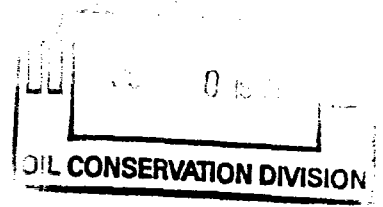


**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**



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

**CASE NO. 6987  
CASE NO. 11792**

**AMENDED APPLICATION OF DOYLE HARTMAN  
TO GIVE FULL FORCE AND EFFECT TO  
COMMISSION ORDER R-6447, TO REVOKE  
OR MODIFY ORDER R-4680-A, TO  
ALTERNATIVELY TERMINATE THE  
MYERS LANGLIE-MATTIX UNIT,  
LEA COUNTY, NEW MEXICO**

**AFFIDAVIT OF BRUCE M. KRAMER  
IN SUPPORT OF HARTMAN'S OPPOSITION  
TO OXY'S MOTION TO DISMISS**

**STATE OF TEXAS            )  
  ) ss.  
COUNTY OF LUBBOCK    )**

Bruce M. Kramer, being first duly sworn on oath, states as follows:

1. My name is Bruce M. Kramer. I reside in Lubbock, Texas. I am the Maddox Professor at Texas Tech University School of Law. I am the author or co-author of numerous articles or treatises on oil and gas, including "The Law of Pooling and Unitization" which I co-authored with Patrick H. Martin. Attached to this Affidavit as Exhibit A is a copy of my Curriculum Vitae.

2. I make this affidavit based upon my experience with the oil and gas industry, my knowledge of the law of pooling and unitization, my study of the pleadings filed of record in this case, my review of copies of various New Mexico Oil Conservation Division files concerning applications for statutory unitization under the New Mexico Statutory Unitization Act, which cases are reflected in the table attached to this Affidavit as Exhibit B, including the file in Case No. 6987, and my review of various Statutory Unitization Acts for the states of New Mexico, Michigan, Kansas, Colorado and Arizona.

3. The testimony stated in this Affidavit is the same as I would give in Court or before the Division under oath if called to testify as a witness in this matter.

4. The New Mexico Statutory Unitization Act authorizes the OCC to compel mineral, royalty or working interest owners to unitize their interests in order to prevent waste, conserve natural resources and protect correlative rights. The New Mexico Legislature has circumscribed the delegation of its police power to the OCC by mandating that the unit agreement or unit operating agreement contain certain specified provisions. One such mandatory provision is listed in § 70-7-7(F) which, when adopted in 1975, required the unit plan to include:

F. a provision for carrying any working interest owner on a limited, carried or net-profits basis, payable out of production, upon such terms and conditions determined by the division to be just and reasonable and allowing an appropriate charge for interest for such service payable out of the owner's share of production; provided that any nonconsenting working interest owner being so carried shall be deemed to have relinquished to the unit operator all of its 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;

The New Mexico provision appears to have been modeled after the Kansas Unitization Act (Kan.Stat.Ann § 55-1305(g), which was first enacted in 1967.

5. The OCC derives its power from the Legislature. Where the statute uses the term “shall” to describe an action, the OCC powers can only be exercised if such a provision or action is included. The requirements of the statute will supersede the terms of a voluntary unit agreement or unit operating agreement to the extent necessary to protect correlative rights, conserve natural resources and prevent waste. Since the OCC has found that those objectives will be served by the issuance of a statutory unitization order, it must include a “non-consent” provision in its orders, otherwise those objectives will not be achieved. Such a provision may be imposed on the unit agreement or the unit operating agreement if they are otherwise not expressed within the text of those documents.

6. In oil and gas law a “non-consent” provision gives an unleased owner or a working interest owner an option not to participate in drilling, reworking or other operations. By not participating the owner is not liable for the expenses incurred, except out of his or her share of production.

7. Section 70-7-7F. describes a situation which is common in oil and gas unit and/or joint operating agreements whereby a working interest owner is allowed to go “non-consent” and become a carried interest with respect to unit expenses. The term “carried interest” has a well-defined and generally accepted meaning within the oil and gas industry. 8 P. Martin & B. Kramer, Williams and Meyers Oil and Gas Law 135 (1996). Where a working interest owner has the right to go “non-consent” and become carried, that working interest owner is not personally liable for those costs. Id. at 696

(defining the term “nonconsent principle.”) Rather, the operator or the working interest owners who have consented to the operation pay the carried interest owner’s portion of operating costs and reimburse themselves out of the carried interest owner’s share of revenue from oil and gas production. The person or persons advancing costs are described as the carrying parties while the other is described as the carried party. *Id.* at 138.

8. A basic principle that follows from an owner’s status as a carried interest is that he or she is not personally liable for any costs, except out of his or her share of production. It would be inconsistent with this principle to allow the carrying party to sue the *carried party* for any unpaid *pro rata* share of the costs to which the carried party has elected to go “non-consent.” I am unaware of any authority supporting the proposition that a unit operator or the carrying parties have the right to sue a carried party who has elected to go “non-consent” to recover the carried party’s share of expenses.

9. The Myers Langlie-Mattix Unit (“MLMU”) was authorized as a statutory unit under New Mexico law by Order R-6447 issued by the New Mexico Oil Conservation Commission (“Commission”) on August 27, 1980. ( Case No. 6987) That Order specifically found that, as required by statute, the MLMU unit agreements included a provision for carrying any working interest owner on a limited, carried or net-profits basis, payable out of production. The written text of the MLMU unit operating agreement which was presented to the Oil Conservation Commission in Case No. 6987 and filed of record in the Lea County Clerk’s Office in 1991 does not contain such a non-consent provision. A copy of Order R-6447 is attached as Exhibit C.

10. The creation of the MLMU as a statutory unit occurred when the unit operator (Getty Oil Company) obtained the requisite 75 percent ratification by both working interest owners and royalty interest owners as required by Section 70-7-8 NMSA 1978. On January 5, 1981, the Secretary of the Oil Conservation Division acknowledged receipt of proof of the statutorily required quantum of ratification and declared "that Commission Order No. R-6447 unitizing all interests in the Myers Langlie-Mattix Unit Area, Lea County, New Mexico, is in full force and effect." Attached to this Affidavit as Exhibit D is a copy of one of the 1980 ratifications of a working interest owner which I understand is typical of all working interest owner ratifications. The owners providing the ratifications acknowledged receipt of copies of Order No. R-6447.

11. Under § 70-7-7F, as implemented through Order R-6447, the right of MLMU working interest owners to go non-consent and become a carried interest is now part of the MLMU Unit Agreement and Unit Operating Agreement. Without such a provision, Order R-6447 would be ultra vires.

12. Once a working interest owner elects to become a carried interest by virtue of Order R-6447, the carrying parties would not have the right to sue the non-consenting working interest owners to recover the share of joint interest billing expenses. They are limited in recovering the non-consenting owner's share of expenses from the owner's share of production.

13. The MLMU unit operating agreement was an earlier version of the 1970 Model Form of Unit Operating Agreement (3rd Edition) issued by the American Petroleum Institute. A copy of that model form, which is included in The Law of Pooling

and Unitization, is attached as Exhibit E. Article 11 is the section which deals with unit expenses. Section 11.6 recognizes and provides for a situation where a working interest owner fails to pay its share of unit expense, authorizing those working interest owners who so desire to advance costs and obtain reimbursement of any costs advanced on behalf of a non-paying working interest owner. The remedies available to paying working interest owners are set forth in Section 11.5 of the Model Form Unit Operating Agreement, which provides the right of paying parties to bring suit and obtain a judgment against the non-paying working interest owner. In that regard, Article 11 of the 1970 Model Form Unit Operating Agreement is not a true carried interest provision. This basic structure of the 1970 form was continued in the 1993 Model Form of Unit Operating Agreements with additional remedies being afforded the parties paying the other owners' share of unit expenses.

14. In March, 1974, the American Petroleum Institute issued its First Edition Model Form of Unit Operating Agreement for Statutory Unitization. This Model Form was developed in response to the adoption by numerous states of Statutory Unitization Acts. A copy of the 1974 Model Form for Statutory Unitization is attached as Exhibit F.

15. Sections 11.5 and 11.6 are the provisions which deal with unpaid unit expense. The 1974 Model Form expressly recognizes the need to insert language in the form to deal with a situation where a working interest owner elects to be "carried or otherwise financed." Kansas, Colorado, Michigan, Nebraska, Oregon, South Dakota and Utah, the states which had such a statutory provision in 1974, are specified in the 1974 Model Form. One year later, in 1975, New Mexico adopted its Act with its non-

consent provision. New Mexico Statutory Units would thus need to have a non-consent provision in order to comply with the statutory requirement of Section 70-7-7(F) NMSA.

16. Section 11.6 of the 1974 Model Form deletes the language from the 1970 Model Form of Unit Operating Agreement which provides the right to bring a suit to collect indebtedness from a non-paying working interest owner. This change is consistent with the provision in various Statutory Unitization Acts mandating the right of a unit and working interest owner to go non-consent and become a carried interest.

17. In the operation of the MLMU, Oxy proposed a substantial redevelopment program in 1994. Based upon the correspondence I have reviewed, it is clear that Hartman objected to the redevelopment program and voiced a desire to go non-consent with respect to Oxy's proposal. Oxy wrote Hartman by letter dated August 19, 1994 denying that Hartman and other MLMU working interest owners have the right to go non-consent with respect to unit operations. In my opinion, Oxy's position is contrary to the prescription of NMSA 1978 § 70-7-7F. and Order R-6447 which was ratified in writing by the working interest owners. It requires the agreement to provide for a right of a working interest owner to elect to go non-consent and be carried on a limited, carried or net-profits basis, payable solely out of production.

18. Where the governing instruments provide for the right of a working interest owner to be a non-consenting party and become a carried interest, it is standard practice in the industry for an operator, when proposing unit operations, to circulate an Authority for Expenditure as the means by which a working interest owner can consent or withhold consent to the expenditure. None of the Oxy's AFEs related to the 1994 redevelopment program and subsequent proposals that I have seen, contain

any method by which a working interest owner could disclose an election to go non-consent.

19. I have reviewed the Motion to Dismiss filed by Oxy in this case, whereby Oxy contends that Hartman cannot seek enforcement of Order R-6447, because the interests of Hartman's predecessors-in-interest in the MLMU allegedly were not statutorily unitized or otherwise subject to the terms of the application for statutory unitization for the MLMU filed by Getty Oil Company in 1980 or Order R-6447.

20. As I understand Oxy's position it is that any owner who committed to the unit voluntarily before statutory unitization has no right to go non-consent and must always pay his or her share of any unit expense undertaken by the operator; that conversely, the holdout owners whose interests were compulsorily unitized do have the benefit of electing to be a non-consent party and to do so without penalty. Oxy's position is inconsistent with the express terms of Getty's Application in Case No. 6987, the testimony offered in support of the application, the express terms of Order R-6447 and the letter and spirit of the New Mexico Statutory Unitization Act. The MLMU statutory unitization order is very similar to many such orders issued by the Commission and the Division in statutory unitization proceedings. They uniformly provide that all MLMU mineral interests were approved for statutory unitization and that the interest of "all persons" within the unit area were thereby unitized "whether or not such persons have approved the Unit Agreement or the Unit Operating Agreement in writing." The finding in paragraph 21(b) of Order R-6447, which found or prescribed a provision for carrying any working interest owner in the MLMU, does not limit its application to those working interest owners who had not previously agreed to voluntarily unitize.



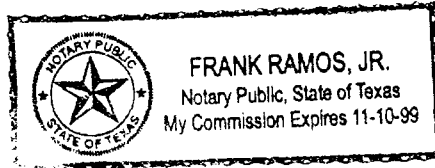
FURTHER AFFIANT SAYETH NOT.

Bruce M. Kramer  
Bruce M. Kramer

SUBSCRIBED AND SWORN before me on this 23<sup>rd</sup> day of June, 1997  
by Bruce M. Kramer.

Frank Ramos Jr.  
Notary Public

My Commission Expires:  
11-10-99



**CERTIFICATE OF SERVICE**

I hereby certify that I have caused a true and correct copy of Bruce M. Kramer's Affidavit in Support of Hartman's Opposition to Oxy's Motion to Dismiss to be hand-delivered on this \_\_\_\_\_ day of June, 1997 to the following counsel of record:

William F. Carr  
Campbell, Carr, Berge & Sheridan  
110 N. Guadalupe, Suite 1  
Santa Fe, New Mexico 87501

Thomas W. Kellahin  
Kellahin & Kellahin  
117 N. Guadalupe  
Santa Fe, New Mexico 87501

\_\_\_\_\_  
Michael J. Condon

## B

## SUMMARY OF NEW MEXICO STATUTORY UNITIZATION

Cum. Cl.	Case No.	Order No.	Order Date	Order Format	Mineral Interests Unaffiliated (NHO/ROD/ ALL)	Status/Conformity Finding	Statutory UOA Non-Consent Provision	Applicant	Unit	County	Pool	Formation	Acres/ Approved
1	5598	R-5164	2/17/76	DLQU	ALL	Yes	Yes	Burk Royalty Company	Double L-Queen Unit	Chaves	Double L-Qn Assoc.	Qn	2,670.1
2	5970	R-5498	8/9/77	DLQU	ALL	Yes	Yes	Teneco	Central Vacuum Unit	Lea	Vacuum Gb-SA	Gb-SA	3,046.2
3	6069	R-5543	12/21/77	DLQU	ALL	Yes	Yes	ARCO	East Blinebry Unit	Lea	Blinebry Oil & Gas	Blinebry	3,080
4	6070	R-5594	12/21/77	DLQU	ALL	Yes	Yes	ARCO	East Drinkard Unit	Lea	Drinkard	Drinkard	3,080
5	8328	R-5817	9/26/78	DLQU	ALL	Yes	Yes	Marathon, Inc.	Marathon Jalmat Yates Unit	Lea	Jalmat	Y-Qn	560
6	8366	R-5871	11/21/78	DLQU	ALL	Yes	Yes	Phillips Petroleum Company	Essex Vacuum Grayburg San Andres Unit	Lea	Vacuum Gb-SA	Gb-SA	7,025.3
7	8652	R-6198	11/30/79	NHGBSAU	ALL	Yes	Yes	Shell Oil Company	North Hobbs Grayburg-San Andres Unit	Lea	Hobbs Gb-SA	Gb-SA	10,649.53
8	8887	R-6447	8/27/80	NHGBSAU	ALL	Yes	Yes	Getty Oil	Myers Langlois Mattox Unit	Lea	Langlois Mattox	7R Qn	9,360
9	7301	R-6947	4/23/82	NHGBSAU	ALL	No		Harvey E. Yates Company	Travis-Penn Unit	Eddy	Travis-Upper Pennsylvanian	Casco Canyon	480
10	7596	R-7011	6/30/82	NHGBSAU	ALL	Yes	Yes	Yates Drilling Company	South Loco Hills (Grayburg) Unit	Eddy	Loco Hills Qn-Gb-SA	Gb-LoCo Hills Sand	1,050
11	7594	R-7251 Dismissed	4/5/83					Harvey E. Yates Company	Carbonate Unit	Lea	North Young	Bone Spring	
12	7945	R-7375-A	5/9/84	NHGBSAU (H)	ALL	Yes	Yes	J. Cleo Thompson & James Cleo Thompson Jr.	West Square Lake Unit	Eddy	West Square Lake Field	Gb-SA	3,320
13	8397	R-7765	12/27/84	DLQU-NHGBSAU	ALL	Yes	Yes	Gulf Oil Corporation	Eunice Monument South Unit	Lea	Eunice Monument Oil	Gb-SA	14,189.84

# SUMMARY OF NEW MEXICO STATUTORY UNITIZATION APPLICATIONS AND ORDERS

Cum. Ct.	Case No.	Order No.	Order Date	Order Formed	Mineral Interests Unitized (NMOU/2001 ALL)	Statute Conformity Finding	Statutory UOA Non-Consent Provision	Applicant	Unit	County	Pool	Formation	Acres Approved
14	8779	R-8117	1/6/86	NHGBSAU	ALL	Yes	Yes	Murphy Operating Corporation	Built San Andres Unit	Roosevelt	Bluff-SA Assoc.	SA	1,800
15	8952	R-8344	11/7/86	DLQU	ALL	Yes	Yes	Benson-Morlin Greer Drig Corp.	Canada Oryins Unit	Rio Arriba	West Puerto Chiquito-Mancos Oil	Mancos	69,567.235
16	9231	R-8540	11/9/87	NHGBSAU	ALL	Yes	Yes	Shell Western E & P Inc.	Northeast Drinkard Unit	Lea	North Eunice Blinbry-Tubb-Drinkard O & G	Blinbry-Tubb-Drinkard	4,938
17	9210	R-8557	12/2/87	NHGBSAU	ALL	Yes	Yes	Palo Oil Company	Twin Lakes San Andres Unit	Chaves	Twin Lakes SA Assoc.	SA	4,963.82
18	9006	R-8905	4/12/89	NHGBSAU	ALL	Yes	Yes	Read & Stevens, Inc.	Bunker Hill Unit	Eddy	Bunker Hill Penrose Assoc.	Penrose	1,350
19	9638	R-8920 Dismissed	5/5/89					Grand Resources Inc	Mesa Gallup Unit	San Juan	Mesa-Gallup Oil	Gallup	
20	9738	R-9078	10/30/89	NHGBSAU	ALL	Yes	Yes	Kell Oil and Gas, Inc.	Cato San Andres Unit	Chaves	Cato-SA	SA	15,321.83
21	9809	R-9075	12/14/89	NHGBSAU	ALL	Yes	Yes	Yates Drilling Company	Cactus Queen Unit	Chaves	SE Chaves On Gas Area Assoc.	On	560
22	10062	R-9336	10/29/90	NHGBSAU <sup>(a)</sup>	ALL	Yes	Yes	OXY USA, Inc.	Central Corbin Queen Unit	Lea	Central Corbin On	On	1,561.19
23	10102	R-9358	11/13/90	NHGBSAU	ALL	Yes	Yes	Sage Energy Company	North Vacuum (Also) North Unit	Lea	North Vacuum-Abn	Abn	1,762.79
24	10153	R-9454	3/12/91	NHGBSAU <sup>(a)</sup>	ALL	Yes	Yes	Boach Exploration Inc.	Red Lake Unit	Eddy	East Red Lake-On-Gb	On	1,131.24
25	10259	R-9482	4/8/91	NHGBSAU	ALL	Yes	Yes	Chertkov, USA, Inc.	Arrowhead Grayburg Unit	Lea	Arrowhead Gb	Gb	5,922.26
26	10253	R-9494	5/1/91	DLQU-NHGBSAU	ALL	Yes	Yes	Amerasia Hess Corporation	North Monument Grayburg-San Andres	Lea	Eunice Monument-Gb-SA	Gb-SA	13,385
27	10341	R-9548	7/22/91	NHGBSAU	ALL	Yes	Yes	Marathon Oil Company	Tamano (BSSC) Unit	Eddy	Tamano-Bone Spring	Bone Spring Second Carbonate	680

# SUMMARY OF NEW MEXICO STATUTORY UNITIZATION APPLICATIONS AND ORDERS

Cum. Ct.	Case No.	Order No.	Order Date	Order Format	Mineral Interests Unitized (WHORROW ALL)	Statute Conformity Finding	Statutory UOA Non-Consent Provision	Applicant	Unit	County	Pool	Formation	Acreage Approved
28	10515	R-9710	8/25/92	NHGBSAU	ALL	Yes	Yes	Texaco Expl. & Prod. Inc.	Vacuum Glorieta West Unit	Lee	Vacuum-Glorieta	Glorieta-Paddock	2,778.86
29	10553	R-9746	10/23/92	DLQU-NHGBSAU	ALL	Yes	Yes	ARCO Oil & Gas Company	South Justis Unit	Lee	South Justis Blinkey-Tubb-Drinkard	Blinkey-Tubb-Drinkard	5,360
30	10618	R-9821	1/6/93	NHGBSAU	ALL	Yes	Yes	Serie Oil & Gas Company	Pathway Delaware Unit	Eddy	Pathway-Delaware	Delaware	920
31	9836	R-9881 Dismissed	3/23/93					Grand Resources, Inc.	Mesa Gallup Unit	San Juan	Mesa-Gallup Oil	Gallup	
32	10685	R-9894 R-9894 A	5/19/93	NHGBSAU	ALL	Yes	Yes	Hanson Operating Company, Inc.	Benson Shugart Waterflood Unit	Eddy	Shugart Y/R On-Gb	Y/R-On-Gb	911
33	10761	R-9985	10/13/93	NHGBSAU	ALL	Yes	Yes	Mowbourn Oil Company	Querecho Plains Bone Spring Sand Unit	Lee	Querecho Plains-Upper Bone Spring	Upper Bone Spring	2,400
34	10810	R-7900-A	10/28/93	NHGBSAU	ALL	Yes	Yes	Maribou Energy Corporation	Burch-Korty Unit	Eddy	Gb-Jackson	7R On Gb-SA	5,149.44
35	10890	R-10033	4/5/94	CMU	ALL	Yes	No	The Wiser Oil Company	Caprock Majamar Unit	Lee	Majamar Gb-SA	Gb-SA	4,160
36	10959	R-10123	5/31/94	NHGBSAU	ALL	Yes	Yes	Mowbourn Oil Company	Querecho Plains-Queen Assoc. Sand Unit	Lee	Querecho Plains-On Assoc.	On-Pennine Sand	1,520
37	11114	R-10248	11/15/94	NHGBSAU	ALL	Yes	Yes	Great Western Drilling Co.	South Celler (San Andres) Unit	Lee	South Celler-SA	SA	624
38	11195	R-10449	8/29/95	NHGBSAU	ALL	Yes	Yes	Gillespie-Crow, Inc.	West Livingston Strawn Unit	Lee	West Livingston Strawn	Strawn	1,458.95
39	11298	R-10460 B	3/12/96	NHGBSAU	ALL	Yes	Yes	Eaton Corp.	Avalon (Delaware) Unit	Eddy	Avalon-Delaware	Coal Seep Reef Bone Springs-Cherry Canyon-Bushy Canyon	2,118.78
40	11562	R-10740 Dismissed	1/27/97					Shahara Oil Corp.	Shahara State 16 Unit	Lee			
41	11703	"	"					Parker & Parsley Dev., L.P.	Lusk West (Delaware) Unit	Lee	West Lusk Delaware		

# **SUMMARY OF NEW MEXICO STATUTORY UNITIZATION APPLICATIONS AND ORDERS**

Cum. CL	Case No.	Order No.	Order Date	Order Formal	Mineral Interests Unitized (NIMOCU ALL)	Statute Conformity Finding	Statutory UOA Non-Consent Provision	Applicant	Unit	County	Pool	Formation	Acres Approved
42	11724	(4)						Gillespie Crm. Inc	West Lovington Strawn	Lee	West Lovington-Strawn	Strawn	

**Footnotes:**

- (1) Statutory Unitization approved by 100% of the Working Interest Owners but less than 100% of the Royalty Interest Owners.
- (2) At the statutory unitization hearing, Oxy's attorney agreed to the exclusion of a non-consent penalty against non-consenting parties.
- (3) Non-consent penalty reduced by NIMOCU from 400% to 200%.
- (4) Per Florene Davidson, OGD orders not issued as of 6-6-97.

## RATIFICATION AND APPROVAL

OF THE PLAN FOR UNIT OPERATIONS

AS STATED IN THE UNIT AGREEMENT AND

UNIT OPERATING AGREEMENT OF THE

MYERS LANGLIE-MATTIX UNIT

LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS, THAT:

For consideration and the purposes stated in those certain agreements, entitled as above, both being dated January 1, 1973, and to obtain the benefits of unitized management, operation and further development of the oil and gas properties in the Myers Langlie-Mattix Unit pursuant to New Mexico Oil Conservation Commission Order No. R-6447 entered on August 27, 1980, approving statutory unitization of the Myers Langlie-Mattix Unit, the undersigned (whether one or more) represents that it is a Working Interest Owner within the meaning of that term as used in the captioned Unit Agreement and, as such, does hereby consent to ratify and approve the plan for unit operations contained in the captioned Unit Agreement and Unit Operating Agreement, said Agreements being incorporated herein by reference and said plan for unit operations having been approved by the New Mexico Oil Conservation Commission in Order No. R-6447.

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

The undersigned hereby acknowledges receipt of copies of said New Mexico Oil Conservation Commission Order No. R-6447, Unit Agreement and Unit Operating Agreement and further acknowledges that the plan for unit operations prescribed in said documents has been ratified and approved and unconditionally delivered on the date set out hereinbelow.

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

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

EXHIBIT

C

GETTY OIL COMPANY

DEC - 5 1980

MIDLAND DISTRICT  
PRODUCTION DEPARTMENT

IN WITNESS WHEREOF, this instrument is executed this 26<sup>th</sup>  
day of November, 1980.

Cities Service Company

L. H. Stayton Vice President



H. E. Bockelken  
ASSISTANT SECRETARY

STATE OF Oklahoma )  
COUNTY OF Tulsa ) ss.

SUBSCRIBED AND SWORN TO before me this 26<sup>th</sup> day of  
November, 1980.



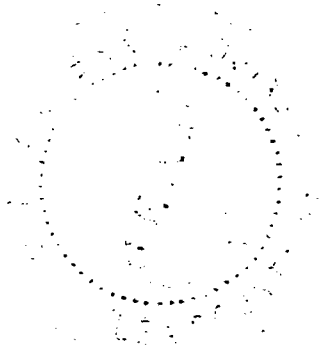
Cindy Thompson  
Notary Public Cindy Thompson

My Commission Expires:  
FEBRUARY 8, 1984

STATE OF NEW MEXICO  
COUNTY OF LEA  
FILED

JAN 6 1981

at 11:05 o'clock A.M  
and recorded in Book 382  
Page 584  
Donna Bengé, County Clerk  
By DL Deputy





**CURRICULUM VITA**

**BRUCE MORRIS KRAMER**  
3728 64th Drive  
Lubbock, Texas 79413  
Telephone: (806) 799-1562

Birthdate: May 26, 1947  
Birthplace: Brooklyn, N.Y.  
Marital Status: Married  
Children: Four

**EDUCATION:**

B.A. 1968, J.D. 1972  
University of California at Los Angeles

LL.M. 1975  
University of Illinois, College of Law

**BAR ADMISSIONS:**

California and Texas

**EMPLOYMENT:**

Private Practice  
Los Angeles, California  
June 1972 - August 1973

Assistant Professor (1974-1977)  
Associate Professor (1977-1979)  
Professor (1979-1992)  
Maddox Professor (1992-Present)  
School of Law, Texas Tech University

Visiting Professor  
Indiana University School of Law (Bloomington) (Fall 1979);  
Lewis & Clark Law School (Summer 1980); University of  
Florida, Holland Law Center (1982-1983); University of  
Texas, School of Law (Summer 1987).

**BOOK PUBLICATIONS:**

Martin & Kramer, Williams & Meyers Oil & Gas Law (1996).

Maxwell, Williams, Martin & Kramer, Cases and Materials on Oil &  
Gas Law. (Foundation Press) (6th ed. 1992) with Teacher's  
Manual.

Maxwell, Williams, Martin & Kramer, Cases and Materials on Oil &  
Gas Law. (Foundation Press) - 1996 Supplement.

Kramer & Martin, The Law of Pooling & Unitization - Volumes I-IV.  
(Matthew Bender & Co.) (1989).

**EXHIBIT**

*A*

Kramer & Martin, *The Law of Pooling & Unitisation*. (Matthew Bender & Co.) - 1990, 1991, 1992, 1993, 1994, 1995 and 1996 Supplements.

Antieau, *Municipal Corporation Law*. (Matthew Bender & Co.)  
Chapter 11A - Statutes Governing Local Governmental Tort Liability

Powell, *Real Property*. (Matthew Bender & Co.)  
Chapter 77 - Accretion (1989, 1994)  
Chapter 79A - Flood Plain Zoning

Rohan, *Home Owner Associations and Planned Unit Developments*.  
(Matthew Bender & Co.)  
Chapter 3 - Planned Unit Development

Rohan, *Zoning and Land Use Controls*. (Matthew Bender & Co.)  
Chapter 5 - Contract and Conditional Zoning  
Chapter 42 - Measurement Controls

Rose, J. (editor). *Tax and Expenditure Limitations* (2 chapters)  
(1982).

Givens, R. (editor). *Legal Strategies for Industrial Innovation*  
(1 chapter - State and Local Regulation of Innovation) -  
(1982 with 1983, 1984, 1985 and 1986 Supplement).

Kramer, *Legal Aspects of Use and Development of Wildlife Resources on Private Lands: Colorado, Kansas, New Mexico, Oklahoma, and Texas* - Great Plains Agricultural Council  
(U.S. Dep't of Agriculture - 1982).

#### LAW REVIEW PUBLICATIONS:

Kramer, *Modern Applications of the Rule Against Perpetuities to Oil and Gas Transactions: What the Duke of Norfolk Didn't Tell You*, \_\_\_\_ Nat. Res. J. \_\_\_\_ (1996).

Kramer, *Local Land Use Regulation of Extractive Industries: Evolving Judicial and Regulatory Approaches*, 14 UCLA Journal of Env'tl. Law & Policy 42 (1996).

Kramer, *Lease Maintenance for the Twenty-First Century: Old Oil & Gas Law Doesn't Die, it Just Fades Away*, 41 Rocky Mtn Min.L. Inst. 15-1 (1995).

Kramer, *Current Decisions on State & Federal Law in Planning and Zoning*, 1995 Inst. on Zon., Plan. & Em. Dom. 1-1.

Kramer, *The Interaction Between the Common Law Implied Covenants to Prevent Drainage and Market and the Federal Oil and Gas Lease*, 15 J. of Energy, Nat. Res. & Env'tl L. 1-1 (1995).

**BRUCE MORRIS KRAMER**

**Curriculum Vita**

**Page 3**

Kramer, *Liability to Royalty Owners for Proceeds from Take or Pay and Settlement Monies*, 15 East. Min'l. L. Inst. 14-1 (1994).

Kramer, *Property & Oil & Gas Don't Mix: The Mangling of Common Law Property Concepts*, 33 Wash. L.J. 540 (1994).

Kramer, *Current Decisions on State & Federal Law in Planning and Zoning*, 1994 Inst. on Zon., Plan. & Em. Dom. 1-1.

Kramer, *Royalty Interests in the United States: Not Cut From the Same Cloth*, 29 Tulsa L.J. 449 (1994).

Kramer, *Recent Developments in Land Use Law*, 1993 Inst. on Zon., Plan. & Em. Dom. 1-1.

Kramer, *Recent Developments in Non-Regulatory Oil & Gas Law*, 42 Inst. on Oil & Gas L. and Tax'n 1-1 (1993).

Kramer, *The Sisyphean Task of Interpreting Mineral Deeds & Leases: An Encyclopedia of Canons of Construction*, 24 Tex. Tech L. Rev. 1 (1993).

Kramer, *The Mother Hubbard Clause in Mineral Deeds & Leases*, 13 East Min'l L. F. Inst. 12-1 (1992).

Kramer, *Recent Developments in Land Use Law*, 1992 Inst. on Zon., Plan. & Em. Dom. 1-1.

Kramer, *The Temporary Cessation Doctrine: A Practical Response to an Ideological Dilemma*, 43 Baylor L. Rev. 519 (1991).

Kramer, *Conveying Mineral Interests - Mastering The Problem Areas Estates*, 27 Tulsa L.J. 175 (1991).

Kramer, *Recent Developments in Land Use Law*, 1991 Inst. on Zon. Plan. & Em. Dom. 1-1.

Kramer & Martin, *Jurisdiction of Commission and Court: The Public Right/Private Right Distinction in Oklahoma Law*, 26 Tulsa L.J. 535 (1990).

Kramer, *Recent Developments in Land Use Law: Evolving Constitutional and Common Law Principles*, 1990 Inst. on Zon., Plan. & Em. Dom. 1-1.

Kramer, *Recent Developments in Land Use Law: Back to the Basics*, 1989 Inst. on Zon., Plan. & Em. Dom. 4-1.

Kramer, *Royalty Obligations for Take or Pay and Settlement Payments: Lessees Under the Gun*, 39 Inst. on Oil & Gas L. & Tax'n 5-1 (1988)

Kramer, *Recent Developments in Land Use and Environmental Law*, 1988 Inst. on Zon., Plan. & Em. Dom. 5-1.

- Kramer, *Compulsory Pooling and Unitization: State Options in Dealing with Uncooperative Owners*, 7 J. of Energy L. & Policy 255. (1986).
- Kramer and Pearson, *The Implied Marketing Covenant in Oil and Gas Leases: Some Needed Changes for the 80's*, 46 La. L. Rev. 787 (1986).
- Kramer, *Developmental Conflicts: The Case for Reciprocal Accommodation*, 21 Hous. L. Rev. 49 (1984) (reprinted in 22 Public Land & Resources Law Digest 10 (1985)).
- Kramer, *Transboundary Air Pollution and the Clean Air Act: An Historical Perspective*, 32 Kans L. Rev. 181 (1983).
- Kramer, *Pooling and Unitization Orders - Application of Administrative Law Principles*, 34 Inst. on Oil and Gas Law and Taxation 259 (1983).
- Kramer, *Development Agreements: To What Extent Are They Enforceable*, 10 Real Estate L.J. 29 (1981).
- Kramer, *Section 1983 and Municipal Liability: Selected Issues Two Years After Monell v. Department of Social Sciences*, 12 Urban Lawyer 232 (1980) - reprinted in Freilich & Carlisle, (ed.) *Section 1983: Sword and Shield* (ABA 1983).
- Kramer, *Air Quality Modeling: Judicial, Legislative and Administrative Reactions*, 5 Col. J. Env. Law 236 (1979).
- Kramer, *The 1977 Clean Air Act Amendments: A Tactical Retreat From the Technology-Forcing Strategy*, 15 Urban Law Annual 103 (1978).
- Kramer, *Economics, Technology and the Clean Air Amendments of 1970: The First Six Years*, 6 Ecol. L.Q. 161 (1976).
- Kramer, *The Clean Air Amendments of 1970: Federalism in Action or Inaction?*, 6 Tex. Tech L. Rev. 47 (1974).
- Book Review, Kaiser & Mertes, *Acquiring Parks and Recreation Facilities Through Mandatory Dedication: A Comprehensive Guide*, 19 Urban Lawyer 671 (1987).
- Book Review, Mandelker, *Land Use Law and Peterson and McCarthy, Handling Zoning and Land Use Litigation: A Practical Guide*, 15 Urban Lawyer 671 (1983).
- Book Review, Cook, *Zoning for Downtown Urban Design*, 15 Urban Lawyer 533 (1983).
- Book Review, Williams, *American Land Planning Law: Cases and Materials* (2 vol.), 7 Ecol. L.Q. 1045 (1979).

OTHER PUBLICATIONS: (Partial Listing)

*The Pros and Cons of Mandatory Dedication* (with J.D. Mertes),  
Urban Land (April 1979) reprinted in *V Management & Control  
of Growth*, 59-63 (Urban Law Inst. 1980).

*An Analysis of State Laws and Regulations Impacting Animal Waste  
Management* (with G. Whetstone and D. Wells) (U.S.  
Environmental Protection Agency) (1977).

*A Review and Summary of State Laws Regarding the Disposal of  
Reservoir Clearing and Cleaning Debris* (with L. Urban and G.  
Whetstone) (Corps of Engineers) (1978).

*An Analysis of Federal Statutes Impacting Forest Service Planning  
and Management Responsibilities* (with F. Skillern and C.  
Bubany) (Vol. I - Planning Sheets, Vol. II - Comprehensive  
Review).

*Air Quality Modeling* (Invited Paper), American Meteorological  
Society/Air Pollution Control Agency, Second Joint  
Conference on Applications of Air Pollution Meteorology  
(March 24-27, 1980).

*Contract Zoning: Old Myths and New Realities* - American Planning  
Association - Planning Advisory Service Publication Series  
(Summer 1982).

*Forest Resource Laws* in Wenger, (ed.) *Forestry Handbook* (2d ed.  
1984) (with Siegler and Mertes).

(Since 1980 I have prepared papers and given speeches at  
approximately 60-70 continuing education programs sponsored by  
such groups as the State Bar of Texas, State Bar of Wyoming,  
Eastern Mineral Law Foundation, Southwestern Legal Foundation,  
Rocky Mountain Mineral Law Foundation, Texas Tech University  
School of Law and the University of Texas School of Law.)

UNIVERSITY SERVICE:

Member and Chair of various Law School and University Committees  
including Personnel, Curriculum, Faculty Development, Affirmative  
Action, Intellectual Property Policy, Faculty Grievance Panel,  
and Athletic Council.

PROFESSIONAL AWARDS:

Texas Tech University President's Academic Achievement Award -  
1995-1996

State Bar of Texas, Oil, Gas & Mineral Law Section Research Grant -  
Summer 1991

Texas Tech University Dub Rushing Research Award - 1986-1987,  
1992-1993

Texas Tech University Dad's Association Research Award -  
1980-1981

PROFESSIONAL SERVICE: (Partial Listing)

Indexing Author  
Southwestern Legal Foundation, Oil and Gas Reporter -  
Volumes 59-124 (Matthew Bender & Co.)

Council Member  
State Bar of Texas, Oil Gas & Mineral Law Section -  
1991-1994

Participant  
Seventh Annual Law and Economics Symposium, San Diego,  
California July 29 - August 20, 1976

Consultant  
U.S. Environmental Protection Agency, Workshop on Air  
Quality Modeling, Airlie House, Virginia May 3-7, 1981

Member and Treasurer  
Advisory Board, Municipal Legal Studies Center, Southwestern  
Legal Foundation

Member  
Editorial Board, Oil & Gas Reporter, Southwestern Legal  
Foundation

Interim Director and Research Associate  
Applied Planning Research Institute of Municipalities,  
Environments and Regions, Texas Tech University (January  
1985 - 1989)

Contributing Author  
State Bar of Texas, General Practice Digest - Governmental  
Entities, 1988-Present

Member and Chair  
State Bar of Texas, Oil, Gas & Mineral Law Specialization  
Exam Committee, 1990-Present

Trustee  
Rocky Mountain Mineral Law Foundation, 1989-present.  
Eastern Mineral Law Foundation, 1990-present.

**BRUCE MORRIS KRAMER**  
Curriculum Vita  
Page 7

**Consultant or Expert Witness**

Campbell & Carr, Santa Fe, N.M.  
Gene Gallegos, Esq., Santa Fe, N.M.  
Fullbright & Jaworski, Houston, TX  
City of Garland, TX.  
Southwestern Bell Telephone, Dallas, TX  
Feez Ruthning, Brisbane, Australia  
Matthews & Branscomb, Corpus Christi, TX  
Faulkner, Banfield, Doogan & Holmes, Juneau, AK  
Amoco Production Co., Houston, TX  
Exxon Corp., Houston, TX

**OTHER RESEARCH PROJECTS:**

**Legal Advisor and Associate Investigator**

U.S. Environmental Protection Agency project, "Analysis of State Laws and Regulations Impacting the Management of Animal Wastes" October 1976 - November 1977.

**Legal Advisor**

U.S. Corps of Engineers project, "Review of Environmental Laws Impacting Disposal of Reservoir Clearing and Cleaning Debris" May 1977 - November 1977.

**Associate Investigator**

U.S. Forest Service project, "Review of Federal Laws and Regulations that Affect the Land Management and Planning Process" April 1977 to December 1980.

**Co-Principal Investigator**

Texas Tech University, Center for Energy Research Project, "Model Ordinances - Covenants for the Solar Energy Residence" October 1, 1977 - September 30, 1979.

**Principal Investigator**

U.S. Forest Service project, "Legal Constraints on Rural Recreation Wildland Development" June 1978 - December 1979.

**Principal Investigator**

U.S. Forest Service project, "Legal Constraints Imposed by the Clean Air Act on Recreational Land Use Planning" March 1979 - December 1980.

**Principal Investigator**

U.S. Forest Service project, "Legal Aspects of Use and Development of Wildlife Resources on Private Lands" May 1979 - December 1980.

**Principal Investigator**

Texas Energy & Natural Resources Advisory Council project, "The Developing Problem of Reconciling Surface Mining to Oil and Gas Development" March - July 1982

BRUCE MORRIS KRAMER  
Curriculum Vita  
Page 8

**COURSES TAUGHT:**

Property  
Land Use Planning  
International Petroleum  
Transactions  
Oil & Gas

Water Law  
Copyright  
Oil & Gas Seminar  
State and Local Government Law

**REFERENCES:**

will be furnished on request.