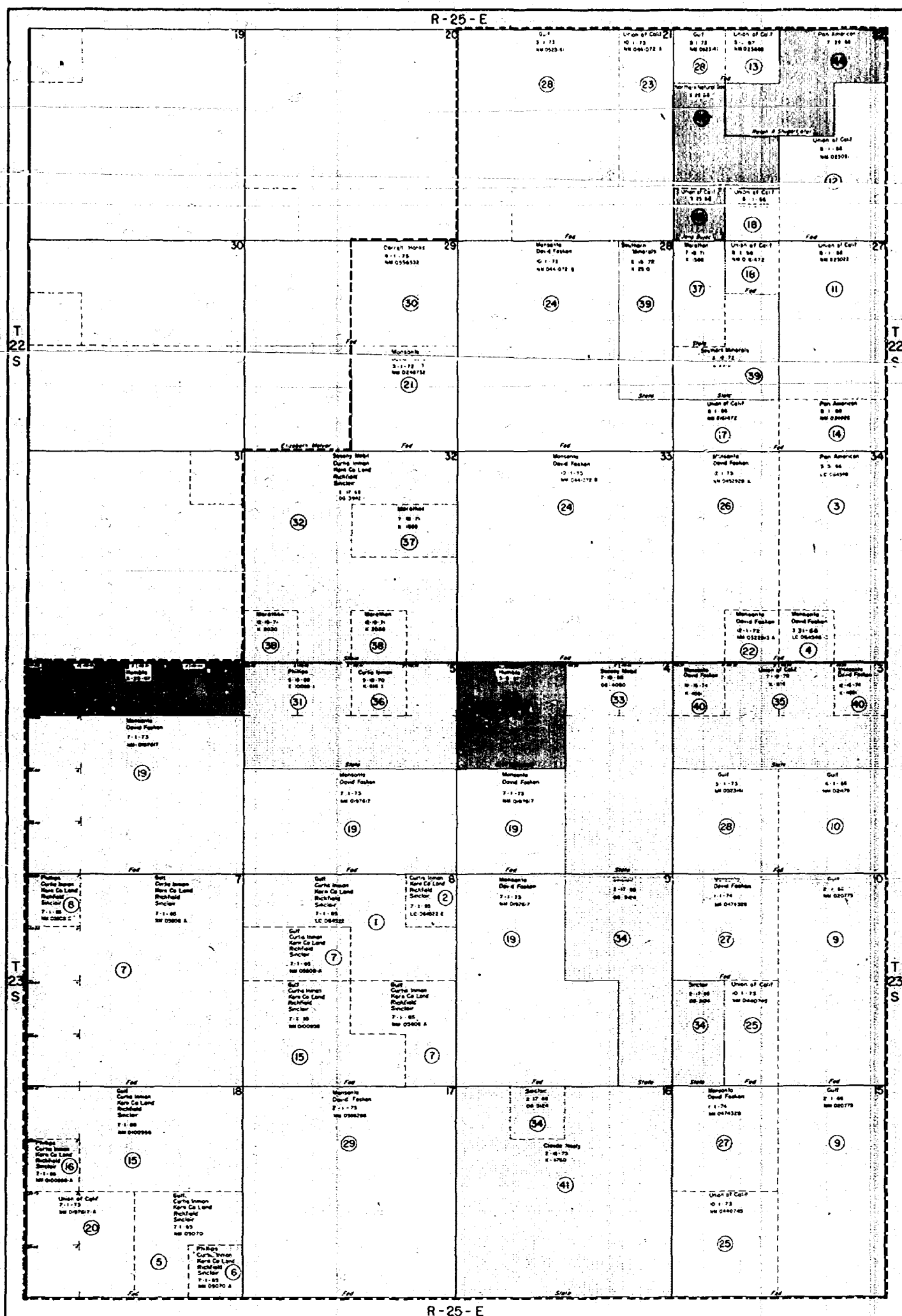
Tract No.	Description of Land	Number of Acres	Serial Number & Exp. Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty Oil Payment & Percentage	Working Interest & Percentage	
15.	T-23S, R-25E Sec. 8: SW <sup>1</sup> <sub>4</sub> , SW <sup>2</sup> <sub>4</sub> , SW <sup>3</sup> <sub>4</sub> , SW <sup>4</sup> <sub>4</sub> Sec. 18: NE <sup>1</sup> <sub>4</sub> , E <sup>1</sup> <sub>2</sub> NE <sup>1</sup> <sub>4</sub> , NW <sup>1</sup> <sub>4</sub> , NW <sup>2</sup> <sub>4</sub> (Lct 1)	180.12	NM 0100958 7-1-65	USA 12 <sup>3</sup> / <sub>8</sub> % ALL	Gulf Oil Corp.	Ruth McPherson \$500 p/a out of 3%	Gulf Curtis Inman Kern County Land Richfield Sincclair 50% 21.975% 12.5% 9.375% 6.25%	
16.	T-23S, R-25E Sec. 18: SW <sup>1</sup> <sub>4</sub> , NW <sup>1</sup> <sub>4</sub> (Lct 2)	39.95	NM-0100958-A 7-1-65	USA 12 <sup>3</sup> / <sub>8</sub> % ALL	Curtis R. Inman	Ruth McPherson \$500 p/a out of 3%	Curtis Inman Kern County Land Richfield Sincclair Phillips 32.3125% 18.75% 11.0625% 9.375% 25%	
17.	T-23S, R-25E Sec. 27: S <sup>1</sup> <sub>2</sub> SW <sup>1</sup> <sub>4</sub> , NE <sup>1</sup> <sub>4</sub> NW <sup>1</sup> <sub>4</sub>	120.00	NM 0161472 8-1-66	USA 12 <sup>3</sup> / <sub>8</sub> % ALL	Union of Calif.	E. D. White \$750 p/a out of 3%	Union of Calif.	100%
18.	T-23S, R-25E Sec. 22: SE <sup>1</sup> <sub>4</sub> SW <sup>1</sup> <sub>4</sub>	40.00	NM 0161473 8-1-66	USA 12 <sup>3</sup> / <sub>8</sub> % ALL	Union of Calif.	1-Morton Harris & 1-Blanco Co. \$500 p/a out of 3%	Union of Calif.	100%
19.	T-23S, R-25E Sec. 4: SW <sup>1</sup> <sub>4</sub> Sec. 5: S <sup>1</sup> <sub>2</sub> Sec. 6: SE <sup>1</sup> <sub>4</sub> , S <sup>1</sup> <sub>2</sub> NE <sup>1</sup> <sub>4</sub> , E <sup>1</sup> <sub>2</sub> SW <sup>1</sup> <sub>4</sub> , SE <sup>1</sup> <sub>4</sub> NW <sup>1</sup> <sub>4</sub> , Lots 5, 6, 7 Sec. 9: W <sup>1</sup> <sub>2</sub> , W <sup>1</sup> <sub>2</sub> SE <sup>1</sup> <sub>4</sub>	1361.80	NM 0197617 7-1-73	USA 12 <sup>3</sup> / <sub>8</sub> % ALL	Monsanto David Fasken	W. F. Schwenn 1 <sup>1</sup> / <sub>8</sub> % Don Link 3 <sup>1</sup> / <sub>8</sub> %	Monsanto David Fasken	50% 50%
20.	T-23S, R-25E Sec. 18: E <sup>1</sup> <sub>2</sub> SW <sup>1</sup> <sub>4</sub> , Lots 3, 4	159.41	NM 0197617-A 7-1-73	USA 12 <sup>3</sup> / <sub>8</sub> % ALL	Union of Calif.	W. F. Schwenn 1 <sup>1</sup> / <sub>8</sub> % Don R. Link 2 <sup>1</sup> / <sub>8</sub> %	Union of Calif.	100%
21.	T-23S, R-25E Sec. 29: SE <sup>1</sup> <sub>4</sub>	160.00	NM 0248732 3-1-72	USA 12 <sup>3</sup> / <sub>8</sub> % ALL	Monsanto David Fasken	William A. Huffman 5% ORR	Monsanto David Fasken	50% 50%
22.	T-23S, R-25E Sec. 34: SE <sup>1</sup> <sub>4</sub> SW <sup>1</sup> <sub>4</sub>	40.00	NM 0322913-A 12-1-72	USA 12 <sup>3</sup> / <sub>8</sub> % ALL	Monsanto David Fasken	R. G. Hanagan \$800 p/a out of 2% Sullivan, Inc. \$800 p/a out of 3%	Monsanto David Fasken	50% 50%
23.	T-23S, R-25E Sec. 21: E <sup>1</sup> <sub>2</sub> SW <sup>1</sup> <sub>4</sub> , SW <sup>1</sup> <sub>4</sub> SE <sup>1</sup> <sub>4</sub> , SE <sup>1</sup> <sub>4</sub> SW <sup>1</sup> <sub>4</sub>	240.00	NM 0411072-A 10-1-73	USA 12 <sup>3</sup> / <sub>8</sub> % ALL	Union of Calif.	J. Windous, Jr. \$750 p/a out of 5%	Union of Calif.	100%
24.	T-23S, R-25E Sec. 28: W <sup>1</sup> <sub>2</sub> , W <sup>1</sup> <sub>2</sub> SE <sup>1</sup> <sub>4</sub> , SE <sup>1</sup> <sub>4</sub> SE <sup>1</sup> <sub>4</sub> Sec. 33: All	1160.00	NM 0411072-B 10-1-73	USA 12 <sup>3</sup> / <sub>8</sub> % ALL	Monsanto David Fasken	J. Windous, Jr. \$750 p/a out of 5%	Monsanto David Fasken	50% 50%



Tract No.	Description of Land	Number of Acres	Serial Number & Exp. Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty Oil Payment & Percentage	Working Interest & Percentage
6.	T-23S, R-25E Sec. 18: SE $\frac{1}{4}$ SE $\frac{1}{4}$	40.00	NM 05070-A 7-1-65	USA 12 $\frac{3}{4}$ %	ALL Curtis Inman	Gladys Lutz 31/36 of \$500 p/a out of 3% Bryan Bell 5/36 of \$500 p/a out of 3%	Curtis Inman Kern County Land Richfield Sinclair Phillips Petro. Co. 32.8125% 18.75% 14.0625% 9.375% 25%
7.	T-23S, R-25E Sec. 7: E $\frac{1}{2}$ , E $\frac{1}{2}$ W $\frac{1}{2}$ , Lots 2, 3, 4 Sec. 8: S $\frac{1}{2}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$	800.71	NM 05808-A 7-1-65	USA 12 $\frac{3}{4}$ %	ALL Gulf Oil Corp.	T. J. Deason \$500 p/a out of 3%	Gulf Curtis Inman Kern County Land Sinclair Richfield 50% 21.875% 12.5% 6.25% 9.375%
8.	T-23S, R-25E Sec. 7: NW $\frac{1}{4}$ NW $\frac{1}{4}$ (Lot 1)	40.29	NM 05808-C 7-1-65	USA 12 $\frac{3}{4}$ %	ALL Phillips Petro. Co.	T. J. Deason \$500 p/a out of 3%	Phillips Curtis Inman Kern County Land Richfield Sinclair 10% 26.25% 15% 11.25% 7.5%
9.	T-23S, R-25E Sec. 10: E $\frac{1}{2}$ Sec. 15: E $\frac{1}{2}$	640.00	NM 020775 2-1-66	USA 12 $\frac{3}{4}$ %	ALL Gulf Oil Corp.	Gordon Cone 5%	Gulf 100%
10.	T-23S, R-25E Sec. 3: SE $\frac{1}{4}$	160.00	NM 021179 4-1-66	USA 12 $\frac{3}{4}$ %	ALL Gulf Oil Corp.	E. D. White \$750 p/a out of 5%	Gulf 100%
11.	T-23S, R-25E Sec. 27: NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$	240.00	NM 023022 8-1-66	USA 12 $\frac{3}{4}$ %	ALL Union of Calif.	E. D. White \$750 p/a out of 3%	Union of Calif. 100%
12.	T-23S, R-25E Sec. 22: SE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$	200.00	NM 023091 8-1-65	USA 12 $\frac{3}{4}$ %	ALL Union of Calif.	Marion Harris & Blanco Co. - \$500 p/a out of 3%	Union of Calif. 100%
13.	T-23S, R-25E Sec. 22: NE $\frac{1}{4}$ NW $\frac{1}{4}$	40.00	NM 023889 5-1-67	USA 12 $\frac{3}{4}$ %	ALL Union of Calif.	E. D. White \$750 p/a out of 3%	Union of Calif. 100%
14.	T-23S, R-25E Sec. 27: S $\frac{1}{2}$ SE $\frac{1}{4}$	80.00	NM 034925 8-1-68	USA 12 $\frac{3}{4}$ %	ALL Pan American	Irma Hanson 3% Fred Cassidy $\frac{1}{2}$ %	Pan American 100%

EXHIBIT "B"  
SCHEDULE SHOWING OWNERSHIP OF ALL LANDS WITHIN  
THE UNIT AREA - CUEVA UNIT AREA  
EDDY COUNTY, NEW MEXICO

Tract No.	Description of Land	Number of Acres	Serial Number & Exp. Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty Oil Payment & Percentage	Working Interest & Percentage
<u>FEDERAL LANDS</u>							
<u>Las Cruces Serials</u>							
1.	T-23S, R-25E Sec. 8: NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$	200.00	LC 064522 7-1-65	USA ALL 12%	Gulf Oil Corp.	P. K. Middleton \$500 p/a out of 3%	Gulf Oil Corp. Curtis Inman Kern County Land 9.375% 12.5% 6.25%
2.	T-23S, R-25E Sec. 8: NE $\frac{1}{4}$ NE $\frac{1}{4}$	40.00	LC 064522-E 7-1-65	USA ALL 12%	Curtis R. Inman	Texaco 5% ORR Includes P. K. Middleton \$500 p/a out of 3%	Curtis Inman Kern County Land Richfield Sinclair 43.75% 25% 18.75% 12.5%
3.	T-22S, R-25E Sec. 34: NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$	280.00	LC 064548 3-31-66	USA ALL 12%	Pan American	E. Southworth 3% ORR	Pan American 100%
4.	T-22S, R-25E Sec. 34: SW $\frac{1}{4}$ SE $\frac{1}{4}$	40.00	LC 064548-C 3-31-66	USA ALL 12%	Monsanto & David Fasken	E. Southworth 3% ORR Hoover Wright \$300 p/a out of 2%	Monsanto David Fasken 50% 50%
<u>New Mexico Serials</u>							
5.	T-23S, R-25E Sec. 18: N $\frac{1}{2}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$	120.00	NM 05070 7-1-65	USA ALL 12%	Gulf Oil Corp.	Gladys Lutz 31/36 of \$500 p/a out of 3% Bryan Bell 5/36 of \$500 p/a out of 3%	Gulf Curtis Inman Kern County Land Richfield Sinclair 50% 21.875% 12.5% 9.375% 6.25%



STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) : ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_  
of Southern Minerals Corporation, a \_\_\_\_\_ corporation, on  
behalf of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) : ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_  
of Union Oil Company of California, a \_\_\_\_\_ corporation, on  
behalf of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) : ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by David Fasken and \_\_\_\_\_ Fasken,  
his wife.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) : ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by Curtis R. Inman and Muriel Henderson Inman,  
his wife.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) : ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by Claude Neeley and \_\_\_\_\_ Neeley,  
his wife.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
 : ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1965 by \_\_\_\_\_,  
of Pan American Petroleum Corporation, a \_\_\_\_\_ corporation,  
on behalf of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
 : ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Phillips Petroleum Company, a \_\_\_\_\_ corporation, on  
behalf of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
 : ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Richfield Oil Corporation, a \_\_\_\_\_ corporation, on behalf  
of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
 : ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Sinclair Oil & Gas Company, a Maine corporation, on behalf of said  
corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
 : ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Socony Mobil Oil Company, Inc., a New York corporation, on behalf of  
said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Monsanto Company, a \_\_\_\_\_ corporation, on behalf  
of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Gulf Oil Corporation, a Pennsylvania corporation, on behalf of said  
corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Humble Oil & Refining Company, a Delaware corporation, on behalf of  
said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Kern County Land Company, a \_\_\_\_\_ corporation, on behalf  
of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Marathon Oil Company, an Ohio corporation, on behalf of said corpora-  
tion.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

ATTEST:

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

SINCLAIR OIL & GAS COMPANY

By \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

SOCONY MOBIL OIL COMPANY, INC.

By \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

SOUTHERN MINERALS CORPORATION

By \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

UNION OIL COMPANY OF CALIFORNIA

By \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

David Fasken

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Curtis R. Inman

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Claude Neeley



WORKING INTEREST OWNERS

ATTEST:

GULF OIL CORPORATION

\_\_\_\_\_  
Secretary

By \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

HUMBLE OIL & REFINING COMPANY

Date: \_\_\_\_\_

By \_\_\_\_\_  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

KERN COUNTY LAND COMPANY

\_\_\_\_\_  
Secretary

By \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

MARATHON OIL COMPANY

\_\_\_\_\_  
Secretary

By \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

PAN AMERICAN PETROLEUM CORPORATION

\_\_\_\_\_  
Secretary

By \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

PHILLIPS PETROLEUM COMPANY

\_\_\_\_\_  
Secretary

By \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

RICHFIELD OIL CORPORATION

\_\_\_\_\_  
Secretary

By \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_



if more than one committed working interest owner is involved, in order for the interest to be regarded as committed to this unit agreement. Except as may otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the first day of the month following the filing with the Supervisor and the Commissioner of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director, provided, however, that as to State land all subsequent joinders must be approved by the Commissioner.

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

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

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

ATTEST:

MONSANTO COMPANY

By \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

UNIT OPERATOR AND WORKING INTEREST  
OWNER

unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

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

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

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

27. NONDISCRIMINATION: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 301 (1) to (7) inclusive, of Executive Order 10925, as amended (28 F.R. 6485), which are hereby incorporated by reference in this agreement.

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

the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

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

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

25. NO WAIVER OF CERTAIN RIGHTS: Nothing in this agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the state wherein said unitized land are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law; provided, further, that no such alteration or modification shall be effective as to any land of the State of New Mexico, as to the rate of prospecting and developing in the absence of the specific written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

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

22. CONFLICT OF SUPERVISION: Neither the Unit Operator nor the working interest owners nor any of them shall be subject to any forfeiture, termination or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provision thereof to the extent that the Unit Operator, working interest owners or any of them are hindered, delayed or prevented from complying therewith by reason of failure of the Unit Operator to obtain in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of New Mexico in and about any matters or things concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this agreement are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of

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

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

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

21. RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION: The Director is hereby vested with authority to alter or modify from time to time in his discretion the quantity and rate of production under this agreement when such quantity and rate is not fixed pursuant to Federal or State law or does not conform to any statewide voluntary conservation or allocation program, which is established, recognized and generally adhered to by the majority of operators in such state, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification. Without regard to the foregoing, the Director is also hereby vested with authority to alter or modify from time to time in his discretion the rate of prospecting and

any such lease provides for a lump-sum rental payment, such payment shall be prorated between the portions so segregated in proportion to the acreage of the respective tracts.

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

20. EFFECTIVE DATE AND TERM: This agreement shall become effective upon approval by the Director and the Commissioner or their duly authorized representatives as of the date of approval by the Director and shall terminate five (5) years from said effective date unless:

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

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



non-unitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities".

(i) 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 the portion not committed, and the provisions of such lease shall apply separately to such segregated portions commencing as of the effective date hereof; provided, however, 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 or gas is discovered and is capable of being produced in paying quantities from some part of the lands embraced in such lease 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 in such lease, the same, as to all 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 or gas in paying quantities is being produced from any portion of said lands.

(j) Any lease, other than a Federal or State lease, having only a portion of its lands committed hereto shall be segregated as to the portion committed and the portion not committed, and the provisions of such lease shall apply separately to such segregated portions commencing as of the effective date hereof. In the event



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

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

(g) Any lease embracing lands of the State of New Mexico which is made subject to this agreement, shall continue in force beyond the term provided therein as to the lands committed hereto until the termination hereof, subject to the provisions of subsection (e) of Section 2 and subsection (i) of this Section 18.

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

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

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

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

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

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the land committed so long as such lease remains subject hereto, provided that production is had in paying

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

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

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

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

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

Royalty due on account of State lands shall be computed and paid on the basis of all unitized substances allocated to such lands.

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

Rentals on State of New Mexico lands subject to this agreement shall be paid at the rates specified in the respective leases.

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

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

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

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

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

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

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

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

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

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



to the effective date of the revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the Director and the Commissioner as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interests, except royalties due the United States and the State of New Mexico, which shall be determined by the Supervisor for Federal land and the Commissioner for State land and the amount thereof deposited, as directed by the Supervisor and the Commissioner respectively, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State royalty on the basis of such approved participating area.

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

12. ALLOCATION OF PRODUCTION: All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating



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

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

Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor and the Commissioner.

Plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and Commissioner are authorized to grant a reasonable extension of the six month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing unitized substances in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement or such as may be specifically approved by the Supervisor and the Commissioner shall be drilled except in accordance with a plan of development approved as herein provided.

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

extensions of time when, in their opinion, such action is warranted.

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

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION: Within six months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor and the Commissioner an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor and the Commissioner, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified herein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor and the Commissioner a plan for an additional specified period for the development and operation of the unitized land.

Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the diligent drilling necessary for determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor and the Commissioner may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall:

(a) specify the number and location of wells to be drilled and the proposed order and time for such drilling; and

(b) to the extent practicable, specify the operating practices regarded as necessary and advisable for proper conservation of natural resources.

9. DRILLING TO DISCOVERY: Within six months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, if on Federal land, or by the Commissioner if on State land, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Siluro-Devonian formation of Devonian age has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the Supervisor, if located on Federal lands, or the Commissioner, if located on State lands, that further drilling of said well would be unwarranted or impracticable, provided, however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 11,000 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Supervisor, if on Federal lands, or the Commissioner, if on State lands, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and Commissioner may modify the drilling requirements of this section by granting reasonable

the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between the unit agreement and the unit operating agreement this unit agreement shall prevail. Three (3) true copies of any unit operating agreement executed pursuant to this section should be filed with the Supervisor and one (1) true copy with the Commissioner, prior to approval of this unit agreement by the Director.

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

6. SUCCESSOR UNIT OPERATOR: Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by working interest owners, the owners of the working interests in the participating area or areas according to their respective acreage interests in such participating area or areas, or, until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by majority vote select a successor Unit Operator. Provided, that, if a majority but less than 75 percent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of one or more additional working interest owner shall be required to select a new operator. Such selection shall not become effective until:

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

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

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.

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

Unit Operator shall have the right to resign in like manner and subject to like limitations, as above provided, at any time a participating area established hereunder is in existence, but in all instances of resignation or removal, until a successor unit operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for performance of the duties of unit operator, and shall not later than 30 days before such resignation or removal become effective appoint a common agent to represent them in any action to be taken hereunder.

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

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

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



3. UNITIZED LAND AND UNITIZED SUBSTANCES: All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement". All oil and gas in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

4. UNIT OPERATOR: Monsanto Company with offices at Midland, Texas is hereby designated as Unit Operator and by signature hereto as Unit Operator commits to this agreement all interests in unitized substances vested in it and agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as owner of an interest in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

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



preferably the first day of a month subsequent to the date of notice.

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

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor, the Commissioner and the Commission evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the Unit Operator, together with an application in sufficient number, for approval of such expansion or contraction and with appropriate joinders.

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

(e) All legal subdivisions of unitized lands (i.e. 40 acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys, however, unusually large lots or tracts shall be considered in multiples of 40 acres, or the nearest aliquot equivalent thereof, for the purpose of elimination under this subsection) no parts of which are entitled to be in a participating area within five years after the first day of the month following the effective date of the first initial participating area established under this unit agreement shall be eliminated automatically from this agreement, effective as of the first day thereafter, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless at the expiration of said five-year period diligent drilling operations are in progress on unitized lands not entitled to participation, in which event all such lands shall remain subject hereto for

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary, or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor", or when requested by the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Commissioner", and not less than seven copies of the revised exhibits shall be filed with the Supervisor, and two copies thereof shall be filed with the Commissioner, and one copy with the New Mexico Oil Conservation Commission, hereinafter referred to as "Commission".

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

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director", or on demand of the Commissioner, after preliminary concurrence by the Director, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof,

effective control of operations therein; and

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

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

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

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

Township 22 South, Range 25 East, N.M.P.M.

Section 21 - All	Section 29 - E $\frac{1}{2}$
Section 22 - All	Section 32 - All
Section 27 - All	Section 33 - All
Section 28 - All	Section 34 - All

Township 23 South, Range 25 East, N.M.P.M.

Section 3 - All	Section 9 - All
Section 4 - All	Section 10 - All
Section 5 - All	Section 15 - All
Section 6 - All	Section 16 - All
Section 7 - All	Section 17 - All
Section 8 - All	Section 18 - All

containing 12,488.64 acres, more or less

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

NO. 262

THIS AGREEMENT entered into as of the \_\_\_\_\_ day of \_\_\_\_\_  
1965, by and between the parties subscribing, ratifying, or consenting  
hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

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

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

WHEREAS, the Commissioner of Public Lands of the State of  
New Mexico is authorized by an Act of the Legislature (Sec 7-11-39  
N.M. Statutes 1953 Annotated) to consent to or approve this agreement  
on behalf of the State of New Mexico, insofar as it covers and includes  
lands and mineral interests of the State of New Mexico; and

WHEREAS, the Oil Conservation Commission of the State of New  
Mexico is authorized by an Act of the Legislature (Article 3, Chapter  
65, Vol. 9, Part 2, 1953 Statutes), to approve this agreement and the  
conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the  
Cueva Unit Area covering the land hereinafter described to give reasonably

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. 3262  
Order No. R-2922

APPLICATION OF MONSANTO COMPANY  
FOR APPROVAL OF THE CUEVA 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 June 9, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 9th day of June, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Monsanto Company, seeks approval of the Cueva Unit Agreement covering 12,438.64 acres, more or less, of State, Federal and Fee lands described as follows:

EDDY COUNTY, NEW MEXICO  
TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM  
Sections 21 and 22: All  
Sections 27 and 28: All  
Section 29: E/2  
Sections 32, 33, and 34: All  
  
TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Sections 3 through 10 inclusive: All  
Sections 15 through 18 inclusive: All

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

RECAPITULATION:

30 Tracts Federal Lands	-	8,962.28 acres	-	71.76% of Unit Area
11 Tracts State Lands	-	2,883.67 acres	-	23.09% of Unit Area
5 Tracts Fee Lands	-	642.69 acres	-	5.15% of Unit Area
46 Tracts		12,488.64 acres		100.00% of Unit Area

FOOTNOTES:

- (1) Phillips Petroleum Company has reassigned their 25% interest in this lease to Ruth McPherson, who in turn has assigned this interest to Monsanto and Fasken. This assignment has not as yet been transmitted to the BLM, Santa Fe, for approval.
- (2) By lease purchase agreement dated March 26, 1965, between Derrell G. Hanks and Monsanto and David Fasken, an assignment of this acreage will be made 10-1-65. Under agreement Hanks reserves a production payment of \$750 per acre out of 5%.
- (3) Assignments from Curtis R. Inman to Kern County Land Company and Sinclair have not as yet been filed with the Bureau of Land Management.
- (4) Assignments from Curtis R. Inman to Kern County Land Company, Richfield and Sinclair have not as yet been filed with the Commissioner of Public Lands.
- (5) The working interest shown was earned by virtue of the drilling of the Inman-Carnero Unit #1 and the assignments have not as yet been filed.

Tract No.	Description of Land	Number of Acres	Serial Number & Exp. Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty Oil Payment & Percentage	Working Interest & Percentage
39.	T-23S, R-25E Sec. 27: N $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 28: E $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$	240.00	K 2510 6-19-72	State All 12 $\frac{1}{2}$ %	Southern Minerals All	None	Southern Minerals 100%
40.	T-23S, R-25E Sec. 3: Lot 1, 4	80.66	K 4591-1 12-15-74	State All 12 $\frac{1}{2}$ %	Monsanto David Fasken All	None	Monsanto 50% David Fasken 50%
41.	T-23S, R-25E Sec. 16: E $\frac{1}{2}$ , W $\frac{1}{2}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$	600.00	K 4760 2-16-75	State All 12 $\frac{1}{2}$ %	Claude Neeley All	None	Claude Neeley 100%
11 Tracts State of New Mexico lands, 2,883.67 acres						23.09% of Unit Area	
<u>PATENTED (FEE) LANDS</u>							
42.	T-22S, R-25E Sec. 22: N $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$	120.00	3-25-68	Jane G. Bujac 12 $\frac{1}{2}$ %	Northern Natural Gas All	None	Mobil Oil 100%
43.	T-22S, R-25E Sec. 22: SW $\frac{1}{4}$ SW $\frac{1}{4}$	40.00	3-25-68	Jane G. Bujac 12 $\frac{1}{2}$ %	Union of Calif. All	None	Union of Calif. 100%
44.	T-22S, R-25E Sec. 22: N $\frac{1}{2}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$	160.00	7-29-68	C.M. McElhannon 1/8 Johny Cockburn 1/4 Ralph A. Shugart 1/2 Cecrude Bennett, Mae Smith, Rose Salzman 1/8 12 $\frac{1}{2}$ %	Pan American All	None	Pan American 100%
45.	T-23S, R-25E Sec. 4: Lots 3, 4, S $\frac{1}{2}$ NW $\frac{1}{4}$	160.69	5-6-67	G.F. Newman Est. 12 $\frac{1}{2}$ %	Humble Oil All	None	Humble Oil 100%
46.	T-23S, R-25E Sec. 6: Lots 1, 2, 3, 4, (N $\frac{1}{2}$ NW $\frac{1}{4}$ )	162.00	5-25-67	William G. Smith 1/2 Norma J. Smith 1/2 12 $\frac{1}{2}$ %	Humble Oil All	None	Humble Oil 100%
5 Tracts Patented (Fee) Lands, 642.69 acres						5.15% of Unit Area	



Tract No.	Description of Land	Number of Acres	Serial Number & Exp. Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty Oil Payment & Percentage	Working Interest & Percentage
STATE OF NEW MEXICO LANDS							
31.	T-23S, R-25E Sec. 5: SW <sup>1</sup> / <sub>4</sub> , Lots 1, 3 and 4	281.31	E 10089-1 5-15-66	State All 12 $\frac{1}{2}$ %	Phillips All	None	Phillips Pet. Co. Curtis R. Inman Sinclair Kern County Land Richfield Oil 11.25% (5)
32.	T-22S, R-25E Sec. 32: NW <sup>1</sup> / <sub>4</sub> , NE <sup>1</sup> / <sub>4</sub> , SE <sup>1</sup> / <sub>4</sub> , SW <sup>1</sup> / <sub>4</sub> , S <sup>1</sup> / <sub>2</sub> SW <sup>1</sup> / <sub>4</sub>	480.00	OG 3942-1 6-17-68	State All 12 $\frac{1}{2}$ %	Curtis R. Inman & Mobil Oil Co. All	None	Mobil Curtis R. Inman Kern County Land Richfield Oil Sinclair 50% 21.875% 12.5% 9.375% 6.25% (4)
33.	T-23S, R-25E Sec. 4: SW <sup>1</sup> / <sub>4</sub> , S <sup>1</sup> / <sub>2</sub> NE <sup>1</sup> / <sub>4</sub> , Lots 1, 2	320.63	OG 4050 7-15-68	State All 12 $\frac{1}{2}$ %	Mobil Oil Co. All	None	Mobil Oil Co. 100%
34.	T-23S, R-25E Sec. 9: NE <sup>1</sup> / <sub>4</sub> , E <sup>1</sup> / <sub>2</sub> SE <sup>1</sup> / <sub>4</sub> Sec. 10: W <sup>1</sup> / <sub>2</sub> SW <sup>1</sup> / <sub>4</sub> Sec. 16: NE <sup>1</sup> / <sub>4</sub> SW <sup>1</sup> / <sub>4</sub>	360.00	OG 5124 2-17-69	State All 12 $\frac{1}{2}$ %	Sinclair All	None	Sinclair 100%
35.	T-23S, R-25E Sec. 3: SW <sup>1</sup> / <sub>4</sub> , Lots 2, 3	240.66	K 616 7-19-70	State All 12 $\frac{1}{2}$ %	Union of Calif. All	None	Union of Calif. 100%
36.	T-23S, R-25E Sec. 5: Lot 2	40.41	K 616-1 7-19-70	State All 12 $\frac{1}{2}$ %	Northern Natural All Gas	None	Curtis Inman Kern County Land Richfield Oil Sinclair 66.25% 15.00% 11.25% 7.5% (5)
37.	T-23S, R-25E Sec. 32: SW <sup>1</sup> / <sub>4</sub> NE <sup>1</sup> / <sub>4</sub> Sec. 27: W <sup>1</sup> / <sub>2</sub> SW <sup>1</sup> / <sub>4</sub>	160.00	K 1588 7-18-71	State All 12 $\frac{1}{2}$ %	Marathon All	None	Marathon 100%
38.	T-23S, R-25E Sec. 32: SW <sup>1</sup> / <sub>4</sub> SW <sup>1</sup> / <sub>4</sub> , SW <sup>1</sup> / <sub>2</sub> SE <sup>1</sup> / <sub>4</sub>	80.00	K 2030 12-19-71	State All 12 $\frac{1}{2}$ %	Marathon All	None	Marathon 100%



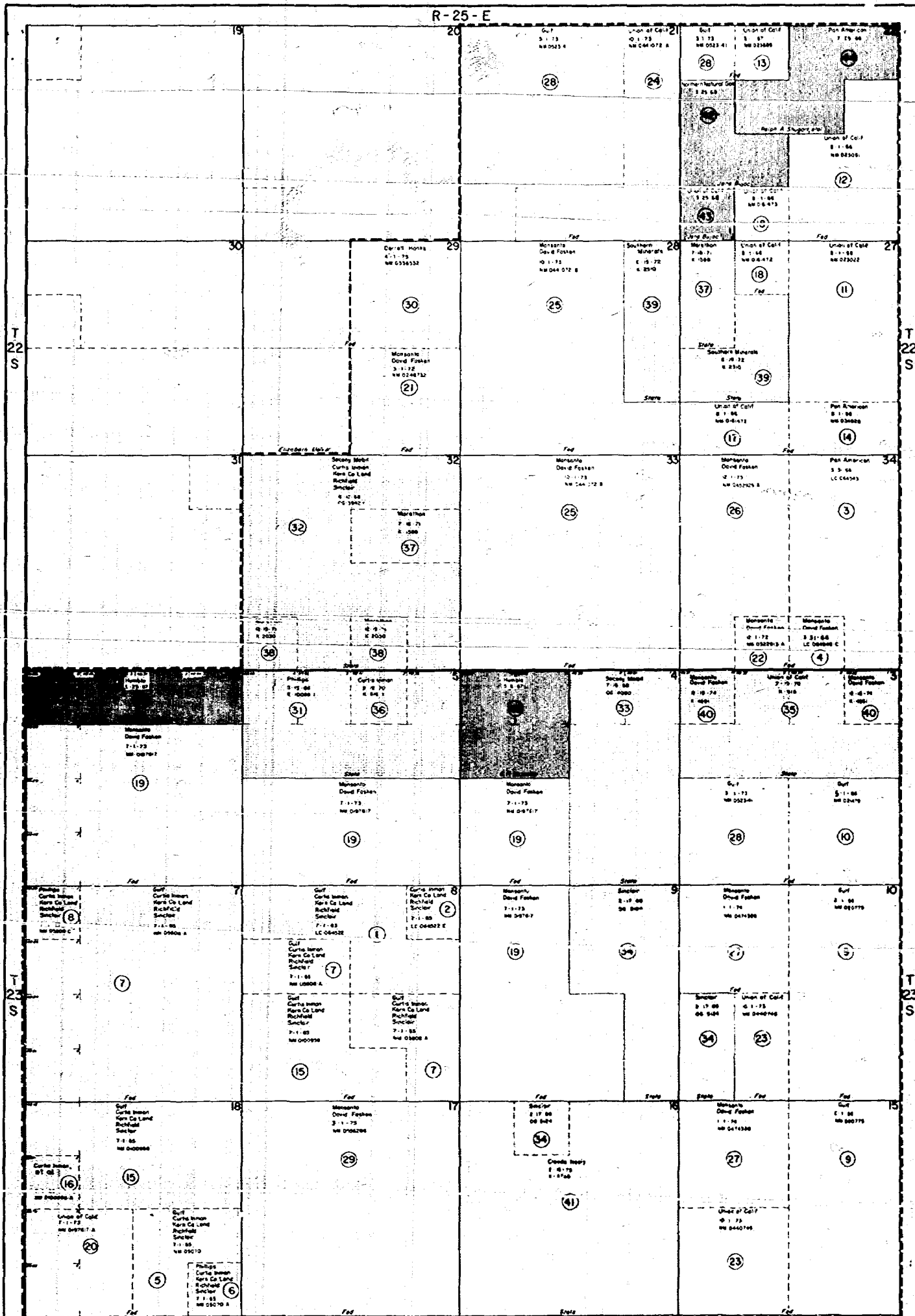
Tract No.	Description of Land	Number of Acres	Serial Number & Exp. Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty Oil Payment & Percentage	Working Interest & Percentage
22.	1-22S, R-25E Sec. 34: SW <sub>4</sub> SW <sub>4</sub>	40.00	NM 0322913-A 11-30-72	USA All 12%	Monsanto David Fasken All	R. G. Hanagan \$800 p/a out of 2% Sullivan, Inc. 3% ORR	Monsanto David Fasken 50%
23.	1-23S, R-25E Sec. 10: SW <sub>4</sub> SW <sub>4</sub> Sec. 15: SW <sub>4</sub>	240.00	NM-0440745 9-30-73	USA All 12%	Union of Calif. All	H. Boscowitz-\$750 p/a out of 5%	Union of Calif. 100%
24.	1-22S, R-25E Sec. 21: SW <sub>4</sub> SW <sub>4</sub> , SW <sub>4</sub> SW <sub>4</sub> , SW <sub>4</sub> SW <sub>4</sub>	240.00	NM-0441072-A 9-30-73	USA All 12%	Union of Calif. All	J. T. Winkhaus, Jr. \$750 p/a out of 5%	Union of Calif. 100%
25.	1-22S, R-25E Sec. 28: SW <sub>4</sub> SW <sub>4</sub> , SW <sub>4</sub> SW <sub>4</sub> , Sec. 33: All	1160.00	NM 0441072-B 9-30-73	USA All 12%	Monsanto David Fasken All	J. T. Winkhaus, Jr. \$750 p/a out of 5%	Monsanto David Fasken 50%
26.	1-22S, R-25E Sec. 34: NW <sub>4</sub> SW <sub>4</sub> , NW <sub>4</sub> SW <sub>4</sub> , SW <sub>4</sub> SW <sub>4</sub>	280.00	NM 0452979-A 11-30-73	USA All 12%	Monsanto David Fasken All	C. P. Ellis, III \$750 p/a out of 5%	Monsanto David Fasken 50%
27.	1-23S, R-25E Sec. 10: NW <sub>4</sub> SW <sub>4</sub> Sec. 15: NW <sub>4</sub> SW <sub>4</sub>	320.00	NM 0474328-A 12-31-73	USA All 12%	Monsanto David Fasken All	Mary C. Cooper \$2400 p/a out of 4% Wesley Chalfant \$150 p/a out of 1%	Monsanto David Fasken 50%
28.	1-23S, R-25E Sec. 3: SW <sub>4</sub> SW <sub>4</sub> 1-22S, R-25E Sec. 21: NW <sub>4</sub> SW <sub>4</sub> , NW <sub>4</sub> SW <sub>4</sub> , SW <sub>4</sub> SW <sub>4</sub> , NW <sub>4</sub> SW <sub>4</sub> , Sec. 22: NW <sub>4</sub> SW <sub>4</sub>	600.00	NM 0523141 2-28-73	USA All 12%	Gulf Oil Corp. All	C. M. Mask \$750 p/a out of 5%	Gulf Oil Corp. 100%
29.	1-23S, R-25E Sec. 17: All	640.00	NM 0556486 2-29-75	USA All 12%	Monsanto David Fasken All	Earl G. Bateman 3% ORR Sherman Nelson 1% ORR W. L. Serpas Sr. 1% ORR	Monsanto David Fasken 50%
30.	1-22S, R-25E Sec. 29: NW <sub>4</sub> SW <sub>4</sub>	160.00	NM 0556532 3-31-75	USA All 12%	Derrell G. Hanks All		Monsanto David Fasken 50%
30 Tracts				Federal Lands, 8,962.28 Acres		71.76% of Unit Area	

Tract No.	Description of Land	Number of Acres	Serial Number & Exp. Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty Oil Payment & Percentage	Working Interest & Percentage
13.	<u>T-223, R-25E</u> Sec. 22: NE $\frac{1}{4}$ NW $\frac{1}{4}$	40.00	NM 023889 4-30-67	USA All 12 $\frac{1}{2}$ %	Union of Calif. All	E. D. White \$750 p/a out of 3%	Union of Calif. 100%
14.	<u>T-223, R-25E</u> Sec. 27: SE $\frac{1}{4}$ SE $\frac{1}{4}$	80.00	NM 034925 7-31-68	USA All 12 $\frac{1}{2}$ %	Pan American All	Irma Hanson 3% ORR Fred Cassidy $\frac{1}{2}$ % ORR	Pan American 100%
15.	<u>T-233, R-25E</u> Sec. 8: SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 18: NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$ (Lot 1)	480.12	NM 0100958 7-1-65	USA All 12 $\frac{1}{2}$ %	Gulf Oil Corp. $\frac{1}{2}$ Curtis R. Inman 40.625% Richfield Oil 9.375%	Ruth McPherson 13/18 R. C. Bell 5/18 \$500 p/a out of 3%	Gulf Oil Corp. Curtis R. Inman Kern County Land Richfield Oil Sinciatr 6.25% (3)
16.	<u>T-233, R-25E</u> Sec. 18: SW $\frac{1}{4}$ NW $\frac{1}{4}$ (Lot 2)	39.95	NM 0100958-A 7-1-65	USA All 12 $\frac{1}{2}$ %	Curtis R. Inman 60.9375% Phillips 25% Richfield Oil 14.0625%	Ruth McPherson 13/18 R. C. Bell 5/18 \$500 p/a out of 3%	Curtis R. Inman Kern County Land Richfield Oil Sinciatr Monsanto-Fasken 25% (1)
17.	<u>T-223, R-25E</u> Sec. 27: SE $\frac{1}{4}$ SW $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$	120.00	NM 0161472 7-31-66	USA All 12 $\frac{1}{2}$ %	Union of Calif. All	E. D. White \$750 p/a out of 3%	Union of Calif. 100%
18.	<u>T-223, R-25E</u> Sec. 22: SE $\frac{1}{4}$ SW $\frac{1}{4}$	40.00	NM 0161473 7-31-66	USA All 12 $\frac{1}{2}$ %	Union of Calif. All	$\frac{1}{2}$ -Marion Harris & $\frac{1}{2}$ -Bianco Co. \$500 p/a out of 3%	Union of Calif. 100%
19.	<u>T-233, R-25E</u> Sec. 4: SW $\frac{1}{4}$ Sec. 5: S $\frac{1}{2}$ Sec. 6: SE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , Lots 5, 6, 7 Sec. 9: W $\frac{1}{2}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$	1361.80	NM 0197617 6-30-73	USA All 12 $\frac{1}{2}$ %	Monsanto $\frac{1}{2}$ David Fasken $\frac{1}{2}$	W. F. Schwenn 1 $\frac{1}{2}$ % ORR Don Link 3 $\frac{1}{2}$ % ORR	Monsanto David Fasken 50%
20.	<u>T-233, R-25E</u> Sec. 18: E $\frac{1}{2}$ SW $\frac{1}{4}$ , Lots 3, 4	159.41	NM 0197617-A 6-30-73	USA All 12 $\frac{1}{2}$ %	Union of Calif. All	W. F. Schwenn 1 $\frac{1}{2}$ % ORR Don R. Link 2 $\frac{1}{2}$ % ORR	Union of Calif. 100%
21.	<u>T-223, R-25E</u> Sec. 29: SE $\frac{1}{4}$	160.00	NM 0248732-A 2-29-72	USA All 12 $\frac{1}{2}$ %	Monsanto $\frac{1}{2}$ David Fasken $\frac{1}{2}$	William A. Huffman 5% ORR	Monsanto David Fasken 50%

Tract No.	Description of Land	Number of Acres	Serial Number & Exp. Date of Lease	Basic Royalty & Ownership Percentage		Lessee or Record	Overriding Royalty Oil Payment & Percentage		Working Interest & Percentage
New Mexico Serials									
5.	T-23, R-25E Sec. 18: N <sub>1</sub> SE <sub>1</sub> , SW <sub>1</sub> SE <sub>1</sub>	120.00	NM 05070 7-1-65	USA 12%	ALL	Gulf Oil Corp. Curtis R. Inman 40.625% Richfield Oil 9.375%	Gladys Lutz 31/36 of \$500 p/a out of 3% Bryan Bell 5/36 of \$500 p/a out of 3%	Gulf Oil Corp. Curtis R. Inman Kern County Land Richfield Oil Sinclair	50% 21.875% 12.5% 9.375% 6.25% (3)
6.	T-23, R-25E Sec. 18: SE <sub>1</sub> SE <sub>1</sub>	40.00	NM 05070-A 7-1-65	USA 12%	ALL	Phillips 1/4 Curtis R. Inman 60.937% Richfield Oil 14.0625%	Gladys Lutz 31/36 of \$500 p/a out of 3% Bryan Bell 5/36 of \$500 p/a out of 3%	Curtis R. Inman Kern County Land Richfield Oil Sinclair Phillips Pet. Co.	32.8125% 18.75% 14.0625% 9.375% 25% (3)
7.	T-23S, R-25E Sec. 7: E <sub>1</sub> , E <sub>1</sub> NE <sub>1</sub> , Lots 2, 3, 4 Sec. 8: SW <sub>1</sub> NE <sub>1</sub> , N <sub>1</sub> SE <sub>1</sub> , SE <sub>1</sub> SE <sub>1</sub>	800.71	NM 05808-A 7-1-65	USA 12%	ALL	Gulf Oil Corp. Curtis R. Inman 40.625% Richfield Oil 9.375%	T. J. Deason \$500 p/a out of 3%	Gulf Oil Corp. Curtis R. Inman Kern County Land Sinclair Richfield	50% 21.875% 12.5% 6.25% 9.375% (3)
8.	T-23S, R-25E Sec. 7: NW <sub>1</sub> NE <sub>1</sub> (Lot 1)	40.29	NM 05808-C 7-1-65	USA 12%	ALL	Phillips 10% Curtis R. Inman 48.75% Richfield Oil 11.25%	T. J. Deason \$500 p/a out of 3%	Phillips Curtis R. Inman Kern County Land Richfield Sinclair	40% 26.25% 15% 11.25% 7.5% (3)
9.	T-23S, R-25E Sec. 10: E <sub>1</sub> Sec. 15: E <sub>1</sub>	640.00	NM 020775 1-31-66	USA 12%	ALL	Gulf Oil Corp. All	Gordon Cone 5% ORR	Gulf Oil Corp.	100%
10.	T-23S, R-25E Sec. 3: SE <sub>1</sub>	160.00	NM 021479 4-30-66	USA 12%	ALL	Gulf Oil Corp. All	E. D. White \$750 p/a out of 5%	Gulf Oil Corp.	100%
11.	T-22S, R-25E Sec. 7: NE <sub>1</sub> , N <sub>1</sub> SE <sub>1</sub>	240.00	NM 023022 7-31-66	USA 12%	ALL	Union of Calif. All	E. D. White \$750 p/a out of 3%	Union of Calif.	100%
12.	T-22S, R-25E Sec. 2: SE <sub>1</sub> , SE <sub>1</sub> NE <sub>1</sub>	200.00	NM 023091 7-31-66	USA 12%	ALL	Union of Calif. All	Marion Harris & Blanco Co. - \$500 p/a out of 3%	Union of Calif.	100%

EXHIBIT "B"  
SCHEDULE SHOWING OWNERSHIP OF ALL LANDS WITHIN  
THE UNIT AREA - CUEVA UNIT AREA  
EDDY COUNTY, NEW MEXICO

Tract No.	Description of Land	Number of Acres	Serial Number & Exp. Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty Oil Payment & Percentage	Working Interest & Percentage
FEDERAL LANDS							
Las Cruces Serials							
1.	T-23S, R-25E Sec. 8: N $\frac{1}{2}$ N $\frac{1}{2}$ W $\frac{1}{2}$ , S $\frac{1}{2}$ N $\frac{1}{2}$ W $\frac{1}{2}$ , NW $\frac{1}{4}$ N $\frac{1}{2}$ W $\frac{1}{2}$	200.00	LC 064522 7-1-65	USA 12%	ALL Gulf Oil Corp. & P. K. Middleton Curtis R. Inman 40.625% Richfield Oil 9.375%	500 P/a out of 3% Gulf Oil Corp. Curtis R. Inman Kern County Land Richfield Oil Sincclair	50% 21.875% 12.5% 9.375% 6.25% (3)
2.	T-23S, R-25E Sec. 8: NE $\frac{1}{4}$ NE $\frac{1}{4}$	40.00	LC 064522-E 7-1-65	USA 12%	ALL Curtis R. Inman 81.25% Richfield Oil 18.75%	Texaco 5% ORR includes P. K. Middleton \$500 P/a out of 3%	Curtis R. Inman Kern County Land Richfield Oil Sincclair 43.75% 25% 18.75% 12.5% (3)
3.	T-22S, R-25E Sec. 34: NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$	280.00	LC 064548 3-31-66	USA 12%	ALL Pan American All	Grady Southworth 3% ORR	Pan American 100%
4.	T-22S, R-25E Sec. 34: SW $\frac{1}{4}$ SE $\frac{1}{4}$	40.00	LC 064548-C 3-31-66	USA 12%	ALL Monsanto David Fasken All	Grady Southworth 3% ORR Hoover Wright \$250 P/a out of 2%	Monsanto David Fasken 50% 50%



- LEGEND**
- ① TRACT NUMBER
  - UNIT OUTLINE
  - FEDERAL LAND
  - STATE OF NEW MEXICO LAND
  - PATENTED LAND

**RECEIVED**  
 JUN 18 1965  
 U. S. G. S.  
 ROSWELL, N. M.

8,988.29 Acres	71.76 %
2,883.67 Acres	23.09 %
642.69 Acres	5.15 %
<b>12,488.64 Acres</b>	<b>TOTAL</b>

**CUEVA UNIT AREA**  
 Eddy County, New Mexico  
**EXHIBIT "A"**

0 1000' 2000' 3000'  
 SCALE IN FEET

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

*Gertrude Bennett*  
*Ma G Smith*

*Rose Salzman*  
*Albert Salzman*

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation. (State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

JOINT ACKNOWLEDGMENT

THE STATE OF TEXAS }  
COUNTY OF HARRIS }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared GERTRUDE BENNETT, feme sole; MAE G SMITH, feme sole; ALBERT SALZMAN and ROSE SALZMAN, the latter's wife,

known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said

ROSE SALZMAN, wife of the said ALBERT SALZMAN, having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the said ROSE SALZMAN, acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 26th day of May A. D. 1965.

(L. S.)

*Erna Kirkland*  
Notary Public in and for Harris County, Texas.

*My commission expires June 1, 1967*

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
*Ralph A. Shugart*  
*Rena Shugart*  
\_\_\_\_\_

STATE OF NEW MEXICO CORPORATE  
COUNTY OF EDDY

The foregoing instrument was acknowledged before me this 15th day of June, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.  
(State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF NEW MEXICO INDIVIDUAL  
COUNTY OF EDDY

The foregoing instrument was acknowledged before me this 4th day of June, 1965, by Ralph A. Shugart and Rena Shugart, his wife,

My commission expires:  
August 28, 1965

*Juanita Brannan*  
\_\_\_\_\_  
Notary Public

RECEIVED  
JUN 16 1965  
COUNTY CLERK  
EDDY COUNTY, NEW MEXICO



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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Johney Cockburn  
Thelma Cockburn  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_ X  
COUNTY OF \_\_\_\_\_ X

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation. (State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF Texas X  
COUNTY OF Lampasas X

The foregoing instrument was acknowledged before me this 21 day of May, 1965, by Johney Cockburn and Thelma Cockburn

My commission expires:  
June 1, 1965

\_\_\_\_\_  
Barbara O'Hair  
Notary Public Lampasas County, Texas

RECEIVED  
JUN 16 1965  
U.S. BUREAU OF LAND SURVEY  
ROSWELL, NEW MEXICO



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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ C. M. McElhannon  
Reine W. McElhannon

CORPORATE

STATE OF \_\_\_\_\_ X  
COUNTY OF \_\_\_\_\_ X

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ (State) corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF Texas X  
COUNTY OF Tarrant X

The foregoing instrument was acknowledged before me this 8th day of June, 1965, by C. M. McElhannon and wife, Reine W. McElhannon

My commission expires:  
June 1, 1967

Jacqueline R. Liggett  
Notary Public

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

J. L. Murray Sr.  
J. L. Murray Jr.

W. L. Serpas  
E. L. Serpas

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ (State) corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF Louisiana  
COUNTY OF Orleans

The foregoing instrument was acknowledged before me this 25<sup>th</sup> day of May, 1965, by J. L. Murray Sr. and wife, Elsie S. Serpas

My commission expires: Ar. Search

George E. Mouledoux  
Notary Public

GEORGE E. MOULEDOUX  
Notary Public, Parish of Orleans, State of La.  
My Commission is issued for life

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Shannon Nelson  
Hazel Nelson  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ (State) corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF Texas  
COUNTY OF Franklin

The foregoing instrument was acknowledged before me this 27 day of May, 1965, by Shannon Nelson, et ux  
Hazel Nelson.

My commission expires: 6-1-65

Wesley Altman  
Notary Public

RECEIVED  
JUN 1 1965

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

W. L. Sepas, Jr.

Earl B. Bremer

W. L. Sepas, Jr.

Patricia Bateman

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ (State) corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF Louisiana  
COUNTY OF Orleans

INDIVIDUAL

The foregoing instrument was acknowledged before me this 25th day of May, 1965, by W. L. Sepas, Jr.

EARL G. BATEMAN AND WIFE PATRICIA BATEMAN

My commission expires: at Death

George E. Mouledoux  
Notary Public

GEORGE E. MOULEDOUX  
Notary Public, Parish of Orleans, State of La.  
My Commission is issued for life

RECEIVED  
JUN 1 3 1965  
NOTARY PUBLIC  
NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Claire M. Nash

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_ Y  
COUNTY OF \_\_\_\_\_ Y

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation. (State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

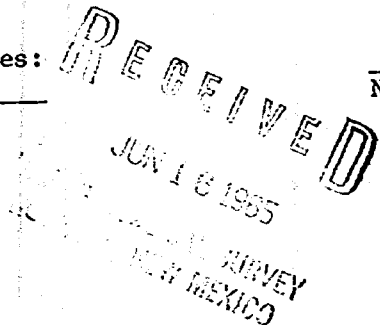
INDIVIDUAL

STATE OF TEXAS Y  
COUNTY OF MIDLAND Y

The foregoing instrument was acknowledged before me this 15th day of May, 1965, by Claire M. Nash, a single woman

My ~~commission~~ expires: \_\_\_\_\_

Needa Brewer  
Notary Public



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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Hesley Chalfant  
\_\_\_\_\_ Doris Chalfant  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ (State) corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF Texas  
COUNTY OF Midland

The foregoing instrument was acknowledged before me this 20<sup>th</sup> day of May, 1965, by Wesley Chalfant and  
Doris Chalfant, wife.

My commission expires: 6-1-65

Wilhelm Mathers  
Notary Public

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*[Handwritten Signature]*  
\_\_\_\_\_  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF Texas  
COUNTY OF Wichita

The foregoing instrument was acknowledged before me this 21st day of May, 1965, by Mary Charlotte Cox and Donald W. Cox, husband and wife

My commission expires: Jan 1, 1966

*[Handwritten Signature: Bennie J. Estes]*  
\_\_\_\_\_  
Notary Public  
Wichita County, Texas

RECEIVED  
JUN 1 1965  
NOTARY PUBLIC  
WICHITA COUNTY, TEXAS



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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Caswell P. Ellis  
\_\_\_\_\_ Sandra R. Ellis  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.  
(State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF N.M.  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of June, 1965, by Caswell P. Ellis + Sandra R. Ellis

My commission expires: July 1965

Allen W. Rydholm  
Notary Public

RECEIVED  
JUN 13 1965  
U.S. DEPT. OF THE INTERIOR  
BUREAU OF LAND SURVEY  
ALBUQUERQUE, NEW MEXICO



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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

*Robert M. Wickham*  
\_\_\_\_\_  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF New York  
COUNTY OF New York

The foregoing instrument was acknowledged before me this 15 day of May, 1965, by J. T. & Kathryn M. Wickham

My commission expires: \_\_\_\_\_

HARRY J. FEHLING  
NOTARY PUBLIC, State of New York  
No. 60-6252200

Qualified in Westchester County  
Certs. filed in N.Y., Queens & Kings Co's.  
Commission Expires March 30, 1968

RECEIVED  
JUN 16 1965

*Harry J. Feuling*  
\_\_\_\_\_  
Notary Public

LAND SURVEY  
NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

S. Leonard Wall { H. Bascourt  
J. Bascourt

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation. (State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF NEW YORK  
COUNTY OF NEW YORK

The foregoing instrument was acknowledged before me this 21st day of May, 1965, by H. Bascourt and J. Bascourt.

My commission expires: \_\_\_\_\_

S. Leonard Wall  
Notary Public

S. LEONARD WALL  
NOTARY PUBLIC, State of New York  
No. 41-9509475 Queens County  
Cert. Filed in New York County  
Term Expires March 30, 1966

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

ATTEST:

*Harry L. Sullivan*  
Harry L. Sullivan - Ass't Secy

SULLIVAN, INC.

*J. P. Sullivan*  
J. P. Sullivan - President

CORPORATE

STATE OF Kansas X  
COUNTY OF Grant X

The foregoing instrument was acknowledged before me this 24 day of May, 1965, by J. P. Sullivan who is President of Sullivan, Inc., a Kansas corporation, for and on behalf of said corporation.  
(State)

My commission expires:  
Feb. 21, 1966

*Nannie Walker*  
Notary Public Nannie Walker

INDIVIDUAL

STATE OF \_\_\_\_\_ X  
COUNTY OF \_\_\_\_\_ X

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

Notary Public \_\_\_\_\_

RECEIVED  
MAY 25 1965  
EDDY COUNTY, N.M.

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Robert B. Haragan  
\_\_\_\_\_

STATE OF \_\_\_\_\_ CORPORATE  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ (State) corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF New Mexico INDIVIDUAL  
COUNTY OF Chavez

The foregoing instrument was acknowledged before me this 4th day of June, 1965, by Robert B. Haragan

My commission expires: \_\_\_\_\_

MY COMMISSION EXPIRES AUGUST 16, 1967

Lucille M. Myers  
Notary Public

LUCILLE M. MYERS

RECEIVED  
JUN 18 1965  
U.S. DEPT. OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
ALBUQUERQUE, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

William A. Huffman  
Harriet A. Huffman

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

CORPORATE

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ (State) corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF TEXAS  
COUNTY OF TAYLOR

INDIVIDUAL

The foregoing instrument was acknowledged before me this 27 day of MAY, 1965, by William A. Huffman and Harriet A. Huffman

My commission expires: June, 1965

Betty C. Rake  
Notary Public

**RECEIVED**  
JUN 16 1965  
U. S. GEOLOGICAL SURVEY  
BOSWELL, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Don R. Link

Alberta Link

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.  
(State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF Colorado  
COUNTY OF Denver

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of May, 1965, by Don R. Link and Alberta Link, his wife.

My commission expires: \_\_\_\_\_  
My Commission expires May 19, 1969

David D. May  
Notary Public

**RECEIVED**  
JUN 16 1965  
U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

W. F. Schwenn      Mary C. Schwenn  
\_\_\_\_\_  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_ X  
COUNTY OF \_\_\_\_\_ X

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ (State) corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF Colorado X  
COUNTY OF Denver X

The foregoing instrument was acknowledged before me this 20th day of May, 1965, by Wm. F. Schwenn and Mary C. Schwenn

My commission expires:  
November 30, 1968

Helen G. Beierle  
Notary Public

JUN 18 1965  
U.S. DEPT. OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Ruth C. McPherson  
Leslie A. McPherson

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.  
(State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF New Mexico  
COUNTY OF Chaves

The foregoing instrument was acknowledged before me this 2<sup>nd</sup> day of June, 1965, by Ruth C. McPherson and Leslie A. McPherson

My commission expires: July 2, 1967

Raymond J. J. J.  
Notary Public

RECEIVED  
JUN 10 1965  
U. S. GEO. SURVEY  
ROSWELL, N. MEXICO



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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Fred M. Cassidy  
Margaret Cassidy

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.  
(State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF TEXAS  
COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 19th day of May, 1965, by Fred M. Cassidy and Margaret Cassidy, his wife.

My commission expires  
June 1, 1965

Dorothy F. Brennan  
Notary Public

RECEIVED  
JUN 15 1965  
U. S. DEPT. OF THE INTERIOR  
BUREAU OF LAND SURVEY  
ROOM 111, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Irma M. Hanson

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.  
(State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF Oklahoma  
COUNTY OF Cleveland

The foregoing instrument was acknowledged before me this 4th day of June, 1965, by Irma M. Hanson, a widow

My commission expires  
My Commission expires July 29, 1965

Nancy Kennedy  
Notary Public

RECEIVED  
JUN 16 1965  
U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

ATTEST:

Blanche V. White  
Attest. Sec.

THE BLANCO COMPANY

By: Emmett D. White  
President

CORPORATE

STATE OF NEW MEXICO  
COUNTY OF CHAVEZ

The foregoing instrument was acknowledged before me this 15 day of May, 1965, by Emmett D. White who is President of THE BLANCO COMPANY, a New Mexico corporation, for and on behalf of said corporation.

My commission expires:  
7-20-66

Bethie R. Hughes  
Notary Public

INDIVIDUAL

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

Notary Public

RECEIVED  
JUN 16 1965  
U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Marion V. Harris  
\_\_\_\_\_  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation. (State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF NEW MEXICO  
COUNTY OF Chaves

The foregoing instrument was acknowledged before me this 26th day of May, 1965, by Lawrence C. Harris and Marion V. Harris, his wife

My commission expires: 5-4-69

Eleanor Helene Hall  
Notary Public

JUN 1 1965  
U.S. DEPT. OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
EDDY COUNTY, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Emmett D. White*  
*Blanche V. White*

CORPORATE

STATE OF \_\_\_\_\_ X  
COUNTY OF \_\_\_\_\_ X

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation. (State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF NEW MEXICO X  
COUNTY OF CHAVES X

The foregoing instrument was acknowledged before me this 19 day of May, 1965, by Emmett D. White and Blanche V. White, his wife

My commission expires: \_\_\_\_\_

7-20-66

*Bettie R. Hughes*  
Notary Public

JUN 10 1965

U.S. GEOLOGICAL SURVEY  
LOS ALAMOS, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Gordon M. Cone  
Kathleen Cone

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation. (State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF New Mexico  
COUNTY OF Lea

The foregoing instrument was acknowledged before me this 18th day of May, 1965, by Gordon M. Cone and wife Kathleen Cone.

My commission expires:  
April 22, 1969

Mary Frances Thompson  
Notary Public

RECEIVED

JUN 16 1965

U. S. LAND SURVEY  
EDDY COUNTY, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

*[Signature]*  
James C. Mason

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.  
(State)

My commission expires: \_\_\_\_\_

Notary Public

INDIVIDUAL

STATE OF New Mexico  
COUNTY OF Chaves

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of May, 1965, by J. J. Mason, Jr. & James C. Mason

My commission expires: 8-14-65

**RECEIVED**

*[Signature]*  
Notary Public

JUN 16 1965

U. S. BUREAU OF SURVEY  
ROSWELL, NEW MEXICO



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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
*Bryan Bell*  
*Rubie C. Bell*  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ (State) corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF *Louisiana*  
COUNTY OF *Orleans*

INDIVIDUAL

The foregoing instrument was acknowledged before me this *27<sup>th</sup>* day of *May*, 1965, by *Bryan Bell & Rubie C. Bell*

My commission expires: \_\_\_\_\_

*Francis J. Delmar*  
\_\_\_\_\_  
Notary Public

JUN 16 1965

U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO



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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Gladys Lutz  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_ X  
COUNTY OF \_\_\_\_\_ X

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.  
(State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF New Mexico X  
COUNTY OF Chaves X

The foregoing instrument was acknowledged before me this 3<sup>rd</sup> day of June, 1965, by Gladys Lutz

My commission expires: July 28, 1967

Stephen C. Helberg  
Notary Public

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
*Betty Ruth Wright*  
*Lester Wright*  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.  
(State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_

My commission expires: \_\_\_\_\_

*[Signature]*  
\_\_\_\_\_  
Notary Public

JUN 10 1965

U.S. DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Ethel Marie Southworth  
Grady Southworth

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF N. Mex.  
COUNTY OF Graves

The foregoing instrument was acknowledged before me this 20th day of May, 1965, by Grady Southworth & Ethel Marie Southworth

My commission expires: 8-23-68

Jose Lang  
Notary Public

RECEIVED

JUN 10 1965

U. S. DEPT. OF AGRICULTURE  
BUREAU OF LAND MANAGEMENT

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Porter Katherine Middleton  
PK Middleton

CORPORATE

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF New Mexico  
COUNTY OF Eddy

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of June, 1965, by Porter Katherine Middleton & PK Middleton.

My commission expires 4-22-69

RECEIVED

Maurine McCollum  
Notary Public

JUN 16 1965

U. S. GEOLOGICAL SURVEY  
ROSEMONT, ARIZONA

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Claude E. Neeley  
Nancy H. Neeley  
\_\_\_\_\_

CORPORATE

STATE OF \_\_\_\_\_ X  
COUNTY OF \_\_\_\_\_ X

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ (State) corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF TEXAS X  
COUNTY OF MIDLAND X

The foregoing instrument was acknowledged before me this 2nd day of June, 1965, by Claude E. Neeley and his wife, Nancy H. Neeley

My commission expires:  
June 1, 1967

\_\_\_\_\_  
Notary Public

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

ATTEST:

H. Jones Smith  
Assistant Secretary

SOUTHERN MINERALS CORPORATION

By: J. T. Jamison  
Vice President

CORPORATE

STATE OF TEXAS  
COUNTY OF EDDY

The foregoing instrument was acknowledged before me this 10th day of June, 1965, by J. T. Jamison who is Vice President of SOUTHERN MINERALS CORPORATION, a Delaware corporation, for and on behalf of said corporation.  
(State)

My commission expires:  
June 1, 1967

Sarah Beth Sigmund  
Notary Public (Sarah Beth Sigmund)

INDIVIDUAL

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_

My commission expires:

**RECEIVED**

JUN 16 1965

Notary Public

U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
MARATHON OIL COMPANY

By D. W. Franklin  
D. W. Franklin, Division Exploration Manager

CORPORATE

STATE OF TEXAS X  
COUNTY OF HARRIS X

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of June, 1965, by D. W. Franklin who is Division Exploration Manager of Marathon Oil Company, an Ohio corporation, for and on behalf of said corporation.  
(State)

My commission expires:

June 1, 1967

Janece Williams  
Notary Public

JANEACE WILLIAMS  
Notary Public in and for Harris County, Texas  
My Commission Expires June 1, 1967

INDIVIDUAL

STATE OF \_\_\_\_\_ X  
COUNTY OF \_\_\_\_\_ X

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_

My commission expires: RECEIVED

\_\_\_\_\_  
Notary Public



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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

D. S.
LAND
LEGAL
T. R.
PROD.
EXPL.

SOCONY MOBIL OIL COMPANY, INC.

*[Signature]*  
*[Signature]*

Attorney-in-fact  
Attorney-in-fact

CORPORATE

STATE OF Texas )  
COUNTY OF Midland )

The foregoing instrument was acknowledged before me this 10 day of June, 1965, by R. D. Hanley & H. M. M... <sup>Attorney-in-fact</sup> of SOCONY MOBIL OIL COMPANY, INC., a New York (State) corporation, for and on behalf of said corporation.

My commission expires:  
June 1, 1967

*[Signature]*  
Notary Public  
CLAUDE T. COLE, Notary Public  
in and for Midland County, Texas

INDIVIDUAL

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_

My commission expires: RE  
Notary Public

U. S.  
RECEIVED

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

Derrell G. Hanks  
Sue Ann Hanks

CORPORATE

STATE OF \_\_\_\_\_ X  
COUNTY OF \_\_\_\_\_ X

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ (State) corporation, for and on behalf of said corporation.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF TEXAS X  
COUNTY OF MIDLAND X

The foregoing instrument was acknowledged before me this 27th day of May, 1965, by Derrell G. Hanks and wife, Sue Ann Hanks

My commission expires: 6-1-68

John B. Harkness  
Notary Public

U. S.   
RECORD

CG

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
UNION OIL COMPANY OF CALIFORNIA

By: John Hansen  
Attorney-in-Fact

Rab

STATE OF TEXAS

CORPORATE

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 10th day of June, 1965, by JOHN HANSEN who is an Attorney-in-Fact of Union Oil Company of California, a California corporation, for and on behalf of said corporation. (State)

My commission expires:  
June 1, 1967

\_\_\_\_\_  
Notary Public

(Elma H. Sloan)

STATE OF \_\_\_\_\_

INDIVIDUAL

COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_.

My commission expires:  
\_\_\_\_\_

\_\_\_\_\_  
Notary Public

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

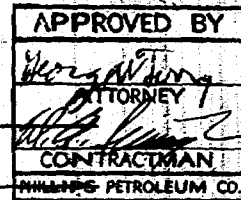
IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTENT:

[Signature]  
Assistant Secretary

PHILLIPS PETROLEUM COMPANY

By [Signature]  
Vice President



CORPORATE

STATE OF OKLAHOMA X  
COUNTY OF WASHTENAW X

The foregoing instrument was acknowledged before me this 8th day of June, 1965, by H. D. Breakley who is Vice President of Phillips Petroleum Co., a Delaware corporation, for and on behalf of said corporation.  
(State)

My commission expires:

Oct. 4, 1967

[Signature]  
Notary Public

INDIVIDUAL

STATE OF \_\_\_\_\_ X  
COUNTY OF \_\_\_\_\_ X

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_.

My commission expires:

\_\_\_\_\_  
Notary Public

operations, contracts involving acreage contributions, and generally all relevant instruments, contracts and documents. I hereby ratify and confirm each and every act of my said Attorney-in-Fact in the premises whether performed prior or subsequent to date hereof.

WITNESS MY HAND this 21st day of May, 1965.

David Fasken  
David Fasken

STATE OF CALIFORNIA    !

COUNTY OF MARIN       !

The foregoing instrument was acknowledged before me this 25  
day of May, 1965, by David Fasken.

Alicia R. Jacobsen  
Notary Public

My Commission Expires:  
ALICIA R. JACOBSEN  
My Commission Expires October 22, 1966

RECEIVED

JUN 18 1965

RECEIVED

STATE OF NEW MEXICO  
COUNTY OF EDDY

KNOW ALL MEN BY THESE PRESENTS:

THAT, I, David Fasken of Marin County, California, have made, constituted and appointed and by these presents do make, constitute and appoint Richard S. Brooks of Midland County, Texas, my true and lawful Attorney-in-Fact for me and in my name, place and stead, to execute, enter into and deliver all necessary and convenient instruments and agreements incident to the formation, approval, organization and operation of the proposed Cueva Unit, Eddy County, New Mexico, consisting of oil and gas leases upon and affecting all or part of the following described land situated in said County, together with additional lands adjoining thereto if my Attorney-in-Fact should deem it necessary or desirable, to-wit:

T-22-S, R-25-E, Sections 21, 22, 27, 28, E/2 29, 32, 33,  
34, and  
T-23-S, R-25-E, Sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16,  
17, and 18.

The authority of my Attorney-in-Fact shall extend to representing me in such behalf before the United States Department of the Interior, The Bureau of Land Management, the United States Geological Survey, the New Mexico Department of Public Lands, the New Mexico Oil Conservation Commission, and all other relevant State and Federal Governmental Bodies, and to the execution and filing of all forms and instruments required or convenient in the premises in connection with the formation and operation of such Unit and the qualification of same with and before such public agencies. The authority of my Attorney-in-Fact shall extend to, but not be limited to, the execution on my behalf of the Unit Agreement for the development and operation of the Cueva Unit, Eddy County, New Mexico, the Unit Operating Agreement for the development and operation of the Cueva Unit Area, Eddy County, New Mexico, Contracts and Agreements determining participation in drilling

RECEIVED

JUN 16 1965

U.S. GEOLOGICAL SURVEY  
ALBUQUERQUE, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
DAVID PASKEN

By: Richard S. Brooks RICHARD S. BROOKS  
Attorney-in-Fact

CORPORATE

STATE OF \_\_\_\_\_ Y  
COUNTY OF \_\_\_\_\_ Y

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation.  
(State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

INDIVIDUAL

STATE OF TEXAS Y  
COUNTY OF MIDLAND Y

The foregoing instrument was acknowledged before me this 7<sup>th</sup> day of June, 1965, by Richard S. Brooks, Attorney-in-Fact for DAVID PASKEN

My commission expires: \_\_\_\_\_

Martina D. Zorn MARTINA D. ZORN  
Notary Public



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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

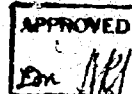
IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

WITNESSES:

*[Signature]*  
Assistant Secretary

PAN AMERICAN PETROLEUM CORPORATION

By *[Signature]*  
D. B. Mason, Jr. Attorney in Fact



CORPORATE

STATE OF TEXAS X  
COUNTY OF TARRANT X

The foregoing instrument was acknowledged before me this 9th day of June, 1965, by D. B. Mason, Jr. who is Attorney in Fact of PAN AMERICAN PETROLEUM CORPORATION, a Delaware corporation, for and on behalf of said corporation.  
(State)

My commission expires:  
June 1, 1967

*[Signature]*  
Notary Public

INDIVIDUAL

STATE OF \_\_\_\_\_ X  
COUNTY OF \_\_\_\_\_ X

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_.

My commission expires:

Notary Public

RECEIVED

JUN 10 1965

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

[Signature]  
ASST. SECRETARY

SINCLAIR OIL & GAS COMPANY

[Signature]  
VICE PRESIDENT

APPROVED	
FORM	SUBSTANCE
	RW
	134

STATE OF Texas ☒  
COUNTY OF Midland ☒

CORPORATE

The foregoing instrument was acknowledged before me this 8th day of June, 1965, by R. M. Kobdich who is Vice President of Sinclair Oil & Gas Company, a Maine corporation, for and on behalf of said corporation.  
(State)

My commission expires:  
June 1, 1967

[Signature]  
Notary Public  
NOTARY PUBLIC  
IN AND FOR MIDLAND COUNTY, TEXAS  
MY COMMISSION EXPIRES JUNE 1, 1967

STATE OF \_\_\_\_\_ ☒  
COUNTY OF \_\_\_\_\_ ☒

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_.

My commission expires:

RECEIVED

Notary Public

JUN 10 1965

U.S. BUREAU OF LAND SURVEY  
EDDY COUNTY, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

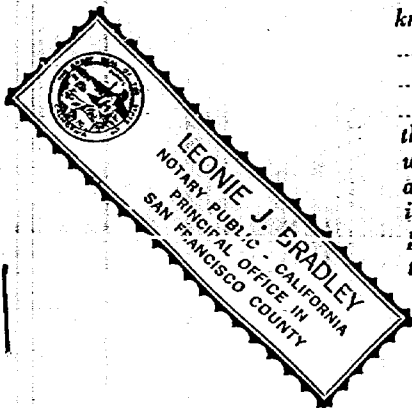
IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

KERN COUNTY LAND COMPANY

John H. Matkin  
VICE-PRESIDENT  
James A. Walker  
ASSISTANT SECRETARY

STATE OF CALIFORNIA } ss.  
City and County of San Francisco }

On this 24<sup>th</sup> day of May, 1965, before me, Leonie J. Bradley, a Notary Public in and for the State of California, duly commissioned and sworn, personally appeared JOHN H. MATKIN known to me to be the Vice President, and JAMES L. WALKER, known to me to be the ASSISTANT Secretary, of



KERN COUNTY LAND COMPANY  
the corporation that executed the within instrument and known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.  
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate just above written.

Leonie J. Bradley  
Leonie J. Bradley  
My commission expires February 18, 1969

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_.

My commission expires: \_\_\_\_\_

RECEIVED

JUN 16 1965

Notary Public

U.S. BUREAU OF LAND SURVEY  
ALBUQUERQUE, NEW MEXICO

**NOTIFICATION  
AGREEMENT  
COUNTY, NEW MEXICO**

(e) hereby acknowledge receipt of a  
opment and Operation of the Cueva Unit  
ounty, New Mexico, which said Agreement  
acknowledge that they have read the  
ed conditions thereof. The undersigned  
royalty or other interests in the lands  
as indicated on the schedule attached  
do hereby commit all of their said  
and do hereby consent thereto and ratify  
of, exactly the same as if the undersigned  
agreement or a counterpart thereof.  
is executed by the undersigned as of  
ive acknowledgments.

**KERN COUNTY LAND COMPANY**

John H. Matkin  
VICE PRESIDENT  
James A. Walker  
ASSISTANT SECRETARY

9 65, before me, Leonie J. Bradley, a Notary Public in and for the  
a, duly commissioned and sworn, personally appeared JOHN H. MATKIN  
be the JAMES A. WALKER, known to me to be the  
VICE PRESIDENT, and  
ASSISTANT SECRETARY, of

**KERN COUNTY LAND COMPANY**  
that executed the within instrument and known to me to be the persons  
the within instrument on behalf of the corporation therein named, and  
to me that such corporation executed the within instrument pursuant to  
a resolution of its board of directors.  
WHEREOF, I have hereunto set my hand and affixed my official seal  
year in this certificate first above written.

Leonie J. Bradley  
Leonie J. Bradley  
My commission expires February 18, 1969

ent was acknowledged before me this \_\_\_\_ day of

**RECEIVED**  
JUN 16 1965  
Notary Public

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

RICHFIELD OIL CORPORATION

By: \_\_\_\_\_

General Manager - Operations

Assistant Secretary

CORPORATE

STATE OF CALIFORNIA \_\_\_\_\_

COUNTY OF LOS ANGELES \_\_\_\_\_

The foregoing instrument was acknowledged before me this 10th day of June, 1965, by E. M. BENSON, JR. who is General Manager-Operations of Richfield Oil Corporation, a Delaware corporation, for and on behalf of said corporation.  
(State)

My commission expires:

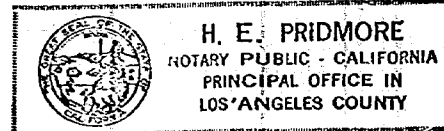
H. E. PRIDMORE  
My Commission Expires May 13, 1966

Notary Public

INDIVIDUAL

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_



The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_

**RECEIVED**

My commission expires:

JUN 16 1965

Notary Public

U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ Curtis R. Inman  
Muriel Henderson Inman  
\_\_\_\_\_

STATE OF \_\_\_\_\_ CORPORATE  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_ who is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, for and on behalf of said corporation. (State)

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF Texas INDIVIDUAL  
COUNTY OF Midland

The foregoing instrument was acknowledged before me this 8th day of June, 1965, by Curtis R. Inman and Muriel Henderson Inman

My commission expires:  
June 1, 1967

Ellen Fegett  
Notary Public Ellen Fegett

RECEIVED  
JUN 16 1965  
U.S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

Copy # 6

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

The undersigned, (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Cueva Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 15th day of May, 1965, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to the said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Cueva Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

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

ATTEST:  
*[Signature]*  
Assistant Secretary

GULF OIL CORPORATION  
*[Signature]*  
Attorney in Fact

STATE OF NEW MEXICO ☒  
COUNTY OF GRANT ☒

CORPORATE

The foregoing instrument was acknowledged before me this 2nd day of June, 1965, by F. C. MONTGOMERY who is Attorney in Fact of GULF OIL CORPORATION, a Pennsylvania corporation, for and on behalf of said corporation.  
(State)

My commission expires:  
My Commission Expires August 15, 1966

*[Signature]*  
Notary Public **RECEIVED**

STATE OF \_\_\_\_\_ ☒  
COUNTY OF \_\_\_\_\_ ☒

INDIVIDUAL

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1965, by \_\_\_\_\_.

My commission expires:

Notary Public

JUN 16 1965  
U.S. GEOLOGICAL SURVEY  
ROSWell, NEW MEXICO



STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 1965 by \_\_\_\_\_, \_\_\_\_\_ of Southern Minerals Corporation, a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires: \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 1965 by \_\_\_\_\_, \_\_\_\_\_ of Union Oil Company of California, a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires: \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 1965 by David Fasken and \_\_\_\_\_ Fasken, his wife.

My Commission Expires: \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 1965 by Curtis R. Inman and Muriel Henderson Inman, his wife.

My Commission Expires: \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 1965 by Claude Neeley and \_\_\_\_\_ Neeley, his wife.

My Commission Expires: \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_ )  
: ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_, 1965 by \_\_\_\_\_,  
of Pan American Petroleum Corporation, a \_\_\_\_\_ corporation,  
on behalf of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
: ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Phillips Petroleum Company, a \_\_\_\_\_ corporation, on  
behalf of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
: ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Richfield Oil Corporation, a \_\_\_\_\_ corporation, on behalf  
of said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
: ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Sinclair Oil & Gas Company, a Maine corporation, on behalf of said  
corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
: ss  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Socony Mobil Oil Company, Inc., a New York corporation, on behalf of  
said corporation.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

STATE OF TEXAS )  
COUNTY OF HARRIS ) ss

The foregoing instrument was acknowledged before me this 26<sup>th</sup>  
day of May 1965 by Frank Richardson, Attorney-in-Fact  
of Monsanto Company, a Delaware corporation, on behalf  
of said corporation.

My Commission Expires:  
JUNE 1, 1965

Dorothy A. Norton  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Gulf Oil Corporation, a Pennsylvania corporation, on behalf of said  
corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Humble Oil & Refining Company, a Delaware corporation, on behalf of  
said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Kern County Land Company, a \_\_\_\_\_ corporation, on behalf  
of said corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss

The foregoing instrument was acknowledged before me this \_\_\_\_\_  
day of \_\_\_\_\_ 1965 by \_\_\_\_\_,  
of Marathon Oil Company, an Ohio corporation, on behalf of said corpora-  
tion.

My Commission Expires:

\_\_\_\_\_  
Notary Public

ATTEST:

\_\_\_\_\_  
Secretary  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary  
Date: \_\_\_\_\_

Date: \_\_\_\_\_  
Address: \_\_\_\_\_

Date: \_\_\_\_\_  
Address: \_\_\_\_\_

Date: \_\_\_\_\_  
Address: \_\_\_\_\_

SINCLAIR OIL & GAS COMPANY

By \_\_\_\_\_  
Address: \_\_\_\_\_

SOCONY MOBIL OIL COMPANY, INC.

By \_\_\_\_\_  
Address: \_\_\_\_\_

SOUTHERN MINERALS CORPORATION

By \_\_\_\_\_  
Address: \_\_\_\_\_

UNION OIL COMPANY OF CALIFORNIA

By \_\_\_\_\_  
Address: \_\_\_\_\_

David Fasken

Curtis R. Inman

Claude Neeley

WORKING INTEREST OWNERS

ATTEST:

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

GULF OIL CORPORATION

By \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

HUMBLE OIL & REFINING COMPANY

By \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

KERN COUNTY LAND COMPANY

By \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

MARATHON OIL COMPANY

By \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

PAN AMERICAN PETROLEUM CORPORATION

By \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

PHILLIPS PETROLEUM COMPANY

By \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

RICHFIELD OIL CORPORATION

By \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

if more than one committed working interest owner is involved, in order for the interest to be regarded as committed to this unit agreement. Except as may otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the first day of the month following the filing with the Supervisor and the Commissioner of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director, provided, however, that as to State land all subsequent joinders must be approved by the Commissioner.

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

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

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

ATTEST:

Date: \_\_\_\_\_

MONSANTO COMPANY

By  \_\_\_\_\_

Attorney-in-Fact

Address: 1300 Main Street

Houston, Texas

UNIT OPERATOR AND WORKING INTEREST  
OWNER

unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

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

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



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

27. NONDISCRIMINATION: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 301 (1) to (7) inclusive, of Executive Order 10925, as amended (28 F.R. 6485), which are hereby incorporated by reference in this agreement.

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

the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

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

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

25. NO WAIVER OF CERTAIN RIGHTS: Nothing in this agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the state wherein said unitized land are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law; provided, further, that no such alteration or modification shall be effective as to any land of the State of New Mexico, as to the rate of prospecting and developing in the absence of the specific written approval thereof by the Commissioner, and as to any lands of the State of New Mexico or privately owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

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

22. CONFLICT OF SUPERVISION: Neither the Unit Operator nor the working interest owners nor any of them shall be subject to any forfeiture, termination or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provision thereof to the extent that the Unit Operator, working interest owners or any of them are hindered, delayed or prevented from complying therewith by reason of failure of the Unit Operator to obtain in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of New Mexico in and about any matters or things concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this agreement are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of

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

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

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

21. RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION: The Director is hereby vested with authority to alter or modify from time to time in his discretion the quantity and rate of production under this agreement when such quantity and rate is not fixed pursuant to Federal or State law or does not conform to any statewide voluntary conservation or allocation program, which is established, recognized and generally adhered to by the majority of operators in such state, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification. Without regard to the foregoing, the Director is also hereby vested with authority to alter or modify from time to time in his discretion the rate of prospecting and

any such lease provides for a lump-sum rental payment, such payment shall be prorated between the portions so segregated in proportion to the acreage of the respective tracts.

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

20. EFFECTIVE DATE AND TERM: This agreement shall become effective upon approval by the Director and the Commissioner or their duly authorized representatives as of the date of approval by the Director and shall terminate five (5) years from said effective date unless:

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

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

non-unitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities".

(i) 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 the portion not committed, and the provisions of such lease shall apply separately to such segregated portions commencing as of the effective date hereof; provided, however, 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 or gas is discovered and is capable of being produced in paying quantities from some part of the lands embraced in such lease 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 in such lease, the same, as to all 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 or gas in paying quantities is being produced from any portion of said lands.

(j) Any lease, other than a Federal or State lease, having only a portion of its lands committed hereto shall be segregated as to the portion committed and the portion not committed, and the provisions of such lease shall apply separately to such segregated portions commencing as of the effective date hereof. In the event

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

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

(g) Any lease embracing lands of the State of New Mexico which is made subject to this agreement, shall continue in force beyond the term provided therein as to the lands committed hereto until the termination hereof, subject to the provisions of subsection (e) of Section 2 and subsection (i) of this Section 18.

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



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

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

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

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

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the land committed so long as such lease remains subject hereto, provided that production is had in paying

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

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

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

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

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

Royalty due on account of State lands shall be computed and paid on the basis of all unitized substances allocated to such lands.

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

Rentals on State of New Mexico lands subject to this agreement shall be paid at the rates specified in the respective leases.

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

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

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

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

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

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

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

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

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

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

to the effective date of the revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the Director and the Commissioner as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interests, except royalties due the United States and the State of New Mexico, which shall be determined by the Supervisor for Federal land and the Commissioner for State land and the amount thereof deposited, as directed by the Supervisor and the Commissioner respectively, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State royalty on the basis of such approved participating area.

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

12. ALLOCATION OF PRODUCTION: All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating



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

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

Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor and the Commissioner.

Plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and Commissioner are authorized to grant a reasonable extension of the six month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing unitized substances in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement or such as may be specifically approved by the Supervisor and the Commissioner shall be drilled except in accordance with a plan of development approved as herein provided.

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

extensions of time when, in their opinion, such action is warranted.

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

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION: Within six months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor and the Commissioner an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor and the Commissioner, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified herein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor and the Commissioner a plan for an additional specified period for the development and operation of the unitized land.

Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the diligent drilling necessary for determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor and the Commissioner may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall:

(a) specify the number and location of wells to be drilled and the proposed order and time for such drilling; and

(b) to the extent practicable, specify the operating practices regarded as necessary and advisable for proper conservation of natural resources.

9. DRILLING TO DISCOVERY: Within six months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, if on Federal land, or by the Commissioner if on State land, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Siluro-Devonian formation of Devonian age has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the Supervisor, if located on Federal lands, or the Commissioner, if located on State lands, that further drilling of said well would be unwarranted or impracticable, provided, however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 11,000 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Supervisor, if on Federal lands, or the Commissioner, if on State lands, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and Commissioner may modify the drilling requirements of this section by granting reasonable

the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between the unit agreement and the unit operating agreement this unit agreement shall prevail. Three (3) true copies of any unit operating agreement executed pursuant to this section should be filed with the Supervisor and one (1) true copy with the Commissioner, prior to approval of this unit agreement by the Director.

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

6. SUCCESSOR UNIT OPERATOR: Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by working interest owners, the owners of the working interests in the participating area or areas according to their respective acreage interests in such participating area or areas, or, until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by majority vote select a successor Unit Operator. Provided, that, if a majority but less than 75 percent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of one or more additional working interest owner shall be required to select a new operator. Such selection shall not become effective until:

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

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

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.

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

Unit Operator shall have the right to resign in like manner and subject to like limitations, as above provided, at any time a participating area established hereunder is in existence, but in all instances of resignation or removal, until a successor unit operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for performance of the duties of unit operator, and shall not later than 30 days before such resignation or removal become effective appoint a common agent to represent them in any action to be taken hereunder.

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

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

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



3. UNITIZED LAND AND UNITIZED SUBSTANCES: All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement". All oil and gas in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

4. UNIT OPERATOR: Monsanto Company with offices at Midland, Texas is hereby designated as Unit Operator and by signature hereto as Unit Operator commits to this agreement all interests in unitized substances vested in it and agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as owner of an interest in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

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

so long as such drilling operations are continue diligently, with not more than 90 days' time elapsing between the completion of one such well and the commencement of the next such well, except that the time allowed between such wells shall not expire earlier than 30 days after the expiration of any period of time during which drilling operations are prevented by a matter beyond the reasonable control of unit operator as set forth in the section hereof entitled "Unavoidable Delay"; provided that all legal subdivisions of lands not in a participating area and not entitled to become participating under the applicable provisions of this agreement within 10 years after said first day of the month following the effective date of said first initial participating area shall be eliminated as above specified. Determination of creditable "Unavoidable Delay" time shall be made by Unit Operator and subject to approval of the Director and the Commissioner. The Unit Operator shall, within 90 days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the Director and the Commissioner and promptly notify all parties in interest.

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

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

preferably the first day of a month subsequent to the date of notice.

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

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor, the Commissioner and the Commission evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the Unit Operator, together with an application in sufficient number, for approval of such expansion or contraction and with appropriate joinders.

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

(e) All legal subdivisions of unitized lands (i.e. 40 acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys, however, unusually large lots or tracts shall be considered in multiples of 40 acres, or the nearest aliquot equivalent thereof, for the purpose of elimination under this subsection) no parts of which are entitled to be in a participating area within five years after the first day of the month following the effective date of the first initial participating area established under this unit agreement shall be eliminated automatically from this agreement, effective as of the first day thereafter, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless at the expiration of said five-year period diligent drilling operations are in progress on unitized lands not entitled to participation, in which event all such lands shall remain subject hereto for

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary, or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor", or when requested by the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Commissioner", and not less than seven copies of the revised exhibits shall be filed with the Supervisor, and two copies thereof shall be filed with the Commissioner, and one copy with the New Mexico Oil Conservation Commission, hereinafter referred to as "Commission".

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

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director", or on demand of the Commissioner, after preliminary concurrence by the Director, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof,

effective control of operations therein; and

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

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

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

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

Township 22 South, Range 25 East, N.M.P.M.

Section 21 - All	Section 29 - $E\frac{1}{2}$
Section 22 - All	Section 32 - All
Section 27 - All	Section 33 - All
Section 28 - All	Section 34 - All

Township 23 South, Range 25 East, N.M.P.M.

Section 3 - All	Section 9 - All
Section 4 - All	Section 10 - All
Section 5 - All	Section 15 - All
Section 6 - All	Section 16 - All
Section 7 - All	Section 17 - All
Section 8 - All	Section 18 - All

containing 12,488.64 acres, more or less

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

RECEIVED

JUN 16 1965

NO. \_\_\_\_\_

U. S. GEOLOGICAL SURVEY  
 ROSWELL, NEW MEXICO

THIS AGREEMENT entered into as of the 15<sup>th</sup> day of May 1965, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto",

W I T N E S S E T H:

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

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec 7-11-39 N.M. Statutes 1953 Annotated) to consent to or approve this agreement on behalf of the State of New Mexico, insofar as it covers and includes lands and mineral interests of the State of New Mexico; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by an Act of the Legislature (Article 3, Chapter 65, Vol. 9, Part 2, 1953 Statutes), to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the Cueva Unit Area covering the land hereinafter described to give reasonably

CERTIFICATION - DETERMINATION

No. 14-08-0001 86 98

765 JUL 6

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

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

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

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

JUN 22 1965

*Arthur M. Baker*

Dated

ACTING DIRECTOR, UNITED STATES GEOLOGICAL  
SURVEY

RECEIVED

JUN 16 1965

U. S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO



CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
S. B. CHRISTY, IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER

LAW OFFICES  
HINKLE, BONDURANT & CHRISTY  
HINKLE BUILDING  
ROSWELL, NEW MEXICO

OF COUNSEL: HIRSH M. DOW

TELEPHONE 622-6510  
AREA CODE 505  
POST OFFICE BOX 10

July 2, 1965

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

Re: Cueva Unit Agreement

Dear Mr. Porter:

We enclose for your records an executed and approved copy of the unit agreement for the operation and development of the Cueva Unit Area, Eddy County, New Mexico. You will note that the unit was approved by the Commissioner of Public Lands on June 15, 1965 and by the Acting Director of the U.S.G.S. on June 22, 1965 and was effective as of the latter date.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

By 

CEH:cs

Enc.

cc: W. M. Basil

cc: John Anderson

-2-

CASE No. 3262  
Order No. R-2922

IT IS THEREFORE ORDERED:

- (1) That the Cueva Unit Agreement is hereby approved.
- (2) That the plan contained in said unit agreement for the development and operation of the unit area 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 Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.
- (3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that 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.
- (4) 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 the Director of the United States Geological Survey; that this order shall terminate ~~ipso facto~~ upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.
- (5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

S E A L

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

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

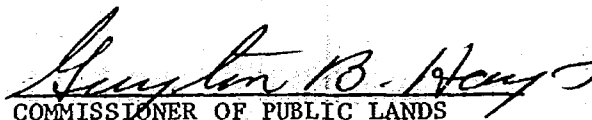
GRAMA UNIT, SHER COUNTY, NEW MEXICO

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 May 15, 1965, which said Agreement has been 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, and 7-11-48, New Mexico Statutes Annotated, 1953 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby consent to and approve the said Agreement, however, such consent and approval being limited and restricted to such lands within the Unit Area, which are effectively committed to the Unit Agreement as of this date, and, further, that leases insofar as the lands covered thereby committed to this Unit Agreement shall be and the same are hereby amended to conform with the terms of such Unit Agreement, and said leases shall remain in full force and effect in accordance with the terms and conditions of said Agreement. This approval is subject to all of the provisions and requirements of the afore-said statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 15th day of June, 19 65.

  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico

CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER

LAW OFFICES  
HINKLE, BONDURANT & CHRISTY  
HINKLE BUILDING  
ROSWELL, NEW MEXICO

May 17, 1965

OF COUNSEL: HIRSH M. DON

TELEPHONE 622-6510  
AREA CODE 505  
POST OFFICE BOX 10

*Case 3262*

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico

Re: Cueva Unit, Eddy County, N.M.

Gentlemen:

We forwarded to you last week the application of Monsanto Company for approval of the proposed Cueva Unit Agreement. At the time the application was forwarded to you, the form of unit agreement was not completed and we now enclose 3 copies of the same to be filed with the application. It is our understanding that this matter will be set down for hearing at the first examiner's hearing in June.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

By *[Signature]*

CEH:cs  
Enc.  
cc: Mr. Basil

23.09%, of lands of the State of New Mexico, and 642.69 acres, or 5.15%, of fee or privately owned lands.

3. That the proposed unit area has heretofore, on February 24, 1965, been designated by the Director of the United States Geological Survey as an area logically subject to unitization.

4. That applicant is informed and believes and upon such information and belief states that the proposed unit area covers all, or substantially all, of the geological structure or feature involved and that in the event of the discovery of oil or gas thereon said unit agreement will permit the producing area to be developed and operated in the interests of conservation and the prevention of waste of unitized substances.

5. That it is contemplated that applicant, Monsanto Company, will be the operator of the unit area and it is proposed to drill an initial test well pursuant to the terms thereof to be located in the SW $\frac{1}{4}$  Section 28, Township 22 South, Range 25 East, N.M.P.M. and that said well will be drilled to a depth sufficient to test the Siluro-Devonian formation of Devonian age, but not to exceed a depth of 11,000 feet.

6. That applicant believes that in the event oil or gas in paying quantities is discovered in the lands within the unit area the pool or field can be developed more economically and efficiently under the terms of said unit agreement to the end that the maximum recovery of unitized substances will be obtained, and that said agreement is in the interests of conservation and prevention of waste as contemplated by the New Mexico Oil Conservation Commission, statutes and regulations.

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

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

DATED this 10th day of May, 1965.

Respectfully submitted,

MONSANTO COMPANY

By 

Attorney

 DOMINGUEZ & CHRISTY

Attorneys for Applicant

Box 10

Roswell, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF THE  
CUEVA UNIT, EDDY COUNTY, NEW MEXICO

*Case*  
*3762*

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Comes the undersigned, Monsanto Company, with offices at Midland, Texas, acting by and through the undersigned attorneys, Hinkle, Bondurant & Christy, of Roswell, New Mexico and files herewith 3 copies of the proposed Unit Agreement for the Development and Operation of the Cueva Unit Area, Eddy County, New Mexico, and hereby makes application for approval of said unit agreement as provided by law and the rules and regulations of the New Mexico Oil Conservation Commission, and in support thereof shows:

1. That the proposed unit area covered by said agreement embraces 12,488.64 acres situated in Eddy County, New Mexico, more particularly described as follows:

Township 22 South, Range 25 East, N.M.P.M.

Section 21 - All	Section 29 - E $\frac{1}{2}$
Section 22 - All	Section 32 - All
Section 27 - All	Section 33 - All
Section 28 - All	Section 34 - All

Township 23 South, Range 25 East, N.M.P.M.

Section 3 - All	Section 9 - All
Section 4 - All	Section 10 - All
Section 5 - All	Section 15 - All
Section 6 - All	Section 16 - All
Section 7 - All	Section 17 - All
Section 8 - All	Section 18 - All

2. That the lands embraced in the proposed unit area consist of 8,962.28 acres, or 71.76%, of Federal lands, 2,888.67 acres, or



23.09%, of lands of the State of New Mexico, and 642.69 acres, or 5.15%, of fee or privately owned lands.

3. That the proposed unit area has heretofore, on February 24, 1965, been designated by the Director of the United States Geological Survey as an area logically subject to unitization.

4. That applicant is informed and believes and upon such information and belief states that the proposed unit area covers all, or substantially all, of the geological structure or feature involved and that in the event of the discovery of oil or gas thereon said unit agreement will permit the producing area to be developed and operated in the interests of conservation and the prevention of waste of unitized substances.

5. That it is contemplated that applicant, Monsanto Company, will be the operator of the unit area and it is proposed to drill an initial test well pursuant to the terms thereof to be located in the SW $\frac{1}{4}$  Section 28, Township 22 South, Range 25 East, N.M.P.M. and that said well will be drilled to a depth sufficient to test the Siluro-Devonian formation of Devonian age, but not to exceed a depth of 11,000 feet.

6. That applicant believes that in the event oil or gas in paying quantities is discovered in the lands within the unit area the pool or field can be developed more economically and efficiently under the terms of said unit agreement to the end that the maximum recovery of unitized substances will be obtained, and that said agreement is in the interests of conservation and prevention of waste as contemplated by the New Mexico Oil Conservation Commission, statutes and regulations.

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

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

DATED this 10th day of May, 1965.

Respectfully submitted,

MONSANTO COMPANY

By *James H. Hinkle*

Attorney

HINKLE, BONDURANT & CHRISTY

By *James H. Hinkle*

Attorneys for Applicant

Box 19

Roswell, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF THE  
CUEVA UNIT, EDDY COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Comes the undersigned, Monsanto Company, with offices at Midland, Texas, acting by and through the undersigned attorneys, Hinkle, Bondurant & Christy, of Roswell, New Mexico and files herewith 3 copies of the proposed Unit Agreement for the Development and Operation of the Cueva Unit Area, Eddy County, New Mexico, and hereby makes application for approval of said unit agreement as provided by law and the rules and regulations of the New Mexico Oil Conservation Commission, and in support thereof shows:

1. That the proposed unit area covered by said agreement embraces 12,488.64 acres situated in Eddy County, New Mexico, more particularly described as follows:

Township 22 South, Range 25 East, N.M.P.M.

Section 21 - All	Section 29 - E $\frac{1}{2}$
Section 22 - All	Section 32 - All
Section 27 - All	Section 33 - All
Section 28 - All	Section 34 - All

Township 23 South, Range 25 East, N.M.P.M.

Section 3 - All	Section 9 - All
Section 4 - All	Section 10 - All
Section 5 - All	Section 15 - All
Section 6 - All	Section 16 - All
Section 7 - All	Section 17 - All
Section 8 - All	Section 18 - All

2. That the lands embraced in the proposed unit area consist of 8,962.28 acres, or 71.76%, of Federal lands, 2,888.67 acres, or

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

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

DATED this 10th day of May, 1965.

Respectfully submitted,

MONSANTO COMPANY

By *James E. Hinkle*  
Attorney

HINKLE, BONDURANT & CHRISTY

By *James E. Hinkle*  
Attorneys for Applicant  
Box 10  
Roswell, New Mexico

23.09%, of lands of the State of New Mexico, and 642.69 acres, or 5.15%, of fee or privately owned lands.

3. That the proposed unit area has heretofore, on February 24, 1965, been designated by the Director of the United States Geological Survey as an area logically subject to unitization.

4. That applicant is informed and believes and upon such information and belief states that the proposed unit area covers all, or substantially all, of the geological structure or feature involved and that in the event of the discovery of oil or gas thereon said unit agreement will permit the producing area to be developed and operated in the interests of conservation and the prevention of waste of unitized substances.

5. That it is contemplated that applicant, Monsanto Company, will be the operator of the unit area and it is proposed to drill an initial test well pursuant to the terms thereof to be located in the SW $\frac{1}{4}$  Section 28, Township 22 South, Range 25 East, N.M.P.M. and that said well will be drilled to a depth sufficient to test the Siluro-Devonian formation of Devonian age, but not to exceed a depth of 11,000 feet.

6. That applicant believes that in the event oil or gas in paying quantities is discovered in the lands within the unit area the pool or field can be developed more economically and efficiently under the terms of said unit agreement to the end that the maximum recovery of unitized substances will be obtained, and that said agreement is in the interests of conservation and prevention of waste as contemplated by the New Mexico Oil Conservation Commission, statutes and regulations.

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION FOR APPROVAL OF THE  
CUEVA UNIT, EDDY COUNTY, NEW MEXICO

*Case*  
*3262*

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Comes the undersigned, Monsanto Company, with offices at Midland, Texas, acting by and through the undersigned attorneys, Hinkle, Bondurant & Christy, of Roswell, New Mexico and files herewith 3 copies of the proposed Unit Agreement for the Development and Operation of the Cueva Unit Area, Eddy County, New Mexico, and hereby makes application for approval of said unit agreement as provided by law and the rules and regulations of the New Mexico Oil Conservation Commission, and in support thereof shows:

1. That the proposed unit area covered by said agreement embraces 12,488.64 acres situated in Eddy County, New Mexico, more particularly described as follows:

Township 22 South, Range 25 East, N.M.P.M.

Section 21 - All	Section 29 - E $\frac{1}{2}$
Section 22 - All	Section 32 - All
Section 27 - All	Section 33 - All
Section 28 - All	Section 34 - All

Township 23 South, Range 25 East, N.M.P.M.

Section 3 - All	Section 9 - All
Section 4 - All	Section 10 - All
Section 5 - All	Section 15 - All
Section 6 - All	Section 16 - All
Section 7 - All	Section 17 - All
Section 8 - All	Section 18 - All

2. That the lands embraced in the proposed unit area consist of 8,962.28 acres, or 71.76%, of Federal lands, 2,888.67 acres, or

CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER

LAW OFFICES  
HINKLE, BONDURANT & CHRISTY

HINKLE BUILDING  
ROSWELL, NEW MEXICO

May 10, 1965

TELEPHONE 622-6510  
AREA CODE 505  
Post Office Box 10

New Mexico Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico

Re: Cueva Unit  
Eddy County, New Mexico

Gentlemen:

We enclose herewith in triplicate Application of Monsanto Company for approval of the Cueva Unit Agreement, Eddy County, New Mexico, which we would like for you to set for the first examiner's hearing in June inasmuch as we are going to make an effort to have the unit effective so that drilling operations can be commenced before June 30.

You will note that the application states that we are filing 3 copies of the unit agreement. The unit form is not yet completed and we will forward these to you within a few days.

Yours sincerely,

HINKLE, BONDURANT & CHRISTY

By Clarence E. Hinkle

CEH:cs  
Enc.

DOCKET MAILED

Date 5-27-65

*W*



DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 9, 1965

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

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

CASE 3251: (Continued from the May 26, 1965 Examiner Hearing)

Application of Continental Oil Company for a waterflood project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Rattlesnake Dakota Pool, San Juan County, New Mexico, by the injection of water into the upper and middle zones of the Dakota formation, through three injection wells in Sections 12 and 13, Township 29 North, Range 19 West.

CASE 3260: Application of Delaware-Apache Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Lusk Deep Unit Area comprising 1920 acres, more or less, of State and Federal lands in Township 19 South, Range 31 East, Eddy County, New Mexico.

CASE 3261: Application of Delaware Apache Corporation for a pool extension and special rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Jenkins-Cisco Pool to include the S/2 of Section 19 and the NW/4 of Section 30, Township 9 South, Range 35 East, Lea County, New Mexico, and the SE/4 of Section 24, and the NE/4 of Section 25, Township 9 South, Range 34 East. Applicant further seeks the promulgation of special rules for said pool including a provision for 80-acre proration units.

CASE 3262: Application of Monsanto Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cueva Unit Area comprising 12,489 acres, more or less, of State, Federal and fee lands in Townships 22 and 23 South, Range 25 East, Eddy County, New Mexico.

CASE 3263: Application of Jake L. Hamon for the creation of a new gas pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Morrow Gas Pool for his Hamon State E-8913 Well No. 1 located in Unit A of Section 20, Township 20 South, Range 36 East, Lea County, New Mexico, and the promulgation of special pool rules including a provision for 640-acre spacing.

CASE 3264: Application of Carl Engwall for an exception to Commission Order R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the potash-oil area casing and cementing rules as set forth in Commission Order R-111-A. Applicant

proposes to drill and complete a well in Unit L of Section 14, Township 20 South, Range 33 East, Teas Pool, Lea County, New Mexico, with surface casing set at approximately 950 feet, cement circulated, and production casing set at approximately 3400 feet and cemented to approximately 2500 feet above the casing point. The well would be plugged and abandoned in accordance with the provisions of Order R-111-A.

CASE 3265: Application of Coastal States Gas Producing Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through perforations from 4545 feet to 4590 feet in its Southern Minerals State Well No. 1-15 located in Unit L of Section 15, Township 9 South, Range 33 East, Flying "M" San Andres Pool, Lea County, New Mexico.

CASE 3112: (Reopened)

In the matter of Case 3112 being reopened pursuant to the provisions of Order No. R-2824, which order authorized Gallup-Dakota commingling in the wellbore by means of a dual-flow downhole choke assembly in its Jicarilla 28 Well No. 1 located in Unit J of Section 28, Township 25 North, Range 4 West, Rio Arriba County, New Mexico. All interested parties may appear and show cause why the authority granted under this order should not be terminated.

CASE 3266: Application of Pan American Petroleum Corporation for a dual completion and commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Federal "A" Well No. 4 located in Unit L of Section 13, Township 9 South, Range 35 East, Lea County, New Mexico, to produce oil from the Bough Permo-Penn and an undesignated Devonian pool through parallel strings of tubing. Applicant further seeks authority to commingle the production from said pools on said lease after separately metering the production from each pool.

CASE 3258: (Continued from the May 26th examiner hearing)

Application of Midwest Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its State "C" Well No. 1 located in Unit K of Section 32, Township 13 South, Range 34 East, Lea County, New Mexico, to produce oil from the Upper and Lower Pennsylvanian formations through parallel strings of tubing.

State of New Mexico



Commissioner of Public Lands



GUYTON B. HAYS  
COMMISSIONER

RECEIVED  
MAY 22 1965

HINKLE, BONDURANT & CHRISTY  
ROSWELL, NEW MEXICO

P. O. BOX 1148  
SANTA FE, NEW MEXICO

May 21, 1965

Mr. Clarence E. Hinkle  
Hinkle, Bondurant & Christy, Attorneys  
P. O. Box 10  
Roswell, New Mexico

Re: Cueva Unit  
Eddy County, New Mexico

Dear Mr. Hinkle:

We have received by your letter of May 17, 1965,  
the Unit Agreement form for the proposed Cueva Unit in Eddy  
County, New Mexico.

We herewith approve this Unit Agreement form as  
to form and content.

Very truly yours,

GUYTON B. HAYS  
COMMISSIONER OF PUBLIC LANDS

BY:

(Mr.) Ted Bilberry, Director  
Oil and Gas Department

GBH/MMR/d

Inasmuch as this unit contains State of New Mexico lands, please contact the Commissioner of Public Lands, Santa Fe, New Mexico, before soliciting joinders.

Sincerely yours,

*Arthur S. Bohner*  
Acting Director



IN REPLY REFER TO:

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

FEB 24 1965

Monsanto Company  
602 West Missouri  
Midland, Texas 79704

Attention: Mr. V. M. Basil

Gentlemen:

Your application of January 25, filed with the Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of 12,488.64 acres, more or less, in Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to unit plan regulations of December 22, 1950, 30 CFR 226.3 (1961 reprint), the land requested as outlined on your map marked "Exhibit A, Cueva unit area, Eddy County, New Mexico," is hereby designated as a logical unit area. The unit agreement submitted for the area designated should provide for the drilling of an initial test well to test formations of Devonian Age or to 11,000 feet. The 1961 reprint of the standard form of unit agreement should be used with the changes in sections 6(b) and 27 set forth in your application and the addition of the language required by the State of New Mexico.

In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical to the 1961 reprint, modified only as outlined in your application, will be approved if submitted in approvable status within a reasonable time. However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all acreage. In preparation of Exhibits A and B, follow closely the format of the sample exhibits attached to the 1961 reprint of the standard form.

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the Cueva Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area 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 Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that 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.

(4) 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 the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

(5) 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.

DRAFT

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. 3262

Order No. R-2922

APPLICATION OF MONSANTO COMPANY  
FOR APPROVAL OF THE CUEVA  
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  
June 9, 1965, at Santa Fe, New Mexico, before Examiner  
Elvis A. Utz.

NOW, on this          day of June, 1965, the Commission,  
a quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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, Monsanto Company,  
seeks approval of the Cueva Unit Agreement  
State,  
covering 12.488.64 acres, more or less, of Federal lands  
and Fee  
described as follows:

EDDY COUNTY, NEW MEXICO  
TOWNSHIP 22 SOUTH RANGE 25 EAST, NMPM

Sections 21 and 22: All  
Sections 27 and 28: All  
Section 29: E/2  
Sections 32, 33, and 34: All

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Sections 3 through 10 inclusive: All  
Sections 15 through 18 inclusive: All



CASE No. 3262  
Order No. R-2922

IT IS THEREFORE ORDERED:

- (1) That the Cueva Unit Agreement is hereby approved.
- (2) That the plan contained in said unit agreement for the development and operation of the unit area 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 Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.
- (3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that 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.
- (4) 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 the Director of the United States Geological Survey; that this order shall terminate ~~upon~~ ~~fasto~~ upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.
- (5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

S E A L

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

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. 3262  
Order No. R-2922

APPLICATION OF MONSANTO COMPANY  
FOR APPROVAL OF THE CUEVA 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 June 9,  
1965, at Santa Fe, New Mexico, before Examiner Elvis A. Uta.

NOW, on this 9th day of June, 1965, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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, Monsanto Company, seeks approval  
of the Cueva Unit Agreement covering 12,488.64 acres, more or less,  
of State, Federal and Fee lands described as follows:

EDDY COUNTY, NEW MEXICO  
TOWNSHIP 22 SOUTH, RANGE 15 EAST, NMPM  
Sections 21 and 22: All  
Sections 27 and 28: All  
Section 29: N/2  
Sections 32, 33, and 34: All

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Sections 3 through 10 inclusive: All  
Sections 15 through 18 inclusive: All

(3) That approval of the proposed unit agreement should  
promote the prevention of waste and the protection of correlative  
rights within the unit area.

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

P. O. BOX 2088  
SANTA FE

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

June 9, 1965

Mr. Clarence Hinkle  
Hinkle, Bondurant & Christy  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico

Re: Case No. 3260  
Order No. R-2921 & R-2922  
Applicant:

Delaware Apache &

Monsanto Company

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

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC       

OTHER Mrs. Rhea

IT IS THEREFORE ORDERED:

- (1) That the Cueva Unit Agreement is hereby approved.
- (2) That the plan contained in said unit agreement for the development and operation of the unit area 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 Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.
- (3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that 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.
- (4) 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 the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.
- (5) 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

*Guyton B. Hays*  
GUYTON B. HAYS, Member

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

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. 3262  
Order No. R-2922

APPLICATION OF MONSANTO COMPANY  
FOR APPROVAL OF THE CUEVA 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 June 9, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 9<sup>th</sup> day of June, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Monsanto Company, seeks approval of the Cueva Unit Agreement covering 12,488.64 acres, more or less, of State, Federal and Fee lands described as follows:


EDDY COUNTY, NEW MEXICO  
TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM  
Sections 21 and 22: All  
Sections 27 and 28: All  
Section 29: E/2  
Sections 32, 33, and 34: All

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Sections 3 through 10 inclusive: All  
Sections 15 through 18 inclusive: All

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

Inasmuch as this unit contains State of New Mexico lands, please contact the Commissioner of Public Lands, Santa Fe, New Mexico, before soliciting joinders.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Arthur J. Baker".

Acting Director



IN REPLY REFER TO:

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

FEB 24 1965

Monsanto Company  
602 West Missouri  
Midland, Texas 79704

Attention: Mr. V. M. Basil

Gentlemen:

Your application of January 25, filed with the Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of 12,488.64 acres, more or less, in Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to unit plan regulations of December 22, 1950, 30 CFR 226.3 (1961 reprint), the land requested as outlined on your map marked "Exhibit A, Cueva unit area, Eddy County, New Mexico," is hereby designated as a logical unit area. The unit agreement submitted for the area designated should provide for the drilling of an initial test well to test formations of Devonian Age or to 11,000 feet. The 1961 reprint of the standard form of unit agreement should be used with the changes in sections 6(b) and 27 set forth in your application and the addition of the language required by the State of New Mexico.

In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical to the 1961 reprint, modified only as outlined in your application, will be approved if submitted in approvable status within a reasonable time. However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all acreage. In preparation of Exhibits A and B, follow closely the format of the sample exhibits attached to the 1961 reprint of the standard form.

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
Appel	EXHIBIT NO. 2
CASE NO.	3262

#2



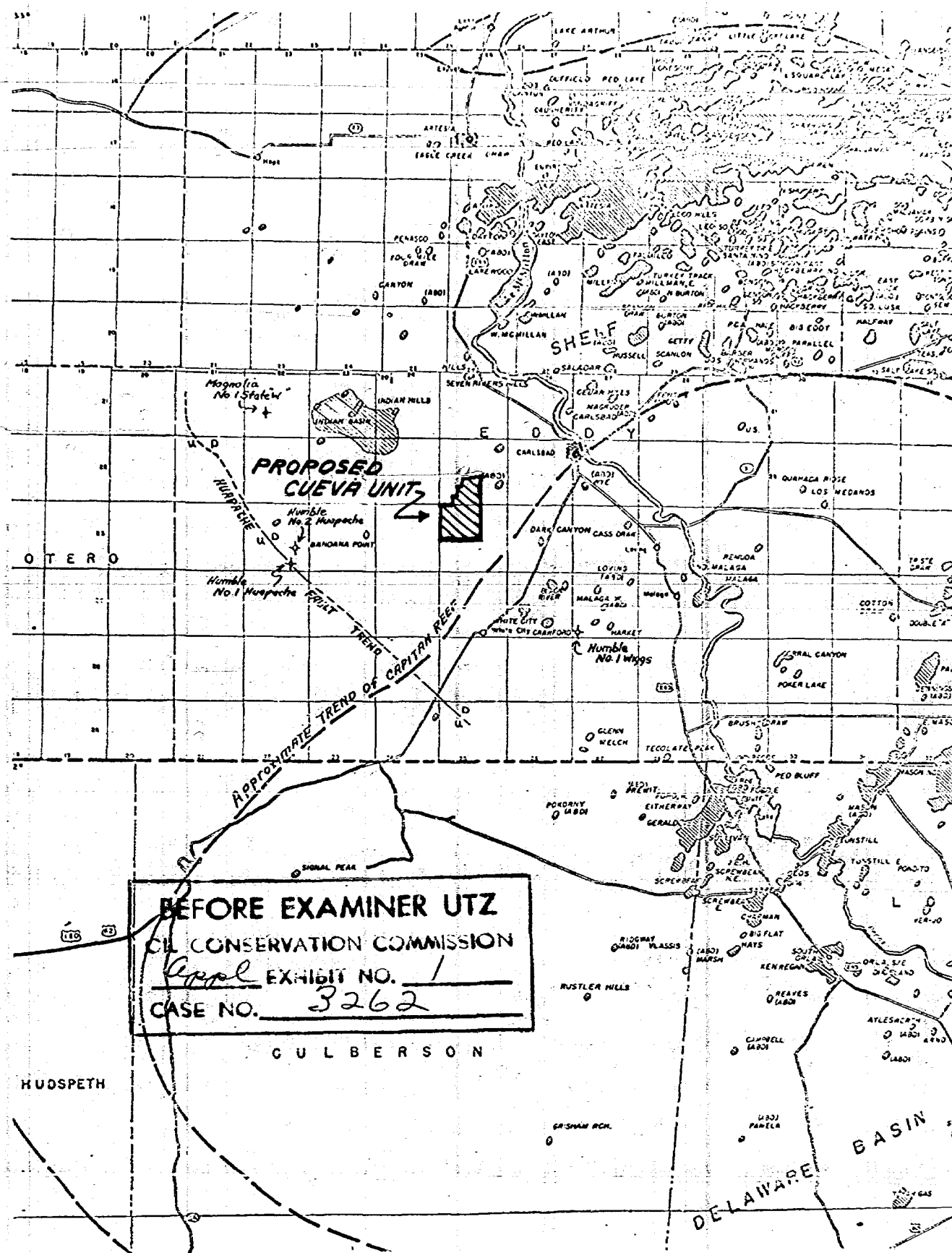


Figure 1: Index map showing location of proposed Cueva Unit, producing oil and gas fields, and location of wells and other features referred to in text but not shown on geologic maps.

E-71

State of New Mexico



Commissioner of Public Lands



May 21, 1965

GUYTON B. HAYS  
COMMISSIONER

RECEIVED  
MAY 22 1965

HINKLE, BONDURANT & CHRISTY  
ROSWELL, NEW MEXICO

P. O. BOX 1148  
SANTA FE, NEW MEXICO

Mr. Clarence E. Hinkle  
Hinkle, Bondurant & Christy, Attorneys  
P. O. Box 10  
Roswell, New Mexico

Re: Cueva Unit  
Eddy County, New Mexico

Dear Mr. Hinkle:

We have received by your letter of May 17, 1965,  
the Unit Agreement form for the proposed Cueva Unit in Eddy  
County, New Mexico.

We herewith approve this Unit Agreement form as  
to form and content.

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
*Approved* EXHIBIT NO. 4  
CASE NO. 3263

Very truly yours,

GUYTON B. HAYS  
COMMISSIONER OF PUBLIC LANDS

BY: *Ted Bilberry*  
(Mr.) Ted Bilberry, Director  
Oil and Gas Department

GBH/MMR/g

3262  
June 15, 1965

Moncanto Company  
602 West Missouri Avenue  
Midland, Texas

Re: Cueva Unit  
Eddy County, New Mexico

Gentlemen:

The Commissioner of Public Lands approved as of June 15, 1965, the Cueva Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey.

We are this date handing to Mr. V. M. Basil eleven originally signed copies of Certificate of Approval of this Unit Agreement, along with Official Receipt No. H-13546 in the amount of One Hundred (\$100.00) Dollars, which covers the filing fee.

Very truly yours,

GUYTON B. HAYS  
COMMISSIONER OF PUBLIC LANDS

BY:  
(Mr.) Ted Bilberry, Director  
Oil and Gas Department

GMB/MSB/A  
Enclosures  
cc:

United States Geological Survey  
P. O. Drawer 1857, Roswell, New Mexico  
Attention: Mr. John A. Anderson

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

February 1, 1966  
Page 2

to Section 20 (b) of the Unit Agreement. Notice of intention  
to terminate the agreement has previously been sent to all  
parties in interest.

Very truly yours,

MONSANTO COMPANY

By Frank Richardson  
Attorney-in-Fact FRANK RICHARDSON  
UNIT OPERATOR

APPROVED:

United States Geological Survey

Commissioner of Public Lands

Director, New Mexico Oil Conservation Commission

# Monsanto

C O M P A N Y

Hydrocarbons Division  
101 North Marienfeld  
Midland, Texas 79704

February 1, 1966

IN RE: Cueva Unit (No. 14-00-0001-8598)  
Eddy County, New Mexico  
Request for Approval to Terminate

Regional Supervisor  
United States Geological Survey  
P. O. Box 1507  
Roswell, New Mexico

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1140  
Santa Fe, New Mexico

Director  
New Mexico Oil Conservation Commission  
P. O. Box 2084  
Santa Fe, New Mexico

**Citation:**

Monsanto Company, designated Unit Operator of the Cueva Unit, respectfully requests the approval of the Director of the Geological Survey and Commissioner of Public Lands to terminate the Cueva Unit Agreement dated May 13, 1963.

Approval to terminate said Unit Agreement is requested pursuant

February 1, 1966  
Page 2

to Section 20 (b) of the Unit Agreement. Notice of intention  
to terminate the agreement has previously been sent to all  
parties in interest.

Very truly yours,

MONSANTO COMPANY

By Frank Richardson  
Attorney-in-Fact FRANK RICHARDSON  
UNIT OPERATOR

APPROVED:

United States Geological Survey

Commissioner of Public Lands

Director, New Mexico Oil Conservation Commission

**Monsanto**  
C O M P A N Y

Hydrocarbons Division  
101 North Marionfeld  
Midland, Texas 79704

February 1, 1966

IN RE: Cueva Unit (No. 14-08-0061-8598)  
Eddy County, New Mexico  
Request for Approval to Terminate

Regional Supervisor  
United States Geological Survey  
P. O. Box 1857  
Roswell, New Mexico

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico

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

Gentlemen:

Monsanto Company, designated Unit Operator of the Cueva Unit, respectfully requests the approval of the Director of the Geological Survey and Commissioner of Public Lands to terminate the Cueva Unit Agreement dated May 13, 1965.

Approval to terminate said Unit Agreement is requested pursuant



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 21, 1966

C  
O  
P  
Y  
  
Monsanto Company  
Hydrocarbons Division  
101 North Marienfield  
Midland, Texas

Attention: Mr. V. M. Basil

Re: Cueva Unit - Request for  
Approval to Terminate

Gentlemen:

Please inform this office of action taken, if any, by the  
Commissioner of Public Lands for the State of New Mexico and  
the United States Geological Survey on your Request for  
Approval to Terminate the Cueva Unit dated January 31, 1966.

Very truly yours,

A. L. PORTER, Jr.,  
Secretary-Director

ALP/JEX/og

**Monsanto**

COMPANY MAIN OFFICE OCC

~~FEB 2 PM 1:23~~

HYDROCARBONS DIVISION

101 North Marientfeld  
Midland, Texas 79704  
(915) Mutual 3-3306

January 31, 1966

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

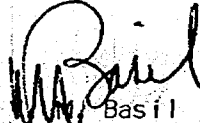
Re: Cueva Unit (No. 14-08-0001-8698)  
Eddy County, New Mexico  
Request for Approval to Terminate

Dear Sir:

Enclosed please find in two (2) counterparts Request for  
Approval to Terminate the Cueva Unit. We shall appreciate  
receiving one approved copy of this Request.

Very truly yours,

MONSANTO COMPANY



Basil  
District Landman

VMB/vc  
Enclosures

Mr. Wm. F. Schwenn  
740 South 45th Street  
Boulder, Colorado

Mr. Don R. Link  
840 Petr. Club Bldg.  
Denver, Colorado

Mr. William A. Huffman  
3130 Columbia Dr.  
Arlene, Texas

Mr. R. G. Managan  
Box 1737  
Roswell, New Mexico

Sullivan, Inc.  
Ulysses  
Kansas

Mr. H. Gersowitz  
630 - 5th Ave.  
New York 20, New York

Mr. J. T. Winkhaus, Jr.  
2 Broadway  
New York 4, New York

Mr. C. P. Ellis, III  
No. 6 Richmond  
New Orleans, Louisiana

Mrs. Mary Charlotte Cooper  
1005 Upland  
Midland, Texas

Mr. Wesley Chalfant  
506 Vaughn Bldg.  
Midland, Texas

Miss Claire M. Mack  
4608 Pasadena Dr.  
Midland, Texas

Mr. Earl G. Bateman  
620 Oil & Gas Bldg.  
New Orleans 12, Louisiana

Mr. W. L. Serpas, Sr.  
620 Oil & Gas Bldg.  
New Orleans 12, Louisiana

Mr. C. M. McElhannon  
Box 1057  
Ft. Worth, Texas

Mr. Johney Cockburn  
Box 1076  
Del Rio, Texas

Mr. Ralph A. Shugart  
100 Carper Bldg.  
Artesia, New Mexico

Mrs. Rose Salzman  
Miss Gertrude Bennett  
Miss Mae G. Smith  
c/o Wm. M. Nathan  
Bettes Bldg.  
Houston 2, Texas

# Monsanto

C O M P A N Y

MAIN OFFICE OCC

Hydrocarbons Division  
101 North Marientfeld  
Midland, Texas 79704

JAN 17 AM 8:14

January 13, 1966

IN RE: Cueva Unit  
Eddy County, New Mexico  
Notice of Intention to Terminate

Parties in Interest - Addressee List Attached

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico

Regional Supervisor  
United States Geological Survey  
P. O. Box 1857  
Roswell, New Mexico

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

Gentlemen:

The initial exploratory well drilled in the SE $\frac{1}{4}$  SW $\frac{1}{4}$  Section 28, T-22S, R-25E, N.M.P.M., pursuant to Section 9 of the Cueva Unit Agreement, was completed as a dry hole on August 16, 1965. The results of said well have now been evaluated.

In the opinion of Unit Operator, the prospect has been tested. Pursuant to Section 20 (b) of the Unit Agreement, notice is given to all parties

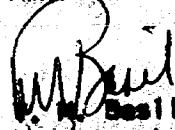
January 13, 1966  
Page 2

In interest that it is the intention of Operator to request termination of the Cueva Unit Agreement.

On February 1, 1966, Unit Operator plans to request from the United States Geological Survey, Commissioner of Public Lands and New Mexico Oil Conservation Commission approval to terminate the Cueva Unit Agreement. In the event any party in interest desires to extend said Unit pursuant to Section 9 of the Unit Agreement, we shall be pleased to hear from such party prior to the date set out hereinabove.

Very truly yours,

MONSANTO COMPANY



W. H. Basil  
District Landman

WMB/vc

Gulf Oil Corporation  
Box 1938  
Roswell, New Mexico

Mr. Curtis R. Inman  
Box 737  
Midland, Texas

Richfield Oil Corporation  
308 West Colorado  
Midland, Texas

Kern County Land Company  
407 V&J Tower Bldg.  
Midland, Texas

Sinclair Oil & Gas Company  
Box 1677  
Roswell, New Mexico

Pan American Petroleum Corporation  
Box 268  
Lubbock, Texas

Mr. David Roston  
c/o Richard S. Brooks  
608 First National Bank Bldg.  
Midland, Texas

Mr. Haver H. Wright  
Box 2312  
Roswell, New Mexico

Phillips Petroleum Company  
Box 791  
Midland, Texas

Union Oil Company of California  
300 Security National Bank Bldg.  
Roswell, New Mexico

Mr. Darrell G. Hanks  
419 E. Denger  
Midland, Texas

Socony Mobil Oil Company, Inc.  
Box 829  
Roswell, New Mexico

Marathon Oil Company  
P. O. Drawer 1398  
Roswell, New Mexico

Southern Minerals Corporation  
Box 1816  
Midland, Texas

Mr. Claude E. Hestley  
604 V&J Tower Bldg.  
Midland, Texas

Mr. P. K. Middleton  
813 N. Halegueno  
Carlsbad, New Mexico

Texaco, Inc.  
Box 3109  
Midland, Texas

Mrs. Ethel Marie Southworth  
108 W. Alb.  
Roswell, New Mexico

Gladys Lutz  
711 North Pennsylvania Ave.  
Roswell, New Mexico

Bryan Bell  
4455 St. Nash Ave.  
New Orleans 22, Louisiana

Mr. T. J. Denson, Jr.  
1017 S. Kentucky  
Roswell, New Mexico

Mr. Gordon M. Cone  
Box 1148  
Lovington, New Mexico

Mr. E. D. White  
Box 146  
Roswell, New Mexico

Mrs. Marion V. Harris  
Box 6657  
Roswell, New Mexico

The Blanco Company  
Box 146  
Roswell, New Mexico

Mrs. Irma M. Hanson  
Box 1515  
Roswell, New Mexico

Mr. Fred M. Cassidy  
1609 Humble St.  
Midland, Texas

Mrs. Ruth C. McPherson  
1303 N. Lea Ave.  
Roswell, New Mexico

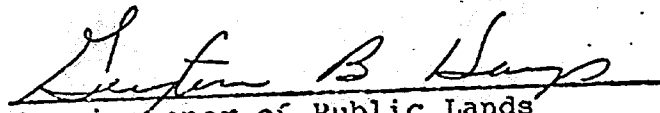
CERTIFICATE OF TERMINATION

CUEVA UNIT

There having been presented to the Commissioner of Public Lands of the State of New Mexico, an application for termination of the Unit Agreement for the development and operation of the Cueva Unit Area, Eddy County, New Mexico. The Cueva Unit Agreement is dated May 15, 1965, and was approved by the Commissioner of Public Lands as of June 15, 1965.

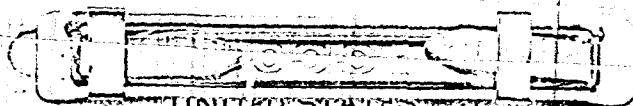
The application for termination has been executed by the working interests that were committed to the Cueva Unit Agreement, and such constitute in the aggregate seventy-five (75%) percent, or more, on an acreage basis of the working interests so committed and that provision is made for the termination of the Unit Agreement under Section 20 thereof by the owners of such a percentage of the working interests so committed to the Cueva Unit Agreement.

NOW, THEREFORE, I do approve the termination of the Cueva Unit Agreement, the termination to be effective as of 3-1-66; and subject to like approval by the United States Geological Survey.  
IN WITNESS WHEREOF, this Certificate of Approval of Termination is executed, with seal affixed, this 18th day of February, 1966.

  
Commissioner of Public Lands  
of the State of New Mexico







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

IN REPLY REFER TO:

MAR 16 1966

Monsanto Company  
101 North Marienfeld  
Midland, Texas 79704

Gentlemen:

On March 10, 1966, effective as of March 1, 1966, Arthur A. Baker, Acting Director of the Geological Survey, approved the termination of the Cueva unit agreement, Eddy County, New Mexico, No. 14-08-0001-8698, pursuant to the last paragraph of section 20 thereof.

Enclosed is one copy of the approved application for your records. We request that you furnish notice of this approval to each interested working interest owner, lessee, and lessor at their last known address.

Sincerely yours,

For the Director

Enclosure

142

3262

MAINTENANCE (110)

**Monsanto**  
COMPANY

66 JUL 27 PM 1 23

HYDROCARBONS DIVISION

101 North Marienfeld  
Midland, Texas 79704  
(915) MUtual 3-3306

July 25, 1966

*Termination*

Mr. A. L. Porter, Jr.  
Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Re: Cueva Unit  
Eddy County, New Mexico

Dear Mr. Porter:

With reference to your letter of July 21, 1966, please be advised the Commissioner of Public Lands and the Director of the United States Geological Survey approved the termination of the Cueva Unit effective as of March 1, 1966. Copies of their approval letters are attached.

Very truly yours,

MONSANTO COMPANY

*V. M. East*  
District Landman

VMB/gp  
Encls.