

RECEIVED

SEP 21 1971

OR. CONSERVATION COMM.
SANTA FE

September 20, 1971

4579

Mr. Stephen C. Helbing
Hinkle Building
Roswell, New Mexico

Re: Proposed Juniper Canyon Unit
Eddy County, New Mexico

Dear Mr. Helbing:

The Commissioner of Public Lands has this date approved your Juniper Canyon Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey.

Enclosed are five (5) Certificates of Approval.

This unit agreement becomes effective upon approval by the United States Geological Survey, therefore, please furnish us a copy of their Certificate of Determination so that we may finish processing this unit.

Very truly yours,

RAY D. GIBSON, Director
Oil and Gas

AJA/RDG/s
encls.

cc: USGS-Roswell, New Mexico (ltr only)
OCC- Santa Fe, New Mexico (ltr. only)

4577

RANDOLPH M. RICHARDSON
OIL AND GAS LAND AND UNIT CONSULTANT
FEDERAL - STATE - FEE
P. O. BOX 819
ROSWELL, NEW MEXICO 88201

OFFICE 505 622-8801
HOME 505 622-7985

RECEIVED
AUG 31 1971

August 31, 1971

RE: JUNIPER CANYON AREA
Case #4579
Order #R-4178

Mr. Dan Nutter
New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

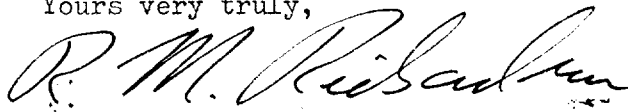
Dear Mr. Nutter:

Please refer to the captioned Unit and your Order #R-4178.

This is to advise that this Unit will be operated by Chaparral Production, Inc., a New Mexico Corporation, owned by Stephen C. Helbing. Steve decided that it would be preferable for the Unit to be operated by the Corporation rather than himself as an individual.

Please advise if you need any additional efforts to clarify the O. C. C. records.

Yours very truly,


R. M. Richardson

RMR:cm

cc: Stephen C. Helbing

RECEIVED

MAR 29 1972

4579

March 28, 1972

Mr. Randolph M. Richardson
P. O. Box 819
Roswell, New Mexico 88201

Re: Juniper Canyon Unit
TERMINATION
Eddy County, New Mexico

Dear Mr. Richardson:

We are in receipt of your Termination Instruments for the Juniper Canyon Unit, Eddy County, New Mexico, as per Section 20 of the Unit Agreement. The Commissioner of Public Lands has this date given approval to your Termination, subject to like approval by the United States Geological Survey.

Enclosed are five (5) Certificates of Termination reflecting the Commissioner's approval.

Please advise this office when the United States Geological Survey approves this termination establishing the effective date.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s
encls.

cc: USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

4579

March 30, 1972

Mr. Randolph M. Richardson
P. O. Box 819
Roswell, New Mexico 88201

Dear Mr. Richardson:

Your application for termination of the Juniper Canyon unit agreement, Eddy County, New Mexico, pursuant to the last paragraph of section 20 thereof, was approved on March 30, 1972, effective as of March 29, 1972, the date of filing in the Supervisor's office.

Copies of the approved termination are being furnished to the appropriate Federal offices and one approved copy is enclosed. It is requested that you furnish notice of this approval to each party affected by the termination of the Juniper Canyon unit agreement.

Sincerely yours,

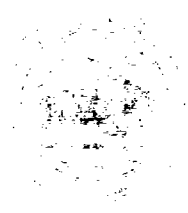
(ORIG. SGD.) N. O. FREDERICK

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy appn.)
BHM, Santa Fe (w/cy appn.)
Artesia (w/cy appn.)
BGC, Roswell (ltr. only)
BNGC, Santa Fe (ltr. only) ✓
Com. Pub. Lands, Santa Fe (ltr. only)

REShook:cm

RECEIVED
APR 3 1972



UNITED STATES DEPARTMENT OF THE ARMY
HEADQUARTERS, ARMY
WASHINGTON, D. C.

(ORIG. SGT.) W. O. FREDERICK

RECEIVED
JAN 21 1964
FOR INFO

Unit Name JUNIPER CANYON UNIT (EXPLORATORY)
Operator Chaparral Production, Inc.
County Eddy

4277 JCC

DATE	OCC CASE NO.	4579	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	XXXXXX FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.	R-4178	DATE						
Commissioner	8-17-71		10-15-71	6,880.00	2,360.00	3,840.00	680.00	Yes	5 yrs.

9-20-71

UNIT AREA

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM

- Sections 9 through 11: All
- Sections 13 through 16: All
- Section 21: N/2 and N/2S/2
- Sections 22 through 24: All

Unit Name JUNIPER CANYON UNIT (Exploratory)
 Operator Chaparal Production, Inc.
 County Eddy

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
14	K-4102-1	C.S.	10	24S	25E	W/2NE/4, SE/4NE/4, N/2NW/4, SW/4NW/4, SW/4SE/4, SW/4	9-10-71	440.00		Inexco Oil Company
15	K-4256-1	C.S.	15	24S	25E	NE/4, N/2NW/4, SW/4NW/4, E/2SW/4, N/2SE/4, SW/4SE/4	9-10-71	480.00		Inexco Oil Company
16.	K-4799-1	C.S.	15 16	24S 24S	25E 25E	SE/4NW/4, NW/4SW/4 NE/4, W/2NW/4, S/2	9-10-71	640.00		Inexco Oil Company
17.	K-4904-1	C.S.	9	24S	25E	E/2, SW/4	9-10-71	80.00		Cities Service Oil
18.	L-330-1	C.S.	10	24S	25E	NE/4NE/4, SE/4NW/4, SE/4SE/4	9-2-71	120.00		Stephen C. Helbing Gulf Oil Corporati
19.	L-3860-1	C.S.	15	24S	25E	SE/4SE/4	9-2-71 9-9-71	40.00		Stephen C. Helbing T. H. McElvain, Jr
20.	L-4#20-1	C.S.	10	24S	25E	N/2SE/4	9-8-71	80.00		Perry R. Bass
21	L-4421-1	C.S.	16	24S	25E	E/2NW/4	9-9-71	80.00		Estate of Ralph Lo and Mary Ralph Low Trust # 3

Unit Name JUNIPER CANYON UNIT (EXPLORATORY)
Operator Chaparral Production, Inc.
County Eddy

4579

DATE	OCC CASE NO.	4579	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	SEPARATE FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.	R-4178							
Commissioner	8-17-71		10-15-71	6,880.00	2,360.00	3,840.00	680.00	Yes	5 yrs.

9-20-71

UNIT AREA

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM

Sections 9 through 11: All
Sections 13 through 16: All
Section 21: N/2 and N/2S/2
Sections 22 through 24: All

TERMINATED
Eff: 3-29-72

Unit Name JUNIPER CANYON UNIT (Exploratory)
Operator Chaparral Production, Inc.
County Eddy

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
14	K-4102-1	C.S.	10	24S	25E	W/2NE/4, SE/4NE/4, N/2NW/4, SW/4NW/4, SW/4SE/4, SW/4	9-10-71	440.00		Inexco Oil Company
15	K-4256-1	C.S.	15	24S	25E	NE/4, N/2NW/4, SW/4NW/4, E/2SW/4, N/2SE/4, SW/4SE/4	9-10-71	480.00		Inexco Oil Company
16.	K-4799-1	C.S.	15 16	24S 24S	25E 25E	SE/4NW/4, NW/4SW/4 NE/4, W/2NW/4, S/2	9-10-71	640.00		Inexco Oil Company
17.	K-4904-1	C.S.	9	24S	25E	E/2, SW/4	9-10-71	80.00		Cities Service Oil
18.	L-330-1	C.S.	10	24S	25E	NE/4NE/4, SE/4NW/4, SE/4SE/4	9-2-71	120.00		Stephen C. Helbing Gulf Oil Corporatio
19.	L-3860-1	C.S.	15	24S	25E	SE/4SE/4	9-2-71 9-9-71	40.00		Stephen C. Helbing T. H. McElvain, Jr.
20.	L-4#20-1	C.S.	10	24S	25E	N/2SE/4	9-8-71	80.00		Perry R. Bass
21	L-4421-1	C.S.	16	24S	25E	E/2NW/4	9-9-71	80.00		Estate of Ralph Lowe and Mary Ralph Lowe Trust # 3

TERMINATED

Eff: 3-29-72



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

IN REPLY REFER TO:

1971 MAY 10 11 18 19

MAY 4 1971

Mr. Stephen C. Selig,
c/o L. L. L. L.
Newell, New Mexico 87201

Dear Mr. Selig:

Your application of April 12, filed with the National Office of a Supervisor, Newell, New Mexico, on April 12, 1971, requests the designation of the Juniper Canyon Unit area as racing, 1,111 acres, more or less, Eddy County, New Mexico, as logically subject to exploration and development under the utilization provisions of the Federal Mining Act, as amended.

Pursuant to unit plan regulation of December 21, 1957, 30 CFR 21.13 (1958 reprint), the land requested as outlined in your letter, entitled "Proposed Juniper Canyon Unit Area, Eddy County, New Mexico," is hereby designated as a logical unit area.

The unit agreement submitted for the area designated should provide for the drilling of the initial exploratory well to the base of the Morrow formation to test the effective Permeability System, or to a depth of 11,500 feet. As proposed by your application, the form of agreement for Unproved Areas (1958 reprint) should be used, modified by the appropriate language required for State of New Mexico lands.

In the absence of any other type of law requiring special provisions or any objections not now apparent, a duly executed agreement identical to the 1958 reprint, modified only as outlined above and approved by the appropriate officials of the State of New Mexico, will be approved and submitted in approvable status within a reasonable period of time. However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of oil acreage. The format of the sample exhibits attached to the 1958 reprint of the standard form should be followed closely in the presentation of exhibits A and B.

ILLEGIBLE

Since the unit area contains State of New Mexico lands, we are sending a copy of this letter to the State Land Commissioner, Santa Fe. Please contact the State of New Mexico before soliciting joiners, regardless of prior contacts with or clearances from the State.

Sincerely yours,

W. A. Radlinski

Acting Director

cc:

BIM, Santa Fe (w/cy Ex. A)

State Land Commissioner, Santa Fe (w/cy of Ex. A)

NMOC, Santa Fe ✓

Roswell (2)

REShook: lh:4-15-71

SERIALS:

	NM 6366	New Mexico 091048
	6366-A	096869
New Mexico	077534	096869-A
	077639	0234038
	077639-A	0331182
	083313	0334762
	083313-A	

ILLEGIBLE



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
District 1857
Roswell, New Mexico 88201

RECEIVED

OCT 16 1971
OIL CONSERVATION COMM.
SANTA FE

October 15, 1971

4579

Mr. Randolph M. Richardson
P.O. Box 819
Roswell, New Mexico 88201

Dear Mr. Richardson:

The Juniper Canyon unit agreement, Eddy County, New Mexico, was approved on October 15, 1971. This agreement has been designated No. 14-08-0001-11594 and is effective as of the date of approval.

Enclosed are two approved copies of the unit agreement for your records. We request that you furnish the State of New Mexico and other interested principals with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SENT BY AIR MAIL)

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy approved agr.)
BLM, Santa Fe (w/cy approved agr.)
Artesia (w/cy approved agr.)
BOMC, Roswell (ltr. only)
NMOCC, Santa Fe (ltr. only) ✓
Com. Pub. Lands, Santa Fe (ltr. only)

RANDOLPH M. RICHARDSON
OIL AND GAS LAND AND UNIT CONSULTANT
FEDERAL - STATE - FEE
P. O. BOX 819
ROSWELL, NEW MEXICO 88201

4579

October 20, 1971

OFFICE 505 622-8801
HOME 505 622-7985

RE: JUNIPER CANYON UNIT AGREEMENT
Case #4579
Order #R-4178
Eddy County, New Mexico

The New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

Gentlemen:

Pursuant to the captioned order issued by you under date of August 17, 1971, I am enclosing herewith complete Unit Agreement containing original signatures or Xerox copy of signatures together with approval by both the Commissioner of Public Lands and the U. S. G. S.

Please advise if all is not in order, or if you need anything additional at this time.

Yours very truly,



R. M. Richardson

RMR:cm
Enclosure
CC: Stephen C. Helbing

000



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

October 15, 1971

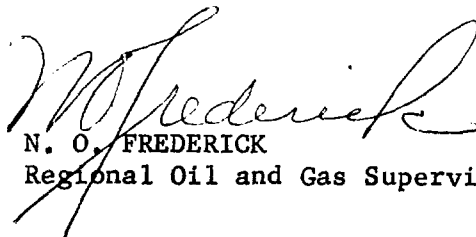
Mr. Randolph M. Richardson
P.O. Box 819
Roswell, New Mexico 88201

Dear Mr. Richardson:

The Juniper Canyon unit agreement, Eddy County, New Mexico, was approved on October 15, 1971. This agreement has been designated No. 14-08-0001-11594 and is effective as of the date of approval.

Enclosed are two approved copies of the unit agreement for your records. We request that you furnish the State of New Mexico and other interested principals with appropriate evidence of this approval.

Sincerely yours,



N. O. FREDERICK
Regional Oil and Gas Supervisor

CERTIFICATION--DETERMINATION

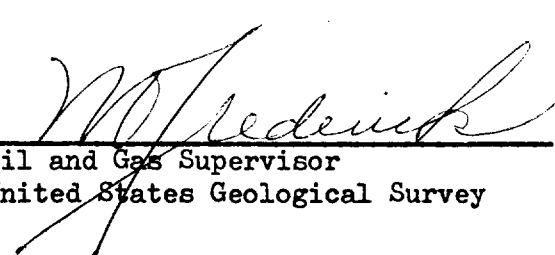
Pursuant to the authority vested in the Secretary of Interior, under the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U. S. C. secs. 181, et seq., and delegated to the Oil and Gas Supervisors of the Geological Survey (33 F. R. 5812), I do hereby:

A. Approve the attached agreement for the development and operation of the Juniper Canyon Unit Area, State of New Mexico.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Dated: OCT 15 1971


Oil and Gas Supervisor
United States Geological Survey

14-08-0001-11594
Contract Number



NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

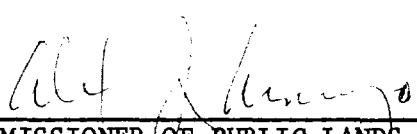
JUNIPER CANYON UNIT EDDY COUNTY, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated July 1, 1971, which said Agreement has been executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, 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 area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, and 7-11-48, New Mexico Statutes Annotated, 1953 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby consent to and approve the said Agreement, however, such consent and approval being limited and restricted to such lands within the Unit Area, which are effectively committed to the Unit Agreement as of this date, and, further, that leases insofar as the lands covered thereby committed to this Unit Agreement shall be and the same are hereby amended to conform with the terms of such Unit Agreement, and said leases shall remain in full force and effect in accordance with the terms and conditions of said Agreement. This approval is subject to all of the provisions and requirements of the afore-said statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 20th. day of September, 19 71.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
JUNIPER CANYON UNIT AREA
COUNTY OF EDDY
STATE OF NEW MEXICO
NO. _____

THIS AGREEMENT, entered into as of the 1st day of July 1971, 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 and gas interests in the unit area subject to this agreement; and

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Secs. 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating a cooperative or unit plan of development or operation of any oil or gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 7-11-29 N.M. Statutes 1953 Annotated) to consent to or approve this agreement on behalf of the State of New Mexico, insofar as it covers and includes lands and mineral interest of the State of New Mexico; and,

RECEIVED
OCT 6 1971
U. S. GEOLOGICAL SURVEY
ROSWEIL, NEW MEXICO

1 WHEREAS, the Oil Conservation Commission of the State of New
2 Mexico is authorized by an Act of the Legislature (Chapter 72, Laws
3 of 1935, as amended by Chapter 193, Laws of 1937, Chapter 166, Laws
4 of 1941, and Chapter 168, Laws of 1949) to approve this agreement
5 and the conservation provisions hereof; and,

6 WHEREAS, the parties hereto hold sufficient interests in the
7 Juniper Canyon Unit Area covering the land hereinafter described
8 to give reasonably effective control of operations therein; and

9 WHEREAS, it is the purpose of the parties hereto to conserve
10 natural resources, prevent waste, and secure other benefits obtain-
11 able through development and operation of the area subject to this
12 agreement under the terms, conditions, and limitations herein set
13 forth;

14 NOW, THEREFORE, in consideration of the premises and the
15 promises herein contained, the parties hereto commit to this agree-
16 ment their respective interests in the below-defined unit area, and
17 agree severally among themselves as follows:

18 1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of
19 February 25, 1920, as amended, supra, and all valid pertinent regu-
20 lations, including operating and unit plan regulations, heretofore
21 issued thereunder or valid, pertinent, and reasonable regulations
22 hereafter issued thereunder are accepted and made a part of this
23 agreement as to Federal lands, provided such regulations are not in-
24 consistent with the terms of this agreement; and as to non-Federal
25 lands, the oil and gas operating regulations in effect as of the
26 effective date hereof governing drilling and producing operations,
27 not inconsistent with the terms hereof or the laws of the State in
28 which the non-Federal land is located, are hereby accepted and made
29 a part of this agreement.

30 2. UNIT AREA. The following described land is hereby desig-
31 nated and recognized as constituting the unit area:

T-24-S, R-25-E, NMPM

Sec. 9; All
Sec. 10; All
Sec. 11; All
Sec. 13; All
Sec. 14; All
Sec. 15; All
Sec. 16; All
Sec. 21; N½, N½S½
Sec. 22; All
Sec. 23; All
Sec. 24; All

Containing 6,880.00 acres,
more or less, Eddy County,
New Mexico.

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and indentivity 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 when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor", or when requested by the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Land Commissioner", and not less than five (5) copies of the revised Exhibits shall be filed with the Supervisor and one (1) copy thereof shall be filed with the Land Commissioner, and one (1) copy with the New Mexico Oil Conservation Commission, hereinafter referred to as "State Commission".

1 The above-described unit area shall when practicable be ex- 1
2 panded to include therein any additional lands or shall be con- 2
3 tracted to exclude lands whenever such expansion or contraction is 3
4 deemed to be necessary or advisable to conform with the purposes 4
5 of this agreement. Such expansion or contraction shall be effected 5
6 in the following manner: 6

7 (a) Unit Operator, on its own motion or on demand of the 7
8 Director of the Geological Survey, hereinafter referred to as 8
9 "Director", or on demand of the Land Commissioner, after preliminary 9
10 concurrence by the Director, shall prepare a notice of proposed 10
11 expansion or contraction describing the contemplated changes in the 11
12 boundaries of the unit area, the reasons therefor, and the proposed 12
13 effective date thereof, preferably, the first day of a month subse- 13
14 quent to the date of notice. 14

15 (b) Said notice shall be delivered to the Supervisor, the 15
16 Land Commissioner and the State Commission, and copies thereof mailed 16
17 to the last known address of each working interest owner, lessee, 17
18 and lessor whose interests are affected, advising that thirty (30) 18
19 days will be allowed for submission to the Unit Operator of any ob- 19
20 jections. 20

21 (c) Upon expiration of the 30-day period provided in the 21
22 preceding item (b) hereof, Unit Operator shall file with the Super- 22
23 visor, the Land Commissioner and the State Commission, evidence of 23
24 mailing of the notice of expansion or contraction and a copy of any 24
25 objections thereto which have been filed with the Unit Operator, to- 25
26 gether with an application in sufficient number, for approval of 26
27 such expansion or contraction and with appropriate joinders. 27

28 (d) After due consideration of all pertinent information, 28
29 the expansion or contraction shall, upon approval by the Supervisor, 29
30 the Land Commissioner, become effective as of the date prescribed in 30
31 the notice thereof. 31

(e) All legal subdivisions of lands (i.e., 40 acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys unusually large lots or tracts shall be considered in multiples of 40 acres or the nearest aliquot equivalent thereof), no parts of which are entitled to be in a participating area on or before the fifth anniversary of the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective as of said fifth anniversary, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless diligent drilling operations are in progress on unitized lands not entitled to participation on said fifth anniversary, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than 90 days' time elapsing between the completion of one such well and the commencement of the next such well. All legal subdivisions of lands not entitled to be in a participating area within 10 years after the effective date of the first initial participating area approved under this agreement shall be automatically eliminated from this agreement as of said tenth anniversary. All lands proved productive by diligent drilling operations after the aforesaid 5-year period shall become participating in the same manner as during said 5-year period. However, when such diligent drilling operations cease, all nonparticipating lands shall be automatically eliminated effective as of the 91st day thereafter. The unit operator shall within 90 days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the Supervisor and the Land Commissioner and promptly notify all parties in interest.

If conditions warrant extension of the 10-year period specified in this subsection 2(e), a single extension of not to exceed 2

1 years may be accomplished by consent of the owners of 90% of the 1
2 working interests in the current nonparticipating unitized lands and 2
3 the owners of 60% of the basic royalty interests (exclusive of the 3
4 basic royalty interests of the United States) in nonparticipating 4
5 unitized lands with approval of the Director and Land Commissioner, 5
6 provided such extension application is submitted to the Director 6
7 and the Land Commissioner not later than 60 days prior to the ex- 7
8 piration of said 10-year period. 8

9 Any expansion of the unit area pursuant to this section which 9
10 embraces lands theretofore eliminated pursuant to this subsection 10
11 2(e) shall not be considered automatic commitment or recommitment 11
12 of such lands. 12

13 3. UNITIZED LAND AND UNITIZED SUBSTANCES. All land com- 13
14 mitted to this agreement shall constitute land referred to herein 14
15 as "unitized land" or "land subject to this agreement". All oil 15
16 and gas in any and all formations of the unitized land are unitized 16
17 under the terms of this agreement and herein are called "unitized 17
18 substances". 18

19 4. UNIT OPERATOR. Chaparral Production, Inc., is hereby 19
20 designated as Unit Operator and by signature hereto as Unit Operator 20
21 agrees and consents to accept the duties and obligations of Unit 21
22 Operator for the discovery, development, and production of unitized 22
23 substances as herein provided. Whenever reference is made herein 23
24 to the Unit Operator, such reference means the Unit Operator acting 24
25 in that capacity and not as an owner of interest in unitized sub- 25
26 stances, and the term "working interest owner" when used shall 26
27 include or 27

1 refer to Unit Operator as the owner of a working interest when such 1
2 an interest is owned by it. 2

3 5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator 3
4 shall have the right to resign at any time prior to the establish- 4
5 ment of a participating area or areas hereunder, but such resigna- 5
6 tion shall not become effective so as to release Unit Operator from 6
7 the duties and obligations of Unit Operator and terminate Unit 7
8 Operator's rights as such for a period of 6 months after notice of 8
9 intention to resign has been served by Unit Operator on all working 9
10 interest owners and the Supervisor and the Land Commissioner, and 10
11 until all wells then drilled hereunder are placed in a satisfactory 11
12 condition for suspension or abandonment whichever is required by the 12
13 Supervisor as to Federal lands and the State Commission as to State 13
14 lands, unless a new Unit Operator shall have been selected and 14
15 approved and shall have taken over and assumed the duties and obli- 15
16 gations of Unit Operator prior to the expiration of said period. 16

17 Unit Operator shall have the right to resign in like manner 17
18 and subject to like limitations as above provided at any time a par- 18
19 ticipating area established hereunder is in existence, but, in all 19
20 instances of resignation or removal, until a successor unit operator 20
21 is selected and approved as hereinafter provided, the working inter- 21
22 est owners shall be jointly responsible for performance of the duties 22
23 of unit operator, and shall not later than 30 days before such resig- 23
24 nation or removal becomes effective appoint a common agent to repre- 24
25 sent them in any action to be taken hereunder. 25

26 The resignation of Unit Operator shall not release Unit Oper- 26
27 ator from any liability for any default by it hereunder occurring 27
28 prior to the effective date of its resignation. 28

29 The Unit Operator may, upon default or failure in the perfor- 29
30 mance of its duties or obligations hereunder, be subject to removal 30
31 by the same percentage vote of the owners of working interests as 31

herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the Supervisor and the Land Commissioner.

The resignation or removal of Unit Operator under this agreement shall not terminate its 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 wells, equipment, materials, and appurtenances used in conducting the unit operations to the new duly qualified successor Unit Operator or to the common agent, 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.

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by working interest owners, the owners of the working interests in the participating area or areas according to their respective acreage interests in such participating area or areas, or, until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by 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 one or more additional working interest owners 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 Supervisor

and approved by the Land Commissioner.

If no successor Unit Operator is selected and qualified as herein provided, the Director and the Land Commissioner, at their election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement." Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this unit agreement, and in case of any inconsistency or conflict between this unit agreement and the unit operating agreement, this unit agreement shall govern. Three true copies of any unit operating agreement executed pursuant to this section should be filed with the Supervisor and one true copy with the Land Commissioner, prior to approval of this unit agreement.

1 8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as other- 1
2 wise specifically provided herein, the exclusive right, privilege 2
3 and duty of exercising any and all rights of the parties hereto 3
4 which are necessary or convenient for prospecting for, producing, 4
5 storing, allocating, and distributing the unitized substances are 5
6 hereby delegated to and shall be exercised by the Unit Operator as 6
7 herein provided. Acceptable evidence of title to said rights shall 7
8 be deposited with said Unit Operator and, together with this agree- 8
9 ment, shall constitute and define the rights, privileges, and obli- 9
10 gations of Unit Operator. Nothing herein, however, shall be con- 10
11 strued to transfer title to any land or to any lease or operating 11
12 agreement, it being understood that under this agreement the Unit 12
13 Operator, in its capacity as Unit Operator, shall exercise the rights 13
14 of possession and use vested in the parties hereto only for the pur- 14
15 poses herein specified. 15

16 9. DRILLING TO DISCOVERY. Within six (6) months after the 16
17 effective date hereof, the Unit Operator shall begin to drill an 17
18 adequate test well at a location approved by the Supervisor, if on 18
19 Federal land, or by the Land Commissioner, if on State land, unless 19
20 on such effective date a well is being drilled conformably with the 20
21 terms hereof, and thereafter continue such drilling diligently until 21
22 the base of the Morrow formation has been penetrated 22
23 and all formations of the Pennsylvanian age have been tested, or un- 23
24 til at a lesser depth unitized substances shall be discovered which 24
25 can be produced in paying quantities (to-wit: quantities sufficient 25
26 to repay the costs of drilling, completing and producing operations, 26
27 with a reasonable profit) or the Unit Operator shall at any time es- 27
28 tablish to the satisfaction of the Supervisor if on Federal land, or 28
29 the Land Commissioner if on State land, that further drilling of said 29
30 well would be unwarranted or impracticable; provided, however, that 30
31 Unit Operator shall not in any event be required to drill said well 31
32 to a depth in excess of 11,500 feet. Until the discovery 32
33 of a deposit of unitized sub- 33

stances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than six (6) 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 said Supervisor if it be on Federal land or of the Land Commissioner if on State land, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and Land Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted.

Upon failure to commence any well provided for in this section within the time allowed, including any extension of time granted by the Supervisor and the Land Commissioner, this agreement will automatically terminate; upon failure to continue drilling diligently any well commenced hereunder, the Supervisor and the Land Commissioner may, after 15-days notice to the Unit Operator, declare this unit agreement terminated.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within 6 months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor and the Land Commissioner an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor and the Land Commissioner, shall constitute the further drilling and operating obligations of the Unit

Operator under this agreement for the period specified therein.

Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor and the Land Commissioner a plan for an additional specified period for the development and operation of the unitized land.

Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the diligent drilling necessary for determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor and the Land Commissioner may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall:

(a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and

(b) to the extent practicable specify the operating practices regarded as necessary and advisable for proper conservation of natural resources.

Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor and the Land Commissioner.

Plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and the Land Commissioner are authorized to grant a reasonable extension of the 6-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing any unitized substance in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this

1 agreement and such as may be specifically approved by the Supervisor 1
2 and the Land Commissioner, shall be drilled except in accordance 2
3 with a plan of development approved as herein provided. 3

4 11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well 4
5 capable of producing unitized substances in paying quantities or as 5
6 soon thereafter as required by the Supervisor or the Land Commission- 6
7 er, the Unit Operator shall submit for approval by the Supervisor 7
8 and the Land Commissioner a schedule, based on subdivisions of the 8
9 public-land survey or aliquot parts thereof, of all land then re- 9
10 garded as reasonably proved to be productive in paying quantities; 10
11 all lands in said schedule on approval of the Supervisor and the Land 11
12 Commissioner to constitute a participating area, effective as of the 12
13 date of completion of such well or the effective date of this unit 13
14 agreement, whichever is later. The acreages of both Federal and non- 14
15 Federal lands shall be based upon appropriate computations from the 15
16 courses and distances shown on the last approved public-land survey 16
17 as of the effective date of each initial participating area. Said 17
18 schedule shall also set forth the percentage of unitized substances 18
19 to be allocated as herein provided to each tract in the participating 19
20 area so established, and shall govern the allocation of production 20
21 commencing with the effective date of the participating area. A 21
22 separate participating area shall be established for each separate 22
23 pool or deposit of unitized substances or for any group thereof which 23
24 is produced as a single pool or zone, and any two or more partici- 24
25 pating areas so established may be combined into one, on approval of 25
26 the Supervisor and the Land Commissioner. When production from two 26
27 or more participating areas, so established, is subsequently found 27
28 to be from a common pool or deposit said participating areas shall 28
29 be combined into one effective as of such appropriate date as may be 29
30 approved or prescribed by the Supervisor and the Land Commissioner. 30
31 The participating area or areas so established shall be revised from 31

1 time to time, subject to like approval, to include additional land 1
2 then regarded as reasonably proved to be productive in paying quan- 2
3 tities or necessary for unit operations, or to exclude land then 3
4 regarded as reasonably proved not to be productive in paying quan- 4
5 tities and the schedule of allocation percentages shall be revised 5
6 accordingly. The effective date of any revision shall be the first 6
7 of the month in which is obtained the knowledge or information on 7
8 which such revision is predicated, provided, however, that a more 8
9 appropriate effective date may be used if justified by the Unit 9
10 Operator and approved by the Supervisor and the Land Commissioner. 10
11 No land shall be excluded from a participating area on account of 11
12 depletion of the unitized substances, except that any participating 12
13 area established under the provisions of this unit agreement shall 13
14 terminate automatically whenever all completions in the formation on 14
15 which the participating area is based are abandoned. 15

16 It is the intent of this section that a participating area 16
17 shall represent the area known or reasonably estimated to be produc- 17
18 tive in paying quantities; but, regardless of any revision of the 18
19 participating area, nothing herein contained shall be construed as 19
20 requiring any retroactive adjustment for production obtained prior 20
21 to the effective date of the revision of the participating area. 21

22 In the absence of agreement at any time between the Unit 22
23 Operator and the Supervisor and the Land Commissioner as to the 23
24 proper definition or redefinition of a participating area, or until 24
25 a participating area has, or areas have, been established as pro- 25
26 vided herein, the portion of all payments affected thereby shall be 26
27 impounded in a manner mutually acceptable to the owners of working 27
28 interests and the Supervisor and the Land Commissioner. Royalties 28
29 due the United States shall be determined by the Supervisor for 29
30 Federal lands and the Land Commissioner for State lands and the 30
31 amount thereof shall be deposited, as directed by the Supervisor and 31

1 the Land Commissioner, to be held as unearned money until a partici- 1
2 pating area is finally approved and then applied as earned or re- 2
3 turned in accordance with a determination of the sum due as Federal 3
4 and State royalty on the basis of such approved participating area. 4

5 Whenever it is determined, subject to the approval of the 5
6 Supervisor and the Land Commissioner, that a well drilled under this 6
7 agreement is not capable of production in paying quantities and in- 7
8 clusion of the land on which it is situated in a participating area 8
9 is unwarranted, production from such well shall, for the purposes of 9
10 settlement among all parties other than working interest owners, be 10
11 allocated to the land on which the well is located unless such land 11
12 is already within the participating area established for the pool 12
13 or deposit from which such production is obtained. Settlement for 13
14 working interest benefits from such a well shall be made as provided 14
15 in the unit operating agreement. 15

16 12. ALLOCATION OF PRODUCTION. All unitized substances pro- 16
17 duced from each participating area established under this agreement, 17
18 except any part thereof used in conformity with good operating prac- 18
19 tices within the unitized area for drilling, operating, camp and 19
20 other production or development purposes, for repressuring or re- 20
21 cycling in accordance with a plan of development approved by the 21
22 Supervisor and Land Commissioner, or unavoidably lost, shall be 22
23 deemed to be produced equally on an acreage basis from the several 23
24 tracts of unitized land of the participating area established for 24
25 such production and, for the purpose of determining any benefits 25
26 accruing under this agreement, each such tract of unitized land shall 26
27 have allocated to it such percentage of said production as the num- 27
28 ber of acres of such tract included in said participating area bears 28
29 to the total acres of unitized land in said participating area, ex- 29
30 cept that allocation of production hereunder for purposes other than 30
31 for settlement of the royalty, overriding royalty, or payment out of 31

1 production obligations of the respective working interest owners, 1
2 shall be on the basis prescribed in the unit operating agreement 2
3 whether in conformity with the basis of allocation herein set forth 3
4 or otherwise. It is hereby agreed that production of unitized sub- 4
5 stances from a participating area shall be allocated as provided 5
6 herein regardless of whether any wells are drilled on any particular 6
7 part or tract of said participating area. If any gas produced from 7
8 one participating area is used for repressuring or recycling pur- 8
9 poses in another participating area, the first gas withdrawn from 9
10 such last-mentioned participating area for sale during the life of 10
11 this agreement shall be considered to be the gas so transferred un- 11
12 til an amount equal to that transferred shall be so produced for 12
13 sale and such gas shall be allocated to the participating area from 13
14 which initially produced as such area was last defined at the time 14
15 of such final production. 15

16 13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR 16
17 FORMATIONS. Any party hereto owning or controlling the working 17
18 interest in any unitized land having thereon a regular well location 18
19 may with the approval of the Supervisor and the Land Commissioner, 19
20 at such party's sole risk, costs, and expense, drill a well to test 20
21 any formation for which a participating area has not been established 21
22 or to test any formation for which a participating area has been 22
23 established if such location is not within said participating area, 23
24 unless within 90 days of receipt of notice from said party of his 24
25 intention to drill the well the Unit Operator elects and commences 25
26 to drill such a well in like manner as other wells are drilled by 26
27 the Unit Operator under this agreement. 27

28 If any well drilled as aforesaid by a working interest owner 28
29 results in production such that the land upon which it is situated 29
30 may properly be included in a participating area, such participating 30
31 area shall be established or enlarged as provided in this agreement 31

1 and the well shall thereafter be operated by the Unit Operator in 1
2 accordance with the terms of this agreement and the unit operating 2
3 agreement. 3

4 If any well drilled as aforesaid by a working interest owner 4
5 obtains production in quantities insufficient to justify the in- 5
6 clusion of the land upon which such well is situated in a partici- 6
7 pating area, such well may be operated and produced by the party 7
8 drilling the same subject to the conservation requirements of this 8
9 agreement. The royalties in amount or value of production from any 9
10 such well shall be paid as specified in the underlying lease and 10
11 agreements affected. 11

12 14. ROYALTY SETTLEMENT. The United States and any State 12
13 and any royalty owner who, is entitled to take in kind a share of 13
14 the substances now unitized hereunder shall hereafter be entitled 14
15 to the right to take in kind its share of the unitized substances, 15
16 and Unit Operator, or the working interest owner in case of the 16
17 operation of a well by a working interest owner as herein provided 17
18 for in special cases, shall make deliveries of such royalty share 18
19 taken in kind in conformity with the applicable contracts, laws, 19
20 and regulations. Settlement for royalty interest not taken in kind 20
21 shall be made by working interest owners responsible therefor under 21
22 existing contracts, laws and regulations, or by the Unit Operator, 22
23 on or before the last day of each month for unitized substances 23
24 produced during the preceding calendar month; provided, however, 24
25 that nothing herein contained shall operate to relieve the lessees 25
26 of any land from their respective lease obligations for the pay- 26
27 ment of any royalties due under their leases. 27

28 If gas obtained from lands not subject to this agreement is 28
29 introduced into any participating area hereunder, for use in re- 29
30 pressuring, stimulation of production, or increasing ultimate re- 30
31 covery, in conformity with a plan of operations approved by the 31

Supervisor and the Land Commissioner, a like amount of gas, after settlement as herein provided for any gas transferred from any other participating area and with appropriate deduction for loss from any cause, may be withdrawn from the formation into which the gas is introduced, royalty free as to dry gas, but not as to any products which may be extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved plan of operations or as may otherwise be consented to by the Supervisor and the Land Commissioner as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

Royalty due on account of State lands shall be computed and paid on the basis of all unitized substances allocated to such lands.

15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases committed hereto shall be paid by working interest owners responsible therefor under existing contracts, laws, and regulations, provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum royalty due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective

leases from the United States unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

Rentals on State of New Mexico lands subject to this agreement shall be paid at the rates specified in the respective leases.

With respect to any lease on non-Federal land containing provisions which would terminate such lease unless drilling operations are commenced upon the land covered thereby within the time therein specified or rentals are paid for the privilege of deferring such drilling operations, the rentals required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue and become payable during the term thereof as extended by this agreement and until the required drilling operations are commenced upon the land covered thereby or until some portion of such land is included within a participating area.

16. 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 or Federal law or regulation.

17. DRAINAGE. The Unit Operator shall take such measures as the Supervisor and Land Commissioner deem appropriate and adequate to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement.

18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development, or operation for oil or gas on lands committed to this agreement 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; and the parties hereto hereby consent that the Secretary, as to Federal leases and the Land Commissioner, as to

1 State leases, shall and each by his approval hereof, or by the 1
2 approval hereof by his duly authorized representative, does hereby 2
3 establish, alter, change, or revoke the drilling, producing, rental, 3
4 minimum royalty, and royalty requirements of Federal and State 4
5 leases committed hereto and the regulations in respect thereto to 5
6 conform said requirements to the provisions of this agreement, and, 6
7 without limiting the generality of the foregoing, all leases, sub- 7
8 leases, and contracts are particularly modified in accordance with 8
9 the following: 9

10 (a) The development and operation of lands subject to this 10
11 agreement under the terms hereof shall be deemed full performance of 11
12 all obligations for development and operation with respect to each 12
13 and every separately owned tract subject to this agreement, regard- 13
14 less of whether there is any development of any particular tract of 14
15 the unit area. 15

16 (b) Drilling and producing operations performed hereunder 16
17 upon any tract of unitized lands will be accepted and deemed to be 17
18 performed upon and for the benefit of each and every tract of uni- 18
19 tized land, and no lease shall be deemed to expire by reason of 19
20 failure to drill or produce wells situated on the land therein em- 20
21 braced. 21

22 (c) Suspension of drilling or producing operations on all 22
23 unitized lands pursuant to direction or consent of the Secretary and 23
24 the Land Commissioner, or his duly authorized representative, shall 24
25 be deemed to constitute such suspension pursuant to such direction 25
26 or consent as to each and every tract of unitized land. A suspension 26
27 of drilling or producing operations limited to specified lands shall 27
28 be applicable only to such lands. 28

29 (d) Each lease, sublease or contract relating to the ex- 29
30 ploration, drilling, development or operation for oil or gas of 30
31 lands other than those of the United States and State of New Mexico 31

1 committed to this agreement, which, by its terms might expire prior 1
2 to the termination of this agreement, is hereby extended beyond any 2
3 such terms so provided therein so that it shall be continued in full 3
4 force and effect for and during the term of this agreement. 4

5 (e) Any Federal lease for a fixed term of twenty (20) years 5
6 or any renewal thereof or any part of such lease which is made sub- 6
7 ject to this agreement shall continue in force beyond the term pro- 7
8 vided therein until the termination hereof. Any other Federal lease 8
9 committed hereto shall continue in force beyond the term so provided 9
10 therein or by law as to the land committed so long as such lease re- 10
11 mains subject hereto, provided that production is had in paying quan- 11
12 tities under this unit agreement prior to the expiration date of 12
13 the term of such lease, or in the event actual drilling operations 13
14 are commenced on unitized land, in accordance with the provisions 14
15 of this agreement, prior to the end of the primary term of such 15
16 lease and are being diligently prosecuted at that time, such lease 16
17 shall be extended for two years and so long thereafter as oil or gas 17
18 is produced in paying quantities in accordance with the provisions 18
19 of the Mineral Leasing Act Revision of 1960. 19

20 (f) Each sublease or contract relating to the operation 20
21 and development of unitized substances from lands of the United 21
22 States committed to this agreement, which by its terms would expire 22
23 prior to the time at which the underlying lease, as extended by the 23
24 immediately preceding paragraph, will expire, is hereby extended 24
25 beyond any such term so provided therein so that it shall be con- 25
26 tinued in full force and effect for and during the term of the under- 26
27 lying lease as such term is herein extended. 27

28 (g) The segregation of any Federal lease committed to this 28
29 agreement is governed by the following provision in the fourth para- 29
30 graph of Sec. 17(j) of the Mineral Leasing Act, as amended by the 30
31 Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease 31

heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided, however, That any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

(h) Any lease embracing lands of the State of New Mexico which is made subject to this agreement, shall continue in force beyond the term provided therein as to the lands committed hereto until the termination hereof.

(i) Any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto, shall be segregated as to the portion committed and the portion not committed, and the terms of such lease shall apply separately to such segregated portions commencing as of the effective date hereof; provided, however, notwithstanding any of the provisions of this agreement to the contrary any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease, if oil or gas is discovered and is capable of being produced in paying quantities from some part of the lands embraced in such lease at the expiration of the secondary term of such lease; or if, at the expiration of the secondary term, the lessee or the Unit Operator is then engaged in bona fide drilling or reworking operations on some part of the lands embraced in such lease, the same, as to all lands embraced therein, shall remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of oil

1 or gas; said lease shall continue in full force and effect as to all
2 of the lands embraced therein, so long thereafter as oil or gas in
3 paying quantities is being produced from any portion of said lands.

4 19. COVENANTS RUN WITH LAND. The covenants herein shall
5 be construed to be covenants running with the land with respect to
6 the interest of the parties hereto and their successors in interest
7 until this agreement terminates, and any grant, transfer, or convey-
8 ance, of interest in land or leases subject hereto shall be and here-
9 by is conditioned upon the assumption of all privileges and obli-
10 gations hereunder by the grantee, transferee, or other successor in
11 interest. No assignment or transfer of any working interest, roy-
12 alty, or other interest subject hereto shall be binding upon Unit
13 Operator until the first day of the calendar month after Unit Opera-
14 tor is furnished with the original, photostatic, or certified copy
15 of the instrument of transfer.

16 20. EFFECTIVE DATE AND TERM. This agreement shall become
17 effective upon approval by the Secretary and the Land Commissioner
18 or his duly authorized representative, and shall terminate five (5)
19 years from said effective date unless

20 (a) such date of expiration is extended by the Director
21 and the Land Commissioner, or

22 (b) it is reasonably determined prior to the expiration of
23 the fixed term or any extension thereof that the unitized land is
24 incapable of production of unitized substances in paying quantities
25 in the formations tested hereunder and after notice of intention to
26 terminate the agreement on such ground is given by the Unit Operator
27 to all parties in interest at their last known addresses, the agree-
28 ment is terminated with the approval of the Supervisor and the Land
29 Commissioner, or

30 (c) a valuable discovery of unitized substances has been
31 made or accepted on unitized land during said initial term or any

1 extension thereof, in which event the agreement shall remain in
2 effect for such term and so long as unitized substances can be pro-
3 duced in quantities sufficient to pay for the cost of producing
4 same from wells on unitized land within any participating area es-
5 tablished hereunder and, should production cease, so long thereafter
6 as diligent operations are in progress for the restoration of pro-
7 duction or discovery of new production and so long thereafter as
8 unitized substances so discovered can be produced as aforesaid, or

9 (d) it is terminated as heretofore provided in this agree-
10 ment. This agreement may be terminated at any time by not less than
11 75 per centum, on an acreage basis, of the working interest owners
12 signatory hereto, with the approval of the Supervisor and the Land
13 Commissioner; notice of any such approval to be given by the Unit
14 Operator to all parties hereto.

15 21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The
16 Director is hereby vested with authority to alter or modify from
17 time to time in his discretion the quantity and rate of production
18 under this agreement when such quantity and rate is not fixed pur-
19 suant to Federal or State law or does not conform to any state-wide
20 voluntary conservation or allocation program, which is established,
21 recognized, and generally adhered to by the majority of operators
22 in such State, such authority being hereby limited to alteration or
23 modification in the public interest, the purpose thereof and the
24 public interest to be served thereby to be stated in the order of
25 alteration or modification. Without regard to the foregoing, the
26 Director is also hereby vested with authority to alter or modify
27 from time to time in his discretion the rate of prospecting and
28 development and the quantity and rate of production under this
29 agreement when such alteration or modification is in the interest
30 of attaining the conservation objectives stated in this agreement
31 and is not in violation of any applicable Federal or State law.

1 Powers in this section vested in the Director shall only be 1
2 exercised after notice to Unit Operator and opportunity for hearing 2
3 to be held not less than 15 days from notice. 3

4 22. APPEARANCES. Unit Operator shall, after notice to other 4
5 parties affected, have the right to appear for and on behalf of any 5
6 and all interests affected hereby before the Department of the 6
7 Interior and the Commissioner of Public Lands and to appeal from 7
8 orders issued under the regulations of said Department or Land 8
9 Commissioner or to apply for relief from any of said regulations or 9
10 in any proceedings relative to operations before the Department of 10
11 the Interior or the Land Commissioner or any other legally consti- 11
12 tuted authority; provided, however, that any other interested party 12
13 shall also have the right at his own expense to be heard in any such 13
14 proceeding. 14

15 23. NOTICES. All notices, demands or statements required 15
16 hereunder to be given or rendered to the parties hereto shall be 16
17 deemed fully given if given in writing and personally delivered to 17
18 the party or sent by postpaid registered or certified mail, addressed 18
19 to such party or parties at their respective addresses set forth in 19
20 connection with the signatures hereto or to the ratification or con- 20
21 sent hereof or to such other address as any such party may have fur- 21
22 nished in writing to party sending the notice, demand or statement. 22

23 24. NO WAIVER OF CERTAIN RIGHTS. Nothing in this agreement 23
24 contained shall be construed as a waiver by any party hereto of the 24
25 right to assert any legal or constitutional right or defense as to 25
26 the validity or invalidity of any law of the State wherein said uni- 26
27 tized lands are located, or of the United States, or regulations 27
28 issued thereunder in any way affecting such party, or as a waiver by 28
29 any such party of any right beyond his or its authority to waive. 29

30 25. UNAVOIDABLE DELAY. All obligations under this agree- 30
31 ment requiring the Unit Operator to commence or continue drilling or 31

1 to operate on or produce unitized substances from any of the lands 1
2 covered by this agreement shall be suspended while the Unit Operator, 2
3 despite the exercise of due care and diligence, is prevented from 3
4 complying with such obligations, in whole or in part, by strikes, 4
5 acts of God, Federal, State, or municipal law or agencies, unavoi- 5
6 dable accidents, uncontrollable delays in transportation, inability 6
7 to obtain necessary materials in open market, or other matters be- 7
8 yond the reasonable control of the Unit Operator whether similar to 8
9 matters herein enumerated or not. No unit obligation which is sus- 9
10 pended under this section shall become due less than thirty (30) 10
11 days after it has been determined that the suspension is no longer 11
12 applicable. Determination of creditable "Unavoidable Delay" time 12
13 shall be made by the unit operator subject to approval of the Super- 13
14 visor and the Land Commissioner. 14

15 26. NONDISCRIMINATION. In connection with the performance 15
16 of work under this agreement, the operator agrees to comply with 16
17 all the provisions of section 202 (1) to (7) inclusive of Executive 17
18 Order 11246 (30 F.R. 12319), which are hereby incorporated by refer- 18
19 ence in this agreement. 19

20 27. LOSS OF TITLE. In the event title to any tract of 20
21 unitized land shall fail and the true owner cannot be induced to 21
22 join in this unit agreement, such tract shall be automatically re- 22
23 garded as not committed hereto and there shall be such readjustment 23
24 of future costs and benefits as may be required on account of the 24
25 loss of such title. In the event of a dispute as to title as to any 25
26 royalty, working interest, or other interests subject thereto, pay- 26
27 ment or delivery on account thereof may be withheld without liability 27
28 for interest until the dispute is finally settled; provided, that, 28
29 as to Federal and State land or leases, no payments of funds due 29
30 the United States or the State of New Mexico should be withheld, but 30
31 such funds shall be deposited as directed by the Supervisor and such 31

1 funds of the State of New Mexico shall be deposited as directed by 1
2 the Land Commissioner, to be held as unearned money pending final 2
3 settlement of the title dispute, and then applied as earned or re- 3
4 turned in accordance with such final settlement. 4

5 Unit Operator as such is relieved from any responsibility 5
6 for any defect or failure of any title hereunder. 6

7 28. NON-JOINDER AND SUBSEQUENT JOINDER. If the owner of 7
8 any substantial interest in a tract within the unit area fails or 8
9 refuses to subscribe or consent to this agreement, the owner of the 9
10 working interest in that tract may withdraw said tract from this 10
11 agreement by written notice delivered to the Supervisor and the 11
12 Land Commissioner and the Unit Operator prior to the approval of 12
13 this agreement by the Supervisor. Any oil or gas interests in lands 13
14 within the unit area not committed hereto prior to submission of 14
15 this agreement for final approval may thereafter be committed hereto 15
16 by the owner or owners thereof subscribing or consenting to this 16
17 agreement, and, if the interest is a working interest, by the owner 17
18 of such interest also subscribing to the unit operating agreement. 18
19 After operations are commenced hereunder, the right of subsequent 19
20 joinder, as provided in this section, by a working interest owner 20
21 is subject to such requirements or approvals, if any, pertaining to 21
22 such joinder, as may be provided for in the unit operating agree- 22
23 ment. After final approval hereof, joinder by a non-working inter- 23
24 est owner must be consented to in writing by the working interest 24
25 owner committed hereto and responsible for the payment of any bene- 25
26 fits that may accrue hereunder in behalf of such non-working inter- 26
27 est. A non-working interest may not be committed to this unit 27
28 unless the corresponding working interest is committed hereto. 28
29 Joinder to the unit agreement by a working-interest owner, at any 29
30 time, must be accompanied by appropriate joinder to the unit opera- 30
31 ting agreement, if more than one committed working-interest owner 31

1 is involved, in order for the interest to be regarded as committed 1
2 to this unit agreement. Except as may otherwise herein be provided, 2
3 subsequent joinders to this agreement shall be effective as of the 3
4 first day of the month following the filing with the Supervisor and 4
5 the Land Commissioner of duly executed counterparts of all or any 5
6 papers necessary to establish effective commitment of any tract to 6
7 this agreement unless objection to such joinder is duly made within 7
8 60 days by the Supervisor and the Land Commissioner. 8

9 29. COUNTERPARTS. This agreement may be executed in any 9
10 number of counterparts no one of which needs to be executed by all 10
11 parties or may be ratified or consented to by separate instrument in 11
12 writing specifically referring hereto and shall be binding upon all 12
13 those parties who have executed such a counterpart, ratification, 13
14 or consent hereto with the same force and effect as if all such 14
15 parties had signed the same document and regardless of whether or 15
16 not it is executed by all other parties owning or claiming an inter- 16
17 est in the lands within the above-described unit area. 17

18 30. SURRENDER. Nothing in this agreement shall prohibit 18
19 the exercise by any working interest owner of the right to surrender 19
20 vested in such party by any lease, sublease, or operating agreement 20
21 as to all or any part of the lands covered thereby, provided that 21
22 each party who will or might acquire such working interest by such 22
23 surrender or by forfeiture as hereafter set forth, is bound by the 23
24 terms of this agreement. 24

25 If as a result of any such surrender the working interest 25
26 rights as to such lands become vested in any party other than the 26
27 fee owner of the unitized substances, said party may forfeit such 27
28 rights and further benefits from operation hereunder as to said 28
29 land to the party next in the chain of title who shall be and become 29
30 the owner of such working interest. 30

31 If as the result of any such surrender or forfeiture working 31

1 interest rights become vested in the fee owner of the unitized sub- 1
2 stances, such owner may: 2

3 (1) Accept those working interest rights subject to this 3
4 agreement and the unit operating agreement; or 4

5 (2) Lease the portion of such land as is included in a 5
6 participating area established hereunder subject to this agreement 6
7 and the unit operating agreement. 7

8 (3) Provide for the independent operation of any part of 8
9 such land that are not then included within a participating area 9
10 established hereunder. 10

11 If the fee owner of the unitized substances does not accept 11
12 the working interest rights subject to this agreement and the unit 12
13 operating agreement or lease such lands as above provided within 13
14 six (6) months after the surrendered or forfeited working interest 14
15 rights become vested in the fee owner, the benefits and obligations 15
16 of operations accruing to such lands under this agreement and the 16
17 unit operating agreement shall be shared by the remaining owners of 17
18 unitized working interests in accordance with their respective 18
19 working interest ownerships, and such owners of working interests 19
20 shall compensate the fee owner of unitized substances in such lands 20
21 by paying sums equal to the rentals, minimum royalties, and royal- 21
22 ties applicable to such lands under the lease in effect when the 22
23 lands were unitized. 23

24 An appropriate accounting and settlement shall be made, for 24
25 all benefits accruing to or payments and expenditures made or in- 25
26 curred on behalf of such surrendered or forfeited working interest 26
27 subsequent to the date of surrender or forfeiture, and payment of 27
28 any moneys found to be owing by such an accounting shall be made as 28
29 between the parties within thirty (30) days. In the event no unit 29
30 operating agreement is in existence and a mutually acceptable agree- 30
31 ment between the proper parties thereto cannot be consummated, the 31

Supervisor may prescribe such reasonable and equitable agreement as he deems warranted under the circumstances.

The exercise of any right vested in a working interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

31. TAXES. The working interest owners shall render and pay for their account and the account of the royalty owners all valid taxes on or measured by the unitized substances in and under or that may be produced, gathered and sold from the land subject to this contract after the effective date of this agreement, or upon the proceeds derived therefrom. The working interest owners on each tract shall and may charge the proper proportion of said taxes to the royalty owners having interests in said tract, and may currently retain and deduct sufficient of the unitized substances or derivative products, or net proceeds thereof from the allocated share of each royalty owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or the State of New Mexico or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

32. NO PARTNERSHIP. It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing in this agreement contained, expressed or implied, nor any operations conducted hereunder, shall create or be deemed to have created a partnership or association between the parties hereto or any of them.

33. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the working interest owners, nor any of them, shall be subject to any forfeiture, termination or expiration of any right hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to

1 comply with any applicable provisions thereof to the extent that
2 the said Unit Operator or the working interest owners, or any of
3 them, are hindered, delayed or prevented from complying therewith
4 by reason of failure of the Unit Operator to obtain, in the exercise
5 of due diligence, the concurrence of proper representatives of the
6 United States and proper representatives of the State of New Mexico
7 in and about any matters or things concerning which it is required
8 herein that such concurrence be obtained. The parties hereto, in-
9 cluding the State Commission, agree that all powers and authority
10 vested in the State Commission in and by any provisions of this
11 agreement are vested in the State Commission and shall be exercised
12 by it pursuant to the provisions of the laws of the State of New
13 Mexico and subject in any case to appeal or judicial review as may
14 now or hereafter be provided by the laws of the State of New Mexico.

15 IN WITNESS WHEREOF, the parties hereto have caused this
16 agreement to be executed and have set opposite their respective
17 names the date of execution.

UNIT OPERATOR

CHAPARRAL PRODUCTION, INC.

By: Stephen C. Helbing
President

Address: P. O. Box 1222

Oklahoma City, Oklahoma 73101

WORKING-INTEREST OWNERS

Date: _____

Stephen C. Helbing
Stephen C. Helbing

Ellen S. Helbing
Ellen S. Helbing

INEXCO OIL COMPANY

Date: _____

By: _____

Address: _____

CORPORATE

State of Oklahoma §
 §
County of Oklahoma §

The foregoing instrument was acknowledged before me this 2nd day
of September, 1971, by Stephen C. Helbing, President of Chaparral Production, Inc.,
a New Mexico Corporation, for and on behalf of said Corporation.

My commission expires:

2-4-73

Olive Johnson
Notary Public

INDIVIDUAL

State of Oklahoma §
 §
County of Oklahoma §

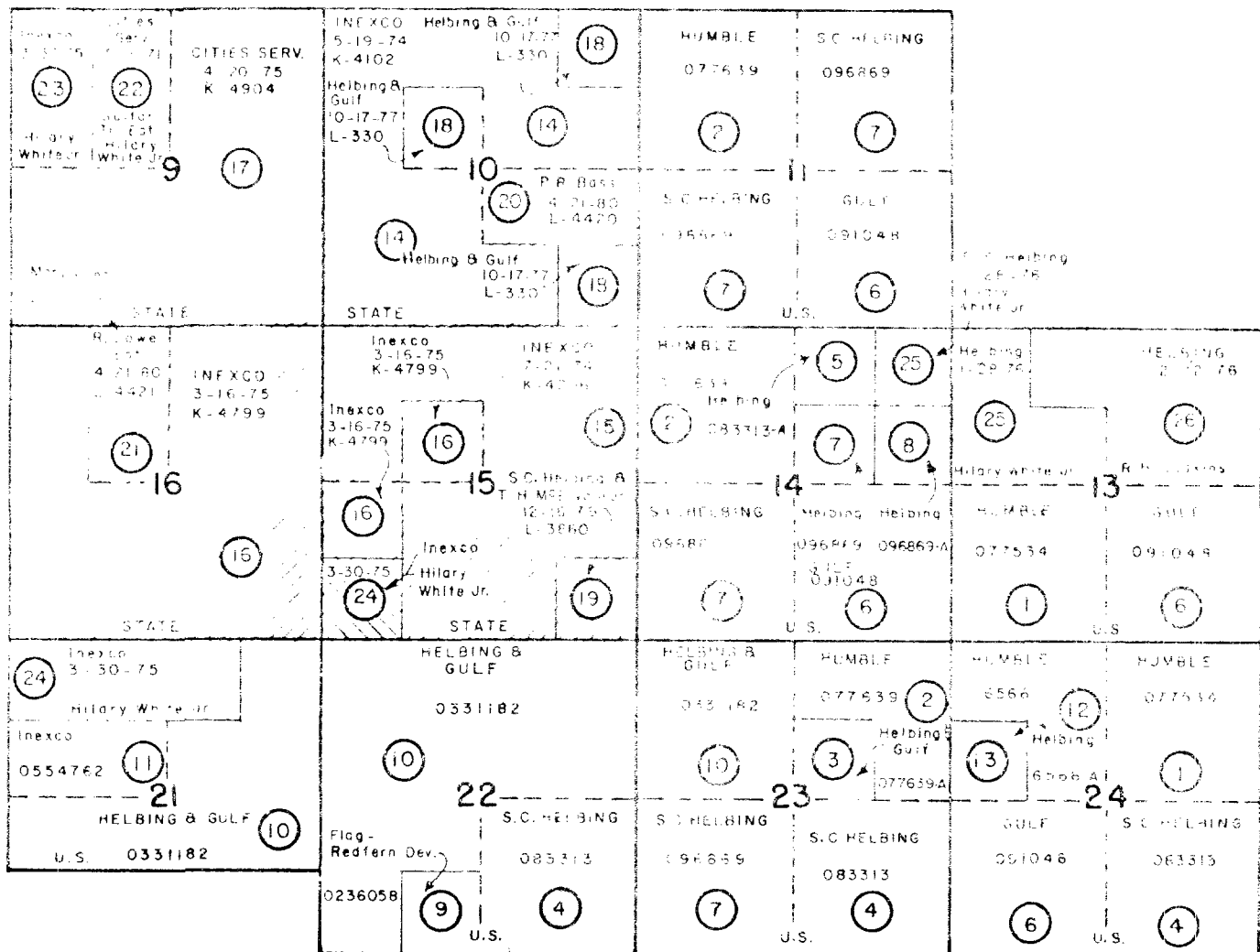
The foregoing instrument was acknowledged before me this 2nd day
of September, 1971, by Stephen C. Helbing and Ellen S. Helbing, his wife.

My commission expires:

2-4-73

Olive Johnson
Notary Public

R 25 E



T
24
S

FEDERAL ACREAGE
3840.00 Acres - 55.81 %

STATE ACREAGE
2360.00 Acres - 34.30 %

FEE ACREAGE
680.00 Acres - 9.89 %

TRACT NO.

EXHIBIT A

STEPHEN C. HELBING
ROSWELL, NEW MEXICO

JUNIPER CANYON UNIT AREA
EDDY COUNTY, NEW MEXICO
6,880.00 ACRES
SCALE: 1" = 4000'

EXHIBIT "B"
SCHEDULE OF LANDS AND LEASES
JUNIPER CANYON UNIT AREA
Eddy County, New Mexico

Tract No.	Description	Number of acres	Lease Serial No. and Expiration Date	Basic Royalty and Percent	Lessee of Record	Overriding Royalty and Percentage	Working Interest
All lands described below are in - - - <u>T-24-S, R-25-E, NMPM</u>							
1.	Sec. 13; SW $\frac{1}{4}$ Sec. 24; NE $\frac{1}{4}$	320.00	NM-077534 2-29-72	USA 12.5	Humble Oil & Refining Company - All*	Humble Oil & Ref. Co. E. J. Treat Sabine Royalty Co.	6.25 3.00 2.00
2.	Sec. 11; NW $\frac{1}{4}$ Sec. 14; NW $\frac{1}{4}$ Sec. 23; N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$	440.00	NM-077639 2-29-72	USA 12.5	Humble Oil & Refining Company - All*	Humble Oil & Ref. Co. Robert A. Franklin	6.25 5.00
3.	Sec. 23; SW $\frac{1}{4}$ NE $\frac{1}{4}$	40.00	NM-077639-A 2-29-72	USA 12.5	Stephen C. Helbing - 7/8 Gulf Oil Corp. - 1/8	Robert A. Franklin	5.00
4.	Sec. 22; SE $\frac{1}{4}$ Sec. 23; SE $\frac{1}{4}$ Sec. 24; SE $\frac{1}{4}$	480.00	NM-083313 3-31-72	USA 12.5	Stephen C. Helbing-All	Ann Iacono Gertrude Braunstein L. C. Harris	2.5 2.5 2.5
5.	Sec. 14; NW $\frac{1}{4}$ NE $\frac{1}{4}$	40.00	NM-083313-A 3-31-72	USA 12.5	Stephen C. Helbing-All	Ann Iacono Gertrude Braunstein Abby Corporation	2.5 2.5 2.5
6.	Sec. 11; SE $\frac{1}{4}$ Sec. 13; SE $\frac{1}{4}$ Sec. 14; SE $\frac{1}{4}$ Sec. 24; SW $\frac{1}{4}$	640.00	NM-091048 3-1-76	USA 12.5	Gulf Oil Corporation*	Gulf Oil Corporation Leah P. Golden 5/24 of 5.0 A.G. McClintock 1/6 of 5.0 Sabine Royalty Co. 1/8 of 5.0 Doreen Smith G. E. Conley	6.25 Gulf Oil Corporation Leah P. Golden 1/3 of 5.00% and Sabine Royalty Company, None.

Note: Overriding royalty as to the SE $\frac{1}{4}$ Sec. 11 owned; Leah P. Golden 1/3 of 5.00% and Sabine Royalty Company, None.

7.	Sec. 11; NE¼, SW¼ Sec. 14; SW¼NE¼, SW¼ Sec. 23; SW¼	680.00	NM-096869 5-31-72	USA 12.5	Stephen C. Helbing	Ruby C. Bell L. C. Harris Stanley W. Crosby, III, Trust	2.5 2.5 2.5	Stephen C. Helbing	100%
8.	Sec. 14; SE¼NE¼	40.00	NM-096869-A 5-31-72	USA 12.5	Stephen C. Helbing	Ruby C. Bell Abby Corporation Stanley W. Crosby, III, Trust	2.5 2.5 2.5	Stephen C. Helbing	100%
9.	Sec. 22; SE¼SW¼	40.00	NM-0236058 2-29-72	USA 12.5	Flag-Redfern Oil Co.	Beulah I. Hanson Hazel L. Gentle	4.5 .5	Flag-Redfern Oil Co.	100%
10.	Sec. 21; NE¼NE¼, S¼NE¼, N¼S¼ Sec. 22; N¼, N¼SW¼, SW¼SW¼ Sec. 23; NW¼	880.00	NM-0331182 12-31-72	USA 12.5	Stephen C. Helbing 7/8 Gulf Oil Corporation 1/8	Thomas Allen Robert H. Hopkins	2.2 1.8	Stephen C. Helbing Gulf Oil Corporation	87.5% 12.5%
11.	Sec. 21; S¼NW¼	80.00	NM-0554762 8-31-74	USA 12.5	Inexco Oil Company	Betty Ruth Wright \$500 per acre our of	3.0	Inexco Oil Company	100.00
12.	Sec. 24; N¼NW¼, SE¼NW¼	120.00	NM-6566 4-30-72	USA 12.5	Humble Oil & Ref. Co.*	Humble Oil & Ref. Co. Louise D. Bush	6.25 3.00	Humble Oil & Ref. Co.	100%*
13.	Sec. 24; SW¼NW¼	40.00	NM-6566-A 4-30-72	USA 12.5	Stephen C. Helbing	Louise D. Bush L. C. Harris	3.00 2.50	Stephen C. Helbing	100%
<u>Total: 13 Tracts of Federal Lands, 3,840.00 acres, 55.81% of Unit Area</u>									

STATE OF NEW MEXICO LANDS

14.	Sec. 10; W¼NE¼, SE¼NE¼, N¼NW¼, SW¼NW¼, SW¼SE¼, SW¼	440.00	K-4102 5-19-74	State 12.5	Inexco Oil Company	None		Inexco Oil Co.	100%
15.	Sec. 15; NE¼, N¼NW¼, SW¼NW¼, E¼SW¼, N¼SE¼, SW¼SE¼	480.00	K-4256 7-21-74	State 12.5	Inexco Oil Company	None		Inexco Oil Co.	100%
16.	Sec. 15; SE¼NW¼, NW¼SW¼ Sec. 16; NE¼, W¼NW¼, S¼	640.00	K-4799 3-16-75	State 12.5	Inexco Oil Company	None		Inexco Oil Co.	100%

17.	Sec. 9; E $\frac{1}{2}$, SW $\frac{1}{4}$	480.00	K-4904 4-20-75	State 12.5	Cities Service Oil Co.*	Cities Service Oil Co. L. B. Hodges \$750 per acre out of	6.25 3.00	Cities Service Oil Co. 100%*
18.	Sec. 10; NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$	120.00	L-330 10-17-77	State 12.5	Stephen C. Helbing and Gulf Oil Corporation	None		Stephen C. Helbing 87.5% Gulf Oil Corp. 12.5%
19.	Sec. 15; SE $\frac{1}{4}$ SE $\frac{1}{4}$	40.00	L-3860 12-16-79	State 12.5	Stephen C. Helbing and T. H. McElvain, Jr.	None		Stephen C. Helbing 50.0% T. H. McElvain, Jr. 50.0%
20.	Sec. 10; N $\frac{1}{2}$ SE $\frac{1}{4}$	80.00	L-4420 4-21-80	State 12.5	Perry R. Bass*	Perry R. Bass	6.25	Perry R. Bass 100%*
21.	Sec. 16; E $\frac{1}{2}$ NW $\frac{1}{4}$	80.00	L-4421 4-21-80	State 12.5	Estate of Ralph Lowe and Mary Ralph Lowe Trust #3	None		Est. of Ralph Lowe and Mary Ralph Lowe Trust #3 100%
<u>Total: 8 Tracts of State of New Mexico Lands, 2360.00 acres, 34.30% of the Unit Area</u>								

PATENTED (FEE) LANDS

22.	Sec. 9; E $\frac{1}{2}$ NW $\frac{1}{4}$	80.00	Fee 2-19-76 5-19-76	Earl B. Guitar, John Guitar, Jr. Mary Guitar Polk, Virginia G. Witherspoon Catherine G. Woods Ruth G. Alexander, Laura G. Belcher, Est. Repps B. Guitar, Pardue Farms, a partnership 15.625%	Cities Service Oil Co.*	Cities Service Oil Co.	6.25	Cities Service Oil Co. 100%
23.	Sec. 9; W $\frac{1}{2}$ NW $\frac{1}{4}$	80.00	Fee 3-30-75	Maude U. White 12.5%	Inexco Oil Co.	None		Inexco Oil Co. 100%
24.	Sec. 15; SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 21; N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$	160.00	Fee 3-30-75	Maude U. White 12.5%	Inexco Oil Co.	None		Inexco Oil Co. 100%
25.	Sec. 13; W $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 14; NE $\frac{1}{4}$ NE $\frac{1}{4}$	160.00	Fee 1-28-76	Maude U. White 15.625%	Stephen C. Helbing	None		Stephen C. Helbing 100%

26.	Sec. 13; NE 1 / 4	200.00	Fee	Estate of R. H. Judkins	Stephen C. Helbing	100%
			2-12-76	12.5%		
					Est. R. H. Judkins	
					\$150 per acre out of	
					2.734%	

Total: 5 Tracts of Patented (Fee) lands, 680.00 acres, 9.89% of the Unit Area.

Recapitulation			
13 Tracts of Federal Lands	3,840.00 Acres,	55.81% of the Unit Area.	
8 Tracts of State of N. M. Lands	2,360.00 Acres,	34.30% of the Unit Area.	
5 Tracts of Fee Lands	680.00 Acres,	9.89% of the Unit Area.	
26 Tracts, All lands	6,880.00 Acres	100.00% of the Unit Area.	

*Note: Record title to these tracts, 1, 2, 6, 12, 17, 20 and 22, is to be assigned to Unit Operator, Chaparral Production, Inc., subsequent to completion of the Initial Test Well pursuant to Separate Agreements.

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

HUMBLE OIL & REFINING COMPANY

BY: H. Jack Naumann
Agent and Attorney in Fact

FORM APPROVED

364

INDIVIDUAL

State of _____
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1971, by _____ and _____ his wife.

My commission expires:

Notary Public

CORPORATE

State of TEXAS
County of MIDLAND

The foregoing instrument was acknowledged before me this 9th day of September by H. Jack Naumann who is Agent and Attorney in Fact of Humble Oil & Refining Company a Delaware Corporation, for and on behalf of said corporation.

My commission expires:

June 1, 1973

Jay H. Davis
Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST:

C. N. SHAFFER

Secretary

GULF OIL CORPORATION

BY:

J. A. Hord
Attorney-in-Fact

Law	<i>[Signature]</i>
Corp.	<i>[Signature]</i>
Exp.	<i>[Signature]</i>
Prod.	<i>[Signature]</i>

INDIVIDUAL

State of _____
County of _____

The foregoing instrument was acknowledged before me this _____ day of

_____, 1971, by _____,
and _____ his wife.

My commission expires:

Notary Public

CORPORATE

State of TEXAS
County of MIDLAND

The foregoing instrument was acknowledged before me this 28 day of

September, 1971 by J. A. Hord who is Attorney-in-Fact

of GULF OIL CORPORATION a Pennsylvania Corporation, for and
on behalf of said corporation.

My commission expires:

JOAN LAWSON - Notary Public
In And For Midland County, Texas

My Commission Expires June 1, 1973

Joan Lawson
Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST:

Tom E. Johnson, Assistant Secretary

FLAG-REDFERN OIL COMPANY

BY: John J. Redfern, Jr., President

INDIVIDUAL

State of _____
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1971, by _____, and _____ his wife.

My commission expires:

Notary Public

CORPORATE

State of TEXAS
County of MIDLAND

The foregoing instrument was acknowledged before me this 9th day of September by John J. Redfern, Jr. who is President of Flag-Redfern Oil Company a Delaware Corporation, for and on behalf of said corporation.

My commission expires:
BARBARA C. REED - Notary Public
Midland County, Texas
My Commission Expires June 1, 1973

Barbara C. Reed
Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST:

Ass't. Sec'y.

INEXCO OIL COMPANY

BY: Carl J. Schwarz
Vice-President

INDIVIDUAL

State of _____

County of _____

The foregoing instrument was acknowledged before me this _____ day of

_____, 1971, by _____,

and _____ his wife.

My commission expires:

Notary Public

CORPORATE

State of Texas

County of Harris

The foregoing instrument was acknowledged before me this 10th day of

September, 1971 by Carl J. Schwarz who is Vice-President

of Inexco Oil Company a Delaware Corporation, for and

on behalf of said corporation.

My commission expires:

June 1, 1973

Gindi Hester
Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

CITIES SERVICE OIL COMPANY

Sam W. Franklin

Sam W. Franklin

Attorney-in-Fact

INDIVIDUAL

State of _____
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1971, by _____, and _____ his wife.

My commission expires:

Notary Public

CORPORATE

State of Oklahoma
County of TULSA

The foregoing instrument was acknowledged before me this 10th day of September, 1971 by Sam W. Franklin who is Attorney-in-Fact of CITIES SERVICE OIL COMPANY a Delaware Corporation, for and on behalf of said corporation.

My commission expires:

My Commission Expires April 23, 1974

Lucy J. Holloway
Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Elizabeth R. McElvain
T. H. McElvain, Jr.

INDIVIDUAL

State of NEW MEXICO §
County of SANTA FE §

The foregoing instrument was acknowledged before me this 9th day of September, 1971, by T. H. McElvain, Jr., and Elizabeth R. McElvain his wife.

My commission expires:
April 14, 1975

Francis M. Harwell
Notary Public

CORPORATE

State of _____ §
County of _____ §

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Perry R. Bass

Nancy Lee Bass

INDIVIDUAL

State of TEXAS §
County of TARRANT §

Tr 20

The foregoing instrument was acknowledged before me this 8th day of September, 1971, by Perry R. Bass, and Nancy Lee Bass his wife.

My commission expires:
June 1, 1973

Joan Barnhart
Notary Public

CORPORATE

State of _____ §
County of _____ §

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

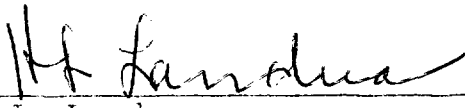

My commission expires:

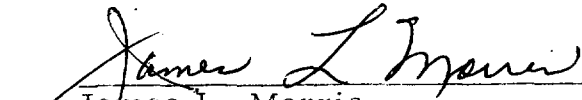
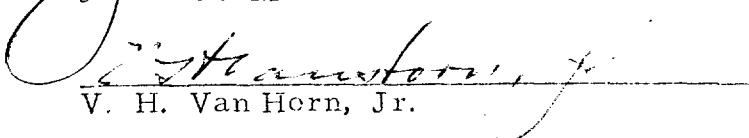
Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.


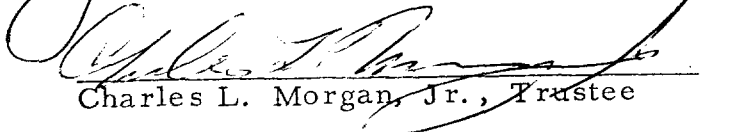
IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

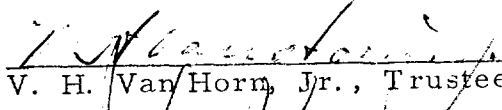


H. L. Landua

Charles L. Morgan, Jr.


James L. Morris

V. H. Van Horn, Jr.

A majority of the duly appointed, qualified and acting
Independent Executors of the Estate of Ralph Lowe, Deceased

Tr - 21


James L. Morris, Trustee

Charles L. Morgan, Jr., Trustee


V. H. Van Horn, Jr., Trustee

John P. Butler, Trustee

Trustees of the Mary Ralph Lowe Trust No. 3

of _____ a _____ Corporation, for and
on behalf of said corporation.

My commission expires:

Notary Public

THE STATE OF TEXAS |

COUNTY OF MIDLAND |

The foregoing instrument was acknowledged before me this 9th day
of September, 1971, by H. L. Landua, Charles L. Morgan,
Jr., James L. Morris and V. H. Van Horn, Jr., a majority of the duly appointed,
qualified and acting Independent Executors of the Estate of Ralph Lowe, Deceased.

My commission expires:

June 1, 1973

Loyce R. Leach
Notary Public in and for
Midland County, Texas.

THE STATE OF TEXAS |

COUNTY OF MIDLAND |

The foregoing instrument was acknowledged before me this 9th day
of September, 1971, by James L. Morris, Charles L. Morgan,
Jr., V. H. Van Horn, Jr. and John P. Butler, Trustees for the Mary Ralph Lowe
Trust No. 3.

My commission expires:

June 1, 1973

Loyce R. Leach
Notary Public in and for
Midland County, Texas.

Tr. 21

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ E J Trest
Mary Trest

Tr-1

INDIVIDUAL

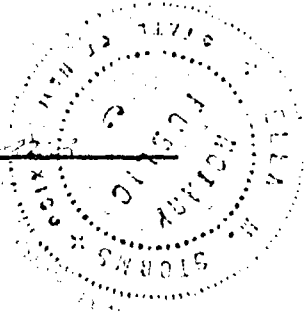
State of New Mexico
County of Chaves

The foregoing instrument was acknowledged before me this 16th day of August, 1971, by E. J. Trest and Mary Trest his wife.

My commission expires:

Sept 16, 1973

Edna M. Stevens
Notary Public



CORPORATE

State of _____
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST:

A. B. Harkins, Jr., Secretary

Sabine Royalty Corporation

W. R. GOFF, VICE PRESIDENT

INDIVIDUAL

State of _____
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1971, by _____ and _____ his wife.

My commission expires:

Notary Public

CORPORATE

State of TEXAS
County of DALLAS

The foregoing instrument was acknowledged before me this 15th day of September by W. R. GOFF who is Vice President of Sabine Royalty Corporation a TEXAS Corporation, for and on behalf of said corporation.

My commission expires:

DOROTHY E. JONES
Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Richard Jones

INDIVIDUAL

Tr - 2 - 3

State of Calif
County of Los Angeles

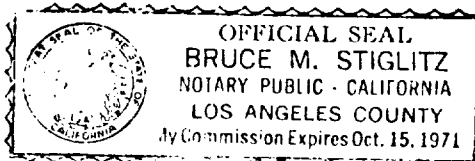
The foregoing instrument was acknowledged before me this 12th day of August, 1971, by Robert A. Franklyn and _____ his wife.

My commission expires:

B. M. Stiglitz
Notary Public

CORPORATE

State of _____
County of _____



The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Ann Iacono

George Iacono

Tr- 4-5

INDIVIDUAL

State of Illinois }
County of Cook }

The foregoing instrument was acknowledged before me this 16th day of
June, 1971, by George Iacono

and Ann Iacono, his wife.

My commission expires:
June 2nd, 1974

Joseph F. Bursano
Notary Public

CORPORATE

State of _____ }
County of _____ }

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.


Gertrude Braunstein _____

Tr-4-5

INDIVIDUAL

State of California |
County of Los Angeles |

The foregoing instrument was acknowledged before me this 11th day of August, 1971, by Gertrude Braunstein,
and _____ his wife. -

My commission expires _____


Arthur F. Kotva
Notary Public

CORPORATE

State of _____ |
County of _____ |

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

L. C. Harris
Marion V. Harris
 Marion V. Harris

Tr. 5+8 & Tr 4-7-13

Elizabeth B. Germain
Notary Public

Elizabeth B. G...
Notary Public **ELIZABETH**

**U. S. GEOLOGICAL SURVEY
BOSWELL, NEW MEXICO**

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

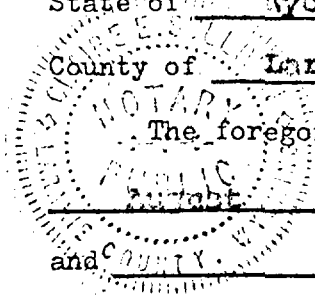
IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Leah P. Golden

INDIVIDUAL

Tr - 6

State of Wyoming §
County of Laramie §



The foregoing instrument was acknowledged before me this 9th day of August, 1971, by Leah P. Golden, a single woman, and _____ his wife.

My commission expires:
My Commission expires July 11, 1974

Quinn E. Lusk
Notary Public

CORPORATE

State of _____ §
County of _____ §

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

OCT 3 1971

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Connie J. Piscitella Reich

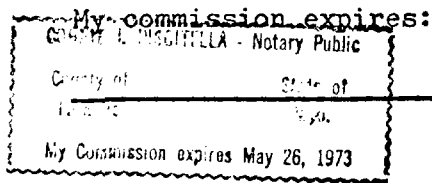
Adm. Clinto
Jean R. McClinton

INDIVIDUAL

TH-6

State of Wyoming
County of Laramie

The foregoing instrument was acknowledged before me this 17 day of August, 1971, by A. G. McClinton and Jean R. McClinton his wife.



Connie J. Piscitella Reich
Notary Public

CORPORATE

State of _____
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

E. W. Smith

Tr-6

INDIVIDUAL

State of NEW MEXICO §
 §
County of SANTA FE §

The foregoing instrument was acknowledged before me this 16th day of August, 1971, by Doreen Smith and E. W. Smith ~~xxxxxxx~~ her husband.

My commission expires:
September 10, 1973

Theresa A. [Signature]
Notary Public

CORPORATE

State of _____ §
 §
County of _____ §

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

NOTARY PUBLIC
EDDY COUNTY, NEW MEXICO

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Albuquerque National Bank, Trustee
of Stanley W. Crosby III Trust
By John Y. Cannaway
Senior Vice President

INDIVIDUAL

Tr 7-8

State of _____
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1971, by _____ and _____ his wife.

My commission expires:

Notary Public

CORPORATE

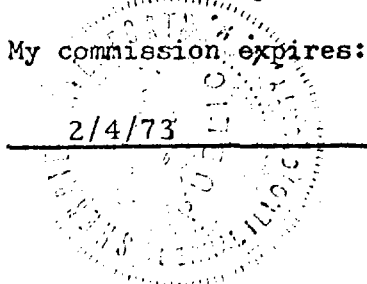
State of NEW MEXICO
County of BERNALILLO

The foregoing instrument was acknowledged before me this 9 day of August by John Y. Cannaway who is Senior Vice President of Albuquerque National Bank a national banking Corporation, for and on behalf of said corporation.

My commission expires:

2/4/73

Sherrie B. Bennett
Notary Public



CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

[Signature]
[Signature]

[Signature] Rubie Crosby Bell, a married woman, dealing
herein in her sole and separate estate.
Rubie C. Bell
[Signature]
Bryan Bell

INDIVIDUAL

Tr 7-8

State of Louisiana
County of Orleans

The foregoing instrument was acknowledged before me this 30th day of August, 1971, by Bryan Bell and Rubie C. Bell his wife.

My commission expires:

[Signature]
Notary Public
FRANCIS J. DEMAREST, JR., Notary Public
My Commission Is For Life.

CORPORATE

State of _____
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Ernest A. Hanson
Bertha Irene Hanson

INDIVIDUAL

Tr 9

State of New Mexico §
County of Chaves §

The foregoing instrument was acknowledged before me this 9th day of August, 1971, by Ernest A. Hanson,
and Bertha Irene Hanson his wife.

My commission expires:
Nov. 4, 1973

Emilie J. Jelfer
Notary Public

CORPORATE

State of _____ §
County of _____ §

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ Hazle L. Gentle
_____ Glenn R. Gentle

INDIVIDUAL

Tr 9

State of NEW MEXICO §
County of CHAVES §

The foregoing instrument was acknowledged before me this 16TH day of

AUGUST, 1971, by GLENN R. GENTLE

and HAZLE L. GENTLE his wife.

My commission expires:

My Commission Expires Nov. 4, 1973

Notary Public

CORPORATE

State of _____ §
County of _____ §

The foregoing instrument was acknowledged before me this _____ day of

_____ by _____ who is _____

of _____ a _____ Corporation, for and

on behalf of said corporation.

My commission expires:

Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Thomas Allen

Jerune Allen

TX 10

INDIVIDUAL

State of NEW MEXICO §
County of CHAVES §

The foregoing instrument was acknowledged before me this 9th day of AUGUST, 1971, by THOMAS ALLEN, and JERUNE ALLEN his wife.

My commission expires:

APRIL 21, 1974

Barbara Gibson Hines
Notary Public

CORPORATE

State of _____ §
County of _____ §

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Betty Ruth Wright
Hoover H. Wright

INDIVIDUAL

Tr 11

State of NEW MEXICO Ø
County of SANTA FE Ø

The foregoing instrument was acknowledged before me this 9th day of August, 1971, by Betty Ruth Wright and Hoover H. Wright, his husband his wife

My commission expires:
February 18, 1973

Eloy F. Sanchez
Notary Public

CORPORATE

State of _____ Ø
County of _____ Ø

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

_____ Louise D. Bush

INDIVIDUAL

Tr 12 + 13

State of New Mexico }
County of Eddy }

The foregoing instrument was acknowledged before me this 9th day of

August, 1971, by Louise D. Bush, a widow,

and _____ his wife:

My commission expires:
August 3, 1974

Lela Elliott
Notary Public

CORPORATE

State of _____ }
County of _____ }

The foregoing instrument was acknowledged before me this _____ day of

_____ by _____ who is _____

of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

L. B. Hodges, a married man, dealing in his separate property.

INDIVIDUAL

State of New Mexico
County of Chaves

The foregoing instrument was acknowledged before me this 9th day of August, 1971, by L. B. Hodges, a married man, dealing in his separate property.

and his wife.

My commission expires:

July 18, 1974

Ann H. Marshall
Notary Public

CORPORATE

State of _____
County of _____

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ who is _____ of _____ a _____ Corporation, for and on behalf of said corporation.

My commission expires:

Notary Public

RECEIVED

OCT 3 1971

U. S. GEOLOGICAL SURVEY
BOSWELL

CONSENT AND RATIFICATION
JUNIPER CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

The undersigned, (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Juniper Canyon Unit Area embracing lands situated in Eddy County, New Mexico, which said Agreement is dated the 1st day of July, 1971, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned, also being the owners of the leasehold, royalty or other interests in the lands or minerals embraced in said Unit Area, as indicated on the schedule attached to Said Unit Agreement as Exhibit "B", do hereby commit all of their said interests to the Juniper Canyon Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

ATTEST: 10
By: Martin Merrill
asst. Cashier

EL PASO NATIONAL BANK, Executor and Trustee of the Estate of Richard H. Judkins.

By: Jack D. Sargent, V.P.
Tr-26

STATE OF TEXAS |
COUNTY OF EL PASO |

The foregoing instrument was acknowledged before me this 3rd day of September, 1971, by Jack D. Sargent, V.P. and Trustee of the El Paso National Bank, Executor and Trustee of the Estate of Richard H. Judkins, deceased, a National Banking Corporation, for and on behalf of said corporation and in the capacity as Executor and Trustee.

MY COMMISSION EXPIRES:

6-1-73

Pauline L. Verranault
Notary Public

PAULINE L. VERRANAULT, Notary Public, in and for El Paso County, Texas. My commission expires May 31, 1973

RECEIVED

OCT 6 1971

U. S. GEOLOGICAL SURVEY
MOSWELL, NEW MEXICO