

STATE OF NEW MEXICO) IN RE: APPLICATION FOR EXPANSION OF
) THE NORTH CAPROCK QUEEN UNIT
COUNTIES OF LEA & CHAVES) NO. TWO, LEA AND CHAVES
) COUNTIES, NEW MEXICO.

COMES NOW, [REDACTED] Vada Spurck, Betniece R. Pederson, a feme sole, Helen Hudson, a feme sole, all of the County of Los Angeles, State of California, Curtis McBroom, C. Harrison Cooper, W. V. Coffey, K. L. Smith and B. H. Murphy, all of the last five named parties being residents of the County of Tarrant, State of Texas, (being Royalty Owners under the below specifically described property in accordance with the definition contained in the Unit Agreement dated the 16th day of April, 1958, and recorded in Book 134, Page 392, of the Records of Lea County, New Mexico, and in Book 65, Page 217 of the Records of Chaves County, New Mexico, covering the Development and Operation of the North Caprock Queen Unit No. Two in said counties) and Dulaney Oil Company, R. O. Dulaney, Jr., E. Stanley Klein, John P. Maguire, Oliver D. Appleton, Elsa G. Appleton, Barry T. Leithead, Kenneth W. Fraser, D. W. Vreeland, Wm. N. Snow, and the Estate of William J. Gallon, Deceased, joined herein by Ambassador Oil Corporation (all of such parties being Working Interest Owners under the below specifically described property, as defined in the above mentioned Unit Agreement), and make this, their application to Ambassador Oil Corporation, in its capacity as Unit Operator of the above described North Caprock Queen Unit No. Two, in accordance with Article 3 of said Unit Agreement, for the expansion of such Unit No. Two so as to cover and include, in addition to all previous lands, the following described property:

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The Southeast Quarter of the Southwest Quarter (SE/4 SW/4) of Section 36, Township 12 South, Range 31 East, and the Northeast Quarter of the Northwest Quarter (NE/4 NW/4) of Section 1, Township 13 South, Range 31 East Chaves County, New Mexico.

In connection therewith, applicants herein jointly and severally would show, represent and agree as follows:

(1) THAT, if this acreage is admitted to the above mentioned Unit, the parties hereto will assume, as of the effective date hereof,

all of the obligations, burdens, liabilities and duties thereunder, and will also be entitled to all of the benefits accruing, just as if said land had been originally included in and made a part of said North Caprock Queen Unit No. Two.

(2) THAT, if this application is approved by all necessary parties, including the Commissioner of Public Lands of the State of New Mexico, then applicants herein recognize that the Exhibit "A" to the original above mentioned Unit Agreement for the development and operation of the North Caprock Queen Unit No. Two will be changed, and will henceforth be in accordance with the Exhibit "A" attached hereto and made a part hereof for all purposes. In addition, the definition of "Unit Area" appearing in Article 1.(a) of said Unit Agreement shall be amended so as to include, in addition to the land described therein, the above specifically described acreage. Applicants herein further recognize and agree that Exhibit " B" attached to and made a part of the above mentioned Unit Agreement for the development and operation of the North Caprock Queen Unit No. Two, if this agreement is approved by all necessary parties, including the said Commissioner of Public Lands, shall be changed, and that the Exhibit "B" which is attached hereto and made a part hereof for all purposes shall be in lieu thereof.

(3) THAT, the undersigned represent that they are Royalty Owners or Working Interest Owners as defined above, and that they desire, (as of the effective date set by the Commissioner of Public Lands of New Mexico) by the execution hereof, to ratify and become bound by the terms of the Unit Agreement for the development and operation of the North Caprock Queen Unit No. Two above mentioned, as expanded to cover the above specifically described property; and that, for the consideration and the purposes stated in said Unit Agreement and herein set out, the undersigned do hereby adopt, ratify and confirm said Unit Agreement in all of its terms and provisions so as to apply to the above unit as hereby requested to be expanded, and the undersigned do hereby agree and declare that said Unit Agreement in all of its terms and provisions is binding upon the undersigned , as of the effective date hereof, as fully and completely as if the undersigned had signed, acknowledged and delivered said Unit

Agreement referred to above, and as if said Unit Agreement had, in lieu of and in place of the Exhibits attached thereto, the exhibits "A" and "B" which are attached to and made a part of this application. Without limitation upon the generality of the foregoing, the undersigned do hereby unitize the rights and interests of the undersigned in and to the Unit Area as hereby expanded, and as delineated in Exhibit "A" attached hereto, in the same manner and to the same extent as provided in said agreement, and as if the Exhibit "A" which is attached hereto had been a part of the original Unit Agreement.

(4) The parties hereto request that the Commissioner, in his order approving this request for expansion, set and establish an effective date for such expansion of the above mentioned Unit, as hereby requested, and such date shall be the effective date hereof.

(5) The applicants who execute this instrument further agree that this instrument shall serve both as the application referred to in Article 3(a) of said Unit Agreement, and as the instrument containing the appropriate joinder referred to in Article 3(3)(c) of said Unit Agreement.

This application may be executed in any number of counterparts, no one of which needs to be executed by all parties above named, and shall be binding upon all those parties who have executed a counterpart of this application, with the same force and effect as if all parties had signed the same document and regardless of whether or not it is executed by all other parties above listed.

This instrument is dated the ____ day of _____, 1958, although executed by each of the below parties as reflected in the acknowledgments to such parties' signatures.

Vada Spurck

Bernice R. Pederson
Bernice R. Pederson, a feme sole,

Helen Hudson, a feme sole,

ATTEST:

Secretary

ATTEST:

Secretary

ATTEST:

Secretary

E. Stanley Klein

Elizabeth M. Klein

John P. Maguire

Elsa G. Appleton

Oliver D. Appleton

Barry T. Leithead

Alberta H. Leithead

William B. Snow

Anna W. Snow

Kenneth W. Fraser

Virginia M. Fraser

D. W. Vreeland

M. W. Vreeland

AMBASSADOR OIL CORPORATION

By: _____
Vice President

DULANEY OIL COMPANY

By: _____

ESTATE OF WILLIAM J. GALLON,
DECEASED.

GUARANTY TRUST COMPANY OF NEW YORK

By: _____
Howard C. Judd, Vice President,
Executor and Trustee under the
Will of William J. Gallon, Dec'd.

By: _____
Robert T. Stevens, Executor and
Trustee under the Will of Will-
iam J. Gallon, Dec'd.

By: _____
Thomas W. Estes, Executor and
Trustee under the Will of
William J. Gallon, Dec'd.

By: _____
John E. Drummond, Executor and
Trustee under the Will of Will-
iam J. Gallon, Dec'd.

Helen Spear Gallon, Surviving
Wife of William J. Gallon.

Curtis McBroom

Esther McBroom

B. H. Murphy

Martha R. Murphy

C. Harrison Cooper

Estelle L. Cooper

W. V. Coffey

Elizabeth H. Coffey

Kenneth L. Smith

Margaret G. Smith

R. O. Dulaney, Jr.

Ray Key Dulaney