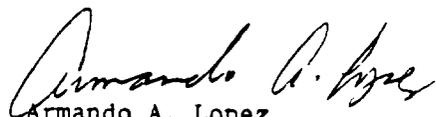


When the executed agreement is transmitted to the BLM for approval, include the latest status of all acreage. In preparation of Exhibits "A" and "B", follow closely the format of the sample exhibits attached to the reprint of the aforementioned form.

Sincerely,



Armando A. Lopez
Assistant District Manager,
Minerals

2 Enclosures:

- 1 - Page 24 of Unit Agreement
- 2 - Exhibit B

SECTION 24. EFFECTIVE DATE AND TERM. This Agreement shall become binding upon each party who executes or ratifies it as of the date of execution or ratification by such party and shall become effective as of 7:00 a.m. Eddy County, New Mexico local time on the later of (1) January 1, 1992 or (2) the first day of the calendar month next following the approval of this Agreement by all of the Working Interest Owners and all of the Royalty Owners and final approval of this Agreement by the A.O. and the approval of the Plan of Operations by the A.O. and the Division.

If this Agreement does not become effective on or before January 1, 1993, it shall ipso facto expire on said date (hereinafter called "Expiration Date") and thereafter be of no further force or effect, unless prior thereto this Agreement has been executed or ratified by Working Interest Owners owning a combined Participation of at least eighty percent (80%); and at least seventy-five percent (75%) of such Working Interest Owners committed to this Agreement have decided to extend Expiration Date for a period not to exceed one (1) year (hereinafter called "Extended Expiration Date"). If Expiration Date is so extended and this Agreement does not become effective on or before Extended Expiration Date, it shall ipso facto expire on Extended Expiration Date and thereafter be of no further force and effect.

Unit Operator shall file for record within thirty (30) days after the Effective Date of this Agreement, in the office of the County Clerk of Eddy County, New Mexico, a Certificate of Effectiveness describing the lands and unitized formation committed and stating the effective date of the Agreement.

The term of this Agreement shall be for and during the time that Unitized Substances are produced ^{in paying quantities} from the unitized land and so long thereafter as drilling, reworking or other operations (including improved recovery operations)

EXHIBIT 'B'
 SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF
 OIL AND GAS INTERESTS IN ACCORDANCE WITH THE PARTICIPATION FORMULA
 FOR THE UNITIZED FORMATION FOR THE TAWANO (BSSC) UNIT
 EDOY COUNTY, NEW MEXICO

Tract No.	Description of Land	Acres	Serial No. & Eff. Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage	Percentage Participation of Tract in Unit
R	NE/4NE/4 Section 11	40	LC-062052	USA 12.5	Francis H. Hudson 50%	Margaret Balch Masters 2.000000	James H. Yates, Inc. .035000	1.44914
nd 05	1-10-S, R-31-E		12-15-39		Delmar H. Lewis 50%	Betty Balch Stridmeyer .250000	Colbelen Corp. .035000	
			Exchange		Richard R. Hudson, Jr.	Kerren Elizabeth Charles .003334	Explorers Pet. Corp. 2.469375	
			12-1-50		William R. Hudson, II.	Katherine Mary Scott .003333	Edby, Ltd. 1.250000	
					Trustees U/Y Edward R. Hudson	Mary Elizabeth Balch .003333	Merco Employees Ltd. 1.205000	
						Margaret Jane Johnson 1.250000	Spiral, Inc. 3.719375	
						San Diego Trust & Savings Bank, Trustee U/A dated 5/26/83 for Balch	Yates Energy Corp. 15.785464	
						A. Shupert 1.250000	Merco Dev. Corp. 25.420766	
						Francis H. Hudson 1.593750	AMCO Oil & Gas Co. 50.000000	
						Delmar H. Lewis 1.593750		
						Edward R. Hudson, Jr. & William A. Hudson, II, Trustees U/Y Edward R. Hudson		
						Moore & Shelton Co., Ltd. 1.125000		
						Sally Needer-Roberts .250000		
						O. E. Groves .250000		
						Explorers Petroleum Corp. .024344		
						Edby, Ltd. .012500		
						Merco Employees, Ltd. .012500		
						Spiral, Inc. .034844		
						Yates Energy Corp. .157855		
						Merco Development Corp. .247207		
						H. I. Wynn .008750		

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EXHIBIT 'B'
 SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF
 OIL AND GAS INTERESTS IN ACCORDANCE WITH THE PARTICIPATION FORMULA
 FOR THE UNITIZED FORMATION FOR THE TAMANO (BSSC) UNIT
 EDDY COUNTY, NEW MEXICO

Tract No.	Description of Land	Acres	Serial No. & Eff. Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage	Percentage of Participation of Tract in Unit		
1	5/29E/4 Section 10	80	LC-029388-A 12-15-30	USA 12.5	Francis M. Hudson ^{50%} Delmar N. Lewis ^{50%} Edward R. Hudson, Jr. ^{5%} William K. Shelton, II, ^{5%} Trustee U/V Edward R. Hudson	John W. Higgins First Interstate Bank of Rosewell, Trustee U/V Geraldine O. Johnson S. P. Johnson, III & Patricia J. Cooper Trustee U/V of S. P. Johnson, Jr. Lodewick Energy, Inc. Richard B. Lodewick Laura Patricia Lodewick John Widery Lodewick Laura B. Lodewick Spindletop Exploration Co. Katherine Mary Scott Betty Balsh Strohmeyer Margaret Balsh Masters Ralph A. Shugart, Jr. San Diego Trust & Savings Bank, Trustee U/A dated 5/26/83 for Ralph A. Shugart Margaret Jane Johnson NCRB Tr. Nat'l Bank & C. R. Mallison, Trustees of the Selma E. Andrews Trust dated 5/8/69 Braille Institute of America Karen Elizabeth Charles	Marathon Oil Company Permoll Exploration & Production Company Valenco Oil & Gas Co. Francis M. Hudson Delmar N. Lewis Edward R. Hudson, Jr., & William A. Hudson, II, Trustees U/V Edward R. Hudson Moore & Shelton Co., Ltd.	375000 2,125000 2,125000 2,125000 2,08333 2,08333 2,08333 625000 500000 100000 100000 300000 2,400000 1,250000 250000 1,500000 268525 231475 100000	25,000000 29,208760 20,791240 5,312500 5,312500 10,425000 3,750000	1.74951

ILLEGIBLE

EXHIBIT 'B'
 SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF
 OIL AND GAS INTERESTS IN ACCORDANCE WITH THE PARTICIPATION FORMULA
 FOR THE UTILIZED FORMATION FOR THE TAMANO (BSSC) UNIT
 EDOY COUNTY, NEW MEXICO

Tract No.	Description of Land	Acres	Serial No. & Eff. Date	Basic Royalty Owner and Percentage	Lessee of Record	Overriding Royalty Owner and Percentage	Working Interest Owner and Percentage	Percentage Participation of Tract in Unit
6	U/2SU/6 Section 11	80	LC-062052 12-15-39 Exchange	USA 12.5	Francis M. Hudson ^{50%} Delmar H. Lewis ^{50%} Edward R. Hudson, Jr. William M. Hudson, II, Trustee U/V Edward R. Hudson	Margaret Balsh Masters 2.000000 Betty Balsh Strohmayer .250000 Karen Elizabeth Charles .003334 Katherine Mary Scott .003333 Mary Elizabeth Balsh .003333 Margaret Jane Johnson 1.250000 San Diego Trust & Savings Bank, Trustee U/A dated 5/26/83 for Ralph A. Shugart 1.250000	Narathon Oil Company 66.666667 Francis M. Hudson 7.003334 Delmar H. Lewis 7.003333 Edward R. Hudson, Jr. & William A. Hudson, II, Trustees U/V Edward R. Hudson 14.166667 Moore & Shelton Co. Ltd. 4.000000	12.52820

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June 20, 1991

Working Interest Owners
Tamano (BSSC) Unit

Re: Change to Unit Operating Agreement
Tamano (BSSC) Unit
Eddy County, New Mexico

To the Working Interest Owners:

In the hopes of achieving 100% sign-up to the Unit Agreement and the Unit Operating Agreement for the Tamano (BSSC) Unit in advance of the New Mexico Oil Conservation Division hearing on June 27, 1991, Marathon has agreed with Pennzoil Exploration and Production Company to change the voting procedure in the Unit Operating Agreement to provide that passage of any item voted on shall only occur upon the affirmative vote of three Working Interest Owners owning 80% of total Unit Participation.

To facilitate this change you will find enclosed replacement pages for pages 6 and 7 of the Unit Operating Agreement sent to you by overnight mail on June 13, 1991. Please remove pages 6 and 7 from the document as originally sent to you and replace them with these two new pages. Please then execute the signature pages for the Unit Operating Agreement, Unit Agreement and Amendment to Unit Agreement as sent to you last week and return them to me. If you have already executed these pages and returned them, and wish to withdraw your execution of any of the documents because of this change, please let me know and I will return your signature pages to you. If I do not hear from you then I will assume you are in agreement with the change. Both Marathon and Pennzoil will be executing the Unit Operating Agreement in this amended form and we would encourage you to do likewise.

If you have any questions at all regarding this change please call me at your earliest convenience.

Very truly yours,

Thomas C. Lowry
Attorney

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