

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

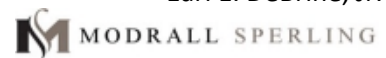
**APPLICATION OF CHEVRON U.S.A. INC.
TO REOPEN CASE NO. 16436 TO MODIFY THE
VERTICAL LIMITS OF THE JAVELINA UNIT,
IN EDDY COUNTY, NEW MEXICO.**

CASE NO. 16436 (Reopened)

CHEVRON'S EXHIBITS 1 - 6



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APPLICATION

Chevron U.S.A. Inc. ("Chevron") by and through its attorneys, Modrall, Sperling, Roehl, Harris & Sisk, P.A., files this application with the Oil Conservation Division for an order reopening Case No. 16436 to modify the vertical limits of the Javelina Unit approved by the Division in Order No. R-20250. In support of its application, Chevron states:

1. By its Order R-20250, the Division approved the establishment of the Javelina Unit, comprised of approximately 5,119.76 acres of state and federal lands situated in Eddy County, New Mexico, described as follows:

Township 24 South, Range 31 East, N.M.P.M.:

Section 1:	All
Section 2:	All
Section 9:	All
Section 10:	All
Section 11:	All
Section 12:	All
Section 15:	All
Section 16:	All

2. The unitized interval approved in Order No. R-20250 ordering ¶10 includes all oil and gas in any and all formations of the unitized land from the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime, as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated November 13, 1980, in the Sotol Federal 1 (API # 30-015-23459), located 1980' FNL and 1980' FWL (Unit F) of in Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico, to the center of the earth.



3. Applicant seeks to reduce the lower vertical limit of the Unit from: (a) the center of the earth, to: (b) the base of the Woodford Shale, defined as the stratigraphic equivalent of a depth of 16,367 feet beneath the surface in that certain Pan Geo Atlas Corp. Laterolog survey dated May 13, 1967, in the Cotton Draw Unit 65 well (API # 30-015-10843), located in Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico.

4. Chevron received preliminary approval of the Revised Unit Agreement with the reduced unitized interval from the New Mexico State Land Office on December 18, 2018 and the Bureau of Land Management on December 10, 2019.

5. Approval of this Application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Chevron requests that this Application be approved administratively by the Division or, if required, set for hearing before an Examiner of the Oil Conservation Division on February 7, 2019, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 

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UNIT AGREEMENT
FOR DEVELOPMENT AND OPERATION
OF THE
JAVELINA UNIT AREA
COUNTY OF EDDY
STATE OF NEW MEXICO
NO. _____

THIS AGREEMENT, entered into as of the _____ day of _____, 20__, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as the "parties hereto,"

WITNESSETH:

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. Sec. 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 under a 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 (Section 19-10-45, 46, 47 NM Statutes 1978 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 interest of the State of New Mexico; and

WHEREAS, the Oil Conservation Division of the New Mexico Energy and Minerals Department, hereinafter referred to as "Division", is authorized by an act of the Legislature (Chapter 70 and 71, NM Statutes 1978 Annotated) to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the JAVELINA UNIT covering the land hereinafter described to give reasonably effective control of operations therein; and

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

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



1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of February 25, 1920, as amended, supra, and all valid pertinent regulations including operating and unit plan regulations and State of New Mexico leases and rules and 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 and State of New Mexico lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal lands, the oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State in which the non-Federal land is located, are hereby accepted and made a part of this agreement. It is recognized that no language contained herein shall limit or alter the authority and jurisdiction of the BLM Authorized Officer as provided by the Mineral Leasing Act of 1920, as amended, and regulations promulgated at 43 CFR 3180.

2. UNIT AREA. The area specified on the map attached hereto marked Exhibit "A" is hereby designated and recognized as constituting the unit area, containing 5,119.76 acres, more or less.

Exhibit "A" shows, in addition to the boundary of the unit area, the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator, the acreage, percentage, and kind of ownership of oil and gas interests in all lands in the unit area. However, nothing herein or in Exhibits "A" or "B" 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 the Exhibits as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area or in the ownership interests in the individual tracts render such revision necessary, or when requested by the Authorized Officer, hereinafter referred to as "AO", or when requested by the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Land Commissioner", and not less than four (4) copies of the revised Exhibits shall be filed with the proper Bureau of Land Management office, and one (1) copy thereof shall be filed with the Land Commissioner, and one (1) copy with the New Mexico Oil Conservation Division of the Energy and Minerals Department, hereinafter referred to as "Division".

The above-described unit area shall when practicable be expanded to include therein any additional lands or shall be contracted to exclude lands whenever such expansion or contraction is deemed to be 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 (after preliminary concurrence by the AO), or on demand of the AO or the Land Commissioner, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefore, any plans for additional drilling, and the proposed effective date of the expansion or contraction, preferably the first day of a month subsequent to the date of notice.

(b) Said notice shall be delivered to the proper Bureau of Land Management office, the Land Commissioner, and the Division, 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 AO, the Land Commissioner, and the Division, 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 triplicate, 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 AO, the Land Commissioner and the Division, become effective as of the date prescribed in the notice thereof or such other appropriate date.

(e) All legal subdivisions of lands (i.e., 40 acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys, unusually large lots or tracts shall be considered in multiples of 40 acres or the nearest aliquot equivalent thereof), no parts of which are in or entitled to be in a participating area (as defined in Section 11) on or before the fifth anniversary of the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective of said fifth anniversary, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless diligent drilling operations under an approved plan of development are in progress on unitized lands on said fifth anniversary, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than 90-days time elapsing between the completion of one such well and the commencement of the next such well. All legal subdivisions of lands not entitled to be in a participating area within 10 years after the effective date of the first initial participating area approved under this agreement shall be automatically eliminated from this agreement as of said tenth anniversary. 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 AO and the Land Commissioner and promptly notify all parties in interest. All lands reasonably proved productive of unitized substances in paying quantities and developed to the satisfaction of the AO by diligent drilling operations under an approved plan of development after the aforesaid five-year period shall become participating in the same manner as during said first five-year period. However, when such diligent drilling operations cease, all nonparticipating lands not then entitled to be in a participating area shall be automatically eliminated effective as of the 91st day thereafter.

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. If conditions warrant extension of the 10-year period specified in this subsection, a single extension of not to exceed two years may be accomplished by consent of the owners of 90 percent of the working interest in the current nonparticipating unitized lands and the owners of 60 percent of the basic royalty interests (exclusive of the basic royalty interests of the United States) in nonparticipating unitized lands with approval of the AO and the Land Commissioner, provided such extension application is submitted not later than 60 days prior to the expiration of said 10-year period.

3. UNITIZED LAND AND UNITIZED SUBSTANCES. All land now or hereafter 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 from the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime, as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated November 13, 1980, in the Sotol Federal 1 (API # 30-015-23459), located in Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico, to the base of the Woodford Shale as defined as the stratigraphic equivalent of a depth of 16,367 feet beneath the surface in that certain Pan Geo Atlas Corp. Laterolog survey dated May 13, 1967, in the Cotton Draw Unit 65 well (API # 30-015-10843), located in Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico, are unitized under the terms of this agreement and herein are called "unitized substances"; provided, however, that it is the specific intent of the parties hereto not to cause or effectuate any horizontal segregation of any Federal or State lease committed hereto as a consequence of the aforementioned depth limitations of the unitized land.

Within the unitized land and as referenced herein, the Wolfcamp formation is defined as the interval between the stratigraphic equivalent of the interval between the base of the Bone Spring formation as seen at 11,755 feet beneath the surface, to the stratigraphic equivalent of the top of the Cisco formation, as seen at 13,255 feet beneath the surface, as also shown in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated December 19, 1980, in the Sotol Federal 1 (API # 30-015-23459), located in Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico.

4. UNIT OPERATOR. CHEVRON U.S.A. INC. is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of 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 only 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 AO, Land Commissioner, and Division, and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment, whichever is required by the AO as to Federal lands, and the Division as to State and fee 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.

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

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

The resignation of Unit Operator shall not release the 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 as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the AO and the Land Commissioner.

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title, or interest as the owner of 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 wells, equipment, materials, and appurtenances used in conducting the unit operations to the new duly qualified successor Unit Operator or to the common agent, if no such new Unit Operator is selected to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment, or appurtenances needed for the preservation of any wells.

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 according to their respective acreage interests in all unitized land shall, pursuant to Approval of the Parties requirements of the unit operating agreement, select a successor Unit Operator. Such selection shall not become effective until:

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

(b) the selection shall have been approved by the AO and approved by the Land Commissioner.

If no successor Unit Operator is selected and qualified as herein provided, the AO and the Land Commissioner at their election may declare this unit agreement terminated.

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

provide the manner in which the working interest owners shall be entitled to receive their 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 agreement, and in case of any inconsistency or conflict between this agreement and the unit operating agreement, this agreement shall govern. Two copies of the unit operating agreement, executed pursuant to this section shall be filed in the proper Bureau of Land Management office and one true copy with the Land Commissioner prior to approval of this unit agreement.

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 Unit Operator and, together with this agreement, shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within six (6) months after the effective date hereof, the Unit Operator shall commence to drill a horizontal test well at the location approved by the AO if on Federal land or by the Land Commissioner if on State land or by the Division if on Fee land, unless on such effective date a well is being drilled in conformity with the terms hereof, and thereafter continue such drilling diligently until the Bone Spring formation, or other stratigraphically lower prospective formation within the unitized land has been tested with one well with at least a one-mile horizontal lateral, which can be produced in paying quantities (to wit: quantities sufficient to repay the costs of drilling, completing, and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the AO if it be on Federal land or of the Land Commissioner if on State land, or the Division if on Fee land, that further drilling of said well would be unwarranted or impracticable. Until the discovery of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling one well at a time, allowing not more than 6 months between the completion of one well and the commencement of drilling operations for the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the AO if it be on Federal land, or of the Land Commissioner if it be on State land 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 AO and the Land Commissioner may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted.

Until the establishment of a participating area, the failure to commence a well subsequent to the drilling of the initial obligation well, as provided for in this section, within the time allowed including any extension of time granted by the AO and the Land Commissioner, shall cause this agreement to terminate automatically. Upon failure to continue drilling diligently any well other than the obligation well(s) commenced hereunder, the AO and Land Commissioner may, after 15-days notice to the Unit Operator, declare this unit agreement terminated. Failure to commence drilling the first of the multiple obligation wells on time and to drill it diligently to test the Bone Spring formation with a one-mile horizontal lateral shall result in the unit agreement approval being declared invalid ab initio by the AO and Land Commissioner.

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 AO, the Land Commissioner, and Division, an acceptable plan of development and operation for the unitized land which, when approved by the AO, Land Commissioner, and Division, shall satisfy the AO, Land Commissioner, and Division, and constitute the further drilling and development obligations of the Unit Operator under this agreement for a period of twelve (12) months. Thereafter, before the expiration of any existing plan, the Unit Operator shall submit for the approval of the AO, Land Commissioner, and Division, a plan for an additional 12-month period for the development and operation of the unitized land. Subsequent plans should be filed on a calendar-year basis not later than March 1 of each year. Any proposed modification or addition to the existing plan should be filed as a supplement to the plan.

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

- (a) Specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and
- (b) Provide a summary of operations and production for the previous year.

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 and operation. The AO and the Land Commissioner are authorized to grant a reasonable extension of the six-month period herein prescribed for submission of the initial plan of development and operation where such action is justified because of unusual conditions or circumstances.

After completion 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 and such as may be specifically approved by the AO, the Land Commissioner, and Division, shall be drilled except in accordance with an approved plan of development and operation.

Notwithstanding anything in this unit agreement to the contrary, except Section 25, UNAVOIDABLE DELAY, a total of eight (8) horizontal wells shall be drilled pursuant to approved plans of development within five years of the effective date hereof. Unit Operator intends to drill such eight (8) horizontal wells as follows, subject to the requirements of this Section 10, PLAN OF FURTHER DEVELOPMENT AND OPERATION:

Bottom-Hole Section	Surface-Hole Section	Lateral Length	Lateral Direction	Target Formation
Section 1	Section 12	2 Miles	North	Wolfcamp
Section 2	Section 11	2 Miles	South	Wolfcamp
Section 15	Section 10	2 Miles	South	Wolfcamp
Section 16	Section 9	2 Miles	South	Wolfcamp
Section 1	Section 12	2 Miles	North	Bone Spring
Section 2	Section 11	2 Miles	South	Bone Spring
Section 15	Section 10	2 Miles	South	Bone Spring
Section 16	Section 9	2 Miles	South	Bone Spring

It is agreed by the Unit Operator that the wells identified here represent the minimum number of wells for the BLM and the Land Commissioner to approve the participating area(s) proposed by the Unit Operator, and failure to complete the above-described well program within the five-year timeframe shall cause the unit to contract in accordance with the terms of Section 2(e) of this Unit Agreement.

Failure to timely submit an acceptable annual plan of development that provides for the diligent drilling of the unit area in accordance with this section, and to diligently execute said plan, shall cause those lands in a participating area not otherwise developed to the satisfaction of the AO, the Land Commissioner, and the Division to be eliminated from the participating area pursuant to the provisions of Section 11.

The AO and Land Commissioner may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted.

11. PARTICIPATION AFTER DISCOVERY. Determination as to whether a well completed within the Unit Area prior to the effective date of this agreement is capable of producing unitized substances in paying quantities shall be deferred until the initial participating area is established as the result of the completion for production in paying quantities of the obligation wells in accordance with Section 9 of this Agreement.

Upon completion of the obligation wells, designated in Section 9 of the Unit Agreement, as capable of producing unitized substances in paying quantities, or as soon thereafter as required by the AO, the Land Commissioner, or the Division, the Unit Operator shall submit for approval by the AO, the Land Commissioner, and the Division, a schedule, based on subdivision of the public land survey or aliquot parts thereof, of all land then regarded as reasonably proved to be productive of unitized substances in paying quantities. These lands shall constitute a participating area on approval of the AO, the Land Commissioner, and the Division, effective as of the date of completion of such well or the effective date of this unit agreement, whichever is later. The acreages of both Federal and non-Federal lands shall be based upon appropriate computations from the courses and distances shown on the last approved public land survey as of the effective date of each initial participating area. The schedule shall also set forth the percentage of unitized substances to be allocated, as provided in Section 12, to each committed tract in the participating area so established, and shall govern the allocation of production commencing with the effective date of the participating area. A different participating area shall be established for each separate pool or deposit of unitized substances or for any group thereof which is produced as a single pool or zone, and any two or more participating areas so established may be combined into one, on approval of the AO and the Land Commissioner. When production from two or more participating areas is subsequently found to be from a common pool or deposit, the participating areas shall be combined into one, effective as of such appropriate date as may be approved or prescribed by the AO, the Land Commissioner, and the Division. The participating area or areas so established shall be revised annually, subject to the approval of the AO, the Land Commissioner, and Division, to include additional lands then regarded as reasonably proved to be productive of Unitized Substances in paying quantities and developed to the satisfaction of the AO, the Land Commissioner, and Division, under an approved plan of development or which are necessary for unit operations; or to exclude lands then regarded as not reasonably proved to be productive of Unitized Substances in paying quantities or that are not developed to the satisfaction of the AO, the Land Commissioner, or Division, under an approved plan of development, unless diligent drilling operations are underway in accordance with an existing approved plan of development as provided in Section 10. The schedule of allocation percentages shall be revised accordingly. The effective date of any revision shall be the first of the month in which the knowledge or information is obtained on which such revision is predicated; provided however, that a more appropriate effective date may be used if justified by Unit Operator and approved by the AO, the Land Commissioner, and Division. No land shall be excluded from a participating area on account of depletion of its unitized substances, except that any participating area established under the provisions of this unit agreement shall terminate automatically whenever all completions in the formation on which the participating area is based are abandoned.

In the absence of agreement at any time between the Unit Operator and the AO and the Land Commissioner as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established, the portion of all payments affected thereby shall, except royalty due the United States and the State of New Mexico, be impounded in a manner mutually acceptable to the owners of committed working interests. Royalties due the United States shall be determined by the AO, and royalties due the State of New Mexico shall be determined by the Land Commissioner, and the amount thereof shall be deposited, as directed by the AO or State (as appropriate), until a participating area is finally approved and

then adjusted in accordance with a determination of the sum due as Federal or State royalty on the basis of such approved participating area.

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

12. ALLOCATION OF PRODUCTION. All unitized substances produced from a participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating and other production or development purposes, for repressuring or recycling in accordance with a plan of development and operations that has been approved pursuant to Section 10, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land and unleased Federal or State land, if any, included in the participating area established for such production. Each such tract 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 and unleased Federal or State land, if any, included in said participating area. There shall be allocated to the working interest owner(s) of each tract of unitized land in said participating area, in addition, such percentage of the production attributable to the unleased Federal and State land within the participating area as the number of acres of such unitized tract included in said participating area bears to the total acres of unitized land in said participating area, for the payment of the compensatory royalty specified in Section 17 of this agreement. 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, including compensatory royalty obligations under Section 17, shall be prescribed as set forth in the unit operating agreement or as otherwise mutually agreed by the affected parties. 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 the 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 the latter 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 such area was defined at the time that such transferred gas was finally produced and sold.

13. DEVELOPMENT OR OPERATION OF NONPARTICIPATING LAND OR FORMATIONS. Any operator may with the approval of the AO, the Land Commissioner, and the Division, at such party's sole risk, costs, and expense, drill a well on the unitized land to test any formation provided the well is outside any participating area established for that formation, 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 the well in a like manner as other wells are drilled by the Unit Operator under this agreement.

If any well drilled under this section by a non-unit operator results in production of unitized substances in paying quantities 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 terms of this agreement and the unit operating agreement.

If any well drilled under this section by a non-unit operator that obtains production in quantities insufficient to justify the inclusion of the land upon which such well is situated in a participating area, 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 any royalty owner, who is entitled to take in kind a share of the substances now unitized hereunder shall be hereafter be entitled to the right to take in kind its share of the unitized substances, and Unit Operator, or the non-unit operator in the case of the operation of a well by a non-unit operator as herein provided for in special cases, 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 an operator responsible therefore under existing contracts, laws and regulations, or by the Unit Operator on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing in this section shall operate to relieve the responsible parties 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, in conformity with a plan of development and operation pursuant to Section 10, a like amount of gas, after settlement as herein provided for any gas transferred from any other participating area and with appropriate deduction for loss from any cause, may be withdrawn from the formation into which the gas is introduced, royalty free as to dry gas, but not as to any products which may be extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved plan of development and operation or as may otherwise be consented to by the AO and the Land 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 30 CFR Group 200 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 in Section 12 at the rates specified in the respective Federal leases, or at such other rate or rates as may be authorized by law or regulation and approved by the AO; provided, that for leases on which the royalty rate depends on the daily

average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases committed hereto shall be paid by the appropriate parties under existing contracts, laws, and regulations, provided that nothing herein contained shall operate to relieve the responsible parties of the land from their respective obligations for the payment of any rental or minimum royalty 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 rate specified in the respective leases.

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

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

17. DRAINAGE.

(a) The Unit Operator shall take such measures as the AO and Land Commissioner deems appropriate and adequate to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, which shall include the drilling of protective wells and which may include the payment of a fair and reasonable compensatory royalty, as determined by the AO as to Federal leases and the Land Commissioner as to State leases.

(b) Whenever a participating area approved under Section 11 of this agreement contains unleased Federal lands, the value of 12-1/2 percent of the production that would be allocated to such Federal lands under Section 12 of this agreement, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal Government. Parties to this agreement holding working interests in committed leases within the applicable participating area shall be responsible for such compensatory royalty payment on the volume of production reallocated from the unleased Federal lands to their unitized tracts under Section 12. The value of such production subject to the payment of said royalties shall be determined pursuant to 30 CFR Part 206. Payment of compensatory royalties on the production reallocated from unleased Federal land to the committed tracts within the participating area shall fulfill the Federal royalty obligation for such production, and said production shall be subject to no further Federal royalty assessment under Section 14 of this agreement. Payment of compensatory

royalties as provided herein shall accrue from the date the committed tracts in the participating area that includes unleased Federal lands receive a production allocation, and shall be due and payable monthly by the last day of the calendar month next following the calendar month of actual production. If leased Federal lands receiving a production allocation from the participating area become unleased, compensatory royalties shall accrue from the date the Federal lands become unleased. Payment due under this provision shall end when the unleased Federal tract is leased or when production of unitized substances ceases within the participating area and the participating area is terminated, whichever occurs first.

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 on 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 Land Commissioner, as to State leases, shall and by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every separately owned tract subject to this agreement, regardless of whether there is any development of any particular tract of this unit area.

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

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the AO and the Land Commissioner or his duly authorized representative shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land. A suspension of drilling or producing operations limited to specified lands shall be applicable only to such lands.

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

(e) Any Federal lease 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 of unitized substances in paying quantities is established 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 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, as amended.

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

(g) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(m) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784) (30 U.S.C. 226(m)):

"Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided, however, that any such lease as to the non-unitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

If the public interest requirement is not satisfied, the segregation of a lease and/or extension of a lease pursuant to 43 CFR 3107.3-2 and 43 CFR 3107.4, respectively, shall not be effective.

(h) 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, that notwithstanding any of the provisions of this agreement to the contrary, such lease 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 being produced in paying quantities from some part of the lands embraced in such lease at the expiration of the fixed term of such lease; or if, at the expiration of the fixed 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, then 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 the lands embraced therein, so long thereafter as oil or gas in paying quantities is being produced from any portion of said lands.

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

20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the AO and the Land Commissioner and shall automatically terminate five years from said effective date unless:

(a) Upon application by the Unit operator such date of expiration is extended by the AO and the Land 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 this agreement on such ground is given by the Unit Operator to all parties in interest at their last known address, this agreement is terminated with approval of the AO and the Land Commissioner; or

(c) A valuable discovery of unitized substances in paying quantities has been made or accepted on unitized land during said initial term or any extension thereof, in which event this agreement shall remain in effect for such term and so long thereafter 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. Should production cease and diligent drilling or reworking operations to restore production or new production are not in progress within 60 days and production is not restored or should new production not be obtained in paying quantities on committed lands within this unit area, this agreement will automatically terminate effective the last day of the month in which the last unitized production occurred; or

(d) It is voluntarily terminated as provided in this agreement. Except as noted herein, this agreement may be terminated at any time prior to the discovery of unitized substances which can be produced in paying quantities by not less than 75 per centum, on an acreage basis, of the working interest owners signatory hereto, with the approval of the AO and the Land Commissioner. The Unit Operator shall give notice of any such approval to all parties hereto. If the public interest requirement is not satisfied, the approval of this unit by the AO shall be invalid.

21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The AO 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 are not fixed pursuant to Federal or State law, or do 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. The above authority is hereby limited to alteration or modifications which are in the public interest. The public interest to be served and the purpose thereof, must be stated in the order of alteration or modification. Without regard to the foregoing, the AO is also hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law; 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 specific written approval thereof by the Commissioner and also 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 Division.

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

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

23. NOTICES. All notices, demands, or statements required hereunder to be given or rendered to the parties hereto shall be in writing and shall be personally delivered to the party or parties, or sent by postpaid registered or certified mail, to the last-known address of the party or parties.

24. NO WAIVER OF CERTAIN RIGHTS. Nothing contained in this agreement 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 where the unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

25. 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 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 or equipment in the open market, or other matters beyond the reasonable control of the Unit Operator, whether similar to matters herein enumerated or not.

26. NONDISCRIMINATION. In connection with the performance of work under this agreement, the Unit Operator agrees to comply with all the provisions of section 202 (1) to (7) inclusive, of Executive Order 11246 (30 FR 12319), as amended, which are hereby incorporated by reference in this agreement.

27. 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 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 lands or leases, no payments of funds due the United States shall be withheld, but such funds shall be deposited as directed by the AO and such funds of the State of New Mexico shall be deposited as directed by the Land Commissioner, to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

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

28. NONJOINDER 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 the tract from this agreement by written notice delivered to the proper Bureau of Land Management office, the Land Commissioner, the Division, and the Unit Operator prior to the approval of this agreement by the AO and the Land Commissioner. Any oil or gas interests in lands within the unit area not committed hereto prior to 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 approval(s), if any, pertaining to such joinder, as may be provided for in the unit operating agreement. After final approval hereof, joinder by a nonworking interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such nonworking interest. A nonworking interest may not be committed to this unit agreement unless the corresponding working interest is 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, in order for the interest to be regarded as committed to this agreement. Except as may otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the date of the filing with the AO, the Land Commissioner, and the Division of duly executed counterparts of all or any papers necessary to establish effective commitment of any interest and/or tract to this agreement.

29. 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.

30. SURRENDER. Nothing in this agreement shall prohibit the exercise by any working interest owner of the right to surrender vested in such party by any lease, sublease, or operating agreement as to all or any part of the lands covered thereby, provided that each party who will or might acquire such working interest by such surrender or by forfeiture as hereafter set forth, is bound by the terms of this agreement.

If as a result of any such surrender, the working interest rights as to such lands become vested in any party other than the fee owner of the unitized substances, said party may forfeit such rights and further benefits from operations hereunder as to said land to the party next in the chain of title who shall be and become the owner of such working interest.

If as the result of any such surrender or forfeiture working interest rights become vested in the fee owner of the unitized substances, such owner may:

- (a) Accept those working interest rights subject to this agreement and the unit operating agreement; or
- (b) Lease the portion of such land as is included in a participating area established hereunder subject to this agreement and the unit operating agreement; or
- (c) Provide for the independent operation of any part of such land that is not then included within a participating area established hereunder.

If the fee owner of the unitized substances does not accept the working interest rights subject to this agreement and the unit operating agreement or lease such lands as above provided within six months after the surrendered or forfeited, working interest rights become vested in the fee owner; the benefits and obligations of operations accruing to such lands under this agreement and the unit operating agreement shall be shared by the remaining owners of the unitized working interests in accordance with their respective working interest ownerships, and such owners of working interests shall compensate the fee owner of unitized substances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands were unitized.

An appropriate accounting and settlement shall be made for all benefits accruing to or payments and expenditures made or incurred on behalf of such surrendered or forfeited working interests subsequent to the date of surrender or forfeiture, and payment of any moneys found to be owing by such an accounting shall be made as between the parties within 30 days.

The exercise of any right vested in a working interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

31. TAXES. The working interest owners shall render and pay for their account and the account of the royalty owners all valid taxes on or measured by the unitized substances in and under or that may be produced, gathered and sold from the land covered by this agreement after its effective date, or upon the proceeds derived therefrom. The working interest owners on each tract shall and may charge the proper proportion of said taxes to royalty owners having interests in said-tract, and may currently retain and deduct a sufficient amount of the unitized substances or derivative products, or net proceeds thereof, from the allocated share of each royalty owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or to the State of New Mexico or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

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

33. SURFACE AND ENVIRONMENTAL PROTECTION STIPULATIONS. Nothing in this agreement shall modify or change either the special Federal lease stipulations relating to surface management or such special Federal lease stipulations relating to surface and environmental protection, attached to and made a part of, Oil and Gas Leases covering lands within the Unit Area.

The remainder of this page intentionally left blank.

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

**OPERATOR &
WORKING INTEREST OWNER**

Chevron U.S.A. Inc.

WORKING INTEREST OWNER

COG Operating LLC

Name: _____

Title: Attorney-in-Fact

Name: _____

Title: _____

ADDRESS FOR NOTICES:

Chevron U.S.A. Inc.
Attention: Land Manager
1400 Smith St.
Houston, Texas 77002

ADDRESS FOR NOTICES:

COG Operating LLC
One Concho Center
600 W. Illinois Ave.
Midland, Texas 79701

WORKING INTEREST OWNER

Concho Oil & Gas LLC

Name: _____

Title: _____

ADDRESS FOR NOTICES:

Concho Oil & Gas LLC
One Concho Center
600 W. Illinois Ave.
Midland, Texas 79701

WORKING INTEREST OWNER

Devon Energy Production Company, L.P.

Name: _____

Title: _____

ADDRESS FOR NOTICES:

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102

WORKING INTEREST OWNER

Titus Oil & Gas Production, LLC

Name: _____

Title: _____

ADDRESS FOR NOTICES:

100 Throckmorton St., Suite 1630
Fort Worth, Texas 76102

WORKING INTEREST OWNER

Mabee-Flynt Lease Trust

Name: _____

Title: _____

ADDRESS FOR NOTICES:

24 Smith Road, Ste. 601
Midland, Texas 79705

WORKING INTEREST OWNER

Randy Prude

Name: _____

Title: _____

ADDRESS FOR NOTICES:

201 West Wall St., Ste. 1200
Midland, Texas 79701

WORKING INTEREST OWNER

Catherine Madeline Grace

Name: _____

Title: _____

ADDRESS FOR NOTICES:

C/O Serna & Co.
6031 West Interstate 20, Suite 251
Arlington, Texas 76017

WORKING INTEREST OWNER

Otto E. Schroeder, Jr.

Name: _____

Title: _____

ADDRESS FOR NOTICES:

500 Hawk Court
Coppell, Texas 75019

WORKING INTEREST OWNER

Mary Patricia Dougherty Trust

Name: _____

Title: _____

ADDRESS FOR NOTICES:

11734 198th Ave.
Issaquah, Washington 98027

WORKING INTEREST OWNER

Melissa Catherine Dougherty

Name: _____

Title: _____

ADDRESS FOR NOTICES:

C/O Frost Bank
Attn: Robert Turnbull
P.O. Box 1600
San Antonio, Texas 78296

WORKING INTEREST OWNER

Kevin Francis Dougherty

Name: _____

Title: _____

ADDRESS FOR NOTICES:

C/O Dougherty Enterprises, LLC,
Attn: Terry Ann Dougherty
489 Stage Road
Charlton, New York 12019

WORKING INTEREST OWNER

Mary Margaret Olson Trust

Name: _____

Title: _____

ADDRESS FOR NOTICES:

596 Aviator Drive
Fort Worth, Texas 76179

WORKING INTEREST OWNER

Lenox Minerals, LLC

Name: _____

Title: _____

ADDRESS FOR NOTICES:

Attn: Land Department
1707 ½ Post Oak Blvd. #171
Houston, Texas 77056

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on _____, 2018,
by _____, Attorney-in-Fact for Chevron U.S.A. Inc. a
Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

My Commission Expires:

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for COG Operating
LLC, a Delaware limited liability company, on behalf of said company.

Notary Public in and for the State of Texas

My Commission Expires:

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

 This instrument was acknowledged before me on _____, _____,
by _____, _____ for Concho Oil &
Gas LLC, a Texas limited liability company, on behalf of said company.

Notary Public in and for the State of Texas

My Commission Expires:

STATE OF OKLAHOMA §
 §
COUNTY OF OKLAHOMA §

 This instrument was acknowledged before me on _____, _____,
by _____, _____ for Devon Energy
Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited
partnership.

Notary Public in and for the State of Oklahoma

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for Titus Oil & Gas
Production, LLC, an _____ corporation, on behalf of said corporation.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for the Mabee-Flynt
Lease Trust, a _____ trust, on behalf of said trust.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by Randy Prude, an individual.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by Otto E. Schroeder, Jr., an individual.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for the Mary Patricia
Dougherty Trust, a _____ trust, on behalf of said trust.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for Melissa
Catherine Dougherty, on behalf of said individual.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____,
by _____, _____ for Kevin Francis
Dougherty, on behalf of said individual.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____,
by _____, for the Mary Margaret Olson trust, a
_____ trust, on behalf of said trust.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for Catherine
Madeline Grace, on behalf of said individual.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for Lenox Minerals,
LLC on behalf of said _____.

Notary Public in and for the State of

My Commission Expires:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

INFORMATION ON TAKING APPEALS TO THE INTERIOR BOARD OF LAND APPEALS

DO NOT APPEAL UNLESS

1. This decision is adverse to you,
AND
2. You believe it is incorrect

IF YOU APPEAL, THE FOLLOWING PROCEDURES MUST BE FOLLOWED

1. NOTICE OF
APPEAL.....

A person who wishes to appeal to the Interior Board of Land Appeals must file in the office of the officer who made the decision (not the Interior Board of Land Appeals) a notice that he wishes to appeal. A person served with the decision being appealed must transmit the *Notice of Appeal* in time for it to be filed in the office where it is required to be filed within 30 days after the date of service. If a decision is published in the FEDERAL REGISTER, a person not served with the decision must transmit a *Notice of Appeal* in time for it to be filed within 30 days after the date of publication (43 CFR 4.411 and 4.413).

2. WHERE TO FILE

NOTICE OF APPEAL.....

Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, NM 87508

WITH COPY TO
SOLICITOR...

Regional Solicitor, Southwest Region
U.S. Department of the Interior
505 Marquette Avenue, NW, Suite 1800
Albuquerque, NM 87102

3. STATEMENT OF REASONS

Within 30 days after filing the *Notice of Appeal*, file a complete statement of the reasons why you are appealing. This must be filed with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. If you fully stated your reasons for appealing when filing the *Notice of Appeal*, no additional statement is necessary (43 CFR 4.412 and 4.413).

WITH COPY
SOLICITOR.....

Regional Solicitor, Southwest Region
U.S. Department of the Interior
505 Marquette Avenue, NW, Suite 1800
Albuquerque, NM 87102

4. ADVERSE PARTIES.....

Within 15 days after each document is filed, each adverse party named in the decision and the Regional Solicitor or Field Solicitor having jurisdiction over the State in which the appeal arose must be served with a copy of: (a) the *Notice of Appeal*, (b) the Statement of Reasons, and (c) any other documents filed (43 CFR 4.413).

5. PROOF OF SERVICE.....

Within 15 days after any document is served on an adverse party, file proof of that service with the United States Department of the Interior, Office of Hearings and Appeals, Interior Board of Land Appeals, 801 N. Quincy Street, MS 300-QC, Arlington, Virginia 22203. This may consist of a certified or registered mail "Return Receipt Card" signed by the adverse party (43 CFR 4.401(c)).

6. REQUEST FOR STAY.....

Except where program-specific regulations place this decision in full force and effect or provide for an automatic stay, the decision becomes effective upon the expiration of the time allowed for filing an appeal unless a petition for a stay is timely filed together with a *Notice of Appeal* (43 CFR 4.21). If you wish to file a petition for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Interior Board of Land Appeals, the petition for a stay must accompany your *Notice of Appeal* (43 CFR 4.21 or 43 CFR 2801.10 or 43 CFR 2881.10). A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the *Notice of Appeal* and Petition for a Stay **must** also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay. Except as otherwise provided by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards: (1) the relative harm to the parties if the stay is granted or denied, (2) the likelihood of the appellant's success on the merits, (3) the likelihood of immediate and irreparable harm if the stay is not granted, and (4) whether the public interest favors granting the stay.

Unless these procedures are followed, your appeal will be subject to dismissal (43 CFR 4.402). Be certain that **all** communications are identified by serial number of the case being appealed.

NOTE: A document is not filed until it is actually received in the proper office (43 CFR 4.401(a)). See 43 CFR Part 4, Subpart B for general rules relating to procedures and practice involving appeals.

43 CFR SUBPART 1821--GENERAL INFORMATION

Sec. 1821.10 Where are BLM offices located? (a) In addition to the Headquarters Office in Washington, D.C. and seven national level support and service centers, BLM operates 12 State Offices each having several subsidiary offices called Field Offices. The addresses of the State Offices can be found in the most recent edition of 43 CFR 1821.10. The State Office geographical areas of jurisdiction are as follows:

STATE OFFICES AND AREAS OF JURISDICTION:

Alaska State Office ----- Alaska
Arizona State Office ----- Arizona
California State Office ----- California
Colorado State Office ----- Colorado
Eastern States Office ----- Arkansas, Iowa, Louisiana, Minnesota, Missouri
and, all States east of the Mississippi River
Idaho State Office ----- Idaho
Montana State Office ----- Montana, North Dakota and South Dakota
Nevada State Office ----- Nevada
New Mexico State Office ----- New Mexico, Kansas, Oklahoma and Texas
Oregon State Office ----- Oregon and Washington
Utah State Office ----- Utah
Wyoming State Office ----- Wyoming and Nebraska

(b) A list of the names, addresses, and geographical areas of jurisdiction of all Field Offices of the Bureau of Land Management can be obtained at the above addresses or any office of the Bureau of Land Management, including the Washington Office, Bureau of Land Management, 1849 C Street, NW, Washington, DC 20240.

(Form 1842-1, September 2006)

UNIT AGREEMENT
FOR DEVELOPMENT AND OPERATION
OF THE
JAVELINA UNIT AREA
COUNTY OF EDDY
STATE OF NEW MEXICO
NO. _____

THIS AGREEMENT, entered into as of the _____ day of _____, 20__, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as the "parties hereto,"

WITNESSETH:

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. Sec. 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 under a 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 (Section 19-10-45, 46, 47 NM Statutes 1978 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 interest of the State of New Mexico; and

WHEREAS, the Oil Conservation Division of the New Mexico Energy and Minerals Department, hereinafter referred to as "Division", is authorized by an act of the Legislature (Chapter 70 and 71, NM Statutes 1978 Annotated) to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the JAVELINA UNIT covering the land hereinafter described to give reasonably effective control of operations therein; and

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

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



1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of February 25, 1920, as amended, supra, and all valid pertinent regulations including operating and unit plan regulations and State of New Mexico leases and rules and 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 and State of New Mexico lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal lands, the oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State in which the non-Federal land is located, are hereby accepted and made a part of this agreement. It is recognized that no language contained herein shall limit or alter the authority and jurisdiction of the BLM Authorized Officer as provided by the Mineral Leasing Act of 1920, as amended, and regulations promulgated at 43 CFR 3180.

2. UNIT AREA. The area specified on the map attached hereto marked Exhibit "A" is hereby designated and recognized as constituting the unit area, containing 5,119.76 acres, more or less.

Exhibit "A" shows, in addition to the boundary of the unit area, the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator, the acreage, percentage, and kind of ownership of oil and gas interests in all lands in the unit area. However, nothing herein or in Exhibits "A" or "B" 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 the Exhibits as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area or in the ownership interests in the individual tracts render such revision necessary, or when requested by the Authorized Officer, hereinafter referred to as "AO", or when requested by the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Land Commissioner", and not less than four (4) copies of the revised Exhibits shall be filed with the proper Bureau of Land Management office, and one (1) copy thereof shall be filed with the Land Commissioner, and one (1) copy with the New Mexico Oil Conservation Division of the Energy and Minerals Department, hereinafter referred to as "Division".

The above-described unit area shall when practicable be expanded to include therein any additional lands or shall be contracted to exclude lands whenever such expansion or contraction is deemed to be 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 (after preliminary concurrence by the AO), or on demand of the AO or the Land Commissioner, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefore, any plans for additional drilling, and the proposed effective date of the expansion or contraction, preferably the first day of a month subsequent to the date of notice.

(b) Said notice shall be delivered to the proper Bureau of Land Management office, the Land Commissioner, and the Division, 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 AO, the Land Commissioner, and the Division, 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 triplicate, 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 AO, the Land Commissioner and the Division, become effective as of the date prescribed in the notice thereof or such other appropriate date.

(e) All legal subdivisions of lands (i.e., 40 acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys, unusually large lots or tracts shall be considered in multiples of 40 acres or the nearest aliquot equivalent thereof), no parts of which are in or entitled to be in a participating area (as defined in Section 11) on or before the fifth anniversary of the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective of said fifth anniversary, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless diligent drilling operations under an approved plan of development are in progress on unitized lands on said fifth anniversary, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than 90-days time elapsing between the completion of one such well and the commencement of the next such well. All legal subdivisions of lands not entitled to be in a participating area within 10 years after the effective date of the first initial participating area approved under this agreement shall be automatically eliminated from this agreement as of said tenth anniversary. 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 AO and the Land Commissioner and promptly notify all parties in interest. All lands reasonably proved productive of unitized substances in paying quantities and developed to the satisfaction of the AO by diligent drilling operations under an approved plan of development after the aforesaid five-year period shall become participating in the same manner as during said first five-year period. However, when such diligent drilling operations cease, all nonparticipating lands not then entitled to be in a participating area shall be automatically eliminated effective as of the 91st day thereafter.

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. If conditions warrant extension of the 10-year period specified in this subsection, a single extension of not to exceed two years may be accomplished by consent of the owners of 90 percent of the working interest in the current nonparticipating unitized lands and the owners of 60 percent of the basic royalty interests (exclusive of the basic royalty interests of the United States) in nonparticipating unitized lands with approval of the AO and the Land Commissioner, provided such extension application is submitted not later than 60 days prior to the expiration of said 10-year period.

3. UNITIZED LAND AND UNITIZED SUBSTANCES. All land now or hereafter 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 from the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime, as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated November 13, 1980, in the Sotol Federal 1 (API # 30-015-23459), located in Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico, to the base of the Woodford Shale as defined as the stratigraphic equivalent of a depth of 16,367 feet beneath the surface in that certain Pan Geo Atlas Corp. Laterolog survey dated May 13, 1967, in the Cotton Draw Unit 65 well (API # 30-015-10843), located in Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico, are unitized under the terms of this agreement and herein are called “unitized substances”; provided, however, that it is the specific intent of the parties hereto not to cause or effectuate any horizontal segregation of any Federal or State lease committed hereto as a consequence of the aforementioned depth limitations of the unitized land.

Within the unitized land and as referenced herein, the Wolfcamp formation is defined as the interval between the stratigraphic equivalent of the interval between the base of the Bone Spring formation as seen at 11,755 feet beneath the surface, to the stratigraphic equivalent of the top of the Cisco formation, as seen at 13,255 feet beneath the surface, as also shown in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated December 19, 1980, in the Sotol Federal 1 (API # 30-015-23459), located in Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico.

4. UNIT OPERATOR. CHEVRON U.S.A. INC. is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of 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 only 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 AO, Land Commissioner, and Division, and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment, whichever is required by the AO as to Federal lands, and the Division as to State and fee 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.

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

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

The resignation of Unit Operator shall not release the 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 as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the AO and the Land Commissioner.

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title, or interest as the owner of 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 wells, equipment, materials, and appurtenances used in conducting the unit operations to the new duly qualified successor Unit Operator or to the common agent, if no such new Unit Operator is selected to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment, or appurtenances needed for the preservation of any wells.

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 according to their respective acreage interests in all unitized land shall, pursuant to Approval of the Parties requirements of the unit operating agreement, select a successor Unit Operator. Such selection shall not become effective until:

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

(b) the selection shall have been approved by the AO and approved by the Land Commissioner.

If no successor Unit Operator is selected and qualified as herein provided, the AO and the Land Commissioner at their election may declare this unit agreement terminated.

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

provide the manner in which the working interest owners shall be entitled to receive their 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 agreement, and in case of any inconsistency or conflict between this agreement and the unit operating agreement, this agreement shall govern. Two copies of the unit operating agreement, executed pursuant to this section shall be filed in the proper Bureau of Land Management office and one true copy with the Land Commissioner prior to approval of this unit agreement.

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 Unit Operator and, together with this agreement, shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within six (6) months after the effective date hereof, the Unit Operator shall commence to drill a horizontal test well at the location approved by the AO if on Federal land or by the Land Commissioner if on State land or by the Division if on Fee land, unless on such effective date a well is being drilled in conformity with the terms hereof, and thereafter continue such drilling diligently until the Bone Spring formation, or other stratigraphically lower prospective formation within the unitized land has been tested with one well with at least a one-mile horizontal lateral, which can be produced in paying quantities (to wit: quantities sufficient to repay the costs of drilling, completing, and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the AO if it be on Federal land or of the Land Commissioner if on State land, or the Division if on Fee land, that further drilling of said well would be unwarranted or impracticable. Until the discovery of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling one well at a time, allowing not more than 6 months between the completion of one well and the commencement of drilling operations for the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the AO if it be on Federal land, or of the Land Commissioner if it be on State land 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 AO and the Land Commissioner may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted.

Until the establishment of a participating area, the failure to commence a well subsequent to the drilling of the initial obligation well, as provided for in this section, within the time allowed including any extension of time granted by the AO and the Land Commissioner, shall cause this agreement to terminate automatically. Upon failure to continue drilling diligently any well other than the obligation well(s) commenced hereunder, the AO and Land Commissioner may, after 15-days notice to the Unit Operator, declare this unit agreement terminated. Failure to commence drilling the first of the multiple obligation wells on time and to drill it diligently to test the Bone Spring formation with a one-mile horizontal lateral shall result in the unit agreement approval being declared invalid ab initio by the AO and Land Commissioner.

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 AO, the Land Commissioner, and Division, an acceptable plan of development and operation for the unitized land which, when approved by the AO, Land Commissioner, and Division, shall satisfy the AO, Land Commissioner, and Division, and constitute the further drilling and development obligations of the Unit Operator under this agreement for a period of twelve (12) months. Thereafter, before the expiration of any existing plan, the Unit Operator shall submit for the approval of the AO, Land Commissioner, and Division, a plan for an additional 12-month period for the development and operation of the unitized land. Subsequent plans should be filed on a calendar-year basis not later than March 1 of each year. Any proposed modification or addition to the existing plan should be filed as a supplement to the plan.

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

(a) Specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and

(b) Provide a summary of operations and production for the previous year.

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 and operation. The AO and the Land Commissioner are authorized to grant a reasonable extension of the six-month period herein prescribed for submission of the initial plan of development and operation where such action is justified because of unusual conditions or circumstances.

After completion 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 and such as may be specifically approved by the AO, the Land Commissioner, and Division, shall be drilled except in accordance with an approved plan of development and operation.

Notwithstanding anything in this unit agreement to the contrary, except Section 25, UNAVOIDABLE DELAY, a total of eight (8) horizontal wells shall be drilled pursuant to approved plans of development within five years of the effective date hereof. Unit Operator intends to drill such eight (8) horizontal wells as follows, subject to the requirements of this Section 10, PLAN OF FURTHER DEVELOPMENT AND OPERATION:

Bottom-Hole Section	Surface-Hole Section	Lateral Length	Lateral Direction	Target Formation
Section 1	Section 12	2 Miles	North	Wolfcamp
Section 2	Section 11	2 Miles	South	Wolfcamp
Section 15	Section 10	2 Miles	South	Wolfcamp
Section 16	Section 9	2 Miles	South	Wolfcamp
Section 1	Section 12	2 Miles	North	Bone Spring
Section 2	Section 11	2 Miles	South	Bone Spring
Section 15	Section 10	2 Miles	South	Bone Spring
Section 16	Section 9	2 Miles	South	Bone Spring

It is agreed by the Unit Operator that the wells identified here represent the minimum number of wells for the BLM and the Land Commissioner to approve the participating area(s) proposed by the Unit Operator, and failure to complete the above-described well program within the five-year timeframe shall cause the unit to contract in accordance with the terms of Section 2(e) of this Unit Agreement.

Failure to timely submit an acceptable annual plan of development that provides for the diligent drilling of the unit area in accordance with this section, and to diligently execute said plan, shall cause those lands in a participating area not otherwise developed to the satisfaction of the AO, the Land Commissioner, and the Division to be eliminated from the participating area pursuant to the provisions of Section 11.

The AO and Land Commissioner may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted.

11. PARTICIPATION AFTER DISCOVERY. Determination as to whether a well completed within the Unit Area prior to the effective date of this agreement is capable of producing unitized substances in paying quantities shall be deferred until the initial participating area is established as the result of the completion for production in paying quantities of the obligation wells in accordance with Section 9 of this Agreement.

Upon completion of the obligation wells, designated in Section 9 of the Unit Agreement, as capable of producing unitized substances in paying quantities, or as soon thereafter as required by the AO, the Land Commissioner, or the Division, the Unit Operator shall submit for approval by the AO, the Land Commissioner, and the Division, a schedule, based on subdivision of the public land survey or aliquot parts thereof, of all land then regarded as reasonably proved to be productive of unitized substances in paying quantities. These lands shall constitute a participating area on approval of the AO, the Land Commissioner, and the Division, effective as of the date of completion of such well or the effective date of this unit agreement, whichever is later. The acreages of both Federal and non-Federal lands shall be based upon appropriate computations from the courses and distances shown on the last approved public land survey as of the effective date of each initial participating area. The schedule shall also set forth the percentage of unitized substances to be allocated, as provided in Section 12, to each committed tract in the participating area so established, and shall govern the allocation of production commencing with the effective date of the participating area. A different participating area shall be established for each separate pool or deposit of unitized substances or for any group thereof which is produced as a single pool or zone, and any two or more participating areas so established may be combined into one, on approval of the AO and the Land Commissioner. When production from two or more participating areas is subsequently found to be from a common pool or deposit, the participating areas shall be combined into one, effective as of such appropriate date as may be approved or prescribed by the AO, the Land Commissioner, and the Division. The participating area or areas so established shall be revised annually, subject to the approval of the AO, the Land Commissioner, and Division, to include additional lands then regarded as reasonably proved to be productive of Unitized Substances in paying quantities and developed to the satisfaction of the AO, the Land Commissioner, and Division, under an approved plan of development or which are necessary for unit operations; or to exclude lands then regarded as not reasonably proved to be productive of Unitized Substances in paying quantities or that are not developed to the satisfaction of the AO, the Land Commissioner, or Division, under an approved plan of development, unless diligent drilling operations are underway in accordance with an existing approved plan of development as provided in Section 10. The schedule of allocation percentages shall be revised accordingly. The effective date of any revision shall be the first of the month in which the knowledge or information is obtained on which such revision is predicated; provided however, that a more appropriate effective date may be used if justified by Unit Operator and approved by the AO, the Land Commissioner, and Division. No land shall be excluded from a participating area on account of depletion of its unitized substances, except that any participating area established under the provisions of this unit agreement shall terminate automatically whenever all completions in the formation on which the participating area is based are abandoned.

In the absence of agreement at any time between the Unit Operator and the AO and the Land Commissioner as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established, the portion of all payments affected thereby shall, except royalty due the United States and the State of New Mexico, be impounded in a manner mutually acceptable to the owners of committed working interests. Royalties due the United States shall be determined by the AO, and royalties due the State of New Mexico shall be determined by the Land Commissioner, and the amount thereof shall be deposited, as directed by the AO or State (as appropriate), until a participating area is finally approved and

then adjusted in accordance with a determination of the sum due as Federal or State royalty on the basis of such approved participating area.

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

12. ALLOCATION OF PRODUCTION. All unitized substances produced from a participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating and other production or development purposes, for repressuring or recycling in accordance with a plan of development and operations that has been approved pursuant to Section 10, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land and unleased Federal or State land, if any, included in the participating area established for such production. Each such tract 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 and unleased Federal or State land, if any, included in said participating area. There shall be allocated to the working interest owner(s) of each tract of unitized land in said participating area, in addition, such percentage of the production attributable to the unleased Federal and State land within the participating area as the number of acres of such unitized tract included in said participating area bears to the total acres of unitized land in said participating area, for the payment of the compensatory royalty specified in Section 17 of this agreement. 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, including compensatory royalty obligations under Section 17, shall be prescribed as set forth in the unit operating agreement or as otherwise mutually agreed by the affected parties. 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 the 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 the latter 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 such area was defined at the time that such transferred gas was finally produced and sold.

13. DEVELOPMENT OR OPERATION OF NONPARTICIPATING LAND OR FORMATIONS. Any operator may with the approval of the AO, the Land Commissioner, and the Division, at such party's sole risk, costs, and expense, drill a well on the unitized land to test any formation provided the well is outside any participating area established for that formation, 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 the well in a like manner as other wells are drilled by the Unit Operator under this agreement.

If any well drilled under this section by a non-unit operator results in production of unitized substances in paying quantities 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 terms of this agreement and the unit operating agreement.

If any well drilled under this section by a non-unit operator that obtains production in quantities insufficient to justify the inclusion of the land upon which such well is situated in a participating area, 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 any royalty owner, who is entitled to take in kind a share of the substances now unitized hereunder shall be hereafter be entitled to the right to take in kind its share of the unitized substances, and Unit Operator, or the non-unit operator in the case of the operation of a well by a non-unit operator as herein provided for in special cases, 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 an operator responsible therefore under existing contracts, laws and regulations, or by the Unit Operator on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing in this section shall operate to relieve the responsible parties 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, in conformity with a plan of development and operation pursuant to Section 10, a like amount of gas, after settlement as herein provided for any gas transferred from any other participating area and with appropriate deduction for loss from any cause, may be withdrawn from the formation into which the gas is introduced, royalty free as to dry gas, but not as to any products which may be extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved plan of development and operation or as may otherwise be consented to by the AO and the Land 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 30 CFR Group 200 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 in Section 12 at the rates specified in the respective Federal leases, or at such other rate or rates as may be authorized by law or regulation and approved by the AO; provided, that for leases on which the royalty rate depends on the daily

average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases committed hereto shall be paid by the appropriate parties under existing contracts, laws, and regulations, provided that nothing herein contained shall operate to relieve the responsible parties of the land from their respective obligations for the payment of any rental or minimum royalty 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 rate specified in the respective leases.

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

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

17. DRAINAGE.

(a) The Unit Operator shall take such measures as the AO and Land Commissioner deems appropriate and adequate to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, which shall include the drilling of protective wells and which may include the payment of a fair and reasonable compensatory royalty, as determined by the AO as to Federal leases and the Land Commissioner as to State leases.

(b) Whenever a participating area approved under Section 11 of this agreement contains unleased Federal lands, the value of 12-1/2 percent of the production that would be allocated to such Federal lands under Section 12 of this agreement, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal Government. Parties to this agreement holding working interests in committed leases within the applicable participating area shall be responsible for such compensatory royalty payment on the volume of production reallocated from the unleased Federal lands to their unitized tracts under Section 12. The value of such production subject to the payment of said royalties shall be determined pursuant to 30 CFR Part 206. Payment of compensatory royalties on the production reallocated from unleased Federal land to the committed tracts within the participating area shall fulfill the Federal royalty obligation for such production, and said production shall be subject to no further Federal royalty assessment under Section 14 of this agreement. Payment of compensatory

royalties as provided herein shall accrue from the date the committed tracts in the participating area that includes unleased Federal lands receive a production allocation, and shall be due and payable monthly by the last day of the calendar month next following the calendar month of actual production. If leased Federal lands receiving a production allocation from the participating area become unleased, compensatory royalties shall accrue from the date the Federal lands become unleased. Payment due under this provision shall end when the unleased Federal tract is leased or when production of unitized substances ceases within the participating area and the participating area is terminated, whichever occurs first.

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 on 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 Land Commissioner, as to State leases, shall and by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every separately owned tract subject to this agreement, regardless of whether there is any development of any particular tract of this unit area.

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

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the AO and the Land Commissioner or his duly authorized representative shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land. A suspension of drilling or producing operations limited to specified lands shall be applicable only to such lands.

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

(e) Any Federal lease 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 of unitized substances in paying quantities is established 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 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, as amended.

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

(g) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(m) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784) (30 U.S.C. 226(m)):

“Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided, however, that any such lease as to the non-unitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities.”

If the public interest requirement is not satisfied, the segregation of a lease and/or extension of a lease pursuant to 43 CFR 3107.3-2 and 43 CFR 3107.4, respectively, shall not be effective.

(h) 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, that notwithstanding any of the provisions of this agreement to the contrary, such lease 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 being produced in paying quantities from some part of the lands embraced in such lease at the expiration of the fixed term of such lease; or if, at the expiration of the fixed 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, then 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 the lands embraced therein, so long thereafter as oil or gas in paying quantities is being produced from any portion of said lands.

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

20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the AO and the Land Commissioner and shall automatically terminate five years from said effective date unless:

(a) Upon application by the Unit operator such date of expiration is extended by the AO and the Land 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 this agreement on such ground is given by the Unit Operator to all parties in interest at their last known address, this agreement is terminated with approval of the AO and the Land Commissioner; or

(c) A valuable discovery of unitized substances in paying quantities has been made or accepted on unitized land during said initial term or any extension thereof, in which event this agreement shall remain in effect for such term and so long thereafter 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. Should production cease and diligent drilling or reworking operations to restore production or new production are not in progress within 60 days and production is not restored or should new production not be obtained in paying quantities on committed lands within this unit area, this agreement will automatically terminate effective the last day of the month in which the last unitized production occurred; or

(d) It is voluntarily terminated as provided in this agreement. Except as noted herein, this agreement may be terminated at any time prior to the discovery of unitized substances which can be produced in paying quantities by not less than 75 per centum, on an acreage basis, of the working interest owners signatory hereto, with the approval of the AO and the Land Commissioner. The Unit Operator shall give notice of any such approval to all parties hereto. If the public interest requirement is not satisfied, the approval of this unit by the AO shall be invalid.

21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The AO 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 are not fixed pursuant to Federal or State law, or do 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. The above authority is hereby limited to alteration or modifications which are in the public interest. The public interest to be served and the purpose thereof, must be stated in the order of alteration or modification. Without regard to the foregoing, the AO is also hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law; 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 specific written approval thereof by the Commissioner and also 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 Division.

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

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

23. NOTICES. All notices, demands, or statements required hereunder to be given or rendered to the parties hereto shall be in writing and shall be personally delivered to the party or parties, or sent by postpaid registered or certified mail, to the last-known address of the party or parties.

24. NO WAIVER OF CERTAIN RIGHTS. Nothing contained in this agreement 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 where the unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

25. 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 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 or equipment in the open market, or other matters beyond the reasonable control of the Unit Operator, whether similar to matters herein enumerated or not.

26. NONDISCRIMINATION. In connection with the performance of work under this agreement, the Unit Operator agrees to comply with all the provisions of section 202 (1) to (7) inclusive, of Executive Order 11246 (30 FR 12319), as amended, which are hereby incorporated by reference in this agreement.

27. 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 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 lands or leases, no payments of funds due the United States shall be withheld, but such funds shall be deposited as directed by the AO and such funds of the State of New Mexico shall be deposited as directed by the Land Commissioner, to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

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

28. NONJOINDER 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 the tract from this agreement by written notice delivered to the proper Bureau of Land Management office, the Land Commissioner, the Division, and the Unit Operator prior to the approval of this agreement by the AO and the Land Commissioner. Any oil or gas interests in lands within the unit area not committed hereto prior to 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 approval(s), if any, pertaining to such joinder, as may be provided for in the unit operating agreement. After final approval hereof, joinder by a nonworking interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such nonworking interest. A nonworking interest may not be committed to this unit agreement unless the corresponding working interest is 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, in order for the interest to be regarded as committed to this agreement. Except as may otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the date of the filing with the AO, the Land Commissioner, and the Division of duly executed counterparts of all or any papers necessary to establish effective commitment of any interest and/or tract to this agreement.

29. 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.

30. SURRENDER. Nothing in this agreement shall prohibit the exercise by any working interest owner of the right to surrender vested in such party by any lease, sublease, or operating agreement as to all or any part of the lands covered thereby, provided that each party who will or might acquire such working interest by such surrender or by forfeiture as hereafter set forth, is bound by the terms of this agreement.

If as a result of any such surrender, the working interest rights as to such lands become vested in any party other than the fee owner of the unitized substances, said party may forfeit such rights and further benefits from operations hereunder as to said land to the party next in the chain of title who shall be and become the owner of such working interest.

If as the result of any such surrender or forfeiture working interest rights become vested in the fee owner of the unitized substances, such owner may:

- (a) Accept those working interest rights subject to this agreement and the unit operating agreement; or
- (b) Lease the portion of such land as is included in a participating area established hereunder subject to this agreement and the unit operating agreement; or
- (c) Provide for the independent operation of any part of such land that is not then included within a participating area established hereunder.

If the fee owner of the unitized substances does not accept the working interest rights subject to this agreement and the unit operating agreement or lease such lands as above provided within six months after the surrendered or forfeited, working interest rights become vested in the fee owner; the benefits and obligations of operations accruing to such lands under this agreement and the unit operating agreement shall be shared by the remaining owners of the unitized working interests in accordance with their respective working interest ownerships, and such owners of working interests shall compensate the fee owner of unitized substances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands were unitized.

An appropriate accounting and settlement shall be made for all benefits accruing to or payments and expenditures made or incurred on behalf of such surrendered or forfeited working interests subsequent to the date of surrender or forfeiture, and payment of any moneys found to be owing by such an accounting shall be made as between the parties within 30 days.

The exercise of any right vested in a working interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

31. TAXES. The working interest owners shall render and pay for their account and the account of the royalty owners all valid taxes on or measured by the unitized substances in and under or that may be produced, gathered and sold from the land covered by this agreement after its effective date, or upon the proceeds derived therefrom. The working interest owners on each tract shall and may charge the proper proportion of said taxes to royalty owners having interests in said-tract, and may currently retain and deduct a sufficient amount of the unitized substances or derivative products, or net proceeds thereof, from the allocated share of each royalty owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or to the State of New Mexico or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

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

33. SURFACE AND ENVIRONMENTAL PROTECTION STIPULATIONS. Nothing in this agreement shall modify or change either the special Federal lease stipulations relating to surface management or such special Federal lease stipulations relating to surface and environmental protection, attached to and made a part of, Oil and Gas Leases covering lands within the Unit Area.

The remainder of this page intentionally left blank.

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

**OPERATOR &
WORKING INTEREST OWNER**

Chevron U.S.A. Inc.

WORKING INTEREST OWNER

COG Operating LLC

Name: _____

Title: Attorney-in-Fact

Name: _____

Title: _____

ADDRESS FOR NOTICES:

Chevron U.S.A. Inc.
Attention: Land Manager
1400 Smith St.
Houston, Texas 77002

ADDRESS FOR NOTICES:

COG Operating LLC
One Concho Center
600 W. Illinois Ave.
Midland, Texas 79701

WORKING INTEREST OWNER

Concho Oil & Gas LLC

Name: _____

Title: _____

ADDRESS FOR NOTICES:

Concho Oil & Gas LLC
One Concho Center
600 W. Illinois Ave.
Midland, Texas 79701

WORKING INTEREST OWNER

Devon Energy Production Company, L.P.

Name: _____

Title: _____

ADDRESS FOR NOTICES:

Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, Oklahoma 73102

WORKING INTEREST OWNER

Titus Oil & Gas Production, LLC

Name: _____

Title: _____

ADDRESS FOR NOTICES:

100 Throckmorton St., Suite 1630
Fort Worth, Texas 76102

WORKING INTEREST OWNER

Mabee-Flynt Lease Trust

Name: _____

Title: _____

ADDRESS FOR NOTICES:

24 Smith Road, Ste. 601
Midland, Texas 79705

WORKING INTEREST OWNER

Randy Prude

Name: _____

Title: _____

ADDRESS FOR NOTICES:

201 West Wall St., Ste. 1200
Midland, Texas 79701

WORKING INTEREST OWNER

Catherine Madeline Grace

Name: _____

Title: _____

ADDRESS FOR NOTICES:

C/O Serna & Co.
6031 West Interstate 20, Suite 251
Arlington, Texas 76017

WORKING INTEREST OWNER

Otto E. Schroeder, Jr.

Name: _____

Title: _____

ADDRESS FOR NOTICES:

500 Hawk Court
Coppell, Texas 75019

WORKING INTEREST OWNER

Mary Patricia Dougherty Trust

Name: _____

Title: _____

ADDRESS FOR NOTICES:

11734 198th Ave.
Issaquah, Washington 98027

WORKING INTEREST OWNER

Melissa Catherine Dougherty

Name: _____

Title: _____

ADDRESS FOR NOTICES:

C/O Frost Bank
Attn: Robert Turnbull
P.O. Box 1600
San Antonio, Texas 78296

WORKING INTEREST OWNER

Kevin Francis Dougherty

Name: _____

Title: _____

ADDRESS FOR NOTICES:

C/O Dougherty Enterprises, LLC,
Attn: Terry Ann Dougherty
489 Stage Road
Charlton, New York 12019

WORKING INTEREST OWNER

Mary Margaret Olson Trust

Name: _____

Title: _____

ADDRESS FOR NOTICES:

596 Aviator Drive
Fort Worth, Texas 76179

WORKING INTEREST OWNER

PBEX, LLC

Name: _____

Title: _____

ADDRESS FOR NOTICES:

223 W. Wall Street, Suite 900
Midland, Texas 79701

ACKNOWLEDGMENTS

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

 This instrument was acknowledged before me on _____, 2018,
by _____, Attorney-in-Fact for Chevron U.S.A. Inc. a
Pennsylvania corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

My Commission Expires:

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

 This instrument was acknowledged before me on _____, _____,
by _____, _____ for COG Operating
LLC, a Delaware limited liability company, on behalf of said company.

Notary Public in and for the State of Texas

My Commission Expires:

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

 This instrument was acknowledged before me on _____, _____,
by _____, _____ for Concho Oil &
Gas LLC, a Texas limited liability company, on behalf of said company.

Notary Public in and for the State of Texas

My Commission Expires:

STATE OF OKLAHOMA §
 §
COUNTY OF OKLAHOMA §

 This instrument was acknowledged before me on _____, _____,
by _____, _____ for Devon Energy
Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited
partnership.

Notary Public in and for the State of Oklahoma

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for Titus Oil & Gas
Production, LLC, an _____ corporation, on behalf of said corporation.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for the Mabee-Flynt
Lease Trust, a _____ trust, on behalf of said trust.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by Randy Prude, an individual.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by Otto E. Schroeder, Jr., an individual.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for the Mary Patricia
Dougherty Trust, a _____ trust, on behalf of said trust.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for Melissa
Catherine Dougherty, on behalf of said individual.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for Kevin Francis
Dougherty, on behalf of said individual.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, for the Mary Margaret Olson trust, a
_____ trust, on behalf of said trust.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for Catherine
Madeline Grace, on behalf of said individual.

Notary Public in and for the State of

My Commission Expires:

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____,
by _____, _____ for PBEX, LLC on
behalf of said _____.

Notary Public in and for the State of

My Commission Expires:



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508
www.blm.gov/new-mexico



IN REPLY REFER TO:

3180 (NM92100)
NMNM 139115X

DEC 10 2018

Reference: Application and Request for Designation Javelina Federal Exploratory Unit

Christopher Cooper
Chevron, USA, Inc.
1400 Smith Street
Houston, TX 77002

Dear Mr. Cooper:

Your application of November 7, 2018, filed with the Bureau of Land Management (BLM) New Mexico State Office (NMSO), requests the designation of the **Javelina Federal Exploratory Unit** area, embracing **5,119.76 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 public interest requirements and unit plan regulations 43 CFR 3180, the land requested, as outlined on your plat marked Exhibit "A" and Exhibit "B", the **Javelina Federal Exploratory Unit**, Eddy County, New Mexico, is hereby designated as a logical unit area and has been assigned agreement number **NMNM 139115X**. This unit designation is for all oil and gas in any and all formations between the top of the **Bone Spring** formation and the base of the Woodford Shale and is valid for a period of one year from the date of this letter.

The unit agreement submitted for the area designated will provide for the drilling of a single obligation well to test the Bone Spring formation with at least a one-mile horizontal well in the following location:

Obligation Well

Surface location: Section 12, T. 24S, R. 31E
Bottom hole location: Section 1, T. 24S, R. 31E
Formation: Bone Spring



Case No. 16436 (Reopened)
EXHIBIT 4

As stated in Section 3 in the unit agreement unitized substances are as follows:

All land now or hereafter 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 from the top of the Bone Spring formation defined as the stratigraphic equivalent of the top of the Bone Spring Lime, as seen at 8,400 feet beneath the surface in that certain Schlumberger Gamma Ray and Dual Laterolog/MSFL, dated November 13, 1980, in the Sotol Federal 1 (API # 30-015-23459), located in Section 12, Township 24 South, Range 31 East, Eddy County, New Mexico, to the base of the Woodford Shale as defined as the stratigraphic equivalent of a depth of 16,367 feet beneath the surface in that certain Pan Geo Atlas Corp. Laterolog survey dated May 13, 1967, in the Cotton Draw Unit 65 well (API # 30-015-10843), located in Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico, are unitized under the terms of this agreement and herein are called “unitized substances”...

Any producible wells that exist in the unit area prior to unitization will not be considered for recognition as unit wells until after establishment of an initial participating area based on the aforementioned obligation well.

Your proposed use of the Form Agreement for Unproven Areas at 43 CFR 3186.1, modified only as shown in your application and enclosed with this letter, will be accepted. It is recognized that modifications to include State of New Mexico Lands and references to the Land Commissioner in the language of this agreement have been submitted voluntarily by Chevron and that such language shall not adversely affect Federal lands or limit or alter the jurisdiction and responsibilities of the BLM Authorized Officer established by the Mineral Leasing Act of 1920, as amended, and regulations promulgated at 43 CFR 3180.

If conditions are such that further modification of said standard form is deemed necessary, two copies of the proposed modifications with appropriate justification must be re-submitted to this office for preliminary approval. In the absence of any type of land requiring special provisions or of any objections not now apparent, a duly executed agreement identical with said form, modified as outlined above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted that, in our opinion, does not serve the public interest or does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

Please include a separate recapitulation of the latest commitment status of the interests in each tract when the executed agreement is submitted for final approval.

In preparing Exhibits “A” and “B”, the format of the sample exhibits of the model form shall be followed. A minimum of three copies of the executed agreement shall be submitted with your request for final approval.

Inasmuch as this unit area contains State of New Mexico lands, the unit operator must receive approval of this unit agreement from the New Mexico State Land Office before submitting to BLM for final approval.

As provided in 43 CFR 3165.3(b), you may request an administrative review of this decision before the State Director. Per 43 CFR 3165.4, you may appeal any instructions, orders, or decisions issued by the BLM New Mexico State Office directly to the Interior Board of Land Appeals pursuant to the regulations found at 43 CFR 4. A copy of Form 1842-1, *Information on Taking Appeals to the Interior Board of Land Appeals*, is enclosed.

Sincerely,



Deputy State Director
Division of Minerals

2 Enclosures

- 1 - Designated Javelina Federal Exploratory Unit Agreement
- 2 - BLM Form 1842-1

cc:

NMP02000, C. Walls

NM92100, M. Dupre

NM92100, J. Glover



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

18 December 2018

Chevron North America Exploration and Production Company
ATTN: Mr. Chris Cooper
1400 Smith Street
Houston, TX 77002

Re: Preliminary Approval
Javelina Unit – updated agreement
Eddy County, New Mexico

Dear Mr. Cooper:

We have received the updated agreement and exhibits submitted for the proposed Javelina Unit area, Eddy County, New Mexico. It is our understanding that the only change is depth of the unit. Initially, the depth was top of the Bone Spring to center of the earth. Due to a title defect in one tract, the depth will now be top of Bone Spring to base of the Woodford Shale. It is further understood that Chevron had no development plans for the deeper formations, and this update will have no effect on distributions.

The New Mexico State Land Office hereby grants preliminary approval for the updated proposed Javelina Unit. Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases until final approval and an effective date have been given. All requirements for final approval, as specified in the preliminary approval dated 30 August 2018, are still in effect.

If you have any questions or if we may be of further assistance, please contact Units Manager Randolph Bayliss at 505.827.5791, or Chief Geologist Stephen Wust at 505.827.5774.

Respectfully,


AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

cc: NMOCD – Attn: Chief Engineer
RMD – Attn: Mr. Roddy Martinez
BLM - Carlsbad, Attn: Mr. Chris Walls
Units Reader File



Case No. 16436 (Reopened)
EXHIBIT 5

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF CHEVRON U.S.A. INC.
TO REOPEN CASE NO. 16436 TO MODIFY THE
VERTICAL LIMITS OF THE JAVELINA UNIT,
IN EDDY COUNTY, NEW MEXICO.**

CASE NO. 16436 (Reopened)

AFFIDAVIT

STATE OF NEW MEXICO)
)ss.
COUNTY OF BERNALILLO)

Earl E. DeBrine, Jr., attorney in fact and authorized representative of Chevron U.S.A. Inc., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under the notice letter and that proof of receipt is attached hereto. Chevron U.S.A. Inc. has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the application filed herein.



Earl E. DeBrine, Jr.

SUBSCRIBED AND SWORN to before me this 5th day of February, 2019 by Earl E. DeBrine, Jr.

SEAL



Kathleen T. Allen

Notary Public

My commission expires: 07-22-2022

W3360673.DOCX



Case No. 16436 (Reopened)
EXHIBIT 6



MODRALL SPERLING

L A W Y E R S

January 3, 2019

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**Re: Case No. 16436 (Reopened) APPLICATION OF CHEVRON U.S.A. INC.
TO REOPEN CASE NO. 16436 TO MODIFY THE VERTICAL LIMITS
OF THE JAVALINA UNIT, IN EDDY COUNTY NEW MEXICO.**

Earl E. DeBrine, Jr.
505.848.1810
Fax: 505.848.1891
edebrine@modrall.com

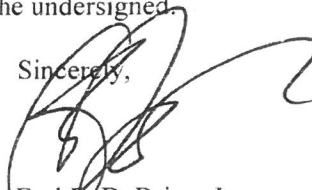
TO: AFFECTED PARTIES

This letter is to advise you that Chevron U.S.A. Inc. has filed an application in Case No. 16436 (Reopened), which seeks approval to reopen Case No. 16431 to modify the vertical limits of the Javalina Unit consisting of approximately 5,119.76 acres of state and federal lands situated in all of Sections 1, 2, 9, 10, 11, 12, 15 and 16 of Township 24 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. Applicant seeks to reduce the vertical limits of the Unit from the center of the earth to the base of the Woodford Shale, defined as the stratigraphic equivalent of a depth of 16,367 feet beneath the surface in that certain Pan Geo Atlas Corp. Laterolog survey dated May 13, 1967, in the Cotton Draw Unit 65 well (API # 30-015-10843), located in Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico.

This case has been set for hearing before a Division Examiner on **February 7, 2019**, starting at 8:15 a.m. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in the case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in the case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,



Earl E. DeBrine, Jr.
Attorney for Applicant

EED/hta/W3339239.DOCX
Enclosures

Modrall Sperling
Roehl Harris & Sisk P.A.

Bank of America Centre
500 Fourth Street NW
Suite 1000
Albuquerque,
New Mexico 87102

PO Box 2168
Albuquerque,
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Tel: 505.848.1800
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Kathleen Allen
Modrall Sperling Roehl Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque NM 87103-2168

PS Form 3877

Type of Mailing: CERTIFIED
01/03/2019

83420-0038
Chevron
Javaline



Firm Mailing Book ID: 158376

Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
1	9314 8699 0430 0054 4776 85	TEK Properties, LTD. Attn: Thomas E Kelly 4705 Miramont Cir. Bryan TX 77802	\$1.21	\$3.45	\$1.50		\$0.00
2	9314 8699 0430 0054 4776 92	New Mexico State Land Office P.O. Box 1148 Santa Fe NM 87504	\$1.21	\$3.45	\$1.50		\$0.00
3	9314 8699 0430 0054 4777 08	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508	\$1.21	\$3.45	\$1.50		\$0.00
4	9314 8699 0430 0054 4777 15	Titus Oil & Gas, LLC 100 Throckmorton St., #1630 Fort Worth TX 76102	\$1.21	\$3.45	\$1.50		\$0.00
5	9314 8699 0430 0054 4777 22	Randy Prude 203 West Wall, Suite 1200 Midland TX 79701	\$1.21	\$3.45	\$1.50		\$0.00
6	9314 8699 0430 0054 4777 39	Otto E. Schroeder, Jr. 500 Hawk Court Coppell TX 75019	\$1.21	\$3.45	\$1.50		\$0.00
7	9314 8699 0430 0054 4777 46	Mary Patricia Dougherty Trust P. O. 968 Issaquah WA 98027	\$1.21	\$3.45	\$1.50		\$0.00
8	9314 8699 0430 0054 4777 53	Mary Margaret Olson Trust 596 Aviator Drive Fort Worth TX 76179	\$1.21	\$3.45	\$1.50		\$0.00
9	9314 8699 0430 0054 4777 60	Mabee-Flynt Lease Trust 15611 Wildwood Trace Magnolia	\$1.21	\$3.45	\$1.50		\$0.00
10	9314 8699 0430 0054 4777 77	Kevin Francis Dougherty C/O Dougherty Enterprises Attn: Terry Ann Dougherty Charlton NY 12019	\$1.21	\$3.45	\$1.50		\$0.00
11	9314 8699 0430 0054 4777 84	Melissa Catherine Dougherty C/O Frost Bank Attn: Robert Turnbull San Antonio TX 78296	\$1.21	\$3.45	\$1.50		\$0.00
12	9314 8699 0430 0054 4777 91	James Robert Dougherty, III Trust 200 Concord Plaza Dr* San Antonio TX 78216	\$1.21	\$3.45	\$1.50		\$0.00
13	9314 8699 0430 0054 4778 07	Devon Energy Production Company LP 333 West Sheridan Avenue Oklahoma City OK 73102	\$1.21	\$3.45	\$1.50		\$0.00
14	9314 8699 0430 0054 4778 14	Concho Oil & Gas LLC 600 West Illinois Avenue Midland TX 79701	\$1.21	\$3.45	\$1.50		\$0.00
15	9314 8699 0430 0054 4778 21	COG Operating LLC 600 West Illinois Avenue Midland TX 79701	\$1.21	\$3.45	\$1.50		\$0.00



Kathleen Allen
Modrall Spering Roehl Harris & Sisk, P.A.
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Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
16	9314 8699 0430 0054 4778 38	Catherine Madeline Grace, C/O Serna & Co. 6031 West Interstate 20, # 251 Arlington TX 76017	\$1.21	\$3.45	\$1.50		\$0.00
17	9314 8699 0430 0054 4778 45	COG Operating LLC 600 W. Illinois Ave. Midland TX 79701	\$1.21	\$3.45	\$1.50		\$0.00
18	9314 8699 0430 0054 4778 52	Concho Oil & Gas, LLC 600 W. Illinois Ave. Midland TX 79701	\$1.21	\$3.45	\$1.50		\$0.00
19	9314 8699 0430 0054 4778 69	Devon Energy Production Company 333 W. Sheridan Ave. Oklahoma City OK 73102	\$1.21	\$3.45	\$1.50		\$0.00
20	9314 8699 0430 0054 4778 76	Oxy USA Inc. 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.21	\$3.45	\$1.50		\$0.00
21	9314 8699 0430 0054 4778 83	XTO Energy Inc. 22777 Springwoods Village Pkwy. Spring TX 77389	\$1.21	\$3.45	\$1.50		\$0.00
22	9314 8699 0430 0054 4778 90	Alan R. Hannifin P. O. Box 8874 Denver CO 80202	\$1.21	\$3.45	\$1.50		\$0.00
23	9314 8699 0430 0054 4779 06	Alfred Giles, IV P. O. Box 50360 Austin TX 78763	\$1.21	\$3.45	\$1.50		\$0.00
24	9314 8699 0430 0054 4779 13	Bascom Mitchell Family Partnership, LP 1 Live Oak Drive Midland TX 79705	\$1.21	\$3.45	\$1.50		\$0.00
25	9314 8699 0430 0054 4779 20	Beverly Jean Renfro Barr, Trustee of the Family Trust UW O Richard Kevin Barr 8027 Chalk Knoll Dr. Austin TX 78735	\$1.21	\$3.45	\$1.50		\$0.00
26	9314 8699 0430 0054 4779 37	Blasco, L.L.C. 6235 Savannah Way Colorado Springs CO 80919	\$1.21	\$3.45	\$1.50		\$0.00
27	9314 8699 0430 0054 4779 44	Blue Door, Inc., C/O P&M Petroleum Management 518 17th Street, Suite 1105 Denver CO 80202	\$1.21	\$3.45	\$1.50		\$0.00
28	9314 8699 0430 0054 4779 51	Branex Resources, Inc. P. O. Box 2990 Ruidosa NM 88355	\$1.21	\$3.45	\$1.50		\$0.00
29	9314 8699 0430 0054 4779 68	Bruce C. Martens 9725 E. Hampden Ave, #310 Denver CO 80231	\$1.21	\$3.45	\$1.50		\$0.00
30	9314 8699 0430 0054 4779 75	Carla E. Salmon 4455 W. Florence St. Appleton WI 54914	\$1.21	\$3.45	\$1.50		\$0.00



Kathleen Allen
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Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
31	9314 8699 0430 0054 4779 82	Charles W. Peck 9725 E. Hampden Ave, #310 Denver CO 80231	\$1.21	\$3.45	\$1.50		\$0.00
32	9314 8699 0430 0054 4779 99	Christopher R. F. Eckels P.O. Box 30 Cedaredge CO 81413	\$1.21	\$3.45	\$1.50		\$0.00
33	9314 8699 0430 0054 4780 02	Communities Foundation of Texas, Inc. P. O. Box 1588 Tulsa OK 74101	\$1.21	\$3.45	\$1.50		\$0.00
34	9314 8699 0430 0054 4780 19	Cynthia Mae Wilson, Trustee of the Bypass Trust UW O Scott Evans Wilson 4601 Mirador Drive Austin TX 78735	\$1.21	\$3.45	\$1.50		\$0.00
35	9314 8699 0430 0054 4780 26	David J. Sorensen P. O. Box 1453 Roswell NM 88202	\$1.21	\$3.45	\$1.50		\$0.00
36	9314 8699 0430 0054 4780 33	David Scott Morgan, Trustee of the Morgan Mineral Trust DTD 4/1/2008 1209 Knoll Crest Ct. Grapevine TX 76051	\$1.21	\$3.45	\$1.50		\$0.00
37	9314 8699 0430 0054 4780 40	D-M Corporation P. O. Box 1196 Englewood CO 80150	\$1.21	\$3.45	\$1.50		\$0.00
38	9314 8699 0430 0054 4780 57	Elizabeth Jane Kay, Trustee of the Elizabeth Jane Kay Family Trust P.O. Box 9602 Colorado Springs CO 80932	\$1.21	\$3.45	\$1.50		\$0.00
39	9314 8699 0430 0054 4780 64	Figure 4 Investment Trust 11010 Crestmore Houston TX 77096	\$1.21	\$3.45	\$1.50		\$0.00
40	9314 8699 0430 0054 4780 71	Frank G. Nix PO Box 80342 Midland TX 79708	\$1.21	\$3.45	\$1.50		\$0.00
41	9314 8699 0430 0054 4780 88	George Karabatsos 2220 Bering Drive, #30 Houston TX 77057	\$1.21	\$3.45	\$1.50		\$0.00
42	9314 8699 0430 0054 4780 95	Georgia Bass 2855 Westminster Plaza Drive, #4409 Houston TX 77082	\$1.21	\$3.45	\$1.50		\$0.00
43	9314 8699 0430 0054 4781 01	Innerarity Family Minerals, 600 N. Marienfeld Street, Suite 320 Midland TX 79701	\$1.21	\$3.45	\$1.50		\$0.00
44	9314 8699 0430 0054 4781 18	Jan C. Ice P.O. Box 7366 Covington WA 98042	\$1.21	\$3.45	\$1.50		\$0.00



Kathleen Allen
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Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
45	9314 8699 0430 0054 4781 25	Joe N. Gifford PO Box 51187 Midland TX 79710	\$1.21	\$3.45	\$1.50		\$0.00
46	9314 8699 0430 0054 4781 32	John Geoffrey Giles 2600 Escondido CV Austin TX 78703	\$1.21	\$3.45	\$1.50		\$0.00
47	9314 8699 0430 0054 4781 49	JPT Family JV #1 12225 Greenville Avenue, Suite 440 Dallas TX 75243	\$1.21	\$3.45	\$1.50		\$0.00
48	9314 8699 0430 0054 4781 56	L. E. Oppermann 1505 Neely Midland TX 79705	\$1.21	\$3.45	\$1.50		\$0.00
49	9314 8699 0430 0054 4781 63	LaNeil Joy Honeyman, Individually Cotton, Bledsoe, Tighe & Dawson, PC 500 West Illinois, Ste. 300 Midland TX 79701	\$1.21	\$3.45	\$1.50		\$0.00
50	9314 8699 0430 0054 4781 70	LaNeil Joy Honeyman, Trustee of the Leslie Robert Honeyman Trust Cotton, Bledsoe, Tighe & Dawson, PC 500 West Illinois, Ste. 300 Midland TX 79701	\$1.21	\$3.45	\$1.50		\$0.00
51	9314 8699 0430 0054 4781 87	Leslie Robert Honeyman Trust, LaNeil Joy Honeymann Trustee Cotton, Bledsoe, Tighe & Dawson, PC 500 West Illinois, Ste. 300	\$1.21	\$3.45	\$1.50		\$0.00
52	9314 8699 0430 0054 4781 94	Linda Kay Neighbors 1711 Douglas Midland TX 79701	\$1.21	\$3.45	\$1.50		\$0.00
53	9314 8699 0430 0054 4782 00	MAP 92-96 MGD, an OK General Partnership 101 North Robinson, Suite 1000 Oklahoma City OK 73102	\$1.21	\$3.45	\$1.50		\$0.00
54	9314 8699 0430 0054 4782 17	MAP Holdings, an Oklahoma Gen Partnership 101 North Robinson, Suite 1000 Oklahoma City OK 73102	\$1.21	\$3.45	\$1.50		\$0.00
55	9314 8699 0430 0054 4782 24	Marathon Oil Company PO Box 3487 Houston TX 77253	\$1.21	\$3.45	\$1.50		\$0.00
56	9314 8699 0430 0054 4782 31	Mary Jane Shelley Favor PO Box 96 Hayneville AL 36040	\$1.21	\$3.45	\$1.50		\$0.00
57	9314 8699 0430 0054 4782 48	Michelle R. Hannafin PO Box 8874 Denver CO 80201	\$1.21	\$3.45	\$1.50		\$0.00
58	9314 8699 0430 0054 4782 55	Mona M. Stewart Florence 1009 Palomas Drive, SE Albuquerque NM 87108	\$1.21	\$3.45	\$1.50		\$0.00



Kathleen Allen
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Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
59	9314 8699 0430 0054 4782 62	Morris E. Schertz PO Box 2588 Roswell NM 88202	\$1.21	\$3.45	\$1.50		\$0.00
60	9314 8699 0430 0054 4782 79	Nancy L. McMurtie 125 East First Ave Appleton WI 54911	\$1.21	\$3.45	\$1.50		\$0.00
61	9314 8699 0430 0054 4782 86	Nestegg Energy Corporation 2308 Sierra Vista Road Artesia NM 88210	\$1.21	\$3.45	\$1.50		\$0.00
62	9314 8699 0430 0054 4782 93	Nuevo Seis Limited Partnership P.O. Box 2588 Roswell NM 88202	\$1.21	\$3.45	\$1.50		\$0.00
63	9314 8699 0430 0054 4783 09	Patricia K. Lorenz 5806 Norvel Drive Corpus Christi TX 78412	\$1.21	\$3.45	\$1.50		\$0.00
64	9314 8699 0430 0054 4783 16	Patterson Petroleum, LP PO Box 1416 Snyder TX 79550	\$1.21	\$3.45	\$1.50		\$0.00
65	9314 8699 0430 0054 4783 23	Rex P. Spear 2320 Tayabeshockup Bozeman MT 59715	\$1.21	\$3.45	\$1.50		\$0.00
66	9314 8699 0430 0054 4783 30	Robert Edward Eckels, Jr., L.L.C. PO Box 1093 Cedaredge CO 81413	\$1.21	\$3.45	\$1.50		\$0.00
67	9314 8699 0430 0054 4783 47	Rolla R. Hinkle, II 303 Coal Drive Ruidoso NM 88345	\$1.21	\$3.45	\$1.50		\$0.00
68	9314 8699 0430 0054 4783 54	Ronald C. Agel 279 Marlborough Street Boston MA 02116	\$1.21	\$3.45	\$1.50		\$0.00
69	9314 8699 0430 0054 4783 61	S&E Royalty, LLC 8470 West 4th Avenue Lakewood CO 80226	\$1.21	\$3.45	\$1.50		\$0.00
70	9314 8699 0430 0054 4783 78	Shawn P. Hannifin, Estate of 730 17th Street Denver CO 80202	\$1.21	\$3.45	\$1.50		\$0.00
71	9314 8699 0430 0054 4783 85	Southwest Royalties, Inc. PO Box 53570 Midland TX 79710	\$1.21	\$3.45	\$1.50		\$0.00
72	9314 8699 0430 0054 4783 92	The EMG Revocable Trust 1000 W. Fourth Street Roswell NM 88201	\$1.21	\$3.45	\$1.50		\$0.00
73	9314 8699 0430 0054 4784 08	The F. Andrew Grooms SSP Trust PO Box 2990 Ruidoso NM 88355	\$1.21	\$3.45	\$1.50		\$0.00



Kathleen Allen
Modrall Spering Roehl Harris & Sisk, P.A.
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Line	Article Number	Name, Street & P.O. Address	Postage	Fee	R.R.Fee	Reference	Rest.Del.Fee Contents
74	9314 8699 0430 0054 4784 15	Wilbur D. and Afion H. Wilson Revocable Trust 1013 E. 5400 South South Ogden UT 84405	\$1.21	\$3.45	\$1.50		\$0.00
75	9314 8699 0430 0054 4784 22	Walter H. Powe 3916 Northfield Court Midland TX 79707	\$1.21	\$3.45	\$1.50		\$0.00
76	9314 8699 0430 0054 4784 39	Wells Fargo Bank, N.A., Trustee of the John Saleh Charitable Foundation PO Box 1959 Midland TX 79702	\$1.21	\$3.45	\$1.50		\$0.00
77	9314 8699 0430 0054 4784 46	Western Interior Energy, Inc. WJT III SEP-IRA PO Box 247 Crested Butte CO 81224	\$1.21	\$3.45	\$1.50		\$0.00
78	9314 8699 0430 0054 4784 53	COG Production LLC 600 W. Illinois Ave. Midland TX 79701	\$1.21	\$3.45	\$1.50		\$0.00
79	9314 8699 0430 0054 4784 60	Oxy USA Inc. 5 Greenway Plaza, Suite 110 Houston TX 77046	\$1.21	\$3.45	\$1.50		\$0.00
80	9314 8699 0430 0054 4784 77	Devon Energy Production Company 333 W. Sheridan Ave. Oklahoma City OK 73102	\$1.21	\$3.45	\$1.50		\$0.00
81	9314 8699 0430 0054 4784 84	XTO Energy Inc. 22777 Springwoods Village Pkwy. Spring TX 77389	\$1.21	\$3.45	\$1.50		\$0.00
82	9314 8699 0430 0054 4784 91	EOG Y Resources 5509 Champions Dr. Midland TX 79706	\$1.21	\$3.45	\$1.50		\$0.00
Totals:			\$99.22	\$282.90	\$123.00	Grand Total:	\$505.12

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
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Transaction Report Details - CertifiedPro.net
Firm Mail Book ID: 158376
Generated: 2/5/2019 12:45:41 PM

Certified Mail Article Number	Date Created	Name 1	Name 2	Address	City	State	Zip	Certified Mailing Status	Service Options	Mail Delivery Date
9314869904300054478491	2019-01-03 2:28 PM	EOG Y Resources		5509 Champions Dr.	Midland	TX	79706	Delivered	Return Receipt - Electronic	01-08-2019
9314869904300054478484	2019-01-03 2:28 PM	XTO Energy Inc.		22777 Springwoods Village Pkwy.	Spring	TX	77389	Delivered	Return Receipt - Electronic	01-09-2019
9314869904300054478477	2019-01-03 2:28 PM	Devon Energy Production Company		333 W. Sheridan Ave.	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic	01-08-2019
9314869904300054478460	2019-01-03 2:28 PM	Oxy USA Inc.		5 Greenway Plaza, Suite 110	Houston	TX	77046	Delivered	Return Receipt - Electronic	01-10-2019
9314869904300054478453	2019-01-03 2:28 PM	COG Production LLC		600 W. Illinois Ave.	Midland	TX	79701	Delivered	Return Receipt - Electronic	01-10-2019
9314869904300054478446	2019-01-03 2:28 PM	Western Interior Energy, Inc. WIT III SEP IRA	John Saleh Charitable Foundation	PO Box 247	Crested Butte	CO	81224	Delivered	Return Receipt - Electronic	01-22-2019
9314869904300054478439	2019-01-03 2:28 PM	Wells Fargo Bank, N.A., Trustee of the		3916 Northfield Court	Midland	TX	79707	Delivered	Return Receipt - Electronic	01-18-2019
9314869904300054478432	2019-01-03 2:28 PM	Walter H. Powe		1013 E. 5400 South	Midland	TX	79707	Delivered	Return Receipt - Electronic	01-22-2019
9314869904300054478415	2019-01-03 2:28 PM	Wilbur D. and Afton H. Wilson Revocable Trust		PO Box 2990	South Ogden	UT	84405	Delivered	Return Receipt - Electronic	01-22-2019
9314869904300054478408	2019-01-03 2:28 PM	The F. Andrew Grooms SSP Trust		1000 W. Fourth Street	Ruidoso	NM	88355	Delivered	Return Receipt - Electronic	01-22-2019
9314869904300054478392	2019-01-03 2:28 PM	The EMG Revocable Trust		PO Box 53570	Midland	NM	88201	Delivered	Return Receipt - Electronic	01-16-2019
9314869904300054478385	2019-01-03 2:28 PM	The Southwest Royalties, Inc.		730 17th Street	Midland	TX	79710	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478378	2019-01-03 2:28 PM	Shawn P. Hannifin, Estate of		8470 West 4th Avenue	Denver	CO	80202	To be Returned	Return Receipt - Electronic	01-08-2019
9314869904300054478361	2019-01-03 2:28 PM	S&E Royalty, LLC		279 Marlborough Street	Lakewood	CO	80226	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478354	2019-01-03 2:28 PM	Rolla R. Hinkle, II		303 Coal Drive	Boston	MA	02116	To be Returned	Return Receipt - Electronic	01-08-2019
9314869904300054478330	2019-01-03 2:28 PM	Robert Edward Eckels, Jr., L.L.C.		PO Box 1093	Ruidoso	NM	88345	Delivered	Return Receipt - Electronic	01-08-2019
9314869904300054478316	2019-01-03 2:28 PM	Patterson Petroleum, LP		2320 Tyebushcreek	Cedarage	CO	81413	Delivered	Return Receipt - Electronic	01-10-2019
9314869904300054478309	2019-01-03 2:28 PM	Patricia K. Lorenz		PO Box 1416	Boxman	MT	59715	Delivered	Return Receipt - Electronic	01-09-2019
9314869904300054478293	2019-01-03 2:28 PM	Ruovo Sals Limited Partnership		5806 Monvel Drive	Snyder	TX	79550	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478286	2019-01-03 2:28 PM	Nesqueg Energy Corporation		2308 Sierra Vista Road	Corpus Christi	TX	78412	Delivered	Return Receipt - Electronic	01-14-2019
9314869904300054478279	2019-01-03 2:28 PM	Nancy L. WickMurtie		125 East First Ave	Roswell	NM	88210	Delivered	Return Receipt - Electronic	01-08-2019
9314869904300054478262	2019-01-03 2:28 PM	Mona M. Stewart Florence		PO Box 2588	Appleton	WI	54911	Delivered	Return Receipt - Electronic	01-16-2019
9314869904300054478255	2019-01-03 2:28 PM	Michelle R. Hannafin		1009 Palomas Drive, SE	Roswell	NM	88201	Delivered	Return Receipt - Electronic	01-08-2019
9314869904300054478248	2019-01-03 2:28 PM	Michael R. Hannafin		PO Box 8874	Albuquerque	NM	87108	Delivered	Return Receipt - Electronic	01-14-2019
9314869904300054478231	2019-01-03 2:28 PM	Mary Jane Shelley Favor		PO Box 96	Hayneville	AL	36040	Delivered	Return Receipt - Electronic	01-11-2019
9314869904300054478224	2019-01-03 2:28 PM	Marathon Oil Company		PO Box 3487	Houston	TX	77253	Delivered	Return Receipt - Electronic	01-08-2019
9314869904300054478217	2019-01-03 2:28 PM	Oklahoma Gen Partnership		101 North Robinson, Suite 1000	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478200	2019-01-03 2:28 PM	MAP Holdings, an Oklahoma Gen Partnership		101 North Robinson, Suite 1000	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478194	2019-01-03 2:28 PM	MAP 92.96 MGD, an OK General Partnership		1711 Douglas	Midland	TX	79701	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478187	2019-01-03 2:28 PM	Leslie Robert Honeyman Trust	LaNell Joy Honeyman Trust	Cotton, Bledsoe, Tighe & Dawson, PC	Midland	TX	79701	Lost	Return Receipt - Electronic	01-09-2019
9314869904300054478170	2019-01-03 2:28 PM	LaNell Joy Honeyman, Trustee of the	Leslie Robert Honeyman Trust	Cotton, Bledsoe, Tighe & Dawson, PC	Midland	TX	79701	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478163	2019-01-03 2:28 PM	LaNell Joy Honeyman, Individually	Cotton, Bledsoe, Tighe & Dawson, PC	500 West Illinois, Ste. 300	Midland	TX	79701	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478149	2019-01-03 2:28 PM	L. E. Oppermann		1505 Westly	Midland	TX	79705	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478125	2019-01-03 2:28 PM	John Geoffrey Giles		2600 Escudido CV	Dallas	TX	75243	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478118	2019-01-03 2:28 PM	Joe N. Gifford		PO Box 51387	Austin	TX	78703	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478101	2019-01-03 2:28 PM	Innerrarity Family Minerals,		2222 Bering Drive, #30	Midland	TX	79701	Delivered	Return Receipt - Electronic	01-08-2019
9314869904300054478095	2019-01-03 2:28 PM	George Karabatos		PO Box 80342	Houston	TX	77082	Undelivered	Return Receipt - Electronic	01-28-2019
9314869904300054478088	2019-01-03 2:28 PM	Frank G. Nix		11010 Crestmore	Midland	TX	77057	To be Mailed	Return Receipt - Electronic	01-22-2019
9314869904300054478071	2019-01-03 2:28 PM	Figure 4 Investment Trust		P.O. Box 9620	Houston	TX	77096	Delivered	Return Receipt - Electronic	01-22-2019
9314869904300054478064	2019-01-03 2:28 PM	Elizabeth Jane Kay, Trustee of the	Elizabeth Jane Kay Family Trust	P.O. Box 1196	Colorado Springs	CO	80932	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478057	2019-01-03 2:28 PM	D-M Corporation		1209 Knoll Crest Ct.	Englewood	CO	80150	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478040	2019-01-03 2:28 PM	David Scott Morgan, Trustee of the	Morgan Mineral Trust DTD 4/1/2008	4601 Mirador Drive	Grapevine	TX	76051	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054478026	2019-01-03 2:28 PM	David J. Sorenson		P.O. Box 1588	Roswell	NM	88202	Delivered	Return Receipt - Electronic	01-08-2019
9314869904300054478019	2019-01-03 2:28 PM	Cynthia Mae Wilson, Trustee of the	Bypass Trust UWQ Scott Evans Wilson	P.O. Box 30	Tulsa	OK	74101	Delivered	Return Receipt - Electronic	01-16-2019
9314869904300054478016	2019-01-03 2:28 PM	Communities Foundation of Texas, Inc.		6235 Savannah Way	Cedarage	CO	80431	Delivered	Return Receipt - Electronic	01-09-2019
9314869904300054477999	2019-01-03 2:28 PM	Christopher R. F. Eckels		8027 Chalk Knoll Dr.	Denver	CO	80202	Delivered	Return Receipt - Electronic	01-08-2019
9314869904300054477982	2019-01-03 2:28 PM	Charles W. Peck		1 Live Oak Drive	Midland	TX	79705	Delivered	Return Receipt - Electronic	01-08-2019
9314869904300054477975	2019-01-03 2:28 PM	Carla E. Salmon		P.O. Box 50360	Austin	TX	78763	Delivered	Return Receipt - Electronic	01-18-2019
9314869904300054477968	2019-01-03 2:28 PM	Brice C. Martens		P.O. Box 8374	Denver	CO	80202	Delivered	Return Receipt - Electronic	01-09-2019
9314869904300054477951	2019-01-03 2:28 PM	Branex Resources, Inc.		22777 Springwoods Village Pkwy.	Spring	TX	77389	Delivered	Return Receipt - Electronic	01-09-2019
9314869904300054477944	2019-01-03 2:28 PM	Blasco, L.L.C.		333 W. Sheridan Ave.	Houston	TX	77046	Delivered	Return Receipt - Electronic	01-10-2019
9314869904300054477937	2019-01-03 2:28 PM	Oxy USA Inc.		600 W. Illinois Ave.	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic	01-08-2019
9314869904300054477920	2019-01-03 2:28 PM	Beverly Jean Renfro Barr, Trustee of the	Family Trust UWQ Richard Kevin Barr	6031 West Interstate 20, # 251	Midland	TX	79701	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054477913	2019-01-03 2:28 PM	Bascom Mitchell Family Partnership, LP		600 West Illinois Avenue	Midland	TX	79701	Delivered	Return Receipt - Electronic	01-07-2019
9314869904300054477906	2019-01-03 2:28 PM	Alfred Giles, IV								
9314869904300054477890	2019-01-03 2:28 PM	Alan R. Hannifin								
9314869904300054477883	2019-01-03 2:28 PM	XTO Energy Inc.								
9314869904300054477876	2019-01-03 2:28 PM	Oxy USA Inc.								
9314869904300054477869	2019-01-03 2:28 PM	Devon Energy Production Company								
9314869904300054477862	2019-01-03 2:28 PM	Concho Oil & Gas, LLC								
9314869904300054477845	2019-01-03 2:28 PM	COG Operating LLC								
9314869904300054477838	2019-01-03 2:28 PM	Catherine Madeline Grace, C/O Serna & Co.								
9314869904300054477831	2019-01-03 2:28 PM	COG Operating LLC								

931486904300054477814	2019-01-03 2:28 PM	Concho Oil & Gas LLC	600 West Illinois Avenue	Midland	TX	79701	Delivered	Return Receipt - Electronic	01-07-2019
931486904300054477807	2019-01-03 2:28 PM	Devon Energy Production Company LP	333 West Sheridan Avenue	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic	01-14-2019
931486904300054477791	2019-01-03 2:28 PM	James Robert Dougherty, III Trust	200 Concord Plaza Dr,*	San Antonio	TX	78216	To be Returned	Return Receipt - Electronic	
931486904300054477784	2019-01-03 2:28 PM	Melissa Catherine Dougherty	Attn: Robert Turnbull	San Antonio	TX	78296	Delivered	Return Receipt - Electronic	01-07-2019
931486904300054477777	2019-01-03 2:28 PM	Kevin Francis Dougherty	Attn: Terry Ann Dougherty	Charlton	NY	12019	Delivered	Return Receipt - Electronic	01-07-2019
931486904300054477760	2019-01-03 2:28 PM	Mabce-Flynt Lease Trust	15611 Wildwood Trace	MagnoliaPinehurst	TX	77354	Undelivered	Return Receipt - Electronic	
931486904300054477753	2019-01-03 2:28 PM	Mary Margaret Olson Trust	596 Aviator Drive	Fort Worth	TX	76179	Undelivered	Return Receipt - Electronic	
931486904300054477746	2019-01-03 2:28 PM	Mary Patricia Dougherty Trust	P. O. 968	Isaquah	WA	98027	Delivered	Return Receipt - Electronic	01-07-2019
931486904300054477739	2019-01-03 2:28 PM	Otto E. Schroeder, Jr.	500 Hawk Court	Coppell	TX	75019	Delivered	Return Receipt - Electronic	01-07-2019
931486904300054477722	2019-01-03 2:28 PM	Randy Prude	203 West Wall, Suite 1200	Midland	TX	79701	Delivered	Return Receipt - Electronic	01-07-2019
931486904300054477715	2019-01-03 2:28 PM	Thus Oil & Gas, LLC	100 Throckmorton St., #1630	Fort Worth	TX	76102	Delivered	Return Receipt - Electronic	01-07-2019
931486904300054477708	2019-01-03 2:28 PM	Bureau of Land Management	301 Dinosaur Trail	Santa Fe	NM	87508	Lost	Return Receipt - Electronic	
931486904300054477692	2019-01-03 2:28 PM	New Mexico State Land Office	P.O. Box 1148	Santa Fe	NM	87504	Delivered	Return Receipt - Electronic	01-07-2019
931486904300054477685	2019-01-03 2:28 PM	TEK Properties, LTD. Attn: Thomas E Kelly	4705 Miramont Cir.	Bryan	TX	77802	Lost	Return Receipt - Electronic	

C/O Frost Bank
C/O Dougherty Enterprises

Transaction Details

Recipient:
Shawn P. Hannifin, Estate of
730 17th Street
Denver, CO 80202

Sender:
Kathleen Allen
Modrall Sperling Roehl Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, NM 87103-2168

Certified Mail Article Number: 9314869904300054478378

Return Receipt Article Number:

Service Options: Return Receipt - Electronic

Mail Service: Certified

Reference #:

Postage: \$1.21

Fees: \$4.95

Status: To be Returned

Transaction created by: KatAllen
User ID: 20619
Firm Mailing Book ID: 158376
Batch ID: 153552

Transaction History

Event Description	Event Date	Details
Mailbook Generated	01-03-2019 02:31 PM	[WALZ] - Firm Mailing Book 158376 generated by KatAllen
USPS® Certified Mail	01-03-2019 07:09 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	01-04-2019 11:04 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at DENVER,CO
USPS® Certified Mail	01-05-2019 05:24 AM	[USPS] - DEPART USPS FACILITY at DENVER,CO
USPS® Certified Mail	01-05-2019 10:06 AM	[USPS] - FORWARDED at DENVER,CO
USPS® Certified Mail	01-10-2019 06:59 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at COLORADO SPRINGS,CO
USPS® Certified Mail	01-10-2019 08:26 PM	[USPS] - DEPART USPS FACILITY at COLORADO SPRINGS,CO
USPS® Certified Mail	01-14-2019 09:26 AM	[USPS] - AVAILABLE FOR PICKUP at WESTMINSTER,CO
USPS® Certified Mail	01-19-2019 04:14 AM	[USPS] - REMINDER TO SCHEDULE REDELIVERY at DENVER,CO
USPS® Certified Mail	01-29-2019 03:17 AM	[USPS] - PACKAGE RETURN NOTICE GENERATED at DENVER,CO

Transaction Details

Recipient:
Ronald C. Agel
279 Marlborough Street
Boston, MA 02116

Sender:
Kathleen Allen
Modrall Sperling Roehl Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, NM 87103-2168

Transaction created by: KatAllen
User ID: 20619
Firm Mailing Book ID: 158376
Batch ID: 153552

Certified Mail Article Number: 9314869904300054478354
Return Receipt Article Number:

Service Options: Return Receipt - Electronic
Mail Service: Certified
Reference #:
Postage: \$1.21
Fees: \$4.95
Status: To be Returned

Transaction History

Event Description	Event Date	Details
Mailbook Generated	01-03-2019 02:31 PM	[WALZ] - Firm Mailing Book 158376 generated by KatAllen
USPS® Certified Mail	01-03-2019 07:09 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	01-08-2019 08:09 AM	[USPS] - ARRIVAL AT UNIT at BOSTON,MA
USPS® Certified Mail	01-08-2019 08:16 AM	[USPS] - MOVED, LEFT NO ADDRESS at BOSTON,MA
USPS® Certified Mail	01-08-2019 09:52 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at BOSTON,MA
USPS® Certified Mail	01-11-2019 07:16 AM	[USPS] - ARRIVAL AT UNIT at BOSTON,MA
USPS® Certified Mail	01-11-2019 09:11 AM	[USPS] - SORTINGPROCESSING COMPLETE at BOSTON,MA
USPS® Certified Mail	01-11-2019 09:21 AM	[USPS] - OUT FOR DELIVERY at BOSTON,MA
USPS® Certified Mail	01-11-2019 11:21 PM	[USPS] - AWAITING DELIVERY SCAN at BOSTON,MA

Transaction Details

Recipient: Leslie Robert Honeyman Trust, LaNell Joy Honeymanm Trustee Cotton, Bledsoe, Tighe & Dawson, PC 500 West Illinois, Ste. 300 Midland, TX 79701	Certified Mail Article Number: 9314869904300054478187 Return Receipt Article Number:
Sender: Kathleen Allen Modrall Sperling Roehl Harris & Sisk, P.A., P.O. Box 2168 Albuquerque, NM 87103-2168	Service Options: Return Receipt - Electronic Mail Service: Certified Reference #: Postage: \$1.21 Fees: \$4.95 Status: Lost
Transaction created by: KatAllen User ID: 20619 Firm Mailing Book ID: 158376 Batch ID: 153552	

Transaction History

Event Description	Event Date	Details
Mailbook Generated	01-03-2019 02:31 PM	[WALZ] - Firm Mailing Book 158376 generated by KatAllen
USPS® Certified Mail	01-03-2019 07:09 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	01-03-2019 09:01 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-03-2019 09:31 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM

Transaction Details

Recipient:
Innerarity Family Minerals,
600 N. Marienfeld Street, Suite 320
Midland, TX 79701

Sender:
Kathleen Allen
Modrall Sperling Roehl Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, NM 87103-2168

Transaction created by: KatAllen
User ID: 20619
Firm Mailing Book ID: 158376
Batch ID: 153552

Certified Mail Article Number: 9314869904300054478101
Return Receipt Article Number:

Service Options: Return Receipt - Electronic
Mail Service: Certified
Reference #:
Postage: \$1.21
Fees: \$4.95
Status: Undelivered

Transaction History

Event Description	Event Date	Details
Mailbook Generated	01-03-2019 02:31 PM	[WALZ] - Firm Mailing Book 158376 generated by KatAllen
USPS® Certified Mail	01-03-2019 07:09 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	01-03-2019 09:01 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-03-2019 09:31 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-05-2019 09:56 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at MIDLAND,TX
USPS® Certified Mail	01-06-2019 12:01 AM	[USPS] - DEPART USPS FACILITY at MIDLAND,TX
USPS® Certified Mail	01-07-2019 02:54 AM	[USPS] - PROCESSED THROUGH USPS FACILITY at MIDLAND,TX

Transaction Details

Recipient:
Georgia Bass
2855 Westminster Plaza Drive, #4409
Houston, TX 77082

Sender:
Kathleen Allen
Modrall Sperling Roehl Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, NM 87103-2168

Transaction created by: KatAllen
User ID: 20619
Firm Mailing Book ID: 158376
Batch ID: 153552

Certified Mail Article Number: 9314869904300054478095
Return Receipt Article Number:

Service Options: Return Receipt - Electronic
Mail Service: Certified
Reference #:
Postage: \$1.21
Fees: \$4.95
Status: Undelivered

Transaction History

Event Description	Event Date	Details
Mailbook Generated	01-03-2019 02:31 PM	[WALZ] - Firm Mailing Book 158376 generated by KatAllen
USPS® Certified Mail	01-03-2019 07:09 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	01-03-2019 09:01 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-03-2019 09:31 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-08-2019 05:48 AM	[USPS] - ARRIVAL AT UNIT at HOUSTON,TX
USPS® Certified Mail	01-08-2019 09:47 AM	[USPS] - ARRIVAL AT UNIT at HOUSTON,TX
USPS® Certified Mail	01-08-2019 10:59 AM	[USPS] - SORTINGPROCESSING COMPLETE at HOUSTON,TX
USPS® Certified Mail	01-08-2019 11:09 AM	[USPS] - OUT FOR DELIVERY at HOUSTON,TX
USPS® Certified Mail	01-09-2019 01:09 AM	[USPS] - AWAITING DELIVERY SCAN at HOUSTON,TX

Transaction Details

Recipient:
George Karabatsos
2220 Bering Drive, #30
Houston, TX 77057

Sender:
Kathleen Allen
Modrall Sperling Roehl Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, NM 87103-2168

Transaction created by: KatAllen
User ID: 20619
Firm Mailing Book ID: 158376
Batch ID: 153552

Certified Mail Article Number: 9314869904300054478088
Return Receipt Article Number:

Service Options: Return Receipt - Electronic
Mail Service: Certified
Reference #:
Postage: \$1.21
Fees: \$4.95
Status: To be Mailed

Transaction History

Event Description	Event Date	Details
Mailbook Generated	01-03-2019 02:31 PM	[WALZ] - Firm Mailing Book 158376 generated by KatAllen
USPS® Certified Mail	01-03-2019 07:09 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA

Transaction Details

Recipient:
James Robert Dougherty, III Trust
200 Concord Plaza Dr*
San Antonio, TX 78216

Sender:
Kathleen Allen
Modrall Sperling Roehl Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, NM 87103-2168

Certified Mail Article Number: 9314869904300054477791
Return Receipt Article Number:

Service Options: Return Receipt - Electronic
Mail Service: Certified
Reference #:
Postage: \$1.21
Fees: \$4.95
Status: To be Returned

Transaction created by: KatAllen
User ID: 20619
Firm Mailing Book ID: 158376
Batch ID: 153552

Transaction History

Event Description	Event Date	Details
Mailbook Generated	01-03-2019 02:31 PM	[WALZ] - Firm Mailing Book 158376 generated by KatAllen
USPS® Certified Mail	01-03-2019 07:09 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	01-03-2019 09:01 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-03-2019 09:31 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-07-2019 04:01 AM	[USPS] - ARRIVAL AT UNIT at SAN ANTONIO,TX
USPS® Certified Mail	01-07-2019 07:06 AM	[USPS] - SORTINGPROCESSING COMPLETE at SAN ANTONIO,TX
USPS® Certified Mail	01-07-2019 07:16 AM	[USPS] - OUT FOR DELIVERY at SAN ANTONIO,TX
USPS® Certified Mail	01-07-2019 08:04 AM	[USPS] - INSUFFICIENT ADDRESS at SAN ANTONIO,TX
USPS® Certified Mail	01-08-2019 02:41 AM	[USPS] - INSUFFICIENT ADDRESS at SAN ANTONIO,TX

Transaction Details

Recipient:
Mabee-Flynt Lease Trust
15611 Wildwood Trace
Magnolia Pinehurst, TX 77354

Sender:
Kathleen Allen
Modrall Sperling Roehl Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, NM 87103-2168

Transaction created by: KatAllen
User ID: 20619
Firm Mailing Book ID: 158376
Batch ID: 153552

Certified Mail Article Number: 9314869904300054477760
Return Receipt Article Number:

Service Options: Return Receipt - Electronic
Mail Service: Certified
Reference #:
Postage: \$1.21
Fees: \$4.95
Status: Undelivered

Transaction History

Event Description	Event Date	Details
Mailbook Generated	01-03-2019 02:31 PM	[WALZ] - Firm Mailing Book 158376 generated by KatAllen
USPS® Certified Mail	01-03-2019 07:09 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	01-03-2019 09:01 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-03-2019 09:31 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-16-2019 01:18 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at NORTH HOUSTON,TX

Transaction Details

Recipient:
Mary Margaret Olson Trust
596 Aviator Drive
Fort Worth, TX 76179

Sender:
Kathleen Allen
Modrall Sperling Roehl Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, NM 87103-2168

Transaction created by: KatAllen
User ID: 20619
Firm Mailing Book ID: 158376
Batch ID: 153552

Certified Mail Article Number: 9314869904390054477753
Return Receipt Article Number:

Service Options: Return Receipt - Electronic
Mail Service: Certified
Reference #:
Postage: \$1.21
Fees: \$4.95
Status: Undelivered

Transaction History

Event Description	Event Date	Details
Mailbook Generated	01-03-2019 02:31 PM	[WALZ] - Firm Mailing Book 158376 generated by KatAllen
USPS® Certified Mail	01-03-2019 07:09 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	01-06-2019 05:24 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at FORT WORTH,TX
USPS® Certified Mail	01-07-2019 09:05 AM	[USPS] - ARRIVAL AT UNIT at FORT WORTH,TX

Transaction Details

Recipient:
TEK Properties, LTD. Attn: Thomas E Kelly
4705 Miramont Cir.
Bryan, TX 77802

Sender:
Kathleen Allen
Modrall Sperling Roehl Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, NM 87103-2168

Transaction created by: KatAllen
User ID: 20619
Firm Mailing Book ID: 158376
Batch ID: 153552

Certified Mail Article Number: 9314869904300054477685
Return Receipt Article Number:

Service Options: Return Receipt - Electronic
Mail Service: Certified
Reference #:
Postage: \$1.21
Fees: \$4.95
Status: Lost

Transaction History

Event Description	Event Date	Details
Mailbook Generated	01-03-2019 02:31 PM	[WALZ] - Firm Mailing Book 158376 generated by KatAllen
USPS® Certified Mail	01-03-2019 07:09 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	01-03-2019 09:01 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-03-2019 09:31 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM

Transaction Details

Recipient:
Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM 87508

Sender:
Kathleen Allen
Modrall Sperling Roehl Harris & Sisk, P.A.
P.O. Box 2168
Albuquerque, NM 87103-2168

Certified Mail Article Number: 9314869904300054477708

Return Receipt Article Number:

Service Options: Return Receipt - Electronic

Mail Service: Certified

Reference #:

Postage: \$1.21

Fees: \$4.95

Status: Lost

Transaction created by: KatAllen

User ID: 20619

Firm Mailing Book ID: 158376

Batch ID: 153552

Transaction History

Event Description	Event Date	Details
Mailbook Generated	01-03-2019 02:31 PM	[WALZ] - Firm Mailing Book 158376 generated by KatAllen
USPS® Certified Mail	01-03-2019 07:09 PM	[USPS] - PRESHIPMENT INFO SENT USPS AWAITS ITEM at TEMECULA,CA
USPS® Certified Mail	01-03-2019 09:01 PM	[USPS] - PROCESSED THROUGH USPS FACILITY at ALBUQUERQUE,NM
USPS® Certified Mail	01-03-2019 09:31 PM	[USPS] - DEPART USPS FACILITY at ALBUQUERQUE,NM



33A8620.PDF
3352925.PDF
MODRALL SPIERLING

Modrall Spierling
Roehl Harris & Sisk, P.A.
PO Box 2168
Albuquerque, NM
87103-2168

Lowering benefits:

Electronic return receipt, see a retail agent for assistance. To receive a duplicate receipt for no additional fee, present this postmarked Certified Mail receipt to the associate.

Registered delivery service, which provides delivery to the addressee specified by name, or addressee's authorized agent.

Signature service, which requires the signee to be at least 21 years of age (not at retail).

Signature restricted delivery service, which requires the signee to be at least 21 years of age and provides delivery to the addressee specified by name, or to the addressee's authorized agent (available at retail).

That your Certified Mail receipt is as legal proof of mailing, it should bear a postmark. If you would like a postmark on your Certified Mail receipt, please present your Mail item at a Post Office™ for marking. If you don't need a postmark on this Mail receipt, detach the barcoded portion below, affix it to the mailpiece, apply the postage, and deposit the mailpiece.

NOTE: Save this receipt for your records.

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

Extra Services & Fees (check box, add fee as appropriate):
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$
Postage \$

Total Postage and Fees \$6.67

Sent To

Devon Energy Production Co.
333 W. Sheridan Ave
Oklahoma City, OK 73102

PS Form 3800, April 2015 PSN 7530-02-000-0047 See Reverse for Instructions

83420-0038
JAN 15 2019
ALBUQUERQUE NM 87103

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Devon Energy Production
Company
333 W. Sheridan Ave
Oklahoma City, OK 73102



9590 9402 3134 7166 7817 17

2. Article Number (Transfer from service label)

7017 1450 0001 0312 8769

PS Form 3811, July 2015 PSN 7530-02-000-9053

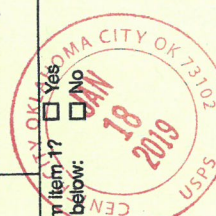
COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
B. Received by (Printed Name) ☐ Addressee
C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Insured Mail (over \$500)
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt



CARLSBAD CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

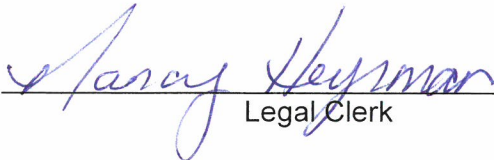
Ad No.
0001274438

MODRALL SPERLING
PO BOX 2168

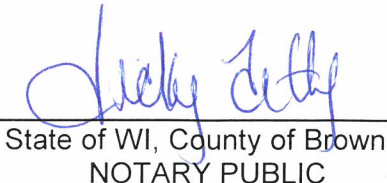
ALBUQUERQUE NM 87103

I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

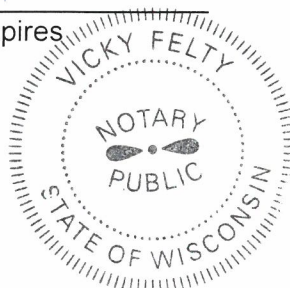
01/18/19


Legal Clerk

Subscribed and sworn before me this
18th of January 2019.


State of WI, County of Brown
NOTARY PUBLIC

9-19-21
My Commission Expires



Case No. 16436 (Reopened): Notice to all affected parties, as well as the heirs and devisees of **TEK Properties, LTD.** Attn: Thomas E Kelly, New Mexico State Land Office, Bureau of Land Management, Titus Oil & Gas, LLC, Randy Prude, Otto E. Schroeder, Jr., Mary Patricia Dougherty Trust, Mary Margaret Olson Trust, Mabee-Flynt Lease Trust, Kevin Francis Dougherty, Mellissa Catherine Dougherty, James Robert Dougherty, III Trust, Devon Energy Production Company LP, Concho Oil & Gas LLC, COG Operating LLC, Catherine Madeline Grace, C/O Serna & Co., COG Operating LLC, Concho Oil & Gas, LLC, Devon Energy Production Company, Oxy USA Inc., XTO Energy Inc., Alan R. Hannifin, Alfred Giles, IV, Bascom Mitchell Family Partnership, LP, Beverly Jean Renfro Barr, Trustee of the Blasco, L.L.C., Blue Door, Inc., C/O P&M Petroleum Management, Branex Resources Inc., Bruce C. Martens, Carla E. Salmon, Charles W. Peck, Christopher R. F. Eckels, Communities Foundation of Texas, Inc., Cynthia Mae Wilson, Trustee of the David J. Sorensen, David Scott Morgan, Trustee of the D-M Corporation, Elizabeth Jane Kay, Trustee of the Figure 4 Investment Trust, Frank G. Nix, George Karabatsos, Georgia Bass, Innerarity Family Minerals, Jan C. Ice, Joe N. Gifford, John Geoffrey Giles, JPT Family JV #1, L. E. Oppermann, LaNell Joy Honeyman, Individually, LaNell Joy Honeyman, Trustee of the Leslie Robert Honeyman Trust, Linda Kay Neighbors, MAP 92-96 MGD, an OK General Partnership, MAP Holdings, an Oklahoma Gen Partnership, Marathon Oil Company, Mary Jane Shelley Favor, Michelle R. Hannafin, Mona M. Stewart Florence, Morris E. Schertz, Nancy L. McMurtie, Nestegg Energy Corporation, Nuevo Seis Limited Partnership, Patricia K. Lorenz, Patterson Petroleum, LP, Rex P. Spear, Robert Edward Eckels, Jr., L.L.C. Rolla R. Hinkle, II, Ronald C. Agel, S&E Royalty, LLC, Shawn P. Hannifin, Estate of Southwest Royalties, Inc., The EMG Revocable Trust, The F. Andrew Grooms SSP Trust, Wilbur D. and Afton H. Wilson Revocable Trust, Walter H. Powe, Wells Fargo Bank, N.A., Trustee of the Western Interior Energy, Inc. WJT III SEP-IRA COG Production LLC, Oxy USA Inc., Devon Energy Production Company, XTO Energy Inc. and EOGY Resources of Chevron U.S.A. Inc.'s Application to Reopen Case No. 16436 to Modify the Vertical Limits of the Javelina Unit, in Eddy County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on **February 7, 2019** to consider this application. Applicant seeks approval to reopen Case No. 16436 to modify the vertical limits of the **Javelina Unit** consisting of approximately 5,119.76 acres of state and federal lands situated in all of Sections 1, 2, 9, 10, 11, 12, 15 and 16 of Township 24 South, Range 31 East,

N.M.P.M., Eddy County, New Mexico. Applicant seeks to reduce the vertical limits of the Unit from the center of the earth to the base of the Woodford Shale, defined as the stratigraphic equivalent of a depth of 16,367 feet beneath the surface in that certain Pan Geo Atlas Corp. Laterolog survey dated May 13, 1967, in the Cotton Draw Unit 65 well (API # 30-015-10843), located in Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico. The subject unit is located approximately 20 miles East of Loving, New Mexico.

January 18, 2019