

SOUTHERN UNION PRODUCTION COMPANY

DIVISION ORDER

TO: SOUTHERN UNION PRODUCTION COMPANY
FIDELITY UNION TOWER
DALLAS 1, TEXAS

DATE November 1, 1961(OR DIVISION ORDER NO. FU-NM-209)

The undersigned, and each of us, certify, warrant, and guarantee that as of the date of this order we are the legal owners in the proportion set out on the reverse side hereof (or on the schedule attached hereto and made a part hereof) of the mineral gas and associated liquid hydrocarbons and/or oil and warrant title thereto and certify that we are entitled to payment for minerals produced by you under your presently existing lease from wells now or hereafter completed on the following described lands in Rio Arriba County, New Mexico:

Township 25 North, Range 3 West, N.M.P.M.Section 2: SW1containing 160 acres, more or less

(Martinez #1 Well)

Effective as of first production

and until written notice of termination is given by either you or the undersigned, you are hereby authorized to give credit and make payment for the proceeds from production attributable to the interests as set forth on the reverse side hereof (or schedule attached hereto), in accordance with and subject to the following provisions:

1. It is agreed that the price to be paid for production attributable to the interest of each of the undersigned shall be as follows:

(a) Gas: The settlement for natural gas and components thereof shall be at the price and under those provisions specified in the written gas purchase contract between Southern Union Production Company, as Seller(s), and Southern Union Gas Company, as Buyer(s), dated January 1, 1961, or any amendment or supplement hereto or hereafter executed.

(b) Settlement for liquid hydrocarbons other than oil shall be at the price and under the provisions specified in the aforesaid gas purchase contract or if such liquids are not sold by you under such contract, then settlement therefor will be made at the price received by you from the purchaser thereof, upon the volume and grade computations of such purchaser, less expenses incurred by you for transporting, treating, settling and marketing such liquids other than into the lease storage tanks.

(c) Oil: Settlement for oil will be made at the price received by you from the purchaser thereof, upon volume and grade computations of such purchaser, less expenses incurred by you for transporting, treating, settling and marketing such oil other than into the lease storage tanks.

2. Payments shall be made by check payable to the person(s) named herein on the reverse side hereof (or on the schedule attached hereto) and severally in the proportions indicated, mailed to such person(s) at their respective addresses as shown each month for deliveries during the preceding month; provided each individual payment to be made hereunder may be withheld until at least Ten Dollars (\$10.00) has been accumulated to the credit of said person. As a matter of accommodation to us, you are hereby authorized to deduct from proceeds due us and to pay to the proper tax authorities severance, production or other taxes at any time applicable to the respective interests of undersigned in the lands above described or mineral production obtained therefrom.

3. In the event of any adverse claim or dispute arising at any time concerning title to the above described land or to the natural gas, oil and/or other hydrocarbons produced therefrom, or concerning the right to share in the proceeds from the sale of said minerals, you are hereby authorized to withhold, to the extent which you in good faith deem necessary for your protection, the proceeds accruing from purchases hereunder, without interest and without liability (except as a stake holder), until an indemnity satisfactory to you has been furnished or until such dispute or claim has been settled to your satisfaction. Each undersigned party, as to the interest of such party hereunder, respectively agrees, in the event suit is filed in any court affecting title to said oil, gas and/or other hydrocarbons or proceeds thereof, either before or after severance, to indemnify and save you harmless against any and all liability for loss, cost, damage and expense which you may suffer or incur on account of receiving and paying said party the proceeds derived from the sale of the said oil, gas and/or other hydrocarbons.

4. The undersigned severally agree to notify you of any change of ownership, and no transfer of interest shall be binding upon you until a proper transfer order and the recorded instrument evidencing such transfer, or a certified copy thereof, shall be furnished to you. Transfer of interest shall be made effective not earlier than the first day of the calendar month following receipt of such notice by you. You are hereby relieved of any responsibility for determining if and when any of the interests hereinabove set forth shall or should revert to or be owned by other parties as a result of the completion or discharge of money or other payments from said interests, and the signers hereof whose interests are affected by such money or other payments, if any, agree to give you notice in writing by registered letter addressed to Southern Union Production Company, Fidelity Union Tower, Dallas, Texas, when any such money or other payments have been completed or discharged, or when any other division of interest than that set forth above shall, for any reason, become effective and to furnish transfer orders accordingly; and that, in the event such notice shall not be received, you shall be held harmless in the event of, and are hereby released from, any and all damage or loss which might arise out of any overpayment.

5. This division order shall become valid and binding on each and every owner above named as soon as signed by such owner, regardless of whether or not all of the above named owners have so signed.

EXECUTED this 1st day of May, 1962

WITNESSES:

OWNER(S):

Joseph A. Sommer
Joseph A. Sommer
Margaret S. Sommer
Margaret S. Sommer, his wife

NMOCD CASE #13957
ENERGEN RESOURCES
EXHIBIT

INSERT DATE OF EXECUTION. SIGNATURE MUST BE WITNESSED. WIFE (OR HUSBAND) OF OWNER MUST ALSO SIGN.

**SOUTHERN UNION PRODUCTION COMPANY
DIVISION OF INTEREST**

CREDIT TO:

PERCENTAGE:

P. O. ADDRESS:

Tract No. 1 - S $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 2 (80 ac.)

U.S.A. (M-014856) 6.25% R.I. U.S.A. (M-014856) 6.25% R.I. **Drawer 1857**
Roswell, New Mexico

United States Bank of Grand Junction 1.5% O.R.R.I.

Grand Junction, Colo.

Southern Union Production Co. 42.25% W.I.

**Fidelity Union Tower
Dallas, Texas**

Tract No. 2 - S $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 2 (80 ac.)

(McKenna, Sommer, Martinez, et al)

Thomas F. McKenna 1.04167% R.I.

**W.I.*
7.29222% ***

**Mason Building
302 E. Palace Avenue
Santa Fe, New Mexico**

Joseph A. Sommer 1.04167% R.I.

7.29222% *

**Mason Building
302 E. Palace Avenue
Santa Fe, New Mexico**

Luis Martinez 1.5625% R.I.

1.09374% *

**170 W. Rushton
Ogden, Utah**

Porfiria Martinez 1.5625% R.I.

1.09374% *

**2935 Grant Avenue
Ogden, Utah**

Josie M. Gallegos 1.5625% R.I.

1.09374% *

**2315 E. 23rd Street
Oakland, California**

Maximo Valdez 1.03906% R.I.

1.27344% *

Palma, New Mexico

Asenito Valdez 0.1456% R.I.

1.0254% *

**722 W. Sheridan Road
Chicago, Illinois**

Maximo Valdez, Jr. 0.1466% R.I.

1.0254% *

**2737 W. 18th Street
Chicago, Illinois**

Max Valdez 0.1466% R.I.

1.0254% *

**2737 W. 18th Street
Chicago, Illinois**

Adelana Valdez 0.1466% R.I.

1.0254% *

**2737 W. 18th Street
Chicago, Illinois**

Eleberta V. Johnson 0.1465% R.I.

1.0254% *

**2737 W. 18th Street
Chicago, Illinois**

Anita Y. Montoya 0.1465% R.I.

1.0254% *

**504 Auburn
Farmington, New Mexico**

Lavi Valdez 0.1465% R.I.

1.0254% *

**504 Auburn
Farmington, New Mexico**

Lucia V. Jacquez 0.1465% R.I.

1.0254% *

**504 Auburn
Farmington, New Mexico**

Jose Maria Martinez 3.54161% R.I.

24.79058% *

Park View, New Mexico

Tract No. 2 * Production attributable to interest shown above with an asterisk (*) shall be applied in accordance with Order # R-1960 dated May 5, 1961, of the New Mexico Oil Conservation Commission until such time as the amounts specified in such order shall have been paid therefrom.

SEVEN HUNDRED