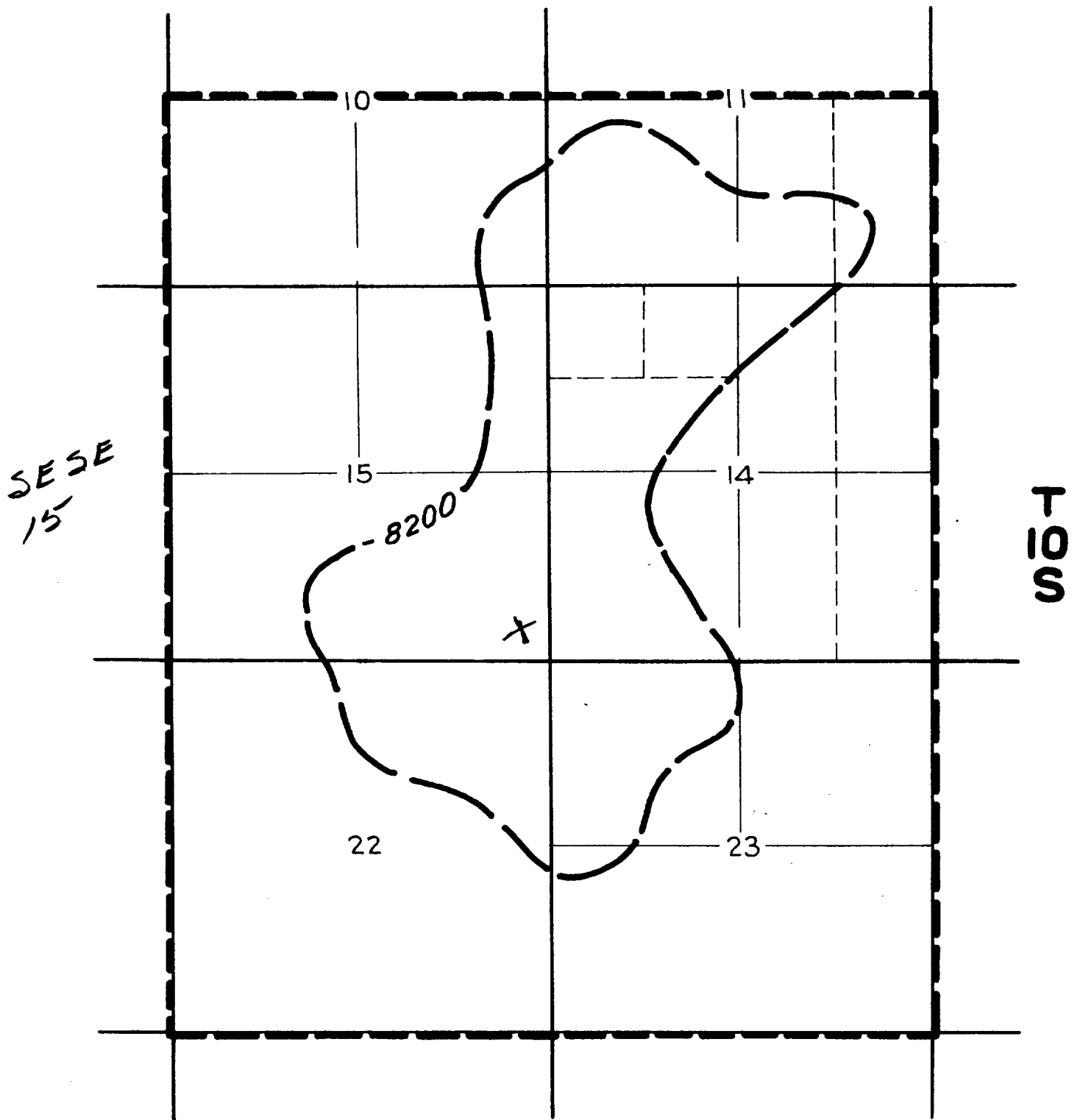


R 34 E



**FOUR LAKES UNIT**  
R 34 E, T 10 S, Lea County, New Mexico  
Approximate Closing Contour  
"D" Horizon

EXHIBIT "A"

OFFICE OF COMMISSIONER OF PUBLIC LANDS  
OF THE STATE OF NEW MEXICO

CERTIFICATE OF DISSOLUTION OF UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION OF THE FOUR LAKES UNIT AREA  
LEA COUNTY, NEW MEXICO

WHEREAS, on the 31st day of January, 1951, a unit agreement was entered into for the development and operation of the Four Lakes Unit Area, Lea County, New Mexico, embracing the following described lands situated in said county, to-wit:

NEW MEXICO PRINCIPAL MERIDIAN  
S $\frac{1}{2}$  Sec. 10, S $\frac{1}{2}$  Sec. 11, all of  
Secs. 14, 15, 22 and 23, Twp.  
10 S., Rge. 34 E., containing 1200  
acres, more or less, and

WHEREAS, said unit agreement was duly approved by the Commissioner of Public Lands of the State of New Mexico on the 2nd day of February, 1951, and

WHEREAS, the Magnolia Petroleum Company was designated in said unit agreement as the unit operator, and said unit operator caused a test well to be drilled in accordance with the terms of said unit agreement which has been completed as a dry hole and duly abandoned as such, and said unit operator has complied with all of the regulations of the New Mexico Oil Conservation Commission and the Commission of Public Lands with respect thereto, and

WHEREAS, said unit agreement provides that the same may be terminated at any time by not less than 75% on an acreage basis of the owners of the working interests signatory thereto with the approval of the Commissioner of Public Lands. and

WHEREAS, the undersigned own more than 75% of the working interests on an acreage basis committed to said unit agreement and are desirous of terminating the same in accordance with the provisions thereof.

NOW, THEREFORE, the undersigned Magnolia Petroleum Company, Amerada Petroleum Corporation, Cities Service Oil Company, The Ohio Oil Company, Boyle W. Cotton, Champlin Refining Company, Mid-Continent Petroleum Company, and Sinclair Oil and Gas Company do hereby agree that the above-described unit agreement for the development and operation of the Four Lakes Unit Area, Lea County, New Mexico, shall be, and the same is hereby terminated subject to the approval of the Commissioner of Public Lands of the State of New Mexico, and the Magnolia Petroleum Company, the unit operator, is hereby authorized to file this Certificate of Dissolution with the Commissioner of Public Lands of the State of New Mexico and request his approval thereof, and upon approval thereof to file an approved copy with the New Mexico Oil Conservation Commission.

IN WITNESS WHEREOF, this instrument is executed on this, the 11th day of September, 1951.

ATTEST:

[Signature]  
Asst. Secretary

MAGNOLIA PETROLEUM COMPANY

By D. E. Alveston  
Vice-President

*See of  
1002  
R. G. W.  
J. C.*

ATTEST:

[Signature]  
Asst. Secretary

AMERADA PETROLEUM CORPORATION

By [Signature]  
Vice-President

APPROVED
A. P. C.
<u>[Signature]</u>
<u>[Signature]</u>
BK

ATTEST:

XXXXXXXXXXXXXXXXXXXX

CITIES SERVICE OIL COMPANY

By H. B. Cox

ATTEST:

[Signature]  
Asst. Secretary

THE OHIO OIL COMPANY

By [Signature]  
Vice-President

*OK*

[Signature]  
Doyle W. Cotton

ATTEST:

[Signature]  
Secretary



CHAMPLIN REFINING COMPANY

By [Signature]  
Vice-President

ATTEST:

[Signature]  
Asst. Secretary

MID-CONTINENT PETROLEUM COMPANY

By [Signature]  
Vice-President

A. E. PIERCE  
Approved  
As To  
Substance

ATTEST:

[Signature]  
ASSISTANT Secretary

SINGLAIN OIL & GAS COMPANY

By [Signature]  
Vice-President



CONSENT TO DISSOLUTION BY THE COMMISSIONER OF PUBLIC LANDS

The undersigned, Guy Shepard, Commissioner of Public Lands of the State of New Mexico, does hereby approve the termination and dissolution of the unit agreement for the development and operation of the Four Lakes Unit Area, Lea County, New Mexico.

Dated this, the 21 - day of Jan., 1952.

[Signature]  
COMMISSIONER OF PUBLIC LANDS  
of the State of New Mexico

STATE OF TEXAS  
COUNTY OF Dallas

) SS.

On this 13<sup>th</sup> day of September, 1951,  
before me personally appeared A. E. Chester  
to me personally known, who, being by me duly sworn, did say  
that he is the Vice President of Magnolia Petroleum  
Company, and that the seal affixed to said instrument is the  
corporate seal of said corporation, and that said instrument  
was signed and sealed in behalf of said corporation by  
authority of its Board of Directors, and said A. E. Chester  
acknowledged said instrument to be the free act and deed of  
said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand  
and affixed my official seal on this, the day and year last  
above written.

My Commission expires:

June 1, 1953

Gladys H. Walters  
Notary Public

GLADYS H. WALTERS, Notary Public  
In and for Dallas County, Texas

STATE OF OKLAHOMA  
COUNTY OF Tulsa

) SS.

On this 27 day of September, 1951,  
before me personally appeared E. H. McCollough,  
to me personally known, who, being by me duly sworn, did say  
that he is the Vice President of Amerada Petroleum  
Corporation, and that the seal affixed to said instrument is  
the corporate seal of said corporation, and that said instru-  
ment was signed and sealed in behalf of said corporation by  
authority of its Board of Directors, and said E. H. McCollough  
acknowledged said instrument to be the free act and deed of  
said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand  
and affixed my official seal on this, the day and year last  
above written.

Lorathe Brown

NEW MEXICO ACKNOWLEDGMENT

STATE OF OKLAHOMA )  
COUNTY OF WASHINGTON ) SS:

On this 23 day of October 1951, before me  
personally appeared H. Ben Cox, to me known to be the person who exe-  
cuted the foregoing instrument as Attorney in Fact in behalf of Cities  
Service Oil Company, and acknowledged that he executed the same as the  
free act and deed of said Cities Service Oil Company.

W. B. Rouch  
Notary Public

My commission expires:

12/12/53

STATE OF TEXAS  
COUNTY OF Harris

SS.

On this 21st day of October, 1951, before me personally appeared R.C. Guillian to me personally known, who, being by me duly sworn, did say that he is the Vice President of The Ohio Oil Company, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said R.C. Guillian acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this, the day and year last above written.

My Commission expires: R. L. HERSHEY

Notary Public

Notary Public in and for Harris County, Texas

My Commission Expires June 1, 1953

STATE OF OKLAHOMA  
COUNTY OF Garfield

SS.

On this 4th day of October, 1951, before me personally appeared Earle M. Sutton, to me personally known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

My Commission expires:

Notary Public

My Commission expires August 14, 1954

STATE OF OKLAHOMA  
COUNTY OF Garfield

SS.

On this 2nd day of October, 1951, before me personally appeared Lawrence Muir to me personally known, who, being by me duly sworn, did say that he is the Vice President of Champlin Refining Company, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Lawrence Muir acknowledged that said instrument is the free act and deed of said corporation. affixed

IN WITNESS WHEREOF, I have hereunto set my hand and my official seal on this, the day and year last above written.

My Commission expires:

Notary Public

My Commission expires August 14, 1954

STATE OF OKLAHOMA  
COUNTY OF  Tulsa

SS.

On this  28  day of  September , 1951,  
before me personally appeared  A. E. PIERCE   
to me personally known, who, being by me duly sworn, did say  
that he is the  Vice  President of Mid-Continent Petroleum  
Company, and that the seal affixed to said instrument is the  
corporate seal of said corporation, and that said instrument  
was signed and sealed in behalf of said corporation by author-  
ity of its board of directors, and said  A. E. PIERCE   
acknowledged said instrument to be the free act and deed of  
said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and  
affixed my official seal on this, the day and year last above  
written.

My Commission expires:  
 My commission expires, Feb. 14, 1952

Pearl Wagner   
Notary Public

STATE OF TEXAS  
COUNTY OF  Tarrant

SS.

On this  1st  day of  November , 1951,  
before me personally appeared  D. R. Garhart   
to me personally known, who, being by me duly sworn, did say  
that he is the  Vice  President of Sinclair Oil & Gas  
Company, and that the seal affixed to said instrument is the  
corporate seal of said corporation, and that said instrument  
was signed and sealed in behalf of said corporation by auth-  
ority of its Board of Directors, and said  D. R. Garhart   
acknowledged said instrument to be the free act and deed of  
said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and  
affixed my official seal on this, the day and year last above  
written.

My Commission expires:

June 1, 1953

Margaret E. Bogle   
Notary Public

MARGARET E. BOGLE, Notary  
Public in and for Tarrant County, Texas

**UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE FOUR LAKES UNIT AREA  
LEA COUNTY, NEW MEXICO**

THIS AGREEMENT, entered into as of the \_\_\_\_\_ day of January, 1951, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto",

**W I T N E S S E T H**

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Chap. 88, Laws 1943) to consent to and approve the development or operation of State lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field or area; and,

WHEREAS, the Oil Conservation Commission of the State of New Mexico (hereinafter referred to as the "Commission") is authorized by an Act of the Legislature (Chap. 72, Laws 1935) to approve this agreement and the conservation provisions hereof; and,

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

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

NOW, THEREFORE, in consideration of the premises and

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

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

**NEW MEXICO PRINCIPAL MERIDIAN,  
NEW MEXICO**

8 $\frac{1}{2}$  Sec. 10, 8 $\frac{1}{2}$  Sec. 11, all of  
Secs. 14, 15, 22 and 23, Twp.  
10 S., Rgn. 34 E., N.M.P.M.,  
Lea County, New Mexico, contain-  
ing 3,200 acres, more or less.

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary, or when requested by the Commissioner of Public Lands hereinafter referred to as "Commissioner".

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

effected in the following manner:

(a) Unit Operator, on its own motion or on demand of the Commissioner shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof.

(b) Said notice shall be delivered to the Commissioner 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 Commissioner 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.

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

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

2. UNITIZED SUBSTANCES. All oil and gas in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances."

3. UNIT OPERATOR. Magnolia Petroleum Company, a corporation, is hereby designated as Unit Operator and by signature hereto commits to this agreement all interests in unitized substances vested in it as set forth in Exhibit "B", and agrees and consents to accept the duties and obligations of Unit

Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

4. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time provided a successor Unit Operator has been selected and approved and has agreed to accept the duties and responsibilities of the Unit Operator effective upon the relinquishment of such duties and responsibilities by the resigning Unit Operator. The resignation of the Unit Operator shall not release the Unit Operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

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

The resignation or removal of the Unit Operator under this agreement shall not terminate his right, title or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, materials and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor Unit Operator or to the owners thereof if no such new Unit Operator is elected, to be used for the purpose of conducting unit operations hereunder.

Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of any wells.

5. SUCCESSION UNIT OPERATOR. Whenever the Unit Operator shall resign as Unit Operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitized land shall by a majority vote select a successor Unit Operator; provided that, if a majority but less than 75 per cent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than 75 per cent of the total working interests, shall be required to select a new operator. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Commissioner at his election may declare this unit agreement terminated.

6. ACCOUNTING PROVISIONS. The Unit Operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder, and such costs and expenses so paid by the Unit Operator shall be apportioned among and borne by the owners of working interests and the Unit Operator reimbursed in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests. In case of any inconsistency or conflict between this unit agreement and any such operating agreements, this unit agreement shall prevail.

7. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except

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

8. DRILLING TO DISCOVERY. Within 30 days after the effective date hereof the Unit Operator shall commence operations upon a test well for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth of 12,500 feet, or to a depth sufficient to test the Devonian formation expected to be encountered at about said depth, or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities, or until it shall be determined that the further drilling of said well would be unwarranted or impracticable. Until a discovery of a deposit of unitized substances capable of being produced in paying quantities, Unit Operator shall continue drilling diligently one well at a time allowing not more than six months between the completion of one well and the beginning of the next well until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Commissioner, or until it is reasonably proved that the unitized land is incapable of producing unitized

substances in paying quantities in the formations drilled hereunder.

Any well commenced prior to the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his opinion such action is warranted. Upon failure to comply with the drilling provisions of this section, the Commissioner may, after reasonable notice to the Unit Operator and each working interest owner at their last known addresses, declare this unit agreement terminated.

**9. PARTICIPATION AND ALLOCATION AFTER DISCOVERY.**

Upon completion of a well capable of producing unitized substances in paying quantities, the owners of working interests shall participate in the production therefrom and in all other producing wells which may be drilled pursuant hereto in the proportions that their respective leasehold interests on an acreage basis bears to the total number of acres committed to the unit agreement, and such unitized substances shall be deemed to have been produced from the respective leasehold interests participating therein; and for the purpose of determining any benefits accruing under this agreement and the distribution of the royalty payable to the State of New Mexico each separate lease shall have allocated to it such percentage of said production as the number of acres in each lease respectively bears to the total number of acres committed hereto.

Notwithstanding any provision contained herein to the contrary, each working interest owner shall have the right to take such owner's proportionate share of the unitized substances in kind or to personally sell or dispose of the same,

and nothing herein contained shall be construed as giving or granting to the Unit Operator the right to sell or otherwise dispose of the proportionate share of any working interest owner without specific authorization from time to time so to do.

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

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

All rentals due the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

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

12. DRAINAGE. The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement.

13. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions and provisions of all leases, subleases, operating agreements and other contracts relating to the exploration, drilling, development or operation for oil or gas of the lands committed to this agreement shall, upon approval hereof by the Commissioner, be, and the same 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. Each lease committed to this agreement shall continue in force beyond the term provided therein so long as this agreement remains in effect provided drilling operations upon the initial test well provided for herein shall have been commenced or is in the process of being drilled by the Unit Operator prior to the expiration of the shortest term lease committed to this agreement. Termination of this agreement shall not affect any lease which pursuant to the terms thereof or any applicable law shall continue in full force and effect thereafter.

14. COVENANTS RUN WITH LAND. The Covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance, of interest in land or leases subject hereto shall be and hereby is conditioned upon the

assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any working, 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.

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

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

17. **APPEARANCES.** Unit Operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Commissioner of Public Lands and the New Mexico Oil Conservation Commission and to appeal from orders issued under the

regulations of the Commissioner or Commission or to apply for relief from any of said regulations or in any proceedings relative to operations pending before the Commissioner or Commission; provided, however, that any other interested party shall also have the right at his own expense to appear and to participate in any such proceeding.

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

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

20. LOSS OF TITLE. In the event title to any tract or unitized land or substantial interest therein shall fail and the true owner cannot be induced to join the unit agreement so that such tract is not committed to this agreement or the operation thereof hereunder becomes impracticable as a result thereof, such tract may be eliminated from the unitized area.

In the event of a dispute as to the title to any royalty, working or other interest subject hereto, the Unit Operator may withhold payment or delivery of the allocated portion of the unitized substances involved on account thereof without liability for interest until the dispute is finally settled, provided that no payments of funds due the State of New Mexico shall be withheld. Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

21. ~~SUBSEQUENT~~ JOINDER. Any oil or gas interest in lands within the unit area not committed hereto prior to the submission of this agreement for final approval either by the Commission or Commissioner may be committed hereto by the owner or owners of such rights subscribing or consenting to this agreement or executing a ratification thereof, and if such owner is also a working interest owner, by subscribing to any operating agreement affecting the allocation of costs of exploration, development and operation. After operations are commenced hereunder, the right of subsequent joinder by a working interest owner shall be subject to all of the requirements of any applicable operating agreement between the working interest owners relative to the allocation of costs of exploration, development and operation. A subsequent joinder shall be effective as of the first day of the month following the filing with the Commissioner and the Commission of duly executed counterparts of the instrument or instruments committing the interest of such owner to this agreement.

22. COUNTERPARTS. This agreement may be executed in any number of counterparts no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument in writing specifically referring hereto and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same

force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described unit area.

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

DESCRIPTION OF INTERESTS COMMITTED  
TO FOUR LAKES UNIT AGREEMENT BY  
REFERENCE TO TRACT NUMBERS IN EX-  
HIBIT "B" ATTACHED TO UNIT AGREE-  
MENT

SIGNATURES AND ADDRESSES

MAGNOLIA PETROLEUM COMPANY

Tracts: 5, 6, 7, 8.

By \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

Address: Magnolia Building  
Dallas, Texas

Date \_\_\_\_\_

UNIT OPERATOR

WORKING INTEREST OWNERS

AMERADA PETROLEUM CORPORATION

Tract No. 1

By \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

Address: \_\_\_\_\_  
Dallas, Oklahoma

Date \_\_\_\_\_

Don J. Bowers

Tract No. 2

Address:

Date:

CHAMPLIN REFINING COMPANY

Tract No. 3

BY

President

ATTEST:

Secretary

Address:

Date:

CITIES SERVICE OIL COMPANY

Tract No. 4

BY

President

ATTEST:

Secretary

Address:

Date:

MID-CONTINENT PETROLEUM COMPANY

Tract No. 9

BY

President

ATTEST:

Secretary

Address:

Date:

\_\_\_\_\_  
**Harry W. Moore**

**Tract No. 10**

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

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

**OHIO OIL COMPANY**

**Tracts 11 and 12.**

**BY** \_\_\_\_\_  
**President**

**ATTNEY:** \_\_\_\_\_  
**Secretary**

**Address:** \_\_\_\_\_  
**Findlay, Ohio**

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

\_\_\_\_\_  
**William F. Rector**

**Tract No. 13**

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

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

**LINCOLN OIL & GAS COMPANY**

**Tract No. 14**

**BY** \_\_\_\_\_  
**President**

**ATTNEY:** \_\_\_\_\_  
**Secretary**

**Address:** \_\_\_\_\_  
 **Tulsa, Oklahoma**

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

**CERTIFICATE OF APPROVAL  
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO,  
OF UNIT AGREEMENT FOR DEVELOPMENT AND OPERATION OF  
FOUR LAKES UNIT AREA, LEA COUNTY, NEW MEXICO.**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, an agreement for the development and operation of the Four Lakes Unit Area, Lea County, New Mexico, dated \_\_\_\_\_ day of January, 1951, in which the Magnolia Petroleum Company is designated as Operator and which has been executed by various parties owning and holding oil and gas leases embracing lands within the Unit Area and upon examination of said Agreement, the Commissioner finds:

- (a) That such Agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said field;
- (b) That under the operations proposed, the State will receive its fair share of the recoverable oil or gas in place under its land in the area affected;
- (c) That the agreement is in other respects for the best interest of the State;
- (d) That the Agreement provides for the unit operation of the field, for the allocation of production, and the sharing of proceeds from a part of the area covered by the agreement on an acreage basis as specified in the agreement.

NOW, THEREFORE, by virtue of the authority conferred upon me by Chapter 88 of the laws of the State of New Mexico, 1943, approved April 14, 1943, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, as to the lands of the State of New Mexico included in said Four Lakes Unit Agreement, and all leases embracing lands in the State of New Mexico committed to said Unit Agreement shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid Chapter 88 of the New Mexico Session Laws of 1943.

EXECUTED THIS \_\_\_\_\_ day of January, 1951.

Commissioner of Public Lands of  
the State of New Mexico

EXHIBIT "B"

SCHEMATIC SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS IN ALL LAND IN THE FOUR LANS UNIT AGREEMENT

TRACT NO.	DESCRIPTION	NO. OF ACRES	LEASE NO. AND EXPIRATION DATE OF LEASE	LAND OWNER	RECORD OWNER OF LEASE	OWNERSHIP PERCENTAGE
1	NE 1/4 Sec. 23, Twp. 10 N., Rge. 34 E.	160	K-1121 12/10/99	State of N.H.	Amesbury Petroleum Corporation	
2	W 1/4 Sec. 14, Twp. 10 N., Rge. 34 E.	60	E-9259 6/11/51	State of N.H.	Don G. Bowers	
3	NE 1/4, SW 1/4 Sec. 11, Twp. 10 N., Rge. 34 E.	240	K-3343 3/10/60	State of N.H.	Champion Refining Company	
4	NE 1/4, W 1/4 Sec. 14, Twp. 10 N., Rge. 34 E.	120	E-3187 1/10/60	State of N.H.	Citrus Service Oil Company	
5	All of Sec. 23, Twp. 10 N., Rge. 34 E.	640	E-9022 3/10/51	State of N.H.	Magnolia Petroleum Company	
6	NE 1/4 Sec. 10, SW 1/4 Sec. 14, NE 1/4 Sec. 15, Twp. 10 N., Rge. 34 E.	480	E-9023 3/10/51	State of N.H.	Magnolia Petroleum Company	
7	NE 1/4 Sec. 23, Twp. 10 N., Rge. 34 E.	160	E-10131 3/10/53	State of N.H.	Magnolia Petroleum Company	
8	NE 1/4 Sec. 23, Twp. 10 N., Rge. 34 E.	320	E-10070 2/10/53	State of N.H.	Magnolia Petroleum Company	
9	SE 1/4 Sec. 15, Twp. 10 N., Rge. 34 E.	320	E-9980 2/10/51	State of N.H.	Mid-Continent Petroleum Company	
10	NE 1/4 Sec. 14, Twp. 10 N., Rge. 34 E.	60	E-9259 6/11/51	State of N.H.	Harry W. Moore	
11	W 1/4 Sec. 11, Twp. 10 N., Rge. 34 E.	60	E-10908 6/10/53	State of N.H.	Ohio Oil Company	

TRACT NO.	DESCRIPTION	NO. OF ACRES	LEASE NO. AND EXPIRATION DATE OF LEASE	LAND OWNER	RECORD OWNER OF LEASE	OVERRIDING ROYALTY OWNER & PERCENTAGE
12	SE1/4 Sec. 14, Twp. 10 S., Rge. 34 E.	60	B-10347 6/10/53	State of N.M.	Ohio Oil Company	
13	NE1/4 Sec. 14, Twp. 10 S., Rge. 34 E.	40	B-9999 1/11/53	State of N.M.	William F. Keeler	
14	SW1/4 Sec. 10, NW1/4 Sec. 15, Twp. 10 S., Rge. 34 E.	320	B-3494 5/10/60	State of N.M.	Amclair Oil & Gas Company	
15	NE1/4 Sec. 14, Twp. 10 S., Rge. 34 E.	60	Unleased	State of N.M.	Unleased	
TOTAL ACRES:		3,200				