

Case No.

743

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

Special Hearing

July 7, 1954

IN THE MATTER OF:

THE APPLICATION OF CONTINENTAL  
OIL COMPANY FOR APPROVAL OF A  
UNIT AGREEMENT.

Applicant, in the above-styled cause, seeks an order approving the development and operation of the West Anderson Ranch Unit embracing 5,344.34 acres of land, more or less, in Lea, Eddy and Chaves Counties, New Mexico, as described:

NEW MEXICO PRINCIPAL MERIDIAN

Twp. 15 South, Rge. 31 East,  
Chaves County, New Mexico  
All of Section 33;  
S/2 and W/2 NW/4 of Section 34

Twp. 16 South, Rge. 31 East,  
Eddy County, New Mexico  
All of Section 1;  
Lots 1, 5, 6, 7, 8, 9, 10, 11,  
12, 13, 14, 15, 16, and S/2 of  
Section 2;  
Lots 8, 9, 16, and E/2 SE/4 of  
Section 3

Twp. 16 South, Rge. 32 East  
Lea County, New Mexico  
Lots 5 thru 16, incl., and  
S/2 of Section 5;  
All of Section 6;  
Lot 1, NE/4 NW/4 and NE 1/4 of  
Section 7;  
N/2 of Section 8

BEFORE:

E. S. Walker, Commissioner of Public Lands  
R. R. Spurrier, Secretary, Oil Conservation Commission

SPECIAL HEARING

OIL CONSERVATION COMMISSION

July 7, 1954

NAME

REPRESENTING

*Chas Swenson*

*CONTINENTAL OIL CO.*

*Howard C. Bratton  
Harvey A. Humble  
Boswell, D. M.*

*Continental Oil Co.*

*T. M. Cady*

*Continental Oil Company*

*W. R. Hall*

*Continental Oil Company*

*W. B. Macey*

*Chief Engr. OCC*

TRANSCRIPT OF PROCEEDINGS

(Notice of Publication read)

MR. SPURRIER: This relates to the West Anderson Ranch Unit Agreement. Does anyone have testimony in Case 743? Mr. Bratton.

MR. BRATTON: I would like to make a brief statement to open the proceedings. This is in connection with the application of Continental Oil Company for approval of the West Anderson Ranch Unit Agreement embracing some 5,344 acres of land in Townships 15 and 16 South, Ranges 31 and 32 East, Chaves, Eddy and Lea Counties, New Mexico. The Unit Agreement is in the form which has heretofore been presented in connection with the Anderson Ranch Unit Agreement with the exception that a Segregation Clause has been worked out in connection with the Unit with the Attorney for the Land Commissioner, and has been inserted in the Unit Agreement.

We have two witnesses which we would like to present to the Commission today and I will ask that Mr. Swenumson and Mr. Hall be sworn in.

GLEN SWENUMSON

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY: Mr. Bratton:

Q. Will you state your name?

A. Glen Swenumson.

Q. Where do you live?

A. Roswell, New Mexico

Q. By whom are you employed?

A. By Continental Oil Company.

Q. In what capacity?

A. I am Division Geophysicist for Continental.

Q. Where did you go to school?

A. Ohio Western.

Q. What type of degree do you have?

A. Civil Engineering.

Q. What type of work do you do?

A. Geophysical work for Continental.

Q. How long?

A. A little more than six years.

Q. What area does your division cover?

A. Roughly the southern half of the State of New Mexico

Q. That would include Chaves, Eddy and Lea Counties?

A. Yes, sir.

Q. And as such you were in charge of all geophysical exploration work for Continental Oil Company in that area?

A. That's right.

(EXHIBIT I marked for identification)

Q. I hand you what has been marked Exhibit I and ask you to identify it?

A. This is a geological and geophysical summary which Mr. Galny and I prepared.

Q. Who is he?

A. He is Division Geologist for Continental.

Q. Does this report represent your findings?

A. That's right.

Q. There is attached to Exhibit I, a plat - I would like for you to explain what that is?

A. That plat shows the location of the Anderson Ranch Unit, which is now a producing field.

Q. And it shows the Anderson Ranch Unit?

A. From center to center about five miles wide.

Q. Has Continental Oil Company done geophysical exploration work in the area proposed by West Anderson Ranch Unit?

A. Yes, sir.

Q. When?

A. That was in 1950 and 1951.

Q. Approximately what period of time did it take?

A. I would say about fourteen months, all tolled.

Q. At the same time you were doing the exploration work which led to the formation of the Anderson Ranch Unit?

A. That's right.

Q. At considerable expense?

A. That's right.

Q. There is attached to this Exhibit I, a Contour Map which is Exhibit "A" - Would you explain what that is?

A. This is a seismic map derived at from Seismic data.

Q. This is the result of the work which was done in this area?

A. That's right.

Q. And it represents your interpretation of the work which was done?

A. That's right.

Q. What does it disclose - a structure similar to that which - similar to the Anderson Ranch Unit.

A. Yes, similar but different in size - the geophysical data was identical.

Q. But you might say it discloses what you have encountered?

A. Yes.

Q. And you might anticipate Devonian production at approximately the same depth?

A. Yes.

Q. Mr. Swenumson, are you familiar with all the terms of the West Anderson Ranch Unit?

A. Yes, sir.

Q. If production is obtained in the area, would development under the terms of the unit agreement promote conservation, prevent waste and protect correlative rights?

A. Yes, it will.

MR. SPURRIER: Any other questions of the witness? If not he may be excused. Exhibit 1 has been offered in evidence. Any objection. If not it will be admitted.

W. R. HALL

having first been duly sworn, testified as follows:

By: Mr. Bratton:

Q. Will you state your name?

A. W. R. Hall.

Q. Where do you live?

A. Roswell, New Mexico.

Q. What is your work?

A. Division Land Superintendent for Continental Oil Company.

Q. What area does that include?

A. Approximately the southern half of the State of New Mexico.

Q. Including Chaves, Eddy and Lea Counties?

A. Yes, sir.

Q. How long have you worked for Continental?

A. Twenty-four years.

Q. Have you been in charge of the West Anderson Ranch Unit

Agreement?

A. Yes, sir.

Q. Including the preparation of Exhibits A & B, attached thereto?

A. Yes, sir.

Q. Are the lands in the West Anderson Ranch Unit Agreement -

what type of lands - are they state, federal or ---

A. The entire 5344.34 acres is state with the exception of one federal 40 acre tract.



Q. That would make it better than 99% state acreage?

A. Yes, sir.

Q. In connection with the West Anderson Unit Agreement, how many different lease owners are there?

A. Thirteen, excluding the federal 40-acre tract.

Q. What percentage, by acreage, have you obtained signatures on?

A. Slightly over 87%.

Q. Is there substantial joinder provision in the Agreement?

A. Yes, sir.

Q. Have you been refused by anybody?

A. No, sir.

Q. Has it just been a matter of not being able to contact the various owners?

A. It has been that exactly.

Q. And you anticipate that you will have a larger percentage?

A. Yes, sir, we do.

Q. Is the Unit Form - the form of the Unit Agreement the same as was used in the Anderson Ranch Unit?

A. Yes, sir, with the exception of the Segregation Clause.

Q. Which you had worked out with the Attorney for the Land Commissioner?

A. Yes, sir.

Q. Is it a full participating Unit?

A. Yes, sir.

Q. What will it drill?

A. It calls for a Devonian at 13,500' to be commenced within thirty days from the approval of the Unit Agreement.

Q. At what cost?

A. \$300,000.00 for a producer.

Q. What will your drilling production --when will your drilling work start?

A. We expect to spud the test today.

Q. You are the Unit operator?

A. Continental is.

Q. You are familiar with the terms of the West Anderson Ranch Unit?

A. Yes, sir, I am.

Q. If production is obtained in the area, will the West Anderson Ranch Unit Agreement promote conservation, prevent waste and protect correlative rights?

A. Yes, sir, I think it will.

MR. BRATTON: I have no further questions.

MR. SPURRIER: Anybody else have a question?

MR. BRATTON: I would like to ask Mr. Swenumson another question?

MR. SPURRIER: Go ahead.

MR. BRATTON: Mr. Swenumson, does the proposed unit area cover all of the structures as disclosed by your geophysical exploration?

MR. SWENUMSON: Yes, it does.

MR. SPURRIER: Does anyone else have anything further in the case?  
If not we will take the case under advisement and the meeting is adjourned.

\*\*\*\*\*

I, VIRGINIA M. CHAVEZ, do hereby certify that the foregoing and  
attached transcript of proceedings was taken by me on July 7, 1954, that  
the same is a true and correct record, to the best of my knowledge, skill  
and ability.

Virginia M. Chavez

143

MAIN OFFICE OCC



1956 JUL 10 PM 1:25

## CONTINENTAL OIL COMPANY

PETROLEUM BUILDING  
ROSWELL, NEW MEXICO

R. L. ADAMS  
DIVISION SUPERINTENDENT  
OF PRODUCTION  
NEW MEXICO DIVISION

July 3, 1956

*file*

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Gentlemen:

In a letter dated July 18, 1956, addressed to our Mr. T. M. Cady, Regional Land Superintendent at Fort Worth, Texas, Mr. E. S. Walker, Commissioner of Public Lands, requested that certain information concerning the West Anderson Ranch Unit be furnished to your office in connection with our request for an extension of the West Anderson Ranch Unit. Mr. Walker's letter has been referred to this office for further handling and we include the information he suggested be furnished you in the following paragraphs.

The West Anderson Ranch Unit No. 1 was spudded July 7, 1954, and reached total depth of 14,015 feet on December 14, 1954. Seven-inch casing was set at 12,609 feet and the well was completed through perforations from 12,512 feet to 12,530 feet and from 12,542 to 12,550 feet. In order to obtain production data over and above the back pressure tests taken on completion, permission was obtained from the New Mexico Oil Conservation Commission to produce the well for a 30-day period

from January 26th to February 26, 1955. During this test period, the well produced 25,500 MCF gas and 4,261 barrels distillate. The bottomhole pressure declined from 5,352 pounds per square inch to 3,867 pounds per square inch. The well has been shut in since February 26, 1955.

Recently the Southern Union Gas Company built a line into the Anderson Ranch Field to purchase the residue from the Anderson Ranch Field gasoline plant. We are now negotiating a contract with the Southern Union Gas Company to sell gas from the West Anderson Ranch Unit No. 1 through a pipeline from this well to their line into the Anderson Ranch Field.

If additional information is desired, please advise.

Yours very truly,

R. L. Adams  
Division Superintendent

*J. A. Moore*  
J. A. Moore  
Division Engineer  
Alternate

JAM:BC

Copies to:

Mr. E. S. Walker  
Comm. of Public Lands  
Santa Fe, New Mexico

Mr. John A. Anderson  
Regional Oil and Gas Supervisor  
U. S. G. S.  
P. O. Box 6721  
Roswell, New Mexico

1956 AUG 10 AM 8:10

August 9, 1956

In reply refer to:  
Unit Division

Continental Oil Company  
1710 Fair Building  
Fort Worth, Texas

Re: West Anderson Ranch Unit  
Agreement -  
Chaves and Lea Counties,  
New Mexico

Attention: Mr. T. M. Cady  
Regional Land Superintendent  
Southwestern Region

Gentlemen: .

We have taken your request, dated August 3, 1956, for a one year extension of the West Anderson Ranch Unit, under advisement, and we do hereby grant you a one year extension from July 7, 1956, to July 7, 1957.

This extension is granted in order to give you ample time in which to produce your West Anderson Well No. 1, which was completed in January or February, 1955, and to determine if it is capable of producing in paying quantities in accordance with the terms of the West Anderson Ranch Unit Agreement.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

MMR/m

cc: OCC-Santa Fe

174-1000  
MAIN OFFICE OCC

RECEIVED JUN 19 10:00

June 18, 1956

In reply refer to:  
Unit Division

Continental Oil Company  
1710 Fair Building  
Fort Worth, Texas

Re: West Anderson Ranch  
Unit Agreement

Attention: Mr. T. M. Cady  
Regional Land Superintendent  
Southwestern Region

Gentlemen:

This is in reply to your letter of June 13, 1956,  
in regard to the extension of the West Anderson Ranch  
Unit.

Your reasons for extending this Unit sound fair  
and reasonable, however, apparently the New Mexico Oil  
Conservation Commission have no knowledge of your  
desire to build this pipeline nor do they have any  
report on the present status of this well and what work  
has been done on it since its completion in January,  
1956.

Therefore, we feel the New Mexico Oil Conservation  
Commission should be consulted so they may determine  
the status of this well so they may also concur on the  
extension of this Unit.

Very truly yours,

E. S. WALKER  
Commissioner of Public Lands

MMR/m

cc: OCC-Santa Fe  
USGS-Roswell (re: 40 acres)

15.10  
749

MAIN OFFICE OCC

1957 SEP 17 AM 7:51

September 16, 1957

In reply refer to:  
Unit Division

Continental Oil Company  
1710 Fair Building  
Fort Worth, Texas

Attention: Mr. T. M. Cady

Gulf Oil Corporation  
901 Fair Building  
Fort Worth, Texas

Amerada Petroleum Corporation  
P. O. Box 2040  
Tulsa, Oklahoma

Texas Pacific Coal & Oil Co.  
Fort Worth National Bank Bldg.  
Fort Worth, Texas

The Vickers Petroleum Co., Inc.  
P. O. Box 2240  
Wichita, Kansas

The British American Oil Producing Co.  
P. O. Box 749  
Dallas, Texas

Magnolia Petroleum Co.  
P. O. Box 900  
Dallas, Texas

The Texas Company  
P. O. Box 1720  
Fort Worth, Texas

Phillips Petroleum Corp.  
Bartlesville, Oklahoma

Tidewater Associated Oil Co.  
P. O. Box 731  
Tulsa, Oklahoma

Skelly Oil Co.  
P. O. Box 1650  
Tulsa, Oklahoma

Re: West Anderson Ranch Unit Agreement -  
Chaves and Lea Counties, New Mexico

Gentlemen:

In regard to your wire of September 13, 1957, requesting us to terminate West Anderson Ranch Unit effective as of September 15, 1957, and also advising us that all non-operators had been notified and no objections had been received:

In view of the fact that September 15 falls on Sunday, we are terminating West Anderson Ranch Unit effective September 16, 1957, and are posting all records accordingly.



West Anderson Ranch Unit

-2-

We wish to thank you for your prompt action on this unit.

Very truly yours,

MURRAY E. MORGAN  
Commissioner of Public Lands

By: Ted Bilberry, Supervisor  
Oil and Gas Department

cc: O.C.-Santa Fe  
Mr. R. L. Adams  
825 Petroleum Bldg.-Roswell, N. Mex.

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:

THE APPLICATION OF CONTINENTAL  
OIL COMPANY FOR APPROVAL OF THE  
WEST ANDERSON RANCH UNIT AGREEMENT  
EMBRACING 5,344.34 ACRES OF LAND,  
MORE OR LESS, IN CHAVES, EDDY AND  
LEA COUNTIES, NEW MEXICO, WITHIN  
TOWNSHIPS 15 AND 16 S., RANGES 31  
AND 32 E., N.M.P.M.

CASE No. 743

ORDER No. R-509

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock A.M. on the  
7th day of July, 1954, at Santa Fe, New Mexico, before the Oil Con-  
servation Commission of New Mexico, hereinafter referred to as the  
"Commission".

NOW, on this 7<sup>th</sup> day of July, 1954, 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

WEST ANDERSON RANCH UNIT AGREEMENT ORDER

SECTION 2. (a) That the project herein referred to shall be  
known as the West Anderson Ranch 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 West Anderson Ranch Unit Area re-  
ferred to in the Petitioner's petition and filed with said petition,  
and such plan shall be known as the West Anderson Ranch Unit Agree-  
ment Plan.

SECTION 3. That the West Anderson Ranch Unit Agreement Plan  
shall be, and hereby is, approved in principle as a proper conserva-

tion 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 right, 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 West Anderson Ranch 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

T. 15 S., R. 31 E., Chaves County, New Mexico

Sec. 33: All  
Sec. 34:  $S\frac{1}{2}$ ,  $W\frac{1}{2}NW\frac{1}{4}$

T. 16 S., R. 31 E., Eddy County, New Mexico

Sec. 1: All  
Sec. 2: Lots 1, 5, 6, 7, 8, 9, 10, 11, 12,  
13, 14, 15, 16,  $S\frac{1}{2}$   
Sec. 3: Lots 8, 9, 16,  $E\frac{1}{2}SE\frac{1}{4}$

T. 16 S., R. 32 E., Lea County, New Mexico

Sec. 5: Lots 5, 6, 7, 8, 9, 10, 11, 12, 13,  
14, 15, 16,  $S\frac{1}{2}$   
Sec. 6: All  
Sec. 7: Lot 1,  $NE\frac{1}{4}NW\frac{1}{4}$ ,  $NE\frac{1}{4}$   
Sec. 8:  $N\frac{1}{2}$

containing 5,344.34 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 West Anderson Ranch Unit Agreement within 30 days after the effective date thereof.

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

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

E. J. Meeker  
Chairman

E. Swalker  
Member

R. R. Journeer  
Secretary

SEAL

Exhibit T.  
Case No. 743

New Mexico Oil Conservation Commission  
Commissioner of Public Lands  
Santa Fe, New Mexico

Continental Oil Company, a corporation, is the owner of certain leases in the proposed West Anderson Ranch Unit area, as shown on Exhibit "A", attached to the Application for Approval of West Anderson Ranch Unit Agreement. The proposed unit is based primarily on the results of a geophysical survey and no definite geological information of a structural nature is available. The seismograph survey reveals a closed structure, with a minimum of 240 feet of closure in all directions. The geophysical structure is similar in relief to the Anderson Ranch structure, which lies five (5) miles east of the proposed unit. Contours as mapped on the Devonian horizon by the geophysical survey are shown on enclosed Exhibit "A". This geophysical survey was the same survey which resulted in the discovery of the Anderson Ranch Pool. An index map is attached hereto and made a part hereof and for purposes of identification marked Exhibit 1, which shows the position of the proposed unit in relation to nearby producing fields.

Production may be expected under conditions similar to that of the Anderson Ranch Field and from equivalent geological units. Therefore, the Devonian, which produces in the above mentioned field, is the primary objective and should be encountered at a predicted depth of 13,300 feet.

A 13,500 foot Devonian test is contemplated contingent upon the approval of the proposed subject unit.

Development in the subject area tends to be retarded due to the wide diversity of ownership and should development be undertaken by the individual lessees, it would not be done in as orderly and scientific a manner as is desirable. The West Anderson Ranch area as outlined on Exhibit "A" is a single anticlinal structure and is therefore, submitted as a proposed unit in order to bring this diversified ownership together so that development might be carried out in an orderly manner and in the best interests of conservation.

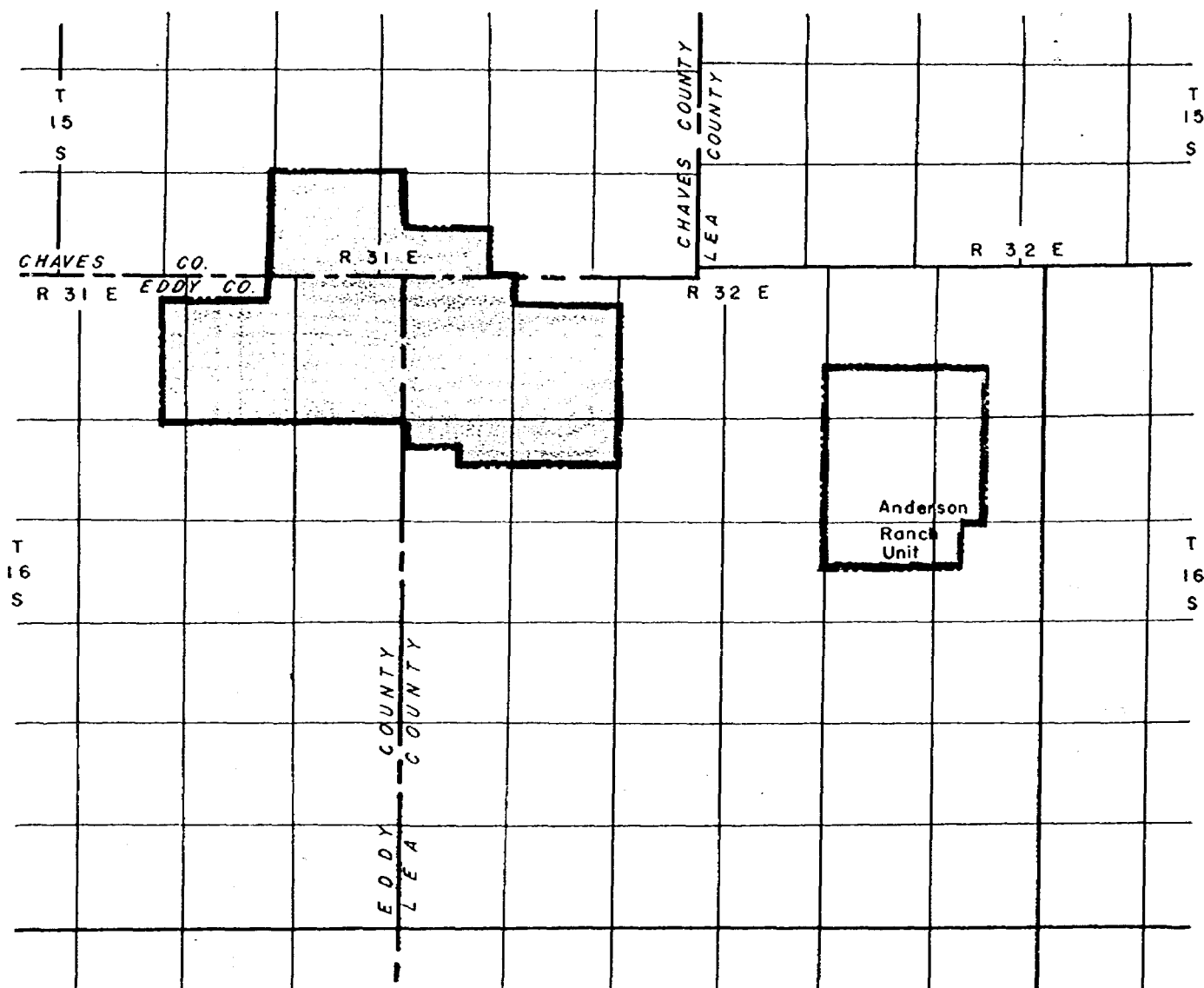
Respectfully,

*G. H. Galny*  
G. H. Galny  
Division Geologist

*G. H. Swenson*  
G. H. Swenson  
Division Geophysicist

Enc

# EXHIBIT 1



## PROPOSED WEST ANDERSON RANCH UNIT AREA

### --LEGEND--



ANDERSON RANCH UNIT



PROPOSED WEST ANDERSON RCH. U.

SCALE: 1" = 8000'

ROSWELL DIVISION  
ROSWELL, NEW MEXICO

CONTINENTAL OIL COMPANY  
MAY 26, 1954

D. Boyd

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
SANTA FE - NEW MEXICO

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission promulgated thereunder of the following special public hearing to be held at 9 o'clock a.m. on July 7, 1954, in the office of the Oil Conservation Commission, Mabry Hall, State Capitol, Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

All named parties and persons  
having any right, title, interest  
or claim in the following case,  
and notice to the public.

CASE 743:

In the matter of the application of Continental  
Oil Company for approval of a unit agreement.

Applicant, in the above-styled cause, seeks an order approving the development and operation of the West Anderson Ranch Unit embracing 5,344.34 acres of land, more or less, in Lea, Eddy and Chavez Counties, New Mexico, as described:

NEW MEXICO PRINCIPAL MERIDIAN

Twp. 15 South, Rge. 31 East,  
Chavez County, New Mexico

All of Section 33;  
S/2 and W/2 NW/4 of Section 34

Twp. 16 South, Rge. 31 East,  
Eddy County, New Mexico

All of Section 1;  
Lots 1, 5, 6, 7, 8, 9, 10, 11,  
12, 13, 14, 15, 16, and S/2 of  
Section 2;  
Lots 8, 9, 16, and E/2 SE/4 of  
Section 3

Twp. 16 South, Rge. 32 East,  
Lea County, New Mexico

Lots 5 thru 16, incl., and  
S/2 of Section 5;  
All of Section 6;  
Lot 1, NE/4 NW/4 and NE/4 of  
Section 7;  
N/2 of Section 8

GIVEN under the seal of the New Mexico Oil Conservation Commission at  
Santa Fe, New Mexico, this 18th day of June, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrier,  
Secretary

S E A L

NOTICE OF PUBLICATION  
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OIL CONSERVATION COMMISSION  
SANTA FE - NEW MEXICO

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All named parties and persons  
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S/2 and W/2 NW/4 of Section 34

Twp. 16 South, Rge. 31 East,  
Eddy County, New Mexico

All of Section 1;  
Lots 1, 5, 6, 7, 8, 9, 10, 11,  
12, 13, 14, 15, 16, and S/2 of  
Section 2;  
Lots 8, 9, 16, and E/2 SE/4 of  
Section 3

Twp. 16 South, Rge. 32 East,  
Lea County, New Mexico

Lots 5 thru 16, incl., and  
S/2 of Section 5;  
All of Section 6;  
Lot 1, NE/4 NW/4 and NE/4 of  
Section 7;  
N/2 of Section 8

GIVEN under the seal of the New Mexico Oil Conservation Commission at  
Santa Fe, New Mexico, this 18th day of June, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. Spurrier,  
Secretary

S E A L

BEFORE THE OIL CONSERVATION COMMISSION  
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. 742

THE APPLICATION OF CONTINENTAL  
OIL COMPANY FOR APPROVAL OF THE  
WEST ANDERSON RANCH UNIT AGREEMENT  
EMBRACING 5,344.34 ACRES, MORE OR  
LESS, CHAVES, EDDY AND LEA COUNTIES,  
NEW MEXICO, WITHIN TOWNSHIPS 15 AND  
16 S., RANGES 31 AND 32 E., N.M.P.M.

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Comes the undersigned, the Continental Oil Company, a corpora-  
tion, with offices at Fort Worth, Texas, and files herewith three  
copies of the proposed Unit Agreement for the Development and Opera-  
tion of the West Anderson Ranch Unit Area, Chaves, Eddy and Lea Coun-  
ties, New Mexico, and hereby makes application for the approval of  
said Unit Agreement as provided by law, and in support thereof, shows:

1. That the proposed unit area covered by said agreement em-  
braces 5,344.34 acres, more or less, more particularly described as  
follows:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 15 S., R. 31 E., Chaves County, New Mexico

Sec. 33: All  
Sec. 34:  $S\frac{1}{2}$ ,  $W\frac{1}{2}NW\frac{1}{4}$

T. 16 S., R. 31 E., Eddy County, New Mexico

Sec. 1: All  
Sec. 2: Lots 1, 5, 6, 7, 8, 9, 10, 11, 12, 13,  
14, 15, 16,  $S\frac{1}{2}$   
Sec. 3: Lots 8, 9 and 16,  $E\frac{1}{2}SE\frac{1}{4}$

T. 16 S., R. 32 E., Lea County, New Mexico

Sec. 5: Lots 5, 6, 7, 8, 9, 10, 11, 12, 13,  
14, 15, 16,  $S\frac{1}{2}$   
Sec. 6: All  
Sec. 7: Lot 1,  $NE\frac{1}{4}NW\frac{1}{4}$ ,  $NE\frac{1}{4}$   
Sec. 8:  $N\frac{1}{2}$

2. That the lands embraced within the proposed unit area  
are all State lands except 40 acres, which is Federal land.

3. That applicant is informed and believes, and upon such  
information and belief, states: That the proposed unit area covers  
a substantial part of all of the geological features involved, and



in the event of the discovery of oil or gas thereon, that said unit agreement will permit the producing area to be developed and operated in the interest of conservation and the prevention of waste of the unitized substances.

4. That the Continental Oil Company 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 for oil and gas upon some part of the lands embraced in the unit area within six months of the effective date of said unit agreement and for the drilling thereof with due diligence, to a depth sufficient to test the Devonian formation or to such a depth as unitized substances shall be discovered in paying quantities if at a lesser depth; provided, however, operator is not required in any event to drill said well to a depth in excess of 13,500 feet.

5. 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 by the New Mexico Oil Conservation Commission, and it is believed that in the event oil or gas in paying quantities is discovered on the lands within the unit area, that the field or area can be developed more economically and efficiently under the terms of said agreement, to the end that the maximum recovery will be obtained, and that said unit agreement is in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes.

6. That application is being made for the approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico.

7. 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, an 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 and that upon said hearing, said unit agreement be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and prevention of waste.

DATED this the 18th day of June, 1954.

Respectfully submitted,

CONTINENTAL OIL COMPANY

By W. R. Hall

360  
MAIN OFFICE OCC



1954 AUG 10 AM 8:44

## CONTINENTAL OIL COMPANY

Roswell, New Mexico  
August 16, 1954

### REGISTERED MAIL

Mr. W. B. Macey, Secretary and Director  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Macey:

Attached please find Unit Agreement for the development and operation of the West Anderson Ranch Unit, Chaves, Eddy and Lea Counties, New Mexico, which has been executed by Phillips Petroleum Company, Tide Water Associated Oil Company and Skelly Oil Company committing their respective rights to the West Anderson Ranch Unit. All of these companies have also executed the operating agreement covering this unit.

The subscribing to this Unit Agreement by the above named companies is in addition to those having already executed the agreement on its approval date of July 7, 1954 and those furnished you with my letter dated July 21, 1954. To date the working interest owners of 99.2450% of the West Anderson Ranch Unit have executed the agreement. This represents all of the State of New Mexico acreage in the unit with the exception of the McAlester Fuel Company 40 acres. This company has been extended an invitation to join the unit and in fact, I visited with the McAlester

Mr. W. B. Macey  
Page 2

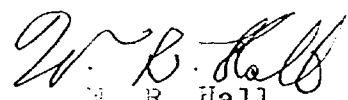
officials in Magnolia, Arkansas in attempting to obtain its execution of the agreement but to date McAlester has declined to join and it apparently does not propose to do so.

Also attached please find Consent and Ratification to the West Anderson Ranch Unit Agreement executed by Ernest A. Hanson and wife, Beulah I. Hanson, Olen Featherstone and wife, Martha Featherstone, Barny Cockburn and wife, Maggie Suetta Cockburn, Roy Hawley and wife, Eloise Hawley, William Spurck and wife, Vada Spurck, and George M. Gardner and wife, Blanche M. Gardner. These instruments represent all of the overriding royalty retained under any tract located in the West Anderson Ranch Unit with the exception of the Allie M. Lee estate 40 acres and the assignment into Continental covering this tract contains a stipulation that Continental would have the power to committ said land to a Unit Agreement. This assignment has been filed with the Commissioner of Public Lands, Santa Fe, New Mexico.

The identical material as enclosed herewith is also being furnished Mr. E. S. Walker, Commissioner of Public Lands, Santa Fe, New Mexico.

Should additional material be needed in connection with this Unit Agreement, it is kindly requested we be so advised.

Yours very truly,

  
W. R. Hall  
Land Superintendent  
Roswell Division

WRH-SL  
Att



## CONTINENTAL OIL COMPANY

Box 749  
Roswell, New Mexico  
July 21, 1954

RECEIVED  
JUL 23 AM 11:53  
MAIN OFFICE OCC

### REGISTERED MAIL

Mr. W. B. Macey  
Secretary and Director  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Macey:

RE: West Anderson Ranch Unit  
Agreement - Chaves, Eddy  
and Lea Counties, New Mexico

Reference is made to the captioned Unit Agreement, which was approved by the Oil Conservation Commission on July 7, 1954.

In this connection, we attach Unit Agreement for the Development and Operation of the West Anderson Ranch Unit, Chaves, Eddy and Lea Counties, New Mexico, which has been executed by Amerada Petroleum Corporation, The Vickers Petroleum Company, Inc., The British American Oil Producing Company, Magnolia Petroleum Company and The Texas Company committing their respective rights to the West Anderson Ranch Unit. All of these companies have also executed the Operating Agreement covering this Unit.

The subscribing to this Unit Agreement by the above-mentioned companies is in addition to those having already executed the Agreement on its approval date of July 7, 1954, namely Gulf Oil Corporation, Sinclair Oil and Gas Company, Texas Pacific Coal and Oil Company and Continental Oil Company. A Unit Agreement with the last four signatures thereon was passed to your office immediately following approval of the Unit by the Oil Conservation Commission.

Our efforts are being directed at obtaining execution of this Unit Agreement by Tide Water Associated Oil Company, Skelly Oil Company, Phillips Petroleum Company and McAlester Fuel Company, and you will be advised further in this connection.

Mr. W. B. Macey  
Page 2

An identical copy of this Unit Agreement is also being furnished Mr. E. S. Walker, Commissioner of Public Lands, Santa Fe, New Mexico.

Yours very truly,



W. R. Hall  
Land Superintendent  
Roswell Division

WRH-BLS  
Attach 1  
Carbon copy to:  
Mr. Howard C. Bratton  
Hervey, Dow and Hinkle  
First National Bank Bldg.  
Roswell, New Mexico

UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION OF THE  
WEST ANDERSON RANCH UNIT  
CHAVES, EDDY AND LEA COUNTIES, NEW MEXICO

RECEIVED  
STATE LAND OFFICE

JUL 7 10 02 AM '54

SANTA FE, N. M.

THIS AGREEMENT, entered into as of the 22nd day of June, 1954, 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 Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 3, Chap. 88, Laws 1943) as amended by Sec. 1 of Chapter 162, Laws of 1951, to consent to and approve the development or operation of State lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 1, Chapter 162, Laws of 1951) to amend with the approval of the lessee, any oil and gas lease embracing State lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part of or all of any oil or gas pool, field or area; and

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

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

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

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the below defined unit area, and agree severally among themselves as follows:

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

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 15 S., R. 31 E., Chaves County, New Mexico

Sec. 33: All

Sec. 34:  $S\frac{1}{2}$ ,  $W\frac{1}{2}NW\frac{1}{4}$

T. 16 S., R. 31 E., Eddy County, New Mexico

Sec. 1: All

Sec. 2: Lots 1, 5, 6, 7, 8, 9, 10, 11, 12, 13,  
14, 15, 16,  $S\frac{1}{2}$

Sec. 3: Lots 8, 9, 16,  $E\frac{1}{2}SE\frac{1}{4}$

T. 16 S., R. 32 E., Lea County, New Mexico

Sec. 5: Lots 5, 6, 7, 8, 9, 10, 11, 12, 13,  
14, 15, 16,  $S\frac{1}{2}$

Sec. 6: All

Sec. 7: Lot 1,  $NE\frac{1}{4}NW\frac{1}{4}$ ,  $NE\frac{1}{4}$

Sec. 8:  $N\frac{1}{2}$

containing 5,344.34 acres, more or less.

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

The above described unit area shall when practicable be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this agreement. Such expansion shall be effected in the following manner:



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

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

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

(d) After due consideration of all pertinent information, the expansion shall, upon approval by the Commissioner, become effective as of the date prescribed in the notice thereof, provided, however, if more than 25% on an acreage basis object to such expansion, the same shall not be approved; provided, however, that should the interest of any objecting working interest owner equal or exceed 25% on an acreage basis, then and in that event in order to make such objection effective hereunder one additional working interest owner must join in such objection.

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

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

3. UNIT OPERATOR. Continental Oil Company, a Delaware corporation, is hereby designated as Unit Operator and by signature hereto commits to this agreement all interests in unitized substances vested in it as set forth in Exhibit "B", and agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in unitized substances, and the term

"working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

4. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time but such resignation shall not become effective until a successor Unit Operator has been selected and approved in the manner provided for in Article 5 of this agreement. The resignation of the Unit Operator shall not release the Unit Operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

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

The resignation or removal of the Unit Operator under this agreement shall not terminate his right, title or interest as the owner of a working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, materials and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor Unit Operator or to the owners thereof if no such new Unit Operator is elected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of any wells.

5. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall resign as Unit Operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitized land shall by a majority vote select a successor Unit Operator; provided that, if a majority but less than 65 per cent of the working interests qualified to vote is owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than 65 per cent of the total working interests, shall be required to select a new operator. Such selection shall not become effective until (a) a Unit Operator so selected

shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Commissioner at his election may declare this unit agreement terminated.

6. ACCOUNTING PROVISIONS. The Unit Operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder and such costs and expenses and the working interest benefits accruing hereunder shall be apportioned among the owners of the unitized working interests in accordance with an operating agreement by and between the Unit Operator and the other owners of such 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 article, whether one or more, are herein referred to as the "Operating Agreement". No such agreement shall be deemed either to modify any of the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation established under this Unit Agreement, and in case of any inconsistencies or conflict between this Unit Agreement and the Operating Agreement this Unit Agreement shall prevail.

7. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said Unit Operator and, together with this agreement, shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

8. DRILLING TO DISCOVERY. Within 30 days after the effective date hereof, the Unit Operator shall commence operations upon an adequate test well

for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth sufficient to test the Devonian formation or to such a depth as unitized substances shall be discovered in paying quantities at a lesser depth or until it shall, in the opinion of the Unit Operator, be determined that the further drilling of said well shall be unwarranted or impracticable; provided, however, that Unit Operator shall not, in any event, be required to drill said well to a depth in excess of 13,500 feet. Until a discovery of a deposit of unitized substances capable of being produced in paying quantities, Unit Operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Commissioner, or until it is reasonably proven to the satisfaction of the Unit Operator that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder.

Any well commenced prior to the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his opinion such action is warranted. Failure to comply with the drilling provisions of this article shall automatically terminate this agreement as to all its terms, conditions and provisions and all rights, privileges and obligations granted by this Unit Agreement shall cease and terminate as of the date of any such default.

9. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities, the owners of working interests shall participate in the production therefrom and in all other producing wells which may be drilled pursuant hereto in the proportions that their respective leasehold interests covered hereby on an acreage basis bears to the total number of acres committed to this Unit Agreement, and such unitized substances shall be deemed to have been produced from the respective leasehold

interests participating therein. For the purpose of determining any benefits accruing under this agreement and the distribution of the royalties payable to the State of New Mexico each separate lease shall have allocated to it such percentage of said production as the number of acres in each lease respectively committed to this agreement bears to the total number of acres committed hereto.

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

10. ALLOCATION OF PRODUCTION. All unitized substances produced from each tract in the unitized area established under this agreement, except any part thereof used for production or development purposes hereunder, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of the unitized land, and for the purpose of determining any benefits that accrue on an acreage basis, each such tract shall have allocated to it such percentage of said production as its area bears to the entire unitized area. It is hereby agreed that production of unitized substances from the unitized area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular tract of said unitized area.

11. PAYMENT OF RENTALS, ROYALTIES AND OVERRIDING ROYALTIES. All rentals due the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

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

If the Unit Operator introduces gas obtained from sources other than the unitized substances into any producing formation for the purpose of repressuring, stimulating or increasing the ultimate recovery of unitized substances therefrom, a like amount of gas, if available, with due allowance for loss or depletion from any cause may be withdrawn from the formation into which the gas was introduced royalty free as to dry gas but not as to the products extracted therefrom; provided, that such withdrawal shall be at such time as may be provided in a plan of operations consented to by the Commissioner and approved by the Commission as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this Unit Agreement.

If any lease committed hereto is burdened with an overriding royalty, payment out of production or other charge in addition to the usual royalty, the owner of each such lease shall bear and assume the same out of the unitized substances allocated to the lands embraced in each such lease as provided herein.

12. LEASES AND CONTRACTS CONFORMED AND EXTENDED INSOFAR AS THEY APPLY TO LANDS WITHIN THE UNITIZED AREA. The terms, conditions and provisions of all leases, sub-leases, operating agreements and other contracts relating to the exploration, drilling development or operation for oil or gas of the lands committed to this agreement, shall, upon approval hereof by the Commissioner be and the same are hereby expressly modified and amended insofar as they apply to lands within the unitized area to the extent necessary to make the same conform to the provisions hereof and so that the length of the secondary term as to lands within such area will be extended insofar as necessary to coincide with the term of this agreement and the approval of this agreement by the Commissioner and the lessee shall, without further action of the Commissioner or the lessee, be effective to conform the provisions and extend the term of each such lease as to lands within the unitized area to the provisions and terms of this agreement; but otherwise to remain in full force and effect. Each lease committed to this agreement insofar as it applies to lands within the unitized area, shall continue in force beyond the term provided therein so long as this agreement remains in effect, provided, drilling operations upon the initial test

well provided for herein shall have been commenced or said well is in the process of being drilled by the Unit Operator prior to the expiration of the shortest term lease committed to this agreement. Termination of this agreement shall not affect any lease which pursuant to the terms thereof or any applicable laws shall continue in full force and effect thereafter. The commencement, completion, operation or production of a well on any part of the unit area shall be respectively construed and considered as the commencement or completion or operation or production of a well within the terms and provisions of each of the oil and gas leases to the same extent as though such commencement, completion, operation or production was carried on, conducted and/or obtained from any such leased tract.

Any lease having only a portion of its lands committed hereto shall be segregated as to the portion committed and the portion not committed, and the terms of such lease shall apply separately to such segregated portions commencing as of the effective date hereof. Notwithstanding any of the provisions of this agreement to the contrary, any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease, if unitized substances are discovered and are capable of being produced in paying quantities from some part of the lands embraced in such lease committed to this agreement at the expiration of the secondary term of such lease; or if, at the expiration of the secondary term, the lessee or the Unit Operator is then engaged in bona fide drilling or reworking operations on some part of the lands embraced in such lease, the same as to all lands embraced therein shall remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of unitized substances, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as unitized substances in paying quantities are being produced from any portion of said lands.

13. CONSERVATION. Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State laws or regulation.

14. DRAINAGE. The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized lands by wells on land not subject to this agreement.

15. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance, of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any working, royalty or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic or certified copy of the instrument of transfer.

16. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Commissioner and shall terminate in two years after such date unless (a) such date of expiration is extended by the Commissioner, or (b) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof in which case this agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities, and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid. This agreement may be terminated at any time by not less than 65 per cent on an acreage basis of the owners of the working interests signatory hereto with the approval of the Commissioner. Likewise, as provided in Article 8 hereof, the failure to comply with the drilling provisions of this Unit Agreement shall as of the date of any such default, automatically terminate this Unit Agreement.

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



18. APPEARANCES. Unit Operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Commissioner of Public Lands and the New Mexico Oil Conservation Commission and to appeal from orders issued under the regulations of the Commissioner or Commission or to apply for relief from any of said regulations or in any proceedings relative to operations pending before the Commissioner or Commission; provided, however, that any other interested party shall also have the right at his own expense to appear and to participate in any such proceeding.

19. NOTICES. All notices, demands or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if given in writing and personally delivered to the party or sent by postpaid registered mail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party may have furnished in writing to party sending the notice, demand or statement.

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

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

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

22. SUBSEQUENT JOINDER. Any oil or gas interest in lands within the unit area not committed hereto prior to the submission of this agreement for final approval either by the Commission or Commissioner may be committed hereto by the owner or owners of such rights subscribing or consenting to this agreement or executing a ratification thereof, and if such owner is also a working interest owner, by subscribing to the operating agreement providing for the allocation of costs of exploration, development and operation. After operations are commenced hereunder, the right of subsequent joinder by a working interest owner shall be subject to all of the requirements of any applicable operating agreement between the working interest owners relative to the allocation of costs of exploration, development and operation. A subsequent joinder shall be effective as of the first day of the month following the filing with the Commissioner and the Commission of duly executed counterparts of the instrument or instruments committing the interest of such owner to this agreement, but such joining party or parties before participating in any benefits hereunder shall be required to assume and pay to Unit Operator their proportionate share of the unit expense incurred prior to such party's or parties' joinder in the Unit Agreement, and the Unit Operator shall make appropriate adjustments caused by such joinder, without any retroactive adjustment of revenue.

23. COUNTERPARTS. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument in writing specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as

if all such parties had signed the same document and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described unit area.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set opposite their signatures.

ATTEST:  
Marie Rodgers  
Assistant Secretary  
Date 7-1-54

CONTINENTAL OIL COMPANY  
By [Signature]  
Vice President  
Address 1410 Fair Building  
Fort Worth 2, Texas

UNIT OPERATOR AND WORKING INTEREST OWNER

ATTEST:  
[Signature]  
Asst. Secretary W. M. CRAIG  
Date 6-30-54

GULF OIL CORPORATION  
By [Signature]  
Vice President  
Address P. O. Drawer 1290  
Fort Worth, Texas

ATTEST:  
[Signature]  
Assistant - Secretary  
Date 7-2-54

SINCLAIR OIL & GAS COMPANY  
By [Signature]  
Vice - President  
Address 901 Fair Bldg  
Fort Worth Texas

ATTEST:  
[Signature]  
Secretary  
Date \_\_\_\_\_

TEXAS PACIFIC COAL AND OIL COMPANY  
By [Signature]  
President  
Address \_\_\_\_\_

ATTEST:  
\_\_\_\_\_  
Secretary  
Date \_\_\_\_\_

By \_\_\_\_\_  
President  
Address \_\_\_\_\_

ATTEST:  
\_\_\_\_\_  
Secretary  
Date \_\_\_\_\_

By \_\_\_\_\_  
President  
Address \_\_\_\_\_

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.

IN WITNESS WHEREOF, the undersigned parties hereto have caused this agreement to be executed as of the respective dates set opposite their signatures.

ATTEST:

\_\_\_\_\_  
Secretary

Date \_\_\_\_\_

CONTINENTAL OIL COMPANY

By \_\_\_\_\_  
President

Address \_\_\_\_\_

UNIT OPERATOR AND WORKING INTEREST OWNER

ATTEST:

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

GULF OIL CORPORATION

By \_\_\_\_\_  
President

Address \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date \_\_\_\_\_

SINCLAIR OIL & GAS COMPANY

By \_\_\_\_\_  
President

Address \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

Date \_\_\_\_\_

TEXAS PACIFIC COAL AND OIL COMPANY

By \_\_\_\_\_  
President

Address \_\_\_\_\_

ATTEST:

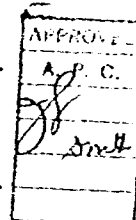
\_\_\_\_\_  
Assistant Secretary

Date 7-8-54

AMERADA PETROLEUM CORPORATION

By [Signature]  
Executive Vice President

Address Box 2040  
Tulsa, Oklahoma




ATTEST:

\_\_\_\_\_  
Secretary

Date \_\_\_\_\_

By \_\_\_\_\_  
President

Address \_\_\_\_\_

ATTEST:  
  
Secretary

Date 7-9-59

ATTEST:  
  
 Secretary Mayo E. McKown

Date 7-14-54

*W. D. Wolfe*  
Secretary

Ass't. Secretary, 7-16-54  
Date

RM E. B. Dunning WMS

Date 7-19-54

Secretary

Date \_\_\_\_\_

Secretary

Date \_\_\_\_\_

Secretary

Date \_\_\_\_\_

Secretary

Date \_\_\_\_\_

By Wm. O. West, Chief Bd.

Address Box 2740  
Wichita Kansas

By J. G. Miller VICE PRESIDENT  
Address P. O. BOX 749  
DALLAS, TEXAS

By D. E. Christ  
Address Box 900 Vice-President  
Dallas, Texas

By J. M. Markley Jr.  
Address 1000 1st St. N.E.

Address \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

By \_\_\_\_\_

Address \_\_\_\_\_

ATTEST:

ASSISTANT

Secretary

Date

7-28-54

ATTEST:

ASSISTANT

Secretary

Date

JUL 29 1954

ATTEST:

ASSISTANT

Secretary

Date

AUG 6 1954

ATTEST:

Secretary

Date

ATTEST:

Secretary

Date

ATTEST:

Secretary

Date

ATTEST:

Secretary

Date

ATTEST:

Secretary

Date

PHILLIPS PETROLEUM COMPANY

By

VICE-PRESIDENT

Address

Butteville,  
Oklahoma

TIDE WATER ASSOCIATED OIL CO.

By

VICE-PRESIDENT

Address

Box 731  
Tulsa, Oklahoma

SHREVEPORT OIL COMPANY

By

VICE-PRESIDENT

Address

Box 1650  
Tulsa, Oklahoma

By

Address

By

Address

By

Address

By

Address

By

Address

STATE OF Texas } SS  
COUNTY OF Tarrant

On this 1 day of July, 1954, before me personally appeared  
A. W. [unclear] to me personally known who being by me  
duly sworn, did say that he is the Vice President of  
Continental Oil Company and that the seal affixed to said instrument is  
the corporate seal of said corporation, and that said instrument was signed and  
sealed in behalf of said corporation by authority of its Board of Directors, and  
said [unclear] acknowledged said instrument to be the  
free act and deed of said corporation.

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

My Commission Expires:  
JUNE 1, 1955

Boelyn Dieckmiller  
Notary Public

STATE OF TEXAS } SS  
COUNTY OF TARRANT

On this 1 day of July, 1954, before me personally appeared  
H. M. BAYER to me personally known who being by me  
duly sworn did say that he is the Vice President of  
GULF OIL CORPORATION and that the seal affixed to said instrument is  
the corporate seal of said corporation, and that said instrument was signed and  
sealed in behalf of said corporation by authority of its Board of Directors, and  
said H. M. BAYER acknowledged said instrument to be the  
free act and deed of said corporation.

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

My Commission Expires:  
JUN 1 1955

Eva Marie Cooper  
Notary Public

STATE OF TEXAS } SS  
COUNTY OF TARRANT

On this 1st day of JULY, 1954, before me personally appeared  
C. E. Yager to me personally known who being by me  
duly sworn did say that he is the President of  
TEXAS PACIFIC COAL AND OIL COMPANY and that the seal affixed to said instrument is  
the corporate seal of said corporation, and that said instrument was signed and  
sealed in behalf of said corporation by authority of its Board of Directors, and  
said C. E. Yager acknowledged said instrument to be the  
free act and deed of said corporation.

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

My Commission Expires:  
My Commission Expires June 1, 1955

Donald M. Woodward

DONALD M. WOODARD, Notary Public  
In and For Tarrant County, Texas

STATE OF Texas )  
COUNTY OF Tarrant ) SS

On this 2nd day of July, 1954, before me personally appeared  
Mr. P. C. Brooke to me personally known who being by me  
duly sworn, did say that he is the Vice President of Sinclair Oil & Gas Company,  
a Maine Corporation and that the seal affixed to said instrument is  
the corporate seal of said corporation, and that said instrument was signed and  
sealed in behalf of said corporation by authority of its Board of Directors, and  
said P. C. BROOKE acknowledged said instrument to be the  
free act and deed of said corporation.

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

My Commission Expires:  
June 1, 1955.

*Eloise J. Wright*  
Notary Public in and for Tarrant  
County, Texas.  
ELOISE J. WRIGHT, Notary Public  
in and for Tarrant County, Texas

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

On this \_\_\_\_ day of \_\_\_\_\_, 195\_\_, before me personally appeared  
\_\_\_\_\_ to me personally known who being by me  
duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_  
and that the seal affixed to said instrument is  
the corporate seal of said corporation, and that said instrument was signed and  
sealed in behalf of said corporation by authority of its Board of Directors, and  
said \_\_\_\_\_ acknowledged said instrument to be the  
free act and deed of said corporation.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

On this \_\_\_\_ day of \_\_\_\_\_, 195\_\_, before me personally appeared  
\_\_\_\_\_ to me personally known who being by me  
duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_  
and that the seal affixed to said instrument is  
the corporate seal of said corporation, and that said instrument was signed and  
sealed in behalf of said corporation by authority of its Board of Directors, and  
\_\_\_\_\_ acknowledged said instrument to be the  
free act and deed of said corporation.

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

My Commission Expires:



STATE OF Okla }  
COUNTY OF LeFlore } SS

On this 8 day of July, 1954, before me personally appeared W. H. McCollough to me personally known who being by me duly sworn, did say that he is the President of AMERADA PETROLEUM CORPORATION and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said W. H. McCollough acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:  
My commission expires October 25, 1956

J. Berdette Wilson  
Notary Public

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS

On this \_\_\_\_ day of \_\_\_\_\_, 195\_\_\_\_, before me personally appeared \_\_\_\_\_ to me personally known who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF Kansas }  
COUNTY OF Ledgewick } SS

On this 9th day of July, 1954, before me personally appeared John S. Murty to me personally known who being by me duly sworn did say that he is the President of THE VICKERS PETROLEUM CO., INC. and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and John S. Murty acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

August 13, 1957

Allen J. Norton  
Notary Public

STATE OF Texas }  
COUNTY OF Dallas } SS

On this 14 day of July, 1954, before me personally appeared THE MATTER to me personally known who being by me duly sworn, did say that he is the Vice President of THE BRITISH-AMERICAN OIL PRODUCING COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said THE MATTER acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

June 1 - 1955

Inogene Wilson  
Notary Public **INOGENE WILSON**

STATE OF Texas }  
COUNTY OF Dallas } SS

On this 16<sup>th</sup> day of July, 1954, before me personally appeared A. E. CHESTER to me personally known who being by me duly sworn did say that he is the Vice President of MAGNOLIA PETROLEUM COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. E. CHESTER acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

My commission expires

June 1, 1955

Gladys H. Walters  
Notary Public

GLADYS H. WALTERS, Notary Public  
In and for Dallas County, Texas

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS

On this \_\_\_\_ day of \_\_\_\_\_, 195\_\_, before me personally appeared \_\_\_\_\_ to me personally known who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

On this \_\_\_\_ day of \_\_\_\_\_, 195\_\_, before me personally appeared \_\_\_\_\_ to me personally known who being by me duly sworn, did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

On this \_\_\_\_ day of \_\_\_\_\_, 195\_\_, before me personally appeared \_\_\_\_\_ to me personally known who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

On this \_\_\_\_ day of \_\_\_\_\_, 195\_\_, before me personally appeared \_\_\_\_\_ to me personally known who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF TEXAS )

COUNTY OF TARRANT )

On this <sup>19th</sup>~~16th~~ day of July, 1954, before me personally appeared J. H. Markley, Jr. to me personally known, who being by me first duly sworn, did say that he is

Attorney in Fact for The Texas Company, a corporation, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors, and said

J.H. Markley, Jr. acknowledged said instrument to be his free and voluntary act and deed and the free and voluntary act and deed of said corporation for the uses specified therein.

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

Anna Schrader  
Notary Public, Tarrant County,  
Texas.

My commission expires:

6-1-55

STATE OF TEXAS       )  
COUNTY OF TARRANT   )

On this 19th day of July, 1954, before me  
personally appeared J. H. Markley, Jr. to me personally  
known, who being by me first duly sworn, did say that he is

Attorney in Fact for The Texas Company, a corporation,  
and that said instrument was signed in behalf of said  
corporation by authority of its Board of Directors, and said

J.H. Markley, Jr. acknowledged said instrument to be  
his free and voluntary act and deed and the free and voluntary  
act and deed of said corporation for the uses specified therein.

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

Anna Schneider  
Notary Public, Tarrant County,  
Texas.

My commission expires:

6-1-55

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

On this \_\_\_\_ day of \_\_\_\_\_, 195\_\_, before me personally appeared  
\_\_\_\_\_ to me personally known who being by me  
duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_  
\_\_\_\_\_ and that the seal affixed to said instrument is  
the corporate seal of said corporation, and that said instrument was signed and  
sealed in behalf of said corporation by authority of its Board of Directors, and  
\_\_\_\_\_ acknowledged said instrument to be the  
free act and deed of said corporation.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF Oklahoma )  
COUNTY OF Tulsa ) SS

On this 24<sup>th</sup> day of July, 1954, before me personally appeared J. E. ROTH to me personally known who being by me duly sworn, did say that he is the Vice President of TIDE WATER ASSOCIATED OIL CO. and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said J. E. ROTH acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

March 19, 1956

Richard B. Wiley  
Notary Public

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

On this \_\_\_\_ day of \_\_\_\_\_, 195\_\_, before me personally appeared \_\_\_\_\_ to me personally known who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF Oklahoma )  
COUNTY OF Washington ) SS

On this 24 day of July, 1954, before me personally appeared B. J. Stalley to me personally known who being by me duly sworn did say that he is the Vice President of Phillips Petroleum Company and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and B. J. Stalley acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

My Commission Expires December 29, 1957

Nathan Shelton  
Notary Public

STATE OF Oklahoma }  
COUNTY OF LeFlore } SS

On this 6th day of August, 1954, before me personally appeared A. L. CASHMAN to me personally known who being by me duly sworn, did say that he is the President of WELLY OIL COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said A. L. CASHMAN acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

HAZEL M. BRADY  
Notary Public, Tulsa County, Oklahoma  
My Commission Expires

Hazel M. Brady  
Notary Public

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS

On this \_\_\_\_ day of \_\_\_\_\_, 195\_\_, before me personally appeared \_\_\_\_\_ to me personally known who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS

On this \_\_\_\_ day of \_\_\_\_\_, 195\_\_, before me personally appeared \_\_\_\_\_ to me personally known who being by me duly sworn did say that he is the \_\_\_\_\_ President of \_\_\_\_\_ and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and \_\_\_\_\_ acknowledged said instrument to be the free act and deed of said corporation.

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

My Commission Expires:

\_\_\_\_\_  
Notary Public

CONSENT AND RATIFICATION  
WEST ANDERSON RANCH UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the West Anderson Ranch Unit Area embracing lands situated in Chaves, Eddy and Lea Counties, New Mexico, which said agreement is dated the 22nd day of June, 1954, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit B, do hereby commit all of their said interest to the West Anderson Ranch Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

Witness  
Lavada Stephenson

Ernest A. Hanson

Lavada Stephenson

Beulah I. Hanson

STATE OF NEW MEXICO )  
COUNTY OF CHAVES ) SS

On this the 24<sup>th</sup> day of July, 1954, before me personally appeared Ernest A. Hanson and wife, Beulah I. Hanson

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

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

My Commission Expires:

My Commission Expires  
February 28, 1958

Emerson B. Footbunter  
Notary Public



CONSENT AND RATIFICATION  
WEST ANDERSON RANCH UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the West Anderson Ranch Unit Area embracing lands situated in Chaves, Eddy and Lea Counties, New Mexico, which said agreement is dated the 22nd day of June, 1954, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit B, do hereby commit all of their said interest to the West Anderson Ranch Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

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

*Olen F. Featherstone*  
*Martha Featherstone*  
\_\_\_\_\_

STATE OF COLORADO     )  
                                  )SS  
COUNTY OF DENVER     )

On this the 28th day of July, 1954, before me personally appeared Olen F. Featherstone and wife, Martha Featherstone,  
315 Midland Savings Building, Denver, Colorado,

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

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

My Commission Expires:  
My Commission expires July 13, 1956

*Margaret J. Jordan*  
\_\_\_\_\_  
Notary Public

CONSENT AND RATIFICATION  
WEST ANDERSON RANCH UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the West Anderson Ranch Unit Area embracing lands situated in Chaves, Eddy and Lea Counties, New Mexico, which said agreement is dated the 22nd day of June, 1954, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit B, do hereby commit all of their said interest to the West Anderson Ranch Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

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

STATE OF New Mexico }  
COUNTY OF Eddy } SS

On this the 12<sup>th</sup> day of July, 1954, before me personally appeared Barney Cockburn and wife, Maggie Suetta Cockburn

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

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

My Commission Expires:

October 1, 1956

Luis L. Ariza  
Notary Public

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the West Anderson Ranch Unit Area embracing lands situated in Chaves, Eddy and Lea Counties, New Mexico, which said agreement is dated the 22nd day of June, 1954, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit B, do hereby commit all of their said interest to the West Anderson Ranch Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

Roy Hawley  
Clouise Hawley

On this the 31st day of July, 1954, before me personally appeared Roy Hawley and wife, Eloise Hawley

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

September 21, 1957

**Notary Public**

CONSENT AND RATIFICATION  
WEST ANDERSON RANCH UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the West Anderson Ranch Unit Area embracing lands situated in Chaves, Eddy and Lea Counties, New Mexico, which said agreement is dated the 22nd day of June, 1954, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit B, do hereby commit all of their said interest to the West Anderson Ranch Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned as of the date set forth in their respective acknowledgments.

William Spurck      707 So. Hill St.,  
Vada Spurck      Los Angeles 14, Calif.

STATE OF CALIFORNIA )  
                                  )SS  
COUNTY OF LOS ANGELES

On this the 30<sup>th</sup> day of July, 1954, before me personally appeared William Spurck and wife, Vada Spurck

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

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

My Commission Expires:

March 15, 1956

Edwin Hudson  
Notary Public

CONSENT AND RATIFICATION  
WEST ANDERSON RANCH UNIT AGREEMENT

The undersigned (whether one or more) hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the West Anderson Ranch Unit Area embracing lands situated in Chaves, Eddy and Lea Counties, New Mexico, which said agreement is dated the 22nd day of June, 1954, and acknowledge that they have read the same and are familiar with the terms and conditions thereof. The undersigned also being the owners of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit B, do hereby commit all of their said interest to the West Anderson Ranch Unit Agreement and do hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

IN WITNESS WHEREOF, this instrument is executed by the undersigned  
as of the date set forth in their respective acknowledgments.

George M Gardner  
Blanche M. Gardner

STATE OF CALIFORNIA )  
COUNTY OF *Placer* ) SS  
~~CONTRA COSTA~~

On this the 22nd day of July, 1954, before me personally  
appeared George M. Gardner and wife, Blanche M. Gardner

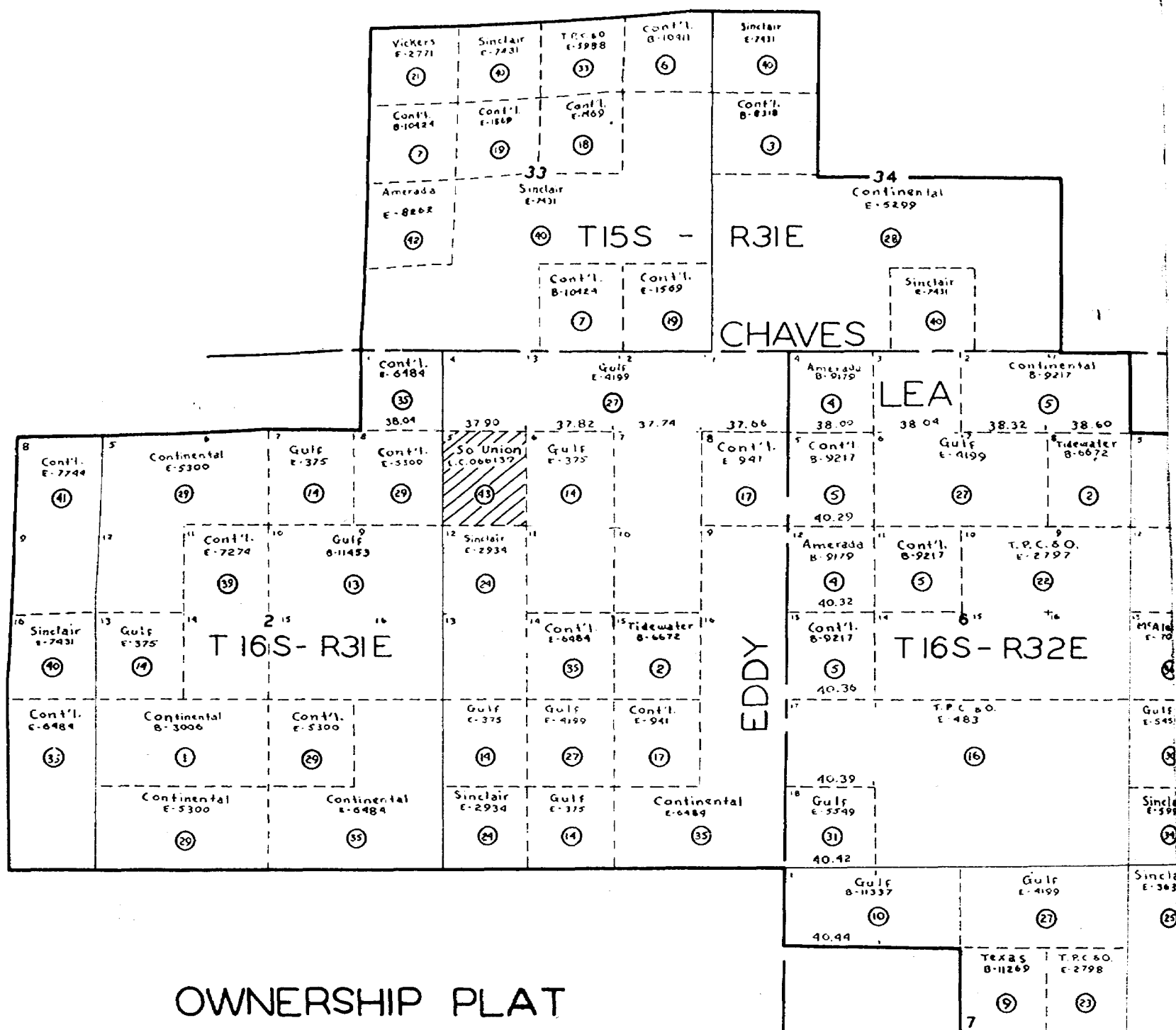
to me personally known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

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

My Commission Expires:

March 4, 1955

Notary Public



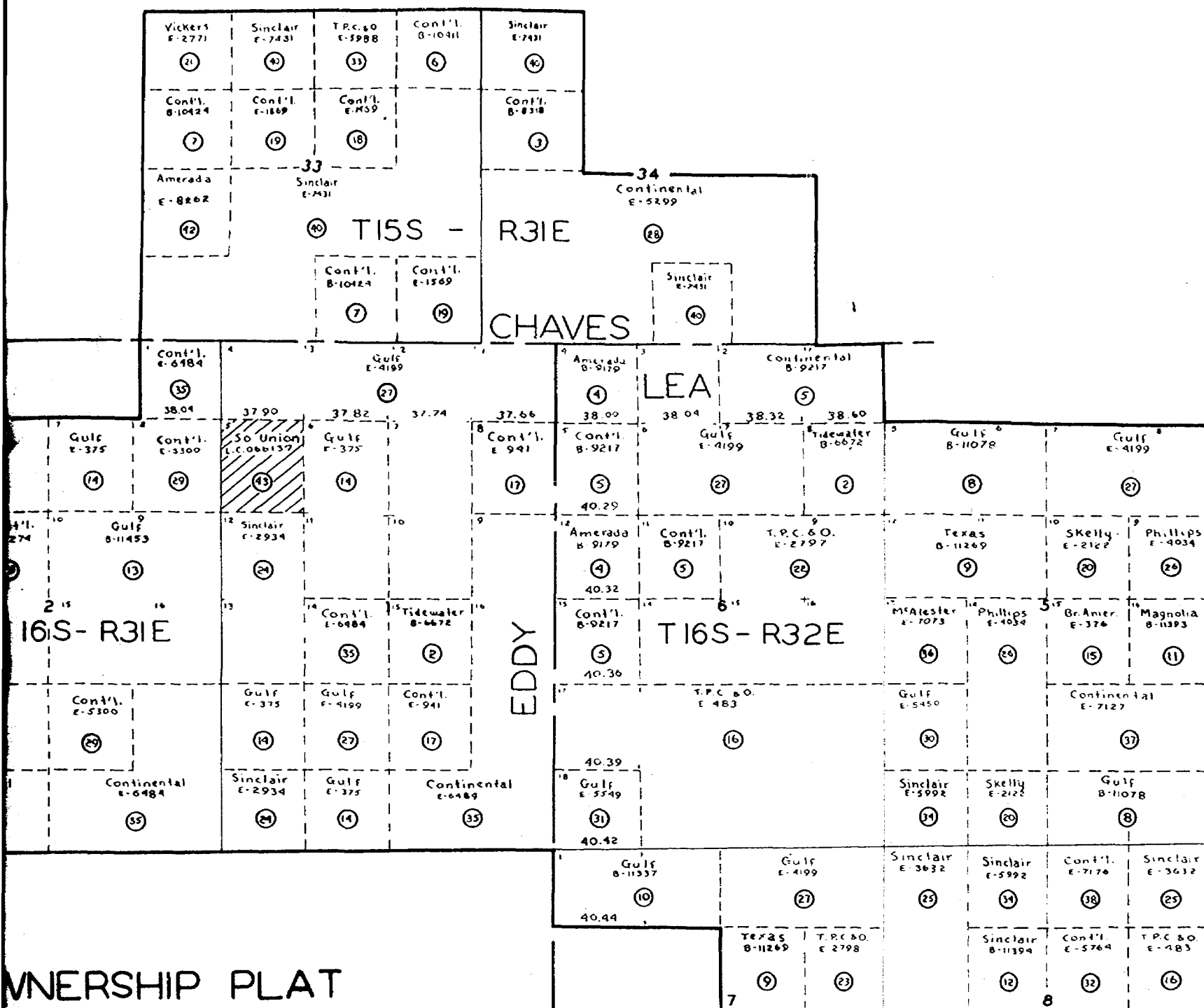
STATE LANDS \_\_\_\_\_ 5,304.34 ACRES

FEDERAL LANDS \_\_\_\_\_ 40.00 ACRES

TOTAL AC. IN UNIT \_\_\_\_\_ 5,344.34 ACRES

UNIT OUTLINE

TRACT NUMBERS



Guitar F. 4199	Singlular F. 3847	Singlular F. 5992	Const. F. 2176	Const. F. 4604
(27)	(25)	(39)	(38)	(23)
Texas 0-11269	T. V. No F. 2798	Singlular 0-11394	Const. F. 5764	Const. F. 4604
(9)	(21)	(12)	(37)	(16)
7		8		

T16S-R32E

EDDY

T15S - R31E

CHAVES

LEA

WEST ANDERSON RANCH UNIT AREA

CHAVES, EDDY AND LEA COUNTIES, NEW MEXICO



# EXHIBIT "A"

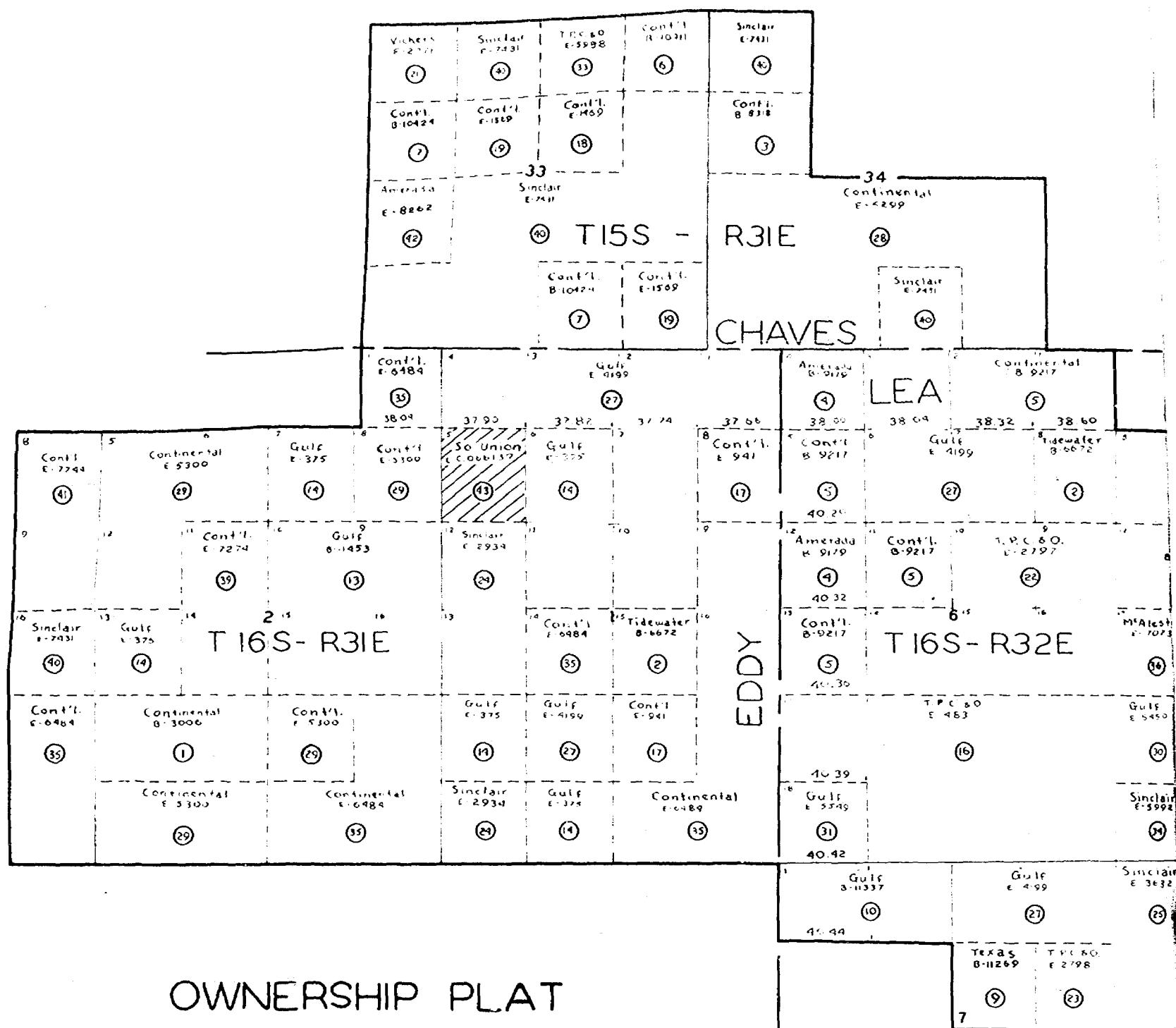
☐ STATE LANDS \_\_\_\_\_ 5,304.34 ACRES

☒ FEDERAL LANDS \_\_\_\_\_ 40.00 ACRES

TOTAL AC. IN UNIT \_\_\_\_\_ 5,344.34 ACRES

\_\_\_\_ UNIT OUTLINE

O TRACT NUMBERS





## OWNERSHIP PLAT

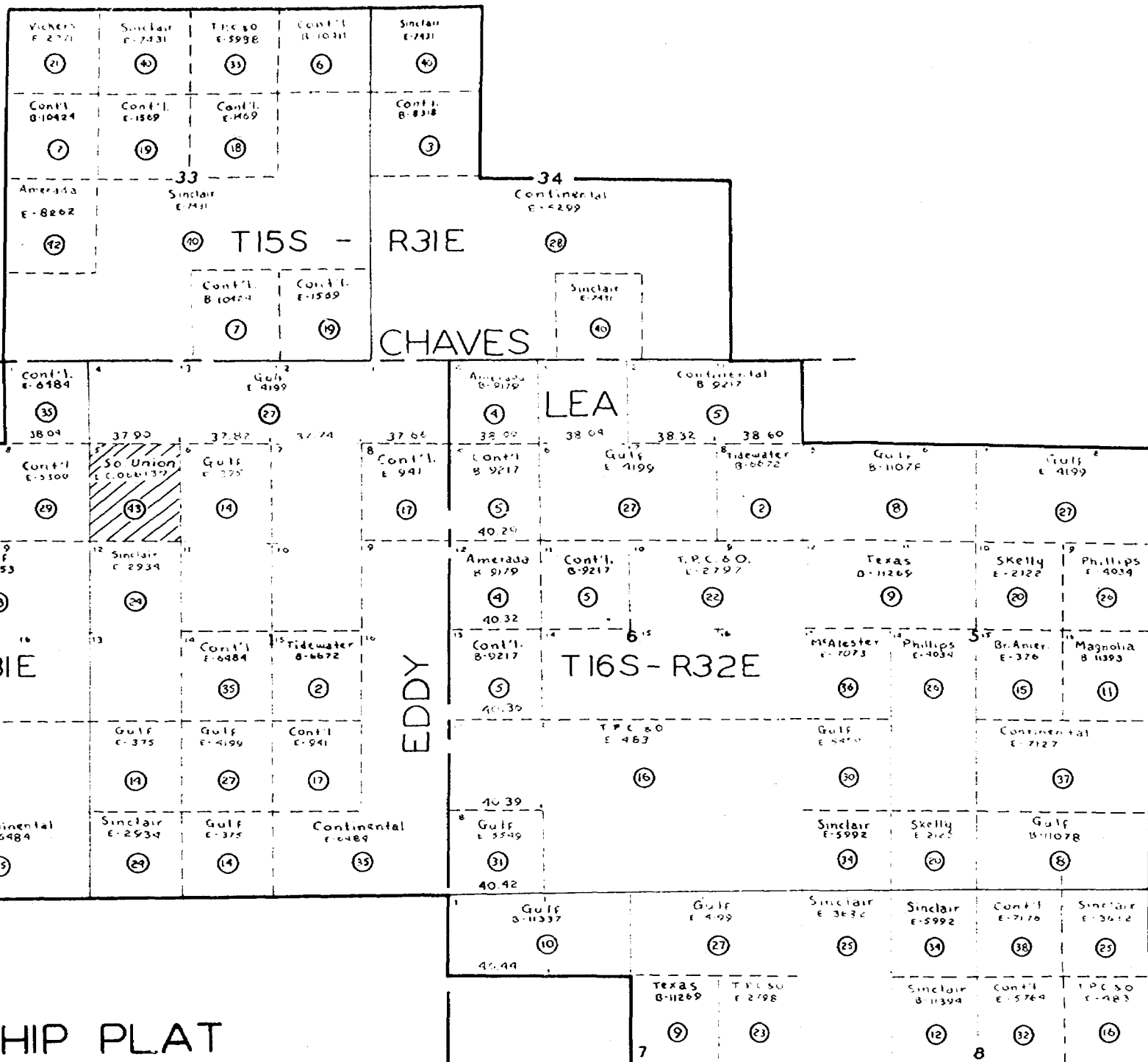
### WEST ANDERSON RANCH UNIT AREA

CHAVES, EDDY, AND LEA COUNTIES, NEW MEXICO

EXHIBIT "A"

 STATE LANDS \_\_\_\_\_ 5,304.34 ACRES  
 FEDERAL LANDS \_\_\_\_\_ 40.00 ACRES  
 TOTAL AC. IN UNIT \_\_\_\_\_ 5,344.34 ACRES

— UNIT OUTLINE  
 O TRACT NUMBERS



# OWNERSHIP PLAT

PERSON RANCH UNIT AREA  
 DY, AND LEA COUNTIES, NEW MEXICO

EXHIBIT "A"

- STATE LANDS \_\_\_\_\_ 5,304.34 ACRES
- FEDERAL LANDS \_\_\_\_\_ 40.00 ACRES
- TOTAL Ac. IN UNIT \_\_\_\_\_ 5,344.34 ACRES

UNIT OUTLINE  
 O TRACT NUMBERS

**EXHIBIT "B"**  
**WEST ANDERSON RANCH UNIT AREA**  
**CHAVES, EDDY AND LEA COUNTIES, NEW MEXICO**  
**TWPS. 15 and 16 SOUTH, RGS. 31 and 32 EAST**

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

Tract No.	Description of Land	No. of Acres	Lease No. and Expiration Date of Lease	Basic Royalty & Percentage	Overriding Royalty & Percentage	Working Interest Owner
<b>STATE LAND</b>						
1	<u>T-16-S, R-31-E</u> Sec. 2: N $\frac{1}{2}$ SW $\frac{1}{4}$	80	B-3006 H.B.P.	State of New Mexico All	George M. Gardner and wife, Blanche M. Gardner; Roy Hawley and wife, Eloise Hawley, obligation \$200.00 per acre out of 2% production	Continental Oil Company
2	<u>T-16-S, R-31-E</u> Sec. 1: Lot 15  <u>T-16-S, R-32-E</u> Sec. 6: Lot 8	80	B-6672 H.B.P.	State of New Mexico All	None	Tide Water Associated Oil Company
3	<u>T-15-S, R-31-E</u> Sec. 34: SW $\frac{1}{4}$ NW $\frac{1}{4}$	40	B-8318 H.B.P.	State of New Mexico All	William Spurck and wife, Vada Spurck	Continental Oil Company
4	<u>T-16-S, R-32-E</u> Sec. 6: Lots 4 and 12	78.32	B-9179 6-10-55	State of New Mexico All	None	Amerada Petroleum Corporation
5	<u>T-16-S, R-32-E</u> Sec. 6: Lots 1, 2, 5, 11 and 13	197.57	B-9217 7-10-55	State of New Mexico All	None	Continental Oil Company
6	<u>T-15-S, R-31-E</u> Sec. 33: NE $\frac{1}{4}$ NE $\frac{1}{4}$	40	B-10411 H.B.P.	State of New Mexico All	First National Bank of Nevada, Trustee for the Estate of Allie M. Lee, Deceased	Continental Oil Company
					5%	

7	<u>T-15-S, R-31-E</u> Sec. 33: SW $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$	80	B-10424 H.B.P.	State of New Mexico All	Barney Cockburn and wife, Maggie Suetta Cockburn	2 $\frac{1}{2}$ %	Continental Oil Company
8	<u>T-16-S, R-32-E</u> Sec. 5: Lots 5, 6, S $\frac{1}{2}$ SE $\frac{1}{4}$	160	B-11078 H.B.P.	State of New Mexico All	None		Gulf Oil Corporation
9	<u>T-16-S, R-32-E</u> Sec. 5: Lots 11, 12 Sec. 7: SW $\frac{1}{4}$ NE $\frac{1}{4}$	120	B-11269 H.B.P.	State of New Mexico All	None		The Texas Company
10	<u>T-16-S, R-32-E</u> Sec. 7: Lot 1, NE $\frac{1}{2}$ NW $\frac{1}{2}$	80.44	B-11337 7-10-54	State of New Mexico All	None		Gulf Oil Corporation
11	<u>T-16-S, R-32-E</u> Sec. 5: Lot 16	40	B-11393 8-10-54	State of New Mexico All	None		Magnolia Petroleum Company
12	<u>T-16-S, R-32-E</u> Sec. 8: SE $\frac{1}{4}$ NW $\frac{1}{4}$	40	B-11394 8-10-54	State of New Mexico All	None		Sinclair Oil & Gas Company
13	<u>T-16-S, R-31-E</u> Sec. 2: Lots 9, 10, 15 and 16	160	B-11453 9-11-54	State of New Mexico All	None		Gulf Oil Corporation
14	<u>T-16-S, R-31-E</u> Sec. 1: Lots 6, 11, NW $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 2: Lots 7, 13	240	E-375 6-11-55	State of New Mexico All	None		Gulf Oil Corporation
15	<u>T-16-S, R-32-E</u> Sec. 5: Lot 15	40	E-376 6-11-55	State of New Mexico All	None		British American Oil Producing Company
16	<u>T-16-S, R-32-E</u> Sec. 6: Lot 17, NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ Sec. 8: SE $\frac{1}{4}$ NE $\frac{1}{4}$	320.39	E-483 8-10-55	State of New Mexico All	None		Texas Pacific Coal and Oil Company
17	<u>T-16-S, R-31-E</u> Sec. 1: Lot 8, NW $\frac{1}{4}$ SE $\frac{1}{4}$	80	E-941 8-10-56	State of New Mexico All	Olen F. Featherstone and wife, Martha Featherstone	1/16 of 8/8	Continental Oil Company

18	<u>T-15-S, R-31-E</u> Sec. 33: SW $\frac{1}{4}$ NE $\frac{1}{4}$	40	E-1469 9-10-57	State of New Mexico All	Ernest A. Hanson and wife, Beulah I. Hanson 1/16 of 8/8	Continental Oil Company
19	<u>T-15-S, R-31-E</u> Sec. 33: SE $\frac{1}{4}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$	80	E-1569 11-10-57	State of New Mexico All	Ernest A. Hanson and wife, Beulah I. Hanson 1/16 of 8/8	Continental Oil Company
20	<u>T-16-S, R-32-E</u> Sec. 5: Lot 10, SE $\frac{1}{4}$ SW $\frac{1}{4}$	80	E-2122 9-10-58	State of New Mexico All	None	Skelly Oil Company
21	<u>T-15-S, R-31-E</u> Sec. 33: NW $\frac{1}{4}$ NW $\frac{1}{4}$	40	E-2771 7-11-59	State of New Mexico All	None	Vickers Petroleum Company
22	<u>T-16-S, R-32-E</u> Sec. 6: Lots 9, 10, 14, 15, 16	200	E-2797 7-11-59	State of New Mexico All	None	Texas Pacific Coal and Oil Company
23	<u>T-16-S, R-32-E</u> Sec. 7: SE $\frac{1}{4}$ NE $\frac{1}{4}$	40	E-2798 7-11-59	State of New Mexico All	None	Texas Pacific Coal and Oil Company
24	<u>T-16-S, R-31-E</u> Sec. 1: Lots 12, 13 SW $\frac{1}{4}$ SW $\frac{1}{4}$	120	E-2934 9-10-59	State of New Mexico All	None	Sinclair Oil & Gas Company
25	<u>T-16-S, R-32-E</u> Sec. 8: W $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$	120	E-3632 6-10-60	State of New Mexico All	None	Sinclair Oil & Gas Company
26	<u>T-16-S, R-32-E</u> Sec. 5: Lots 9, 14, NE $\frac{1}{4}$ SW $\frac{1}{4}$	120	E-4034 8-10-60-	State of New Mexico All	None	Phillips Petroleum Company
27	<u>T-16-S, R-31-E</u> Sec. 1: Lots 1, 2, 3, 4, 7, 10, NE $\frac{1}{4}$ SW $\frac{1}{4}$	549.16	E-4199 9-11-60	State of New Mexico All	None	Gulf Oil Corporation
	<u>T-16-S, R-32-E</u> Sec. 5: Lots 7, 8, Sec. 6: Lots 3, 6, 7 Sec. 7: N $\frac{1}{2}$ NE $\frac{1}{4}$					

28	<u>T-15-S, R-31-E</u> Sec. 34: SW $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$	280	E-5299 6-11-61	State of New Mexico All	None	Continental Oil Company
29	<u>T-16-S, R-31-E</u> Sec. 2: Lots 5, 6, 8, 12, S $\frac{1}{2}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$	280	E-5300 6-11-61	State of New Mexico All	None	Continental Oil Company
30	<u>T-16-S, R-32-E</u> Sec. 5: NW $\frac{1}{4}$ SW $\frac{1}{4}$	40	E-5450 8-10-61	State of New Mexico All	None	Gulf Oil Corporation
31	<u>T-16-S, R-32-E</u> Sec. 6: Lot 18	40.42	E-5549 9-10-61	State of New Mexico All	None	Gulf Oil Corporation
32	<u>T-16-S, R-32-E</u> Sec. 8: SW $\frac{1}{4}$ NE $\frac{1}{4}$	40	E-5764 11-10-61	State of New Mexico All	None	Continental Oil Company
33	<u>T-15-S, R-31-E</u> Sec. 33: NW $\frac{1}{4}$ NE $\frac{1}{4}$	40	E-5968 2-11-62	State of New Mexico All	None	Texas Pacific Coal and Oil Company
34	<u>T-16-S, R-32-E</u> Sec. 5: SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 8: NE $\frac{1}{4}$ NW $\frac{1}{4}$	80	E-5992 2-11-62	State of New Mexico All	None	Sinclair Oil & Gas Company
35	<u>T-16-S, R-31-E</u> Sec. 1: Lots 9, 14, 16, E $\frac{1}{2}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ , Sec. 2: Lot 1, E $\frac{1}{2}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ , Sec. 3: E $\frac{1}{2}$ SE $\frac{1}{4}$	478.04	E-6484 9-10-62	State of New Mexico All	None	Continental Oil Company
36	<u>T-16-S, R-32-E</u> Sec. 5: Lot 13	40	E-7073 4-10-63	State of New Mexico All	None	McAlester Fuel Company
37	<u>T-16-S, R-32-E</u> Sec. 5: N $\frac{1}{2}$ SE $\frac{1}{4}$	80	E-7127 5-11-63	State of New Mexico All	None	Continental Oil Company
38	<u>T-16-S, R-32-E</u> Sec. 8: NW $\frac{1}{4}$ NE $\frac{1}{4}$	40	E-7176 6-10-63	State of New Mexico All	None	Continental Oil Company
39	<u>T-16-S, R-31-E</u> Sec. 2: Lots 11, 14	80	E-7274 7-21-63	State of New Mexico All	None	Continental Oil Company

40	<u>T-15-S, R-31-E</u> Sec. 33: NE $\frac{1}{4}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 34: NW $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$	400	E-7431 9-15-63	State of New Mexico All	None	Sinclair Oil & Gas Company
	<u>T-16-S, R-31-E</u> Sec. 3: Lot 16					
41	<u>T-16-S, R-31-E</u> Sec. 3: Lot 8, 9	80	E-7744 1-19-64	State of New Mexico All	None	Continental Oil Company
42	<u>T-15-S, R-31-E</u> Sec. 33: NW $\frac{1}{4}$ SW $\frac{1}{4}$	40	E-8262 6-15-64	State of New Mexico All	None	Amerada Petroleum Corporation

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42 STATE TRACTS, CONTAINING 5,304.34 ACRES OR 99.25% OF UNIT AREA

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Tract No.	Description of Land	No. of Acres	Lease No. and Expiration Date of Lease	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest Owner
43	<u>I-16-S, R-31-E</u> Sec. 1: Lot 5	40	LC-066137 2-1-56 (primary term)	USA - All	Southern Union Gas Company	None	Southern Union Gas Company

FEDERAL LAND

1 FEDERAL TRACT, CONTAINING 40 ACRES, OR .75% OF UNIT AREA

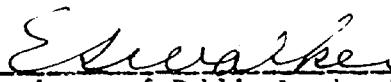
CERTIFICATE OF APPROVAL  
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO  
OF UNIT AGREEMENT FOR DEVELOPMENT AND OPERATION  
OF WEST ANDERSON RANCH UNIT AREA, CHAVES, EDDY AND LEA  
COUNTIES, NEW MEXICO

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 West Anderson Ranch Unit Area, Chaves, Eddy and Lea Counties, New Mexico, dated the 22nd day of June, 1954, in which the Continental Oil Company, a corporation, is designated as Operator, and which has been executed by various parties owning and holding oil and gas leases embracing 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 field;
- (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 West Anderson Ranch Unit Agreement as to the lands of the State of New Mexico committed thereto, and all oil and gas leases 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, insofar 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 lease 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 1st day of July, 1954.

  
\_\_\_\_\_  
Commissioner of Public Lands of the  
State of New Mexico

BEFORE THE OIL CONSERVATION COMMISSION  
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. 748

THE APPLICATION OF CONTINENTAL  
OIL COMPANY FOR APPROVAL OF THE  
WEST ANDERSON RANCH UNIT AGREEMENT  
EMBRACING 5,344.34 ACRES, MORE OR  
LESS, CHAVES, EDDY AND LEA COUNTIES,  
NEW MEXICO, WITHIN TOWNSHIPS 15 AND  
16 S., RANGES 31 AND 32 E., N.M.P.M.

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Comes the undersigned, the Continental Oil Company, a corpora-  
tion, with offices at Fort Worth, Texas, and files herewith three  
copies of the proposed Unit Agreement for the Development and Opera-  
tion of the West Anderson Ranch Unit Area, Chaves, Eddy and Lea Coun-  
ties, New Mexico, and hereby makes application for the approval of  
said Unit Agreement as provided by law, and in support thereof, shows:

1. That the proposed unit area covered by said agreement em-  
braces 5,344.34 acres, more or less, more particularly described as  
follows:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 15 S., R. 31 E., Chaves County, New Mexico

Sec. 33: All  
Sec. 34:  $S\frac{1}{2}$ ,  $W\frac{1}{2}NW\frac{1}{4}$

T. 15 S., R. 31 E., Eddy County, New Mexico

Sec. 1: All  
Sec. 2: Lots 1, 5, 6, 7, 8, 9, 10, 11, 12, 13,  
14, 15, 16,  $S\frac{1}{2}$   
Sec. 3: Lots 8, 9 and 16,  $E\frac{1}{2}SE\frac{1}{4}$

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

Sec. 5: Lots 5, 6, 7, 8, 9, 10, 11, 12, 13,  
14, 15, 16,  $S\frac{1}{2}$   
Sec. 6: All  
Sec. 7: Lot 1,  $NE\frac{1}{4}NW\frac{1}{4}$ ,  $NE\frac{1}{4}$   
Sec. 8:  $N\frac{1}{2}$

2. That the lands embraced within the proposed unit area  
are all State lands except 40 acres, which is Federal land.

3. That applicant is informed and believes, and upon such  
information and belief, states: That the proposed unit area covers  
a substantial part of all of the geological features involved, and

in the event of the discovery of oil or gas thereon, that said unit agreement will permit the producing area to be developed and operated in the interest of conservation and the prevention of waste of the unitized substances.

4. That the Continental Oil Company 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 for oil and gas upon some part of the lands embraced in the unit area within six months of the effective date of said unit agreement and for the drilling thereof with due diligence, to a depth sufficient to test the Devonian formation or to such a depth as unitized substances shall be discovered in paying quantities if at a lesser depth; provided, however, operator is not required in any event to drill said well to a depth in excess of 13,500 feet.

5. 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 by the New Mexico Oil Conservation Commission, and it is believed that in the event oil or gas in paying quantities is discovered on the lands within the unit area, that the field or area can be developed more economically and efficiently under the terms of said agreement, to the end that the maximum recovery will be obtained, and that said unit agreement is in the interest of the conservation of oil and gas and the prevention of waste as contemplated by the New Mexico Oil Conservation Commission statutes.

6. That application is being made for the approval of said unit agreement by the Commissioner of Public Lands of the State of New Mexico.

7. 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, an 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 and that upon said hearing, said unit agreement be approved by the New Mexico Oil Conservation Commission as being in the interest of conservation and prevention of waste.

DATED this the 18th day of June, 1954.

Respectfully submitted,

CONTINENTAL OIL COMPANY

By W. R. Hall

J. M. HERVEY 1874-1953  
HIRAM M. DOW  
CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
GEORGE H. HUNKER, JR.  
WILLIAM C. SCHAUER  
HOWARD C. BRATTON  
S. B. CHRISTY IV

LAW OFFICES  
HERVEY, DOW & HINKLE  
FIRST NATIONAL BANK BUILDING  
ROSWELL, NEW MEXICO

JULY 10, 1954

7-10-54  
60-148  
MAIN OFFICE OCC  
1954 JUN 31 AM 9:03  
TELEPHONE 2160  
L.O. 3

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

Dear Mr. Spurrier:

We enclose in triplicate application of the Continental Oil Company for approval of the West Anderson Ranch Unit Agreement.

This unit involves all state land except one 40 acres of federal land and covers an area immediately west of the Anderson Ranch unit.

I have heretofore discussed the approval of this unit with Johnny Walker and it is my understanding that he is willing to approve the unit.

During your absence, I talked with Bill Macey over the telephone about having a special hearing before the Commission at 9:00 A.M. on July 7th, due to the fact that the shortest term lease involved expires on July 10th, and the unit agreement must be approved and drilling operations commenced before that date.

The form of unit agreement has been approved by Oscar Jordan, attorney for the Land Commissioner, and is substantially the same form as used in connection with the Anderson Ranch Unit and which was approved by the Commission. It is anticipated that a large percentage of the lease owners will have executed the unit agreement by the time of the hearing and if possible, if satisfactory to the Commission, we would like to have the order entered immediately so that the agreement may be approved by the Commissioner of Public Lands and the agreement made effective.

I will be away during the week of the 7th of July and this matter will be presented to the Commission by Howard Bratton from this office.

I have talked with Nancy Royal with regard to the publication of notice of the hearing and it is my understanding that she has arranged for the same. We certainly appreciate your cooperation in connection with this matter so that we may meet the required deadline for the commencement of the well.

P.S. - Mimeographed copies of unit will be forwarded to you Monday.

CMS:mp  
Jedl.

Yours sincerely,  
HERVEY, DOW & HINKLE

*Clarence E. Hinkle*