



**Chevron U.S.A. Inc.**

P.O. Box 1635, Houston, TX 77251 • Phone (713) 754-2681

Ray M. Vaden  
Land Representative  
Interior Division  
Land Department  
Central Region

BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION

Chevron EXHIBIT NO. 40

CASE NO. 10059-61

July 9, 1990

C E R T I F I E D

Royalty and Overriding Royalty  
Interest Owners in the Proposed  
Expansion Area "B" of the  
Eunice Monument South Unit  
Lea County, New Mexico

Request to Join in the Expansion  
of the Eunice Monument South Unit  
as a Subsequent Joinder Under  
the Terms of the Unit Agreement  
and the New Mexico Statutory  
Unitization Act  
(N.M.S.A. 70-7-1 through 70-7-21)

Dear Royalty Owner:

The working interest owners of the existing Eunice Monument South Unit (EMSU) and the working interest owners of the proposed Unit Expansion Area "B" shown on the enclosed map labeled Exhibit "A" have elected to expand the Unit. The expansion will take in 3000 additional acres and is shown on the enclosed Exhibit "A" and Exhibit "B" as tracts 102 through 112.

The costs of the enhanced recovery operations will be borne by the working interest owners and not the royalty or overriding royalty owners. It is estimated that approximately 13.5 million barrels of additional oil will be recovered from the Unit Expansion Area B through waterflood operations. The enclosed Royalty Owners Overview was prepared and mailed to the owners in the original unit area in 1984, and since the general information on the unit applies to your interest in the expansion area, it should help explain the proposed operations to you.

I have enclosed a copy of the EMSU Unit Agreement for your file and for your reference. We are planning to expand the unit under the general terms of section 4 of the enclosed Unit Agreement and under the New Mexico Statutory Unitization Act. We will be sending notice of the expansion and the hearing date in the near future.

In order to proceed with our unitization, please sign before a notary public, all seven copies of the enclosed Eunice Monument South Unit Ratification and Joinder (with addendum attached). Please retain one

signed and notarized copy for your files and return the remaining six copies in the enclosed, self-addressed postage paid envelope on or before August 10, 1990. We will file two originals of the Ratification with the Bureau of Land Management, one with the New Mexico Oil Conservation Division, one with the New Mexico State Land Office, one will be recorded in the courthouse records of Lea County, New Mexico, and one will be retained in Chevron's unit file.

If you have any questions in this regard, please call or write me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ray M. Vaden", with a long horizontal flourish extending to the right.

Ray M. Vaden  
Land Representative

RMV:Imm850  
Enclosure

CORPORATE ROYALTY JOINDER

ROYALTY AND OVERRIDING  
ROYALTY INTEREST OWNERS

RATIFICATION AND JOINDER OF THE UNIT AGREEMENT  
OF THE EUNICE MONUMENT SOUTH UNIT,  
LEA COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the Development and Operation of the Eunice Monument South Unit Area, County of Lea, State of New Mexico, dated June 22, 1984, in form approved on behalf of the Secretary of the Interior and the state of New Mexico, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement, SUBJECT TO THE TERMS AND CONDITIONS OF THE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF.

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

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

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

By \_\_\_\_\_

Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

THE STATE OF §

COUNTY OF §

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_, by \_\_\_\_\_, \_\_\_\_\_, for/of \_\_\_\_\_, a \_\_\_\_\_ corporation, on behalf of said corporation.

My Commission Expires:

\_\_\_\_\_

\_\_\_\_\_

RATIFICATION AND JOINDER OF THE UNIT AGREEMENT  
OF THE EUNICE MONUMENT SOUTH UNIT,  
LEA COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement for the Development and Operation of the Eunice Monument South Unit Area, County of Lea, State of New Mexico, dated June 22, 1984, in form approved on behalf of the Secretary of the Interior and the state of New Mexico, the undersigned (whether one or more) hereby expressly joins said Unit Agreement and ratifies, approves, adopts and confirms said Unit Agreement as fully as though the undersigned had executed the original agreement, SUBJECT TO THE TERMS AND CONDITIONS OF THE ADDENDUM ATTACHED HERETO AND MADE A PART HEREOF.

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

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

EXECUTED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

THE STATE OF                    §  
COUNTY OF                    §

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_, by \_\_\_\_\_.

My Commission Expires:

\_\_\_\_\_

R 36 E

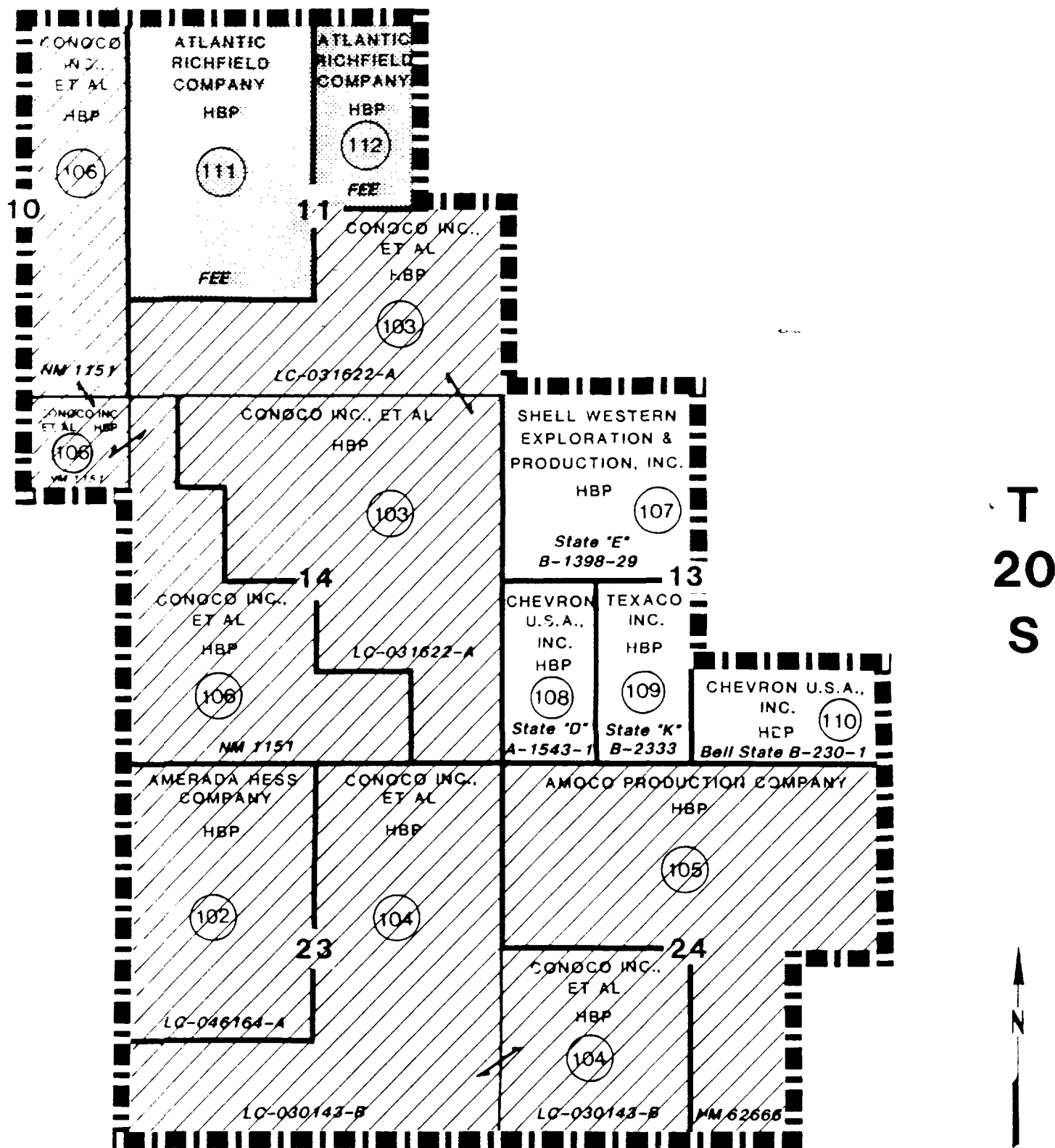





EXHIBIT "A"

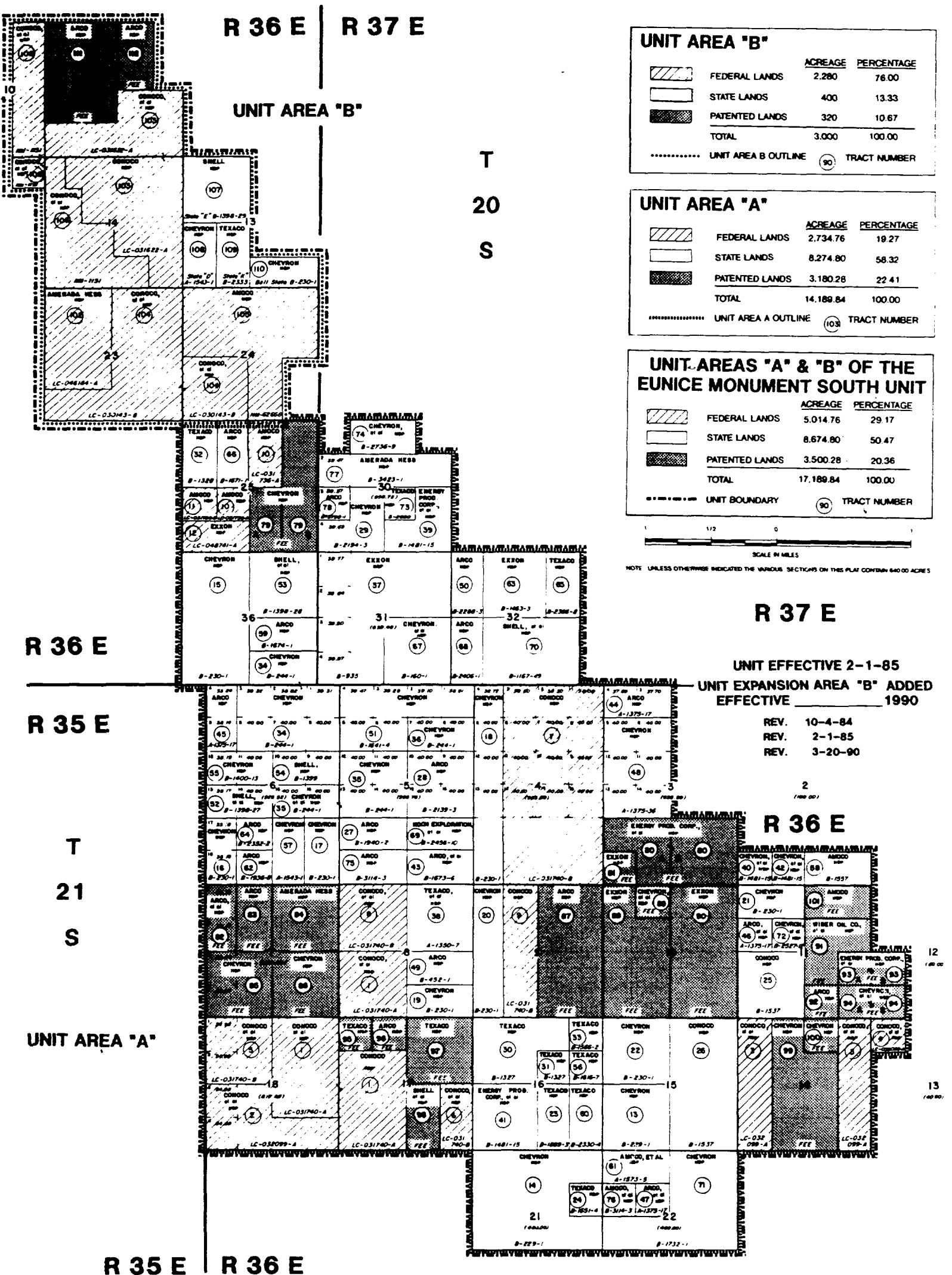
# EUNICE MONUMENT SOUTH UNIT EXPANSION AREA "B"

LEA CO., NEW MEXICO  
UNIT EFFECTIVE 2-1-85  
EXPANDED/REV. 9-1-90

CHEVRON U.S.A. INC.  
HOUSTON, TEXAS

	ACREAGE	PERCENTAGE
 FEDERAL LANDS	2280	78.00
 STATE LANDS	400	13.33
 PATENTED LANDS	320	10.67
TOTAL	3000	100.00

NOTE: UNLESS OTHERWISE INDICATED, THE VARIOUS SECTIONS ON THIS PLAT CONTAIN 640.00 ACRES



**UNIT AREA "B"**

	ACREAGE	PERCENTAGE
FEDERAL LANDS	2.280	76.00
STATE LANDS	400	13.33
PATENTED LANDS	320	10.67
TOTAL	3.000	100.00

UNIT AREA B OUTLINE (90) TRACT NUMBER

**UNIT AREA "A"**

	ACREAGE	PERCENTAGE
FEDERAL LANDS	2,734.76	19.27
STATE LANDS	8,274.80	58.32
PATENTED LANDS	3,180.28	22.41
TOTAL	14,189.84	100.00

UNIT AREA A OUTLINE (103) TRACT NUMBER

**UNIT AREAS "A" & "B" OF THE EUNICE MONUMENT SOUTH UNIT**

	ACREAGE	PERCENTAGE
FEDERAL LANDS	5,014.76	29.17
STATE LANDS	8,674.80	50.47
PATENTED LANDS	3,500.28	20.36
TOTAL	17,189.84	100.00

UNIT BOUNDARY (90) TRACT NUMBER

SCALE IN MILES  
NOTE: UNLESS OTHERWISE INDICATED THE VARIOUS SECTIONS ON THIS PLAT CONTAIN 640.00 ACRES

R 37 E

UNIT EFFECTIVE 2-1-85  
UNIT EXPANSION AREA "B" ADDED EFFECTIVE 1990  
REV. 10-4-84  
REV. 2-1-85  
REV. 3-20-90

R 36 E

**EXHIBIT "A"**  
**EUNICE MONUMENT SOUTH**  
**UNIT AREA**

LEA COUNTY, NEW MEXICO

CHEVRON U.S.A. INC.  
HOUSTON, TEXAS

UNIT EXPANSION AREA B

EXHIBIT "B"

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS  
IN ACCORDANCE WITH THE PARTICIPATION FORMULA FOR THE UNITIZED FORMATION FOR THE  
EUNICE MONUMENT SOUTH UNIT AREA  
LEA COUNTY, NEW MEXICO  
6-1-90

TRACT NO. AND TRACT NAME		DESCRIPTION OF LAND	ACRES		SERIAL NO. AND EFFECTIVE DATE	BASIC ROYALTY OWNER AND PERCENTAGE		LESSEE OF RECORD	OVERRIDE ROYALTY OWNER AND PERCENTAGE		WORKING INTEREST OWNER AND PERCENTAGE		PARTICIPATION OF TRACT IN UNIT AREA B	
102	Andrews Federal	T-20-S, R-36-E, NMPN Sec. 23: NW/4, N/2SW/4	240		LC-046164-(a) HBP 09/23/35 Renewal 09/01/85	U.S.A. Schedule "C"		Amerada Hess Corp.	Jeanne A. Saunders Trust 2.5%		Amerada Hess	100%	1.71687894	
103	Sanderson "A"	T-20-S, R-36-E, NMPN Sec. 14: NE/4, W/2SE/4, SE/4SE/4, E/2NW/4, E/2 NW4/NW/4 Sec. 11: SE/4, S/2SW/4	620		LC-031622-(a) HBP 10/30/36 Exchanged 10/01/56	U.S.A. Schedule "C"		Helen T. Sanderson	Lena Grace Westra .70311% Givyn H. Sanderson .70311% Francis K. Thompson .70314% Francis Thompson .70314% Western Mineral 2.81250% Deed Assoc.		Conoco Inc. Amoco Prod. Co. Atlantic Richfield Co. Chevron U.S.A. Inc.	25% 25% 25% 25% 25%	33.58429396	
104	Reed "B"	T-20-S, R-36-E, NMPN Sec. 23: E/2, S/2SW/4 Sec. 24: SW/4	560		LC-030143-(b) HBP 02/01/37 Exchanged 06/01/57	U.S.A. Schedule "D"		Conoco, Inc. Chevron U.S.A. Inc. Amoco Prod. Co. Atlantic Richfield Co.	25% None 25% 25% 25%		Conoco, Inc. Amoco Prod Co. Atlantic Richfield Co. Chevron U.S.A. Inc.	25% 25% 25% 25%	14.03162305	

				PARTICIPATION			
				OF TRACT		IN UNIT	
				WORKING INTEREST		AREA B	
				OWNER AND PERCENTAGE			
				OVERRIDING ROYALTY OWNER			
				AND PERCENTAGE			
				LESSOR			
				OF RECORD			
				BASIC ROYALTY			
				OWNER AND			
				PERCENTAGE			
				AND EFFECTIVE			
				DATE			
				ACRES			
				DESCRIPTION OF			
				LAND			
				TRACT NAME			
				TRACT NO. AND			

105	Gilluly "A"	T-20-S, R-36-E, N4PM	400	NW-62666	U.S.A.	Amoco Prod. Co.	Andrews, Selma E. Trust 5188	2.68525	Amoco Prod. Co.	100%	16.71064916
				HBP	Schedule		Beams Minerals Company	0.04465			
				03/30/37	"C"		Braille Institute of America Inc.	2.31475			
				Exchanged			Brauchli, C R	0.01116			
				03/01/57			Dolley, Robert C	0.15000			
				Segregation of			Gallant, Clardean	0.12500			
				LC-031736-(a)			Haenni, Margaret B	0.01116			
				02/01/85			Jenkins, Marlin H and or Muriel L	0.2500			
							Jenkins, Marvin G	.25000			
							Keefe, Leonard D	.37500			
							Maccaughty, Lina R and Lawrence R	.25000			
							Oryx Energy Company	.06473			
							Payne, Julia H	.01696			
							Payne, Julia H, Trustee	.02768			
							Union Texas Petroleum Corporation	.32366			
							Ward, Daniel Robert	.50000			
							Ward, Linda Dolley	.10000			
106	U. M. Sanderson	T-20-S, R-36-E, N4PM	460	NW-1151	U.S.A.	Helen T. Sanderson	None		Conoco, Inc.	25%	7.70321920
				HBP	Schedule				Amoco Prod. Inc.	25%	
				10/01/56	"C"				Atlantic	25%	
				Exchanged					Richfield Co.		
				10/01/58					Chevron U.S.A.	25%	
				Segregation of					Inc.		
				LC-031622-(b)							
				10/30/36							



TRACT NO. AND TRACT NAME	DESCRIPTION OF LAND	ACRES	SERIAL NO. AND EFFECTIVE DATE		BASIC ROYALTY OWNER AND PERCENTAGE		LESSEE OF RECORD	OVERRIDING ROYALTY OWNER AND PERCENTAGE		PARTICIPATION OF TRACT WORKING INTEREST IN UNIT AREA B	
107 State "E"	T-20-S, R-36-E, N/4 Sec. 13: NW/4	160	B-1398-29 HBP	01/26/28	State of New Mexico	12 1/2%	Shell Western E & P, Inc. and El Paso Natural Gas Co.			Shell Western E & P, Inc.	100% 4.46939289
108 State "D"	T-20-S, R-36-E, N/4 Sec. 13: W/2SW/4	80	A-1543-1 HBP	12/29/28	State of New Mexico	12 1/2%	Chevron U.S.A. Inc.			Chevron U.S.A. Inc.	100% 3.37264319
109 State "K"	T-20-S, R-36-E, N/4 Sec. 13: E/2SW/4	80	B-2333-3 HBP	01/02/29	State of New Mexico	12 1/2%	Texaco Producing Co. U.S.A. Inc.			Texaco Prod. Co. U.S.A. Inc.	100% .64294328
110 Bell State	T-20-S, R-36-E, N/4 Sec. 13: S/2SE/4	80	B-230-1 HBP	09/10/31	State of New Mexico	12 1/2%	Chevron U.S.A. Inc.			Chevron U.S.A. Inc.	100% 2.19373312

4 STATE TRACTS TOTALING 400 ACRES OR 13.33% OF UNIT AREA

TRACT NO. AND TRACT NAME		DESCRIPTION OF LAND		ACRES		LEASE STATUS		BASIC ROYALTY OWNER AND PERCENTAGE		OVERRIDING ROYALTY OWNER AND PERCENTAGE		WORKING INTEREST OWNER AND PERCENTAGE		PARTICIPATION OF TRACT IN UNIT AREA B	
TRACT NO. AND TRACT NAME		DESCRIPTION OF LAND		ACRES		LEASE STATUS		BASIC ROYALTY OWNER AND PERCENTAGE		OVERRIDING ROYALTY OWNER AND PERCENTAGE		WORKING INTEREST OWNER AND PERCENTAGE		PARTICIPATION OF TRACT IN UNIT AREA B	

PATENTED LANDS:

111 W. P. BYRD T-20-S, R-36-E, N4PM  
 Sec. 11: NW/4, N/2SW/4

240 HBP

Elsie D. Bickford & Harold E. Bickford Irrevocable Trust  
 Ruth C. Kendall .026045  
 Jane Jennings .008681  
 Charles Downing .008682  
 Elizabeth G. Anderson .043400  
 Co-Trustee of the R.G. Anderson Consolidated Trust  
 The Estate of Lucille T. Smith .045570  
 Jimmy Joe Hooper 1.38887x  
 Jeannine Hooper Byron 1.38887x  
 Leland Downing .008682x  
 Melinda Investment Corp. .082460  
 The W A Yeager Group .17362x  
 KEC Acquisition Corp. .173610x  
 Geodyne Resources, Inc. 2.734370x  
 First City, Texas-Midland NA, Trustee U/W/O  
 James G Armstrong  
 G William Hurley .43400  
 Hugh Corrigan, III .260410  
 Dannie A. Carter .001080  
 Jerome T. Hanners .039060  
 Marvin M. Rosen, Trustee .048820  
 U/T/A Dated 2-16-79 F/B/O  
 W Blair Danson, Laura C Danson,  
 and Bethany E Danson  
 Amroy Co .61690

Atlantic 100%  
 Richfield Co. 10.8086931

John M Mouser Company	.173610
NCNB Texas National Bank,	.520840
As Successor Escrow Agent	
Sabine Royalty Trust	
Eula Corder	.000030
J Patrick Corrigan	.250420
Bank of Oklahoma, Tulsa,	.007520
M A, F/A/O Mary Elizabeth	
Ellinghausen	
Rollins M Koppel	.001090
Hosea V Price	.000010
Ann Stierberg Stone	.001090
Dorothy Quewiger	.026045
The Greenfield Family Trust	.048830
Edwin F Hyland	.032550
Christine Harflett and	.078120
Nancy Monteith	
Penn Royalty Company	.001830
Irma J Rushing	.0347230
Frances Schneider	.019530
Panoma College	.032550
The Estate of William	.045570
B Baker	
Deltex Royalty Company	.0520830
The Estate of Marie	.071610
Ellinghausen	
The Estate of Emma M Griggs	.000010
Dec	
Harlow Royalties, Inc.	.000430
Jerry L Hooper	1.388886
James M Knowles	.347220
Marion L Meader	.000120
Luther C Anderson, Charles	.195310
W Partridge and Carl M	
Franklin, as Trustees Under	
the Will of Seely G Mudd	
The Estate of Jack Skaggs	.001090
May Enterprises, Inc.	.00520830
Mack M Wooldridge	.0694440
Mack M Wooldridge	.347220

TRACT NO. AND TRACT NAME				DESCRIPTION OF LAND	ACRES	LEASE STATUS	BASIC ROYALTY OWNER AND PERCENTAGE	OVERRIDING ROYALTY OWNER AND PERCENTAGE	WORKING INTEREST OWNER AND PERCENTAGE	PARTICIPATION OF TRACT IN UNIT AREA B
PATENTED LANDS:										
112	M. J. Byrd	T-20-S, R-36-E, N4PM	80	HBP			Elsie D Bickford & Harold E Bickford Irrevocable Trust		Atlantic Richfield Co.	100%
		Sec. 11: W/2NE/4					Timothy Ian Thompson			4.76173390
							Timothy Ian Thompson			
							Ruth C Kendall			
							Jane Jennings			
							Charles Downing			
							The Estate of Lucille I. Smith			
							Leland Downing			
							Janice Lynn Cleboski			
							M G Murdoch			
							Geodyne Resources, Inc.			
							Bank of Oklahoma, N A,			
							Trustee of the Wilmer Oil and Gas Trust			
							Jerome T Hanners			
							Roy G Barton Jr			
							Harvin M Rosen, Trustee			
							U/T/A Dated 2-16-79 F/B/O			
							M Blair Danson, Laura C Danson, and Bethany E Danson			
							Amroy Co			
							NCRB Texas National Bank,			
							As Successor Escrow Agent			
							Sabine Royalty Trust			
							Eula Corder			
							Bank of Oklahoma, Tulsa,			
							M A, F/A/O Mary Elizabeth			
							Ellinghausen			

Alice H Af Petersens	.234380
Poulton Farm Limited	.156250
for the Acct of Herbert	
Edward Hill	
Hosea V Price	.000020
Anne H Warner	.0234370
Dorothy Dueriger	.013020
Dorothy Dueriger	.04340
Dorothy Dueriger	.06515
Dorothy Dueriger	.02170
Peter G Greenfield	.048830
Trustee of the	
Greenfield Family Trust	
Official Receiver for	.078130
Michael I A Mendoza	
Edwin F Hyland	.032550
Christine Harfleet	.078120
and Nancy Montelch	
Penn Royalty Company	.010700
Ruby Ridgway	.937500
Frances Schneider	.13020
Frances Schneider	.04340
Frances Schneider	.06515
Frances Schneider	.02170
Pomona College, A	.032550
Corporation Investment	
Acct	
Atlantic Richfield Company	.8750000
Elizabeth Murchison Baker,	.045570
as Independent Executrix of	
the Estate of William	
B Baker	

George Eager .0625000  
Bank of Oklahoma, N.A., .073490  
Executor of the Estate  
of Marie Ellinghausen  
Bettine Ethel Goldberg .018120  
Susan G Young .000010  
Administratrix of the Estate  
of Emma M Griggs Dec  
Harlow Royalties, Inc. .002430  
Marion L Meader .000730  
Luther C Anderson, Charles .0195320  
W Partridge & Carl M  
Franklin, as Trustees Under  
the Will of Sealey G Mudd  
Nancy Taylor Smith .0312500  
Mack W Woodrige .0625000

2 PATENTED (FEE) TRACTS TOTALING 320 ACRES OR 10.67% OF UNIT AREA

SUMMARY OF UNIT EXPANSION AREA B  
-----

FEDERAL LANDS	2,280 Acres	-	76.00%
STATE LAND	400 Acres	-	13.33%
PATENTED LANDS	320 Acres	-	10.67%
	-----		-----
	3,000 Acres	-	100.00%