



State of New Mexico  
Commissioner of Public Lands

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

(505) 827-5760  
FAX (505) 827-5766

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

January 8, 1998

St. Mary Land & Exploration Company  
c/o Coastal Management Corporation  
P.O. Box 2726  
Midland, Texas 79702

Attn: Ms. Leila Esterly

Re: 1998 Plan of Development  
Parkway Delaware Unit  
Eddy County, New Mexico

Dear Ms. Esterly:

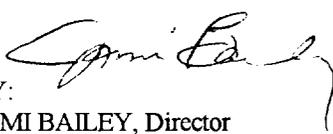
The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

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

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  
cc: Reader File

OCD

BLM

10618



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)-827-5765

ADMINISTRATIVE MGMT.  
(505)-827-5700

LEGAL  
(505)-827-5713

PLANNING  
(505)-827-5752

October 15, 1997

St. Mary Land & Exploration Company  
1776 Lincoln Street, Suite 1100  
Denver, Colorado 80203-1080

Attn: Ms. Patricia Flanigan

Re: Resignation/Designation of Successor Unit Operator  
Parkway Delaware Unit  
Eddy County, New Mexico

Dear Ms. Flanigan:

We are in receipt of your resignation/designation of successor unit operator, wherein Siete Oil & Gas Corporation has resigned as unit operator of the Parkway Delaware Unit and designated St. Mary Land & Exploration Company as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of Siete Oil & Gas Corporation and the designation of St. Mary Land & Exploration Company as the successor unit operator of this unit.

This change in operators is effective July 1, 1996. In accordance with this approval, St. Mary Land & Exploration Company 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    Siete Oil & Gas Corporation    OCD-Roy Johnson    TRD    BLM

NEW MEXICO DEPARTMENT OF ENERGY

1988-1989 198 46

CASE FILE 10618

THIS COPY FOR [unclear]

STATE/FEDERAL/FEE WATERFLOOD UNIT

UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE

PARKWAY DELAWARE UNIT AREA

EDDY COUNTY, NEW MEXICO

NO. NMNM88491X

RECEPTION 934158

Rev. 1/92

Sidco Oil & Gas Corp PO Box 2523 Roswell NM 88202

UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE  
PARKWAY DELAWARE UNIT  
EDDY COUNTY, NEW MEXICO

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UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE  
PARKWAY DELAWARE UNIT  
EDDY COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the 1st day of September, 1992, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto,"

WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty or other oil and gas interests in the Unit Area subject to this Agreement; and

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sec. 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating a cooperative or unit plan of development or operation of any oil or gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Section 1, Chapter 88, Laws 1943, as amended by Section 1 of Chapter 176, Laws of 1961) (Chapter 19, Article 10, Section 45, New Mexico Statutes 1978 Annotated), to consent to and approve the development or operation of State lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Section 1, Chapter 88, Laws 1943, as amended by Section 1, Chapter 162, Laws of 1951) (Chapter 19, Article 10, Section 47, New Mexico Statutes 1978 Annotated) to amend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil and gas lease embracing State lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field or area; and

WHEREAS, the Oil Conservation Division of the State of New Mexico (hereinafter referred to as the "Division") is authorized by an Act of the Legislature (Chapter 72, Laws of 1935 as amended) (Chapter 70, Article 2, Section 2 et seq., New Mexico Statutes 1978 Annotated) to approve this Agreement and the conservation provisions hereof; and

(g) "Proper BLM Office" is defined as the Bureau of Land Management office having jurisdiction over the federal lands included in the Unit Area.

(h) "Unitized Formation" means that subsurface portion of the Unit Area commonly known as the Parkway Delaware formation, which is indicated by the electrical log in the following well at the depth shown:

<u>Operator</u>	<u>Well</u>	<u>Depth</u>
Siete Oil & Gas Corporation	Osage Federal No. 1 1980' FSL & 1980' FEL Sec. 35, T-19-S, R-29-E, Eddy County, New Mexico	50' above 3914' 50' below 4288'

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

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

(k) "Tract Participation" is defined as the percentage of participation shown on Exhibit "B" for allocating Unitized Substances to a Tract under this agreement.

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

(m) "Working Interest" is the right to search for, produce and acquire Unitized Substances whether held as an incident of ownership of mineral fee simple title, under an oil and gas lease, operating agreement, or otherwise held, which interest is chargeable with and obligated to pay or bear, either in cash or out of production, or otherwise, all or a portion of the cost of drilling, developing and producing the Unitized Substances from the Unitized Formation and operations thereof hereunder. Provided that any royalty interest created out of a working interest subsequent to the execution of this Agreement by the owner of the working interest shall continue to be subject to such working interest burdens and obligations.

(n) "Working Interest Owner" is any party hereto owning a Working Interest, including a carried working interest owner, holding an interest in Unitized Substances by virtue of a lease, operating agreement, fee title or otherwise. The owner of oil and gas rights that are free of lease or other instrument creating a Working Interest in another shall be regarded as a Working Interest Owner to the extent of seven-eighths (7/8) of his interest in Unitized Substances, and as a Royalty Owner with respect to his remaining one-eighth (1/8) interest therein.

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

(p) "Royalty Owner" is the owner of a Royalty Interest.

(q) "Unit Operating Agreement" is the agreement entered into by and between the Unit Operator and the Working Interest Owners as provided in Section 9, infra, and shall be styled "Unit Operating Agreement, Parkway Delaware Unit, Eddy County, New Mexico".

(r) "Oil and Gas Rights" is the right to explore, develop and operate lands within the Unit Area for the production of Unitized Substances, or to share in the production so obtained or the proceeds thereof.

(s) "Outside Substances" is any substance obtained from any source other than the Unitized Formation and injected into the Unitized Formation.

(t) "Unit Manager" is any person or corporation appointed by Working Interest Owners to perform the duties of Unit Operator until the selection and qualification of a successor Unit Operator as provided for in Section 7 hereof.

(u) "Unit Operator" is the party designated by Working Interest Owners under the Unit Operating Agreement to conduct Unit Operations.

(v) "Unit Operations" is any operation conducted pursuant to this Agreement and the Unit Operating Agreement.

(w) "Unit Equipment" is all personal property, lease and well equipment, plants, and other facilities and equipment taken over or otherwise acquired for the joint account for use in Unit Operations.

(x) "Unit Expense" is all cost, expense, or indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this Agreement and the Unit Operating Agreement for or on account of Unit Operations.

(y) "Effective Date" is the date determined in accordance with Section 24, or as redetermined in accordance with Section 39.

SECTION 3. EXHIBITS. The following exhibits are incorporated herein by reference: Exhibit "A" attached hereto is a map showing the Unit Area and the boundaries and identity of tracts and leases in said Unit Area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing, to the extent known to the Unit Operator, the acreage comprising each Tract, percentages and kind of ownership of oil and gas interests in all land in the Unit Area, and Tract Participation of each Tract. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. The shapes and descriptions of the respective Tracts have

been established by using the best information available. Each Working Interest Owner is responsible for supplying Unit Operator with accurate information relating to each Working Interest Owner's interest. If it subsequently appears that any Tract, because of diverse royalty or working interest ownership on the Effective Date hereof, should be divided into more than one Tract, or when any revision is requested by the A.O., or any correction of any error other than mechanical miscalculations or clerical is needed, then the Unit Operator, with the approval of the Working Interest Owners, may correct the mistake by revising the exhibits to conform to the facts. The revision shall not include any reevaluation of engineering or geological interpretations used in determining Tract Participation. Each such revision of an exhibit made prior to thirty (30) days after the Effective Date shall be effective as of the Effective Date. Each other such revision of an exhibit shall be effective at 7:00 a.m. on the first day of the calendar month next following the filing for record of the revised exhibit or on such other date as may be determined by Working Interest Owners and set forth in the revised exhibit. Copies of such revision shall be filed with the Land Commissioner, and not less than four copies shall be filed with the A.O. In any such revision, there shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof.

SECTION 4. EXPANSION. The above described Unit Area may, with the approval of the A.O. and Land Commissioner, when practicable be expanded to include therein any additional Tract or Tracts regarded as reasonably necessary or advisable for the purposes of this Agreement provided, however, in such expansion there shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof. Pursuant to Subsection (b), the Working Interest Owners may agree upon an adjustment of investment by reason of the expansion. Such expansion shall be effected in the following manner:

(a) The Working Interest Owner or Owners of a Tract or Tracts desiring to bring such Tract or Tracts into this unit, shall file an application therefor with Unit Operator requesting such admission.

(b) Unit Operator shall circulate a notice of the proposed expansion to each Working Interest Owner in the Unit Area and in the Tract proposed to be included in the unit, setting out the basis for admission, the Tract Participation to be assigned to each Tract in the enlarged Unit Area and other pertinent data. After negotiation (at Working Interest Owners' meeting or otherwise) if at least three Working Interest Owners having in the aggregate seventy-five percent (75%) of the Unit Participation then in effect have agreed to inclusion of such Tract or Tracts in the Unit Area, then Unit Operator shall:

1. After obtaining preliminary concurrence by the A.O. and Land Commissioner, prepare a notice of proposed expansion describing the contemplated changes in the boundaries of the Unit Area, the reason therefor, the basis for admission of the additional Tract or Tracts, the Tract Participation to be assigned thereto and the proposed effective date thereof; and

2. Deliver copies of said notice to Land Commissioner, the A.O. at the proper BLM Office, each Working Interest Owner and to the last known address of each lessee and lessor whose interests are affected, advising such parties that thirty (30) days will be allowed for submission to the Unit Operator of any objection to such proposed expansion; and

3. File, upon the expiration of said thirty (30) day period as set out in (2) immediately above with the Land Commissioner and A.O. the following: (a) evidence of mailing or delivering copies of said notice of expansion; (b) an application for approval of such expansion; (c) an instrument containing the appropriate joinders in compliance with the participation requirements of Section 14, and Section 34, *infra*; and (d) a copy of all objections received along with the Unit Operator's response thereto.

The expansion shall, after due consideration of all pertinent information and approval by the Land Commissioner and the A.O., become effective as of the date prescribed in the notice thereof, preferably the first day of the month subsequent to the date of notice. 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.** 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". Nothing herein shall be construed to unitize, pool, or in any way affect the oil, gas and other minerals contained in or that may be produced from any formation other than the Unitized Formation as defined in Section 2 (h) of this Agreement.

**SECTION 6. UNIT OPERATOR.** Siete Oil & Gas Corporation is hereby designated the Unit Operator, and by signing this instrument as Unit Operator, 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 the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in Unitized Substances, when such interest are owned by it and the term "Working Interest Owner" when used herein shall include or refer to the Unit Operator as the owner of a Working Interest when such an interest is owned by it.

Unit Operator shall have a lien upon interests of Working Owners in the Unit Area to the extent provided in the Unit Operating Agreement.

**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, the Land Commissioner and the A.O. 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.

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. Such Unit Operating Agreement shall also provide the manner in which the Working Interest Owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases or other contracts and such other rights and obligations as between Unit Operator and the Working Interest Owners as may be agreed upon by the Unit Operator and the Working Interest Owners; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this 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. Copies of any Unit Operating Agreement executed pursuant to this Section shall be filed with the Land Commissioner and with the A.O. at the Proper BLM Office as required 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 including surface rights 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. PLAN OF OPERATIONS. It is recognized and agreed by the parties hereto that all of the land subject to this Agreement is reasonably proved to be productive of Unitized Substances and that the object and purpose of this Agreement is to formulate and to put into effect an improved recovery project in order to effect additional recovery of Unitized Substances, prevent waste and conserve natural resources. Unit Operator shall have the right to inject into the Unitized Formation any substances for secondary recovery or enhanced recovery purposes in accordance with a plan of operation approved by the Working Interest Owners, the A.O., the Land Commissioner and the Division, including the right to drill and maintain injection wells on the Unitized Land and completed in the Unitized Formation, and to use abandoned well or wells producing from the Unitized Formation for said purpose. Subject to like approval, the Plan of Operation may be revised as conditions may warrant.

The initial Plan of Operation shall be filed with the A.O., the Land Commissioner and the Division concurrently with the filing of the Unit Agreement for final approval. Said initial plan of operations and all revisions thereof shall be as complete and adequate as the A.O., the Land Commissioner and the Division may determine to be necessary for timely operation consistent herewith. Upon approval of this Agreement and the initial plan by the A.O. and Commissioner, said plan, and

all subsequently approved plans, shall constitute the operating obligations of the Unit Operator under this Agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for like approval a plan for an additional specified period of operations. After such operations are commenced, reasonable diligence shall be exercised by the Unit Operator in complying with the obligations of the approved Plan of Operation.

Notwithstanding anything to the contrary herein contained, should the Unit Operator fail to commence Unit Operations for the secondary recovery of Unitized Substances from the Unit Area within eighteen (18) months after the effective date of this Agreement, or any extension thereof approved by the A.O., this Agreement shall terminate automatically as of the date of default.

**SECTION 12. USE OF SURFACE AND USE OF WATER.** The parties to the extent of their rights and interests, hereby grant to Unit Operator the right to use as much of the surface, including the water thereunder, of the Unitized Land as may reasonably be necessary for Unit Operations.

Unit Operator's free use of water or brine or both for Unit Operations, shall not include any water from any well, lake, pond or irrigation ditch of a surface owner, unless approval for such use is granted by the surface owner.

Unit Operator shall pay the surface owner for damages to growing crops, fences, improvements and structures on the Unitized Land that result from Unit Operations, and such payments shall be considered as items of unit expense to be borne by all the Working Interest Owners of lands subject hereto.

**SECTION 13. TRACT PARTICIPATION.** In Exhibit "B" attached hereto there are listed and numbered the various Tracts within the Unit Area, and set forth opposite each Tract are figures which represent the Tract Participation, during Unit Operations if all Tracts in the Unit Area qualify as provided herein. The Tract Participation of each Tract as shown in Exhibit "B" was determined in accordance with the following formula:

$$\text{TRACT FACTOR} = \{ (.7097) [ (\% \text{ Recoverable C Sand oil}) (.4) + (\% \text{ Remaining C Sand oil}) (.35) + (\% \text{ Usable wellbores in C Sand}) (.05) + (\% \text{ Remaining C Sand gas}) (.1) + (\% \text{ Recoverable C Sand gas}) (.1) ] \} + \{ (.0337) [ (\% \text{ Recoverable B Sand oil}) (.4) + (\% \text{ Remaining B Sand oil}) (.35) + (\% \text{ Usable wellbores in B Sand}) (.05) + (\% \text{ Remaining B Sand gas}) (.1) + (\% \text{ Recoverable B Sand gas}) (.1) ] \} + \{ (.2566) [ (\% \text{ Recoverable A Sand oil}) (.4) + (\% \text{ Remaining A Sand oil}) (.35) + (\% \text{ Usable wellbores in A Sand}) (.05) + (\% \text{ Remaining A Sand gas}) (.1) + (\% \text{ Recoverable A Sand gas}) (.1) ] \}$$

In the event less than all Tracts are qualified on the Effective Date hereof, the Tract Participation shall be calculated on the basis of all such qualified Tracts rather than all Tracts in the Unit Area.

**SECTION 14. TRACTS QUALIFIED FOR PARTICIPATION.** On and after the Effective Date hereof, the Tracts within the Unit Area which shall be entitled to participation in the production of Unitized Substances shall be those Tracts more particularly described in Exhibit "B" that corner or have a common boundary (Tracts separated only by a public road or a railroad right-of-way shall be considered to have a common boundary), and that otherwise qualify as follows:

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

(b) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this Agreement, and as to which Royalty Owners owning less than seventy-five percent (75%) of the Royalty Interest have become parties to this Agreement, and as to which (1) the Working Interest Owner who operates the Tract and Working Interest Owners owning at least seventy-five percent (75%) of the remaining Working Interest in such Tract have joined in a request for the inclusion of such Tract, and as to which (2) Working Interest Owners owning at least seventy-five percent (75%) of the combined Unit Participation in all Tracts that meet the requirements of Section 14 (a) above have voted in favor of the inclusion of such tract.

(c) Each Tract as to which Working Interest Owners owning less than one hundred percent (100%) of the Working Interest have become parties to this Agreement, regardless of the percentage of Royalty Interest therein that is committed hereto; and as to which (1) the Working Interest Owner who operates the Tract and Working Interest Owner owning at least seventy-five percent (75%) of the remaining Working Interest in such Tract who have become parties to this Agreement have joined in a request for inclusion of such Tract, and have executed and delivered, or obligated themselves to execute and deliver an indemnity agreement indemnifying and agreeing to hold harmless the other owners of committed Working Interests, their successors and assigns, against all claims and demands that may be made by the owners of Working Interest in such Tract who are not parties to this Agreement, and which arise out of the inclusion of the Tract; and as to which (2) Working Interest Owners owning at least seventy-five percent (75%) of the Unit Participation in all Tracts that meet the requirements of Section 14 (a) and 14 (b) have voted in favor of the inclusion of such Tract and to accept the indemnity agreement. Upon the inclusion of such a Tract, the Tract Participation which would have been attributed to the nonsubscribing owners of Working Interest in such Tract, had they become parties to this Agreement and the Unit Operating Agreement, shall be attributed to the Working Interest Owners in such Tract who have become parties to such agreements, and joined in the indemnity agreement, in proportion to their respective Working Interests in the Tract.

If on the Effective Date of this Agreement there is any Tract or Tracts which have not been effectively committed to or made subject to this Agreement by qualifying as above provided, then such Tract or Tracts shall not be entitled to participate hereunder. Unit Operator shall, when submitting this Agreement for final approval by the Land Commissioner and the A.O., file therewith a schedule of those tracts which have been committed and made subject to this Agreement and are entitled to participate in Unitized Substances. Said schedule shall set forth opposite each such committed Tract the lease number or assignment number, the owner of record of the lease, and the percentage participation of such tract which shall be computed according to the participation formula set forth in Section 13 (Tract Participation) above. This schedule of participation shall be revised Exhibit "B" and

upon approval thereof by the Land Commissioner and the A.O., shall become a part of this Agreement and shall govern the allocation of production of Unitized Substances until a new schedule is approved by the Land Commissioner and A.O.

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

The Unitized Substances allocated to each Tract shall be distributed among, or accounted for, to the parties entitled to share in the production from such Tract in the same manner, in the same proportions, and upon the same conditions, as they would have participated and shared in the production from such Tracts, or in the proceeds thereof, had this Agreement not been entered into; and with the same legal force and effect.

No Tract committed to this Agreement and qualified for participation as above provided shall be subsequently excluded from participation hereunder on account of depletion of Unitized Substances.

If the Working Interest and/or the Royalty Interest in any Tract are divided with respect to separate parcels or portions of such Tract and owned now or hereafter in severalty by different persons, the Tract Participation shall in the absence of a recordable instrument executed by all owners in such Tract and furnished to Unit Operator fixing the divisions of ownership, be divided among such parcels or portions in proportion to the number of surface acres in each.

SECTION 15.B. EXCESS IMPUTED NEWLY DISCOVERED CRUDE OIL. Each Tract shall be allocated any excess imputed newly discovered crude oil in the proportion that its Tract Participation bears to the total of the Tract Participations of all Tracts not previously allocated the total number of barrels of crude oil allocable to these Tracts out of unit production in accordance with the Tract Participations of such Tracts; provided, however, that excess imputed newly discovered crude oil allocated to each such Tract, when added to the total number of barrels of imputed newly discovered crude oil previously allocated to it, shall not exceed, in any month, the total number of barrels of oil allocable to it out of unit production in accordance with its Tract Participation.

SECTION 15.C. EXCESS IMPUTED STRIPPER CRUDE OIL. Each Tract shall be allocated any excess imputed stripper crude oil in the proportion that its Tract Participation bears to the total of the Tract Participations of all Tracts not

previously allocated the total number of crude oil barrels allocable to these Tracts out of unit production in accordance with the Tract Participations of such Tracts; provided, however, that excess imputed stripper crude oil allocated to each such Tract, when added to the total number of barrels of imputed stripper crude oil previously allocated to it, shall not exceed, in any month, the total number of barrels of oil allocable to it out of unit production in accordance with its Tract Participation.

**SECTION 15.D. TAKING UNITIZED SUBSTANCES IN KIND.** The Unitized Substances allocated to each Tract shall be delivered in kind to the respective parties entitled thereto by virtue of the ownership of oil and gas rights therein. Each such party shall have the right to construct, maintain and operate all necessary facilities for that purpose within the Unitized Area, provided the same are so constructed, maintained and operated as not to interfere with Unit Operations. Subject to Section 17 hereof, any extra expenditure incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances shall be borne by the party taking delivery. In the event any Working Interest Owner shall fail to take or otherwise adequately dispose of its proportionate share of the production from the Unitized Formation then so long as such condition continues, Unit Operator, for the account and at the expense of the Working Interest Owner of the Tract or Tracts concerned, and in order to avoid curtailing the operation of the Unit Area, may, but shall not be required to, sell or otherwise dispose of such production to itself or to others, provided that all contracts of sale by Unit Operator of any other party's share of Unitized Substances shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but in no event shall any such contract be for a period in excess of one year, and at not less than the prevailing market price in the area for like production, and the account of such Working Interest Owner shall be charged therewith as having received such production. The net proceeds, if any, of the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owner of the Tract or Tracts concerned. Notwithstanding the foregoing, Unit Operator shall not make a sale into interstate commerce of any Working Interest Owner's share of gas production without first giving such Working Interest Owner sixty (60) days' notice of such intended sale.

Any Working Interest Owner receiving in kind or separately disposing of all or any part of the Unitized Substances allocated to any Tract, or receiving the proceeds therefrom if the same is sold or purchased by Unit Operator, shall be responsible for the payment of all royalty, overriding royalty and production payments due thereon, and each such party shall hold each other Working Interest Owner harmless against all claims, demands and causes of action by owners of such royalty, overriding royalty and production payments.

If, after the Effective Date of this Agreement, there is any Tract or Tracts that are subsequently committed hereto, as provided in Section 4 (Expansion) hereof, or any Tract or Tracts within the Unit Area not committed hereto as of the Effective Date hereof but which are subsequently committed hereto under the provisions of Section 14 (Tracts Qualified for Participation) and Section 32 (Nonjoinder and Subsequent Joinder); or if any Tract is excluded from this Agreement as provided for in Section 21 (Loss of Title), the schedule of participation as shown in Exhibit "B" shall be revised by the Unit Operator; and the revised Exhibit "B", upon approval by the Land Commissioner and the A.O., shall govern the allocation of production on and after the effective date thereof until a revised schedule is approved as hereinabove provided.

SECTION 16. OUTSIDE SUBSTANCES. If gas obtained from formations not subject to this Agreement is introduced into the Unitized Formation for use in repressuring, stimulating of production or increasing ultimate recovery which shall be in conformity with a Plan of Operation first approved by the Land Commissioner and the A.O., a like amount of gas with appropriate deduction for loss or depletion from any cause may be withdrawn from unit wells completed in the Unitized Formation royalty free as to dry gas, but not royalty free as to the products extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved Plan of Operation or as otherwise may be consented to or prescribed by the Land Commissioner and the A.O. as conforming to good petroleum engineering practices and provided further that such right of withdrawal shall terminate on the termination date of this Agreement.

SECTION 17. ROYALTY SETTLEMENT. The State of New Mexico and United States of America and all Royalty Owners who, under an existing contract, are entitled to take in kind a share of the substances produced from any Tract unitized hereunder, shall continue to be entitled to such right to take in kind their share of the Unitized Substances allocated to such Tract, and Unit Operator shall make deliveries of such Royalty share taken in kind in conformity with the applicable contracts, laws and regulations. Settlement for Royalty not taken in kind shall be made by Working Interest Owners responsible therefor under existing contracts, laws and regulations on or before the last day of each month for Unitized Substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any Royalty due under the leases, except that such Royalty shall be computed on Unitized Substances as allocated to each Tract in accordance with the terms of this Agreement. With respect to Federal leases committed hereto on which the royalty rate depends upon the daily average production per well, such average production shall be determined in accordance with the operating regulations pertaining to Federal leases as though the committed Tracts were included in a single consolidated lease.

If the amount of production or the proceeds thereof accruing to any Royalty Owner (except the United States of America) in a Tract depends upon the average production per well or the average pipeline runs per well from such Tract during any period of time, then such production shall be determined from and after the effective date hereof by dividing the quantity of Unitized Substances allocated hereunder to such Tract during such period of time by the number of wells located thereon capable of producing Unitized Substances as of the Effective Date hereof, provided that any Tract not having any well so capable of producing Unitized Substances on the Effective Date hereof shall be considered as having one such well for the purpose of this provision.

All Royalty due the State of New Mexico and the United States of America and the other Royalty Owners hereunder shall be computed and paid on the basis of all Unitized Substances allocated to the respective Tract or Tracts committed hereto, in lieu of actual production from such Tract or Tracts.

With the exception of Federal and State requirements to the contrary, Working Interest Owners may use or consume Unitized Substances for Unit Operations and no Royalty, overriding royalty, production or other payments shall be payable on account of Unitized Substances used, lost, or consumed in Unit Operations.

Each Royalty Owner (other than the State of New Mexico and the United States of America) that executes this Agreement represents and warrants that it is the owner of a Royalty Interest in a Tract or Tracts within the Unit Area as its interest appears in Exhibit "B" attached hereto. If any Royalty Interest in a Tract or Tracts should be lost by title failure or otherwise in whole or in part, during the term of this Agreement, then the Royalty Interest of the party representing himself to be the owner thereof shall be reduced proportionately and the interest of all parties shall be adjusted accordingly.

SECTION 18. RENTAL SETTLEMENT. Rentals or minimum Royalties due on the leases committed hereto shall be paid by Working Interest Owners responsible therefor under existing contracts, laws and regulations provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum Royalty in lieu thereof, due under their leases. Rental for lands of the State of New Mexico subject to this Agreement shall be paid at the rate specified in the respective leases from the State of New Mexico. Rental or minimum Royalty for lands of the United States of America subject to this Agreement shall be paid at the rate specified in the respective leases from the United States of America, unless such rental or minimum Royalty is waived, suspended or reduced by law or by approval of the Secretary or his duly authorized representative.

SECTION 19. CONSERVATION. Operations hereunder and production of Unitized Substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to Federal and State laws and regulations.

SECTION 20. DRAINAGE. The Unit Operator shall take all reasonable and prudent measures to prevent drainage of Unitized Substances from unitized land by wells on land not subject to this Agreement.

The Unit Operator, upon approval by the Working Interest Owners, the A.O. and the Land Commissioner, is hereby empowered to enter into a borderline agreement or agreements with working interest owners of adjoining lands not subject to this Agreement with respect to operation in the border area for the maximum economic recovery, conservation purposes and proper protection of the parties and interest affected.

SECTION 21. LOSS OF TITLE. In the event title to any Tract of unitized land shall fail and the true owner cannot be induced to join in this Agreement, such Tract shall be automatically regarded as not committed hereto, and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title to any Royalty, Working Interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to State or Federal lands or leases, no payments of funds due the United States or the State of New Mexico shall be withheld, but such funds shall be deposited as directed by the A.O. or Land Commissioner (as the case may be) to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

If the title or right of any party claiming the right to receive in kind all or any portion of the Unitized Substances allocated to a Tract is in dispute, Unit Operator at the direction of Working Interest Owners shall either:

(a) require that the party to whom such Unitized Substance are delivered or to whom the proceeds thereof are paid furnish security for the proper accounting therefor to the rightful owner if the title or right of such party fails in whole or in part, or

(b) withhold and market the portion of Unitized Substances with respect to which title or right is in dispute, and impound the proceeds thereof until such time as the title or right thereto is established by a final judgement of a court of competent jurisdiction or otherwise to the satisfaction of Working Interest Owners, whereupon the proceeds so impounded shall be paid to the party rightfully entitled thereto.

Each Working Interest Owner shall indemnify, hold harmless, and defend all other Working Interest Owners against any and all claims by any party against the interest attributed to such Working Interest Owner on Exhibit "B".

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

**SECTION 22. LEASES AND CONTRACTS CONFORMED AND EXTENDED.** The terms, conditions and provisions of all leases, subleases and other contracts relating to exploration, drilling, development or operation for oil or gas on lands committed to this Agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect, and the parties hereto hereby consent that the Secretary and the Land Commissioner, respectively, shall and by their approval hereof, or by the approval hereof by their duly authorized representatives, do hereby establish, alter, change or revoke the drilling, producing, rental, minimum Royalty and Royalty requirements of Federal and State leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this Agreement.

Without limiting the generality of the foregoing, all leases, subleases and contracts are particularly modified in accordance with the following:

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

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

(c) Suspension of drilling or producing operations within the Unit Area pursuant to direction or consent of the Land Commissioner and the A.O., or their duly authorized representatives, shall be deemed to constitute such suspension pursuant to such direction or consent as to each Tract within the Unitized Area.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development, or operation for oil and gas which by its terms might expire prior to the termination of this Agreement, is hereby extended beyond any such term so provided therein, so that it shall be continued in full force and effect for and during the term of this Agreement.

(e) Any lease embracing lands of the State of New Mexico which is made subject to this Agreement shall continue in force beyond the term provided therein as to the lands committed hereto until the termination hereof.

(f) Any lease embracing lands of the State of New Mexico having only a portion of its land committed hereto shall be segregated as to that portion committed and that not committed, and the terms of such lease shall apply separately to such segregated portions commencing as of the Effective Date hereof. Provided, however, that notwithstanding any of the provisions of this Agreement to the contrary, such lease (including both segregated portions) shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease if oil or gas is, or has heretofore been discovered in paying quantities on some part of the lands embraced in such lease committed to this Agreement or, so long as a portion of the Unitized Substances produced from the Unit Area is, under the terms of this Agreement, allocated to the portion of the lands covered by such lease committed to this Agreement, or, at any time during the term hereof, as to any lease that is then valid and subsisting and upon which the lessee or the Unit Operator is then engaged in bona fide drilling, reworking, or improved recovery operations on any part of the lands embraced in such lease, then the same as to all lands embraced therein shall remain in full force and effect so long as such operations are diligently prosecuted, and if they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil or gas in paying quantities is being produced from any portion of said lands.

(g) The segregation of any Federal lease committed to this Agreement is governed by the following provision in the fourth paragraph of Section 17 (j) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization; provided, however, that any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

**SECTION 23. COVENANTS RUN WITH LAND.** The covenants herein shall be construed to be covenants running with the land with respect to the interest of the parties hereto and their successors in interest until this Agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee or other successor in interest. No assignment or transfer of any Working Interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished

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

SECTION 24. EFFECTIVE DATE AND TERM. This Agreement shall become binding upon each party who executes or ratifies it as of the date of execution or ratification by such party and shall become effective on the first day of the calendar month next following the approval of this Agreement by the A.O., the Land Commissioner and the Commission.

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

Unit Operator shall file for record within thirty (30) days after the Effective Date of this Agreement, in the office of the County Clerk of Eddy County, New Mexico, where a counterpart of this Agreement has become effective according to its terms and stating further the effective date.

The terms of this Agreement shall be for and during the time that Unitized Substances are produced from the unitized land and so long thereafter as drilling, reworking or other operations (including improved recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days unless sooner terminated as herein provided.

This Agreement may be terminated with the approval of the Land Commissioner and the A.O. by Working Interest Owners owning sixty five percent (65%) of the Unit Participation then in effect whenever such Working Interest Owners determine that Unit Operations are no longer profitable, or in the interest of conservation. Upon approval, such termination shall be effective as of the first day of the month after said Working Interest Owners' determination. Notice of any such termination shall be filed by Unit Operator in the office of the County Clerk of Eddy County, New Mexico, within thirty (30) days of the effective date of termination.

Upon termination of this Agreement, the parties hereto shall be governed by the terms and provisions of the leases and contracts affecting the separate Tracts just as if this Agreement had never been entered into.

Notwithstanding any other provisions in the leases unitized under this Agreement, Royalty Owners hereby grant Working Interest Owners a period of six months after termination of this Agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with Unit Operations.

SECTION 25. RATE OF PROSPECTING, DEVELOPMENT & PRODUCTION. All production and the disposal thereof shall be in conformity with allocations and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State Statute. The A.O. is hereby 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 Division 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 land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Land Commissioner and as to any lands in the State of New Mexico or privately-owned lands subject to this Agreement or to the quantity and rate of production from such lands in the absence of specific written approval thereof by the Division.

Powers in this Section vested in the A.O. shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than fifteen (15) days from notice, and thereafter subject to administrative appeal before becoming final.

SECTION 26. NONDISCRIMINATION. Unit Operator in connection with the performance of work under this Agreement relating to leases of the United States, 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 have the right to appear for or on behalf of any interests affected hereby before the Land Commissioner, the Department, and the Division, and to appeal from any order issued under the rules and regulations of the Land Commissioner, the Department or the Division, or to apply for relief from any of said rules and regulations or in any proceedings relative to operations before the Land Commissioner, the Department or the Division 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 notices, demands, objections or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if made in writing and personally delivered to the party or parties or sent by postpaid certified or registered mail, addressed to such party or parties at their last known address 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 RIGHT. Nothing in this Agreement contained 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 Lands are located, 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; provided, however, each party hereto covenants that it will not resort to any action to partition the unitized land or the Unit Equipment.

**SECTION 30. EQUIPMENT AND FACILITIES NOT FIXTURES ATTACHED TO REALTY.** Each Working Interest Owner has heretofore placed and used on its Tract or Tracts committed to this Agreement various well and lease equipment and other property, equipment and facilities. It is also recognized that additional equipment and facilities may hereafter be placed and used upon the Unitized Land as now or hereafter constituted. Therefore, for all purposes of this Agreement, any 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 such equipment and personal property shall be and remain personal property of the Working Interest Owners for all purposes.

**SECTION 31. UNAVOIDABLE DELAY.** All obligations under this Agreement requiring the Unit Operator to commence or continue improved 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 or equipment in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

**SECTION 32. NONJOINDER AND SUBSEQUENT JOINDER.** Joinder by any Royalty Owner, at any time, must be accompanied by appropriate joinder of the corresponding Working Interest Owner in order for the interest of such Royalty Owner to be regarded as effectively committed. Joinder to this Agreement by a Working Interest Owner, at any time, must be accompanied by appropriate joinder to the Unit Operating Agreement in order for such interest to be regarded as effectively committed to this Agreement.

Any oil or gas interest in the Unitized Formations not committed hereto prior to submission of this Agreement to the Land Commissioner and the A.O. for final approval may thereafter be committed hereto upon compliance with the applicable provisions of this Section and of Section 14 (Tracts Qualified for Participation) hereof, at any time up to the Effective Date hereof on the same basis of Tract Participation as provided in Section 13, by the owner or owners thereof subscribing, ratifying, or consenting in writing to this Agreement and, if the interest is a Working Interest, by the owner of such interest subscribing also to the Unit Operating Agreement.

It is understood and agreed, however, that from and after the Effective Date hereof the right of subsequent joinder as provided in this Section shall be subject to such requirements or approvals and on such basis as may be agreed upon by Working Interest Owners owning not less than sixty-five percent (65%) of the Unit Participation then in effect, and approved by the Land Commissioner and A.O. Such subsequent joinder by a proposed Working Interest Owner must be evidenced by his execution or ratification of this Agreement and the Unit Operating Agreement and, where State or Federal land is involved, such joinder must be approved by the Land Commissioner or A.O. Such joinder by a proposed Royalty Owner must be evidenced by his execution, ratification or consent of this Agreement and must be consented to in writing by the Working Interest Owner responsible for the payment of any

benefits that may accrue hereunder in behalf of such proposed Royalty Owner. Except as may be otherwise herein provided, subsequent joinder to this Agreement shall be effective as of the first day of the month following the filing with the Land Commissioner and A.O. of duly executed counterparts of any and all documents necessary to establish effective commitment of any Tract or interest to this Agreement, unless objection to such joinder by the Land Commissioner or the A.O., is duly made sixty (60) days after such filing.

SECTION 33. COUNTERPARTS. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties and may be ratified or consented to by separate instrument in writing, specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the land within the described Unit Area. Furthermore, this Agreement shall extend to and be binding on the parties hereto, their successors, heirs and assigns.

SECTION 34. JOINER IN DUAL CAPACITY. Execution as herein provided by any party as either a Working Interest Owner or a Royalty Owner shall commit all interests owned or controlled by such party; provided, that if the party is the owner of a Working Interest, he must also execute the Unit Operating Agreement.

SECTION 35. TAXES. Each party hereto shall, for its own account, render and pay its share of any taxes levied against or measured by the amount or value of the Unitized Substances produced from the unitized land; provided, however, that if it is required or if it be determined that the Unit Operator or the several Working Interest Owners must pay or advance said taxes for the account of the parties hereto, it is hereby expressly agreed that the parties so paying or advancing said taxes shall be reimbursed therefor by the parties hereto, including Royalty Owners, who may be responsible for the taxes on their respective allocated share of said Unitized Substances. No taxes shall be charged to the United States or to the State of New Mexico, nor to any lessor who has a contract with a lessee which requires his lessee to pay such taxes.

SECTION 36. NO PARTNERSHIP. The duties, obligations and liabilities of the parties hereto are intended to be several and not joint or collective. This Agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligation as herein provided.

SECTION 37. PRODUCTION AS OF THE EFFECTIVE DATE. Unit Operator shall make a proper and timely gauge of all leases and other tanks within the Unit Area in order to ascertain the amount of merchantable oil above the pipeline connection, in such tanks as of 7:00 a.m. on the Effective Date hereof. All such oil which has been produced in accordance with established allowables shall be and remain the property of the Working Interest Owner entitled thereto, the same as if the unit had not been formed; and the responsible Working Interest Owner shall promptly remove said oil from the unitized land. Any such oil not so removed shall be sold by Unit Operator for the account of such Working Interest Owners, subject to the payment of all Royalty to Royalty Owners under the terms hereof. The oil that is in excess of the prior allowable of the wells from which it was produced shall be regarded as Unitized Substances produced after Effective Date hereof.

If, as of the Effective Date hereof, any Tract is overproduced with respect to the allowable of the wells on that Tract and the amount of over-production has been sold or otherwise disposed of, such over-production shall be regarded as a part of the Unitized Substances produced after the Effective Date hereof and shall be charged to such Tract as having been delivered to the parties entitled to Unitized Substances allocated to such Tract.

SECTION 38. NO SHARING OF MARKET. This Agreement is not intended to provide and shall not be construed to provide, directly or indirectly, for any cooperative refining, joint sale or marketing of Unitized Substances.

SECTION 39. STATUTORY UNITIZATION. If and when Working Interest Owners owning at least seventy-five percent (75%) Unit Participation and Royalty Owners owning at least seventy-five percent (75%) Royalty Interest have become parties to this Agreement or have approved this Agreement in writing and such Working Interest Owners have also become parties to the Unit Operating Agreement, Unit Operator may make application to the Division for statutory unitization of the uncommitted interests pursuant to the Statutory Unitization Act (Chapter 65, Article 14, N.M.S. 1953 Annotated). If such application is made and statutory unitization is approved by the Division, then effective as of the date of the Division's order approving statutory unitization, this Agreement and/or the Unit Operating Agreement shall automatically be revised and/or amended in accordance with the following:

- (1) Section 14 of this Agreement shall be revised by substituting for the entire said section the following:

"SECTION 14. TRACTS QUALIFIED FOR PARTICIPATION. On and after the Effective Date hereof, all Tracts within the Unit Area shall be entitled to participation in the production of Unitized Substances."

- (2) Section 24 of this Agreement shall be revised by substituting for the first three paragraphs of said section the following:

"SECTION 24. EFFECTIVE DATE AND TERM. This Agreement shall become effective on the first day of the calendar month next following the effective date of the Division's order approving statutory unitization upon the terms and conditions of this Agreement, as amended (if any amendment is necessary) to conform to the Division's order; approval of this Agreement, as so amended, by the Land Commissioner; and the A.O. and the filing by Unit Operator of this Agreement or notice thereof for record in the office of the County Clerk of Eddy County, New Mexico. Unit Operator shall not file this Agreement or notice thereof for record, and hence this Agreement shall not become effective, unless within ninety (90) days after the date all other prerequisites for effectiveness of this Agreement have been satisfied, such filing is approved by Working Interest Owners owning a combined Unit Participation of at least sixty-five percent (65%) as to all Tracts within the Unit Area.

"Unit Operator shall, within thirty (30) days after the Effective Date of this Agreement, file for record in the office of the County Clerk of Eddy County, New Mexico, a certificate to the effect that this Agreement has become effective in accordance with its terms, therein identifying the Division's order approving statutory unitization and stating the Effective Date."



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

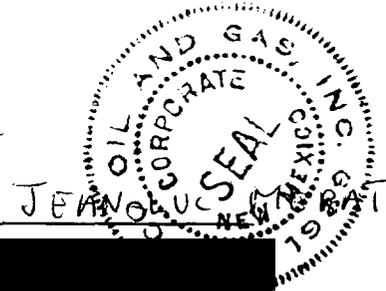
EXECUTED this 19th day of February, 1993.

ATTEST:

Sharon Scott

By:

[Signature]



Address:

Alasco Oil & Gas Inc. 436 Petroleum Bldg - Roswell NM, 88201

STATE OF New Mexico ) COUNTY OF Chaves ) ss.

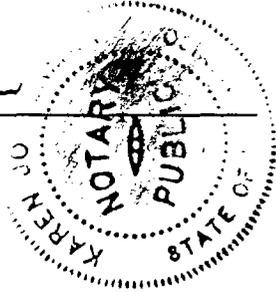
The foregoing instrument was acknowledged before me by Jean Lue Nevat, President

This 19th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires: 4-16-94

[Signature] Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 17 day of Feb, 1993.

ATTEST:

By: [Signature: Caroline Amelunxen]

[Redacted signature line]

[Redacted signature line]

Address: 6303 Indian School Rd #302 Albuquerque, N.M.

STATE OF New Mexico )
COUNTY OF Chaves ) ss.

The foregoing instrument was acknowledged before me by Caroline Amelunxen,

This 17 day of February, 1993.

WITNESS my hand and official seal.



My Commission Expires:

[Signature: Kathy A. Hall]
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 18 day of Feb, 1993.

ATTEST:

By: [Signature]

[Redacted signature line]

Address:

PO Box 6699 Santa Fe, NM 87502

STATE OF NEW MEXICO )
COUNTY OF SANTA FE ) ss.

The foregoing instrument was acknowledged before me by

R.B. AMELUNXEN

This 18TH day of FEBRUARY, 1993.

WITNESS my hand and official seal.

My Commission Expires:

4-15



[Signature]
Notary Public ANNETTE TAPIA

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 17th day of February, 1993.

ATTEST:

Marla Wootan

By: Ernest Angelo Jr. Ernest Angelo Jr

[Redacted]

[Redacted]

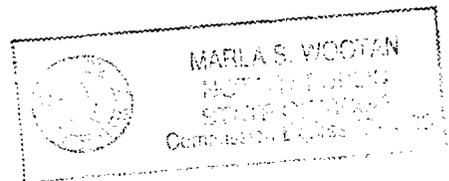
Address: 410 N. Main Midland, Tx 79701

STATE OF TEXAS )
COUNTY OF MIDLAND ) ss.

The foregoing instrument was acknowledged before me by Ernest Angelo, Jr.

This 17th day of February, 1993.

WITNESS my hand and official seal.



My Commission Expires: 12-16-96

Marla S Wootan
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12 day of MARCH, 1993.

ATTEST:

By: [Signature]
[Redacted]

Address: PETE & GAIL BALOG
3822 LOCARNO DR.
ANCHORAGE AK 99508

STATE OF ARIZONA )
) ss.
COUNTY OF MARICOPA )

The foregoing instrument was acknowledged before me by

Pete T. Balog

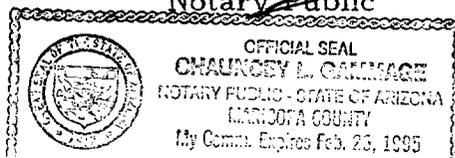
This 12th day of March, 1993.

WITNESS my hand and official seal.

My Commission Expires:

2-25-95

[Signature]
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 02 day of March, 1993.

ATTEST:

Julie Barnes  
[Redacted Signature]

By: Julie Barnes  
[Redacted Name]

Address: P. O. Box 505  
Midland, TX 79702

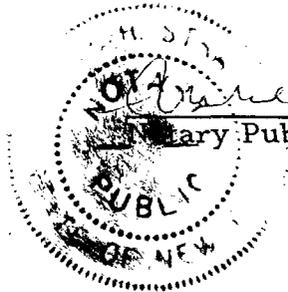
STATE OF New York )  
COUNTY OF Kings ) ss.

The foregoing instrument was acknowledged before me by Julie Barnes

This 02 day of March, 1993.

WITNESS my hand and official seal.

My Commission Expires:  
\_\_\_\_\_



Annette Strawder  
Notary Public  
ANNETTE STRAWDER  
Notary Public, State of New York  
No. 24-498877  
Qualified in Kings County

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12 day of March, 1993.

ATTEST:

By: Laurie B. Barr

[Redacted signature area]

Address: P.O. Box 8098 Asheville, N.C. 28814

STATE OF North Carolina )
COUNTY OF Buncombe ) ss.

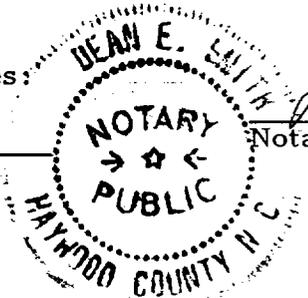
The foregoing instrument was acknowledged before me by

Laurie Barr

This 12 day of March, 1993.

WITNESS my hand and official seal.

My Commission Expires: 2-27-96



Dean E. Smith
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

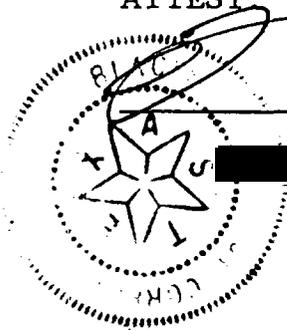
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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 15th day of February, 1993.

ATTEST:

BLACKSTONE ENERGY CORPORATION



Secretary

By: President

Address:

P. O. Box 1715

Midland, Texas 79702

STATE OF TEXAS )
COUNTY OF MIDLAND ) ss.

The foregoing instrument was acknowledged before me by

Marshall S. McCrea, Jr., President of Blackstone Energy Corporation.

This 15th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:

12-10-94

Janice S. Moore
Notary Public, State of Texas

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 17 day of Feb, 1993.

ATTEST:

[Signature of Harry Blake]

By: [Signature of Harry Blake]

[Redacted address line]

Address: 1000 Main, Roswell NM 88201

STATE OF New Mexico )
COUNTY OF Chaves ) ss.

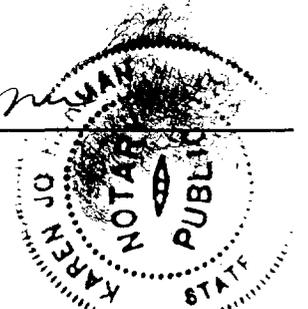
The foregoing instrument was acknowledged before me by Harry Blake

This 17th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires: 4-16-94

[Signature of Notary Public]



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12 day of FEB, 1993.

ATTEST:

BLAKEFIELD ENERGY COMPANY
By: [Signature]
Floyd Blakeney, President

Address: P. O. Box 2725
Roswell, NM 88202-2725

STATE OF NEW MEXICO )
) ss.
COUNTY OF CHAVES )

The foregoing instrument was acknowledged before me by Floyd Blakeney,
President, of Blakefield Energy Company.

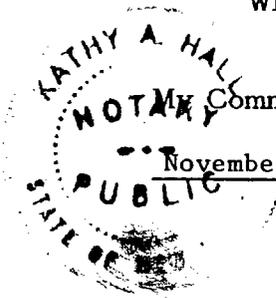
This 12 day of February, 1993.

WITNESS my hand and official seal.

Commission Expires:

November 14, 1995

[Signature]
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 16<sup>th</sup> day of FEBRUARY, 1993.

ATTEST:

Joseph Rayhl

By: BORICA OIL, INC  
Edgar Powell AGENT

Address: PO DRAWER H  
FORT SUMNER, NM 88119

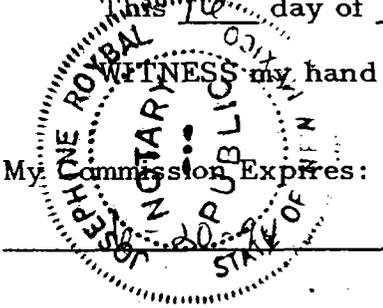
STATE OF NM )  
COUNTY OF De Baca ) ss.

The foregoing instrument was acknowledged before me by Agent  
Edgar Powell, of Borica oil inc.

This 16<sup>th</sup> day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:



Joseph Rayhl  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12th day of February, 1993.

ATTEST:

By: [Signature] KATHLEEN BULLARD

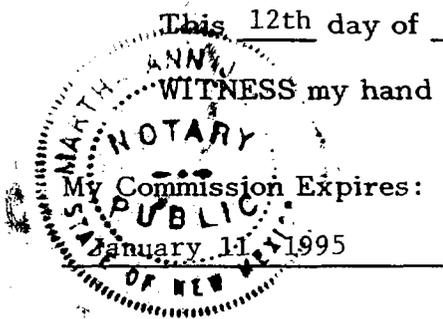
Address: P. O. Drawer 2588 Roswell, NM 88202-2588

STATE OF NEW MEXICO ) ) ss. COUNTY OF CHAVES )

The foregoing instrument was acknowledged before me by KATHLEEN BULLARD

This 12th day of February, 1993.

WITNESS my hand and official seal.



[Signature] Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12 day of February, 1993.

ATTEST:

By: C. R. Burch

Address: P.O. Drawer 10505 Midland, Texas

STATE OF TEXAS ) COUNTY OF MIDLAND ) ss.

The foregoing instrument was acknowledged before me by

C. R. Burch

This 12 day of February, 1993.

WITNESS my hand and official seal.



Commission Expires: 4-7-96

Shirley L. Hodges Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 15 day of February, 1993.

ATTEST:

By: [Signature]
[Signature]

[Redacted signature line]

Address: 114 Kay Lane
Las Cruces NM 88005

STATE OF New Mexico )
COUNTY OF Dona Ana ) ss.

The foregoing instrument was acknowledged before me by R. Neil &
Maryjane J. Burckham,

This 15th day of February, 1993.

WITNESS my hand and official seal.

Commission Expires:

March 20 1994

Frieda C. Blain
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 24 day of March, 1993.

ATTEST:

By: Garon D. Cagle, Sr. [Redacted]

Address: 2202 Avenue Q Lubbock, TX 79405

STATE OF TEXAS ) ) ss. COUNTY OF LUBBOCK )

The foregoing instrument was acknowledged before me by Garon D. Cagle Sr.

This 24 day of March, 1993.

WITNESS my hand and official seal.

My Commission Expires:

3/17/96

Dianne Madison Notary Public DIANNE MADISON Notary Public, State of Texas My Commission Expires 3-17-96



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this \_\_\_ day of MAR 15 1993, 1993.

ATTEST:

By: Thomas K Campbell II



Address:

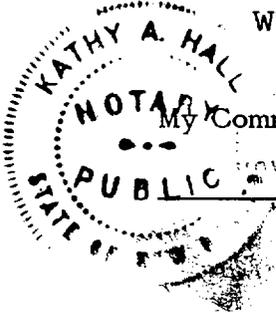
STATE OF New Mexico )
COUNTY OF Chaves ) ss.

The foregoing instrument was acknowledged before me by

Thomas K. Campbell, II

This \_\_\_ day of MAR 15 1993, 1993.

WITNESS my hand and official seal.



My Commission Expires: NOV 14 1995

Kathy A. Hall
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 16th day of February, 1993.

ATTEST:

[Signature]

By: [Signature]

[Redacted]

[Redacted]

Address: PO Box 293 Midland TX 79702

STATE OF TEXAS )
COUNTY OF MIDLAND ) ss.

The foregoing instrument was acknowledged before me by A. T.

CARLETON

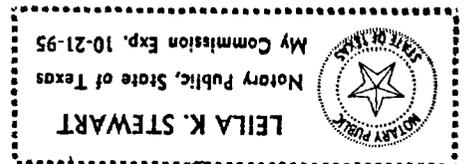
This 17th day of FEBRUARY, 1993.

WITNESS my hand and official seal.

My Commission Expires:

[Line]

[Signature] Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 1st day of February, 1993.

ATTEST: CONOCO INC.
By: Mark K. Mosley, Attorney-in-Fact

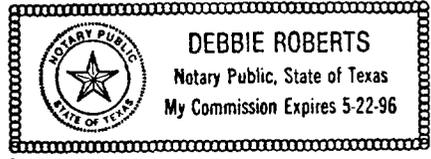
Address: 10 Desta Drive, Suite 100W
Midland, Texas 79705-4500

STATE OF TEXAS )
COUNTY OF MIDLAND ) ss.

The foregoing instrument was acknowledged before me by Mark K. Mosley, Attorney-in-Fact, CONOCO INC., a Delaware corporation.

This 1st day of February, 1993.

WITNESS my hand and official seal.



My Commission Expires: 5-22-96

Debbie Roberts
Notary Public

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:**

**Case No. 10618  
Order No. R-9821**

**APPLICATION OF SIETE OIL AND GAS  
COMPANY FOR STATUTORY UNITIZATION,  
EDDY COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on December 3, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 6th day of January, 1993, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Division Case Nos. 10618 and 10619 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, Siete Oil and Gas Company (Siete), seeks the statutory unitization, pursuant to the "Statutory Unitization Act", Sections 70-7-1 through 70-7-21, NMSA, (1978), of all mineral interests underlying 920 acres, more or less, of State and Federal lands comprising portions of Sections 26, 35 and 36, Township 19 South, Range 29 East, NMPM, and a portion of Section 2, Township 20 South, Range 29 East, NMPM, and embracing a substantial portion of the Parkway-Delaware Pool, Eddy County, New Mexico, said unit to be known as the Parkway Delaware Unit Area. The applicant further seeks the approval of the Unit Agreement and the Unit Operating Agreement which were submitted in evidence as applicant's Exhibit No. 1 in this case.

(4) The proposed unit area should be designated the Parkway Delaware Unit Area, and the horizontal limits of said unit area should be comprised of the following described State and Federal lands in Eddy County, New Mexico:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 26: SW/4 SE/4

Section 35: N/2, SE/4, E/2 SW/4 and NW/4 SW/4

Section 36: W/2 W/2, SE/4 NW/4 and NE/4 SW/4

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM

Section 2: NW/4 NE/4

(5) Said unit has been approved by the Bureau of Land Management and the Commissioner of Public Lands for the State of New Mexico, subject to the approval of the statutory unitization by the Division.

(6) According to evidence presented, all production within the Parkway-Delaware Pool originates from the Cherry Canyon member.

(7) The vertical limits of the Parkway Delaware Unit Area should comprise that portion of the Delaware formation as found from a depth of 50 feet above 3,914 feet to a depth of 50 feet below 4,288 feet on the electric log run on the Siete Oil and Gas Company Osage Federal Well No. 1 located 1980 feet from the South and East lines (Unit J) of Section 35, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

(8) The unit area contains 11 separate tracts owned by 8 different working interest owners.

(9) As of the date of hearing, the owners of approximately 61 percent of the working interest and owners of approximately 85 percent of the royalty interest were effectively committed to the unit or have balloted to support the unit.

(10) All interested parties who have not agreed to unitization were notified of the hearing by the applicant, but no interest owner appeared at the hearing in opposition to the unitization nor to the vertical limits of the proposed unit area.

(11) The Parkway-Delaware Pool has reasonably been defined by development.

(12) The applicant proposes to institute an enhanced recovery project for the secondary recovery of oil, gas and associated liquefiable hydrocarbons within and to be produced from the proposed unit area (being the subject of Case No. 10619).

(13) Enhanced recovery operations should result in additional recovery from the unit area of approximately 6.4 million barrels of oil.

(14) The unitized management, operation and further development of the Parkway Delaware Unit Area, as proposed, is feasible and reasonably necessary to effectively and efficiently carry on enhanced recovery operations and should substantially increase the ultimate recovery of oil and gas from the Parkway-Delaware Pool.

(15) The proposed unitized method of operation as applied to the unit area is feasible and will result with reasonable probability in the increased recovery of substantially more oil from the unitized portion of the pool than would otherwise be recovered without unitization.

(16) The estimated additional cost of the proposed unitized operations within the unit area will not exceed the estimated value of the additional oil and gas plus a reasonable profit.

(17) The applicant, designated operator of the unit area pursuant to the Unit Agreement and Unit Operating Agreement, has made a good faith effort to secure voluntary unitization within the unit area.

(18) The participation formula contained in the Unitization Agreement allocates the produced and saved unitized substances to the separately owned tracts in the unit area, on a fair, reasonable and equitable basis.

(19) Unitization and the adoption of the proposed unitized methods of operation will benefit the working interest owners and the royalty interest owners of the oil and gas rights within the Parkway Delaware Unit Area.

(20) The applicant's Exhibit No. 1 in this case, being the Unit Agreement and the Unit Operating Agreement, should be incorporated by reference into this order.

(21) The Parkway Delaware Unit Agreement and Parkway Delaware Unit Operating Agreement, as applied to the unit area, provide for unitization and unit operation of the Parkway Delaware Unit Area upon terms and conditions that are fair, reasonable, equitable, and which include:

- (a) an allocation to the separately owned tracts in the unit area of all oil and gas that is produced from the unit area and which is saved, being the production that is not used in the conduct of unit operations or not unavoidably lost;

- (b) a provision for the credits and charges to be made and the adjustment among the owners in the unit area for their respective investments in wells, tanks, pumps, machinery, materials and equipment contributed to the unit operations;
- (c) a provision governing how the costs of unit operations, including capital investments, shall be determined and charged to the separately owned tracts and how said costs shall be paid, including a provision providing when, how, and by whom the unit production allocated to an owner who does not pay his share of the costs of unit operations shall be credited to such owner, or the interest of such owner, and how his interest may be sold and the proceeds applied to the payment of his costs;
- (d) a provision for carrying any working owner on a limited, carried or net-profits basis, payable out of production, upon terms and conditions which are just and reasonable, and which allow an appropriate charge for interest for such service payable out of production, upon such terms and conditions determined by the Division to be just and reasonable, and providing that any non-consenting working interest owner being so carried shall be deemed to have relinquished to the unit operator all of his operating rights and working interest in and to the unit until his share of the costs, service charge and interest are repaid to the unit operator;
- (e) a provision designating the unit operator and providing for the supervision and conduct of the unit operations, including the selection, removal or substitution of an operator from among the working interest owners to conduct the unit operations;
- (f) a provision for a voting procedure for the decision of matters to be decided by the working interest owners in respect to which each working interest owner shall have a voting interest equal to his unit participation; and
- (g) the time when the unit operations shall commence and the manner in which, and the circumstances under which, the unit operations shall terminate and for the settlement of accounts upon such termination.

(22) Section 70-7-7.F. NMSA of said "Statutory Unitization Act" provides that the unit plan of operation shall include a provision for carrying any working interest owner subject to limitations set forth in the statute, and any non-consenting working interest owner so carried shall be deemed to have relinquished to the unit operator all of his operating rights and working interest in and to the unit until his share of the costs has been repaid plus an amount not to exceed 200 percent thereof as a non-consent penalty.

(23) Applicant's Exhibit No. 1, Unit Operating Agreement, contains a provision whereby any working interest owner who elects not to pay his share of unit expense shall be liable for his share of such unit expense plus an additional 200 percent thereof as a non-consent penalty, and that such costs and non-consent penalty may be recovered from each non-consenting working interest owner's share of unit production.

(24) A non-consent penalty of 200 percent should be adopted in this case. The applicant should be authorized to recover from unit production each non-consenting working interest owner's share of unit expense plus 200 percent thereof.

(25) The statutory unitization of the Parkway Delaware Unit Area is in conformity with the above findings, and will prevent waste and will protect the correlative rights of all owners of interest within the proposed unit area, and should be approved.

**IT IS THEREFORE ORDERED THAT:**

(1) The Parkway Delaware Unit Area comprising 920 acres, more or less, of State and Federal lands in the Parkway-Delaware Pool, Eddy County, New Mexico, is hereby approved for statutory unitization pursuant to the Statutory Unitization Act, Sections 70-7-1 through 70-7-21, NMSA, (1978).

(2) The lands included within the Parkway Delaware Unit Area shall comprise:

**TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM**

Section 26: SW/4 SE/4

Section 35: N/2, SE/4, E/2 SW/4 and NW/4 SW/4

Section 36: W/2 W/2, SE/4 NW/4 and NE/4 SW/4

**TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM**

Section 2: NW/4 NE/4

(3) The vertical limits of the Parkway Delaware Unit Area shall comprise that portion of the Delaware formation as found from a depth of 50 feet above 3,914 feet to a depth of 50 feet below 4,288 feet on the electric log run on the Siete Oil and Gas Company Osage Federal Well No. 1 located 1980 feet from the South and East lines (Unit J) of Section 35, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

(4) The applicant shall institute a secondary recovery project for the secondary recovery of oil, gas and all associated liquefiable hydrocarbons within and produced from the unit area, (said secondary recovery project being the subject of Case No. 10619).

(5) The Parkway Delaware Unit Agreement and the Parkway Delaware Unit Operating Agreement, being applicant's Exhibit No. 1 in this case, are hereby incorporated by reference into this order.

(6) The Unit Agreement and the Unit Operating Agreement for the Parkway Delaware Unit provide for unitization and unit operation of the unit area upon terms and conditions that are fair, reasonable and equitable.

(7) This order shall not become effective unless and until the owners of seventy-five (75) percent of the working interest and seventy-five (75) percent of the royalty interest in the Parkway Delaware Unit Area have approved the plan for unit operations as required by Section 70-7-8 NMSA, (1978) Comp.

(8) If the persons owning the required percentage of interest in the Parkway Delaware Unit Area as set out in Section 70-7-8 NMSA, (1978) Comp., do not approve the plan for unit operations within a period of six (6) months from the date of entry of this order, this order shall cease to be of further force and effect and shall be revoked by the Division, unless the Division shall extend the time for ratification for good cause shown.

(9) When the persons owning the required percentage of interest in the Parkway Delaware Unit Area have approved the plan for unit operations, the interests of all persons in the unit area are unitized whether or not such persons have approved the plan of unitization in writing.

(10) The applicant as Unit Operator shall notify in writing the Division Director of any removal or substitution of said Unit Operator by any other working interest owner within the unit area.

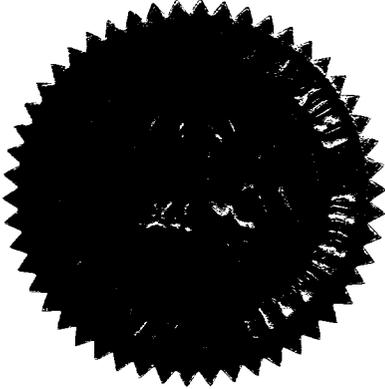
(11) A non-consent penalty of 200 percent is hereby adopted in this case. The applicant shall be authorized to recover from unit production each non-consenting working interest owner's share of unit expense plus 200 percent thereof.

(12) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

**CASE NO. 10618**  
**Order No. R-9821**  
**Page -7-**

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



S E A L

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LeMAY  
Director

PLEASE SIGN AND  
DATE

**RATIFICATION AND JOINDER OF UNIT AGREEMENT  
AND UNIT OPERATING AGREEMENT**

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12<sup>th</sup> day of February, 1993.



Maxine B. Hannifin  
Maxine B. Hannifin, Secretary

CORONET TRADING CORPORATION

By: Robert H. Hannifin  
Robert H. Hannifin, President

Address: P. O. Box 218  
Midland, Texas 79702

STATE OF TEXAS )  
COUNTY OF MIDLAND ) ss.

The foregoing instrument was acknowledged before me by ROBERT H. HANNIFIN  
PRESIDENT, CORONET TRADING CORPORATION.

This 12<sup>th</sup> day of FEBRUARY, 1993.

WITNESS my hand and official seal.

My Commission Expires:  
7-17-96

Sharon Beaver  
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 22ND day of FEBRUARY, 1993.

ATTEST:

By: [Signature]
[Redacted Name]

Address: 15419 PEACH HILL RD
SARATOGA, CALIF 95070

STATE OF CALIFORNIA )
COUNTY OF SANTA CLARA ) ss.

The foregoing instrument was acknowledged before me by Robert L. Dale, MD.

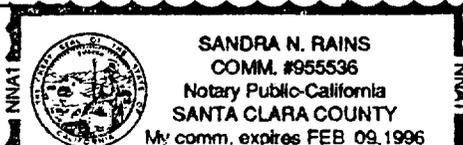
This 22ND day of FEBRUARY, 1993.

WITNESS my hand and official seal.

My Commission Expires:

2/09/96

[Signature]
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 22 day of February, 1993.

ATTEST:

By: Marian L. Davis  
Roderick E. Davis

[Redacted signature area]

Address: 2803 West 9th  
Lawrence, Kansas 66049

STATE OF KANSAS )  
COUNTY OF Douglas ) ss.

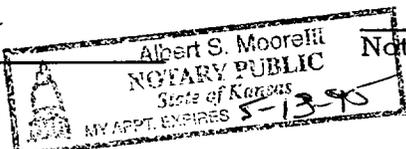
The foregoing instrument was acknowledged before me by Roderick E. Davis, MARIAN L. DAVIS

This 22nd day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:

5-13-95



Albert S. Moore III  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12th day of February, 1993.

ATTEST:

Randy Biggs

By: William C. Eilano

[Redacted]

[Redacted]

Address: P.O. Drawer 11228, Midland, Texas 79702

STATE OF Midland )
COUNTY OF Midland ) ss.

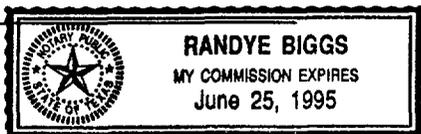
The foregoing instrument was acknowledged before me by William C. Eilano

This 12th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:

Randy Biggs
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 3rd day of March, 1993.

ATTEST:

Alexis K. Girard By: Nathan C. Greer

Address: P.O. Box 1627 SANTA FE, N.M. 87504

STATE OF NEW MEXICO ) ) ss. COUNTY OF SANTA FE )

The foregoing instrument was acknowledged before me by NATHAN C. GREER

This 3rd day of March 1993.

WITNESS my hand and official seal



OFFICIAL SEAL ALEXIS K. GIRARD NOTARY PUBLIC - NEW MEXICO Notary Bond Filed with Secretary of State My Commission Expires March 1, 1994

My Commission Expires: March 1, 1994

Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 16th day of February, 1993.

ATTEST:

By: Robert W. Hanagan, President of HANAGAN OIL PROPERTIES, INC.

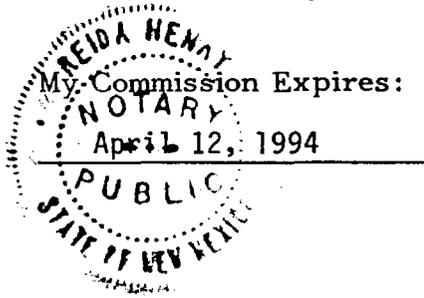
Address: P O Box 1537 Roswell, NM 88202-1537

STATE OF New Mexico ) COUNTY OF Chaves ) ss.

The foregoing instrument was acknowledged before me by Robert W. Hanagan, President, HANAGAN OIL PROPERTIES, INC.

This 16th day of February, 1993.

WITNESS my hand and official seal.



Reida Henry, Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 4<sup>th</sup> day of March, 1993.

ATTEST:

By: [Signature] Alan R. Hannifin

Address: 422 Lake P.O. Drawer 2588 Roswell, NM 88201

STATE OF TEXAS ) COUNTY OF MIDLAND ) ss.

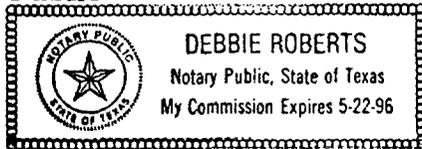
The foregoing instrument was acknowledged before me by ALAN R. HANNIFIN,

This 4th day of MARCH, 1993.

WITNESS my hand and official seal.

My Commission Expires: 5-22-96

[Signature] Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 8th day of February, 1993.



Robbie Jo Powell, Sec/Treas.

HANSON OPERATING COMPANY, INC.

By: Ray Willis, Vice-President

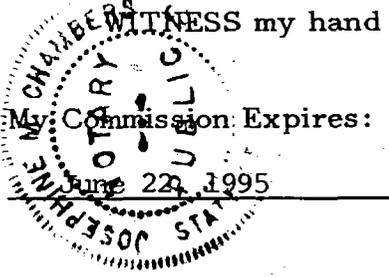
Address: Post Office Box 1515 Roswell, New Mexico 88202-1515

STATE OF NEW MEXICO ) ) ss. COUNTY OF CHAVES )

The foregoing instrument was acknowledged before me by RAY WILLIS, Vice-President of HANSON OPERATING COMPANY, INC., a New Mexico corporation, on behalf of said corporation.

This 8th day of February, 1993.

WITNESS my hand and official seal.



Josephine M. Chambers Notary Public Josephine M. Chambers

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12th day of February, 1993.

ATTEST:

R. R. McDaniel By: Gerald E Harrington, Trustee

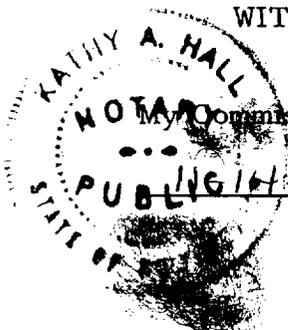
Address: P.O. Box 216 Roswell, NM 88202-0216

STATE OF New Mexico ) ) ss. COUNTY OF Chaves )

The foregoing instrument was acknowledged before me by Gerald E. Harrington, Trustee, for Gerald + Emma Harrington Trust.

This 12 day of February, 1993.

WITNESS my hand and official seal.



My Commission Expires: 11-95

Kathy A. Hall Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12<sup>th</sup> day of February, 1993.

ATTEST:

By: [Signature of John H. Hendrix]

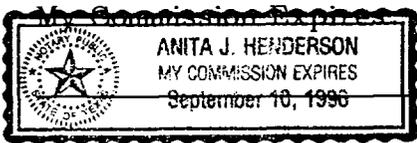
Address: 223 W. Wall, Suite 525 Midland, TX 79705

STATE OF Texas )
COUNTY OF Midland ) ss.

The foregoing instrument was acknowledged before me by John H. Hendrix individually

This 12<sup>th</sup> day of February 1993.

WITNESS my hand and official seal.



Anita J. Henderson
Notary Public

PLEASE SIGN AND RETURN THIS COPY

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12th day of February, 1993.

ATTEST:

By: J. H. Herd

[Redacted]

[Redacted]

Address: J. H. HERD

P. O. Box 130, Midland, TX, 79702-0130

STATE OF TEXAS )
COUNTY OF MIDLAND ) ss.

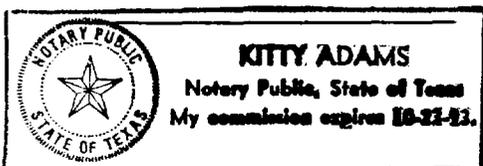
The foregoing instrument was acknowledged before me by J. H. HERD

This 12th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:

Kitty Adams
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

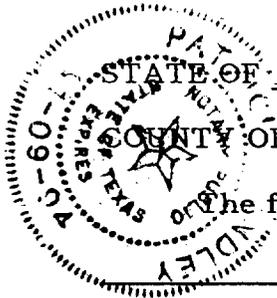
EXECUTED this 19th day of February, 1993.

ATTEST:

By: [Signature] [Redacted]

Address:

POB 1568 CEDAR PARK TEXAS 78613



STATE OF Texas ) ) ss. COUNTY OF Williamson)

The foregoing instrument was acknowledged before me by JOE S. Hill

This 19th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires: 1-9-94

Patricia Mandley Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 18th day of FEBRUARY, 1993.

ATTEST:

HILL TRUSTS

By: [Signature] Kenneth Waltrip, Co. Trustee Patsy Sue Waltrip, Co. Trustee

[Redacted] HILL TRUSTS Tax ID: [Redacted] Address:

STATE OF TEXAS ) ) ss. COUNTY OF TARRANT )

The foregoing instrument was acknowledged before me by KENNETH + PATSY SUE WALTREP CO-TRUSTEES OF HILL TRUSTS

This 18th day of FEBRUARY, 1993.

WITNESS my hand and official seal.

My Commission Expires: 8-28-93

Vikki Windham Notary Public





PLEASE SIGN AND RETURN THIS COPY.

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 17 day of February, 1993.

WITNESS:

Donna Nobles

By: Francis H. Hudson

[Redacted]

[Redacted]

Address: 616 Texas Street

Fort Worth, TX 76102

STATE OF TEXAS )
COUNTY OF TARRANT ) ss.

The foregoing instrument was acknowledged before me by Francis H. Hudson.

This 17 day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:

7/31/96



VIRGINIA CLARKE
Notary Public
STATE OF TEXAS

My Comm. Exp. 31, 1996

Virginia Clarke
Notary Public
Virginia Clarke



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 18 day of February, 1993.

ATTEST:

By: William W. Hunter

[Redacted signature area]

Address: 327 East Domingos Santa Fe, N. Mex, 87501

STATE OF NEW MEXICO )
COUNTY OF SANTA FE ) ss.

The foregoing instrument was acknowledged before me by William W. Hunter

This 18 day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires: 5-11-96



OFFICIAL SEAL
SHERRI ORTEGA
NOTARY PUBLIC - STATE OF NEW MEXICO
Notary Public Filed with Secretary of State
My Commission Expires 5-11-96

Sherri Ortega
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 16 day of February, 1993.

ATTEST:

By: [Signature]
[Redacted Name]
[Redacted Address]

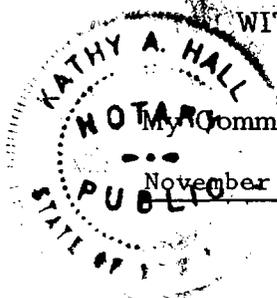
Address: P. O. Box 331
Carlsbad, NM 88220

STATE OF NEW MEXICO )
) ss.
COUNTY OF CHAVES )

The foregoing instrument was acknowledged before me by Jim Ikard

This 16 day of February, 1993.

WITNESS my hand and official seal.



My Commission Expires:
November 14, 1995

[Signature: Kathy A. Hall]
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 17th day of February, 1993.

ATTEST:

By: [Signature]
[Redacted Name]

Address: 708 VISTA PARKWAY
Roswell, N.M. 88201

STATE OF New Mexico )
COUNTY OF Chaves ) ss.

The foregoing instrument was acknowledged before me by Teddy James

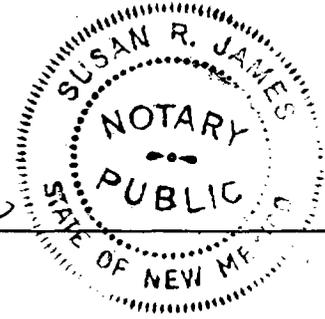
This 17th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:

12/22/96

Susan R James
Notary Public





RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12 day of Feb, 1993.

ATTEST:

By: [Signature]
Address: [Redacted]
Alan Jochimsen
2402 Cimmaron
Midland, Texas 79705

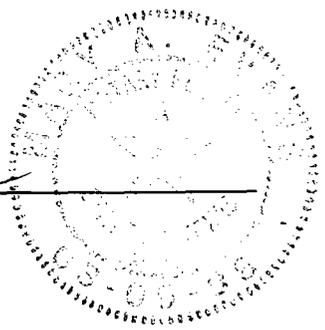
STATE OF Texas )
COUNTY OF Midland ) ss.

The foregoing instrument was acknowledged before me by Alan Jochimsen, This 12th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires: 3-9-96

Mary A. Evans
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 18th day of February, 1993.

ATTEST:

By: NANCY PUFF JONES TRUST
Dorothy Jean Keenom
DOROTHY JEAN KEENOM, TRUSTEE

Address: 1320 Lake Street
Fort Worth, TX 76102

STATE OF TEXAS )
COUNTY OF TARRANT ) ss.

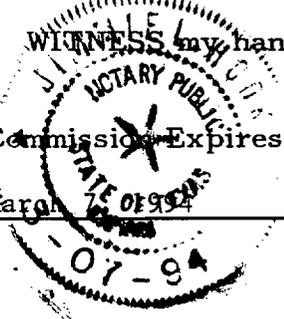
The foregoing instrument was acknowledged before me by Dorothy Jean Keenom, Trustee, of the Nancy Puff Jones Trust.

This 18th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:

March 07 1994



Jimmie L. Hooks
Notary Public Jimmie L. Hooks

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this \_\_\_ day of FEB 25 1993, 1993.

ATTEST:

By: [Signature]
[Redacted Name]

Address: 1005 DesBrenand
Roswell, N.M. 88201

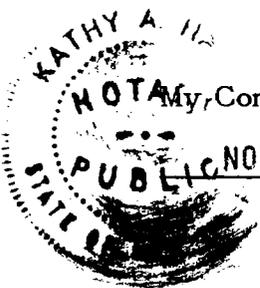
STATE OF New Mexico )
COUNTY OF Chaves ) ss.

The foregoing instrument was acknowledged before me by Harold D. Justice,

This \_\_\_ day of FEB 25 1993, 1993.

WITNESS my hand and official seal.

My Commission Expires: NOV 14 1995



[Signature]
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 1st day of March, 1993.

ATTEST:

Larry Lunt by Edward Lunt  
By: attorney in fact

[Redacted]

[Redacted]

Address: 215 West 100 South  
Salt Lake City, UT 84101

STATE OF Utah )  
COUNTY OF Salt Lake ) ss.

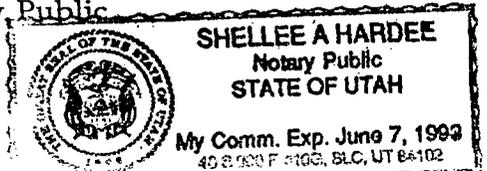
The foregoing instrument was acknowledged before me by Edward Lunt, Atty-in Fact for Larry Lunt

This 1st day of March, 1993.

WITNESS my hand and official seal.

My Commission Expires: 6/7/93

Shellee A Hardee  
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 17 day of February, 1993.

ATTEST WITNESS:

Wanna Noble

By: Delmar Hudson Lewis

[Redacted]

[Redacted]

Address:

616 Texas Street

Fort Worth, Texas 76102

STATE OF TEXAS )
COUNTY OF TARRANT ) ss.

The foregoing instrument was acknowledged before me by Delmar Hudson Lewis.

This 17 day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:

7/31/96



VIRGINIA CLARKE
Notary Public
STATE OF TEXAS

Virginia Clarke
Notary Public Virginia Clarke

3/1/96

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 1 day of March, 1993.

ATTEST:

Maurice Larsson

By: Christine Mallams

[Redacted]

[Redacted]

Address:

P.O. Box 505  
Midland, Tx 79702

STATE OF Texas )  
COUNTY OF Midland ) ss.

The foregoing instrument was acknowledged before me by Christine Mallams,

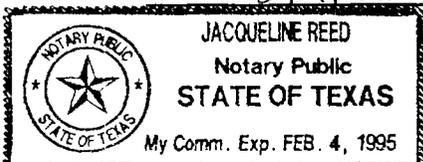
This 1st day of March, 1993.

WITNESS my hand and official seal.

My Commission Expires:

2/4/95

Jacqueline Reed  
Notary Public



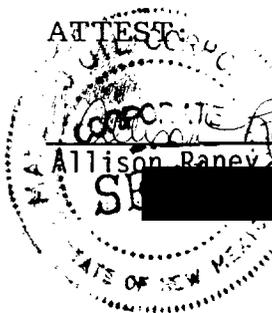
RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 15th day of February, 1993.



ATTEST: Allison Raney, Asst. Secretary

By: [Signature]

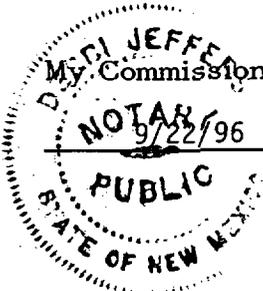
Address: P.O. Box 2107 Roswell, NM 88202-2107

STATE OF New Mexico ) ) ss. COUNTY OF Chaves )

The foregoing instrument was acknowledged before me by Kenneth Barbe, Jr., Vice President of Manzano Oil Corporation, a New Mexico corporation, on behalf of said corporation.

This 15th day of February, 1993.

WITNESS my hand and official seal.



My Commission Expires:

[Signature] Notary Public in and for the State of New Mexico

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 19th day of February, 1993.

ATTEST:

Marion Scott

By: [Signature] JEAN-LUC [Signature]  
Address: Marine & Gas International  
436 Petroleum Bldg, Roswell, NM 88201

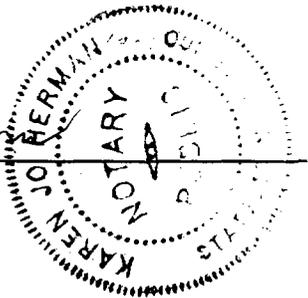
STATE OF New Mexico )  
COUNTY OF Chavez ) ss.

The foregoing instrument was acknowledged before me by Jean Luc  
Merot, President

This 19th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:  
4-16-94

[Signature]  
Notary Public  


RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12th day of FEBRUARY, 1993.

ATTEST:

Signature of Notary Public and signature of Jack Markham.

Address: 1500 BROADWAY, SUITE 1212 LUBBOCK TX 79401-3192

STATE OF TEXAS ) COUNTY OF LUBBOCK ) ss.

The foregoing instrument was acknowledged before me by JACK MARKHAM,

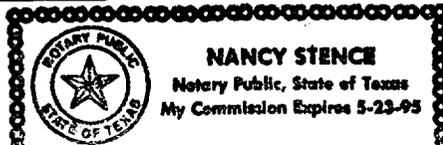
This 12th day of FEBRUARY, 1993.

WITNESS my hand and official seal.

My Commission Expires:

MAY 23, 1995

Signature of Nancy Stence, Notary Public



RETURN TO...

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 16th day of February, 1993.



MARSHALL & WINSTON, INC.

Robert H. Ritchie, Sec.-Treas.

By:

William S. Marshall, President

Address: P. O. Box 50880

Midland, TX 79710-0880

STATE OF TEXAS )
COUNTY OF MIDLAND ) ss.

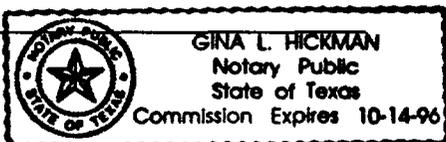
The foregoing instrument was acknowledged before me by William S. Marshall, President, of MARSHALL & WINSTON, INC., a Nevada corporation, on behalf of said corporation.

This 16th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:

Gina L. Hickman
Notary Public, State of Texas



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12th day of February, 1993.

MERIDIAN OIL INC.

Signature of Dennis E. Sledge, Attorney-in-Fact

Address: P. O. Box 51810 Midland, Texas 79710-1810

STATE OF TEXAS ) COUNTY OF MIDLAND ) ss.

The foregoing instrument was acknowledged before me by Dennis E. Sledge, Attorney-in-Fact of Meridian Oil Inc.

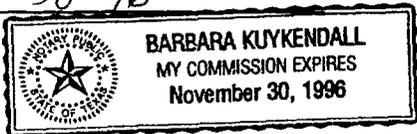
This 12th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:

11-30-96

Signature of Barbara Kuykendall, Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 6th day of April, 1993.

ATTEST:



A.R. Hawrah

By: J.S. Byth

J.S. BYTH Attorney-in-Fact

[Redacted]

[Redacted]

Address: 12450 Greenspoint Drive

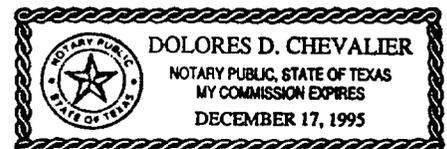
Houston, Texas 77060-1991

STATE OF Texas )
COUNTY OF Harris ) ss.

The foregoing instrument was acknowledged before me by J.S. Byth Attorney-in-Fact, for MOBIL PRODUCING TEXAS & NEW MEXICO INC. a Delaware corporation, on behalf of said corporation.

This 6th day of April, 1993.

WITNESS my hand and official seal.



My Commission Expires: 12-17-95

Dolores D. Chevalier Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 16th day of February, 1993.

ATTEST:

MONAGHAN LIVING TRUST

By: Virginia P Monaghan
Virginia P. Monaghan, Trustee

Address: P. O. Box 2066
Midland TX 79702-2066

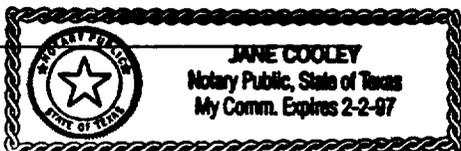
STATE OF TEXAS )
COUNTY OF MIDLAND ) ss.

The foregoing instrument was acknowledged before me by Virginia P. Monaghan, Trustee of the Monaghan Living Trust

This 16th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:



Jane Cooley
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 18 day of February, 1993.

ATTEST:

By: Patrick J. Maull

Address: 598 Woodland Drive Paducah, Ky 42001

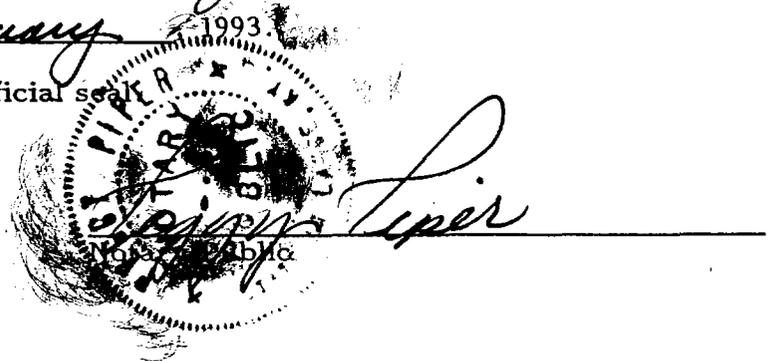
STATE OF Kentucky )
COUNTY OF Ballard ) ss.

The foregoing instrument was acknowledged before me by Patrick J. Maull

This 18th day of February, 1993

WITNESS my hand and official seal

My Commission Expires: 2/13/94



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 17th day of FEBRUARY, 1993.

ATTEST:

By: Michael J. Morton

[Redacted signature area]

[Redacted signature area]

Address: 688 COUNTY ST NEW BEDFORD MA. 02740

STATE OF MASSACHUSETTS ) ) ss. COUNTY OF BRISTOL )

The foregoing instrument was acknowledged before me by

MICHAEL J. MORTON JR

This 17th day of FEBRUARY, 1993.

WITNESS my hand and official seal.

My Commission Expires:

10/14/99

Notary Public seal and signature of J. P. [Redacted]

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 16th day of February, 1993.

ATTEST:

Michael E. Hamilton, Secretary

PENDRAGON PRODUCTION COMPANY

By: Patrick W. Arthur, President

Address: P. O. Box 271668

Houston, Texas 77277-1668

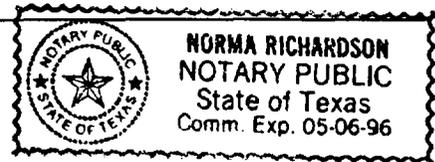
STATE OF TEXAS )
) ss.
COUNTY OF HARRIS )

The foregoing instrument was acknowledged before me by

Patrick W. Arthur, President

This 16th day of February, 1993.

WITNESS my hand and official seal.



My Commission Expires:

May 6, 1996

Norma Richardson
Notary Public
Norma Richardson

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 26 day of February, 1993.

Permian Hunter Corporation

ATTEST:

By: [Signature]

[Redacted]

Address: 215 West 100 South Salt Lake City, UT 84101

STATE OF Utah )
COUNTY OF Salt Lake ) ss.

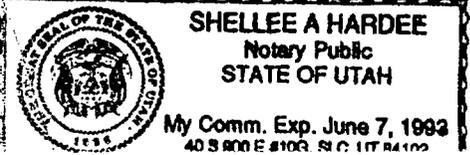
The foregoing instrument was acknowledged before me by Edward Lunt, President of Permian Hunter Corp, a New Mexico Corp.

This 26th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires: 6/7/93

[Signature]
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 19th day of February, 1993.

ATTEST:

Sharon Scott

By:

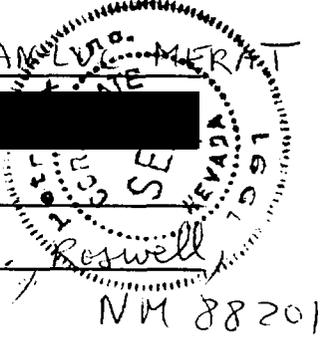
Jean-Luc Merat

[Redacted]

[Redacted]

Address:

PETROLUX, INC 436 Petroleum Bldg., Roswell



STATE OF New Mexico )
COUNTY OF Chaves ) ss.

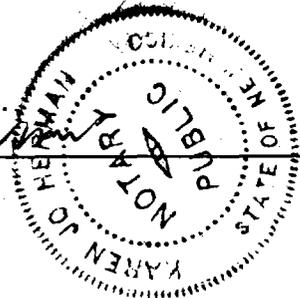
The foregoing instrument was acknowledged before me by Jean-Luc Merat, President

This 19th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires: 4-16-94

Karen J. Heman Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 18th day of February, 1993.

ATTEST:

THOMAS HILL PUFF TRUST

By: Dorothy Jean Keenom, TRUSTEE

[Redacted signature area]

[Redacted signature area]

Address: 1320 Lake Street

Fort Worth, TX 76102

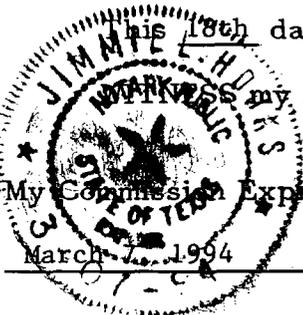
STATE OF TEXAS )
COUNTY OF TARRANT ) ss.

The foregoing instrument was acknowledged before me by Dorothy Jean Keenom, Trsutee, of the Thomas Hill Puff Trust

this 18th day of February, 1993.

my hand and official seal.

My Commission Expires: March 1994



Jimmie L. Hooks
Notary Public Jimmie L. Hooks

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12 day of February, 1993.

ATTEST:

By: Elizabeth Ann Ramsland

Address: P.O. Drawer 10505 Midland, Texas 79702

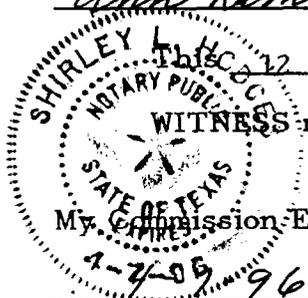
STATE OF TEXAS ) COUNTY OF MIDLAND ) ss.

The foregoing instrument was acknowledged before me by Elizabeth Ann Ramsland,

This 12 day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires: 4-7-96



Shirley L. Hodges Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12 day of February, 1993.

ATTEST:

By: Jane Barnes Lameland

Address: P.O. Drawer 10505 Midland, Texas 79702

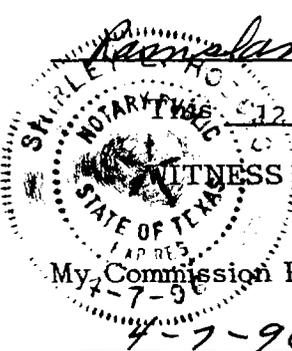
STATE OF TEXAS ) COUNTY OF MIDLAND ) ss.

The foregoing instrument was acknowledged before me by Jane Barnes Lameland

12 day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires: 4-7-96



Shirley L. Hodges Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12 day of February, 1993.

ATTEST:

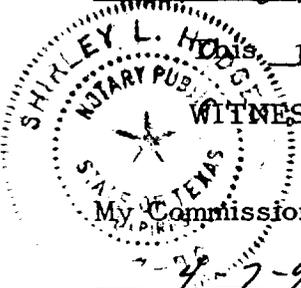
By: [Signature]
Address: P.O. Drawer 10505
Midland, Texas 79702

STATE OF TEXAS )
COUNTY OF MIDLAND ) ss.

The foregoing instrument was acknowledged before me by Russell J.

[Signature] 12 day of February, 1993.

WITNESS my hand and official seal.



My Commission Expires: 7-7-96

[Signature]
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12 day of February, 1993.

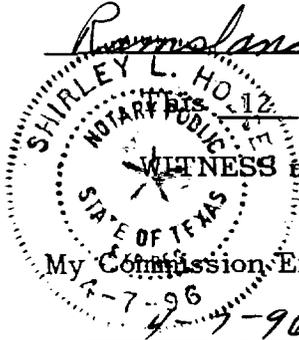
ATTEST:

By: Russell J. Ramoaland, Sr. [Redacted]

Address: P.O. Drawer 10505 Midland, Texas 79702

STATE OF TEXAS ) COUNTY OF MIDLAND ) ss.

The foregoing instrument was acknowledged before me by Russell J. Ramoaland, Sr.



day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires: 7-96

Shirley L. Hodges Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 22 day of FEB, 1993.

ATTEST:

By: Bane Bibe [Redacted Signature]

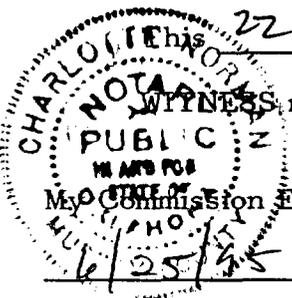
Address: PO Box 988, Admore, OK 73402

STATE OF OKLAHOMA )
COUNTY OF CANTON ) ss.

The foregoing instrument was acknowledged before me by BANE BIBE, GENERAL PARTNER OF RED OAK CATTLE Co.

This 22 day of FEB, 1993.

WITNES my hand and official seal.



Charlotte Norman
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 16<sup>th</sup> day of Feb, 1993.

ATTEST:

By: [Signature]

[Redacted] SS No. [Redacted]

Address: R. M. Richardson P. O. Box 2423 Roswell, New Mexico 88202-2423

STATE OF NM )
COUNTY OF Chaves ) ss.

The foregoing instrument was acknowledged before me by

[Signature]

16<sup>th</sup> day of Feb, 1993.

WITNESS my hand and official seal.

My Commission Expires:

[Signature]

[Signature] Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 16th day of February, 1993.

ATTEST:

RONADERO COMPANY, INC.

By:

Robert W. Hanagan, President



Address:

P O Box 430

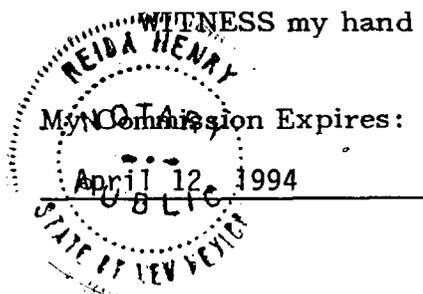
Roswell, NM 88202-0430

STATE OF New Mexico )
COUNTY OF Chaves ) ss.

The foregoing instrument was acknowledged before me by Robert W. Hanagan President, RONADERO COMPANY, INC.

This 16th day of February, 1993.

WITNESS my hand and official seal.



Reid Henry
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

This Ratification and Joinder shall be effective as to the undersigned's interests in any lands and leases, or interests therein, and royalties presently held or which may arise under existing option agreements or other interests in unitized substances, covering any lands within the Unit Area in which the undersigned may be found to have an oil or gas interest.

This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 23 day of February, 1993.

ATTEST:

SANTA FE ENERGY OPERATING PARTNERS, L.P.  
By: Santa Fe Pacific Exploration Company,  
Managing General Partner

By: [Signature]  
Lou E. Shuflin, Attorney-in-Fact

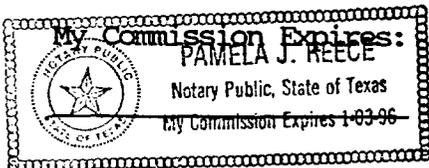
APPROVED  
[Signature]



Address: 550 W. Texas, Suite 1330  
Midland, Texas 79701

STATE OF TEXAS §  
COUNTY OF MIDLAND §

The foregoing instrument was acknowledged before me this 23 day of February, 1993, by L. E. Shuflin, Attorney-in-Fact of SANTA FE PACIFIC EXPLORATION COMPANY as Managing General Partner for SANTA FE ENERGY OPERATING PARTNERS, L.P., a Delaware corporation on behalf of said corporation.



[Signature]  
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 12 day of Feb, 1993.

ATTEST:

SCOTT EXPLORATION

By:

George L Scott Jr

Address:

Suite 648 Petroleum Bldg Roswell NM 88201

STATE OF New Mexico )
COUNTY OF Chaves ) ss.

The foregoing instrument was acknowledged before me by George L. Scott Jr, on behalf of Scott Exploration

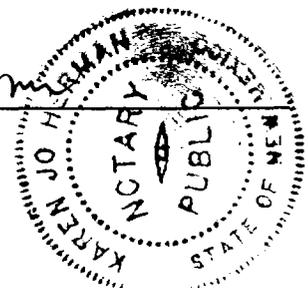
This 12th day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires:

4-16-94

[Signature]
Notary Public



RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 23<sup>rd</sup> day of February, 1993.

ATTEST:

By: James L. Schutte
Address: 809 Town Diamond, Roswell, NM 88201



STATE OF New Mexico )
COUNTY OF Chaves ) ss.

The foregoing instrument was acknowledged before me by James L. Schutte, individual

This 23<sup>rd</sup> day of February, 1993.

WITNESS my hand and official seal.

My Commission Expires: March 9, 1996

Brenda J. Waltrip
Notary Public

RATIFICATION AND JOINDER OF UNIT AGREEMENT AND UNIT OPERATING AGREEMENT

In consideration of the execution of the Unit Agreement for the development and operation of the Parkway Delaware Unit Area, County of Eddy, State of New Mexico, dated September 1, 1992, in form approved on behalf of the Bureau of Land Management and Commissioner of Public Lands, and in consideration of the execution or ratification by other working interest owners of the contemporary Unit Operating Agreement which relates to said Unit Agreement, the undersigned (whether one or more) hereby expressly ratifies, approves and adopts said Unit Agreement, and also said Unit Operating Agreement, if the undersigned is a working interest owner, as fully as though the undersigned had executed the original instrument.

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This Ratification and Joinder shall be binding upon the undersigned, his, her or its heirs, devisees, assigns, or successors in interest.

EXECUTED this 11 day of February, 1993.

ATTEST:

By: [Signature]
[Redacted]

Address: 3002 DIAMOND A
Roswell NM 88201

STATE OF NEW MEXICO )
) ss.
COUNTY OF CHAVES )

The foregoing instrument was acknowledged before me by Gene Shumate,

This 11 day of February, 1993.

WITNESS my hand and official seal.

Commission Expires: November 14, 1995

[Signature]
Notary Public

