

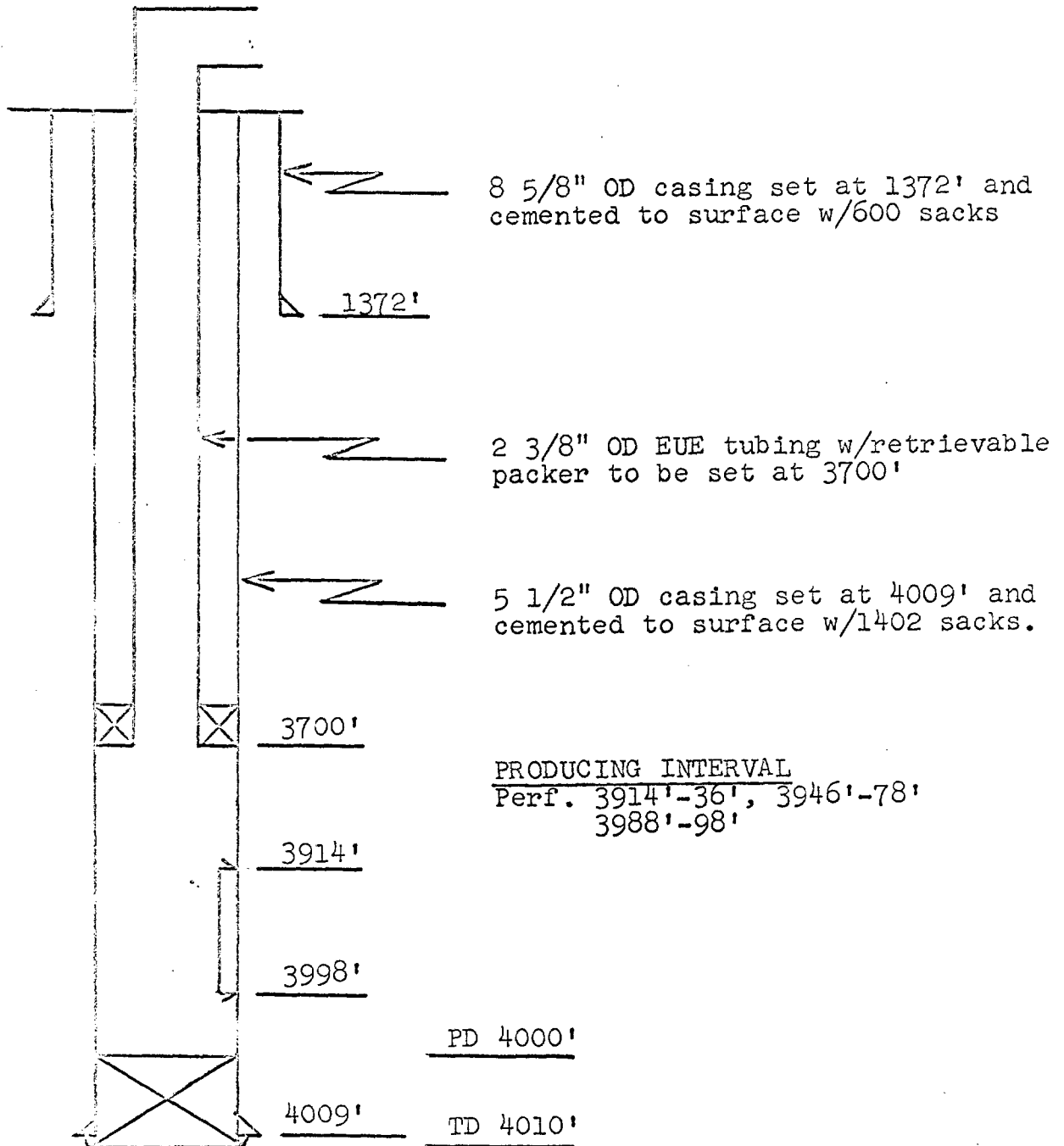
REED-SANDERSON UNIT - INJECTION WELL DATA

Company, Lease and Well No.	Total Depth and/or PBD	SURFACE CASING		PRODUCTION CASING		PRODUCING INTERVAL Perforations/OH		
		Size	Depth	Cement	Size		Depth	Cement
CONTINENTAL OIL COMPANY								
Reed A-3 No. 7 660'FNL&1980'FWL Sec. 3-20-36	3950'/3933'	8 5/8"	1339'	650	5 1/2"	3950'	1203	3810'-3902'
Reed A-3 No. 9 1980'FNL&660'FWL Sec. 3-20-36	4010'/4000'	8 5/8"	1372'	600	5 1/2"	4009'	1402	3914'-36', 3946-78', 3988-98'
Reed A-3 No. 10 1980'FSL&FWL Sec. 3-20-36	3950'/3946'	8 5/8"	1334'	650	5 1/2"	3949'	1045	3806-46', 3862'-82', 3888-98', 3910-30'
Reed A-3 No. 13 660'FSL&660'FWL Sec. 3-20-36	4000'/3992'	8 5/8"	334'	225	5 1/2"	3999'	1530	3793-3810, 3824-46', 3860-76', 3888-3930', 3944-60', 3972-86'
Reed A-3 No. 14 660'FSL&2310'FEL Sec. 3-20-36	4000'	8 5/8"	318'	250	5 1/2"	3999'	1395	3784-3838', 3848'-82', 3892-3908', 3918-28', 3942-50'
Reed A-3 No. 16 (to be drilled) 1980'FNL&1980'FEL Sec. 3-20-36	3860'	7 5/8"	400'	250	4 1/2"	3860'	400	3790-3860' (overall)
Jim Hewes No. 2 1980'FSL &660'FEL Sec. 4-20-36	4100'/4092'	8 5/8"	343'	250	5 1/2"	4099'	1391	3866-98', 3908-24', 3929-38', 3972-84', 3989-4010', 4026-60'
Leonard No. 3 1980'FNL&660'FWL Sec. 10-20-36	4020'/4017'	8 5/8"	339'	250	5 1/2"	4019'	1225	3796-3805', 3811-27', 3910-14', 3920-75', 3980-98', 4006-14'
Argo Leonard No. 1 2310'FSL&FWL Sec. 10-20-36	4030'	8 5/8"	300'	200	5 1/2"	4029'	2300	3838-44', 3856-79', 3882-86', 3903-13', 3918-30', 3946-48', 3958-62'
Sanderson B-1 No. 6 660'FNL&1990'FWL Sec. 10-20-36	4060'/3996'	8 5/8"	325'	225	5 1/2"	4059'	1439	3790-3800', 3810-34', 3870-86', 3902-08', 3917-24', 3928-32', 3954-75'
Sanderson B-4 No. 1 660'FNL&FEL Sec. 4-20-36	4100'/4090'	8 5/8"	322'	225	5 1/2"	4099'	1308	3894-3910', 3932-58', 4001-08', 4020-50', 4065'-79'
Sanderson B-9 No. 1* 660'FNL&660'FEL Sec. 9-20-36	10640'/4083'	13 3/8"	634'	650	7"	4099'	125	3950-65', 3981-4007', 4016-27', 4038-48'
TWO STATES								
Etcheverry Well No. 1 2310'FNL&1650'FEL Sec. 10-20-36	3894'	7 5/8"	243'	175	5 1/2"	3684'	250	OH 3684-3894'

*Sanderson B-9 No. 1 also has intermediate casing - 5/8" set at 3360' w/1864 sacks cement.

WATER INJECTION WELL DATA

Continental Oil Company
 Reed A-3 No. 9
 1980' FNL & 660' FWL Sec. 3-20-36
 Elev.: BHF - 3621'
 DF - 3631'

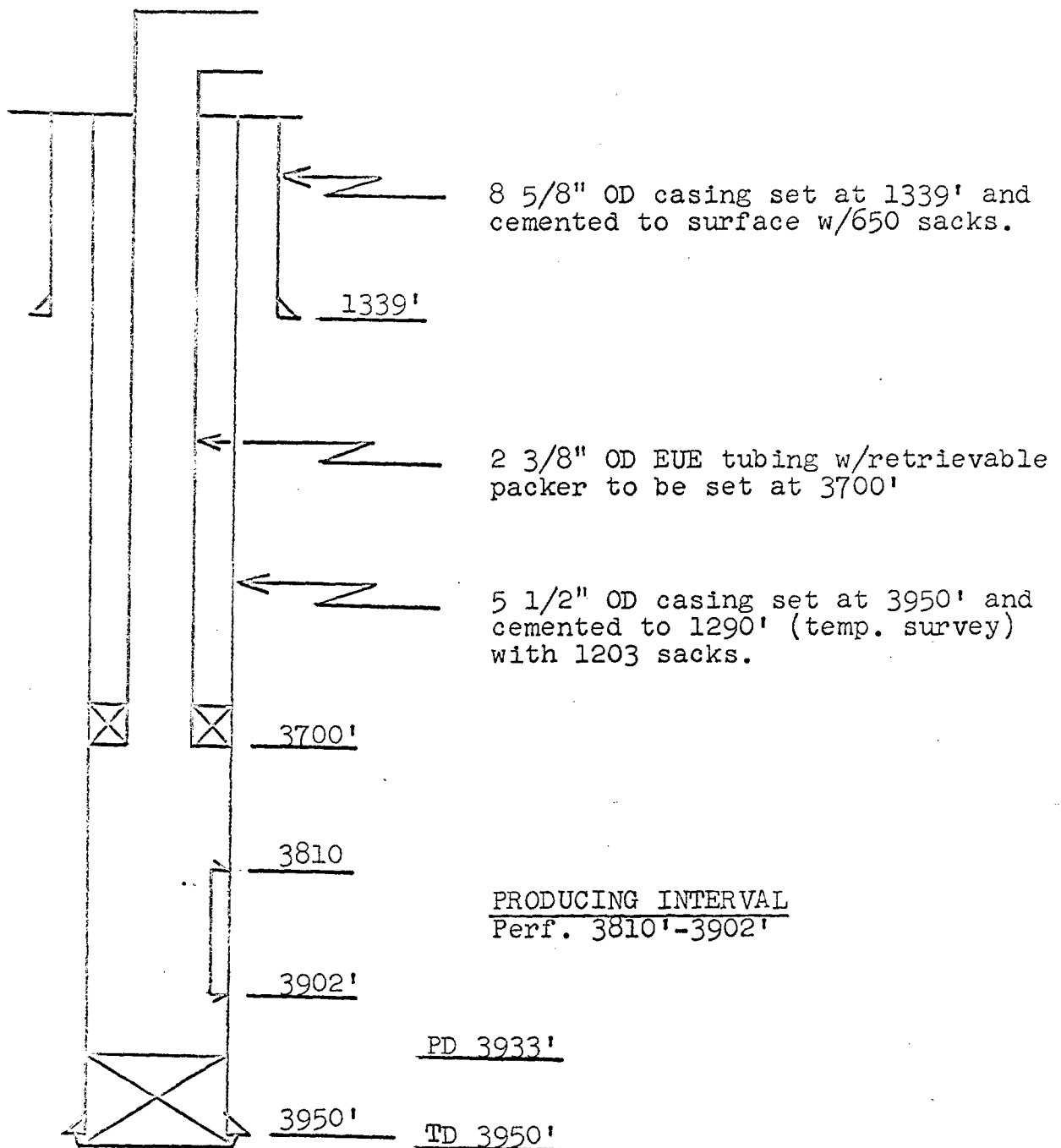


PROPOSED PROCEDURE

1. Tag bottom and tally out. Circulate and cleanout to PD of 4000'.
2. Run tubing with retrievable packer to be set at approximately 3700'.
3. Connect up well for injection down the tubing.

WATER INJECTION WELL DATA

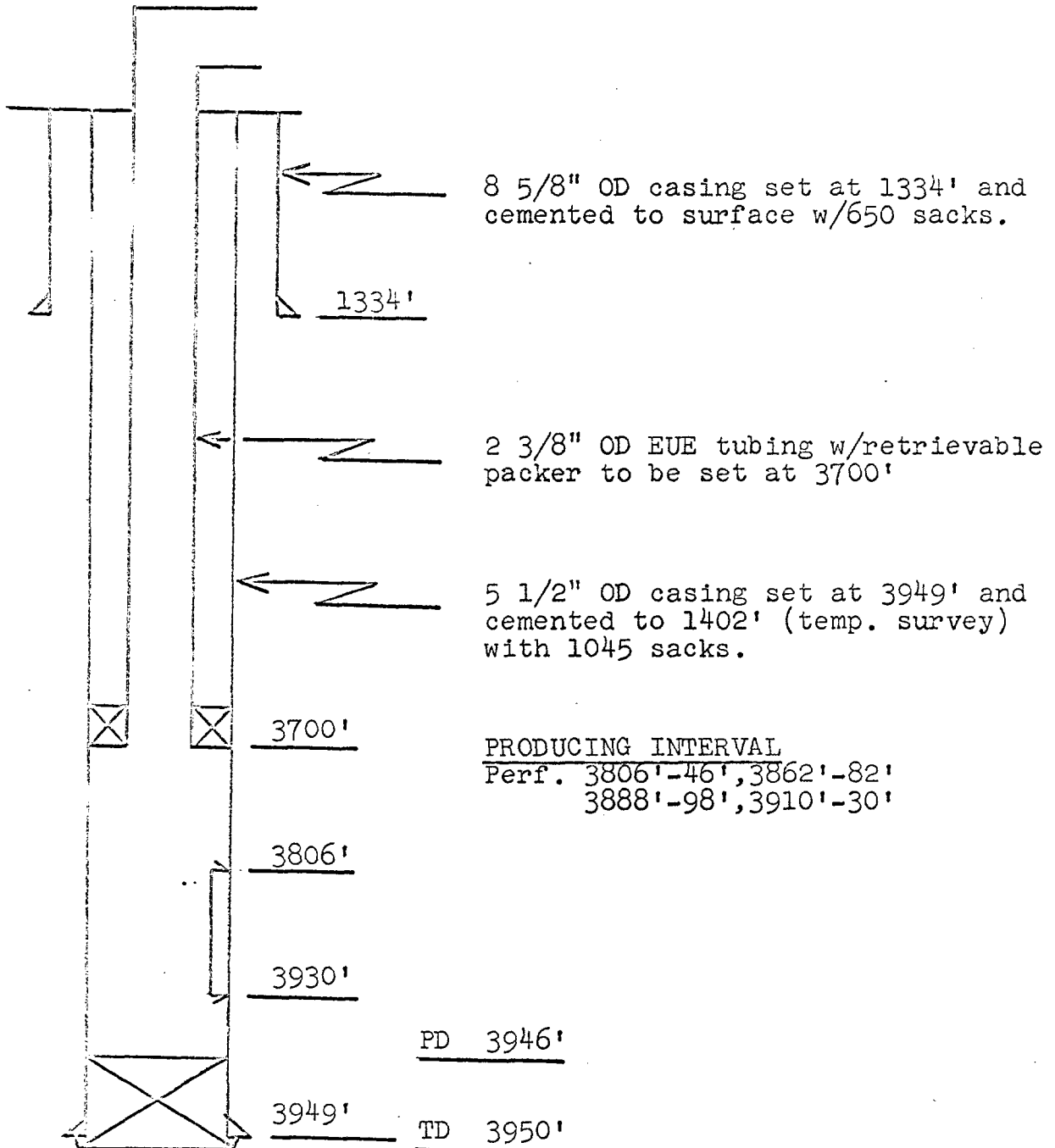
Continental Oil Company
 Reed A-3 No. 7
 660' FNL & 1980' FWL Sec. 3-20-36
 Elev.: BHF - 3616'
 DF - 3626'

PROPOSED PROCEDURE

1. Tag bottom and tally out. Circulate and cleanout to 3910'.
2. Run tubing with retrievable packer to be set at approximately 3700'.
3. Connect up well for injection down the tubing.

WATER INJECTION WELL DATA

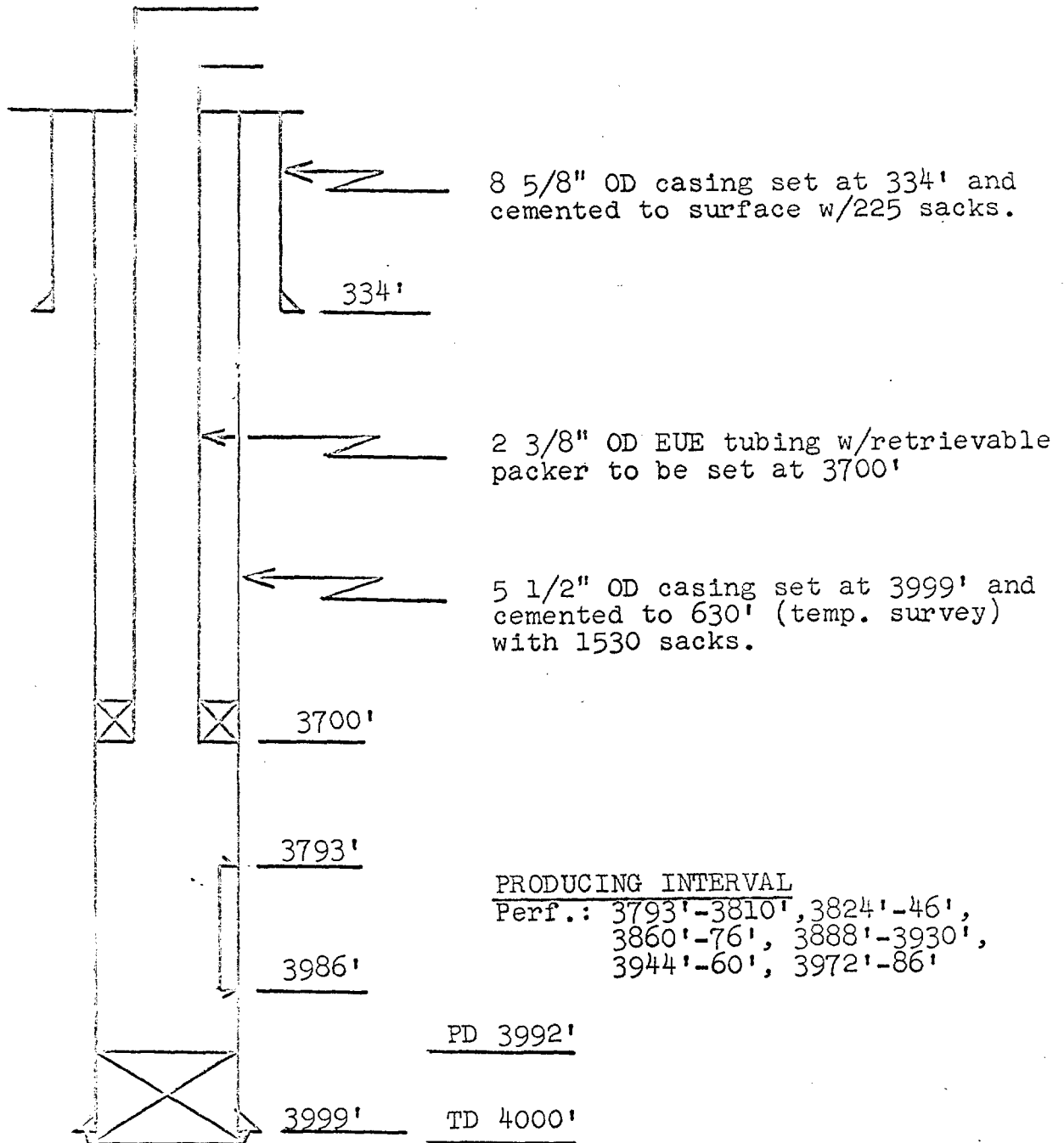
Continental Oil Company
 Reed A-3 No. 10
 1980' FSL & FWL Sec. 3-20-36
 Elev.: BHF - 3616'
 DF - 3626'

PROPOSED PROCEDURE

1. Tag bottom and tally out. Circulate and cleanout to 3935'.
2. Run tubing with retrievable packer to be set at approximately 3700'.
3. Connect up well for injection down the tubing.

WATER INJECTION WELL DATA

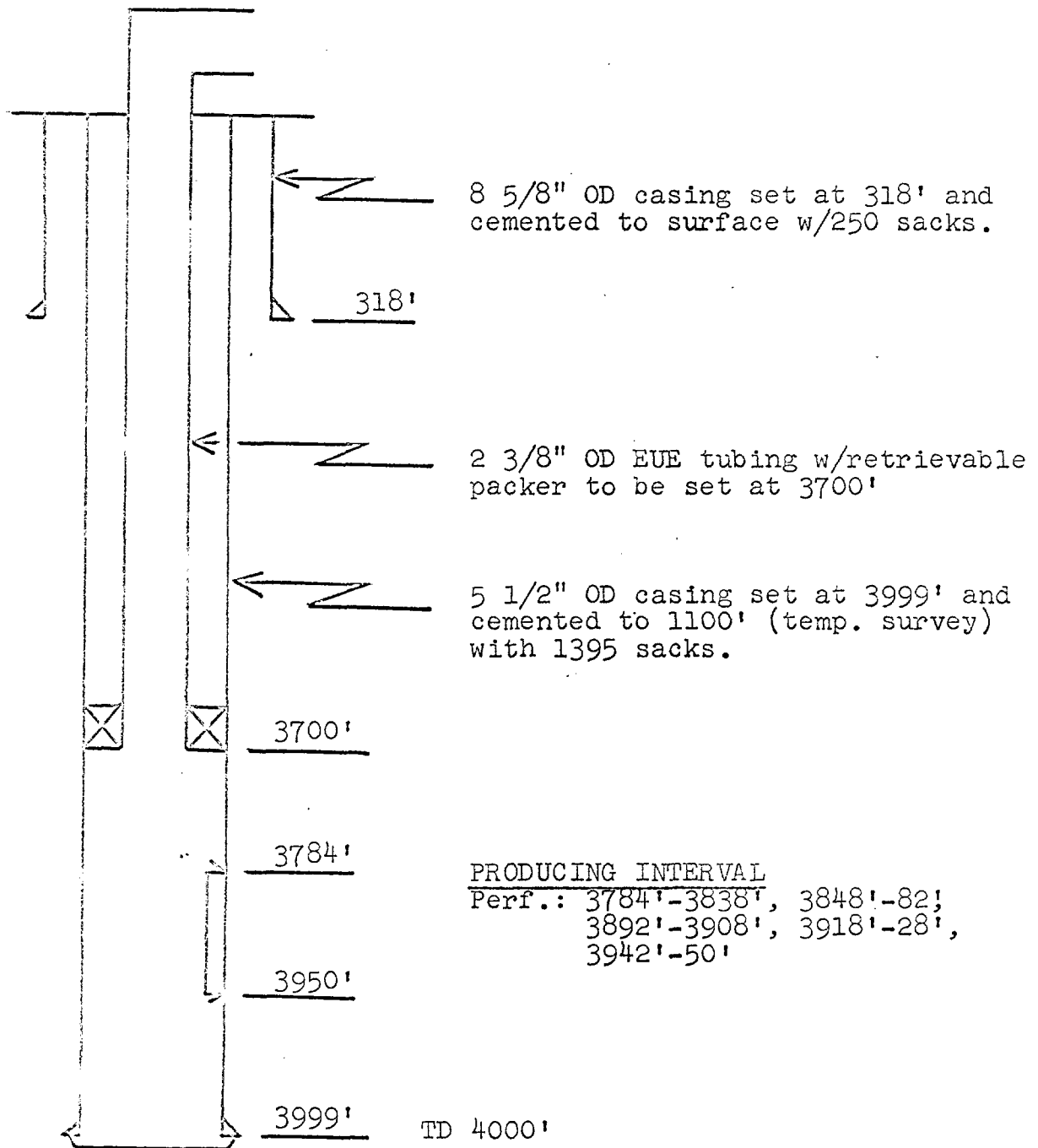
Continental Oil Company
 Reed A-3 No. 13
 660' FSL & 660' FWL Sec. 3-20-36
 Elev.: BHF - 3616'
 DF - 3626'

PROPOSED PROCEDURE

1. Tag bottom and tally out. Circulate and cleanout to PD of 3992'.
2. Run tubing with retrievable packer to be set at approximately 3700'.
3. Connect up well for injection down the tubing.

WATER INJECTION WELL DATA

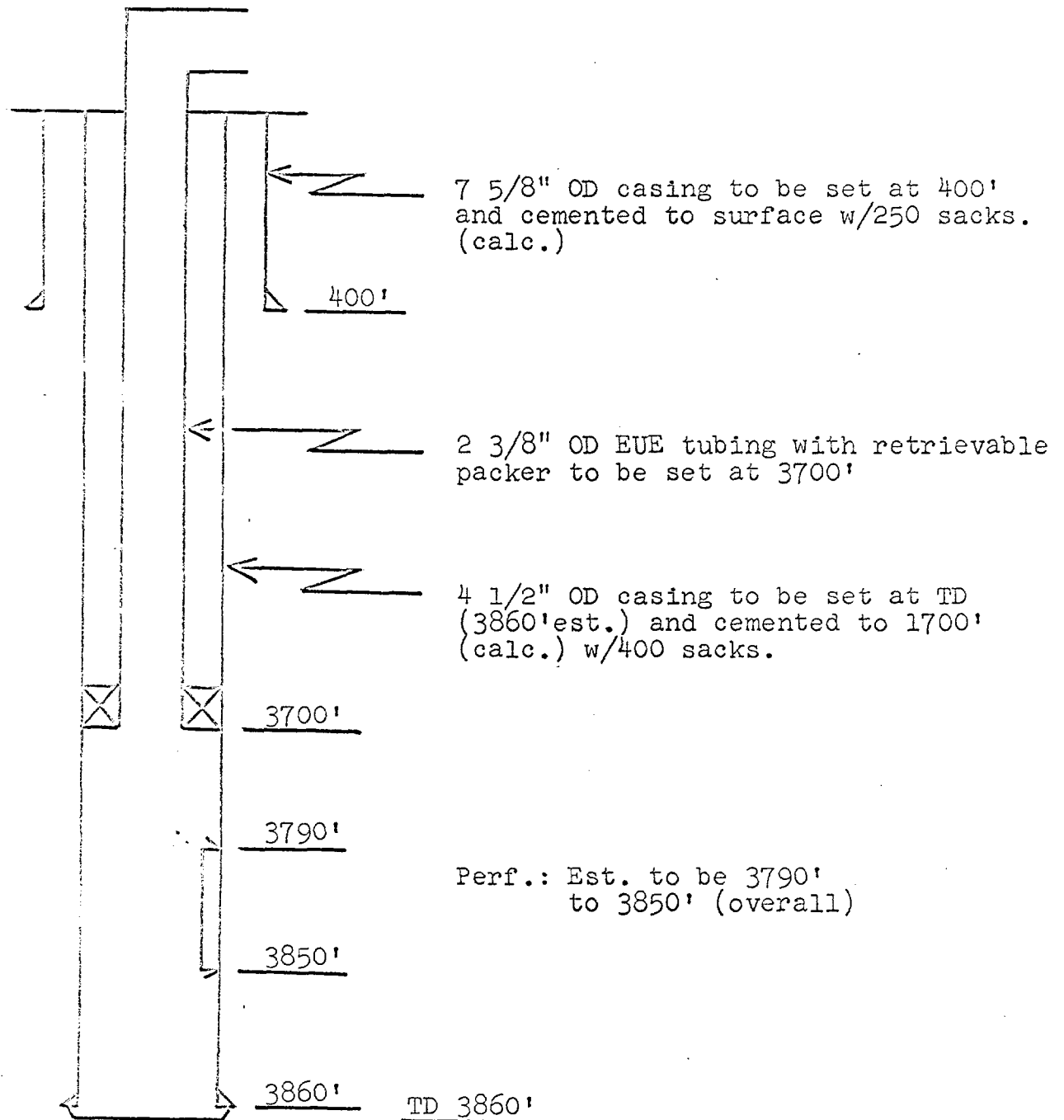
Continental Oil Company
 Reed A-3 No. 14
 660' FSL & 2310' FEL Sec. 3-20-36
 Elev.: 3609' - BHF
 3619' - DF

PROPOSED PROCEDURE

1. Tag bottom and tally out. Circulate and cleanout to 3950'.
2. Run tubing with retrievable packer to be set at approximately 3700'.
3. Connect up well for injection down the tubing.

WATER INJECTION WELL DATA

Continental Oil Company
 Reed A-3 No. 16
 1980' FN&EL Sec. 3-20-36
 (To Be Drilled)
 Elev.: BHF - 3610'(E)
 DF - 3620'(E)



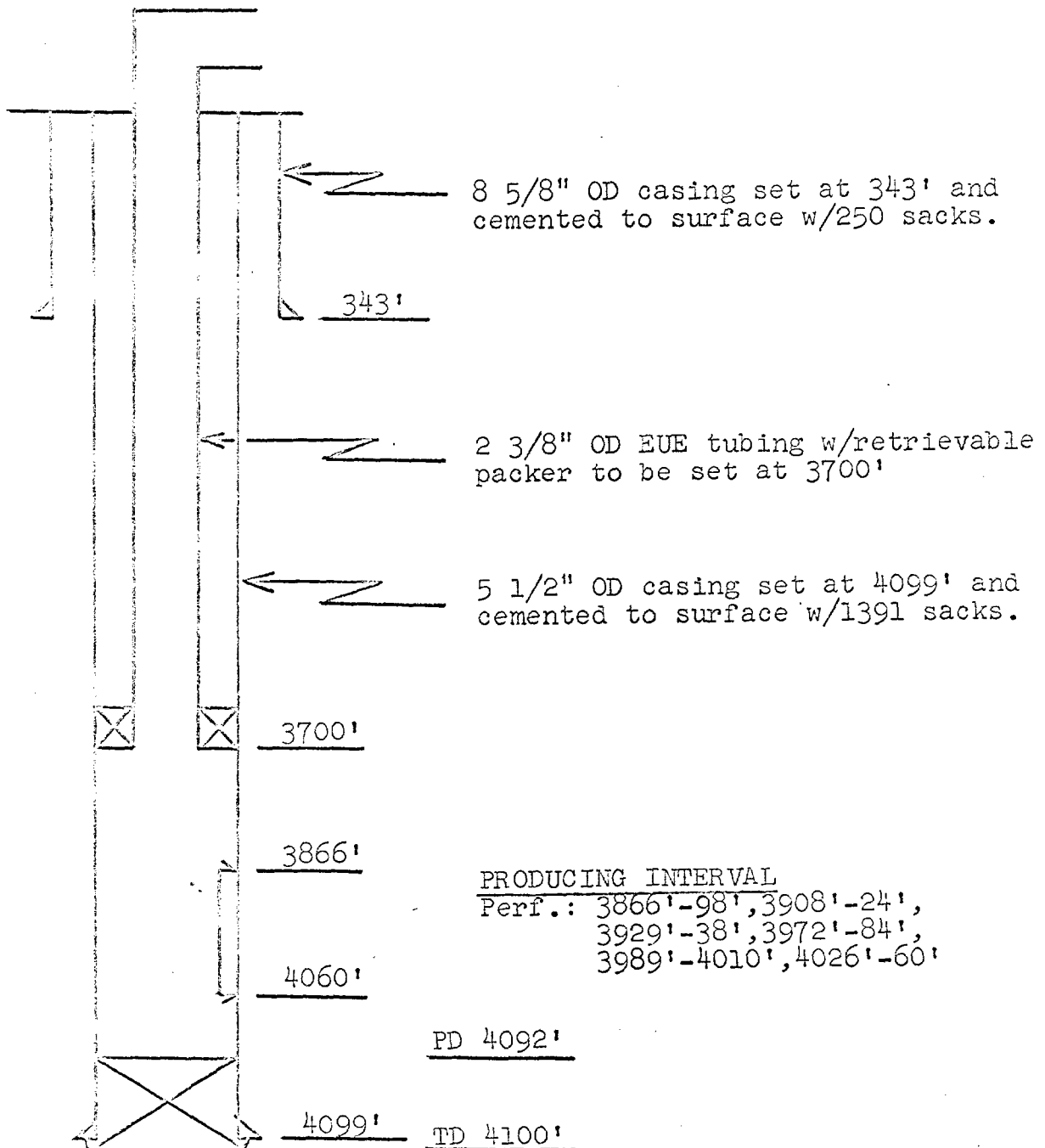
PROPOSED PROCEDURE

After well is completed (production string set and pay zone perforated and stimulated).

1. Run tubing with retrievable packer to be set 90' above top perforated zone (est. 3700').
2. Connect up well for injection down the tubing.

WATER INJECTION WELL DATA

Continental Oil Company
 Jim Hewes No. 2
 1980' FSL & 660' FEL Sec. 4-20-36
 Elev.: BHF - 3625'
 DF - 3635'

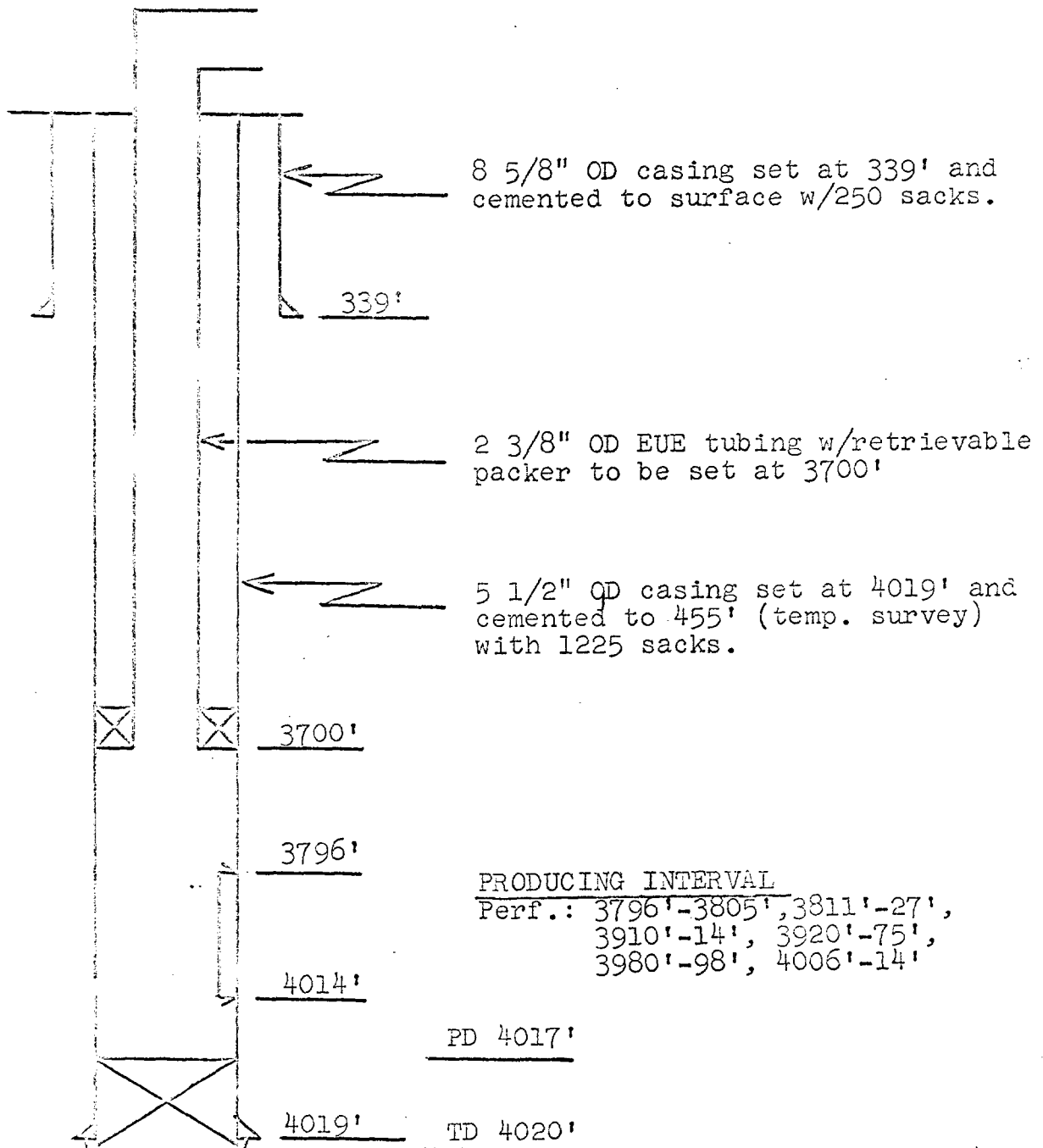
PROPOSED PROCEDURE

1. Tag bottom and tally out. Circulate and cleanout to 4065' (if necessary).
2. Run tubing w/retrievable packer to be set at approximately 3700'.
3. Connect up well for injection down the tubing.

Case 3463

WATER INJECTION WELL DATA

Continental Oil Company
Leonard No. 3
1980' FNL & 660' FWL Sec. 10-20-36
Elev.: BHF - 3598'
DF - 3608'

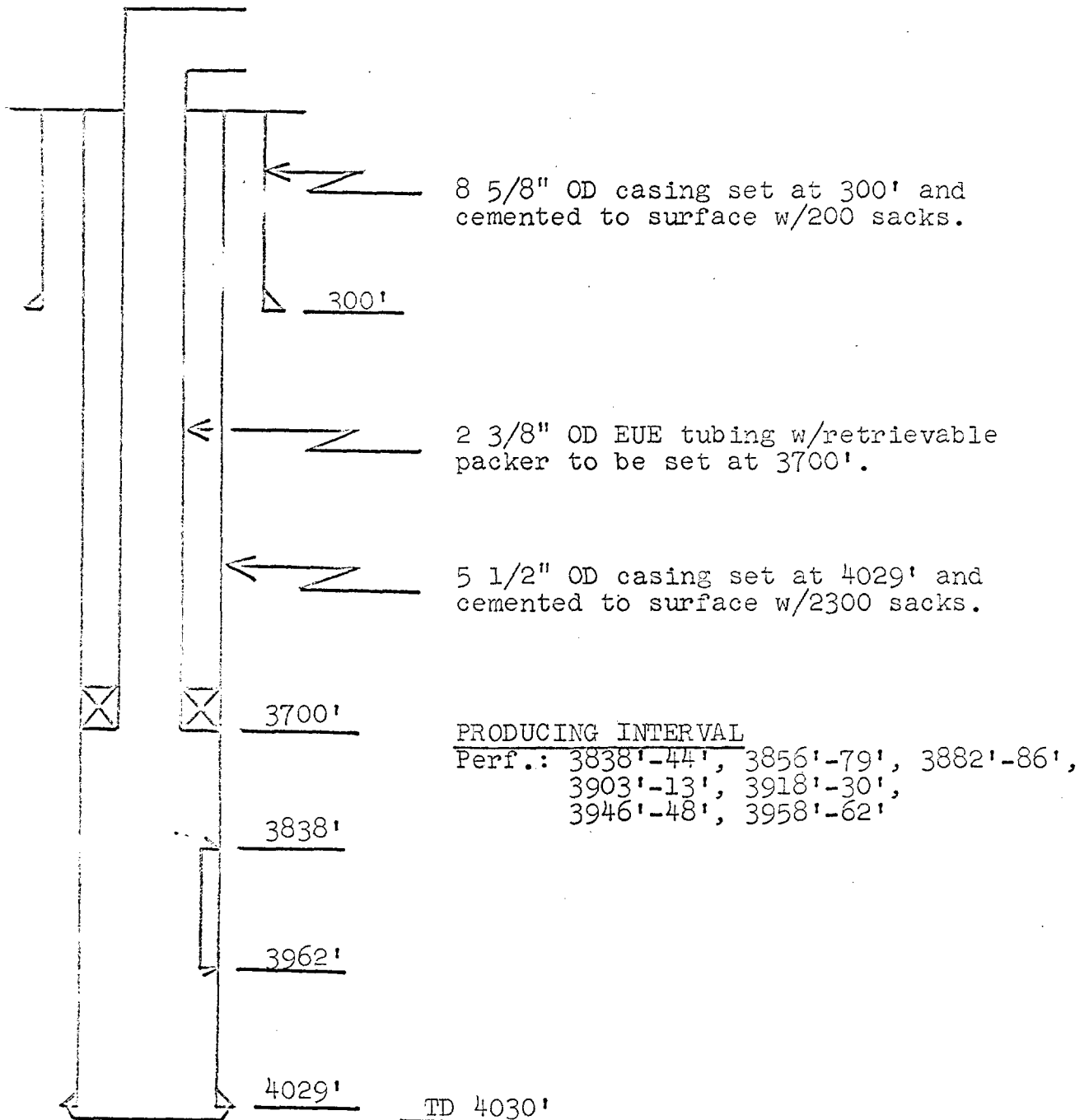


PROPOSED PROCEDURE

1. Tag bottom and tally out. Circulate and cleanout to PD of 4017'.
2. Run tubing w/retrievable packer to be set at approximately 3700'.
3. Connect up well for injection down the tubing.

WATER INJECTION WELL DATA

Continental Oil Company
 Argo Leonard No. 1
 2310' FSL & 2310' FWL Sec. 10-20-36
 Elev.: BHF - 3595'
 DF - 3605'

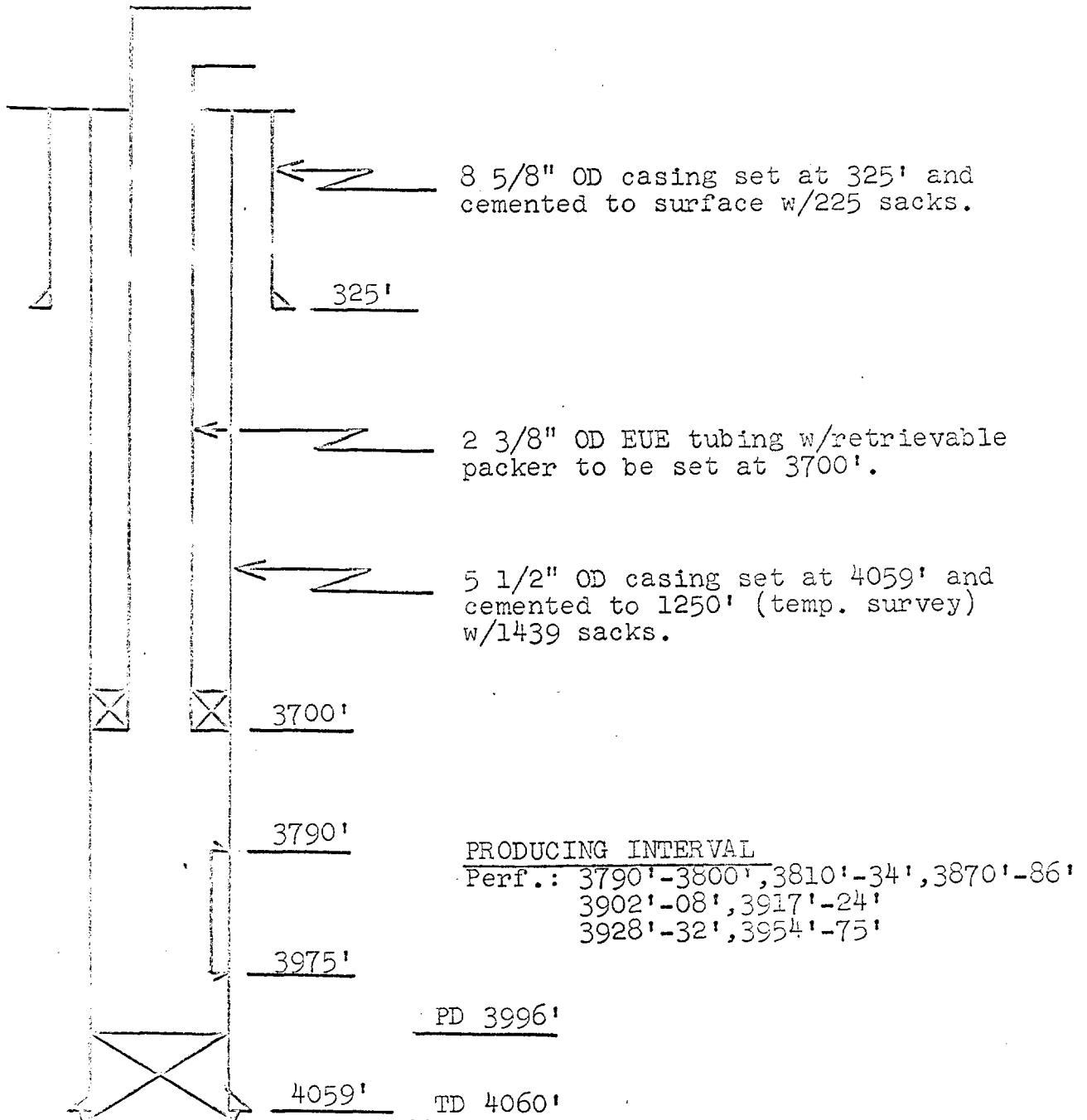
PROPOSED PROCEDURE

1. Tag bottom and tally out. Circulate and cleanout to 3970'.
2. Run tubing with retrievable packer to be set at approximately 3700'.
3. Connect up well for injection down the tubing.

WATER INJECTION WELL DATA

Case
3463

Continental Oil Company
Sanderson B-1 No. 6
660' FNL & 1990' FWL Sec. 10-20-36
Elev.: BHF - 3601'
DF - 3609'



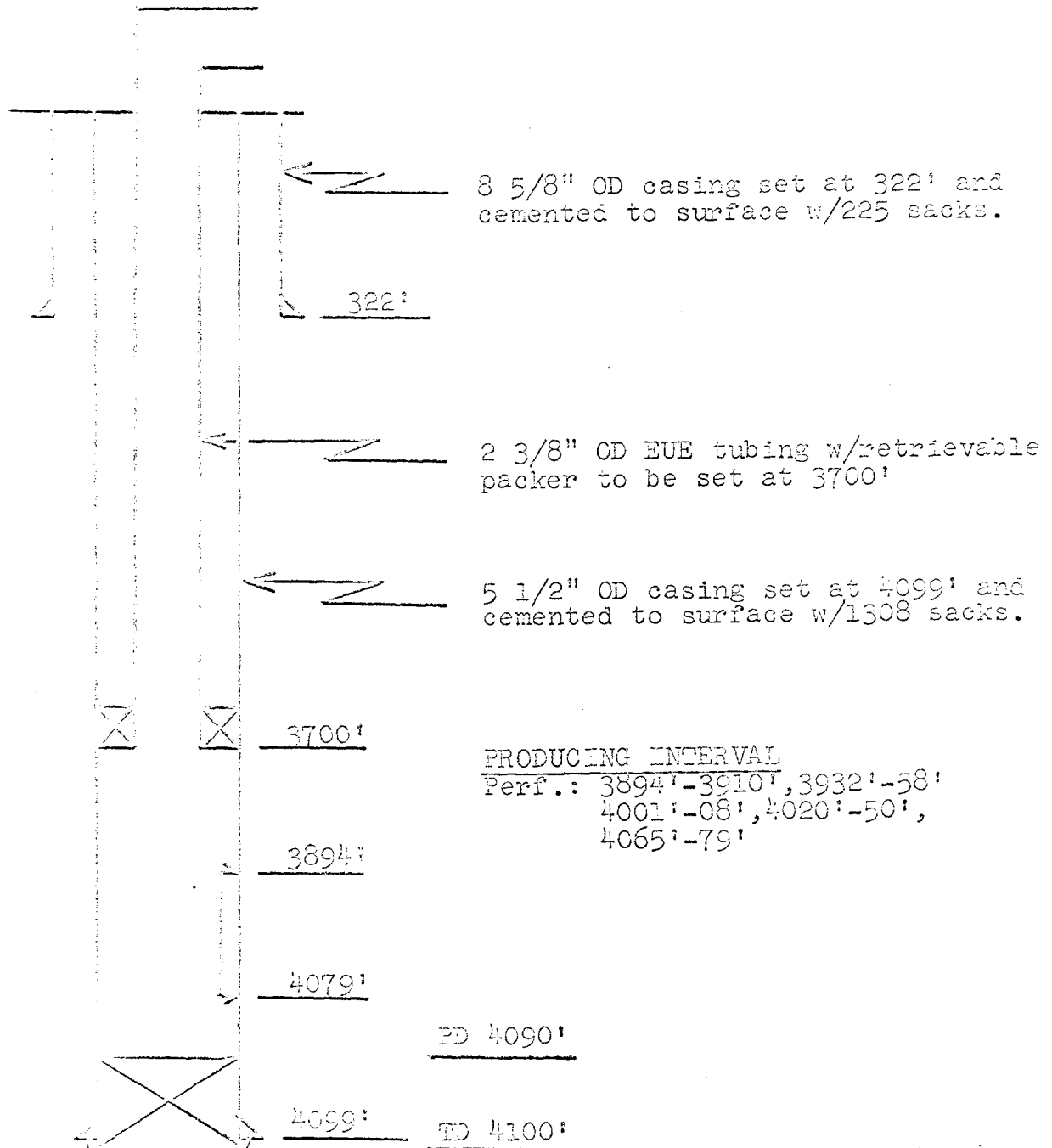
PROPOSED PROCEDURE

1. Tag bottom and tally out. Circulate and cleanout to 3980'.
2. Run tubing with retrievable packer to be set at approximately 3700'.
3. Connect up well for injection down the tubing.

Case 3463

WATER INJECTION WELL DATA

Continental Oil Company
Sanderson B-4 No. 1
.660' FN&EL Sec. 4-20-36
Elev.: BHF - 3628'
DF - 3638'

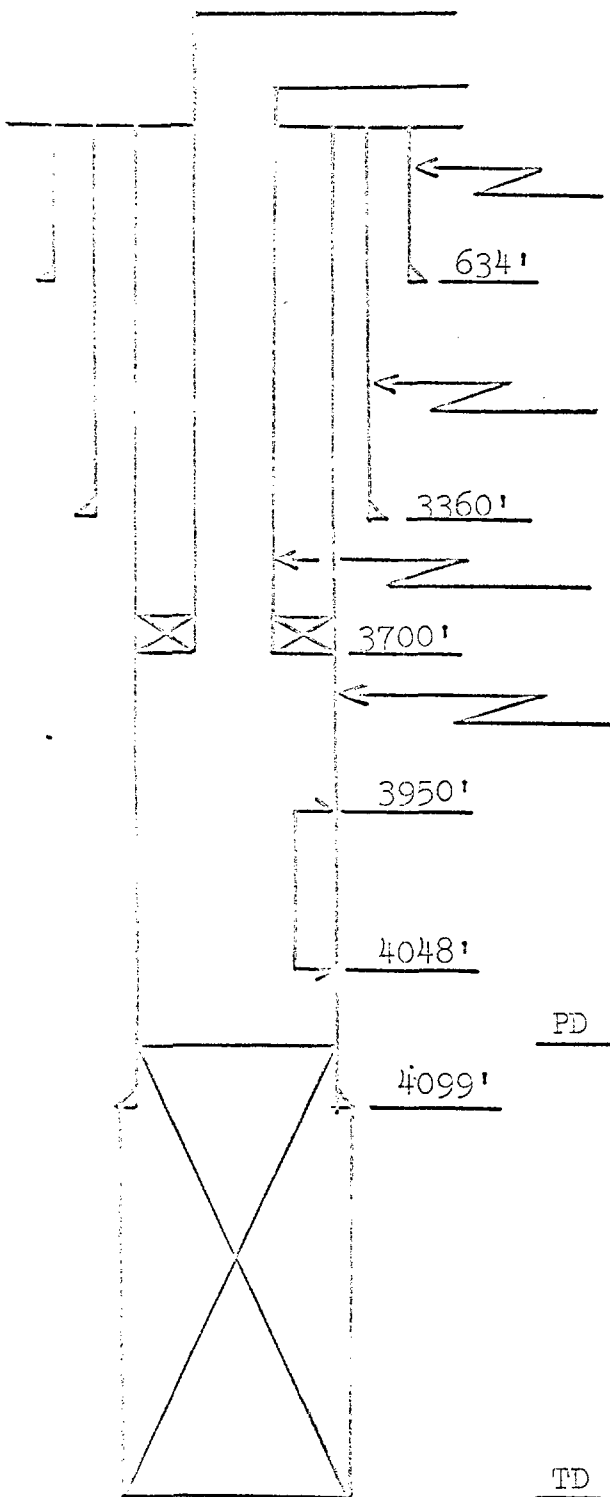


PROPOSED PROCEDURE

1. Tag bottom and tally out. Circulate and cleanout to 4085'.
2. Run tubing with retrievable packer to be set at approximately 3700'.
3. Connect up well for injection down the tubing.

WATER INJECTION WELL DATA

Continental Oil Company
 Sanderson B-9 No. 1
 660' FNL & 660' FEL Sec. 9-20-36
 Elev.: BHF - 3614'
 DF - 3626'



13 3/8" OD casing set at 634' and cemented to surface w/650 sacks.

9 5/8" OD casing set at 3360' and cemented to surface w/1864 sacks

2 3/8" OD EUE tubing w/retrievable packer to be set at 3700'.

7" OD casing set at 4099' and cemented to 2200' (temp. survey) with 125 sacks.

PRODUCING INTERVAL

Perf.: 3950'-65', 3981'-4007'
 4016'-27', 4038'-48'

PD 4083'

TD 10,640'

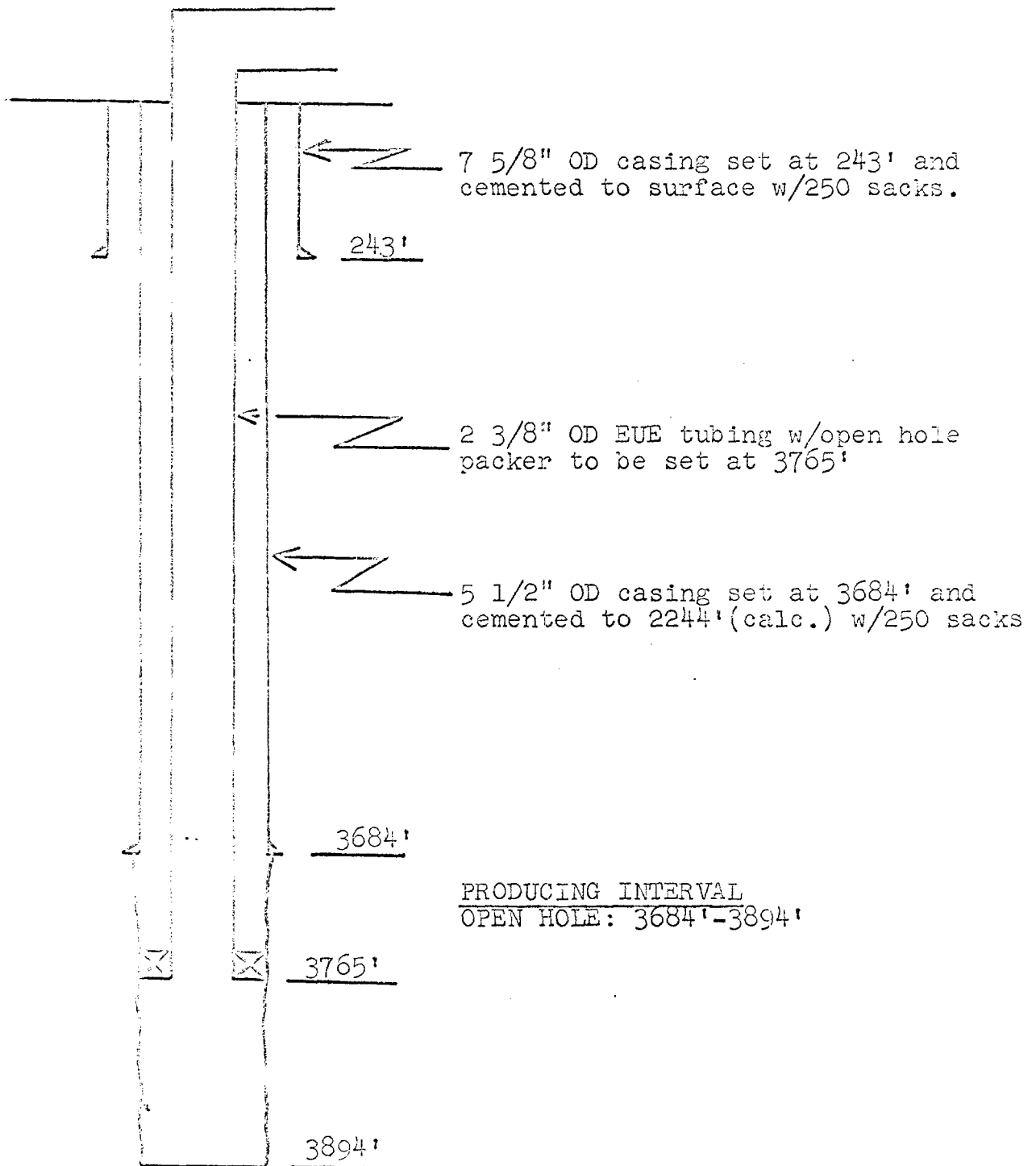
PROPOSED PROCEDURE

1. Tag bottom and tally out. Circulate and cleanout to 4055'.
2. Run tubing with retrievable packer to be set at approximately 3700'.
3. Connect up well for injection down the tubing.

Core 3463

WATER INJECTION WELL DATA

Two States
Etcheverry No. 1
2310' FNL & 1650' FEL Sec. 10-20-36
Elev.: BHF - 3590'
DF - 3600'



PROPOSED PROCEDURE

1. Tag bottom and tally out. Circulate and cleanout to 3894'.
2. Run tubing with open hole packer to be set at approximately 3765' (-165').
3. Connect up well for injection down the tubing.



CONTINENTAL OIL COMPANY

P. O. BOX 460
HOBBS, NEW MEXICO

PRODUCTION DEPARTMENT
HOBBS DISTRICT
L. P. THOMPSON
District Manager
G. C. JAMIESON
Assistant District Manager

February 9, 1967

1001 NORTH TURNER
TELEPHONE: EX 3-4141

U. S. Geological Survey
P. O. Box 1857
Roswell, New Mexico

Re: Reed-Sanderson Unit

Gentlemen:

As requested by your Mr. Carl Traywick by telephone we forward herewith six copies of the revised Schedule of Tract Participation and Revised Exhibit "B" to the Unit Agreement. The revised exhibit previously furnished you was based on a common multiplier for each tract rather than a re-calculation based on the participation formula. Please destroy the exhibits previously furnished you.

Yours very truly,

SIGNED

LPT-JS
Attach 6
cc: NMOCC-Santa Fe
Attach 1

RGP WRH w/o Attach

SCHEDULE OF PARTICIPATION PARAMETERS

<u>PROPOSED REED-SANDERSON UNIT</u>									
<u>Operator</u>	<u>Lease</u>	<u>Tract No.</u>	<u>Tract Current Prod. 1-1-64 to 11-1-64</u>	<u>40 x Tract Share of Total Current Prod.</u>	<u>Tract Est. Remaining Prim. Reserves as of 11-1-64</u>	<u>30 x Tract Share of Total Remaining Prim.</u>	<u>Tract Est. Ult. Primary Prod.</u>	<u>30 x Tract Share of Total Ultimate Prim.</u>	<u>Tract % Total Participation</u>
Continental	Reed A-3	1	28,603	23.53963	513,448	21.20801	1,180,000	17.48777	62.23541
Continental	Reed A-3	1a	3,727	3.06724	64,071	2.64646	241,000	3.57165	9.28535
Moss	Reed	1b	3,959	3.25817	75,595	3.12246	186,500	2.76396	9.14459
Continental	Sanderson B	2	5,600	4.60867	21,093	0.87125	204,500	3.03072	8.51064
Continental	Sanderson B	2a	1,193	0.98181	26,098	1.07798	46,900	0.69506	2.75485
Continental	Hewes	3	1,755	1.44433	4,483	0.18517	45,000	0.66691	2.29641
Continental	Walker	4	1,202	0.98922	7,912	0.32680	44,200	0.65505	1.97107
Continental	Leonard	5	400	0.32919	-0-	0.00000	12,441	0.18438	0.51357
Continental	Argo Leonard	6	310	0.25512	-0-	0.00000	4,831	0.07159	0.32671
Continental	Argo et al	7	1,855	1.52662	13,603	0.56187	58,900	0.87291	2.96140
TOTAL UNIT AREA			48,604	40.00000	726,303	30.00000	2,024,272	30.00000	100.00000

Feb. 6, 1967

Tract No.	Description of Land	No. of Acres	Serial No. & Exp. Date	Basic Royalty	Record Lessee	Overriding Royalty Owner & Percentage	Working Interest Owner and Percentage	Tract Partially (Percent)
(1208-R36E)								
1	Section 3 Lots 3 & 4 S/2 NW/4, SW/4	320.40	LC 030143(a) HBP	USA 12.5%	J. L. Reed	(See Append. Note #1)	Atl. Richfield Chevron Oil Co. Continental Oil Pan Am. Petro. 25.0 25.0 25.0 25.0	62.23541
1-A	Section 3 SW/4 NE/4 W/2 SE/4	120.00	LC 030143(a) HBP	USA Schedule C	J. L. Reed C	ditto	Atl. Richfield Chevron Oil Co. Continental Oil Pan Am. Petro. 25.0 25.0 25.0 25.0	9.28535
1-B	Section 3 Lot 2	40.27	LC 030143(a) HBP	USA Schedule C	J. L. Reed C	(See Append. Note #2)	H. S. Moss 100.0	9.14459
2	Section 4 Lot 1 Section 9, NE/4 NE/4 Section 10, N/2 NW/4	160.16	LC 031622(b) HBP	USA 12.5%	Helen Thompson Sanderson	None	Atl. Richfield Chevron Oil Co. Continental Oil Pan Am. Petro. 25.0 25.0 25.0 25.0	8.51064
2-A	Section 10, NW/4 NE/4	40.00	LC 031622(b) HBP	USA Schedule D	Helen Thompson Sanderson	None	Atl. Richfield Chevron Oil Co. Continental Oil Pan Am. Petro. 25.0 25.0 25.0 25.0	2.75485
Five Federal tracts, containing 680.83 acres or 65.41% of the Unit Area								
Five Federal tracts committed containing 680.83 acres or 70.86% of the committed Unit Area								
3	Section 4, NE/4 NE/4, SW/4 SE/4	80.00	HBP	(See Append. Note 3)	Atl. Richfield Chevron Oil Co. Continental Oil Pan American Petro.	(See Append. Note #4)	Apco Oil Co. Atl. Richfield Chevron Oil Continental Pan Am. 14.062500 21.484375 21.484375 21.484375 21.484375	2.29641

Tract No.	Description of land	No. of Acres	Serial No. & Exp. Date	Basic Royalty	Record Lessee	Overriding Royalty Owner & Percentage	Working Int. Owner and Percentage	Tract Partition (Percent)
4	Section 4, SE/4 SE/4	40.00	HBP	(See Append. Note #5)	Atlantic Richfield Chevron Oil Co. Continental Oil Pan Am. Petroleum	None	Atl. Richfield 25.0 Chevron Oil 25.0 Continental Oil 25.0 Pan Am. Petro. 25.0	1.97107
5	Section 9, SE/4 NE/4 Section 10, SW/4 NW/4	80.00	HBP	(See Append. Note #6)	Atlantic Richfield Chevron Oil Co. Continental Oil Pan Am. Petroleum	Apco 1.17187 J.H. Moore 0.39063	(See Append. Note #7)	0.51357
6	Section 10, NE/4 SW/4	40.00	HBP	(See Append. Note #8)	Atlantic Richfield Chevron Oil Co. Continental Oil Pan Am. Petroleum	Apco 0.58594 J.H. Moore 0.19531	(See Append. Note #9)	0.32671
7	Section 10, SE/4 NW/4	40.00	HBP	Bradley Prod. 3.12500% Atlantic Richfield 0.62500% Chase Manhattan Bank 11.87500% Ashland Oil & Refining 3.12500%	Atlantic Richfield Chevron Oil Co. Continental Oil Co. Pan Am. Petroleum	None	Amerada 25.0 Atl. Richfield 18.75 Chevron Oil Co. 18.75 Continental Oil 18.75 Pan American 18.75	2.96140
8	Section 10, SW/4 NE/4 NW/4 SE/4	80.00	HBP	Josefa Etcheverry 4.16667% Mary Black 8.333%	F. E. Vosburg	Gulf Oil 6.250	Two States Oil 50.00 Key States Oil 37.50 Herman Crile 12.50	0.0000

(Not Committed)

Six Patented tracts containing 360.00 acres or 34.59% of the Unit Area
Five Patented tracts committed containing 280.00 acres or 29.14% of the committed Unit Area.
Unit Area contains 1040.83 acres
Committed tracts contain 960.83 acres

UNIT AGREEMENT
REED-SANDERSON UNIT

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