# Casa Mo.

382

Application, Transcript,
5 mall Exhibits, Etc.

# THE MEDICAL CONTROLLS OF A STATE OF A STATE

TRANSCRIPT OF PROGREDINGS

CASE NO. 382

July 15, 1952 Regular Hearing

ADA DEARNLEY & ASSOCIATES
COURT REFORMAN
ROOM 12, CHOMWELL BLEE
PHONES 7-9145 ARD 5-9841
FLBUQUERQUE NEW YEXIC

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# BLFORS THE CONSERVATION DOSARDSHOT CARREST FOR NAME FRANCE

JULY 19, 1952

In the Matter of:

Southern Production Company's application for approval of the Cloudcroft Unit agreement involving an area of 67,507.50 acres, more or less, in Otero County, New Mexico.

Case No. 382

(Notice of Publication read by Mr. Graham.)

MA. HUNKER: I am George H. Hunker, Jr., representing

Southern Production Company. I am from Roswell, New Mexico.

MR. B. B. LARSH,

having been first, duly sworn, testified as follows:

#### DIRECT EXAMINATION

#### By MR. HUNKER:

- Q State your full name for the record, please.
- A B. B. Larsh.
- Q By whom are you employed, Mr. Larsh?
- A Southern Production Company.
- Q In what capacity?
- A District Geoligist for west Texas and New Mexico.
- Q How long have you been with Southern Production Co.?
- A Approximately three years.
- Q Before that time with what company were you associated?

A Sinclair Oil and Gas Company.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

- ; Were you employed by the Danziger Oil Tempung took
- a Yes, sir.
- 3 Tries to that their
- a Yes, sir.

(Carked Exhibit "R" for identification.)

- I hand you berewith what we have marked Exhibit "8" which is attached to the application filed by Southern Projection Company to its application before the Cormission for the approval of the Cloudcroft Unit area and ask you to tell the Commission what that map shows.
- A. That map is a, - shown a surface goology of this Clouderoft Area as made by Mr. Harvard Giddens.
- Q Have you examined the report prepared by Mr. Harvard Giddens?
  - A Yes, sir.
- Q Was it attached to Southern's application for approval of this unit area?
  - A That is my understanding, yes, sir.
  - Q Do you agree with that report?
  - A I believe it correct.
- Q Have you been in the area covered by this particular map?
  - A Yes, sir.
- Q Is there a large surface structure present in that area?
  - A I think it is recognized, widely recognized, that there

. The resident Microbial Company of the property of the proper

da.

- Jewild you explain to the Commission why this report was prepared by Mr. Giddens and why the map was prepared by Mr. Giddens and approved by Mr. Walter Gill, the chief geologist for Danziger Gil and Refining Company?
- A My understanding that Mr. Giddens did his work, the surface geology for the Texas Company.
- Q I see. Is Texas Company one of the working interest owners of leases in this area?
  - A Yes, sir.
- To what extent were they parties in the drilling of the test well?
- A I believe it is approximately one quarter. Mr. Gody can check that.
- Q To what extent does Southern Production Co. propose to drill its official test well?
  - A I believe it is estimated approximately 6,250 feet.
  - Q What zone or horizon will that test?
- A That should test all sedimentary beds down to the Cambrian area.
  - Q That is the Ellenburger formation?
  - A It would test -
  - Q (Interrupting) It would include that?
  - A Yes.
- Q If the Commission should approve this agreement, Mr. Larsh, do you think that in your opinion the enitre geological

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feature is included within the boundaries of the unit area?

- A I think it does. Roughly Mr. Gidlers states in his report approximately 750 feet of closure only on this map that would include down to this contour here (indicating) which coughly follows the outline of the block.
  - Q Are you a graduate geologist, Er. Lursh?
  - A Yes, sir.
- You have been doing geological work for the companies for whom you have been employed for the last how many years?
  - A Approximately 25 years.
  - Q From what shoool did you graduate?
  - A Missouri School of Mines.
- In your opinion if the unit agreement should be approved do you think that the development of unitized substances in the unit area would be in the interest of conservation?

A I do.

MR. HUNKER: I have no further question. I would like to offer this Exhibit "B" in evidence, a copy of which was attack to the original application.

(Larsh Exhibit "B", Case No. 382 marked for identification.)

CONTRACTOR AND A CONTRA

MR. SPURRIER: Without objection it will be received. Is there any further question of this witness? If not, the witness bay be excused.

(Witness excused.)

MR. E. D. COADY,

having been first duly sworn, testified as follows:

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

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#### DIRECT EXAMINATION

#### By Mr. LARSH:

- Q Will you state your name and occupation?
- A J. D. Coady. I am assistant Manager, Land Department, Southern Production Co., Inc.
- 2 How long have you been employed by that company, Mr. Coady?
  - A A dittle over two years.
  - Q By whom were you employed previous to that time?
  - A Danziger Oil and Refining Company.
- will you explain to the Commission why the original application, for a designation of an area suitable for development under a unit plan was originally proposed by Danziger Oil and Refining Company?

A At the time of the application the property owned by Danziger Oil and Refining Company approximately two years ago Southern Production Company bought the stock of Danziger Oil and Refining Company and merged the two companies now operating as Southern Production Company.

- Q Southern Production Company is a successor to Danziger?
- A That is right.
- Q In the proposed unit plan what company has been designated as the operator?
  - A Southern Production Co., Inc.
- Q Approximately how much acreage is covered by this unit area?

ADA DEARNLEY & ASSOCIATES COURT REPORTERS ROOM 12, CROMWELL BLDG. PHONES 7.9645 AND 5.9846 ALBUQUERQUE, NEW MEXICO

- A 56,810.048.
- Q Of what type of land?
- n It is Federal, State of New Mexico and Pipelind.
- Q I believe you made a slight error,
- A That is right. Let me give your a total of 68, 187.36.
- J Of which ~
- A (Interrupting) You want a breakdown? Federal lands 56,810.04. State of New Mexico is 2,882.90. Fee land is 8,494.56.
- 2 Has this area been approved by the UniS. Geological Survey as being an area logical and suitable for purposes of unitization?
  - A It has.
- Q dould you explain to the Commission what type of well you propose to drill and when you propose to drill it?
- A We would like very much to get started right away to take advantage of the good weather. It is going to be very slow in drilling. We propose Mr. Larsh siad to make test there of what we commonly refer to as Allenburger. It would take, we estimate five or six months to complete. We would like to get started right away.
  - Q Where is this particular unit area, Mr. Coady?
  - A Relative to locations of the town?
  - Q Yes.
  - A It is south of Cloudcroft.
  - Q In the mountains?

- A Yes.
- Within what period of time?
  - A We would like to get started right away.
  - Q In any event within six months?
- A Within six months. It provides in the agreement with the government six menths from the approval of the unit.
- Q In your opinion is this unit agreement in the interest of conservation?
  - A Yes.
- it similar in respect to other unit agreements that have eretofor been approved by this Gil Conservation Commission?
  - A Yes, sir.
    - MR. LARSH: I have no other questions.
    - MR. SPURRIER: Is there a question of this witness?
- MR. WHITE: What percentage of the fee holders have consented to this unit agreement?
  - A Of fee holders?
  - Q Yes.
  - A We figure a little over 90%.
- What arrangements have been made for the remaining to come in?
  - A What arrangements have been made?
  - Q 'Yes?
  - A We are still trying to get them to come in. I think

that is the correct percentage.

- We The location is on Federal land?
- A The proposed location is on Peteral Landr.

ART. GRAHAK: It is indicated on the must

A If it is not we can put it in there.

MR. HUNNER: It is not on the way. I don't believe it is in the application. I don't know that it is necessary.

MR. MACRY: That 90% figure was just the fee ownership?

- A Fee.
- Q What about the overall?
- A The overall, it is about 98%:

MR. GRAHAM: Application has been made to the State Land Office?

M.t. HUNKER: Yes, it has been made.

Md. SPURRIER: Any other questions? If not, the witness may be excused.

(Witness excused.)

Any further witnesses?

MR. HUNKER: No, sir.

MR. SPURRIER: Any comment in this case? If not, the case will be taken under advisement and we will move to Case 383.

I Whith OF New Marketon )

I Whith BY Charley that the foregoing and attached transcript of hearing in Juse No. 382 before the Oil Conservation Commission, State of New Maxico, at Santa Fe, on July 15, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this \_\_\_\_\_\_\_ of July, 1952.

ADA DEARNLEY & ASSOCIATES COURT REPORTERS ROOM 12, CROMWELL BLDG. PHONES 7.9445 AND 5.9546 ALBUQUERQUE. NEW MEXICO

## 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. 382 ORDER No. R-178

IN THE MATTER OF THE APPLICATION OF SOUTHERN PRODUCTION COMPANY, INC., FOR APPROVAL OF THE CLOUDCROFT UNIT AGREEMENT, EMERACING 67,507.50 ACRES IN OTERO COUNTY, NEW MEXICO, WITHIN TOWNSHIPS 16, 17 AND 18 SCUTH, RANGES 11 AND 12 EAST, N.M.P.M.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

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

NOW, on this 24 day of July, 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 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:

SECTION 1. That this order shall be known as the

#### CLOUDCROFT UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall be known as the Cloudcroft 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 Cloudcroft Unit Area referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the Cloudcroft Unit Agreement Plan.

-2-Case No. 382 Order No. R-178

SECTION 3. That the Cloudcroft 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 Cloudcroft 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. 16 S.. Rge. 11 E.
Secs. 11-14, inclusive, all
Sec. 22: Lot 1, SEINEI, SEI
Secs. 23-26: inclusive, all
Sec. 27: Ei
Sec. 34: Ei
Secs. 35 and 36: All

Twp. 17 S., Rge. 11 E.
Secs. 1-3: both inclusive, All
Sec. 8: All
Sec. 9: NW1, S2
Secs. 10-16: both inclusive, all
Sec. 17: N2, SE1
Secs. 21-28: both inclusive, all
Sec. 34: Lots 1 and 2, N2, N2SE1
Secs. 35 and 36: All

Two. 18 S., Rge. 11 E. Secs. 1 and 2: All Sec. 12: All

Twp. 16 S., Rge. 12 E.
Secs. 7-10: both inclusive, All
Secs. 15-22: both inclusive, All
Secs. 27-34: both inclusive, All

Two. 17 S., Rge. 12 E.

Secs. 3-10: both inclusive, All
Sec. 11: SW1
Sec. 14: W1
Secs. 15-22; both inclusive, All
Sec. 23: NW1, St
Secs. 26-36: both inclusive, All

Twp. 18 S.. Rge. 12 E.

Secs. 1-11: both inclusive, All

Sec. 12: NW½

Secs. 14-17: both inclusive, All

Sec. 18: Lots 1-6, inclusive, E½

Sec. 20: N½

Sec. 21: N½, SE½

Secs. 22 and 23: All

-3-Case No. 382 Order No. R-178

Total unit area: 67,507.50 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 Cloudcroft 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 the Director of the United States Geological Survey, 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 Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

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EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

## BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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Secs. 26-36: both inclusive, All

Twp. 18 S.. Rge. 12 E.
Secs. 1-11: both inclusive, All
Sec. 12: NW‡
Secs. 14-17: both inclusive, All
Sec. 18: Lots 1-6, inclusive, E‡
Sec. 20: N‡
Sec. 21: N‡, SE‡
Secs. 22 and 23: All

-3-Case No. Order No.

Total unit area: 67,507.50 acres, more or less.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMESSION
Edway & Mediena

EDWIN L. MECHEM, Chairman

OUY EMERARD, Monder

R. R. Survier

R. R. SPURRIER, Secretary

P. T. A. L.

## C.L CONSERVATION COMMISSION P. O. BOX 871

SANTA FE, NEW MEXICO

November 10, 1952

 $\mathbf{C}$ 

Southern Production Company, Inc. Fort Worth National Bank Building Fort Worth, Texas

O

Attention: Mr. E. D. Ceady

Gentlemen:

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Oil Conservation Commission Order No. R-178, Case No. 382, Cloudcroft Unit Agreement, Otero County, New Mexico, executed Counterpart was received in the Santa Fe office of the New Mexico Oil Conservation Commission on November 10, 1952.

Y

Very truly yours,

R. R. Spurrier Secretary - Director

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#### SOUTHERN PRODUCTION COMPANY, INC.

FORT WORTH NATIONAL BANK BUILDING
FORT WORTH, TEXAS

Nevember 7, 1952

Re: Clouderory Unit Agreement Ctero County, New Mexico

The Gil Conservation Commission, The State of New Mexico Santa Fe, New Mexico

Gentlemen:

In accordance with your Order No. R-173, Case No. 302, we hand you executed Counterpart of the Clouderoft Unit Agreement, which has now been approved by the acting Director, United States Geological Survey, Washington, D.C. This Agreement was approved October 23, 1952.

Please acknowledge reclipt.

Yours very truly,

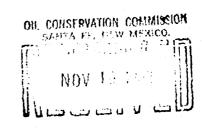
SOUTHERN PRODUCTION COMPANY, INC.

E.D. Coady

EDC RLL: ln Enc.

RECISTERED MAIL -RETURN RECEIPT REQUESTED

Ocknowledged - 11-10-52 and mailled -Hayyard



DOMESTIC SERVICE Check the class of service desired otherwise this message will be sent as a full rate telegram FULL RATE TELEGRAM DAY NIGHT LETTER

# WESTER 1 1200 UNION

CODE

otherwise this message will b FULL RATE DEFERRED

NO. WDSCL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			Oil Conservation Commission	

subject to the terms on back hereof, which are hereby agreed to

SANTA FE, N. M.

JULY 25, 1952

GEORGE H. HUNKER, JR. HERVEY, DOW & HINKLE ROSWELL, NEW MEXICO

CLOUDCROFT UNIT ORDER R-178 SIGNED EFFECTIVE JULY 24.

OIL CONSERVATION COMMISSION

BEST AVAILABLE COPY

#### ALL MESSAGES TAKEN BY HIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

- To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated message and paid for as such, in consideration whereof it is agreed between the ender of the message and this Company as follows:
- 1. The Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unrepeated means are the year of the handred dollars; for for mistakes or delays in the transmission or delivery, of on mistakes preceived for transmission at the repeated-means are the properties. The same delays mistakes are the properties of the sum of five thousand dollars, unless appealable in the properties of the sum of five thousand dollars, unless appealable in any case for delays arising from unevolable interruption in the working of his times.
- Message rate beyond the sum of five thousand dollars, unless specially valued, nor in any case for delays arising from unavoidable interruption in the working of by lines.

  2. In any event the Company shall not be liable for damages for miretakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the medianness of the control of the sum of two thousand dollars, at which amount the sender of each message represents thus the caused by the sum of two thousand dollars, at which amount the sender of each message represents thus the caused by the sum of two thousand dollars, at which amount the sender of each message represents thus the caused by the sum of two thousand dollars, at which amount the sender of each message represents the sum of two thousands are the caused by the sum of two thousands are the caused by the sum of two thousands are the caused by the sum of the sum
  - 3. The Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.
- 4. Except as otherwise indicated in connection with the listing of individual places in the filed tariffs of the Commany, the amount paid for the transmission of a domestic telegram or an incoming cable or radio message covers its delivery within the following limits: In cities or towis of 5,000 or more linkulitants where the Company has an office which as shown by the filed tariffs of the Company, has an office which as shown by the more fulfabilitants where, as shown by the filed tariffs of the Company, the cities or towis of the company within the fulfabilitants where, as shown by the filed tariffs of the Company, the cities or towis of the company within one-filed tariffs of the Company within one-filed the Company of the sender of the Company of t
- 5. No responsibility attaches to this Company concerning messages until the same are accepted at our of its transmitting offices; and it a message is sent to such office when the Company's messages, he acts for that purpose as the agent of the sender.
- 6. The Company will not be listle for democes or statutory penaltic when the claim is not presented in writing to the Company. (a) within sixty days after the message is filed with the Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) at between a point in the United States on the conclusion and a point in Alaska. Canada. Labrador. Mixton, New touchand and St. Pietre & Miguelon is that who it in 60 other hand, or between a point in the United States and a ship at sea of in the pir. (b) within 50 days after the cause of action, if say, shall have accrued in the case of an intrastate message in Texas, and (c) within 150 days after the message is filed with the Company for transmission in the case of a toessage between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not some or overseas within the purview of Section 415 of the Communications she of 1934.
- 7. It is agreed that in any action by the Company to recover the toils for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.
- 8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.
  - 9. No employee of the Company is authorized to vary the foregoing.

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#### CLASSES OF SERVICE

#### DOMESTIC SERVICES

#### FULL RATE TELEGRAM

A full rate expedited service.

#### DAY LETTER (DL)

A deferred service at lower than the full rate.

#### SERIAL (SER)

Messages sent in sections duries the same day.

#### NIGHT LETTER (NL)

Accepted up to 2 A. M. for delivery not earlier than the following morning at rates substantially lower than the full rate telegrem or day letter rates.

#### INTERNATIONAL SERVICES

#### FULL RATE (FR)

The standard fast service at full rates. May be written in any longuage that can be expressed in Roman letters, or in cipher.

#### CODE (CDE)

A fast message service consisting of code words not exceeding 5 letters cash. Minimum charge for 5 words applies.

#### DEFERRED (LC)

Plain language messages, subordinated to full rate and code messages. Minimum charge for 5 words applies.

#### NIGHT LETTER (NLT)

Overnight plain language messages. Minimum charge for 25 words applies.

# OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE, NEW MEXICO

July 25, 1952

 $\mathbf{C}$ 

O

Mr. George H. Hunker Jr. Hervey, Dow and Hinkle Roswell, New Mexico

P

Dear Mr. Hunker:

Please find enclosed signed copy of order R-178 in Case 382, effective July 24, 1952.

Y

Very truly yours,

For R. R Spurrier

LAW OFFICES

J. M. HERVEY
HIRAN M. DOW
GLAFENGE E. HINALS
W. E. BONDURANT, J.R.
GEORGE H. HUNKER, J.R.

ROSS MADDLE
WILLIAM C. BGHADER

dy it from ing

Mr. R. B. Spurrier Executive Scoretary New Mexico Oil Conservation Commission Capitol Building Santa Fe. New Mexico

> Re: Cloudcroft Unit Area Otero County, New Mexico

Dear Mr. Spurrier:

We hand you herewith in triplicate the application of the Southern Production Company, Inc., for approval of the Cloudcroft Unit Agreement, embracing lands in Ctero County, together with three copies of the proposed Unit Agreement.

The Southern Froduction Company, Inc., is anxious to have a hearing before the Commission for the purpose of approving this Unit as quickly as possible, and we would appreciate your arranging for such hearing at a time as soon as you can conveniently do so. The Company would like to drill the Unit this summer, and if it is possible would like a special hearing before the regular July 15 hearing.

Please advise us promptly of the date set for the hearing so that we may arrange for the same accordingly.

Yours sincerely,

HERVEY DOW & HINKLE

CEH:H:jh Enclosures.

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EFFE AWAILARDS CONT

## GEOLOGY - CLOUDUROFT STRUCTURE Otero County, New Mexico

Paul Man Charle world

by Harvard Giddings

The Sacramento Mountains form a prominent structural ridge in southeastern New Mexico. At the front of the mountains, there probably is a large fault which dropped Tularosa Basin downward in relation to these mountains. Eastward, from the crest of the Sacramento Mountains, the sedimentary beds of Permian age dip gently toward the Permian Basin of Texas. The escarpment face of the Sacramento Mountains centain a fairly complete sequence of beds from Ordovician times up to middle Permian. Since rocks of equivalent age form the reservoir beds for much of the oil production in West Texas and Eastern New Mexico, it is believed that under suitable structural conditions the Sacramento Mountains should also be productive.

It is believed that favorable structural conditions have been found along the crest of the mountains southeast of the town of Cloudcroft. This structure, which the writer called the Cloudcroft Structure, consists of a large anticline with approximately 750 feet of closure. It occupies an area approximately eighteen miles long and eight miles wide. The accompanying map which shows this structure is contoured on the top of the Glorieta sandstone of the Permian. Elevations of the outcrops were obtained with an aneroid and the locations were plotted from a topographical map. The amount of closure of the structure is controlled by the amount of west dip or reversal. Here the Fermian beds form part of the Sacramento escarpment and the west dip may extend past this escarpment into the area where the beds have been eroded, thus increasing the reversal somewhat. The cleaure is also controlled on the southwest by the drag into the Sucramento River fault. Here, the amount of southwest dip is believed to be approximately as mapped. East dip is norma! di: and extends eastward for miles.

Alamo Canyon, which enters Tularosa basin approximately three of hes southeast of the city of Alamogordo, has a representative assistion of beds. The beds found in the canyon are expected to extent eastward under the mountains and may be expected in the will deliked on the Clouderoft Structure. This section was remarked on sampled by in. R. W. prake and the writer. The expected in started in the Soutons of the Ordevician and the enterty 300 feet of delemite was found. It is

probable that under the Montoya, some El Paso dolomites of the Ordovician will also be found although they were not measured by the writer. Above the Montoya are the Fusselman dolomites of the Silurian with a thickness of two to three hundred feet, then the Percha shale of the Devonian approximately 150 feet thick. The Lake Valley lime of the Mississippian here is approximately 350 feet thick. The Magdalena formation of the Pennsylvanian, which contains numerous sands, shales and limes, has a thickness in the Canyon of approximately 5100 feet. The Permian System is represented by four formations, the Abo with a thickness of approximately 500 feet, the Yeso which varies from 1100 to 1600 feet thick, the Glorista approximately 20 feet thick, and the San Andres, of which only the lower 200 to 500 feet is present. The upper part of the San Andres limestone has been oroded throughout the area mapped.

A very considerable amount of oil production has been found in Eastern New Mexico and West Texas in beds which are equivalent to those found in Alamo Canyon and are expected under the Cloudcroft Structure. Any oil migrating up-dip from a large section of Eastern New Mexico might reach the Sacramento Mountains and there be trapped in the Cloudcroft Structure. The writer, therefore, recommends this structure as prospective for the production of oil and gas.

It is recommended that a well be drilled to test the possibilities of production of oil and gas on the Cloudcroft Structure. The area adjacent to the southeast corner of T-16-S, R-11-E and the southwest corner of T-16-S, R-J2-E is believed to be the highest part of the structure. A well drilled in this locality should be favorably located and this vicinity is recommended as a well site.

11. 30722:

H. Giddings August 29, 1950

Widding .

Attions hill, Other Realogist Paradam or Clif defining Company.

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# UNITED STATES DEPARTMENT OF THE INTERIOR MAIN OFFICE OUSEOLOGICAL SURVEY

1951 CEP 7 AT 8 Rolling, New Mexico

September 3, 1954

Southern Production Company, Inc. Fort Worth National Bank Building Fort Worth, Texas

Centlemen:

By letter of February 19, 1954, you advised this office that it was not the intention of the working interest owners under the Cloudcroft unit agreement, New Mexico, No. 14-08-001-339, to drill any additional wells in the unit area and that you would submit a formal request of dissolution of the unit agreement.

It is requested that you file the formal request us soon as possible so that the agreement may be terminated without prejudice instead of being terminated for failure to comply with the provisions thereof.

Very truly yours,

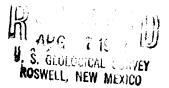
in Landau day

JCHN A. AMDERSON Regional Oil and Gas Supervisor

Copy to: Cons. Div., Wash., D.C.
Cons. Comm. Santa Fe

BEST AVAILABLE COPY





#### CERTIFICATION DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the Act approved February 25, 1920, 41 Stat. 437, 30 W.P.S.C. Secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey pursuant to Departmental Order 2755 of October 8, 1947, 43 C.F.B. Sec. 4.611, 12 F.R. 6784, I do hereby:

- A. Approve the attached agreement for the development and operation of the Clouderoft Unit Area, State of New Mexico.
- B. Certify and determine that the unit plan of development and operation set forth in the attached agreement is necessary and advisable in the public interest and is for the purpose of more properly conserving the natural resources of the unit area.
- C. Certify and determine that the drilling, preducing, rental, minimum revalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or reveked to conform with the terms and conditions of this agreement.

Dated		
		Domen B. dolan
	Aoting	Director, United States Geological Survey

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OCT 28,1952

4.1

JUN 4 1952

U. S. CECLOUICAL SHRYEY
ROSWELL, NEW MINIOS

# UNIT ACREMENT FOR THE DEVELOPMENT AND OPERATION OF THE CLOUDCROFT UNIT AREA COUNTY OF OTERO, STATE OF NEW MEXICO

AUG 21 1952

14-08-001- 320

THIS AGREEMENT, entered into as of the g day of Welfer 1951 by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as the "parties hereto",

#### WITNESSETH:

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 Act of February 25, 1920, 41 Stat.437, as amended by the Act of August 8, 1946, 60 Stat. 950, 30 U.S.C, Sections 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating under a cooperative or unit plan of development or operation of any oil or gas pool, field, or like area, or any part thereof, for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Chap. 88, Laws 1943) to consent to or approve this agreement on behalf of the State of New Mexico insofar as it covers and includes lands and mineral interests of the State of New Mexico; and

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

WHEREAS, the parties hereto hold sufficient interests in the CLOUDCROFT 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, ENAMING ACT AND REGULATIONS. The Act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder, or valid, pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and, as to non-Federal lands, applicable State laws and operating regulations not inconsistent with the terms hereof are hereby accepted and made a part of this agreement.
- 2. UNIT AREA. The following described land is hereby designated and recognized as constituting the unit area:

#### New Mexico Principal Meridian, New Mexico

- T. 16 S., R.11 E.,
  Secs. 11-14, inclusive, all;
  Sec. 22, Lot 1, SE/4 NE/4; SE/4;
  Secs. 23-26, inclusive, all;
  Sec. 27, E/2;
  Sec. 34, E/2;
  Secs. 35 and 36, all,
- T. 17 S., R.11 E.
  Secs. 1-3, inclusive, all;
  Sec. 8, all;
  Sec. 9, NW/4; S/2;
  Secs. 10-16, inclusive, all;
  Sec. 17, N/2; SE/4;
  Secs. 21-28, inclusive, all;
  Sec. 34, Lots 1 and 2, N/2; N/2 SE/4;
  Secs. 35 and 36, all.
- T. 18 S., R. 11 E., Secs. 1 and 2, All; Secs. 12, All.
- T. 16 S., R.12 E.,
  Secs. 7 10, inclusive, all;
  Secs. 15-22, inclusive, all;
  Secs. 27-34, inclusive, all.

T. 17 S., R.12 E.,
Secs. 3 - 10, inclusive, all;
Sec. 11, SW/4;
Sec. 14, W/2;
Secs. 15-22, inclusive, all;
Sec. 23, NW/4; S/2;
Secs. 26-36, inclusive, all;

T. 18 S., R.12 E.,
Secs. 1-11, inclusive, all;
Scc. 12, NW/4;
Sec. 14-17, inclusive, all;
Sec. 18, Lots 1-6, inclusive, E/2;
Sec. 20, N/2;
Sec. 21, N/2; SE/4;
Secs. 22 and 23, all.

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 rovised by the Unit Operator whenever changes in the Unit Area render such revision necessary, or when requested by the Oil and Gas Supervisor, hereinafter referred to as "Supervisor", or the Commissioner of Public Lands hereinafter referred to as "Commissioner", and not less than five (5) copies of the revised exhibits shall be filed with the Supervisor, and at least one copy shall be filed with the Commissioner, and one copy with the New Mexico Oil Conservation Commission, hereinafter referred to as "Commission".

The above described Unit Area shall when practicable be expanded to include ther a any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this agreement, or shall be contracted to exclude lands not within any participating area whenever such expansion or contraction is necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be offented in the following manner.

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director", or on demand of the Commissioner shall prepare a notice of proposed expan-

sion or contraction 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 Supervisor, and 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 Supervisor and Commissioner evidence of mailing of the notice of expansion or contraction 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 or contraction shall, upon approval by the Director and Commis-

sioner, become effective as of the date prescribed in the notice thereof.

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

- 3. UNITIZED SUBSTANCES. All oil and gas in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances."
- 4. UNIT OPERATOR. Southern Production Company, Inc. 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.
- 5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become offective so as to release him from his duties and obligations and terminate

his rights as such for a period of six (6) months after notice of intention to resign has been served by him on all working interest owners, the Director and Commissioner, and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment as may be required by the Supervisor as to Federal Lands, and the Commission as to State and privately owned lands, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period. Unit Operator shall have the right to resign after a participating area or areas have been established provided a successor unit operator has been selected and approved and has agreed to accept the duties and responsibilities of Unit Operator effective upon the relinquishment of such duties and responsibilities by the retiring Unit Operator. The resignation of Unit Operator shall not release Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

The 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 Director and Commissioner.

The resignation or removal of 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.

6. 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 in the participating area or areas according to their respective acreage interests in such participating area or areas, or until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land shall by majority vote select a successor Unit Operator; provided that, if a majority but less than 75 percent 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 offective 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 Director and Commissioner 10 no successor Unit Operator is selected and qualified as herein provided, the Director and Commissioner at their election may declare this Unit Agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING ACREEMENT. If the Unit Operator is not the sole owner of working interests, costs and expenses incurred in conducting Unit Operations hereunder shall be paid in the first instance by Unit Operator, and such costs and expenses so paid by Unit Operator shall be apportioned among and borne by the owners of working interests and the Unit Operator reimbursed, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "Unit Operating Agreement". Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases or other independent contracts and as between the working interest owners and Unit Operator may provide for such limitations upon the power of the Unit Operator respecting the liability of the working interest owners for cost of operations hereunder as may be agreed upon by Unit Operator and the working

either to modify any of the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation established under this Unit Agreement, and in case of any inconsistency or conflict between the Unit Agreement and the Unit Operating Agreement, this Unit Agreement shall prevail. Three (3) true copies of any Unit Operating Agreement executed pursuant to this section shall be filed with the Supervisor.

- 8. 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.
- 9. DRILLING TO DISCOVERY. Within Six (6) months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, if such location is upon lands of the United States, and if upon State lands or privately-owned lands, such location shall be approved by the Commission, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Ellenburger limestone formation has been tested, or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities, (to-wit; quantities sufficient to repay the costs of drilling and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the Supervisor that further drilling of said well would be unwarranted or impracticable; provided, however, that Unit Operator shall not in any event be required to drill to a depth in

excess of 6,500 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than six (6) months between the completion of one well and the beginning or the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of said Supervisor, if on Federal land, or the Commissioner if on State, or the Commission if on privately-owned land, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and the Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when, in their opinion such action is warranted. Upon failure to comply with the drilling provisions of this section, the Director and the Commissioner may, after reasonable notice to the Unit Operator, and each working interest owner, lessee, and lessor at their last known addresses, declare this unit agreement terminated.

months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission, an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, the Commissioner, and the Commission, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission, a plan for an additional specified period for the development and operation of the unitized land. Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the determination of the area or areas thereof capable of producing unitized substances in

paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor, the Commissioner and the Commission may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall (a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and (b) - to the extent practicable specify the operating practices regarded as necessary and advisable for proper conservation of natural resources. Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor, the Commissioner and the Commission. Said plan or plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and Commissioner are authorized to grant a reasonable extension of the six (6) month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing oil and gas in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement, or such as may be specifically approved by the Supervisor and Commission shall be drilled except in accordance with a plan of development approved as herein provided.

capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor or the Commissioner, the Unit Operator shall submit for approval by the Director, the Commissioner and the Commission, a schedule based on subdivisions of the public land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all land in said schedule on approval of the Director, the Commissioner, and the Commission to constitute a participating area, effective as of the date of first production. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the

allocation of production from and after the date the participating area becomes effective, except that as among The Texas Company, Southern Production Company, Inc., and C. H. Murphy, Jr., the allocation to each of them as to their working interest in the acreage owned by each of them as shown on Exhibit "B" shall be 2/8th to The Texas Company, 3/8th to Southern Production Company, Inc., and 3/8th to C. H. Murphy, Jr. regardless of the acreage owned by each of said three parties. This exception shall not affect the allocation of royalties, overriding royalties or production payments, if any, on an acreage basis as above provided. A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone, and any two or more participating areas so established may be combined into one with the consent of the owners of all working interests in the lands within the participating areas so to be combined, on approval of the Director, the Commissioner, and the Commission. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities or to exclude land then regarded as reasonably proved not to be productive and the percentage of allocation shall be also revised accordingly. The effective date of any revision shall be the first of the month in which is obtained knowledge or information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule. No land shall be excluded from a participating area on account of depletion of the unitized substances.

It is the intent of this section that a participating area shall represent the area known or reasonably estimated to be productive in paying quantities; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive apportionment of any sums accrued or paid for production obtained prior to the effective date of revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the Director, the Commissioner and the Commission as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interests, except royalties due the United States and the State of New Mexico, which shall be determined by the Supervisor and the Commissioner and the amount thereof deposited, as directed by the Supervisor and Commissioner, respectively, to be held as uncarned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the Supervisor, as to wells on Federal land, and Commissioner as to wells on State land, and the Commission as to wells on privately-owned land, that a well drilled under this agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well shall be allocated to the land on which the well is located so long as that well is not within a participating area established for the pool or deposit from which such production is obtained.

12. ALLOCATION OF PRODUCTION. All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, camp and other production or development purposes, for repressuring or recycling in accordance with a plan of development approved by the Supervisor, Commissioner and the Commission, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land of the participating area established for such production, and for the purpose of determining any benefits accruing under this agreement, subject to the exception in Section 11 hereof, each tract of unitized land shall have allocated to it such percentage of said production as the number of acres in such tract bears to the total acres of unitized land in said participating area. It is hereby agreed that production of unitized substances from a participating area shall

be allocated as provided herein regardless of whether any wells are drilled on any particular part or tract of said participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, any gas withdrawn from such last mentioned participating area for sale during the life of this agreement shall be considered to be the gas so transferred until an amount equal to that transferred shall be so produced for sale, and such gas shall be allocated to the participating area from which initially produced as constituted at the time of such final production.

13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR FORMATIONS. Any party hereto owning or controlling the working interest in any unitized land having thereon a regular well location, may, with the approval of the Supervisor as to Federal land, the Commissioner as to State land, and the Commission as to privately-owned land, drill a well to test any formation for which a participating area has not been established, or to test any formation for which a participating area has been established, if such location is not within said participating area, unless within 90 days of receipt of notice from said party of his intention to drill the well the Unit Operator elects and commences to drill such well in like manner as other wells are drilled by the Unit Operator under this agreement.

If any well drilled as aforesaid by a working interest owner results in production such that the land upon which it is situated may properly be included in a participating area, such participating area shall be established or enlarged as provided in this agreement, and the well shall thereafter be transferred to and operated by Unit Operator in accordance with the terms of this agreement and the unit operating agreement.

If any well drilled as aforesaid by a working interest owner obtains production in quantities insufficient to justify the establishment or the enlargement of a participating area, such well may be operated and produced by the party drilling the same, subject to the conservation requirements of this agreement. The royalties in amount or value of production from any such well shall be paid as specified in the underlying lease and agreements affected.

It. ROYALTY SETTLEMENT. The United States and any State and all royalty owners who, under existing contract, are entitled to take in kind a share of the substances now unitized hereunder produced from any tract, shall hereafter be entitled to the right to take in kind their share of the unitized substances allocated to such tract, and Unit Operator, or in case of the operation of a well by a working interest owner as herein in special cases provided for, such working interest owner shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws and regulations. Settlement for royalty interests not taken in kind shall be made by working interest owners responsible therefor under existing contracts, laws and regulations on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any royalties due under their leases.

If Unit Operator introduces gas obtained from sources other than the unitized substances into any participating area hereunder for use in repressuring, stimulation of production, or increasing ultimate recovery, which shall be in conformity with a plan first approved by the Supervisor, the Commissioner and the Commission, 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 the plan of operations or as may otherwise be consented to by the Supervisor, the Commissioner, and 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.

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation; provided that for leases on which the royalty rate depends on the daily average production per well, said average production

shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

Royalty due on account of State and privately-owned lands shall be computed and paid on the basis of all unitized substances allocated to such lands.

committed hereto shall be paid by working interest owners responsible therefor under existing contracts, laws and regulations, provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum royalty in lieu thereof due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective leases from the United States, or as otherwise provided by law or regulation. Such rental or minimum royalty may be waived, suspended or reduced to the extent authorized by law and regulation.

With respect to any lease on non-Federal land containing provisions which would terminate such lease unless drilling operations were within the time therein specified commenced upon the land covered thereby or rentals paid for the privilege of deferring such drilling operations, the rentals required thereby shall be deemed to accrue and become payable during the primary term thereof and thereafter until the required drilling operations are commenced upon the land covered thereby, or some portion of such land is included within a participating area.

- 16. 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 or Federal law or regulation.
- 17. 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 or pursuant to applicable regulations pay a fair and reasonable compensatory royalty as determined by the Supervisor.

conditions and provisions of all leases, sub-leases and other contracts relating to exploration, drilling, development or operation for oil or gas of lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect, and the parties hereto horeby consent that the Secretary and the Commissioner, respectively, shall and by their approval hereof, or by the approval hereof by their duly authorized representatives do hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty and royalty requirements of Federal and State leases committed hereto, and the regulations in respect thereto to conform to said requirements to the provisions of this agreement, and without limiting the generality of the foregoin; all leases, sub-leases and contracts are particularly modified in accordance with the following:

- (a)- The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every part or separately owned tract subject to this agreement, regardless of whether there is any development of any particular part or tract of the unit area, notwithstanding anything to the contrary in any lease, operating agreement or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.
- (b)- Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to produce wells situated on land therein embraced.
- (c)- Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Secretary and Commissioner, or their duly authorized representatives shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land.
- (d)- Each lease, sub-lease or contract relating to the exploration, drilling, development or operation for oil or gas of lands other

than those of the United States and the State of New Mexico, committed to this agreement which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement. Termination of this agreement shall not affect any lease which, pursuant to the terms thereof, or applicable law, shall continue in full force and effect thereafter.

- (e)- Any Federal lease for a fixed term of twenty (20) years or any renewal thereof, or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein, or by law as to the committed land so long as the lease remains committed hereto provided a valuable deposit of unitized substances is discovered within the Unit Area prior to the expiration date of the primary term of such lease.
- (f)- Each sub-lease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.
- 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.

20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Secretary or his duly authorized representative and shall terminate in five (5) years after such date unless (a) - such date of expiration is extended by the Director and Commissioner; or (b)- it is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, the agreement is terminated with the approval of the Director and Commissioner; or (c)- a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof, in which case the 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; or (d)- it is terminated as provided in Section 6 or Section 9 hereof.

This agreement may be terminated at any time by not less than 75 percentum, on an acreage basis - of the owners of working interests signatory hereto, with the approval of the Director and Commissioner.

21. RATE OF PROSPECTING, DEVELOPMENT AND PRODUCTION. All production and the disposal thereof shall be in conformity with allocation, allotments and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State statute. The Director is hereby vested with authority to alter or modify from time to time in his discretion the rate of prospecting and development and within the limits made or fixed by the Commission to alter or modify the quantity and rate of production under this agreement, such authority being hereby limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided further that no such alteration or modification shall be effective as to any land of the State of New Mexico, as to the rate of prospecting and development, in the absence of the specific

written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

- 22. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the working interest owners nor any of them shall be subject to any forfeiture, termination or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provision thereof to the extent that the said Unit Operator, working interest owners or any of them are hindered, delayed or prevented from complying therewith by reason of failure of the Unit Operator to obtain, in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of New Mexico in and about any matters or thing concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provision of this contract are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.
- 23. APPEARANCES. Unit Operator shall, after notice to other parties affected, have the right to appear for or on behalf of any and all interests affected hereby before the Department of the Interior, the Commissioner of Public Lands and the New Mexico Oil Conservation Commission, and to appeal from orders issued under the regulations of said Department, the Commissioner or Commission, or to apply for relief from any of said regulations, or in any procedings relative to operations before the Department of the Interior, the Commissioner, or Commission, or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his own expense to be heard in any such proceeding.

24. 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 post paid 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.

- 25, NO WAIVER OF CERTAIN RICHTS. Nothing in this agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State wherein said unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his erits authority to waive.
- 26. 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, 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.
- 27. FAIR EXPLOYMENT. The Unit Operator shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin, and an identical provision shall be incorporated in all sub-contracts.
- 28. 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 this unit agreement, so that such tract is not committed to this unit agreement, or the operation thereof hereunder becomes impractical as a result thereof, such tract may be eliminated from the unitized area, and there shall be such readjustment of future costs and benefits as may be required on account of the loss of said acreage. In the

ests subject thereto, the Unit Operator may withhold payment or delivery on account thereof without liability for interest until the dispute is finally settled; provided, that as to Federal and State land or leases, no payments of funds due the United States or the State of New Mexico shall be withheld, but such funds shall be deposited with the Bureau of Land Management, or as directed by the Supervisor, and with the Commissioner of Fublic lands of the State of New Mexico, respectively, to be held as uncarned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

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

29. NON-JOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the working interest owner in that tract may withdraw said tract from this agreement by notice to the Director, Commissioner and the Unit Operator prior to the approval of this agreement by the Director. Any oil or gas interests in lands within the unit area not committed hereto prior to submission of this agreement for final approval may thereafter be committed hereto by the owner or owners of such rights subscribing or consenting to this agreement, and, if such owner is also a working interest owner, by subscribing to the Unit Operating Agreement. It is understood and agreed, however, that after operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements, if any, pertaining to such joinder, as may be provided for in the Unit Operating Agreement, and it is also understood and agreed that after discovery of unitized substances in paying quantities hereunder, a subsequent joinder by a non-working interest owner must be consented to by the working interest owner responsible for the payment of any benefits that may accrue hereunder in behalf of such non-working interest. A subsequent joinder shall be effective as of the first day of the month following the filing with the Supervisor, the Commissioner and the Commission of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director, Commissioner or Commission.

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 all other parties owning or claiming an interest in the lands within the above described unit area.

31. SURRENDER. During the life of this agreement, no right to surrender any lease or operating agreement reserved in any such instrument shall be exercised as to any lands within a participating area established pursuant to this agreement. There shall be no restriction on the right to surrender any lease or operating agreement embracing nonparticipating lands if that right is reserved in such instrument, subject, however, to the conditions hereinafter prescribed; (a) if a lease or portion thereof embracing non-participating lands is terminated as a result of a surrender to the lessor, such lands shall not be deemed committed to this agreement unless and until such lands are recommitted hereto by an agreement with the Unit Operator; (b) if operating rights are surrendered to a lessee, said lessee shall have the right to become a party to a unit operating agreement with the Unit Operator, effective as of the date of such surrender, or may with the consent of the lessor withdraw such lease from the unit agreement and operate such lease independently but in accord with the conservation provisions of the unit agreement, provided, that if neither of these alternatives is adopted within a period of six (6) months following the effective date of surrender, the lease shall automatically terminate as to the lands remaining in the unit area.

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

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SIGNATURES AND ADDRESSES:

SOUTHERN PRODUCTION COMPANY, INC.

by X-dally

Address: P. O. Box 670 Fort Worth, Texas

Date: Detaber 15, 1951

UNIT OPERATOR

uns 10/10/51

Tom J. Murphyh

Witnesses to signature of C. H. Murphy, Jr.:

Betty Lall

mayoris Jany

THE TEXAS COMPANY

By C. B. Williams, Attorney-in-Fact

Address: P. O. Box 1720 Fort Worth, Texas

Date: (Colohy 12, 1951

C. H. Murphy, Oil

Address: First National Bank Bldg.,

El Dorado, Arkansas

Date: Wetster 8, 1951.

STATE OF ARKARIAS

ON this 8th day of October, 1951, before me personally appeared

C. H. MIRTHY, JR. to me known to be the person described in and who executed

and delivered the foregoing instrument, and acknowledged to me that he executed
the same as his free act and deed.

GIVEN THOSE MY HAND AND SEAL OF OFFICE, this 8th day of Cotober, 1951.

OTA COMPANY Expires July 12, 1955

Motory Police.

STATE OF TEXAS

COUNTY OF TARRANT

On this the 12th day of October, personally appeared before me C. B. Williams, Attorney-in-Fact for The Texas Company, to me known to be the person who executed the foregoing instrument in behalf of The Texas Company, and acknowledged that he executed the same as the free set and deed of said The Texas Company.

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

Botery Public in and for Tappant County, Texas,

Tommission Expires: 6-1-53

STATE OF TEXAS

COUNTY OF TARRANT )

On this, the 15th day of October, 1951, personally appeared J.E.VAETH, to me personally known, who being by me duly sworn did say that he is the Vice-President of SOUTHERN PRODUCTION COMPANY, INC., 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 suther true of its Board of Directors, and the said J. E. VAETH acknowledged said instrument to be the free act and deed of said corporation.

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

Notary Public in and for Tarrant County,

ESTHER M. RATEXES.
Notary Public in and for Terran Co., Texas

My commission expires
June 1, 1953.

-23-

#### CLOUDCROFT UNIT AREA

#### OTERO COUNTY - NEW MEXICO

SCHEDULE SHOULING PERCENTAGE AND THE OF OWNERSHIP OF OUR AND GAS INTERESTS IN ALL LANDS IN THE UNIT AREA

		No. of	Application or Serial No. and effective or expiration	Hasic Royalty	nnd	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
t 	Description of Land		MM-A-011303	Percent U. S.	All	Ruth Bigler Lytle	Ruth Bigler Lytle - 1% under option agreement	The Texas Company 80
	NE; S/2 NW; N/2 SW Sec 17, T 185, R 12E W/2 W/2 Sec 4; E/2; E/2 SW; Sec. 8;	,	5/14/53 HM-A-011309 6/1/53	u. s.	۸ll	Wilbur J. Acree	Wilbur J. Acree - 1% under option agreement	The Texes Company 86
	W/2 Sec. 9; N/2 NN Sec. 17; NE SE, SE NE Sec. 18; T 18S, R 12E SE Sec. 7: W/2 SW; SE NW Sec. 8;	480.00	EIM-V-011308	u, s.	All.	Wilbur J. Acree	Wilbur J. Acres - 1% under option agreement	The Texas Company 80
	E/2 NW; W/2 NE; NE NL Sec. 10, T 185, R 12E	1,284.83	BLM-A-011310 6/1/53	u.s.	AJI	Mrs. Virginia Sears	s Mrs. Virginia Sears-1% under option agreement	The Texas Company 8
	Sec. 2; NE; E/2 NW; E/2 SE Sec. 12; T 18S, R 11E W/2 Sec. 33; T 17S, R 12E	320.00	BIM-A-011311 6/1/53	y. S.	All	W. R. McCamy	Ralph S. Fowell - 5% under option agreement	Southern Production Company and C. H. Murphy, Jr.
Á	N/2; N/2 S/2 Sec. 29; T 17S, R 12E, W/2 SE; and Lot 4 Sec. 2, T 18S R 11E	600.29	EM-A-011311 6/1/53	U. S.	Áll	M. R. McCamy US PLO #656 8/15/50	Ralph S. Powell - 5% under option agreement	Southern Production Company and C. H. Murphy, Jr. 8
iz	All Sec. 32, T 17S, R 12E	647.15	5 BLM-A-011520 7/1/53	v. s.	VJJ	Wilma Beery Conner	r Vilma Beery Conner- 1% under option agreement	The Texas Company 8

EXHIBIT "B"

	Description of Land	No. of Acres	Application or Serial No. and effective or expiration date of lease	Bas Royalt Fercen	y end	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
	NW; W/2 NE; NE NE; E/2 SE; SW SE Sec. 21, NW NW; S/2 NW; SW; SW NE W/2 SE Sec. 22; NW; W/2 NE; E/2 SW; W/2 SE; SE SE Sec. 27; NE Sec. 34; W/2 NW; SW Sec. 35, T 175, R 12E	1,638.42	HLM-A-011521 7/1/53	v. s.	VII	Willie Berry	Willie Berry - 1% under option agreement	The Texas Company
Α	S/2 S/2 Sec. 29, T 17S, R 12E	160.00	BLM-A-011521 7/1/53	u.s.	All	Willie Berry	Willie Berry - 1% under option agreement	The Texas Company
	West 15 acres out of NW NE Sec. 7; T 16S, R 12E	15.00	M-07799 3/26/52	U.S.	A11.	E. D. Coady	• • • • • • • • • • • • • • • • • • •	Southern Production Company, Inc. and C. H. Murphy, Jr.
	E/2 Sec. 33; E/2; E/2 NW Sec. 35; T 17S, R 12E; Lots 3 and 4; SW Sec. 3; Lots 1, 2, and 3; SE; E/2 SW Sec. 4; E/2 Sec. 9; W/2 SE; SE SE Sec. 18; T 18S, R 12E	1,832.78	BLM-A-020850 3/16/50 Application	u.s.	A11	John L. Mountjoy	_i_	Southern Production Company, Inc., and C. H. Eurphy, Jr.
-A )	Lots 2, 3, 4, 5 Sec. 18; T 18S, R 12E, SW; SW NN Sec. 2; U/2 NW; E/2 SW; W/2 SE Sec. 12, T 18S, R 11E	560.88	BLM-A-020860 Application 3/16/50	U.S.	All	John L. Mountjoy US PLO #656 8/15/50	~~~	Southern Production Company, Inc. and C. H. Murphy, Jr. 8
	W/2 Sec. 14; NW SE; N/2 SW; SW SW Sec. 15; N/2 SW; SW SW Sec. 21; E/2 E/2 Sec. 22; SE; W/2 Sec. 23; NW; S/2 S/2; NE SE Sec. 26; E/2 NE; W/2 SW Sec. 27, All Sec. 28, NN Sec. 34; T 17S, R 12E	2,560.00	BLM-A-020861 3/1/57	U.S.	All	Danny Briscoe	• • •	Southern Production Company, Inc., and C. H. Murphy, Jr.

Page 2

#### CLOUPCROFT UNIT ARM - Contid.

Application

t	Description of Land	No. of Acres	or Serial Me. and effective or expiration date of lease	•	Leasee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
	S/2; S/2 N/2 Sec. 17; S/2 NE; NE SW; SE Sec. 18; Lot 2, SE NW; NE NW; NZ Sec. 19; NE Sec. 20; N/2; N/2 SE; Sh SE Sec. 21; U/2 SW Sec. 22; T 16S, R 12E	1,720.30	N%-04574 9/1/56	U. S. All	E. P. Eiromont		Southern Production Company, Inc., and C. H. Hurphy, Jr. 81
A	NV Sec. 20, T 165, R 12E	160.00	MM-04574 8/1/56	u. s. A23	E. P. Miromont.	Nelph Powell - 2-1/% Abo Bloyd - 2-1/% under option acrement	Southern Production Company, Inc. and C. H. Hurphy, Jr. 8:
2	S/2; NV Sec. 16, T 16S, R 12E	486.00	Mr-04374 Application 12/5/50	U. S. All	E. P. Mirement		Scuthern Production Company, Inc., and C. H. Murphy, Jr. 81
C	NE Sec. 16; T 160, R 125	/ 160.00	MM-04374 Appliention 12/6/50	v. s. All	E. F. Miremont	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 87
	Lots 3 and 5; S/2 NE; NE NW; W/2 NE SW NW; SE SW NW; E/2 SE NW; E/2 W/2 SE NW; E/2 NV NE SW; E/2 NE SW; N/2 SE; N/2 SE SE Sec. 7; HE; NE NW; S/2 NW; N/2 SW; NE NE SE; W/2 E/2	1,670.84	LC-063022 6/1/52	U. S. All	W. R. McCamy	F. Purnell Powell - 5% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 89

SE; W/2 SE Sec. 8; N/2; N/2 N/2 SW; SE NN SW; E/2 SE SW; N/2 SE; SW SE Sec. 9; W/2 Sec. 10, T 16S, R 12E

<sup>\*</sup> Lease contains 2,310.99 acres but only 1,670.84 acres inside unit cutline. (640.15 acres cutside)

ract	Description of Land	No. of Acres	Application or Serial No. and effective or expiration date of lease	Bas: Royalt; Percent	y and	Leasee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
	E/2 Sec. 10; NW; W/2 SW; SE SW; SE SE Sec. 15; SW SE Sec. 20; N/2; NW SE; NE SW Sec. 22; S/2 SW; N/2; N/2 S/2; SW SE Sec. 27; N/2 SE; SE SE; S/2 SW; NE SW; E/2 NW Sec. 28; SE; W/2 NE Sec. 29, T 165, R 12E	2,240.00	M-03326 12/1/55	<b>ʊ.</b> s.	All	Jack Valentine		Southern Production Company, Inc., and C. H. Murphy, Jr.
<b>₹-A</b>	NE Sec. 15; NE Sec. 28; T 16S R 12E	320.00	<b>N</b> M-03326 12/1/55	v. s.	All	Jack Valentine	Relph Pewell - 2-1/% Abe floyd - 2-1/% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr.
	N/2 SW; SE NW Sec. 11; Lots 3 and 4; SW; SW NW; W/2 SE Sec. 12; Lot 1; NW NE; E/2 NW; W/2 SE and SW Sec. 13; W/2 NE; SW; S/2 SE Sec. 14; N/2; N/2 S/2 Sec. 23; W/2; Lots 3 and 4, W/2 SE Sec. 24; T 17S, R 11E	2,223.11	M4-03329 Application 9/5/50	U. S.	All	E. P. Mirement US. PLO #656 8/15/50		Southern Production Company, Inc., and C. H. Murphy, Jr.
<b>13-A</b>	NW Sec. 14; Lots 1 and 2, W/2 NE Sec 24; T 175, R 11E	340.24	NM-03329 Application 9/5/50	U. S.	A11	E. P. Miremont US. PLO #656 8/15/50	Ralph Powell - 2-1/2% Abo Lloyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr.

#### CLOUNCPOFT UNIT AREA - Cent'a.

ract	Description of Land	No. of Acres	Application or Serial No. and effective or expiration date of lease			ee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
	S/2 SE; SE GW; Lot 4 Sec. 19; NU SH Sec. 20; NW; N/2 SW; SE SW Sec. 29; NE SE; NU NE; NE NW Sec. 30; SE; SE SW; Lots 3 and 4 Sec. 31; E/2 E/2; NW NE; SU SE; S/2 SW Sec. 32; S/2; S/2 NE; NE NE Sec. 33; N/2; N/2 S/2; SW SE Sec. 34; T 165, R 12E	2,161.42	NM-03327 12/1/55	U. S. A	lî Jack	: Valentine		Southern Production Company, Inc., and C. H. Murphy, Jr.
L1-A	Lots 1, 2, 3, 4, (W/2 W/2) Sec. 30; NV Sec. 33; T 16S, R 12E	321.02	N1-03327 12/1/55	U. S. A.	11 Jack	Valentine	Ralph Powell - 2-1/2/2 Abe Lloyd - 2-1/2/2 under option agreement	Southern Production Company, Inc. and C. H. Hurphy, Jr.
15 15	S/2 S/2 Sec. 23; Lots 1, 2, 3 and 4; N/2 NW; NW NE; SW SE Sec. 25; NE NE; SW NE; S/2 NW; NW SE Sec. 26; all Sec. 35; Lots 1, 3, 6, 7; NW; W/2 NE Sec. 36; T 17S, F 11E Lots 1, 2, 3, 4; W/2 NE; NW SE; E/2 W/2 Sec. 30; T 17S, R 12E	2,211.50	M4-03328 Application 9/5/50	U.S. A		Valentine PLO #656 /50		Southern Froduction Company, Inc., and C. H. Murphy, Jr.
<b>L5-A</b>	SW Sec. 26; Lots 4 and 5; N/2 SW Sec. 36; T 17S, R 11E	320.32	N4-03328 Application 9/5/50	u.s. A		Valentine PLO #656 /50	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agroement	Southern Production Company, Inc., and C. H. Murphy, Jr.
				Page 5				··

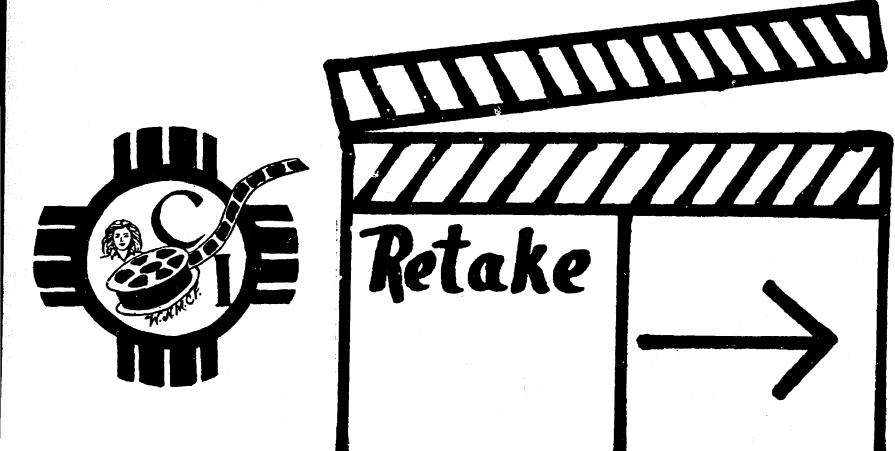
	Description of Land	No. of Acres	Application or Serial No. and effective or expiration date if lease	Pasic Royalty and Percentage	Lossee of Record	Overriding Royalty and Porcentage	Morking Interest and Percentage
	Lots 1, 2 and 4; S/2 N/2; SE Sec. 3; Lots 1 and 2; S/2 N/2; S/2 Sec. 4; S/2 N/2, Lot 4; S/2 Sec. 5; Lots 1, 2, 6 and 7; S/2 NE; SE; E/2 SW Sec. 6; T 17S, R 12E	2,052.85	NM-03323 12/1/55	v.s. All	Cocil N. Swank		Southern Production Company, The., and C. H. Murphy, Jr. 8%-
est 2	SW Sec. 3; Lots 3, 4 and 5; SE NW Sec. 6; T 175, R 12E	323,09	NM-03323/ 12/1/55	U. S. All	Cocil M. Swank	Ralph Powell - 2-1/25 Abo Lloyi - 2-1/25 under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-
	NE NE; W/2 NE; NE NW; NE SE Sec. 7; E/2; SE NW; SW Sec. 8; SE NE; NW NW; SE NW Sec. 17; T 17S, R 12E	840.00	NI-03324 1/1/56	U.S. All	Cocil M. Swank		Southern Production Company, Inc., and C. H. Murphy, Jr. 87-
.4	Lots 1 and 2, SE NV, W/2 SE; SE SE Sec. 7; SV NV end SV Sec. 17; Lot 4, SE SV; S/2 SE Sec. 18; All Sec. 19; N/2 NV; NV NE Sec. 20, T 17S, R 12E	1,303.11	M-03324 Application 9/5/50	U.S. All	Codil M. Swank US. PLO #656 8/15/50	<u></u> : 	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-
<b>.</b>	SE Sec. 17, T 17S, R 12E	160.00	NM-03324 4/1/56	v. s. All	Cecil M. Swank	Ralph Powell - 2-1/2% Abe Llcyd - 2-1/2% under option agreement	Southern Production Company, Inc., and C. H. Murphy, Jr. 81-

\* Lease Contains 2,547.52 acres, but only 2,375.94 acres included in unit outline

Page 6

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#### CLOUDCROFT UNIT AREA

#### OTERO COUNTY - NEW MEXICO

EXHIBIT "B"

SCHEDULE SHOWING PERCENTAGE AND KIND OF OWNERSELP OF OIL AND GAS INTERESTS IN ALL LANDS IN THE UNIT AREA

Southern Production Company and C. H. Murphy, Jr. 82-1/2%	Ralph'S. Powell - 5% under option agreement	M. R. McCemy US PLO #656 8/15/50	All	u.s.	8/1/53 6/1/511	600.29	N/2; N/2 S/2 Sec. 29; T 17S, R 12E, W/2 SE; and Lot 4 Sec. 2, T 18S R 11E	4-A
Southern Production Company and C. H. Murphy, Jr. 82-1/26	Ralph S. Powell - 5% under option agreement	W. R. McCamy	All	u. s.	EM-A-011311 6/1/53	320.00	W/2 Sec. 33; T 17S, R 12E	*
The Texas Company 86-1/2%	Mrs. Virginia Sears Mrs. Virginia Sears-1% under option agreement	Mrs. Virginia Sear	ALL	۳. s.	BLM-A-011310 6/1/53	1,284.83	All Sec. 1; NE; E/2 NW and E/2 SE Sec. 2; NE; E/2 NW; E/2 SE Sec. 12; T 18S, R 11E	s
The Texas Company 86-1/2%	Wilbur J. Acres - 1% under option agreement	Wilbur J. Acree	tīv	u.s.	BLM-A-011309 6/1/53	480.00	SE Sec. 7; W/2 SN; SE NW Sec. 8; E/2 NW; W/2 NE; NE NE Sec. 18; T 18S, R 12E	2-A
The Texas Company 86-1/25	Wilbur J. Acree - 1% under option agreement	Wilbur J. Acree	All	u.s.	HM-A-011309 6/1/53	1,014.61	W/2 W/2 Sec 4; E/2; E/2 SW; Sec. 8; W/2 Sec. 9; N/2 NV Sec. 17; NE SE; SE NE Sec. 18; T 18S, R 12E	ю
The Texas Company 86-1/2%	Ruth Bigler Lytle - 1% under option agreement	Ruth Bigler Lytle	113	<b>s</b> .	BLM-A-011308 5/14/53	319.88	NE; S/2 NW; N/2 SW Sec.17, T 18S, R 12E	ь
Working Interest and Percentage	Overriding Royelty and Percentage	Lessee of Record	y and	Basic Royalty and Percentage	Application or Serial No. and effective or expiration date of lease	No. of	Description of Land	Tract

(J)

All Sec. 32, T 17S, R 12E

647.15 BLM-A-011520 7/1/53

u.s.

PE

Wilma Beery Conner Wilma Beery Conner- 1% under option agreement

The Texas Company 86-1/2%

	ω			ω .	7 6-A		Tirict
NW; S/2 S/2; NE SE Sec. 26; E/2 NE; W/2 SW Sec. 27, All Sec. 28, NN Sec. 34; T 17S, R 12E	W/2 Sec. 14; NW SE; N/2 SW; SW SW Sec. 15; N/2 SW; SW SW Sec. 21; E/2 E/2 Sec. 22; SE; W/2 Sec. 27.	Lots 2, 3, 4, 5 Sec. 18; T 18S, R 12E, SW; SW NW Sec. 2; 11/2 NW; E/2 SW; W/2 SE Sec. 12, T 18S, R 11E	T 17S, R 12E; Lots 3 and 4; SW Sec. 3; Lots 1, 2, and 3; SE; E/2 SW Sec. 4; E/2 Sec. 9; W/2 SE; SE SE Sec. 18; T 18S, R 12E	T 16S, R 12E  E/2 Sec. 33: E/2: E/2 NW Sec. 75.	S/2 S/2 Sec. 29, T 17S, R 125	NW; W/2 NE; NE NE; E/2 SE; SW SE Sec. 21, NW NW; S/2 NW; SW; SW NE W/2 SE Sec. 22; NW; W/2 NE; E/2 SW; W/2 SE; SE SE Sec. 27; NE Sec. 34; W/2 NW; SW Sec. 35, T 17S, R 12E	Description of Land
	2,560.00	560.88	1,032.78	15.00	160.00	1,638.42	No. of Acres
x + .	BLM-A-020861 3/1/57	ELM-A-020860 Application 3/16/50	Application	NM-07799 3/26/52	HM-A-011521 7/1/53	ELM-A-011521 7/1/53	Application or Serial No. and effective or expiration date of lease
	U. S.	u. s.	u.	u. s.	u.s.	u.s.	Basic Royalty and Fercentage
	ALL	TTA	AII	TTA	Æ	ALI	ic y end
	Danny Briscoe	John L. Mountjoy US PLO #656 8/15/50	John L. Mountjoy	E. D. Coady	Willie Berry	Willie Berry	Lessee of Rucord
	3 3 5		<b>}</b>		Willie Berry - 1% under option agreement	Willie Berry - 1% under option agreement	Overriding Royalty and Percentage
Company, Inc., and C. H. Murphy, Jr. 87-1/27	Southern Froduction	Southern Production Company, Inc. and C. H. Murphy, Jr. 87-1/26	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/26	Southern Production Company, Inc. and C. H. Murphy, Jr. 87-1/2%	The Texas Company 86-1/2%	The Texas Company 86-1/2	Working Interest and Percentage

	<b>11</b> *	10-C	10-B	10-A	<b>●</b> ●	Tract
SE NM; E/2 M/2 SE NM; E/2 NM NE SW; E/2 NE SM; N/2 SE; N/2 SE SE Sec. 7; HE; NE NM; S/2 NM; N/2 SM; NE NE SE; W/2 E/2 SE; W/2 SE Sec. 6; N/2; N/2 N/2 SM; SK NE SW; E/2 SE SM; N/2 SE; SM SE Sec. 9; W/2 Sec. 10, T 16S, R 12E	and 5; S/2 NE; SU NW; SE SW N	NE Sec. 16; T 16S, R 12E	S/2; NN Sec. 16, T 16S, R 12E	NW Sec. 20, T 16S, R 12E	S/2; S/2 N/2 Sec. 17; S/2 NE; NE SW; SE Sec. 18; Lot 2, SE NW; NE NW; NE Sec. 19; NE Sec. 20; N/2; N/2 SE; SE SE Sec. 21; N/2 SW Sec. 22; F 163, R 12E	Description of Land
	1,670.84	160.00	480.00	160.00	1,720.30	No. of
	LC-063022 6/1/52	NM-04374 Appliention 12/5/50	Nvi-04374 Application 12/5/50	NM-04374 8/1/56	NM-04374 8/1/56	Application or Serial No. and effective or expiration date of lease
	ប. ន.	u.s.	u. s.	ទ	u.s.	Lasic Royalty and Percentage
	<u>.</u>	117	ALL	臣	All	r and
	W. R. McCamy	E. P. Miremont	E. P. Miremont	E. P. Miremont	E. P. Miremont	Lessee of Record
oromorfie Hotodo Tomm	F. Purnell Powell Formula - 5%	Ralph Fowell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement		Relph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement		Overriding Royalty and Percentage
·	Southern Production Company, Inc., and	Southern Production Company, Inc., and C. H. Murphy, Jr. 62-1/2%	Scuthern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%	Scuthern Production Company, Inc. and C. H. Murphy, Jr. 92-1/2%	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%	Working Interest and Percentage

<sup>\*</sup> Lease contains 2,310.99 acres but only 1,670.84 acres inside unit outline. (640.15 acres outside)

13-A	13	12-A	•	Tract
NW Sec. 14; Lots 1 and 2, W/2 NE Sec 24; T 17S, R 11E	N/2 SW; SE NW Sec. 11; Lots 3 and 4; SW; SW NW; W/2 SE Sec. 12; Lot 1; NW NE; E/2 NW; W/2 SE end SW Sec. 13; W/2 NE; SW; S/2 SE Sec. 14; N/2; N/2 S/2 Sec. 23; W/2; Lots 3 and 4, W/2 SE Sec. 24; T 17S, R 11E	NE Sec. 15; NE Sec. 28; T 16S R 12E	E/2 Sec. 10; NW; W/2 SW; SE SW; SE SE Sec. 15; SW SE Sec. 20; N/2; NW SE; NE SW Sec. 22; S/2 SW; N/2; N/2 S/2; SW SE Sec. 27; N/2 SE; SE SE; S/2 SW; NE SW; E/2 NW Sec. 28; SE; W/2 NE Sec. 29, T 165, R 12E	Description of Land
340.24	2,223.11	320.00	2,240.00	No. of Acres
NM-03329 Application 9/5/50	M1-03329 Application 9/5/50	NI-03326 12/1/55	NH-03326 12/1/55	Application or Serial No. and effective or expiration date of lease
U. s.	u.s.	a.	u. s.	Basic Royalty and Percentage
ALL	All	TTA	All	e sage
E. P. Miromont US. PLO #656 8/15/50	E. P. Miremont US. PLO #656 8/15/50	Jack Valentine	Jack Valentine	Lessee of Record
Ralph Powell - 2-1/2 Abe Lloyd - 2-1/2 under option agreement		Ralph Powell - 2-1/2 Abc Lloyd - 2-1/2 under option agreement	•	Overriding Royalty and Percentage
2-1/2% 2-1/2%		2-1/2% 2-1/2%		<u>.</u>
Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2	Scuthern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2	Working Interest and Percentage
<b>X</b>			<b>%</b> 	. <b>∤</b> . N. 4

15	14-A		Tract
S/2 S/2 Sec. 23; Lots 1, 2, 3 and 4; N/2 NM; NM NE; SN SE Sec. 25; NE NE; SN NE; S/2 NN; NN SE Sec. 26; all Sec. 35; Lots 1, 3, 6, 7; NN; W/2 NE Sec. 36; T 17S, R 11E Lots 1, 2, 3, 4; W/2 NE; NN SE; E/2 W/2 Sec. 30; T 17S, R 12E	Lots 1, 2, 3, 4, (W/2 W/2) Sec. 30; NU Sec. 33; T 16S, R 12E	S/2 SE; SE CW; Lot 4 Sec. 19; MU SU Sec. 20; MM; N/2 SM; SE SW Sec. 20; NE SE; MU NE; NE NW Sec. 30; SE; SE SW; Lots 3 and 4 Sec. 31; E/2 E/2; NM NE; SU SE; S/2 SN Sec. 32; S/2; S/2 NE; NE NE Sec. 33; N/2; N/2 S/2; SW SE Sec. 34; T 16S, R 12E	Duscription of Land
2,211.50	321.02	2,161.42	No. of
M-03328 Application 9/5/50	NM-03327 12/1/55	NM-03327 12/1/55	Application or Sorial No. and effective or expiration date of lease
u. s.	ប. ន.	U.	Basic Royalty and Parcentage
A11	All	<u>21</u>	ic y and tage
Jack Valentine US. PLO #656 8/15/50	Jack Valentine	Jack Valentine	Lessee of Record
	Ralph Powell - 2-1/2%  be Lloyd - 2-1/2%  under option agreement		Overriding Royalty and Percentage
Southern Froduction Company, Inc., and C. H. Murphy, Jr.	Southern Production Company, Inc. and C. H. Muryby, Jr.	Southern Froduction Company, Inc., and C. H. Murphy, Jr.	Working Interest end Percentage
B7-1/2%	82-1/2%	87-1/2%	

15-A

SW Sec. 26; Lots 4 and 5; N/2 SW Sec. 36; T 17S, R 11E

320.32

NM-03328 Application 9/5/50

u. s.

ALI A

Jack Valentine US. PLO #656 8/15/50

Ralph Powell - 2-1/2%
Abe Lloyd - 2-1/2%
under option agreement

Scuthern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2%

17-A	17	*16-A		Tract
Lots 1 and 2, SE NN, W/2 SE; SE SE Sec. 7; SN NN and SN Sec. 17; Lot 4, SE SN; S/2 SE Sec. 18; All Sec. 19; N/2 NN; NN NE Sec. 20, T 17S, R 12E	NE NE; W/2 NE; NE NN; NE SE Sec. 7; E/2; SE NN; SN Sec. 8; SE NE; NN NN; SE NN Sec. 17; T 17S, R 12E	SW Sec. 3; Lots 3, 4 and 5; SE NW Sec. 6; T 17S, R 12E	Lots 1, 2 and 4; S/2 N/2; SE Sec. 3; Lots 1 and 2; S/2 N/2; S/2 Sec. 4; S/2 N/2, Lot 4; S/2 Sec. 5; Lots 1, 2, 6 and 7; S/2 NE; SE; R/2 SW Sec. 6; T 17S, K 12E	Description of Land
1,383.11	840.00	323.09	2,052.85	No. of Acres
Application 9/5/50	WI-03324 4/1/56	NM-03323 12/1/55	NM-03323 12/1/55	Application or Serial No. and effective or expiration date if lease
U. S. All	v.s. all	v. s. A11	c. s. vi	Basic Royalty and Percentage
Cecil M. Swank US. PLO #656 8/15/50	Cecil M. Swank	Gecil M. Swank	Cecil M. Swank	Lessee of Record
	1	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreemen		Overriding Royalty and Percentage
Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%	Southern Production Company, Inc., and C. E. Murphy, Jr. 89-1/26	Scuthern Production Company, Inc., and C. H. Murphy, Jr. 82-1/26	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/26	Working Interest and Percentage

\* Lease Contains 2,547.52 acres, but only 2,375.94 acres included in unit outline

17-B

SE Sec. 17, T 175, R 12E

160.00

NM-03324 4/1/56

U.S.

ALI

Cecil M. Swank

Ralph Powell
Abe Licyd

Ralph Powell - 2-1/2%
Abe Licyd - 2-1/2%
under option agreement

Southern Production Company, Inc., and C. H. Murphy, Jr.

<b>19</b>	-A-81	<b>.</b>		fract
Lots 1, 2, 3, 4, 5 and 6, SW NE S/2 NW Sec. 1; Lots 1 and 2 Sec. 2, T 17S, R 11E; Lots 3 and 4 Sec. 25; W/2 SW Sec. 26; S/2 NE; NW; S/2 Sec. 35; Lots 1, 2, 3 and 4; NW; W/2 NE; W/2 SW Soc. 36. T 16S, R 11E	SW Sec. 11; SW Sec. 13; T 16S R 11E	NW; W/2 E/2 Sec. 11; SW NE; NW SE; NW; SW SE Sec. 13; All Sec. 14; Lots 1, 2, 3, and 4; N/2 SE; SW SE; SW; S/2 N/2 Sec. 23; Lots 3 and 4 Sec. 24; NW; W/2 NE Sec. 26; T 16S R 11E	Los 3 and 4, E/2 SN Sec. 7; T 175, R 12E	Description of Land
1,567.38	320.00	2,036.63	158.83	No. of
NM-03613 6/1/56	NY-03325 12/1/55	M-03325 12/1/55	MM-03324 Application 9/5/50	Application or Serial No. and effective or expiration date of lease
U. S. All	U. S. All	U. S. All	U.S. All	Basic Royalty and Percentage
l E. P. Miremont	l Cecil M. Swank	1 Cecil M. Swank	1 Cecil M. Swank US. PLO #556 8/15/50	nd e Lessee of Record
	Relph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement		Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Overriding Royalty and Percentere
Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2	Southern Production Company, Inc., and C. H. Murphy, Jr. 82-1/2,	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%	Southern Freduction Company, Inc., and C. H. Murphy, Jr. 82-1/2%	Working Interest and Percentage

S	19-C	19-В	9-A	ract
N/2; SE Sec. 9; N/2 N/2; ST NW; S/2 S/2 Sec. 10; All Scc. 16; E/2 NE; NE SE Sec. 20, T 17S, R 12E	SN Sec. 1; Lot 4, S/2 NW Sec. 2; T 17S, R 11E	Lot 3, Sec. 2, T 175, R 11E	Lots 7, 8, 9 and 10; 11/2 SE Sec. 1; 5/2 NE; 11/2 SE; 11/2 NE SH SE; SE NE SH SE; SE NE SH SE; SE	Description of Land
1,600.00	265.71	25.88	479.28	No. of
LC-063038 Application 8/6/51	NM-03615 Application 9/21/50	M-03613	NM-03613 Application 9/21/50	Application or Serial No. and effective or expiration date of lease
u.s. all	u. s. all	u. s. all	u. s. all	Basic Royalty and Percentage
E. F. Miremont	E. P. Miremont U.S. P.L.O. #655 8/15/50	E. P. Miremont	E. F. Mirement U.S. P.L.O. #656 8/15/50	Lessee of Record
	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	;	Overriding Royalty and Percentage
Southern Production Company, Inc., and C. H. Murphy, Jr.	Scuthern Froduction Company, Inc., end C. H. Murphy, Jr.	Southern Freduction Company, Inc., and C. H. Murphy, Jr.	Scuthern Production Company, Inc., and C. H. Murphy, Jr.	Working Interest and Percentage
87-1/2	82-1/2	82-1/2%	87-1/2%	

<sup>\*</sup> All of Sec. 16 conflicts with State lease to Texas Company (Tr. 45) SE SE Sec. 9 conflicts with State lease to Southern Production Company (Tr. 46).

22-1	<b>N</b>	<b>1</b> 22	20 <u>-</u> C	20-B	80-4	Tract
SE Sec. 3; S/2 NE; SE Sec. 10; NE NW Sec. 11, T 175, R 11E	Lot 1, Sec. 19, T 16S, R 12E	SE; Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 Sec. 6; SJ; W/2 SE; Lots 1, 2, 3 and 4 Sec. 5; T 18-S, R 12E	SH Sec. 20; T 17S, R 12E	SW Sec. 9; T 17S, R 12E	S/2 NM; SW NE; W/2 SE; SE SE Sec. 20; E/2 E/2; SW SE Sec. 30; NE; NE NW Sec. 31; T 17S, R 12E	Description of Land
440.00	40.26	1,061.24	160.00	160.00	640.CO	No. of Acres
LC-063335 Application n 7/19/44	IC-063335 5/1/56	LC-063335 9/1/53	LC-063008 Application 8/6/51	LC-063038 Application 8/6/51	IC-063038 Application 8/6/51	Application or Serial No. and effective or expiration date of lease
v. s.	d.	ប. ទ.	ت. د.	<b>d</b> 8.	u. s.	Basic Royalty and Percentage
TTV	1177	111	717	Ĭ	All	and age
Mrs. Quilia Dexter U.S. P.L.O. #656 8/15/50	Mrs Quilla Dexter	Mrs. Virginia Sear U.S. P.L.O. #656 8/15/50	E. P. Miresont U.S. P.L.C.#656 8/15/50	E. P. Miremont	E. P. Miremont U.S. P.L.O. #656 8/15/50	Lessee of Record
Mrs. Quilla Dexter	Hrs. Cuilla Dexter 1; under option agreement	Mrs. Virginia Sears Mrs. Virginia Sears 19 U.S. P.L.O. #656 under option agreement 8/15/50	Reigh Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	Ralph Powell - 2-1/2% Abe Lloyd - 2-1/2% under option agreement	-	Cverriding Royalty and Percentage
1% The Texas Company	1% The Texas Company	1% The lexas Company	Southern Production Company, Inc., and Company, Tr.	Southern Production Company, Inc., and Company, Tr.	Southern Production Company, Inc., and C. E. Murphy, Jr.	Working Interest and Percentage
86-1/2%	86-1/2%	86-1/2%	¥2/1-28	82-1/2%	87-1/2	

27-A	27	88	25	24-A	22	88	Tract
Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, ME Sec. 7; N/2 NW; SW NW Sec. 8, T 185, R 128	Lots 2 and 3, NV SE; N/2 SW Sec. 2; E/2 SE Sec. 5; T 18S R 12E	Lot 2, NW SE Sec. 36; T 17S R 11E; Lots 1, 2, 3 and 4; SE NW; E/2 SW; SE Sec. 31 T 17S, R 12E	13/2 SI Sec. 34; T 178, R 192	Lot 4, Sec. 12; T 178, R 11E	NE NV Sec. 17; T 17S, R 12E	Iots Sand 4, SESK Sec. 18 T 163, R 12E; SESE Sec. 13; SH SE Sec. 25; T 16S, R 11E	Poscription of Land
677.54	309.80	573.97	90.00	51.81	4C.00	200.47	No. of
IC-063340 Application	LC-063340 5/1/56	10/1/53	LC-063338 2/1/53	16-063337 1/1/53	LC-063337 1/1/53	1/1/56	Application or Serial No. and effective or expiration date of lease
u.s.	u.s.	٠ ق	u. s.	ស <b>ុ</b>	а	<b>.</b> 8.	Easic Royalty and Percentage
LIFV	All	ALI	A11	ALL	ALL .	All	e and
Wilbur J. Acree U.S. P.L.O. #656 8/15/50	Wilbur J. Acree	Wilma Berry Conner U.S. P.L.O. #656 8/15/50	Willie Berry	J. W. Berry U.S. P.L.O. #656 8/15/50	J. W. Berry	C. J. Dexter	Lessee of Record
Wilbur J. Acree 1% under option agreement	Wilbur J. Acree 1% under option agreement	Wilma Berry Conner 1% under option agreement	Willie Berry - 1% under option agreement	J. W. Berry - 15 under option agreement	J. W. Berry - 1% under option agreement	C. J. Dexter - 1% under option agreement	Overriding Royalty and Percentage
The Texas Company	The Texas Company	The Texas Company	The Texas Company	The Texas Company	The Texas Company	The Texas Company	Working Interest and Percentage
86-1/2%	86-1/2%	86-1/2%	86-1/2%	86-1/2%	86-1/2%	85-1/2%	

38	<b>9</b> 2	8	29	● <sub>8</sub> <	Tract
Lots 1 and 2; S/2 NE Sec. 3; E/2 Sec. 15; NE Sec. 22; T 17S, F 11E	E/2 SW; SW SE Sec. 30; Lots 1 and 2; E/2 NW; W/2 NE; SE NE; NE SW Sec. 31; S/2 NW; N/2 SW; NE NW; SW SE Sec. 32; S/2 SW; SE SE Sec. 34; T 16S, R 12E, Lot 3 Sec. 3; Lots 3 and 4 Sec. 4; Lots 1, 2, and 3 Sec. 5; N/2 NE; SW NE Sec. 17, T 17S, R 12E	S/2; S/2 N/2 Sec. 8; SW Sec. 9; N/2; SE Sec. 17; W/2 Sec. 21, T 175, R 11E	SE; S/2 SW Sec. 17; NE Sec. 20; Lots 3, 4, 5 and 6 Sec. 21, T 18S, R 12E	Lots 3 and 4, W/2; W/2 SE Sec. 16; N/2 NE; S/2 SE Sec. 21; W/2; SE Sec. 22; T 17S, R 11E	Description of land
611.28	1,248,29	1,440.00	536.35	1,118.36	No. of
MY-07257 Application 2/6/52	LC-064514 9/1/56	10-063445 3/1/52	LC-063342 4/1/54	LC-063341 11/1/51	Application or Serial No. and effective or expiration date of lease
U. S. All	u. s. all	U. S. All	u. s. ali	U. S. All	Basic Royalty and Percentage
Southern Production Ralph Powell Company, Inc. under option U.S. P.L.O. #656	Mrs. Clover B. Cole	Mrs. Dorothy Berry Roundtree U.S. P.L.O. #656 8/15/50	Ruth Pigler	Dorothy Berry Roundtree U.S. P.L.O. #656 8/15/50	Lessee of Record
Ralph Powell 5% under option agreement		Mrs. Dorothy Berry Roundtree 1% under option agreement	Ruth Bigler Lytle 1% under option agreement	Dorothy Berry Roundtree 1% under option agreement	Overriding Royalty and Percentage
Southern Production Company, Inc., and C. H. Murphy, Jr.	Southern Production Company, Inc., and C. H. Murphy, Jr.	The Texas Company	The Texas Company	The Texas Company	Working Interest and Percentage
82-1/2%	87-1/2	86-1/2 <b>4</b>	%/1-38	8-1/3	

37	<b>©</b>	ශ්	•	<b>Q</b> 33	Tract
Lots 1 and 4 Sec. 7; T 16S, R 12E; E/2 SE Sec. 11; N/2;	N/2 N/2; E/2 SE NW; SH SW SE NW; E/2 W/2 SE NW; NY NW SE NW; N/2 SW NW; SH SW NW; W/2 SE SH NW Sec. 15; Lots 1, 2, 7 and 8, SE Sec. 21; N/2; N/2 S/2; SW SW Sec. 22; all Sec. 23, T 18S, R 12E	SW; W/2 SE Sec. 34; T 17S; R 1ZE; Lots 1, 2, 3, 4, 5, 6; N/2 SW; NW SE Sec. 1; Lot 1; NE SE; SW SE; S/2 SW Sec. 2; SE Sec. 3; NE; SW Sec. 10, NW NW; E/2 NE; SW NE; S/2 Sec. 11; NW Sec. 12; E/2; SW; N/2 NW Sec. 14, T 18S, R 1ZE	Lots 3 and 4, S/2 NN; SN Sec. 3; N/2 N/2 Sec. 8, NN Sec. 9; U/2 Sec. 10; U/2 Sec. 15; Lots 1 and 2, U/2 NE Sec. 16, T 17S, R 11E	Iots 1 and 2, NW NE Sec. 12, T 175, R 11E	Description of Land
640.77	1,691.20	2,558.25 H	1,417.74	157.52	No. of
10/1/56	LC-068795 9/1/56	1C-068794 9/1/56	M4-07782 Application 3/31/52	1C-065073 9/1/52	Application or Seriel No. and Effective or Expiration Date of Lease
a.s.	ប.ន.	u.s.	ជុំនេះ	U.S.	Basic Royalty and Percentage
ALL	ALL	ALL	ALL	ALL	lc y and tage
Mrs. Erdice Beaver	E. D. Coady	E. D. Coady	A. D. Stovall U.S.A. P.L.O. #656 8/15/50	Cecil M. Swank U.S.A. P.L.O #656 8/15/50	Lessee of Record
	•		<b>;</b>	1	Overriding Royalty and Percentage
Mrs. Erdice Beaver	Southern Production Company, Inc. and C. H. Murphy, Jr.	Southern Production Company, Inc. and C. H. Murphy, Jr.	Southern Production Company, Inc. and C. H. Murphy, Jr.	Southern Production Company, Inc. end C. H. Murphy, Jr.	Working Interest and Percentage
87-1/2%	87-1/26	87-1/2%	87-1/2%	87-1/24	

	8	39 <b>-</b> C	<b>●</b> 39-8	39-A	39		Track
	• ( <del>I</del> )	109.48 acres of SE Sec. 5; All Sec. 28; W/2 NV Sec. 34; T 17S, R 11E	SE Sec. 27; E/2 Sec. 34; T 16S, R 11E	S/2 S/2 Sec. 12, T 16S R 115	SE NE Sec. 11; Lot 1, SE NE; SE Sec. 22; NE Sec. 27; T 16S, R 11E	SW Sec. 11, T 178, R 122	Description of Land
	\$5.440.04 \$4.365	829.48	480.00	160.00	421.60	160.00	No. of Acres
	NM-01942 Application 3/24/50	NM-01803 Application 3/10/50	Nif-Oleos Application 3/10/50	MI-01803 Application 3/10/50	NM-01803 Application 3/10/50	N4-01802 Application 3/10/50	Application or Serial No. and effective or expiration date if lease
אָל	U.s.	u.s.	U.S.	a. s.	u. s.	u.s.	Basic Royalty and Percentage
Page 13	VII	ALL	<u> </u>	A11		ATT	ic by and atage
	Ray I. Landon U.S. P.L.O. #656 8/15/50	Wm. S. Hanson U.S. P.L.O. #656 8/15/50	Vm. S. Hanson	Wn. S. Hanson	Wm. S. Hanson	Wm. S. Hanson	Lessee of Record
	. January	<b>;</b>	<b>}</b>	;			Overriding Royalty and Percentage
	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/24	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%	REJECTED Alemogordo Kunicipal Water Shed	REJECTED Cloudcroft Experimental Forest - (11/30/35)	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%	Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/24	Working Interest and Percentage

#### S I A II E LANDS

						2	いた。			
822-	s 1/3 Scuthern Production 1/3 Company, Inc., and 1/6 C. H. Murphy, Jr. 1/6	5% in Proportions G. V. Clayton P. B. Hendricks George Abbott Dale W. Scott	Southern Production Company, Inc.	All	State of New Mexico	E-4715 11/21/60	280.00	SE SE Sec. 9; E/2 SE; SH SE; SE SW Sec. 22; SE SE Sec. 27; NW SE Sec. 30; T 16S, R 12E	7	47
87-	Southern Production Company, Inc., and C. H. Murphy, Jr.		Scuthern Production Company, Inc.	A11	State of New Mexico	E-3327 3/10/60	680.00	SE SE Sec. 9; NE Sec. 26; NW; E/2 Sec. 36; T 175, R 12E	ο. 	<b>*</b>
87-	The Texas Company		The Texas Company	<b>A11</b>	State of New Mexico	B-11179 4/17/54	1,922.90	All Sec. 16; NW SW; N/2 SE Sec. 10; SE SW; SE NE; NW SE Sec. 21; NW NE; NE NW Sec. 22; SW Sec. 36; NE SW; Lot 3, N/2 SE Sec. 18 T 17S; R 12E; all Sec. 16; T 18S; R 12E	*	45
	Working Interest and Percentage	Overriding Royalty and Percentage	Lessee of Record	ê	Pasic Royalty and Percentage	State Lease No. and Exp. Detes	No. of	Description of Land	ract	No.

(45\* and 46\* - See Tract 20 for Conflict)

#### FEE LANDS

	<b>●</b> ¤	<b>5</b> 0	49	<b>●</b> &	Tract
	NE NW; S/2 NW; NW NE Sec. 11, T 18S, R 12E	Lots 1, 2, 5, 6 and 7, SW NE; W/2 SE; S/2 NW; N/2 SW Sec. 24; Lots 1 and 2; W/2 NE; NW SE; SW; E/2 NW Sec. 25, T 16S R 11E; S/2 SW Sec. 6, N/2 NW Sec. 17, T 16S, R 12E	N/2 SE; NE SU; Lot 3 Sec 19 T 16S, R 12E	Tracts A and B in the H. E. Survey #207, all in Sec. 9 T 17S, R 11E	Description of Land
	160.00	1,051.70	160.34	50.52	No. of
en Version (1) Version (1) Ver	5/13/54	5/10/54	5/10/54	5/12/54	FEE Lease No. and Expiration Date
Calkins, Surviving widow, Roy P. Calkins et ux; Ruth Calkins Fuller et vir; Wayland Calkins et ux All	William P. Calkins Estate, Carrie N.	Frenk Bonnell and Lula Mee Bonnell; James N. Bonnell and wife, Ann Bonnell, Glenn C'Bannon and wife, Ruby O'Bannon ALL	Don O. Bonnell and wife Bessie B. Bonnell ALL	H. G. Bell and wife Elle F. Bell ALL	Percentage Royalty Payable to Land or Mineral Owners
	The Texas Company	The Texas Company	The Texas Company	The Texas Company	Lessee of Record
					Overriding Royalty and Percentage
	The Texas Company	The Texas Company	The Texas Company	The Texas Company	Working Interest and Percentage
	87-1/2	87-1/24	87-1/2	87-1/2	

87-1/2%	The Texas Company		Тhe Texas Сомрацу	Homer Davis ALL and wife Isabel Davis	0 10/12/54	160-00	SE SW; SW SE; E/2 SE Sec. 15; T 175, R 12E	CI CI
10.9375%	Thomas Douglas Davis		(mleased	and husband W. C. Young -7/8 Thomas Douglas Davis -1/8				
75-5625%	The Texas Company		The Texas Company	Mrs. W. D. Davis, widow, William I. Davis and wife Wanda Jean Davis: Frances Young	5/16/54	160.00	SW Sec. 2; T 175, R 11E	54
10.9375%	Thomas Douglas Davis		Unleased	Young -7/8 Thomas Douglas Davis -1/8				
76.5625%	The Texas Company		The Texas Company	Mrs. W. D. Davis, widow, William I. Davis and wife Manda Jean Davis; Frances Young	5/16/54	380.00	W/2 SE; NE SE; E/2 SW Sec. 26; W/2 SE; NE SW; W/2 SE SW Sec. 36; NW NE Sec. 35; T 16S, R 11E	53
87-1/2%	The Texas Company		The Texas Company	u.s. ALL	10/12/54	160.00	N/2 NW; SW NW Sec. 8; SE NE Sec. 7; T 178, R 12E	Si d
	Working Interest and Percents/se	Overriding Royalty and Percentage	Lessee of Record	Percentage Royalty Payable to Land or Hineral Owners	FEE Lease No. and Expiration Date	No. of	Description of Land	Tract

•			58-A	58	3		Tract
			E/2 SE Sec. 20, T 16S R 12E	S/2 SW; NE SW; NW SE Sec. 20, T 16S, R 12E	N/2 NE Sec. 17; E/2 SE SE; SE NE SE Sec. 8; SU SU; S/2 NW SU; SW NE SU; W/2 SE SW Sec. 9; T 16S, R 12E	NE Sec. 18, 7 17S, R 12E	Description of Land
			80.00	150.00	200.00	160.00	Nc. of
12/28/56	11/26/56	11/26/56	5/17/54	5/17/54	5/16/54	5/9/54	No. and Expiration
Fred T. Hildt and wife Lena Hildt C. R. Nixon and wife Lydia M.	Mrs. May Patterson	New Mexico-Osage Cooperative Royalty Company	Mrs. Pearl Green Bass	M <b>rs. Pear</b> l Green Bass	Leon Green and wife Carrie Green	Howard L. Goss and Marion I. Goss	Percentage Royalty Payable to Lend or Mineral Owners
2/48	1/16	3/8	1/2	TIA	TIV	ALL	
Southern Froduction Company, Inc.	Southern Production Company, Inc.	Southern Production Company, Inc.	The Texas Company	The Texas Company	The Texas Company	The Texas Company U.S. P.L.O. #556 8/15/50	Lessee of Record
		}	i,	* * *		1	Overriding Royalty and Percentage
Southern Production Company, Inc. and C. H. Murphy, Ir.	Southern Production Company, Inc. and C. H. Nurphy, Jr.	Southern Production Company, Inc. and C. H. Murphy, Jr.	The Texas Company	The Texas Company	The Texas Company	The Texas Company	Working Interest and Forcentage
<b>.</b>	1) 43.79% )	ų	43.75%	87-1/2%	87-1/2%	e7-1/%	

### EEE LANDS

8		<b>6</b>		act.
SE SE Sec. 23; S/2 SW Sec. 24; W/2 NW Sec. 25; E/2 NE Sec. 26; T 16S, R 11E	N/2 NE; SE NE; NE SE Sec. 13; T 16S, R 11E, Lots 1 and 2 E/2 NW less 3.02 acres out of NE NW Sec. 18, T 16S, R 12E	SW SW Sec. 29; SE NW; SW NE; E/2 NE; SE SE Sec. 30; NE NE; Sec. 31; NW NW Sec. 32, T 16S, R 12E	NE NE and East 25 acres of the NW NE Sec. 7; NW NW Sec. 3; T 16S, R 12E	Description of Land
280.00	317.39	320.00	105.00	No. of Acres
5/18/54	5/12/54	5/19/54	5/16/54	FEE Lease Nc. and Expiration Date
Dora Kotosky, widow	Vermis M. Carey and wife Man Louise Carey	Leon Green and wife Carrie Green	Fhillip Groen and wife Callie Lee Green	Percentage Royalty Payable to Land or Mineral Owners
ALL	TIN	ALL	TI	
The Toxas Company	The Texas Company	The Texes Company	The Texes Company	Lessee of Record
<b>}</b>		<b>!</b>		Overriding Royalty and Percentage
The Texas Company	The Texas Company	The Texas Company	The Texas Company	Working Interest and Percentage
87-1/26	87-1/2	87-1/2%	87-1/2 <b>8</b>	

Tract	Description of Land	No. of Acres	No. and Expiration Date	Percentage Royalty Payable to Land or Mineral Owners	01 <b>.</b>	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage	
- G	W/2 NW Sec. 13; N/2 SE; E/2 NE Sec. 14; SH Sec. 25; S/2 S3; NE SE; SE NE; NH NE; N/2 NH Sec. 26; NE NE	720.00	9/17/54	New Mexico-Osage Cooperative Royalty Company	3/8	The Texas Company		The Texas Company	) 76.56% )
			9/25/54	T. B. Longwell	1/2	The Texas Company	}	The Texas Company	
			1/2/57	Mrs. May Patterson	1/16	Southern Production Company, Inc.		Southern Production (Company, Inc., and C. H. Murphy, Jr.	) ) ) )
			12/28/56	Fred T. Hildt and wife Lena Hildt C. R. Nixon and wife Lydia M. Mixon	d 2/48 1/48	Southern Production Company, Inc.		Southern Production (Company, Inc. and C. H. Hurphy, Jr.	
4	Lots 1 and 2, E/2 NH Sec. 18; T 17S, R 12E; N/2 NE Sec. 10; S/2 NE; N/2 SE; V/2 NH Sec. 11; N/2 MH; SE NH; SH NE Sec. 12; Lots 2 and 3, SH NE Sec. 13, T 17S, R 11E	%9 <u>.40</u>	5/19/54	Glenn O'Bennon and wife Ruby M. O'Bennon	ALL	The Texas Company	•	The Texas Company	87-1/2

69	68	67	66	Ü	Tract
N/2 SE; SW SE; NE SW Sec. 15; T 16S, R 12E	E/2 NE SW NW; W/2 W/2 SE NW; W/2 W/2 NE SW; E/2 SW NE SW; S/2 SE SE; less 3.18 acres in the SE SE Sec. 7; T 16S, R 12E; 3.02 acres out of NE NW Sec. 18, T 16S, R 12E	SE SE Sec. 25; NE NE Sec. 35, T 16S, R 11E	SE SW; SW SE Sec. 7; N/2 NE Sec. 18; T 16S, R 12E	N/2 SW Soc. 26; NE SE Sec. 27, T. 175, R 12E	Description of Land
160.00	49.84	80.00	160.00	120.00	No. of
11/12/56	11/8/56	1/10/60	5/12/54	5/11/54	FEE Leaso No. and Expiration Date
Crayton Ellison and wife Lora Ellison	Harvey C. Talley and wife, Maggie M. Talley	D. J. Yerion and wife Maude B. Yerion	Harvey C. Talley end wife, Maggie N. Talley	Dewey Middleton and wife Dofa Middleton	Porcentage Royalty Payable to Land or Mineral Owners
TIV	4	ALL	ALL	ALL T	1 27 21 1 2 4
Southern Froduction Company, Inc.	Southern Production Company, Inc	Scuthern Production Company, Inc.	The Texas Company	The Texas Company	Lessee of Record
	<u> </u>				Overriding Royalty and Percentage
Southern Production Company, Inc. and C. H. Murphy, Jr.	Southern Froduction Company, Inc., and C. H. Eurphy, Jr.	Southern Production Company, Inc., and C. H. Murphy, Jr.	The Texas Company	The Texas Company	Working Interest and Percentage
87-1/26	87_1/ <i>2</i> %	87-1/2%	87-1/2/	87-1/28	

3	72		**.		71	70	Tract
R/2 SE SW Sec. 36, T 16S, R lls	NE NE Sec. 11, T 16S, R 11E				SW SW Sec. 21; W/2 NW; NW SW; SW SE Sec. 28; E/2 NE Sec. 29; NW NE Sec. 33; T 16S, R 12E	N/2 SW; SE SW; SW SE Sec. 21; T 16S, R 12E	Description of Land
20.00	<b>40.</b> 00				320.00	160.00	No. of Acres
2/5/57		12/28/56	11/26/56	11/26/56	11/7/56	11/7/56	FEE Lease No. and Expiration Date
Albert Ward Estate	Peso YMCA	Fred T. Hildt and wife Lena Hildt C. R. Nixon and wife Lydia M. Nixon	Mrs. May Patterson 1/16	Nev Mexico-Osage Ccoperative Royalty Company	Pearl Green Bass and husband N. C. Bass	Pearl Green Bass end husband N. C. Bass	Percentage Royalty Payable to Land or Mineral Owners
ALL	ALL	2/48 1/48	1/16	3/8	1/2	ŢŢ.	
Southern Production Company, Inc.	Unleased				Southern Production Company Inc.	Southern Production Company, Inc.	Lessee of Record
	<b>!</b>						Overriding Royalty and Percentage
Southern Production Company, Inc., and C. H. Murphy, Jr.	El Paso YMCA				Southern Production Company, Inc., and C. E. Murphy, Jr.	Scuthern Froduction Company, Inc., and C. H. Murphy, Jr.	Working Interest and Percentage
87-1/25	87-1/2		v Bos describer		87-1/2%	87-1/2%	38. de

77		76	75	74-A		No.
S/2 NE; N/2 SE Sec. 21; T 17S, R 11E		W/2 NW SW SE; SE NW SW SE; SW NE SW SE; N/2 SE SW SE; SW SE SE Sec. 2; E/2 W/2 NE NE; S/2 NE NE NE; N/2 SE NE NE Sec. 11, T 178, R 11E	NH SE Sec. 26, T 178, R 12E	NE SN Sec. 10, T 178, R 12E	S/2 NE; SE NW Sec. 10, T 17S, R 12E	Description of Land
160.00		45.00	<b>40.</b> 00	40.00	120.00	No. of
		11/9/56		5/10/54	11/9/56	FEE Lease No. end Expiration Date
R. E. Windham and A. B. Carter ALL	Thomas Douglas Davis 1/8	Mrs. V. D. Davis, surviving wife of W. D. Davis (deceased) William Irwin Davis and wife Wanda Jean Davis; Frances Davis Young and husband N. C. Young 7/8	Dewey Middleton and wife Dora Middleton ALL	Lita Polson, widow of B. R. Polson (deceased)	Lita Polson, widow of B. R. Polson (deceased)	Percentage Reyalty Payable to Land or Hineral Owners
Unleased	Unleased	Southern Production Company, Inc.	Unlessed	The Texas Company	Southern Production Company, Inc.	Lessee of Record
	)   			!	;	Overriding Royalty and Percentage
R. E. Windham and A. B. Carter	Thomas Douglas Devis	Southern Production Company, Inc., and C. H. Murphy, Jr.	Dewey Middleton and wife Dora Middleton	The Texas Company	Southern Preduction Company, Inc., and C. H. Kurphy, Jr.	Working Interest and Percentage
e7-1/2%	10,9375%	76.562 <b>5%</b>	87-1/2%	87-1/2%	87-1/25	

82 💮 88			No.
S/2 SW Sec. 1; SE SE Sec. 2, T 18S, R 12E  Lot 4, Sec. 2; Lots 1 and 2 Sec. 3, T 18S, R 12E	SW SE Sec. 1, T 18S, R 12E	W/2 SW Sec. 12, T 18S, R 11E	Description of Land
120.00	<b>40.00</b>	80.00	No of
11/24/56		,	FEE Lease No. and Expiration Date
for Boy Scouts and Jay Leck Estate  Ray V. Davis and wife Nora Lee Davis	First National Bank of Roswell, Trustee for Boy Scouts, Roswell, New Mex.	El Paso and S. W. RR. Co.	Porcentage Royalty Payable to Land or Minoral Ownors
ALL	ALL	ALL	į
Unleased Southern Production Company, Inc.	Unleased	Unleased	Lessec of Record
	<b>}</b>	<b>;</b>	Overriding Royalty and Percentage
E. N. M. Council for Boy Scouts and Jay Leck Estate 87-1/2% Southern Production Company, Inc., and C. H. Murphy, Jr. 87-1/2%	Firsi National Bank of Roswell, Trustee for Boy Scouts, Roswell, New Mexico 87-1/25	El Paso and S. V. RR. Co. 87-1/2%	Working Interest and Percentage

	Ž	89 44	83	822	Tract
E/2 SE SH NW; E/2 NH SW; NE SH SH Sec. 15, T 18S R 12E, All of H.E. Survey #178, in Sec. 21, T 18S, R 12E	of Mi of Mi. Mi on on Mi.	SK Sec. 15 m 186 p 198	Sec. 22, T 18S, R 12R  NE SE Sec. 10, T 18S,  B 12F	NW; W/2 SE; SE SE Sec. 10; S/2 NH Sec. 14; S/2 NE Sec. 15; S/2 SE; SE SH	Description of Land
à. 	8 8		40.00	560.00	No. of
11/16/56	96/02/21	71	2/4/57		FREE Lease No. and Expiration Date
Roy P. Calkins and wife Wenona Calkins	Samuel D. Zook and wife Helen V. Zook	widower and Virginia Umsted. widow	A. Moss L. L. Unsted,	William Moss and Paul A. Moss and wife. Townse	Percentage Royalty Payable to Land cr Mineral Owners
AGL	ALL		ALL	ALL	
Scuthern Production Company, Inc.	Southern Production Company, Inc.	Company, Inc.	Southern Production	Unleased	Lease of Record
1			<b> </b>	1	Overriding Royalty and Percentage
Southern Production Company, Inc. and C. H. Murphy, Jr. 87-1/2%	Southern Production Company, Inc. and C. H. Murphy, Jr 87-1/2%	Company, Inc. and C. H. Murphy, Jr. 87-1/2%	wife, Tommye A. Moss Southern Production	William Moss and 87-1/2% Paul A. Moss and	Forking Interest and Percentage

### [편 [편 [trj LANDS

86	Tract
3.181 acres, being a strip of land in the SE SE SE Sec. 7, T 16S, R 12E	Description of Land
3.181	No. of Acres
12/28/56	FREE Lease Wo. and Expiration Date
James M. Bonnell ALL and wife Ann Bonnell	Percentage Royalty Payable to Land or Mineral Orners
Scuthern Production Company, Inc.	Lease of Record
*	Overriding Royalty and Percentage
Southern Production Company, Inc., and C. H. Murrier Inc. 87-1/22	Working Interest and Percentage

320.00 3/10/57 Corine Lee; Geraldine Lee Grant Don T. Lee and Vincent M. Lee, of Curtis A. Lee; "The Trust Estate" Ann Bonnell and wife end husband, and wife, Curtis A. Lee, Jr. Trustees of Ë È Sol vern Production Comp. v, Inc. Company, Inc. !

Southern Production Company, Inc. and C. H. Murphy, Jr. 87-1/2%

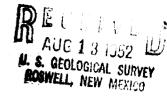
C. H. Murphy, Jr. 87-1/2%

\* 87

S/2 S/2 Sec. 11; S/2 MI; SK NE; NI SE Sec. 25; T 17S, R 11k

Charles Grant

<sup>\*</sup> This lease conflicts with Federal Application on Tract  $\frac{\mu}{h}$  42.



In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the under-signed claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

DESCRIPTION

Truct No. 34

THE PROPERTY AND THE PROPERTY OF THE PROPERTY

SIGNATURE AND ADDRESS

k. D. Bowell, P. O. Box 679, Ft. Vorch, Tema

STATE OF Stark

On this g day of August, 195 , before me personally appeared

A. D. Storall

to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that executed the same as

free act and deed.

Olympic as a way of August, 195 .

Notary Public

Notary Public

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lesse given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined chall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart here-of, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURE AND ADDRESS	DESCRIPTION
Ruth Sigler Lytle, new Ruth Sigler	Spect So. 1
Buth Sigler	Spect So, 29
e/a &. W. Derry Box 1074 Artesia, May Mexico	Lul Biles
	Ruth Siglor

STATE OF New Mexico
COUNTY OF KACY
On this May of Konewhy, 195, before me personally
appeared Ruth Sigler
to me known to be the person described in and who executed and delivered the fore-
going instrument, and acknowledged to me that executed the same as
free act and deed
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this M day of Mor, 195 /.
of the state of th
Notary Public
na santa at Bul santa se

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCRCFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURE AND ADDRESS

DESCRIPTION

Filter J. Acres and wite, Evolyn M. Acres, Sea - 35% Manhetten Frenk, California.

513 Longfellow Avenue, Hermosa Beach, Calif

Trust No. 27
Tract No. 2-A
Tract No. 27-A

Wilbur J. Agree

is uly m. Clerce

COUNTY OF Lee Angelee

On this 27 day of November, 1951, before me personally appeared

Milber J. Acres sad vife, England Advec.

going instrument, and acknowledged to me that they executed the same as therefore act, and deed.

CIVEN UNDER MY HAND AND SEAL OF OFFICE, this 2 day &

^\_ ,195/.

Notary Public

My commission expines

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SIGNATURE AND ADDRESS

DESCRIPTION

Mrs. Virginia Sears

Tract No. 3.
Tract No. 21.

c/o J. W. Herry Box 1074 Artesia, New Moxico

Mrs. Virgifia Boars

Ross Sears

COUNTY OF EDDY

On this 27 than of Muniller, 195/, before me personally appeared

Mrs. Virginia Sears and busband, Rose Sears

to me known to be the persons described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their
free act and deed.

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Notary Public

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	Tract No. 4-A
	Tract No. 10-0
	Tract No. 13-A
	Tract No. 15-A
	Tract No. 17-C
	Tract No. 19-0
	Tract No. 20-C
STATE OF THE )	Tract No. 32
<u> </u>	
COUNTY OF)	
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on onis of day of Tyggem Bev	, 1777, belore me personally appear
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to me known to be the person described in	and who executed and delivered the fore
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GIVEN UNDER MY HAND AND SEAL OF OFF	ICE, this 1st day of November, 195
	$1$ $\wedge$ $\sim$
	A Notary Public Country
	Notary Public
in commission expires:	Intexto Vallas Country.
Maine 7 1953.	

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SIGNATURE

Vertice.

AND

ADDRESS

DESCRIPTION

Trust No. 13-4 Trust No. 13-4 Trust No. 14-A Trust No. 16-A

Treat No. 17-8 Treat No. 18-A Treat No. 20-3

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	finat No. 20-0
STATE OF Years	
COUNTY OF	
On this day of Roy	, 191, before me personally appeared
to me known to be the person deser	loed in and who executed and delivered the fore-
grand languaged to grant acknowledged to grant act and deed.	o me that executed the same as
GIVEN UNDER MY HAND AND SEAD	L OF OFFICE, this man day of,195
May commitssion expires:	Lourent Vamphrey

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SIGNATURE AND ADDRESS

DESCRIPTION

Wilms Berry Comner

Tract No. 5.

e/o J. W. Berry Box 1074 Artesia, New Mexico

Wilma Berry Conner

Clarence Connon

Films Narry Connor and bushand, Clarence Connor	
On this 764 day of Managed 195/, before me personall	y appeared
COUNTY OF	
DIALE OF MEN MEXICO	

to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their
free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 200 day of Manual 195/1

Notary Public

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SIGNATURE	AND	ADDRESS

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Tract No. 6-A Tract No. 6-A Tract No. 211-A

Willie Berry

STATE OF_	Nov Houses	(
COUNTY OF	Maky	)

On this 274 day of Morenday, 195, before me personally appeared

to me known to be the person described in and who executed and delivered the fore-

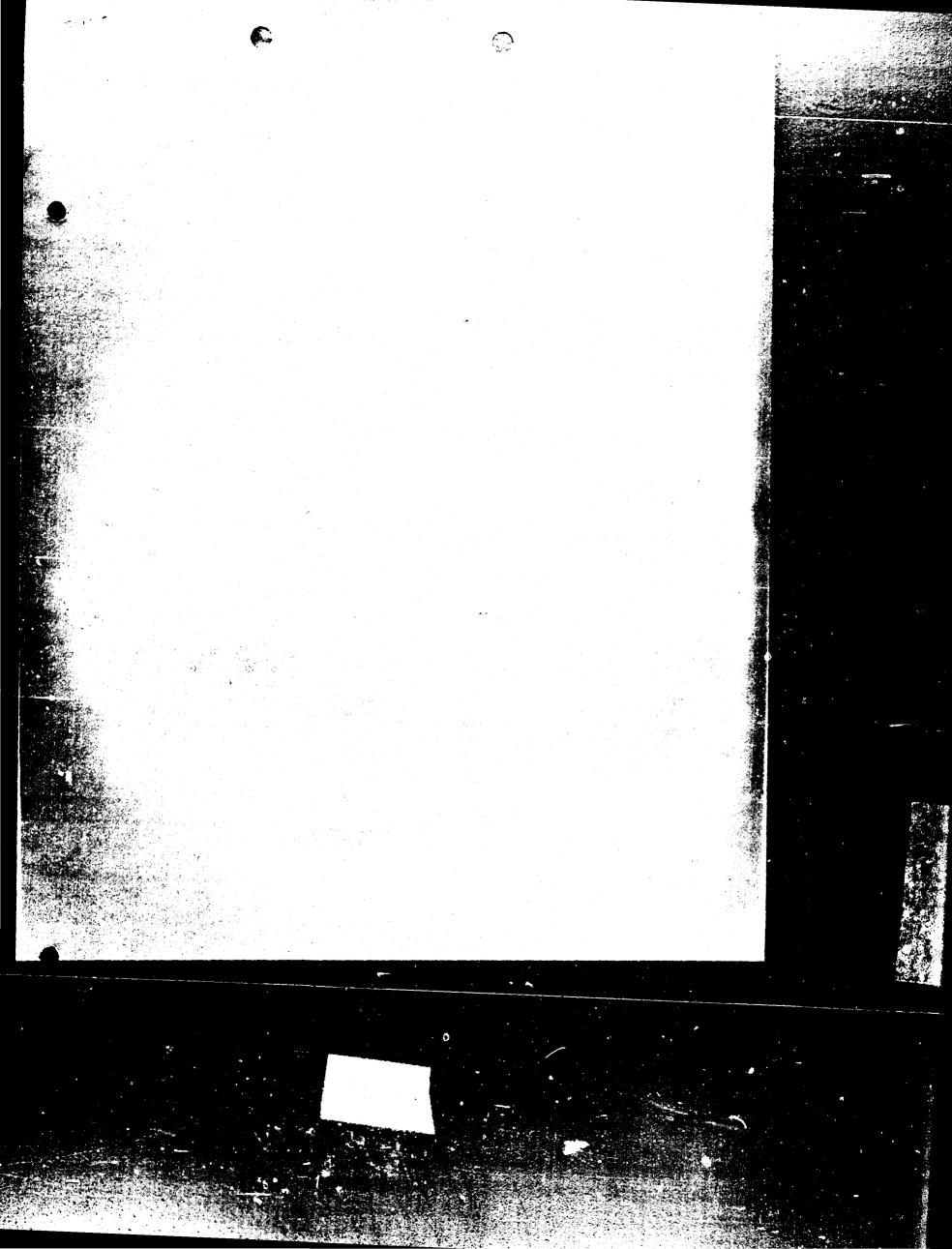
going instrument, and acknowledged to me that executed the same as

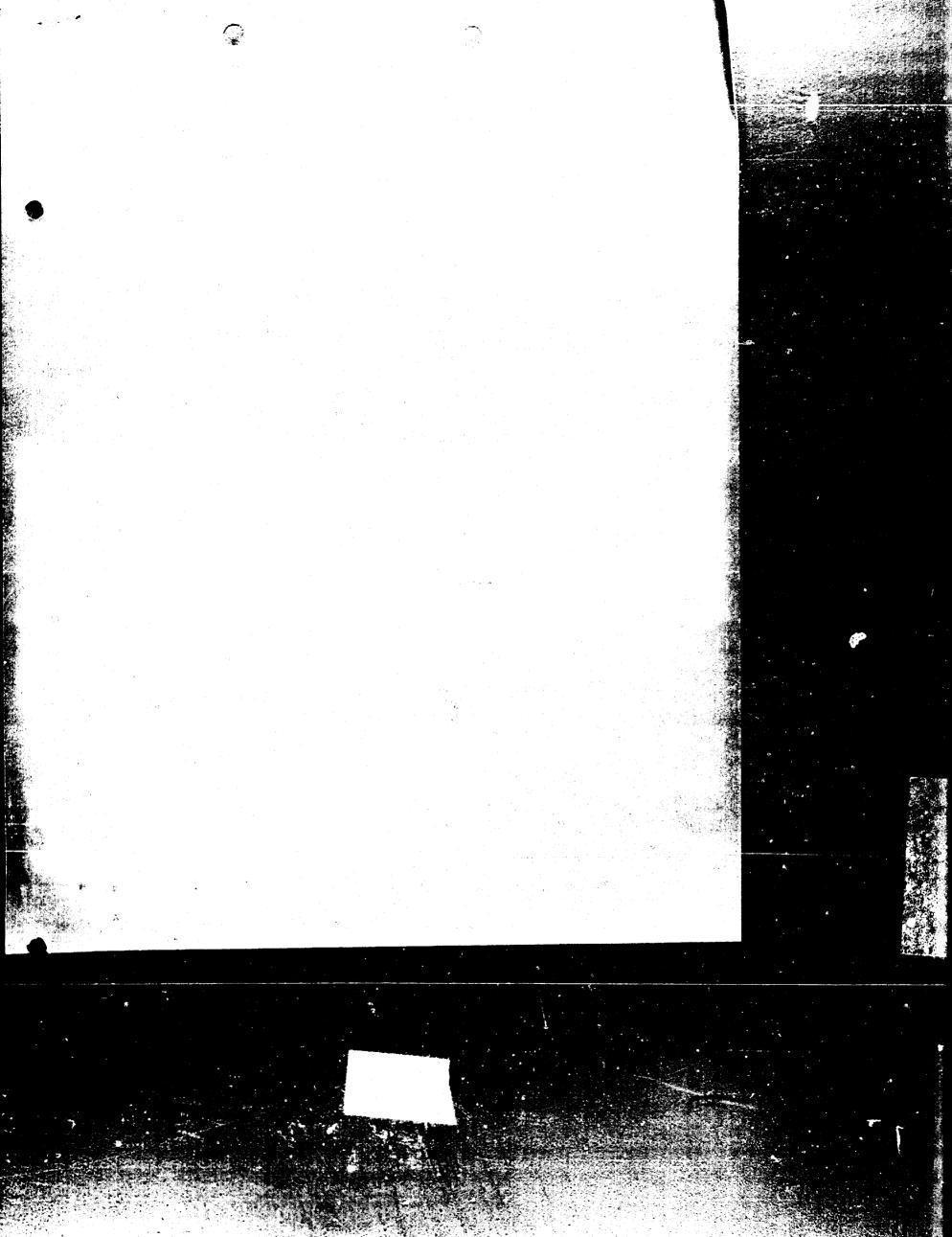
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 2000 day of 2000000 for 195 1.

Notary Public

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DESCRIPTION

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Fo Furnall Formil and wife, Lotta Formil

Lotta Powell 3317 Liberty Heighte Lymna, Baltimore, Harpital,

CITY

CONTY OF Baltimore

On this of Movember, 1951, before me personally appeared

is furnall Povell and wife, Lotta Povell,

to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this Jth day of November, 1951.

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manussion expires,

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SIGNATURE AND ADDRESS

DESCRIPTION

de de impler uni vife, Arse mille Denter. 10750 Maibrock Drive. Lus Angelos, Gulifornia trust & Tract No. 22-A

C. J. Desser

Mrs. Wellle Bester

STATE OF Colifornia

COUNTY OF LOS AMORECAN

On this 27 day of November, 195/, before me personally appeared

4. I. Denter and wife, Ross, salls Denter,

to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that we executed the same as

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CHARL UNDER MY HAND AND SEAL OF OFFICE, this 27day

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Notary Public

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DESCRIPTION

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AND

Strothy Berry Bourtree Strathy Berry Ker	Treat No. 38 Treat No. 30
Snothy Berry Kar 64 depress dr. Fine Bluff, Ock.	Sarathy Berry Rountsee
	Viley Counties
COUNTY OF ERPPRESON	
On this 24 day of North	Neuron, 1952, before me personally
	in and who executed and delivered the fore-
Tree and end deed.  Proper ENDER MY HAND AND SEAL OF	OFFICE, this 24th day of Mountur, 1951.
EN CONSTRUCTION OF THE PROPERTY OF THE PROPERT	Notary Public
when the property of the second	

 Mrs. Erdice Beavers #2 -4/1/52

We are anxious to place all papers in line for final approval in order that we might proceed with our development plans at the earliest date possible, and it would be very greatly appreciated if you would favor us with early action in the premises.

Very truly yours

SOUTHERN PRODUCTION COMPANY, INC.

E. D. Coady

EDC ADS:mb

Lovington, New Mexico

Date: 4-7-52

I do not care to participate in the above unit plan.

Endie Beavera

Unite States Department of Actions of total

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or. E. U. Condy southern Production Community, too. W. f. Warroner Puflatur Fort Worth, Pexes

Dear Siri

Reference is made to your letter of Fourtary 12, 1952 a dress distant of this office.

We have considered your request for a recommendation to the Eureau of Land Management that they issue oil and was leases on the Cloudoroft Experimental Forest and the Alamor rdo minicipal Watershed. Both of these areas have been withdrawn from use by the Secretary of Agriculture. Exploitation of either of these areas for any purpose would be contrary to the withdrawal action.

The lands included within the watershed area supplies the domestic waters for the City of Alamorordo and Holloman Air Forc Pase. This use is considered of the highest priority, therefore, we cannot ant with favor on your request.

Areas included within the withdrawal action under Public Land Order #556 precludes the issuance of any oil or gas leases on those areas.

We regret that we cannot take favorable action on your request.

Very truly yours,

G. E. MOORE Forest Supervisor

By: D. G. STEVENS, Acting



### UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Dand . Survey of free.

1 (d) 1/20/3

a. C. Banson

### Protest bismissed

Reference is made to oil and gas leave application NK 01803 of W. S. Hanson, filed March 13, 1950, and to the applicant's letter of Recipier 31, 1951, protesting the action taken in our decision of Recember 11, 1951, transmitting lease forms for execution and rejecting the application as to certain lands withdrawn by Public Land Order 656 approved by the Secretary of the Interior August 15, 1950.

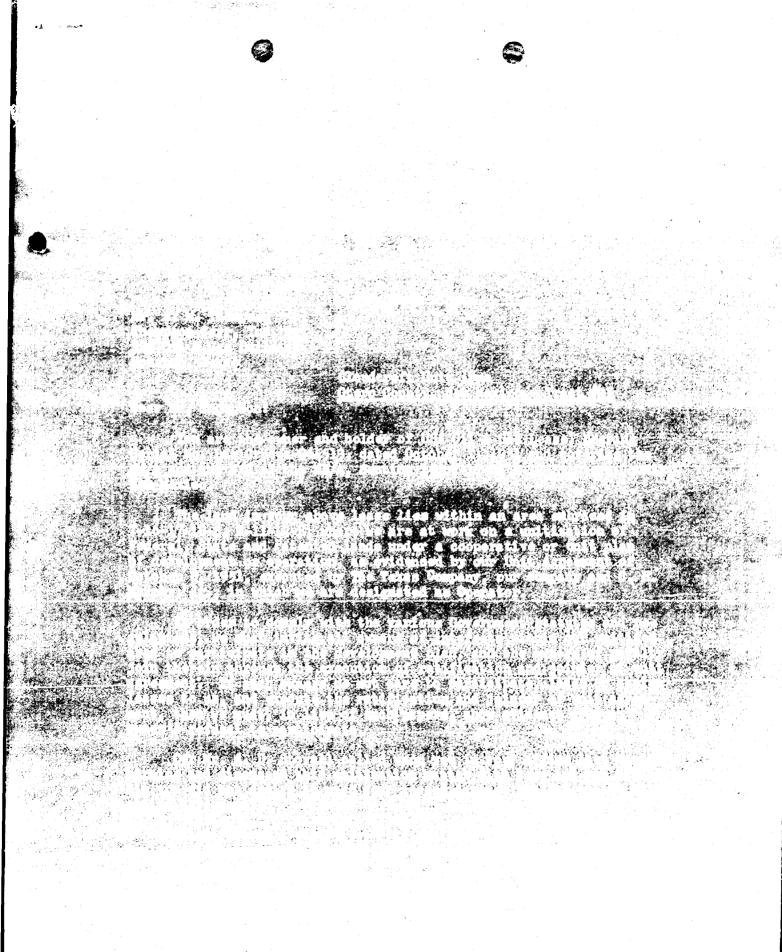
In the letter the applicant states that he wished to protest the withdrawal of the lands in Sections 9, 28, 34, Township 17 South, Range 11 East, covered by his application. No specific error is set out in the letter; however, the applicant does state that the land involved was designated as a logical unit area to be known as the Cloudcroft Unit Area.

As shown in our decision of December 14, 1951, the land withdrawn by Public Land Order 656 was withdrawn from all forms of appropriation under the Public Land Laws, including the mining and mineral leasing laws, and reserved for the use of the Department of the Air Force in connection with a solar observatory. Accordingly, the protest is dismissed. The right of appeal is allowed.

If an appeal is filed, it must be filed 30 days from receipt of notice hereof, and must follow the procedure contained in departmental rules of practice, Rule No. 50, which states:

"Such notice of appeal must be in writing, and set forth in clear, concise language the grounds of the appeal, in the form of specifications of error, which shall be separately stated and numbered; where error is based upon insufficiency of the evidence to justify the decision, in the assignment thereof the particulars wherein it is deemed insufficient must specifically set forth in the notice."





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DESCRIPTION

SIGNATURE

AND

ADDRESS

Teleroge, Hen Mexico	Tract #47
(Vors Clayton)	George Abbott and Mare, Revis Abbott Alamogerde, New Mexico
P. B. Handricks and wife, Frances L. Handricks, Tularosa, New Mexico	(Cerro Abbott)  (Hovis Abbott)
(Frances L. Handricks)	Dale W. Scott and wife, Delone Scott Alexagorde, New Hexical Val A Scott
STATE OF NEW MEXICO )	(Delows Scott)
The state of the s	, 1952, before me personally appeared
Hendricks; his wife; George Abbott	wife; P. B. Hendricks and Frances L. and Revis Abbott; his wife; Dale W. ibed in and who executed and delivered the fore-
going instrument, and acknowledged to	o me that the executed the same as
free act and deed.	C OF OFFICE, this 2 1/2 day of 4 2 ,1952.

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SIGNATURE AND ADDRESS

DESCRIPTION

Don O. Bonnell and wife, Bossie B. Bonnell, La Lus, New Maxico

inilation expires:

Frank No. 49

Dono Bounds Bessie B. Bounell

STATE OF House	}			
COUNTY OF _Ctore				
On this	7th day of Jovenbe	, 195/,	before me personally	y appeared
Den Cy-Beamell-and	- wife, Beenle 3, Sen	nell,		
to me known to be	the person_ describ	oed in and who exec	uted and delivered	the fore-
going instrument,	and acknowledged to	me that	cuted the same as	ols-
of the det and deed	•			
OTA ID CEVEN UN	DER MY HAND AND SEAL	OF OFFICE, this//c	day of Movemb	(1,195).
OBLIVE		1444	Al Dunche	A
O county			Cary Public	ell

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SIGNATURE AND ADDRESS

DESCRIPTION

Frank Schnell and wife, Lula Nee Bonnell, Cloudsroft, New Mexico

Fract No. 50

Frank Bonnell Lila Mac Bonnell

James m Bonnell Ann Bonne CC Clouderaft, U.M.

COUNTY OF Others

On this distribution, 1951, before me personally appeared

to me known to be the person a described in and who executed and delivered the foregoing instrument, and acknowledged to me that the executed the same as their

free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this Had day of Morrows

Motory Public Cream Country

My commission expires:

A LINCO -- SVOX

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all lesses and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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### SIGNATURE AND ADDRESS

DESCRIPTION

Maria Maria Para

James M. Bonnell and wife, Ann Bonnell, Cloudoroft, New Mexico.

Tract No. 86 Truck No. 30

STATE OF New Mexico

COUNTY OF Otero

On this 5 day of , 1952, before me personally

appeared James M . Bonnell and wife, Ann Bonnell.

to me known to be the persons described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this

My commission expires:

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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OT AND MINDS	( 1177)	4 17 17 17 17 17 17
SIGNATURE	AND	ADDRESS

DESCRIPTION

William P. Calking Retate ni Calkdan (a c idlian Colking, wife of Weyland Colking 1. F. D. Fl. Tencolis, Oregon

BEST AVAILABLE COPY

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STATE OF CRESCES	
COUNTY OF Lange	
On this day of	before me personally
appeared Wayland Colkins and a	dfo, Lillen Gelkine
	scribed in and who executed and delivered the fore-
going instrument, and acknowledge	ed to me that executed the same as
free act and deed.	10.
GIVEN UNDER MY HAND AND	SEAL OF OFFICE, this 1 th day of the combon, 195
din.	Hora J. Holt Postmaster

My commission expires:



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Roy Postinian Ruth Calkins Fuller Wenova Calkins Muth Calkins Fuller Carrie In Ealkins.  STATE OF  On this M. day of	Address SIGNATURE AND ADDRESS	DESCRIPTION
Roy P Calkins  Wenova Calkins  Carrie In Calkins  STATE OF  On this 7. day of  o me known to be the person described in and who executed and delivered the formal instrument, and acknowledged to me that  executed the same as  Wellatt and deed.  A. T. GIVEN UNDER MY HAND AND SEAL OF OFFICE, this land day of  Many Wellatte.	1 Grant & M. Ve. Miles, postávina 200 A. Gelletro Mario (176), pove	රදිසිනුකු ලෙස වියාන්දී පතිද <b>51</b> ආ යාම්යම්පති
Roy P Calkins  Wenova Calkins  Carrie In Calkins  STATE OF  On this 7. day of  o me known to be the person described in and who executed and delivered the formal instrument, and acknowledged to me that  executed the same as  Wellatt and deed.  A. T. GIVEN UNDER MY HAND AND SEAL OF OFFICE, this land day of  Many Wellatte.	Talk Suleing fighter from ther)	
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On this day of 195, before me personally one known to be the person described in and who executed and delivered the form instrument, and acknowledged to me that executed the same as	Carrie In Calkins	John R Feeler
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o me known to be the person described in and who executed and delivered the form instrument, and acknowledged to me that executed the same as	Ord P	weake water 1.66 to 1.
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		F OFFICE, this 16th day of, 1

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SIGNATURE AND ADDRESS

DESCRIPTION

Boy P. Caulkins and wife, Wenone Caulkins, (also called "Callains")
Weed, New Nexico

Roy Platkins Wenona Cackins Tract Bo. 51

COUNTY OF thro

On this of day of <u>Troversher</u>, 195/, before me personally appeared <u>Roys</u> P. <u>Cucking and water Westoria Cultings</u> to me known to be the person 5 described in and who executed and delivered the foregoing instrument, and acknowledged to me that <u>Thus</u> executed the same as <u>Thus</u> will wet and deed.

Souven under my hand and seal of Office, this last day of Movember, 1951,

Many Illinabester

r distinguion expires:

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SIGNATU	RE	AND	ADDRESS	

Hrs. V. D. Davis, widov, William I. Davis and wife, Vands Jean Davis, Frances Toung and husband, V. G. Young, Bex \$15, Alamogordo, New Mentice

Mrs. W. D. Davie

Wanda Jean Davis
Wanda Jean Davis
Prances Davis young

DESCRIPTION

Tract No. 53 Tract No. 76

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STATE OF	New Mexico	<u>, , , , , , , , , , , , , , , , , , , </u>	
	Ctere	}	

Hrs. W. D. Dattis, addity William I. Boxis and addity Vandabasson more race biliappeared language and implement, we con true.

to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that executed the same as

GIVEN TUDER MY HAND AND SEAL OF OFFICE, this The day of Mosenter, 195/.

May Illing he le

(over

Proceibly in your exchange of correspondence with your mother in Alamo-gardo, New Mexico you have been advised that we were unitieing as area for development under oil and gas leases held by this Company, The Texas Company and C. H. Murphy, Jr., and that your mother, brother and sister had executed certain papers in connection theresists. We enclose herewith photostatic copy of the ratification and joindar of unit agreement and photostatic copy of oil and gas lesse showing execution thereof by your mother, brother and mister. We also enclose herewith original oil and gas lease drawn for your extion covering the lands described in your mother's lease, plus the 38 acres, tract (49, which is The Texas Company lease that you did not a with your other felks in 1944 for the reason that you were then a min Also, we enclose herewith, drawn for your retification and joiner of unit agreement tracts. Also enclosed is our Company signature payable to you in the second of the undivided 1/8th interest in the Lands dep

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be doemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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SIGNATURE AND ADDRESS

DESCRIPTION

Homer Baris and wife, Isabel Davis, Cleaderoft, New Maxies

Tract I a.55

Homer Davis. Isabel Davis

STATE OF_	New Norther
COUNTY OF	(single-

On this /6/1 day of 7/50000000, 195/, before me personally appeared

Homer Davis and wife, Inches Borie.

to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_\_\_ free act and deed.

GOIVEN UNDER MY HAND AND SEAL OF OFFICE, this 16th day of Mountary, 1951.

diston expires:

OTAR 1.

Wary Stone heater

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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	SIGNATURE AND ADDRESS	DESCRIPTION
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mulbre	Frank .	
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		Thomas Lillan
	BEST AVAILABLE COPY	marian Luss
STATE OF	Levilland Con }	
COUNTY OF	El Maria de Companyo de Compan	
0	n this 80 day of 116 con	, 1951, before me personally app
14000	and & Jours	al and million like

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 20 day of 200

Farux

Notary Public

free act and deed.

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SIGNATURE AND ADDRESS

DESCRIPTION

Loon from and wife, farrie from, Glauderoft, New Mexico

Truct No. 60

Leon Green Carrie Green

STATE OF Kenter
COUNTY OF
On this the day of March, 1952, before me personally appeared
Leen Appen and allo, Sarrie Appen,
to me known to be the person described in and who executed and delivered the fore-
going instrument, and acknowledged to me that executed the same as
free act and deed.
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this The day of Musel, 1952.

My commission expires.

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SIGNATURE AND ADDRESS

Pearl Green Bass, and history, N. E. Basa Tract 80. 54 74-67-68-69
1412 Hichigan Ave. Clouderaft Min. Pract 10. 67 mills Alemogordo, New Mexico

DESCRIPTION Place No. 38 Tract Ho. 67 well) Dract No. 80

Tract No. 58 Tract No. 58-A Tract No. 70 Tract No. 71

Gearl Green Bass or & Bass

STATE OF_	New Nexico	
COUNTY OF	Otero	;

On this May of Morenber, 1951, before me personally appeared Pearl Green Bass, and Kushand, H. C. Bose to me known to be the person s described in and who executed and delivered the foregoing instrument, and acknowledged to me that the executed the same as free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this May of Mounday, 1951.

Many Multiple My Fublic Notary Public Notary P

fion expires:

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SIGNATURE AND ADDRESS	DESCRIPTION	
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Money tatterson	Tract #58_A " #63	
President	" #71	
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AUG COO Secretary.		
Rizonponii. Spreet,		
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STATE OF		
COUNTY OF		
*		
On this day of	, 195_, before me pe	rsonally
appeared		
to me known to be the person described in and	who executed and delivere	d the fore-
going instrument, and acknowledged to me that _	executed the same a	8
free act and deed.		/
GIVEN UNDER MY HAND AND SEAL OF OFFICE	E. this day of	. 195
		······································
	Notary Public	

continued-over- for acknowledgment.

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Mrs. Doy rectication, than of the b.	\$200 <b>0</b>	#58 #71
intrerson, decembed, 1014 No. 97th Street.,	74	#/1
Oklooma City la, withho w.		

SIGNATURE AND ADDRESS

Mrs. may l'atterson

DESCRIPTION

Notary Public

LEST AVAILABLE COPY , 195 , before me personally Barbaran, Lidow of G. F. & Cherry, decembed. to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that she executed the same as free act and deed. GIVEN UNDER MY HAND AND SEAL OF OFFICE, this /c

My commission expires:

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

DESCRIPTION

Trat No. 58-A

SIGNATURE

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AND ADDRESS

one wire, Lydis M Nixon.

THING VELORUMS	Tract No. 63
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	(0, 3, 34x)n)
ender.	Auton)
	REST HAMITABLE COBA
STATE OF Oklahoma	) 
COUNTY OF Tulker	
On this 24 Hday of	Anylog, 1952, before me personally appeared
	described in and who executed and delivered the fore-
going instrument, and acknowle	edged to me that executed the same as
free act and deed.	
GIVEN UNDER MY HAND A	ND SEAL OF OFFICE, this 24 thay of January, 1952.
The county of the state of the	Notary Public
E 10 7 2 19 2 5	
4 12 THE POST OF STREET	

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under price agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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SIGNATURE AND ADDRESS	DESCRIPTION	
Fred T. Hildt, and wife <u>Erra</u> Hildt Building, Tulsa, Oklahoma.  Rambson	Tract No. Tract No. Tract No.	58-A 71 63
This.		
Fred T. Hildt)		
		ere en
STATE OF OKLAHOMA  COUNTY OF TULSA		
on this 28th day of Vanvary, 19	<del></del>	onally appeared
Fred T. Hildt and wife,	ema Hilat	

going instrument, and acknowledged to me that they executed the same as their

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 28th day of January, 1952.

Notary Public

free act and deed.

Hannahan Karaman Karam

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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SIGNATURE	AND	<b>ADDRESS</b>

DESCRIPTION

Phillip Green and wife, Callie Lee Green, Clouderoft, New Mexico

Philip	Green
Thilip Callid Fie	Shew

STATE OF New Mexico	)		
COUNTY OF Obere	}		
On this day of	Rosember, 195	/, before me personall	y appeared

Phillip Green and wife, Gallie Lee Green, to me known to be the person a described in and who executed and delivered the foregoing instrument, and acknowledged to me that the executed the same as thete

gree work, and deed.

CIVEN UNDER MY HAND AND SEAL OF OFFICE, this stop day of Moreula, 195/.

Mary Stop Line he ster

expires:

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SIGNATURE	AND	ADDRESS

DESCRIPTION

Vermus M. Carey and vife, Many Louise Carey, o/o MGA, El Paso, Texas.

Tract Ho. 61

Fran Louise Carry

STATE OF_	7ame	$\langle$
COUNTY OF	El Page	<b>/</b>

On this 27 day of Rovember, 195/, before me personally appeared Yorms K. Carey and vife, Kary Louise Carey.

to me known to be the person & described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their

ree act and deed.

VEN UNDER MY HAND AND SEAL OF OFFICE, this Ath day of November, 195/.

Notary Public

eton expires:

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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SIGNATURE AND ADDRESS

DESCRIPTION

Ders Kotosky, a videv, 202 S. M. Pase St., M. Pase, Tessa Trust He. 62

Dora totocky

STATE OF)	
COUNTY OF	
On this At day of November Kolocky, a whov,	where, 195 /, before me personally appeared
<del></del>	ibed in and who executed and delivered the fore- o me that executed the same as
free act and deed.	L OF OFFICE, this/off day of Horenty/,195/.
	Halle Moore
My zonidestos expires:	

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#### SIGNATURE AND ADDRESS

DESCRIPTION

Mrs. May Patterson, widew of G. F. Patterson, deceased 1614 Nº 97th Street Oklahous City 14, Oklahous

My cummission expires:

"rect #63

Mas May Patterson (Hrs. May Patterson)

A CONTRACTOR OF THE PARTY OF TH	
day of James	, 195g, before me personally
State Patter on Middle of Co.	Patterson, deseased.
to as known to be the person described in	and who executed and delivered the fore-
going instrument, and acknowledged to me t	hat ahe executed the same as
free act and deed.	,
TIES SOU BING GOOGLE	and and
GIVEN UNDER MY HAND AND SEAL OF O	FFICE, this 2 day of James , 1952.
	The forter
	Notary Public
$\sim M_{\odot}$	

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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		177	

SIGNATURE AND ADDRESS

DESCRIPTION

Tract No. 63

Mamic Languell

COUNTY OF	
On this 19 day of	, 195_, before me personally appeared
•	described in and who executed and delivered the fore-
going instrument, and acknowle	
going instrument, and acknowle	edged to me that executed the same as K
going instrument, and acknowle	edged to me that executed the same as K

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Them & Bennon and wife, Lity & Bennon, arteria, n. m.

DESCRIPTION

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Slenn assannon Nuky ABonnon

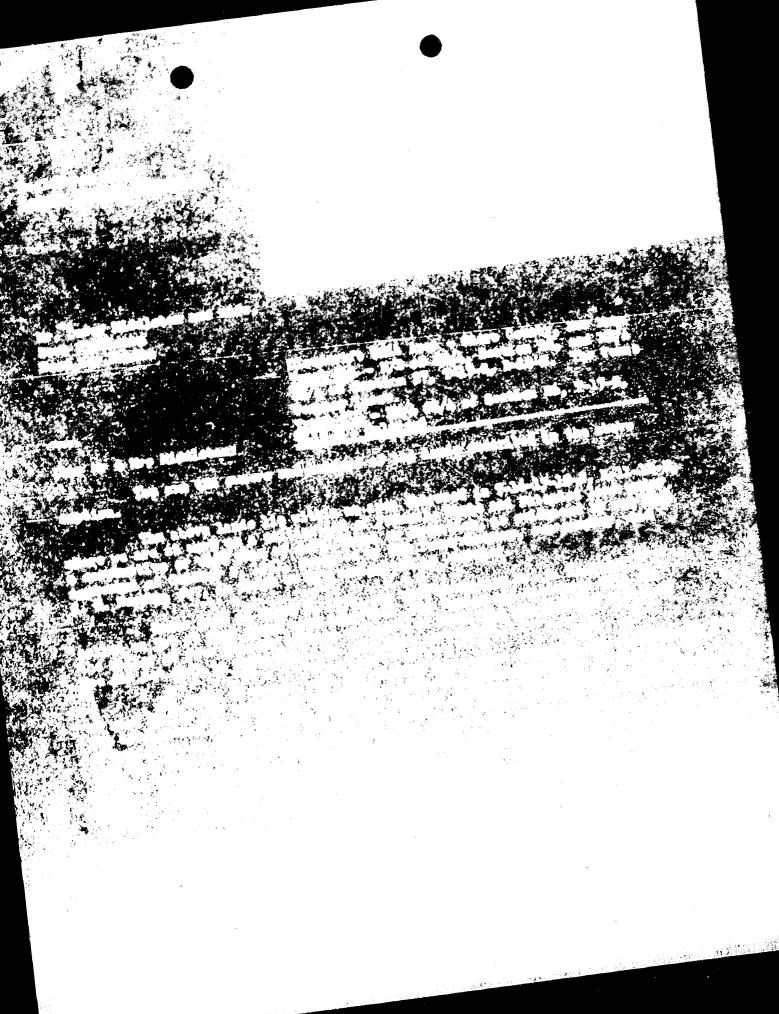
COUNTY OF TRUE (STATE OF TRUE )

On this 23 day of Merculen, 1951, before me personally appeared Line & Bannon and wife Ruly & Bannon to me known to be the persons described in and who executed and delivered the foregoing instrument, and acknowledged to me that They executed the same as Their

THE UNDER MY HAND AND SEAL OF OFFICE, this 23 day of Mercular, 1951.

PUBLIC COUNTY COUNTY STATES :

Notary Public



 In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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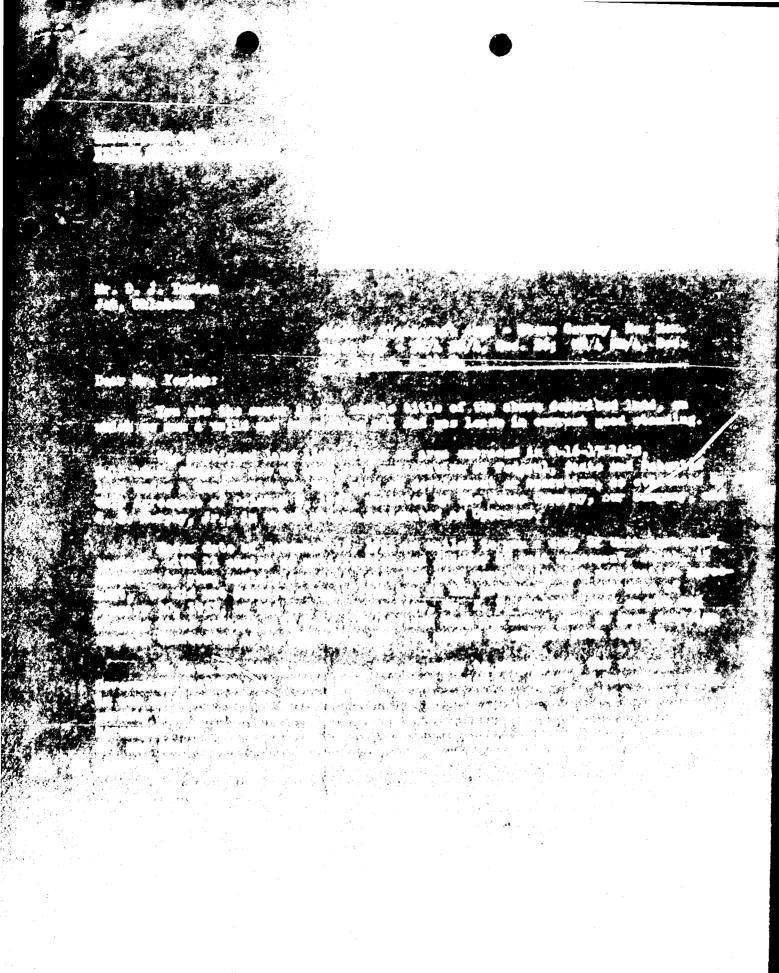
Harvey & Tally Maggie M Tally STATE OF NOW COUNTY OF COUNTY

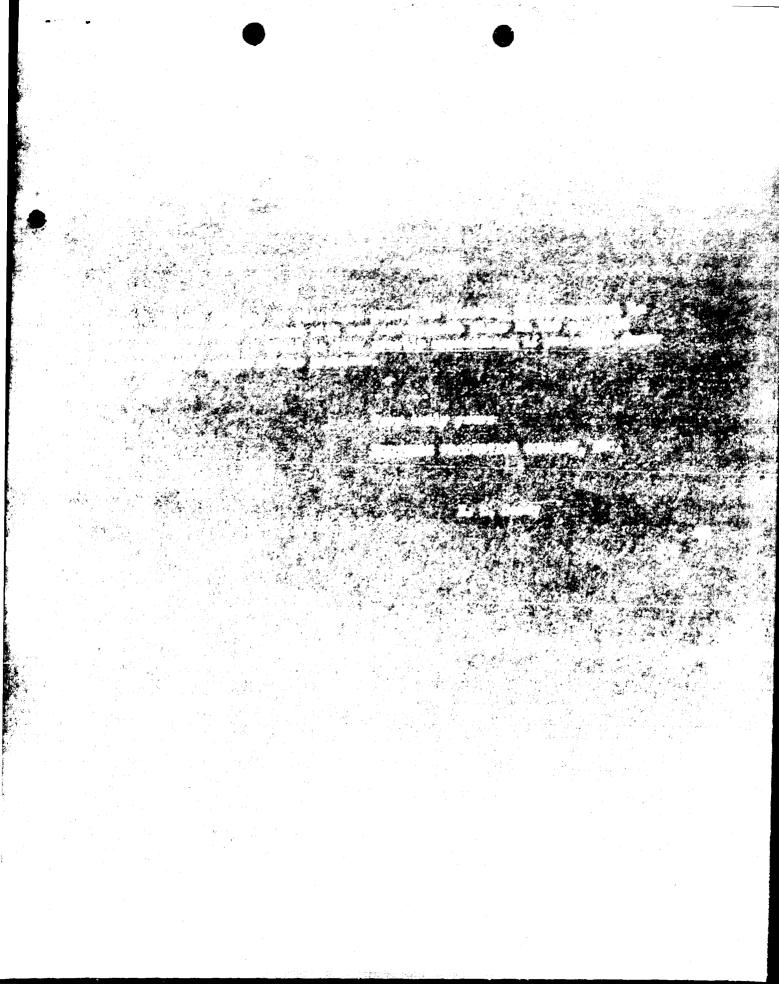
On this to day of Wovember, 195/, before me personally appeared Harry to Yaller and wife, Haggle No Yaller,

to me known to be the person described in and who executed and delivered the forede Instrument, and acknowledged to me that the executed the same as

COUNTY WOODER MY HAND AND SEAL OF OFFICE, this 8th day of November, 195/.

Notary Public My commission expires:





In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or lesses, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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SIGNATURE AND ADDRESS

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Lario Ellison

Lora Ellison

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Why Ellison

DESCRIPTION

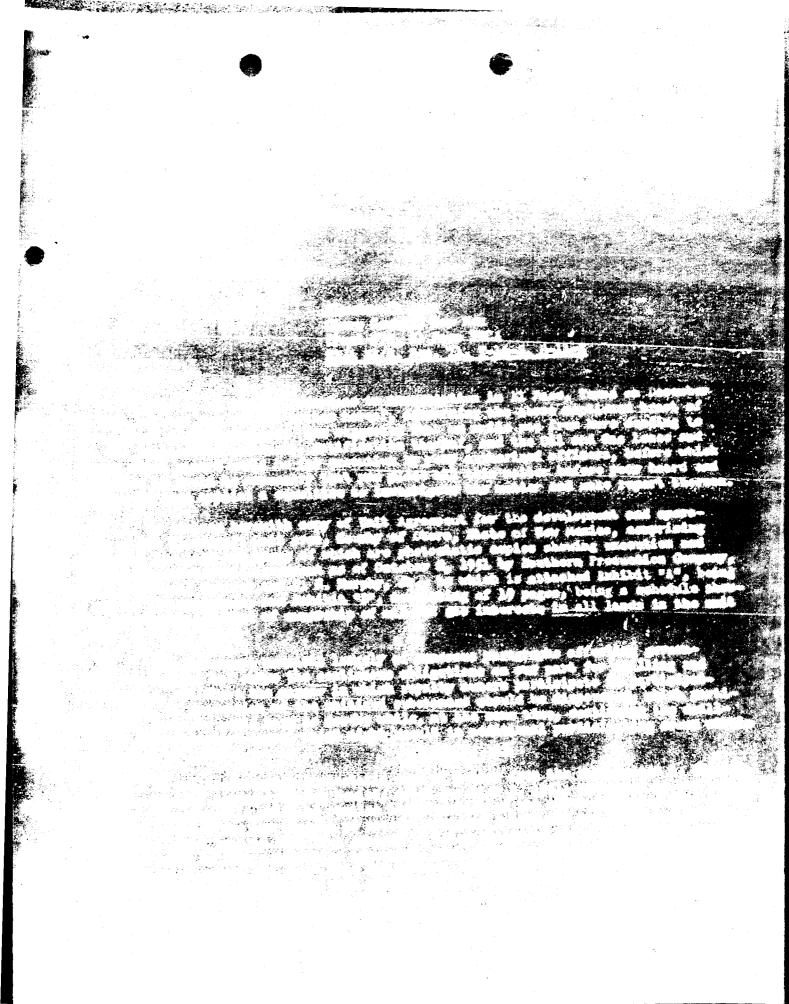
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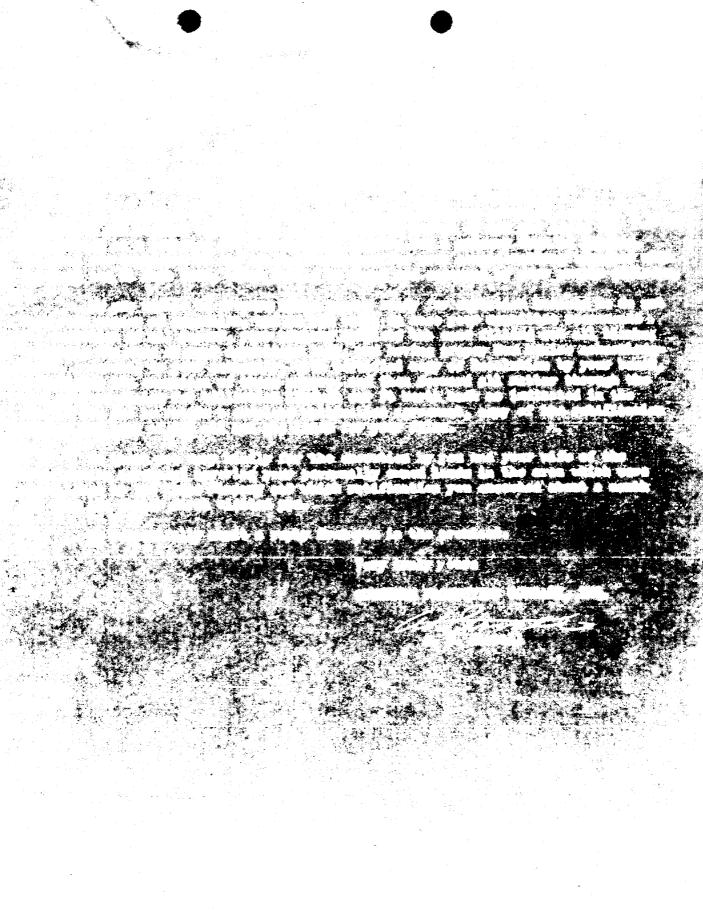
COUNTY OF ATTES

on this many day of the person secribed in and who executed and delivered the foregoing instrument, and acknowledged to me that the executed the same as the transfer and deed.

Mary Public heater

ly population expires:





In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCRCFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agresment to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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SIGNATURE	AND	ADDRESS

DESCRIPTION

Albert Ward Retate, Virginia c/o Much Orabires, deres, we work

Front No. 73

of Craffice

COUNTY OF

On this 5 day of February, 1952, before me personally appeared

to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that Me executed the same as free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 5 day of 7

Catherine & Notary Public

commission expires:

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests. agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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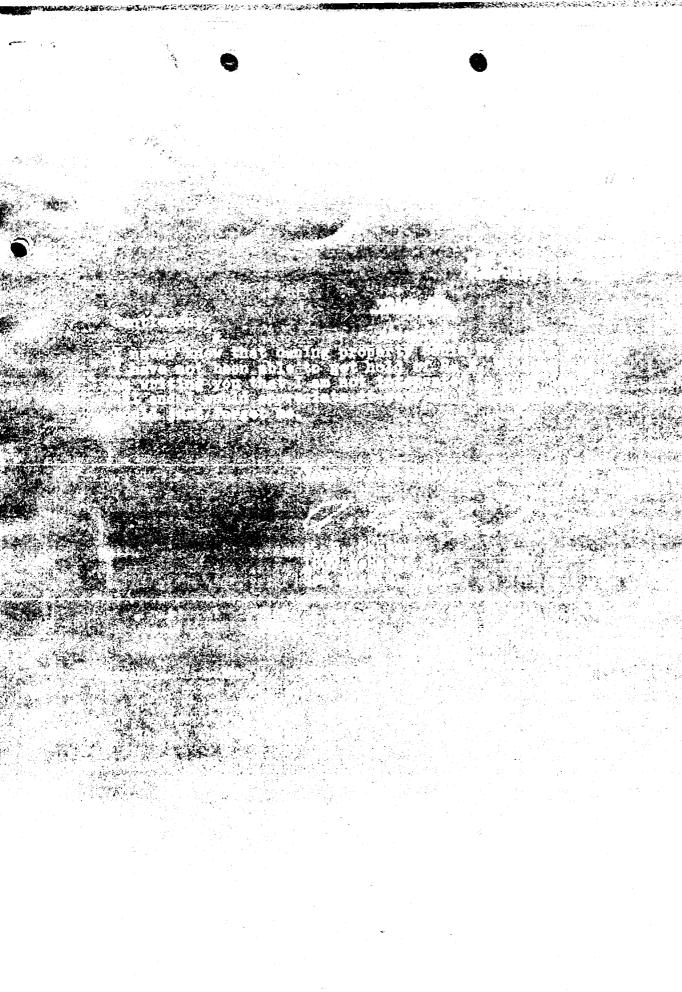
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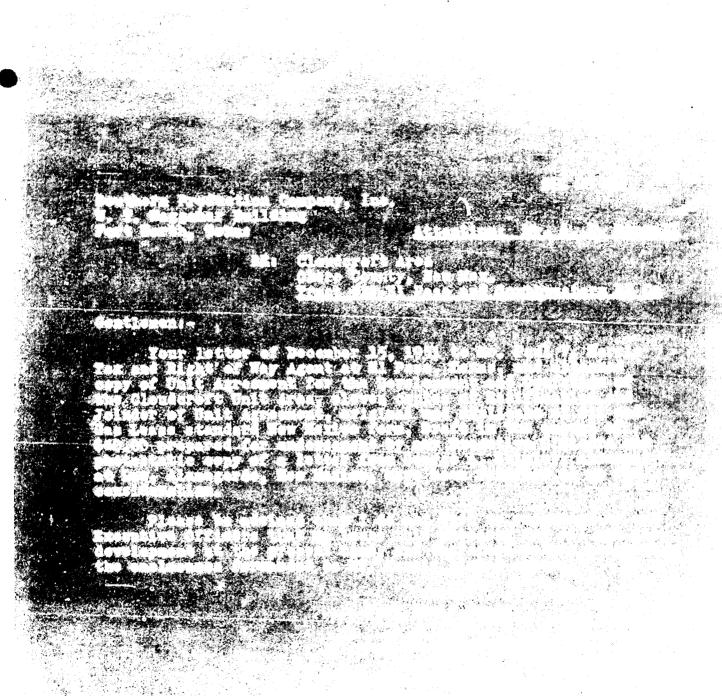
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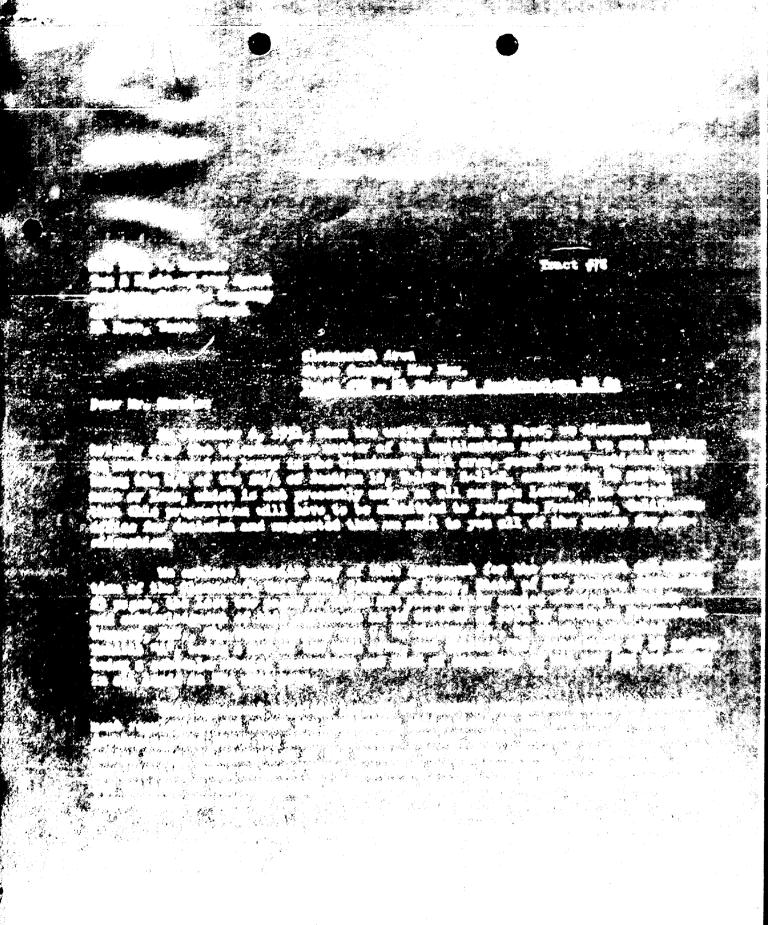
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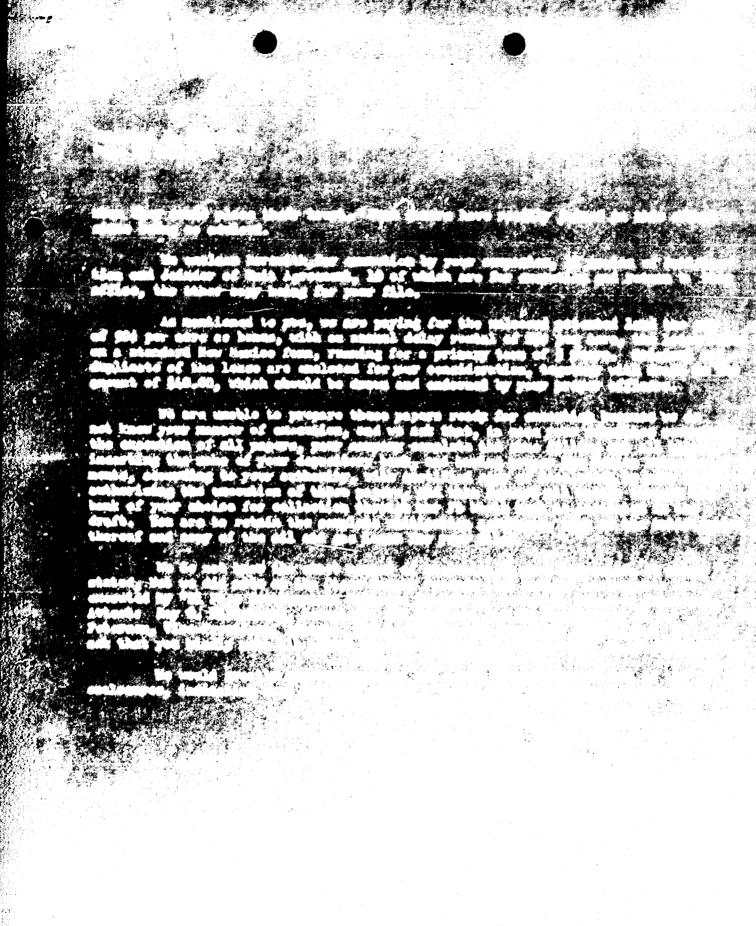
Lita Polson

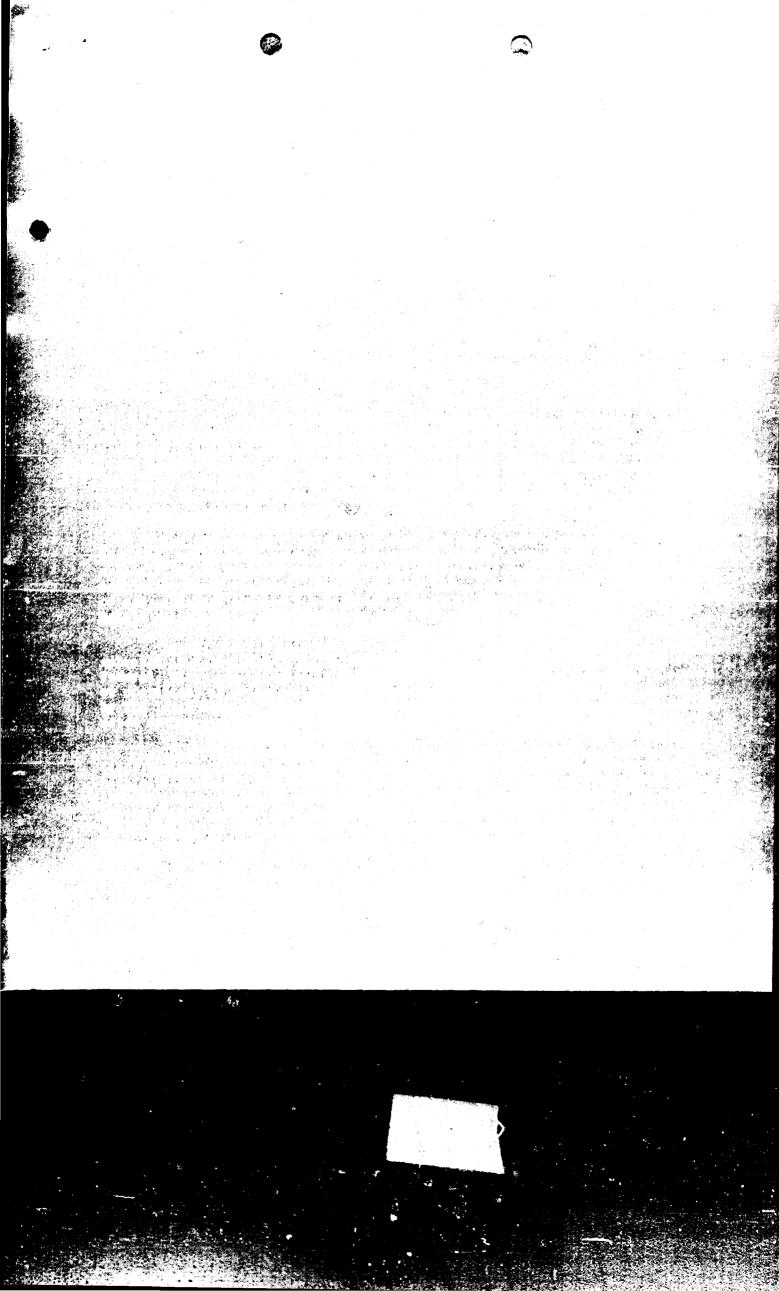
*				
STATE OF New Hearts	)			
COUNTY OF	}			
On this	He day of Novemb	es/, 195/,	before me person	ally appeared
Lita Polson, vidov	er i ja	والمراجع والمراجع والمسافية المسافية والمراجع والمراجع والمراجع والمراجع والمراجع والمراجع والمراجع والمراجع		
to me known to be	the persondescribe	ed in and who exec	uted and deliver	ed the fore-
going instrument,	and acknowledged to m	ne that exe	cuted the same a	s <u>her</u>
Sall services " Colored and the services of th	PER MY HAND AND SEAL O	of Office, this	d day of Nove	uler, 195/.
ON BURNES			ysll.	chede
w. contigion expi	res:	No	tarly Public	

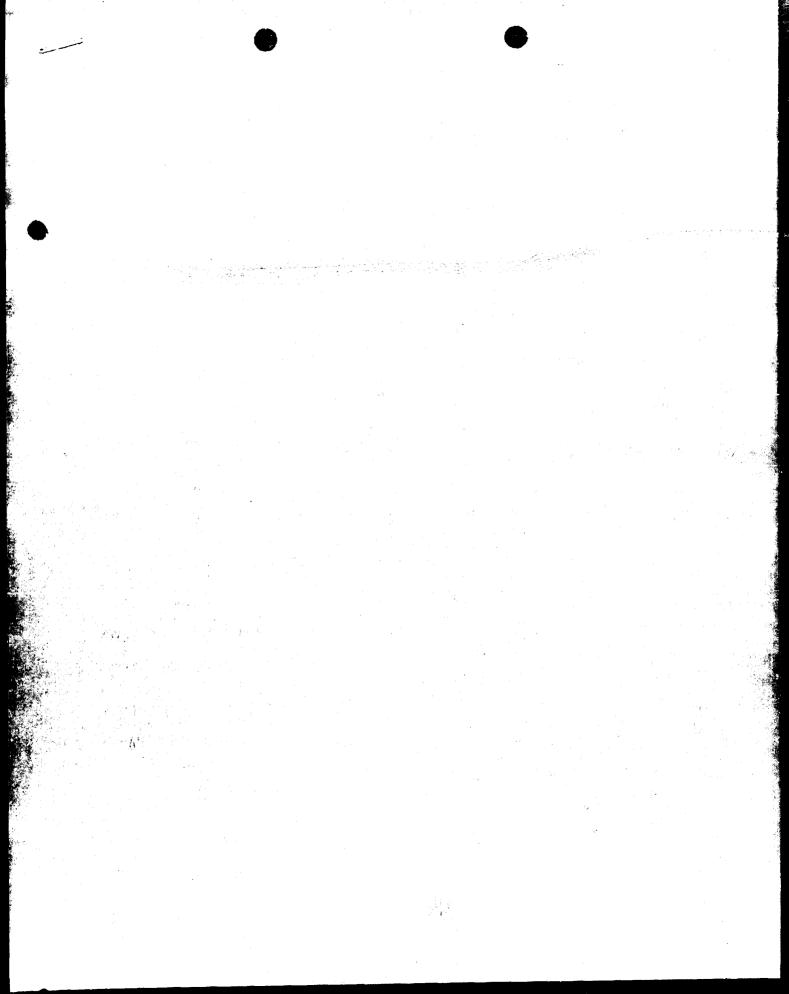












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SIGNATURE	AND	ADDRESS
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DESCRIPTION

Fr at No.

R**dy 7.** Davis and wife, North Les Davis, 116 Ganal Di., Garlabad, Rew M**axico** 

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Hora Lees D'Avis

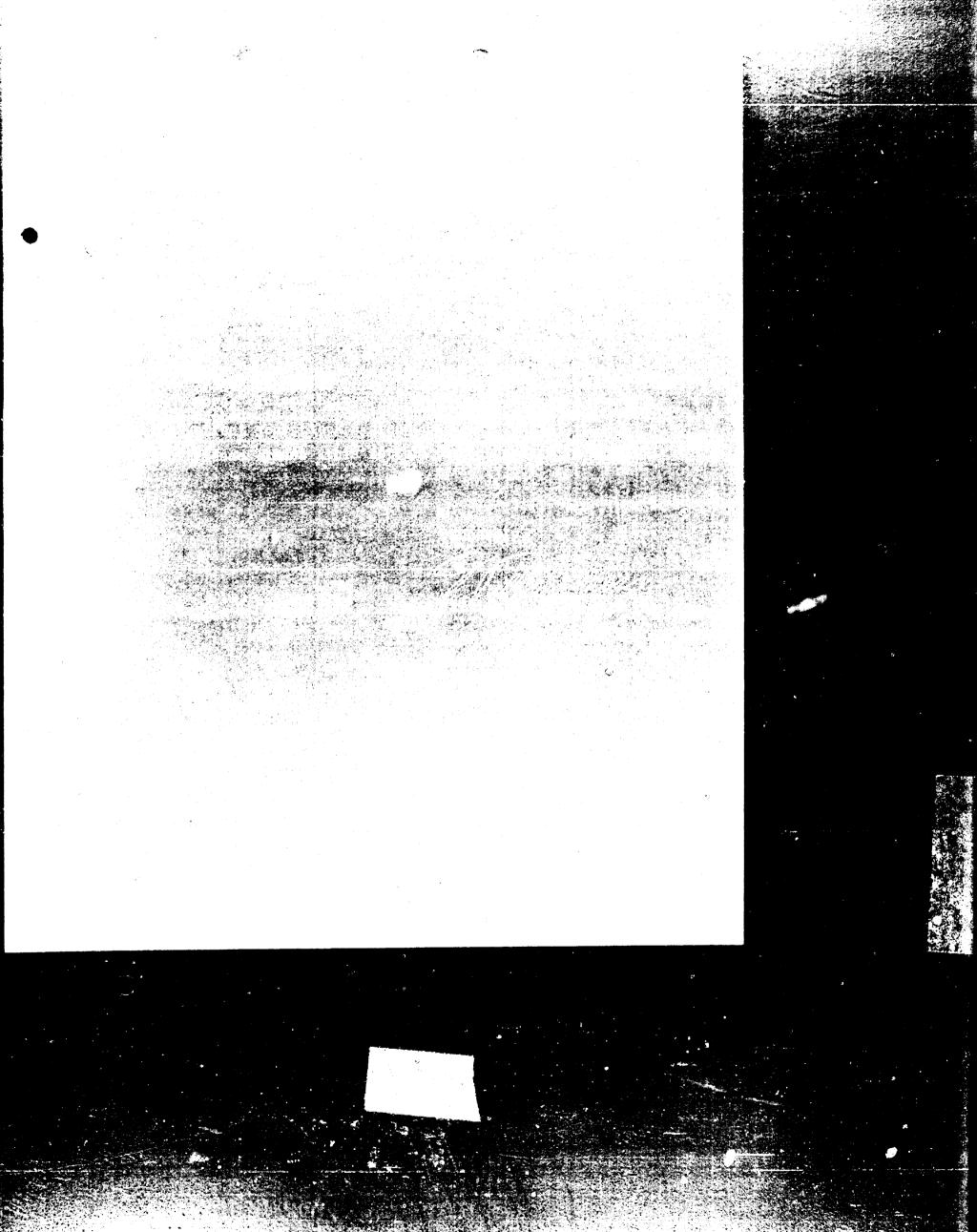
STATE QF_	Few Mexico
COUNTY OF	Eddy

On this 24 day of November, 195/, before me personally appeared for Y. Mayis and wife, Born Lee Mayis,
to me known to be the person described in and who executed and delivered the foregoing instrument, and acknowledged to me that they executed the same as their free act and deed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 24 day of Movemen, 195/.

Notary Public

My sommission expires:





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County of Stephens	(Acknowledgment for Individual)	Transport of the second of the
On this day of Tel	19.4	before me eghedalit appeared
Vergenia limite	2, hwolow	33.
to me known to be the person described in and who executed the	foregoing instrument, and acknowledged that	2
Witness my hand and official seal the day and year last above		00
My commission expires 5-24-54	Postoffice	Notary Public

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proposed to the company of the compa	
IN TESTIMONY WHEREOF, we sign the day and year first above written.	
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(SEAL)	(Seal
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SIGNATURE AND ADDRESS

P.U. Boy 142, Ally, Oklahoma

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> BEST ANOTHER COOPY STATE OF Oklahom

On this fold day of Tobusy, 1952, before me personally appeared i. I. Wasted and sire, Virginia Wasted Crassian

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GIVEN UNDER MY HAND AND SEAL OF OFFICE, this to day of Jebruary, 1952

No bary Public

Wy dramada on Jexpires,

. O. W. V.

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SIGNATURE AND ADDRESS	DESCRIPTION
Sakrand D. Helen V. Zook.	Trad <b>Ho</b> ; 84
Helen V. Book  Nolem V. Book  1245 1/2 Se. Berrane Les Angeles 6, California (Temperary)  address	

P. O. B ox 409. Abilene, Kensas --- Permanent Address

STATE OF Kanana
COUNTY OF Dickinson
On this bet day of J. Inches, 1952, before me personally appeared
Secured to Sock save affective xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
to me known to be the person described in and who executed and delivered the fore- going instrument, and acknowledged to me that the executed the sage as the list free act and deed.
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this Let day of 1952.  Notary Public  Notary Public  Notary Public

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SIGNATURE AND ADDRESS	DESCRIPTION
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Lon 7. Lee) (Yincent %, Lee) (rustees of True Trust   state" of Cartis	1. 260,
1701 To Luz Place, and 1206 chin Ave., co	espectively,
Artisto Legisto ( - artic Lee)	
Cut dies cries.	
Mondaine Let fo at) Charles Gent	
alete, Texas.	
STATE OF New Mexico.	
COUNTY OF Uters	
	_, 195_2 before me personally appeared
Curtis A. Lee be no Vincent Lee Grost to me known to be the person a described in an	nd who executed and delivered the fore-
going instrument, and acknowledged to me that	
free act and deed, and in the capacity to	herein stated.
GIVEN UNDER MY HAND AND SEAL OF OFFIC	E, this 10 day of Burch ,195
	Modern Bubble
ay commission expires:	the early reporte
To the control of the	

The court of his hadden.

Court of of his hadden.

Court of of his hadden.

Conden to the percons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free set and deed.

Site of the day and year last above written.

my commission expires: 10/5/53

Novery Public

THE STATE OF TRANS, COUNTY OF IL TALO. On this 12th day of Merch, 1952, before me personally appeared develoing Lee Gent, and Ausbend, Charles Cent, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as takir free set and deed.

Witness my head and official owal the day and year last above written.

ky commission expires: June 1, 1953

Katherine Hoy

In consideration of the execution of the Unit Agreement for the Development and Operating of the CLOWDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned swnars of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such coligations to the undersigned existing under such leases or other contracts.

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SIGNATURE AND ADDRESS

	Angel young at two	,,,,,,,			
	F.O. Dox 670 Ft Worth, Texas				
STATE	of thas				
COUNTY	OF TARRANT	_}			
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	Zav	L. Landon and will	fe. Clarises 0	Larrion	
r Sounds & Shirts	,				41 A
<b>19</b> 20	mown to be the pers	on_ described in	and who execu	ted and delivered	the fore~
ARYMON	instrument, and ackn	owledged to me th	at they exec	uted the same as	their
NAME OF THE PARTY	3			*	
	and deed.				
	SOIVEN UNDER MY HA	ND AND SEAL OF OF	FICE. this man	day of Jaly	,195 <u>2</u> .
2/4/1/					
TARRAMINI				H. J.m D.	
AUMINIM.			Not	ary Public	<del></del>
My com	mission expires:			السديد المستر	
<del></del>	1/03				
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SIGNATURE AND ADDRESS

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			Section 1995			
STATE	OF					
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COUNTY	OF THE STATE	······································				
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COUNTY				_, before me	personally	appea
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K of pasts		Denny Wris	Ç04			**************************************
ARY PULL	On this 23mt	person_descri	sed in and who e	xecuted and d	elivered t	he fore
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ARY PU	On this 23mt	person_descri	sed in and who e	xecuted and d	elivered t	he fore
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ARY P	known to be the trument, and and deed.	person_ described describe	ned in and who e	executed and d	July  M. Ra	he fore

COUNTY OF MER MEXICO.

COUNTY OF OTRAGO.

Contracts, to see known to be the persons described in and who executed the foregoing instrument, and noknowledged that they executed the same as their free act and deed.

Situation by head and official scal the day and year last above written.

my commission expires: 10/5/53

Notery Public

The state of teams. On this 13th day of March, 1952, before me personolly appeared Gerelding Lee Gent, and husband, Charles
Uent, to me known to be the persons described in and who executed the same as their free
going instrument, and seknowledged that they executed the same as their free
act and deed.

Witness my hand and official beal the day and year last above written.

Ly commission expires: June 1, 1953

Katherine Hoy

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Florence & Muienens	ti di	10-0 13 13-4
F.C.Box 670 Pt Sorth, Texas	# # # # # # # # # # # # # # # # # # #	19 19-4 19-8 19-0 20
	## 4# ##	20-A 20-R 20-C
STATE OF Texas		
On this 200dday of July  On this 200dday of July  So Fo Intropost and wife, Flore	<del></del>	efore me personally
could be to be the person described in and who reing instrument, and acknowledged to me that	o executed ar	nd delivered the fore-
TARRESTOR UNDER MY HAND AND SEAL OF OFFICE,	Belli	of July, 195 <sup>2</sup> W. May  ary Public
My committees:		TSOMERAS RAY Someone and Areas

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SIGNATURE AND ADDRESS	DESCR	IPTION
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/ Juen Valentine	• •	li Lina
Not a stule to	9	15
Kariene B. Valentine	<b>H</b>	15-4
P.U.Bex 670	•	

Ft Cortit, Toxas

My commission expires:

STATE OF	Texas		;	
COUNTY O	F Tarrant		_}	
	On this	day of	duly	, 1952, before me personally
appeared	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	Josk Va	inno maltinell	wife, Kerlene B. Valentine
be ma kn	own to be t	he person	described	in and who executed and delivered the for
esting in	strument, a	nd acknow	ledged to me	that they executed the same as
end not	and deed.	,	•	
	ATTEN TRIDE	D NA DAYL	AND SEAT OF	OFFICE, this Zadday of July , 1
	CALACIA OINDE	ir wit urvian	MIND GENERAL OF	OFFICE, UNIS ASSESSION OF STATE OF
7.1111	AT KEN ONDE	K MI DAND	AND DEAL OF	orrice, this and day of
TAHR	WILLIAM ONDE	K MI NAND	AND SEAL OF	Notary Public 19

Notary Public to and for Tarrant Co., Pount

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DESCRIPTION

STATE OF	Temas	· · · · · · · · · · · · · · · · · · ·			
COUNTY OF	Tarrect	)			
	On this	day of	July	, 195	, before me personally
appeared		We de laure	on and wife,	Dorde &. Here	ee.
to me kno	ven to be th	ne person de	escribed in a	and who execut	ed and delivered the fore
going His	apument, au and aleed.	- nd acknowledg	ged to me the		uted the same as

P.O.Bex 670 Fort Worth, Leans

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DESCRIPTION

SIGNATURE AND ADDRESS

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P.O.Box 670 Fort borth, Te	\ ire#				
1010 100	THE WELLINGS				
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STATE OF TEXAS	•				
MINITE OF FRANCE					
COUNTY OF YARRAN		luly	, 195 <u>a</u> , befo	re me pers	onally appeare
On this	22 day of the person de	escribed in an	d who executed	and deliv	ered the fore-
to me known to be instrument,	the person de	escribed in an	d who executed	and deliv	
to me known to be instrument,	the person de	escribed in an	d who executed	and deliv	ered the fore-
to me known to be instrument,	the person do and acknowledge	escribed in an	d who executed there execute E, this day	and delived the same	ered the fore-

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SIGNATURE AND ADDRESS

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andrey L. Swank		9 17. 9 17. 1 17. 1 16.	4) C	eda K
P.O. Box 670 Pers Sorth, Texas		* 33		
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STATE OF				
COUNTY OF				
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In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly authorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

This Ratification and Joinder of Unit Agreement may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document and shall be binding upon all those who execute a counterpart hereof, regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands affected hereby, and when so executed shall be binding upon the undersigned, his heirs, devisees, assigns or successors in interest.

SIGNATURE AND ADDRESS

and deed.

My commission expires:

6/1/53

P.G. Sox 670 Port Worth, Voxan	
STATE OF PERSON	
On this day of	, 1952, before me personally appeared

ment, and acknowledged to me that \_\_\_\_\_ executed the same as \_\_\_\_

CIVEN UNDER MY HAND AND SEAL OF OFFICE, this \_\_\_\_ day of

ESTHER M. RAY
Notary Public to and for Termes Co., Tunes

DESCRIPTION

In consideration of the execution of the Unit Agreement for the Development and Operation of the CLOUDCROFT UNIT AREA, County of OTERO, State of NEW MEXICO, in form approved on behalf of the Secretary of the Interior, the undersigned owners of lands or leases, or interests therein, or royalties presently held or which may arise under existing option agreements, or other interests in production covered by said Unit Agreement hereby severally, each to the extent of his particular ownership or interest, briefly described opposite his signature, consent to the inclusion of said lands within the Unit Area therein defined, approve and adopt the terms of said Unit Agreement and any modifications thereof approved by the Secretary of the Interior or his duly nuthorized representative as applicable to said several lands and interests, agree that the term of any lease given by the undersigned or under which the undersigned claims an interest herein is extended and modified to the extent necessary to make the same conform to the term of said Unit Agreement, agree that the drilling, development and producing requirements of all leases and other contracts in which their several rights and interests are created or defined shall be deemed fully performed by performance of the provisions of said Unit Agreement, and agree that payment for or delivery of (whichever may be required under prior agreements) oil and gas duly made at contract rates applied to the production allocated under said Unit Agreement to the particular lands to which such rights or interests do or shall apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases or other contracts.

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Individually and Attorney-in-Fact for John L. Mountjoy.

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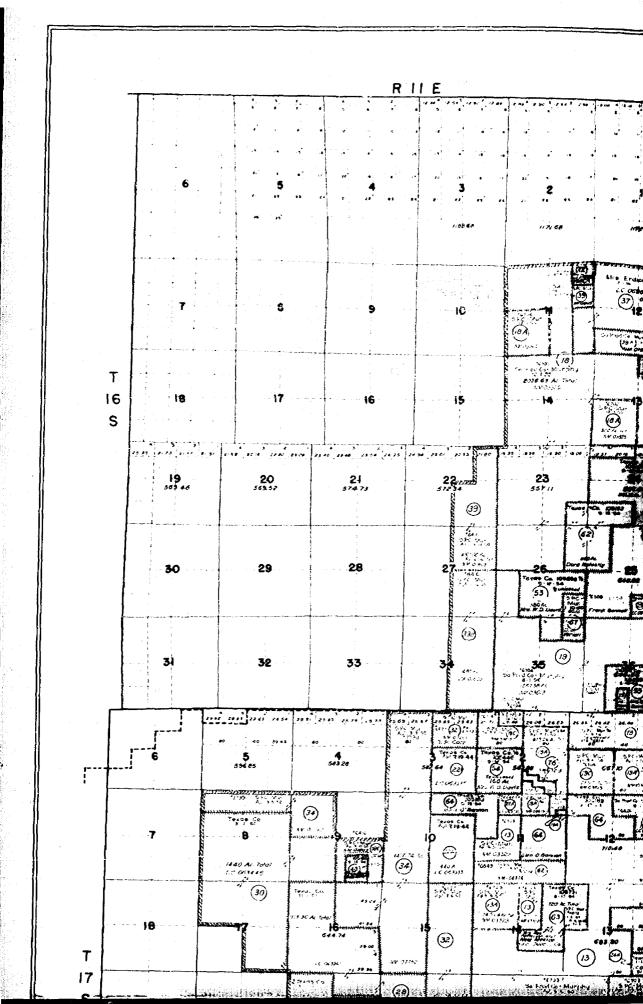
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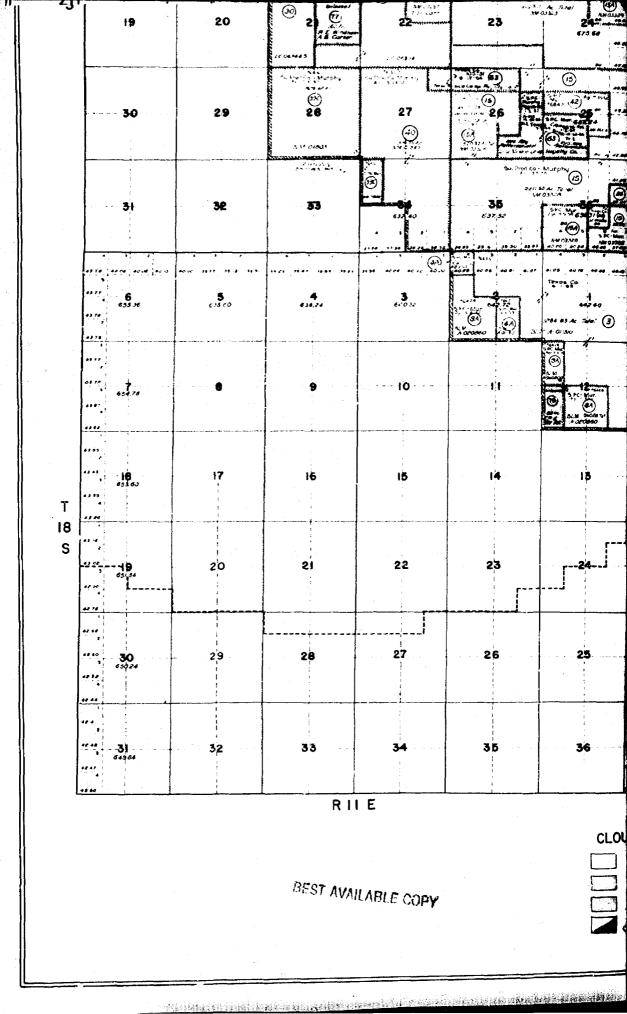
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On this 30th day of July	, 195 <sup>2</sup> , before me personally appeared
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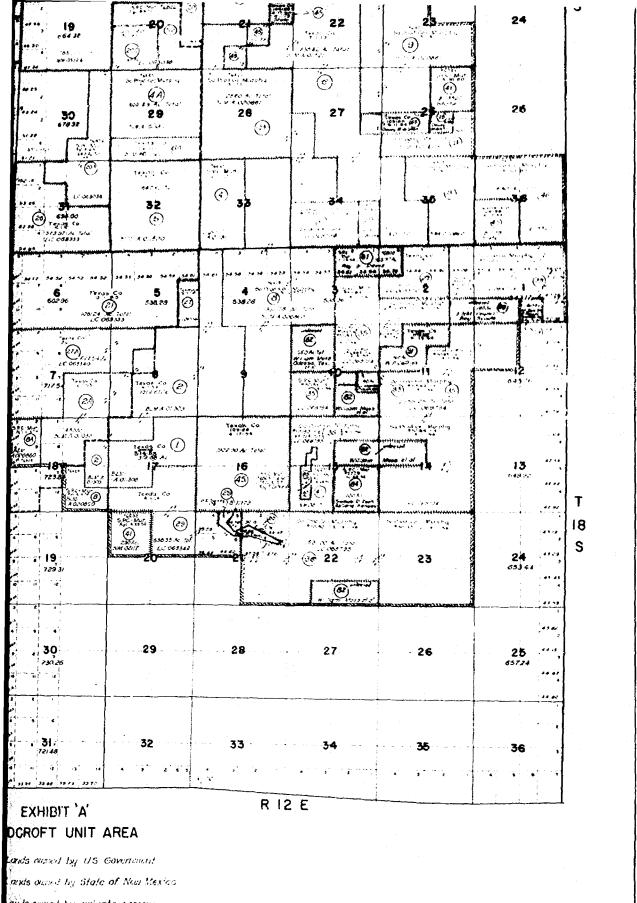
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# Over-sized Map

Map Filmed As Follows:







ands owned by private persons onflicting behusen US and State of New Mexico CERTIFICATE OF APPROVAL
EY COMMISSIONER OF FUBLIC LANDS, STATE OF REA REALCO
OF UNIT AGREEMENT FOR DEVELOPMENT AND OPERATION OF CLOUDCRUFT UNIT AREA, OTHRO COUNTY NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, an agreement for the development and operation of the Clouderoft Unit Area, Otero County, New Mexico, dated the 8th day of October, 1951, in which Southern Production Company, Inc., is designated as Operator, and which has been executed by various parties owning and holding oil and gas leases em-bracing lands within the Unit Area, and upon examination of said Agreement the Commissioner finds:

- (a) That such Agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said fleids:
- (b) That under the operations proposed, the State will receive its fair share of the recoverable oil or gas in place under its land in the area affected;
- (c) That the Agreement is in other respects for the best interest of the State;
- (d) That the Agreement provides for the unit operation of the field, for the allocation of production, and the sharing of proceeds from a part of the area covered by the agreement on an acreage basis as specified in the agreement.

NOW, THEREFORE, by virtue of the authority conferred upon me by the Laws of the State of New Mexico, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the above referred to Clouderoft Unit Agreement as to the lands of the State of New Mexico committed thereto, and all oil and gas lesses embracing lands of the State of New Mexico committed to said Agreement shall be and the same are hereby amended so that the provisions thereof will conform to the provisions of said Unit Agreement and so that the length of the secondary term of each such lease as to the lands within the unit area will be extended, in so far as necessary, to coincide with the term of said Unit Agreement, and in the event the term of said Unit Agreement shall be extended as provided therein such extension shall also be effective to extend the term of each oil and gas lesse embracing lands of the State of New Mexico committed to said Unit Agreement which would otherwise expire, so as to coincide with the extended term of such Unit Agreement.

IN WITNESS WHEREOF, this certificate of approval is executed as of this the 5th day of durant, 1952. 

Commissioner of Jubile Lands of the State of New Mexico

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### BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

CASE No. 382 ORDER No. R-178

IN THE NATTER OF THE APPLICATION OF SOUTHERN PRODUCTION COMPANY, INC., FOR APPROVAL OF THE CLOUDCROFT UNIT AGRESMENT, EXCRACING 67,507.50 ACRES IN OTERO COUNTY, NEW MEXICO, WITHIN TOWNSHIPS 16, 17 AND 18 SOUTH, RANGES 11 AND 12 HAST, N.M.P.M.

### ORDER OF THE COMMISSION

### BY THE CONCLESION:

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

NOW, on this <u>24</u> day of July, 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,

### FIEDS:

- (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 TEXTORE CROSSED:

SECTION 1. That this order shall be known as the

### CLOUDCROFT UNIT AGREEMENT CROSS

ANCTION 2. (a) That the project herein referred to shall be known as the Clouderoft 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 Cloudcroft Unit Area referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the Cloudcroft Unit Agreement Plan.

-2-Case No. Order No.

shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstending any of the provisions contained in said unit agreement this approval shall not be considered as univing or relinquishing in any manner any rights, duties or obligations which are now, or may hereafter, be vested in the Now Mexico Oil Generation Commission by law relative to the supervision and control of operations for exploration and development of any lands conmitted to said Clouderoft Unit Agreement, or relative to the production of oil or gas therefrom.

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

### MEN MEXICO PRINCIPAL MERINIAN

Typ. 16 S. Rea. 11 E.
Secs. 11-14, inclusive, all
Sec. 22: Lot 1, SB/MB/, KB/
Secs. 23-26; inclusive, all
Sec. 27: B/
Sec. 34: E/
Secs. 35 and 36: All

Two. 17 8.. Rgs. 11 E.

Secs. 1-3: both inclusive, All

Sec. 8: All

Sec. 9: NWt, 8t

Secs. 10-16: both inclusive, all

Sec. 17: Nt, SEt

Secs. 21-28: both inclusive, all

Sec. 34: Lots 1 and 2, Nt, NtER

Secs. 35 and 36: All

Typ. 18 S., Reg. 11 B. Secs. 1 and 2: All Sec. 12: All

Two. 16 S.. Rea 12 B.
Sees. 7-10: both inclusive, All
Sees. 15-22: both inclusive, All
Sees. 27-34: both inclusive, All

Secs. 3-10: both inclusive, All Sec. 11: SW; Secs. 15-22; both inclusive, All Sec. 23: EW; Secs. 26-36: both inclusive, All Secs. 26-36: both inclusive, All

Two. 18 S. Rgs. 12 E.
Secs. 1-11: both inclusive, All
Sec. 12: NW;
Secs. 14-17: both inclusive, All
Sec. 18: Lots 1-6, inclusive, B;
Sec. 20: N;
Sec. 21: N; SB;
Secs. 22 and 23: All

-3-Case No. Order No.

Total unit area: 67,507.50 acres, more or less.

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

ENCTION 5. That the unit operator shall file with the Commission an executed original or executed counterpart of the Cloudcroft Unit Agreement within 30 days after the offective date thereof.

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

ECTION 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 the Director of the United States Geological Survey, and shall terminate ipse 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 Fe, New Mexico, on the day and year hereinabove designated.

Eclary & Mechanics

Eclary & Mechanics

EDVIN L. MECHEN, Chairman

GUY SHEPARD, Member

R. R. SPURNER, Secretary

Mary 822

# NEW MEXICO OIL CONSERVATION COMMISSION (1)

APPLICATION FOR APPROVAL OF UNIT AGREEMENT

FOR THE DEVELOPMENT AND OPERATION OF THE CLOUDCROFT UNIT AREA,

OTERO COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission, Santa Fe, New Mexico.

Comes the undersigned, Southern Production Company, Inc., of Fort Worth, Texas, (successor to Danciger Oil & Refining Company), and files herewith three copies of a proposed Unit Agreement for the development and operation of the Cloudcroft Unit Area, Otero County, New Mexico, and hereby makes application for the approval of said Unit Agreement by the New Mexico Oil Conservation Commission as provided by law, and in support thereof shows:

1. That the unit area designated in said agreement comprises 67.507.50 acres, more or less, more particularly described as follows:

### New Mexico Principal Meridian. Now Mexico

T. 16 8. R. 11 E.,

Secs. 11-14, inclusive, all;
Sec. 22, Lot 1, SEINE, SEI;
Secs. 23-26, inclusive, all;
Sec. 27, Et;
Sec. 34, EE;
Secs. 35 and 36, all.

T. 1. S., R. 11 E.

Secs. 1-3, inclusive, all;
Sec. 8, All;
Sec. 9, NWł, Sł;
Secs. 10-16, inclusive, all;
Sec. 17, Nł, SEł;
Secs. 21-28, inclusive, all;
Sec. 34, Lots 1 and 2, Nł, NłSEł;
Secs. 35 and 36, all.

T. 18 S., R. 11 E.

Secs. 1 and 2, All;
Sec. 12, All.

T. 16 S., R. 12 E.

Secs. 7-10, inclusive, all;
Secs. 15-22, inclusive, all;
Secs. 27-34, inclusive, all.

T. 17 S., R. 12 E.

Secs. 3-10, Inclusive, all;
Sec. 11, Sw2;
Sec. 14, W2;
Secs. 15-22, inclusive, all;
Sec. 23, Nw4, S2;
Secs. 26-36, inclusive, all.

T. 18 S., R. 12 E.

Secs. 1-11, inclusive, all;
Sec. 12, RW1;
Secs. 14-17, inclusive, all;
Sec. 18, Lots 1-6, inclusive, E2;
Sec. 20, N2;
Sec. 21, N2, SE1;
Secs. 22 and 23, all.

That of the above described lands <u>56,810.04</u> acres are Federal Lands, <u>2,882.90</u> acres are lands of the State of New Mexico, and <u>8,494.56</u> acres are fee or privately owned lands. (There is a conflict between the United States and the State of New Mexico as to 640 acres.)

That said area has heretofore been designated by the Director of the United States Geological Survey as an area suitable and proper for unitization, a photostatic copy of the letter of the Acting Director to Danciger Oil & Refining Company, under date of December 15, 1950, so designating said area and determining the depth of the initial test well is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A".

That there is also attached hereto, made a part hereof, and for purposes of identification marked Exhibit "B", a photostatic copy of the Geological Report prepared by H. Giddings under date of August 29, 1950, and approved by Willard Gill, Chief Geologist for the Danciger Oil & Refining Company, covering the proposed unit area, and which is a copy of the Geological Report which was filed with the application

of the Danciger 011 & Refining Company to the United States Geological Survey for the designation of said area as one suitable and proper for unitization.

3. That the Southern Production Company, Inc., is designated as Unit Operator in said Unit Agreement, and as such is given authority under the terms thereof to carry on all operations 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 for the commencement of a test well upon some part of the unit area within six months after the effective date of the Unit Agreement, and for the drilling of the same with due diligence until the Ellenberger limestone formation has been tested, but the Unit Operator shall not in any event be required to drill said well to a depth in excess of 6,500 feet.

4. That said Unit Agreement is in substantially the same form as unit agreements heretofore approved by the Commissioner of Public Lands of the State of New Mexico and the New Mexico Oil Conservation Commission, and it is believed that operations to be carried on under the terms of said agreement will promote the economical and efficient recovery of oil and gas to the end that the maximum yield may be obtained from the field or area in the event oil or gas should be discovered in paying quantities. It is also believed that the unit area covers all or substantially all of the geological feature involved so as to give effective control thereof in the event oil or gas is discovered, and that in such event said agreement will be in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the Oil Conservation Statutes.

of said Agreement by the Commissioner of Public Lands of the State of New Mexico, and that upon an order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement and after approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, an executed and approved copy thereof will be filed with the New Mexico Oil Conservation Commission.

WHEREFORE, the undersigned applicant respectfully requests that a public hearing be held on the matter of the approval of said Unit Agreement as provided by the statutes of the State of New Mexico and the regulations of the New Mexico Oil Conservation Commission, and that upon said hearing said Unit Agreement be approved by said New Mexico Oil Conservation Commission.

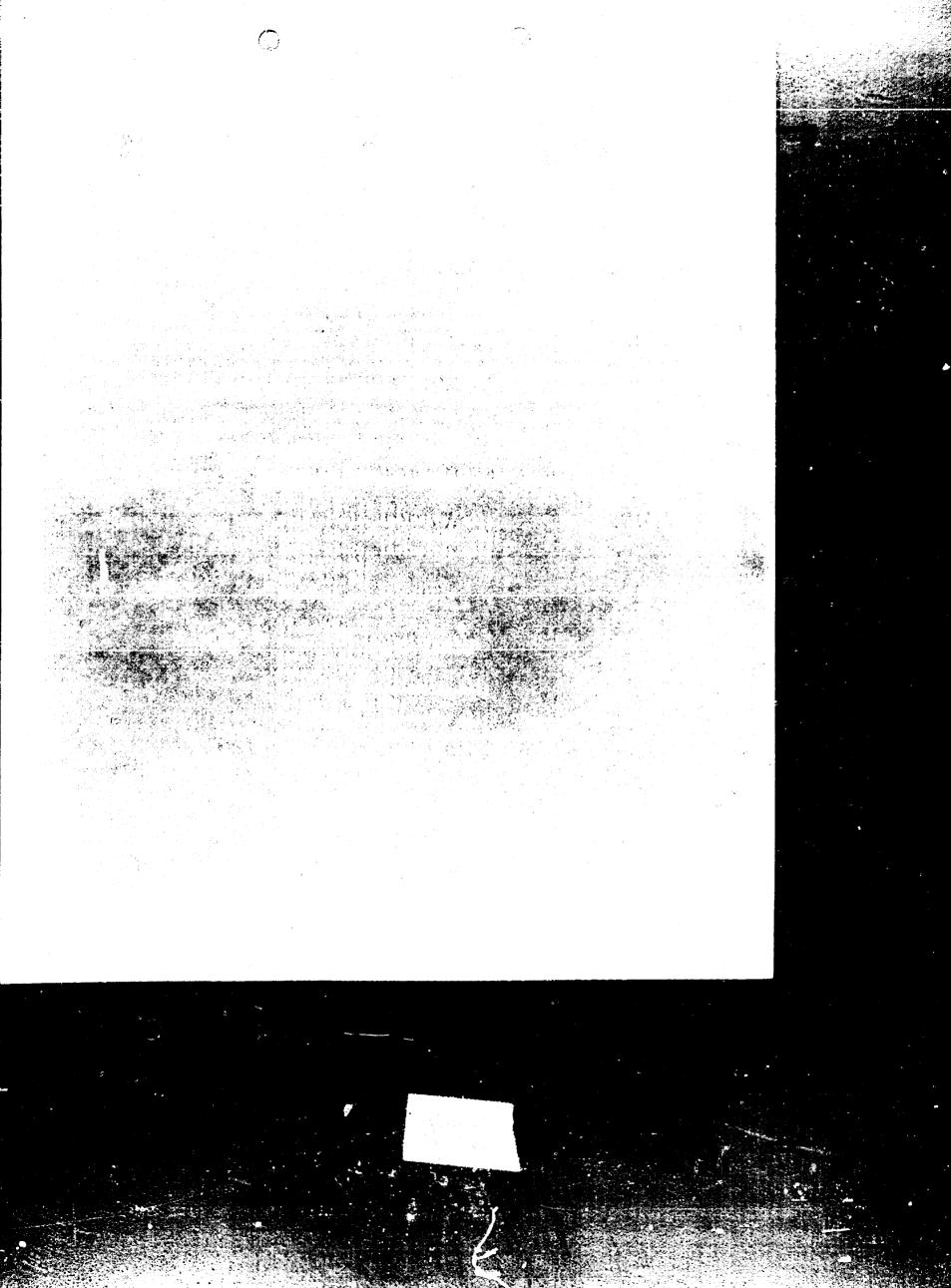
Respectfully Submitted,

SOUTHERN PRODUCTION COMPANY, INC.

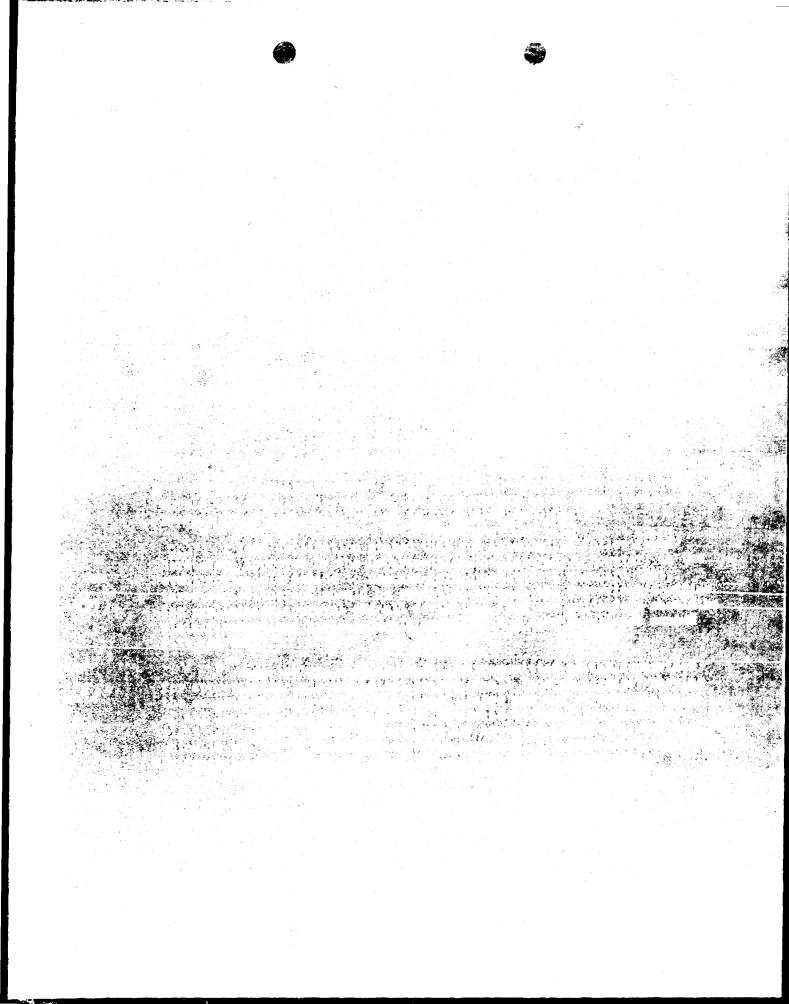
By Vice President

S. F. CO., INC.

ACTUAL STATE OF THE PRODUCTION COMPANY, INC.







## BEFORE THE

OIL CONSERVATION COMMISSION STATE OF NEW LEXICO

TRANSCRIPT OF PROCEEDINGS

CASE NO. 382

July 15, 1952 Regular Hearing

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDQ
PHONES 7-9645 AND 8-9846
ALBUQUERQUE NEW ME-1C.

**THE STATE OF THE STATE OF THE** 

# BEFORE THE OIL CONSERVATION COMMISSION SANTA FE. NEW MEXICO

JULY 15, 1952

In the Matter of:

Southern Production Company's application for approval of the Cloudcroft Unit agreement involving an area of 67,507.50 acres, more or less, in Oterc County, New Mexico.

Case No. 382.

(Notice of Publication read by Mr. Graham.)

MR. HUNKER: I am George H. Hunker, Jr., representing Southern Production Company. I am from Roswell, New Mexico.

MR. B. B. LARSH,

having been first, duly sworn, testified as follows:

#### DIRECT EXAMINATION

# By MR. HUNKER:

- Q State your full name for the record, please.
- A B. B. Larsh.
- Q By whom are you employed, Mr. Larsh?
- A Southern Production Company.
- Q In what capacity?
- A District Geoligist for west Texas and New Mexico.
- Q How long have you been with Southern Production Co.?
- A Approximately three years.
- Q Before that time with what company were you associated?
- A Sinclair Oil and Gas Company.

ADA DEARNLEY & ASSOCIATES

GOURT REPORTERS

ROOM 12, CROWWELL BLDG.

PHONES 7-9645 AND 5-9546

ALBUQUERQUE, NEW MEXICO

- Q Were you employed by the Danziger Oil Company too?
- A Yes, sir.
- Q Prior to that time?
- A Yes, sir.

# (Marked Exhibit "B" for identification.)

- Q I hand you herewith what we have marked Exhibit "B" which is attached to the application filed by Southern Production Company to its application before the Commission for the approval of the Cloudcroft Unit Area and ask you to tell the Commission what that map shows.
- A That map is a, -- shows a surface geology of this Cloudcroft Area as made by Mr. Harvard Giddens.
- Q Have you examined the report prepared by Mr. Harvard Giddens?
  - A Yes, sire
- Q Was it attached to Southern's application for approval of this unit area?
  - A That is my understanding, yes, sir.
  - Q Do you agree with that report?
  - A I believe it is correct.
- Q Have you been in the area covered by this particular map?
  - A Yes, sir.
- Q Is there a large surface structure present in that area?
  - A I think it is recognized, widely recognized, that there

- Q Would you explain to the Commission why this report was prepared by Mr. Giddens and why the map was prepared by Mr. Giddens and approved by Mr. Walter Gill, the chief geologist for Dansiger Oil and Refining Company?
- A My understanding that Mr. Giddens did his work, the surface geology for the Texas Company.
- Q I see. Is Texas Company one of the working interest owners of leases in this area?
  - A Yes, sir.
- Q To what extent were they parties in the drilling of the test well?
- A I believe it is approximately one quarter. Mr. Cody can check that.
- Q To what extent does Southern Production Co. propose to drill its official test well?
  - A I believe it is estimated approximately 6,250 feet.
  - Q What some or horizon will that test?
- A That should test all sedimentary beds down to the Cambrian area.
  - Q That is the Ellenburger formation?
  - A It would test -
  - Q (Interrupting) It would include that?
  - A Yes.
- Q If the Commission should approve this agreement, Mr. Larsh, do you think that in your opinion the enitre geological

feature is included within the boundaries of the unit area?

A I think it does. Roughly Mr. Giddens states in his report approximately 750 feet of closure and on this map that would include down to this contour here (indicating) which roughly follows the outline of the block.

- Q Are you a graduate geologist, Mr. Larsh?
- A Yes, sir,
- Q You have been doing geological work for the companies for whom you have been employed for the last how many years?
  - A Approximately 25 years.
  - Q From what shoool did you graduate?
  - A Missouri School of Mines.
- Q In your opinion if the unit agreement should be approved do you think that the development of unitized substances in the unit area would be in the interest of conservation?

A I do.

MR. HUNKER: I have no further question. I would like to offer this Exhibit "B" in evidence, a copy of which was attached to the original application.

(Larsh Exhibit "B" , Case No. 382 marked for identification.)

MR. SPURRIER: Without objection it will be received.

Is there any further question of this witness? If not, the witness bay be excused.

(Witness excused.)

MR. E. D. COADY.

having been first duly sworn, testified as follows:

ADA DEARNLEY & ASSOCIATES COURT REPORTERS ROOM 12, CROMWELL BLOG FHONES 7-9645 AND 5-9546 ALBUQUERQUE NEW MEXICO!

### DIRECT EXAMINATION

# By MR. LARSH:

- Q Will you state your name and occupation?
- A E. D. Coady. I am Assistant Manager, Land Department, Southern Production Co., Inc.
- Q How long have you been employed by that company, Mr. Coady?
  - A little over two years.
  - Q By whom were you employed previous to that time?
  - A Danziger Oil and Refining Company.
- Q Will you explain to the Commission why the origin I application for a designation of an area suitable for development under a unit plan was originally proposed by Danziger Oil and Refining Company?
- A At the time of the application the property owned by Danziger Oil and Refining Company approximately two years ago Southern Production Company bought the stock of Danziger Oil and Refining Company and merged the two companies now operating as Southern Production Company.
  - Q Southern Production Company is a successor to Danziger?
  - A That is right.
- Q In the proposed unit plan what company has been designated as the operator?
  - A Southern Production Co., Inc.
- Q Approximately how much acreage is covered by this unit area?

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12. CROWNELL BLDG
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

- A 56.810.048.
- Q Of what type of land?
- A It is Federal, State of New Mexico and fee land.
- Q I believe you made a slight error.
- A That is right. Let me give you a total of 68,187.50.
- Q Of which -
- A (Interrupting) You want a breakdown? Federal lands 56,810.04. State of New Mexico is 2,882.90. Fee land is 8,494.56.
- Q Has this area been approved by the U. S. Geological Survey as being an area logical and suitable for purposes of unitization?
  - A It has.
- Q Would you explain to the Commission what type of well you propose to drill and when you propose to drill it?
- A We would like very much to get started right away to take advantage of the good weather. It is going to be very slow in drilling. We propose Mr. Larsh siad to make test there of what we commonly refer to as Ellenburger. It would take, we estimate five or six months to complete. We would like to get started right away.
  - Q Where is this particular unit area, Mr. Coady?
  - A Relative to locations of the town?
  - Q Yes.
  - A It is south of Cloudcroft.
  - Q In the mountains?

- A Yes.
- Q When do youpropose to start your well in any event, within what period of time?
  - A We would like to get started right away.
  - Q In any event within six months?
- A Within six months. It provides in the agreement with the government six months from the approval of the unit.
- Q In your opinion is this unit agreement in the interest of conservation?
  - A Yes.
- Q Is it similar in respect to other unit agreements that have heretofor been approved by this Oil Conservation Commission?
  - A Yes. sir.
    - MR. LARSH: I have no other questions.
    - MR. SPURRIER: Is there a question of this witness?
- MR. WHITE: What percentage of the fee holders have consented to this unit agreement?
  - A Of fee holders?
  - Q Yes.
  - A We figure a little over 90%.
- Q What arrangements have been made for the remaining to come in?
  - A What arrangements have been made?
  - Q Yes?
  - A We are still trying to get them to come in. I think

that is the correct percentage.

- Q The location is on Federal land?
- A The proposed location is on Federal lands.

MR. GRAHAM: It is indicated on the map?

A If it is not we can put it in there.

MR. HUNKER: It is not on the map. I don't believe it is in the application. I don't know that it is necessary.

MR. MACEY: That 90% figure was just the fee ownership?

- A Fee,
- Q What about the overall?
- A The overall, it is about 98%.

MR. GRAHAM: Application has been made to the State Land Office?

MR. HUNKER: Yes, it has been made.

MR. SPURRIER: Any other questions? If not, the witness may be excused.

(Witness excused.)

Any further witnesses?

MR. HUNKER: No, sir.

MR. SPURRIER: Any comment in this case? If not, the case will be taken under advisement and we will move to Case 383.

STATE	of	NEW	MEXICO	)
COUNTY	OF	BEI	RNALILLO	Š

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 382 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on July 15, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this \_\_\_\_\_ of July, 1952.

REPORTER

ADA DEARNLEY & ASSOCIATES COURT REPORTERS ROOM 12, CROMWELL BLDG PHONES 7-9645 AND 5-9546 ALBUQUERQUE, NEW MEXICO

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