

Case 209

January 6, 1953

Mr. Clarence S. Hinkle
Hervey, Dow and Hinkle
Attorneys at Law
Roswell, New Mexico

Re: Certificate of Dissolution
Carriazo Unit Area, Lincoln
and Socorro Counties

Dear Mr. Hinkle:

Reference is made to your letter dated October 25, 1952 requesting that the original copy of the Certificate of Dissolution of the above captioned Unit Agreement be returned to your office. You further stated that this office would be furnished an approved Certificate upon approval by the Director of the United States Geological Survey. Please furnish this office with this executed copy at the earliest possible convenience as our trust books and leases must be posted accordingly.

Very truly yours,

B. S. HILZ, Commissioner
of Public Lands

cc: U. S. Geological Survey
Standard Oil Company of Texas, Houston, Texas
Oil Conservation Commission

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1953

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P
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November 19, 1951

Standard Oil Company of Texas
P. O. Box 1249
Houston, Texas

RE: CARRIZO UNIT AGREEMENT - 209 ✓

Attention: H. H. Kuester, Land Lease Division

Dear Sir:

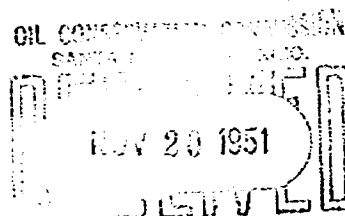
We are in receipt of your telegram requesting clarification of our letter dated October 30, 1951. Your correspondence of October 3, 1951 requested that your company be granted an extension of time for a period of one year from October 17, 1951, within which to commence an additional well in the above captioned unit agreement.

The undersigned hereby consents to the extension of time of twelve months from and after October 17, 1951, within which to commence an additional test well in the Carrizozo Unit Agreement; provided, however, similar authorization for extension is granted by the Director of the U. S. Geological Survey.

Very truly yours,

Guy Shepard
Guy Shepard,
Commissioner of Public Lands.

cc: Oil Conservation Commission
Santa Fe, New Mexico
U. S. Geological Survey
Roswell, New Mexico



100-209

October 30, 1951

Standard Oil Company of Texas
P. O. Box 1249
Houston, Texas

Re: Carrizozo Unit Agreement

Attention: H. H. Kuester, Land Lease Division

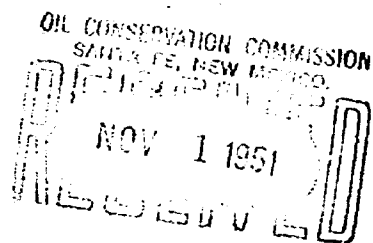
Dear Sir:

Reference is made to your application for extension of the Carrizozo Unit Agreement. Upon approval of the United States Geological Survey being had and obtained, I am pleased to advise that I approve your Application for Extension of said Unit Agreement to October 17, 1952, and the same being subject to your agreement to commence a second test well upon some part of the area prior to the extension date aforesaid.

Very truly yours,

Guy Shepard
Guy Shepard,
Commissioner of Public Lands.

cc: Oil Conservation Commission
Santa Fe, New Mexico
U. S. Geological Survey
Roswell, New Mexico



STANDARD OIL COMPANY OF TEXAS

P. O. Box 1249

HOUSTON, TEXAS

April 14, 1950

REGISTERED MAIL

CARRIZO UNIT AGREEMENT

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

Gentlemen:

The above unit agreement was approved by the Director of the United States Geological Survey under date of April 6, 1950. We, therefore, enclose for filing in your office one complete executed and approved copy of this agreement, consisting of two counterparts, as required by Section 5 of your order No. R-12, Case No. 209, whereby you approved this project, and also pursuant to the provisions of Section 2 of the unit agreement.

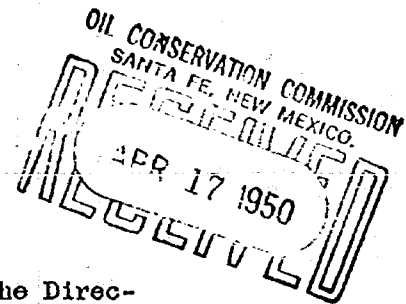
Yours very truly,

H. H. Kuester KS

H. H. Kuester, Manager
Land and Lease Division

VS:mg
Encl. (1)

cc: Mr. C. E. Hinkle
c/o Hervey, Dow and Hinkle
Roswell, New Mexico



Case 209

March 8, 1950

Mr. Clarence E. Hinkle
Harvey, Dow & Hinkle
Roswell, New Mexico

Dear Mr. Hinkle:

We enclose herewith, signed copy of Case No. 209, Order No. R-12,
issued by the Oil Conservation Commission on March 8, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

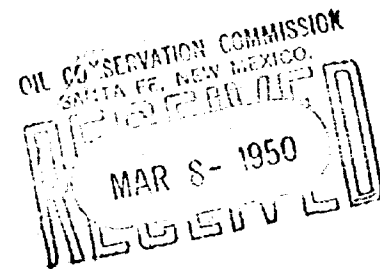
RRS:bw
encl.

J.M. HERVEY
HIRSH H. DOW
CLARENCE E. HINKLE
W.E. BONDURANT, JR.
GEORGE H. HUNKER, JR.

WILLIAM C. SCHAUER

LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO

March 6, 1950



Via Air Mail

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

Re: Carrizozo Unit Area

Dear Dick:

In looking through our files we find that we have never received a copy of the Order approving the Carrizozo Unit Agreement in Case No. 209. I assume that you have been waiting for us to draft the Order and send it to you, which we have overlooked doing. Accordingly, we have drafted an Order and enclose the original and several copies.

I would appreciate your having the Order signed immediately and return to us by air mail as we have the complete unit agreement signed up and ready to be filed with the U.S.G.S., and want to file with the same. If it is possible for you to do so, I would like for you to return three signed copies. Anything you can do to expedite this matter will be greatly appreciated.

Yours sincerely,

HERVEY, DOW & HINKLE

By

A handwritten signature in cursive script, appearing to read "Clarence E. Hinkle", written over a horizontal line.

CEH:rh
Enc.

March 3, 1950

REGISTERED MAIL

Mr. Glenn Staley
Lea County Operators Committee
Drawer I
Hobbs, New Mexico

Dear Mr. Staley:

We enclose herewith, signed copy of Case 209, Order No. R-12, issued
by the Oil Conservation Commission in connection with the hearing
held on January 24, 1950.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrer
Secretary-Director

RRS:bw
encl.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF THE STANDARD OIL COMPANY OF
TEXAS FOR AN ORDER OF APPROVAL OF
THE UNIT AGREEMENT FOR THE
DEVELOPMENT AND OPERATION OF THE
CARRIZOZO UNIT AREA WITHIN
TOWNSHIPS 6, 7 and 8 SOUTH,
RANGES 8 and 9 EAST, N.M.P.M.,
CONTAINING 45,223.09 ACRES IN
LINCOLN AND SOCORRO COUNTIES, NEW
MEXICO

CASE NO. 209

ORDER NO. R-12

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock, A.M.,
on the 24th day of January, 1950, at Santa Fe, New Mexico,
before the Oil Conservation Commission of New Mexico, herein-
after referred to as the "Commission".

NOW, on this the 8th day of March, 1950,
the Commission having before it for consideration the testimony
deduced at the hearing of said case, and being fully advised in
the premises:

FINDS 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 BY THE COMMISSION AS FOLLOWS:

SECTION 1. That the order herein shall be known as the:

CARRIZOZO UNIT AGREEMENT ORDER

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

SECTION 3. That the Carrizozo Unit Agreement Plan shall
be, and hereby is, approved in principle as a proper conservation
measure; provided, however, that notwithstanding any of the
provisions contained in said unit agreement this approval shall
not be considered as waiving or relinquishing in any manner any
rights, duties or obligations which are now, or may hereafter, be
vested in the New Mexico Oil Conservation Commission by law

relative to the supervision and control of operations for exploration and development of any lands committed to said Carrizozo 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. 6 S., R. 8 E.

Sec. 25, $E\frac{1}{2}SE\frac{1}{4}$
Sec. 36, $E\frac{1}{2}$, $E\frac{1}{2}SW\frac{1}{4}$

T. 6 S., R. 9 E.

Sec. 14, $SW\frac{1}{4}$
Sec. 15, $S\frac{1}{2}$
Sec. 16, $S\frac{1}{2}$
Sec. 17, $S\frac{1}{2}$
Sec. 18, $SE\frac{1}{4}$

T. 6 S., R. 9 E.

Sec. 19, $E\frac{1}{2}$, Lots 3 and 4
Secs. 20, 21, 22 and 23 incl., all
Sec. 24, $W\frac{1}{2}$
Secs. 25 to 36 inclusive, all

T. 7 S., R. 8 E.

Sec. 1, all
Sec. 2, $E\frac{1}{2}SE\frac{1}{4}$
Sec. 11, $E\frac{1}{2}$, $E\frac{1}{2}SW\frac{1}{4}$
Secs. 12, 13, 14, 23, 24, 25 and 26, all
Sec. 27, $E\frac{1}{2}SE\frac{1}{4}$
Sec. 34, $E\frac{1}{2}NE\frac{1}{4}$, $SE\frac{1}{4}$
Secs. 35, 36, all

T. 7 S., R. 9 E.

Secs. 1 to 12, inclusive, all
Sec. 13, $W\frac{1}{2}$
Secs. 14 to 23, inclusive, all
Sec. 26, $W\frac{1}{2}$
Secs. 27 to 33, inclusive, all
Sec. 34, $N\frac{1}{2}$, $N\frac{1}{2}SW\frac{1}{4}$, Lots 3 and 4

T. 8 S., R. 8 E.

Secs. 1 and 2, all
Sec. 3, $SE\frac{1}{4}$, $S\frac{1}{2}NE\frac{1}{4}$, Lots 1 and 2
Sec. 11, $E\frac{1}{2}$
Secs. 12 and 13, all
Sec. 14, $E\frac{1}{2}$
Sec. 23, $NE\frac{1}{4}$
Sec. 24, $N\frac{1}{2}$

T. 8 S., R. 9 E.

Sec. 4, $W\frac{1}{2}$, $NE\frac{1}{4}$
Secs. 5 to 7, inclusive, all
Sec. 8, $N\frac{1}{2}$

embracing 45,223.09 acres, more or less, Lincoln and Socorro Counties, New Mexico.

(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 Carrizozo Unit Agreement within 30 days after the effective date thereof.

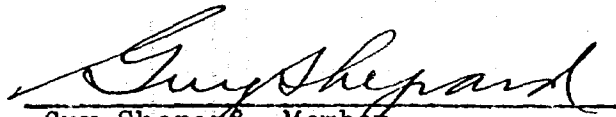
SECTION 6. That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof. The unit operator shall file with the Commission within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

SECTION 7. That this Order shall become effective on the first day of the calendar month next following the approval of the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto on the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.


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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Thomas J. Mabry, Chairman



Guy Shepard, Member



R. R. Spurrier, Secretary

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF THE STANDARD OIL COMPANY OF
TEXAS FOR AN ORDER OF APPROVAL OF
THE UNIT AGREEMENT FOR THE
DEVELOPMENT AND OPERATION OF THE
CARRIZOZO UNIT AREA WITHIN
TOWNSHIPS 6, 7 and 8 SOUTH,
RANGES 8 and 9 EAST, N.M.P.M.,
CONTAINING 45,223.09 ACRES IN
LINCOLN AND SOCORRO COUNTIES, NEW
MEXICO

CASE NO. 209

ORDER NO. R-12

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock, A.M.,
on the 24th day of January, 1950, at Santa Fe, New Mexico,
before the Oil Conservation Commission of New Mexico, herein-
after referred to as the "Commission".

NOW, on this the 8th day of March, 1950,
the Commission having before it for consideration the testimony
deduced at the hearing of said case, and being fully advised in
the premises:

FINDS 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 BY THE COMMISSION AS FOLLOWS:

SECTION 1. That the order herein shall be known as the:

CARRIZOZO UNIT AGREEMENT ORDER

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

SECTION 3. That the Carrizozo Unit Agreement Plan sha/
be, and hereby is, approved in principle as a proper conservatio
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

relative to the supervision and control of operations for exploration and development of any lands committed to said Carrizozo 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

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Sec. 25, E $\frac{1}{2}$ SE $\frac{1}{4}$
Sec. 36, E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$

T. 6 S., R. 9 E.

Sec. 14, SW $\frac{1}{4}$
Sec. 15, S $\frac{1}{2}$
Sec. 16, S $\frac{1}{2}$
Sec. 17, S $\frac{1}{2}$
Sec. 18, SE $\frac{1}{4}$

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Sec. 19, E $\frac{1}{2}$, Lots 3 and 4
Secs. 20, 21, 22 and 23 incl., all
Sec. 24, W $\frac{1}{2}$
Secs. 25 to 36 inclusive, all

T. 7 S., R. 8 E.

Sec. 1, all
Sec. 2, E $\frac{1}{2}$ SE $\frac{1}{4}$
Sec. 11, E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$
Secs. 12, 13, 14, 23, 24, 25 and 26, all
Sec. 27, E $\frac{1}{2}$ SE $\frac{1}{4}$
Sec. 34, E $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$
Secs. 35, 36, all

T. 7 S., R. 9 E.

Secs. 1 to 12, inclusive, all
Sec. 13, W $\frac{1}{2}$
Secs. 14 to 23, inclusive, all
Sec. 26, W $\frac{1}{2}$
Secs. 27 to 33, inclusive, all
Sec. 34, N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, Lots 3 and 4

T. 8 S., R. 8 E.

Secs. 1 and 2, all
Sec. 3, SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, Lots 1 and 2
Sec. 11, E $\frac{1}{2}$
Secs. 12 and 13, all
Sec. 14, E $\frac{1}{2}$
Sec. 23, NE $\frac{1}{4}$
Sec. 24, N $\frac{1}{2}$

T. 8 S., R. 9 E.

Sec. 4, W $\frac{1}{2}$, NE $\frac{1}{4}$
Secs. 5 to 7, inclusive, all
Sec. 8, N $\frac{1}{2}$

embracing 45,223.09 acres, more or less, Lincoln and Socorro Counties, New Mexico.

(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 Carrizozo 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. The unit operator shall file with the Commission within 30 days an original of any such counterpart.

SECTION 7. That this Order shall become effective on the first day of the calendar month next following the approval of the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto on the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Thomas J. Mabry, Chairman

Guy Shepard
Guy Shepard, Member

R. R. Spurrier
R. R. Spurrier, Secretary

AFFIDAVIT OF PUBLICATION

State of New Mexico)
 .) ss
County of Socorro)

Thomas Ewing Dabney-----, being duly sworn, declares that he is the editor of the Socorro Chieftain, a legal newspaper published and having a general paid circulation in the city and county of Socorro and state of New Mexico; that the publication a copy of which has been hereto attached, was published in the regular and entire issue of every number of the paper during the time of publication and that the notice was published in the newspaper proper and not a supplement for two weeks consecutively, the first publication being on the 12th day of January 19 50, and the last publication on the 19th day of January 19 50

Payment therefore has been received.

Thomas Ewing Dabney

Subscribed and sworn to before me, a Notary Public, in and for the county of Socorro and state of New Mexico, this 19th day of January 19 50.

Richard J. Cline
Notary Public, Socorro County, N. M.

My commission expires May 31 19 53

37 lines \$6.66

NOTICE FOR PUBLICATION STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearing to be held January 24, 1950, beginning at 10:00 o'clock A. M. on that day in the City of Santa Fe, New Mexico, in the House of Representatives.

STATE OF NEW MEXICO TO:

All named parties in the following cases, and notice to the public;

Case 209

In the matter of the application of the Standard Oil Company of Texas, for an order of approval of the unit of agreement for the development and operation of the Carrizozo Unit Area, within Townships 6, 7 and 8 south, Ranges 8 and 9 east, N.M.P.M. containing 45,223.09 acres, Lincoln and Socorro Counties, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico, on January 10, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. H. SPURRIER, SECRETARY
(SEAL)

1/12-1/19

January 16, 1950

LINCOLN COUNTY NEWS

Carrizozo, New Mexico

Re: Case 209 -
Oil Conservation Commission
Notice of Publication
January 13, 1950

Gentlemen:

On January 13, you published the above Notice of Publication for this office.

For our records, it is necessary that we have two copies of the notice, and we note that you have forwarded us only one. May we have one additional copy of this notice, at your earliest convenience?

Thank you.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw

PUBLISHER'S AFFIDAVIT

STATE OF NEW MEXICO }
COUNTY OF LINCOLN } ss.

Before me, the undersigned, personally appeared-----

J. Kennard

-----, who being sworn states:

That he is the publisher of the Lincoln County News-Outlook,
a weekly newspaper of general paid circulation, which is entered under the
second class privilege in Lincoln County, New Mexico; that said newspaper
has been so published in Lincoln County, New Mexico continuously and
uninterruptedly during the period of more than twenty-six consecutive
weeks next prior to the first issue containing the attached legal notice; that
the notice attached hereto in cause No. 209 in the-----
Court in and for Lincoln County, New Mexico was published in said news-
paper for 1 successive issues, the first publication being dated 1-13-____,
1950, and the last publication being dated 1-13-____, 1950; that
such legal notice was published in a newspaper duly qualified for that
purpose within the meaning of Chapter 167 New Mexico Session Laws of
1937; and that payment therefor in the sum of \$ 3.88 is to be assessed
as court costs in said cause.

J. Kennard

Publisher, Lincoln County News-Outlook.

Subscribed and sworn to before me this 14th day of January,
1950

J. W. Stearns

Notary Public.

My Commission Expires Aug 13, 1951

January 10, 1950

LINCOLN COUNTY NEWS
Garrison, New Mexico

Re: Notice for Publication
State of New Mexico
Oil Conservation Commission
- Case 209 -

Gentlemen:

Please publish the enclosed notice once, immediately. Please proof read the notice carefully and send a copy of the paper carrying such notice to this office. UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE. For payment, please submit statement in duplicate, and sign and return the enclosed voucher. (Please do not fill out the voucher - merely sign where indicated.)

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encls.
cc: [illegible]

January 10, 1950

SOCORRO CHIEFTAIN

Mr. William H. Hinton
Socorro, New Mexico
Hoskins, New Mexico

Re: Notice for Publication
State of New Mexico
Oil Conservation Commission

- Case 209 -

Dear Mr. Hinton:

This is in reply to your letter of January 10, 1950, enclosing explanation in
Gentlemen: The enclosed will be published in the

Please publish the enclosed notice once, immediately. Please proof read
the notice carefully and send a copy of the paper carrying such notice to
this office. If this printing will be not for it as they return to

UPON COMPLETION OF THE PUBLICATION SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment, please submit statement in duplicate, and sign and return the
enclosed voucher. (Please do not fill out the voucher - merely sign where
indicated.)

Yours truly,
Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

RRS:bw
encls.

January 3, 1950

Mr. Clarence E. Hinkle
Harvey, Dow & Hinkle
Roswell, New Mexico

Re: Carrizozo Unit Area

Dear Mr. Hinkle:

This is in reply to your letter of December 30, enclosing application in triplicate of the Standard Oil Company of Texas.

Please be advised that at the present time both Mr. Spurrier and Mr. Shepard are attending the Federal Power Commission hearing in Washington, D. C. and that a date for this hearing will be set just as soon as they return to Santa Fe.

Very truly yours,

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
Secretary-Director

By _____

bw

J. M. HERVEY
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.

LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO

December 30, 1949

GEORGE H. HUNKER, JR.

Mr. Dick Spurrier
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Carrizozo Unit Area

Dear Dick:

We hand you herewith in triplicate application of the Standard Oil Company of Texas for approval of a proposed unit agreement for the development and operation of the Carrizozo unit area, Lincoln and Socorro Counties, New Mexico.

We would like for you to set a date for hearing on this application as soon as possible and advise us of the date. Most any time in January will be satisfactory except the 25th, 26th, 27th, and 28th as we have the severance tax case coming up on the 25th and it may take several days to dispose of it.

With kindest regards and best wishes for the New Year, we are

Yours very truly,

HERVEY, DOW & HINKLE

By 

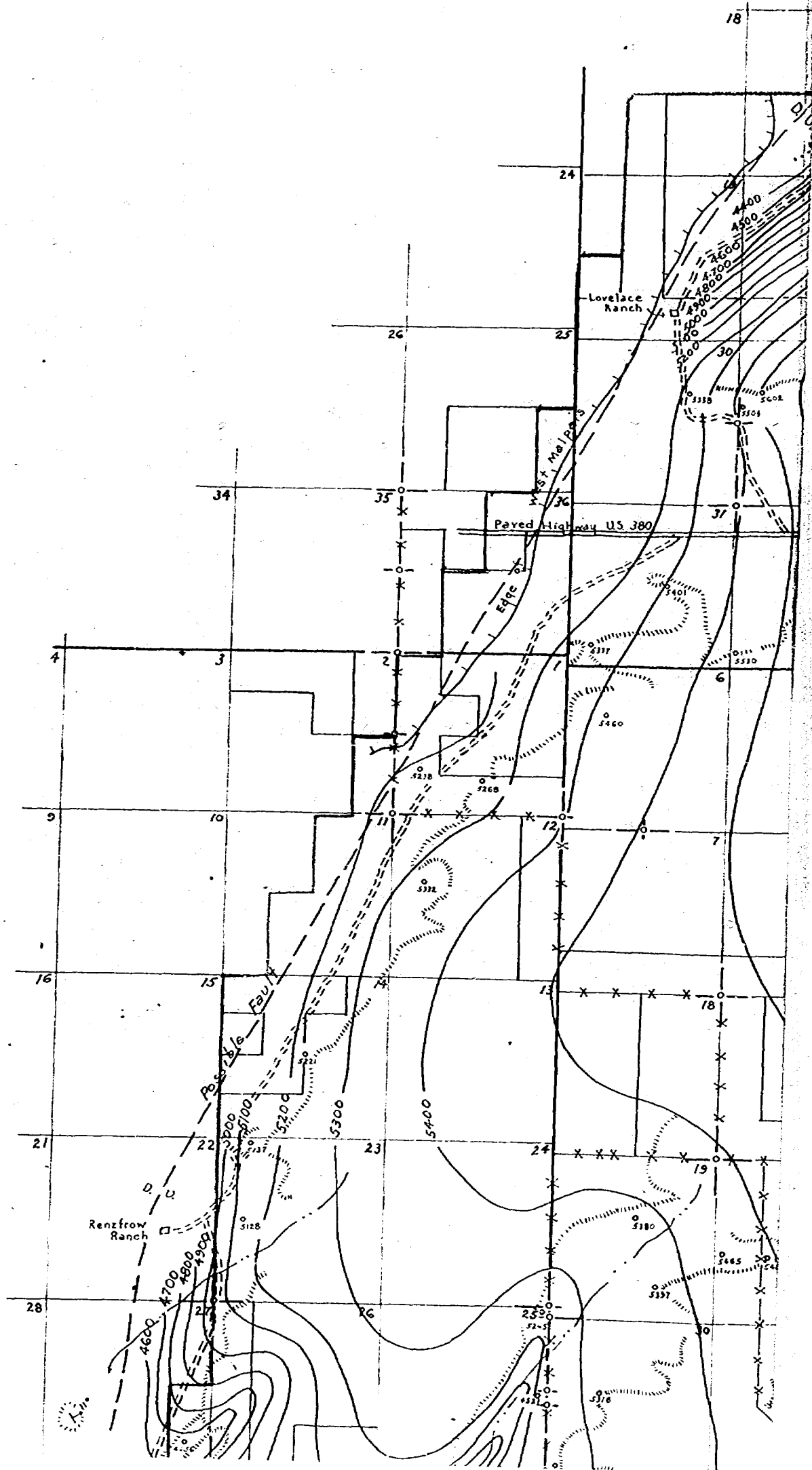
CEH:rh
Enc.

cc: Standard Oil Company of Texas
Houston 1, Texas

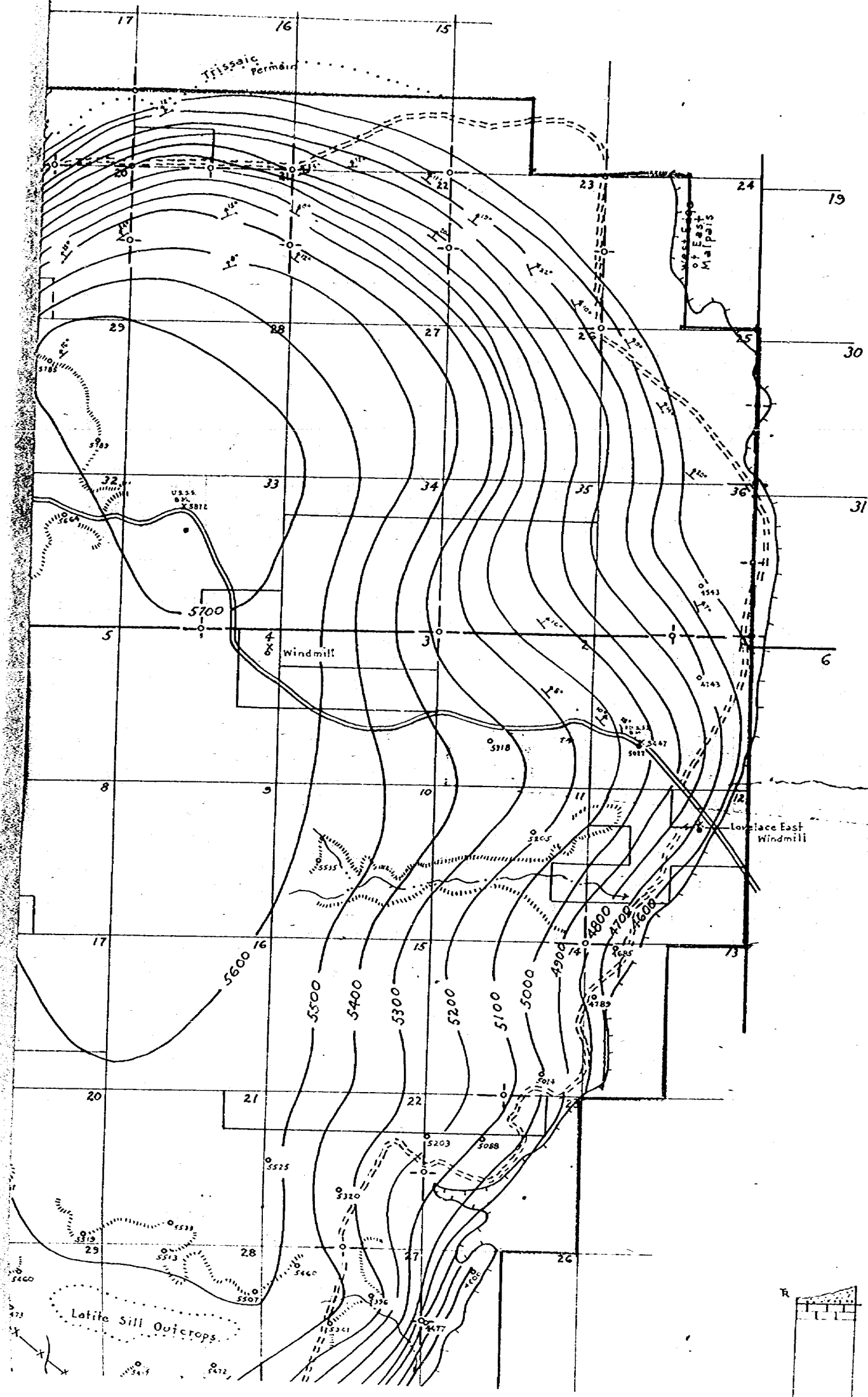
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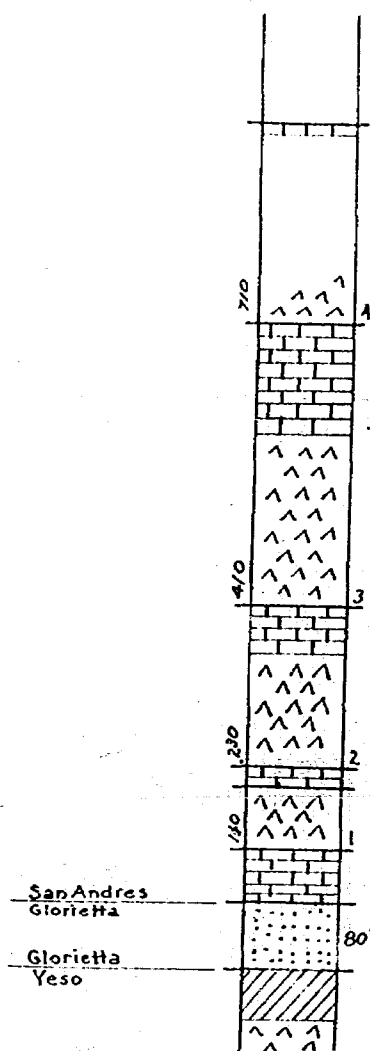
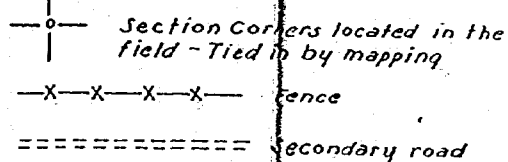
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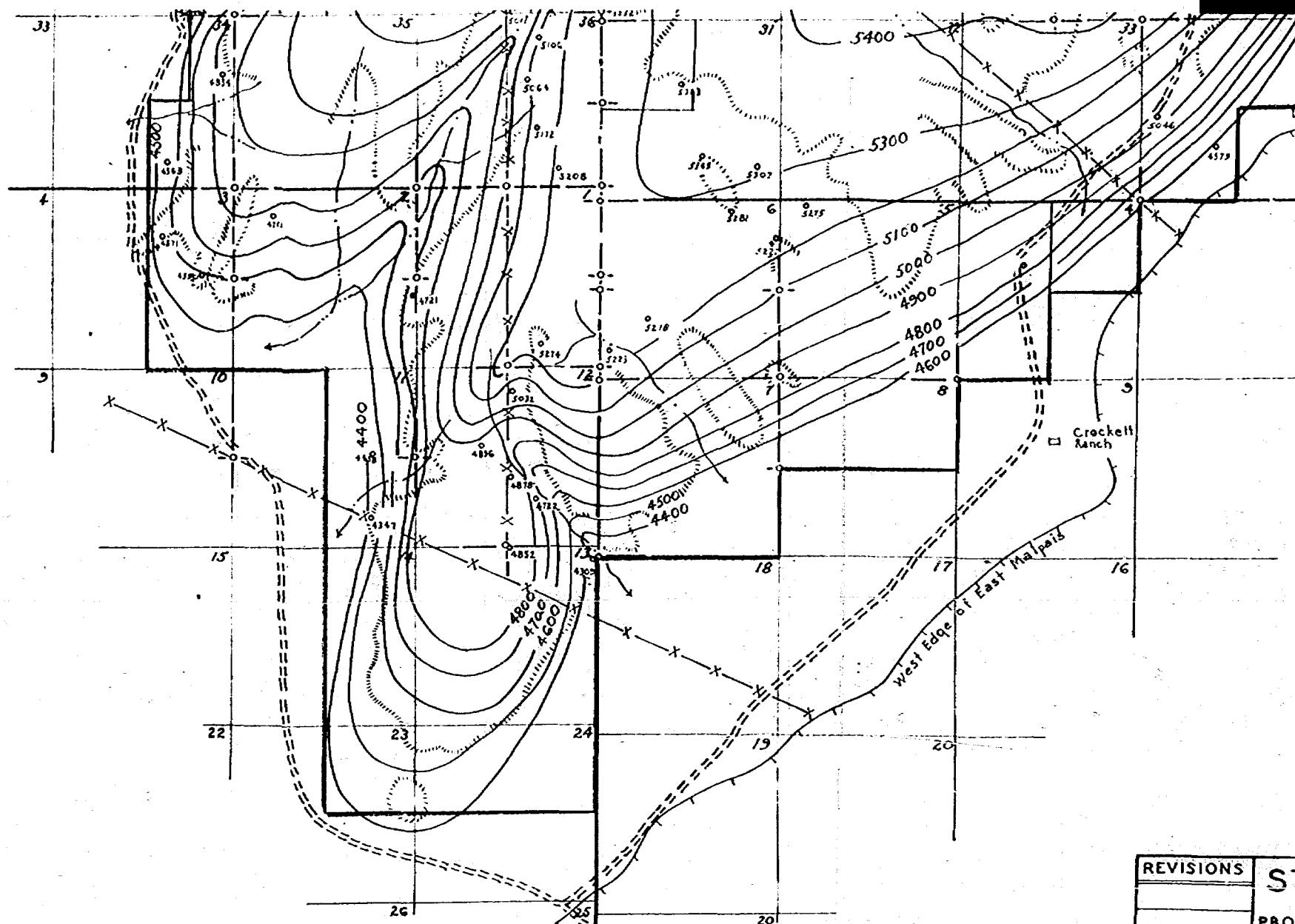




Case #209

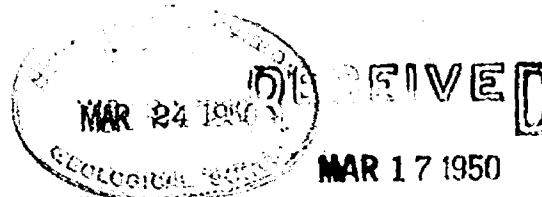
REVISIONS	STANDARD OIL CO. OF TEXAS		
	PRODUCING DEPARTMENT		GEOLOGICAL DIVISION
	SURFACE STRUCTURE MAP		
	CARRIZOZO AREA		
	LINCOLN & SOCORRO CO'S, NEW MEX		
	CONTOURED ON		
	YESO - GLORIETTA CONTACT		
	DATUM - SEA LEVEL		CONTOUR INTERVAL - 100'
	COAST & GEODETIC		
	SCALE	DATE	APPROVED
	1" = 4000'	Aug. 15, 1949	DR. BY. John Emery Adams H.E. Christler TR. BY. T. CH. BY.
			B-5514-A-1 (M-8-29)

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UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE CARRIZOZO UNIT AREA
COUNTIES OF LINCOLN AND SOCORRO, STATE OF NEW MEXICO



MAR 17 1950
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

I-Sec. No. 714

THIS AGREEMENT, entered into as of the 30th day
of January, 1950, by and between the parties subscribing,
ratifying, or consenting hereto, and herein referred to as the "parties
hereto",

W I T N E S S E T H :

WHEREAS the parties hereto are the owners of working, royalty
or other oil or gas interests in the unit area subject to this agreement;
and

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

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

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

WHEREAS the parties hereto hold sufficient interests in the Carrizozo 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. ENABLING ACT AND REGULATIONS. The Act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and, as to non-Federal lands, applicable State laws and operating regulations not inconsistent with the terms hereof are hereby accepted and made a part of this agreement.

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

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 6 S., R. 8 E.

sec. 25, $E\frac{1}{2}SE\frac{1}{4}$
sec. 36, $E\frac{1}{2}$, $E\frac{1}{2}SW\frac{1}{4}$

T. 6 S., R. 9 E.

sec. 14, $SW\frac{1}{4}$
sec. 15, $S\frac{1}{2}$
sec. 16, $S\frac{1}{2}$
sec. 17, $S\frac{1}{2}$
sec. 18, $SE\frac{1}{4}$

T. 6 S., R. 9 E. (Cont'd.)

sec. 19, E $\frac{1}{2}$, lots 3 and 4
secs. 20, 21, 22 and 23 incl., all
sec. 24, W $\frac{1}{2}$
secs. 25 to 36 inclusive, all

T. 7 S., R. 8 E.

sec. 1, all
sec. 2, E $\frac{1}{2}$ SE $\frac{1}{4}$
sec. 11, E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$
secs. 12, 13, 14, 23, 24, 25 and 26, all
sec. 27, E $\frac{1}{2}$ SE $\frac{1}{4}$
sec. 34, E $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$
secs. 35, 36, all

T. 7 S., R. 9 E.

secs. 1 to 12, inclusive, all
sec. 13, W $\frac{1}{2}$
secs. 14 to 23, inclusive, all
sec. 26, W $\frac{1}{2}$
secs. 27 to 33, inclusive, all
sec. 34, N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, lots 3 and 4

T. 8 S., R. 8 E.

secs. 1 and 2, all
sec. 3, SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, lots 1 and 2
sec. 11, E $\frac{1}{2}$
secs. 12 and 13, all
sec. 14, E $\frac{1}{2}$
sec. 23, NE $\frac{1}{4}$
sec. 24, N $\frac{1}{2}$

T. 8 S., R. 9 E.

sec. 4, W $\frac{1}{2}$, NE $\frac{1}{4}$
secs. 5 to 7, inclusive, all
sec. 8, N $\frac{1}{2}$

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 Oil and Gas Supervisor, hereinafter referred to as "Supervisor," or the Commissioner of Public Lands hereinafter referred to as "Commissioner" and not less than six copies of the revised exhibits shall be filed with the Supervisor, and at least one copy shall be filed with the Commissioner and one copy with the New Mexico Oil Conservation Commission, hereinafter referred to as "Commission".

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

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director," or on demand of the Commissioner shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof.

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

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

with the Unit Operator.

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the Director, and Commissioner, become effective as of the date prescribed in the notice thereof.

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

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

4. UNIT OPERATOR. Standard Oil Company of Texas is hereby designated as Unit Operator and by signature hereto commits to this agreement all interests in unitized substances vested in it as set forth in Exhibit B, and agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become effective so as to release him from his duties and obligations and terminate his rights as such for a period of 6 months after notice of intention to resign has been served by him on all working interest owners, the Director, and Commissioner, and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment as may be required by the Supervisor as to Federal lands and the

Commission as to State and privately-owned lands, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period. Unit Operator shall have the right to resign after a participating area or areas have been established provided a successor unit operator has been selected and approved and has agreed to accept the duties and responsibilities of Unit Operator effective upon the relinquishment of such duties and responsibilities by the retiring Unit Operator. The resignation of Unit Operator shall not release Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

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

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

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall resign as Unit Operator or shall be removed as hereinabove provided, the

owners of the working interests in the participating area or areas according to their respective acreage interests in such participating area or areas, or, until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by majority vote select a successor Unit Operator: Provided, That, if a majority but less than 75 percent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than 75 percent 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 Director and Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director and Commissioner at their election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.

If the Unit Operator is not the sole owner of working interests, costs and expenses incurred in conducting unit operations hereunder shall be paid in the first instance by Unit Operator, and such costs and expenses so paid by Unit Operator shall be apportioned among and borne by the owners of working interests and the Unit Operator reimbursed, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement." Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the

benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts and as between the working interest owners and Unit Operator may provide for such limitations upon the power of the Unit Operator respecting the liability of the working interest owners for cost of operations hereunder as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating 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 inconsistency or conflict between the unit agreement and the unit operating agreement this unit agreement shall prevail. Three true copies of any unit operating agreement executed pursuant to this section shall be filed with the Supervisor.

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

9. DRILLING TO DISCOVERY. Within 6 months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, if such location is upon

lands of the United States, and if upon State lands or privately-owned lands, such location shall be approved by the Commission, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Strawn limestone formation has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the Supervisor that further drilling of said well would be unwarranted or impracticable, provided, however, that Unit Operator shall not in any event be required to drill to a depth in excess of 4,000 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than 6 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 said Supervisor if on Federal land, or the Commissioner if on State, or the Commission if on privately-owned land, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and the Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted. Upon failure to comply with the drilling provisions of this section, the Director and the Commissioner may, after reasonable notice to the Unit

Operator, and each working interest owner, lessee, and lessor at their last known addresses, declare this unit agreement terminated.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within 6 months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission, an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, the Commissioner, and the Commission, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission, a plan for an additional specified period for the development and operation of the unitized land. Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor, the Commissioner and the Commission may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall (a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and (b) to the extent practicable specify the operating practices regarded as necessary and advisable for proper conservation of natural resources. Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor, the Commissioner and the Commission. Said plan or plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan

of development. The Supervisor and Commissioner are authorized to grant a reasonable extension of the 6-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing oil and gas in paying quantities no further wells, except such as may be necessary to afford protection against operations not under this agreement or such as may be specifically approved by the Supervisor and Commission shall be drilled except in accordance with a plan of development approved as herein provided.

11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor or the Commissioner, the Unit Operator shall submit for approval by the Director, the Commissioner and the Commission a schedule, based on sub-divisions of the public-land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all land in said schedule on approval of the Director, the Commissioner and the Commission to constitute a participating area, effective as of the date of first production. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from and after the date the participating area becomes effective. A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone, and any two or more participating areas so established may be combined into one with the consent of the owners of all working interests in the lands within the participating areas so to be combined, and approval of the Director, the Commissioner and the Commission. The participating area

or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities (or to exclude land then regarded as reasonably proved not to be productive) and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first of the month following the date of first authentic knowledge or information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule. No land shall be excluded from a participating area on account of depletion of the unitized substances.

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

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

with a determination of the sum due as Federal and State royalty on the basis of such approved participating area.

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

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

last mentioned participating area for sale during the life of this agreement shall be considered to be the gas so transferred until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as constituted at the time of such final production.

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

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

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

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

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

Royalty due the United States shall be computed as provided

in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

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

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

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

included within a participating area.

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

17. DRAINAGE. The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement or pursuant to applicable regulations pay a fair and reasonable compensatory royalty as determined by the Supervisor.

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

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every part or separately owned tract subject to this agreement, regardless of

whether there is any development of any particular part or tract of the unit area, notwithstanding anything to the contrary in any lease, operating agreement or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.

(b) Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to produce wells situated on land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Secretary and Commissioner, or their duly authorized representatives shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land.

(d) Each lease, sublease or contract relating to the exploration, drilling, development or operation for oil or gas of lands other than those of the United States and the State of New Mexico, committed to this agreement, which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement. Termination of this agreement shall not affect any lease which, pursuant to the terms thereof or applicable law, shall continue in full force and effect thereafter.

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the committed land so long as the lease remains committed hereto provided a valuable deposit

of unitized substances is discovered within the unit area prior to the expiration date of the primary term of such lease.

(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

19. 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.

20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Secretary or his duly authorized representative and shall terminate in five (5) years after such date unless (a) such date of expiration is extended by the Director and Commissioner, or (b) it is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known

addresses, the agreement is terminated with the approval of the Director and Commissioner, or (c) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof, in which case the agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities, and, should production cease so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid, or (d) it is terminated as provided in Section 6 or Section 9 hereof. This agreement may be terminated at any time by not less than 75 percentum, on an acreage basis, of the owners of working interests signatory hereto, with the approval of the Director and Commissioner.

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

22. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the working interest owners nor any of them shall be subject to any forfeiture, termination, or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provision thereof to the extent that the said Unit Operator, working interest owners or any of them are hindered, delayed, or prevented from complying therewith by reason of failure of the Unit Operator to obtain, in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of New Mexico in and about any matters or thing concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this contract are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

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

24. NOTICES. All notices, demands or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if given in writing and personally delivered to the party or sent 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.

25. NO WAIVER OF CERTAIN RIGHTS. Nothing in this agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State wherein said unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

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

27. FAIR EMPLOYMENT. The Unit Operator shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and an identical provision shall be incorporated in all sub-contracts.

28. LOSS OF TITLE. In the event title to any tract or unitized land or substantial interest therein shall fail and the true owner cannot be induced to join this unit agreement, so that such tract is not committed to this unit agreement, or the operation thereof hereunder becomes impractical as a result thereof, such tract may be eliminated from the unitized area and there shall be such readjustment of future costs and benefits as may be required on account of the loss of said acreage. In the event of a dispute as to title as to any royalty, working, or other interests subject thereto, the Unit Operator may withhold payment or delivery on account thereof without liability for interest until the dispute is finally settled; provided, that, as to Federal and State land or leases, no payments of funds due the United States or the State of New Mexico shall be withheld, but such funds shall be deposited with the Bureau of Land Management or as directed by the Supervisor, and with the Commissioner of Public Lands of the State of New Mexico, respectively, to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

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

29. NON-JOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the working interest owner in that tract may withdraw said tract from this agreement by notice to the Director, Commissioner and the Unit Operator prior to the approval of this agreement by the Director. Any oil or gas interests in lands within the unit area not committed hereto prior to submission of this agreement for final approval may thereafter be committed hereto by the owner or owners of such rights subscribing or consenting to this agreement and, if such

owner is also a working interest owner, by subscribing to the Unit Operating Agreement. It is understood and agreed, however, that after operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements, if any, pertaining to such joinder, as may be provided for in the Unit Operating Agreement, and it is also understood and agreed that after discovery of unitized substances in paying quantities hereunder, a subsequent joinder by a non-working interest owner must be consented to by the working interest owner responsible for the payment of any benefits that may accrue hereunder in behalf of such non-working interest. A subsequent joinder shall be effective as of the first day of the month following the filing with the Supervisor, the Commissioner and the Commission of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director, Commissioner, or Commission.

30. 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 abovedescribed unit area.

31. SURRENDER. During the life of this agreement, no right to surrender any lease or operating agreement reserved in any such instrument shall be exercised as to any lands within a participating

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

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

SIGNATURES AND ADDRESSES

STANDARD OIL COMPANY OF TEXAS

By J. H. Smith
Vice President

By J. V. Clark
Asst. Secretary

Address: P. O. Box 1249
Houston 1, Texas

Date February 17, 1950

UNIT OPERATOR

DESCRIPTION OF INTERESTS COMMITTED
TO CARRIZO UNIT AGREEMENT BY RE-
FERENCE TO TRACT NUMBERS IN EXHIBIT
"B" ATTACHED TO UNIT AGREEMENT.

Tracts 1 to 20, inclusive, and
Tracts 23, 24 and 25.

J. Curtiss Brown
J. Curtiss Brown
Catherine Brown

Tract No. 1

Address: ^{5508 Aspen}
~~2708 Wroxtton Road, Apt. 6~~
Houston 5, Texas

Date: 2-1-50

William Russell Brown
William Russell Brown
Ruth C. Brown

Tract No. 2

Address: 1932 Milford
Houston 6, Texas

Date: 2-1-50

Radford Byerly
Radford Byerly
Ruth Annina Byerly

Tract No. 3

Address: 2338 Addison
Houston, Texas

Date: 2-10-50

Edwin H. Ellinghausen
Edwin H. Ellinghausen
Getta M. Ellinghausen

Tract No. 4

Address: 1408 Milford
Houston 6, Texas

Date: 2-1-50

J. H. Freeman
J. H. Freeman

Tract No. 5

Address: 4037 Coleridge
Houston 5, Texas

Date: 2-1-50

John F. Heard
John F. Heard
Eleanor D. Heard

Tract No. 6

Address: 3838 Overbrook Lane
Houston 19, Texas

Date: 2-1-58

Robert E. Keeton
Robert E. Keeton
Betty E. Keeton

Tract No. 7

Address: 3104 Wroxtton
Houston 5, Texas

Date: 2-13-58

Baine Kerr
Baine Kerr

Mildred Caldwell Kerr

Tract No. 8

Address: 4329 Betty St.
Bellaire, Texas

Date: 2-1-58

R. W. McCoy
R. W. McCoy

Tract No. 9

Address: 5511 San Jacinto
Houston, Texas

Date: 2-1-58

James W. Mehaffy
James W. Mehaffy

Mary Alice Mehaffy

Tract No. 10

Address: 407 Perlstein Building
Beaumont, Texas

Date: 2-13-58

Sam. S. Minter
Sam S. Minter

Tract No. 11

Address: 923 City National Bank Bldg.
Houston, Texas

Date: 1-10-50

James K. Nance
James K. Nance

Tract No. 12

Kathryn S. Nance

Address: 2305 Albans Rd.
Houston 5, Texas

Date: 2-13-50

Hugh M. Patterson
Hugh M. Patterson

Tract No. 13

Mildred M. Patterson

Address: 1212 Milford
Houston 6, Texas

Date: 2-1-50

Paul Port
Paul Port

Tract No. 14

Helen M. Port

Address: 4 Littlejohn Lane
Houston 7, Texas

Date: 2-8-50

Garrett R. Tucker, Jr.
Garrett R. Tucker, Jr.

Tract No. 15

Phyllis B. Tucker

Address: 1959 Danville
Houston 6, Texas

Date: 2-1-50

A. B. White
A. B. White
Marguerite Anne White

Address: 4313 Betty
Bellaire, Texas

Date: 2-1-50

Tract No. 16

C. H. Wilson
C. H. Wilson
Irma S. Wilson

Address: 838 Cortlandt Street
Houston 7, Texas

Date: 2-1-50

Tract No. 17

Robert L. Henry
Robert L. Henry
Dora Rich Henry

Address: 1818 Portsmouth
Houston 6, Texas

Date: 2-13-50

Tract No. 18

Tract No. 21

Address:

Date: _____

Tract No. 22

Address:

Date: _____

William R. Loulacc

Tract No. 23

Address: CORONA, NEW MEXICO

Date: 2-28-50

Mabel Rentfrow

Box 442, Carrizozo, N.M.

Tract No. 24 AND 25

Address:

Date: March, 1950

Eva Hall Rentfrow

Box 37

Tract No. 25

Address: State College, N. Mex

Date: March 1, 1950

William R. Loulacc Jr
Frances Loulacc

Tract No. 23

Address: CORONA, NEW MEXICO

Date: 2-28-50

Lucille Loulacc

Edna J. Loulacc

Tract No. 23

Address: CORONA, NEW MEXICO

Date: 2-28-50

Edna M. Lovelace

Lola E. Cunningham

Tract No. 23

Address: 1102 Piccadilly St.
Del Paso, Texas

Date: 3-2-50

Tract No. _____

Address: _____

Date: _____

Tract No. _____

Address: _____

Date: _____

Tract No. _____

Address: _____

Date: _____

Tract No. _____

Address: _____

Date: _____

STATE OF Texas }
COUNTY OF Harris }

On this 17th day of February, 1950, before me personally appeared H. L. Smith and L. W. Clark, to me personally known who being by me duly sworn, did say that they are the Vice President and Assistant Secretary, respectively, of STANDARD OIL COMPANY OF TEXAS, 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. L. Smith and L. W. Clark 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.

Jessie McFarland
Notary Public
JESSIE McFARLAND
My Commission Expires _____

My Commission Expires

6-1-51

STATE OF Texas }
COUNTY OF Harris }

On this 10th day of February, 1950, before me personally appeared Ralland Byrd and Ruth Byrd to me 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 affixed my official seal the day and year in this certificate above written.

Rosalie Barrilleaux
Notary Public

My Commission Expires

ROSALIE BARRILLEAUX

6-1-51

STATE OF TEXAS }
COUNTY OF HARRIS }

On this 1st day of February, 1950, before me personally appeared J. Curtiss Brown and wife, Catherine Brown, to me 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 affixed my official seal the day and year in this certificate above written.

Winnifred Harlan
Notary Public

My Commission Expires

WINNIFRED HARLAN

June 1, 1951

STATE OF Texas)
COUNTY OF Harris)

On this 8th day of February, 1950, before me personally appeared Paul Pat and Helen Pat his wife, to me 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 affixed my official seal the day and year in this certificate above written.

Blanche T. Steed
Notary Public

My Commission Expires

BLANCHE T. STEED
Notary Public, in and for Harris County, Texas

June 1951

STATE OF TEXAS)
COUNTY OF HARRIS)

On this 1st day of February, 1950, before me personally appeared William Russell Brown and wife, Ruth C. Brown, 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 affixed my official seal the day and year in this certificate above written.

Winnifred Harlan
Notary Public

My Commission Expires

WINNIFRED HARLAN

June 1, 1951

STATE OF TEXAS)
COUNTY OF HARRIS)

On this 1st day of February, 1950, before me personally appeared Edwin H. Ellinghausen and wife, Zetta M. Ellinghausen, 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 affixed my official seal the day and year in this certificate above written.

Winnifred Harlan
Notary Public

My Commission Expires

WINNIFRED HARLAN

June 1, 1951

STATE OF TEXAS)
COUNTY OF HARRIS)

On this 1st day of February, 1950, before me personally appeared J. H. Freeman, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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

Winnifred Harlan
Notary Public

My Commission Expires

WINNIFRED HARLAN

June 1, 1951

STATE OF TEXAS)
COUNTY OF HARRIS)

On this 1st day of February, 1950, before me personally appeared JOHN F. HEARD AND WIFE, ELEANOR D. HEARD, to me 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 affixed my official seal the day and year in this certificate above written.

Winnifred Harlan
Notary Public

My Commission Expires

WINNIFRED HARLAN

June 1, 1951

STATE OF TEXAS)
COUNTY OF HARRIS)

On this 13th day of February, 1950, before me personally appeared Robert E. Keeton and wife, Betty E. Keeton, to me 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 affixed my official seal the day and year in this certificate above written.

Martha Carter
Notary Public

My Commission Expires

MARTHA CARTER

June 1, 1951

STATE OF Texas)
COUNTY OF Jefferson)

On this 13 day of February, 1950, before me personally appeared James W. Onizky & wife, Mary Alice Onizky, to me 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 affixed my official seal the day and year in this certificate above written.

Evelyn Bieblay
Notary Public

My Commission Expires
June 1951

STATE OF Texas)
COUNTY OF Harris)

On this 10 day of February, 1950, before me personally appeared Sam St. Martin to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed

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

Ellen R. Simpson
Notary Public

My Commission Expires
6-1-51

STATE OF TEXAS)
COUNTY OF HARRIS)

On this 1st day of February, 1950, before me personally appeared Baine Kerr and wife, Mildred Caldwell Kerr, 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 affixed my official seal the day and year in this certificate above written.

Winnifred Harlan
Notary Public

My Commission Expires
June 1, 1951

WINNIFRED HARLAN

STATE OF TEXAS)

COUNTY OF HARRIS)

On this 1st day of February, 1950, before me personally appeared R. W. McCoy, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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

Winnifred Harlan
Notary Public

My Commission Expires

WINNIFRED HARLAN

June 1, 1951

STATE OF TEXAS)

COUNTY OF HARRIS)

On this 13th day of February, 1950, before me personally appeared James K. Nance and wife, Kathryn S. Nance, to me known to be the person 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 affixed my official seal the day and year in this certificate above written.

Martha Carter
Notary Public

My Commission Expires

MARTHA CARTER

June 1, 1951

STATE OF TEXAS)

COUNTY OF HARRIS)

On this 1st day of February, 1950, before me personally appeared Hugh M. Patterson and wife, Mildred M. Patterson, to me known to be the person 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 affixed my official seal the day and year in this certificate above written.

Winnifred Harlan
Notary Public

My Commission Expires

WINNIFRED HARLAN

June 1, 1951

STATE OF TEXAS)
COUNTY OF HARRIS)

On this 1st day of February, 1950, before me personally appeared Garrett R. Tucker, Jr. and wife, Phyllis B. Tucker, 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 affixed my official seal the day and year in this certificate above written.

Winnifred Harlan
Notary Public

My Commission Expires

WINNIFRED HARLAN

June 1, 1951

STATE OF TEXAS)
COUNTY OF HARRIS)

On this 1st day of February, 1950, before me personally appeared A. B. White and wife, Marguerite Anne White, 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 affixed my official seal the day and year in this certificate above written.

Winnifred Harlan
Notary Public

My Commission Expires

WINNIFRED HARLAN

June 1, 1951

STATE OF Texas)
COUNTY OF Harris)

On this 13th day of February, 1950, before me personally appeared Robert H. Henry and wife, Rich Henry, 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 affixed my official seal the day and year in this certificate above written.

Mrs. H. H. Both (MRS. THOS. H. BOTH)
Notary Public

My Commission Expires

6-1-51

STATE OF TEXAS
COUNTY OF HARRIS

On this 1st day of February, 1950, before me personally appeared C.H. Wilson and wife, Irene S. Wilson to me known to be the person 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 affixed my official seal the day and year in this certificate above written.

Winnifred Harlan
Notary Public

My Commission Expires

June 1, 1951

WINNIFRED HARLAN

STATE OF New Mexico
COUNTY OF Lincoln

On this 28th day of February, 1950, before me personally appeared William C. DuBois, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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

Mary C. DuBois
Notary Public

My Commission Expires

February 4, 1952

Mary C. DuBois

STATE OF New Mexico
COUNTY OF Lincoln

On this 28th day of February, 1950, before me personally appeared William C. DuBois and Irene S. DuBois to me known to be the person 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 affixed my official seal the day and year in this certificate above written.

Mary C. DuBois
Notary Public

My Commission Expires

February 4, 1952

Mary C. DuBois

STATE OF New Mexico
COUNTY OF Lincoln

On this 28th day of February, 1950, before me personally appeared Pauline Buckner & John Buckner, to me 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 affixed my official seal the day and year in this certificate above written.

Mary C. DuBois
Notary Public

My Commission Expires

February 4, 1952

STATE OF New Mexico
COUNTY OF Lincoln

On this 1st day of March, 1950, before me personally appeared Mabel Bentlow - a widow, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

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

Lucile Zumwalt
Notary Public

My Commission Expires

MY COMMISSION EXPIRES DEC. 27, 1950

STATE OF New Mexico
COUNTY OF Dona Ana

On this 1 day of March, 1950, before me personally appeared Eva Nell Bentlow - female, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

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

H. A. Deckert
Notary Public

My Commission Expires

My Commission Expires Sept. 14, 1952

STATE OF Texas }
COUNTY OF El Paso }

On this 2 day of March, 1950, before me personally appeared John M. Surface wife William H. Surface, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

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

Hope Mason
Notary Public

My Commission Expires
HOPE MASON, Notary Public
In and for El Paso County, Texas
My commission expires June 1, 1961

STATE OF Texas }
COUNTY OF El Paso }

On this 2 day of March, 1950, before me personally appeared John E. Collinson wife Alma Cole, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

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

Hope Mason
Notary Public

My Commission Expires
HOPE MASON, Notary Public
In and for El Paso County, Texas
My commission expires June 1, 1961

STATE OF _____ }
COUNTY OF _____ }

On this _____ day of _____, 1950, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as _____ free act and deed.

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

Notary Public

My Commission Expires

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 1950, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as _____ free act and deed.

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

Notary Public

My Commission Expires

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 1950, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as _____ free act and deed.

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

Notary Public

My Commission Expires

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 1950, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as _____ free act and deed.

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

Notary Public

My Commission Expires


EVIDENCE OF AUTHORITY OF OFFICERS TO EXECUTE PAPERS

RESOLVED: That the President or any Vice-President of this corporation, or C. E. Bultmann, Contract Agent of this corporation, together with the Secretary or any Assistant Secretary be and they are hereby empowered to execute all papers requiring execution in the name of this corporation, excepting oil leases to others covering fee lands of this corporation and deeds conveying real estate other than rights of way and similar easements, and the Secretary or any Assistant Secretary of this corporation is hereby authorized to affix the seal of the corporation to such papers as require a seal, and each of said persons is hereby empowered to acknowledge and deliver any such instruments as fully as if special authority were granted in each particular instance.

I, L. W. Clark, Assistant Secretary of STANDARD OIL COMPANY OF TEXAS, a Delaware corporation, do hereby certify that the foregoing is a full, true and correct copy of a certain resolution of the Board of Directors of said corporation unanimously adopted at a regular meeting of said Board duly held at the office of said corporation in Houston, Texas, on the 27th day of December, 1944, at which meeting a quorum of said Board was present and acting, and that said resolution is in full force and unrevoked.

I further certify that on February 17, 1950 and on February 21, 1950, H. L. Smith and L. W. Clark were the duly elected, qualified and acting Vice President and Assistant Secretary, respectively, of STANDARD OIL COMPANY OF TEXAS.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said corporation this 21st day of February, 1950.


Assistant Secretary

CARRIZOZO UNIT AREA
EXHIBIT "B"
LINCOLN AND SOCOERO COUNTIES, NEW MEXICO
SCHEDULE SHOWING PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS
INTERESTS IN ALL LANDS IN THE UNIT AREA

Tract No.	Description - all N.M.P.M. New Mexico	No. of Acres	Las Cruces Serial No.	% Royalty Payable to U. S. A.	Record Owner of Lease or Application	% of Overriding Royalty Under Option Agreement, Operating Agreement, or Assignment, and Owner	Working Interest Owner and % of Interest
FEDERAL LANDS							
1	T 6 S, R 9 E, Sec. 15 S $\frac{1}{2}$, Sec. 14 SW $\frac{1}{4}$, Sec. 21 all, Sec. 22 all;	1,760.00	064814	12 $\frac{1}{2}$ %	J. Curtis Brown	1 $\frac{1}{4}$ %, J. Curtis Brown under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
2	T 6 S, R 9 E, Sec. 24 W $\frac{1}{2}$, Sec. 25 all, Sec. 26 all, Sec. 27 all;	2,240.00	064822	12 $\frac{1}{2}$ %	William Russell Brown	1 $\frac{1}{4}$ %, William Russell Brown under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
3	T 6 S, R 9 E, Sec. 23 all;	640.00	064858	12 $\frac{1}{2}$ %	Radford Byerly	1 $\frac{1}{4}$ %, Radford Byerly under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
4	T 6 S, R 9 E, Sec. 17 S $\frac{1}{2}$, Sec. 18 SW $\frac{1}{4}$, Sec. 19 Lot 3, NE $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 20 E $\frac{1}{2}$, NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 29 W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 30 all;	2,372.92	064809	12 $\frac{1}{2}$ %	Edwin H. Ellinghausen	1 $\frac{1}{4}$ %, Edwin H. Ellinghausen under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
5	T 7 S, R 8 E, Sec. 34 E $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 35 all, T 8 S, R 8 E, Sec. 1 all, Sec. 3 Lots 1 & 2 & S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, Sec. 11 E $\frac{1}{2}$, Sec. 12 W $\frac{1}{2}$;	2,478.06	064820	12 $\frac{1}{2}$ %	J. H. Freeman	1 $\frac{1}{4}$ %, J. H. Freeman under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
6	T 6 S, R 9 E, Sec. 28 all, Sec. 29 E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 33 W $\frac{1}{2}$, W $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 34 S $\frac{1}{2}$ W $\frac{1}{2}$, S $\frac{1}{2}$, Sec. 35 S $\frac{1}{2}$ W $\frac{1}{2}$, S $\frac{1}{2}$;						

CARRIZOZO UNIT AREA (CONT'D)

Tract No.	Description - all N.M.P.M. New Mexico	No. of Acres	Las Cruces Serial No.	% Royalty Payable to U. S. A.	Record Owner of Lease or Application	% of Overriding Royalty Under Option Agreement, Operating Agreement, or Assignment, and Owner	Working Interest Owner and % of Interest
7	T 7 S, R 9 E, Sec. 3 N ² N ² ; T 6 S, R 8 E, Sec. 25 N ² SE ¹ , T 7 S, R 8 E, Sec. 1 Lots 1,2,3, S ² NE ⁴ , N ² SE ¹ , NE ¹ SW ⁴ , T 6 S, R 9 E, Sec. 31 all, T 7 S, R 9 E, Sec. 5 all, Sec. 6 all;	2,440.00	064819	12 $\frac{3}{4}$ %	John F. Heard	1%, John F. Heard under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{2}{3}$ %
8	T 7 S, R 9 E, Sec. 1 all, Sec. 3 S ² ; Sec. 10 N ² , Sec. 11 N ² , SW ⁴ , NW ¹ SE ¹ , S ² SE ¹ , Sec. 12 N ² NE ⁴ , SE ¹ , S ² SW ⁴ , SW ⁴ NW ⁴ ;	2,086.79	064813	12 $\frac{3}{4}$ %	Robert E. Keeton	1%, Robert E. Keeton under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{2}{3}$ %
9	T 7 S, R 9 E, Sec. 10 S ² , Sec. 13 W ² , Sec. 14 all, Sec. 15 all, Sec. 23 S ² , S ² N ² , NE ¹ NE ⁴ ;	2,440.00	064808	12 $\frac{3}{4}$ %	R. W. McCoy	1%, R. W. McCoy under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{2}{3}$ %
10	T 7 S, R 8 E, Sec. 11 E ² , E ² SW ⁴ , Sec. 12 W ² , W ² E ² , Sec. 13 all, Sec. 14 NE ¹ NE ⁴ , S ² NE ⁴ , SE ¹ , S ² SW ⁴ , SW ⁴ NW ⁴ ; T 7 S, R 9 E, Sec. 18 Lots 1,2,3, and 4;	2,127.40	064815	12 $\frac{3}{4}$ %	James W. McHaffy	1%, James W. McHaffy under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{2}{3}$ %

CARRIZO UNIT AREA (CONT'D)

Tract No.	Description - all N.M.P.M. New Mexico	No. of Acres	Las Cruces Serial No.	% Royalty Payable to U. S. A.	Record Owner of Lease or Application	% of Overriding Royalty Under Option Agreement, Operating Agreement, or Assignment, and Owner	Working Interest Owner and % of Interest
11	T 7 S, R 8 E, Sec. 23 all, Sec. 24 all, Sec. 26 $\frac{1}{2}$ $\frac{1}{2}$, Sec. 27 $\frac{1}{2}$ $\frac{1}{2}$; T 7 S, R 9 E, Sec. 18 $\frac{1}{2}$, Sec. 19 all;	2,368.72	064807	12 $\frac{1}{2}$ %	Sam S. Minter	1 $\frac{1}{2}$, Sam S. Minter under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
12	T 7 S, R 9 E, Sec. 17 $\frac{1}{2}$ $\frac{1}{2}$, $\frac{1}{2}$ $\frac{1}{2}$ $\frac{1}{2}$, $\frac{1}{2}$ $\frac{1}{2}$ $\frac{1}{2}$, Sec. 20 all, Sec. 21 $\frac{1}{2}$, $\frac{1}{2}$ $\frac{1}{2}$, $\frac{1}{2}$ $\frac{1}{2}$, $\frac{1}{2}$ $\frac{1}{2}$, Sec. 22 $\frac{1}{2}$, $\frac{1}{2}$ $\frac{1}{2}$, Sec. 26 $\frac{1}{2}$ $\frac{1}{2}$;	2,400.00	064818	12 $\frac{1}{2}$ %	James K. Nance	1 $\frac{1}{2}$, James K. Nance under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
13	T 7 S, R 9 E, Sec. 27 all, Sec. 28 all, Sec. 33 all (Lots 1,2,3,4, $\frac{1}{2}$ $\frac{1}{2}$, $\frac{1}{2}$ $\frac{1}{2}$); Sec. 34 Lots 3 & 4, $\frac{1}{2}$, $\frac{1}{2}$; T 8 S, R 9 E, Sec. 4 $\frac{1}{2}$ $\frac{1}{2}$;	2,561.97	064810	12 $\frac{1}{2}$ %	Hugh M. Patterson	1 $\frac{1}{2}$, Hugh M. Patterson under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
14	T 7 S, R 8 E, Sec. 25 all, Sec. 26 $\frac{1}{2}$ $\frac{1}{2}$, $\frac{1}{2}$ $\frac{1}{2}$, $\frac{1}{2}$ $\frac{1}{2}$; T 7 S, R 9 E, Sec. 29 all, Sec. 30 all (Lots 1,2,3,4, $\frac{1}{2}$ $\frac{1}{2}$); Sec. 31 Lots 1 and 2 ($\frac{1}{2}$ $\frac{1}{2}$);	2,315.93	064812	12 $\frac{1}{2}$ %	Paul Port	1 $\frac{1}{2}$, Paul Port under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
15	T 7 S, R 9 E, Sec. 31 Lots 3,4,5, and 6, $\frac{1}{2}$ $\frac{1}{2}$; T 8 S, R 9 E, Sec. 4 $\frac{1}{2}$ $\frac{1}{2}$, Sec. 5 all, Sec. 6 all (Lots 1, 2, 3, and 4, $\frac{1}{2}$ $\frac{1}{2}$); Sec. 8 $\frac{1}{2}$ $\frac{1}{2}$;	2,239.66	064817	12 $\frac{1}{2}$ %	Garrett R. Tucker, Jr.	1 $\frac{1}{2}$, Garrett R. Tucker, Jr. under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %

CARRIZO UNIT AREA (CONT'D)

Tract No.	Description - all N.M.P.M. New Mexico	No. of Acres	Las Cruces Serial No.	% Royalty Payable to U. S. A.	Record Owner of Lease or Application	% of Overriding Royalty Under Option Agreement, Operating Agreement, or Assignment, and Owner	Working Interest Owner and % of Interest
16	T 8 S, R 8 E, Sec. 12 E $\frac{1}{2}$, Sec. 13 all, Sec. 14 E $\frac{1}{2}$, Sec. 23 NE $\frac{1}{4}$, Sec. 24 NE $\frac{1}{2}$; T 8 S, R 9 E, Sec. 7 all;	2,293.24	064811	12 $\frac{1}{2}$ %	A. B. White	1 $\frac{1}{2}$, A. B. White under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
17	T 7 S, R 9 E, Sec. 4 W $\frac{1}{2}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, Sec. 7 Lots 1, 2, 3, NE $\frac{1}{4}$, NE $\frac{1}{2}$ SE $\frac{1}{4}$, Sec. 8 E $\frac{1}{2}$, NW $\frac{1}{4}$, NE $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 9 all;	2,154.54	064821	12 $\frac{1}{2}$ %	C. H. Wilson	1 $\frac{1}{2}$, C.H. Wilson under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
18	T 7 S, R 9 E, Sec. 21 NE $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 22 NE $\frac{1}{2}$ NE $\frac{1}{4}$;	200.00	NM 0260	12 $\frac{1}{2}$ %	Robert L. Henry	1 $\frac{1}{2}$, Robert L. Henry under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
<u>STATE LANDS</u>							
19	T 6 S, R 8 E, Sec. 36 SE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$; T 6 S, R 9 E, Sec. 16 NE $\frac{1}{2}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$; T 7 S, R 8 E, Sec. 2 E $\frac{1}{2}$ SE $\frac{1}{4}$;	600.00	E-889	12 $\frac{1}{2}$ %	Standard Oil Company of Texas	None	Standard Oil Company of Texas, 87 $\frac{1}{2}$ %
20	T 6 S, R 9 E, Sec. 32 all, Sec. 36 all; T 7 S, R 8 E, Sec. 26 SE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 36 all, T 7 S, R 9 E, Sec. 2 all, Sec. 16 all, Sec. 32 all; T 8 S, R 8 E, Sec. 2 all;	4,559.80	B-11576	12 $\frac{1}{2}$ %	Standard Oil Company of Texas	None	Standard Oil Company of Texas, 87 $\frac{1}{2}$ %
21	T 6 S, R 9 E, Sec. 16 SE $\frac{1}{2}$ SW $\frac{1}{4}$;	80.00	E-2458	12 $\frac{1}{2}$ %	Clyde B. Gartner	None	Clyde B. Gartner, 87 $\frac{1}{2}$ %

CARRIZO UNIT AREA (CONT'D)

Tract No.	Description - all N.M.P.M. New Mexico	No. of Acres	State Lease No.	% Royalty Payable to State of New Mexico	Record Owner of Lease or Application	% of Overriding Royalty Under Option Agreement, Operating Agreement, or Assignment, and Owner	Working Interest Owner and % of Interest
22	T 6 S, R 8 E, Sec. 36 N ¹ / ₂ NE ¹ / ₄ , SW ¹ / ₄ NE ¹ / ₄ ;	120.00	E-2545	12 ³ / ₄ %	Darrell C. Williams	None	Darrell C. Williams, 87 ¹ / ₂ %
<u>FREE LANDS</u>							
23	T 6 S, R 9 E, Sec. 19 Lot 4, S ¹ / ₂ SE ¹ / ₄ , Sec. 20 S ¹ / ₂ SW ¹ / ₄ , Sec. 34 N ¹ / ₂ NE ¹ / ₄ , Sec. 35 N ¹ / ₂ NE ¹ / ₄ , Sec. 33 S ¹ / ₂ SE ¹ / ₄ ; T 7 S, R 8 E, Sec. 1 S ¹ / ₂ SE ¹ / ₄ , NW ¹ / ₄ SW ¹ / ₄ , S ¹ / ₂ SW ¹ / ₄ , Lot 4, Sec. 12 E ¹ / ₂ SE ¹ / ₄ ; T 7 S, R 9 E, Sec. 3 S ¹ / ₂ NE ¹ / ₄ , Sec. 4 E ¹ / ₂ NE ¹ / ₄ ; Sec. 7 S ¹ / ₂ SE ¹ / ₄ , Lot 4, Sec. 8 S ¹ / ₂ SW ¹ / ₄ ; Sec. 11 NE ¹ / ₂ SE ¹ / ₄ , Sec. 12 S ¹ / ₂ NE ¹ / ₄ , NW ¹ / ₄ SW ¹ / ₄ ; SE ¹ / ₄ NE ¹ / ₄ , NW ¹ / ₄ NE ¹ / ₄ , Sec. 17 S ¹ / ₂ SE ¹ / ₄ , NW ¹ / ₄ SW ¹ / ₄ ; W ¹ / ₂ NE ¹ / ₄ , Sec. 23 NW ¹ / ₂ NE ¹ / ₄ , NW ¹ / ₂ SW ¹ / ₄ ;	2,262.06			(Owned by Willis R. Lovelace, Willis R. Lovelace, Jr., Knollin Lovelace, and Leola E. Collinson)	None	Standard Oil Company of Texas, 87 ¹ / ₂ %
24	T 7 S, R 8 E, Sec. 14 NW ¹ / ₂ NE ¹ / ₄ , N ¹ / ₂ SW ¹ / ₄ , SE ¹ / ₄ NW ¹ / ₄ ;	160.00		12 ³ / ₄ %	(Owned by Mabel Rentfrow)	None	Standard Oil Company of Texas
25	T 7 S, R 8 E, Sec. 14 NW ¹ / ₂ SW ¹ / ₄ ;	80.00		12 ³ / ₄ %	(Owned jointly by Mabel Rentfrow, Bendette Rentfrow Iadd and Era Hall Rentfrow)	None	Standard Oil Company of Texas, 87 ¹ / ₂ %

RECAPITULATION

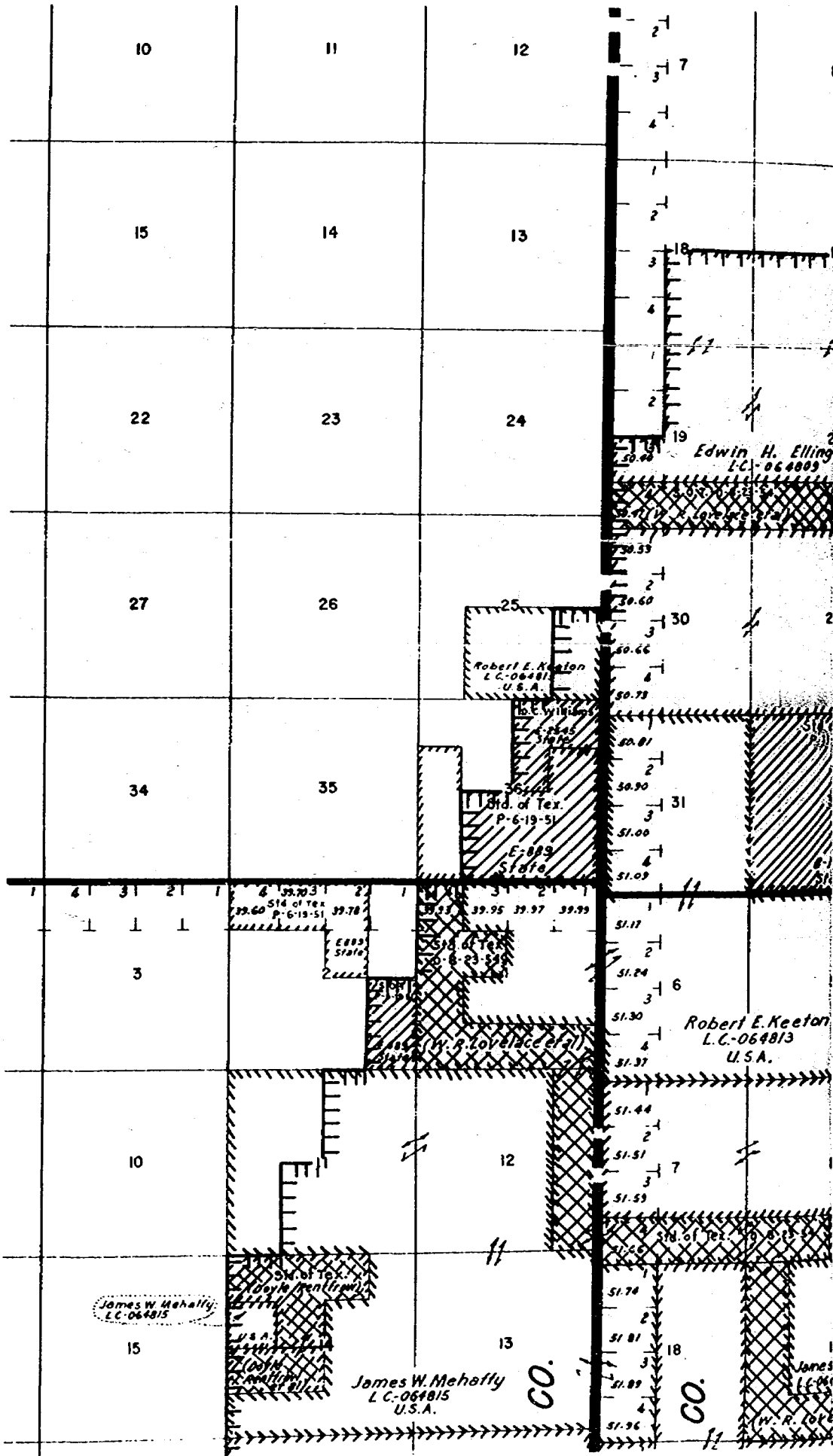
ACRES

Federal Lands	37,361.23
State Lands	5,359.80
Free Lands	2,502.06
TOTAL ACRES IN CARRIZO UNIT AREA	45,223.09

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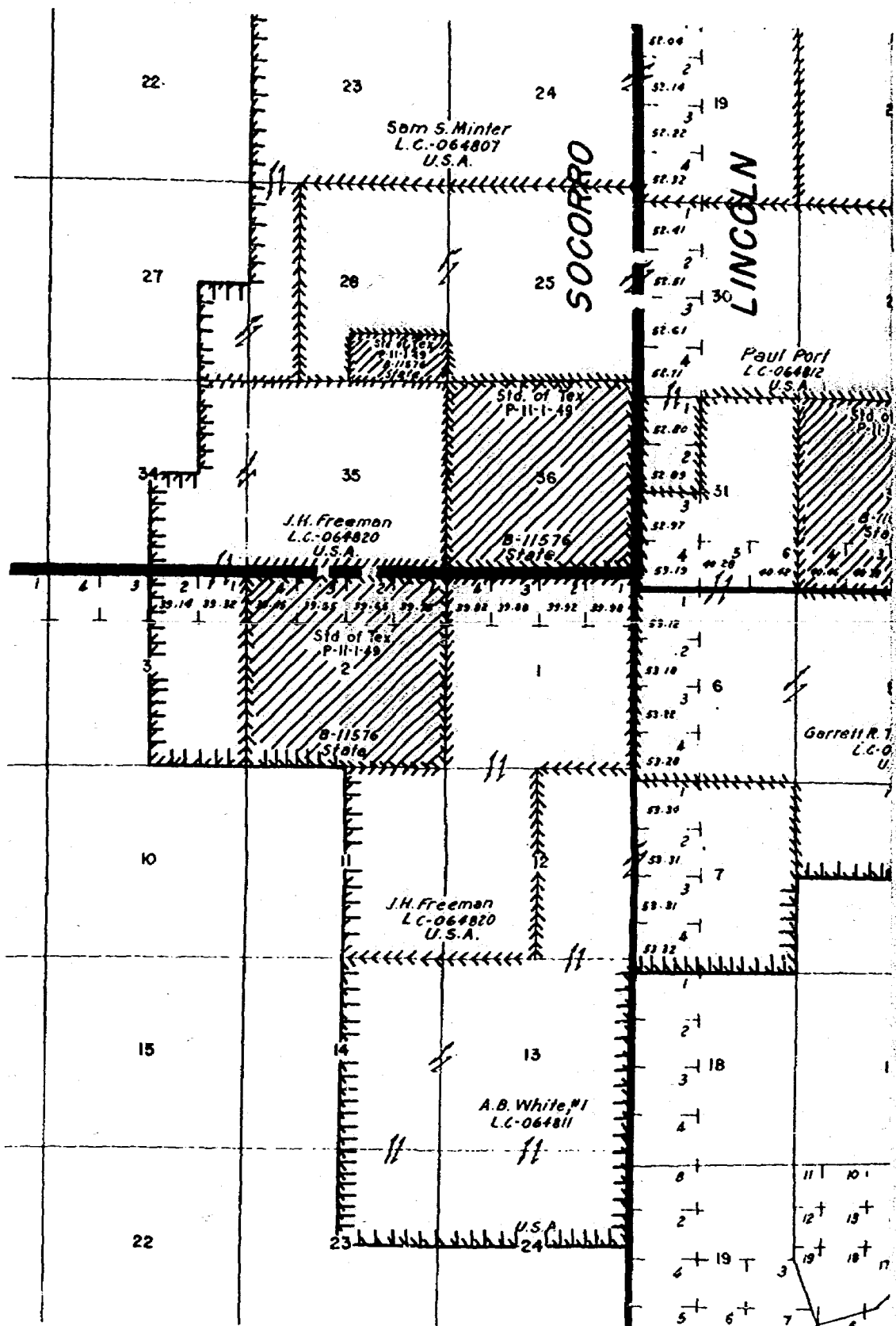
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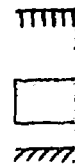
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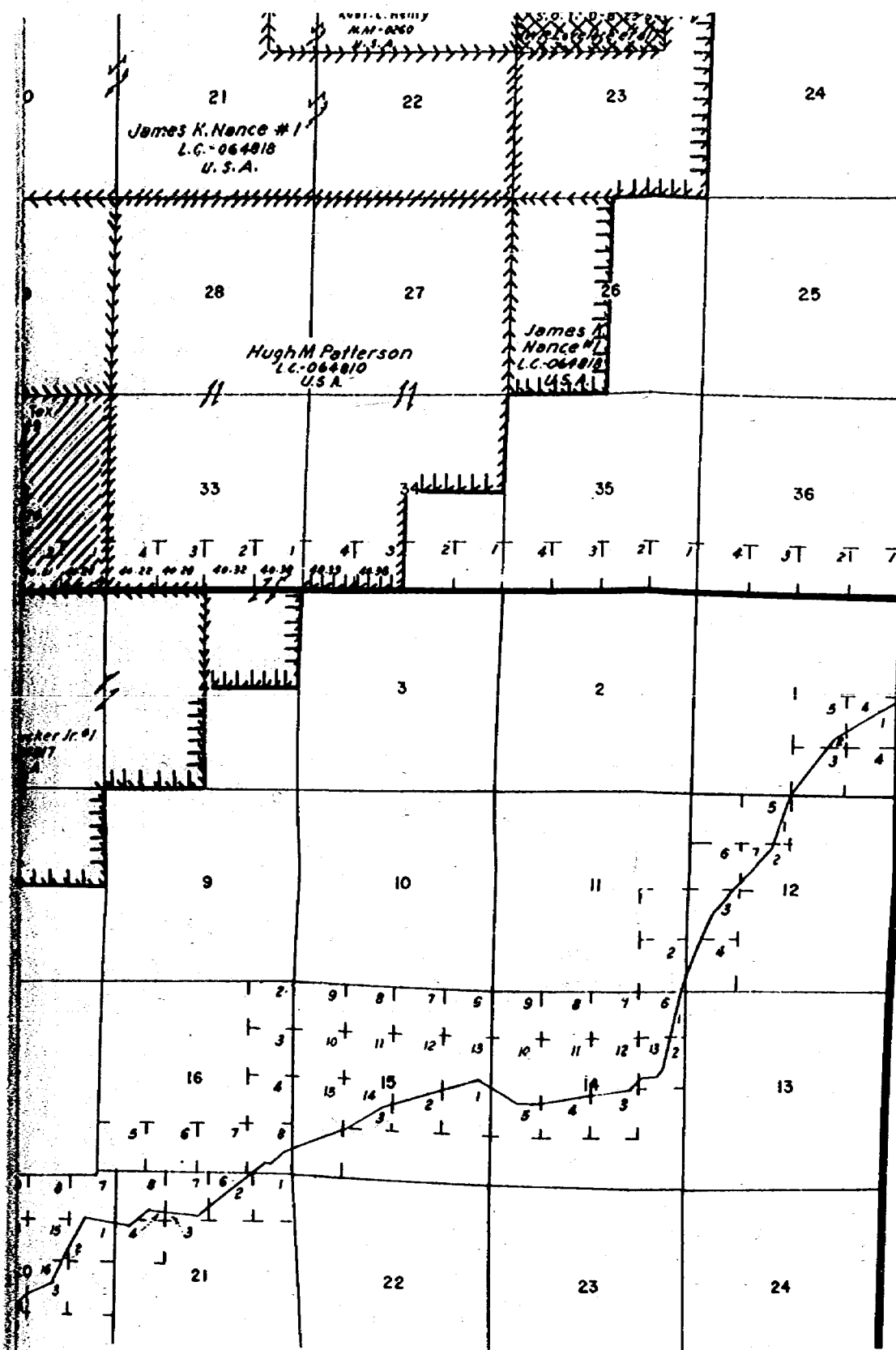


LEGEND

-  FEDERAL LANDS--37,361.23 AC.
-  STATE LANDS----- 5,359.80 AC.
-  FEE LANDS----- 2,502.06 AC.

TOTAL NO. OF ACRES
IN CARRIZOZO UNIT AREA-- 45,223.09





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EXHIBIT A

OUTLINE OF UNIT AREA

COMMITTED LANDS

LEASE BOUNDARIES

STANDARD OIL CO. OF TEXAS				
OWNERSHIP PLAT				
CARRIZOZO UNIT AREA				
LINCOLN & SOCORRO COUNTIES				
NEW MEXICO				
SCALE	DATE	APPROVED	DR BY H.D.	D-7683
1 4000'			TR BY H.D.	
			CK BY	

IN THE MATTER OF THE APPLICATION
OF THE CARRIZO OIL COMPANY OF
TEXAS FOR AN ORDER OF APPROVAL OF
THE UNIT AGREEMENT FOR THE
DEVELOPMENT AND OPERATION OF THE
CARRIZO OIL FIELD WITHIN
TOWNSHIPS 6, 7 AND 8 SOUTH,
RANGERS 8 AND 9 EAST, N.M.P.M.,
CONTAINING 45,221 ACRES IN
LINCOLN AND SOGORRO COUNTIES, NEW
MEXICO

CASE NO. 100
ORDER NO. 112

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock A.M. on the 24th day of January, 1950, at Santa Fe, New Mexico, before the Oil Conservation Commission of the State of New Mexico, after referred to as the "Commission".

NOW, on this the 5th day of March, 1950, the Commission having before it for consideration the report deduced at the hearing of said case, and the evidence in the premises:

FINDS that the proposed unit plan will tend to promote the conservation of oil and gas and the prevention of waste;

IT IS THEREFORE ORDERED BY THE COMMISSION AS FOLLOWS:

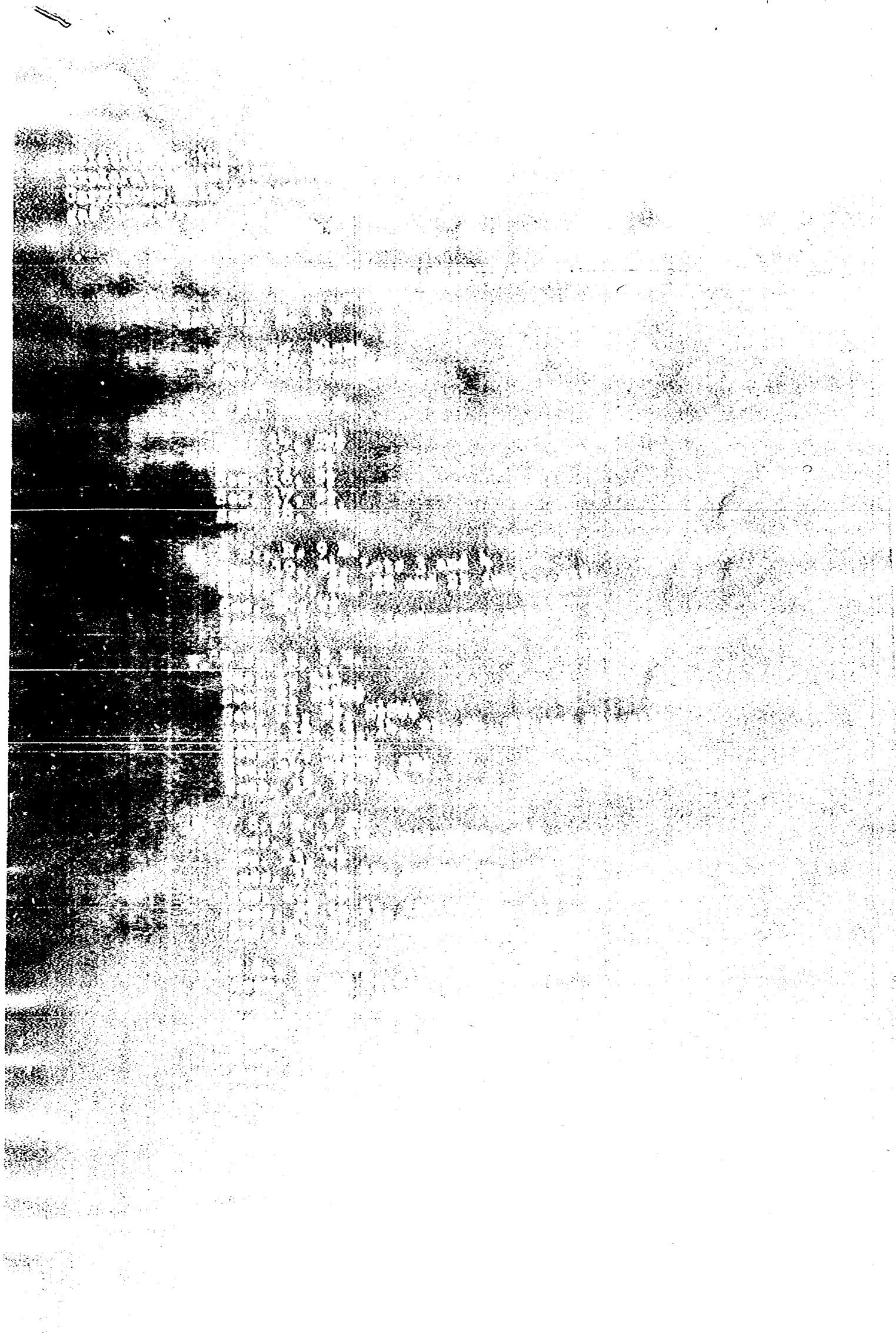
SECTION 1. That the Carrizo Oil Field shall be known as the

CARRIZO OIL FIELD.

SECTION 2. (a) That the Carrizo Oil Field shall be known as the Carrizo Oil Field and shall be referred to as the Carrizo Oil Field.

shall be operated as a unit for the development and production of oil and gas therefrom, and the operation shall be referred to as the Carrizo Oil Field Unit Plan.

be, and shall be, operated as a unit for the development and production of oil and gas therefrom, and the operation shall be referred to as the Carrizo Oil Field Unit Plan.



[illegible]


CERTIFICATE OF APPROVAL
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO, OF UNIT
AGREEMENT FOR DEVELOPMENT AND OPERATION OF CARRIZOZO UNIT AREA,
LINCOLN AND SOCORRO 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 Carrizozo Unit Area, Lincoln and Socorro Counties, New Mexico, dated January 30, 1950, in which Standard Oil Company of Texas 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 Chapter 88 of the Laws of the State of New Mexico, 1943, approved April 14, 1943, 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 said agreement, as to the lands of the State of New Mexico included in said Carrizozo Unit Agreement, and subject to all of the provisions of the aforesaid Chapter 88 of the Laws of the State of New Mexico, 1943.

EXECUTED this 8th day of March, 1950.



Commissioner of Public Lands of
the State of New Mexico

CERTIFICATION-DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the Act approved February 25, 1920, 41 Stat. 437, 30 W.P.S.C. Secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey pursuant to Departmental Order 2365 of October 8, 1947, 43 C.F.R. Sec. 4.611, 12 F.R. 6784, I do hereby:

A. Approve the attached agreement for the development and operation of the Carrizozo Unit Area, State of New Mexico.

B. Certify and determine that the unit plan of development and operation set forth in the attached agreement is necessary and advisable in the public interest and is for the purpose of more properly conserving the natural resources of the unit area.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

Dated APR - 6 1950

Thomas B. Nolan
Acting Director, United States
Geological Survey

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

APPLICATION FOR APPROVAL OF UNIT AGREEMENT FOR
THE DEVELOPMENT AND OPERATION OF THE CARRIZOZO
UNIT AREA, LINCOLN AND SOCORRO COUNTIES, NEW
MEXICO

TO THE NEW MEXICO OIL
CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Comes the undersigned, Standard Oil Company of Texas, with offices at Houston, Texas, and files herewith three copies of a proposed Unit Agreement for the development and operation of the Carrizozo Unit Area, Lincoln and Socorro Counties, New Mexico, and respectfully requests that said Unit Agreement be approved and in support thereof shows:

1. That the unit area comprises 45,223.09 acres situated in Townships 6, 7 and 8 South, Ranges 8 and 9 East, New Mexico Principal Meridian, as will more particularly appear by the plat attached to the copy of the proposed Unit Agreement filed herewith as Exhibit A and made a part hereof by reference. That of the lands embraced in the proposed Unit area 37,361.23 acres are Federal Lands, 5,359.8 acres are State Lands and 2,502.06 acres are Fee Lands. The location of the lands of the State of New Mexico which are included within the unit area is set out in particular detail and by distinctive markings on said plat attached to the proposed Unit Agreement.

2. That the lands embraced in the Unit Area were designated by the Acting Director of the United States Geological Survey on October 18, 1949 as logical for inclusion in a unit plan of operation and all of the lands situated in the unit area are believed to be located upon the same geological structure.

3. That said unit agreement has been approved as to form by the Department of the Interior and complies with the regulations of the Secretary of the Interior relative to unit agreements, but contains appropriate provisions for joint control between the Secretary of the Interior and the Commissioner of Public Lands in substantially the same form as unit agreements heretofore approved by the Commissioner of Public Lands, the Secretary of the Interior, and the New Mexico Oil Conservation Commission. Said proposed Agreement is made subject to the approval of the Commissioner of Public Lands, the Secretary of the Interior, and to the approval of the New Mexico Oil Conservation Commission, after hearing, as provided by law.

4. That the undersigned applicant is designated as Unit Operator under the terms of said Unit Agreement and as such Unit Operator will have the right to carry on exploration and development work in accordance with the terms of said Unit Agreement. That applicant as Unit Operator proposes to commence, within six (6) months from the effective date of the Unit Agreement, a test well for oil and gas upon some part of the lands embraced in the unit area selected by the Unit Operator and to drill said well in accordance with the terms of said Unit Agreement to a depth of not less than 4,000 feet, unless oil or gas in paying quantities is encountered at a lesser depth, or to such a depth as further drilling would not be warranted.

5. That it is believed that operations to be carried on under the terms of said Unit Agreement will promote the economic and efficient recovery of oil and gas to the end that the maximum yield may be obtained from the field or area, if oil or gas should be discovered in paying quantities, and the production is to be limited to such production as may be put to beneficial use with adequate realization of fuel and other values; and it is further believed that such agreement will be in the interest of conservation

of oil and gas and the prevention of waste as contemplated by the Oil Conservation Statutes of the State of New Mexico.

6. That upon an order being entered by the New Mexico Oil Conservation Commission approving said Unit Agreement and after the approval thereof by the Commissioner of Public Lands of the State of New Mexico and the Secretary of the Interior of the United States, an approved copy of said agreement will be filed with the New Mexico Oil Conservation Commission.

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

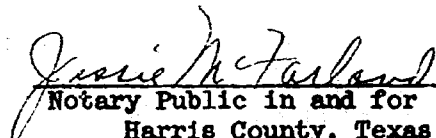
Respectfully submitted.

ATTEST:


Assistant Secretary


STANDARD OIL COMPANY OF TEXAS
Vice President

SUBSCRIBED and sworn to before me this 22 day of
December, 1949.


Notary Public in and for
Harris County, Texas
JESSIE McFARLAND
My Commission Expires _____

My Commission Expires 6-1-51.

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE CARRIZOZO UNIT AREA
COUNTIES OF LINCOLN AND SOCORRO, STATE OF NEW MEXICO

I-Sec. No. _____

THIS AGREEMENT, entered into as of the _____ day
of _____, 19____, by and between the parties subscribing,
ratifying, or consenting hereto, and herein referred to as the "parties
hereto",

W I T N E S S E T H :

WHEREAS the parties hereto are the owners of working, royalty
or other oil or gas interests in the unit area subject to this agreement;
and

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

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

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

WHEREAS the parties hereto hold sufficient interests in the Carrizozo 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. ENABLING ACT AND REGULATIONS. The Act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid pertinent and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and, as to non-Federal lands, applicable State laws and operating regulations not inconsistent with the terms hereof are hereby accepted and made a part of this agreement.

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

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 6 S., R. 8 E.

sec. 25, E $\frac{1}{2}$ SE $\frac{1}{4}$
sec. 36, E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$

T. 6 S., R. 9 E.

sec. 14, SW $\frac{1}{4}$
sec. 15, S $\frac{1}{2}$
sec. 16, S $\frac{1}{2}$
sec. 17, S $\frac{1}{2}$
sec. 18, SE $\frac{1}{4}$

T. 6 S., R. 9 E. (Cont'd.)

sec. 19, E $\frac{1}{2}$, lots 3 and 4
secs. 20, 21, 22 and 23 incl., all
sec. 24, W $\frac{1}{2}$
secs. 25 to 36 inclusive, all

T. 7 S., R. 8 E.

sec. 1, all
sec. 2, E $\frac{1}{2}$ SE $\frac{1}{4}$
sec. 11, E $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$
secs. 12, 13, 14, 23, 24, 25 and 26, all
sec. 27, E $\frac{1}{2}$ SE $\frac{1}{4}$
sec. 34, E $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$
secs. 35, 36, all

T. 7 S., R. 9 E.

secs. 1 to 12, inclusive, all
sec. 13, W $\frac{1}{2}$
secs. 14 to 23, inclusive, all
sec. 26, W $\frac{1}{2}$
secs. 27 to 33, inclusive, all
sec. 34, N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, lots 3 and 4

T. 8 S., R. 8 E.

secs. 1 and 2, all
sec. 3, SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, lots 1 and 2
sec. 11, E $\frac{1}{2}$
secs. 12 and 13, all
sec. 14, E $\frac{1}{2}$
sec. 23, NE $\frac{1}{4}$
sec. 24, N $\frac{1}{2}$

T. 8 S., R. 9 E.

sec. 4, W $\frac{1}{2}$, NE $\frac{1}{4}$
secs. 5 to 7, inclusive, all
sec. 8, N $\frac{1}{2}$

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 Oil and Gas Supervisor, hereinafter referred to as "Supervisor," or the Commissioner of Public Lands hereinafter referred to as "Commissioner" and not less than six copies of the revised exhibits shall be filed with the Supervisor, and at least one copy shall be filed with the Commissioner and one copy with the New Mexico Oil Conservation Commission, hereinafter referred to as "Commission".

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

(a) Unit Operator, on its own motion or on demand of the Director of the Geological Survey, hereinafter referred to as "Director," or on demand of the Commissioner shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, and the proposed effective date thereof.

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

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

with the Unit Operator.

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the Director, and Commissioner, become effective as of the date prescribed in the notice thereof.

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

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

4. UNIT OPERATOR. Standard Oil Company of Texas is hereby designated as Unit Operator and by signature hereto commits to this agreement all interests in unitized substances vested in it as set forth in Exhibit B, and agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become effective so as to release him from his duties and obligations and terminate his rights as such for a period of 6 months after notice of intention to resign has been served by him on all working interest owners, the Director, and Commissioner, and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment as may be required by the Supervisor as to Federal lands and the

Commission as to State and privately-owned lands, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period. Unit Operator shall have the right to resign after a participating area or areas have been established provided a successor unit operator has been selected and approved and has agreed to accept the duties and responsibilities of Unit Operator effective upon the relinquishment of such duties and responsibilities by the retiring Unit Operator. The resignation of Unit Operator shall not release Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

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

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

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall resign as Unit Operator or shall be removed as hereinabove provided, the

owners of the working interests in the participating area or areas according to their respective acreage interests in such participating area or areas, or, until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by majority vote select a successor Unit Operator: Provided, That, if a majority but less than 75 percent of the working interests qualified to vote are owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than 75 percent 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 Director and Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director and Commissioner at their election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT.

If the Unit Operator is not the sole owner of working interests, costs and expenses incurred in conducting unit operations hereunder shall be paid in the first instance by Unit Operator, and such costs and expenses so paid by Unit Operator shall be apportioned among and borne by the owners of working interests and the Unit Operator reimbursed, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement." Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the

benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts and as between the working interest owners and Unit Operator may provide for such limitations upon the power of the Unit Operator respecting the liability of the working interest owners for cost of operations hereunder as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating 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 inconsistency or conflict between the unit agreement and the unit operating agreement this unit agreement shall prevail. Three true copies of any unit operating agreement executed pursuant to this section shall be filed with the Supervisor.

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

9. DRILLING TO DISCOVERY. Within 6 months after the effective date hereof, the Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, if such location is upon

lands of the United States, and if upon State lands or privately-owned lands, such location shall be approved by the Commission, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Strawn limestone formation has been tested or until at a lesser depth unitized substances shall be discovered which can be produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling and producing operations, with a reasonable profit) or the Unit Operator shall at any time establish to the satisfaction of the Supervisor that further drilling of said well would be unwarranted or impracticable, provided, however, that Unit Operator shall not in any event be required to drill to a depth in excess of 4,000 feet. Until the discovery of a deposit of unitized substances capable of being produced in paying quantities, the Unit Operator shall continue drilling diligently one well at a time, allowing not more than 6 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 said Supervisor if on Federal land, or the Commissioner if on State, or the Commission if on privately-owned land, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and the Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted. Upon failure to comply with the drilling provisions of this section, the Director and the Commissioner may, after reasonable notice to the Unit

Operator, and each working interest owner, lessee, and lessor at their last known addresses, declare this unit agreement terminated.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within 6 months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission, an acceptable plan of development and operation for the unitized land which, when approved by the Supervisor, the Commissioner, and the Commission, shall constitute the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission, a plan for an additional specified period for the development and operation of the unitized land. Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and shall be as complete and adequate as the Supervisor, the Commissioner and the Commission may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall (a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and (b) to the extent practicable specify the operating practices regarded as necessary and advisable for proper conservation of natural resources. Separate plans may be submitted for separate productive zones, subject to the approval of the Supervisor, the Commissioner and the Commission. Said plan or plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan.

of development. The Supervisor and Commissioner are authorized to grant a reasonable extension of the 6-month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing oil and gas in paying quantities no further wells, except such as may be necessary to afford protection against operations not under this agreement or such as may be specifically approved by the Supervisor and Commission shall be drilled except in accordance with a plan of development approved as herein provided.

11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor or the Commissioner, the Unit Operator shall submit for approval by the Director, the Commissioner and the Commission a schedule, based on sub-divisions of the public-land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all land in said schedule on approval of the Director, the Commissioner and the Commission to constitute a participating area, effective as of the date of first production. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from and after the date the participating area becomes effective. A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone, and any two or more participating areas so established may be combined into one with the consent of the owners of all working interests in the lands within the participating areas so to be combined, and approval of the Director, the Commissioner and the Commission. The participating area

or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities (or to exclude land then regarded as reasonably proved not to be productive) and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first of the month following the date of first authentic knowledge or information on which such revision is predicated, unless a more appropriate effective date is specified in the schedule. No land shall be excluded from a participating area on account of depletion of the unitized substances.

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

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

with a determination of the sum due as Federal and State royalty on the basis of such approved participating area.

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

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

last mentioned participating area for sale during the life of this agreement shall be considered to be the gas so transferred until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as constituted at the time of such final production.

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

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

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

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

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

Royalty due the United States shall be computed as provided

in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

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

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

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

included within a participating area.

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

17. DRAINAGE. The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement or pursuant to applicable regulations pay a fair and reasonable compensatory royalty as determined by the Supervisor.

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

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every part or separately owned tract subject to this agreement, regardless of

whether there is any development of any particular part or tract of the unit area, notwithstanding anything to the contrary in any lease, operating agreement or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.

(b) Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to produce wells situated on land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Secretary and Commissioner, or their duly authorized representatives shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land.

(d) Each lease, sublease or contract relating to the exploration, drilling, development or operation for oil or gas of lands other than those of the United States and the State of New Mexico, committed to this agreement, which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement. Termination of this agreement shall not affect any lease which, pursuant to the terms thereof or applicable law, shall continue in full force and effect thereafter.

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the committed land so long as the lease remains committed hereto provided a valuable deposit

of unitized substances is discovered within the unit area prior to the expiration date of the primary term of such lease.

(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

19. 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.

20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the Secretary or his duly authorized representative and shall terminate in five (5) years after such date unless (a) such date of expiration is extended by the Director and Commissioner, or (b) it is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder and after notice of intention to terminate the agreement on such ground is given by the Unit Operator to all parties in interest at their last known

addresses, the agreement is terminated with the approval of the Director and Commissioner, or (c) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof, in which case the agreement shall remain in effect so long as unitized substances can be produced from the unitized land in paying quantities, and, should production cease so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can be produced as aforesaid, or (d) it is terminated as provided in Section 6 or Section 9 hereof. This agreement may be terminated at any time by not less than 75 percentum, on an acreage basis, of the owners of working interests signatory hereto, with the approval of the Director and Commissioner.

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

22. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the working interest owners nor any of them shall be subject to any forfeiture, termination, or expiration of any rights hereunder or under any leases or contracts subject hereto, or to any penalty or liability on account of delay or failure in whole or in part to comply with any applicable provision thereof to the extent that the said Unit Operator, working interest owners or any of them are hindered, delayed, or prevented from complying therewith by reason of failure of the Unit Operator to obtain, in the exercise of due diligence, the concurrence of proper representatives of the United States and proper representatives of the State of New Mexico in and about any matters or thing concerning which it is required herein that such concurrence be obtained. The parties hereto, including the Commission, agree that all powers and authority vested in the Commission in and by any provisions of this contract are vested in the Commission and shall be exercised by it pursuant to the provisions of the laws of the State of New Mexico and subject in any case to appeal or judicial review as may now or hereafter be provided by the laws of the State of New Mexico.

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

24. NOTICES. All notices, demands or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if given in writing and personally delivered to the party or sent 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.

25. NO WAIVER OF CERTAIN RIGHTS. Nothing in this agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as to the validity or invalidity of any law of the State wherein said unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

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

27. FAIR EMPLOYMENT. The Unit Operator shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and an identical provision shall be incorporated in all sub-contracts.

28. LOSS OF TITLE. In the event title to any tract or unitized land or substantial interest therein shall fail and the true owner cannot be induced to join this unit agreement, so that such tract is not committed to this unit agreement, or the operation thereof hereunder becomes impractical as a result thereof, such tract may be eliminated from the unitized area and there shall be such readjustment of future costs and benefits as may be required on account of the loss of said acreage. In the event of a dispute as to title as to any royalty, working, or other interests subject thereto, the Unit Operator may withhold payment or delivery on account thereof without liability for interest until the dispute is finally settled; provided, that, as to Federal and State land or leases, no payments of funds due the United States or the State of New Mexico shall be withheld, but such funds shall be deposited with the Bureau of Land Management or as directed by the Supervisor, and with the Commissioner of Public Lands of the State of New Mexico, respectively, to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

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

29. NON-JOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the working interest owner in that tract may withdraw said tract from this agreement by notice to the Director, Commissioner and the Unit Operator prior to the approval of this agreement by the Director. Any oil or gas interests in lands within the unit area not committed hereto prior to submission of this agreement for final approval may thereafter be committed hereto by the owner or owners of such rights subscribing or consenting to this agreement and, if such

owner is also a working interest owner, by subscribing to the Unit Operating Agreement. It is understood and agreed, however, that after operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements, if any, pertaining to such joinder, as may be provided for in the Unit Operating Agreement, and it is also understood and agreed that after discovery of unitized substances in paying quantities hereunder, a subsequent joinder by a non-working interest owner must be consented to by the working interest owner responsible for the payment of any benefits that may accrue hereunder in behalf of such non-working interest. A subsequent joinder shall be effective as of the first day of the month following the filing with the Supervisor, the Commissioner and the Commission of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within 60 days by the Director, Commissioner, or Commission.

30. 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 abovedescribed unit area.

31. SURRENDER. During the life of this agreement, no right to surrender any lease or operating agreement reserved in any such instrument shall be exercised as to any lands within a participating

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

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

SIGNATURES AND ADDRESSES

STANDARD OIL COMPANY OF TEXAS

By _____
Vice President

By _____
Asst. Secretary

Address: P. O. Box 1249
Houston 1, Texas

Date _____

UNIT OPERATOR

DESCRIPTION OF INTERESTS COMMITTED
TO CARRIZO UNIT AGREEMENT BY RE-
FERENCE TO TRACT NUMBERS IN EXHIBIT
"B" ATTACHED TO UNIT AGREEMENT.

Tracts 1 to 20, inclusive, and
Tract 23

J. Curtiss Brown

Tract No. 1

Address: 2708 Wroxtton Road, Apt. 6
Houston 5, Texas

Date: _____

William Russell Brown

Tract No. 2

Address: 1932 Milford
Houston 6, Texas

Date: _____

Radford Byerly

Tract No. 3

Address: 2338 Addison
Houston, Texas

Date: _____

Edwin H. Ellinghausen

Tract No. 4

Address: 1408 Milford
Houston 6, Texas

Date: _____

J. H. Freeman

Tract No. 5

Address: 4037 Coleridge
Houston 5, Texas

Date: _____

John F. Heard

Tract No. 6

Address: 3838 Overbrook Lane
Houston 19, Texas

Date: _____

Robert E. Keeton

Tract No. 7

Address: 3104 Wroxton
Houston 5, Texas

Date: _____

Baine Kerr

Tract No. 8

Address: 4329 Betty St.
Bellaire, Texas

Date: _____

R. W. McCoy

Tract No. 9

Address: 5511 San Jacinto
Houston, Texas

Date: _____

James W. Mehaffy

Tract No. 10

Address: 407 Perlstein Building
Beaumont, Texas

Date: _____

Sam S. Minter

Tract No. 11

Address: 923 City National Bank Bldg.
Houston, Texas

Date: _____

James K. Nance

Tract No. 12

Address: 2305 Albans Rd.
Houston 5, Texas

Date: _____

Hugh M. Patterson

Tract No. 13

Address: 1212 Milford
Houston 6, Texas

Date: _____

Paul Port

Tract No. 14

Address: 4 Littlejohn Lane
Houston 7, Texas

Date: _____

Garrett R. Tucker, Jr.

Tract No. 15

Address: 1959 Danville
Houston 6, Texas

Date: _____

A. B. White

Tract No. 16

Address: 4313 Betty
Bellaire, Texas

Date: _____

C. H. Wilson

Tract No. 17

Address: 838 Cortlandt Street
Houston 7, Texas

Date: _____

Robert L. Henry

Tract No. 18

Address: 1818 Portsmouth
Houston 6, Texas

Date: _____

Tract No. _____

Address: _____

Date: _____

Tract No. _____

Address: _____

Date: _____

CERTIFICATION-DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the Act approved February 25, 1920, 41 Stat. 437, 30 W.P.S.C. Secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, and delegated to the Director of the Geological Survey pursuant to Departmental Order 2365 of October 8, 1947, 43 C.F.R. Sec. 4.611, 12 F.R. 6784, I do hereby:

A. Approve the attached agreement for the development and operation of the Carrizozo Unit Area, State of New Mexico.

B. Certify and determine that the unit plan of development and operation set forth in the attached agreement is necessary and advisable in the public interest and is for the purpose of more properly conserving the natural resources of the unit area.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of all Federal leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of this agreement.

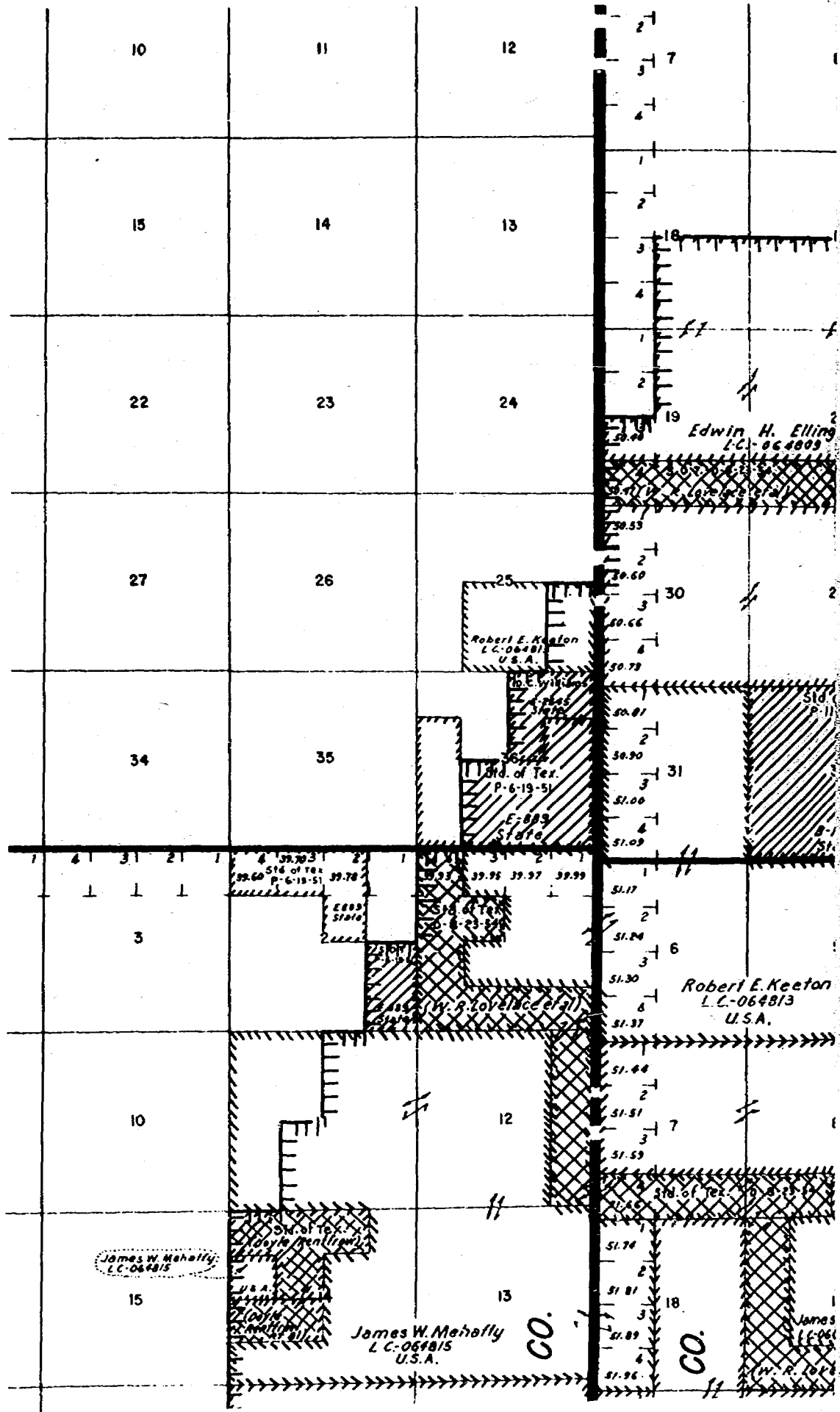
Dated _____

Director, United States
Geological Survey

R 8 E

T 6 S

T 7 S



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6 15 14 13

21 22 23 24

J. Curtiss Brown, #1
L.C.-064814
U.S.A.

Radford Byerly, #1
L.C.-064858
U.S.A.

28 27 26 25

William Russell Brown, #1
L.C.-064822
U.S.A.

33 34 35 36

John F. Heard, #1
L.C.-064819
U.S.A.

4 3 2 1

(2240 Ac. Total)
(Baine Kerr, #1)
L.C.-064816
U.S.A.

(2240 Ac. Total)
(Baine Kerr, #1)
L.C.-064816
U.S.A.

9 10 11 12

C.H. Wilson
L.C.-064821
U.S.A.

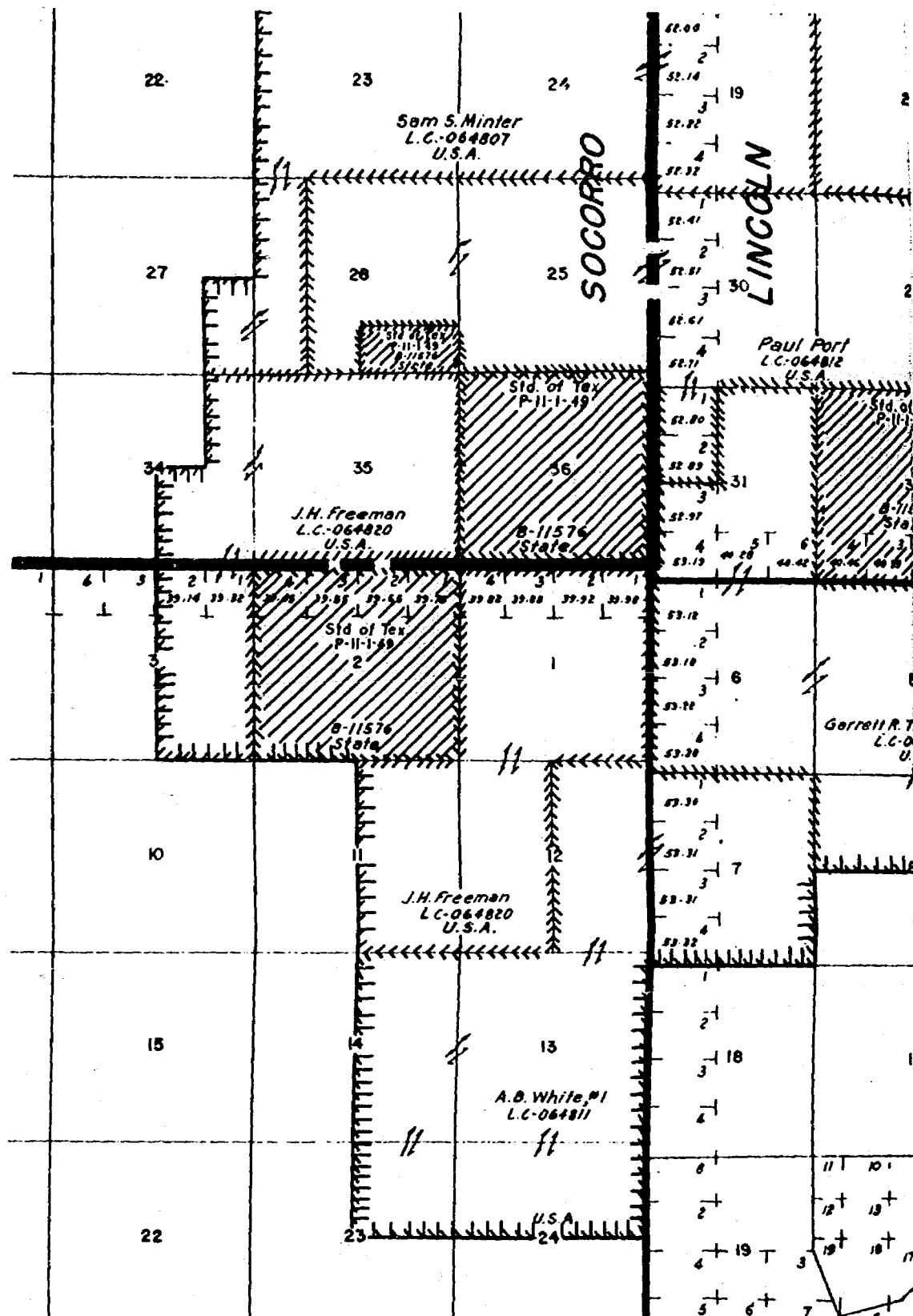
16 15 14 13

R.W. McCoy
L.C.-064808
U.S.A.

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R 8 E



LEGEND

- FEDERAL LANDS--37,361.23 AC.
- STATE LANDS----- 5,359.80 AC.
- FEE LANDS----- 2,502.06 AC.

TOTAL NO.OF ACRES
IN CARRIZOZO UNIT AREA-- 45,223.09

CARRIZO UNIT AREA
LINCOLN AND SOCORRO COUNTIES, NEW MEXICO
SCHEDULE SHOWING PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS
INTERESTS IN ALL LANDS IN THE UNIT AREA

EXHIBIT "B"

Tract No.	Description - all N.M.P.M. New Mexico	No. of Acres	Las Cruces Serial No.	% Royalty Payable to U. S. A.	Record Owner of Lease or Application	% of Overriding Royalty Under Option Agreement, Operating Agreement, or Assignment, and Owner	Working Interest Owner and % of Interest
FEDERAL LANDS							
1	Sec. 15 S $\frac{1}{2}$, Sec. 14 SW $\frac{1}{4}$, Sec. 21 all, Sec. 22 all, T 6 S, R 9 E;	1,760.00	064814	12 $\frac{1}{2}$ %	J. Curtis Brown	1 $\frac{1}{2}$, J. Curtis Brown under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
2	Sec. 24 W $\frac{1}{2}$, Sec. 25 all, Sec. 26 all, Sec. 27 all, T 6 S, R 9 E;	2,240.00	064822	12 $\frac{1}{2}$ %	William Russell Brown	1 $\frac{1}{2}$, William Russell Brown under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
3	Sec. 23 all, T 6 S, R 9 E;	640.00	064858	12 $\frac{1}{2}$ %	Radford Byerly	1 $\frac{1}{2}$, Radford Byerly under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
4	Sec. 17 S $\frac{1}{2}$, Sec. 18 SE $\frac{1}{4}$, Sec. 19 Lot 3 NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, Sec. 20 E $\frac{1}{2}$, NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 29 W $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 30 all, T 6 S, R 9 E;	2,372.92	064809	12 $\frac{1}{2}$ %	Edwin H. Ellinghausen	1 $\frac{1}{2}$, Edwin H. Ellinghausen under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
5	Sec. 34 E $\frac{1}{2}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, Sec. 35 all, T 7 S, R 8 E; Sec. 1 all, Sec. 3 Lots 1 & 2 & S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, Sec. 11 E $\frac{1}{2}$, Sec. 12 W $\frac{1}{2}$, T 8 S, R 8 E;	2,478.06	064820	12 $\frac{1}{2}$ %	J. H. Freeman	1 $\frac{1}{2}$, J. H. Freeman under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
6	Sec. 28 all, Sec. 29 E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 33 W $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 34 S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$, Sec. 35 S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$, T 6 S, R 9 E; Sec. 3 W $\frac{1}{2}$ NE $\frac{1}{4}$, T 7 S, R 9 E;	2,440.00	064819	12 $\frac{1}{2}$ %	John F. Heard	1 $\frac{1}{2}$, John F. Heard under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %

CARRIZOZO UNIT AREA (CONT'D)

Tract No.	Description - all N.M.P.M. New Mexico	No. of Acres	Las Cruces Serial No.	% Royalty Payable to U. S. A.	Record Owner of Lease or Application	% of Overriding Royalty Under Option Agreement, Operating Agreement, or Assignment, and Owner	Working Interest Owner and % of Interest
7	Sec. 25 E ¹ SE ¹ , T 6 S, R 8 E; Sec. 1 Lots 1, 2, 3, S ¹ NE ¹ , W ¹ SE ¹ , NE ¹ SW ¹ , T 7 S, R 8 E; Sec. 31 all, T 6 S, R 9 E; Sec. 5 all, Sec. 6 all, T 7 S, R 9 E;	2,088.79	064813	12 $\frac{1}{2}$ %	Robert E. Keeton	1%, Robert E. Keeton under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
8	Sec. 1 all, Sec. 3 S ¹ SE ¹ , Sec. 10 W ¹ SE ¹ , Sec. 11 W ¹ SE ¹ , SW ¹ , NW ¹ SE ¹ , S ¹ SE ¹ , Sec. 12 NE ¹ NE ¹ , SE ¹ , S ¹ SW ¹ , SW ¹ NE ¹ , T 7 S, R 9 E;	2,240.00	064816	12 $\frac{1}{2}$ %	Baine Kerr	1%, Baine Kerr under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
9	Sec. 10 S ¹ SE ¹ , Sec. 13 W ¹ SE ¹ , Sec. 14 all, Sec. 15 all, Sec. 23 S ¹ SE ¹ , S ¹ NE ¹ , NE ¹ NE ¹ , T 7 S, R 9 E;	2,440.00	064808	12 $\frac{1}{2}$ %	R. W. McCoy	1%, R. W. McCoy under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
10	Sec. 11 E ¹ SE ¹ , S ¹ SW ¹ , Sec. 12 W ¹ SE ¹ , W ¹ SE ¹ , Sec. 13 all, Sec. 14 NE ¹ NE ¹ , S ¹ NE ¹ , SE ¹ , S ¹ SW ¹ , SW ¹ NE ¹ , T 7 S, R 8 E; Sec. 18 Lots 1, 2, 3 and 4, T 7 S, R 9 E;	2,127.40	064815	12 $\frac{1}{2}$ %	James W. Meharffy	1%, James W. Meharffy under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
11	Sec. 23 all, Sec. 24 all, Sec. 26 W ¹ NE ¹ , Sec. 27 E ¹ SE ¹ , T 7 S, R 8 E; Sec. 18 E ¹ SE ¹ , Sec. 19 all, T 7 S, R 9 E;	2,368.72	064807	12 $\frac{1}{2}$ %	Sam S. Minter	1%, Sam S. Minter under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %
12	Sec. 17 NE ¹ , NE ¹ SE ¹ , E ¹ NE ¹ , NE ¹ SW ¹ , Sec. 20 all, Sec. 21 S ¹ SE ¹ , S ¹ NE ¹ , W ¹ NE ¹ , NW ¹ NE ¹ , Sec. 22 S ¹ SE ¹ , S ¹ NE ¹ , Sec. 26 W ¹ SE ¹ , T 7 S, R 9 E;	2,400.00	064818	12 $\frac{1}{2}$ %	James K. Nance	1%, James K. Nance under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{1}{2}$ %

CARRIZOZO UNIT AREA (CONT'D)

Tract No.	Description - all N.M.P.M. New Mexico	No. of Acres	Las Cruces Serial No.	% Royalty Payable to U. S. A.	Record Owner of Lease or Application	% of Overriding Royalty Under Option Agreement, Operating Agreement, or Assignment, and Owner	Working Interest Owner and % of Interest
13	Sec. 27 all, Sec. 28 all, Sec. 33 all (Lots 1, 2, 3, 4, NW $\frac{1}{2}$, NE $\frac{1}{2}$), Sec. 34 Lots 3 & 4, NE $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, T 7 S, R 9 E; Sec. 4 NE $\frac{1}{2}$, T 8 S, R 9 E;	2,561.97	064810	12 $\frac{3}{4}$ %	Hugh M. Patterson	1%, Hugh M. Patterson under Operating Agreement, or Assignment, and Owner	Standard Oil Company of Texas, 86 $\frac{2}{3}$ %
14	Sec. 25 all, Sec. 26 NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ W $\frac{1}{2}$, T 7 S, R 8 E; Sec. 29 all, Sec. 30 all (Lots 1, 2, 3, 4, E $\frac{1}{2}$), Sec. 31 Lots 1 and 2 (NW $\frac{1}{4}$), T 7 S, R 9 E;	2,315.93	064812	12 $\frac{3}{4}$ %	Paul Port	1%, Paul Port under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{2}{3}$ %
15	Sec. 31 Lots 3, 4, 5 and 6, NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, T 7 S, R 9 E; Sec. 4 W $\frac{1}{2}$, Sec. 5 all, Sec. 6 all (Lots 1, 2, 3 and 4, E $\frac{1}{2}$) Sec. 8 W $\frac{1}{2}$, T 8 S, R 9 E;	2,239.66	064817	12 $\frac{3}{4}$ %	Garrett R. Tucker, Jr.	1%, Garrett R. Tucker, Jr. under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{2}{3}$ %
16	Sec. 12 E $\frac{1}{2}$, Sec. 13 all, Sec. 14 E $\frac{1}{2}$, Sec. 23 NE $\frac{1}{4}$, Sec. 24 W $\frac{1}{2}$, T 8 S, R 8 E; Sec. 7 all, T 8 S, R 9 E;	2,293.24	064811	12 $\frac{3}{4}$ %	A. B. White	1%, A. B. White under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{2}{3}$ %
17	Sec. 4 W $\frac{1}{2}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, Sec. 7 Lots 1, 2, 3, NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, Sec. 8 E $\frac{1}{2}$, W $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 9 all, T 7 S, R 9 E;	2,154.54	064821	12 $\frac{3}{4}$ %	C. H. Wilson	1%, C. H. Wilson under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{2}{3}$ %
18	Sec. 21 NE $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 22 N $\frac{1}{2}$ W $\frac{1}{2}$, T 7 S, R 9 E;	200.00	NM 0260	12 $\frac{3}{4}$ %	Robert L. Henry	1%, Robert L. Henry under Operating Agreement	Standard Oil Company of Texas, 86 $\frac{2}{3}$ %

CARRIZO UNIT AREA (CONT'D)

STATE LANDS									
Tract No.	Description - all N.M.P.M. New Mexico	No. of Acres	State Lease No.	% Royalty Payable to State of New Mexico	Record Owner of Lease or Application	% of Overriding Royalty Under Option Agreement, Operating Agreement, or Assignment, and Owner	Working Interest Owner and % of Interest		
19	Sec. 36 SE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, T 6 S, R 8 E; Sec. 16 NE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, T 6 S, R 9 E; Sec. 2 E $\frac{1}{2}$ SE $\frac{1}{4}$, T 7 S, R 8 E;	600.00	E-889	12 $\frac{1}{2}$ %	Standard Oil Company of Texas	None	Standard Oil Company of Texas, 87 $\frac{1}{2}$ %		
20	Sec. 32 all, Sec. 36 all, T 6 S, R 9 E; Sec. 26 S $\frac{1}{2}$ SE $\frac{1}{4}$, Sec. 36 all, T 7 S, R 8 E; Sec. 2 all, Sec. 16 all, Sec. 32 all, T 7 S, R 9 E; Sec. 2 all, T 8 S, R 8 E;	4,559.80	B-11576	12 $\frac{1}{2}$ %	Standard Oil Company of Texas	None	Standard Oil Company of Texas, 87 $\frac{1}{2}$ %		
21	Sec. 16 S $\frac{1}{2}$ SW $\frac{1}{4}$, T 6 S, R 9 E;	80.00	E-2458	12 $\frac{1}{2}$ %	Clyde B. Gartner	None	Clyde B. Gartner, 87 $\frac{1}{2}$ %		
22	Sec. 36 NE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, T 6 S, R 8 E;	120.00	E-2545	12 $\frac{1}{2}$ %	Darrell C. Williams	None	Darrell C. Williams 87 $\frac{1}{2}$ %		
FEE LANDS									
23	Sec. 19 Lot 4, S $\frac{1}{2}$ SE $\frac{1}{4}$, Sec. 20 S $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 34 NE $\frac{1}{4}$, Sec. 35 NE $\frac{1}{4}$, T 6 S, R 9 E; Sec. 33 S $\frac{1}{2}$ SE $\frac{1}{4}$, T 6 S, R 9 E; Sec. 1 S $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, Lot 4, Sec. 12 E $\frac{1}{2}$ SE $\frac{1}{4}$, T 7 S, R 8 E, Sec. 3 S $\frac{1}{2}$ SE $\frac{1}{4}$, Sec. 4 E $\frac{1}{2}$ NE $\frac{1}{4}$, Sec. 7, S $\frac{1}{2}$ SE $\frac{1}{4}$, Lot 4, Sec. 8 S $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 11 NE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 12 S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec. 17 S $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, Sec. 23 NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, T 7 S, R 9 E;	2,262.06			(Owned by Willis R. Lovelace 55%, Willis R. Lovelace, Jr. 15%, Knollin Lovelace 15%, and Leola E. Collinson 15%) Standard Oil Company of Texas None Standard Oil Company of Texas, 87 $\frac{1}{2}$ %				

CARRIZO UNIT AREA (CONT'D)

Tract No.	Description - all N.M.P.M. New Mexico	No. of Acres	% Royalty Payable To Land or Mineral Owners	Record Owner of Lease or Applica- tion	% of Overriding Royalty Under Option Agreement, Operating Agreement, or Assignment, and Owner	Working Interest Owner and % of Interest	
24	Sec. 14 NW ¹ / ₄ NE ¹ / ₄ , N ¹ / ₂ SW ¹ / ₄ , SE ¹ / ₂ SW ¹ / ₄ , T 7 S, R 8 E;	160.00	12 ³ / ₄ %	(Owned jointly by Doyle Rentfrow and Mabel Rentfrow)	Standard Oil Company of Texas	None	Standard Oil Com- pany of Texas, 87 ¹ / ₂ %
25	Sec. 14 N ¹ / ₂ SW ¹ / ₄ , T 7 S, R 8 E;	80.00	12 ³ / ₄ %	(Owned jointly by Doyle Rentfrow, Mabel Rentfrow, Bendette Rentfrow Ladd, Shaler Ladd and Era Hall Rentfrow)	Standard Oil Company of Texas	None	Standard Oil Com- pany of Texas, 87 ¹ / ₂ %

RECAPITULATION

Federal Lands	37,361.23
State Lands	5,359.80
Fee Lands	<u>2,502.06</u>

ACRES

TOTAL NUMBER OF ACRES IN CARRIZO UNIT AREA - - - - - 45,223.09