

LAW OFFICES OF
JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO

APR 3 11 1 23

TELEPHONE 622-4641
AREA CODE 505

April 2, 1963

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

RE: State Leases A-983
and B-1484

Gentlemen:

Transmitted herewith in triplicate is the application of Texas Pacific Coal and Oil Company for an administrative order authorizing the commingling of the production of oil from the above State leases.

A copy of this application has been furnished to the Land Office with the request that they indicate their concurrence.

Respectfully yours,


John F. Russell

JFR:np

Enclosures

PLATE 000

NUMBER 10 11 1 33

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
 TEXAS PACIFIC COAL AND OIL COMPANY)
 FOR PERMISSION TO COMMINGLE PRODUC-)
 TION FROM TWO SEPARATE STATE OF NEW)
 MEXICO OIL AND GAS LEASES IN THE)
 LANGLIE-MATTIX (SEVEN RIVERS-QUEEN)
 OIL WELLS) POOL IN LEA COUNTY, NEW)
 MEXICO)

APPLICATION

COMES NOW Texas Pacific Coal and Oil Company and hereby makes application for permission to commingle production of oil produced from two separate State of New Mexico oil and gas leases covering the following described lands in the Langlie-Mattix (Seven Rivers-Queen) Pool in Lea County, New Mexico, to-wit:

E $\frac{1}{2}$ of Section 10, Township 23 South, Range 36 East

1. That the above described land is covered by two separate State of New Mexico oil and gas leases and the lease numbers, record owners and the lands embraced in the respective leases are as follows:

- | | | |
|--------|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| A-983 | Texas Pacific Coal and Oil Company | E $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 10, Township 23 South, Range 36 East |
| B-1484 | Cities Service Oil Company | W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 10, Township 23 South, Range 36 East |

The above described leases, insofar as they cover the above described lands, are subject to an Operating Agreement dated May 27, 1953, a copy of which has heretofore been filed with the Land Commissioner for the State of New Mexico, and a copy of which

is attached hereto as Exhibit "A". Texas Pacific Coal and Oil Company is the operator under the terms and provisions of the Operating Agreement. The parties to the Operating Agreement are the owners of all the working interest under the above described leases insofar as they cover the above described land and the oil produced therefrom is produced for their joint account.

2. There are presently five oil wells located upon the above described lands and producing from the Seven Rivers-Queen Formation underlying the above described lands, and there is attached hereto, as Exhibit "B", a diagram showing the location of said oil wells and the common tank battery into which they are producing.

3. Applicant proposes to submit to the Oil Conservation Commission quarterly tests covering the production from each of the above described wells.

4. That there is a common ownership of all of the lands embraced in the leases described above and that there is a common beneficiary of the State lease lands and that all of the lands are common school lands.

5. That the commingling of the production of oil from the wells on the two leases into a centralized tank battery effects a considerable saving in installation and operating expenses and will be in the interest of conservation and will not cause waste or impair correlative rights.

WHEREFORE, Applicant requests that the Secretary-Director of the Oil Conservation Commission grant an exception to Rule 309-A and that Applicant be granted administrative permission

to commingle production from the above described leases into one centralized storage facility.

DATED this 2nd day of April, 1963.

Respectfully submitted,

TEXAS PACIFIC COAL AND OIL COMPANY

By John D. Russell
Attorney
P. O. Box 640
Roswell, New Mexico

OPERATING AGREEMENT

THIS AGREEMENT made and entered into this 27th day of May, 1953, by and between Texas Pacific Coal and Oil Company, hereinafter called "-TP-" or "Operator", and Cities Service Oil Company, hereinafter called "Cities Service" or "Non-Operator";

W I T N E S S E T H:

WHEREAS, --TP-- represents that it is the owner of an oil and gas lease covering, among other lands, the East One-Half ($E\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$); the East One-Half ($E\frac{1}{2}$) of the Southeast Quarter ($SE\frac{1}{4}$); and the Southwest Quarter ($SW\frac{1}{4}$) of the Southeast Quarter ($SE\frac{1}{4}$); Section Ten (10), Township Twenty-Three (23) South, Range Thirty-Six (36) East, N.M.P.M., Lea County, New Mexico, containing 200 acres; and Cities Service represents that it owns an oil and gas lease covering, among other lands, the West One-Half ($W\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$); and the Northwest Quarter ($NW\frac{1}{4}$) of the Southeast Quarter ($SE\frac{1}{4}$); Section Ten (10), Township Twenty-Three (23) South, Range Thirty-Six (36) East, N.M.P.M., Lea County, New Mexico, containing 120 acres; and

WHEREAS, it is the desire of said parties to unitize the working interests under said leases insofar as they cover or pertain to the East One-Half ($E\frac{1}{2}$) of Section Ten (10), Township Twenty-Three (23) South, Range Thirty-Six (36) East, N.M.P.M., Lea County, New Mexico, containing 320 acres, in order to effect an ownership in said 320 acre tract to the extent of 62½% to -TP-, and 37½% to Cities Service, and to enter into an Operating Agreement covering the development and operation of said 320 acre tract for oil and gas purposes, which lands are hereinafter referred to as the "Contract Area".

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed as follows:

I.

CONTRACT AREA

The oil and gas leases owned by the parties hereto, insofar as they cover and apply to the following described lands, shall constitute the "Contract Area":

The East One-Half ($E\frac{1}{2}$) of Section Ten (10),
Township Twenty-Three (23) South, Range
Thirty-Six (36) East, N.M.P.M., Lea County,
New Mexico, containing 320 acres, more or less.

This Contract Area shall be developed and operated for the production of oil and gas by Operator, subject to the terms and conditions of this Agreement, and the parties hereto hereby commit to this Agreement their leases covering the lands comprising the Contract Area insofar as same cover and apply there to.

II.

TITLES

Within ten (10) days from the date of this Agreement, Cities Service agrees to deliver to -TP- for examination copies of all title opinions of its attorneys and such other title papers as it may have in its files; likewise, -TP- shall deliver to Cities Service for examination copies of all title opinions of its attorneys and such other title papers as it may have in its files. Each of the parties shall have a period of twenty (20) days from the expiration of said ten (10) day period within which to examine such papers and make such additional examination as either may desire. Within such twenty (20) day period, each of the parties shall notify the other party whether or not it approves or disapproves said titles,

and in event either party does not approve of said titles then this contract shall cease and terminate, and each of the parties hereto shall be relieved of all further obligations hereunder.

If any loss of title occurs to any of the leases contributed hereto, same shall be borne by the party who contributed to this Agreement the lease upon which title fails; provided, however, there shall be no retroactive adjustments of costs incurred prior to the final determination of such loss.

III.

INTERESTS OF THE PARTIES

The interests of the parties in and to all of the production from the Contract Area, and in and to the materials to be installed therein and thereon, shall be as follows:

| <u>Party</u> | <u>Undivided Interest</u> |
|------------------------------------|---------------------------|
| Texas Pacific Coal and Oil Company | 62½% |
| Cities Service Oil Company | 37½% |

and all costs, expenses and liabilities accruing or resulting from the development and the operation of the Contract Area pursuant to this Agreement shall be determined, shared and borne by the parties hereto in said proportions. Likewise, any contributions (acreage, money, dry-hole or otherwise) made to the Operator, or any other party hereto, by reason of operations in the Contract Area, shall be shared by the parties hereto in the same proportions.

IV.

DESIGNATION OF OPERATOR AND TEST WELL

-TP- shall be the Operator hereunder and, as such, shall, on or before July 1, 1953, commence or cause to be commenced the actual drilling of a well for the discovery of oil and gas, to be

located at some point to be selected by Operator on the East One-Half ($E\frac{1}{2}$) of the Northeast Quarter ($NE\frac{1}{4}$) of Section Ten (10), Township Twenty-Three (23) South, Range Thirty-Six (36) East, N.M.P.M., Lea County, New Mexico, and shall prosecute the drilling thereof with diligence to a depth of 3300 feet, or to a depth sufficient to test the Yates Formation, unless oil or gas in paying quantities is discovered at a lesser depth, or unless some formation or condition is encountered at a lesser depth which would, in the judgment of the parties hereto, make further drilling unwarranted or impracticable.

V.

INSURANCE

Operator shall, at all times while operations are conducted on the premises subject hereto, carry insurance to indemnify, protect and save the parties hereto harmless as follows:

- a. Employers' Liability and Workmen's Compensation Insurance, in accordance with the laws of the State where operations are being conducted.
- b. Public Liability Insurance with limits of not less than One Hundred Thousand Dollars (\$100,000.00) as to any one person and Three Hundred Thousand Dollars (\$300,000.00) as to any one accident. Property Damage Insurance with a limit of not less than Twenty Five Thousand Dollars (\$25,000.00) per accident.
- c. Automobile Public Liability Insurance, with limits of not less than One Hundred Thousand Dollars (\$100,000.00) as to any one person and Three Hundred Thousand Dollars (\$300,000.00) as to any one accident, and Automobile Property Damage Insurance with a limit of not less than Fifty Thousand Dollars (\$50,000.00).
- d. If steam boilers are used in connection with the operations hereunder, the Operator shall procure and maintain steam boiler and machinery explosion insurance with limits of Fifty Thousand Dollars (\$50,000.00) per accident and the premiums therefor shall be treated as a part of the actual cost of development and operations.

oversight where such rental is required to continue the lease in force (it being understood that any such failure shall not be regarded as a title failure within the meaning of any other section of this Agreement) there shall be no money liability on the part of the party failing to pay such rental, but such party shall make a bona fide effort to secure a new lease covering the same interest, and in event of failure to secure a new lease within a reasonable time, the interests of the parties hereto shall be revised so that the party failing to pay any such rental will not be credited with the ownership of any lease on which rental was required but was not paid. Each party contributing an oil and gas lease or leases to this Agreement shall notify each of the other parties contributing oil and gas leases hereto, at least ten (10) days prior to the due date, that it has paid all delay rentals required to continue such leases in full force and effect and will furnish copies of the receipts evidencing such payments.

IX.

CONTROL AND COST OF OPERATION

Operator shall have full control of the premises subjected hereto and, subject to the provisions hereof, shall conduct and manage the development and operation of said premises for the production of oil and gas for the joint account of the parties hereto. Operator shall pay and discharge all costs and expenses incurred pursuant hereto, and shall charge each of the parties hereto with its respective proportionate share upon the cost and expense basis provided in the Accounting Procedure attached hereto, marked Exhibit "A", and made a part hereof; provided, however, if any provision of said Exhibit "A" conflicts with any provision hereof,

the latter shall be deemed to control. Non-Operator will promptly pay Operator such costs as are hereunder chargeable to such party. Unless otherwise herein provided, all production of oil and gas from said land, subject to the payment of applicable royalties thereon, and all materials and equipment acquired pursuant hereto shall be owned by the parties hereto in the respective proportions as set out herein. Operator shall at all times keep the joint interest of the parties hereto in and to the leases and equipment thereon free and clear of all labor and mechanic's liens and encumbrances.

X.

EMPLOYEES

The number of employees, the selection of such employees, the hours of labor and the compensation for services to be paid any and all such employees shall be determined by Operator. Such employees shall be employees of Operator.

XI.

DRILLING OPERATIONS

All wells drilled on the Contract Area shall be drilled on a competitive contract basis at the usual rates prevailing in the field in which said leases are located. Operator, if it so desires, may employ its own tools and equipment in the drilling of wells, but in such event the charge therefor shall not exceed the prevailing rate in the field; and such work shall be performed by Operator under the same terms and conditions as shall be customary and usual in the field in contracts of independent contractors who are doing work of a similar nature. All drilling contracts shall

contain appropriate provisions that any wells drilled on the Contract Area, when completed, shall not deviate in excess of five degrees from perpendicular.

XII.

AUTHORITY FOR INCURRING OF EXPENDITURES

Operator, before incurring any items of expenditure in excess of Five Thousand (\$5,000.00) Dollars, except expenditures for the drilling and equipment of wells mutually agreed upon, shall secure the express consent and approval in writing of Non-Operator. Operator shall, upon request, furnish Non-Operator with a copy of Operator's Company authority for expenditures for any project costing in excess of One Thousand Dollars (\$1,000.00).

XIII.

OPERATOR'S LIEN

Operator shall have a lien upon the interest of Non-Operator which is subjected to this Agreement, the oil and gas therefrom, the proceeds thereof and the materials and equipment thereon and therein to secure Operator in the payment of any sum due Operator hereunder from Non-Operator. The lien herein provided for shall not extend to any royalty rights attributable to any interests subjected hereto.

XIV.

ADVANCES

Operator, at its election, may require Non-Operator to furnish its proportion of the development and operating costs according to the following conditions:

On or before the first day of each calendar month, Operator

shall submit an itemized estimate of such costs for the succeeding calendar month to Non-Operator. Within fifteen (15) days thereafter, Non-Operator shall pay, or secure the payment in a manner satisfactory to Operator, its proportionate share of such estimate.

Should Non-Operator fail and neglect to pay or secure the payment of its proportionate part of such estimate, the same shall bear interest at the rate of six per cent per annum until paid. Adjustments between estimates and actual costs shall be made by Operator at the close of each calendar month and the accounts of the parties adjusted accordingly.

XV.

SURPLUS MATERIAL AND EQUIPMENT

Surplus material and equipment from the Contract Area, when in the judgment of Operator is not necessary for the development and operation of the leased premises, may be divided in kind or, by mutual consent of the parties, be sold to one of the parties hereto or to others for the benefit of the joint account. Proper charges and credits shall be made by Operator as provided in the Accounting Procedure attached hereto as Exhibit "A".

XVI.

DISPOSITION OF PRODUCTION

At all times during the term hereof, each of the parties hereto, its successors or assigns, shall separately own and have the right of receiving in kind and disposing of its proportionate share of the oil, gas and other minerals produced and saved from the premises covered by this Agreement. While a party hereto may constitute another party hereto, or one not a party hereto, its agent or representative to sell or dispose of its proportionate

share of the production, any such agency or representative capacity so created shall be revocable and cancellable at will by either of the parties thereto, its successors or assigns. Likewise, any contract of sale or disposition made by any such party or person acting as agent or representative of a party hereto shall be revocable and cancellable at the will of such party principal, its successors or assigns. If, by reason of any party hereto taking in kind its proportionate share of the oil, gas and other minerals produced and saved from the premises covered hereby, any additional operating or other expense is incurred for material, equipment or otherwise, such additional expense shall be borne in its entirety by the party or parties whose actions occasion such expense. Operator shall have the right, without charge, to use whatever oil or gas may in its judgment be necessary for developing or operating the joint property.

XVII.

LIABILITY

The liability of the parties hereunder shall be several and not joint or collective. Each party shall be responsible only for its obligations as herein set out, and shall be liable for its proportionate share of the cost of developing and operating the premises subjected thereto. It is expressly agreed that it is not the purpose or intention of this Agreement to create, nor shall the operations of the parties hereunder be construed or considered as a joint venture, or as any kind of a partnership.

XVIII.

ADDITIONAL DRILLING

In the event either party desires to drill any additional well or deepen or plug back a dry hole or non-commercial well drilled

at the joint expense of the parties, it shall notify in writing the other party hereto thereof, and such party shall have ten (10) days after the receipt of such notice whether it will join in such operations. If the party receiving such notice elects to participate in same, it shall in said time notify the party giving such notice of such election and the Operator shall, within thirty (30) days after the elapse of said ten-day (10) period, commence at the joint expense of the parties hereto operations on such well under the other sections of this contract and shall prosecute the same with diligence in a workmanlike manner until said well is completed. If the party receiving such notice notifies in said time the party giving notice of its election not to participate in such operations, and failure to notify the party giving such notice by telegram or through the mails of its election to join or not to join in same shall be deemed for the purpose hereof to be an election not to join in the drilling or deepening or plugging back of such well, the party giving such notice shall have the right to drill or deepen or plug back such well at its cost and expense except as herein specified; provided that operations on said well are commenced within thirty (30) days after the elapse of said ten-day (10) period. The failure to commence such operations within such thirty-day (30) period terminates the right of the party giving such notice to commence such operations; however, a second notice may be given, in which event, the rights and duties of the parties will be governed by the provisions hereof with respect to such first notice. Any well drilled under this Section shall conform to the then existing well spacing program for the depths or formations to which it is to be drilled. The party drilling or deepening or plugging back any

well under this Section shall, within sixty days from the date of the completion thereof, furnish the other party with an inventory of the equipment in and on said well and with an itemized statement of the cost of drilling, deepening, plugging back, equipping, testing, and completing said well for production and each month thereafter during the time the participating party is being reimbursed, as hereinafter provided, with an itemized statement of the cost of the operation of said well and the quantity of minerals produced therefrom and the amount of the proceeds from the sale of the working interest production in the preceding month.

If such well when completed should be a commercial producer, the participating party shall be entitled to receive all the proceeds from the sale of non-participating party's share of the working interest production from such well until said party drilling, deepening or plugging back any such well shall have received from the proceeds of the sale of non-participating party's share of the production an amount equal to two times what non-participating party's share of the cost of the drilling deepening, plugging back, equipping, testing, and completing said well would have been had such party participated, and one hundred per cent of the non-participating party's share of the cost of the operation of said well during the time such reimbursement is being made. Upon such reimbursement of drilling party, said well shall be owned and operated as are other wells under this Agreement. If such well when completed should be a dry hole or as a producer not in commercial quantities, the participating party shall plug and abandon the same at its cost. Participating party under this paragraph

shall hold non-participating party free and clear of all costs, expense and liability in connection with the drilling, deepening or plugging back of such well. In the event such participating party is unable to obtain from the non-participating party's share of such production a sufficient amount to repay such share of the cost of such drilling or deepening or plugging back plus such share of the cost of operating any such well as set forth above, such party shall be entitled to and shall own all such material, equipment and supplies placed or installed by it in or on the Contract Area or any well in connection with such drilling, deepening or plugging back; provided that if such materials, equipment and supplies have a salvage value in excess of such reimbursement figure hereinabove provided, such excess shall be owned by the parties hereto in proportion to their interests in the Joint Property. All other material, equipment and supplies, including (but not by way of limitation) such as has been installed or used in connection with the drilling of any well prior to such additional drilling or deepening or plugging back in accordance with the provisions of this clause, shall be owned in accordance with the other provisions of this Agreement.

All sections of this contract that are applicable to Operator hereunder in conducting the development and operations of the Contract Area shall be applicable to whichever party becomes the Operator under this section.

XIX.

TRANSFERS OF INTEREST

No assignment, mortgage or other transfer affecting the interest covered hereby, the production therefrom, or equipment

thereon, shall be made unless the same shall cover the entire undivided interest of assignor, mortgagor or seller in the Contract Area; it being the intent of this provision to maintain the joint development and operation of the Contract Area, provided that the sale of a lesser interest than the seller's entire undivided interest may be made upon the securing of the approval of the other party in writing.

In the event either party desires to sell all or any part of its interest in the Contract Area, the other party hereto shall have a preferential right to purchase same. In such event, the selling party shall promptly communicate to the other party hereto the offer received by it from a prospective purchaser ready, willing and able to purchase the same, together with the name and address of such prospective purchaser, and said party shall thereupon have an option for a period of ten (10) days after the receipt of said notice to purchase such undivided interest for its own benefit on the terms and conditions of such offer. In the event of a sale by Operator of the interest owned by it which is subject hereto, the other party hereto shall be entitled to act as Operator, but unless such option is exercised, the transferee of the present Operator shall act as Operator hereunder. The limitations of this paragraph shall not apply where either party hereto desires to dispose of its interest by merger, reorganization, consolidation or sale of all its assets, or a sale of its interest to a subsidiary or parent company, or subsidiary of a parent company, or to any company in which such party hereto owns a majority of the stock.

XX.

RIGHTS OF THE PARTIES TO INSPECT PROPERTY AND RECORDS

The following specific rights, privileges and obligations of the parties hereto are hereby expressly provided, but not by way of limitation or exclusion of any other right, privilege and obligation of the respective parties:

- (a) Non-Operator shall have access to the entire Contract Area at all reasonable times to inspect and observe operations of every kind and character upon the property.
- (b) Non-Operator shall have access at all reasonable times to any and all information pertaining to the wells drilled, production secured, oil and gas marketed, and to the books, records and vouchers relating to the operation of the Contract Area.
- (c) Operator shall, upon request, furnish Non-Operator with daily drilling reports, true and complete copies of well logs, tests and charts, tank tables, daily gauge and run tickets, reports of stock on hand at the first of the month, and shall also, upon request, make available samples and cuttings from any and all wells drilled on the Contract Area.
- (d) In addition to the above enumerated items, Operator agrees to furnish Non-Operator, upon the latter's request, all information about the joint operations which is available to Operator and is necessary for intelligent handling of the joint operations.

XXI.

ABANDONMENT OF WELL

In case the initial well or any additional jointly owned well or wells drilled hereunder shall prove to be a dry hole, then the Operator shall plug and abandon such well or wells and salvage all material and equipment therefrom for the benefit of the parties hereto in accordance with the provisions of said Exhibit "A". No

producing well nor one that has ceased to produce shall be plugged and abandoned without the consent of the parties hereto and if the parties are unable to agree upon the abandonment of any well or wells then the party not desiring to abandon such well or wells shall tender to the party desiring to abandon same a sum equal to its proportionate share in the reasonable salvage value on top of the ground at the well of the material and equipment in and on said well. Upon receipt of such sum the party desiring to abandon such well shall transfer without warranty of title to the party desiring to retain the same, its interest in the zone or formation from which said well is then producing in and to the land attributed to said well by the well pattern on which said well was drilled, except that said assignment shall not include acreage upon which another producing well is located. Any such assignment shall vest the interest so assigned in the party electing not to abandon any such well. The party so assigning under this provision shall not be liable after delivery of such assignment for any cost or expense incurred after the delivery of said assignment in connection with such well, but it shall be liable for its proportionate part of the cost and expense incurred before the delivery of said assignment.

XXII.

SURRENDER OF LEASES

No lease embraced within the Contract Area shall be surrendered unless the parties mutually agree thereon. If one of the parties should desire to surrender any lease or leases and the other not, the party desiring to surrender shall assign to the party not desiring to surrender its interest in such lease or leases and as-

XXV.

NOTICES

All notices that are required or authorized to be given hereunder except as otherwise specifically provided for herein, shall be given in writing by United States registered mail or Western Union telegram, postage or charges prepaid, and addressed to the party to whom such notice is given as follows:

Texas Pacific Coal and Oil Company
P. O. Box 2110
Fort Worth, Texas

Cities Service Oil Company
Bartlesville, Oklahoma

The originating notice to be given under any provision hereof shall be deemed given when received by the party to whom such notice is directed and the time for such party to give any response thereto shall run from the date the originating notice is received. The second or any subsequent notice shall be deemed given when deposited in the United States Post Office or with Western Union Telegraph Company, with postage or charges prepaid.

XXVI.

TAXES

Operator shall render, for ad valorem tax purposes, the entire leasehold rights and interests covered by this contract and all physical property located on the unit or used in connection therewith, or such part thereof as may be subject to ad valorem taxation under existing laws, or which may be made subject to taxation under future laws, and shall pay, for the benefit of the joint account, all such ad valorem taxes at the time and in the manner

Operator shall not be liable for any loss of property or of time caused by war, strikes, riots, fires, tornadoes, floods, governmental priorities on materials, or other governmental restrictions, or resulting from any other cause beyond its control through the exercise of reasonable diligence.

This Agreement and Exhibit "A", attached hereto, contain all of the terms as agreed upon by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day and year first hereinabove written.

TEXAS PACIFIC COAL AND OIL COMPANY

By /s/ C. E. Yager

President
Operator

ATTEST:

/s/ R. Seibel
Secretary

CITIES SERVICE OIL COMPANY

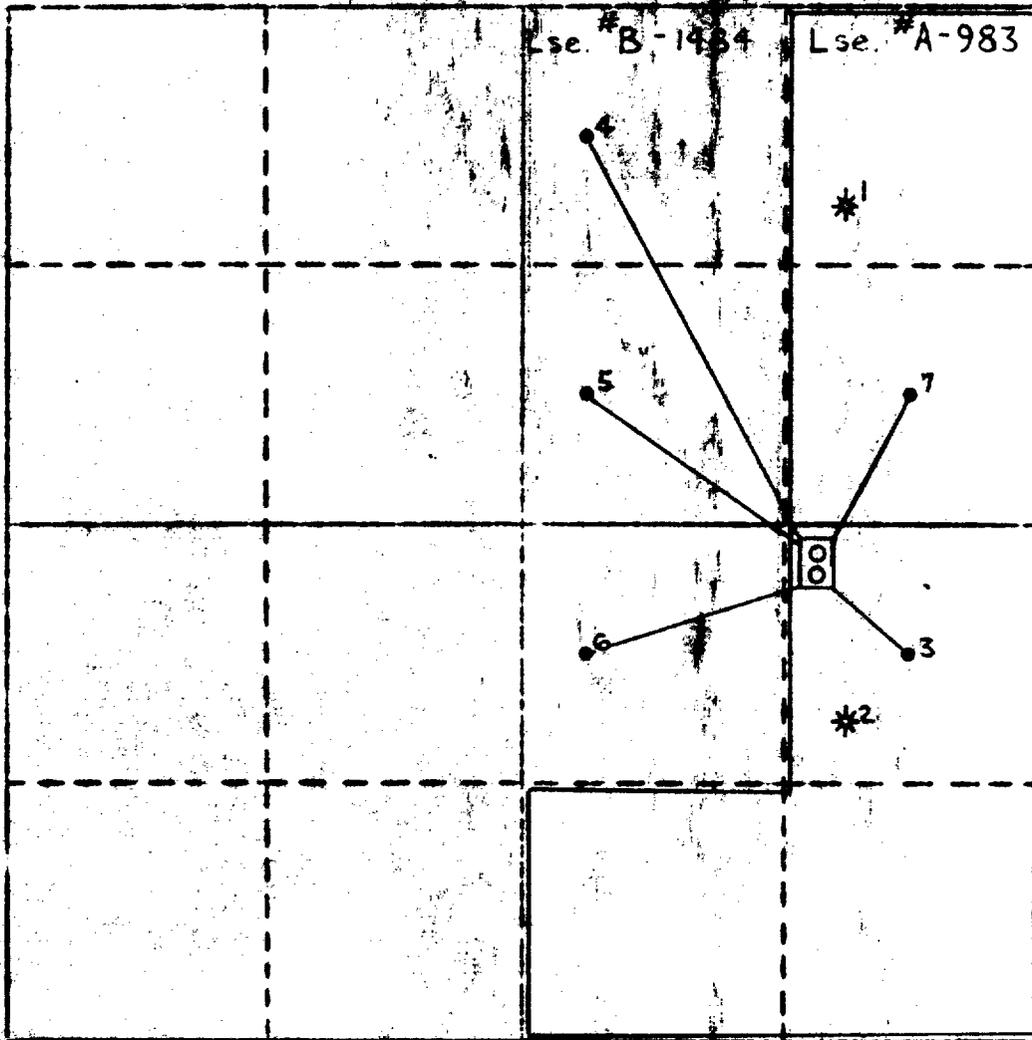
By /s/ J. W. McColl
Attorney-in-Fact
Non-Operator

ACKNOWLEDGMENTS OMITTED FROM THIS COPY

TEXAS PACIFIC COAL AND OIL COMPANY

Section No. 10 Township No. 23-S Range No. 36-E
State New Mexico County Lea

Scale: 1 inch equals 1,000 feet



Lessor State of New Mexico Lease No. A-983
B-1484