

#4458

DOYLE HARTMAN

Oil Operator

500 NORTH MAIN

P.O. BOX 10426

MIDLAND, TEXAS 79702

(915) 684-4011

(915) 682-7616 FAX

[Handwritten signature]

Via Hand-Delivery and Certified Mail, Return Receipt Requested

February 23, 2000

Breck Operating Corp.
States, Inc.
300 N. Breckenridge Ave. (76424)
P.O. Box 911
Breckenridge, TX 76424-0911

Attn: John H. Connally, President

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Attn: Dave Lindroos, Manager of Operations
Charlie Rule, Land Advisor

Re: Improper Procedures for Selection of New Unit Operator
South Eunice Unit
T-22-S, R-36-E
Lea County, New Mexico

Gentlemen:

Reference is made to Breck's February 18, 2000 notice letter to South Eunice Unit (SEU) Working Interest Owners, that was received by us on February 22, 2000, and which was also improperly sent by regular mail to questionable addresses. In the subject February 18, 2000 letter, SEU working interest owners were given improper and short notice of Breck Operating Corp.'s/States, Inc.'s (Breck's/States, Inc.'s) reported acquisition of Conoco Inc.'s (Conoco's) SEU ownership, and Breck's proposed immediate change of operatorship for the SEU located in T-22-S, R-36-E, Lea County, New Mexico.

Please be advised that Breck, as a currently unapproved unit operator, does not possess the proper standing to issue the herein referenced February 18, 2000 notice letter, and that Doyle Hartman is not agreeable to the operations of the SEU being immediately turned over to Breck/States, Inc., as suggested in the subject February 18, 2000 letter. First, to date, the proposed change in unit operations has not been proposed and conducted in accordance with Sections 7, 8 and 28 of the SEU Unit Agreement (excerpts enclosed) including issuance, by the current unit operator, of notice to all unit working interest owners, the Supervisor (BLM) and the Commission (OCD). Second, other SEU working interest owners including ARCO and Apache Corporation (Apache) appear to be equally or more qualified candidates for the position of new SEU operator, in light of their substantial Lea County, New Mexico experience, but have not been proposed to the SEU working interest owners as candidates for the position of new unit operator. Consequently, we strongly insist that the

Breck Operating Corp., *et al.*
February 23, 2000
Page 2

provisions of Sections 7, 8 and 28 of the SEU Unit Agreement be closely followed by Conoco and Breck during the very important process of selecting and qualifying a new SEU operator, including both the giving of proper notification, as well as the consideration of long-time SEU owners ARCO and Apache, as qualified operatorship candidates, for selection by the current SEU working interest owners, which selection shall be "...on the basis of current Unit Participation (emphasis added)...".

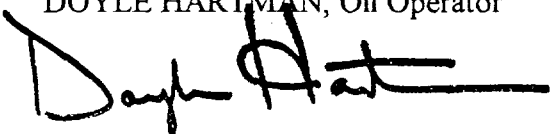
In addition, until a new unit operator is properly selected and officially approved, we also insist that Conoco continue to perform all duties and obligations of Unit Operator including promptly making payment for Unit gas production disposed of by Conoco (as unit operator) on behalf of Doyle Hartman (corresponding to our 2.2381% unit working interest), certain of which proceeds have, to date, not been disbursed by Conoco; i.e., Conoco (per Section 15 of the SEU Unit Agreement) has a contractual duty to disburse to us all undistributed gas proceeds before turning over operations to a successor operator.

Finally, we also request that Conoco promptly issue to all SEU working interest owners a complete, updated, and accurate list of (1) the present SEU working interest owners including the mailing address of the individuals with direct responsibility for the SEU, and (2) the correct unit ownership interest of each SEU working interest owner. The highly-incomplete list issued with Breck's February 18, 2000 letter does not make available to all SEU working interest owners certain vital and necessary unit ownership information, and also has omitted certain SEU working interest owners.

In the event that Conoco and Breck would prefer to continue moving forward with the change-of-operator process, without strictly adhering to the applicable provision of the SEU Unit Agreement and SEU Unit Operating Agreement, please be advised that Doyle Hartman is agreeable to entering into a mutually acceptable property swap, whereby we are willing to assign our 2.2381% SEU working interest in exchange for an assignment into us of Lea County property currently operated by Breck/States, Inc. and/or Conoco. Otherwise, as long as we remain a SEU working interest owner, we will expect both Conoco and Breck to strictly adhere to the applicable terms and provisions of the SEU Unit Agreement and SEU Unit Operating Agreement, while going through the change-of-operator process.

Very truly yours,

DOYLE HARTMAN, Oil Operator

A handwritten signature in black ink, appearing to read "Doyle Hartman", written over a horizontal line.

Doyle Hartman

Breck Operating Corp., *et al.*

February 23, 2000

Page 3

cc: South Eunice Unit Working Interest Owners
(List Attached)

Katy Galassini, Chief, Lease Maintenance Unit
Bureau of Land Management
1474 Rodeo Road (87505)
P.O. Box 27115
Santa Fe, NM 87502-7115

Bureau of Land Management
Roswell Field Office
2909 West Second
Roswell, New Mexico 88201
Attn: Alexis Swoboda, Petroleum Engineer
Armando A. Lopez, Asst. District Manager

Lori Wrotenbery, Director
New Mexico Oil Conservation Commission
2040 South Pacheco
Santa Fe, NM 87505

Chris Williams, Supervisor
New Mexico Oil Conservation Division
District I
1625 N. French Drive
Hobbs, NM 88240

Ray B. Powell, Commissioner
New Mexico State Land Office
310 Old Santa Fe Trail (87501)
P.O. Box 1148
Santa Fe, NM 87504-1148

Gallegos Law Firm
460 St. Michaels Dr., Bldg. 300
Santa Fe, NM 87505
Attn: J.E. Gallegos
Michael L. Condon

Breck Operating Corp., *et al.*
February 23, 2000
Page 4

DOYLE HARTMAN, Oil Operator (Midland)

Linda Land
Don Mashburn
Steve Hartman
Sheila Potts

DOYLE HARTMAN, Oil Operator (Dallas)

South Eunice Unit
LEA COUNTY, NEW MEXICO
WORKING INTEREST OWNERS

Mr. Timothy R. Custer, Sr. Staff Landman
Apache Corporation
2000 Post Oak Blvd., Suite 100
Houston, TX 77056-4400

Randy Collins, Land Manager
Apache Corporation
2000 Post Oak Blvd., Suite 100
Houston, TX 77056-4400

John Hale, Production Manager
Apache Corporation
Building 8, Suite 220
3300 N. A Street
Midland, TX 79705

Lee M. Scarborough, SE New Mexico Land
Director
ARCO Permian
P.O. Box 1610
Midland, TX 79702-1610

Delia Gelbs, Asset Manager
ARCO Permian
P.O. Box 1610
Midland, TX 79702-1610

Cathie McCown, Trustee
Auvenshine Children's Testamentary Trust
P.O. Box 507
Dripping Springs, TX 78620-0507

George F. Bauerdorf Testamentary Trust
Constance B. Cartwright, Trustee
2444 Wilshire Blvd., Suite 401
Santa Monica, CA 90403-5810

James C. Brown
P.O. Box 10621
Midland, TX 79702-0621

James C. Brown
c/o Carlow Corporation
500 W. Texas, Suite 1300
Midland, TX 79701

Rufus Gordon "Pete" Clay Trust
c/o James C. Brown, Co-Trustee
P.O. Box 10621
Midland, TX 79702-0621

James C. Brown
CME Oil & Gas Inc.
P.O. Box 10621
Midland, TX 79702-0621

Kathleen Cone Estate
P.O. Box 11310
Midland, TX 79702-8310

Kathleen Cone Estate
P.O. Box 778
Jay, OK 74346-0778

Kathleen Cone Estate
P.O. Drawer 1509
Lovington, NM 88260-1509

Tom R. Cone
P.O. Box 778
Jay, OK 74346-0778

Kenneth G. Cone
P.O. Drawer 11310
Midland, TX 79702

Margaret Clay Couch Trust
c/o James C. Brown, Co-Trustee
P.O. Box 10621
Midland, TX 79702-0621

James A. Davidson
214 W. Texas, Suite 710 (79701)
P.O. Box 494
Midland, TX 79702

James E. Burr
3803 Wedgewood Court (79707)
P.O. Box 8050
Midland, TX 79708-8050

Larry A. Nermyr
HC-57
Box 4106
Sydney, MT. 59270

Ruth Sutton
2826 Moss
Midland, TX 79705

John H. Hendrix, President
John H. Hendrix Corporation
110 Marienfeld, Suite 400 (79701)
P.O. Box 3040
Midland, TX 79702

Ronnie H. Westbrook
P.O. Box 3171
Midland, TX 79702

Michael L. Klein
500 W. Texas, Suite 1230
Midland, TX 79701

Mike Irons, President
ICA Energy, Inc.
P.O. Box 233
Odessa, TX 79760-0233

OBO, Inc.
P.O. Box 2577
Hialeah, FL 33012

Evelyn Clay O'Hara Trust
5608 Westcreek Drive
Ft. Worth, TX 76133-2245

POCO Partners, Ltd.
P.O. Box 2148
Midland, TX 79702-2148

Sonic Oil & Gas LP
P.O. Box 1240
Graham, TX 76450-1240

Apache Corporation
P.O. Box 840094
Dallas, TX 75284-0094

Evelyn Clay O'Hara Trust
3774 W. 6th Street
Ft. Worth, TX 76107-2061

James C. Brown
P.O. Box 10621
Midland, TX 79702-7621

Rufus Gordon "Pete" Clay Trust
c/o James C. Brown, Co-Trustee
P.O. Box 10621
Midland, TX 79702-7621

James C. Brown
CME Oil & Gas Inc.
P.O. Box 10621
Midland, TX 79702-7621

Margaret Clay Couch Trust
c/o James C. Brown, Co-Trustee
P.O. Box 10621
Midland, TX 79702-7621

BRECK OPERATING CORP.

P.O. BOX 911
BRECKENRIDGE, TEXAS 76424-0911
254-559-3355

February 18, 2000

TO ALL WORKING INTEREST OWNERS

Re: South Eunice Unit
Lea County, New Mexico

Gentlemen:

This is to advise that States, Inc. has entered into an agreement to acquire all of Conoco Inc.'s interest in the captioned unit with an effective date of February 1, 2000 and a closing and transfer of operations scheduled for March 1, 2000. States, Inc. hereby requests your vote as operator of the unit with supervision of the unit operations to be conducted by our operating entity, Breck Operating Corp. We would like to take over operations effective March 1, 2000. States, Inc. and Breck Operating Corp. are Texas corporations located in Breckenridge Texas. We operate primarily in the states of Texas, Oklahoma, New Mexico, Montana, Wyoming, Kansas, Arkansas and Louisiana. Some of our personnel with whom you might have dealings are:

Production Manager	Danny Wilson
Accounting Manager	Steve Veazey
General Counsel	Bob Anderson
Land Manager	Ron Holloway
Data Processing Manager	Jerry Robison

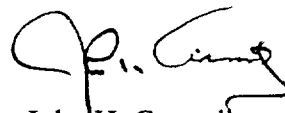
Our banking reference is Bank One, Dallas, Texas. We have a complete engineering, accounting, land and legal staff and have approximately fifty (50) employees. We have nationwide Federal and Indian bonds and carry bonding in any state in which we operate.

We operate units and waterfloods and if anyone would like references regarding our expertise and ability to operate properties in an economical manner, please let us know and we will furnish you with references.

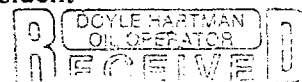
We ask that you approve States, Inc./Breck Operating Corp. as successor operator by executing and returning one (1) copy of the Designation of Successor Operator ballot to this office.

Your immediate attention will be appreciated. Should you have any questions, please give us a call.


Yours very truly,



John H. Connally
President



RAH/aw
ballot.lts.021800

 Enclosure

MAIN OFFICE FAX 254-559-3220

FEB 22 2000 PRODUCTION FAX 254-559-7066

DESIGNATION OF
SUCCESSOR UNIT OPERATOR
SOUTH EUNICE UNIT AREA
COUNTY OF LEA
STATE OF NEW MEXICO
NO. L-14-08-0001-11586

THIS INDENTURE, dated as of the 17th day of February, 2000, by and between Breck Operating Corp., hereinafter designated as "First Party," and the owners of unitized working interests, hereinafter designated as "Second Parties."

WITNESSETH:

WHEREAS under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. secs. 181, *et seq.*, as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 31st day of December, 1970, approved a unit agreement for the South Eunice Unit Area, wherein Conoco Inc. is designated as Unit Operator, and

WHEREAS said Conoco Inc. has resigned as such Operator and the designation of a successor Unit Operator is now required pursuant to the terms thereof; and

WHEREAS the First Party has been and hereby is designated by Second Parties as Unit Operator, and said First Party desires to assume all the rights, duties, and obligations of Unit Operator under the said unit agreement:

NOW THEREFORE, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the South Eunice Unit Agreement, and the Second Parties covenant and agree that, effective upon approval of this indenture by the Authorized Office, Bureau of Land Management, First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Unit Operator, pursuant to the terms and conditions of said unit agreement; said Unit agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said unit agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

First Party:

BRECK OPERATING CORP.

By: _____

John H. Connally
President

Second Party:

STATES, INC. ✓

By: _____

John H. Connally
President

ICA ENERGY, INC.

By: _____

Title: _____

ARCO PERMIAN ✓

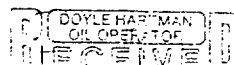
By: _____

Title: _____

POCO PARTNERS LTD. ✓

By: _____

Title: _____



Successor Unit Operator

February 18, 2000

Page Two

OBO, INC.

By: _____

Title: _____

CME OIL & GAS INC.

By: _____

Title: _____

AUVENSHINE CHILDRENS
TESTAMENTARY TRUST

By: _____

Title: _____

GEORGE F. BAUERDORF TEST & U/W/O
CONSTANCE B. CARTWRIGHT, TRUST

By: _____

Title: _____

RUFUS GORDON PETE CLAY, TRUST
c/o JAMES C. BROWN

By: _____

Title: _____

EVELYN CLAY OHARA TRUST

By: _____

Title: _____

KENNETH G. CONE

APACHE CORPORATION

By: _____

Title: _____

SONIC OIL & GAS LP

By: _____

Title: _____

APACHE CORPORATION

By: _____

Title: _____

KATHLEEN CONE ESTATE
MIDLAND, TEXAS

By: _____

Title: _____

MARGARET CLAY COUCH TRUST
c/o JAMES C. BROWN, COTRUSTEE

By: _____

Title: _____

KATHLEEN CONE ESTATE
JAY, OKLAHOMA

By: _____

Title: _____

DOYLE HARTMAN OIL OPERATOR

By: _____

Title: _____

JAMES C. BROWN, TRUSTEE

I hereby approve the foregoing indenture designating Breck Operating Corp. as Unit Operator under the unit agreement for the South Eunice Unit Area, this ____ day of ____, 2000.

Authorized officer of the BLM

DESIGNATION OF
SUCCESSOR UNIT OPERATOR
SOUTH EUNICE UNIT AREA
COUNTY OF LEA
STATE OF NEW MEXICO
NO. L-14-08-0001-11586

THIS INDENTURE, dated as of the 17th day of February, 2000, by and between Breck Operating Corp., hereinafter designated as "First Party," and the owners of unitized working interests, hereinafter designated as "Second Parties."

WITNESSETH:

WHEREAS under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. secs. 181, *et seq.*, as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 31st day of December, 1970, approved a unit agreement for the South Eunice Unit Area, wherein Conoco Inc. is designated as Unit Operator, and

WHEREAS said Conoco Inc. has resigned as such Operator and the designation of a successor Unit Operator is now required pursuant to the terms thereof; and

WHEREAS the First Party has been and hereby is designated by Second Parties as Unit Operator, and said First Party desires to assume all the rights, duties, and obligations of Unit Operator under the said unit agreement:

NOW THEREFORE, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the South Eunice Unit Agreement, and the Second Parties covenant and agree that, effective upon approval of this indenture by the Authorized Office, Bureau of Land Management, First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Unit Operator, pursuant to the terms and conditions of said unit agreement; said Unit agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said unit agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

First Party:

BRECK OPERATING CORP.

By: _____

John H. Connally
President

Second Party:

STATES, INC.

By: _____

John H. Connally
President

ICA ENERGY, INC.

By: _____

Title: _____

ARCO PERMIAN

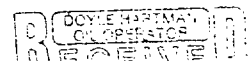
By: _____

Title: _____

POCO PARTNERS LTD.

By: _____

Title: _____



OBO, INC.

By: _____

Title: _____

CME OIL & GAS INC.

By: _____

Title: _____

AUVENSHINE CHILDRENS
TESTAMENTARY TRUST

By: _____

Title: _____

GEORGE F. BAUERDORF TEST & U/W/O
CONSTANCE B. CARTWRIGHT, TRUST

By: _____

Title: _____

RUFUS GORDON PETE CLAY, TRUST
c/o JAMES C. BROWN

By: _____

Title: _____

EVELYN CLAY O'HARA TRUST

By: _____

Title: _____

KENNETH G. CONE

APACHE CORPORATION

By: _____

Title: _____

SONIC OIL & GAS LP

By: _____

Title: _____

APACHE CORPORATION

By: _____

Title: _____

KATHLEEN CONE ESTATE
MIDLAND, TEXAS

By: _____

Title: _____

MARGARET CLAY COUCH TRUST
c/o JAMES C. BROWN, COTRUSTEE

By: _____

Title: _____

KATHLEEN CONE ESTATE
JAY, OKLAHOMA

By: _____

Title: _____

DOYLE HARTMAN OIL OPERATOR

By: _____

Title: _____

JAMES C. BROWN, TRUSTEE

I hereby approve the foregoing indenture designating Breck Operating Corp. as Unit Operator under the unit agreement for the South Eunice Unit Area, this ____ day of ____, 2000.

Authorized officer of the BLM

SOUTH EUNICE UNIT (5992)
LEA COUNTY, NEW MEXICO
WORKING INTEREST OWNERS

Apache Corporation
P. O. Box 840094
Dallas, Texas 75284-0094

ARCO Permian
Owner Information
P. O. Box 1610
Midland, Texas 79702-1610

Auvenshine Childrens
Testamentary Trust
P. O. Box 507
Dripping Springs, Texas 78620-0507

George F. Bauerdorf, Test & U/W/O
Constance B. Cartwright, Trust
2444 Wilshire Blvd., Suite 401
Santa Monica, CA 90403-5810

James C. Brown
P. O. Box 10621
Midland, Texas 79702-7621

Rufus Gordon Pete Clay, Trust
c/o James Brown, Co-Trustee
P. O. Box 10621
Midland, Texas 79702-7621

CME Oil & Gas Inc.
P. O. Box 10621
Midland, Texas 79702-7621

Kathleen Cone, Estate
P. O. Box 11310
Midland, Texas 79702-8310

Kathleen Cone, Estate
P. O. Box 778
Jay, OK 74346-0778

Tom R. Cone
P. O. Box 778
Jay, OK 74346

Kenneth G. Cone
P. O. Drawer 11310
Midland, Texas 79702

Margaret Clay Couch, Trust
c/o James C. Brown
Co-Trustee
P. O. Box 10621
Midland, Texas 79702-7621

✓ Doyle Hartman Oil Operator
P. O. Box 10426
Midland, Texas 79702-0426

ICA Energy, Inc.
P. O. Box 233
Odessa, Texas 79760-0233

OBO, Inc.
P. O. Box 2577
Hialeah, FL 33012

Evelyn Clay O'Hara, Trust
3774 W. 6th Street
Fort Worth, Texas 76107-2061

POCO Partners Ltd.
P. O. Box 2148
Midland, Texas 79702-2148

Sonic Oil & Gas LP
P. O. Box 1240
Graham, Texas 76450-1240

States, Inc.
P. O. Box 911
Breckenridge, Texas 76424

CONTROL NO. 166

Date Issued 6/23/70

Original

UNIT AGREEMENT

SOUTH EUNICE UNIT

LEA COUNTY, NEW MEXICO

5-18-70

OCT 14 1965

- (3) File, upon the expiration of said thirty (30) day period, as set out in (2) immediately above, the following: (i) Evidence as to mailing said notice of expansion; (ii) An application for such expansion in sufficient numbers for appropriate approval and distribution; and (iii) An Instrument containing the appropriate joinders in compliance with the participation requirements of Section 14 (Tracts Qualified for Participation) and Section 33 (Non-Joinder and Subsequent Joinder), infra; and (iv) a copy of all objections received.

The expansion shall, after due consideration of all pertinent information and upon approval by the Supervisor and the Commission, become effective as of the date prescribed in the notice thereof. The revised Tract Participation of the respective Tracts included within the Unit Area prior to such enlargement shall remain the same ratio one to another.

SECTION 5. UNITIZED LAND AND UNITIZED SUBSTANCES. All land committed to this Agreement as to the Unitized Formation shall constitute land referred to herein as "Unitized Land" or "land subject to this Agreement." Unitized Substances are defined in Section 2(g) of this Agreement.

SECTION 6. UNIT OPERATOR. Continental Oil Company, a Delaware corporation, is hereby designated as Unit Operator, and by signing this Instrument as Unit Operator it agrees and consents to accept the duties and obligations of Unit Operator for the operation, development and production of Unitized Substances as herein provided. Whenever reference is made herein to Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests 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 an Interest is owned by it.

SECTION 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 written notice of intention to resign has been given by Unit Operator to all Working Interest Owners, and the Supervisor and until all unit wells are placed in a satisfactory condition for suspension, abandonment, or operations, whichever is required by the Supervisor and the Commission, unless a new Unit Operator shall have

taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by 75 per cent of the committed Working Interest Owners (on the basis of then current Unit Participation) exclusive of the Working Interest Owner who is the Unit Operator. Such removal shall be effective upon notice thereof to the Supervisor.

In all such instances of effective resignation or removal, until a successor to Unit Operator is selected and approved as herein-after provided, the Working Interest Owners shall be jointly responsible for the performance of the duties of the Unit Operator and shall, not later than thirty (30) days before such resignation or removal becomes effective, appoint a Unit Manager 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 interest in Unitized Substances, but, upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, books, and records, materials, appurtenances and any other assets, used in conducting the Unit operations and owned by the Working Interest Owners (including any and all data and information which it might have gained or assembled by reason of its operation of the Unitized Land) to the new duly qualified successor Unit Operator or to the Unit Manager if no such new Unit Operator has been elected, to be used for the purpose of conducting Unit Operations hereunder. Nothing herein contained shall be construed to relieve or discharge any Unit Operator who resigns or is removed hereunder for any liability or duties accruing or performable by it prior to the effective date of such resignation or removal.

SECTION 8. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the Working Interest Owners shall select a successor Unit Operator by a majority vote of the Working Interest Owners (on the basis of then current Unit Participation), provided no Working Interest

Owner who has been removed as Unit Operator may vote for self-succession. Such selection shall not become effective until (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator; and (b) the selection shall have been approved by the Supervisor and the Commission. If no successor Unit Operator is selected and qualified as herein provided, the Supervisor at his election, may declare this Agreement terminated.

SECTION 9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.

Costs and expenses incurred by Unit Operator in conducting Unit operations hereunder shall be paid, apportioned among, and borne by the Working Interest Owners in accordance with the Unit Operating Agreement; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation established under this Agreement, and in case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, this Agreement shall prevail. Three true copies of any Unit Operating Agreement executed pursuant to this section shall be filed with the Supervisor prior to approval of this Agreement.

SECTION 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 which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Upon request, 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 or to any lease or operating 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.

SECTION 11. EASEMENTS OR USE OF SURFACE.

(a) The parties hereto, to the extent of their rights and interests, hereby grant to Working Interest Owners the right to use as

vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and, within the limits made or fixed by the Commission, to alter or modify the quantity and rate of production under this Agreement, 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; provided further that no such alteration or modification shall be effective as to any privately owned lands subject to this Agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

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.

SECTION 26. NON-DISCRIMINATION. In connection with the performance of work under this Agreement, the Operator agrees to comply with all of the provisions of Section 202, (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), which are hereby incorporated by reference in this Agreement.

SECTION 27. 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, and the Commission, and to appeal from any order issued under the rules and regulations of the Department or the Commission, or to apply for relief from any of said rules and regulations or in any proceedings relative to operations before the Department or the Commission, or any 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.

SECTION 28. NOTICES. All demands, notices, 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 post-paid registered or certified mail addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such

party or parties may have furnished in writing to the party sending the notice, demand or statement.

SECTION 29. 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 wherein said Unitized Land is located, or rules 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.

SECTION 30. EQUIPMENT AND FACILITIES - 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 Unitized Land 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.

SECTION 31. UNAVOIDABLE DELAY. All obligations under this Agreement requiring the Unit Operator to commence or continue secondary recovery operations or to operate on or produce Unitized Substances from any of the lands covered by 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 agency, unavoidable accident, 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.

SECTION 32. LOSS OF TITLE. In the event title to any Tract of Unitized Land shall fail so as to render the Tract inoperable under this Agreement and the true owner cannot be induced to join this Unit

ORIGINAL LIST

PARTIAL INTEREST OWNERS SOUTH EUNICE UNIT

Atlantic Richfield Company
Mr. George V. Ricks
P. O. Box 1610
Midland, Texas 79701

Estate of George F. Bauerdorf
9363 Wilshire Blvd. Suite 211
Beverly Hills, Calif. 90210

Chevron Oil Company
Mr. G. A. Schurman
P. O. Box 1660
Midland, Texas 79701

Clay Trusts
Mr. J. E. Jipp, Jr.
P. O. Box 241
Dallas, Texas 75221

Margaret Clay
5500 Byers Street
Ft. Worth, Texas 76100

Mr. Gordon M. Cone
P. O. Box 1148
Lovington, New Mexico 88260

Continental Illinois Nat'l Bank
& Trust Co. of Chicago
C/O James A. Lewis Engr. Inc.
1700 Fidelity Union Tower
Dallas, Texas 75201

E. A. Culbertson
P. O. Box 1071
Midland, Texas 79701

Mr. Albert Gackle
P. O. Box 2038
Hobbs, New Mexico 88240

Gulf Oil Corporation
Mr. H. I. Taylor
P. O. Box 1938
Roswell, New Mexico 88201

Gulf Oil Corporation
Area Prod. Mgr.
P. O. Box 670
Hobbs, New Mexico 88240

Wallace W. Irwin
P. O. Box 1071
Midland, Texas 79701

Monsanto Company (2)
Mr. A. W. Wood
101 Harlenefeld
Midland, Texas 79701

Management Trust Company
502 W. T. Waggoner Building
Ft. Worth, Texas 75102

Amoco Production Company
Mr. Alex Clarke
P. O. Box 1410
Ft. Worth, Texas 76102

Amoco Production Company
Mr. V. E. Staley
P. O. Box 68
Hobbs, New Mexico 88240

Reserve Oil and Gas Company
1806 Fidelity Union Tower
Dallas, Texas 75201

Shell Oil Company
Mr. J. F. Treckman
P. O. Box 1509
Midland, Texas 79701

Skelly Oil Company
Mr. F. D. McAtee
P. O. Box 1650
Tulsa, Oklahoma 74102

Skelly Oil Company
P. O. Box 1351
Midland, Texas

Sun Oil Company
Mr. V. M. Williams
P. O. Box 2880
Dallas, Texas 75200

Texas Pacific Oil Company
Mr. L. B. Jeffers
1700 One Main Place
Dallas, Texas 75200

Texas Pacific Oil Company
- P. O. Box 4067
Midland, Texas 79701

RECEIVED
RECORDS CONTROL

ORIGINAL LIST

EXHIBIT "D" TO UNIT OPERATING AGREEMENT
SOUTH EUBICE UNIT, LEA COUNTY, NEW MEXICO

WORKING INTEREST OWNER	TRACT NO.	% OWNERSHIP	TRACT PARTICIPATION		UNIT PARTICIPATION	
			PHASE 1	PHASE 11	PHASE 1	PHASE 11
Amoco Production Company	1	25.0000	6.24388	3.43588	1.56097	0.85897
	2	25.0000	21.89638	26.70781	5.47409	6.67695
	2(a)	25.0000	3.69285	4.72238	0.92321	1.18059
	3	11.86781	1.84119	3.67033	0.21851	0.43558
	4	11.86781	2.40259	12.63001	0.28514	1.49892
	10	11.86781	7.23821	5.46449	0.35902	0.64852
	10(a)	11.86781	2.10381	1.51564	0.24968	0.17987
	10(b)	11.86781	1.83548	1.42864	0.21783	0.16955
	10(c)	11.86781	7.51701	1.84416	0.89210	0.21826
	Company Total				10.66655	11.86781
Atlantic Richfield Co.	1	25.0000	6.24388	3.43588	1.56097	0.85897
	2	25.0000	21.89638	26.70781	5.47409	6.67695
	2(a)	25.0000	3.69285	4.72238	0.92321	1.18059
	3	15.24156	1.84119	3.67033	0.20063	0.55942
	4	15.24156	2.40259	12.63001	0.36619	1.92501
	10	15.24156	7.23821	5.46449	1.10322	0.83287
	10(a)	15.24156	2.10381	1.51564	0.32065	0.23101
	10(b)	15.24156	1.83548	1.42864	0.27976	0.21774
	10(c)	15.24156	7.51701	1.84416	1.14571	0.28108
	12	50.0000	7.97659	4.95584	3.98829	2.47792
	Company Total				15.44272	15.24156
G. F. Bauerdorf Est.	3		1.84119	3.67033	0.04786	0.09540
	4		2.40259	12.63001	0.06245	0.32828
	10		7.23821	5.46449	0.18814	0.14203
	10(a)		2.10381	1.51564	0.05468	0.03939
	10(b)		1.83548	1.42864	0.04771	0.03713
	10(c)		7.51701	1.84416	0.19539	0.04794
	11		6.39231	7.85107	1.55435	1.90907
	Company Total				2.15058	2.59924
Chevron Oil Company	1	25.0000	6.24388	3.43588	1.56097	0.85897
	2	25.0000	21.89638	26.70781	5.47410	6.67696
	2(a)	25.0000	3.69285	4.72238	0.92321	1.18059
Company Total					7.95828	8.71652

ORIGINAL LIST

ORIGINAL LIST

Exhibit "D"
South Eunice Unit
Page 2

WORKING INTEREST OWNER

Margaret B. Clay

Clay Trusts

Gordon H. Cone

Continental Oil Co.

Company Total

E. A. Culbertson

Company Total

Gackle Oil Company

Gulf Oil Corporation

Owner Total

TRACT NO.	% OWNERSHIP	TRACT PARTICIPATION		UNIT PARTICIPATION	
		PHASE 1	PHASE 11	PHASE 1	PHASE 11
13	20.6597	13.94358	6.03375	2.88070	1.24656
13	20.6597	13.94358	6.03375	2.88070	1.24655
11	2.734	6.39231	7.85107	0.17477	0.21465
1	25.0000	6.24388	3.43588	1.56097	0.85897
2	25.0000	21.89638	26.70781	5.47410	6.67695
2(a)	25.0000	3.69285	4.72238	0.92322	1.18060
3	64.57905	1.84119	3.67033	1.18902	2.37027
4	64.57905	2.40259	12.63001	1.55157	8.15634
7	100.0000	0.49384	1.10147	0.49384	1.10147
8	100.0000	4.53494	2.39248	4.53494	2.39248
10	64.57905	7.23821	5.46449	4.67437	3.52892
10(a)	64.57905	2.10381	1.51564	1.35862	0.97879
10(b)	64.57905	1.03548	1.42864	1.18533	0.92260
10(c)	64.57905	7.51701	1.84416	4.85441	1.19094
14	100.0000	1.22270	0.88087	1.22270	0.88087
				<u>29.02309</u>	<u>30.23920</u>
3	0.64982	1.84119	3.67033	0.01196	0.02385
4	0.64982	2.40259	12.63001	0.01561	0.08207
10	0.64982	7.23821	5.46449	0.04703	0.03551
10(a)	0.64982	2.10381	1.51564	0.01367	0.00985
10(b)	0.64982	1.83548	1.42864	0.01193	0.00929
10(c)	0.64982	7.51701	1.84416	0.04885	0.01198
11	6.0790	6.39231	7.85107	0.38859	0.47727
				<u>0.53764</u>	<u>0.64982</u>
13	26.3889	13.94358	6.03375	3.67956	1.59224
5	50.0000	1.77839	6.43196	0.88919	3.24098
9	100.0000	7.25439	5.94656	<u>7.25439</u>	<u>5.94656</u>
				<u>8.14358</u>	<u>9.13754</u>

ORIGINAL LIST

ORIGINAL LIST

Exhibit "D"
South Eunice Unit
Page 3

WORKING INTEREST OWNER	TRACT NO.	% OWNERSHIP	TRACT PARTICIPATION		UNIT PARTICIPATION	
			PHASE 1	PHASE 11	PHASE 1	PHASE 11
W. W. Irvin	3	0.64982	1.84119	3.67033	0.01196	0.02385
	4	0.64982	2.40259	12.63001	0.01561	0.08207
	10	0.64982	7.23821	5.46449	0.04703	0.03551
	10(a)	0.64982	2.10381	1.51564	0.01367	0.00985
	10(b)	0.64982	1.83548	1.42864	0.01193	0.00929
	10(c)	0.64982	7.51701	1.84416	0.04885	0.01198
	11	6.0790	6.39231	7.85107	0.38859	0.47727
Owner Total					0.53764	0.64982
Management Trusts	13	7.2917	13.94358	6.03375	1.01672	0.43996
	13	25.0000	13.94358	6.03375	3.48590	1.50844
Monsanto Company						
Reserve Oil and Gas Company	11	12.1590	6.39231	7.85107	0.77724	0.95461
Shell Oil Company	3	4.41270	1.84119	3.67033	0.08125	0.16196
	4	4.41270	2.40259	12.63001	0.10602	0.55732
	5	50.0000	1.77839	6.48196	0.83920	3.24098
	10	4.41270	7.23821	5.46449	0.31940	0.24113
	10(a)	4.41270	2.10381	1.51564	0.09284	0.06688
	10(b)	4.41270	1.83548	1.42864	0.08099	0.06304
	10(c)	4.41270	7.51701	1.84416	0.33170	0.08138
Owner Total					1.90140	4.41269
Skelly Oil Company	6	100.0000	1.00671	1.58512	1.00671	1.58512
	6(a)	100.0000	0.62515	1.35154	0.62515	1.35154
Owner Total					1.63186	2.93666
Texas Pacific Oil Company	11	48.633	6.39231	7.85107	3.10877	3.81821
	12	50.0000	7.97659	4.95584	3.98830	2.47792
Owner Total					7.09707	6.29613
TOTAL					100%	100%

ORIGINAL LIST

STIPULATION OF INTEREST

THIS STIPULATION OF INTEREST (this "Stipulation") dated JANUARY 2, 1986, effective as of the Effective Time (as hereinafter defined), is by and between:

DOYLE HARTMAN and wife,
MARGARET M. HARTMAN
Post Office Box 10426
Midland, Texas 79702

JAMES A. DAVIDSON, a single man
Post Office Box 494
Midland, Texas 79702

JAMES E. BURR and wife
LAVETA F. BURR
2502 Emerson Drive
Midland, Texas 79705

JACK FLETCHER and wife
DELPHIA FLETCHER
Post Office Box 10887
Midland, Texas 79702

RUTH SUTTON, a single woman
2826 Moss
Midland, Texas 79705

LARRY A. NERMYR, a single man
2438 Whitmire Blvd.
Apartment 9-E
Midland, Texas 79705

JOHN H. HENDRIX CORPORATION
525 Midland Tower Building
Midland, Texas 79701

MICHAEL L. KLEIN, Individually and
as Attorney-in-Fact for
JEANNE KLEIN, his wife
5701 Woodway
Suite 312
Houston, Texas 77057

RONNIE H. WESTBROOK and wife,
KAREN A. WESTBROOK
2908 Haynes
Midland, Texas 79705

hereinafter referred to collectively as the "Parties";

W I T N E S S E T H:

WHEREAS, pursuant to that certain Instrument of Conveyance dated January 2, 1986, recorded as set forth on Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Sun-Hartman Conveyance") Sun Exploration and Production Company, on its own behalf and as Managing General Partner of Sun Operating Limited Partnership conveyed to Doyle Hartman, James A. Davidson, Michael L. Klein and John H. Hendrix Corporation all of its interest in the oil and gas leases and mineral, royalty and overriding royalty interests therein described (the "Subject Interests"); and

WHEREAS, John H. Hendrix Corporation and Michael L. Klein have transferred to Ronnie H. Westbrook a portion of their interest in the Subject Interests, and Doyle Hartman has

SEP 1986

transferred to James E. Burr, Jack Fletcher, Ruth Sutton and Larry A. Nermyr portions of his interest in the Subject Interests; and

WHEREAS, the parties hereto desire to stipulate the ownership as between themselves of the Subject Interests so that the same may be reflected of record;

WHEREAS, the true current ownership of the Subject Interests is as set forth in Exhibit "B" attached hereto and made a part hereof, and the parties desire that the true current ownership of the Subject Interests be reflected of record; and

NOW, THEREFORE, in consideration of the premises, the Parties do hereby stipulate, declare and agree that the Subject Interests are owned as set forth on said Exhibit "B". In order to effectuate this stipulation, each of the Parties hereby conveys, transfers, and assigns to each of the other parties hereto, their respective heirs, personal representatives, successors, and assigns, such interests in the Subject Interests, as will vest in each of the Parties those interests shown on Exhibit "B".

TO HAVE AND TO HOLD said interests in and to the Subject Interests unto the Parties, their respective heirs, personal representatives, successors and assigns, forever, subject to the terms and conditions hereof.

This Assignment is made and accepted subject to the following provisions:

A. The respective interests in and to the Subject Interests to which each of the Parties is entitled are reflected on Exhibit "B" on a lease-by-lease basis, indicating the applicable percentage interest to which each of the Parties is entitled in and to the Subject Interests insofar as it pertains to certain oil and gas leases or operating rights therein, the lands covered by said leases and the depths underlying said lands, and the production therefrom or attributable thereto. Each of the Parties, respectively, shall own and be entitled to all rights and causes of action arising out of ownership of the Subject Interests in accordance with their respective interests in such leases, lands and depths which are reflected on Exhibit "B". The parties recognize that certain of the Subject Interests as described on Exhibit "B" may previously have expired or been released, or previously been conveyed in whole or in part. Further, certain of the Subject Interests may be subject to preferential right to purchase or consent to transfer provisions as show on Exhibit "B". This stipulation shall be effective as to any of such interests subsequently conveyed to Doyle Hartman et al by Sun Exploration and Production Company and Sun Operating Limited Partnership, in accordance with the stipulated ownership for such interests as shown on said Exhibit "B".

B. This Stipulation includes like interests in and to all of the rights, titles and interests of any kind appurtenant to the Subject Interests that were transferred pursuant to the Sun-Hartman Conveyance or that the Parties thereto now are or may become entitled to under or by virtue of the Sun-Hartman Conveyance or any instrument referred to therein, and all oil, gas and other minerals produced, saved and sold which are attributable to the Subject Interests and the proceeds thereof, and like interests in and to all properties, rights, powers, and choses in action which have accrued, or which may at some time in the future accrue to the Parties or any of their predecessors in title, under or by virtue of the Sun-Hartman Conveyance or any instrument referred to therein.

C. This Assignment shall be subject to all the terms and conditions of the Sun-Hartman Conveyance.

D. Each of the Parties covenant and warrant that they have the legal right and authority to convey, assign, transfer,

set over and deliver each to the other the appropriate interests in and to said Subject Interests set forth on Exhibit "B" and all of the rights, titles, interests, estates, remedies, powers and privileges appurtenant or incident thereto. This Stipulation is executed without warranty of title, express or implied, except that each of the Parties hereby bind themselves, and their heirs and personal representatives, to warrant and forever defend said Subject Interests and the rights, titles, interests, estates, remedies, powers and privileges appurtenant or incident thereto unto the other Parties, their heirs, personal representatives, successors and assigns, against every person whosoever lawfully claiming or to claim the same or any part thereof, by, through or under themselves, but not otherwise.

E. References in certain of the descriptions contained in Exhibit "B" to the fractional gross production to which any party is entitled to receive, net revenue interest (or words of similar import), the fractional expenses to which any party is to pay for, a working interest (or words of similar import), are not to be construed as a representation or warranty of any kind or character, and shall not enlarge or diminish in any manner the interests conveyed hereby.

F. The Parties agree to execute and deliver all additional instruments as may be necessary or appropriate to effectuate fully the terms and conditions hereof, including but not limited to such other and additional instruments as may be necessary to correct or more fully describe and identify the properties and interests herein intended to be conveyed, or such instruments as may be required by the appropriate governmental agencies having jurisdiction over such State and Federal lands as may be affected by the Subject Interests.

G. Any and all notices, requests, demands, reports or other instruments at any time required or permitted to be given or furnished under the terms of this agreement or the Sun-Hartman Conveyance, shall be deemed sufficiently given or furnished or served if in writing, and delivered to such party or any officer thereof or deposited in the United States mail in a sealed envelope, registered or certified, with sufficient postage prepaid, addressed to such party at its address stated above, or such other address as the party to be addressed shall have designated by written notice.

H. The terms, covenants and conditions contained herein shall be deemed to be covenants running with the lands covered by the Subject Interests, and all such provisions herein shall inure to the benefit of and be binding upon the respective heirs, personal representatives, successors and assigns of the Parties.

I. This Stipulation of Interest affects certain Oil and Gas leases issued by the State of New Mexico, and as to such leases, shall be construed as a "Contract for Development" pursuant to §19-10-13 NMSA [1978] and not as an assignment of record title of such leases.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed on the 2nd day of January, 1986, and effective at the respective locations of the Subject Interests as of 12:01 a.m., January 2, 1986 (the "Effective Time"), in several counterparts (one of which with all the property descriptions included in Exhibit "B" is to be recorded in Lea County, New Mexico), each of which counterparts is an original and all of which are identical, except that, to facilitate recordation or filing in counties other than Lea County, New Mexico, there are omitted property descriptions in Exhibit "B" which contain specific descriptions of property located in recording or filing jurisdictions other than the jurisdiction in which the particular counterpart is to be recorded. Each of the counterparts hereof so executed shall for all purposes be deemed to be an original, and all of such counterparts shall together constitute but one and the same instrument.

Doyle Hartman

Doyle Hartman

Margaret M. Hartman

Margaret M. Hartman, his wife

James A. Davidson

James A. Davidson, a single man

James E. Burr

James E. Burr

LaVeta F. Burr

LaVeta F. Burr, his wife

Jack Fletcher

Jack Fletcher

Delphia Fletcher

Delphia Fletcher, his wife

Ruth Sutton

Ruth Sutton, a single woman

Larry A. Nermyr

Larry A. Nermyr, a single man

Attest:

John H. Hendrix

by:

John H. Hendrix Corporation

Michael L. Klein

by: President

Michael L. Klein

Michael L. Klein

Jeanne Klein

by: Michael L. Klein

Michael L. Klein, her husband
and Attorney-in-Fact

Ronnie H. Westbrook

Ronnie H. Westbrook

Karen A. Westbrook

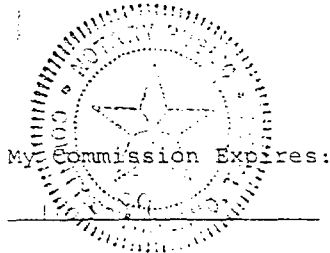
Karen A. Westbrook, his wife

BOOK 467 PAGE 612

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me
this 8th day of January, 1986, by Doyle Hartman.

Witness my hand and official seal.



Michelle Hembree
NOTARY PUBLIC IN AND FOR
THE STATE OF T E X A S
Michelle Hembree

THE STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me
this 8th day of January, 1986, by Margaret
M. Hartman.

Witness my hand and official seal.



Michelle Hembree
NOTARY PUBLIC IN AND FOR
THE STATE OF T E X A S
Michelle Hembree

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

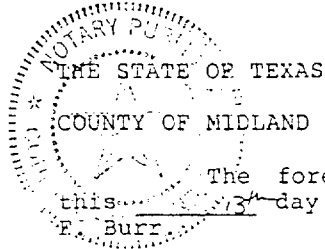
The foregoing instrument was acknowledged before me
this 13th day of January, 1986 by James E. Burr.

Witness my hand and official seal.

Michelle Hembree
NOTARY PUBLIC IN AND FOR
THE STATE OF T E X A S
Michelle Hembree

My Commission Expires:

11-8-89



THE STATE OF TEXAS §
COUNTY OF MIDLAND §

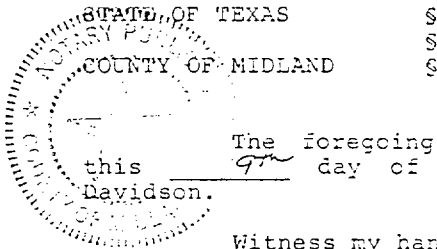
The foregoing instrument was acknowledged before me this 13th day of January, 1986, by LaVeta E. Burr.

Witness my hand and official seal.

Michelle Hembree
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS
Michelle Hembree

My Commission Expires:

11-8-89



STATE OF TEXAS §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 9th day of January, 1986, by James A. Davidson.

Witness my hand and official seal.

Michelle Hembree
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS
Michelle Hembree

My Commission Expires:

11-8-89

THE STATE OF TEXAS §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 14th day of January, 1986, by Jack Fletcher.

Witness my hand and official seal.

Michelle Hembree
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS
Michelle Hembree

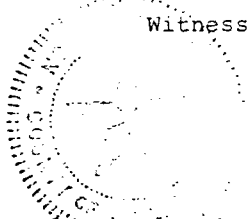
My Commission Expires:

11-8-89

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me
this 14th day of January, 1986 by Delphia
Fletcher.

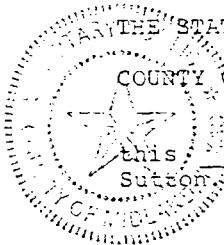
Witness my hand and official seal.



Michelle Hembree
NOTARY PUBLIC IN AND FOR
THE STATE OF T E X A S
Michelle Hembree

My Commission Expires:

11-5-89



STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

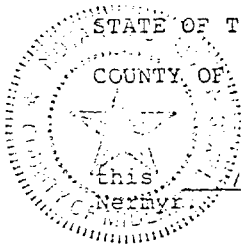
The foregoing instrument was acknowledged before me
this 13th day of January, 1986, by Ruth
Sutton.

Witness my hand and official seal.

Michelle Hembree
NOTARY PUBLIC IN AND FOR
THE STATE OF T E X A S
Michelle Hembree

My Commission Expires:

11-8-89



STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me
this 13th day of January, 1986, by Larry A.
Nexby.

Witness my hand and official seal.

Michelle Hembree
NOTARY PUBLIC IN AND FOR
THE STATE OF T E X A S

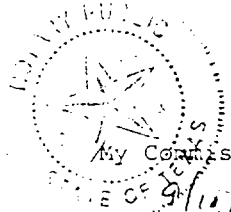
My Commission Expires:

11-8-89

THE STATE OF TEXAS §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 13th day of January, 1986, by John H. Hendrix, President of John H. Hendrix Corporation, in the capacity therein stated.

Witness my hand and official seal.



My Commission Expires:

STATE OF TEXAS §
COUNTY OF MIDLAND §

Susan Hobbs
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

The foregoing instrument was acknowledged before me this 2nd day of January, 1986 by Michael L. Klein.

Witness my hand and official seal.



SUSAN HOBBS
Notary Public, State of Texas
My Commission Expires July 30, 1988

My Commission Expires:

STATE OF TEXAS §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 2nd day of January, 1986, by Michael L. Klein as Attorney-in-Fact for Jeanne Klein.

Witness my hand and official seal.



SUSAN HOBBS
Notary Public, State of Texas
My Commission Expires July 30, 1988

My Commission Expires:

7/30/88

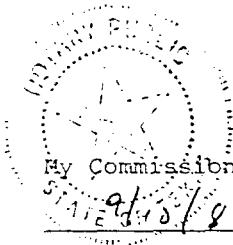
Susan Hobbs
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

BOOK 467 PAGE 616

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me
this 13th day of January, 1986, by Ronnie H.
Westbrook.

Witness my hand and official seal.

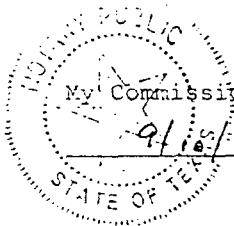


Anita J. Henderson
NOTARY PUBLIC IN AND FOR
THE STATE OF T E X A S

THE STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me
this 13th day of January, 1986, by Karen A.
Westbrook.

Witness my hand and official seal.



Anita J. Henderson
NOTARY PUBLIC IN AND FOR
THE STATE OF T E X A S

Exhibit "A"

Attached to Stipulation of Interest
 Dated January 2, 1986
 By and Between Doyle Hartman and wife,
 Margaret M. Hartman, James A. Davidson et al

Recording Schedule for Instrument of Conveyance
 dated January 2, 1986 from Sun Exploration
 and Production Company, Inc. on its own
 Behalf and as Managing General
 Partner of Sun Operating Limited Partnership
 to Doyle Hartman, James A. Davidson,
 Michael L. Klein and
 John H. Hendrix Corporation

<u>State</u> <u>County/Parish</u>	<u>Volume</u>	<u>Page</u>
New Mexico		
Lea.....	394	606
Texas		
Liberty.....	1109	176
Clay.....	372	529
Ector.....	945	424
Winkler.....	354	699
Cochran.....	165	249
Oklahoma		
Okfuskee.....	720	879
Oklahoma.....	5443	0176
Key.....	552	37

Exhibit "B"
to Stipulation of Interest
Effective January 2, 1986 from
Doyle Hartman to John H. Hendrix Corporation, et al.

The attached schedules set forth the ownership of the Subject Interests on a lease-by-lease basis, indicating the respective percentage interest to which the Parties are entitled in and to the Subject Interests insofar as it pertains to certain oil and gas leases or operating rights therein, the lands covered by said leases and the depths underlying said lands, and the production therefrom or attributable thereto. In each instance where the attached schedules indicate that ownership as to a particular oil and gas lease or lands covered thereby or depths thereunder is in:

- (a) the Hendrix Group, the specified percentage interest is allocated among and attributable to the following:

John H. Hendrix Corporation	49%
Michael L. Klein	49%
Ronnie H. Westbrook	2%

- (b) The Hartman Group, the specified percentage is allocated among and attributable to the following:

Doyle Hartman	71.093750%
James A. Davidson	25.000000%
Larry A. Nermyr	1.562500%
James E. Burr	0.781250%
Jack Fletcher	0.781250%
Ruth Sutton	0.781250%

* * * * *

Notes with regard to the attached schedules:

1. By way of example, the Subject Interest, insofar as it pertains to the oil and gas leases and lands described under the heading "Tract 1 - Bates Lease" on Schedule A-2, is owned in the following percentages:

Doyle Hartman	71.093750%
James A. Davidson	25.000000%
Larry A. Nermyr	1.562500%
James E. Burr	0.781250%
Jack Fletcher	0.781250%
Ruth Sutton	0.781250%

and the Subject Interest, insofar as it pertains to the oil and gas leases and lands described under the heading "Tract 5 - Blinberry 'B' Lease" on Schedule A-2, is owned in the following percentages:

John H. Hendrix Corporation	24.500000%
Michael L. Klein	24.500000%
Ronnie H. Westbrook	1.000000%
Doyle Hartman	35.546875%
James A. Davidson	12.500000%
Larry A. Nermyr	0.781250%
James E. Burr	0.390625%
Jack Fletcher	0.390625%
Ruth Sutton	0.390625%

2. The attached schedules correlate to the property descriptions contained in the Sun-Hartman Conveyance. Included in the attached schedules are (i) references to certain instruments, overriding royalties and other burdens to which the oil and gas leases are indicated to be subject, and (ii) statements as to the fractional share of gross production owned by "Assignor," being the owner of the leasehold interest or operating rights under the oil and gas leases or

operating agreements. These references and statements are incorporated verbatim from the Sun-Hartman Conveyance and are included herein for convenience only. The recitation that certain oil and gas leases are subject to certain instruments, overriding royalties or other burdens constitute a recognition of the validity or applicability thereof nor constitute a ratification thereof; the statements as to the fractional share of gross production shall not enlarge or diminish the interests described herein or constitute any representation or warranty by any party hereto.

3. Each of the oil and gas leases described on the attached schedules shall be deemed to include all extensions, renewals and amendments thereof. The ownership of the Subject Interest as to a particular oil and gas lease or lands covered thereby or depths thereunder shall be deemed to include all interests attributable to said lease, lands or depths by virtue of the pooling, unitization or communitization thereof with other leases, lands or depths.
4. Where no limitations as to area are indicated with regard to the tabulation of percentage of interest under the caption "Ownership," the applicable percentage or percentages shall apply with regard to all lands described above the tabulation; and where no depth limitations are indicated with regard to the tabulation of percentage of interests under the caption "Ownership," the applicable percentages or percentage shall apply as to all depths.
5. Unless stated otherwise the recording references used herein are to the Public Records of the County and State where the tract described lies.
6. Some of the land descriptions contained herein may be abbreviated as to Township, Range, Section, etc., but correspond directly to the complete acreage descriptions of the tract which immediately precede the abbreviated descriptions.
7. The formations referred to in the attached schedules are further identified as follows:

a. With respect to the following:

- (i) Schedule A-2, Tract 29 - JAL 1 and 2 Lease;
- (ii) Schedule A-2, Tract 36 - Langlie #17 Lease;
- (iii) Schedule B-2, Tract 23 - Wells Lease;

the top of the Seven Rivers Formation is more specifically defined as the stratigraphic equivalent of the depth of 3,095 feet as shown on the Frontier Perforators, Incorporated, Gamma Ray-Neutron log run on September 1, 1975, in the Skelly Oil Company's Sherrel No. 7 well, located 1,960 feet from the south and east lines of Section 31, T24S, R37E, Lea County, New Mexico.

b. With respect to Schedule A-2, Tract 35 - Langlie #1 Lease, the depth of 100 feet above the base of the Seven Rivers Formation has been heretofore found to occur in Gulf Oil Corporation J. A. Stuart No. 9 well (located 330 feet FNL and FEL in Section 10, T25S, R37E, Lea County, New Mexico) at an indicated depth of 3,104 feet, as recorded on the Schlumberger Gamma Ray-Sonic log taken January 1, 1964, said log being measured from a Kelly bushing elevation of 3,137 feet above sea level.

c. With respect to the following:

- (i) Schedule A-2, Tract 48 - Selby Lease;
- (ii) Schedule B-2, Tract 1 - Christmas Lease;

the top of the Queen Formation is as shown at the depth of 3,821 feet on the Gamma-Ray-Sonic log run in the Continental

Oil Company West Arrowhead Deep Unit Well No. 1, located 1,980 feet from the North line and 1,980 feet from the West line of Section 17, Township 22 South, Range 36 East, N.M.P.M.

d. With respect to the following:

- (i) Schedule A-2, Tract 4 - Blinebry "A";
- (ii) Schedule A-2, Tract 6 - Eva Blinebry "A";
- (iii) Schedule A-2, Tract 43 - Courtland Meyers Lease;
- (iv) Schedule B-2, Tract 7 - Hodge Lease;
- (v) Schedule B-2, Tract 24 - Jack Lease;

the depth of 100 feet above the base of the Seven Rivers Formation has been found to occur in Texas Pacific Oil Company's Blinebry "B" No. 3 well (located 2,310 feet from the west line and 330 feet from the north line of Section 34, Township 23, South, Range 37 East, Lea County, New Mexico) at an indicated depth interval of 3,168 feet, as recorded on the Schlumberger Electrical Log Run No. 1 taken December 26, 1952, said log being measured from a derrick floor elevation of 3,300 feet above seal level.

e. With respect to Tract 50 - State "B", the Eumont Gas Pool is defined in State of New Mexico Conservation Commission Order No. R-1670 as extending from the top of the Yates formation to the base of the Queen formation, thereby including all of the Yates, Seven Rivers and Queen formations.

BOOK 467 PAGE 674

SEU - Tract 12
TRACT 48 - SELBY LEASE

All interest in and to a certain oil and gas lease dated May 17, 1949, from C. M. Selby to R. J. Beams, recorded in Book 77, Page 535, insofar and only insofar as said lease covers an undivided one-half (1/2) interest in the oil, gas and other minerals in and to the following described land:

Northwest Quarter (NW/4) of Section 33, Township
 22 South, Range 36 East, Lea County, New Mexico,

subject to an excess royalty of 1/16th of 1/2 of all oil, gas and other minerals produced.

The fractional share of gross oil, gas and other hydrocarbons produced from the above described land owned by Assignor is .40625.

* * *

OWNERSHIP:

1. As to those depths from the top of the Tansill Formation to 100' above the top of the Queen Formation with the exception of that portion lying between 100' above the top of the Queen Formation and 232 feet above the top of the Queen Formation that produces only oil and casinghead gas:

Hartman Group 100%

2. As to all other depths except those specified in 1 above:

Hartman Group 50%
 Hendrix Group 50%

NEW MEXICOSEU - Tract 11TRACT 1 - CHRISTMAS LEASE

(1) Oil and gas lease dated May 13, 1950, by and between Nathan Appleman and Janet G. Appleman, his wife, Lessors, and R. Olsen, Lessee, said lease being recorded in Book 86, Page 252, of the records of Lea County, New Mexico, said lessors reserving unto themselves a royalty of one-eighth (1/8) in addition to the regular 1/8th royalty provided therein.

(2) Oil and gas lease dated July 21, 1950, by and between R. L. Wheelock and Jane Case Wheelock, his wife; J. R. Pearson and Gertrude S. Pearson, his wife; and J. L. Collins, a single man, Lessors, and R. Olsen, Lessee, said lease being recorded in Book 88, Page 20, of the records of Lea County, New Mexico, said lessors reserving unto themselves a royalty of one-eighth (1/8) in addition to the regular 1/8th royalty provided therein, and said oil and gas lease being limited to a depth of 4000 feet from the surface of the soil.

(3) Oil and gas lease dated July 21, 1950, by and between W. C. Stroube and Bessie Watt Stroube, his wife; and H. R. Stroube and Mary Stroube, his wife, Lessors, and R. Olsen, Lessee, said lease being recorded in Book 88, Page 18, of the records of Lea County, New Mexico, said lessors reserving unto themselves a royalty of one-eighth (1/8) in addition to the regular 1/8th royalty provided therein, and said oil and gas lease being limited to a depth of 4000 feet from the surface of the soil.

(4) Oil and gas lease dated June 26, 1952, by and between O. L. Coleman and Emma Coleman, his wife, and Mary Vern Ransom, a widow, Lessors, and R. Olsen, Lessee, said lease being recorded in Book 101, Page 357, of the records of Lea County, New Mexico, said lessors reserving unto themselves a production payment equal to \$275.00 per acre for the number of mineral acres leased by lessors, payable out of one-sixteenth (1/16) of the oil and gas royalty.

(5) Oil and gas lease dated October 15, 1952, by and between Arthur L. Cone, Alex McDonald and Roy Riddel, Trustees for Stephen E. Cone, Jr., Trust Estate, Lessors, and R. Olsen, Lessee, said lease being recorded in Book 103, Page 524, of the records of Lea County, New Mexico, said lessors reserving unto themselves a royalty of three-sixteenths of seven-eighths (3/16 of 7/8) in addition to the regular 1/8th royalty provided therein.

(6) Oil and gas lease dated October 15, 1952, by and between Arthur L. Cone, Roy Riddel and Alex McDonald, Trustees for Marjorie Alice Cone, Trust Estate, Lessors, and R. Olsen, Lessee, said lease being recorded in Book 103, Page 522, of the records

of Lea County, New Mexico, said lessors reserving unto themselves a royalty of three-sixteenths of seven-eighths (3/16 of 7/8) in addition to the regular 1/8th royalty provided therein.

Insofar and only insofar as said oil and gas leases 1 through 6 inclusive, hereinabove set out cover in the aggregate an undivided 1157/2560ths interest down to a depth of 4000 feet below the surface and an undivided 517/2560ths interest below a depth of 4000 feet in and to the following described land:

South Half (S/2) of Section 28, Township 22 South, Range 36 East, Lea County, New Mexico; and

(7) An undivided 11/20 interest in and to that certain oil and gas lease dated December 18, 1952, by and between Peerless Oil and Gas Company, a corporation, Lessor, and R. Olsen, Lessee, said lease being recorded in Book 105, Page 305, of the records of Lea County, New Mexico, said lessor reserving unto itself a royalty of one-fourth (1/4) instead of the regular 1/8th royalty, and said oil and gas lease being limited to a depth of 4000 feet below the surface; and

BCCX 467 PAGE 712

(8) An undivided 11/20 interest in and to that certain oil and gas lease dated January 15, 1953, by and between Peerless Oil and Gas Company, a corporation, Lessor, and R. Olsen, Lessee, said lease being recorded in Book 105, Page 303, of the records of Lea County, New Mexico, said lessor reserving unto itself a one-fourth (1/4) royalty instead of the usual 1/8th royalty, and said oil and gas lease being limited to a depth of 4000 feet below the surface,

insofar and only insofar as said oil and gas leases 7 and 8 hereinabove set out cover in the aggregate an undivided 1/16th interest in and to the following described land:

South Half (S/2) of Section 28, Township 22 South, Range
36 East, Lea County, New Mexico,

down to a depth of 4000 feet below the surface; the leasehold estates created by the above oil and gas leases being subject to the following agreements:

- (a) Letter Agreement dated January 27, 1953, between R. Olsen and Peerless Oil and Gas Company.
- (b) Letter Agreement dated January 28, 1953, between R. Olsen and El Paso Natural Gas Company.
- (c) Letter Agreement dated March 25, 1953, between R. Olsen and El Paso Natural Gas Company.
- (d) Contract dated June 20, 1950, as amended, between El Paso Natural Gas Company, as Buyer, and R. Olsen, as Seller, covering the purchase and sale of dry gas.
- (e) Operating Agreement dated January 21, 1953, between R. Olsen, as Operator, and E. A. Culbertson, Wallace W. Irwin, George F. Bauerdorf, Southern California Petroleum Corporation and Gordon M. Cone, as Non-Operators.
- (f) Casinghead Gas Contract dated October 30, 1957, between R. Olsen, as Seller, and Phillips Petroleum Company, as Buyer.

The fractional share of the gross oil, gas and other hydrocarbons produced from the above described land above 4000 feet owned by Assignor is .36332700.

* * *

OWNERSHIP:

1. As to those depths from the top of the Tansill Formation to 100' above the top of the Queen Formation with the exception of that portion lying between 100' above the top of the Queen Formation and 232 feet above the top of the Queen Formation that produces only oil and casinghead gas:

Hartman Group 100%

2. As to all other depths except those specified in 1 above:

Hartman Group 50%
Hendrix Group 50%



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

November 23, 1970

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 4458
Order No. R-4067
Applicant:
CONTINENTAL OIL COMPANY

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other Unit Division - State Land Office



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

In Reply Refer To:
JAGillham, Engr.

February 9, 1973

4438

Continental Oil Company
Attention: Mr. L. P. Thompson
P. O. Box 460
Hobbs, New Mexico 88240

Gentlemen:

One approved copy of your first revised plan of operation dated December 29, 1972, proposing a revised water injection pattern for improved secondary recovery operations in the South Eunice unit area, Lea County, New Mexico, is enclosed. Such plan was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

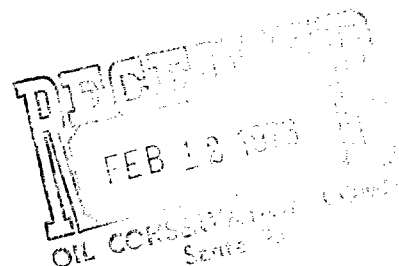
Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
Reg. Mgr., Denver (ltr. only)
Washington (w/cy plan)
Hobbs (w/cy plan)
NMOCC, Santa Fe (ltr. only) ✓

JAGillham:lh





UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

March 12, 1971

4458

Continental Oil Company
P.O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. G. C. Jamieson

Gentlemen:

We acknowledge receipt on March 3 of the following described ratifications and joinders to the South Eunice unit agreement No. 14-08-0001-11586, Lea County, New Mexico:

<u>Reported Basic Royalty Owner</u>	<u>Fee Land Unit Tract No.</u>
Felmont Oil Corporation	4 & 9
Nancy Griffin George	11
Frank D. Jones Estate	4 & 9
Lula Horne Rice	10(a)
Maude C. Wheelock Estate	6(a), 8 & 11

These tracts were originally qualified for participation as of the effective date of the unit agreement. The joinders are effective April 1 pursuant to section 33 of the unit agreement. Copies of the joinders are being distributed to the appropriate Federal offices and all copies surplus to our needs are returned herewith. It is requested that you furnish appropriate notice of these commitments to any other interested principals.

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy joinders)
BLM, Santa Fe (w/cy joinders)
Hobbs (w/cy joinders)
NMOCC, Santa Fe (ltr only) ✓



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

PH 1 05
71 APR

April 2, 1971

4455

Continental Oil Company
P.O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. V. T. Lyon

Gentlemen:

We acknowledge receipt on April 1 of the following described ratifications and joinders to the South Eunice unit agreement No. 14-08-0001-11586, Lea County, New Mexico:

<u>Reported Basic Royalty Owner</u>	<u>Fee Land Unit Tract No.</u>
Palmer E. Koenig	8 and 13
Palmer E. Koenig, guardian of the Estate of Dena Ida Koenig	6a, 8, 10, 10b, 10c, and 13

These tracts were originally qualified for participation as of the effective date of the unit agreement. The joinders are effective May 1 pursuant to section 33 of the unit agreement. Copies of the joinders are being distributed to the appropriate Federal offices and all copies surplus to our needs are returned herewith. It is requested that you furnish appropriate notice of these commitments to any other interested principals.

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy joinders)
BLM, Santa Fe (w/cy joinders)
Hobbs (w/cy joinders)
NMOCC, Santa Fe (ltr only) ✓
Accounts (ltr only)



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

January 13, 1971

4455

Continental Oil Company
P.O. Box 400
Hobbs, New Mexico 88240

Attention: Mr. G. C. Jamieson

Gentlemen:

Your letter of January 8 transmits five copies of a "Certificate of Effectiveness" for the South Eunice unit agreement No. 14-08-0001-11581. Such instrument is filed to substantiate the effective date of the agreement as January 1, 1971. The Certificate of Effectiveness is hereby accepted for the record and copies thereof are being furnished to appropriate Federal offices.

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:

Washington (w/cy atch)
BLM, Santa Fe (w/cy atch)
Hobbs (w/cy atch)
NMOCC, Santa Fe (ltr only) ✓
Accounts (ltr only)



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

December 31, 1970

4453

Continental Oil Company
P.O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. G. C. Jamieson

Gentlemen:

The South Eunice unit agreement, Lea County, New Mexico, was approved on December 31, 1970. This agreement has been designated No. 14-08-0001-11586 and is effective as of January 1, 1971.

Enclosed are two copies of the approved unit agreement. We request that you furnish the New Mexico Oil Conservation Commission and all other interested principals with appropriate evidence of this approval.

Sincerely yours,

JOHN A. GEDEN, O. F.
N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:

Washington (w/cy approved appln)
BLM, Santa Fe (w/cy approved appln)
Hobbs (w/cy approved appln)
BOMC, Roswell (ltr only)
NMOCC, Santa Fe (ltr only) ✓



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

January 4, 1971

445

Continental Oil Company
P.O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. G. C. Jamieson

Gentlemen:

Your initial plan of operation covering secondary operations for the South Eunice unit, Lea County, New Mexico, has been approved on this date subject to like approval by the appropriate State officials.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) N. O. FREDERICK
N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Hobbs (w/cy of plan)
NMOCC, Santa Fe (ltr only)



IN REPLY REFER TO:

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

July 29, 1971

4455

Continental Oil Company
P.O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. G. C. Jamieson

Gentlemen:

We acknowledge receipt on July 16 of a ratification and joinder to the South Eunice unit agreement No. 14-08-0001-11586, Lea County, New Mexico, executed by J. M. R. Lyeth and M. L. Lyeth, overriding royalty owners in Federal tract No. 1 and basic royalty owners in fee tracts Nos. 4 and 9. These tracts were originally qualified for participation as of the effective date of the unit agreement.

The above described joinder is effective August 1 pursuant to section 33 of the unit agreement. Copies of the joinder are being distributed to the appropriate Federal offices and all copies surplus to our needs are returned herewith. It is requested that you furnish notice of this commitment to any other interested parties.

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy joinder)
BLM, Santa Fe (w/cy joinder)
Hobbs (w/cy joinder)
NMOCC, Santa Fe (ltr. only)✓
Accounts (ltr. only)



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED
AUG 10 1971
JIL CONSERVATION COM

Drawer 1857
Roswell, New Mexico 88201

August 6, 1971

Continental Oil Company
P.O. Box 460
Hobbs, New Mexico 88240

4458

Attention: Mr. V. T. Lyon

Gentlemen:

We acknowledge receipt of the following described ratifications and joinders to the South Runice unit agreement No. 14-08-0001-11586, Lea County, New Mexico:

<u>Basic Royalty Owner</u>	<u>Fee</u> <u>Tract No.</u>	<u>Date</u> <u>Received</u>	<u>Date</u> <u>Effective</u>
Estate of Lillian B. Jones	9	7-28-71	8-1-71
Estate of Albert W. Goal	4 & 9	8-2-71	9-1-71

These tracts were originally qualified for participation as of the effective date of the unit agreement. Copies of the joinders are being distributed to the appropriate Federal offices and all copies surplus to our needs are returned herewith. It is requested that you furnish appropriate notice of these commitments to any other interested principals.

Sincerely yours,

(ORIG. 8001 N. O. 1)

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy joinders)
BLM, Santa Fe (w/cy joinders)
Hobbs (w/cy joinders)
NMOCC, Santa Fe (ltr only) ✓
Accounts (ltr only)

4458

Drawer 1857
Roswell, New Mexico 88201

October 20, 1971

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Gentlemen:

We acknowledge receipt of ratifications and joinders to the South Eunice unit agreement, No. 14-08-0001-11586, Lea County, New Mexico, executed by Thomas W. Ellison, John H. Hendrix, Alvin Luskey, David Luskey, Gary Luskey, and Louis Luskey, owners of basic royalty under fee tract No. 5. Such joinders are effective November 1 pursuant to Section 33 of the unit agreement. Fee tract No. 5 was qualified for participation as of the effective date of the unit agreement.

Copies of the joinders are being distributed to the appropriate Federal offices and all copies surplus to our needs are returned herewith. It is requested that you furnish appropriate notice of these commitments to any other interested principals.

Sincerely yours,

(ORIG. SGD.) N. O. FREDERICK

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy joinders)
BIM, Santa Fe (w/cy joinders)
Hobbs (w/cy joinders)
NMOCC, Santa Fe (ltr. only)✓
Accounts (ltr. only)

Note to Accounts: These joinders fully commit fee tract No. 5.

Drawer 1257
Roswell, New Mexico 88201

RECEIVED
MAY 3-1971
OIL CONSERVATION DIV
April 28, 1971
445

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. V. T. Lyon

Gentlemen:

We acknowledge receipt on April 27 of a ratification and joinder to the South Dunce unit agreement, No. 14-08-0001-11586, Lea County, New Mexico, executed by Jack L. Hart, president and attorney in fact for Royalty Roundup, Inc., basic royalty owner in fee tracts 6(a), 8, 10, 10(b), 10(c), and 13. These tracts were originally qualified for participation as of the effective date of the unit agreement.

The above described joinder is effective May 1 pursuant to Section 33 of the unit agreement. Copies of the joinder are being distributed to the appropriate Federal offices and all copies surplus to our needs are returned herewith. It is requested that you furnish notice of this commitment to any other interested parties.

Our files do not contain a power of attorney instrument designating Jack L. Hart as attorney in fact for Royalty Roundup, Inc. Please furnish this office two copies of such instrument to validate the execution of the joinder.

Sincerely yours,

(ORIG. SGD.) N. O. FREDERICK

N. O. FREDERICK
Regional Oil and Gas Supervisor

CC:

Washington (w/cy joinder)
BLM, Santa Fe (w/cy joinder)
Hobbs (w/cy joinder)
NMOCC, Santa Fe (ltr. only)
Accounts (ltr. only)



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

February 8, 1971

IN REPLY REFER TO:

Continental Oil Company
P.O. Box 460
Hobbs, New Mexico 88240

Attention: Mr. G. C. Jamieson

Gentlemen:

We acknowledge receipt on January 28 of the following described ratifications and joinders to the South Eunice unit agreement No. 14-08-0001-11580, Lea County, New Mexico:

<u>Signatory Party</u>	<u>Type Interest</u>	<u>Unit Tract No.</u>	<u>Date Executed</u>
Frank B. Haughton & C. R. Mallison Trustees for the Selma E. Andrews Trust	Overriding Royalty	1	12-23-70
Rose M. Cottingham	Basic Royalty	10(c)	12-31-70
Florence E. Ernst & Manufacturers and Traders Trust Company of Buffalo, New York, executors and trustees under the will of William J. Healey, deceased	Basic Royalty	3 & 14	7-14-70

These original ratifications and joinders are being distributed to the appropriate Federal offices. All copies surplus to our needs are returned herewith. It is requested that you furnish appropriate notice of these commitments to any other interested principals.

Sincerely yours,

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington (w/cy joinders)
BLM, Santa Fe (w/cy joinders)
Hobbs, (w/cy joinders)
NMOCC, Santa Fe, (ltr only)



L. P. Thompson
Division Manager
Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P. O. 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

December 7, 1973

Oil and Gas Supervisor
United States Geological Survey
P. O. Box 1157
Roswell, New Mexico 88201

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

South Eunice Unit, Lea County, New Mexico

By assignment dated November 29, but effective July 1, 1973, Continental Oil Company acquired the interest of Reserve Oil and Gas Co. in the South Eunice Unit. We furnish herewith for your records revised copies of Exhibit "B" to the Unit Agreement reflecting this change.

Yours very truly,

reh
Enc

SOUTH EUNICE UNIT
EXHIBIT "B" TO UNIT AGREEMENT

TRACT NO.	DESCRIPTION OF LAND (ALL IN T-22S, R-36E)	NO. OF ACRES	SERIAL NUMBER AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	RECORD LESSEE AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER AND PERCENTAGE	
1	Sec. 29: E/2 NE/4, NE/4 SE/4	120.00	LC-030133(a)	USA 100% Schedule C	Continental Oil Co. Atlantic Richfield Co. Chevron Oil Co. Amoco Production Co.	(See Appendix, Note No. 1) 25% 25% 25% 25%	Continental Oil Co. Atlantic Richfield Chevron Oil Co. Amoco Production Co.	25% 25% 25% 25%
2	Sec. 22: S/2 Sec. 28: NE/4 Sec. 33: SE/4, E/2 SW/4, NW/4 SW/4	760.00	LC-030133(b)	USA 100%	Continental Oil Co. Atlantic Richfield Co. Chevron Oil Co. Amoco Production Co.	None 25% 25% 25%	Continental Oil Co. Atlantic Richfield Co. Chevron Oil Co. Amoco Production Co.	25% 25% 25% 25%
2 (a)	Sec. 28: NW/4	160.00	LC-030133(b)	USA 100% Schedule D	Continental Oil Co. Atlantic Richfield Co. Chevron Oil Co. Amoco Production Co.	None 25% 25% 25%	Continental Oil Co. Atlantic Richfield Co. Chevron Oil Co. Amoco Production Co.	25% 25% 25% 25%
THREE FEDERAL TRACTS CONTAINING 1040.00 ACRES, OR 38.24% OF THE UNIT AREA								
3	Sec. 20: E/2 NE/4	80.00	HBP	(See Appendix, Note No. 2)	Sun Oil Co. - DX Div.	None	Atlantic Richfield Co. Amoco Production Co. G. F. Bauerdorf Est. Continental Oil Co. E. A. Culbertson W. W. Irwin Shell Oil Co.	15.24156% 11.86781% 2.59924% 64.57905% 0.64982% 0.64982% 4.41270%
4	Sec. 21: NW/4	160.00	HBP	(See Appendix, Note No. 3)	Sun Oil Co. - DX Div.	None	Atlantic Richfield Co. Amoco Production Co. G. F. Bauerdorf Est. Continental Oil Co. E. A. Culbertson W. W. Irwin Shell Oil Co.	15.24156% 11.86781% 2.59924% 64.57905% 0.64982% 0.64982% 4.41270%

South Eunice Unit
Exhibit "B" to Unit Agreement
Page 2

TRACT NO.	DESCRIPTION OF LAND (ALL IN T-22S, R-36E)	NO. OF ACRES	SERIAL NUMBER AND EXP. DATE	BASIC ROYALTY & PERCENTAGE	RECORD LESSEE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER AND PERCENTAGE
5	<u>Sec. 21: NE/4</u>	160.00	HBP	(See Appendix, Note No. 4)	Wesley McCallister	None	Shell Oil Co. 50% Gulf Oil Corp. 50%
6	<u>Sec. 21: NE/4 SE/4</u>	40.00	HBP	(See Appendix, Note No. 5)	Skelly Oil Company	None	Skelly Oil Co.
6(a)	<u>Sec. 21: SE/4 SE/4</u>	40.00	HBP	(See Appendix, Note No. 6)	Skelly Oil Company	None	Skelly Oil Co.
7	<u>Sec. 21: NW/4 SE/4</u>	40.00	HBP	(See Appendix, Note No. 7)	J. H. Hendrix M. L. Klein	Shell Companies Foundation, Inc. 1.82292%#	Continental Oil Co.
8	<u>Sec. 21: SW/4 SE/4</u>	40.00	HBP	(See Appendix, Note No. 8)	J. H. Hendrix M. L. Klein	Shell Companies Foundation, Inc. 6.25%#	Continental Oil Co.
9	<u>Sec. 21: SW/4</u>	160.00	HBP	(See Appendix, Note No. 9)	Gulf Oil Corp.	None	Gulf Oil Corp.
10	<u>Sec. 22: S/2 NW/4, NW/4 NW/4</u>	120.00	HBP	(See Appendix, Note No. 10)	Sun Oil Company	None	Atlantic Richfield Co. 15.24156% Amoco Production Co. 11.86781% G. F. Bauerdorf Est. 2.59924% Continental Oil Co. 64.57905% E. A. Culbertson 0.64982% W. W. Irwin 0.64982% Shell Oil Co. 4.41270%
10(a)	<u>Sec. 22: SW/4 NE/4</u>	40.00	HBP	(See Appendix, Note No. 11)	Sun Oil Company	None	Atlantic Richfield Co. 15.24156% Amoco Production Co. 11.86781% G. F. Bauerdorf Est. 2.59924% Continental Oil Co. 64.57905% E. A. Culbertson 0.64982% W. W. Irwin 0.64982% Shell Oil Co. 4.41270%

This rate applies when daily average production per well is less than 35 barrels. When daily average production per well is over 35 barrels the royalty rate is double that shown.
08-06-73 (Eff. 07-01-73)

South Eunice Unit
Exhibit "B" to Unit Agreement
Page 3

TRACT NO.	DESCRIPTION OF LAND (ALL IN T-22S, R-36E)	NO. OF ACRES	SERIAL NUMBER AND EXP. DATE	BASIC ROYALTY PERCENTAGE	RECORD LESSEE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER AND PERCENTAGE
10(b)	Sec. 22: NW/4 NE/4	40.00	HBP	(See Appendix, Note No. 12)	Sun Oil Company	None	Atlantic Richfield Co. 15.24156% Amoco Production Co. 11.86781% G. F. Bauerdorf Est. 2.59924% Continental Oil Co. 64.57905% E. A. Culbertson 0.64982% W. W. Irwin 0.64982% Shell Oil Co. 4.41270%
10(c)	Sec. 22: SE/4 NE/4	40.00	HBP	(See Appendix, Note No. 13)	Sun Oil Company	None	Atlantic Richfield Co. 15.24156% Amoco Production Co. 11.86781% G. F. Bauerdorf Est. 2.59924% Continental Oil Co. 64.57905% E. A. Culbertson 0.64982% W. W. Irwin 0.64982% Shell Oil Co. 4.41270%
11	Sec. 28: S/2	320.00	HBP	(See Appendix, Note No. 14)	Texas Pacific Oil Company, Inc.	Emma L. Coleman & W. E. Adams, Anc. Ex. Est. 0.04883% Mary Vern Ransom 0.04883% O. L. Coleman, deceased 0.04883%	G. F. Bauerdorf Est. 24.316% Gordon M. Cone 2.734% Continental Oil Co. 12.159% E. A. Culbertson 6.079% W. W. Irwin 6.079% Texas Pacific Oil 48.633%
12	Sec. 33: NW/4	160.00	HBP	Atlantic Richfield - 50% Virginia P. Selby 9.375% (50% min. int. 9.375% rev. int.)	Unleased Texas Pacific Oil Company, Inc.	None Howard Olsen 1.2696% R. Olsen 1.2696%	Atlantic Richfield 50% Texas Pacific Oil 50%

Unpaid balance of Production Payment in the original sum of \$687.50 is paid, after which this interest reverts to Texas Pacific.

South Eunice Unit
Exhibit "B" to Unit Agreement
Page 4

TRACT NO.	DESCRIPTION OF LAND (ALL IN T-22S, R-36E)	NO. OF ACRES	SERIAL NUMBER AND EXP. DATE	BASIC ROYALTY % PERCENTAGE	RECORD LESSEE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST OWNER AND PERCENTAGE	
13	<u>Sec. 33: NE/4</u>	160.00	HBP	(See Appendix, Note No. 15)	Atlantic Richfield	Atlantic Richfield 4.5573%*	Margaret B. Clay Clay Trusts Gackle Oil Co. Management Trusts Monsanto Co.	20.6597% 20.6597% 26.3889% 7.2917% 25.0000%
14	<u>Sec. 20: E/2 SE/4</u>	80.00	HBP	(See Appendix, Note No. 16)	Continental Oil Co.	Guy A. Swartz 2.400%	Continental Oil Co.	
16 FEE TRACTS CONTAINING 1680.00 ACRES OR 61.76% OF THE UNIT AREA								
19 TRACTS CONTAINING 2720.00 ACRES								

* This represents interest in oil at producing rates below top allowable. At top allowable, interest increases to 9.1146%