

EXHIBIT A
To Accompany the American Petroleum Corporation's
Application for Final Approval of
Unit Agreement for the Development and Operation of
the North Crow Flats Unit Area, Willy County, New Mexico,
consisting of the following:

1. Letter to all Working Interest Owners dated April 22, 1968, in which joinder to the unit was requested, or in absence of joinder to the unit, a request for a farmout of their acreage to the working interest owners desiring to join in the formation of the unit. Refusal letters were received as follows:
 - (a) Letter from The Superior Oil Company dated July 16, 1968.
 - (b) Letter from Tenneco Oil Company dated September 6, 1968.
2. Letter to all Working Interest Owners dated September 27, 1968, which elected to either join in the formation of the unit or to farm out their acreage to the unit working interest owners.
3. Letter to all Royalty, Overriding Royalty, and Production Payment Owners dated September 27, 1968, in which joinder and notification to the unit was requested. Unit operators files contain registry receipts signifying that such letters were received. No refusal letters were received.

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Addressees on Attached List

April 22, 1938

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The nonparticipating parties would give up an undivided one-half interest in their acreage within the unit outline for a well free of cost into the tanks. The nonparticipating parties would retain a 1/16 of 8/8 overriding royalty (proportionately reduced) which would be convertible to a one-half working interest after payout of the initial test well, with all development after the initial test well to be based on the terms of a negotiated operating agreement.

Please advise this office as soon as possible if you would elect to join in the drilling of the test well or if you would be willing to farmout on the above basis. If you would wish to join, please advise if you would also be interested in acquiring any additional interest under the above farmout basis.

Since the formation of a unit of this type would require considerable time, we would appreciate your advising of your decision with the least practical delay. Should you have any questions concerning this matter, please advise this office immediately at the above address.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

Jack D. Anderson

cp

Enclosure

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Shell Oil Company
Box 1858
Roswell, New Mexico

Attention: Mr. O. V. Lawrence

Humble Oil and Refining Company
P. O. Box 1600
Midland, Texas

Attention: Mr. L. W. Scwell

Superior Oil Company
P. O. Box 1900
Midland, Texas

Attention: Mr. Raymond Parker

Atlantic Richfield Company
P. O. Box 1978
Roswell, New Mexico 88201

Attention: Mr. Jack Diard

Tenneco Oil Company
P. O. Box 1031
Midland, Texas

Attention: Mr. R. E. Winckler

U. S. Smelting, Refining and
Mining Company
P. O. Box 1980
Salt Lake City, Utah 84110

Attention: Mr. H. L. Stonestreet

Messrs. Robert G. Hanagan and
Hugh E. Hanagan
P. O. Box 1737
Roswell, New Mexico

Index Oil Company
Box 1848
Bakersfield, California

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THE SUPERIOR OIL COMPANY

INCORPORATED

MIDLAND, TEXAS 79701

July 24, 1968

Pan American Petroleum Corporation
P. O. Box 1410
Fort Worth, Texas 76101

Attention: Mr. Jack D. Anderson

Re: Proposed North Crow Flats Unit
Eddy County, New Mexico

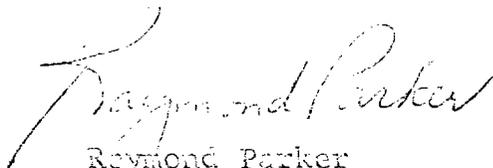
Gentlemen:

Reference is made to your letter of April 22, 1968, wherein you propose the formation of a 6,418.64-acre unit for the drilling of a 9,800 foot Mississippian test.

After careful consideration of this proposal, we regret to advise that we are not agreeable to participating in this venture.

Yours very truly,

THE SUPERIOR OIL COMPANY



Raymond Parker
District Landman

RP:nd

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September 6, 1988

Pan American Petroleum Corporation
P. O. Box 1410
Fort Worth, Texas 76101

Attention: Mr. Jack D. Anderson

Re: Proposed North Crow Flats Unit
Sycamore Lake Area
Eddy County, New Mexico

Gentlemen:

With reference to my recent telephone conversation with Mr. Jack Anderson pertaining to the formation of the proposed North Crow Flats Unit, this is to advise that in view of the extremely small interest that Tenneco would have in the proposed unit, Tenneco is not interested in joining said unit at this time.

In the event, however, that you desire to drill a well on lands to be pooled with Tenneco acreage in order to form a production unit, the undersigned will recommend to management that Tenneco either join you in the drilling thereof or grant you a farmout.

Sincerely,

TENNECO OIL COMPANY



R. E. Winckler,
District Landman

REW:a1

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PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING P. O. BOX 1410

FORT WORTH, TEXAS—76101

September 27, 1968

APR 43,119
North Crow Flats Unit
Eddy County, New Mexico

Atlantic Richfield Company
P. O. Box 1978
Roswell, New Mexico 88201
Attention: Mr. Jack Baird

Shell Oil Company
P. O. Box 1500
Midland, Texas
Attention: Mr. Bob Clark

U.S. Smelting, Refining and Mining Company
P. O. Box 1980
Salt Lake City, Utah
Attention: Mr. H. L. Stonestreet

Gentlemen:

We enclose two copies of Unit Agreement for the Development and Operation of the North Crow Flats Unit Area, along with one executed and one extra copy of Unit Operating Agreement for said unit. We also enclose six Ratification and Joinder Agreements and would like to request that you execute and return to this office five copies of the Ratifications after you have reviewed the Unit Agreement and Unit Operating Agreement.

Please be advised that Superior Oil Company and Tennessee Oil Company refuse to commit their working interest to the unit, but we do not feel that this will jeopardize our operations.

Since our letter to you dated April 22, 1968, we wish to advise that Pan American has acquired the interest which was shown in said letter as belonging to Intex Oil Company (which is now known as Tascoro Petroleum Corporation), Robert G. Hanagan and Hugh E. Hanagan, and Humble Oil and Refining Company. This has increased Pan American's interest approximately ten per cent.

We would appreciate receiving the five executed copies of the Ratification as soon as possible so that we may proceed with the U.S.G.S. and the Commissioner of Public Lands. As you will note, Tract 9 contained on Exhibit B of said Unit Agreement has an expiration date of November 10, 1968, and for this reason we would like to request that the Ratifications be processed

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Atlantic Richfield Company, U.S. Smelting, Refining and Mining Company, and
Shell Oil Company
September 27, 1968
Page Two . . .

at your earliest convenience. Should you have any questions concerning
this matter, please telephone this office collect.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

JACK D. ANDERSON

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Enclosures

REGISTERED MAIL
RETURN RECEIPT REQUESTED

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PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING P. O. BOX 1410
FORT WORTH, TEXAS—76101

September 27, 1968

AFE 43,119
North Crow Flats Unit
Eddy County, New Mexico

TO ALL ROYALTY, OVERRIDING ROYALTY AND PRODUCTION PAYMENT OWNERS:

Pan American Petroleum Corporation is proposing the formation of a unit plan of exploration and operation for an area in Eddy County, New Mexico, which has been designated as the North Crow Flats Unit. The purpose of the unit is to more properly conserve the natural resources and provide for an equitable allocation of any oil or gas production which might be discovered in the unit area.

At our request the United States Geological Survey and the Commissioner of Public Lands, State of New Mexico, has designated this to be a logical unit area and has approved our proposed form of unit agreement. It is the standard form of unit agreement 30 CFR 226.12 (1961 reprint); however, they reserve the right to deny approval of any agreement which, in their opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

Section 9 of the Unit Agreement makes provision for the drilling of the initial test well to the top of the Mississippian formation or 9800 feet unless at a lesser depth unitized substances should be discovered in paying quantities. The location of the initial test well has not been definitely determined. Royalty, overriding royalty and production payment owners are, of course, not charged with any part of the cost and expenses in the drilling or operations of the test wells.

We believe that you will share our desire to have a deep test well drilled in this area, and it is our hope that you will join with us in the formation of this unit. We feel that unitization is the best feasible method of exploring and developing this area and if it is to be successful, sufficient interest must be committed to the unit to make it workable.

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TO ALL ROYALTY, OVERRIDING ROYALTY AND PRODUCTION PAYMENT OWNERS

September 27, 1968

Page Two . . .

It is our belief that you are the owner of a royalty, overriding royalty or production payment under one or more of the Oil and Gas Leases in the unit area; so we, therefore, attach a copy of the unit agreement and six Ratification forms by which you may commit your interest to this unit. If this is acceptable to you, please execute before a Notary Public and return to this office five of the Ratification forms. If you are married, it will be necessary for your spouse to join therein. You may retain one copy of the Ratification and the Unit Agreement for your records. We shall appreciate hearing from you as quickly as possible as we are anxious to complete this project at the earliest possible time. If there is any further information you desire, please feel free to contact this office.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

JACK D. ANDERSON

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Enclosures

REGISTERED MAIL
RETURN RECEIPT REQUESTED

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Mailings List 1961
Royalty, Overriding Royalty and Production Payment Owners
Under the North Crow Hill Unit

Mr. and Mrs. Donald W. Jensen
2587 Southeast 8th Street
Pompano Beach, Florida 33062

Mr. and Mrs. Robert L. Haynie
Box 1209
Roswell, New Mexico

Mr. and Mrs. Ralph E. Smith
Box 216
Palboa Island
Newport Beach, California

Mr. John Oakason
Mr. and Mrs. C. John Perts
Mr. and Mrs. J. Humphrey Russell
c/o Mr. John Oakason
654 South 9th Street East
Salt Lake City, Utah 84102

Mr. and Mrs. F. Kenneth Millhollen
Mr. and Mrs. James V. O'Kane
5357 Valley Boulevard
Los Angeles, California 90032

Mr. and Mrs. R. E. Boyle
1202 Cuthbert Avenue
Midland, Texas

Mr. and Mrs. William H. Moore
c/o Mr. C. E. Strange
Box 61
Bakersfield, California

Philadelphia Oil Company of California
Box 61
Bakersfield California

Texaco Petroleum Corporation
523 Buxby Drive
San Antonio, Texas 78209
Attention: Mr. Don Shirley

Mr. and Mrs. Jack J. Grynberg
Mr. and Mrs. Aubrey Davine
Mr. and Mrs. Fred T. Davine
Mr. and Mrs. Gerald A. Gutman
c/o Mr. Jack J. Grynberg
750 Petroleum Club Building
Denver, Colorado

Mr. M. H. McGrail
Box 604
Hobbs, New Mexico

Hanagan and Hanagan
Box 1737
Roswell, New Mexico

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EXHIBIT V

To Accompany Pan American Petroleum Corporation's
Application for Final Approval to
Unit Agreement for the Development and Operation of
The North Crow Flats Unit Area, Eddy County, New Mexico,
showing status, by tracts, of the commitment of
royalty, overriding royalty and
production payment interests

TRACT 1

Federal Acreage - 2% overriding royalty owned by Donald W. Jensen is committed as indicated by enclosed Ratification. 3% overriding royalty owned by Robert L. Haynie et ux is committed as indicated by enclosed Ratification.

TRACT 2

Federal Acreage - 5% overriding royalty owned by Ralph E. Smith is committed as indicated by enclosed Ratification.

TRACT 3

Federal Acreage - 3% overriding royalty owned by John Oakason, C. John Perts and J. Humphrey Russell is committed as indicated by enclosed Ratification.

TRACT 4

Federal Acreage - 5% overriding royalty owned by F. Kenneth Millhollen and James B. O'Kane is committed as indicated by enclosed Ratification.

TRACT 5

Federal Acreage - 3% overriding royalty owned by R. E. Boyle is committed as indicated by enclosed Ratification.

TRACT 6

Federal Acreage - 2½% overriding royalty owned by William H. Moore; 2½% overriding royalty owned by Philadelphia Oil Company of California; 3% overriding royalty owned by Tesoro Petroleum Corporation; all of these interests are committed as indicated by enclosed Ratification.

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TRACT 7 -

Federal Acreage - 1/2 of 5% is owned by Aubrey Davine;
1/6 of 5% is owned by Fred T. Davine; 1/6 of 5% is owned
by Gerald A. Gutman; all of these interests are committed.

TRACT 8

Federal Acreage - 3% overriding royalty is owned by M. H.
McGrail and is committed as indicated by enclosed Ratification.

TRACT 9

State Acreage - no overriding royalty.

TRACT 10

State Acreage - no overriding royalty; working interest is
not committed to the unit.

TRACT 11

State acreage - no overriding royalty.

TRACT 12

State Acreage - no overriding royalty.

TRACT 13 and 14

State Acreage - \$800.00 per acre production payment out of 5%
owned by Hanagan and Hanagan is committed as indicated by
enclosed Ratification.

TRACT 15

State Acreage - no overriding royalty.

TRACT 16

State Acreage - no overriding royalty.

TRACT 17

State Acreage - no overriding royalty.

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TRACT 18

State Acreage - no overriding royalty.

TRACT 19

State Acreage - no overriding royalty.

TRACT 20

Fee Acreage - no overriding royalty. Working interest is not committed to the unit.

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