

EXHIBIT "B"

BADGER UNIT AREA
T-22-S, R-31-E, N.M.P.M.
Eddy County, New Mexico

4973
C. A. Williams, Jr.

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NO. & EXP. DATE OF LEASES (New Mexico Serials)	BASIC ROYALTY OWNERSHIP PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE		WORKING INTEREST AND PERCENTAGE
1	Section 24: A11	640.00	NM-0371670 4-30-73 Extended by Drilling	USA	12.5	Getty Oil Company Cities Service Oil Company	Lawrence C. Harris Production Payment \$750/acre out of 5.00%	Getty: Cities Service: 50
2	Section 11: E/2 NW/4, S/2 NE/4, N/2 SW/4, S/2 SE/4 Section 12: NE/4 NW/4, S/2 NW/4, E/2 SW/4, E/2 SE/4 Section 13: NW/4 NW/4, SE/4 NW/4, NW/4 NE/4, SE/4 NE/4, NW/4 SW/4, SE/4 SW/4, NW/4 SE/4, SE/4 SE/4	920.00	NM-0403961 6-30-73	USA	12.5	Cities Service Oil Company	Donald E. Cooper: 5.00%	Cities Service: A
3	Section 23: E/2 SE/4	80.00	NM-0417385 8-31-73	USA	12.5	Mary L. Kirk	None	Kirk: A11
4	Section 22: S/2 Section 23: N/2, SW/4, W/2 SE/4	880.00	NM-0417385A 8-31-73	USA	12.5	Sun Oil Company	Mark L. Kirk: 5.00%	Sun: A11
5	Section 9: A11 Section 10: A11 Section 11: NW/4 NW/4	1,320.00	NM-0417506 8-31-73	USA	12.5	The Superior Oil Company	Morris W. Newman & Robert J. Newman Production Payment \$750/acre out of 5.00%	Superior: A11

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			DATE OF LEASES (New Mexico Serials)						
12	Section 21: A11	640.00	NM-0480073-A 12-31-73	USA	12.5	Phillips Petroleum Company	Margaret Allen: 2.00% Donald E. Allen: .25% Mary L. Tuttle: .75% Erving Wolf: 2.00%	Phillips: A11	
13	Section 11: SW/4 NW/4, N/2 NE/4, N/2 SE/4, S/2 SW/4 Section 12: NW/4 NW/4, W/2 SW/4, W/2 SE/4 Section 13: NE/4 NW/4, SW/4 NW/4, NE/4 NE/4, SW/4 NE/4, NE/4 SW/4, SW/4 SW/4, NE/4 SE/4, SW/4 SE/4	800.00	NM-0530990 7-31-74	USA	12.5	Marjorie J. Hoover & Ray O. Traylor (1)	Marjorie J. Hoover: 2.5% Ray O. Traylor: 2.5%	Clayton W. Williams, Jr.: A11	
14	Section 12: NE/4	160.00	NM-12845 1-31-81	USA	12.5	Exxon Corporation	Central Southwest Oil Corp: 5.00%	Exxon: A11	
15	Section 4: Lot 4	39.97	NM-17596 2-28-83	USA	12.5	Beard Oil Company	None	Beard: A11	
12 Federal Tracts 9,518.32 acres, or 93.70% of Unit Area									
16	Section 16: NE/4 NW/4, N/2 NE/4, S/2 N/2,S/2	600.00	K-4044 4-21-74	State	12.5	Sun Oil Company	None	Sun: A11	

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17	Section 16: NW/4 NW/4	40.00	L-3651 10-21-79	State	12.5	Del-Lea, Inc.	None
	2 State Tracts 640 acres, or 6.30% of Unit Area						
TOTAL: 17 Tracts 10,158.32 acres in entire Unit Area.							

NOTE: (1) Mrs. Hoover and Mr. Traylor have agreed to sell this lease to Griffin, Ross & Burnett, Inc., retaining a 5% overriding royalty. Griffin, Ross & Burnett, Inc. have in turn agreed to sell this lease to Clayton W. Williams, Jr. The necessary instruments to effect this transfer in ownership are now being prepared and will be filed for approval as soon as possible.

State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

April 30, 1973

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Griffin, Ross & Burnett, Inc.
2102 Wilco Building
Midland, Texas 79701

Re: File No. 2217
Badger Unit
Eddy County, New Mexico

ATTENTION: Mr. Kenneth H. Griffin

Gentlemen:

In reply to your letter of April 23, 1973, in connection with the subject unit, we have no objection to the unit area as outlined in your proposal.

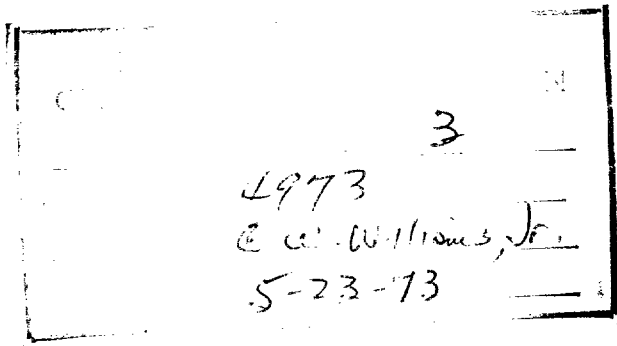
Approval of the proposed unit will be conditioned on receipt of a unit agreement which will meet all the requirements of the Commissioner of Public Lands and also that will be acceptable by the United States Geological Survey and the Oil Conservation Commission.

Very truly yours,

Ray D. Graham

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s





UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

MAY 15 1973

Griffin, Ross & Barnett, Inc.
2102 Wilco Building
Midland, Texas 79701

Attention: Mr. Kenneth H. Griffin

Gentlemen:

Your application dated April 24, 1973, filed on behalf of Clayton W. Williams, Jr., with the Area Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of the Badger unit area embracing 10,158.32 acres, more or less, Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

The land outlined on your plat marked "Exhibit A, Badger Unit," is hereby designated as a logical unit area. The unit agreement submitted for the area designated should be identical to the Form of Agreement for Unproved Areas (1968 reprint) modified to include appropriate language required for State of New Mexico lands, the potash protection language proposed as a new section on page 2 of your application, and should provide for the drilling of the initial well to test the Siluro-Devonian or to a depth of 15,500 feet.

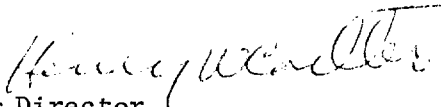
In the absence of any other type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical to the 1968 reprint, modified as outlined above, and approved by the appropriate officials of the State of New Mexico, will be approved if submitted in approvable status within a reasonable period of time. However, the right is reserved to deny approval of any executed unit agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

Please include the latest status of all acreage when the executed agreement is submitted for final approval. The format of the sample exhibits attached to the 1968 reprint of the standard form should be followed closely in the preparation of Exhibits A and B.

FILED	APR 27 1973
COPIES	4
4773	
C. W. Williams, Jr.	
Hearing Date	5-23-73

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

Sincerely yours,


Acting Director

5
4973
C. W. Williams, Jr.
5-23-73

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 Badger 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 _____.

Oil and Gas Supervisor, United States Geological Survey

Contract Number _____.