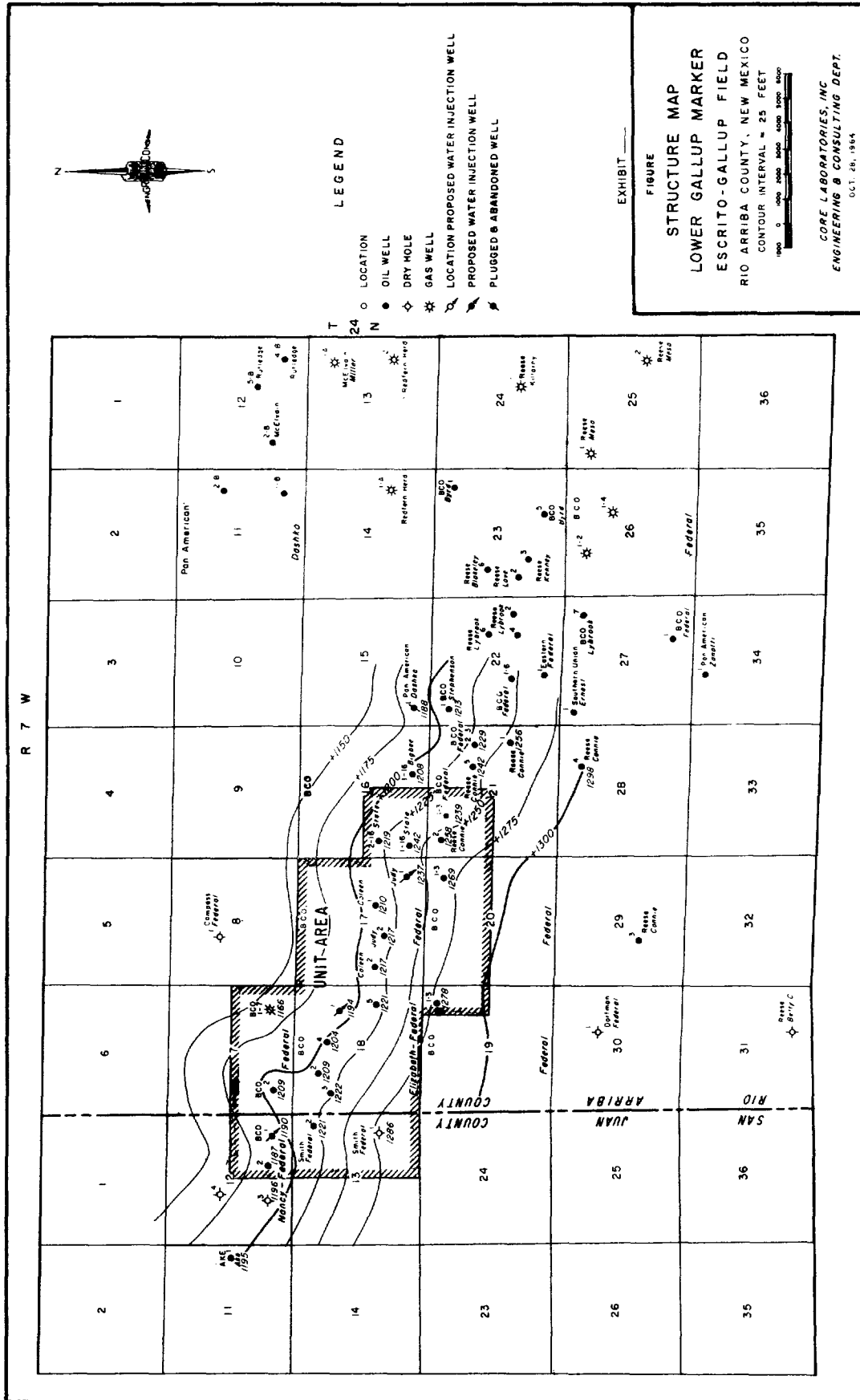


BEFORE EXAMINER NUTTER
CIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 2010-01-001

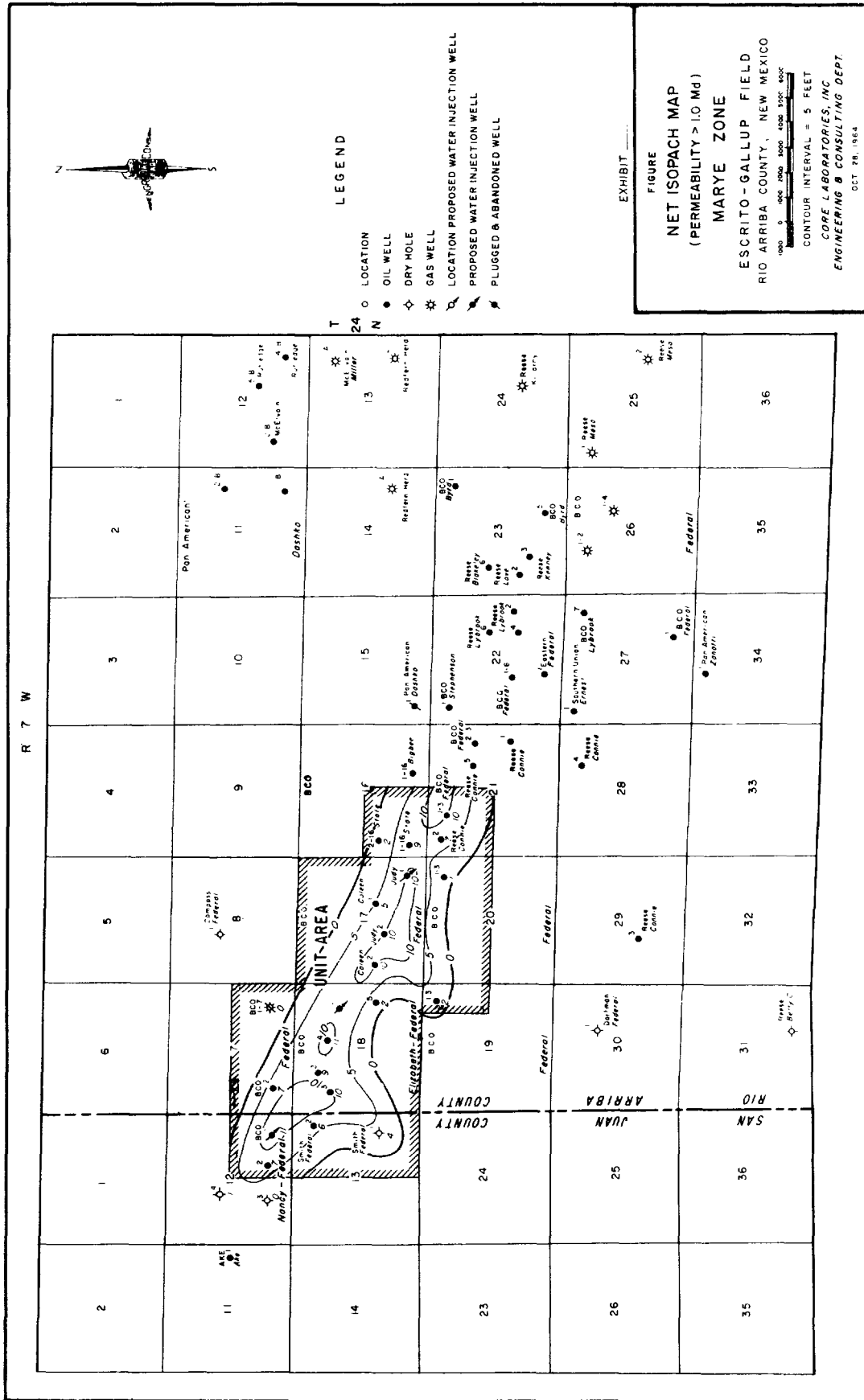


BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 314-301



BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3113-3114

WELL STATUS AND PRODUCTION SUMMARY
UNIT AREA
ESCRITO GALLUP POOL

Rio Arriba County, New Mexico

Operator Lease	Well No.	Location			Completion Date	Total Depth (Ft.)	Production Casing		Perforated Interval	Well	CURRENT STATUS		
		UL	S	T			Size (in.)	Depth (ft.)			Oil (bbls.)	Water (bbls.)	Prod. to 9-1-64
BCO, Inc. Coleen Federal	1	J	17	24	7 5-17-60	5215	4-1/2	5215	5128-56	Pump	-	-	54,127
	2	L	17	24	7 6-15-60	6102	4-1/2	6102	5990-6014, 6032-44	Gas Lift	535	-	65,320
Elizabeth Federal	1	H	18	24	7 10-7-60	7227	5-1/2	7227	6108-33	Pump	-	-	57,275
	2	C	18	24	7 11-11-60	6110	4-1/2	6110	5974-86, 6014-22	Pump	369	-	69,003
	3	E	18	24	7 12-61	6038	4-1/2	6038	5917-26, 5930-42, 5663-70	Gas Lift	-	-	21,765
	4	G	18	24	7 1-62	6238	4-1/2	6238	6128-44, 6172-78	Pump	-	-	12,931
Federal	5	I	18	24	7 12-61	6112	4-1/2	6100	5986-6016, 6036-42	Shut-In	-	-	2,174
	2	M	7	24	7 4-4-61	6154	5-1/2	6148	6006-22	Flow	59	-	5,396
Federal - 3	1	C	21	24	7 2-61	6188	4-1/2	6188	6076-96	Flow	448	-	48,475
	1	A	19	24	7 11-57	5200	5-1/2	5200	5054-80, 6090-6104	Pump	165	-	16,289
Federal - 3, Report 2	1	A	20	24	7 8-57	6277	7	6277	6113-21, 6128-43	Shut-In	-	-	34,752
Judy Federal	1	P	17	24	7 2-20-60	7239	5-1/2	6313	6110-40	Shut-In	-	-	55,023
	2	K	17	24	7 10-8-60	6110	4-1/2	6110	5832-50, 5896-5906 5926-36	Gas Lift	-	-	50,192
Nancy Federal	1	P	12	24	8 2-61	6203	4-1/2	6203	6104-20, 6147-53	Pump	-	-	62,683
	2	O	12	24	8 12-61	6148	4-1/2	6148	6056-70, 6097-6104	Flow	437	-	24,955
State	1	M	16	24	7 2-1-60	6350	5-1/2	6350	6070-96	Shut-In	-	-	35,644
	2	L	16	24	7 10-60	6140	4-1/2	6140	5905-32	Shut-In	-	-	1,382
Val Reese & Associates, Inc. Comie Federal	2	D	21	24	7 4-27-60	6243	5-1/2	6241	6072-98	Pump	186	-	56,458
Ray Smith Federal	2	A	13	24	8 11-60	6024	4-1/2	6024	5926-34	Flow	412	-	47,895
Total	19 wells										2,611	0	721,729

EXHIBIT
10-28-64

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 5
CASE NO. 2112

SUMMARY OF RESERVOIR PROPERTIES
UNIT AREA
ESCRITO GALLUP POOL

Rio Arriba County, New Mexico

Initial Reservoir Pressure, psig	1842
Reservoir Temperature, °F	155
Initial Formation Volume Factor, vol/vol	1.349
Initial Oil Viscosity, cp.	0.53
Initial Gas-Oil Ratio, cf/bbl.	687
Average Porosity, per cent	12.7
Average Water Saturation, per cent	25.0
Average Capacity, md-ft	276
Net Reservoir Volume, Acre-feet	10,069.7
Net Effective Oil Initially in Place, Bbls.	5,516,000
Maximum Oil Producing Rate (April 1961) Bbl/Day	1,512
Current Oil Producing Rate (August 1964) Bbl/Day	84.2
Current Reservoir Pressure (May 1964) psig	470
Current Gas-Oil Ratio (August 1964) cf/bbl.	8096
Current Water-Oil Ration (August 1964) Bbl/Bbl	0.0
Cumulative Oil Produced to 9-1-64, Bbl.	721,729
Number of wells	19

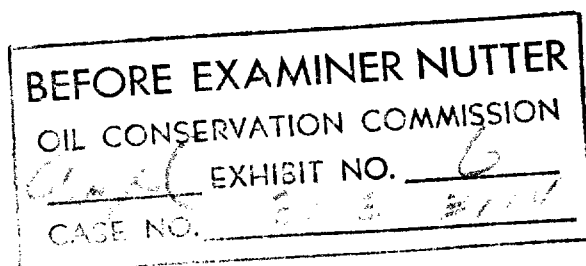


EXHIBIT
10-28-64

PRODUCTION HISTORY
UNIT AREA
ESCRITO GALLUP POOL

Rio Arriba County, New Mexico

Date	No. Wells	Oil (Bbls)	Water (Bbls)	Gas (MCF)
9-57	1	422		
10	1	1,194		
11	1	313		
12	1	600		
Annual Total		2,529	0	0

1-58	1	360		
2	2	486		
3	2	556		
4	2	1,925		
5	2	1,825		
6	2	1,113		
7	2	1,261		
8	2	1,556		
9	2	1,419		
10	2	1,378		
11	2	1,307		
12	2	1,369		
Annual Total		14,555	0	0

1-59	2	1,350		1,742
2	2	1,160		1,531
3	2	1,254		1,657
4	2	1,236		1,586
5	2	1,223		1,579
6	2	1,206		1,571
7	2	1,193		1,557
8	2	1,159		1,549
9	2	1,132		1,147
10	2	1,106		1,118
11	2	699		697
12	2	1,176		1,206
Annual Total		13,894	0	16,940

1-60	2	972		983
2	4	3,315		1,448
3	4	5,958		754
4	5	5,507		1,096
5	6	10,227		1,043
6	7	11,385		2,958
7	7	14,955		3,224
8	7	13,938		3,250
9	7	14,403		3,411
10	9	15,309		3,727
11	10	17,313		4,478
12	11	10,692		4,053
Annual Total		123,974	0	30,425

Date	No. Wells	Oil (Bbls)	Water (Bbls)	Gas (MCF)
1-61	11	22,592		8,260
2	11	23,445		9,866
3	15	24,099	11	9,953
4	15	45,408	18	19,146
5	15	44,152		19,840
6	15	38,005		28,233
7	15	34,931		46,270
8	15	26,938	7	46,244
9	15	20,930	70	47,150
10	15	24,743		48,085
11	15	23,997		60,367
12	17	17,387		56,473
Annual Total		346,627	106	399,887

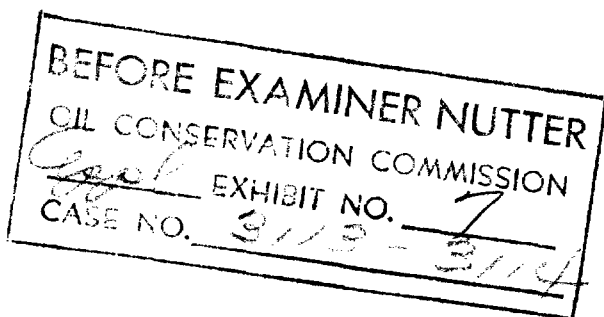
1-62	18	18,997	16	43,154
2	18	13,478	10	54,537
3	18	14,578	1	63,226
4	19	13,839	9	60,894
5	19	17,883		107,063
6	19	13,891	5	110,880
7	19	11,389		90,396
8	19	10,547	2	91,359
9	19	10,159		72,437
10	19	8,830		80,025
11	19	7,478		61,618
12	19	6,826	4	59,963
Annual Total		147,895	47	895,552

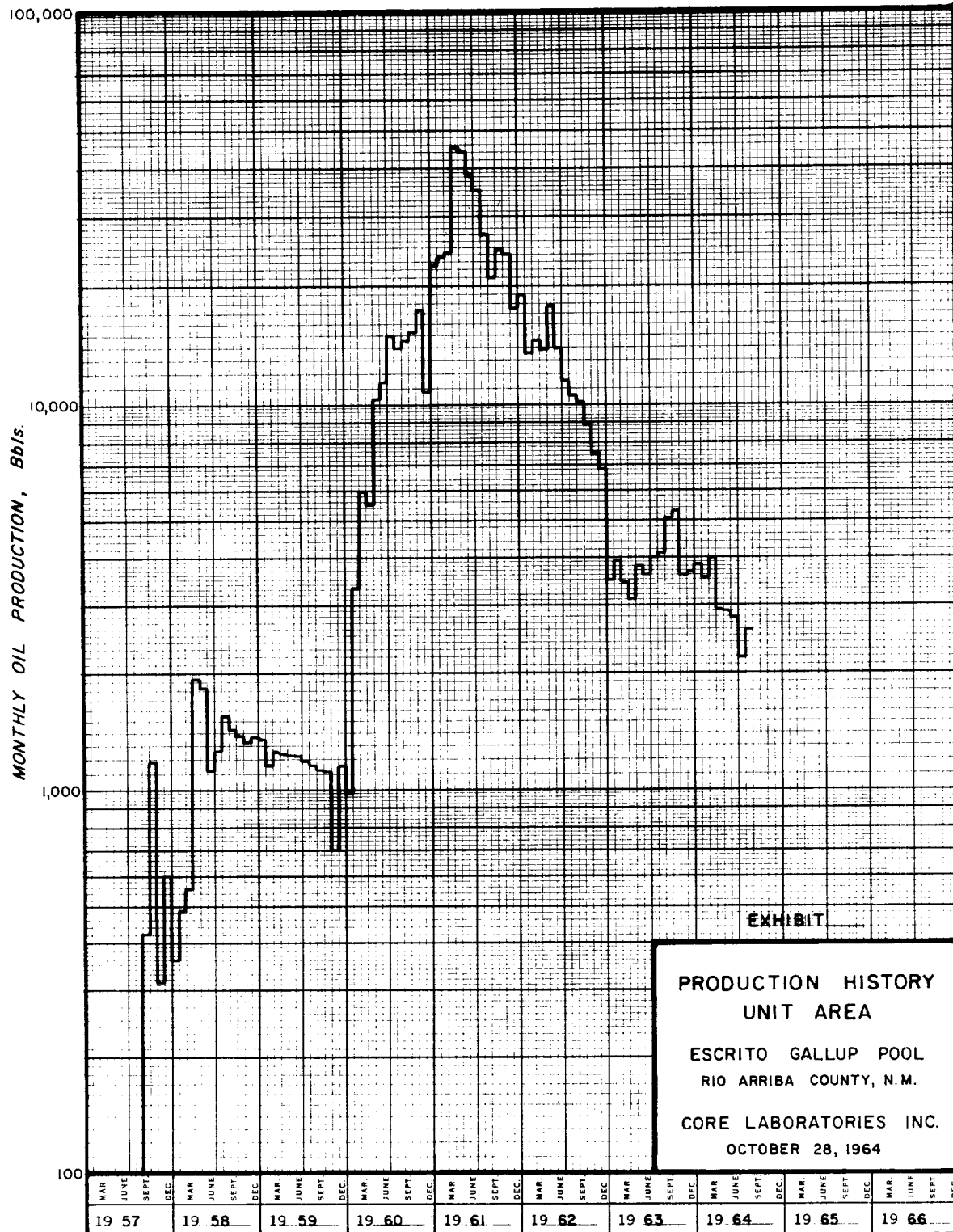
1-63	19	3,513		29,979
2	19	3,919	7	29,501
3	19	3,545	30	25,910
4	19	3,102		23,552
5	19	3,817		28,403
6	19	3,607	64	23,374
7	19	4,019		35,125
8	19	4,135		36,690
9	19	5,086		37,975
10	19	5,330		42,823
11	19	3,649		38,705
12	19	3,679		27,651
Annual Total		47,401	101	379,688

1-64	19	3,889		26,585
2	19	3,576		18,966
3	19	3,985		28,135
4	19	2,899		26,252
5	19	2,892		17,828
6	19	2,800		20,821
7	19	2,202		18,389
8	19	2,611		21,138
Annual Total		24,854	0	178,114

Cum. to 9-1-64 721,729 254 1,900,606

EXHIBIT
10-28-64



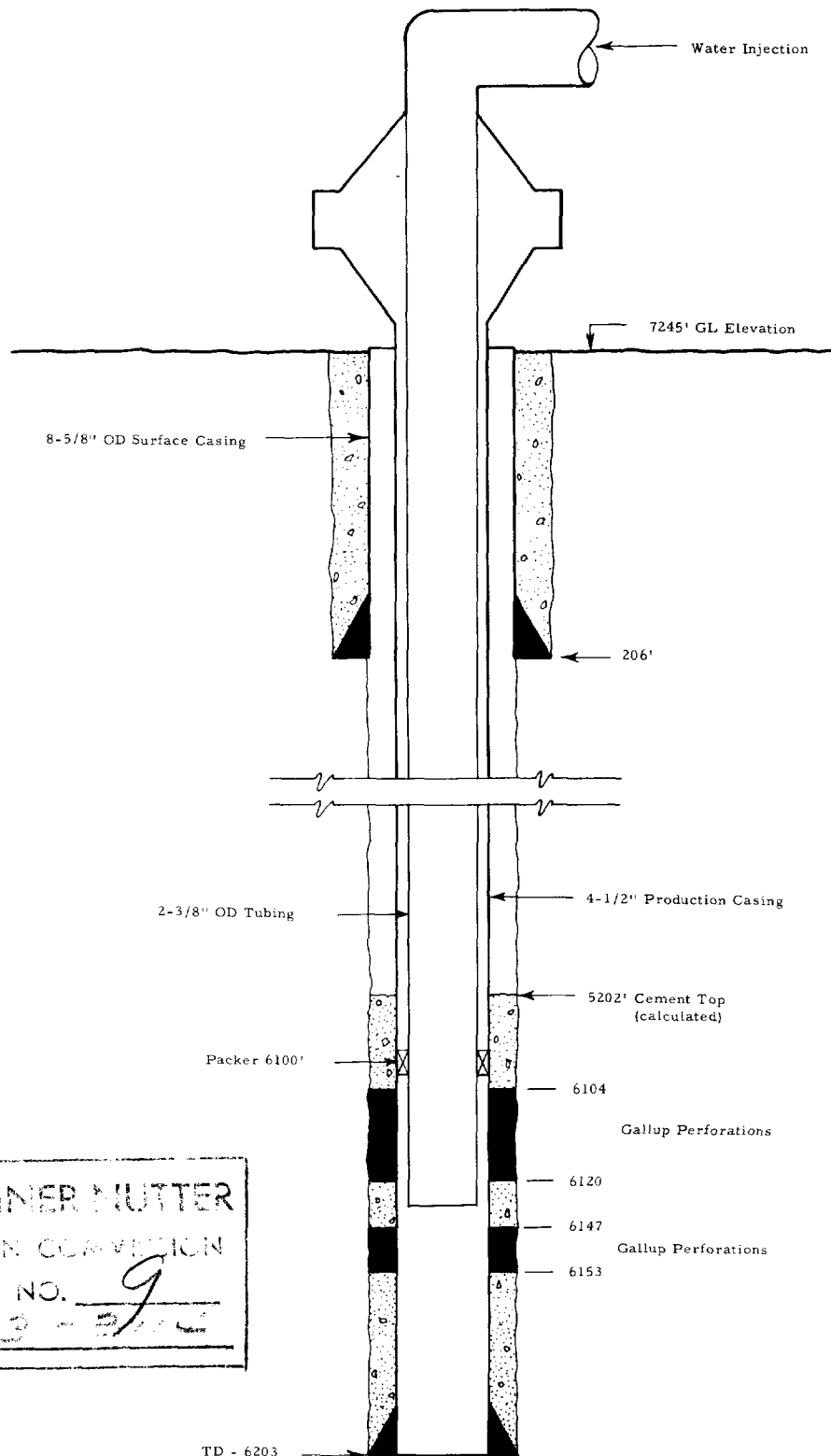


1

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 8
CASE NO. 218-5161

PROPOSED WATER INJECTION WELL

BCO, INC., NANCY FEDERAL NO. 1
Escrito Gallup Pool, Sec. 12, T24N, R8W
San Juan County, New Mexico



BEFORE EXAMINER MUTTER
OBSERVATION COMPLETION
EXHIBIT NO. 9
CASE NO. 3-3-5775

PROPOSED WATER INJECTION WELL

BCO, INC., ELIZABETH FEDERAL NO. 1
Escrito Gallup Pool, Sec. 18, T 24N, R 7W
Rio Arriba County, New Mexico

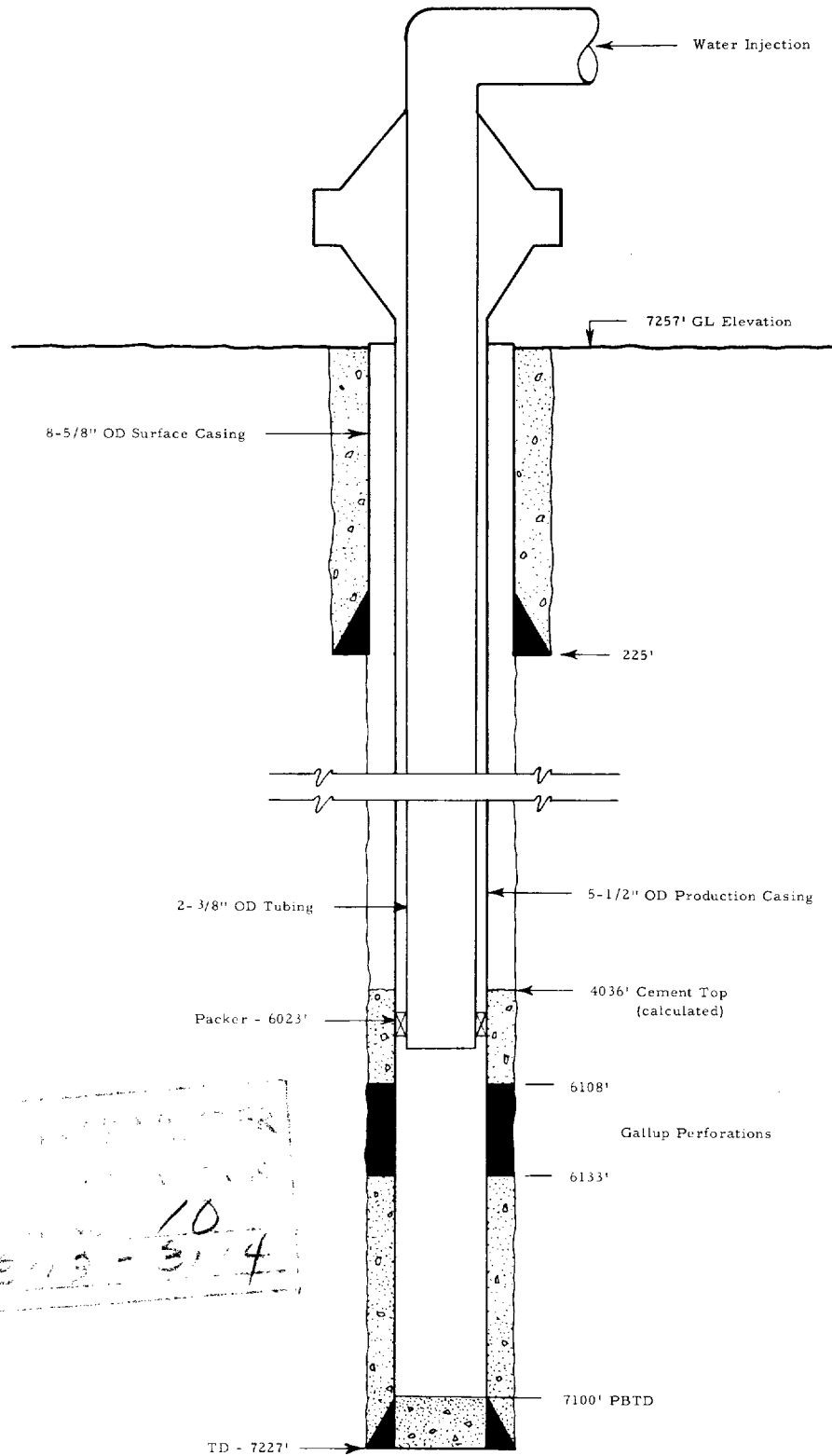


EXHIBIT _____

PROPOSED WATER INJECTION WELL

BCO, INC., JUDY FEDERAL NO. 1
Escrito Gallup Pool, Sec. 17, T 24N, R 7W
Rio Arriba County, New Mexico

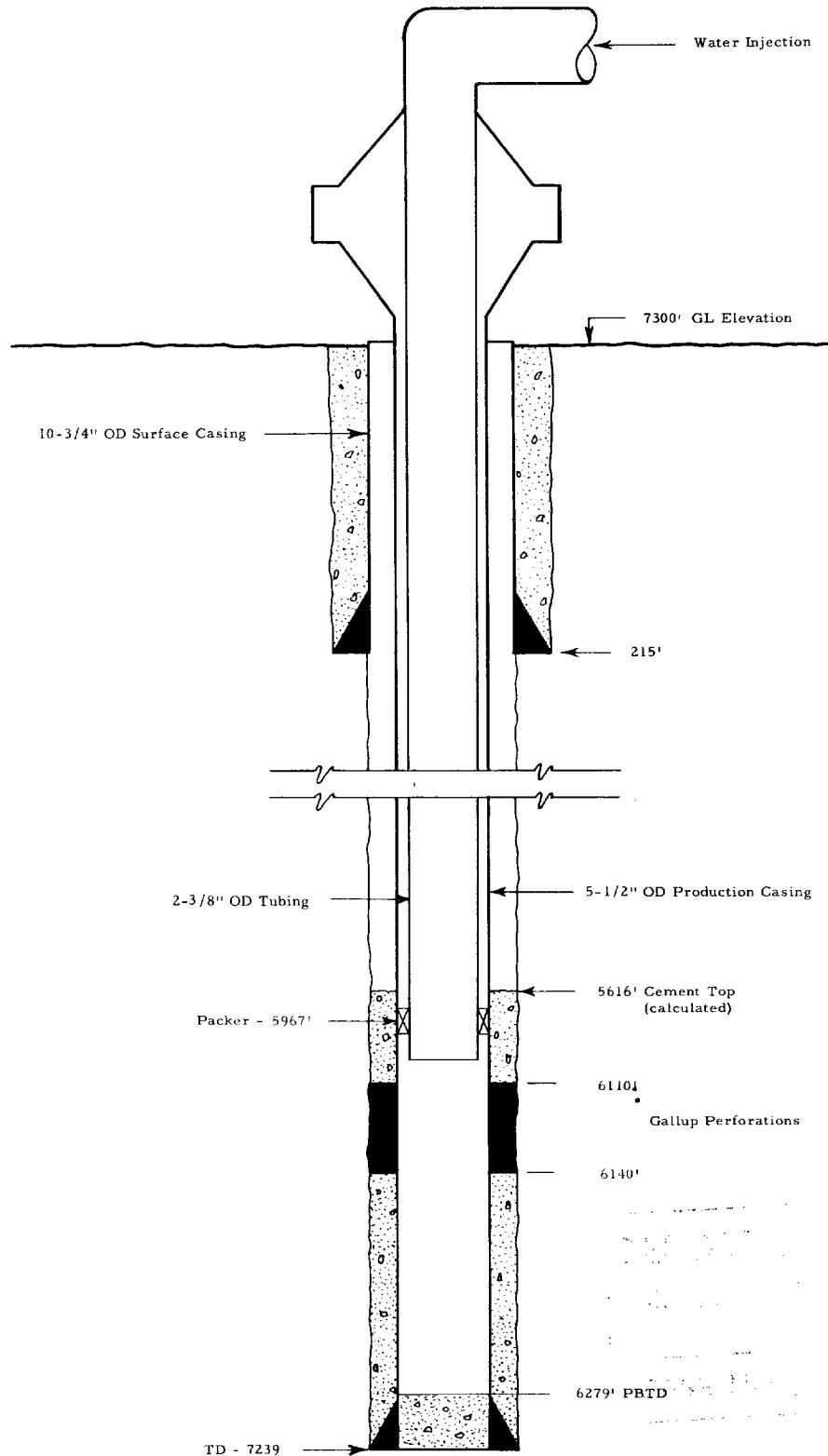


EXHIBIT _____

UNIT AGREEMENT

ESCRITO GALLUP POOL UNIT

SAN JUAN, RIO ARriba COUNTIES, NEW MEXICO

BEFORE EXAMINER NUTTER	
OIL CONSERVATION COMMISSION	
<i>Alvarez</i>	EXHIBIT NO. <u>1</u>
CASE NO. <u>3113 - 3114</u>	

**UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
ESCRITO GALLUP POOL UNIT
SAN JUAN, RIO ARriba COUNTIES, NEW MEXICO**

THIS AGREEMENT, entered into as of the ____ day of _____, 1964, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as "parties hereto,"

WITNESSETH: That,

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

WHEREAS, The Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943, as amended by Sec. 1 of Chap. 162, Laws of 1951, Chap. 7; Sec. 7-11-39, N.M.S.A., 1953 Comp.) to consent to or approve this Agreement on behalf of the State of New Mexico, insofar as it covers and includes lands and mineral interests of the State of New Mexico; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of Legislature (Sec. 3, Chap. 88, Laws of 1943, as amended by Sec. 1, Chap. 162, Laws of 1951, Sec. 7-11-41, N.M.S.A., 1953 Comp.) to amend with the approval of the lessee, 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 unitized development and operation of State lands; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by law (Chap. 72, Laws of 1935, as amended by Chap. 193, Laws of 1937, Chap. 166, Laws of 1941, and Chap. 168, Laws of 1949) to approve this Agreement, and the conservation provisions hereof; and

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sections 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 parties hereto hold sufficient interests in the Gallup Sand of the Escrito Gallup Pool Unit Area covering the land hereinafter described to give reasonably effective control of operation therein; and

WHEREAS, it is the purpose of the parties hereto, to enable institution and consummation of secondary recovery operations, conserve natural resources, prevent waste and secure the other benefits obtainable through development and operation of the area subject to this Agreement under the terms, conditions, and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this Agreement their entire respective interests in the below-defined Unit Area, and agree severally among themselves as follows:

SECTION 1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of February 25, 1920, as amended, supra, and all valid pertinent regulations theretofore issued thereunder and valid pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this Agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this Agreement; and as to non-Federal lands, the oil and gas operating regulations

in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State in which the non-Federal land is located, are hereby accepted and made a part of this Agreement.

SECTION 2. UNIT AREA AND DEFINITIONS. For the purposes of this Agreement, the following terms and expressions as used herein shall mean:

(a) "Unit Area" is defined as that area comprised of those tracts of land, or parts thereof, described below and further depicted on Exhibit "A" and described in Exhibit "B", together with any enlargement thereof, as herein provided, but only as to the unitized formation underlying the same and those surface rights that are incident to ownership of oil and gas rights in such formation:

TOWNSHIP 24 NORTH, RANGE 7 WEST, N.M.P.M.

Section 7 - S/2
Section 16 - SW/4
Section 17 - All
Section 18 - All
Section 19 - E/2 NE/4
Section 20 - N/2
Section 21 - NW/4

TOWNSHIP 24 NORTH, RANGE 8 WEST, N.M.P.M.

Section 12 - SE/4
Section 13 - E/2

Containing 2883.88 acres, more or less, in San Juan and Rio Arriba Counties, New Mexico.

(b) "Commissioner" is defined as the Commissioner of Public Lands of the State of New Mexico.

(c) "Commission" is defined as the Oil Conservation Commission of the State of New Mexico.

(d) "Director" is defined as the Director of the United States Geological Survey.

(e) "Secretary" is defined as the Secretary of the Interior of the United States of America.

(f) "Department" is defined as the Department of the Interior of the United States of America.

(g) "Supervisor" is defined as the Oil and Gas Supervisor of the United States Geological Survey.

(h) "Unitized Formation" is defined as the Gallup Sandstone member of the Mancos Formation of the Upper Cretaceous Period, as found between the subsurface depths of 5,910 feet and 6,170 feet, measured from the Kelly bushing in BCO, Inc., Elizabeth Federal No. 1 Well, located 990 feet from the East line and 1,850 feet from the North line of Section 18, Township 24 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico.

(i) "Unitized Substances" is defined as and shall mean all of the oil and gas contained in or produced from the Unitized Formation.

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

(k) "Tract Participation" is defined as that percentage of Unitized Substances produced from the Unitized Formation which is allocated to a Tract under this Agreement.

(l) "Unit Participation" of each Working Interest Owner is defined as the sum of the percentages obtained by multiplying such Working Interest Owner's fractional Working Interest in each tract by the Tract Participation of such tract.

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

(n) "Working Interest Owner" is defined as and shall mean any party hereto owning a Working Interest, including a carried working interest owner, whether by virtue of a lease, operating agreement, fee title or otherwise, whose 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 operating therefor hereunder.

(o) "Royalty Interest" or Royalty" is defined as 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 and any oil and gas lease and any overriding royalty interest, oil payment interest, 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 defined as and shall mean the owner of a Royalty Interest.

(q) "Unit Operating Agreement" is defined as and shall mean any agreement or agreements (whether one or more) entered into (separately or collectively) by and between the Unit Operator and the Working Interest Owners as provided in Section 9, *infra*, and shall be styled "Unit Operating Agreement, Escrito Gallup Pool Unit, San Juan and Rio Arriba Counties, New Mexico."

(r) "Paying Quantities" is defined as production of Unitized Substances in quantities sufficient to pay for the cost of producing same from wells on the unitized land.

SECTION 3. EXHIBITS. Exhibit "A" attached hereto is a map showing, to the extent known to the Unit Operator, the Unit Area and the boundaries and identity of tracts and leases in said Unit Area. Exhibit "B" attached hereto is a schedule showing, to the extent known to the Unit Operator, the acreage comprising each tract, percentage ownership of each Working Interest Owner in each tract, percentage of participation each tract has in the Unit Area, together with the Royalty Interests in each tract and the ownership thereof. The Unit Area consists of those 40-acre legal subdivisions lying within the Escrito Gallup Oil Pool which the Operator now believes to be reasonably capable of being waterflooded, or useful therefor, for the purposes hereof. 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. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes render such revision necessary, and at least two copies of such revision shall be filed with the Commissioner, and not less than six copies thereof shall be filed with the Supervisor.

SECTION 4. EXPANSION. The above described Unit Area may, when practicable, be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this Agreement. Such expansion shall be effected in the following manner:

(a) The Working Interest Owner or owners of a tract or tracts desiring to commit such tract or tracts hereto, shall file an application therefor with the Unit Operator requesting such admission.

(b) Unit Operator shall circulate a notice to each Working Interest Owner of the proposed expansion, setting out the basis for admission, the proposed participation to be assigned to each such tract, and other pertinent data. After negotiation (at Working Interest Owners' meeting or otherwise) if 80 percent of the Working Interest Owners (on the basis of unit participation) have agreed to such commitment of such tract or tracts, then Unit Operator shall:

- (1) 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 unit participation to be assigned each such tract and the proposed effective date thereof, preferably 7 a.m. of the first day of the month following final approval thereof as herein provided; and
- (2) Deliver copies of said notice to the Commissioner and Director, each Working Interest Owner (mailing copy of such notice to the last known address of each such Working Interest Owner) and to the 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 objections to such proposed expansions; and
- (3) File, upon the expiration of said thirty (30) day period as set out in Item 2 immediately above, with the Commissioner and Director the following:
 - (a) Evidence of mailing copies of said notice of expansion;
 - (b) An application for such expansion;
 - (c) An instrument containing the appropriate joinders in compliance with the participation requirement of Section 13, *infra*; and
 - (d) Copy of any objections received.

The expansion shall, after due consideration of all pertinent information and upon approval by the Commissioner and the Director, become effective as of the date and hour prescribed above or on such other more appropriate date as set by the Commissioner and the director in the order or instrument approving such expansion. The revised Tract Participations of the respective tracts included within the Unit Area prior to such enlargement shall remain in the same ratio one to another.

SECTION 5. UNITIZED LAND AND UNITIZED SUBSTANCES. All oil and gas within and producible from the Unitized Formation underlying the Unit Area or any approved enlargement thereof are herein called Unitized Substances, and together with the surface rights

incident to the ownership thereof, are unitized under the terms of this Agreement. 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 Gallup Sandstone member of the Mancos Formation, as above described.

SECTION 6. UNIT OPERATOR. BCO, Inc., a New Mexico corporation, is hereby designated as Unit Operator, and by signing this instrument as Unit Operator it agrees and consents to accept the duties and obligations of Unit Operator for the operation, development and production of Unitized Substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interest in Unitized Substances, and the term "Working Interest Owner" when used herein shall include or refer to Unit Operator as the owner of a Working Interest when such an interest is owned by it.

SECTION 7. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six (6) months after written notice of intention to resign has been given by Unit Operator to all Working Interest Owners, the Commissioner and the Supervisor, unless a new Unit Operator shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by 75 percent of the committed Working Interest Owners (on the basis of participation) exclusive of the Working Interest Owner who is the Unit Operator. Such removal shall be effective upon notice thereof to the Commissioner and the Supervisor. Ownership in a corporate unit operator by any owner of any working interest, now or hereafter, shall have no effect on the foregoing provision.

In all such instances of effective resignation or removal, until a successor to Unit Operator is selected and approved as hereinafter provided, the Working Interest Owners shall be jointly responsible for the performance of the duties of the Unit Operator and shall, not later than thirty (30) days before such resignation or removal becomes effective, appoint a Unit Manager to represent them in any action to be taken hereunder.

The resignation or removal of Unit Operator under this Agreement shall not terminate its right, title or interest as the owner of a Working Interest or other interest in Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, books and records, materials, appurtenances and any other assets, used in conducting the Unit operations and owned by the Working Interest Owners (including any and all data and information which it might have gained or assembled by reason of its operation of the Unit Area) to the new duly qualified successor Unit Operator or to the Unit Manager if no such new Unit Operator is elected, to be used for the purpose of conducting Unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of any wells. Nothing herein contained shall be construed to relieve or discharge any Unit Operator who resigns or is removed hereunder for any liability or duties accruing or performance by it prior to the effective date of such resignation or removal.

SECTION 8. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the Working Interest Owners shall select a successor Unit Operator by a majority vote of the Working Interest Owners (on the basis of Unit participation), provided no Working Interest Owner who has been Unit Operator and who has been removed may vote for self-succession. Such selection shall not become effective until (a)

Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Commissioner and filed with the Supervisor. If no successor Unit Operator or Unit Manager is selected and qualified as herein provided, the Commissioner and the Director, at their election, may declare this Agreement terminated.

SECTION 9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.

If the Unit Operator is not the sole owner of Working Interests, costs and expenses incurred by Unit Operator in conducting Unit operations hereunder shall be paid, apportioned among and borne by the Working Interest Owners in accordance with the Unit Operating Agreement; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation established under this Agreement, and in case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, this Agreement shall prevail. Two true copies of any Unit Operating Agreement executed pursuant to this Section shall be filed with the Commissioner and three true copies thereof shall be filed with the Supervisor, prior to approval of this Agreement.

SECTION 10. RIGHTS AND OBLIGATIONS UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said 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 in paying quantities and that the object and purpose of this Agreement is to formulate and to put into effect a secondary recovery project in order to effect the greatest recovery of Unitized Substances, prevent waste and conserve natural resources. The parties hereto agree that the Unit Operator may, subject to the consent and approval of a plan of operation by the Working Interest Owners, the Supervisor, and the Commissioner, inject into the Unitized Formation, through any well or wells completed therein, brine, water, air, gas, oil and any one or more other substances whether produced from the Unit Area or not, and that the location of input wells and the rates of injection therein and the rate of production shall be governed by standards of good geologic and petroleum engineering practices and conservation methods. After commencement of secondary operations, Unit Operator shall furnish the Commissioner and the Supervisor monthly injection and production reports for each well in the Unit. The Working Interest Owners, the Supervisor, and the Commissioner, shall be furnished periodical reports on the progress of the plan of operation and any revisions or changes thereto; provided, however, that any major revisions of the plan of operation shall be subject to the consent and approval of the Working Interest Owners, the Supervisor, and the Commissioner.

The initial plan of operation shall be filed with the Supervisor and the Commissioner concurrently with the filing of this Unit Agreement for final approval. Said initial plan of operation and all revisions thereof shall be as complete and adequate as the Supervisor and the Commissioner may determine to be necessary for timely operation consistent herewith. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of operation.

Notwithstanding anything to the contrary herein contained, the Unit Operator shall commence operations for the secondary recovery of Unitized Substances from the Unit Area within six (6) months after the effective date of this Agreement, or any extension thereof approved by the Commissioner and the Supervisor. After such operations are commenced, Unit Operator shall carry on such operations as would a reasonably prudent operator under the same or similar circumstances.

SECTION 12. 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 is the tract participation of each tract in the Unit Area calculated on 100 percent commitment. The tract participation of each tract was determined by weighing the proportion which the net sand volume of each tract, calculated in acre-feet, bore to the net sand volume of the Unit Area, calculated in acre-feet. If the Unit Agreement is approved with less than 100 percent commitment of the tracts comprising the Unit Area, said participation percentages shall be revised as soon as practicable to fit the commitment status as of the effective date hereof, with the committed tracts remaining in the same ratios one to another.

Any tract within the Unit Area, not committed on the effective date hereof, may thereafter be committed hereto in the following manner: The owner or owners of the Working Interest in such tract shall initiate a request directed to Unit Operator for the commitment thereof hereto and such owner or owners, committed Working Interest Owners, and Unit Operator shall thereupon seek to determine the basis therefor, including a Tract Participation for such tract and any appropriate adjustments of investments, and, when such matters have been agreed upon and execution hereof or ratification hereof sufficient to Unit Operator has been obtained by the owners of interests in such tract, and the Unit Operating Agreement has been executed by the Working Interest Owners thereof, then Unit Operator shall so inform

the Commissioner and the Supervisor, filing with the Commissioner two copies and with the Supervisor six copies of each instruments of joinder, revised Exhibit "B", and revised schedule of participation, and upon approval by the Commissioner and Supervisor, respectively, such commitment shall be effective at 7:00 a.m. on the first day of the month next following such approval. In any such event, the revised Tract Participations of the respective tracts entitled to participation prior to such subsequent commitment shall remain in the same ratio one to another.

SECTION 13. TRACTS QUALIFIED FOR UNIT 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 therefrom shall be those tracts that are committed hereto as follows:

(a) Each and all of those tracts as to which Working Interest Owners owning 100 percent of the Working Interest in said tract and Royalty Owners owning 100 percent of the Royalty interest in said tract have subscribed, ratified or consented to this Agreement; and

(b) Each and all of those tracts as to which Working Interest Owners owning not less than 95 percent of the Working Interest therein and Royalty Owners owning not less than 75 percent of the Royalty Interest therein have executed this Agreement, and in which the Working Interest Owners in said tract who have executed this Agreement have agreed to indemnify and hold harmless all other parties hereto, in a manner satisfactory to 85 percent of the Working Interest Owners qualified under (a) above, against any and all claims and demands that may be made by the nonjoining Working Interest Owners or Royalty Owners, or both, on account of the commitment and joinder of such tract to the Unit Agreement, and operation thereof under such conditions on the basis herein provided, and as to which 85 percent of the Working Interest Owners qualified under (a) above, exclusive of the Working Interest Owner submitting such tract, have approved the commitment of such tract to this Unit Agreement.

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 Commissioner and the Director, or as soon thereafter as practicable, file 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 tract participation. This schedule of participation shall be a part of Exhibit "B" and upon approval thereof by the Commissioner and the Supervisor or the Director shall become a part of this Agreement and shall govern the allocation of production of Unitized Substances until the effective date of a new schedule so approved.

SECTION 14. ALLOCATION OF UNITIZED SUBSTANCES. All Unitized Substances produced and saved (less, save and except any part of such Unitized Substances used in conformity with good operating practices on unitized land for drilling, operating, camp, and other production or development purposes and for pressure maintenance or unavoidable loss) shall be apportioned among and allocated to the committed tracts within the Unit Area in accordance with the respective Tract Participation 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 executing, consenting to or ratifying this Agreement entitled to share in the production from such tract in the same manner, in the same proportions, and upon the same conditions, as they would have participated and shared in the production from such 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, and nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the joinder of any tract.

If the Working Interest and the Royalty Interest in any tract are or become divided with respect to separate parcels or portions of such tract and owned severally by different persons, the tract participation assigned to such tract shall, in the absence of a recordable instrument executed by all owners 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.

The Unitized Substances allocated to each tract shall be delivered in kind to the respective Working Interest Owners and parties entitled thereto by virtue of the ownership of oil and gas rights therein, provided, however, Unit Operator shall have the right, at its election, to compress and dispose of gas at prevailing or contract prices for gas of like kind and quality. Each Working Interest Owner and the parties entitled thereto shall have the continuing right to receive such production in kind at a common point within the Unit Area and to sell or dispose of the same as it sees fit. Each such party shall have the right to construct, maintain and operate all necessary facilities for that purpose on unitized land, provided the same are so constructed, maintained and operated as not to interfere with operations carried on pursuant hereto. Subject to Section 15 (Royalty Settlement) 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 receiving the same in kind. In the event any party hereto shall fail to take or otherwise adequately dispose of its proportionate share of the production from the Unit Area currently as and when produced, then so long as such conditions continue, Unit Operator, for the account and at the expense of such

party and in order to avoid curtailing the operation of the Unit Area, may sell or otherwise dispose of such production to itself or others on a day-today basis at not less than the prevailing market price in the area for like production, and the account of such party 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 party entitled thereto.

The Working Interest Owners of each tract shall be responsible for the payment of all Royalty on or affecting such tract, and each such party shall hold each other party hereto harmless against all claims, demands and causes of action for such Royalty.

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) and Section 12 (Tract Participation) hereof, or if any tract is excluded from the Unit Area as provided for in Section 29 (Loss of Title), the schedule of participation as shown in the current Exhibit "B", whichever is appropriate, shall be revised by the Unit Operator and distributed to the Working Interest Owners, the Commissioner, the Supervisor, and the Director to show the new percentage participation of all the then effectively committed tracts; and the revised schedule, upon approval by the Commissioner and the Supervisor or the Director, shall govern all the allocation of production from and after the effective date thereof until the effective date of a new schedule so approved. The Tract Participations of all tracts participating prior to any such revision shall remain in the same ratio one to the other.

SECTION 15. ROYALTY SETTLEMENT. The State of New Mexico and the United States of America and all Royalty Owners who, under an existing contract, are entitled to take in kind a share of the unitized 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 Interest 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 their leases, except that such Royalty shall be computed in accordance with the terms of this Unit Agreement.

If gas obtained from lands not subject to this Agreement is introduced into the Unitized Formation, for use in repressuring, stimulation of production or increasing ultimate recovery in conformity with a plan approved pursuant to Section 11 (Plan of Operations), a like amount of gas, less appropriate deductions for loss from any cause, may be withdrawn from the Unitized Formation, Royalty free as to dry gas but not as to the products extracted therefrom; provided such withdrawal shall be pursuant to such conditions and formulas as may be prescribed or approved by the Supervisor and the Commissioner; and provided further that such right of withdrawal shall terminate as of the effective date of termination of the Unit Agreement.

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. Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts

thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though the Unitized Land were a single consolidated lease.

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 in the affected tract or tracts shall be adjusted accordingly.

SECTION 16. RENTAL SETTLEMENT. Rentals or minimum royalties due on leases committed hereto shall be paid by Working Interest Owners responsible therefor under existing contracts, laws and regulations, provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum royalty in lieu thereof, due under their leases. Rental 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 rental or minimum royalty is waived, suspended or reduced by law or by approval of the Secretary of his duly authorized representative.

SECTION 17. 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 18. DRAINAGE. The Unit Operator shall take appropriate and adequate measures to prevent drainage of Unitized Substances from unitized land by wells on land not subject to this Agreement.

SECTION 19. 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 Commissioner, respectively, shall and by their 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 and every part or separately owned tract subject to this Agreement, regardless of whether there is any development of any particular part or 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 secondary recovery operations performed hereunder upon any tract of unitized lands shall be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Commissioner and

Supervisor or their duly authorized representatives, shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized lands.

(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) Termination of this Agreement shall not affect any lease which, pursuant to the terms thereof or any applicable laws, shall continue in force and effect thereafter.

(f) 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.

(g) 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 shall continue in full force and effect beyond the terms 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 secondary 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.

(h) The segregation of any Federal lease committed to this Agreement is governed by the following provision in the fourth paragraph of Sec. 17 (j) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease 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 non-unitized 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 20. MATHEMATICAL ERRORS. It is hereby agreed by all parties to this Agreement that Unit Operator is empowered to correct any mathematical errors which might exist in the pertinent exhibits to this

Agreement upon approval of the Commissioner and the Supervisor.

SECTION 21. 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 of 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 of transfer.

SECTION 22. EFFECTIVE DATE AND TERM. This Agreement shall become binding upon each party who executed or ratifies it as of the date of execution or ratification by such party and shall become effective as of 7:00 a.m. of the first day of the month next following:

(a) The execution or ratification of this Agreement and the Unit Operating Agreement by Working Interest Owners sufficiently to effectively commit under Section 13 (Tracts Qualified for Unit Participation) hereof 80% (measured by surface area) of the lands comprising the Unit Area; and

(b) The approval of this Agreement by the Commissioner, the Secretary or his duly authorized representative, and the Commission; and

(c) The filing of at least one counterpart of this Agreement for record in the office of the county clerk of Rio Arriba County, New Mexico, by the Unit Operator; and provided, further that if (a) (b) and (c) above are not accomplished on or before July 1, 1965, this Agreement shall ipso facto expire on said date (hereinafter called "expiration date") and thereafter be of no further force or effect.

(d) Unit Operator shall, within thirty (30) days after the effective date of this Agreement, file for record in the office where a counterpart of this Agreement is recorded, a certificate to the effect

that this Agreement has become effective according to its terms and stating further the effective date.

The term of this Agreement shall be for and during the time that Unitized Substances are produced in paying quantities from the Unitized Land and so long thereafter as drilling, reworking or other operations (including secondary recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days, unless sooner terminated by Working Interest Owners in the manner hereinafter provided.

This Agreement may be terminated with the approval of the Commissioner and the Director by Working Interest Owners owning 80 percent Unit Participation whenever such Working Interest Owners determine that Unit operations are no longer profitable, feasible or in the interest of conservation. Notice of any such termination shall be given by Unit Operator to all parties hereto.

Upon termination of this Agreement, the further development and operations of the Unit Area as a Unit shall be abandoned, the Unit operations shall cease, and thereafter the parties hereto shall be governed by the terms and provisions of the leases and contracts affecting the separate tracts.

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

SECTION 23. RATE OF PROSPECTING, DEVELOPMENT AND 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 Director 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 Commission to alter or modify the quantity and rate

of production under this Agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided, further, that no such alteration or modification shall be effective as to any 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 Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this Agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

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

SECTION 24. NONDISCRIMINATION. In connection with the performance of work under this Agreement, the operator agrees to comply with all of the provisions of Section 301(1) to (7) inclusive, of Executive Order 10925 (26 F.R. 1977), which are hereby incorporated by reference in this Agreement.

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

SECTION 26. NOTICES. All notices, demands, objections or statements required hereunder to be given or rendered to the parties hereto

shall be deemed fully given if made in writing and personally delivered to the party or parties or sent by postpaid certified mail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the 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 27. NO WAIVER OR CERTAIN RIGHTS. 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 rules or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

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

SECTION 29. LOSS OF TITLE. In the event title to the Working Interest in any tract of unitized land shall fail so as to render the tract inoperable under this Agreement and the true owner cannot be induced to join this Unit 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 as to any Royalty, Working Interest or other interest subject thereto, payment or delivery on account thereof may be withheld without liability or interest until the dispute is finally settled; provided, that as to State or Federal land or leases, no payments of funds due the State of New Mexico or the United States of America shall be withheld, but such funds shall be deposited as directed by the Commissioner or the Supervisor (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.

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

SECTION 30. 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 the Unit 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 Unit Agreement.

Any oil or gas interest in the Unitized Formation underlying the Unit Area not committed hereto prior to submission of this Agreement to the Commissioner and the Director for final approval may thereafter be committed upon compliance with the applicable provisions of this Section and of Section 13 (Tracts Qualified for Unit Participation) hereof, at any time up to the effective date hereof on the same basis of participation as provided in said 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 by a Working Interest Owner as provided in this Section shall be governed by the provisions of Section 4 (Expansion) and of Section 12 (Tract Participation). Any joinder by a proposed Working Interest Owner must be evidenced by his execution or ratification of this Agreement and the Unit Operating Agreement. Any joinder by a proposed Royalty Owner must be evidenced by his execution, ratification or consent of this Agreement. Except as may be otherwise herein provided, subsequent joinder by a Royalty Owner to this Agreement shall be effective at 7:00 a.m. as of the first day of the month following the filing with the Commissioner and the Supervisor of duly executed counterparts of any and all documents necessary to establish effective commitment of his interest to this Agreement.

SECTION 31. 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 lands within the above described Unit Area; provided, if this agreement has not been approved by the Commissioner and the Director prior to July 1, 1965, it shall thereupon terminate and be of no further force and effect.

SECTION 32. 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 such 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 33. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the Working Interest Owners, nor any of them, shall be subject to any forfeiture, termination or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provisions thereof to the extent that the said Unit Operator or the Working Interest Owners, or any of them, are hindered, delayed or prevented from complying therewith by reason of failure of the Unit Operator to obtain, in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of New Mexico in and about any matters or things concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this Agreement are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

SECTION 34. NO PARTNERSHIP. It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing in this Agreement contained, express or implied, or any operations conducted hereunder, shall create or be deemed to have created a partnership or association between the parties hereto or any of them.

SECTION 35. BORDER AGREEMENTS. Subject to the approval of the Commissioner and the Supervisor, the Unit Operator, with concurrence of 75% of the voting interest of the Working Interest Owners, may enter into a border-protection agreement or agreements with the Working Interest Owners, of adjacent lands along the exterior boundary of the Unit Area with respect to the operations in the border area for the maximum ultimate recovery, conservation purposes and proper protection of the parties and interests.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and have set opposite their respective names the date of execution.

ATTEST: BCO, INC.

Date: _____ By _____ President

UNIT OPERATOR

Date: _____ HARRY L. BIGBEE

Date: _____ HARL D. BYRD

ATTEST: VAL R. REESE & ASSOCIATES, INC.

Date: _____ By _____

Date: _____ RAY SMITH

ATTEST: TENNECO OIL COMPANY

Date: _____ By _____

ATTEST: EL PASO NATURAL GAS PRODUCTS COMPANY

Date: _____ By _____

ATTEST:

Date: _____

CALIFORNIA OIL COMPANY

By _____

ATTEST:

Date: _____

SOUTHERN UNION PRODUCTION COMPANY

By _____

ATTEST:

Date: _____

SOUTHWOOD EXPLORATION COMPANY

By _____

ATTEST:

Date: _____

SANTA FE CORPORATION

By _____

ATTEST:

Date: _____

STANDARD OIL COMPANY OF TEXAS

By _____

Date:	_____	_____
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Date:	_____	_____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____
day of _____, 1964, by _____,
of _____, a _____ corporation, on behalf of
said corporation.

My Commission Expires: _____

NOTARY PUBLIC
COUNTY _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____
day of _____, 1964, by _____,
of _____, a _____ corporation, on behalf of
said corporation.

My Commission Expires: _____

NOTARY PUBLIC
COUNTY _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____
day of _____, 1964, by _____,
of _____, a _____ corporation, on behalf of
said corporation.

My Commission Expires: _____

NOTARY PUBLIC
COUNTY _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____
day of _____, 1964, by _____,
of _____, a _____ corporation, on behalf of
said corporation.

My Commission Expires: _____

NOTARY PUBLIC
COUNTY _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____
day of _____, 1964, by _____.

My Commission Expires: _____

NOTARY PUBLIC
COUNTY _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____
day of _____, 1964, by _____.

My Commission Expires: _____

NOTARY PUBLIC
COUNTY _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____
day of _____, 1964, by _____.

My Commission Expires: _____

NOTARY PUBLIC
COUNTY _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____
day of _____, 1964, by _____.

My Commission Expires: _____

NOTARY PUBLIC
COUNTY _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____
day of _____, 1964, by _____.

My Commission Expires: _____

NOTARY PUBLIC
COUNTY _____

24-7

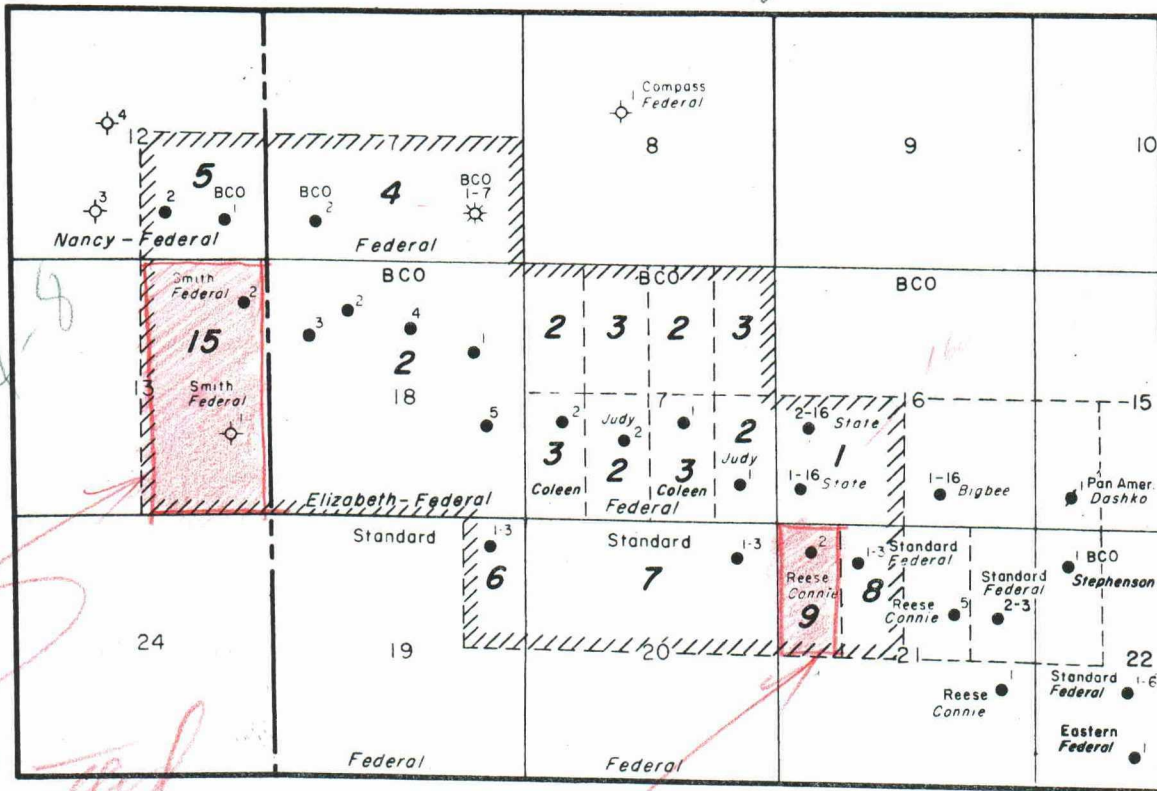
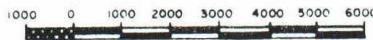


EXHIBIT A
PROPOSED UNIT BOUNDARY
ESCRITO-GALLUP FIELD
RIO ARriba COUNTY, NEW MEXICO



CORE LABORATORIES, INC
ENGINEERING & CONSULTING DEPT.

17.5
16.0
10.5
7.5
280.0

400
3184.96

EXHIBIT "B" UNIT AGREEMENT
 ESCRITO CALLUP POOL UNIT
 SAN JUAN AND RIO ARriba COUNTIES, NEW MEXICO

SCHEDULE OF TRACTS

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY	LESSEE OF RECORD	WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION
STATE OF NEW MEXICO LAND								
1.	T24N-R7W Sec. 16 SW/4	160	E-6833-11 HBP	State of N.M. 12.5%	Tenneco Oil Co.	Harl D. Byrd Harry L. Bigbee 20% 80%	Edward Lim and Helen Lim, JT George C. Park & Yon Shee Park Edward Gow Gee & Mary Wong Gee, JT Tenneco Oil Co. 1.66666% 1.6667% 1.6667% 12.5%	.071303
2.	FEDERAL LAND							
	T24N-R7W Sec. 18 - All Sec. 17-W/2. NE/4, W/2 NW/4, E/2SE/4, E/2 SW/4	962.72 52.8	NMO3595 HBP	USA - 12.5%	El Paso Natural Gas Products Co.	Harl D. Byrd Harry L. Bigbee 20% 80%	Curtis J. Little E. R. Richardson El Paso Natural Gas Products Thornton Hardie Allen R. Grambling William B. Hardie John A. Grambling Ben R. Howell R. H. Feuille Robert Murray Fasken, Executor & Trustee Under the Will of Andrew Fasken, Deceased Helen Fasken House Wesley T. House Murray Fasken C. S. Longcope 1.50000% 1.50000% 2.50000% .25000% .25000% .10000% .10000% .25000% .05000%	.438662

Edward Lim and Helen Lim, JT
 George C. Park & Yon Shee Park
 Edward Gow Gee & Mary Wong Gee, JT
 Tenneco Oil Co.

Curtis J. Little
 E. R. Richardson
 El Paso Natural Gas Products
 Thornton Hardie
 Allen R. Grambling
 William B. Hardie
 John A. Grambling
 Ben R. Howell
 R. H. Feuille
 Robert Murray
 Fasken, Executor & Trustee Under the Will of Andrew Fasken, Deceased
 Helen Fasken House
 Wesley T. House
 Murray Fasken
 C. S. Longcope

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LESSEE OF LEASE NO.	WORKING INT. OWNER RECORD	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION
-----------	---------------------	--------------	---------------------	---------------------------	---	---------------------

- 1.7885%
- 1.2994%
- 2.57775%
- 1.2995%
- 1.3000%
- 1.2982%
- 1.2995%
- 1.2986%
- 1.3040%
- 1.3017%
- 2.5976%
- 3.0319%
- 0.4329%
- 1.2995%
- 0.9036%
- 0.9036%

PAF

FEDERAL
LAND

320

NM03595-A
HBP

USA-12.5%

California Oil
Co.

Harl D. Byrd
Harry L. Big

20%
80%

Robert Murray Fasken,

• 138435

T24N-R7W
Sec. 17 - E/2
NW/4, E/2
NE/4, W/2
SW/4, W/2
SE/4

Deceased.	.17315%
Murray Fasken	.13008%
Richard H. Feuille	.05000%
First National Bank of Midland, Trustee for Trust No. 204	.17885%
Allen R. Grambling	.25000%
John A. Grambling	.10000%
Ernest A. Hanson	.25000%
Thornton Hardie	.25000%
William B. Hardie	.10000%

EXHIBIT "B" (CONTINUED)

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY RECORD	LESSEE OF WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION		
						Ina Belle Hightower Anna Lou Home Helen Fasken House Wesley T. House Ben R. Howell Barron U. Kidd Curtis J. Little Ralph Lowe Foster Morrell H. J. Phillips Ina Beth Phillips E. R. Richardson James D. Sadler Tom Sealy Mary Velma Sealy Alberta Sloan W. H. Sloan California Oil Co. S. Dewey Stokes, Jr. Jack B. Wilkinson C. B. Yarbrough Katherine B. Yarbrough J. Ralph Stewart Adeline Stokes Schaver Leila F. Stokes C. S. Longcope	.12994% .25775% .12986% .13002% .25000% .12995% 1.00000% .13000% .25000% .12982% .12995% 1.00000% .12986% .13017% .13040% .25976% .30319% 5.00000% .12500% .12995% .09036% .09036% .04329% .12500% .25000% .04329%		
4.	FEDERAL LAND T24N-R7W Sec. 7 - S/2	320.16 321.16 160.00	SF078959 HBP	USA-12.5%	Southern Union Production Co. Harl D. Byrd Harry L. Bigbee	20% 80%	Grace K. Ernest Southern Union Production Co.	5.0% 7.5%	.061611
5.	T24N-R8W Sec. 12-SE/4	153.38	NM088040-A 4-1-70	USA-12.5%	Harry L. Bigbee Harl D. Byrd and Harl D. Byrd Harry L. Bigbee	20% 80%	Matias A. Zamora and Emeline L. Zamora, his wife E. R. Richardson Curtis J. Little	5.00% 1.75% 1.75%	.099914

EXHIBIT "B" (CONTINUED)

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY	LESSEE OF RECORD	WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION
6.	FEDERAL LAND <u>T24N-R7W</u> Sec. 19 - E/2 NE/4	80	SF080034 HBP	USA-12.5%	Southern Union Production Co.	Harry L. Bigbee 100%	Ann Liddell Standard Oil Co. of Texas	5.0% 7.5% 0.006753
7.	<u>T24N-R7W</u> Sec. 20 -N/2	320	NM014022 HBP	USA-12.5%	Southern Union Production Co.	Harry L. Bigbee 100%	George D. Blaylock John C. Stricker Dick Zackry & Wife Standard Oil Co. of Texas	1.0% 1.0% 3.0% 7.5% 0.037856
8.	<u>T24N-R7W</u> Sec. 21 - E/2 NW/4	80	SF078924-A HBP	USA-12.5%	California Oil Co.	Harry L. Bigbee 100%	R. H. Feuille Robert Murray Fasken, Executor & Trustee under the Will of Andrew Fasken, Deceased Murray Fasken First National Bank of Midland, Trustee for Trust No. 204 Allen R. Grambling John A. Grambling Ernest A. Hanson Thornton Hardie William B. Hardie Ina Belle Hightower Anna Lou Home Helen Fasken House Wesley T. House Ben R. Howell Barron U. Kidd	0.052931 .05000000% .1731520% .1300750% .1788500% .2500000% .1000000% .2500000% .2500000% .1000000% .1299370% .2577520% .1298640% .1300230% .2500000% .1299520%

EXHIBIT "B" (CONTINUED)

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY	LESSEE OF RECORD	WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION	
							C. S. Longcope Ralph Lowe Foster Morrell H. J. Phillips Inabeth Phillips James D. Sadler Adeline Stokes Schauer Mary Velma Sealy Tom Sealy Alberta Sloan W. H. Sloan Lelia F. Stokes J. Ralph Stewart S. Dewey Stokes, Jr. Jack B. Wilkinson C. B. Yarbrough Katherine Yarbrough Standard Oil Co. of Texas	.0432880% .1300020% .2500000% .1298160% .1299490% .1298640% .1250000% .1303990% .1301730% .2597640% .3031850% .2500000% .0432880% .1250000% .1299480% .0903600% .0903590% 7.5000000%	
9.	FEDERAL LAND								
	T24N-R7W Sec. 21 - W/2 NW/4	80	SFO78562	USA-12.5%	California Oil Co.	Val R. Reese & Associates, Inc.	100%	.028998	
15.	T24N-R8W Sec. 13 - E/2	307.7 314.7	NM087657 4-1-70 HBP	USA-12.5%	Southwood Exploration Co. & Santa Fe Corp.	Ray Smith		.063537	

UNIT AGREEMENT

ESCRITO GALLUP UNIT

SAN JUAN, RIO ARRIBA COUNTIES, NEW MEXICO

CERTIFICATION--DETERMINATION

14-08-0001 36 91

Pursuant to the authority vested in the Secretary of the Interior, under the act approved February 25, 1920, 41 Stat. 437, 30 U.S.C. Secs. 181, et seq., as amended by the act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey pursuant to Departmental Order No. 2365 of October 8, 1947, 12 F.R. 6784, I do hereby:

A. Approve the attached agreement for the development and operation of the Escrito Gallup Unit Area, State of New Mexico.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Dated: JUN 4 1965

William A. Baker
ACTING DIRECTOR
United States Geological Survey

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RECEIVED
JUN 10 1965

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

ESCRITO GALLUP UNIT

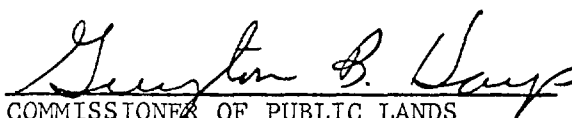
SAN JUAN AND RIO ARriba COUNTIES, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated February 27, 1965, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, and 7-11-48, New Mexico Statutes Annotated, 1953 Compilation, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 11th day of May, 19 65.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

OG-27

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MAY 20 1965

U. S. GEOLOGICAL SURVEY
ROSWell, NEW MEXICO

UNIT AGREEMENT

ESCRITO GALLUP UNIT

SAN JUAN, RIO ARriba COUNTIES, NEW MEXICO

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
ESCRITO GALLUP UNIT
SAN JUAN, RIO ARriba COUNTIES, NEW MEXICO

THIS AGREEMENT, entered into as of the 27th day of February, 1965, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as "parties hereto,"

WITNESSETH: That,

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

WHEREAS, The Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943, as amended by Sec. 1 of Chap. 162, Laws of 1951, Chap. 7; Sec. 7-11-39, N.M.S.A., 1953 Comp.) to consent to or approve this Agreement on behalf of the State of New Mexico, insofar as it covers and includes lands and mineral interests of the State of New Mexico; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of Legislature (Sec. 3, Chap. 88, Laws of 1943, as amended by Sec. 1, Chap. 162, Laws of 1951, Sec. 7-11-41, N.M.S.A., 1953 Comp.) to amend with the approval of the lessee, 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 unitized development and operation of State lands; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico is authorized by law (Chap. 72, Laws of 1935, as amended by Chap. 193, Laws of 1937, Chap. 166, Laws of 1941, and Chap. 169, Laws of 1949) to approve this Agreement, and the conservation provisions hereof; and

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U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sections 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 parties hereto hold sufficient interests in the Gallup Sand of the Escrito Gallup Unit Area covering the land hereinafter described to give reasonably effective control of operation therein; and

WHEREAS, it is the purpose of the parties hereto, to enable institution and consummation of secondary recovery operations, conserve natural resources, prevent waste and secure the other benefits obtainable through development and operation of the area subject to this Agreement under the terms, conditions, and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this Agreement their entire respective interests in the below-defined Unit Area, and agree severally among themselves as follows:

SECTION 1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of February 25, 1920, as amended, supra, and all valid pertinent regulations theretofore issued thereunder and valid pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this Agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this Agreement; and as to non-Federal lands, the oil and gas operating regulations

in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State in which the non-Federal land is located, are hereby accepted and made a part of this Agreement.

SECTION 2. UNIT AREA AND DEFINITIONS. For the purposes of this Agreement, the following terms and expressions as used herein shall mean:

(a) "Unit Area" is defined as that area comprised of those tracts of land, or parts thereof, described below and further depicted on Exhibit "A" and described in Exhibit "B", together with any enlargement thereof, as herein provided, but only as to the Gallup Sandstone member of the Mancos Formation underlying the same and those surface rights that are incident to ownership of oil and gas rights in such formation:

TOWNSHIP 24 NORTH, RANGE 7 WEST, N.M.P.M.

Section 7 S/2
Section 16 - SW/4
Section 17 - All
Section 18 - All
Section 19 - E/2 NE/4
Section 20 - N/2
Section 21 - NW/4

TOWNSHIP 24 NORTH, RANGE 8 WEST, N.M.P.M.

Section 12 - SE/4
Section 13 - E/2

Containing 2803.90 acres, more or less, in San Juan and Rio Arriba Counties, New Mexico.

(b) "Commissioner" is defined as the Commissioner of Public Lands of the State of New Mexico.

(c) "Commission" is defined as the Oil Conservation Commission of the State of New Mexico.

(d) "Director" is defined as the Director of the United States Geological Survey.

(e) "Secretary" is defined as the Secretary of the Interior of the United States of America.

(f) "Department" is defined as the Department of the Interior of the United States of America.

(g) "Supervisor" is defined as the Oil and Gas Supervisor of the United States Geological Survey.

(h) "Unitized Formation" is defined as that portion of the Gallup Sandstone member of the Mancos Formation of the Upper Cretaceous Period, as found between the subsurface depths of 5,190 feet and 6,170 feet, measured from the Kelly bushing in BCO, Inc., Elizabeth Federal No. 1 Well, located 990 feet from the East line and 1,850 feet from the North line of Section 18, Township 24 North, Range 7 West, N.M.P.M., Rio Arriba County, New Mexico, committed to this unit agreement.

(i) "Unitized Substances" is defined as and shall mean all of the oil and gas contained in and produced from the Unitized Formation.

(j) "Unitized Land" is defined as any tract within the Unit Area committed to this agreement as to the Unitized Formation.

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

(l) "Tract Participation" is defined as that percentage of Unitized Substances produced from the Unitized Formation which is allocated to a Tract under this Agreement.

(m) "Unit Participation" of each Working Interest Owner is defined as the sum of the percentages obtained by multiplying such Working Interest Owner's fractional Working Interest in each tract by the Tract Participation of such tract.

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

(o) "Working Interest Owner" is defined as and shall mean any party hereto owning a Working Interest, including a carried working interest owner, whether by virtue of a lease, operating agreement, fee title or otherwise, whose 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 operating therefor hereunder.

(p) "Royalty Interest" or "Royalty" is defined as 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 and any oil and gas lease and any overriding royalty interest, oil payment interest, or any other payment or burden which does not carry with it the right to search for and produce Unitized Substances.

(q) "Royalty Owner" is defined as and shall mean the owner of a Royalty Interest or Royalty.

(r) "Unit Operating Agreement" is defined as and shall mean any agreement or agreements (whether one or more) entered into (separately or collectively) by and between the Unit Operator and the Working Interest Owners as provided in Section 9, infra, and shall be styled "Unit Operating Agreement, Escrito Gallup Unit, San Juan and Rio Arriba Counties, New Mexico."

(s) "Paying Quantities" is defined as production of Unitized Substances in quantities sufficient to pay for the cost of producing same from wells on the unitized land.

(t) "Voting Interest" is defined as the voting right held by a working interest owner whose working interest has been committed to this unit, which voting interest shall be on the basis of unit participation.

SECTION 3. EXHIBITS. Exhibit "A" attached hereto is a map showing, to the extent known to the Unit Operator, the Unit Area and the boundaries and identity of tracts and leases in said Unit Area. Exhibit "B" attached hereto is a schedule showing, to the extent known to the Unit Operator, the acreage comprising each tract, percentage ownership of each Working Interest Owner in each tract, percentage of participation each tract has in the Unit Area, together with the Royalty Interests in each tract and the ownership thereof. The Unit Area consists of those 40-acre legal subdivisions lying within the Escrito Gallup Oil Pool which the Operator now believes to be reasonable capable of being waterflooded, or useful therefor, for the purposes hereof. 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. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes render such revision necessary, and at least two copies of such revision shall be filed with the Commissioner, and not less than six copies thereof shall be filed with the Supervisor.

SECTION 4. EXPANSION. The above described Unit Area may, when practicable, be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this Agreement. Such expansion shall be effected in the following manner:

(a) The Working Interest Owner or owners of a tract or tracts desiring to commit such tract or tracts hereto, shall file an application therefor with the Unit Operator requesting such admission.

(b) Unit Operator shall circulate a notice to each Working Interest Owner of the proposed expansion, setting out the basis for admission, the proposed participation to be assigned to each such tract, and other pertinent data. After negotiation (at Working Interest Owners' meeting or otherwise) if 80 percent of the Working Interest Owners (on the basis of unit participation) have agreed to such commitment of such tract or tracts, then Unit Operator shall:

- (1) After preliminary approval by the Director and 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 unit participation to be assigned each such tract and the proposed effective date thereof, preferably 7 a.m. of the first day of the month following final approval thereof as herein provided; and
- (2) Deliver copies of said notice to the Commissioner and Supervisor, each Working Interest Owner and mailing a copy of such notice to the last known address of each such Working Interest Owner, 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 objections to such proposed expansions; and
- (3) File, upon the expiration of said thirty (30) day period, as set out in Item 2 immediately above, with the Commissioner and Supervisor the following: (a) Evidence of mailing copies of said notice of expansion; (b) An application for such expansion; (c) An instrument containing the appropriate joinders in compliance with the participation requirement of Section 13, infra; and (d) Copy of any objections received.

The expansion shall, after due consideration of all pertinent information and upon approval by the Commissioner and the Director, become effective as of the date and hour prescribed above. The revised Tract Participations of the respective committed tracts included within the Unit Area prior to such enlargement shall remain in the same ratio one to another.

SECTION 5. UNITIZED LAND AND UNITIZED SUBSTANCES. All oil and gas within and producible from the Unitized Formation underlying the Unit Area or any approved enlargement thereof are herein called Unitized Substances, and together with the surface rights incident to the ownership

thereof, are unitized under the terms of this Agreement. 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."

SECTION 6. UNIT OPERATOR. BCO, Inc., a New Mexico corporation, is hereby designated as Unit Operator, and, by signing this instrument as Unit Operator, it agrees and consents to accept the duties and obligations of Unit Operator for the operation, development, and production of Unitized Substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in Unitized Substances, and the term "Working Interest Owner" when used herein shall include or refer to Unit Operator as the owner of a Working Interest when such an interest is owned by it.

SECTION 7. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six (6) months after written notice of intention to resign has been given by Unit Operator to all Working Interest Owners, the Commissioner and the Supervisor, unless a new Unit Operator shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by 75 percent of the committed Working Interest Owners (on the basis of participation) exclusive of the Working Interest Owner who is the Unit Operator. Such removal shall be effective upon notice thereof to the Commissioner and the Supervisor. Ownership in a corporate unit operator by any owner of any working interest, now or hereafter, shall have no effect on the foregoing provision.

In all such instances of effective resignation or removal, until a successor to Unit Operator is selected and approved as hereinafter provided, the Working Interest Owners shall be jointly responsible for the performance of the duties of the Unit Operator and shall, not later than thirty (30) days before such resignation or removal becomes effective, appoint a Unit Manager to represent them in any action to be taken hereunder.

The resignation or removal of Unit Operator under this Agreement shall not terminate its right, title or interest as the owner of a Working Interest or other interest in Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, books and records, materials, appurtenances and any other assets, used in conducting the Unit operations and owned by the Working Interest Owners (including any and all data and information which it might have gained or assembled by reason of its operation of the Unit Area) to the new duly qualified successor Unit Operator or to the Unit Manager if no such new Unit Operator is elected, to be used for the purpose of conducting Unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of any wells. Nothing herein contained shall be construed to relieve or discharge any Unit Operator who resigns or is removed hereunder for any liability or duties accruing or performance by it prior to the effective date of such resignation or removal.

SECTION 8. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the Working Interest Owners shall select a successor Unit Operator by a majority vote of the Working Interest Owners (on the basis of Unit participation), provided no Working Interest Owner who has been Unit Operator and who has been removed may vote for self-succession. Such selection shall not become effective until (a)

Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Commissioner and filed with the Supervisor. If no successor Unit Operator or Unit Manager is selected and qualified as herein provided, the Commissioner and the Director, at their election, may declare this Agreement terminated.

SECTION 9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.

If the Unit Operator is not the sole owner of Working Interests, costs and expenses incurred by Unit Operator in conducting Unit operations hereunder shall be paid, apportioned among and borne by the Working Interest Owners in accordance with the Unit Operating Agreement; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation established under this Agreement, and in case of any inconsistency or conflict between this Agreement and the Unit Operating Agreement, this Agreement shall prevail. Two true copies of any Unit Operating Agreement executed pursuant to this Section shall be filed with the Commissioner and three true copies thereof shall be filed with the Supervisor, prior to approval of this Agreement.

SECTION 10. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said 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 in paying quantities and that the object and purpose of this Agreement is to formulate and to put into effect a secondary recovery project in order to effect the greatest recovery of Unitized Substances, prevent waste and conserve natural resources. The parties hereto agree that the Unit Operator may, subject to the consent and approval of a plan of operation by the Working Interest Owners, the Supervisor, and the Commissioner, inject into the Unitized Formation, through any well or wells completed therein, brine, water, air, gas, oil and any one or more other substances whether produced from the Unit Area or not, and that the location of input wells and the rates of injection therein and the rate of production shall be governed by standards of good geologic and petroleum engineering practices and conservation methods. After commencement of secondary operations, Unit Operator shall furnish the Commissioner and the Supervisor monthly injection and production reports for each well in the Unit. The Working Interest Owners, the Supervisor, and the Commissioner, shall be furnished periodical reports on the progress of the plan of operation and any revisions or changes thereto; provided, however, that any major revisions of the plan of operation shall be subject to the consent and approval of the Working Interest Owners, the Supervisor, and the Commissioner.

The initial plan of operation shall be filed with the Supervisor and the Commissioner concurrently with the filing of this Unit Agreement for final approval. Said initial plan of operation and all revisions thereof shall be as complete and adequate as the Supervisor and the Commissioner may determine to be necessary for timely operation consistent herewith. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of operation.

Notwithstanding anything to the contrary herein contained, the Unit Operator shall commence operations for the secondary recovery of Unitized Substances from the Unit Area within six (6) months after the effective date of this Agreement, or any extension thereof approved by the Commissioner and the Supervisor. After such operations are commenced, Unit Operator shall carry on such operations as would a reasonably prudent operator under the same or similar circumstances.

SECTION 12. 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 is the tract participation of each tract in the Unit Area calculated on 100 percent commitment. The tract participation of each tract was determined by weighing the proportion which the net sand volume of each tract, calculated in acre-feet, bore to the net sand volume of the Unit Area, calculated in acre-feet. If the Unit Agreement is approved with less than 100 percent commitment of the tracts comprising the Unit Area, said participation percentages shall be revised as soon as practicable to fit the commitment status as of the effective date hereof, with the committed tracts remaining in the same ratios one to another.

Any tract within the Unit Area, not committed on the effective date hereof, may thereafter be committed hereto in the following manner: The owner or owners of the Working Interest in such tract shall initiate a request directed to Unit Operator for the commitment thereof hereto and such owner or owners, committed Working Interest Owners, and Unit Operator shall thereupon seek to determine the basis therefor, including a Tract Participation for such tract and any appropriate adjustments of investments, and, when such matters have been agreed upon and execution hereof or ratification hereof sufficient to Unit Operator has been obtained by the owners of interests in such tract, and the Unit Operating Agreement has been executed by the Working Interest Owners thereof, then Unit Operator shall so inform

the Commissioner and the Supervisor, filing with the Commissioner two copies and with the Supervisor six copies of each instrument of joinder, revised Exhibit "B", and revised schedule of participation, and upon approval by the Commissioner and Director, respectively, such commitment shall be effective at 7:00 a.m. on the first day of the month next following such approval. In any such event, the revised Tract Participations of the respective tracts entitled to participation prior to such subsequent commitment shall remain in the same ratio one to another.

SECTION 13. TRACTS QUALIFIED FOR UNIT 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 therefrom shall be those tracts that are committed hereto as follows:

(a) Each and all of those tracts as to which Working Interest Owners owning 100 percent of the Working Interest in said tract and Royalty Owners owning 100 percent of the Royalty interest in said tract have subscribed, ratified or consented to this Agreement; and

(b) Each and all of those tracts as to which Working Interest Owners owning not less than 95 percent of the Working Interest therein and Royalty Owners owning not less than 75 percent of the Royalty Interest therein have executed this Agreement, and in which the Working Interest Owners in said tract who have executed this Agreement have agreed to indemnify and hold harmless all other parties hereto, in a manner satisfactory to 85 percent of the Working Interest Owners qualified under (a) above, against any and all claims and demands that may be made by the nonjoining Working Interest Owners or Royalty Owners, or both, on account of the commitment and joinder of such tract to the Unit Agreement, and operation thereof under such conditions on the basis herein provided, and as to which 85 percent of the Working Interest Owners qualified under (a) above, exclusive of the Working Interest Owner submitting such tract, have approved the commitment of such tract to this Unit Agreement.

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 Commissioner and the Director, or as soon thereafter as practicable, file 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 tract participation. This schedule of participation shall be a part of Exhibit "B" and upon approval thereof by the Commissioner and the Supervisor or the Director shall become a part of this Agreement and shall govern the allocation of production of Unitized Substances until the effective date of a new schedule so approved.

SECTION 14. ALLOCATION OF UNITIZED SUBSTANCES. All Unitized Substances produced and saved (less, save and except any part of such Unitized Substances used in conformity with good operating practices on unitized land for drilling, operating, camp, and other production or development purposes and for pressure maintenance or unavoidable loss) shall be apportioned among and allocated to the committed tracts within the Unit Area in accordance with the respective Tract Participation 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 executing, consenting to or ratifying this Agreement entitled to share in the production from such tract in the same manner, in the same proportions, and upon the same conditions, as they would have participated and shared in the production from such 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, and nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the joinder of any tract.

If the Working Interest and the Royalty Interest in any tract are or become divided with respect to separate parcels or portions of such tract and owned severally by different persons, the tract participation assigned to such tract shall, in the absence of a recordable instrument executed by all owners 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.

The Unitized Substances allocated to each tract shall be delivered in kind to the respective Working Interest Owners and parties entitled thereto by virtue of the ownership of oil and gas rights therein. Each Working Interest Owner and the parties entitled thereto shall have the continuing right to receive such production in kind at a common point within the Unit Area and to sell or dispose of the same as it sees fit. Each such party shall have the right to construct, maintain and operate all necessary facilities for that purpose on unitized land, provided the same are so constructed, maintained and operated as not to interfere with operations carried on pursuant hereto. Subject to Section 15 (Royalty Settlement) 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 receiving the same in kind. In the event any party hereto shall fail to take or otherwise adequately dispose of its proportionate share of the production from the Unit Area currently as and when produced, then so long as such conditions continue, Unit Operator, for the account and at the expense of such

party and in order to avoid curtailing the operation of the Unit, may sell or otherwise dispose of such production to itself or others on a day-to-day basis at not less than the prevailing market price in the area for like production, and the account of such party 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 party entitled thereto.

The Working Interest Owners of each tract shall be responsible for the payment of all Royalty on or affecting such tract, and each such party shall hold each other party hereto harmless against all claims, demands and causes of action for such Royalty.

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) and Section 12 (Tract Participation) hereof, or if any tract is excluded from the Unit Area as provided for in Section 29 (Loss of Title), the schedule of participation as shown in the current Exhibit "B", whichever is appropriate, shall be revised by the Unit Operator and distributed to the Working Interest Owners, the Commissioner, the Supervisor, and the Director to show the new percentage participation of all the then effectively committed tracts; and the revised schedule, upon approval by the Commissioner and the Supervisor or the Director, shall govern all the allocation of production from and after the effective date thereof until the effective date of a new schedule so approved. The Tract Participations of all tracts participating prior to any such revision shall remain in the same ratio one to the other.

SECTION 15. ROYALTY SETTLEMENT. The State of New Mexico and the United States of America and all Royalty Owners who, under an existing contract, are entitled to take in kind a share of the unitized 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 Interest 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 their leases, except that such Royalty shall be computed in accordance with the terms of this Unit Agreement.

If gas obtained from lands not subject to this Agreement is introduced into the Unitized Formation, for use in repressuring, stimulation of production or increasing ultimate recovery in conformity with a plan approved pursuant to Section 11 (Plan of Operations), a like amount of gas, less appropriate deductions for loss from any cause, may be withdrawn from the Unitized Formation, Royalty free as to dry gas but not as to the products extracted therefrom; provided such withdrawal shall be pursuant to such conditions and formulas as may be prescribed or approved by the Supervisor and the Commissioner; and provided further that such right of withdrawal shall terminate as of the effective date of termination of the Unit Agreement.

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. Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts

thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though the Unitized Land were a single consolidated lease.

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 in the affected tract or tracts shall be adjusted accordingly.

SECTION 16. RENTAL SETTLEMENT. Rentals or minimum royalties due on leases committed hereto shall be paid by Working Interest Owners responsible therefor under existing contracts, laws and regulations, provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum royalty in lieu thereof, due under their leases. Rental 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 rental or minimum royalty is waived, suspended or reduced by law or by approval of the Secretary of his duly authorized representative.

SECTION 17. 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 18. DRAINAGE. The Unit Operator shall take appropriate and adequate measures to prevent drainage of Unitized Substances from unitized land by wells on land not subject to this Agreement.

SECTION 19. 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 Commissioner, respectively, shall and by their 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 and every part or separately owned tract subject to this Agreement, regardless of whether there is any development of any particular part or 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 secondary recovery operations performed hereunder upon any tract of unitized lands shall be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Commissioner and

Supervisor or their duly authorized representatives, shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized lands.

(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 as to the land committed so long as such lease remains subject hereto.

(e) Termination of this Agreement shall not affect any lease which, pursuant to the terms thereof or any applicable laws, shall continue in force and effect thereafter.

(f) 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.

(g) 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 shall continue in full force and effect beyond the terms 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 secondary 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.

(h) The segregation of any Federal lease committed to this Agreement is governed by the following provision in the fourth paragraph of Sec. 17 (j) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease 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 non-unitized 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 20. MATHEMATICAL ERRORS. It is hereby agreed by all parties to this Agreement that Unit Operator is empowered to correct any mathematical errors which might exist in the pertinent exhibits to this

Agreement upon approval of the Commissioner and the Supervisor.

SECTION 21. 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 of 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 of transfer.

SECTION 22. EFFECTIVE DATE AND TERM. This Agreement shall become binding upon each party who executed or ratifies it as of the date of execution or ratification by such party and shall become effective as of 7:00 a.m. of the first day of the month next following:

(a) The execution or ratification of this Agreement and the Unit Operating Agreement by Working Interest Owners sufficiently to effectively commit under Section 13 (Tracts Qualified for Unit Participation) hereof 80% (measured by surface area) of the lands comprising the Unit Area; and

(b) The approval of this Agreement by the Commissioner, the Secretary or his duly authorized representative, and the Commission; and

(c) The filing of at least one counterpart of this Agreement for record in the office of the county clerk of Rio Arriba County, New Mexico, by the Unit Operator; and provided, further that if (a) (b) and (c) above are not accomplished on or before July 1, 1965, this Agreement shall ipso facto expire on said date (hereinafter called "expiration date") and thereafter be of no further force or effect.

(d) Unit Operator shall, within thirty (30) days after the effective date of this Agreement, file for record in the office where a counterpart of this Agreement is recorded, a certificate to the effect

that this Agreement has become effective according to its terms and stating further the effective date.

The term of this Agreement shall be for and during the time that Unitized Substances are produced in paying quantities from the Unitized Land and so long thereafter as drilling, reworking or other operations (including secondary recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days, unless sooner terminated by Working Interest Owners in the manner hereinafter provided.

This Agreement may be terminated at any time with the approval of the Commissioner and the Director by Working Interest Owners owning 90 percent of Unit Participation. Notice of any such termination shall be given by Unit Operator to all parties hereto.

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

SECTION 23. RATE OF PROSPECTING, DEVELOPMENT AND 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 Director 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 Commission to alter or modify the quantity and rate

of production under this Agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided, further, that no such alteration or modification shall be effective as to any 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 Commissioner and as to any lands of the State of New Mexico or privately owned lands subject to this Agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

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

SECTION 24. NONDISCRIMINATION. In connection with the performance of work under this Agreement, the operator agrees to comply with all of the provisions of Section 301(1) to (7) inclusive, of Executive Order 10925, as amended (28F.R. 6485), which are hereby incorporated by reference in this Agreement.

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

SECTION 26. NOTICES. All notices, demands, objections or statements required hereunder to be given or rendered to the parties hereto

shall be deemed fully given if made in writing and personally delivered to the party or parties or sent by postpaid certified mail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the 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 27. NO WAIVER OF CERTAIN RIGHTS. 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 rules or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

SECTION 29. UNAVOIDABLE DELAY. All obligations under this Agreement requiring the Unit Operator to commence or continue secondary recovery operations or to operate on or produce Unitized Substances from any of the lands covered by this Agreement shall be suspended while, but only so long as the Unit Operator despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State or municipal law or agency, unavoidable accident, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

SECTION 29. LOSS OF TITLE. In the event title to the Working Interest in any tract of unitized land shall fail so as to render the tract inoperable under this Agreement and the true owner cannot be induced to join this 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 as to any Royalty, Working Interest or other interest subject thereto, payment or delivery on account thereof may be withheld without liability or interest until the dispute is finally settled; provided, that as to State or Federal land or leases, no payments of funds due the State of New Mexico or the United States of America shall be withheld, but such funds shall be deposited as directed by the Commissioner or the Supervisor (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.

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

SECTION 30. 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 the Unit 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 Unit Agreement.

Any oil or gas interest in the Unitized Formation underlying the Unit Area not committed hereto prior to submission of this Agreement to the Commissioner and the Director for final approval may thereafter be committed upon compliance with the applicable provisions of this Section and of Section 13 (Tracts Qualified for Unit Participation) hereof, at any time up to the effective date hereof on the same basis of participation as provided in said 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 by a Working Interest Owner as provided in this Section shall be governed by the provisions of Section 4 (Expansion) and of Section 12 (Tract Participation). Provided that any commitment of state land must be approved by the Commissioner. Any joinder by a proposed Working Interest Owner must be evidenced by his execution or ratification of this Agreement and the Unit Operating Agreement. Any joinder by a proposed Royalty Owner must be evidenced by his execution, ratification or consent of this Agreement. Except as may be otherwise herein provided, subsequent joinder to this Agreement shall be effective at 7:00 a.m. as of the first day of the month following the filing with the Commissioner and the Supervisor of duly executed counterparts of any and all documents necessary to establish effective commitment of his interest to this Agreement.

SECTION 31. 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 lands within the above described Unit Area; provided, if this agreement has not been approved by the Commissioner and the Director prior to July 1, 1965, it shall thereupon expire and be of no further force and effect.

SECTION 32. 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 such 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 33. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the Working Interest Owners, nor any of them, shall be subject to any forfeiture, termination or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provisions thereof to the extent that the said Unit Operator or the Working Interest Owners, or any of them, are hindered, delayed or prevented from complying therewith by reason of failure of the Unit Operator to obtain, in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of New Mexico in and about any matters or things concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this Agreement are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

SECTION 34. NO PARTNERSHIP. It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing in this Agreement contained, express or implied, or any operations conducted hereunder, shall create or be deemed to have created a partnership or association between the parties hereto or any of them.

SECTION 35. BORDER AGREEMENTS. Subject to the approval of the Commissioner and the Supervisor, the Unit Operator, with concurrence of 75% of the voting interest of the Working Interest Owners, may enter into a border-protection agreement or agreements with the Working Interest Owners of adjacent lands along the exterior boundary of the Unit Area with respect to the operations in the border area for the maximum ultimate recovery, conservation purposes and proper protection of the parties and interests.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and have set opposite their respective names the date of execution.

ATTEST:

Date:

BCO, INC.

By

President

UNIT OPERATOR

Date:

HARRY L. BIGBEE

Date:

HARL D. BYRD

ATTEST:

Date:

By

VAL R. REESE & ASSOCIATES, INC.

Date:

RAY SMITH

ATTEST:

Date:

TENNECO OIL COMPANY

By

AGENT AND ATTORNEY-IN-FACT

ATTEST:

Date:

EL PASO NATURAL GAS PRODUCTS COMPANY

By

Attorney-in-fact

DIVISION
PRODUCTION
SUPERVISOR
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DISTRICT
LAND
DATE
TIME
PLACE
BOOK

FORM
APPROVED
<i>[Signature]</i>

~~ATTEST:~~

J. H. Domin
Date: May 4, 1965 Attorney - In - Fact

ATTEST:

J. Scott McLean
Date: March 11, 1965 Secretary

ATTEST:

Date: _____

ATTEST:

Date: _____

ATTEST:

Date: _____

CALIFORNIA OIL COMPANY

By C. L. Keyser Attorney - In - Fact

SOUTHERN UNION PRODUCTION COMPANY

By G. M. Winderfel Vice President

SOUTHWOOD EXPLORATION COMPANY

By _____

SANTA FE CORPORATION

By _____

STANDARD OIL COMPANY OF TEXAS

By _____

Wm
Jm

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Date:		
Date:		
Date:		
Date:		

STATE OF New Mexico)
) SS
COUNTY OF Santa Fe)

The foregoing instrument was acknowledged before me this 14
day of March, 1965, by Harry L. Bigbee, President
of Gold Field, a New Mexico corporation, on behalf of
said corporation.

My Commission Expires:

June 1, 1965.

Robert J. Leonard
NOTARY PUBLIC
Santa Fe COUNTY New Mexico

STATE OF Texas)
) SS
COUNTY OF Dallas)

The foregoing instrument was acknowledged before me this 11th
day of March, 1965, by A. M. Wiederkehr, Vice President
of South Union Production Co. a Delaware corporation, on behalf of
said corporation.

My Commission Expires:

June 1, 1965.

Ernest Brandt
NOTARY PUBLIC
Dallas COUNTY Texas

STATE OF Idaho)
) SS
COUNTY OF Idaho)

The foregoing instrument was acknowledged before me this 18th
day of March, 1965, by Robert L. Hamblin, Attorney in Fact
of Idaho Natural Products Company, a Idaho corporation, on behalf of
said corporation.

My Commission Expires:

June 1, 1965.

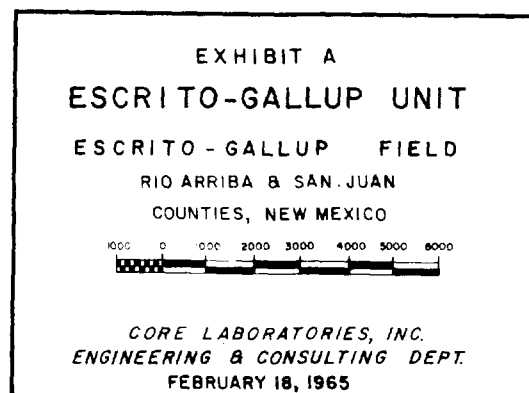
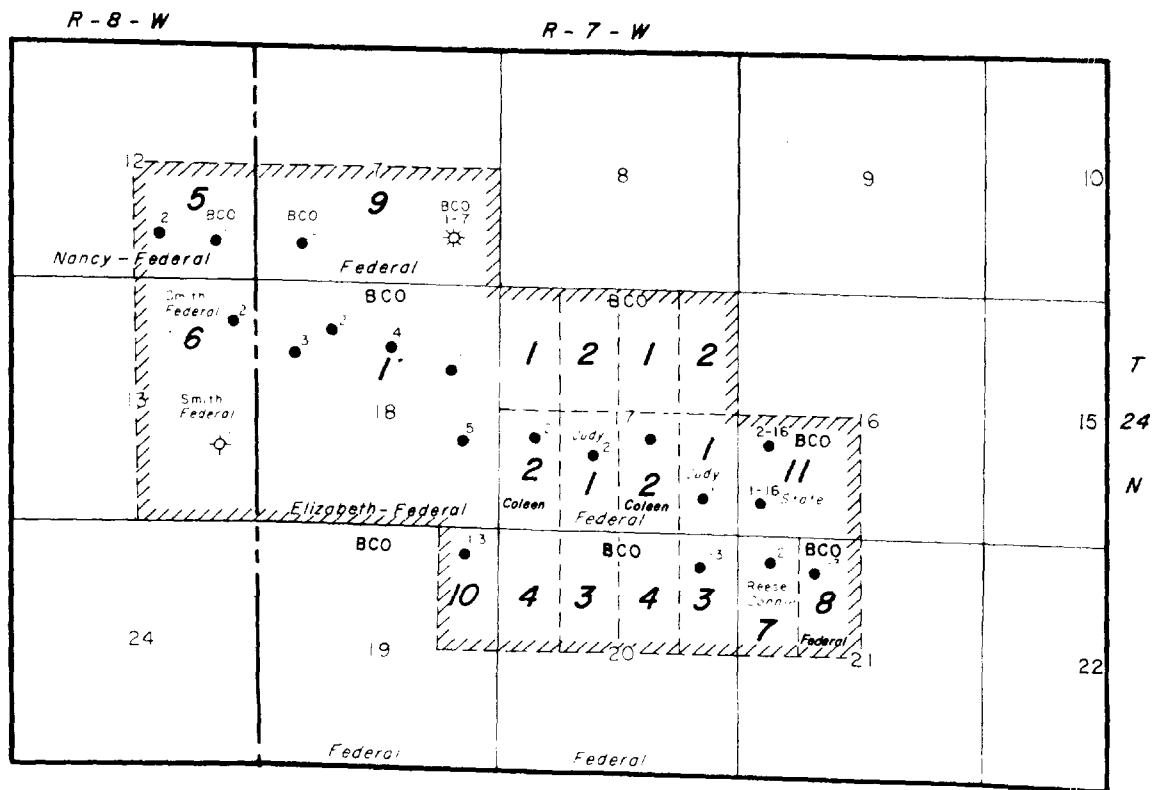
Thynell Smith
NOTARY PUBLIC
Idaho COUNTY Idaho

THE STATE OF TEXAS X
) SS
COUNTY OF MIDLAND X

The foregoing instrument was acknowledged before me this 24th
day of April, 1965, by J. P. Roach, Agent and Attorney-in-
Fact for Tenneco Oil Company, a Delaware corporation, on behalf of
said corporation and in the capacity and for the consideration therein
stated.

Jay J. Allison
Notary Public in and for
Midland County, Texas

My commission expires June 1, 1965.



STATE OF New Mexico)
)
COUNTY OF Santa Fe) SS

The foregoing instrument was acknowledged before me this 1st
day of March, 1964, by Harry L. Bigbee.

My Commission Expires:

June 1, 1965.

I Helen Nicomand
NOTARY PUBLIC
Santa Fe COUNTY New Mexico

STATE OF New Mexico)
)
COUNTY OF Santa Fe) SS

The foregoing instrument was acknowledged before me this 1st
day of March, 1964, by Harry L. Bigbee.

My Commission Expires:

June 1, 1965.

I Helen Nicomand
NOTARY PUBLIC
Santa Fe COUNTY New Mexico

STATE OF TEXAS
COUNTY OF HARRIS

The foregoing instrument was acknowledged before me this 4th day of
May, 1965, by V. L. TAYLOR and H. L. SMITH,
Attorneys in Fact for California Oil Company, a California corporation, on behalf
of said corporation.

My Commission Expires:

BARBARA ROBERTSON
Notary Public in and for Harris County, Texas
My Commission Expires June 1, 1965

Barbara Robertson
Notary Public
Harris County, Texas

STATE OF _____)
)
COUNTY OF _____) SS

The foregoing instrument was acknowledged before me this _____
day of _____, 1964, by _____.

My Commission Expires:

_____.

NOTARY PUBLIC
COUNTY _____

STATE OF _____)
)
COUNTY OF _____) SS

The foregoing instrument was acknowledged before me this _____
day of _____, 1964, by _____.

My Commission Expires:

_____.

NOTARY PUBLIC
COUNTY _____

EXHIBIT "B" UNIT AGREEMENT
ESCRITO GALLUP UNIT
SAN JUAN AND RIO ARriba COUNTIES, NEW MEXICO

SCHEDULE OF TRACTS

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY	LESSEE OF RECORD	WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION
1.	FEDERAL LAND							
	T24N-R7W		NM03595	USA -	E1 Paso	Harl D. Byrd 30%	Curtis J. Little 1.50000%	.438662
	Sec. 18 - All	962.72	HBP	12.5%	Natural Gas	Harry L. Bigbee 70%	E. R. Richardson 1.50000%	
	Sec. 17-W/2				Products Co.		E1 Paso Natural Gas Products 2.50000%	
	NE/4, W/2 NW/4,						Mabelle Hardie .25000%	
	E/2SE/4, E/2						Allen R. Grambling .25000%	
	SW/4						William B. Hardie .10000%	
							John A. Grambling .10000%	
							Ben R. Howell .25000%	
							R. H. Feuille .05000%	
							Robert Murray Fasken, Executor & Trustee Under the Will of Andrew Fasken, Deceased .17315%	
							Helen Fasken House .12986%	
							Wesley T. House .13002%	
							Murray Fasken .13008%	
							C. S. Longscope .04329%	
							First National Bank of Midland, Trustee for Trust No. 204 .17885%	
							Ina Belle Hightower .12994%	
							Anna Lou Home .25775%	
							Barron U. Kidd .12995%	
							Ralph Lowe .13000%	
							H. J. Phillips .12982%	
							James D. Sadler .12986%	
							Mary Velma Sealy .13040%	
							Tom Sealy .13017%	
							Ina Beth Phillips .12995%	

EXHIBIT "B" (CONTINUED)

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY RECORD	LESSEE OF WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION
2.	FEDERAL LAND	320	NMO3595-A HBP	USA-12.5%	California Oil Co.	Alberta Sloan	.25976%
						W. H. Sloan	.30319%
						J. Ralph Stewart	.04329%
						Jack B. Wilkinson	.12995%
						C. B. Yarbrough	.09036%
						Katherine B. Yarbrough	.09036%
						Robert Murray Fasken, Executor & Trustee under the Will of Andrew Fasken, Deceased.	.17315%
						Murray Fasken	.13008%
						Richard H. Feuille	.05000%
						First National Bank of Midland, Trustee for Trust No. 204	.17885%
						Allen R. Grambling	.25000%
						John A. Grambling	.10000%
						Ernest A. Hanson	.25000%
						Mabelle Hardie	.25000%
						William B. Hardie	.10000%
						Ina Belle Hightower	.12994%
						Anna Lou Home	.25775%
						Helen Fasken House	.12986%
						Wesley T. House	.13002%
						Ben R. Howell	.25000%
						Barron U. Kidd	.12995%
						Curtis J. Little	1.00000%
						Ralph Lowe	.13000%
						Foster Morrell	.25000%
						H. J. Phillips	.12982%
						Ina Beth Phillips	.12995%
						E. R. Richardson	1.00000%
						James D. Sadler	.12986%
						Tom Sealy	.13017%
						Mary Velma Sealy	.13040%

EXHIBIT "B" (CONTINUED)

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY RECORD	LESSEE OF RECORD	WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION
3.	<u>T24N-R7W</u> Sec. 20 - E/2 NE/4, E/2NW/4	160	NM014022 HBP	USA-12.5%	Southern Union Production Co.	Harry L. Bigbee 100%	Alberta Sloan .25976% W. H. Sloan .30319% California Oil Co. 5.00000% S. Dewey Stokes, Jr. .12500% Jack B. Wilkinson .12995% C. B. Yarbrough .09036% Katherine B. Yarbrough .09036% J. Ralph Stewart .04329% Adeline Stokes Schaver .12500% Leila F. Stokes .25000% C. S. Longscope .04329%	.019683
4.	<u>T24N-R7W</u> Sec. 20 - W/2 NE/4, W/2NW/4		NM014022 HBP	USA-12.5%	Southern Union Production Co.	Harry L. Bigbee 100%	George D. Blaylock 1.0% John C. Stricker 1.0% Dick Zackry & Wife 3.0% California Oil Co. 7.5%	.018173
5.	<u>T24N-R8W</u> Sec. 12-SE/4	153.38	NM088040-A 4-1-70	USA-12.5%	Harry L. Bigbee & Harl D. Byrd	Harl D. Byrd 30% Harry L. Bigbee 70%	Matias A. Zamora and Emeline L. Zamora, his wife E. R. Richardson Curtis J. Little	.099914

EXHIBIT "B" (CONTINUED)

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY RECORD	LESSEE OF RECORD	WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION
6.	T24N-R8W Sec. 13 - E/2	307.7	NM087657 4-1-70 HBP	USA-12.5%	Southwood Exploration Co. & Santa Fe Corp.	Ray Smith		.063537
7.	FEDERAL LAND T24N-R7W Sec. 21 - W/2 NW/4	80	SFO78924	USA-12.5%	California Oil Co.	Val R. Reese & Associates, Inc. 100%		.028998
8.	T24N-R7W Sec. 21 - E/2 NW/4	80	SFO78924-A HBP	USA-12.5%	California Oil Co.	Harry L. Bigbee 100%	R. H. Feuille Robert Murray Fasken, Executor & Trustee under the Will of Andrew Fasken, Deceased Murray Fasken First National Bank of Midland, Trustee for Trust No. 204 Allen R. Grambling John A. Grambling Ernest A. Hanson Mabelle Hardie William B. Hardie Ina Belle Hightower Anna Lou Home Helen Fasken House Wesley T. House Ben R. Howell Barron U. Kidd C. S. Longcope Ralph Lowe Foster Morrell H. J. Phillips	.05000000% .1731520% .1300750% .1788500% .2500000% .1000000% .2500000% .2500000% .1000000% .1299370% .2577520% .1298640% .1300230% .2500000% .1299520% .0432880% .1300020% .2500000% .1298160%

EXHIBIT "B" (CONTINUED)

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY RECORD	LESSEE OF WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION
9.	<u>FEDERAL LAND</u> T24N-R7W Sec. 7 - S/2	321.16	SFO78959 HBP	USA-12.5%	Southern Union Production Co. Harl D. Byrd 30% Harry L. Bigbee 70%	Ina Beth Phillips .1299490%	.061611
						James D. Sadler .1298640%	
						Adeline Stokes Schaver .1250000%	
						Mary Velma Sealy .1303990%	
						Tom Sealy .1301730%	
						Alberta Sloan .2597640%	
						W. H. Sloan .3031850%	
						Leila F. Stokes .2500000%	
						J. Ralph Stewart .0432880%	
						S. Dewey Stokes, Jr. .1250000%	
						Jack B. Wilkinson .1299480%	
						C. B. Yarbrough .0903600%	
						Katherine Yarbrough .0903590%	
						California Oil Co. 7.5000000%	
10.	<u>FEDERAL LAND</u> T24N-R7W Sec. 19 - E/2 NE/4	80	SFO80034 HBP	USA-12.5%	Southern Union Production Co. Harry L. Bigbee 100%	Ann Liddell 5.0%	.006753
						California Oil Co. 7.5%	
11.	<u>STATE OF NEW MEXICO LAND</u> T24N-R7W Sec. 16 SW/4	160	E-6833-11 HBP	State of N.M. 12.5%	Tenneco Oil Co. Harl D. Byrd 30% Harry L. Bigbee 70%	Edward Lim and Helen Lim, JT 1.6666%	.071303
						George C. Park & Yon Shee Park 1.6667%	
						Edward Gow Gee & Mary Wong Gee, JT 1.6667%	
						Tenneco Oil Co. 12.5%	

Index to Ratification and
Jointer Agreements

EXHIBIT "B" UNIT AGREEMENT
ESCRITO GALUP UNIT
SAN JUAN AND RIO ARRIBA COUNTIES, NEW MEXICO

SCHEDULE OF TRACTS

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY	LESSEE OF RECORD	WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION
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1. FEDERAL
LAND

T24N-R7W 962.72
Sec. 18 - All NMO3595
Sec. 17-W/2 HBP
NE/4, W/2 NW/4, E/2SE/4, E/2 SW/4

USA -
12.5%

El Paso
Natural Gas
Products Co.
Harl D. Byrd
Harry L. Bigbee
30%
70%

Curtis J. Little 1.50000% - 32.438662
E. R. Richardson 1.50000% - 32

El Paso Natural Gas Products 2.50000% see unit
Mabelle Hardie .25000% - 14
Allen R. Grambling .25000% - 37
William B. Hardie .10000% - 6
John A. Grambling .10000% - 25
Ben R. Howell .25000% - 14
R. H. Feuille .05000% - 10
Robert Murray
Fasken, Executor
& Trustee Under
the Will of Andrew
Fasken, Deceased .17315% - 9
Helen Fasken House .12986% - 9
Wesley T. House .13002% - 9
Murray Fasken .13008% - 9
C. S. Longcope .04329% - 8
First National
Bank of Midland,
Trustee for Trust
No. 204 .17885%

Ina Belle Hightower .12994% - 13
Anna Lou Home .25775% - 26
Barron U. Kidd .12995% - 28
Ralph Lowe .13000% - 22
H. J. Phillips .12982% - 35
James D. Sadler .12986% - 29
Mary Velma Sealy .13040% - 20
Tom Sealy .13017% - 14

EXHIBIT "B" (CONTINUED)

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY	LESSEE OF RECORD	WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION
							Alberta Sloan	.25976% - 2
							W. H. Sloan	.30319% - 11
							J. Ralph Stewart	.04329% - 23
							Jack B. Wilkinson	.12995% - 31
							C. B. Yarbrough	.09036% - 21
							Katherine B. Yarbrough	.09036% - 15

2. FEDERAL LAND

T24N-R7W	320	NM03595-A	USA-12.5%	California	Harl D. Byrd	30%	Robert Murray Fasken, Executor & Trustee under the Will of Andrew Fasken, Deceased.	.17315% - 9
Sec. 17 - E/2		HBP		Oil Co.	Harry L. Bigbee	70%	Murray Fasken	.13008% - 9
NW/4, E/2							Richard H. Feuille	.05000% - 10
NE/4, W/2							First National Bank of Midland, Trustee for Trust No. 204	.17885%
SW/4, W/2							Allen R. Crambling	.25000% - 37
SE/4							John A. Crambling	.10000% - 25
							Ernest A. Hanson	.25000% - 2
							Mabelle Hardie	.25000% - 18
							William B. Hardie	.10000% - 6
							Ina Belle Hightower	.12994% - 13
							Anna Lou Home	.25775% - 26
							Helen Fasken House	.12986% - 9
							Wesley T. House	.13002% - 9
							Ben R. Howell	.25000% - 14
							Barron U. Kidd	.12995% - 28
							Curtis J. Little	1.00000% - 32
							Ralph Lowe	.13000% - 22
							Foster Morrell	.25000% - 24
							H. J. Phillips	.12982% - 35
							Ina Beth Phillips	.12995% - 34
							E. R. Richardson	1.00000% - 32
							James D. Sadler	.12986% - 29
							Tom Sealy	.13017% - 19
							Mary Velma Sealy	.12017% - 1

.138435

EXHIBIT "B" (CONTINUED)

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY RECORD	LESSEE OF WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION	
3.	<u>T24N-R7W</u> Sec. 20 - E/2 NE/4, E/2NW/4	160	NM014022	USA-12.5%	Southern Union Production Co. Harry L. Bigbee 100%	Alberta Sloan W. H. Sloan California Oil Co. S. Dewey Stokes, Jr. Jack B. Wilkinson C. B. Yarbrough Katherine B. Yarbrough J. Ralph Stewart Adeline Stokes Schaver Leila F. Stokes C. S. Longcope	.25976% - 12 .30319% - 11 5.00000% - see unit .12500% - 17 .12995% - 31 .09036% - 21 .09036% - 15 .04329% - 23 .12500% - 27 .25000% - 16 .04329% - 8	
3.	<u>T24N-R7W</u> Sec. 20 - E/2 NE/4, E/2NW/4	160	NM014022	USA-12.5%	Southern Union Production Co. Harry L. Bigbee 100%	George D. Blaylock John C. Stricker Dick Zachry & Wife California Oil Co.	1.0% - 7 1.0% - 38 3.0% - 36 7.5% - see unit	.019683
4.	<u>T24N-R7W</u> Sec. 20 - W/2 NE/4, W/2NW/4		NM014022	USA-12.5%	Southern Union Production Co. Harry L. Bigbee 100%	Dick Zachry Southern Union Production Co.	3.0% - 36 9.5% - see unit	.018173
5.	<u>T24N-R8W</u> Sec. 12-SE/4	153.38	NM088040-A 4-1-70	USA-12.5%	Harry L. Bigbee & Harl D. Byrd Harl D. Byrd Harry L. Bigbee 70%	Matias A. Zamora and Emeline L. Zamora, his wife E. R. Richardson Curtis J. Little	5.00% - 5 1.75% - 32 1.75% - 32	.099914

EXHIBIT "B" (CONTINUED)

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY	LESSEE OF RECORD	WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION
6.	<u>T24N-R8W</u> Sec. 13 - E/2	307.7	MM087657 4-1-70 HBP	USA-12.5%	Southwood Exploration Co. & Santa Fe Corp.	Ray Smith		.063537
7.	FEDERAL <u>LAND</u>							
	<u>T24N-R7W</u> Sec. 21 - W/2 NW/4	80	SF078924	USA-12.5%	California Oil Co.	Val R. Reese & Associates, Inc.		.028998
8.	<u>T24N-R7W</u> Sec. 21 - E/2 NW/4	80	SF078924-A HBP	USA-12.5%	California Oil Co.	Harry L. Bigbee		
							<p>R. H. Feuille Robert Murray Fasken, Executor & Trustee under the Will of Andrew Fasken, Deceased</p> <p>Murray Fasken First National Bank of Midland, Trustee for Trust No. 204</p> <p>Allen R. Grambling John A. Grambling Ernest A. Hanson Mabelle Hardie William B. Hardie Ina Belle Hightower Anna Lou Home Helen Fasken House Wesley T. House Ben R. Howell Barron U. Kidd C. S. Longcope Ralph Lowe Foster Morrell</p>	<p>.0500000% — ① .052931</p> <p>.1731520% — 9 .1300750% — 9</p> <p>.1788500% .2500000% — 37 .1000000% — 25 .2500000% — ② .2500000% — 18 .1000000% — 6 .1299370% — 13 .2577520% — 26 .1298640% — 9 .1300230% — 9 .2500000% — 14 .1299520% — 28 .0432880% — 8 .1300020% — 22 .2500000% — 24</p>

EXHIBIT "B" (CONTINUED)

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	LEASE NO.	BASIC ROYALTY RECORD	LESSEE OF WORKING INT. OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	TRACT PARTICIPATION
9.	FEDERAL LAND						
	T24N-R7W Sec. 7 - S/2	321.16	SF078959 HBP	USA-12.5%	Southern Union Production Co. Harl D. Byrd Harry L. Bigbee	30% Grace K. Ernest Southern Union Production Co. 70%	5.0% - 33 .061611 7.5% - see unit
10.	FEDERAL LAND						
	T24N-R7W Sec. 19 - E/2 NE/4	80	SF080034 HBP	USA-12.5%	Southern Union Production Co. Harry L. Bigbee	100% Ann Liddell California Oil Co.	5.0% - 10 .006753 7.5% - see unit
11.	STATE OF NEW MEXICO LAND						
	T24N-R7W Sec. 16 SW/4	160	E-6833-11 HBP	State of N.M. Tenneco Oil Co. 12.5%	Harl D. Byrd Harry L. Bigbee	30% Edward Lim and Helen Lim, JT George C. Park & Yon Shee Park Edward Cow Gee & Mary Wong Gee, JT Tenneco Oil Co. 70%	1.6666% - 3 .071303 1.6667% - 4 1.6667% - 30 12.5% - see unit

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE 3/23/65

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Richard H. Terrell

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Iowa)
COUNTY OF El Paso) SS

On this 23rd day of March, 1965, before me
personally appeared Richard V. Lemire, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965

Loris B. Crowe
Notary Public, El Paso County, Texas

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that .

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 24, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Ernest A. Hanson

ADDRESS Box 1515
Roswell, New Mexico

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

~~March 25, 1965~~ FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 25, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS
Edward Lim *Edward Lim*
Helen Park Lim *Helen Park Lim*

ADDRESS 1020 Bishop's Lodge Road
Santa Fe, New Mexico 87501

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

(41)

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
~~March 25, 1965~~ FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 25, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS
George G. Park

Yon Shee Park - Deceased

George G. Park

ADDRESS 1024 Bishop's Lodge Road
Santa Fe, New Mexico

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 29, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Martina C. Jensen
ADDRESS P.O. Box 2385
Santa Fe, N.M.

DATE March 29, 1965

Eveline L. Jensen
ADDRESS P.O. Box 2385
Santa Fe, N.M.

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE) SS

On this 25th day of March, 19 65, before me
personally appeared George G. Park, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

10-26-66

Jessie N. Kelly
Notary Public

STATE OF _____)
)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

STATE OF New Mexico)
COUNTY OF Chaves) SS

On this 25th day of March, 1965, before me
personally appeared Ernest A. Hanson, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:
MY COMMISSION EXPIRES FEBRUARY 28, 1966

Emerson B. Tothunter
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that .

STATE OF NEW MEXICO)
) SS
COUNTY OF SANTA FE)

On this 25th day of March, 1965, before me personally appeared Edward Lim and Helen Park Lim, his wife, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:
10-26-66

Jessie M. Leby
Notary Public

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
) SS
COUNTY OF _____)

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that .

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE) SS

On this 29th day of March, 1965, before me
personally appeared MATIAS A. ZAMORA, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:
June 13, 1967

Nellie P. Corry
Notary Public

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE) SS

On this 29th day of March, 1965, before me
personally appeared EMELINE L. ZAMORA, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:
June 13, 1967

Nellie P. Corry
Notary Public

STATE OF _____)
)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965,

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 23, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

William B. Hardie
ADDRESS P.O. Box 1977
El Paso, Texas

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
COUNTY OF El Paso) SS

On this 26th day of March, 1965, before me personally appeared William B. Nardie, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

6-1-65

Frances S. Diaz
Notary Public

FRANCES S. DIAZ, Notary Public
In and for El Paso County, Texas
My commission expires June 1, 1965

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that .

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 25, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

George D. Blaylock
ADDRESS 5231 Shadywood Lane
Dallas, Texas 75209
SS No. 442-03-2409

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
COUNTY OF Dallas) SS

On this _____ day of March, 1965, before me personally appeared George D. Blaylock, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965

Jean Clark
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE Mar. 24, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

C. H. Hargrave

ADDRESS P.O. Box 667
Brownwood, Texas 76802.

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF TEXAS)
)
COUNTY OF BROWN) SS

On this _____ day of March, 19 65, before me personally appeared C. S. Longcope, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

June 1st, 1965

J. C. McKinson
Notary Public, Brown County, Texas.

STATE OF _____)
)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
~~March 26, 1965.~~ FEB 27 1965 .

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 26, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Wesley T. House
Wesley T. House
ADDRESS 1201 Bedford Drive
Midland, Texas

DATE March 26, 1965

Helen Fasken House
Helen Fasken House
ADDRESS 1201 Bedford Drive
Midland, Texas

DATE March 26, 1965

Murray Fasken
Murray Fasken
ADDRESS 406 Midland National Bank Building
Midland, Texas

DATE March 26, 1965

Robert Murray Fasken
Robert Murray Fasken, Executor and Trustee
~~ADDRESS~~ Under the Will of Andrew Fasken, Deceased
ADDRESS: 1201 Bedford Drive
Midland, Texas

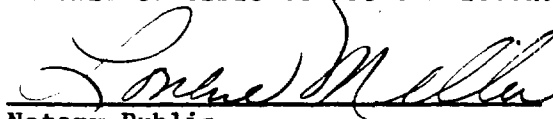
STATE OF TEXAS)
)
COUNTY OF MIDLAND) SS

On this 26th day of March, 1965, before me
personally appeared Wesley T. House, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965


Notary Public

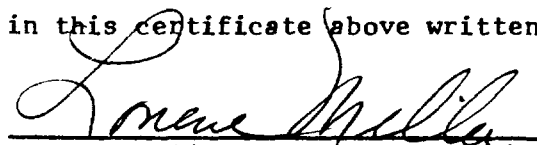
STATE OF TEXAS)
)
COUNTY OF MIDLAND) SS

On this 26th day of March, 1965, before me
personally appeared Helen Fasken House, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that ^{she} ~~he~~ executed the same as ^{her} ~~his~~ free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965


Notary Public

STATE OF _____)
)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

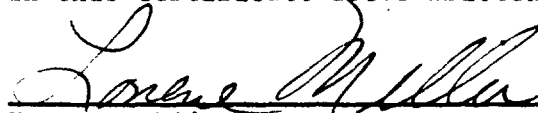
STATE OF TEXAS)
) SS
COUNTY OF MIDLAND)

On this 26th day of March, 1965, before me personally appeared Murray Fasken, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965


Notary Public

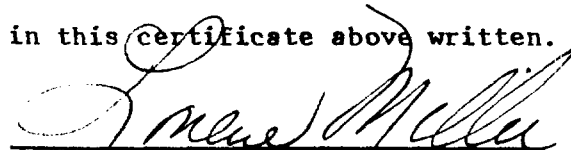
STATE OF TEXAS)
) SS
COUNTY OF MIDLAND)

On this 26th day of March, 1965, before me personally appeared Robert Murray Fasken, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed, and in the capacities stated therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965


Notary Public

STATE OF _____)
) SS
COUNTY OF _____)

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 26th 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Ann Liddle
ADDRESS 2731 Richmond Ave
El Paso, Texas - 79930

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Delaw)
COUNTY OF El Paso) SS

On this 26 day of March, 1965, before me
personally appeared Ann Liddell, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

6-1-65

Ruth Doss
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 26, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Alberta Sloan Alberta Sloan

ADDRESS 2306 Mercantile Bank Building
Dallas 1, Texas
[REDACTED]

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
)
COUNTY OF Dallas) SS

On this 26th day of March, 19 65, before me
personally appeared Alberta Sloan, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

6-1-65

Marjorie Taylor Marjorie Taylor
Notary Public in and for Dallas County,
State of Texas

STATE OF _____)
)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 26, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Ina Belle Hightower
Ina Belle Hightower
ADDRESS 2306 Mercantile Bank Building
Dallas 1, Texas
Soc. Sec. No. 558-56-6377

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
) SS
COUNTY OF Dallas)

On this 26th day of March, 1965, before me
personally appeared Ina Belle Hightower, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:
June 1, 1965

Marjorie Taylor Marjorie Taylor
Notary Public in and for Dallas County,
State of Texas

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
) SS
COUNTY OF _____)

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE Mar 30, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Don L. Howell
ADDRESS 1225 Cincinnati Ave.
El Paso, Texas.

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
COUNTY OF El Paso) SS

On this 30th day of March, 1965, before me personally appeared Ben R. Howell, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

MARY M. McNUTT

Notary Public in and for El Paso County, Texas
My Commission Expires June 1, 1968

Mary M. McNutt
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

March 26, 1965 ~~April 2, 1965~~ FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 26, 1965
April 2, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Frederic B. Garbrough
ADDRESS Box 1474
Midland, Texas

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Iowa)
COUNTY OF Midland) SS

On this 2 day of April, 1965, before me
personally appeared Ratherne B. Garbrough, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965

J. Hamm
Notary Public
L. HAMM

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 31 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Lila I. Stokes

ADDRESS 520 Grape

Smith on Consequences, N.M

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF New Mexico)
COUNTY OF Sierra) SS

On this 31st day of March, 1965, before me personally appeared Leila J. Stapes, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

May 6, 1968

Sophie Marie Bryant
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

FEB 2 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE 3/29/65

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

L. Leroy Stokes Jr.
ADDRESS Box 1573
Roswell, N.M.

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF New Mexico)
COUNTY OF Chaves) SS

On this 29th day of March, 1965, before me personally appeared L. Dewey Stobbs, Jr., to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

11-22-65

Helen Albert
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that .

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
~~March 31st 1965~~ . FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 31, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Mabelle B. Hardie

ADDRESS 515 Robinson Ave.,
El Paso, Texas

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
COUNTY OF El Paso) SS

On this 31 day of March, 1965, before me personally appeared Mabelle B. Hardie, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that ^{he}he executed the same as ~~his~~ free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965

Mary Jane Weaver
Notary Public El Paso County, Texas

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE Mar 29, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Tom Saaley
ADDRESS Box 670
Midland Tex

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
)
COUNTY OF Midland) SS

On this 2^d day of April, 1965, before me
personally appeared Tom Sealy, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965

Betty Alice Lewis
Notary Public
Midland County, Texas

STATE OF _____)
)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 29, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Tom Sealy
(Pro Forma)

Mary Velma Sealy
ADDRESS Box 670
Midland, Texas

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
)
COUNTY OF Midland) SS

On this 2^d day of April, 19 65, before me
personally appeared Tom Sealy and Mary Velma Sealy, wife of Tom Sealy. to me known
to be the persons described in and who executed the foregoing
instrument, and acknowledged that they executed the same as ^{their} ~~his~~ free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965

Betty Alice Lewis
Notary Public
Midland County, Texas

STATE OF _____)
)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

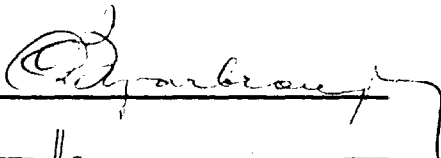
FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE 3-24-65

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS


ADDRESS C. B. YARBROUGH
1500 Beverly Circle Dr., E.
Corsicana, Texas

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF TEXAS)
)
COUNTY OF NAVARRO) SS

On this 5th day of APRIL, 1965, before me
personally appeared C B YARBROUGH, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:
1-1-65

Richard A. Hudson
Notary Public

STATE OF _____)
)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires: _____
Notary Public

STATE OF _____)
)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

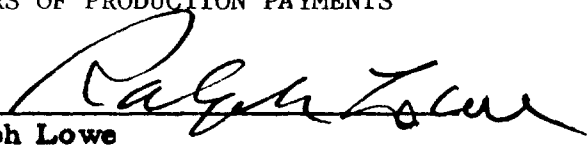
Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE March 24, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS


Ralph Lowe
ADDRESS P. O. Box 832
Midland, Texas 79701

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF TEXAS)
) SS
COUNTY OF MIDLAND)

On this 24th day of March, 1965, before me
personally appeared RALPH LOWE, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:
June 1, 1965

Joyce R. Leach
Notary Public **Joyce R. Leach**

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
) SS
COUNTY OF _____)

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

 .

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE 4-2-1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

J. Ralph Stewart
ADDRESS Box 1254
San Angela, Texas

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
COUNTY OF Don Green) SS

On this 2nd day of April, 1965, before me personally appeared J. Ralph Stewart, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965

Lola M. Hocht
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement, which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE April 8, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Foster Howell

ADDRESS P.O. Box 1933

Roswell, New Mexico 88201

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Washington)
COUNTY OF Chavez) SS

On this 8th day of April, 1965, before me personally appeared Foster Marree, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

5/4/66

Robert B. Hodges
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1955.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE 4-8-65

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

John S. Sanchez

ADDRESS PO Box 1977
El Paso, Texas

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
COUNTY OF El Paso) SS

On this 8th day of April, 1965, before me
personally appeared Wm. J. Brantley, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

June 1965

Lee J. Rogers
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE 4-9-65

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

✓ Anna Lou Horn
ADDRESS 207 San Orange Dr.
Los Angeles, 90036 California

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF California)
COUNTY OF Los Angeles) SS

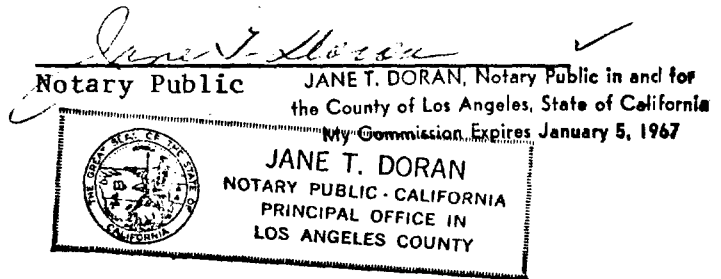
On this 9th day of April, 1965, before me personally appeared Anna Lou Horne, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

January 5, 1967

STATE OF _____)
COUNTY OF _____) SS



On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE 4-12-65

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Adeline Stokes Schauer
ADDRESS 4 Coronado Circle
Roswell, New Mexico

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF NEW MEXICO)
) SS
COUNTY OF CHAVES)

On this 12th day of April, 1965, before me
personally appeared Adelin Stokes Schauer, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that ~~he~~^{her} executed the same as ~~his~~ free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

January 29, 1968

Mary L. Jones
Notary Public

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
) SS
COUNTY OF _____)

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE April 13, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Barron U. Kidd
BARRON U. KIDD
ADDRESS 405 Oak Plaza Bldg.
3707 Rawlins Street
Dallas, Texas 75219

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF TEXAS)
)
COUNTY OF DALLAS) SS

On this 13th day of April, 1965, before me personally appeared BARRON U. KIDD, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965

Notary Public
Notary Public
Public Notary of the State of Texas

STATE OF _____)
)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

FEB 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE 2-12-1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

James A. Sadler

ADDRESS 5327 Livingston

Dallas 75209 Tex

DATE 1

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Nebraska)
COUNTY OF Hallam) SS

On this 12 day of April, 1965, before me personally appeared James H. Sullivan, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

6-1-1965

Anne Redmond
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

2-17-1965 FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE 4-17-65

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

[Signature]

ADDRESS 10201 North Vermont Ave.

Los Angeles, Calif. 90044

DATE 4-17-65

[Signature]
ADDRESS 10201 North Vermont Ave.

Los Angeles, Calif. 90044

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Calif.)
COUNTY OF Los Angeles) SS

On this 17 day of April, 1965, before me personally appeared William H. Ford, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

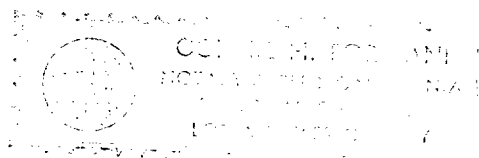
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

April 5-1970

Connie H. Ford
Notary Public CONNIE H. FORD

STATE OF Calif.)
COUNTY OF Los Angeles) SS



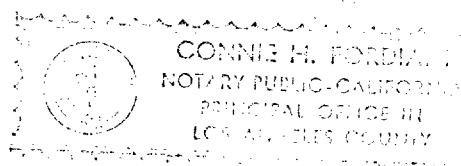
On this 17 day of April, 1965, before me personally appeared William H. Ford, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

STATE OF _____)
COUNTY OF _____) SS

Connie H. Ford
Notary Public



On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
TO
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

FEB 27 1965

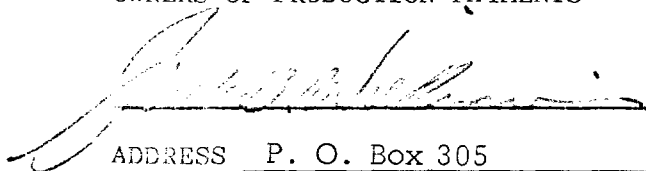
FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE April 19, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS



ADDRESS P. O. Box 305

Midland, Texas

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF TEXAS)
)
COUNTY OF MIDLAND) SS

On this 19th day of April, 1965, before me
personally appeared Jack B. Wilkinson, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledges that he executed the same as his free
act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:
June 1, 1966

J. E. Davis (Jean E. Davis)
Notary Public
Midland County, Texas

STATE OF _____)
)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me
personally appeared _____, to me known to
be the person described in and who executed the foregoing instrument,
and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
)
COUNTY OF _____) SS

On this the _____ day of _____, 19____,
personally appeared _____, to me personally
known, who being by me duly sworn did say that he is the _____
President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

APR 27 1965.

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE APR 17 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

[Signature]
ADDRESS 2929 Monte Vista, L.E.
Albuquerque, N.M.

DATE APR 17 1965

[Signature]
ADDRESS 2929 Monte Vista, L.E.
Albuquerque, N.M.

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
COUNTY OF Harris) SS

On this 20th day of April, 1965, before me personally appeared R. D. Robinson, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires: January 13, 1967
Sam D. Keel
Notary Public

STATE OF Texas)
COUNTY OF Harris) SS

On this 20th day of April, 1965, before me personally appeared Arthur J. Little, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires: January 13, 1967
Sam D. Keel
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE

Feb 27 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

[Signature]

ADDRESS

11-14-1965
10-1-1965

DATE

ADDRESS

DATE

ADDRESS

DATE

ADDRESS

STATE OF Mississippi)
COUNTY OF Scott) SS

On this 26th day of September, 1965, before me personally appeared George Lee Smith, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Nov. 2, 1966

Caroline M. Seaver
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE _____

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Mr. Peter Rueda

ADDRESS Box 227

Midland, Texas

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Illinois)
COUNTY OF Willard) SS

On this 29th day of April, 1945, before me personally appeared Leo L. Phillips, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires: June 1945
Alma Cardwell
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires: _____

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated

FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE _____

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

[Signature]
ADDRESS *Box 227*
Midland, Texas

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Mass.)
COUNTY OF Middlesex) SS

On this 20th day of April, 1965, before me personally appeared H. J. Phillips, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

June 1965

Harold David
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE April 22, 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

W. J. Ruby
ADDRESS 510 Dellwood
Alt Pleasant, Texas

DATE April 22, 1965

Wm. L. Ruby
ADDRESS 510 Dellwood

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
COUNTY OF Gregg) SS

On this 22 day of April, 1965, before me personally appeared Dick Zuehl, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965

A. D. Barnes
Notary Public

STATE OF Texas)
COUNTY OF Gregg) SS

On this 22 day of April, 1965, before me personally appeared Mrs. Dick Zuehl, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

June 1, 1965

A. D. Barnes
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

RATIFICATION and JOINDER
to
ESCRITO GALLUP UNIT AGREEMENT

Ratification and joinder to the Escrito Gallup Unit Agreement,
San Juan and Rio Arriba Counties, State of New Mexico, dated
FEB 27 1965

For the consideration stated in the above described Unit Agreement, the undersigned hereby ratifies, confirms and joins in the execution of said Unit Agreement which is hereby incorporated herein and made a part hereof, to the same extent and effect as if the undersigned had executed the original of said Unit Agreement.

The undersigned acknowledges receipt of a copy of said Unit Agreement and acknowledges that no representations not incorporated herein or in said Unit Agreement have been made to the undersigned and that this instrument has been signed and delivered unconditionally.

DATE May 7 - 1965

OVERRIDING ROYALTY OWNERS OR
OWNERS OF PRODUCTION PAYMENTS

Allen Frank
ADDRESS P.O. Box 1977
El Paso - Texas

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

DATE _____

ADDRESS _____

STATE OF Texas)
COUNTY OF El Paso) SS

On this 7th day of May, 1965, before me personally appeared Allen Frankley, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

June 1-1965

Barbara Wise
Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this _____ day of _____, 19____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledges that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

My Commission Expires:

Notary Public

STATE OF _____)
COUNTY OF _____) SS

On this the _____ day of _____, 19____, personally appeared _____, to me personally known, who being by me duly sworn did say that he is the _____ President of _____ and that

J. P. Smith

Date: 28 MARCH 1965

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

STATE OF Texas)
) SS
COUNTY OF Dallas)

The foregoing instrument was acknowledged before me this 30th
day of March, 1965, by John C. Stumber

My Commission Expires:
June 1, 1965

Betty L. Britton
NOTARY PUBLIC
Dallas COUNTY Texas

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____
day of _____, 1964, by _____

My Commission Expires:

NOTARY PUBLIC
COUNTY _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____
day of _____, 1964, by _____

My Commission Expires:

NOTARY PUBLIC
COUNTY _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____
day of _____, 1964, by _____

My Commission Expires:

NOTARY PUBLIC
COUNTY _____

STATE OF _____)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____
day of _____, 1964, by _____

My Commission Expires:

NOTARY PUBLIC
COUNTY _____