

STATE OF OKLAHOMA)
) ss
COUNTY OF TULSA)

C E R T I F I C A T I O N

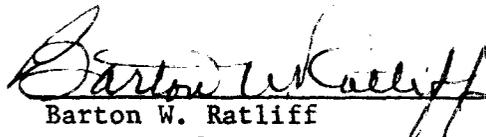
KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, the Skelly Penrose "A" Unit became effective as of 7:00 a.m., May 1, 1967, under the terms of the Unit Agreement; and

WHEREAS, Order No. R-3207 entered by the Oil Conservation Commission of the State of New Mexico requires that the Unit Operator shall file with the Commission an executed original or executed counterpart or duly certified copy of the Unit Agreement within 30 days after the effective date thereof.

NOW, THEREFORE, the undersigned does hereby certify and declare that the attached is a true and correct copy of the Unit Agreement for the Skelly Penrose "A" Unit, together with a true and correct copy of counterparts of the Unit Agreement reflecting the subscription of those interests having joined or ratified.

IN WITNESS WHEREOF, this certificate is executed this 11th day of May, 1967.


Barton W. Ratliff
Manager of Unitization

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
SKELLY PENROSE "A" UNIT AREA
COUNTY OF LEA
STATE OF NEW MEXICO

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CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior as to Federal lands, under the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Secs. 181, et seq., and delegated to the Director of the Geological Survey pursuant to Departmental Order No. 2365 of October 8, 1947, 43 C.F.R. Sec. 4.611, 12 F.R. 6784, we do hereby:

A. Approve the attached agreement for the development and operation of the Skelly Penrose "A" Unit Area, Lea County, 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.

Director, United States
Geological Survey

Dated _____

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
SKELLY PENROSE "A" UNIT AREA
LEA COUNTY, NEW MEXICO

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Exhibit A (Map of Unit Area)

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UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
SKELLY PENROSE "A" UNIT AREA
COUNTY OF LEA
STATE OF NEW MEXICO
NO. _____

THIS AGREEMENT, entered into as of the first day of April, 1965, 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 under 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 parties hereto hold sufficient interests in the Skelly Penrose "A" Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to enable institution and consummation of secondary recovery operations, to

conserve natural resources, prevent waste and secure other benefits obtainable through development and operation of the Penrose Sand subject to this agreement under the terms, conditions and limitations herein set forth.

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the "Unit Area" and the "Unitized Formation" lying thereunder (as those terms are defined hereinafter) and agree severally among themselves as follows:

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

2. DEFINITIONS. For the purpose of this agreement, the following terms and expressions as used herein shall mean:

(a) "Commission" means the Oil Conservation Commission of the State of New Mexico.

(b) "Department" means the Department of the Interior of the United States of America.

(c) "Director" means the Director of the United States Geological Survey.

(d) "Royalty Interest" or "Royalty" means an interest other than a Working Interest in or right to receive a portion of the Unitized Substances or the proceeds thereof and includes the royalty interest reserved by the lessor by an oil and gas lease and any overriding royalty interest, oil payment interest, net profits contract, or any other payment or burden which does not carry with it the right to search for and produce Unitized Substances.

(e) "Royalty Owner" means the owner of a Royalty Interest.

(f) "Secretary" means the Secretary of the Interior of the United States of America.

(g) "Supervisor" means the Oil and Gas Supervisor, Branch of Oil and Gas Operations of the Conservation Division of the United States Geological Survey.

(h) "Tract" means each parcel of land described as such and given a Tract number in Exhibit B.

(i) "Tract Participation" means the percentage of Unitized Substances allocated to a Tract under this agreement as shown in Exhibit B.

(j) "Unit Area" means the land shown on Exhibit A, and described by Tracts in Exhibit B, containing 2426.85 acres, more or less.

(k) "Unit Operating Agreement" means any agreement or agreements, whether one or more, entered into either separately or collectively by and between the Unit Operator and the Working Interest Owners, as provided in Section 9, ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT, and shall be styled "Unit Operating Agreement for the Development and Operation of the Skelly Penrose 'A' Unit Area, County of Lea, State of New Mexico."

(l) "Unit Participation" of each Working Interest Owner means the sum of the products obtained by multiplying the Working Interest of such Working Interest Owner in each Tract by the Tract Participation of such Tract.

(m) "Unitized Formation" or "Penrose Sand Formation" means that interval underlying the Unit Area which is productive of Unitized Substances and the vertical limits of which extend from a point 100 feet above the base of the Seven Rivers formation to the base of the Queen formation; said interval having been heretofore found to occur in Skelly Oil Company's Sims "D" No. 2 well (located in the 3/2 SE/4 of NW/4 Section 3-T23S-R37E, Lea County, New Mexico) at an indicated depth of from 3279 feet to 3673 feet, as recorded on the Schlumberger electric log, run No. 1, taken November 5, 1948, said log being measured from a derrick floor elevation of 3308 feet above sea level.

(n) "Unitized Substances" means all oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate and all associated and constituent liquid or liquefiable hydrocarbons within or produced from the Unitized Formation.

(o) "Voting Interest" means such Working Interest Owner's Unit Participation as same is set out in Exhibit C of the Unit Operating Agreement.

(p) "Working Interest" means the right to search for, produce and acquire Unitized Substances whether held as an incident of ownership of mineral fee simple title, under an oil and gas lease or otherwise.

(q) "Working Interest Owner" means any party hereto owning a Working Interest, including a carried working interest owner, holding an interest in Unitized Substances by virtue of a lease, operating agreement, fee title or otherwise, which interest is chargeable with and obligated to pay or bear, either in cash or out of production, or otherwise, all or a portion of the cost of

drilling, developing and producing the Unitized Substances from the Unitized Formation and the operation thereof hereunder. The owner of oil and gas rights which are free of lease or other instrument conveying the Working Interest to another shall be regarded as a Working Interest Owner to the extent of seven-eighths ($7/8$) of his interest in Unitized Substances, and as a Royalty Owner with respect to his remaining one-eighth ($1/8$) interest therein.

3. EXHIBITS. Attached hereto as Exhibit A is a map showing, to the extent known to Unit Operator, the Unit Area and the boundaries and identity of Tracts and leases in said Unit Area. Attached hereto as Exhibit B is a schedule showing, to the extent known to Unit Operator, the acreage comprising each Tract, the ownership of each interest owner in each Tract, and the Tract Participation of each Tract. 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 being owned by such party.

It is hereby agreed by all parties to this agreement that Unit Operator is empowered to correct any mathematical or clerical errors which may exist in the pertinent exhibits to this agreement, provided, however, that correction of any error other than correction of a mathematical or clerical error shall be made by Unit Operator only after first having obtained approval of Working Interest Owners and the Supervisor.

Exhibits A and B shall be revised by Unit Operator whenever changes render such revision necessary and not less than six (6) copies thereof shall be filed with the Supervisor.

4. UNIT AREA AND EXPANSION THEREOF. The area shown on Exhibit A made a part hereof is hereby designated and recognized as constituting the Unit Area, containing 2426.85 acres, more or less. Said Unit Area may, when practicable, be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this agreement, whenever such expansion is necessary or advisable to conform with the purposes of this agreement. Tract Participations resulting from such expansion shall be on a negotiated basis and, after agreement between the affected parties has been reached, such expansion shall be effected in the following manner:

(a) After approval by two or more Working Interest Owners owning at least eighty-eight per cent (88%) of the then Voting Interests and after preliminary concurrence of the Director and the Commission, Unit Operator shall prepare a notice of proposed expansion describing the contemplated changes in the boundaries of the Unit Area, the reasons therefor, and the proposed effective date thereof, preferably the first day of a month subsequent to the date of notice.

(b) Said notice shall be delivered to the Supervisor and the Commission, and copies thereof mailed to the last known address of each Working Interest Owner, lessee and lessor whose interests are affected, advising that thirty (30) days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Supervisor and the Commission evidence of mailing of the notice of expansion and a copy of any objections thereto which have been filed with the Unit Operator, together with an application in sufficient number for approval of such expansion and with appropriate joinders.

(d) After due consideration of all pertinent information, the expansion shall, upon approval by the Director and the Commission, become effective as of the date prescribed in the notice thereof.

In any approved expansion of the Unit Area, the revised Tract Participations of those Tracts which were committed prior to each such expansion shall remain in the same ratio one to another.

5. UNITIZED LAND AND UNITIZED SUBSTANCES. All oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate and all associated and constituent liquid and liquefiable hydrocarbons in the lands committed to this agreement are, as to the Penrose Sand Formation, unitized under the terms of this agreement (and are herein called Unitized Substances) and said lands shall constitute lands referred to herein as "unitized land" or "land subject to this agreement."

6. UNIT OPERATOR. Skelly Oil Company, a Delaware corporation, is hereby designated as the Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties of Unit Operator for the development and production of Unitized Substances as herein provided. Whenever reference is made herein to the "Unit Operator," such reference means the Unit Operator acting in that capacity and not as an owner of interest in Unitized Substances, and the term "Working Interest Owner" when used herein shall include or refer to Unit Operator as the owner of a Working Interest when such interest is owned by it.

7. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six (6) months after notice of intention to resign has been served by Unit Operator on all Working Interest Owners and the Supervisor and until all wells then drilled hereunder are placed in satisfactory condition for suspension or abandonment, whichever is required by the Supervisor as to Federal lands, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

The resignation of Unit Operator shall not release Unit Operator from any liability or default by it hereunder occurring prior to the effective date of its resignation.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by affirmative vote of two (2) or more Working Interest Owners owning at least seventy-five per cent (75%) of the Voting Interest remaining after excluding the Voting Interest of the Unit Operator. Such removal shall be effective upon notice thereof to the Supervisor.

In all such instances of resignation or removal, until a successor Unit Operator is selected and approved as hereinafter

provided, the Working Interest Owners shall be jointly responsible for the performance of the duties of Unit Operator and shall, not later than thirty (30) days before such resignation or removal becomes effective, appoint a common agent to represent them in any action to be taken hereunder.

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 interests in Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, materials, and appurtenances used in conducting the Unit operations owned by the Working Interest Owners to the new duly qualified successor Unit Operator, or to the owners thereof 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.

8. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender his or its resignation as Unit Operator, or shall be removed as hereinabove provided, the Working Interest Owners shall, by affirmative vote of two (2) or more Working Interest Owners owning at least seventy-five per cent (75%) of the Voting Interests, select a successor Unit Operator; provided, however, that should any Working Interest Owner own a Voting Interest of more than twenty-five per cent (25%), the vote of said party shall not serve to disapprove the selection of a new Unit Operator approved by two (2) or more Working Interest Owners owning eighty per cent (80%) or more of the Voting Interests of the remaining Working Interest Owners and provided, further, that the Unit Operator shall not vote to succeed itself. 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 filed with the Supervisor. If no successor Unit Operator is selected

and qualified as herein provided, the Director may, at his election, declare this Unit Agreement terminated.

9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. All costs and expenses incurred by Unit Operator in conducting Unit operations hereunder shall be apportioned among, borne and paid by the Working Interest Owners, all in accordance with this agreement and the Unit Operating Agreement. The 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 they may agree upon. However, the Unit Operating Agreement shall not be deemed either to modify the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation established under this Unit Agreement; in case of any inconsistency or conflict between the Unit Agreement and the Unit Operating Agreement, this agreement shall prevail. Three (3) true copies of any Unit Operating Agreement shall be filed with the Supervisor prior to approval of this Unit Agreement.

10. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto (including surface rights) which are necessary or convenient for the prospecting for, producing, storing, allocating, and distributing the Unitized Substances, are hereby granted and delegated to and shall be exercised by the Unit Operator as herein provided. Upon request therefor, acceptable evidence of title to said rights shall be deposited with said Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land, lease, Royalty Interest, operating agreement or communitization agreement, it being understood that under this agreement the Unit Operator, in its capacity

as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

11. EQUIPMENT AND FACILITIES NOT FIXTURES ATTACHED TO REALTY.

Each Working Interest Owner has heretofore placed and used on its Tract or Tracts committed to this agreement, various well and lease equipment and other property, equipment and facilities. It is also recognized that additional equipment and facilities may hereafter be placed and used upon the Unit Area as now or hereafter constituted. Therefore, for all purposes of this agreement any and all such equipment shall be considered to be personal property and not fixtures attached to realty. Accordingly, said well and lease equipment and personal property is hereby severed from the mineral estates affected by this agreement, and it is agreed that any and all such equipment and personal property shall be and remain personal property for all purposes.

12. PLAN OF FURTHER DEVELOPMENT AND OPERATION. It is recog-

nized and agreed by the parties hereto that the object and purpose of this agreement is to formulate and to put into effect a secondary recovery project in order to effect the optimum recovery of Unitized Substances, prevent waste and conserve natural resources. The parties hereto agree that the Unit Operator may, subject to the consent and approval of a plan of operation by the Working Interest Owners and the Supervisor, inject into the Unitized Formation, through any well or wells completed therein, brine, water, air, gas, oil, liquefied petroleum gas, or any other substance or a combination of any of said substances, whether produced from the Unitized Formation or not, and that the location of input wells and the rates of injection therein and the rate of production shall be governed by standards of good geologic and petroleum engineering practices and conservation methods. This agreement is and shall be subject to the conservation laws of the State of New Mexico, to the valid rules, regulations and orders of the Supervisor and the Commission and to all other applicable federal, state and municipal laws, rules, regulations and orders. The parties

hereto, subject to prior rights, if any, grant to Unit Operator the use of brine or water or both from any formation in and under the Unit Area for injection into the Unitized Formation. After commencement of secondary operations, Unit Operator shall furnish the Supervisor monthly injection and production reports for wells in the Unit Area. The Working Interest Owners and the Supervisor shall be furnished periodic reports on the progress of the plan of operation and any revisions or changes thereto necessary to meet changed conditions or to protect the interests of all parties to this agreement; provided, however, that any major revisions of the plan of operation involving a basic deviation from the initial plan of operation shall be subject to the consent and approval of the Working Interest Owners and the Supervisor.

13. PARTICIPATION. Exhibit B shows the percentage of participation to which each Tract shall be entitled if all Tracts within the Unit Area are committed as of the effective date of this agreement (the qualifications necessary for inclusion of a Tract being set forth in Section 14 hereof). If less than all Tracts within the Unit Area are committed as of the effective date of this agreement, Unit Operator, with approval of the Working Interest Owners, as soon as practicable after the effective date of this agreement, shall file with the Supervisor and the Commission a schedule of committed Tracts as of said effective date, which schedule shall be designated "Revised Exhibit B" and considered for all purposes as a part of this agreement. Such revised Exhibit B shall set forth opposite each such committed Tract the revised Tract Participation therefor (which shall be calculated by using the same Tract factors and formula which were used to arrive at the Tract Participation of each Tract as set out in Exhibit B attached hereto, but applying the same only to the committed Tracts). Such revised Exhibit B, upon approval by the Supervisor and the Commission, shall supersede, effective as of the effective date hereof, the Tract Participations set forth in Exhibit B attached hereto until a further revision or

revisions thereof is approved by the Director and the Commission. The Tract Participations shown on Exhibit B attached hereto, or as may be shown on the revised Exhibit B as above provided, shall govern the allocation of Unitized Substances on and after the effective date of this Unit Agreement as set forth in Section 23 hereof, and until the allocation schedule is revised pursuant to this agreement and the revised Tract Participations are approved by the Director.

The acreages of Federal and non-Federal lands shall be based upon appropriate computations from the courses and distances shown on the last approved public land survey as of the effective date of this Unit Agreement.

14. TRACTS QUALIFIED FOR PARTICIPATION. From the effective date hereof, the Tracts which shall be entitled to participation shall be those Tracts which are described in Exhibit B and which, at any time, are qualified as follows:

(a) Each Tract as to which Working Interest Owners owning one hundred per cent (100%) of the Working Interest therein have become parties hereto and as to which Royalty Owners owning seventy-five per cent (75%) or more of the Royalty Interest therein have become parties hereto.

(b) Each Tract as to which Working Interest Owners owning one hundred per cent (100%) of the Working Interest therein have become parties hereto and as to which Royalty Owners owning less than seventy-five per cent (75%) of the Royalty Interest therein have become parties hereto and, further, as to which:

(i) All Working Interest Owners in any such Tract have joined in a request for the qualification of such Tract, and

(ii) Eighty per cent (80%) of the combined voting interests of Working Interest Owners in all Tracts meeting the requirements of paragraph (a) hereof have voted in favor of qualifying such Tract.

For the purpose of this paragraph (b), a Working Interest Owner's "voting interest" shall be equal to the ratio (expressed in per cent) which its aggregate Unit Participation in all Tracts qualifying under paragraph (a) bears to the total Unit Participation of all Working Interest Owners in all Tracts qualifying under paragraph (a).

(c) Each Tract as to which Working Interest Owners owning less than one hundred per cent (100%) of the Working Interest therein have become parties hereto, regardless of the percentage of Royalty Interest therein which is committed hereto and, further, as to which:

(1) The Working Interest Owner operating any such Tract and all of the other Working Interest Owners in such Tract who have become parties hereto have joined in a request for qualification of such Tract and have executed and delivered an indemnity agreement indemnifying and agreeing to hold harmless the other Working Interest Owners, their successors and assigns, against all claims and demands which may be made by the owners of Working Interests in such Tract who are not parties hereto and which arise out of the qualification of such Tract; and

(ii) Eighty per cent (80%) of the combined voting interests of Working Interest Owners in all Tracts meeting the requirements of paragraphs (a) and (b) have voted in favor of the qualification of such Tract and acceptance of the indemnity agreement.

For the purpose of this paragraph (c), a Working Interest Owner's "voting interest" shall be equal to the ratio (expressed in per cent) which its aggregate Unit Participation in all Tracts qualifying under paragraphs (a) and (b) bears to the total Unit Participation of all Working Interest Owners in all Tracts qualifying under paragraphs (a) and (b). Upon the qualification of such a Tract, the Unit Participation which would have been attributed to the nonsubscribing owners of the Working Interest in such Tract, had they become parties to this agreement and the Unit Operating Agreement, shall be attributed to the Working Interest Owners in such Tract who have become parties to such agreements in proportion to their respective Working Interests in the Tract.

15. ALLOCATION OF UNITIZED SUBSTANCES. All Unitized Substances produced and saved (less, save and except any part of such Unitized Substances used in conformity with good operating practices on unitized land for drilling, operating, camp and other production or development purposes and for pressure maintenance) shall be apportioned among and allocated to the committed Tracts in accordance with the respective Tract Participations effective hereunder during the respective periods such Unitized Substances were produced, as set forth in the schedule of participation in Exhibit B. The amount of Unitized Substances so allocated to each committed Tract, and only that amount (regardless of whether it be more or less than the amount of the actual production of Unitized Substances from the well or wells, if any, on such Tract), shall, for all intents, uses and purposes, be deemed to have been produced from such Tract.

The Unitized Substances allocated to each such Tract shall be distributed among, or accounted for to, the parties executing, consenting to or ratifying this agreement entitled to share in the

production from such Tract in the same manner, in the same proportions, and upon the same conditions, as they would have participated and shared in the production from such Tract, or in the proceeds thereof, had this agreement not been entered into, and with the same legal force and effect. It is hereby agreed that production of Unitized Substances from any such committed Tract shall be allocated as provided herein regardless of whether Unitized Substances are being produced from any particular Tract committed hereto. If the Working Interests or the Royalty Interests in any Tract are divided with respect to separate parcels or portions of such Tract and owned severally by different persons, the Tract Participation of such Tract shall, in the absence of a recordable instrument among all owners fixing the division of ownership, be divided among such parcels or portions in proportion to the number of surface acres in each.

16. BALANCING OF PRODUCTION. Unit Operator shall make a proper and timely gauge of all lease and other tanks located on each committed Tract in order to ascertain the amount of merchantable oil in such tanks, above the pipe line connections, as of 7:00 a.m. on the effective date hereof. All Unitized Substances which are a part of the prior allowable of the well or wells from which the same were produced shall be and remain the property of the Working Interest Owners entitled thereto as if the Unit had not been formed and such Working Interest Owners shall promptly remove same. Any such Unitized Substances not so removed may be sold by the Unit Operator for the account of such Working Interest Owners, subject to the payment of all royalty to Royalty Owners under the terms and provisions of the applicable lease or leases and other contracts. All such Unitized Substances which are in excess of the prior allowable of the well or wells from which the same were produced shall be regarded and treated the same as Unitized Substances produced after the effective date hereof. If, as of the effective date hereof, any Tract is over-produced with respect to the allowable of the well or wells on that

Tract and the amount of such over-production has been sold or otherwise disposed of, such over-production shall be regarded and included as a part of the Unitized Substances produced after the effective date hereof and the amount thereof charged to such Tract as having been delivered to the persons entitled to Unitized Substances allocated to such Tract.

17. ROYALTY SETTLEMENT. The United States and all Royalty Owners who, under existing contracts, are entitled to take in kind a share of the Unitized Substances produced from any committed Tract, shall hereafter be entitled to take in kind their share of the Unitized Substances allocated to such Tract, and Unit Operator shall make deliveries of such Royalty share taken in kind in conformity with the applicable contracts, laws and regulations. Settlement for Royalty Interests not taken in kind shall be made by Working Interest Owners responsible therefor under existing contracts, laws and regulations, on or before the last day of each month for Unitized Substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any royalties due under their leases except that said royalties shall be computed in accordance with the terms of this agreement.

If gas obtained from lands not subject to this agreement is introduced into the Unitized Formation for use in pressure maintenance, stimulation of production, or increasing ultimate recovery, which shall be in conformity with a plan first approved by the Supervisor, a like amount of gas, less appropriate deductions for loss from any cause, may be withdrawn from the formation into which the gas was introduced, royalty free as to dry gas, but not as to the products extracted therefrom; provided that such withdrawal shall be pursuant to such conditions and formulae as may be prescribed or approved by the Supervisor; provided further, that such right of withdrawal shall terminate on the termination of this agreement.

If liquefied petroleum gases obtained from lands or formations not subject to this agreement be injected into the Unitized Formation for the purpose of increasing ultimate recovery, which shall be in conformance with a plan first approved by the Supervisor, part or all of such liquefied petroleum gases may be withdrawn royalty free pursuant to such conditions and formulae as may be prescribed or approved by the Supervisor.

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 rate 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, such average production shall be determined in accordance with the operating regulations as though the committed Tracts were included in a single consolidated lease.

18. 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 in lieu thereof 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.

19. CONSERVATION. Operations hereunder and production of Unitized Substances shall be conducted so as to provide for the most economical and efficient recovery of such substances to prevent waste as defined by State and Federal laws or regulations.

20. DRAINAGE. Unit Operator shall take appropriate and adequate measures to prevent drainage of Unitized Substances from the committed Tracts by wells on land not subject to this agreement, or, with prior consent of the Director and pursuant to applicable regulations, pay a fair and reasonable compensatory royalty as determined by the Supervisor.

21. 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, gas, gaseous substances, sulphur contained in gas, condensate, distillate and all associated and constituent liquid or liquefiable hydrocarbons in and under 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 shall, and by his approval hereof or by the approval hereof by his duly authorized representative, does hereby establish, alter, change or revoke the drilling, producing, rental, minimum royalty and royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every part or separately owned Tract committed to this agreement, regardless of whether there is any development of any particular part of or Tract of unitized land, notwithstanding anything to the contrary in any lease, operating agreement, or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.

(b) Drilling and producing operations performed hereunder upon any Tract of unitized land will be accepted and deemed to be performed upon and for the benefit of each and every Tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Secretary (or his duly authorized representative) shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every Tract of unitized land.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development or operation for oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate and all associated and constituent liquid or liquefiable hydrocarbons in and under lands, other than those of the United States, committed to this agreement, which by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement, as to the land committed so long as such lease remains subject hereto.

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to all formations underlying the committed land so long as such land remains committed hereto.

(f) Each sublease or contract relating to the operation and development of Unitized Substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

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

22. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest.

No assignment or transfer of any Working Interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic or certified copy of the instrument of transfer; and no assignment or transfer of any Royalty Interest shall be binding upon the Working Interest Owner responsible therefor until the first day of the calendar month after said Working Interest Owner is furnished with the original, photostatic or certified copy of the instrument of transfer.

23. 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 o'clock a.m. of the first day of the calendar month next following:

(a) Tracts comprising eighty-five per cent (85%) or more of the Unit Area as shown on the original Exhibit B have qualified under the provisions of Article 14; and

(b) At least one counterpart of this agreement has been filed for record by Unit Operator in Lea County, New Mexico; and

(c) This agreement has been approved by the Director; and

(d) This agreement has been approved by the Oil Conservation Commission of the State of New Mexico;

provided that if (a), (b), (c), and (d) are not accomplished on or before July 1, 1966, this agreement shall ipso facto expire on that date (hereinafter called "expiration date") and thereafter be of no further effect, unless prior thereto Working Interest Owners owning a combined Unit Participation of at least eighty-five per cent (85%) have become parties to this agreement and have decided to extend the expiration date for a period not to exceed one (1) year. If said expiration date is so extended and (a), (b), (c), and (d) are not accomplished on or before said extended expiration date, this agreement shall ipso facto expire on said extended expiration date and thereafter be of no further force or effect.

The term of this agreement shall be for and during the time that Unitized Substances are produced in paying quantities

from the Unit Area and so long thereafter as drilling, reworking or other operations (including secondary recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days and, if production is restored, as long thereafter as Unitized Substances can be produced as aforesaid, unless sooner terminated by Working Interest Owners in the manner hereinafter provided.

This agreement may be terminated with the approval of the Director by two (2) or more Working Interest Owners owning eighty-eight per cent (88%) Unit Participation. Notice of any such termination shall be given by Unit Operator to all parties hereto.

Upon termination of this agreement, the further development and operation of the Unit Area as a Unit shall be abandoned, Unit operations shall cease, and thereafter the parties hereto shall be governed by the terms and provisions of the leases and contracts affecting the separate tracts just as if this agreement had never been entered into.

If not otherwise covered by the leases unitized under this agreement, Royalty Owners hereby grant Working Interest Owners a period of six (6) months after termination of this agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with Unit Operations.

24. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The Director is hereby vested with authority to alter or modify, from time to time and in his discretion, the quantity and rate of production under this agreement when such quantity and rate is not fixed pursuant to Federal or State law or does not conform to any state-wide voluntary conservation or allocation program which is established, recognized and generally adhered to by the majority of operators in New Mexico, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated

in the order of alteration or modification. Without regard to the foregoing, the Director is also hereby vested with authority to alter or modify from time to time in his discretion the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law.

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

25. APPEARANCES. Unit Operator shall, after notice to other parties affected, have the right to appear for or on behalf of any and all interests affected hereby before the Department of the Interior and the Commission and to appeal from orders issued under the regulations of said Department or Commission or to apply for relief from any of said regulations or in any proceedings relative to operations before the Department of the Interior, the Commission, or other legally constituted authority; provided, however, that any other interested party shall also have the right at his or its own expense to be heard in any such proceeding.

26. NOTICES. All notices, demands, objections or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if made in writing and personally delivered to the party or parties or sent by postpaid certified mail addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratifications or consent hereof or to such other address as any such party may have furnished in writing to party sending the notice, demand or statement.

27. NO WAIVER OF CERTAIN RIGHTS. Nothing contained in this agreement shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to

the validity or invalidity of any law of the State of New Mexico, or of the United States or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

28. UNAVOIDABLE DELAY. All obligations under this agreement requiring the Unit Operator to commence or continue drilling or to operate on or to produce Unitized Substances from any of the lands subject to this agreement shall be suspended while, but only so long as, the Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

29. NONDISCRIMINATION. In connection with the performance of work under this agreement, Unit Operator agrees to comply with all of the provisions of Section 301 (1) to (7) inclusive, of Executive Order 10925, as amended (28 F.R. 6485), which are hereby incorporated by reference in this agreement.

30. LOSS OF TITLE. If any Tract of unitized land ceases to have sufficient Working Interest or Royalty Interest committed to this agreement to meet the conditions of Section 14 because of failure of title to any party hereto, such Tract shall be regarded as not committed hereto as of 7:00 a.m. on the first day of the calendar month in which such failure of title is finally determined; provided, however, that no such Tract shall be so regarded if same can be requalified under said Section 14 within ninety (90) days after the date on which such title failure was finally determined. If any such Tract cannot be so requalified, Unit Operator shall recompute the Tract Participation of each Tract of unitized land remaining subject to this agreement so that such Tract Participations shall remain in the same ratio one to another. Thereafter, Unit Operator shall revise Exhibit B conformably with such recomputation.

Each such revised exhibit shall be effective at 7:00 a.m. on the first day of the calendar month in which such failure of title is finally determined.

If title to a Working Interest fails, the rights and obligations of Working Interest Owners by reason of such failure shall be governed by the Unit Operating Agreement. If title to a Royalty Interest fails, but the Tract to which it relates remains committed to this agreement, the Royalty Owner whose title failed shall not be entitled to participate hereunder insofar as its participation is based on such lost Royalty Interest.

In the event of a dispute as to the title to any Working or Royalty Interest, or other interest subject hereto, payment or delivery on account thereof may be withheld without liability or interest until the dispute is finally settled; provided, that as to Federal land, no payments of funds due the United States shall be withheld, but such funds of the United States shall be deposited as directed by the Supervisor, to be held as unearned money pending final settlement of the title dispute and then applied as earned or returned in accordance with such final settlement.

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

31. NONJOINDER AND SUBSEQUENT JOINDER. Any oil or gas interest within the Unit Area not committed hereto prior to the effective date of this agreement may thereafter be committed, upon compliance with the applicable provisions of this Section 31 and of Section 14 (TRACTS QUALIFIED FOR PARTICIPATION) by the owner or owners thereof subscribing or consenting to this agreement and, if such uncommitted interest is a working interest, by the owner of such interest also subscribing to the Unit Operating Agreement.

Such right of joinder subsequent to the effective date hereof shall be subject to such requirements or approvals and shall be upon such terms and conditions as may be agreed to by at least seventy-five per cent (75%) of the then Voting Interests of the Working Interest Owners, and approval by the Supervisor.

Subsequent joinder to this agreement shall be effective as of 7:00 a.m. of the first day of the calendar month next following the filing with the Supervisor of all papers necessary to effect this joinder, unless a different date is agreed upon by the Working Interest Owners and approved by the Supervisor. If any such subsequent joinder results in the qualification of additional tract or tracts, then Exhibit "B" shall be revised to reflect the revised participation percentages.

After final approval of this agreement, joinder by a non-working interest owner must be consented to in writing by the Working Interest Owners committed hereto and responsible for the payment of any benefits which may accrue hereunder in behalf of such non-working interest.

32. COUNTERPARTS. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or it may be ratified or consented to by separate instrument in writing specifically referring hereto and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described Unit Area.

33. 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 agreement after the effective date of this agreement, or upon the proceeds or net proceeds derived therefrom. The Working Interest Owners in each Tract 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 to

any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

In order to avoid title failures which might incidentally cause the title to a Working Interest or Royalty Interest to fail, the owners of (1) the surface rights to each committed Tract, (2) severed mineral or royalty interest in said Tracts and (3) improvements located on said Tracts not utilized for Unit operations shall individually be responsible for the rendition and assessment, for ad valorem tax purposes, of all such property, and for the payment of such taxes, except as otherwise provided in any contract or agreement between such owners and a Working Interest Owner or Owners. If any ad valorem taxes are not paid by such owner responsible therefor when due, Unit Operator may, at any time prior to tax sale, pay the same, redeem such property and discharge such tax liens as may arise through nonpayment. In the event Unit Operator makes any such payment or redeems any such property from tax sale, Unit Operator shall be reimbursed therefor by the Working Interest Owners in proportion to their respective Unit Participations then in effect, and Unit Operator shall withhold from any proceeds derived from the sale of Unitized Substances otherwise due to said delinquent taxpayer or taxpayers an amount sufficient to defray the costs of such payment or redemption, such withholding to be distributed among the Working Interest Owners in proportion to their respective contributions toward such payment or redemption. Such withholding shall be without prejudice to any other remedy, either at law or in equity, which may be available for exercise by the Unit Operator or by the Working Interest Owners.

34. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the Working Interest Owners or any of them shall be subject to any forfeiture, termination, or expiration of any rights 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 comply with any applicable provisions thereof to the extent that the said Unit Operator, Working Interest Owners, or any of them

are hindered, delayed or prevented from complying therewith by reason of the failure of the Unit Operator to obtain, in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of New Mexico in and about any matters or things concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this contract are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject, in any case, to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

35. NO PARTNERSHIP. It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing in this agreement contained, express or implied, or any operations conducted hereunder, shall create or be deemed to have created a partnership or association between the parties hereto or any of them.

36. BORDER AGREEMENTS. Subject to the approval of Working Interest Owners owning at least eighty-eight per cent (88%) of the Voting Interest and after approval by the Supervisor, Unit Operator may enter into a border-protection agreement or agreements with the working interest owners of lands adjacent to the committed Tracts with respect to the operations in the border area for the maximum ultimate recovery, conservation purposes and proper protection of the parties and interests.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed as of the date first above written and have set opposite their respective names the date of execution.

UNIT OPERATOR AND WORKING INTEREST OWNER:

SKELLY OIL COMPANY

Appvd. as to form: George
1965

By E. L. Blackmer
Vice President

P. O. Box 1650
Tulsa, Oklahoma 74102

ATTEST:

R. Kendall Sherrill
Assistant Secretary

Date of Signature:
June 7, 1965

WORKING INTEREST OWNERS:

THE ATLANTIC REFINING COMPANY

Date of Signature:

October 26, 1965

By *D. L. Smith*
Attorney in Fact *per JPC*

Address: _____

ATTEST:

SAMEDAN OIL CORPORATION

[Signature]
Secretary

By *Thomas C. Jobe*
Vice President *eye*

Date of Signature: *October 26, 1965*

Address: *P.O. Box 909*
Ardmore, Oklahoma 73401 *eye*

STATE OF OKLAHOMA)
COUNTY OF TULSA) SS.

The foregoing instrument was acknowledged before me this *1st* day of *June*, 1965, by *C. L. Blackster*, Vice President of SKELLY OIL COMPANY, a Delaware corporation, on behalf of said corporation.

My commission expires:
My Commission Expires May 31, 1967

Doris L. Allen
Notary Public

STATE OF *New Mexico*)
COUNTY OF *Chavez*) SS.

The foregoing instrument was acknowledged before me this *26th* day of *October*, 1965, by *D. L. Smith*, as Attorney in Fact on behalf of THE ATLANTIC REFINING COMPANY.

My commission expires:
July 15, 1969

Lois Edick Young
Notary Public

STATE OF *Oklahoma*)
COUNTY OF *Carter*) SS.

The foregoing instrument was acknowledged before me this *1st* day of *October*, 1965, by *Thomas C. Jobe*, Vice President of SAMEDAN OIL CORPORATION, a *Delaware* corporation, on behalf of said corporation.

My commission expires:
January 1, 1968

Mary Jo Hocker
Notary Public

ROYALTY OWNERS

Date: _____

Address: _____

STATE OF _____ }
COUNTY OF _____ } SS.

The foregoing instrument was acknowledged before me this _____
day of _____, 1965, by _____.

My commission expires:

Notary Public

STATE OF _____ }
COUNTY OF _____ } SS.

The foregoing instrument was acknowledged before me this _____
day of _____, 1965, by _____.

My commission expires:

Notary Public

STATE OF _____ }
COUNTY OF _____ } SS.

The foregoing instrument was acknowledged before me this _____
day of _____, 1965, by _____.

My commission expires:

Notary Public

STATE OF _____ }
COUNTY OF _____ } SS.

The foregoing instrument was acknowledged before me this _____
day of _____, 1965, by _____.

My commission expires:

Notary Public

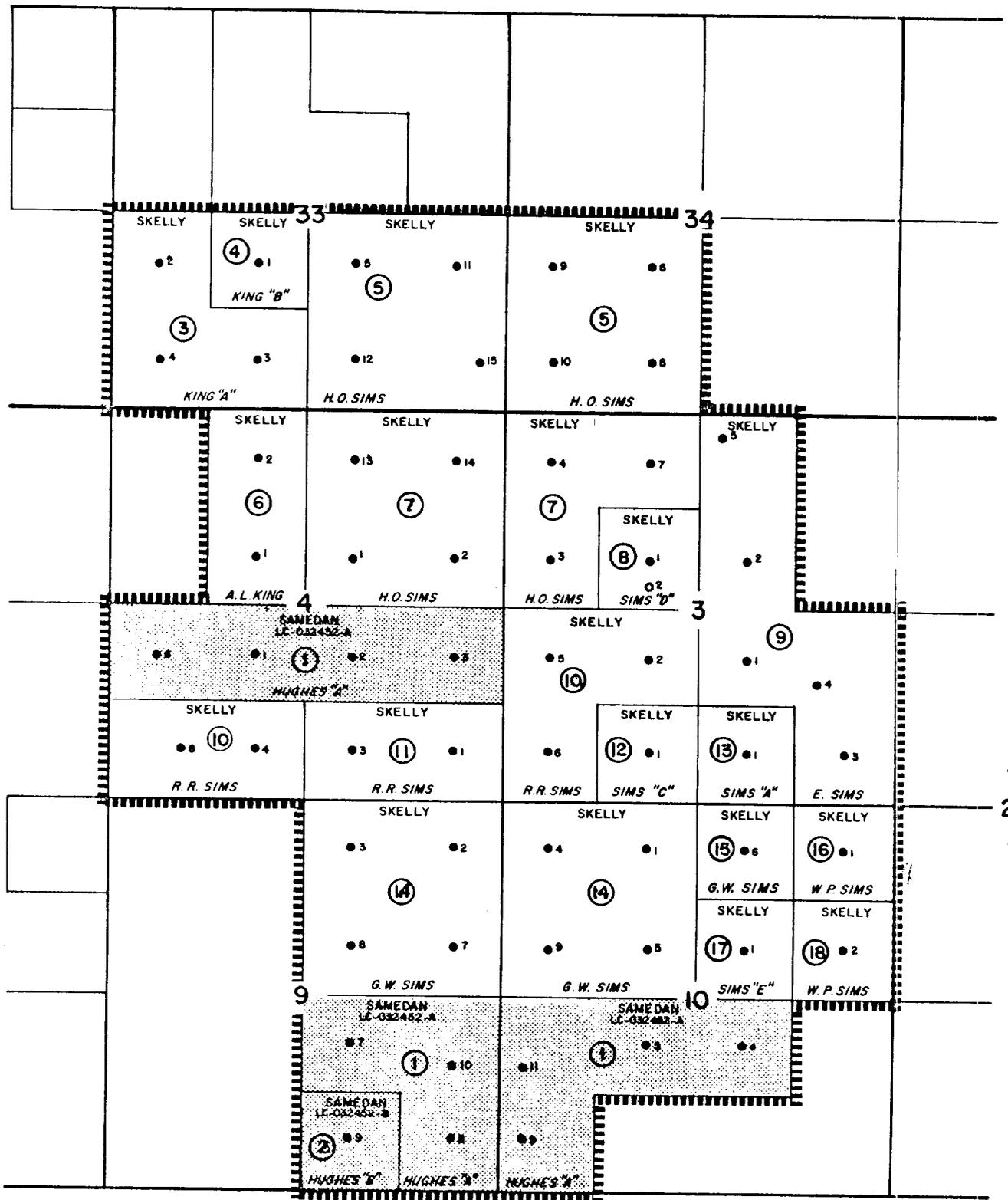
R. 37 E.

T. 22 S.

T. 22 S.

T. 23 S.

T. 23 S.



R. 37 E.

SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

EXHIBIT "A"

LEGEND

- UNIT AREA
- ① TRACT NUMBER
- FEE LANDS
- FEDERAL LANDS



EXHIBIT "B"
SCHEDULE SHOWING TRACT PARTICIPATIONS AND THE PERCENTAGE AND KIND OF OWNERSHIP
OF ALL LANDS WITHIN THE SKELLY PENROSE "A" UNIT
TOWNSHIPS 22 AND 23 SOUTH, RANGE 37 EAST, LEA COUNTY, NEW MEXICO

<u>TRACT NO.</u>	<u>DESCRIPTION</u>	<u>NO. OF ACRES</u>	<u>SERIAL NO. & DATE OF LEASE OR APPLICATION</u>	<u>BASIC ROYALTY</u>	<u>FEDERAL LANDS</u>	<u>LESSEE OF RECORD</u>	<u>OVERRIDING ROYALTY</u>	<u>WORKING INTEREST</u>	<u>PARTICIPATION</u>
1	<u>T23S-R37E</u> Sec. 4; N/2 S/2 Sec. 9; N/2 SE/4, SE/4 SE/4 Sec. 10; N/2 SW/4, SW/4 SW/4, NW/4 SE/4	440	LC-032452a 6-1-57 H.B.P.	United States of America Schedule "C" Step Scale		Sarah B. Hughes, Firm Royalties, Inc.	Pan American Petroleum Cor- poration, et al. 13.75000%	Samedan Oil Corporation 100%	12.24001%
2	<u>T23S-R37E</u> Sec. 9; SW/4 SE/4	40	LC-032452b 6-1-57 H.B.P.	United States of America Schedule "B" Sliding Scale		Sarah B. Hughes, Firm Royalties, Inc.	Pan American Petroleum Cor- poration 3.12500%	Samedan Oil Corporation 100%	0.33031%
<u>Two (2) Federal Tracts Containing 480 Acres or 19.8% of Unit Area</u>									
									<u>12.57032%</u>

<u>TRACT NO.</u>	<u>DESCRIPTION</u>	<u>NO. OF ACRES</u>	<u>SERIAL NO. & DATE OF LEASE OR APPLICATION</u>	<u>BASIC ROYALTY</u>	<u>LESSSEE OF RECORD</u>	<u>OVERRIDING ROYALTY</u>	<u>WORKING INTEREST</u>	<u>PARTICIPATION</u>
3	<u>T22S-R37E</u> Sec. 33; N/2 SW/4, SE/4 SW/4	120	4-1-26 H.B.P.	Bertha L. King, et al. 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	5.77975%
					<u>FEE LANDS</u>			
4	<u>T22S-R37E</u> Sec. 33; NE/4 SW/4	40	9-19-35 H.B.P.	Bertha L. King, et al. 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	1.88349%
5	<u>T22S-R37E</u> Sec. 33; SE/4 Sec. 34; SW/4	320	4-1-26 H.B.P.	George W. Sims, et al. 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	11.60675%
6	<u>T23S-R37E</u> Sec. 4; Lot 3, SE/4 NW/4	84.20	4-1-26 H.B.P.	Ralph Lowe, et al. 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	3.48831%
7	<u>T23S-R37E</u> Sec. 4; Lots 1 and 2, S/2 NE/4 Sec. 3; Lots 3 and 4, SW/4 NW/4	297.96	4-1-26 H.B.P.	George W. Sims, et al. 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	12.54040%
8	<u>T23S-R37E</u> Sec. 3; SE/4 NW/4	40	12-16-40 H.B.P.	Skelly Oil Company 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	1.96286%
9	<u>T23S-R37E</u> Sec. 3; Lot 2, SE/4 NE/4, N/2 SE/4, SE/4 SE/4	204.69	4-1-26 H.B.P.	George W. Sims, et al. 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	10.15205%

TRACT NO.	DESCRIPTION	NO. OF ACRES	SERIAL NO. & DATE OF LEASE OR APPLICATION	BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY	WORKING INTEREST	PARTICIPATION
<u>FREE LANDS, Continued</u>								
10	<u>T23S-R37E</u> Sec. 4; S/2 SW/4 Sec. 3; W/2 SW/4, NE/4 SW/4	200	4-1-26 H.B.P.	R. R. Sims, et al. 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	9.67467%
11	<u>T23S-R37E</u> Sec. 4; S/2 SE/4	80	4-1-26 H.B.P.	R. R. Sims, et al. 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	2.54950%
12	<u>T23S-R37E</u> Sec. 3; SE/4 SW/4	40	5-1-26 H.B.P.	R. R. Sims, et al. 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	2.70036%
13	<u>T23S-R37E</u> Sec. 3; SW/4 NE/4	40	5-1-26 H.B.P.	George W. Sims, et al. 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	3.36709%
14	<u>T23S-R37E</u> Sec. 9; NE/4 Sec. 10; NW/4	320	4-1-26 H.B.P.	George W. Sims, et al. 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	13.88855%
15	<u>T23S-R37E</u> Sec. 10; NW/4 NE/4	40	4-1-26 H.B.P.	Skelly Oil Company 12.50000%	Skelly Oil Company	None	Skelly Oil Company 100%	1.35304%
16	<u>T23S-R37E</u> Sec. 10; NE/4 NE/4	40	4-1-26 H.B.P.	W. P. Sims, et al. 12.50000%	Skelly Oil Company	Hugh Corrigan III, et al. 3.12500%	Skelly Oil Company 100%	1.83869%

TRACT NO.	DESCRIPTION	NO. OF ACRES	SERIAL NO. & DATE OF LEASE OR APPLICATION	BASIC ROYALTY	LESSEE OF RECORD	OVERRIDING ROYALTY	WORKING INTEREST	PARTICIPATION
<u>FEE LANDS, Continued</u>								
<u>T23S-R37E</u>								
17	Sec. 10; SW/4 NE/4	40	4-1-26 H.B.P.	The Atlantic Refining Company, et al. 12.50000%	Skelly Oil Company	Hugh Corrigan III, et al. 1.56250% of Skelly's 50%	Skelly Oil Company 50% The Atlantic Refining Company 50%	3.02065%
<u>T23S-R37E</u>								
18	Sec. 10; SE/4 NE/4	40	4-1-26 H.B.P.	W. P. Sims, et al. 12.50000%	Skelly Oil Company	Hugh Corrigan III, et al. 3.12500%	Skelly Oil Company 100%	1.62352%
<u>Sixteen (16) Fee Tracts Containing 1946.85 Acres or 80.2% of Unit Area</u>								
<u>Skelly Penrose "A" Unit Area Total</u>								
					2 Federal Tracts 480.00 Acres	19.8%		12.57032%
					16 Fee Tracts 1946.85 Acres	80.2%		87.42968%
					TOTAL 2426.85	100.0%		100.00000%

STATE OF NEW MEXICO
COUNTY OF LEA

JAN 9 1967

FILED

at 3:00 o'clock P.M.

Page 450

EMER HARRISON county clerk
By Paula Rice Deputy

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 25 day of April, 1967.

(For corporate signature)

DATE: 4-25-67

ATTEST: A. L. Harkins, Jr.

A. L. Harkins, Jr., Secretary

Sabino Royalty Corporation

E. C. McCarty
E. C. McCarty, President

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

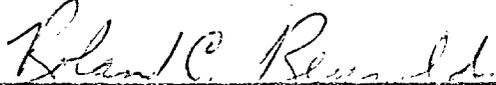
WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 19th day of October, 19 65.



 Roland C. Reynolds, Manager, Western
 Division

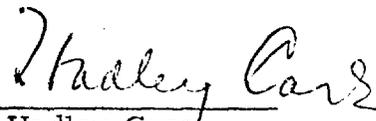
 Felmont Oil Corporation

APPOINTMENT OF MANAGER

The undersigned, Hadley Case, as president of Felmont Oil Corporation, acting under the authority of Section 28 (b) of the by-laws of said corporation,

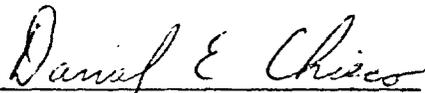
DOES HEREBY APPOINT Roland C. Reynolds as Manager, Western Division of Felmont Oil Corporation's oil and gas operations conducted in its Western Division, with full power and authority to execute and deliver on behalf of this corporation the following instruments and documents relating to oil, gas or mineral lands, leases, royalties, and interests, viz: All assignments, deeds, mortgages, leases, division orders, transfer orders, partial assignments, mineral and royalty deeds, conveyances, quitclaims, or any other form or forms of transfer, farmout agreements, operating agreements, bottomhole or dryhole contribution agreements, renewals and releases of oil and gas leases, unitization agreements, subordination agreements, option contracts, drilling contracts, any contract or contracts whatever for the purchase, development, sale or surrender of any oil lands or interest in oil lands, any other form or forms of contracts, declarations of trust, certificates of ownership or estoppel certificates, affecting or covering any oil properties or oil property interests, oil lands, oil leases, royalty interests, mineral interests, fee interests, or any other ownership of oil lands or interests in oil lands, or oil, gas and mineral rights, or any interest in oil property of any character whatsoever, or any right, title or interest in and to any oil, gas or minerals, heretofore, now or hereafter owned by this corporation in the area administered by this corporation's Western Division office, presently located in Midland, Texas.

IN WITNESS WHEREOF, I have hereunto affixed my hand
this 4th day of August, 1965.

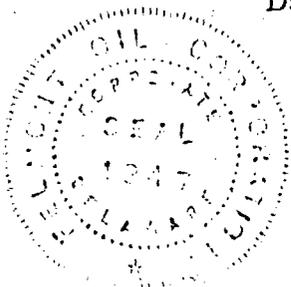


Hadley Case
President

ATTEST:



Daniel E. Chieco
Secretary



RECEIVED
AUG 6 1965

MIDLAND, TEXAS

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

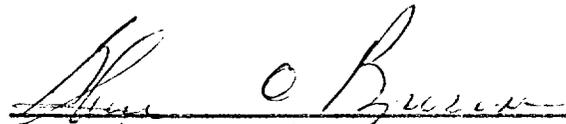
WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 4th day of October, 1965.



Glenn O. Briscoe

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Alabama)
)
) SS:
COUNTY OF Russell)

The foregoing instrument was acknowledged before me this 22 day of October, 1965, by Glenn O Briscoe

Wallace K. Brown
Notary Public

My commission expires:
6-8-69

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires: _____ Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires: _____ Notary Public

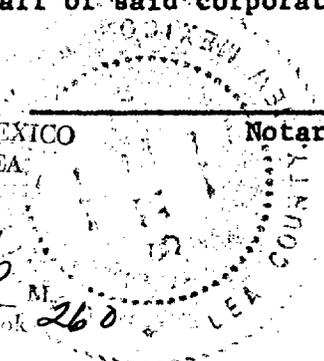
STATE OF NEW MEXICO
COUNTY OF LEA
FILED

JAN 9 1967

at 2:00 o'clock P M.
and record d in book 260

Page 563

EFFIE HALDING, county clerk
By Jane Rice Deputy



243

ROYALTY OWNER'S
 RATIFICATION OF UNIT AGREEMENT
 SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

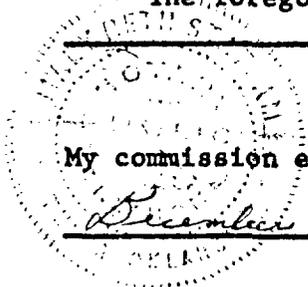
IN WITNESS WHEREOF, this instrument is executed this 11 day of April, 1965.

Caro Singer

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Oklahoma)
) SS:
COUNTY OF Tulsa)

The foregoing instrument was acknowledged before me this 11 day of April, 1966, by Oliver Singer



My commission expires:

December 8, 1968

Mary Beth Statham
Notary Public

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires:

Notary Public

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

JAN 9 1967

at 2:00 o'clock P M.

and recorded in book 266

Page 561

EFFIE HALDIMAN, county clerk

By Opus Rice Deputy

242

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 25 day of October, 1965.



ATTEST:

Louis B. ...
Cashier

San Angelo National Bank, Independent Executor of the Lorraine B. Leftwich Estate.
By *A. Alexander*
Vice President & Trust Officer.

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

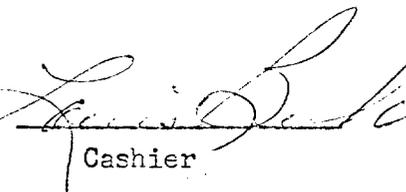
NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

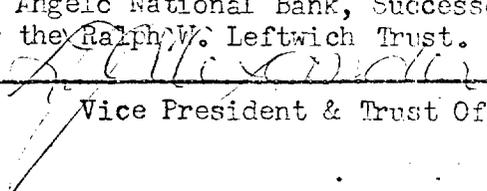
This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 25 day of October, 1965.

ATTEST:


Cashier

San Angelo National Bank, Successor Trustee
for the Ralph W. Leftwich Trust.

By 
Vice President & Trust Officer.

ROYALTY OWNER'S
 RATIFICATION OF UNIT AGREEMENT
 SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 26th day of October, 1965.

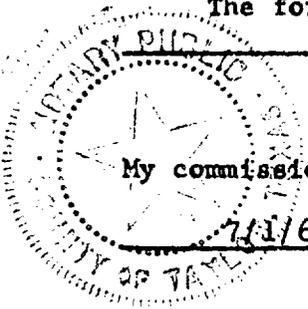


 James B. Dunigan

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Texas)
) SS:
COUNTY OF Taylor)

The foregoing instrument was acknowledged before me this 26th day of October, 1965, by James B. Dunigan.



My commission expires:

7/1/67

Carroll M. Morgan
Notary Public
Taylor County, Texas

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, his wife.

My commission expires:

Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____ a _____ corporation, on behalf of said corporation.

My commission expires: STATE OF NEW MEXICO
COUNTY OF LEA Notary Public
FILED

JAN 9 1967
at 2:00 o'clock P M.
and recorded in book 260
Page 555
EFFIE HALDIMAN, county clerk.
By Jane Rice Deputy



239

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 19th day of October, 1965.

BANK OF THE SOUTHWEST NATIONAL ASSOCIATION,
HOUSTON, Trustee under the Will of Hubert
E. Clift, Deceased, but not otherwise

Attest: [Signature]
Assistant Cashier

By: [Signature]
David Weintraub, Vice President & Trust Officer

BANK OF THE SOUTHWEST NATIONAL ASSOCIATION,
HOUSTON, Trustee (#1603), but not otherwise

Attest: [Signature]
Assistant Cashier

By: [Signature]
David Weintraub, Vice President & Trust Officer

ROYALTY OWNER'S
 RATIFICATION OF UNIT AGREEMENT
 SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 20th day of November, 19 65.

Mary Helen Section
Frank A. Section

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

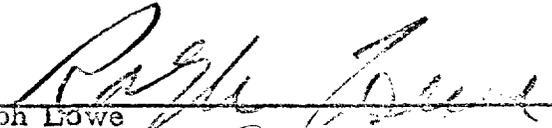
WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

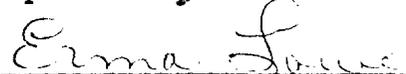
The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 11th day of October, 1965.



Ralph Lowe



Erma Lowe

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

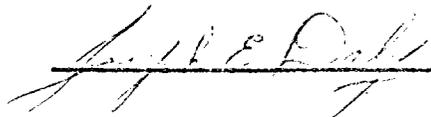
WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 14 day of April, 1965.

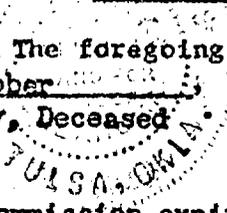


Executor of the Estate of Bennett H. Daly, Deceased

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Oklahoma)
) SS:
COUNTY OF Tulsa)

The foregoing instrument was acknowledged before me this 18th day of October, 19 65, by Joseph E. Daly, Executor of the Estate of Emmett H. Daly, Deceased.



Luella Collins
Notary Public

My commission expires: 2-27-67

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

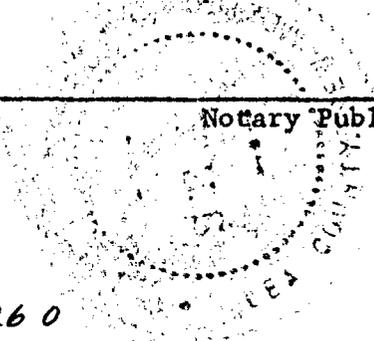
CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires: STATE OF NEW MEXICO
COUNTY OF LEA
FILED

Notary Public



JAN 9 1967

at 2:00 o'clock P M.
and recorded in book 260

Page 541

EFFIE HALDIMAN, county clerk
By Janice Rice Deputy

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ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

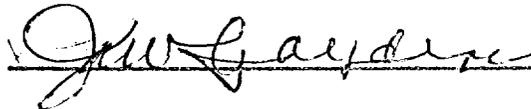
WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 15th day of October, 19 65.



INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Texas)
) SS:
COUNTY OF Gray)

The foregoing instrument was acknowledged before me this 15th day of October, 1965, by J. W. Gayden

My commission expires:

June 7, 1967

Virginia Richardson
Notary Public
(Virginia Richardson)

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____ corporation, on behalf of said corporation.

My commission expires:

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

JAN 9 1967

at 2:00 o'clock P M.

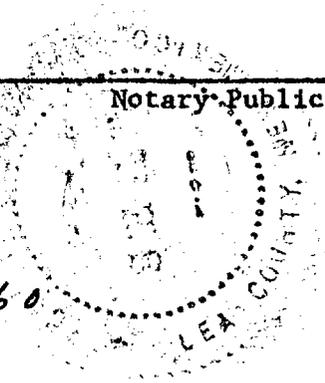
and recorded in book 260

Page 539

EFFIE HALDING, county clerk

By Joe Rice Deputy

Notary Public



231

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 14 day of Oct, 1965.

J. A. Carson
Willie M. Carson

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 13th day of Oct, 1965.

ATTEST:
Joel A. Plunk
Assistant Secretary

Lafoss Petroleum Co Inc
M. E. J. Dominguez Jr.

223

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 11 day of October,
19 65.

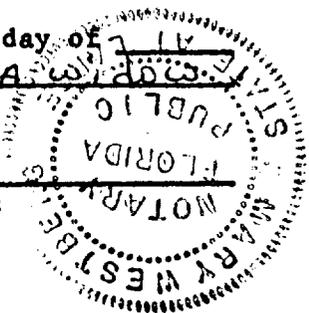
Carstene French Ellison

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF FLORIDA)
COUNTY OF FRANKLIN) SS:

The foregoing instrument was acknowledged before me this 11th day of October, 1965, by Constance French Ellison, A. W. Widdow...

Mary Westberg
Notary Public



My commission expires:

NOTARY PUBLIC STATE OF FLORIDA at LARGE
MY COMMISSION EXPIRES AUG. 13, 1968
BONDED THROUGH FRED W. DIESTELHORST

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF)
COUNTY OF) SS:

The foregoing instrument was acknowledged before me this ___ day of ___, 19___, by ___ and ___ his wife.

My commission expires:

Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF)
COUNTY OF) SS:

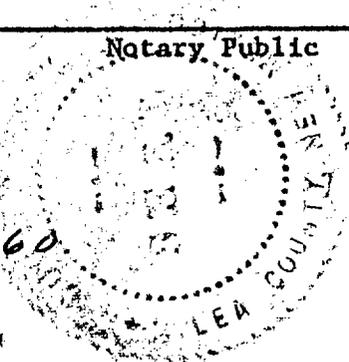
The foregoing instrument was acknowledged before me this ___ day of ___, 19___, by ___ President of ___ a ___ corporation, on behalf of said corporation.

My commission expires:

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

JAN 9 1967
at 2:00 o'clock P M.
and recorded in book 260.
Page 533

EFFIE HALDIMAN, county clerk
By Jackie Deputy



228

221

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 11th day of October,
1965.

R. F. Blank
Martha Nell Blank

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 12th day of October, 19 65.

Thelma Black and
Husband *Orlino Lopez*

660

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 13th day of October, 1965.

Hutton C. Williams
Carl Williams

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

224

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

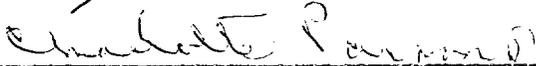
NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 14 day of October,
19 65.





ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

223

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 12th day of October, 19 65.

PHILLIPS INVESTMENT CORPORATION



Lawrence J. Phillips
Secretary

Lawrence J. Phillips
President

222

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 20 day of Oct,
19 65.

Bruce Pflieger 2657 Harvard
Somerville, MA

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF TEXAS)

) SS:

COUNTY OF Tom Green)

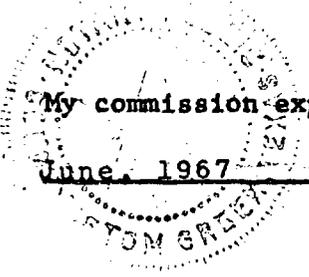
The foregoing instrument was acknowledged before me this 20th day of October, 1965, by Bill Pfluger

BARBARA SHIRLEY

Barbara Shirley
Notary Public
For Tom Green County

My commission expires:

June 1967



JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)

) SS:

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)

) SS:

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires:

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

JAN 9 1967

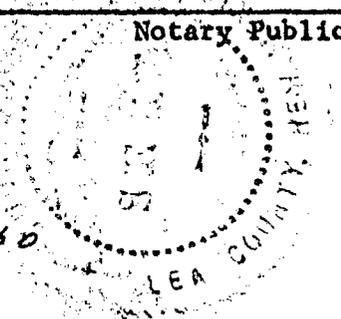
at 2:00 o'clock P M.

and recorded in book 260

Page 521

EFFIE HALDING, county clerk

By [Signature] Deputy



222

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 18th day of Oct., 1965.

E. J. [Signature]
Ethel M. [Signature]

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 22nd day of October, 1965.

Bessie Massey

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

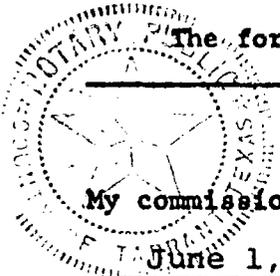
STATE OF Texas)
) SS:
COUNTY OF Tarrant)

The foregoing instrument was acknowledged before me this 22nd day of Oct, 1965, by Bessie Massey, a feme sole.

My commission expires:

June 1, 1967

Francis Crow
Notary Public



JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, a _____ President of _____ corporation, on behalf of said corporation.

My commission expires:

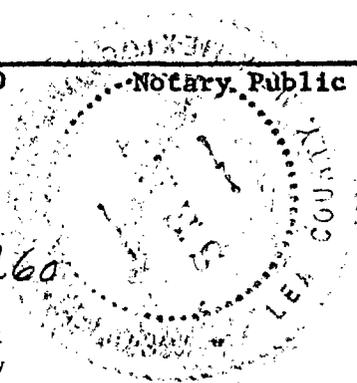
STATE OF NEW MEXICO
COUNTY OF LEA
FILED

JAN 9 1967

at 2:00 o'clock P M.
and recorded in book 260

Page 217

EFFIE HALDIMAN county clerk
By Jane Rice Deputy



220

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 20 day of October, 1965.

W. Penrose
Robert Penrose

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

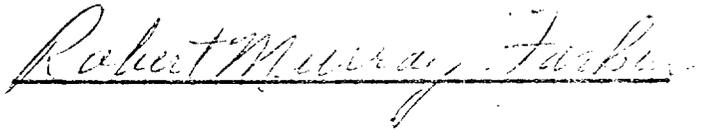
WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 20th day of October,
19 65.



Robert Murray Fasken, Executor
of Andrew Fasken Estate

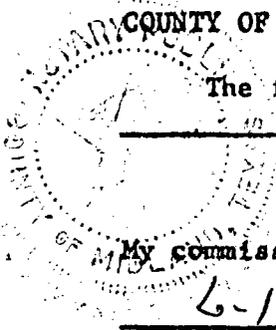
INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Texas)
) SS:
COUNTY OF Midland)

The foregoing instrument was acknowledged before me this 20th day of October, 19 65, by Robert Murray Fasken, Executor of Andrew Fasken Estate.

Ray Harrison
Notary Public

My commission expires:
6-1-67



JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires: _____
Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

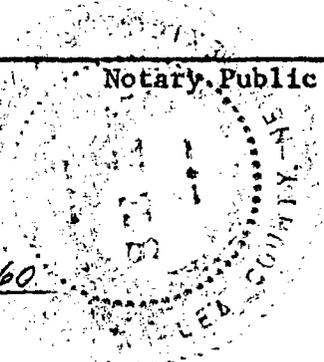
STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires: _____
Notary Public

218

STATE OF NEW MEXICO
COUNTY OF LEA
FILED
JAN 9 1967
at 2:00 o'clock P M.
and recorded in book 260
Page 513
EFFIE HALDIMA, county clerk
By Jane Rice Deputy



ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

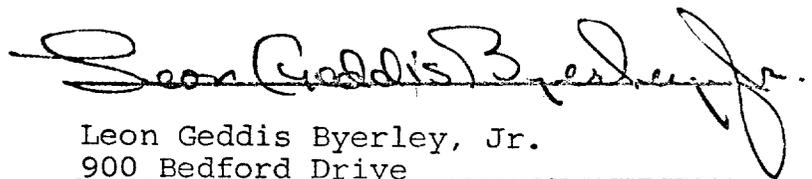
WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 29th day of October, 1965.


Leon Geddis Byerley, Jr.
900 Bedford Drive
Midland, Texas 79704

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Texas)
COUNTY OF Midland)

SS:

The foregoing instrument was acknowledged before me this 29th day of October, 1965, by Leon Geddis Beyerley, Jr.

Gayle Maple
Notary Public

My commission expires:
Notary Public, Midland County, Midland, Texas.
My Commission Expires 6-1-67

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
COUNTY OF _____)

SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
COUNTY OF _____)

SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, a _____ President of _____ corporation, on behalf of said corporation.

My commission expires:

STATE OF NEW MEXICO
COUNTY OF LEA
Notary Public

FILED

JAN 9 1967

at 2:00 o'clock P M.

and recorded in book 200

Page 511

EFFIE HALDIMAN, county clerk

By Jane Rice Deputy

217

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this VI day of Oct,
1965.

William Lee Pflieger
by Carl R. Pflieger Attorney at Law

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Texas)
) SS:
COUNTY OF Concho)

The foregoing instrument was acknowledged before me this 21 day of Oct., 1965, by Carl R. Pfluger, Atty. in fact.

Jan. L. Daniel
Notary Public

My commission expires:

6-1-1967

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires:

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

Notary Public

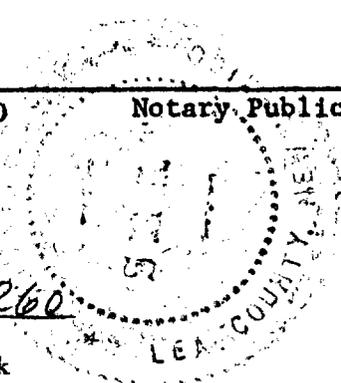
JAN 9 1967

at 2:00 o'clock P M.
and recorded in book 260

Page 507

EFFIE HALDIMAN, county clerk

By June Rice Deputy



215

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

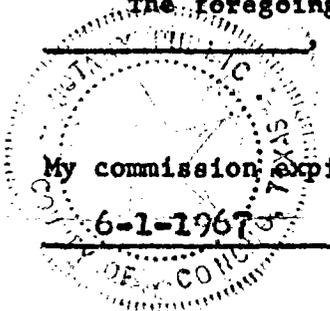
IN WITNESS WHEREOF, this instrument is executed this VI day of Oct,
1965.

Clare R. Bengel

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Texas)
)
COUNTY OF Concho) SS:

The foregoing instrument was acknowledged before me this 21 day of Oct., 1965, by Carl R. Pfluger



My commission expires: 6-1-1967

Geo. L. Daniel
Notary Public

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
COUNTY OF _____) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires: _____

Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
COUNTY OF _____) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires: _____

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

Notary Public

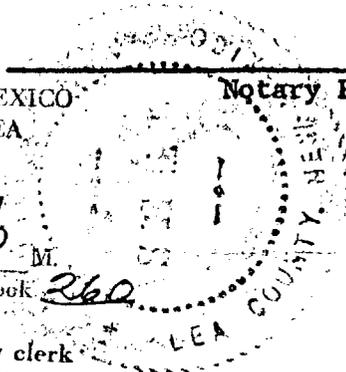
JAN 9 1967

at 2:00 o'clock P.M.

and recorded in book 260

Page 505

EFFIE HALDIMAN, county clerk
By Jane Rice Deputy



214

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

213

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 21 day of October, 1968.

Elaine M. Whines

William C. Whines

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

211

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 7th day of December, 1965.

E. F. King

Ravena King

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 20 day of Jan,
19 66.

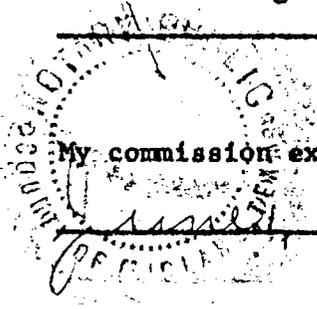
Mildred Penrose Blewett
/

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Texas)
)
COUNTY OF Midland) SS:

The foregoing instrument was acknowledged before me this 12 day of _____, 1966, by Maudie Cowden Blakney.

N. Laird Murri
Notary Public



My commission expires: _____
1967

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
COUNTY OF _____) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires: _____ Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
COUNTY OF _____) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires: _____ Notary Public

STATE OF NEW MEXICO

COUNTY OF LEA

Notary Public

FILED

JAN 9 1967

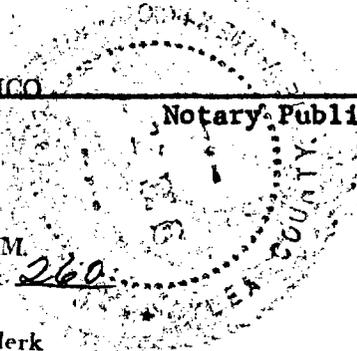
at 2:00 o'clock P M.

and recorded in book 260

Page 495

EFFIE HALDIMAN, county clerk

By Jane Rice Deputy



ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 17 day of June, 19 66.

Reed B. Long
Harry H. Long

201

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

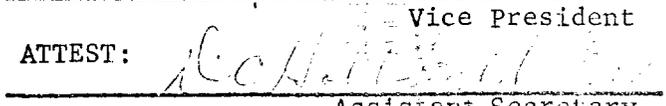
IN WITNESS WHEREOF, this instrument is executed this 23rd day of November, 1965.

MIDWEST OIL CORPORATION



Vice President

ATTEST:



Assistant Secretary

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 15 day of Oct,
1965.



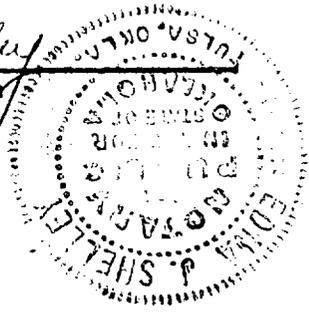
INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Oklahoma)
COUNTY OF Fulsa) SS:

The foregoing instrument was acknowledged before me this 15 day of October, 19 65, by E. G. Doby.

My commission expires:

My Commission Expires June 18, 1966

Edna J. Shelly
Notary Public


JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
COUNTY OF _____) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

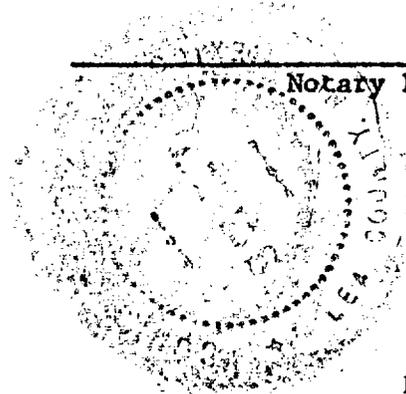
CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
COUNTY OF _____) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires:

Notary Public



STATE OF NEW MEXICO
COUNTY OF LEA
FILED

JAN 9 1967

at 2:00 o'clock P. M.
and recorded in book 260
Page 489

EFFIE HALDIMAN, county clerk
By Jane Rice Deputy

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

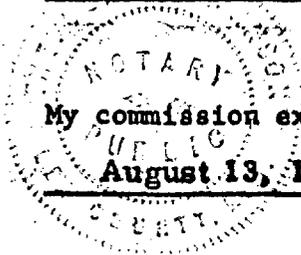
IN WITNESS WHEREOF, this instrument is executed this 20th day of December, 1966.



INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF New Mexico)
) SS:
COUNTY OF Lea)

The foregoing instrument was acknowledged before me this 20th day of December, 19 66, by W. P. Sims, a single man



My commission expires:
August 13, 1970

[Signature]
Notary Public

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

STATE OF NEW MEXICO

COUNTY OF LEA

FILED

Notary Public

My commission expires:

53377

DEC 21 1966

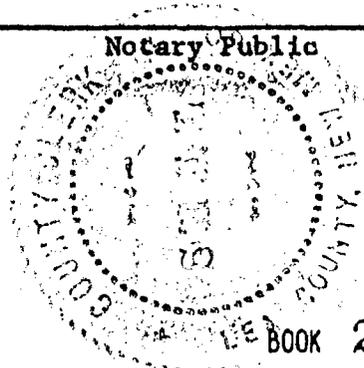
at 9:35 o'clock A M

and Recorded in Book 260

Page 4

JANE RICE, County Clerk

By [Signature] Deputy



BOOK 260 PAGE

53378

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 19th day of December, 19 66.

R R Aims

Edy B. Aims

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 5 day of January, 1966.

PAN AMERICAN PETROLEUM CORPORATION

ATTEST:

BY: [Signature]
Attorney-in-Fact

[Signature]
Assistant Secretary

APPROVED
[Signature]

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

Firm Royalties, Inc.

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 11th day of January, 19 66.

FIRM ROYALTIES, INC.

By: *J. Robert Reserve*

J. Robert Reserve,
Vice President

ATTEST:

Clifford E. Hughes
Clifford E. Hughes,
Secretary

201

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 11th day of January, 19 66.

Sarah B. Hughes
Sarah B. Hughes
Clifford E. Hughes
Clifford E. Hughes
Husband of Sarah B. Hughes

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

1509

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 10th day of February, 19 67.

ATTEST:

Walter O. Siler
Walter O. Siler, Asst. Secretary

MISSION CORPORATION

BY

Charles F. Krug
Charles F. Krug, Vice President



ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

1508

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

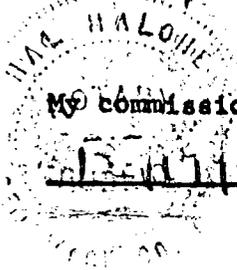
IN WITNESS WHEREOF, this instrument is executed this 13 day of January,
1965.

William E. Walker

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Kansas)
)
COUNTY OF Sedgwick) SS:

The foregoing instrument was acknowledged before me this 13 day of January, 1967, by William E. Walker.



My commission expires:

12-11-69

H.A. Halomi
Notary Public

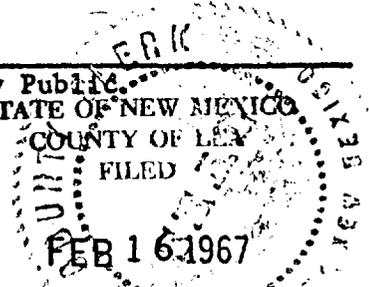
JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
COUNTY OF _____) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public
STATE OF NEW MEXICO
COUNTY OF LEA
FILED



CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
COUNTY OF _____) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____ a _____ corporation, on behalf of said corporation.

My commission expires:

Notary Public

at 10:10 o'clock A.M.
and Recorded in Book 261
Page 448
EFFIE HALDIMAN, County Clerk
By Jane Rice Deputy

1508

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

1507

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 13 day of November,
1965.

James G. Walker

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Kansas)
)
COUNTY OF Sedgewick) SS:

The foregoing instrument was acknowledged before me this 13 day of January, 1967, by Irene E. Walker

My commission expires:

12/31/69

[Signature]
Notary Public

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
COUNTY OF _____) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
COUNTY OF _____) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires:

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

Notary Public

FEB 16 1967

at 10:10 o'clock A M
and Recorded in Book 261
Page 446
By [Signature] Deputy
E. HALDIMAN, County Clerk

BOOK 261 PAGE 447

1507

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

1506

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 3rd day of January, 1967.

Kelen Schumann Strass
J. T. Strass

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

1505

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

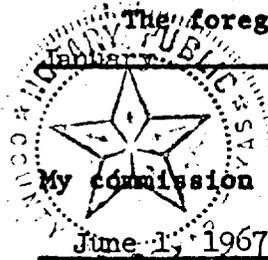
IN WITNESS WHEREOF, this instrument is executed this 18th day of January,
19⁶⁷ .

Royce Neal
Royce Neal

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF TEXAS)
)
COUNTY OF BEXAR)

SS:



The foregoing instrument was acknowledged before me this 18th day of January, 1967, by ROXIE NEAL, a single woman.

Venna Coker
Notary Public
in and for Bexar County, Texas
VENNA COCKER
Notary Public, Bexar County, Texas

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
COUNTY OF _____)

SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
COUNTY OF _____)

SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

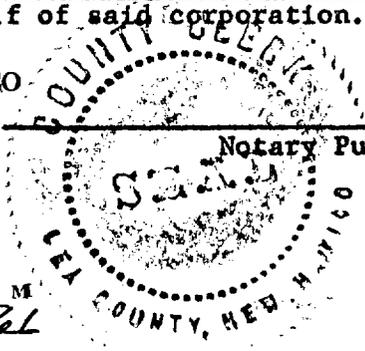
STATE OF NEW MEXICO
COUNTY OF LEA
FILED

My commission expires:

Notary Public

FEB 16 1967

at 10:10 o'clock A M
and Recorded in B. Ok 261
Page 442
EFFIE HALD.MAN, County Clerk:
By Jane Rice Deputy



E. 1505

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

1504

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled, "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 20th day of JANUARY, 1967.



J. E. Moran, Successor Trustee Under
Will of Edgar F. Moran

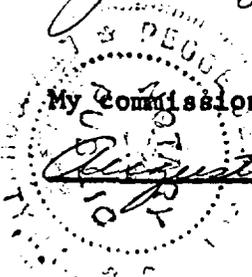
INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF New Mexico)
) SS:
COUNTY OF Lea)

The foregoing instrument was acknowledged before me this 30th day of January, 1967, by J. E. Moran

Legge Jean Peters
Notary Public

My commission expires:
August 7, 1969



JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires: _____ Notary Public

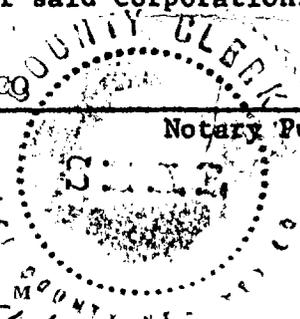
CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires: _____ Notary Public

STATE OF NEW MEXICO
COUNTY OF LEA
FILED



FEB 16 1967

at 10:10 o'clock A
and Recorded in Book 261
Page 440
EFFIE HALD.MAN, County Clerk
By Jane Rice Deputy

1504

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

1503

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

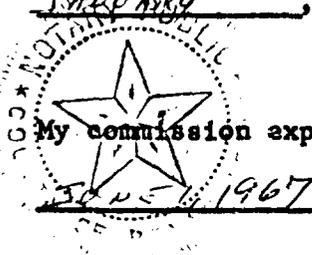
IN WITNESS WHEREOF, this instrument is executed this 28 day of Jan,
1967.



INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF TEXAS)
) SS:
COUNTY OF BEXAR)

The foregoing instrument was acknowledged before me this 25 day of JANUARY, 1967, by J.B. CRENSHAW



My commission expires: JOHN BRAMHALL
Notary Public, Bexar County, Texas John Bramhall
Notary Public

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires: _____ Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

1503

STATE OF _____)
) SS:
COUNTY OF _____)

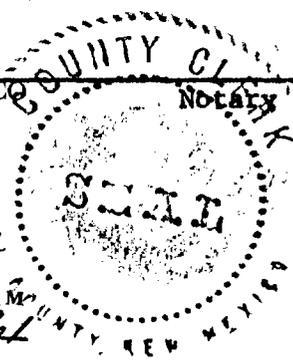
The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____ a _____ corporation, on behalf of said corporation.

My commission expires: _____ STATE OF NEW MEXICO _____ Notary Public

COUNTY OF LEA
FILED

FEB 16 1967

at 10:10 o'clock A M.
and Recorded in Book 261
Page 439
EFFIE HALD.MAN County Clerk
By Anna Rice Deputy



ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

1502

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 25th day of January,
1967.

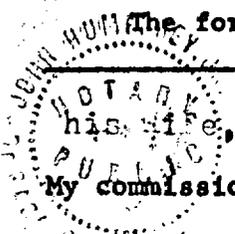
Dan H. Crenshaw
Barbara J. Crenshaw

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF NEW MEXICO)
) SS:
COUNTY OF DE BACA)

The foregoing instrument was acknowledged before me this 25th day of January, 19 67, by Dan H. Crenshaw and Barbara Sue Crenshaw, his wife.

[Signature]
Notary Public



My commission expires:
November 8, 1969

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires: _____ Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

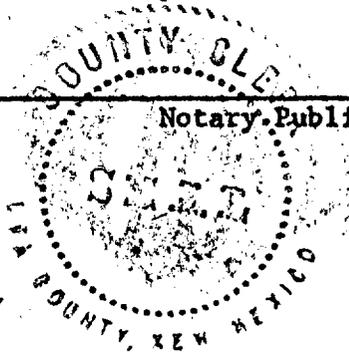
STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires: _____ STATE OF NEW MEXICO
COUNTY OF LEA
FILED Notary Public

FEB 16 1967

at 10:10 o'clock A M
and Recorded in Book 261
Page 436
EFFIE HALD. MAN, County Clerk
By [Signature] Deputy



BOOK 261 PAGE 437

1502

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

1501

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

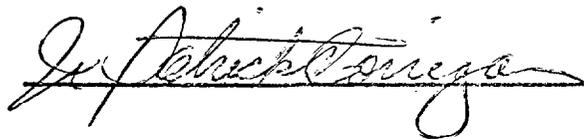
WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

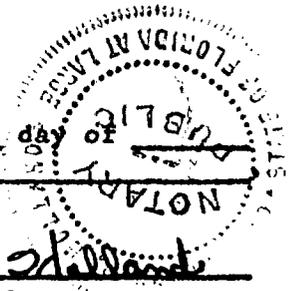
IN WITNESS WHEREOF, this instrument is executed this 6th day of January,
19 67.



INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF FLORIDA)
) SS:
COUNTY OF INDIAN RIVER)

The foregoing instrument was acknowledged before me this 6th day of January, 1967, by J. Patrick Corrigan



My commission expires:

James J. P. Halland
Notary Public

May 12, 1970

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

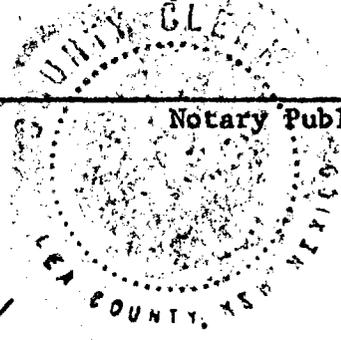
CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____ a _____ corporation, on behalf of said corporation.

My commission expires:

STATE OF NEW MEXICO
COUNTY OF LEA
FILED



Notary Public

FEB 16 1967

at 10:10 o'clock A M
and recorded in Book 261
Page 434
By James R. ... County Clerk
Deputy

BOOK 261 PAGE 435

1501

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT 1499
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

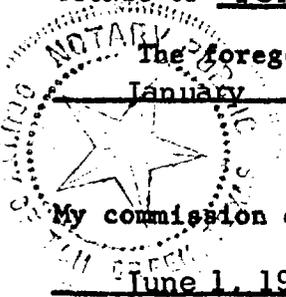
IN WITNESS WHEREOF, this instrument is executed this 9th day of JAN,
1967.

Barbara Lee Paul Ballinger

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF TEXAS)
) SS:
COUNTY OF TOM GREEN)

The foregoing instrument was acknowledged before me this 10th day of January, 1967, by DOLLIE RUTH NEAL BALLENGER.



My commission expires:
June 1, 1967

Craig Port

Notary Public

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

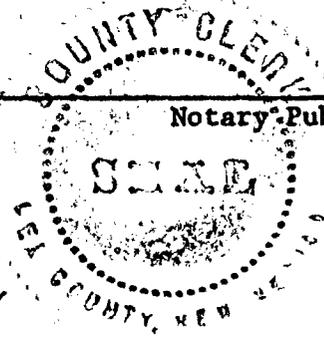
CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____ a _____ corporation, on behalf of said corporation.

My commission expires:

STATE OF NEW MEXICO
COUNTY OF LEA
FILED



Notary Public

1499

FEB 16 1967

at 10:10 o'clock A M
and recorded in Book 261
Page 439
By Jane Rice Deputy

BOOK 261 PAGE 431

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

1500

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

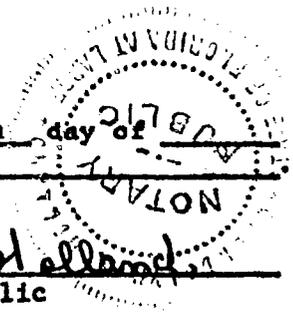
IN WITNESS WHEREOF, this instrument is executed this 6th day of January,
19 67.

Hugh Corrigan, III

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF FLORIDA)
) SS:
COUNTY OF INDIAN RIVER)

The foregoing instrument was acknowledged before me this 6th day of January, 1967, by Hugh Corrigan III



My commission expires:

Benedict P. Holland
Notary Public

May 12, 1970

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires:

Notary Public

1500

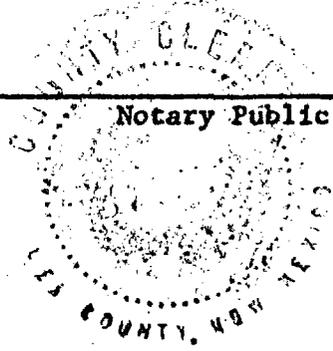
CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
) SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires:

STATE OF NEW MEXICO
COUNTY OF LEA
FILED



FEB 16 1967

at 10:10 o'clock A M
and Recorded in Book 261
Page 432
EFFIE HALDIMAN County Clerk
By Jose Rico Deputy

BOOK 261 PAGE 433

2422

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 15th day of October, 19 65.

M. & J. Dunigan, Jr.
J. S. Dunigan WSG
F. M. H. FMH
G. T. III GT, III
J. B. H., Jr. JBH, Jr.

Trustees of the J. P. D. Alpha Trust, J. M. D. Alpha Trust, M. S. D. Alpha Trust, M. S. D. Alpha Life Trust, W. E. D. Alpha Trust, and the Colleen Dunigan et al Alpha Trust.

STATE OF TEXAS X

COUNTY OF GRAY X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared E. J. DUNIGAN, JR., known to me to be the person whose name is subscribed to the foregoing instrument individually and as one of the Trustees of the JMD-Alpha Trust, the WED-Alpha Trust, the JPD-Alpha Trust, the MSD-Alpha Trust, the Colleen Dunigan-Alpha Trust, the Clancy Dunigan-Alpha Trust, the Kerry Dunigan-Alpha Trust, the Kelly Dunigan-Alpha Trust, and the MSD-Alpha Life Trust, and acknowledged to me that he executed the same individually and as such Trustee for the purposes and consideration therein expressed, and in the capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 13th day of October, 1965.



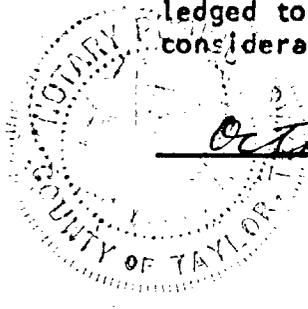
Marilyn Lewis
Notary Public, Gray County, Texas.

STATE OF TEXAS X

COUNTY OF TAYLOR X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared W. S. GULLAHORN, known to me to be the person whose name is subscribed to the foregoing instrument as one of the Trustees of the JMD-Alpha Trust, the WED-Alpha Trust, the JPD-Alpha Trust, the MSD-Alpha Trust, the Colleen Dunigan-Alpha Trust, the Clancy Dunigan-Alpha Trust, the Kerry Dunigan-Alpha Trust, and the Kelly Dunigan-Alpha Trust, and acknowledged to me that he executed the same as such Trustee for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15th day of October, 1965.



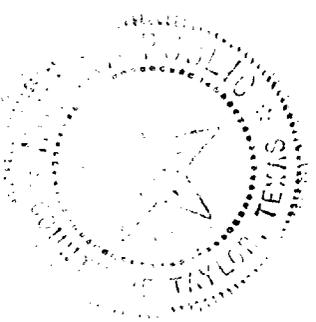
Carroll M. Meyer
Notary Public, Taylor County, Texas.

STATE OF TEXAS X

COUNTY OF TAYLOR X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared F. M. HARRELL, known to me to be the person whose name is subscribed to the foregoing instrument as one of the Trustees of the JMD-Alpha Trust, the WED-Alpha Trust, the JPD-Alpha Trust, the MSD-Alpha Trust, the Colleen Dunigan-Alpha Trust, the Clancy Dunigan-Alpha Trust, the Kerry Dunigan-Alpha Trust, and the Kelly Dunigan-Alpha Trust, and acknowledged to me that he executed the same as such Trustee for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15th day of October, 1965.



Clayton C. Camp
Notary Public, Taylor County, Texas.

STATE OF TEXAS X
Larrant
COUNTY OF TAYLOR X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared GEORGE THOMPSON, III, known to me to be the person whose name is subscribed to the foregoing instrument as one of the Trustees of the MSD-Alpha Life Trust, and acknowledged to me that he executed the same as such Trustee for the purposes and consideration therein expressed, and in the capacity therein stated.

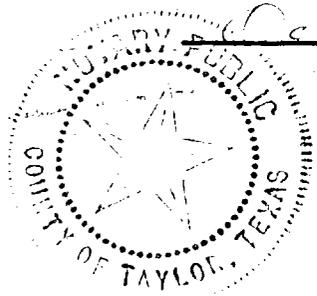
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 26 day of October, 1965.

Frances L. Williams
Notary Public, Taylor County, Texas
Larrant

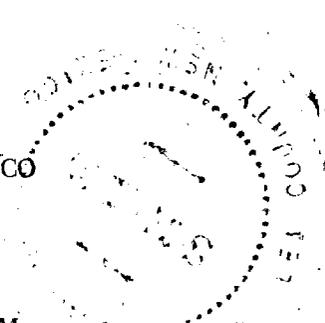
STATE OF TEXAS X
COUNTY OF TAYLOR X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared J. B. HARRELL, JR., known to me to be the person whose name is subscribed to the foregoing instrument as one of the Trustees of the MSD-Alpha Life Trust, and acknowledged to me that he executed the same as such Trustee for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18 day of October, 1965.



Emmette Barber
Notary Public, Taylor County, Texas



244

STATE OF NEW MEXICO
COUNTY OF LEA
FILED
JAN 9 1967
at 2:00 o'clock P M.
and recorded in book 260
Page 565
EFFIE HALDIMAN, county clerk
By *J. Garcia* Deputy

ROYALTY OWNER'S
RATIFICATION OF UNIT AGREEMENT
SKELLY PENROSE "A" UNIT
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS: THAT,

WHEREAS, each of the undersigned hereby acknowledges receipt of a true and correct counterpart of that certain instrument dated April 1, 1965, and entitled "Unit Agreement for the Development and Operation of the Skelly Penrose "A" Unit, Lea County, New Mexico", reference to which said agreement being here made for all pertinent purposes; and

WHEREAS, each of the undersigned represents that it is a "Royalty Owner" (as that term is defined in said Unit Agreement) and, as such, owns an interest or interests in one or more of the separate tracts of land covered by said agreement and more particularly identified on Exhibits "A" and "B" thereto (which said separate tracts, in the aggregate, comprise the Unit Area of the Skelly Penrose "A" Unit); and

WHEREAS, among other things, said Unit Agreement provides that it may be ratified by a separate instrument in writing, and the undersigned, being familiar with the contents of said agreement, desires to ratify and confirm same;

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements set forth in said Unit Agreement, and the mutual benefits to be derived therefrom, each of the undersigned does hereby ratify, adopt and confirm said Unit Agreement with respect to all of its interest or interests in all of the land covered by said agreement, thereby becoming a party to said agreement to the same extent as if it had executed a counterpart thereof. Each of the undersigned hereby stipulates that its interest or interests in said Unit Area is hereby unitized in accordance with and subject to all of the terms and conditions of said Unit Agreement.

The undersigned (whether one or more) is referred to in the singular and in the neuter gender.

This ratification shall extend to and be binding upon the undersigned, its heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, this instrument is executed this 20th day of October,
19 65.

Marjorie Cone Kastman

Marjorie Cone Kastman, Guardian of
the Estate of S. E. Cone

INDIVIDUAL NOTARY ACKNOWLEDGMENT FORM

STATE OF Texas)
)
COUNTY OF Lubbock) SS:

The foregoing instrument was acknowledged before me this 20th day of October, 1965, by Margaret Lane Eastman

Edna Mae Dulsider
Notary Public

My commission expires:
June 1967

JOINT HUSBAND & WIFE NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
COUNTY OF _____) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ and _____, his wife.

My commission expires: _____
Notary Public

CORPORATION NOTARY ACKNOWLEDGMENT FORM

STATE OF _____)
)
COUNTY OF _____) SS:

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____, President of _____, a _____ corporation, on behalf of said corporation.

My commission expires: _____
Notary Public

STATE OF NEW MEXICO
COUNTY OF LEA
FILED
JAN 9 1967
at 2:00 o'clock P M.
and recorded in book 260
Page 487
EFFIE HALDIMAN county clerk
By Gene Rice Deputy

205

FILED JAN 14 1963 IN MY
OFFICE

W.M.B. Beauchamp

CLERK OF THE DISTRICT COURT

By _____ Deputy

IN THE DISTRICT COURT OF LEA COUNTY
STATE OF NEW MEXICO

IN THE MATTER OF THE ESTATE

OF S.E.CONE, an insane person.

NO. 21072

LETTERS OF GUARDIANSHIP

TO ALL TO WHOM THESE PRESENTS COME, GREETINGS:

BE IT KNOWN, That on the 2nd day of January, A.D., 1963, Geo. L. Reese, Jr., District Judge of the Fifth Judicial District of the State of New Mexico, within and for the County of Lea, did appoint MARJORIE CONE KASTMAN as Guardian of the Estate of S.E. Cone, An Insane Person, and did order said guardian to file a rider to bond heretofore filed in the County Court of Lubbock County, Texas, in Cause No. 7246 being Bond No. 56 07 847 in the amount of \$400,000.00, upon which the Fidelity and Deposit Company of Maryland is surety, for faithful discharge of her duties as such guardian; said Marjorie Cone Kastman having entered into Bond with Rider agreeable to the foresaid, which was duly approved by the Court, and filed the same in the office of the Clerk of the District Court according to law, and having also taken, subscribed and filed in the office of the Clerk of the District Court the oath prescribed by law, she, the said Marjorie Cone Kastman is duly constituted guardian of the estate of S.E. Cone, an insane person, and is by these presents authorized to have the possession and management of his estate in Lea County, New Mexico, and of the profits of said ward, with authority to receive, and as guardian to sue for all debts, rents, accounts and property, due and belonging to said ward, and under the order of said Court, to sell the property, lease or rent, according to the provisions of the statutes in such cases made and provided.

STATE OF TEXAS X
Larrant
COUNTY OF TAYLOR X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared GEORGE THOMPSON, III, known to me to be the person whose name is subscribed to the foregoing instrument as one of the Trustees of the MSD-Alpha Life Trust, and acknowledged to me that he executed the same as such Trustee for the purposes and consideration therein expressed, and in the capacity therein stated.

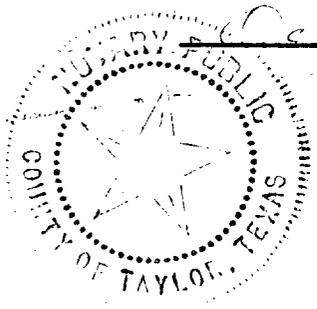
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 26 day of October, 1965.

Frances L. Williams
Notary Public, Taylor County, Texas
Larrant

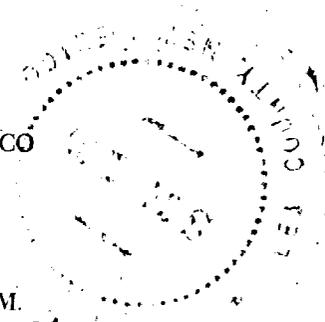
STATE OF TEXAS X
COUNTY OF TAYLOR X

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared J. B. HARRELL, JR., known to me to be the person whose name is subscribed to the foregoing instrument as one of the Trustees of the MSD-Alpha Life Trust, and acknowledged to me that he executed the same as such Trustee for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18 day of October, 1965.



Annelle Borders
Notary Public, Taylor County, Texas



244

STATE OF NEW MEXICO
COUNTY OF LEA
FILED
JAN 9 1967
at 2:00 o'clock P M.
and recorded in book 260
Page 565
EFFIE HALDIMAN, county clerk
B. *Jacobson* Deputy

IN THE TESTIMONY WHEREOF, I, W.M. BEAUCHAMP, Clerk of the District Court of Lea County, New Mexico, have hereunto set my hand affixed the seal of the Court at Lovington, New Mexico, this 14th day of January, A.D., 1963.

W.M. Beauchamp
CLERK OF THE DISTRICT COURT