

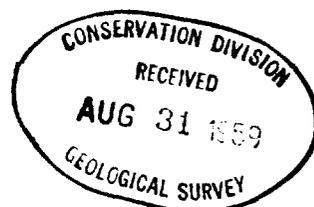
MAIN OFFICE OCC

UIC: SEP 4 1959
AUG 14 1959

U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

TERMINATION OF UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE ~~North~~ CHACO UNIT AREA
SAN JUAN COUNTY, NEW MEXICO

NO. 14-08-001-2026



WHEREAS, on June 11, 1954, an agreement was entered into for the development and operation of the ~~North~~ Chaco Unit Area, San Juan County, New Mexico, by and between the undersigned parties and others and in which said agreement the Davis Oil Company is now designated as unit operator; and

WHEREAS, said unit agreement was duly approved by the New Mexico Oil Conservation Commission on January 16, 1953, by the Commissioner of Public Lands of the State of New Mexico on January 14, 1953, by the Acting Commissioner of Indian Affairs on January 4, 1955, and by the Acting Director of the United States Geological Survey on January 4, 1955; and

WHEREAS, the unit operator has caused seven test wells to be drilled upon the unit area, none of which have been completed as wells capable of producing unitized substances in paying quantities; and

WHEREAS, Section 20 of said unit agreement provides in part as follows:

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

and

WHEREAS, the undersigned parties are the owners of more than seventy-five per cent on an acreage basis of the working interests committed to said unit agreement and are desirous of terminating the same in accordance with the provision above set forth.

NOW, THEREFORE, the undersigned parties, being the owners of more than seventy-five per cent on an acreage basis of the working interests committed to the unit agreement for the operation and development of the ~~North~~ Chaco Unit Area, do hereby terminate said unit agree-

ment subject to the approval of the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey and respectfully request the approval of such termination by the said Commissioner and Director. The effective date of termination shall be upon such approval and thereafter the unit operator shall give notice thereof to all parties signatory to said unit agreement.

COUNTERPARTS. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, and shall be binding upon all those parties who have executed such a counterpart 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 North Chaco Unit Area.

IN WITNESS WHEREOF, this instrument is executed by the undersigned parties as of the dates set opposite their respective signatures.

DAVIS OIL COMPANY

ATTEST:

Secretary

Date: March 6, 1959

By: Paul Messenger
President City In Fast
Address: 1020 Midland Savings Bldg.
Denver, Colorado

UNIT OPERATOR & WORKING INTEREST OWNER

GREAT WESTERN DRILLING COMPANY

ATTEST:

Assistant Secretary

Date: 8-4-59

By: M. B. Wilson
Vice President
Address: P.O. Box 1659
Midland, Texas

THREE STATES NATURAL GAS COMPANY

ATTEST:

Secretary

Date: March 12, 1959

By: E. A. Jensen
Vice-President
Address: 17th Floor Corrigan Tower
Dallas, Texas

HUMBLE OIL & REFINING COMPANY

ATTEST:

Margaret W. Hatch
Assistant Secretary

Date: 4-13-59

By: [Signature]
DIRECTOR IN CHARGE EXPLORATION DEPARTMENT

Address: P.O. Box 2180
Houston, Texas

APPROVED
Law
Accty
Exec
Genl

SOUTHERN UNION GAS COMPANY

ATTEST:

[Signature]
Secretary

Date: 3-26-59

By: [Signature]
President

Address: Burt Building
Dallas, Texas

APPROVED
Legal
Accty
Exec
Genl

SKELLY OIL COMPANY

ATTEST:

[Signature]
Secretary

Date: 4-21-59

By: [Signature]
Vice-President

Address: Skelly Building
Tulsa, Oklahoma

[Signature]
HAZEL C. HINES
Louis E. Farnsworth
Notary Public Des Moines Iowa

[Signature]
LEO HINES
2310 Farman Street
Davenport, Iowa
Louis E. Farnsworth
Notary Public Des Moines Iowa

[Signature]
MARY C. GLOCKHOFF
Betty H. Benzley - Notary Public
Rock Island County, Illinois

[Signature]
R. H. GLOCKHOFF
Manufacturers Bank Building
East Moline, Illinois
Betty H. Benzley - Notary Public
Rock Island County, Illinois

STATE OF COLORADO)
COUNTY OF DENVER) SS.

The foregoing instrument was acknowledged before me this 16 day of March, 1959, by Toul Mearns, Jr., President of DAVIS OIL COMPANY, a Colorado corporation, on behalf of said corporation.

Mollie T. Baker
Notary Public

My Commission Expires:
My Commission expires August 12, 1962

STATE OF TEXAS)
COUNTY OF MIDLAND) SS.

The foregoing instrument was acknowledged before me this 8 day of August, 1959, by M. B. Wilson Vice R. C. Tucker, President of GREAT WESTERN DRILLING COMPANY, a Texas corporation, on behalf of said corporation.

Sam H. Snoddy
Notary Public

My Commission Expires: 6-1-59
Sam H. Snoddy
Notary Public, Midland County, Texas
My Commission Expires 6-1-61.

STATE OF TEXAS)
COUNTY OF DALLAS) SS.

The foregoing instrument was acknowledged before me this 10th day of March, 1959, by E. A. Kirkman, Vice President of THREE STATES NATURAL GAS COMPANY, a Texas corporation, on behalf of said corporation.

Hazel Gray
Notary Public

My Commission Expires:
HAZEL GRAY
Notary Public, Dallas County, Texas
My Commission Expires June 1, 1959

STATE OF TEXAS)
COUNTY OF HARRIS) SS.

The foregoing instrument was acknowledged before me this 13th day of April, 1959, by ED J. HAMNER DIRECTOR IN CHARGE EXPLORATION DEPARTMENT of HUMBLE OIL & REFINING COMPANY, a Texas corporation, on behalf of said corporation.

Lilla Smith
Notary Public
NOTARY PUBLIC IN AND FOR
HARRIS COUNTY, TEXAS

My Commission Expires:
My Commission Expires June 1, 1959

STATE OF TEXAS)
COUNTY OF DALLAS) ss.

The foregoing instrument was acknowledged before me this 26th day of March, 1959, by J. C. Reid, President of SOUTHERN UNION GAS COMPANY, a Delaware corporation, on behalf of said corporation.

My Commission Expires:
6-1-59

Maurice S. Middleton
Notary Public

STATE OF OKLAHOMA)
COUNTY OF TULSA) ss.

The foregoing instrument was acknowledged before me this 21st day of April, 1959, by W. J. Skelly, President of SKELLY OIL COMPANY, a Delaware corporation, on behalf of said corporation.

My Commission Expires:

Joseph M. Brady
Notary Public

STATE OF IOWA)
COUNTY OF Scott) ss.

The foregoing instrument was acknowledged before me this 20th day of July, 1959, by Leo Hines and wife, Hazel C. Hines.

My Commission Expires:
July 4th 1960

Louis G. Forwath
Notary Public

STATE OF ILLINOIS)
COUNTY OF) ss.

The foregoing instrument was acknowledged before me this 31st day of July, 1959, by R. H. Glockhoff and wife, Mary C. Glockhoff.

My Commission Expires:
May 24-1962

Betty L. Bentley
Notary Public

CERTIFICATE OF APPROVAL
OF TERMINATION OF
NORTH CHAGO UNIT AREA

BY

COMMISSIONER OF PUBLIC LANDS
STATE OF NEW MEXICO

The undersigned, Murray Morgan, Commissioner of Public Lands of the State of New Mexico does hereby approve the above and foregoing termination of the Unit Agreement for the Development and Operation of the North Chaco Unit Area, San Juan County, New Mexico, this the 11th day of August, 1959.

Murray Morgan
Commissioner of Public Lands

CERTIFICATE OF APPROVAL
OF TERMINATION OF
NORTH CHAGO UNIT AREA

BY

DIRECTOR
UNITED STATES GEOLOGICAL SURVEY

The undersigned, Arthur O. Baker Acting Director of the United States Geological Survey does hereby approve the above and foregoing termination of the Unit Agreement for the Development and Operation of the North Chaco Unit Area, San Juan County, New Mexico, this the 1st day of Sept, 1959. Effective as of the date of approval.

Arthur O. Baker
Acting Director,
United States Geological Survey