

Case No.

423

Application, Transcript,
Small Exhibits, Etc.

MAIL OFFICE CLO

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January 4th, 1955

C
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Y

Texas Pacific Coal and Oil Company
General Offices
Fort Worth 1, Texas

Re:- Lane Mill Unit Agreement
Lea County, New Mexico
Dissolution

Gentlemen:

We are in receipt of your letter dated December 27th, 1954 together with instruments attached thereto requesting termination of the above captioned unit agreement in Lea County, New Mexico.

Please be advised that we are approving your application for termination of the Lane Mill unit effective October 30th, 1954 as per provisions set forth in Section 15 of the unit agreement.

Very truly yours,

E. S. Walker

E. S. Walker
Commissioner of Public Lands

cc: Oil Conservation Commission

cc: United States Geological Survey

[Handwritten signature]

TEXAS PACIFIC COAL AND OIL COMPANY

GENERAL OFFICES

FORT WORTH 1

TEXAS

October 30, 1952

EUGENE T. ADAIR
GENERAL COUNSEL

MILES HART
ATTORNEY

State of New Mexico
Oil Conservation Commission
Santa Fe, New Mexico

Re: Case No. 423
Order No. R-212
Lane Mill Unit Area
Lea County, New Mexico

Gentlemen:

In compliance with Commission Order No. R-212,
approving the Lane Mill Unit Agreement, we enclose
herewith an executed counterpart of such unit agree-
ment.

Yours very truly,

ETA:AW

REGISTERED - RETURN
RECEIPT REQUESTED

Eugene T. Adair

RECEIVED
OCT 31 1952
F. B. I.
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW MEXICO
FOR THE PURPOSE OF CONSIDERING:

CASE NO. 423
ORDER NO. R-212

THE APPLICATION OF TEXAS PACIFIC COAL
AND OIL COMPANY FOR AN ORDER APPROVING
A PROPOSED UNIT AGREEMENT FOR THE DEVELOP-
MENT AND OPERATION OF THE LANE MILL UNIT AREA
CONSISTING OF 2560 ACRES SITUATED IN TOWNSHIP
15 SOUTH, RANGE 32 EAST, NMPM, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. October 15, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 20th day of October, 1952, the Commission, having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises,

FINDS:

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

(2) That the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

That the order herein shall be known as the:

LANE MILL UNIT AGREEMENT ORDER

SECTION 1: (a) That the project herein shall be known as the Lane Mill Unit Agreement and shall hereafter be referred to as the "Project."

(b) That the plan by which the Project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Lane Mill Unit Area referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the Lane Mill Unit Agreement Plan.

SECTION 2: That the Lane Mill Unit Agreement shall be, and is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval of said agreement shall not be considered as waiving or relinquishing in any manner any rights, duties, or obligations which are now or may hereafter be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Lane Mill Unit Agreement or relative to the production of oil or gas therefrom.

SECTION 3: (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

Township 15 South, Range 32 East

Section 28: W/2

Section 29: All

Section 30: E/2

Section 31: E/2

Section 32: All

Section 33: W/2

Containing 2560 acres, more or less, all of which are state lands.

(b) The Unit Area may be enlarged or contracted as provided in said Plan.

SECTION 4: That the Unit Operator shall file with the Commission an executed original or executed counterpart thereof of the Lane Mill Unit Agreement not later than 30 days after the effective date thereof.

SECTION 5: That any party owning rights in the unitized substances who does not commit such rights to said Unit Agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or a counterpart thereof. The Unit Operator shall file with the Commission within 30 days an original or any such counterpart.

SECTION 6: That this order shall become effective upon approval of the Commissioner of Public Lands of the State of New Mexico and shall terminate ipso facto on the termination of said Unit Agreement. The last Unit Operator shall immediately notify the Commission, and the Commissioner of Public Lands, in writing of such termination.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


Edwin L. Mechem, Chairman


Guy Shepard, Member


R. R. Spurrier, Secretary

S E A L

ATWOOD, MALONE & CAMPBELL
LAWYERS

JEFF D. ATWOOD
ROSS L. MALONE, JR.
JACK M. CAMPBELL
CHARLES F. MALONE

U.P. WHITE BUILDING
ROSWELL, NEW MEXICO

October 20, 1952

Mr. R. R. Spurrier, Secretary
Oil Conservation Commission
Santa Fe, New Mexico

Re: Case No. 423

Dear Dick:

I am enclosing herewith for your consideration a proposed order in the Application of Texas Pacific Coal and Oil Company for Approval of the Lane-Mill Unit Agreement.

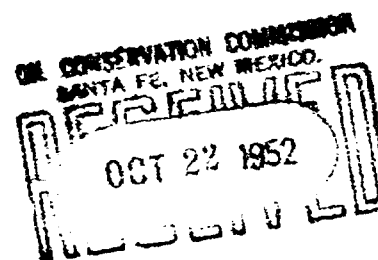
If the Commission decides to enter this order I would appreciate it if it could be done at your earliest convenience.

With kindest personal regards, I am

Very truly yours,

Jack M. Campbell
for ATWOOD, MALONE & CAMPBELL

JMC:h1
Encl.



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:

CASE NO. 423
ORDER NO.

IN THE MATTER OF THE APPLICATION
OF TEXAS PACIFIC COAL AND OIL
COMPANY FOR APPROVAL OF THE LANE-
MILL UNIT AGREEMENT, EMBRACING 2,560
ACRES IN LEA COUNTY, NEW MEXICO, WITHIN
TOWNSHIP 15 SOUTH, RANGE 32 EAST,
NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 15, 1952, at Santa Fe, New Mexico, before the Oil Conser-
vation Commission of New Mexico, hereinafter referred to as the
"Commission".

NOW, on this _____ day of October, 1952, the Commission,
a quorum being present, having considered said application and the
evidence introduced in support thereof, and being fully advised in
the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this cause and the sub-
ject matter thereof.

(2) That the proposed unit plan will in principle tend
to promote the conservation of oil and gas and the prevention of
waste.

IT IS THEREFORE ORDERED:

SECTION 1. That this order shall be known as the

LANE-MILL UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall
be known as the Lane-Mill Unit Agreement, and shall hereafter be
referred to as the "Project".

(b) That the plan by which the Project shall
be operated shall be embraced in the form of a unit agreement for
the development and operation of the Lane-Mill Unit Area referred
to in the Petitioner's petition and filed with said petition, and
such plan shall be known as the Lane-Mill Unit Agreement Plan.

SECTION 3. That the Lane-Mill Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement this approval shall not be considered as waiving or relinquishing in any manner any rights, duties or obligations which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Lane-Mill Unit Agreement, or relative to the production of oil or gas therefrom.

SECTION 4. (a) That the Unit Area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

Twp. 15 S., Rge. 32E.
Sec. 28: $W\frac{1}{2}$
Sec. 29: All
Sec. 30: $E\frac{1}{2}$
Sec. 31: $E\frac{1}{2}$
Sec. 32: All
Sec. 33: $W\frac{1}{2}$

Total unit area: 2,560 acres, more or less.

(b) The unit area may be enlarged or contracted as provided in said Plan.

SECTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Lane-Mill Unit Agreement within 30 days after the effective date thereof.

SECTION 6. That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission within 30 days an original of any such counterpart or ratification.

SECTION 7. That this order shall become effective upon approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commissioner in writing of such termination.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

S E A L

TEXAS PACIFIC COAL AND OIL COMPANY

GENERAL OFFICES

FORT WORTH 1

TEXAS

October 6, 1952

Re: Lane Mill Unit

Lea County, New Mexico

Conservation Commissioner
State of New Mexico
State Capitol Building
Santa Fe, New Mexico

Gentlemen:

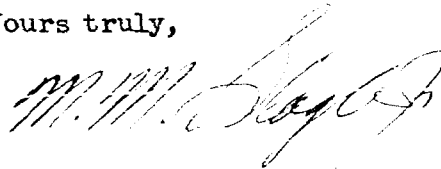
Attention of Mr. Spurrier, Commissioner

We attach hereto a copy of the Unit Agreement being a part of our application for hearing on the Lane Mill Unit in Township 15 South, Range 32 East, in Lea County, New Mexico.

We also forward two copies each of the plats affecting this unit which should be attached to and made a part of our application for hearing. These plats should complete the application forms previously furnished you.

We wish to thank you for the consideration shown us in this matter.

Yours truly,



M. M. Slagle, Jr.:JH:W
Encs.

OW. CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.

RECEIVED
OCT 9 - 1952

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE LANE MILL UNIT AREA
LEA COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the 2nd day of October, 1952, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as the "parties hereto";

W I T N E S S E T H:

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 (Chap. 88, Laws 1943; and Chap. 162, Laws 1951) to consent to and approve the development or operation of State Lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field or area; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico (hereinafter referred to as the "Commission") is authorized by an Act of the Legislature (Chap. 72, Laws 1935) to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the Lane Mill Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure 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 respective interests in the below defined unit area, and agree severally among themselves as follows:

1. UNIT AREA. The following described land is hereby designated and recognized as constituting the unit area:

NEW MEXICO PRINCIPAL MERIDIAN,
NEW MEXICO

W $\frac{1}{2}$ Sec. 28, all Sec. 29,
E $\frac{1}{2}$ Sec. 30, E $\frac{1}{2}$ Sec. 31, All
Sec. 32, W $\frac{1}{2}$ Sec. 33, Twp. 15
S., Rge. 32 E., N.M.P.M., Lea
County, New Mexico, containing
2,560 acres, more or less.

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator the acreage, percentage, and kind of ownership of oil and gas interests in all land in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary, or when requested by the Commissioner of Public Lands, hereinafter referred to as "Commissioner".

The above described unit area shall 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) Unit Operator, on its own motion or on demand of the Commissioner shall prepare a notice of proposed expansion describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof.

(b) Said notice shall be delivered to the Commissioner and copies thereof mailed to the last known address of each working interest owner, lessee, and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the Commissioner evidence of mailing of the notice of expansion and a copy of any objections thereto which have been filed with the Unit Operator.

(d) After due consideration of all pertinent information, the expansion shall, upon approval by the Commissioner, become effective as of the date prescribed in the notice thereof, provided, however, if more than 25% on an acreage basis object to such expansion, the same shall not be approved.

All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement".

2. UNITIZED SUBSTANCES. All oil, gas and similar hydrocarbons in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

3. UNIT OPERATOR. Texas Pacific Coal and Oil Company, a corporation, is hereby designated as Unit Operator and by signature hereto commits to this agreement all interests in unitized substances vested in it as set forth in Exhibit "B", and agrees and consents to accept the duties and obligations of Unit Operator for the discovery, 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.

4. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time provided a successor Unit Operator has been selected and approved and has agreed to accept the duties and responsibilities of the Unit Operator effective upon the relinquishment of such duties and responsibilities by the retiring Unit Operator.

The resignation of the Unit Operator shall not release the Unit Operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests determined in like manner as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the Commissioner.

The resignation or removal of the Unit Operator under this agreement shall not terminate his 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, materials and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor Unit Operator or to the owners thereof 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.

5. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall resign as Unit Operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitized land shall by a majority vote select a successor Unit Operator; provided that, if a majority but less than 75 per cent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than 75 per cent of the total working interests, shall be required to select a new operator. Such selection shall not become effective until (a) 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. If no successor Unit Operator is selected and qualified as herein provided, the Commissioner at his election may declare this unit agreement terminated.

6. ACCOUNTING PROVISIONS. The Unit Operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder, and such costs and expenses so paid by the Unit Operator shall be apportioned among and borne by the owners of working interests in proportion to their ownership of the working interests, and the Unit Operator reimbursed in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, and Unit Operator is granted a lien on the interest of each working interest owner to secure such reimbursement by such working interest owner of his or its proportionate share of such costs and expenses. In case of any inconsistency or conflict between this unit agreement and any such operating agreements, this unit agreement shall prevail.

7. 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 of 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 and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

8. DRILLING TO DISCOVERY. Within 30 days after the effective date hereof the Unit Operator shall commence operations upon a test well for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth of 13,500 feet, or to a depth sufficient to test the Devonian formation expected to be encountered at about said depth, or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities, or until it shall be determined that the further drilling of said well would be unwarranted or impracticable.

Any well commenced prior to the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his opinion such action is warranted. Upon failure to comply with the drilling provisions of this section, the Commissioner may, after reasonable notice to the Unit Operator and each working interest owner at their last known addresses, declare this unit agreement terminated.

9. PARTICIPATION AND ALLOCATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities, the owners of working interests shall participate in the production therefrom and in all other producing wells which may be drilled pursuant hereto in the

proportions that their respective leasehold interests on an acreage basis bears to the total number of acres committed to the unit agreement, and such unitized substances shall be deemed to have been produced from the respective leasehold interests participating therein; and for the purpose of determining any benefits accruing under this agreement and the distribution of the royalty payable to the State of New Mexico each separate lease shall have allocated to it such percentage of said production as the number of acres in each lease within the unit area respectively bears to the total number of acres committed hereto.

Notwithstanding any provision contained herein to the contrary, each working interest owner shall have the right to take such owner's proportionate share of the unitized substances in kind or to personally sell or dispose of the same, and nothing herein contained shall be construed as giving or granting to the Unit Operator the right to sell or otherwise dispose of the proportionate share of any working interest owner without specific authorization from time to time so to do.

10. ROYALTY AND RENTAL PAYMENT. All royalties due the State of New Mexico under the terms of the leases committed to this agreement shall be computed and paid on the basis of all unitized substances allocated to the respective leases committed hereto; provided, however, the State shall be entitled to take in kind its share of the unitized substances allocated to the respective leases, and in such case the Unit Operator shall make deliveries of such royalty oil in accordance with the terms of the respective leases.

If Unit Operator introduces gas obtained from sources other than the unitized substances into any producing formation for the purpose of repressuring, stimulating or increasing the ultimate recovery of unitized substances therefrom, a like amount of gas, if available, with due allowance for loss or depletion from any cause may be withdrawn from the formation into which the gas was introduced royalty free as to dry gas but not as to the products extracted therefrom; provided that,

such withdrawal shall be at such time as may be provided in a plan of operations consented to by the Commissioner and approved by the Commission as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

All rentals due the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

11. 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 State laws or regulations.

12. 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.

13. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions and provisions of all leases, subleases, operating agreements and other contracts relating to the exploration, drilling, development or operation for oil or gas of the lands committed to this agreement shall, upon approval hereof by the Commissioner, be, and the same 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. Each lease committed to this agreement shall continue in force beyond the term provided therein so long as this agreement remains in effect provided drilling operations upon the initial test well provided for herein shall have been commenced or is in the process of being drilled by the Unit Operator prior to the expiration of the shortest term lease committed to this agreement. Termination of this agreement shall not affect any lease which pursuant to the terms thereof or any applicable law shall continue in full force and effect thereafter.

14. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interests 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, royalty or other 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, photostatic or certified copy of the instrument of transfer.

15. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Commissioner and shall terminate in two years after such date unless (a) such date of expiration is extended by the Commissioner, or (b) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof in which case this agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities, and, should production cease so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid. This agreement may be terminated at any time by not less than 75 per cent on an acreage basis of the owners of the working interests signatory hereto with the approval of the Commissioner.

16. RATE OF PRODUCTION. All production and the disposal thereof shall be in conformity with allocations, allotments and quotas made or fixed by the Commission and in conformity with all applicable laws and lawful regulations.

17. APPEARANCES. Unit Operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the

Commissioner of Public Lands and the New Mexico Oil Conservation Commission and to appeal from orders issued under the regulations of the Commissioner or Commission or to apply for relief from any of said regulations or in any proceedings relative to operations pending before the Commissioner or Commission; provided, however, that any other interested party shall also have the right at his own expense to appear and to participate in any such proceeding.

18. NOTICES. All notices, demands or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if given in writing and personally delivered to the party or sent by postpaid registered 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 may have furnished in writing to party sending the notice, demand or statement.

19. UNAVOIDABLE DELAY. All obligations under this agreement requiring the Unit Operator to commence or continue drilling 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, war, acts of God, Federal, State, or municipal law or agencies, unavoidable accidents, 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.

20. LOSS OF TITLE. In the event title to any tract or unitized land or substantial interest therein shall fail and the true owner cannot be induced to join the unit agreement so that such tract is not committed to this agreement or the operation thereof hereunder becomes impracticable as a result thereof, such tract may be eliminated from the

unitized area. In the event of a dispute as to the title to any royalty, working or other interest subject hereto, the Unit Operator may withhold payment or delivery of the allocated portion of the unitized substances involved on account thereof without liability for interest until the dispute is finally settled, provided that no payments of funds due the State of New Mexico shall be withheld. Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

21. SUBSEQUENT JOINDER. Any oil or gas interest in lands within the unit area not committed hereto prior to the submission of this agreement for final approval either by the Commission or Commissioner may be committed hereto by the owner or owners of such rights subscribing or consenting to this agreement or executing a ratification thereof, and if such owner is also a working interest owner, by subscribing to any operating agreement affecting the allocation of costs of exploration, development and operation. After operations are commenced hereunder, the right of subsequent joinder by a working interest owner shall be subject to all of the requirements of any applicable operating agreement between the working interest owners relative to the allocation of costs of exploration, development and operation. A subsequent joinder shall be effective as of the first day of the month following the filing with the Commissioner and the Commission of duly executed counterparts of the instrument or instruments committing the interest of such owner to this agreement.

22. COUNTERPARTS. This agreement may be executed in any number of counterparts no one of which needs to be executed by all parties or 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 such parties had signed the same document and regardless of whether or not it is executed by

BEFORE THE

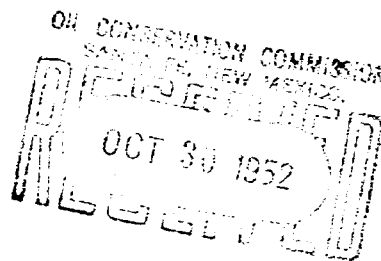
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

CASE NO. 423

October 15, 1952
Regular Hearing



E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1302
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico.
October 15, 1952.

In the Matter of:

Texas Pacific Coal and Oil Company's appli-
cation for approval of Lane Mill unit agree- Case No. 423
ment in Lea County, New Mexico (in Twp. 15S,
Rge 32E, NMPM).

TRANSCRIPT OF HEARING

(Notice of publication read by Mr. Graham.)

CLARENCE G. BAILEY

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. CAMPBELL:

MR. CAMPBELL: I would like to make a preliminary state-
ment with regard to this application. This unit has been approv-
ed in principal, that is the unitizing of the area, by an excess
of 80 percent of the operators working interest owners. The
operating agreement to accompany the unit agreement has not been
completed and has not been approved by all of the working interest
owners, and the unit agreement, for that reason, has not been
executed by all of them.

The land is entirely State land, all of the leases are

State leases. The form of unit agreement generally conforms to the unit agreement form which is approved by the Commissioner of Public Lands of New Mexico.

Q State your name, please.

A Clarence G. Bailey.

Q Where do you live?

A Midland, Texas.

Q By whom are you employed?

A I am employed by the Texas Pacific Coal and Oil Company.

Q In what capacity?

A Division Geologist for West Texas and New Mexico.

Q Have you ever testified before this Commission?

A Never.

Q Will you briefly state your educational and professional background?

A I received Bachelor of Science Degree in 1934 from the University of Vermont. Master Degree in 1936 from the same Institution. I was employed in the fall of 1939 by the Shell Oil Company, at first in the geophysical department and later in geological department. In 1948 I came over to the Texas Pacific Oil and Coal Company, being District Geologist for the Rocky Mountain Area and last February was transferred to my present position.

Q Have you been engaged in the practice of your profession since you obtained your degrees?

A Yes, sir, most of the time.

MR. CAMPBELL: Are ^{his} qualifications satisfactory?

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 108-109, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

working interest acreage has been generally committed to the unit?

A I have no exact figure, but it is in excess of 80 percent.

Q Is it the plan under this unit agreement to make it possible for any operators who may not join in the original unit to, at a later date, come into the unit?

A That provision has been made.

Q Are you acquainted with the geology in this particular area?

A I am, yes.

Q What is the basis for your knowledge concerning that geology?

A The unit is based upon our shooting program in the area and the plat which I have here, and which a copy was filed with the unit agreement showing our conception of the structure at a depth of minus 2,700 feet, sub-sea that is.

Q That is the deepest structure that you could obtain by your shooting method, is that correct?

A Yes, that is right. It is the deepest reliable shooting horizon.

Q In your opinion is that interpretation shown on the Exhibit A to your application a reasonable interpretation?

A I believe that it is, yes.

Q Does the proposed unit area cover generally the geological structure as shown, as a possible common source of supply, on Exhibit A to the application?

A It does.

MR. SPURRIER: Yes.

Q Are you acquainted with the application for the Texas Pacific Coal and Oil Company for the approval of the Lane Mill unit in Lea County, New Mexico?

A I am.

Q Has a copy of the proposed agreement been filed with the Oil Conservation Commission in this case?

A It has.

Q Who is the proposed operator?

A The Texas Pacific Coal and Oil Company expects to operate.

Q What is the description of the area proposed to be covered by the unit?

A The unit consists of the east half of Section - the west half of Section 28, all of Section 29, the east half of Section 30 and 31, all of Section 32 and the west half of Section 33 in Township 15 South, Range 32 East, in Lea County, New Mexico.

Q Are you acquainted with the mineral ownership of the land in the proposed unit area?

A I am.

Q What is that ownership?

A It is broken down into --

Q (Interrupting). I am referring now to the ownership of the minerals. Are those all owned by the State of New Mexico?

A I misunderstood. It is all owned by the State of New Mexico, yes.

Q To your knowledge, what approximate percentage of the

Q In your opinion, will the development of this area as an area tend to properly utilize the reservoir energy in a common source of supply and otherwise conserve oil and gas in the reservoir?

A That is my opinion.

Q In your opinion, will the development of the area tend to prevent the waste?

A Yes, I believe so.

MR. CAMPBELL: I would like to have the record show that I offer in evidence for this hearing, Exhibits A and B to the application of Texas Pacific Coal and Oil Company, which are now in the case file of the Commission.

MR. SPURRIER: Without objection they will be received.

(Texas Pacific Coal & Oil Company's
Exhibits A and B marked for identification and received in evidence.)

MR. CAMPBELL: That is all I have.

MR. SPURRIER: Does anyone have a question of this witness?

MR. CAMPBELL: I presume that any order the Commission may enter will have the usual provision that executed copy of the unit agreement must be filed within 30 days after they enter the order, is that the customary procedure?

MR. MACEY: I don't believe it involves the date of the order. I think it is after the unit agreement is completed.

MR. SPURRIER: The witness may be excused. The next case on the Docket is Case 415.

~~(Witness excused.)~~

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
 : SS.
COUNTY OF BERNALILLO)

I hereby certify that the above and foregoing transcript of proceedings in Case No. 423, taken before the Oil Conservation Commission on October 15, 1952, at Santa Fe, New Mexico, is a true and correct record.

Dated in Albuquerque, New Mexico, this 26th day of October, 1952.

Notary Public

My Commission Expires:
June 19, 1955.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 8-9546
ALBUQUERQUE, NEW MEXICO

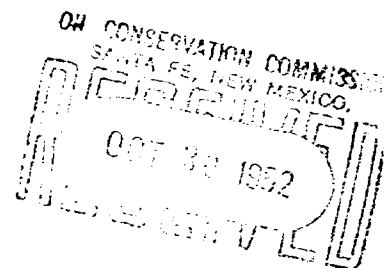
E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1302
PHONES 5-9422 AND 5-9545
ALBUQUERQUE, NEW MEXICO

REPORT OF THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

CASE NO. 423

October 15, 1952
Regular hearing



E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1302
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico.
October 14, 1962.

In the Matter of:

Texas Pacific Coal and Oil Company's appli-
cation for approval of Lane Mill unit agree- Case No. A23
ment in Lea County, New Mexico (in Twp. 18S,
Rge 32E, ENPM).

TRANSCRIPT OF HEARING

(Notice of publication read by Mr. Graham.)

CLARENCE G. BAILEY

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. CAMPBELL:

MR. CAMPBELL: I would like to make a preliminary state-
ment with regard to this application. This unit has been approv-
ed in principal, that is the unitizing of the area, by an excess
of 80 percent of the operators working interest owners. The
operating agreement to accompany the unit agreement has not been
completed and has not been approved by all of the working interest
owners, and the unit agreement, for that reason, has not been
executed by all of them.

The land is entirely State land, all of the leases are

State leases. The form of unit agreement generally conforms to the unit agreement form which is approved by the Commissioner of Public Lands of New Mexico.

Q State your name, please.

A Clarence G. Bailey.

Q Where do you live?

A Midland, Texas.

Q By whom are you employed?

A I am employed by the Texas Pacific Coal and Oil Company.

Q In what capacity?

A Division Geologist for West Texas and New Mexico.

Q Have you ever testified before this Commission?

A Never.

Q Will you briefly state your educational and professional background?

A I received Bachelor of Science Degree in 1934 from the University of Vermont. Master Degree in 1936 from the same Institution. I was employed in the fall of 1939 by the Shell Oil Company, at first in the geophysical department and later in geological department. In 1948 I came over to the Texas Pacific Oil and Coal Company, being District Geologist for the Rocky Mountain Area and last February was transferred to my present position.

Q Have you been engaged in the practice of your profession since you obtained your degrees?

A Yes, sir, most of the time.

his
MR. CAMPBELL: Are his qualifications satisfactory?

MR. CHURCH: Yes.

Q Are you acquainted with the application for the Texas Pacific Coal and Oil Company for the approval of the Lane Hill unit in Lea County, New Mexico?

A I am.

Q Has a copy of the proposed agreement been filed with the Oil Conservation Commission in this case?

A It has.

Q Who is the proposed operator?

A The Texas Pacific Coal and Oil Company expects to operate.

Q What is the description of the area proposed to be covered by the unit?

A The unit consists of the east half of Section - the west half of Section 28, all of Section 29, the east half of Section 30 and 31, all of Section 32 and the west half of Section 33 in Township 15 South, Range 32 East, in Lea County, New Mexico.

Q Are you acquainted with the mineral ownership of the land in the proposed unit area?

A I am.

Q What is that ownership?

A It is broken down into --

Q (Interrupting) I am referring now to the ownership of the minerals. Are those all owned by the State of New Mexico?

A I misunderstood. It is all owned by the State of New Mexico, yes.

Q To your knowledge, what approximate percentage of the

working interest, because has been generally committed to the unit?

A I have no exact figure, but it is in excess of 80 percent.

Q Is it the plan under this unit agreement to make it possible for any operators who may not join in the original unit to, at a later date, come into the unit?

A That provision has been made.

Q Are you acquainted with the geology in this particular area?

A I am, yes.

Q What is the basis for your knowledge concerning that geology?

A The unit is based upon our shooting program in the area and the plat which I have here, and which a copy was filed with the unit agreement showing our conception of the structure at a depth of minus 2,700 feet, sub-sea that is.

Q That is the deepest structure that you could obtain by your shooting method, is that correct?

A Yes, that is right. It is the deepest reliable shooting horizon.

Q In your opinion is that interpretation shown on the Exhibit A to your application a reasonable interpretation?

A I believe that it is, yes.

Q Does the proposed unit area cover generally the geological structure as shown, as a possible common source of supply, on Exhibit A to the application?

A It does.

Q In your opinion, will the development of this area as an area tend to properly utilize the reservoir energy in a common source of supply and otherwise conserve oil and gas in the reservoir?

A That is my opinion.

Q In your opinion, will the development of the area tend to prevent the waste?

A Yes, I believe so.

MR. CAMPBELL: I would like to have the record show that I offer in evidence for this hearing, Exhibits A and B to the application of Texas Pacific Coal and Oil Company, which are now in the case file of the Commission.

MR. SPURRIER: Without objection they will be received.

(Texas Pacific Coal & Oil Company's
Exhibits A and B marked for identification and received in evidence.)

MR. CAMPBELL: That is all I have.

MR. SPURRIER: Does anyone have a question of this witness?

MR. CAMPBELL: I presume that any order the Commission may enter will have the usual provision that executed copy of the unit agreement must be filed within 30 days after they enter the order, is that the customary procedure?

MR. MACKY: I don't believe it involves the date of the order. I think it is after the unit agreement is completed.

MR. SPURRIER: The witness may be excused. The next case on the Docket is Case 415.

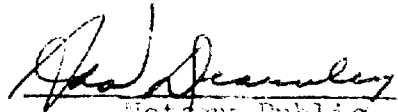
(Witness excused.)

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
: ss.
COUNTY OF BERNALILLO)

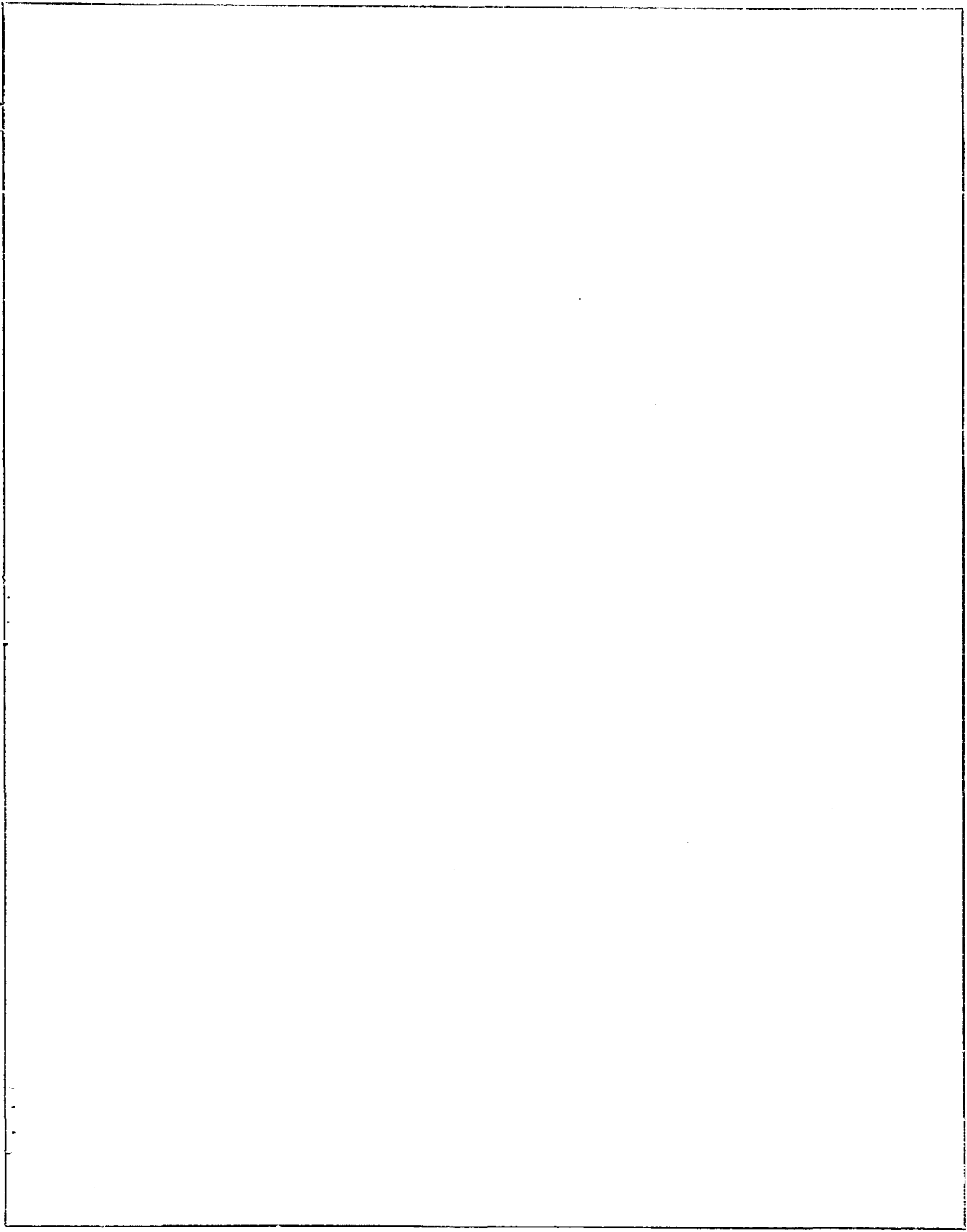
I hereby certify that the above and foregoing transcript of proceedings in Case No. 423, taken before the Oil Conservation Commission on October 15, 1952, at Santa Fe, New Mexico, is a true and correct record.

Dated in Albuquerque, New Mexico, this 26th day of October, 1952.


Notary Public

My Commission Expires:
June 19, 1955.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO



E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1302
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

[The body of the document contains approximately 15 lines of text that are almost entirely illegible due to extreme noise and heavy blacking out.]

AMERICAN COUNCIL ON EDUCATION, 1947, 2, 5, 10, 15, 20, 25

BY [illegible]

1947, 2, 5, 10, 15, 20, 25

SIGNATURES AND ADDRESSES

TEXAS PACIFIC COAL AND OIL COMPANY

By _____

ATTEST:

Secretary

Address: P. O. Box 2130
Fort Worth 1, Texas

Date _____

UNIT OPERATOR

WORKING INTEREST OWNERS

PHILLIPS PETROLEUM COMPANY

Tracts: 2, 10, 11, 12, 13

By _____

President

ATTEST:

Secretary

Address: Bartlesville, Oklahoma

Date _____

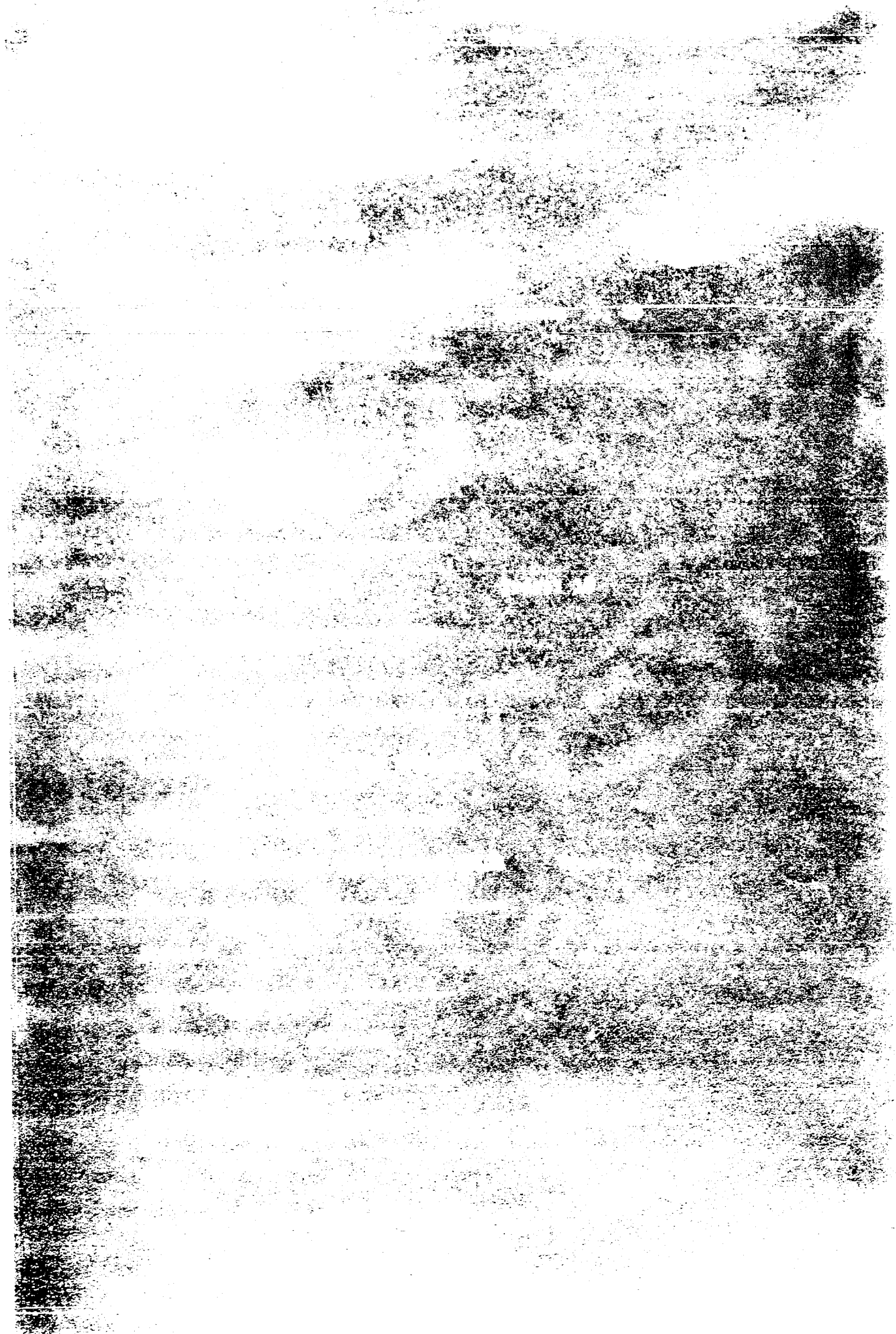
AMERADA PETROLEUM CORPORATION

Tracts: 7, 8, 9, 10, 11, 12, 13

By _____

UNIT OPERATOR

1028





Date _____

Address: _____

By _____

ATTEST:

Secretary

Address: _____

Date _____

DELHI OIL CORPORATION

By _____

President



WED-CONTINENT

By _____

President

ATTEST:

Address: _____

Date _____

THE TEXAS COMPANY

By _____

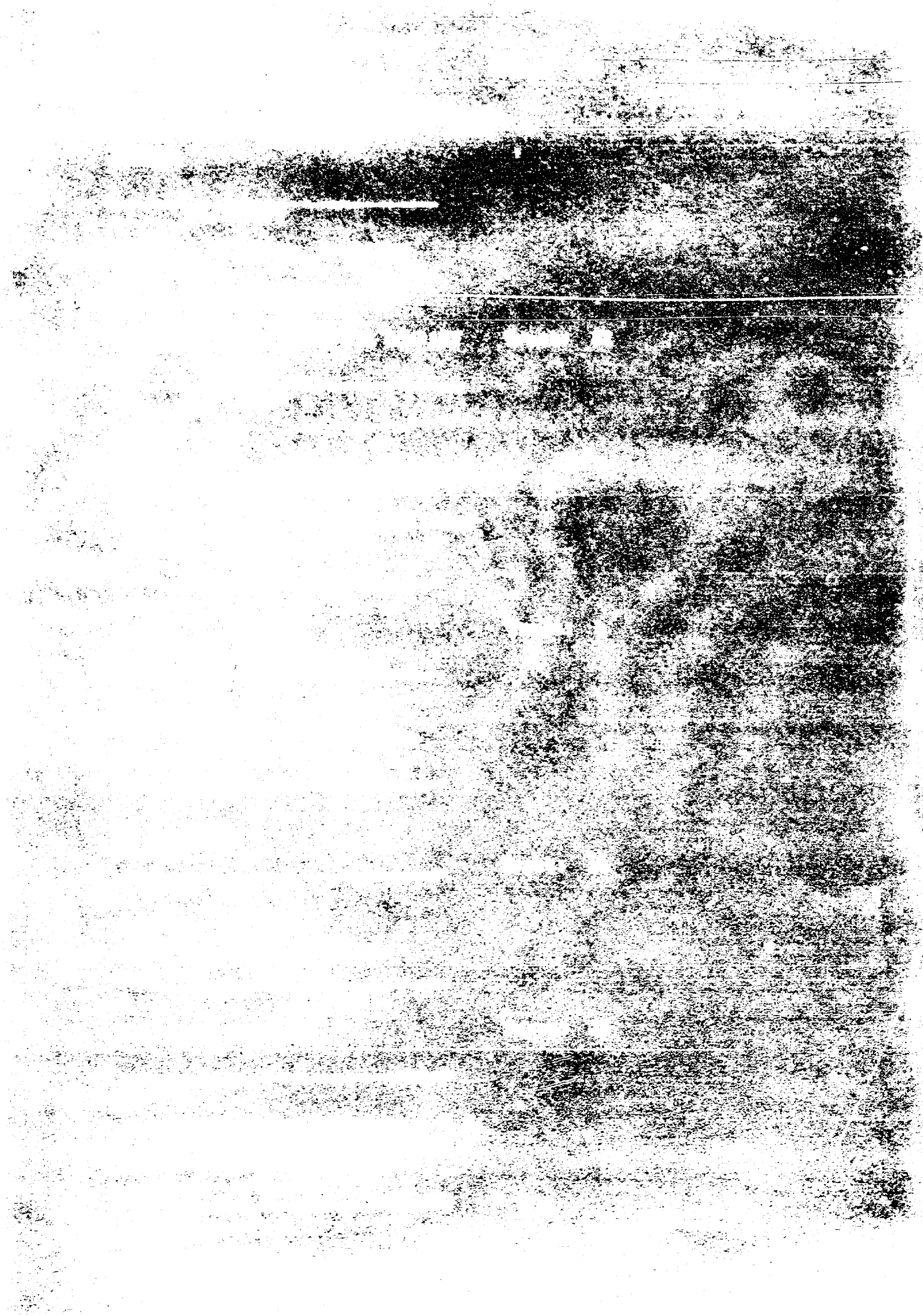
Address: _____

Date _____

1992

Index

100



On this _____ day of October, 1952, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that he is the _____ of _____, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the day and year first above written.

[Signature]
Notary Public

My commission expires: _____
STATE OF OKLAHOMA |
COUNTY OF _____ |

On this _____ day of October, 1952, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that he is the _____ of Phillips Petroleum Company, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the day and year first above written.

Notary Public

My commission expires: _____
STATE OF OKLAHOMA |
COUNTY OF _____ |

On this _____ day of October, 1952, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that he is the _____ of Amerada Petroleum Corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the day and year first above written.

Notary Public

My commission expires: _____

On this _____ day of October, 1932, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that he is the President of Phillips Petroleum Company, and that the seal affixed to the foregoing instrument is the seal of said corporation and that said instrument was sealed in behalf of said corporation by authority of the Board of Directors, and said _____ said instrument to be the free act and deed of said corporation.

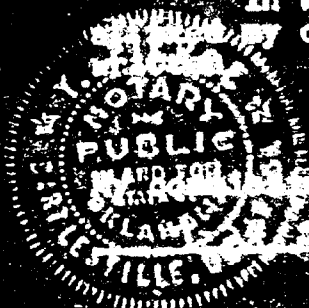
In witness whereof, I have hereunto set my hand and affixed my official seal on this, the _____ day of _____ above written.

My commission expires: _____

STATE OF OKLAHOMA |
COUNTY OF Washington |

On this 25th day of October, 1932, before me personally appeared E. D. Clark, to me personally known, who, being by me duly sworn did say that he is the President of Phillips Petroleum Company, and that the seal affixed to the foregoing instrument is the seal of said corporation and that said instrument was sealed in behalf of said corporation by authority of the Board of Directors, and said E. D. Clark said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the _____ day of _____ above written.



My commission expires: _____

STATE OF OKLAHOMA |
COUNTY OF _____ |

On this _____ day of October, 1932, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that he is the President of Amerada Petroleum Corporation, and that the seal affixed to the foregoing instrument is the seal of said corporation and that said instrument was sealed in behalf of said corporation by authority of the Board of Directors, and said _____ said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the _____ day of _____ above written.

My commission expires: _____

STATE OF OKLAHOMA |
COUNTY OF TULSA |

On this ____ day of October, 1952, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that he is the President of Phillips Petroleum Company, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the day and year first above written.

Notary Public

My commission expires:

STATE OF OKLAHOMA |
COUNTY OF _____ |

On this ____ day of October, 1952, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that he is the President of Phillips Petroleum Company, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the day and year first above written.

Notary Public

My commission expires:

STATE OF OKLAHOMA |
COUNTY OF Tulsa |

On this 11th day of October, 1952, before me personally appeared A. R. DENISON, to me personally known, who, being by me duly sworn did say that he is the Vice-President of Amerada Petroleum Corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. R. DENISON acknowledged said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the day and year first above written.

Notary Public

On this _____ day of October, 1952, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that he is the President of Phillips Petroleum Company, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the day and year first above written.

Notary Public

My commission expires: _____

STATE OF OKLAHOMA |

COUNTY OF _____ |

On this _____ day of October, 1952, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that he is the President of Phillips Petroleum Company, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the day and year first above written.

Notary Public

My commission expires: _____

STATE OF OKLAHOMA |

COUNTY OF Tulsa |

On this 11th day of October, 1952, before me personally appeared A. R. DENISON, to me personally known, who, being by me duly sworn did say that he is the Vice-President of Amerada Petroleum Corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. R. DENISON acknowledged said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the day and year first above written.



A. R. DENISON
Notary Public

STATE OF OREGON |

COUNTY OF |

On this _____ day of October, 1952, before me personally appeared _____ who, being by me duly sworn did say that he is the President of Campbell _____ affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was sealed in behalf of said corporation by authority of the Board of Directors, and said _____ said instrument to be the free act and deed of said _____



In witness whereof, I have hereunto _____ and affixed my official seal on this, the _____ day of _____, 1952, at _____

My commission expires: _____

THE STATE OF TEXAS |

COUNTY OF DALLAS |

On this _____ day of October, 1952, before me personally appeared _____ who, being by me duly sworn did say that he is the President of Southern Union Gas Company, and that _____ affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was sealed in behalf of said corporation by authority of the Board of Directors, and said _____ said instrument to be the free act and deed of said _____

In witness whereof, I have hereunto _____ and affixed my official seal on this, the _____ day of _____, 1952, at _____ written.

My commission expires: _____

THE STATE OF TEXAS |

COUNTY OF DALLAS |

On this _____ day of October, 1952, before me personally appeared _____ who, being by me duly sworn did say that he is the President of Delhi Oil Corporation, and that _____ to the foregoing instrument is the corporate seal of said corporation and that said instrument was sealed in behalf of said corporation by authority of the Board of Directors, and said _____ instrument to be the free act and deed of said _____

In witness whereof, I have hereunto _____ and affixed my official seal on this, the _____ day of _____, 1952, at _____ above written.

My commission expires: _____

STATE OF OKLAHOMA

COUNTY OF

On this _____ day of October, 1952, before me personally appeared _____ who, being by me duly sworn did say that he is the President of _____ Company, and that the _____ affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was sealed in behalf of said corporation by authority of the Board of Directors, and said _____ said instrument to be the free act and deed of said _____

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the _____ day and year _____ written.

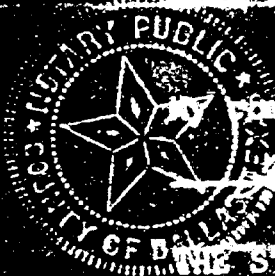
My commission expires: _____

THE STATE OF TEXAS

COUNTY OF DALLAS

On this _____ day of October, 1952, before me personally appeared _____ who, being by me duly sworn did say that he is the President of Southern Union Gas Company, and that the _____ affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was sealed in behalf of said corporation by authority of the Board of Directors, and said _____ said instrument to be the free act and deed of said _____

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the _____ day and year _____ written.



My commission expires: _____

THE STATE OF TEXAS

COUNTY OF DALLAS

On this _____ day of October, 1952, before me personally appeared _____ who, being by me duly sworn did say that he is the President of Delhi Oil Corporation, and that the _____ affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was sealed in behalf of said corporation by authority of the Board of Directors, and said _____ said instrument to be the free act and deed of said _____

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the _____ day and year _____ above written.

My commission expires: _____

COUNTY OF _____

On this _____ day of October, 1952, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that he is the President of Champlin Refining Company, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the _____ day and year first above written.

My commission expires: _____

THE STATE OF TEXAS |

COUNTY OF DALLAS |

On this _____ day of October, 1952, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that he is the President of Southern Union Gas Company, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the _____ day and year first above written.

Notary Public

My commission expires: _____

THE STATE OF TEXAS |

COUNTY OF DALLAS |

On this _____ day of October, 1952, before me personally appeared _____, to me personally known, who, being by me duly sworn did say that he is the President of Delhi Oil Corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on this, the _____ day and year first above written.

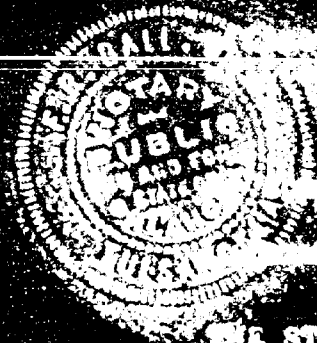


My commission expires: _____

STATE OF OKLAHOMA |
COUNTY OF _____ |

On this _____ day of October, 1952, _____
ally appeared _____
who, being by me duly sworn did say that he is the
President of _____
the seal affixed to the foregoing instrument is the seal of said corporation and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and said _____
said instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and
affixed my official seal on this, the _____ day of _____, 1952.



My commission expires:
_____ 8/1/54

THE STATE OF TEXAS |
COUNTY OF TARRANT |

On this _____ day of October, 1952, _____
ally appeared _____
who, being by me duly sworn did say that he is the
President of The Texas Company, and that the seal of
the foregoing instrument is the seal of said corporation and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and said _____
instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and
affixed my official seal on this, the _____ day of _____, 1952.
above written.

My commission expires:

THE STATE OF ARKANSAS |
COUNTY OF _____ |

On this _____ day of October, 1952, _____
ally appeared _____
who, being by me duly sworn did say that he is the
President of McAlester Fuel Company, and that the seal of
the foregoing instrument is the seal of said corporation and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and said _____
instrument to be the free act and deed of said corporation.

In witness whereof, I have hereunto set my hand and
affixed my official seal on this, the _____ day of _____, 1952.
above written.

My commission expires:

THE STATE OF TEXAS |

COUNTY OF HARRIS |

On this _____ day of October, 1952, _____
ally appeared _____, to me known,
who, being by me duly sworn, said that he is the
President of _____, a corporation organized under the laws of the State of Texas,
seal affixed to the foregoing instrument, and that said instrument is
seal of said corporation and that said instrument is
and sealed in behalf of said corporation by _____
Board of Directors, and said _____
said instrument to be the free act and deed of said _____

In witness whereof, I have hereunto set my hand and
affixed my official seal on this, the day and year first above
written.

Notary Public

My commission expires: _____

STATE OF NEW MEXICO |

COUNTY OF Chavez |

On this 4th day of October, 1952, _____
ally appeared Ernest A. Hansen, to me known,
described in and who executed the foregoing instrument,
acknowledged 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 on this, the day and year first above
written.

My commission expires: _____



THE STATE OF TEXAS |

COUNTY OF _____ |

On this _____ day of October, 1952, _____
ally appeared R. W. Fair, to me known,
described in and who executed the foregoing instrument,
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 on this, the day and year first above
written.

My commission expires: _____

STATE OF ARIZONA |

COUNTY OF _____ |

On this _____ day of October, 1952, _____
ally appeared _____, to me known,
described in and who executed the foregoing instrument,
acknowledged 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 on this, the day and year first above
written.

My commission expires: _____

COUNTY OF _____

ally appeared _____
who, being _____
President of _____
seal of said _____
and sealed in _____
Board of Directors, and _____
said instrument to be _____

In witness whereof, I have _____
affixed my official seal and _____
written.

My commission expires: _____

STATE OF NEW MEXICO
COUNTY OF _____

On this _____ day of _____
ally appeared _____
described in and who _____
acknowledged that he executed the _____

In witness whereof, I have _____
official seal on this, the _____ day of _____

My commission expires: _____

THE STATE OF TEXAS
COUNTY OF _____

On this _____ day of _____
ally appeared _____
described in and who _____
that he executed the _____

In witness whereof, I have _____
official seal on this, the _____ day of _____

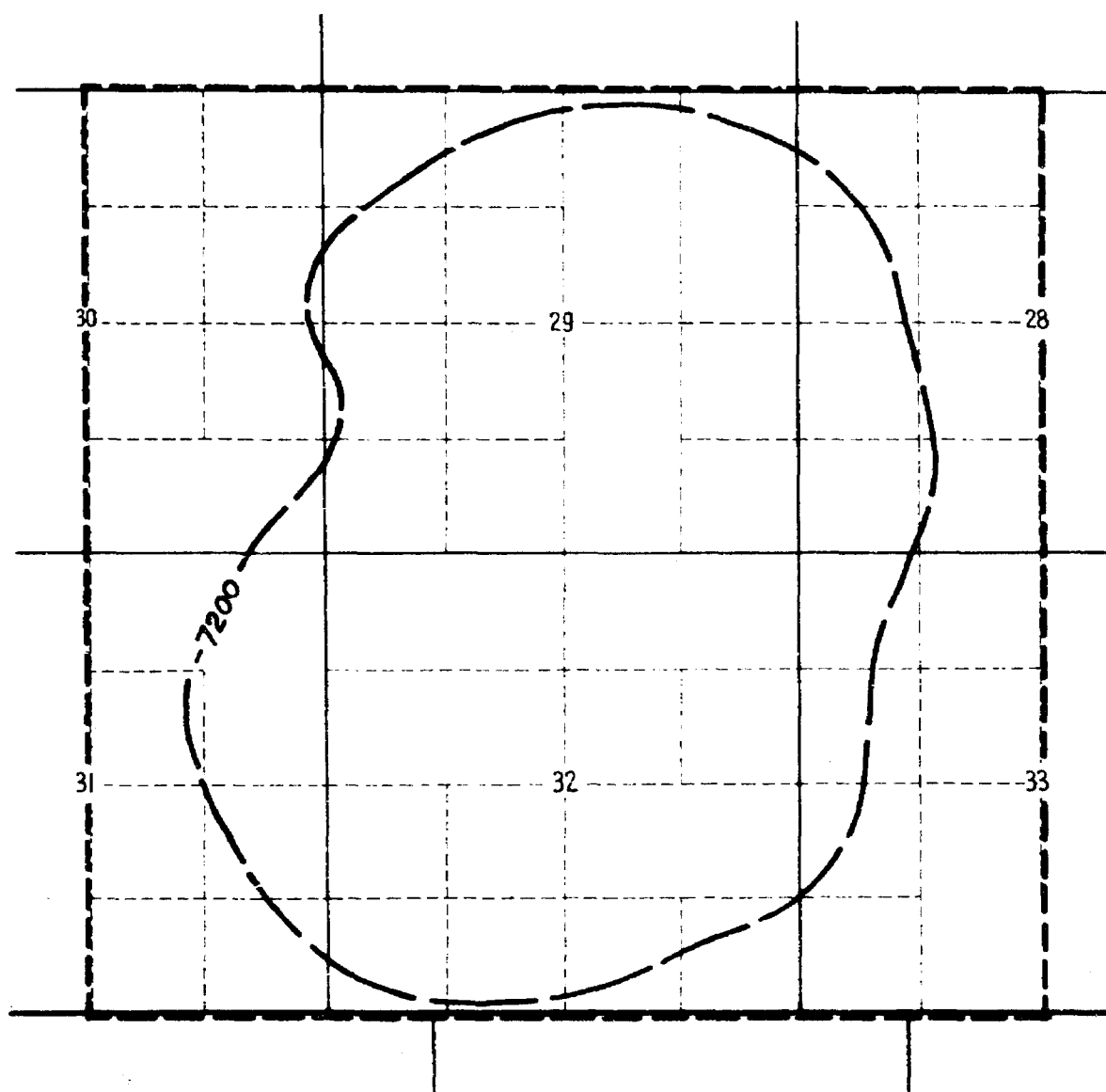
My commission expires: _____

CALIFORNIA
STATE OF _____
COUNTY OF _____

On this _____ day of _____
ally appeared _____
described in and who _____
acknowledged that he executed the _____
deed.

In witness whereof, I have _____
official seal on this, the _____ day of _____

R 32 E



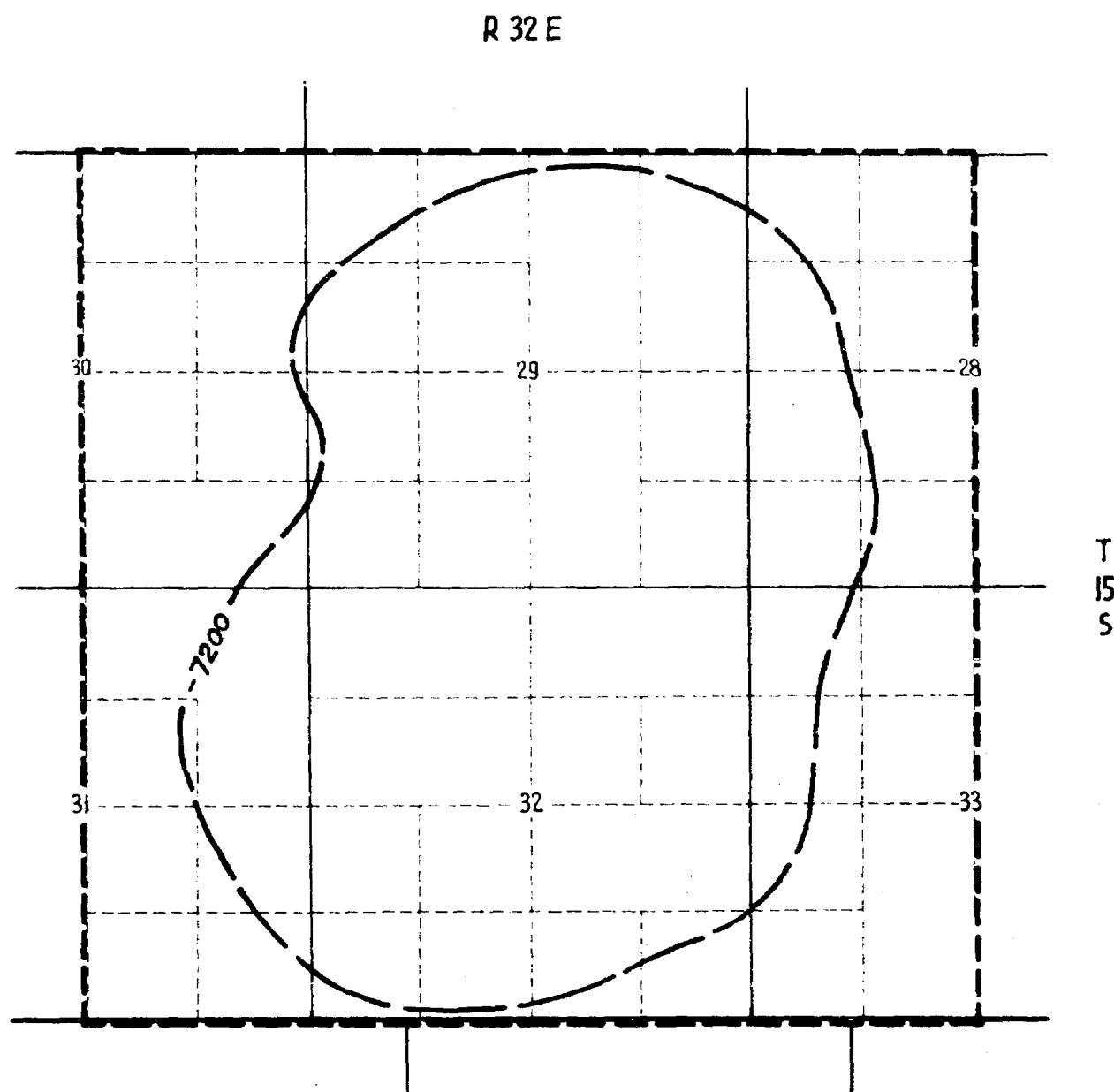
LANE MILL UNIT

T 15 S, R 32 E, Lea County, New Mexico

Approximate Closing Contour

Pennsylvanian Horizon

Scale 1"=2000'



LANE MILL UNIT

T 15 S, R 32 E, Lea County, New Mexico

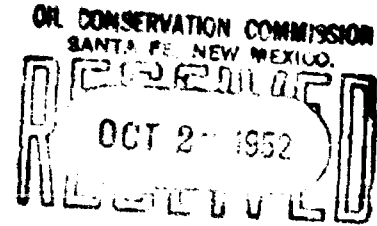
Approximate Closing Contour

Pennsylvanian Horizon

Scale 1"=2000'

NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF LANE MILL UNIT AREA
LEA COUNTY, NEW MEXICO



NEW MEXICO OIL CONSERVATION COMMISSION,
SANTA FE, NEW MEXICO.

COMES the undersigned, Texas Pacific Coal and Oil Company, a corporation, with offices at Fort Worth National Bank Building, Fort Worth, Texas, and files herewith a copy of a proposed Unit Agreement for the development and operations of the Lane Mill Unit area embracing land situated in Lea County, New Mexico, and hereby makes application for the approval of said Unit Agreement, and in support thereof shows:

1.

That the unit area designated in said agreement comprises 2560 acres situated in Lea County, New Mexico, more particularly described as follows:

Twp. 15 S., R. 32 E., N. M. P. M.

Sec. 28 : $W\frac{1}{2}$,
Sec. 29 : All,
Sec. 30 : $E\frac{1}{2}$,
Sec. 31 : $E\frac{1}{2}$,
Sec. 32 : All,
Sec. 33 : $W\frac{1}{2}$.

That all of the above described lands are lands owned by the State of New Mexico upon which the applicant and others are owners of Oil and Gas Leases issued by the Commissioner of Public Lands of the State of New Mexico.

2.

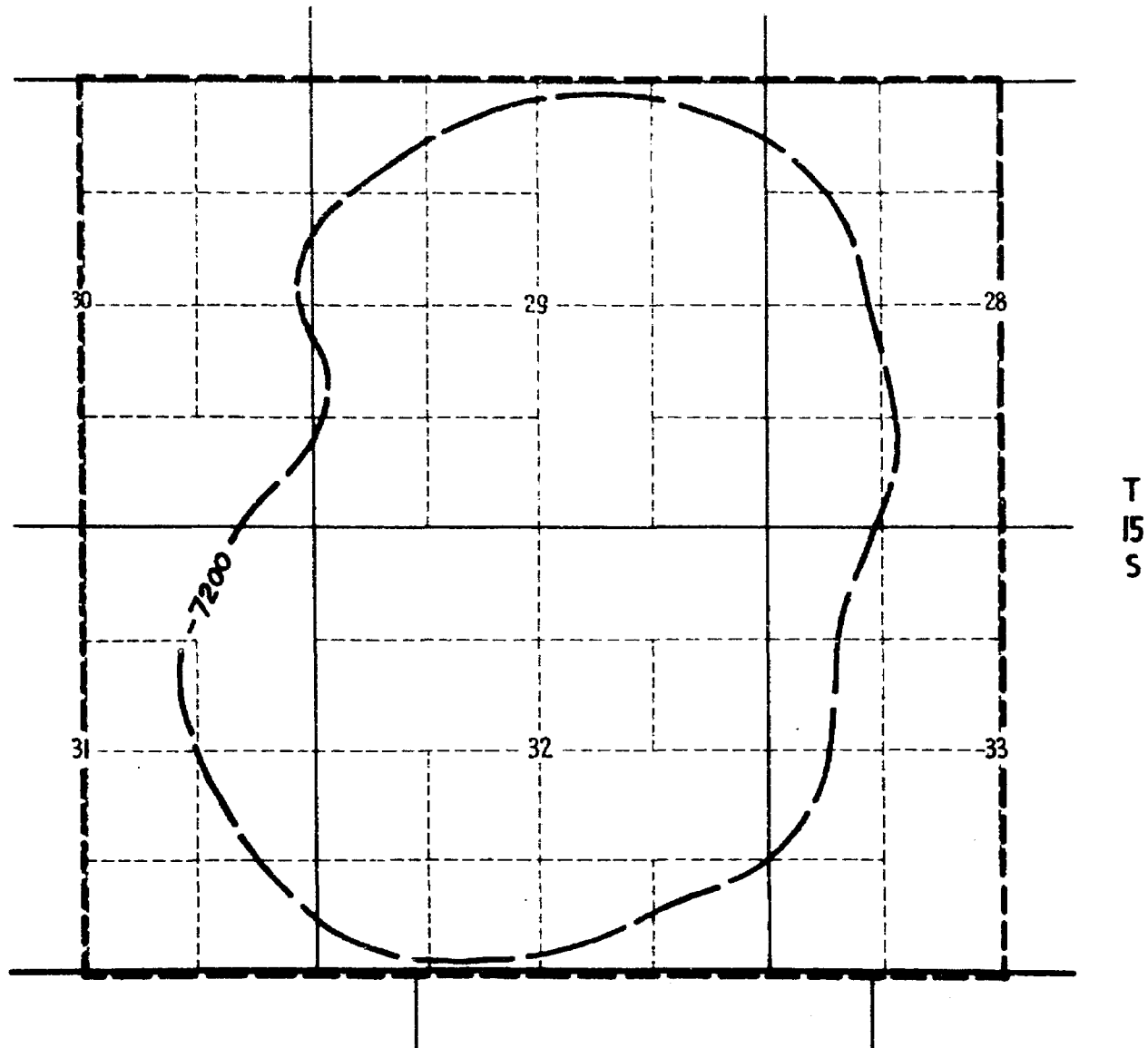
That there is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A", a plat reflecting the results of a seismograph survey made on the proposed Unit Area, and Exhibit "B", a plat showing the division of ownership in the Unit Area, and because of the geological information available applicant believes that the above described area is an area suitable and proper for unitization.

3.

That the undersigned, Texas Pacific Coal and Oil Company, is designated as the Unit Operator in said agreement, and the Unit Operator is given the authority under the terms thereof to carry on all operations which are necessary for the development and operation of the Unit Area for oil and gas subject to all applicable laws and regulations. That said Unit Agreement provides

EXHIBIT "A"

R 32 E



LANE MILL UNIT

T 15 S, R 32 E, Lea County, New Mexico

Approximate Closing Contour

Pennsylvanian Horizon

Scale 1"=2000'

R 32 E

30 29 28

31 32 33

7200

T 15 S

T 15 S, R 32 E, Lea County, New Mexico

Pennsylvanian Horizon

Scale 1"=2000'

Texas 12-10-52		Texas 7-10-52		Phillips 5-10-58	Phillips 6-10-58	T.P.C. & Co. 11-10-52 No 209	
State R				3 state 2			
	Phillips 3-10-53		Mid-Cont. 7-10-53	Amerada 5-10-53	Phillips 6-10-53	Amerada 9-10-53	
	B-10285		B-10450	B-10616 #1			
Texas 12-10-52		So. Union & Delhi 4-10-58	Amerada 3-10-59	T.P.C. & Co. 7-10-61 No 289			
		T					
B-9953		E-1813 #2	E-2502 #1	E-5368	B-10305	B-10616 #1	
30				29			
Phillips 1-51	Texas 12-10-52	T.P.C. & Co. 3-10-54 No 231	Phillips 5-10-53	Amerada 6-11-55	T.P.C. & Co. 11-10-52 No 210	Amerada 3-10-59	
	B-9953	B-10075	B-10285	E-368 #1		E-2502 #1	
	Tidewater 2-11-62		Mary Ruth Fritsch 3-10-53	R.W. Fair 8-10-61		So. Union & Delhi 4-10-58	
		15					
998	State	E-5991	B-10616 #1	E-5448	State	B-9901	E-1813 #2
Amerada 12-10-53	So. Union 4-10-62		So. Union 8-11-62		T.P.C. & Co. 11-10-52 No 209		
			E-6426		B-9900		
B-10544 #1							
So. Union 4-10-62	Mid-Cont. 7-10-53	S		Amerada 1-11-53	T.P.C. & Co. 3-10-54 No 231	Phillips 2-10-53	
E-6135	B-10450	E-6135		B-10016 #3	B-11075	B-10088	
3				32			
Amerada 6-11-55	So. Union 4-10-62	T.P.C. & Co. 7-10-61 No 289	Amerada 12-10-53	Phillips 5-10-53	Texas 12-10-52		
E-368 #1	E-6135	E-5368	B-10544 #1	B-10285	B-9953		
So. Union & Delhi 4-10-58	Mid-Cont. 7-10-53	So. Union 4-10-62	Amerada 1-10-54	Mid-Cont. 7-10-53	Phillips 4-10-61	Phillips 2-10-53	
E-1813 #2	State	B-10450	E-6135	B-10313 #1	State	E-5147	B-10088
45.92	3	50.01	2	50.05	1	50.08	4
	Gulf 3-10-54	Brit. Amer 5-11-55		Gulf 3-10-54		Gulf 7-10-53	Mid-Cont. 5-11-51
"LANE				WELL UNIT"			
						T.P.C. & Co. 3-10-55 No 253	

Texas 12-10-52			Texas 7-10-52			Phillips 5-10-58			Phillips 6-10-58			T.P.C. & O. Co. 11-10-52 Nº 209								
State						R						3 state 2								
			Phillips 5-10-53 B-10285						Mid-Cont. 7-10-53 B-10450			Amerada 5-10-53 B-10616 #1			Phillips 6-10-53			Amerada 9-10-53		
Texas 12-10-52 B-9953						So. Union & Delhi 4-10-58 E-1813 #2			Amerada 3-10-59 E-2502 #1			T.P.C. & O. Co. 7-10-61 Nº 289 E-5368			B-10365			B-10616 #1		
30												29								
Texas 12-10-52 B-9953			T.P.C. & O. Co. 3-10-54 Nº 231 B-10075			Phillips 5-10-53 B-10285			Amerada 6-11-55 E-368 #1			T.P.C. & O. Co. 11-10-52 Nº 210			Amerada 3-10-59 E-2502 #1			So. Union & Delhi 4-10-58 E-1813 #2		
			Tidewater 2-11-62 E-5931			Mary Ruth Frittschi 3-10-53 B-10610 #1			R.W. Fair 8-10-61 E-5448						B-9901			E-1813 #2		
998			State									State			B-9901			E-1813 #2		
Amerada 12-10-53 B-10644 #1			So. Union 4-10-62						So. Union 8-10-62 E-6426						T.P.C. & O. Co. 11-10-52 Nº 209 B-9900					
So. Union 4-10-62 E-6135			Mid-Cont. 7-10-53 B-10450			E-6135			Amerada 1-11-53 B-10016 #3						T.P.C. & O. Co. 3-10-54 Nº 231 B-10075			Phillips 2-10-53 B-10088		
3												32								
Amerada 6-11-55 E-368 #1			So. Union 4-10-62 E-6135			T.P.C. & O. Co. 7-10-61 Nº 289 E-5368			Amerada 12-10-53 B-10644 #1			Phillips 5-10-53 B-10285			Texas 12-10-52 B-9953					
So. Union & Delhi 4-10-58 E-1813 #2			Mid-Cont. 7-10-53 B-10450			So. Union 4-10-62 E-6135			Amerada 1-10-54 B-10610 #1			Mid-Cont. 7-10-53 B-10450			Phillips 4-10-61 E-5147			Phillips 2-10-53 B-10088		
State			State			State			State			State			State			State		
45.92			50.01			50.05			50.08			50.24			50.30			50.34		
Gulf 3-10-54			Brit Amer 6-11-55			Gulf 3-10-54			Gulf 7-10-51			Gulf 7-10-51			Mid-Cont. 5-10-51			T.P.C. & O. Co. 5-10-55 Nº 253		
"LANE WELL UNIT"																				

T.P.C. & O. Co.
11-10-52
No 209

E

State

ips
53

Amerada
9-10-53

T.P.C. & O. Co.
11-10-52
No 209

Champlin Ref
8-10-52

Phillips
6-10-56

T.P.C. & O. Co.
7-10-61
No 289

B-3900

E-6479

E-940 #1

E-5368

Phillips
6-10-56

Ernest A. Hanson
9-10-57

Champlin Ref
9-10-62

Champlin
9-10-61

365

B-10616 #1

E-940 #1

E-1469

E-6479

E-5546

28

10. Co.
52
0

Amerada
3-10-59

T.P.C. & O. Co.
7-10-61
No 289

So. Union
8-11-62

Phillips
6-10-53

Amerada
3-10-53

E-2502 #1

E-5368

E-6426

B-10365

B-10616 #1

So. Union & Delhi
4-10-58

Amerada
12-10-53

Amerada
1-11-53

T.P.C. & O. Co.
7-10-61
No 289

Amerada
5-11-54

31

E-1813 #2

B-10844 #1

B-10016 #3

State

E-5368

B-11207 #1

T.P.C. & O. Co.
11-10-52
No 209

MS Alester
3-10-62

Mid-Cont
7-10-53

Amerada
10-11-53

T.P.C. & O. Co.
10-10-61
No 296

B-3900

E-6078

B-10450

B-10707 #1

E-5667

10. Co.
54
31

Phillips
2-10-53

Mid-Cont.
7-10-53

Phillips
4-10-61

MS Alester
3-10-62

75

B-10088

B-10450

E-5147

33

Texas
12-10-52

T.P.C. & O. Co.
10-10-61
No 296

MS Alester
3-10-62

Amerada
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B-3353

E-5067

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ps
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Phillips
2-10-53

Amerada
10-11-53

(Amerada)

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47

B-10088

B-10707 #1

E-6078

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E-6078

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50.34

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IT

T.P.C. & O. Co.
5-10-55
No 255

Gulf
7-10

Gulf
7-10-61

Gulf
5-10-54

Gulf
9-10-58

Phillips 5-10-58	Phillips 6-10-58	T.P.C. & Co. 11-10-52 No 209		E			
3 state 2				State			
Mid-Cont. 7-10-53	Amerada 5-10-53	Phillips 6-10-53	Amerada 9-10-53	T.P.C. & Co. 11-10-52 No 209	Champlin Ref 3-10-62	Phillips 6-10-56	T.P.C. & Co. 7-10-61 No 289
B-10450	B-10616 #1			B-3900	E-6479	E-940 #1	E-5368
Amerada 3-10-59	T.P.C. & Co. 7-10-61 No 289			Phillips 6-10-56	Ernest A. Hanson 9-10-57	Champlin Ref 3-10-62	Champlin 9-10-61
E-2502 #1	E-5368	B-10365	B-10616 #1	E-940 #1	E-1469	E-6479	E-5546
29				28			
Phillips 5-10-53	Amerada 6-11-55	T.P.C. & Co. 11-10-52 No 210	Amerada 3-10-59	T.P.C. & Co. 7-10-61 No 289	So. Union 8-11-62	Phillips 6-10-53	Amerada 3-10-53
B-10285	E-368 #1		E-2502 #1	E-5368	E-6426	B-10365	B-10616 #1
Mary Ruth Fritsch 3-10-53	R.W. Fair 8-10-61		So. Union & Delhi 4-10-58	Amerada 12-10-53	Amerada 1-11-53	T.P.C. & Co. 7-10-61 No 289	Amerada 5-11-54
B-10616 #1	E-5448	State B-9901	E-1813 #2	B-10844 #1	B-10016 #3	State E-5368	B-11207 #1
So. Union 8-11-62		T.P.C. & Co. 11-10-52 No 209		Mc Alester 3-10-62	Mid-Cont. 7-10-53	Amerada 10-11-53	T.P.C. & Co. 10-10-61 No 298
E-6426		B-3900		E-6078	B-10450	B-10707 #1	E-5667
Amerada 1-11-53		T.P.C. & Co. 3-10-54 No 231	Phillips 2-10-53	Mid-Cont. 7-10-53	Phillips 4-10-61	Mc Alester 3-10-62	
B-10016 #3		B-11075	B-10086	B-10450	E-5147	33	
Amerada 12-10-53	Phillips 5-10-53	Texas 12-10-52		T.P.C. & Co. 10-10-61 No 296	Mc Alester 3-10-62	Amerada 10-11-53	
B-10844 #1	B-10285	B-3353		E-5667	B-10707 #1		
Amerada 1-10-54	Mid-Cont. 7-10-53	Phillips 4-10-61	Phillips 2-10-53	Amerada 10-11-53	(Amerada) B-5025		
B-10913 #1	E-10450	State E-5147	B-10086	B-10707 #1	E-6078	State	E-6078
50.08	4 50.24	3 50.30	2 50.34	1 50.40	4 50.39	3 50.33	2 50.27
Gulf 3-10-54	Gulf 7-10-61	Mid-Cont. 5-11-61	T.P.C. & Co. 5-10-55 No 253	Gulf 7-10-61	Gulf 7-10-61	Gulf 3-10-54	Gulf 9-10-58
"LANE WELL UNIT"							

Texas 12-10-52		Texas 7-10-52		Phillips 5-10-58		Phillips 5-10-58		T.P.C. & Co. 11-10-52 Nº 209		E	
State		R				3 State 2					
Phillips 5-10-53				Mid-Cont. 7-10-53		Amerada 9-10-53		Phillips 6-10-53		Amerada 9-10-53	
B-10285				B-10450		B-10616 #1				B-3900	
Texas 12-10-52		So. Union & Delhi 4-10-58		Amerada 3-10-59		T.P.C. & Co. 7-10-61 Nº 283				Phillips 8-10-56	
B-9953		E-1813 #2		E-2502 #1		E-5368		B-10365		E-940 #1	
3						29					
Texas 12-10-52		T.P.C. & Co. 3-10-54 Nº 231		Phillips 5-10-53		Amerada 6-11-55		T.P.C. & Co. 11-10-52 Nº 210		Amerada 3-10-59	
B-9953		B-10075		B-10285		E-368 #1		E-2502 #1		E-5368	
		Tidewater 2-11-62		Mary Ruth Fritschi 9-10-53		R.W. Fair 8-10-61				So. Union & Delhi 4-10-58	
		15								Amerada 12-10-53	
998		State		E-5931		B-10610 #1		E-5448		State	
								B-9901		E-1813 #2	
										B-10844 #1	
Amerada 12-10-53		So. Union 4-10-62		So. Union 8-11-62				T.P.C. & Co. 11-10-52 Nº 209		Mc Alester 3-10-62	
B-10844 #1				E-6426				B-3900		E-6078	
So. Union 4-10-62		Mid-Cont. 7-10-53		Amerada 1-11-53		T.P.C. & Co. 3-10-54 Nº 231		Phillips 2-10-53		Mid-Cont. 7-10-53	
E-6135		B-10450		E-6135		B-10016 #3		B-1075		B-10088	
3						32					
Amerada 6-11-55		So. Union 4-10-62		T.P.C. & Co. 7-10-61 Nº 289		Amerada 12-10-53		Phillips 5-10-53		Texas 12-10-52	
E-368 #1		E-6135		E-5368		B-10844 #1		E-10285		B-9953	
										E-5667	
So. Union & Delhi 4-10-58		Mid-Cont. 7-10-53		So. Union 4-10-62		Amerada 1-10-54		Mid-Cont. 7-10-53		Phillips 4-10-61	
E-1813 #2		State		B-10450		E-6135		B-10913 #1		E-10450	
49.92		3		50.01		2		50.09		1	
Gulf 3-10-54				Brit. Amer. 6-11-55				Gulf 3-10-54		4	
								Gulf 7-10-61		50.24	
								Mid-Cont. 6-11-61		3	
								T.P.C. & Co. 9-10-55 Nº 253		2	
								Gulf 7-10-61		50.34	
										1	
										50.40	
<div style="display: flex; justify-content: space-between;"> "LANE WELL UNIT" </div>											

Phillips
5-10-58

Phillips
6-10-58

T.P.C. & Co.
11-10-52
Nº 209

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E

State

Mid-Cont.
7-10-53

Amerada
9-10-53

Phillips
6-10-53

Amerada
9-10-53

T.P.C. & Co.
11-10-52
Nº 209

Champlin Ref.
4-10-52

Phillips
8-10-56

T.P.C. & Co.
7-10-61
Nº 289

B-10450

B-10616 #1

B-3900

B-6479

E-940 #1

E-5368

Amerada
3-10-59

T.P.C. & Co.
7-10-61
Nº 289

Phillips
8-10-56

Ernest A. Hanson
9-10-57

Champlin Ref.
9-10-62

Champlin
9-10-61

E-2502 #1

E-5366

29

E-10365

B-10616 #1

E-940 #1

E-1469

28

E-6479

E-5546

Phillips
5-10-53

Amerada
6-11-55

T.P.C. & Co.
11-10-52
Nº 210

Amerada
3-10-59

T.P.C. & Co.
7-10-61
Nº 289

So. Union
8-11-62

Phillips
6-10-53

Amerada
3-10-53

B-10285

E-368 #1

E-2502 #1

E-5368

E-6426

B-10365

B-10616 #1

Mary Ruth Frittschi
9-10-53

R.W. Fair
8-10-61

So. Union & Delhi
4-10-58

Amerada
12-10-53

Amerada
1-11-53

T.P.C. & Co.
7-10-61
Nº 289

Amerada
5-11-54

B-10610 #1

E-5448

State

B-9901

E-1813 #2

B-10844 #1

B-10016 #3

State

E-5368

B-11207 #1

So. Union
8-11-62

T.P.C. & Co.
11-10-52
Nº 209

Ms Alester
3-10-62

Mid-Cont.
7-10-53

Amerada
10-11-53

T.P.C. & Co.
10-10-61
Nº 298

E-6426

B-3900

E-6078

B-10450

B-10707 #1

E-5667

Amerada
1-11-53

T.P.C. & Co.
3-10-54
Nº 231

Phillips
2-10-53

Mid-Cont.
7-10-53

Phillips
4-10-61

Ms Alester
3-10-62

B-10016 #3

32

B-11075

B-10088

B-10450

E-5147

33

Amerada
12-10-53

Phillips
5-10-53

Texas
12-10-52

T.P.C. & Co.
10-10-61
Nº 296

Ms Alester
3-10-62

Amerada
10-11-53

B-10844 #1

B-10285

B-9953

E-5667

B-10707 #1

Amerada
1-10-54

Mid-Cont.
7-10-53

Phillips
4-10-61

Phillips
2-10-53

Amerada
10-11-53

(Amerada)
5-10-53

B-10913 #1

B-10450

State

E-5147

B-10088

B-10707 #1

E-6076

State

E-5076

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Gulf
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Gulf
7-10-61

Mid-Cont.
6-11-61

T.P.C. & Co.
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Nº 253

Gulf
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UNIT

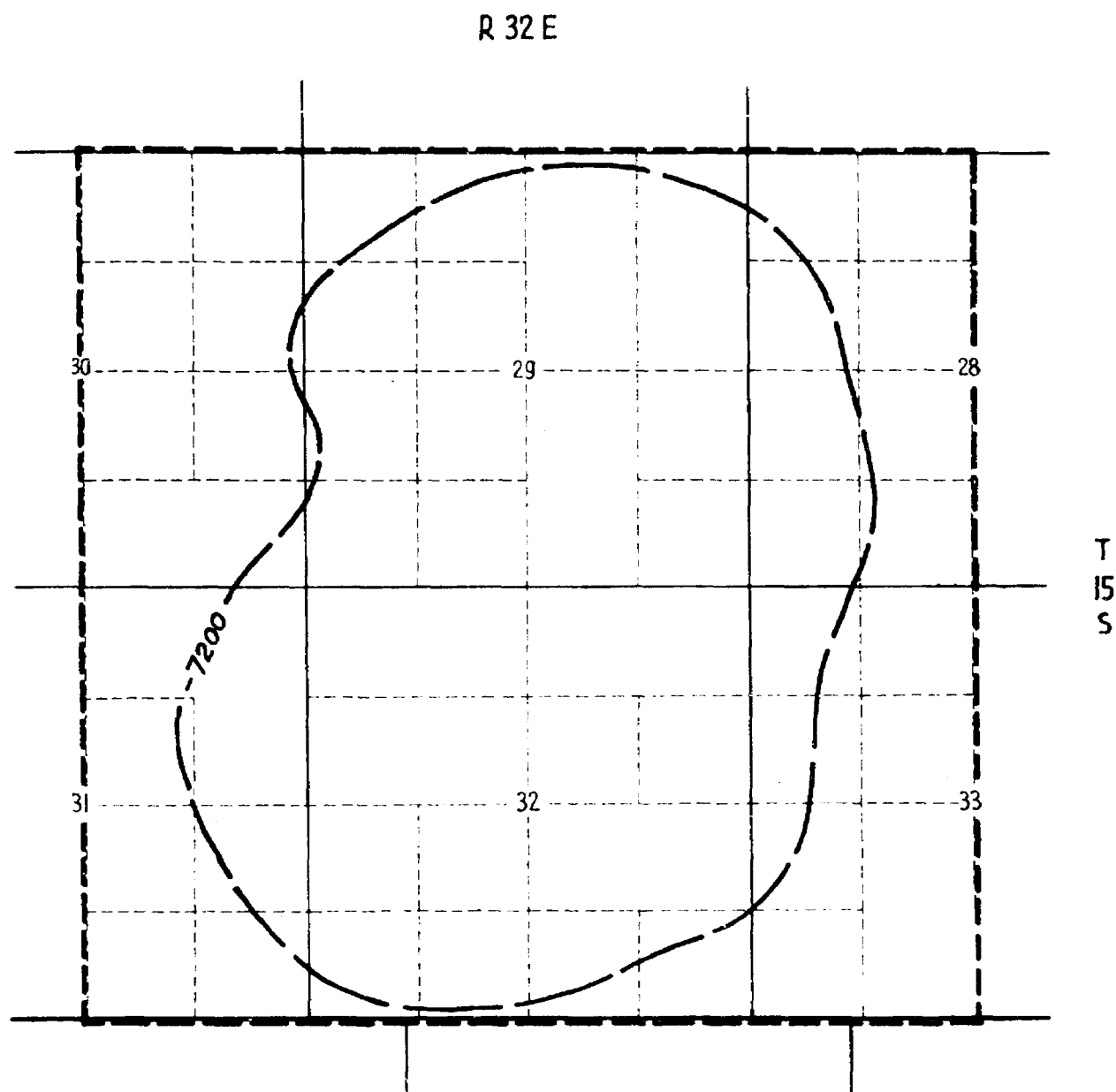
EXHIBIT "B"

SCHEDULE SHOWING
DESCRIPTION OF ACREAGE AND OWNERSHIP OF LEASES ON ALL LANDS
INCLUDED IN THE LANE MILL UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

TRACT NO.	DESCRIPTION All in Township 15 South Range 32 East	NUMBER OF ACRES	LEASE NO. AND EXPIRATION DATE OF LEASE	LAND OWNER	RECORD OWNER OF LEASE
1	NE $\frac{1}{4}$ /NW $\frac{1}{4}$ Sec. 28	40	E-6479 9-10-62	State of New Mexico	Champion Refining Company
2	NW $\frac{1}{4}$ /NW $\frac{1}{4}$ Sec. 28 N2/NE $\frac{1}{4}$ Sec. 32	120	B-9900 11-10-62	State of New Mexico	Texas Pacific Coal & Oil Co.
3	SW $\frac{1}{4}$ /NW $\frac{1}{4}$ Sec. 28	40	E-940 #1 8-10-56	State of New Mexico	Phillips Petroleum Company
4	SE $\frac{1}{4}$ /NW $\frac{1}{4}$ Sec. 28	40	E-1469 9-10-57	State of New Mexico	Ernest A. Hanson
5	NE $\frac{1}{4}$ /SW $\frac{1}{4}$ Sec. 28 N2/NW $\frac{1}{4}$ Sec. 32	120	E-6426 8-11-62	State of New Mexico	Southern Union Gas Company
6	NW $\frac{1}{4}$ /SW $\frac{1}{4}$ Sec. 28 SE $\frac{1}{4}$ /NW $\frac{1}{4}$ Sec. 29 NE $\frac{1}{4}$ /SE $\frac{1}{4}$ Sec. 31	120	E-5368 7-10-61	State of New Mexico	Texas Pacific Coal & Oil Co.
7	SW $\frac{1}{4}$ /SW $\frac{1}{4}$ Sec. 32 NW $\frac{1}{4}$ /SW $\frac{1}{4}$ Sec. 32	80	B-10844 #1 12-10-53	State of New Mexico	Amerada Petroleum Corp.
8	SE $\frac{1}{4}$ /SW $\frac{1}{4}$ Sec. 28 S2/NW $\frac{1}{4}$ Sec. 32	120	B-10016 #3 1-11-53	State of New Mexico	Amerada Petroleum Corp.
9	E2/NE $\frac{1}{4}$; NE $\frac{1}{4}$ /NW $\frac{1}{4}$ Sec. 29	120	B-10616 #1 9-10-53	State of New Mexico	Amerada Petroleum Corp.

10	W2/NE4 Sec. 29	80	B-10365 6-10-53	State of New Mexico	Phillips Petroleum Company
11	NW4/NW4 Sec. 29 SW4/NE4; SW4/SE4 Sec. 31 SE4/SW4 Sec. 32 NE4/NW4; SW4/NW4 Sec. 33	240	B-10450 7-10-53	State of New Mexico	Mid-Continent Petroleum Corp.
12	SW4/NW4; NE4/SE4 Sec. 29	80	E-2502 #1 3-10-59	State of New Mexico	Amerada Petroleum Corp.
13	NW4/SW4 Sec. 29 NW4/NE4 Sec. 30 NE4/SW4 Sec. 32	120	B-10285 5-10-53	State of New Mexico	Phillips Petroleum Company
14	NE4/SW4 Sec. 29	40	E-368 #1 6-11-55	State of New Mexico	Amerada Petroleum Corp.
15	SW4/SW4 Sec. 29	40	B-10610 #1 9-10-53	State of New Mexico	Mary Ruth Fritschl
16	SE4/SW4 Sec. 29	40	E-5448 8-10-61	State of New Mexico	R.W. Falt
17	W2/SE4 Sec. 29	80	E-9901 11-10-52	State of New Mexico	Texas Pacific Coal & Oil Co.
18	SE4/SE4 Sec. 29 SE4/NE4 Sec. 30	80	E-1813 #2 4-10-58	State of New Mexico	Southern Union Gas Company & Delhi Oil Corporation
19	NE4/NE4; SW4/NE4 Sec. 30	80		State of New Mexico	
20	NW4/SE4 Sec. 30 N2/SE4 Sec. 32	120	B-9953 12-10-53	State of New Mexico	The Texas Company
21	NE4/SE4 Sec. 30 SW4/NE4 Sec. 32	80	B-11075 3-10-54	State of New Mexico	Texas Pacific Coal & Oil Co.
22	S2/SE4 Sec. 30	80	E-5991 2-11-62	State of New Mexico	Tide Water Associated Oil Co.

23	N2/NE4; SE4/NE4; NW4/SE4; SE4/SE4 Sec. 31	200	E-6135 4-10-62	State of New Mexico	Southern Union Gas Company
24	SE4/NE4; SE4/SE4 Sec. 32	80	B-10088 2-10-53	State of New Mexico	Phillips Petroleum Company
25	SW4/SW4 Sec. 32	40	B-10919 #1 1-10-54	State of New Mexico	Amerada Petroleum Corporation
26	SW4/SE4 Sec. 32 SE4/NW4 Sec. 33	80	E-5147 4-10-61	State of New Mexico	Phillips Petroleum Company
27	NW4/NW4; E2/SW4 Sec. 33	120	E-6078 3-10-62	State of New Mexico	McAlester Fuel Company
28	NW4/SW4 Sec. 33	40	E-5667 10-10-61	State of New Mexico	Texas Pacific Coal & Oil Company
29	SW4/SW4 Sec. 33	40	B-10707 #1 10-11-53	State of New Mexico	Amerada Petroleum Corporation



LANE MILL UNIT

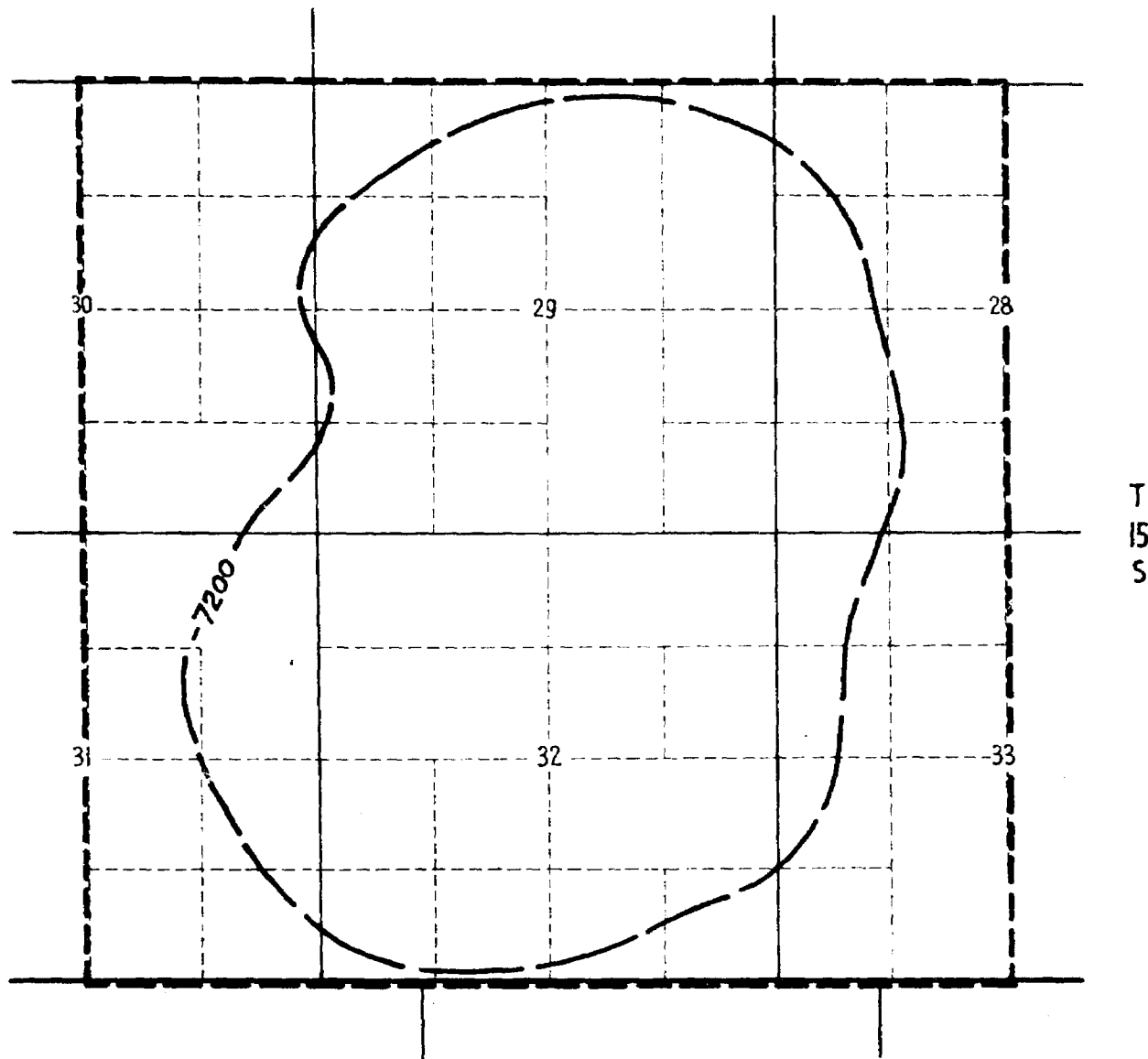
T 15 S, R 32 E, Lea County, New Mexico

Approximate Closing Contour

Pennsylvanian Horizon

Scale 1" = 100'

R 32 E



LANE MILL UNIT

T 15 S, R 32 E, Lea County, New Mexico

Approximate Closing Contour

Pennsylvanian Horizon

Scale 1"=2000'