



COMMERCIAL RESOURCES  
(505)-827-5724

SURFACE RESOURCES  
(505)-827-5793

MINERAL RESOURCES  
(505)-827-5744

ROYALTY  
(505)-827-5772

State of New Mexico  
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.  
310 Old Santa Fe Trail, P. O. Box 1148  
Santa Fe, New Mexico 87504-1148  
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS  
(505)-827-3765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5713

PLANNING  
(505)-827-5752

November 18, 1997

Quay Valley, Inc.  
P.O. Box 10280  
Midland, Texas 79702

Attn: Ms. Johnnye L. Nance

Re: Resignation/Designation of Successor Unit Operator  
North El Mar Unit  
Eddy County, New Mexico

Dear Ms. Nance:

We are in receipt of your resignation/designation of successor unit operator, wherein Sahara Operating Company has resigned as unit operator of the North El Mar Unit and designated Quay Valley, Inc. as the successor unit operator.

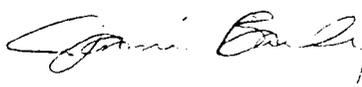
The Commissioner of Public Lands has this date approved the resignation of Sahara Operating Company and the designation of Quay Valley, Inc. as the successor unit operator of this unit.

This change in operators is effective October 1, 1997. In accordance with this approval, Quay Valley, Inc. is now responsible for all operations and the reporting of all production from the unit.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744

RP/JB/cpm

xc: Reader File

Sahara Operating Company

OCD-Roy Johnson

TRD

BLM



5060

RECEIVED  
APR 23 1974  
OIL CONSERVATION COMMISSION

L. P. Thompson  
Division Manager  
Production Department  
Hobbs Division  
Western Hemisphere Petroleum

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

April 22, 1974

Oil and Gas Supervisor  
U.S. Geological Survey  
Box 1857  
Roswell, New Mexico 88201

Commissioner of Public Lands  
Box 1148  
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

RECEIVED  
APR 2 1974  
OIL CONSERVATION COMMISSION

Gentlemen:

Subsequent Joinder - North El Mar Unit, Lea County, New Mexico

Enclosed are copies of the Consent To and Ratification Of The Unit Agreement and Unit Operating Agreement executed by Pioneer Production Corporation and Amarillo Oil Company, owners of 25% interest under Tract 5A of the subject unit. Continental Oil Company has received assignment of the interest of Consolidated Oil and Gas Company to the remaining 75% working interest under this tract. A copy of this assignment is attached. Tract 5A is thus qualified for participation in the unit.

In accordance with agreement by the working interest owners and preliminary concurrence of the Supervisor dated April 12, and the Commissioner dated March 18, Continental Oil Company proposes to make the joinder of Tract 5A effective May 1, 1974. As set out in our request for preliminary approval, it is proposed to be committed to the Unit Agreement as of that date on the same basis set out in the Unit Agreement. We are currently preparing revised Exhibits showing participation which will be effective May 1. A revised Exhibit "B" is also being prepared showing revised ownership.

Unless there is objection within sixty days as provided in Section 30 of the Unit Agreement, Tract 5A will be committed to the unit as of May 1, 1974 and will participate from that date as set out in the revised Exhibits.

Yours very truly,

VTL:reh

Enc

CC: RLA: CES: NEL: MMN  
Working Interest Owners

CONSENT TO AND RATIFICATION OF  
UNIT AGREEMENT AND UNIT OPERATING AGREEMENT  
NORTH EL MAR UNIT  
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS, THAT:

For the consideration and purposes stated in those certain agreements, entitled as above, both being dated June 25, 1973, the undersigned (whether one or more) represents that it is a Working Interest Owner within the meaning of that term as used in captioned Unit Agreement and, as such, does hereby consent to, ratify, confirm and join in the execution of said Unit Agreement and Unit Operating Agreement, the same being incorporated herein by reference, to the same extent and with like effect as if the undersigned had executed the original of said Unit Agreement and Unit Operating Agreement or a counterpart thereof and, further, the undersigned does hereby commit all of its right, title and interest in and to the lands within said Unit to the terms, provisions and agreements set forth in said Unit Agreement and Unit Operating Agreement.

If the undersigned is also a Royalty Owner, within the meaning of that term as used in said Unit Agreement, then for the considerations and purposes hereinabove stated, this ratification shall extend to the Royalty Interest of the undersigned as well as to its Working Interest.

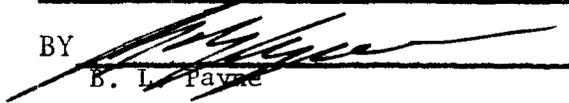
The undersigned hereby acknowledges receipt of copies of said Unit Agreement and Unit Operating Agreement and, further, acknowledges that these instruments have been signed and unconditionally delivered on the date set out hereinbelow.

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

The undersigned, whether one or more, is referred to in the neuter gender.

IN WITNESS WHEREOF, this instrument is executed this 20th day of March, 1973.

AMARILLO OIL COMPANY, a corporation

BY 

B. L. Payne

ITS Vice President

(CORPORATE)

ATTEST

  
Assistant Secretary  
STATE OF Texas I

COUNTY OF Potter I

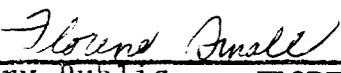
The foregoing instrument was acknowledged before me this 20th day of March, 1973, by B. L. Payne, Vice President of Amarillo Oil Company a corporation, on behalf of said corporation.

My Commission Expires:

June 1, 1975

STATE OF \_\_\_\_\_ I

COUNTY OF \_\_\_\_\_ I

  
Notary Public FLORENE SMALL  
Potter County, Texas

(INDIVIDUAL OR JOINT)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1973, by \_\_\_\_\_ and \_\_\_\_\_, his wife,

My Commission Expires:

\_\_\_\_\_  
Notary Public  
\_\_\_\_\_  
County, \_\_\_\_\_

CONSENT TO AND RATIFICATION OF  
UNIT AGREEMENT AND UNIT OPERATING AGREEMENT  
NORTH EL MAR UNIT  
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS, THAT:

For the consideration and purposes stated in those certain agreements, entitled as above, both being dated June 25, 1973, the undersigned (whether one or more) represents that it is a Working Interest Owner within the meaning of that term as used in captioned Unit Agreement and, as such, does hereby consent to, ratify, confirm and join in the execution of said Unit Agreement and Unit Operating Agreement, the same being incorporated herein by reference, to the same extent and with like effect as if the undersigned had executed the original of said Unit Agreement and Unit Operating Agreement or a counterpart thereof and, further, the undersigned does hereby commit all of its right, title and interest in and to the lands within said Unit to the terms, provisions and agreements set forth in said Unit Agreement and Unit Operating Agreement.

If the undersigned is also a Royalty Owner, within the meaning of that term as used in said Unit Agreement, then for the considerations and purposes hereinabove stated, this ratification shall extend to the Royalty Interest of the undersigned as well as to its Working Interest.

The undersigned hereby acknowledges receipt of copies of said Unit Agreement and Unit Operating Agreement and, further, acknowledges that these instruments have been signed and unconditionally delivered on the date set out hereinbelow.

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

The undersigned, whether one or more, is referred to in the neuter gender.

IN WITNESS WHEREOF, this instrument is executed this 20th day of March, 1973.

AMARILLO OIL COMPANY, a corporation

BY *B. L. Payne*  
B. L. Payne

ITS Vice President

(CORPORATE)

ATTEST:

*Rand K. ...*  
Assistant Secretary  
STATE OF Texas I

COUNTY OF Potter I

The foregoing instrument was acknowledged before me this 20th day of March, 1973, by B. L. Payne, Vice President of Amarillo Oil Company a corporation, on behalf of said corporation.

My Commission Expires:

June 1, 1975

*Florene Small*  
Notary Public FLORENE SMALL  
Potter County, Texas

STATE OF \_\_\_\_\_ I

(INDIVIDUAL OR JOINT)

COUNTY OF \_\_\_\_\_ I

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1973, by \_\_\_\_\_ and \_\_\_\_\_, his wife.

My Commission Expires:

\_\_\_\_\_

Notary Public  
\_\_\_\_\_ County, \_\_\_\_\_

CONSENT TO AND RATIFICATION OF  
UNIT AGREEMENT AND UNIT OPERATING AGREEMENT  
NORTH EL MAR UNIT  
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS, THAT:

For the consideration and purposes stated in those certain agreements, entitled as above, both being dated June 25, 1973, the undersigned (whether one or more) represents that it is a Working Interest Owner within the meaning of that term as used in captioned Unit Agreement and, as such, does hereby consent to, ratify, confirm and join in the execution of said Unit Agreement and Unit Operating Agreement, the same being incorporated herein by reference, to the same extent and with like effect as if the undersigned had executed the original of said Unit Agreement and Unit Operating Agreement or a counterpart thereof and, further, the undersigned does hereby commit all of its right, title and interest in and to the lands within said Unit to the terms, provisions and agreements set forth in said Unit Agreement and Unit Operating Agreement.

If the undersigned is also a Royalty Owner, within the meaning of that term as used in said Unit Agreement, then for the considerations and purposes hereinabove stated, this ratification shall extend to the Royalty Interest of the undersigned as well as to its Working Interest.

The undersigned hereby acknowledges receipt of copies of said Unit Agreement and Unit Operating Agreement and, further, acknowledges that these instruments have been signed and unconditionally delivered on the date set out hereinbelow.

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

The undersigned, whether one or more, is referred to in the neuter gender.

IN WITNESS WHEREOF, this instrument is executed this 20th day of March, 1973.

PIONEER PRODUCTION CORPORATION, a corporation

BY *[Signature]*  
B. L. Payne

ITS Vice President

(CORPORATE)

ATTEST:

*[Signature]*  
Assistant Secretary  
STATE OF Texas I  
COUNTY OF Potter I

The foregoing instrument was acknowledged before me this 20th day of March, 1973, by B. L. Payne, Vice President of Pioneer Production Corporation a corporation, on behalf of said corporation.

My Commission Expires:

June 1, 1975

STATE OF \_\_\_\_\_ I

COUNTY OF \_\_\_\_\_ I

*[Signature]*  
Notary Public FLORENE SMALL  
Potter County, Texas

(INDIVIDUAL OR JOINT)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1973, by \_\_\_\_\_ and \_\_\_\_\_, his wife.

My Commission Expires:

\_\_\_\_\_

Notary Public  
\_\_\_\_\_ County, \_\_\_\_\_



ASSIGNMENT OF OPERATING RIGHTS

THIS ASSIGNMENT, made this 1st day of March, 1974, from CONSOLIDATED OIL & GAS, INC., 1860 Lincoln Street, Denver, Colorado, herein called "Assignor", to CONTINENTAL OIL COMPANY, P. O. Box 460, 1001 North Turner, Hobbs, New Mexico, herein called "Assignee",

WITNESSETH:

WHEREAS, Assignor is the holder of three-fourths of all the operating rights for the development and production of oil and gas and other hydrocarbons under the following described oil and gas lease insofar as the specified depth is given:

Serial No. LC-071985

Lessor: United States of America

Lessee: Frank O. Elliott

Date: September 1, 1951

Recorded: Book 178, page 216, Oil & Gas Lease Records,  
Lea County, New Mexico

NOW, THEREFORE, in consideration of Ten Dollars and other good and valuable consideration, the receipt of which is hereby acknowledged, Assignor does hereby assign and convey unto Assignee all of Assignor's right, title and interest, in the operating rights under the above described oil and gas lease, insofar as said lease covers the following described land located in Lea County, New Mexico:

Township 26 South, Range 32 East

Section 25: NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, containing 40 acres, more or less from the surface down to 100 ft. below depth drilled in initial well called for in contract and operating agreement of June 30, 1959, referred to below but in no event below the depth of 5,000 feet,

subject to its proportionate share of landowner's royalty, overriding royalty, and other lease burdens of record against the property, together with like interest in the material and equipment used in connection with the operating rights hereby assigned and the oil and gas produced and the proceeds therefrom.

This assignment and conveyance shall be subject to the terms and conditions of that contract and operating agreement dated June 30, 1959, between Frank O. Elliott and Elizabeth Ann Elliott, as owner, and J. Glenn Bennett, as Operator, and Assignee agrees to comply with all of the provisions of Executive Order 11246, as amended, and to comply with all other rules and regulations and terms of the lease in which the operating rights are herein assigned.

Assignor warrants title to the interest herein conveyed, by, through and under Assignor, but not otherwise, and Assignor will execute any additional instruments that may be necessary to effectively convey said interest to Assignee.

This assignment shall be binding upon the respective successors and assigns of Assignor and Assignee, and shall be effective as of January 1, 1974 at 7:00 a. m.

EXECUTED the day and year first above written but effective  
January 1, 1974.

ATTEST:

CONSOLIDATED OIL & GAS, INC. *R*

*Thomas A. [unclear]* By *J. D. Smotherman*  
Secretary Vice President

STATE OF COLORADO )  
CITY, AND ) ss.  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 12<sup>th</sup>  
day of March, 1974, by J. D. Smotherman  
known to me to be the Vice President of CONSOLIDATED OIL & GAS, INC.  
who executed the foregoing instrument on behalf of said corporation by  
authority of its board of directors.

*Daniel A. [unclear]*  
Notary Public

My commission expires:

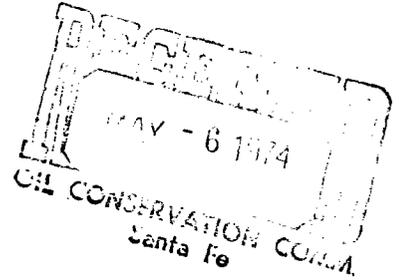
May 23, 1977



L. P. Thompson  
Division Manager  
Production Department  
Hobbs Division  
Western Hemisphere Petroleum Division

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

5000



May 1, 1974

Regional Oil and Gas Supervisor  
United States Geological Survey  
Box 1857  
Roswell, New Mexico 88201

Commissioner of Public Lands  
Box 1148  
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

Revised Exhibits To Unit Agreement - North El Mar Unit, Lea County,  
New Mexico

Continental Oil Company has acquired various interests in the North El Mar Unit, effective January 1, 1974. Also, we have submitted appropriate filings for the subsequent joinder and commitment of Tract 5-A to the Unit Agreement effective May 1, 1974.

As a consequence of these transactions it is required that revised Exhibits to the Unit Agreement be prepared. Attached are revised Exhibits "B" and "C" to the Unit Agreement reflecting changes in ownership and participation of Tracts. Exhibit "D" to the Unit Operating Agreement reflects revised ownership and unit participation by the various working interest owners.

Please substitute these Exhibits for those currently attached to your agreements.

Yours very truly,

VTL:reh  
Enc  
CC +enc  
RLA: GES: JWH: HMI: NEL: ARL: GL

Working Interest Owners

EXHIBIT "B"  
TO THE UNIT AGREEMENT FOR NORTH EL MAR UNIT, LEA COUNTY, NEW MEXICO

| TRACT NO. | DESCRIPTION OF LAND                | NO. OF ACRES | SERIAL NUMBER | BASIC ROYALTY & PERCENTAGE | RECORD LESSEE AND PERCENTAGE | OVERRIDING ROYALTY AND PERCENTAGE  | WORKING INTEREST OWNER AND PERCENTAGE  |
|-----------|------------------------------------|--------------|---------------|----------------------------|------------------------------|--|--|
| 1         | T-26S, R-32E<br>Sec. 24: SW/4 SE/4 | 40           | LC-065876-A   | USA - All<br>12.5%         | Gulf Oil Corp.<br>100%       | Albert Evans, Jr.<br>Trust 2.25000%<br>Charles P. &<br>Iris Miller .75000%   | Continental Oil Co. 100%   |
| 1A        | T-26S, R-32E<br>Sec. 24: SE/4 SE/4 | 40           | LC-065876-A   | USA - All<br>12.5%         | Gulf Oil Corp.<br>100%       | Gulf Oil Co. 6.25000%<br>Albert Evans, Jr.<br>Trust 2.25000%<br>Charles P. &<br>Iris Miller .75000%<br>Tenneco Oil Co. Acct.<br>Kern County Land Co.<br>6.11330% | Tenneco Oil Co. 100%   |
| 2         | T-26S, R-33E<br>Sec. 30: Lot 1     | 39.77        | LC-065880     | USA - All<br>12.5%         | Porter Brown Est. 100%       | Albert Evans, Jr.<br>Trust 3.12500%  | Petro Lewis Corp. 45.83333%<br>Continental Oil Co. 18.75000%<br>Porter Brown Estate 12.50000%<br>Ruth Halton Brown Agency 12.50000%<br>J. M. Zachary 10.41667% |
| 2A        | T-26S, R-33E<br>Sec. 19: Lot 4     | 39.73        | LC-065880-A   | USA - All<br>12.5%         | Gulf Oil Co. 100%            | Porter Brown Estate 1.50000%<br>Ruth Halton Brown Agency 1.50000%<br>Lewis B. Burleson 3.12500%*<br>Jack Huff 3.12500%*<br>Gulf Oil Co. 6.25000%**               | C. M. Neal Estate 18.16403%<br>Robert L. Summers 30.27347%<br>Continental Oil Co. 51.56250%  |
| 3         | T-26S, R-32E<br>Sec. 35: N/2 N/2   | 160          | LC-06877      | USA - All<br>12.5%         | Continental Oil Co. 100%     | Leota M. Hopp & Vergil<br>O. Hopp 3.00000%   | Continental Oil Co. 100%   |

\* When production averages less than 15 barrels oil per day per well on a monthly basis, this royalty is suspended.

\*\* When production averages less than 15 barrels oil per day per well on a monthly basis, this royalty rate shall be reduced to 2.0%.

Exhibit "B"  
North El Mar Unit  
Page 2

| TRACT NO. | DESCRIPTION OF LAND   | NO. OF ACRES | SERIAL NUMBER | BASIC ROYALTY & PERCENTAGE | RECORD LESSEE AND PERCENTAGE             | OVERRIDING ROYALTY AND PERCENTAGE  | WORKING INTEREST OWNER AND PERCENTAGE  |
|-----------|---|--------------|---------------|----------------------------|--|--|--|
| 4         | T-26S, R-32E<br>Sec. 25: S/E, S/2 N/2,<br>N/2 NW/4, NW/4 NE/4<br>Sec. 26: S/2, S/2 NE/4,<br>NE/4 NE/4, SE/4 NW/4                                | 1080         | LC-069515     | USA - All<br>12.5%         | Continental Oil Co. 100%                 | Betsy D. Stewart<br>Bonnie H. Morrison<br>2.50000%<br>2.50000%   | Continental Oil Co. 100%   |
| 5         | T-26S, R-32E<br>Sec. 27: SE/4 SE/4,<br>Sec. 34: Lots 3, 4,<br>N/2 NE/4  | 169.82       | LC-071985     | USA - All<br>12.5%         | F. O. Elliott 50%<br>O. R. Hall, Jr. 50% | Elizabeth & F. O. Elliott<br>O. R. Hall, Jr.<br>2.50000%<br>2.50000%   | Texaco, Inc. 66.66667%<br>Continental Oil Co. 33.33333%                                  |
| 5A        | T-26S, R-32E<br>Sec. 25: NE/4 NE/4  | 40           | LC-071985     | USA - All<br>12.5%         | F. O. Elliott 50%<br>O. R. Hall, Jr. 50% | Ora R. Hall, Jr.<br>Elizabeth & F. O. Elliott<br>R. G. Breckenridge,<br>et ux<br>Etoile M. Bennett<br>6.25000%#<br>6.25000%#<br>2.57812%##<br>2.10938%## | Continental Oil Co. 75.00000%<br>Amarillo Oil Co. (oil)<br>Pioneer Prod. (gas) 25.00000% |
| 6         | T-26S, R-32E<br>Sec. 35: Lots 1,<br>2, 3, 4<br>T-26S, R-33E<br>Sec. 30: Lots 2,3,4,<br>E/2 SW/4, SE/4 NW/4<br>Sec. 31: Lots 1,2,3,<br>NE/4 NW/4 | 494.05       | NM-02791-A    | USA - All<br>12.5%         | Continental Oil Co. 100%                 | Marguerite Payne<br>.50000%  | Continental Oil Co. 100%   |

9 FEDERAL TRACTS CONTAINING 2,103.37 ACRES, OR 89.01% OF THE UNIT AREA.

# When production averages less than 15 barrels oil per day per well on a monthly basis, this royalty rate is reduced to 2.500%.  
## Production payment until 60,000 barrels produced from this tract after 8/1/64, at which time this payment is increased by ratio of 8/3 until total of \$11,666.67 payment is completed.

Exhibit "B"  
 North El Mar Unit  
 Page 3

| TRACT NO. | DESCRIPTION OF LAND                                  | NO. OF ACRES | SERIAL NUMBER | BASIC ROYALTY & PERCENTAGE  | RECORD LESSEE AND PERCENTAGE | OVERRIDING ROYALTY AND PERCENTAGE | WORKING INTEREST OWNER AND PERCENTAGE |
|-----------|--|--------------|---------------|-----------------------------|------------------------------|-----------------------------------|---------------------------------------|
| 7         | T-26S, R-32E<br>Sec. 36: Lots 1,<br>2, 3, 4, N/2 N/2 | 259.76       | E-6622-3      | State of New Mexico - 12.5% | Tenneco West, Inc.           | None                              | Tenneco Oil Co. 100%                  |

1 STATE TRACT CONTAINING 259.76 ACRES, 10.99% OF THAT UNIT AREA.  
 TOTAL OF 10 TRACTS CONTAINING 2,363.13 ACRES.

EXHIBIT "C" TO UNIT AGREEMENT  
NORTH EL MAR UNIT

| TRACT NO. | DESCRIPTION   | PHASE I   | PHASE II  |
|-----------|---|-----------|-----------|
| 1         | Sec. 24 - T-265, R-32E: SW/4 SE/4   | 0.18780   | 1.62370   |
| 1A        | Sec. 24 - T-265, R-32E: SE/4 SE/4   | 1.42381   | 1.03037   |
| 2         | Sec. 30 - T-265, R-33E: Lot 1   | 0.81221   | 1.74729   |
| 2A        | Sec. 19 - T-265, R-33E: Lot 4   | 0.32602   | 0.57339   |
| 3         | Sec. 35 - T-265, R-32E: N/2 N/2   | 0.06352   | 5.56515   |
| 4         | Sec. 25 - T-265, R-32E: S/2, S/2 N/2, N/2 NW/4, NW/4 NE/4, S/2 NE/4, NE/4 NE/4, SE/4 NW/4   | 45.04939  | 48.52436  |
| 5         | Sec. 27 - T-265, R-32E: SE/4 SE/4<br>Sec. 34 - T-265, R-32E: Lots 3 and 4, N/2 NE/4   | 1.49492   | 4.16207   |
| 5A        | Sec. 25 - T-265, R-32E: NE/4 NE/4   | 1.60102   | 1.71763   |
| 6         | Sec. 35 - T-265, R-32E: Lots 1, 2, 3, and 4<br>Sec. 30 - T-265, R-33E: Lots 2, 3, 4, E/2 SW/4, SE/4 NW/4<br>Sec. 31 - T-265, R-33E: Lots 1, 2, 3, NE/4 NW/4 | 19.80017  | 17.75980  |
| 7         | Sec. 36 - T-265, R-32E: Lots 1, 2, 3, and 4, N/2 N/2  | 29.24114  | 17.29624  |
|           |   | 100.00000 | 100.00000 |

4-8-74  
Effective 5-1-74

**EXHIBIT 'D' TO UNIT OPERATING AGREEMENT  
NORTH EL MAR UNIT**

**PART I**

| TRACT NO. | OWNER   | INTEREST  | TRACT PARTICIPATION |            | UNIT PARTICIPATION                                  |   |
|-----------|---|---|---------------------|------------|---|---|
|           |   |   | PHASE I             | PHASE II   | PHASE I   | PHASE II  |
| 1         | Continental Oil Company   | 100%  | 0.18780             | 1.62370    | 0.18780   | 1.62370   |
| 1A        | Tenneco Oil Company   | 100%  | 1.42381             | 1.03037    | 1.42381   | 1.03037   |
| 2         | Petro Lewis Corp.<br>J. M. Zachary<br>Continental Oil Company<br>Porter Brown Estate<br>Ruth H. Brown, Agency | 45.83333%<br>10.41667%<br>18.75000%<br>12.50000%<br>12.50000% | 0.81221             | 1.74729    | 0.37226<br>0.08461<br>0.15228<br>0.10153<br>0.10153 | 0.80084<br>0.18201<br>0.32762<br>0.21841<br>0.21841 |
| 2A        | Continental Oil Company<br>C. M. Neal Estate<br>Robert L. Summers   | 51.56250%<br>18.16403%<br>30.27347%                           | 0.32602             | 0.57339    | 0.16810<br>0.05922<br>0.09870                       | 0.29566<br>0.10415<br>0.17358                       |
| 3         | Continental Oil Company   | 100%  | 0.06352             | 5.56515    | 0.06352   | 5.56515   |
| 4         | Continental Oil Company   | 100%  | 45.04939            | 48.52436   | 45.04939  | 48.52436  |
| 5         | Texaco, Inc.<br>Continental Oil Company   | 66.66667%<br>33.33333%  | 1.49492             | 4.16207    | 0.99661<br>0.49831                                  | 2.77471<br>1.38736                                  |
| 5A        | Continental Oil Company<br>Pioneer Production Company   | 75.00000%<br>25.00000%  | 1.60102             | 1.71763    | 1.20076<br>0.40026                                  | 1.28822<br>0.42941                                  |
| 6         | Continental Oil Company   | 100%  | 19.80017            | 17.75980   | 19.88017  | 17.75980  |
| 7         | Tenneco Oil Company   | 100%  | 29.24114            | 17.29624   | 29.24114  | 17.29624  |
|           |   |   | 100.00000%          | 100.00000% |   |   |

EXHIBIT "D"

PART II

| <u>WORKING INTEREST OWNER</u> | <u>TRACT NO.</u> | <u>OWNERSHIP</u> | <u>TRACT PARTICIPATION</u> |                 | <u>UNIT PARTICIPATION</u> |                 |
|-------------------------------|------------------|------------------|----------------------------|-----------------|---------------------------|-----------------|
|                               |                  |                  | <u>PHASE I</u>             | <u>PHASE II</u> | <u>PHASE I</u>            | <u>PHASE II</u> |
| Porter Brown Estate           | 2                | 12.50%           | 0.81221                    | 1.74729         | 0.10153                   | 0.21841         |
| Ruth H. Brown, Agency         | 2                | 12.50%           | 0.81221                    | 1.74729         | 0.10153                   | 0.21841         |
| Continental Oil Company       | 1                | 100%             | 0.18780                    | 1.62370         | 0.18780                   | 1.62370         |
|                               | 2                | 18.75%           | 0.81221                    | 1.74729         | 0.15228                   | 0.32762         |
|                               | 2A               | 51.5625%         | 0.32602                    | 0.57339         | 0.16810                   | 0.29566         |
|                               | 3                | 100%             | 0.06352                    | 5.56515         | 0.06352                   | 5.56515         |
|                               | 4                | 100%             | 45.04939                   | 48.52436        | 45.04939                  | 48.52436        |
|                               | 5                | 33.33333%        | 1.49492                    | 4.16207         | 0.49831                   | 1.38736         |
| TOTAL                         | 5A               | 75%              | 1.60102                    | 1.71763         | 1.20076                   | 1.28822         |
|                               | 6                | 100%             | 19.80017                   | 17.75980        | 19,80017                  | 17.75980        |
|                               |                  |                  |                            |                 | <u>67.12033</u>           | <u>76.77187</u> |
| C. M. Neal Estate             | 2A               | 18.16403%        | 0.32602                    | 0.57339         | 0.05922                   | 0.10415         |
| Petro Lewis Corp.             | 2                | 45.83333%        | 0.81221                    | 1.74729         | 0.37226                   | 0.80084         |
| Pioneer Production Company    | 5A               | 25.00%           | 1.60102                    | 1.71763         | 0.40026                   | 0.42941         |
| Robert L. Summers             | 2A               | 30.27347%        | 0.32602                    | 0.57339         | 0.09870                   | 0.17358         |
| Tenneco Oil Company           | 1A               | 100%             | 1.42381                    | 1.03037         | 1.42381                   | 1.03037         |
|                               | 7                | 100%             | 29.24114                   | 17.29624        | 29.24114                  | 17.29624        |
| TOTAL                         |                  |                  |                            |                 | <u>30.66495</u>           | <u>18.32661</u> |
| Texaco, Inc.                  | 5                | 66.66667%        | 1.49492                    | 4.16207         | 0.99661                   | 2.77471         |
| J. M. Zachary                 | 2                | 10.41667%        | 0.81221                    | 1.74729         | 0.08461                   | 0.18201         |

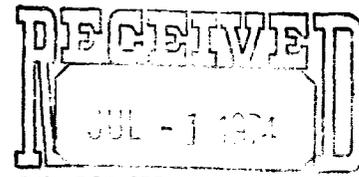


United States Department of the Interior

5060

GEOLOGICAL SURVEY

Drawer 1857  
Roswell, New Mexico 88201



OIL CONSERVATION COMM  
Santa Fe

June 28, 1974

**Memorandum**

**To:** Chief, Branch of Lands and Minerals Operations, Bureau of Land Management, Santa Fe, New Mexico

**From:** Acting Area Oil and Gas Supervisor, Southern Rocky Mountain Area

**Subject:** North El Mar Unit agreement No. 14-08-0001-13804, Lea County, New Mexico

Enclosed are correction pages to be substituted for the incorrect originals included in the subject agreement. A copy of Continental Oil Company's transmittal letter is attached.

ORIG. SGD: CARL C. TRAYWICK

CARL C. TRAYWICK

cc:  
DE-Hobbs (w enclo)  
Com. of Public Lands  
N.M.O.C.C.✓

JFS:ms:td



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

June 17, 1974

Oil and Gas Supervisor  
United States Geological Survey  
Box 1857  
Roswell, New Mexico 88201

Commissioner of Public Lands  
State of New Mexico  
Box 1148  
Santa Fe, New Mexico 87501

New Mexico Oil Conservation Commission  
Box 2988  
Santa Fe, New Mexico 87501

Gentlemen:

Revised Exhibits North El Mar Unit, Lea County, New Mexico

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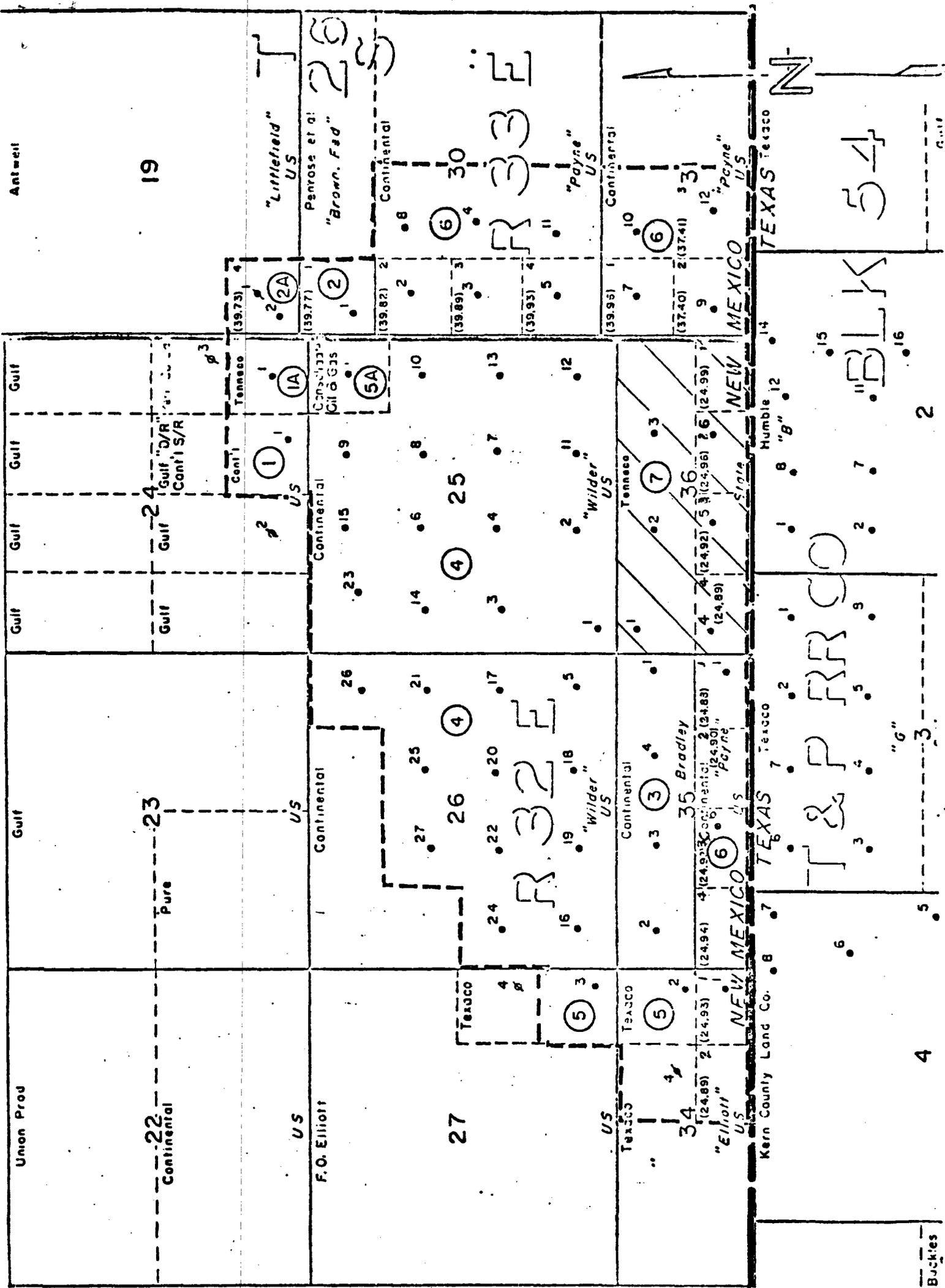
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Yours very truly,

VTL:reh  
CC + enc:  
Working Interest Owners

Overriding Royalty Owners

RLA: CES: JWM: HMN: NEL: AHL: GL



 FEDERAL ACREAGE  
 STATE ACREAGE

CONTINENTAL OIL CO.  
 PRODUCTION DEPARTMENT HOBBS DIVISION  
 NORTH EL MAR UNIT  
 LEA COUNTY, NEW MEXICO  
 LOCATION PLAT  
 EXHIBIT "A"  
 TO  
 UNIT AGREEMENT

| TRACT NO. | DESCRIPTION OF LAND   | NO. OF ACRES | SERIAL NUMBER | BASIC ROYALTY % PERCENTAGE | RECORD LESSEE AND PERCENTAGE            | OVERRIDING ROYALTY AND PERCENTAGE   | WORKING INTEREST OWNER AND PERCENTAGE  |
|-----------|---|--------------|---------------|----------------------------|---|---|--|
| 4         | T-265, R-32E<br>Sec. 25: S/E, S/2 N/2,<br>N/2 NW/4, NW/4 NE/4<br>Sec. 26: S/2, S/2 NE/4,<br>NE/4 NE/4, SE/4 NW/4                                | 1080         | LC-069515     | USA - All<br>12.5%         | Continental Oil Co. 100%                | Betsy D. Stewart<br>Bonnie H. Morrison<br>2.50000%  | Continental Oil Co. 100%   |
| 5         | T-265, R-32E<br>Sec. 27: SE/4 SE/4,<br>Sec. 34: Lots 1, 2,<br>N/2 NE/4  | 169.82       | LC-071985     | USA - All<br>12.5%         | F. O. Elliott<br>O. R. Hall, Jr.<br>50% | Elizabeth & F. O. Elliott<br>2.50000%<br>O. R. Hall, Jr.<br>2.50000%  | Texaco, Inc.<br>Continental Oil Co. 33.33333%  |
| 5A        | T-265, R-32E<br>Sec. 25: NE/4 NE/4  | 40           | LC-071985     | USA - All<br>12.5%         | F. O. Elliott<br>O. R. Hall, Jr.<br>50% | Ora R. Hall, Jr.<br>6.25000%#<br>Elizabeth & F. O. Elliott<br>6.25000%#<br>R. G. Breckenridge,<br>et ux 2.57812%##<br>Etoile M. Bennett<br>2.10938%## | Continental Oil Co. 75.00000%<br>Amarillo Oil Co. (oil)<br>Pioneer Prod. (gas) 25.00000% |
| 6         | T-265, R-32E<br>Sec. 35: Lots 1,<br>2, 3, 4<br>T-265, R-33E<br>Sec. 30: Lots 2,3,4,<br>E/2 SW/4, SE/4 NW/4<br>Sec. 31: Lots 1,2,3,<br>NE/4 NW/4 | 494.05       | NH-02791-A    | USA - All<br>12.5%         | Continental Oil Co. 100%                | Marguerite Payne<br>.50000%   | Continental Oil Co. 100%   |

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# When production averages less than 15 barrels oil per day per well on a monthly basis, this royalty rate is reduced to 2.500%.  
## Production payment until 60,000 barrels produced from this tract after 8/1/64, at which time this payment is increased by ratio of 8/3 until total of \$11,666.67 payment is completed.

**EXHIBIT "C" TO UNIT AGREEMENT  
NORTH EL MAR UNIT**

| TRACT NO. | DESCRIPTION  | PARTICIPATION   |                 |
|-----------|--|-----------------|-----------------|
|           |  | PHASE I         | PHASE II        |
| 1         | Sec. 24 - T-26S, R-32E: SW/4 SE/4  | 0.18780         | 1.62370         |
| 1A        | Sec. 24 - T-26S, R-32E: SE/4 SE/4  | 1.42381         | 1.03037         |
| 2         | Sec. 30 - T-26S, R-33E: Lot 1  | 0.81221         | 1.74729         |
| 2A        | Sec. 19 - T-26S, R-33E: Lot 4  | 0.32602         | 0.57339         |
| 3         | Sec. 35 - T-26S, R-32E: N/2 N/2  | 0.06352         | 5.56515         |
| 4         | Sec. 25 - T-26S, R-32E: S/2, S/2 N/2, N/2 NW/4,<br>NW/4 NE/4   | 45.04939        | 48.52436        |
|           | Sec. 26 - T-26S, R-32E: S/2, S/2 NE/4,<br>NE/4 NE/4, SE/4 NW/4   |                 |                 |
| 5         | Sec. 27 - T-26S, R-32E: SE/4 SE/4<br>Sec. 34 - T-26S, R-32E: Lots 1 and 2,<br>N/2 NE/4   | 1.49492         | 4.16207         |
| 5A        | Sec. 25 - T-26S, R-32E: NE/4 NE/4  | 1.60102         | 1.71763         |
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|           |  | 100.00000       | 100.00000       |

4-8-74  
Effective 5-1-74



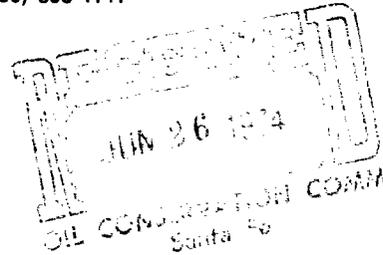
5060

L. P. Thompson  
Division Manager  
Production Department  
Hobbs Division  
Western Hemisphere Petroleum Division

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

June 17, 1974

Oil and Gas Supervisor  
United States Geological Survey  
Box 1857  
Roswell, New Mexico 88201



Commissioner of Public Lands  
State of New Mexico  
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Santa Fe, New Mexico 87501

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Gentlemen:

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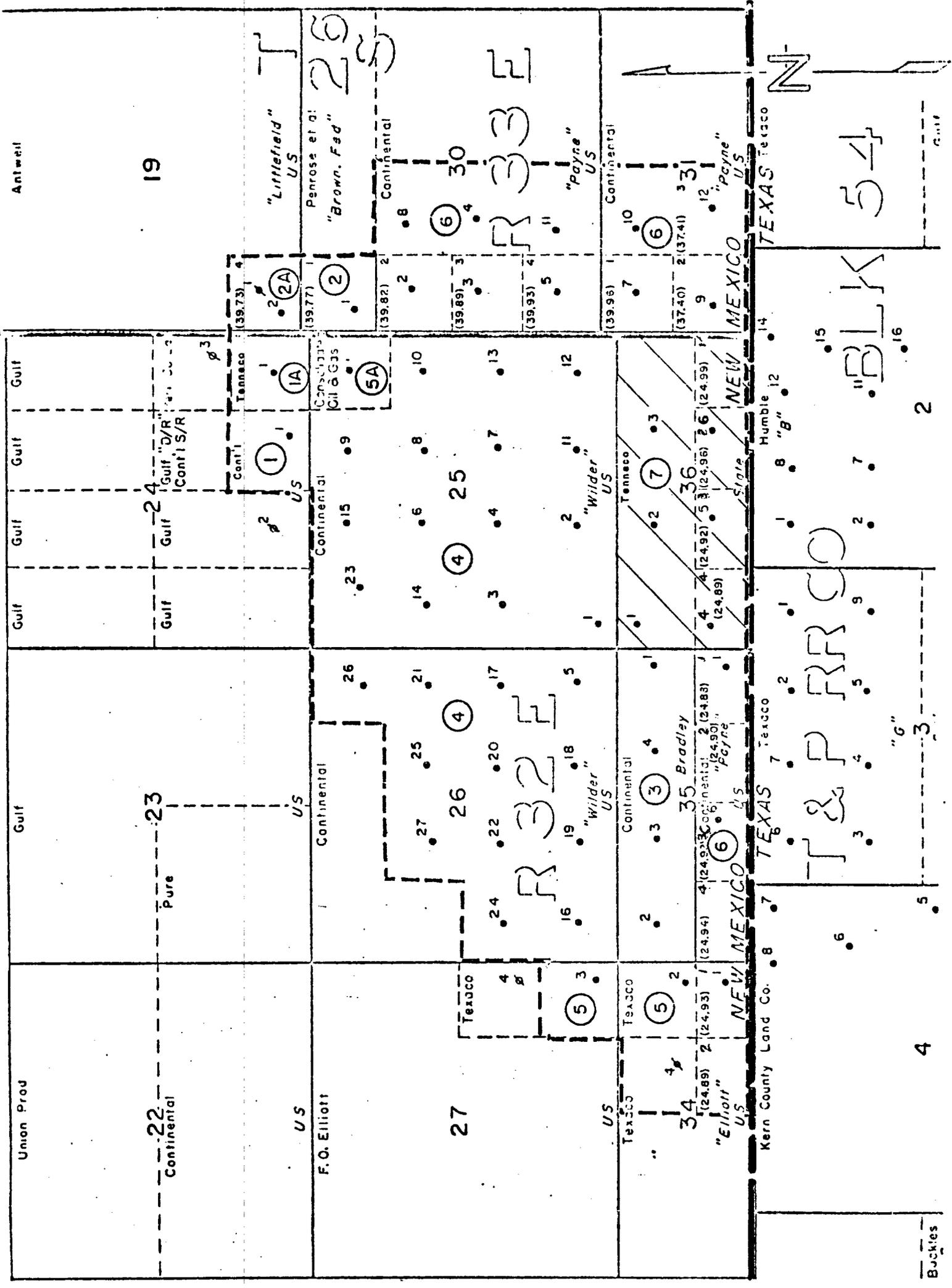
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VTL:reh  
CC + enc:  
Working Interest Owners

Overriding Royalty Owners

RLA: CES: JKM: HMN: NEL: AHL: GL



 FEDERAL ACREAGE  
 STATE ACREAGE

CONTINENTAL OIL CO.  
 PRODUCTION DEPARTMENT HODDS DIVISION  
 NORTH EL MAR UNIT  
 LEA COUNTY, NEW MEXICO  
 LOCATION PLAT  
 EXHIBIT "A"  
 TO  
 UNIT AGREEMENT

| TRACT NO. | DESCRIPTION OF LAND   | NO. OF ACRES | SERIAL NUMBER | BASIC ROYALTY & PERCENTAGE | RECORD LESSEE AND PERCENTAGE            | OVERRIDING ROYALTY AND PERCENTAGE  | WORKING INTEREST OWNER AND PERCENTAGE  |
|-----------|---|--------------|---------------|----------------------------|---|--|--|
| 4         | T-265, R-32E<br>Sec. 25: S/E, S/2 N/2,<br>N/2 NW/4, NW/4 NE/4<br>Sec. 26: S/2, S/2 NE/4,<br>NE/4 NE/4, SE/4 NW/4                                    | 1080         | LC-069515     | USA - All<br>12.5%         | Continental Oil Co. 100%                | Betsy D. Stewart<br>Bonnie H. Morrison<br>2.50000%   | Continental Oil Co. 100%   |
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NORTH EL MAR UNIT

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|--------------|--|-----------------|-----------------|
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| 1            | Sec. 24 - T-26S, R-32E: SW/4 SE/4  | 0.18780         | 1.62370         |
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|              |  | 100.00000       | 100.00000       |

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Division Manager  
Production Department  
Hobbs Division  
Western Hemisphere Petroleum Division

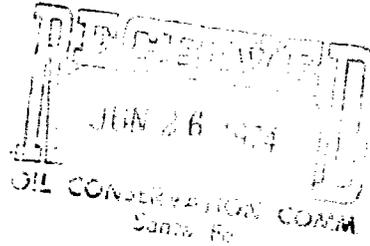
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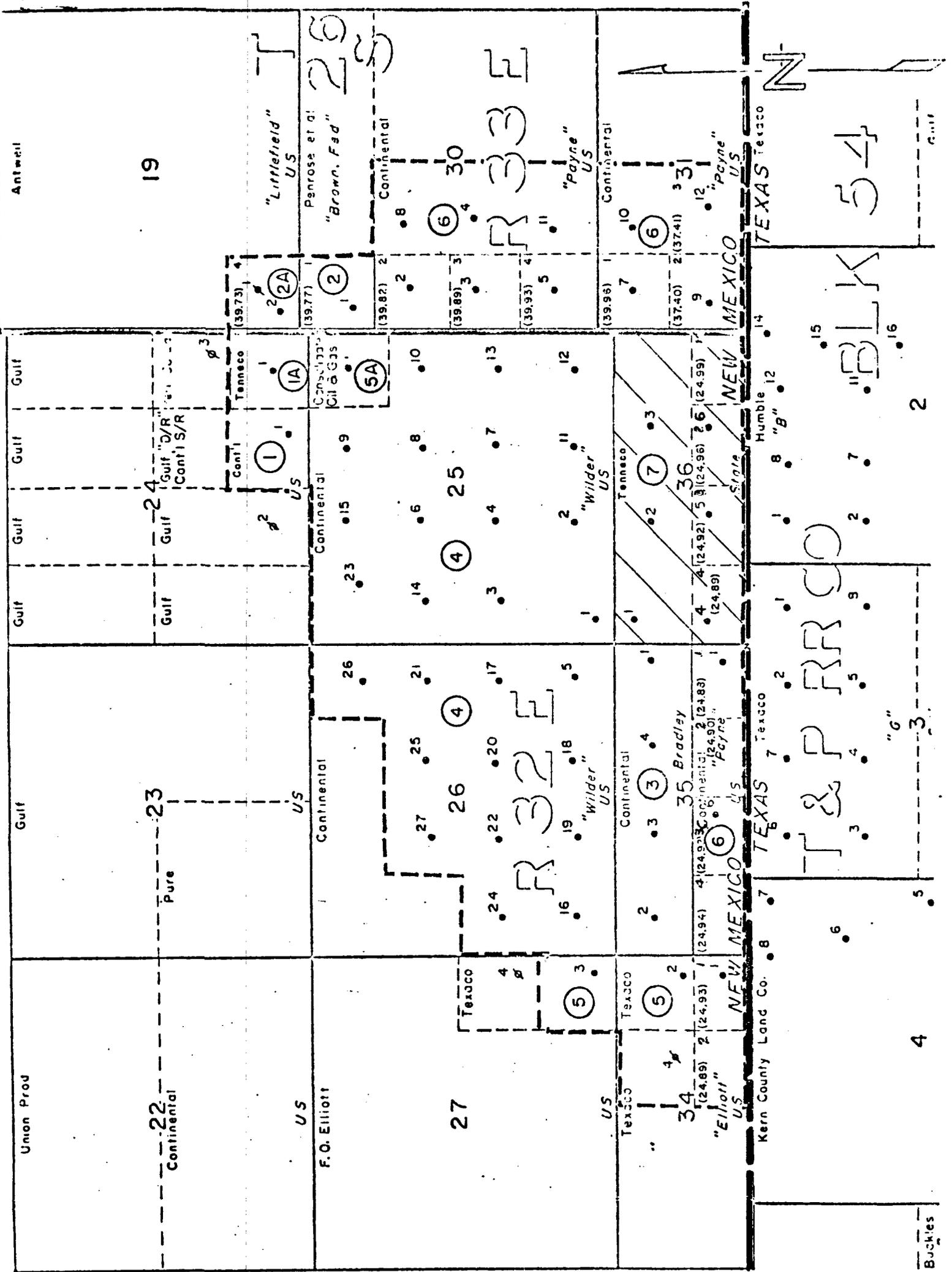
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 STATE ACREAGE

CONTINENTAL OIL CO.  
 PRODUCTION DEPARTMENT HOBBS DIVISION

NORTH EL MAR UNIT  
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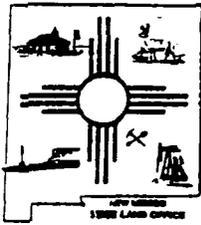
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| 4            | Sec. 25 - T-26S, R-32E: S/2, S/2 N/2, N/2 NW/4,<br>NW/4 NE/4   | 45.04939      | 48.52436  |
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|              |  | 100.00000     | 100.00000 |

4-8-74  
Effective 5-1-74



State of New Mexico  
Commissioner of Public Lands

#5060

W. R. Humphries  
COMMISSIONER

Advisory Board April 23, 1990

George Clark  
Chairman

Kristin Conniff  
Vice Chairman

Melvin Cordova

Joe Kelly

Robert Portillos  
Nancy Lynch Vigil

Rex Wilson

Conoco Inc.  
P.O. Box 460  
Hobbs, New Mexico 88241

ATTN: Mr. David Strople

RE: North El Mar Unit  
1990 Plan of Development

Gentlemen:

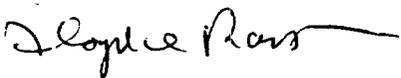
The Commissioner of Public Lands has this date approved the 1990 Plan of Development for the North El Mar Unit. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the Unit may exist. You will be contacted at a later date regarding these possibilities.

Enclosed is an approved copy of the 1990 Plan of Development for your files. If we may be of further help, please do not hesitate to contact this office at (505) 827-5746.

Very truly yours,

W.R. HUMPHRIES,  
COMMISSIONER OF PUBLIC LANDS

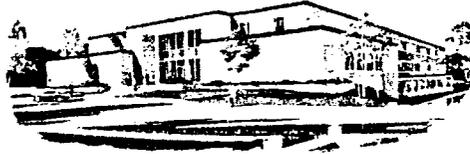
BY:   
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5746

cc: OCD - Santa Fe, New Mexico  
BLM  
Unit Correspondence File  
Unit P.O.D. File

WRH/FOP/SMH

State of New Mexico

5060



SLO REF NO. OG-619

W.R. HUMPHRIES  
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

December 2, 1987

Conoco, Inc.  
ATTENTION: Mr. H. A. Ingram  
P. O. Box 460  
Hobbs, New Mexico 88240

Re: North El Mar Unit  
1987 Plan of Operation  
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1987 Plan of Operation for the North El Mar Unit Area, Lea County, New Mexico. Such plan advises that the unit is currently being studied to determine the tertiary potential from CO<sub>2</sub> flooding.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prado*  
FLOYD O. PRANDO, Director  
Oil and Gas Division  
(505) 827-5744

WRH/FOP/pm  
encls.

cc: OCD-Santa Fe, New Mexico  
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



5060

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

Oil and Gas Supervisor  
United States Geological Survey  
Box 1857  
Roswell, New Mexico 88201

Commissioner of Public Lands  
State of New Mexico  
P. O. Box 1148  
Santa Fe, New Mexico 87501

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

Gentlemen:

North El Mar Unit, Lea County, New Mexico

The North El Mar Unit become effective November 1, 1973 with all tracts being committed except Tract 5A. Tract 5A was committed to the unit effective May 1, 1974.

The USGS advised that their file does not show Exhibit "C" which was effective from November 1, 1973 to May 1, 1974. In order to complete their files and to assure that the Land Commissioner and Conservation Commission are also furnished copies, we enclose copies of this revised exhibit. This exhibit has since been superceded by that exhibit which was effective May 1, 1974.

The enclosed exhibit was effective only during the period prior to May 1, 1974 and is furnished to assure that your records are complete.

Yours very truly,

VTL:rch  
Enc

EXHIBIT "C" TO UNIT AGREEMENT  
NORTH EL HAR UNIT

| TRACT NO. | DESCRIPTION  | PARTICIPATION    |                  |
|-----------|--|------------------|------------------|
|           |  | PHASE I          | PHASE II         |
| 1         | Sec. 24 - T-26S, R-32E: SW/4 SE/4                              | 0.19086          | 1.65207          |
| 1A        | Sec. 24 - T-26S, R-32E: SE/4 SE/4                              | 1.44698          | 1.04838          |
| 2         | Sec. 30 - T-26S, R-33E: Lot 1                                  | 0.82543          | 1.77783          |
| 2A        | Sec. 19 - T-26S, R-33E: Lot 4                                  | 0.33132          | 0.58341          |
| 3         | Sec. 35 - T-26S, R-32E: N/2 N/2                                | 0.06455          | 5.66241          |
| 4         | Sec. 25 - T-26S, R-32E: S/2, S/2 N/2, N/2 NW/4,<br>NW/4 NE/4   | 45.78238         | 49.37239         |
|           | Sec. 26 - T-26S, R-32E: S/2, S/2 NE/4,<br>NE/4 NE/4, SE/4 NW/4 |                  |                  |
| 5         | Sec. 27 - T-26S, R-32E: SE/4 SE/4                              | 1.51924          | 4.23481          |
|           | Sec. 34 - T-26S, R-32E: Lots 3 and 4,<br>N/2 NE/4              |                  |                  |
| 5A        | Sec. 25 - T-26S, R-32E: NE/4 NE/4<br>(not committed)           | 0.00000          | 0.00000          |
| 6         | Sec. 35 - T-26S, R-32E: Lots 1, 2, 3, and 4                    | 20.12233         | 18.07018         |
|           | Sec. 30 - T-26S, R-33E: Lots 2, 3, 4, E/2 SW/4,<br>SE/4 NW/4   |                  |                  |
|           | Sec. 31 - T-26S, R-33E: Lots 1, 2, 3, NE/4 NW/4                |                  |                  |
| 7         | Sec. 36 - T-26S, R-32E: Lots 1, 2, 3, and 4,<br>N/2 N/2        | 29.71691         | 17.59852         |
|           |  | <u>100.00000</u> | <u>100.00000</u> |



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857  
Roswell, New Mexico 88201

October 16, 1974

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

Gentlemen:

Your letter of October 9, 1974, transmits three copies of an Exhibit C for the North El Mar unit agreement which reflects tract participation during the period from November 1, 1973, to April 30, 1974. This exhibit was requested by the U. S. Geological Survey to complete our records on the North El Mar unit agreement. This exhibit has been superseded by a revised Exhibit C which became effective as of May 1, 1974, upon commitment of tract 5A, the last uncommitted tract, to the unit agreement.

Copies of the exhibit transmitted by your letter of October 9, 1974, are being distributed to the appropriate Federal offices to insure that their records of the North El Mar unit agreement are also complete.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK  
Acting Area Oil and Gas Supervisor

cc:  
BLM, Santa Fe (w/cy exhibit)  
NMOCC, Santa Fe (ltr only)  
Com. Pub. Lands, Santa Fe (ltr only)  
Hobbs (w/cy exhibit)

ARStall:ds

State of New Mexico

TELEPHONE  
505-827-2748



Commissioner of Public Lands

October 25, 1973

ALEX J. ARMIJO  
COMMISSIONER

P. O. BOX 1148  
SANTA FE, NEW MEXICO

Continental Oil Company  
P. O. Box 460  
1001 North Turner  
Hobbs, New Mexico 88240

Re: North El Mar Unit  
RATIFICATIONS  
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

We are in receipt of your letter dated October 22, 1973, whereby you submitted one original and one copy of joinders to the North El Mar Unit Agreement. These joinders have been accepted by this office and Tracts 2, 2-A, and 5 are now fully committed to the North El Mar Unit. These ratifications are to become effective as of the effective date of the Unit.

The Ratifications submitted were executed by the following:

1. Ft. Worth National Bank, Agent for Ruth Haltom Brown Agency
2. Ft. Worth National Bank, Trustee for Wm. Porter Brown Trust
3. Texaco, Inc.
4. Frank and Ruth Robinson
5. Tenneco West, Inc.

Very truly yours,

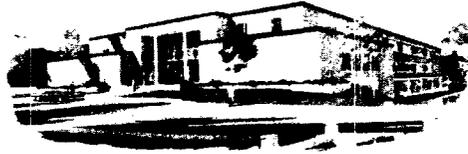
RAY D. GRAHAM, Director  
Oil and Gas Department

AJA/RDG/s  
cc:

USGS-Roswell, New Mexico  
OCC- Santa Fe, New Mexico

State of New Mexico

TELEPHONE  
505-827-2748



Commissioner of Public Lands

October 18, 1973

ALEX J. ARMIJO  
COMMISSIONER

P. O. Box 1148  
SANTA FE, NEW MEXICO

Continental Oil Company  
P. O. Box 460  
1001 North Turner  
Hobbs, New Mexico 88240

Re: North El Mar Unit  
INITIAL PLAN OF OPERATION  
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date approved your Initial Plan of Operation for the North El Mar Unit, Lea County, New Mexico. This approval is subject to like approval by the United States Geological Survey.

Very truly yours,

RAY D. GRAHAM, Director  
Oil and Gas Department

AJA/RDG/s

cc: USGS-Roswell, New Mexico  
OCC- Santa Fe, New Mexico ✓

State of New Mexico

TELEPHONE  
505-827-2748



Commissioner of Public Lands  
October 18, 1973

ALEX J. ARMIJO  
COMMISSIONER

P. O. Box 1148  
SANTA FE, NEW MEXICO

Continental Oil Company  
P. O. Box 460  
1001 North Turner  
Hobbs, New Mexico 88240

Re: North El Mar Unit  
Lea County, New Mexico

ATTENTION: Mr. L. P. Thompson

Gentlemen:

The Commissioner of Public Lands has this date approved your North El Mar Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey.

Enclosed are five (5) Certificates of Approval.

Please advise this office when the United States Geological Survey has approved this unit so that we may finish processing the unit and ascertain the effective date. Also, under Tract 7 please submit the Ratification of Tennaco West Inc.

Very truly yours,

RAY D. GRAHAM, Director  
Oil and Gas Department

AJA/RDG/s  
encls.  
cc:

USGS-Roswell, New Mexico  
OCC- Santa Fe, New Mexico ✓



# United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857  
Roswell, New Mexico 88201

October 26, 1973

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

Gentlemen:

The North El Mar unit agreement, Lea County, New Mexico, was approved October 25, 1973. This agreement has been assigned No. 14-08-0001-13804 and is effective as of November 1, 1973.

Enclosed is one copy of the approved unit agreement. We request you to furnish the Oil Conservation Commission and the Land Commissioner of the State of New Mexico and all other interested principals with appropriate evidence of this approval.

Sincerely yours,

CARL C. TRAYWICK  
Acting Area Oil & Gas Supervisor

cc:  
ELM, Santa Fe (w/cy approved appln)  
DE, Hobbs (w/cy approved appln)  
MOCOC, Santa Fe (ltr only)  
Com. Pub. Lands, Santa Fe (ltr only)  
Area Geologist, Roswell (ltr only)

JFSims:ds



# United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857  
Roswell, New Mexico 88201

October 26, 1973

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

Gentlemen:

Two approved copies of your initial plan of operation received September 21, 1973, modified by your transmittal letter of October 22, 1973, for the North El Mar unit area, Lea County, New Mexico, are enclosed. Such plan proposes increasing ultimate recovery by conducting waterflood operations. The plan was approved on this date.

Sincerely yours,

CARL C. TRAYWICK  
Acting Area Oil & Gas Supervisor

cc:  
Hobbs (w/cy plan)  
NMOCC, Santa Fe (ltr only)  
Con. Pub. Lands, Santa Fe (ltr only)

JFSims:ds



# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

I. R. TRUJILLO  
CHAIRMAN  
LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER  
STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

September 17, 1973

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

Re: CASE NO. 5060 and 5061  
ORDER NO. R-4629 and R-4630  
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 State Engineer Office and  
R-4629 to Unit Division

---



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  
USGS  
P. O. Box 1857  
Roswell, NM 88201

Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87501

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

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

Gentlemen:

Certificate of Effectiveness - North El Mar Unit

In order to complete your files we forward herewith required copies of the Certificate of Effectiveness for North El Mar Unit.

Yours very truly,

reh  
Enc

CERTIFICATE OF EFFECTIVENESS

North El Mar Unit  
Lea County, New Mexico

Reference is hereby made to the Unit Agreement for the operation of the subject unit which Unit Agreement is recorded in Book 312 at Page 838 of the Miscellaneous Records of Lea County, New Mexico. Said Unit Agreement provides the "Unit Operator shall within thirty (30) days after the effective date of this Agreement file for record in the office or offices where a counterpart of this Agreement is recorded, a certificate to the effect that this Agreement has become effective according to its terms and stating further the effective date."

This certificate is made in compliance with the requirements of the language set out above. The Commissioner of Public Lands of the State of New Mexico approved said Agreement by Certificate dated October 18, 1973, and the Oil and Gas Supervisor of the United States Geological Survey approved the same on October 26, 1973. Continental Oil Company, as Operator, under the unit referred to above does hereby certify that the said unit became effective November 1, 1973.

EXECUTED this 30<sup>th</sup> day of November, 1973.

CONTINENTAL OIL COMPANY

By   
Attorney in Fact  
V. C. BISSLER  
Operator of North El Mar  
Unit, Lea County, New Mexico



STATE OF TEXAS

COUNTY OF HARRIS

The foregoing instrument was acknowledged before me this  
30th day of November 1973 by V. G. NISBLEN,  
as Attorney in Fact on behalf of CONTINENTAL OIL COMPANY, a  
Delaware corporation.

My Commission Expires:

~~Notary Public in and for Harris County, Texas~~  
My Commission Expires ~~June 1, 1974~~

Jannita Aubrey  
Notary Public in and for  
Harris County, Texas

CERTIFICATE OF EFFECTIVENESS

North El Mar Unit  
Lea County, New Mexico

Reference is hereby made to the Unit Agreement for the operation of the subject unit which Unit Agreement is recorded in Book 312 at Page 838 of the Miscellaneous Records of Lea County, New Mexico. Said Unit Agreement provides the "Unit Operator shall within thirty (30) days after the effective date of this Agreement file for record in the office or offices where a counterpart of this Agreement is recorded, a certificate to the effect that this Agreement has become effective according to its terms and stating further the effective date."

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EXECUTED this 30<sup>th</sup> day of November, 1973.

CONTINENTAL OIL COMPANY

By

  
\_\_\_\_\_  
Attorney in Fact  
V. S. [unclear]

Operator of North El Mar  
Unit, Lea County, New Mexico

  
RECORDED  
INDEXED

STATE OF TEXAS

COUNTY OF HARRIS

The foregoing instrument was acknowledged before me this  
30<sup>th</sup> day of November, 1973 by V. C. EISSLER,  
as Attorney in Fact on behalf of CONTINENTAL OIL COMPANY, a  
Delaware corporation.

My Commission Expires:

JAUNITA DUPY  
Notary Public in and for Harris County, Texas  
My Commission Expires June 1, 1975

Jaunita Dupy  
Notary Public in and for  
Harris County, Texas