

CASE 2983: Application of THE
PURE OIL COMPANY for approval of I
the BRINNINSTOOL UNIT AGREEMENT.

CASE No.
2983

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

50th YEAR



THE PURE OIL COMPANY

SOUTHERN PRODUCING DIVISION • MIDLAND DISTRICT EXPLORATION
P. O. BOX 671 • MIDLAND, TEXAS 79701 • AREA CODE 915-MU 2-3725

April 5, 1965

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico

Attention: Mrs. Marian M. Rhea

RE: Brinninstool Deep Unit
Lea County, New Mexico

Gentlemen:

Enclosed for your file is copy of letter dated April 2, 1965 from U.S.G.S. to unit operator advising of the termination of the captioned effective as of March 19, 1965.

Also enclosed is fully executed copy of Certificate of Approval of Termination, together with copies of executed counterpart instruments, executed by Pure, Gulf and Continental, owners of an excess of 75% of working interest, agreeing to termination of the captioned.

Very truly yours,

THE PURE OIL COMPANY

ORIGINAL SIGNED BY
E. B. WHITE

E. B. White

EBW:md
Encls.

cc: New Mexico Oil Conservation Commission, w/attachs.
P. O. Box 2088
Santa Fe, New Mexico
Attn: Mr. A. L. Porter, Jr.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

IN REPLY REFER TO:

APR 2 1965

The Pure Oil Company
Post Office Box 671
Midland, Texas 79701

Gentlemen:

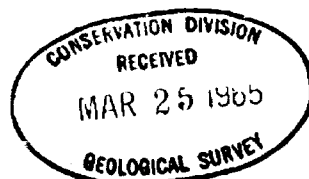
On March 30, 1965, effective as of March 19, 1965, Arthur A. Baker, Acting Director of the Geological Survey, approved the termination of the Brinninstool Deep unit agreement, Lea County, New Mexico, No. 14-08-0001-8578, pursuant to the last paragraph of section 20 thereof.

Enclosed are five copies of the approved application for your records. We request that you furnish notice of this approval to each interested working interest owner, lessee, and lessor at their last known address.

Sincerely yours,

For the Director

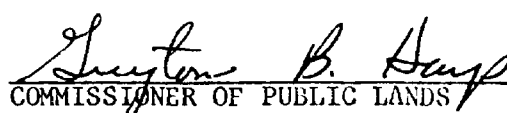
Enclosures 5



CERTIFICATE OF APPROVAL
OF
TERMINATION OF BRINNINSTOOL DEEP UNIT AGREEMENT
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

The undersigned Commissioner of Public Lands, State of New Mexico
does hereby approve the attached Termination of Unit Agreement for the
Development and Operation of the Brinninstool Deep Unit Area, Lea
County, New Mexico, No. 14-08-0001-8578.

Dated this the 17th day of March, 1965.



COMMISSIONER OF PUBLIC LANDS

CERTIFICATE OF APPROVAL
OF
TERMINATION OF BRINNINSTOOL DEEP UNIT AGREEMENT
BY DIRECTOR, UNITED STATES GEOLOGICAL SURVEY

Effective as of March 19, 1965, the date of filing in the Supervisor's office,
the undersigned Director of the United States Geological Survey
does hereby approve the attached Termination of Unit Agreement for the
Development and Operation of the Brinninstool Deep Unit Area, Lea County,
New Mexico, No. 14-08-0001-8578.

Dated this the 30th day of March, 1965.

MAR 30 1965


ACTING DIRECTOR, UNITED STATES GEOLOGICAL SURVEY

RECEIVED
MAR 16 8 17 AM '65
STATE LAND OFFICE
SANTA FE, N.M.

RECEIVED
MAR 19 1965
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

TERMINATION OF UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF
BRINNINSTOOL DEEP UNIT, LEA COUNTY, NEW MEXICO - NO. 14-08-0001-8578

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, being the owners of more than seventy-five (75) percent on an acreage basis of the working interests in and to oil and gas leasehold interests committed to the Unit Agreement for the development and operation of the Brinninstool Deep Unit Area, Lea County, New Mexico, dated January 22, 1964, heretofore approved by the New Mexico Oil Conservation Commission, the Commissioner of Public Lands of the State of New Mexico, and the Director of the United States Geological Survey, do hereby agree to terminate said agreement in accordance with Section 20 thereof, subject to the approval of the said Commissioner of Public Lands and Director of the United States Geological Survey.

This instrument may be executed in counterparts, no one of which need be executed by all parties.

IN WITNESS WHEREOF, this instrument is executed by the undersigned parties hereto as of the respective dates set opposite their signatures.

Date: MAR 8 1965

THE PURE OIL COMPANY
Unit Operator

By [Signature]
W. K. Lewright, Division
Manager, Southern Producing
Division

APPROVED
Desc. <u>B</u>
Form <u>2-50</u>
Terms <u>B</u>
<u>MCW</u>

Date: _____

CONTINENTAL OIL COMPANY

By _____

Date: _____

GULF OIL CORPORATION

By _____

STATE OF TEXAS }
 } ss
COUNTY OF HARRIS }

The foregoing instrument was acknowledged before me this 8 day
of March, 1965, by W. K. Lewright, Division Manager, of the
Southern Producing Division of THE PURE OIL COMPANY, a Corporation, on behalf
of said Corporation.

John Brewer JOAN B. BAKER
Notary Public

My Commission Expires:

June 1, 1965

STATE OF NEW MEXICO }
 } }
COUNTY OF CHAVES }

The foregoing instrument was acknowledged before me this ____ day
of _____, 1965, by _____,
of CONTINENTAL OIL COMPANY, a _____ corporation, on
behalf of said corporation.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO }
 } }
COUNTY OF CHAVES }

The foregoing instrument was acknowledged before me this ____ day
of _____, 1965, by _____,
of GULF OIL CORPORATION, a _____ corporation,
on behalf of said corporation.

Notary Public

My Commission Expires:

TERMINATION OF UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE
BRINNINSTOOL DEEP UNIT, LEA COUNTY, NEW MEXICO - NO. 14-08-0001-8578

RECEIVED
MAR 19 1965
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, being the owners of more than seventy-five (75) percent on an acreage basis of the working interests in and to oil and gas leasehold interests committed to the Unit Agreement for the development and operation of the Brinninstool Deep Unit Area, Lea County, New Mexico, dated January 22, 1964, heretofore approved by the New Mexico Oil Conservation Commission, the Commissioner of Public Lands of the State of New Mexico, and the Director of the United States Geological Survey, do hereby agree to terminate said agreement in accordance with Section 20 thereof, subject to the approval of the said Commissioner of Public Lands and Director of the United States Geological Survey.

This instrument may be executed in counterparts, no one of which need be executed by all parties.

IN WITNESS WHEREOF, this instrument is executed by the undersigned parties hereto as of the respective dates set opposite their signatures.

THE PURE OIL COMPANY
Unit Operator

Date: _____

By _____
W. K. Lewright, Division
Manager, Southern Producing
Division

CONTINENTAL OIL COMPANY

Date: _____

By _____

GULF OIL CORPORATION

Date: March 9, 1965

By _____

ATTEST:

Assistant Secretary

Attorney in Fact

STATE OF TEXAS §
 § ss
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this _____ day
of _____, 1965, by W. K. Lewright, Division Manager, of the
Southern Producing Division of THE PURE OIL COMPANY, a Corporation, on behalf
of said Corporation.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO §
 §
COUNTY OF CHAVES §

The foregoing instrument was acknowledged before me this _____ day
of _____, 1965, by _____,
of CONTINENTAL OIL COMPANY, a _____ corporation, on
behalf of said corporation.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO §
 §
COUNTY OF CHAVES §

The foregoing instrument was acknowledged before me this 9th day
of March, 1965, by F. O. MORTLOCK,
Attorney in Fact of GULF OIL CORPORATION, a Pennsylvania corporation,
on behalf of said corporation.



Notary Public

My Commission Expires:
My Commission Expires August 15, 1966

RECEIVED
MAR 19 1965
U. S. GEOLOGICAL SURVEY
ROSKILL, NEW MEXICO

TERMINATION OF UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF
BRINNINSTOOL DEEP UNIT, LEA COUNTY, NEW MEXICO - NO. 14-08-0001-8578

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, being the owners of more than seventy-five (75) percent on an acreage basis of the working interests in and to oil and gas leasehold interests committed to the Unit Agreement for the development and operation of the Brinninstool Deep Unit Area, Lea County, New Mexico, dated January 22, 1964, heretofore approved by the New Mexico Oil Conservation Commission, the Commissioner of Public Lands of the State of New Mexico, and the Director of the United States Geological Survey, do hereby agree to terminate said agreement in accordance with Section 20 thereof, subject to the approval of the said Commissioner of Public Lands and Director of the United States Geological Survey.

This instrument may be executed in counterparts, no one of which need be executed by all parties.

IN WITNESS WHEREOF, this instrument is executed by the undersigned parties hereto as of the respective dates set opposite their signatures.

THE PURE OIL COMPANY
Unit Operator

Date: _____

By _____
W. K. Lewright, Division
Manager, Southern Producing
Division

CONTINENTAL OIL COMPANY

Date: March 9, 1965

By W. B. Leach
Attorney-in-Fact

GULF OIL CORPORATION

Date: _____

By _____

STATE OF TEXAS)
)
COUNTY OF HARRIS)
)
 ss

The foregoing instrument was acknowledged before me this _____ day
of _____, 1965, by W. K. Lewright, Division Manager, of the
Southern Producing Division of THE PURE OIL COMPANY, a Corporation, on behalf
of said Corporation.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO)
)
COUNTY OF CHAVES)
)
)

The foregoing instrument was acknowledged before me this 9th day
of _____ March, 1965, by W. R. Hall, Attorney-in-Fact
of CONTINENTAL OIL COMPANY, a Delaware corporation, on
behalf of said corporation.

Graver Ray Pabst

Notary Public

My Commission Expires:

August 19, 1968

STATE OF NEW MEXICO)
)
COUNTY OF CHAVES)
)
)

The foregoing instrument was acknowledged before me this _____ day
of _____, 1965, by _____,
of GULF OIL CORPORATION, a _____ corporation,
on behalf of said corporation.

Notary Public

My Commission Expires:

2711

RECEIVED

APR 5 1965

U. S. GEOLOGICAL SURVEY
RESTON, VIRGINIA

APR 2 1965

The Pure Oil Company
Post Office Box 671
Midland, Texas 79701

Gentlemen:

On March 30, 1965, effective as of March 19, 1965, Arthur A. Baker, Acting Director of the Geological Survey, approved the termination of the Brinninstool Deep unit agreement, Lea County, New Mexico, No. 14-03-0001-8578, pursuant to the last paragraph of section 20 thereof.

Enclosed are five copies of the approved application for your records. We request that you furnish notice of this approval to each interested working interest owner, lessee, and lessor at their last known address.

Sincerely yours,

H. J. DUNCAN

For the Director

Enclosures 5

✓ cc: Roswell 2 (w/2 copies approved application)

NOTED - STANTON

COPY TO HOBBS

" " CORR OF PUB. LANDS
" " NMOCCE ✓

2/10
OIL OFFICE OCC

1964 MAR 17 PM 4 13

March 17, 1964

The Pure Oil Company
P. O. Box 671
Midland, Texas

Re: Brinninstool Deep Unit
Lea County, New Mexico

Attention: Mr. E. B. White

Gentlemen:

We acknowledge receipt of ratification and joinder to the Brinninstool Deep Unit, Lea County, New Mexico, executed by Palmer and McCarver, d/b/a P-M Drilling Company, State lessee of record under tract number 28 of the Unit Agreement.

The Commissioner of Public Lands approves this ratification and considers tract 28 to be fully committed to the Brinninstool Deep Unit Agreement.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

RSW/mm/v

cc:

Oil Conservation Commission

United States Geological Survey

50th YEAR



THE PURE OIL COMPANY

SOUTHERN PRODUCING DIVISION • MIDLAND DISTRICT EXPLORATION
P. O. BOX 671 • MIDLAND, TEXAS 79701 • AREA CODE 915-MU 2-3725

March 17, 1965

The Director, United States
Geological Survey
Through: Regional Oil and Gas Supervisor
Mr. John A. Anderson
P. O. Drawer 1857
Roswell, New Mexico

RE: Brinninstool Deep Unit,
No. 14-08-0001-8578
Lee County, New Mexico

Dear Sir:

The Pure Oil Company, unit operator, drilled the No. 1 Brinninstool Deep Unit Well to a total depth of 17,649' in the Siluro-Devonian Formation and plugged and abandoned such well as a dry hole on January 26, 1965. Based upon our recently completed evaluation of the data obtained from this test well, it is our opinion that the No. 1 Unit well adequately tested the concepts upon which this unit was formed and further drilling is unwarranted. It is also our opinion that the unit should be terminated.

Accordingly, we enclose the following:

- (1) Three (3) counterpart instruments, in quadruplicate, styled "Termination of Unit Agreement for the Development and Operation of the Brinninstool Deep Unit, Lee County, New Mexico - No. 14-08-0001-8578", which have been executed by Pure, Gulf and Continental, who collectively own in excess of 75% of the committed working interests.
- (2) Nine (9) copies of "Certificate of Approval" executed by the Commissioner of Public Lands and providing for the execution of the Director.

We respectfully request your approval of the termination of this unit and especially request that the effective date of termination be the date hereon.

Page 2
The Director, United States
Geological Survey
March 17, 1965

Please return to us five (5) completely executed copies of item (2)
for further handling. Item (1) enclosures are for your file.

Very truly yours,

THE PURE OIL COMPANY

ORIGINAL SIGNED BY
E. B. WHITE

E. B. White

EBW:md
Encls.

cc: Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico
Attn: Mrs. Marian M. Rhea

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico
Attn: Mr. A. L. Porter, Jr.

March 16, 1965

The Pure Oil Company
P. O. Box 671
Midland, Texas 79701

Attention: Mr. E. B. White

Re: Brinninstool Deep Unit
Lea County, New Mexico

Gentlemen:

This office has received an Application for the Termination of the Brinninstool Deep Unit Agreement, Lea County, New Mexico. This application is signed by the owners of more than seventy-five percent on an acreage basis of the working interest in and to oil and gas leasehold interests which are committed to the Unit Agreement.

The Commissioner of Public Lands approves the termination of Brinninstool Deep Unit Agreement as of March 17, 1965, subject to like approval by the United States Geological Survey.

We are handing to Mr. E. B. White nine Certificates of Approval of termination of Brinninstool Deep Unit Agreement, which were originally signed by the Commissioner.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:

(Mr.) Ted Bilberry, Director
Oil and Gas Department

GBH/mxr/d
Enclosures

cc: United States Geological Survey
P. O. Drawer 1857, Roswell, New Mexico
Attention: Mr. John A. Anderson
Oil Conservation Commission
P. O. Box 2088, Santa Fe, New Mexico

50th YEAR



THE PURE OIL COMPANY

SOUTHERN PRODUCING DIVISION • MIDLAND DISTRICT EXPLORATION
P. O. BOX 671 • MIDLAND, TEXAS 79701 • AREA CODE 915-MU 2-3725

March 12, 1965

Mr. Cuyton B. Hays
Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico

Attention: Mrs. Marian M. Rhea,
Supervisor Unit Division

RE: Brinninstool Deep Unit,
No. 14-08-0001-8578
Lea County, New Mexico

Dear Sir:

The Pure Oil Company No. 1 Brinninstool Deep Unit well was drilled to a total depth of 17,649' in the Siluro-Devonian Formation and was plugged and abandoned as a dry hole on January 26, 1965. In our opinion, the No. 1 Unit well adequately tested the concepts upon which this unit was formed. It is our opinion that further drilling is unwarranted and the Unit should be terminated. Accordingly, we enclose the following:

- (1) Three (3) counterpart instruments, in duplicate, styled "Termination of Unit Agreement For the Development and Operation of the Brinninstool Deep Unit, Lea County, New Mexico - No. 14-08-0001-8578", which have been executed by Pure, Gulf and Continental, who collectively own in excess of 75% of the committed working interests.
- (2) Nine (9) copies of "Certificate of Approval", to be executed by the Commissioner and the Director.

We respectfully request your early approval of the termination of this unit and ask that you execute all copies of item (2) in the

Page 2
Mr. Guyton B. Mays
March 12, 1965

space so provided and return all copies to us for submittal to the U.S.G.S. Upon complete approval, we will furnish you your required number of copies. Item (1) enclosures are for your file.

Very truly yours,

THE PURE OIL COMPANY

ORIGINAL SIGNED BY
E. B. WHITE
E. B. White

EBW:md
Encls.

cc: New Mexico Oil Conservation Commission, w/encls.
✓ P. O. Box 2088
Santa Fe, New Mexico
Attn: Mr. A. L. Porter, Jr.

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico
Attn: Mr. John A. Anderson

TERMINATION OF UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE
BRINNINSTOOL DEEP UNIT, LEA COUNTY, NEW MEXICO - NO. 14-08-0001-8578

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, being the owners of more than seventy-five (75) percent on an acreage basis of the working interests in and to oil and gas leasehold interests committed to the Unit Agreement for the development and operation of the Brinninstool Deep Unit Area, Lea County, New Mexico, dated January 22, 1964, heretofore approved by the New Mexico Oil Conservation Commission, the Commissioner of Public Lands of the State of New Mexico, and the Director of the United States Geological Survey, do hereby agree to terminate said agreement in accordance with Section 20 thereof, subject to the approval of the said Commissioner of Public Lands and Director of the United States Geological Survey.

This instrument may be executed in counterparts, no one of which need be executed by all parties.

IN WITNESS WHEREOF, this instrument is executed by the undersigned parties hereto as of the respective dates set opposite their signatures.

Date: MAR 8 1965

THE PURE OIL COMPANY
Unit Operator
By [Signature]
W. K. Lewright, Division
Manager, Southern Producing
Division

APPROVED
Desc. <u>B</u>
Form <u>272</u>
Terms <u>B</u>
<u>mon</u>

Date: _____

CONTINENTAL OIL COMPANY
By _____

Date: _____

GULF OIL CORPORATION
By _____

STATE OF TEXAS)
)
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me this 8 day
of March, 1965, by W. K. Lewright, Division Manager, of the
Southern Producing Division of THE PURE OIL COMPANY, a Corporation, on behalf
of said Corporation.

John Brewer JOHN BREWER
Notary Public

My Commission Expires:

June 1, 1965

STATE OF NEW MEXICO)
)
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this _____ day
of _____, 1965, by _____,
_____ of CONTINENTAL OIL COMPANY, a _____ corporation, on
behalf of said corporation.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO)
)
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this _____ day
of _____, 1965, by _____,
_____ of GULF OIL CORPORATION, a _____ corporation,
on behalf of said corporation.

Notary Public

My Commission Expires:

TERMINATION OF UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE
BRINNINSTOOL DEEP UNIT, LEA COUNTY, NEW MEXICO - NO. 14-08-0001-8578

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, being the owners of more than seventy-five (75) percent on an acreage basis of the working interests in and to oil and gas leasehold interests committed to the Unit Agreement for the development and operation of the Brinninstool Deep Unit Area, Lea County, New Mexico, dated January 22, 1964, heretofore approved by the New Mexico Oil Conservation Commission, the Commissioner of Public Lands of the State of New Mexico, and the Director of the United States Geological Survey, do hereby agree to terminate said agreement in accordance with Section 20 thereof, subject to the approval of the said Commissioner of Public Lands and Director of the United States Geological Survey.

This instrument may be executed in counterparts, no one of which need be executed by all parties.

IN WITNESS WHEREOF, this instrument is executed by the undersigned parties hereto as of the respective dates set opposite their signatures.

THE PURE OIL COMPANY
Unit Operator

Date: _____

By _____
W. K. Lewright, Division
Manager, Southern Producing
Division

CONTINENTAL OIL COMPANY

Date: _____

By _____

GULF OIL CORPORATION

Date: March 9, 1965

By [Signature]

ATTEST:

[Signature]
Assistant Secretary

Attorney in Fact

WKS
WKS

STATE OF TEXAS §
 § ss
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this _____ day
of _____, 1965, by W. K. Lewright, Division Manager, of the
Southern Producing Division of THE PURE OIL COMPANY, a Corporation, on behalf
of said Corporation.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO §
 §
COUNTY OF CHAVES §

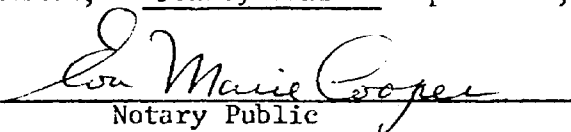
The foregoing instrument was acknowledged before me this _____ day
of _____, 1965, by _____,
_____ of CONTINENTAL OIL COMPANY, a _____ corporation, on
behalf of said corporation.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO §
 §
COUNTY OF CHAVES §

The foregoing instrument was acknowledged before me this 9th day
of March, 1965, by F. O. MORTLOCK,
Attorney in Fact of GULF OIL CORPORATION, a Pennsylvania corporation,
on behalf of said corporation.



Notary Public

My Commission Expires:
My Commission Expires August 15, 1966

TERMINATION OF UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION OF THE
BRINNINSTOOL DEEP UNIT, LEA COUNTY, NEW MEXICO - NO. 14-08-0001-8578

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, being the owners of more than seventy-five (75) percent on an acreage basis of the working interests in and to oil and gas leasehold interests committed to the Unit Agreement for the development and operation of the Brinninstool Deep Unit Area, Lea County, New Mexico, dated January 22, 1964, heretofore approved by the New Mexico Oil Conservation Commission, the Commissioner of Public Lands of the State of New Mexico, and the Director of the United States Geological Survey, do hereby agree to terminate said agreement in accordance with Section 20 thereof, subject to the approval of the said Commissioner of Public Lands and Director of the United States Geological Survey.

This instrument may be executed in counterparts, no one of which need be executed by all parties.

IN WITNESS WHEREOF, this instrument is executed by the undersigned parties hereto as of the respective dates set opposite their signatures.

THE PURE OIL COMPANY
Unit Operator

Date: _____

By _____
W. K. Lewright, Division
Manager, Southern Producing
Division

CONTINENTAL OIL COMPANY

Date: March 9, 1965

By W. B. Hall
Attorney-in-Fact

GULF OIL CORPORATION

Date: _____

By _____

STATE OF TEXAS)
)
COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me this _____ day
of _____, 1965, by W. K. Lewright, Division Manager, of the
Southern Producing Division of THE PURE OIL COMPANY, a Corporation, on behalf
of said Corporation.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO)
)
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 9th day
of March, 1965, by W. R. Hall, Attorney-in-Fact
of CONTINENTAL OIL COMPANY, a Delaware corporation, on
behalf of said corporation.

Grover Ray Paley, Jr.
Notary Public

My Commission Expires:

August 19, 1968

STATE OF NEW MEXICO)
)
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this _____ day
of _____, 1965, by _____,
of GULF OIL CORPORATION, a _____ corporation,
on behalf of said corporation.

Notary Public

My Commission Expires:

2782
MAIN OFFICE OCC

1964 MAR 10 AM 6:26

Drawer 1837
Roswell, New Mexico 88201

March 16, 1964

The Pure Oil Company
P. O. Box 671
Midland, Texas 79701

Attention: Mr. E. B. White

Gentlemen:

We hereby acknowledge receipt of the following described ratification and joinder relating to the Brinninsteel Deep unit agreement, No. 14-08-0001-8578, Lea County, New Mexico:

<u>Joinder to</u>	<u>Date Received</u>	<u>Executed by</u>
Unit agreement and unit operating agreement	March 9, 1964	The British-American Oil Producing Company, as owner of an undivided 50 percent of the record title and working interest under Federal lease New Mexico 0406620, tract 22.

Federal land unit tract 22, lease New Mexico 0406620, is considered fully committed to the Brinninsteel Deep unit agreement as of April 1, 1964.

Copies of the ratification and joinder are being distributed to the appropriate Federal offices.

Sincerely yours,

(ORIG. SGL) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil & Gas Supervisor

cc:
Washington (w/cy joinder & ltr. of transmittal)
BLM - Santa Fe (w/cy joinder)
Hobbs (w/cy joinder)
WEDCC - Santa Fe (ltr. only)
Com. of Pub. Lands (ltr. only)
Accounts

50th YEAR



THE PURE OIL COMPANY

SOUTHERN PRODUCING DIVISION • MIDLAND DISTRICT EXPLORATION
P. O. BOX 671 • MIDLAND, TEXAS 79701 • AREA CODE 915-MU 2-3725

March 6, 1964

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

RE: Brinninstool Deep Unit Area,
Lea County, New Mexico
(Your Order #R-2648)

Gentlemen:

Enclosed is one copy of "Ratification of and Joinder in Unit Agreement and Unit Operating Agreement for the Brinninstool Deep Unit Area, Lea County, New Mexico", executed on behalf of The British-American Oil Producing Company.

Although this is considered a subsequent joinder, it is not subject to any requirements or approvals under the provisions of subsequent joinder of the Unit Operating Agreement as operations have not yet commenced on the Unit Area.

The enclosed instrument has effected the full commitment of Tract No. 22 of the Unit Area.

Very truly yours,

THE PURE OIL COMPANY

E. B. White

EBW:md
Encl.

MAIN OFFICE OCC

1964 MAR 9 AM 8:36

RATIFICATION OF AND JOINDER IN
UNIT AGREEMENT AND UNIT OPERATING AGREEMENT
FOR THE
BRINNINSTOOL DEEP UNIT AREA
LEA COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement and the Unit Operating Agreement for the Brinninstool Deep Unit Area, Lea County, New Mexico, by The Pure Oil Company, as the Unit Operator, and other working interest owners in said area, each of which agreements is dated as of January 22, 1964, the undersigned owner or owners of lands, interests in lands, oil and gas leases, interests in leases or working interests in production located in said Brinninstool Deep Unit Area and described as subject to said agreements, hereby severally, each to the extent of his or its particular ownership or interest, consent to the inclusion of said lands or leases or other interests within the Unit Area and approve and adopt the terms of said agreements as applicable to said lands, leases or other interests, and hereby ratify, join in and adopt said agreements and all of the terms and provisions thereof as though they were original signatory parties thereto, and hereby commit said lands, leases or other interests to said agreements and hereby assume all of the rights and obligations incident thereto under said agreements, further acknowledging receipt of a copy of each of said agreements.

Date: February 25, 1964

THE BRITISH-AMERICAN OIL PRODUCING COMPANY

ATTEST:

By

Charles E. Loy
CLARENCE E. LOY ATTORNEY IN FACT

Address

P. O. BOX 749
DALLAS, TEXAS

STATE OF _____)

COUNTY OF _____)

ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____.

My commission expires: _____

Notary Public

STATE OF Texas)

COUNTY OF Dallas)

ss

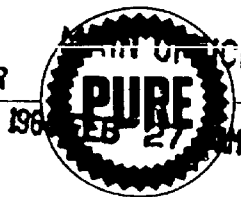
The foregoing instrument was acknowledged before me this 27th day of February, 1964, by _____, ATTORNEY IN FACT of THE BRITISH-AMERICAN OIL PRODUCING COMPANY, a corporation, on behalf of said corporation.

My commission expires: _____

June 1, 1965

Patsy Gant
Notary Public

50th YEAR



THE PURE OIL COMPANY

SOUTHERN PRODUCING DIVISION • MIDLAND DISTRICT EXPLORATION
P. O. BOX 671 • MIDLAND, TEXAS 79701 • AREA CODE 915-MU 2-3725

February 25, 1964

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

RE: Brinninstool Deep
Unit Area
(Tract No. 28)
Lea County, New Mexico

Gentlemen:

Pursuant to your Order No. R-2648, enclosed is copy of Consent and Ratification of Brinninstool Deep Unit Agreement, executed by J. B. Palmer and A. G. McCarver, d/b/a P-M Drilling Company.

Palmer and McCarver are the record owners of State of New Mexico Lease No. E-8324-1, which is covered by Tract No. 28 of the captioned. In order for this tract to be considered fully committed it was necessary to obtain the enclosed ratification.

Very truly yours,

THE PURE OIL COMPANY

E. B. White

EBW:md
Encl.

CONSENT AND RATIFICATION OF
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned hereby acknowledge receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said agreement is dated as of January 22, 1964, and acknowledge that the undersigned have read the same and are familiar with the terms and conditions thereof. The undersigned also being the record title owners of that certain State of New Mexico Oil and Gas Lease identified as Number E-8324-1, covering the following described lands, to wit:


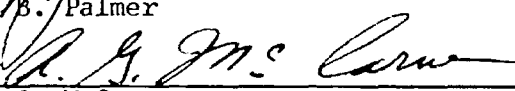
Township 24 South, Range 32 East, N.M.P.M.

Section 2: S/2 NE/4
comprising 20 acres,

said lands being Tract No. 28 as shown on and described in Exhibits "A" and "B" attached to said Unit Agreement.

Subject to and upon the condition that the undersigned shall not be bound hereby with respect to any risk, cost and expense attributable to the operation and development of the aforesaid Unit Area, the undersigned, as record title owners of the aforesaid oil and gas lease, do hereby consent to the above mentioned Unit Agreement and ratify the terms and provisions thereof.

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


J. B. Palmer
and

A. G. McCarver
d/b/a P-M Drilling Company
Address: 2900 North Big Spring
Midland, Texas

STATE OF TEXAS)
) ss
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me this 21st day of February, 1964, by A. G. McCarver.

My Commission Expires:
June 1, 1965


Tommie N. Blanck
Notary Public, Midland County, Texas

STATE OF ~~TEXAS~~ TEXAS)
) ss
COUNTY OF ~~MIDLAND~~ MIDLAND)

The foregoing instrument was acknowledged before me this 21st day of February, 1964, by J. B. Palmer.

My Commission Expires:
June 1, 1965


Tommie N. Blanck
Notary Public, Midland County, Texas

MAIN OFFICE OCC

Drawer 1257
1964 MAR 15 PM 3:41, New Mexico 88201

March 3, 1964

The Pure Oil Company
P. O. Box 671
Midland, Texas 79701

Gentlemen:

We hereby acknowledge receipt of the following described ratification and joinder relating to the Brimminstool Deep unit agreement No. 14-68-0001-8578, Lea County, New Mexico:

<u>Joinder to</u>	<u>Date Received</u>	<u>Executed by</u>
Unit agreement	February 27, 1964	Palmer and McCarver, d/b/a P-M Drilling Company, lessee of State land unit tract 28

State land unit tract 28 will be considered fully committed effective March 1, 1964, subject to approval by the Commissioner of Public Lands of the State of New Mexico, pursuant to section 29 of the Brimminstool Deep unit agreement.

Copies of the ratification and joinder are being distributed to the appropriate Federal offices.

Sincerely yours,

(ORIG. 548) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington (w/cy joinder)
BLM-Santa Fe (w/cy joinder)
Hobbs (w/cy joinder)
WDOCC-Ltr. only
Com. of Public Lands-Ltr. only
Accounts

18
The Public Oil Company
P. O. Box 672
Dallas, Texas

Re: Grinninstool Deep Unit
Lea County, New Mexico

Attention: Mr. E. B. White

Gentlemen:

The Commissioner of Public Lands has approved as of February 6, 1964, the Grinninstool Deep Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey.

We are handing to Mr. E. B. White twelve (12) Certificates of Approval and Official Receipt No. 0-36471 in the amount of one hundred thirty five (\$135.00) dollars which covers the filing fee.

Upon approval by the United States Geological Survey please furnish a fully conformed copy of the Unit Agreement.

Very truly yours,

E. S. JOHNSON
Commissioner of Public Lands

BY:
(Mrs.) Marian M. Khea, Supervisor
Unit Division

ESW/mmr/v

cc: Oil Conservation Commission

United States Geological Survey

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 5, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of the Pure Oil Company for a
unit agreement, Lea County, New Mexico.

Case No. 2983

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1132

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 5, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of The Pure Oil Company
for a unit agreement, Lea County,
New Mexico.

CASE NO. 2983

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order, please.

We will call first, 2983.

MR. DURRETT: Application of The Pure Oil Company for a
unit agreement, Lea County, New Mexico.

MR. MORRIS: If the Examiner please, I am Richard Morris,
of Seth, Montgomery, Federici & Andrews, Santa Fe, appearing for
The Pure Oil Company. We will have two witnesses in this case.
Mr. White will testify with respect to land matters and Mr. Henry
will testify with respect to the geological aspects of the case.
Ask that they both stand and be sworn at this time.

(Witnesses sworn)



(Applicant's Exhibits marked at this time)

EDWARD B. WHITE,

called as a witness herein, having been first duly sworn on oath
was examined and testified as follows:

DIRECT EXAMINATION

BY MR. MORRIS:

Q Will you please state your name, by whom you are employed,
and in what capacity?

A Edward B. White, District Land Agent for Pure Oil
Company.

Q Mr. White, have you previously testified before the
Commission or one of its examiners?

A No, I haven't.

Q Would you briefly state your educational background and
your experience in the oil business?

A I have a Business Administration degree from North Texas
University, and I have been employed by The Pure Oil Company for
approximately ten and a half years.

Q Are you familiar with the application of Pure in this
case, concerning the Brinninstool Unit agreement?

A Yes.

Q Did you do most of the land work on that unit?

A Yes.



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Phone 243-6691

Albuquerque, New Mexico

Suite 1120 Simms Building

Q What is it that Pure seeks by this application?

A Unitization of approximately 17,237 acres of Federal and State land for the purpose of drilling a 16,300 foot Siluro-Devonian test.

Q Referring, if you will, to what has been marked as Exhibit Number One, would you state what that is, what it shows?

A That is a land plat showing the ownership of various oil and gas leases within the proposed unit area, the expiration dates and the owners of working interests under those leases in the unit area.

MR. PORTER: Mr. Morris, that is designated as Exhibit "A", I believe.

MR. MORRIS: It is also identified as, I believe, One, the official copy was marked as Exhibit One.

Q (By Mr. Morris) Where are these lands located as shown by this exhibit, Mr. White?

A In Lea County, New Mexico, in Township 23 South, Ranges 32 and 33 East, and 24 South, Ranges 32 East and 33 East.

Q And the unit boundary is outlined by the hachured marks?

A Hachured marks, yes, sir.

Q What type of land is involved in this unit?

A Only State and Federal land.

Q No fee land involved?

A No fee lands.

Q Referring now to what has been marked as Exhibit No. Two,



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General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

which is the unit agreement in this case. Is the unit area also shown as Exhibit "A" to this unit?

A That is correct.

Q On this Exhibit "A", there are various tract numbers, what do those tract numbers indicate?

A Each lease is given a tract number for identification purposes in the Exhibit "B" to the unit agreement, and it includes a description of the land, the serial number, the expiration date of the lease, the record title holder, all known overriding royalty and production payment owners under that lease, and the owner of the working interest as to this unit area under each lease.

Q Referring now to what has been marked as Exhibit Three, Mr. White, would you state who the working interests are in the proposed unit and the extent to which each of these working interests have committed their interest to the unit?

A In percentage?

Q In percentage, yes, sir.

A Gulf Oil Corporation is committed 23.8070 percent of the unit area, Continental Oil Company is committed 41.2066 percent of the unit area, Pure Oil Company is committed 18.2968 percent of the unit area, Marathon Oil Company is committed 5.5578 percent of the unit area, Richard Oil is committed to 2.5784 percent of the unit area, Bass is committed .7528 percent, Texaco is uncommitted 1.8562 percent, Richfield Oil Corporation is committed .1160 percent, British American Oil Producing Company committed .1160 percent,



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

International Oil and Gas Corporation uncommitted .2320 percent, Pennz Oil Company uncommitted .9281 percent, Jacqueline Landon committed 4.8731 percent.

Q Now, these working interests that you mention, what are the total percentages that are committed with respect to Federal and State lands?

A State lands represent 25.86060 percent, all working interests in the State land is committed. Federal acreage in the unit represents 74.1393 percent of the unit area, and 95.9311 percent of Federal acreage is committed.

Q With respect to the uncommitted tracts, are you still negotiating to attempt to secure their approval or ratification of the unit agreement?

A I think we made all the effort we can at this time. I would say they would be uncommitted with a possibility of them coming in under a subsequent joinder at a later date.

Q With these tracts uncommitted, will you still have effective control of the unit area?

A In our opinion, we have effective control.

Q Referring now to the other information shown on Exhibit Three, with respect to the overriding royalty interests and the production payments, have you contacted all of the owners of such interests within the unit area to attempt to secure their joinder or ratification of the unit agreement?



A Yes.

Q And have you received favorable responses from a substantial number of those interests?

A Yes.

Q And those responses are as shown on Exhibit Three?

A That's correct.

Q Now, with respect to the royalty interests in this unit, Mr. White, have you contacted the USGS and have they given you any indication as to whether they will approve the unit?

A Yes, they have given us favorable inclination that they will approve the unit.

Q Have you contacted the State Land Office and have you received any indication from it?

A Yes.

Q Are Exhibits Four and Five, which I hand to you, Mr. White, are they respectively the indications of approval from the USGS and the State Land Office respectively?

A Yes.

Q Now, under the unit agreement itself, Mr. White, who will be the unit operators?

A The Pure Oil Company.

Q And what formations will be unitized?

A All formations lying below the top of Cherry Canyon down.

Q What is the reason for not unitizing the shallower formations?



A There is some shallow production on some of the leases involved from the Upper Delaware Sand, which we felt would be impossible to get everyone to agree upon unitization, as to those shallower depths.

Q What drilling obligation do you have pursuant to the terms of the unit agreement?

A We have to drill a well to 16,300 feet, or production in commercial quantities at a lesser depth.

Q 16,300, that would enable you to adequately test what formation?

A The Siluro-Devonian formation.

Q Do you have anything further you wish to add to your testimony, Mr. White?

A No, sir, I don't believe so.

Q Were Exhibits One, Two and Three prepared by you or under your direction?

A Exhibits One, Two and Three were prepared by me or under my direction, yes, sir, that is correct.

Q And Exhibits Four and Five are the letters from the USGS and the State Land Office.

A Yes.

MR. MORRIS: We offer One through Five in evidence at this time.

MR. NUTTER: Pure's Exhibits One through Five will be admitted in evidence.



MR. MORRIS: That completes the direct examination of Mr. White.

* * * *

MR. NUTTER: Are there any questions of Mr. White?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. White, both of these letters from the Commissioner of Public Lands and from the USGS have requested certain changes to be made in the unit agreement. Have those changes been made in the unit agreement as submitted here in Exhibit Number Two?

A Yes, sir, they have.

Q Now, does the unit agreement contain the normal segregation clause for segregating the leases within and outside of the unit?

A Yes.

Q Is there a provision in the unit agreement for expansion or contraction of the unit area?

A Yes, there is.

MR. NUTTER: Any further questions of the witness? He may be excused.

* * * *

WILLIAM J. HENRY,

called as a witness herein, having been first duly sworn on oath was examined and testified as follows:



DIRECT EXAMINATION

BY MR. MORRIS:

Q Please state your name, by whom you are employed, and in what capacity?

A My name is William J. Henry, employed by The Pure Oil Company as Exploration Geologist.

Q Where are you located, Mr. Henry?

A I presently live at Midland, Texas.

Q Have you previously testified before the Commission or one of its Examiners?

A No, I haven't.

Q Then, would you briefly give a statement of your educational training and your experience in the oil business?

A I graduated from Texas Technological College in 1952 and was employed immediately by Pure, and for the past six and a half years, I have worked geology in Southeast New Mexico for Pure.

Q Are you familiar with Pure's application in this case concerning the Brinninstool Unit agreement?

A Yes, I am.

Q Did you do the geological work on the unit?

A Yes, I did the geological work and under my direction, all of it.

Q Do you have an exhibit showing and reflecting this geological work that you have done?

A Yes, I do.



Q Is that what has been marked as Exhibit Six in this case?

A Yes.

Q Would you refer to that exhibit, Mr. Henry, and point out the pertinent features of it?

A All right. Exhibit "B" is a general information map showing the land features and the existing production that is present in the area of the Brinninstool unit, deep unit. That is listed as my exhibit "B" in this case. Exhibit "C"- -

Q Now, before we leave Exhibit "B", if I may, Mr. Henry, what are all these dotted lines shown on it?

A The dotted lines that cross through with the little circles through the area of the unit are the lines of our seismic control.

Q Do you show any other type of control on this exhibit?

A Not geological control, no.

Q These lines crisscross the unit area, which are also shown outlined by the hachured lines?

A That's right.

Q Now, referring to what you have listed as Exhibit "C" there, if you will, please?

A Exhibit "C" is our structural map as mapped by the seismic data, which shows approximately 400 feet of structural enclosure, and the basis for our unit outline is from the lowest closing contour as shown on this Exhibit "C", as a minus 12,600 contour.



Q Did you have any control in preparing this structural interpretation? This is on top of the Devonian?

A Mapped on the top of the Devonian, yes.

Q Did you have any control other than your seismic data?

A No.

Q In your opinion, Mr. Henry, does the proposed area of the Brinninstool Unit adequately cover the structure as you see it in this area?

A Yes, it does.

Q Do you have a tentative location for an initial test well in this area?

A Yes. The tentative location is in Section 36, being 1980 feet from the South line and 1980 from the East line, and in Township 23 South, Range 32 East, of Lea County, New Mexico.

Q Where would that put it on the structure as you see it at this time?

A It would put it on the crest of the structure.

Q A test well at that location would give you an adequate test of the structure?

A That's right, yes, sir.

Q Mr. Henry, would you care to make any general observations concerning the geology in this area, or perhaps refer to some of the written material that you have attached to Exhibit No. Six?

A All right. Yes, sir, I would. Exhibit "D" is a columnar section of the rock that we anticipate penetrating in our



test. We expect the top of the Devonian at 16,000 and total depth of 16,300, which will adequately test the Devonian formation. Exhibits "E" and "F" are electrical logs showing our correlation of the top of the Cherry Canyon, which we propose to unitize from down. There is no deep well control in the area. The deepest production, or the nearest production to this unit is in the Bell Lake Field, which is approximately six miles to the east.

Q Do you also have some written comments concerning the general geology of the area that is attached to the exhibit?

A Yes. The general geology in this report which is a synopsis of the geology of the area, which is attached.

Q I don't think we need to go into that since you do have it in written form.

A Written form and attached to the exhibit.

Q And attached to the exhibit. You also have an electrical log attached to this exhibit. What is that log and its significance?

A I have two logs. Exhibit "E", which is a log of the Mack Wilson Number One Continental Federal, which is located within the Brinninstool unit, which is the deepest well drilled in the Brinninstool Unit proposed area, which was drilled down to the Cherry Canyon formation, and tested the Cherry Canyon. It was completed as a dry hole. We have selected or used the top of the Cherry Canyon at 5923 in this log to unitize. The substances below this would be our reference marker for the top of the Cherry Canyon as shown on the Exhibit "E".



DEARNLEY, MEIER, WILKINS and CROWNOVER
General Court Reporting Service

Phone 243-6691

Suite 1120 Simms Building
Albuquerque, New Mexico

Exhibit "F" is an electrical log of Continental's Bell Lake Number Seven, which is used just for correlation purposes in conjunction with our top of the Cherry Canyon.

Q Do you have anything further you wish to add to your testimony, Mr. Henry?

A I believe not, sir.

Q Well, was Exhibit Six, and all the various parts of it prepared by you or under your direction?

A Yes.

MR. MORRIS: At this time we offer Pure's Exhibit Six, with its various components, into evidence.

MR. NUTTER: Applicant's Exhibit Number Six will be admitted in evidence.

MR. MORRIS: That completes the examination of Mr. Henry.

* * * *

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Henry, Exhibit "F" here has nothing to do actually with this unit agreement itself?

A No, sir, just for correlation purposes only.

Q And the top of the unitized substances then would be at 5923?

A That's right, sir.

Q On Exhibit "E"?



A That's right, sir.

Q This is the deepest well that was drilled in this unit?

A In the Brinninstool Unit area, yes, sir.

Q What was the total depth of that well?

A Some 64 or 6500 feet. I believe that is right, sir.

Tested the Cherry Canyon formation adequately, and completed as a dry hole.

Q In your opinion, does the outline of the unit area encompass any undue amount of acreage which would not be within the structure as you have depicted it with your seismic work?

A No, sir. We believe that the unit outline, as shown with our structural control, that all acreage is justified to be within the unit within the producing area.

Q And the first location will be 1980 from the South and East lines of Section 36?

A Yes, sir. 23 South, 32 East.

Q All right.

MR. NUTTER: Are there any other questions of Mr. Henry? He may be excused. Do you have anything further, Mr. Morris?

MR. MORRIS: No, sir, I don't.

MR. NUTTER: Does anyone have anything they wish to offer in Case 2983? Take the case under advisement.

* * * * *



DEARNLEY, MEIER, WILKINS and CROWNOVER

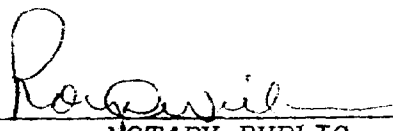
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Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

STATE OF NEW MEXICO {
COUNTY OF BERNALILLO {

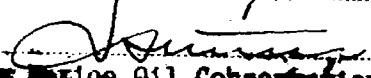
I, ROY D. WILKINS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal of Office, this 11th day of February, 1964.


NOTARY PUBLIC

My Commission Expires:
September 6, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2983 heard by me on 2/5 1964.

 Examiner
New Mexico Oil Conservation Commission



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1162

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 11, 1964

~~EXAMINER~~ HEARING

IN THE MATTER OF:

Application of the Pure Oil Company for a
unit agreement, Lea County, New Mexico.

Case No. ~~2503~~

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 5, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of The Pure Oil Company
for a unit agreement, Lea County,
New Mexico.

CASE NO. 2983

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order, please.

We will call first, 2983.

MR. DURRETT: Application of The Pure Oil Company for a
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MR. MORRIS: If the Examiner please, I am Richard Morris,
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Mr. White will testify with respect to land matters and Mr. Henry
will testify with respect to the geological aspects of the case.
Ask that they both stand and be sworn at this time.

(Witnesses sworn)



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

(Applicant's Exhibits marked at this time)

EDWARD B. WHITE,

called as a witness herein, having been first duly sworn on oath
was examined and testified as follows:

DIRECT EXAMINATION

BY MR. MORRIS:

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and in what capacity?

A Edward B. White, District Land Agent for Pure Oil
Company.

Q Mr. White, have you previously testified before the
Commission or one of its examiners?

A No, I haven't.

Q Would you briefly state your educational background and
your experience in the oil business?

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Q Are you familiar with the application of Pure in this
case, concerning the Brinninstool Unit agreement?

A Yes.

Q Did you do most of the land work on that unit?

A Yes.



Q What is it that Pure seeks by this application?

A Unitization of approximately 17,237 acres of Federal and State land for the purpose of drilling a 16,300 foot Siluro-Devonian test.

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MR. PORTER: Mr. Morris, that is designated as Exhibit "A", I believe.

MR. MORRIS: It is also identified as, I believe, One, the official copy was marked as Exhibit One.

Q (By Mr. Morris) Where are these lands located as shown by this exhibit, Mr. White?

A In Lea County, New Mexico, in Township 23 South, Ranges 32 and 33 East, and 24 South, Ranges 32 East and 33 East.

Q And the unit boundary is outlined by the hachured marks?

A Hachured marks, yes, sir.

Q What type of land is involved in this unit?

A Only State and Federal land.

Q No fee land involved?

A No fee lands.

Q Referring now to what has been marked as Exhibit No. Two,



which is the unit agreement in this case. Is the unit area also shown as Exhibit "A" to this unit?

A That is correct.

Q On this Exhibit "A", there are various tract numbers, what do those tract numbers indicate?

A Each lease is given a tract number for identification purposes in the Exhibit "B" to the unit agreement, and it includes a description of the land, the serial number, the expiration date of the lease, the record title holder, all known overriding royalty and production payment owners under that lease, and the owner of the working interest as to this unit area under each lease.

Q Referring now to what has been marked as Exhibit Three, Mr. White, would you state who the working interests are in the proposed unit and the extent to which each of these working interests have committed their interest to the unit?

A In percentage?

Q In percentage, yes, sir.

A Gulf Oil Corporation is committed 23.8070 percent of the unit area, Continental Oil Company is committed 41.2066 percent of the unit area, Pure Oil Company is committed 18.2968 percent of the unit area, Marathon Oil Company is committed 5.5578 percent of the unit area, Richard Oil is committed to 2.5784 percent of the unit area, Bass is committed .7528 percent, Texaco is uncommitted 1.8562 percent, Richfield Oil Corporation is committed .1160 percent, British American Oil Producing Company committed .1160 percent.



International Oil and Gas Corporation uncommitted .2320 percent, Pennz Oil Company uncommitted .9281 percent, Jacqueline Landon committed 4.8731 percent.

Q Now, these working interests that you mention, what are the total percentages that are committed with respect to Federal and State lands?

A State lands represent 25.86060 percent, all working interests in the State land is committed. Federal acreage in the unit represents 74.1393 percent of the unit area, and 95.9311 percent of Federal acreage is committed.

Q With respect to the uncommitted tracts, are you still negotiating to attempt to secure their approval or ratification of the unit agreement?

A I think we made all the effort we can at this time. I would say they would be uncommitted with a possibility of them coming in under a subsequent joinder at a later date.

Q With these tracts uncommitted, will you still have effective control of the unit area?

A In our opinion, we have effective control.

Q Referring now to the other information shown on Exhibit Three, with respect to the overriding royalty interests and the production payments, have you contacted all of the owners of such interests within the unit area to attempt to secure their joinder or ratification of the unit agreement?



A Yes.

Q And have you received favorable responses from a substantial number of those interests?

A Yes.

Q And those responses are as shown on Exhibit Three?

A That's correct.

Q Now, with respect to the royalty interests in this unit, Mr. White, have you contacted the USGS and have they given you any indication as to whether they will approve the unit?

A Yes, they have given us favorable inclination that they will approve the unit.

Q Have you contacted the State Land Office and have you received any indication from it?

A Yes.

Q Are Exhibits Four and Five, which I hand to you, Mr. White, are they respectively the indications of approval from the USGS and the State Land Office respectively?

A Yes.

Q Now, under the unit agreement itself, Mr. White, who will be the unit operators?

A The Pure Oil Company.

Q And what formations will be unitized?

A All formations lying below the top of Cherry Canyon down.

Q What is the reason for not unitizing the shallower formations?



A There is some shallow production on some of the leases involved from the Upper Delaware Sand, which we felt would be impossible to get everyone to agree upon unitization, as to those shallower depths.

Q What drilling obligation do you have pursuant to the terms of the unit agreement?

A We have to drill a well to 16,300 feet, or production in commercial quantities at a lesser depth.

Q 16,300, that would enable you to adequately test what formation?

A The Siluro-Devonian formation.

Q Do you have anything further you wish to add to your testimony, Mr. White?

A No, sir, I don't believe so.

Q Were Exhibits One, Two and Three prepared by you or under your direction?

A Exhibits One, Two and Three were prepared by me or under my direction, yes, sir, that is correct.

Q And Exhibits Four and Five are the letters from the USGS and the State Land Office.

A Yes.

MR. MORRIS: We offer One through Five in evidence at this time.

MR. NUTTER: Pure's Exhibits One through Five will be admitted in evidence.



MR. MORRIS: That completes the direct examination of Mr. White.

* * * *

MR. NUTTER: Are there any questions of Mr. White?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. White, both of these letters from the Commissioner of Public Lands and from the USGS have requested certain changes to be made in the unit agreement. Have those changes been made in the unit agreement as submitted here in Exhibit Number Two?

A Yes, sir, they have.

Q Now, does the unit agreement contain the normal segregation clause for segregating the leases within and outside of the unit?

A Yes.

Q Is there a provision in the unit agreement for expansion or contraction of the unit area?

A Yes, there is.

MR. NUTTER: Any further questions of the witness? He may be excused.

* * * *

WILLIAM J. HENRY,

called as a witness herein, having been first duly sworn on oath was examined and testified as follows:



DIRECT EXAMINATION

BY MR. MORRIS:

Q Please state your name, by whom you are employed, and in what capacity?

A My name is William J. Henry, employed by The Pure Oil Company as Exploration Geologist.

Q Where are you located, Mr. Henry?

A I presently live at Midland, Texas.

Q Have you previously testified before the Commission or one of its Examiners?

A No, I haven't.

Q Then, would you briefly give a statement of your educational training and your experience in the oil business?

A I graduated from Texas Technological College in 1952 and was employed immediately by Pure, and for the past six and a half years, I have worked geology in Southeast New Mexico for Pure.

Q Are you familiar with Pure's application in this case concerning the Brinninstool Unit agreement?

A Yes, I am.

Q Did you do the geological work on the unit?

A Yes, I did the geological work and under my direction, all of it.

Q Do you have an exhibit showing and reflecting this geological work that you have done?

A Yes, I do.

DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

PAGE 11

Q Is that what has been marked as Exhibit Six in this case?

A Yes.

Q Would you refer to that exhibit, Mr. Henry, and point out the pertinent features of it?

A All right. Exhibit "B" is a general information map showing the land features and the existing production that is present in the area of the Brinninstool unit, deep unit. That is listed as my exhibit "B" in this case. Exhibit "C" - -

Q Now, before we leave Exhibit "B", if I may, Mr. Henry, what are all these dotted lines shown on it?

A The dotted lines that cross through with the little circles through the area of the unit are the lines of our seismic control.

Q Do you show any other type of control on this exhibit?

A Not geological control, no.

Q These lines crisscross the unit area, which are also shown outlined by the hachured lines?

A That's right.

Q Now, referring to what you have listed as Exhibit "C" there, if you will, please?

A Exhibit "C" is our structural map as mapped by the seismic data, which shows approximately 400 feet of structural enclosure, and the basis for our unit outline is from the lowest closing contour as shown on this Exhibit "C", as a minus 12,600 contour.



Q Did you have any control in preparing this structural interpretation? This is on top of the Devonian?

A Mapped on the top of the Devonian, yes.

Q Did you have any control other than your seismic data?

A No.

Q In your opinion, Mr. Henry, does the proposed area of the Brinninstool Unit adequately cover the structure as you see it in this area?

A Yes, it does.

Q Do you have a tentative location for an initial test well in this area?

A Yes. The tentative location is in Section 36, being 1980 feet from the South line and 1980 from the East line, and in Township 23 South, Range 32 East, of Lea County, New Mexico.

Q Where would that put it on the structure as you see it at this time?

A It would put it on the crest of the structure.

Q A test well at that location would give you an adequate test of the structure?

A That's right, yes, sir.

Q Mr. Henry, would you care to make any general observations concerning the geology in this area, or perhaps refer to some of the written material that you have attached to Exhibit No. Six?

A All right. Yes, sir, I would. Exhibit "D" is a columnar section of the rock that we anticipate penetrating in our



test. We expect the top of the Devonian at 16,000 and total depth of 16,300, which will adequately test the Devonian formation. Exhibits "E" and "F" are electrical logs showing our correlation of the top of the Cherry Canyon, which we propose to unitize from down. There is no deep well control in the area. The deepest production, or the nearest production to this unit is in the Bell Lake Field, which is approximately six miles to the east.

Q Do you also have some written comments concerning the general geology of the area that is attached to the exhibit?

A Yes. The general geology in this report which is a synopsis of the geology of the area, which is attached.

Q I don't think we need to go into that since you do have it in written form.

A Written form and attached to the exhibit.

Q And attached to the exhibit. You also have an electrical log attached to this exhibit. What is that log and its significance?

A I have two logs. Exhibit "E", which is a log of the Mack Wilson Number One Continental Federal, which is located within the Brinninstool unit, which is the deepest well drilled in the Brinninstool Unit proposed area, which was drilled down to the Cherry Canyon formation, and tested the Cherry Canyon. It was completed as a dry hole. We have selected or used the top of the Cherry Canyon at 5923 in this log to unitize. The substances below this would be our reference marker for the top of the Cherry Canyon as shown on the Exhibit "E".



Exhibit "F" is an electrical log of Continental's Bell Lake Number Seven, which is used just for correlation purposes in conjunction with our top of the Cherry Canyon.

Q Do you have anything further you wish to add to your testimony, Mr. Henry?

A I believe not, sir.

Q Well, was Exhibit Six, and all the various parts of it prepared by you or under your direction?

A Yes.

MR. MORRIS: At this time we offer Pure's Exhibit Six, with its various components, into evidence.

MR. NUTTER: Applicant's Exhibit Number Six will be admitted in evidence.

MR. MORRIS: That completes the examination of Mr. Henry.

* * * *

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Henry, Exhibit "F" here has nothing to do actually with this unit agreement itself?

A No, sir, just for correlation purposes only.

Q And the top of the unitized substances then would be at 5923?

A That's right, sir.

Q On Exhibit "E"?



X

PAGE 15

A That's right, sir.

Q This is the deepest well that was drilled in this unit?

A In the Brinninstool Unit area, yes, sir.

Q What was the total depth of that well?

A Some 64 or 6500 feet. I believe that is right, sir.

Tested the Cherry Canyon formation adequately, and completed as a dry hole.

Q In your opinion, does the outline of the unit area encompass any undue amount of acreage which would not be within the structure as you have depicted it with your seismic work?

A No, sir. We believe that the unit outline, as shown with our structural control, that all acreage is justified to be within the unit within the producing area.

Q And the first location will be 1980 from the South and East lines of Section 36?

A Yes, sir. 23 South, 32 East.

Q All right.

MR. NUTTER: Are there any other questions of Mr. Henry? He may be excused. Do you have anything further, Mr. Morris?

MR. MORRIS: No, sir, I don't.

MR. NUTTER: Does anyone have anything they wish to offer in Case 2983? Take the case under advisement.

* * * * *



DEARNLEY, MEIER, WILKINS and CROWNOVER

General Court Reporting Service

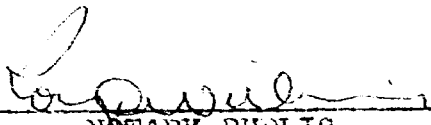
Suite 1120 Simms Building Albuquerque, New Mexico Phone 243-6691

STATE OF NEW MEXICO §

COUNTY OF BERNALILLO §

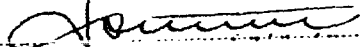
I, ROY D. WILKINS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal of Office, this 11th day of February, 1964.


NOTARY PUBLIC

My Commission Expires:
September 6, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2983 heard by me on 2/5 1964.

 Examiner
New Mexico Oil Conservation Commission



GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



P. O. BOX 871
SANTA FE

LAND COMMISSIONER
E. B. JOHNNY WALKER
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

February 6, 1964

Mr. Richard S. Morris
Seth, Montgomery, Federici & Andrews
Attorneys at Law
350 E. Palace
Santa Fe, New Mexico

Re: Case No. 2983
Order No. R-2648
Applicant:
The Pure Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, JR.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC

OTHER

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2983
Order No. R-2648

APPLICATION OF THE PURE OIL COMPANY
FOR APPROVAL OF THE BRINNINSTOOL UNIT
AGREEMENT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
February 5, 1964, at Santa Fe, New Mexico, before Examiner
Daniel S. Nutter.

NOW, on this 6th day of February, 1964, the Commission,
a quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, and being fully
advised in the premises,

FINDS:

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

(2) That the applicant, The Pure Oil Company, seeks approval
of the Brinninstool Unit Agreement covering 17,237 acres, more or
less, of State and Federal lands in Townships 23 and 24 South,
Ranges 32 and 33 East, NMPM, Lea County, New Mexico.

(3) That approval of the proposed Brinninstool Unit Agree-
ment will in principle tend to promote the conservation of oil
and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the Brinninstool Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be oper-
ated shall be embraced in the form of a unit agreement for the
development and operation of the Brinninstool Unit Area, and such
plan shall be known as the Brinninstool Unit Agreement Plan.

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

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

LEA COUNTY, NEW MEXICO

TOWNSHIP 23 SOUTH, RANGE 32 EAST

Sections 24 through 28: All

Sections 33 through 36: All

TOWNSHIP 23 SOUTH, RANGE 33 EAST

Sections 19 through 21: All

Sections 28 through 32: All

TOWNSHIP 24 SOUTH, RANGE 32 EAST

Sections 1 through 4: All

Sections 10 through 12: All

TOWNSHIP 24 SOUTH, RANGE 33 EAST

Sections 5 through 7: All

containing 17,237.30 acres, more or less.

(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Brinninstool Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States

-3-

CASE No. 2983
Order No. R-2648

Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


Jack M Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2983
Order No. R-2648

APPLICATION OF THE PURE OIL COMPANY
FOR APPROVAL OF THE BRINNINSTOOL UNIT
AGREEMENT, LEE COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
February 3, 1964, at Santa Fe, New Mexico, before Examiner
Daniel S. Mutter.

NOW, on this 6th day of February, 1964, the Commission,
a quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, and being fully
advised in the premises,

FINDS:

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

(2) That the applicant, The Pure Oil Company, seeks approval
of the Brinninstool Unit Agreement covering 17,237 acres, more or
less, of state and federal lands in Townships 22 and 24 South,
Ranges 32 and 33 East, NMEC, Lee County, New Mexico.

(3) That approval of the proposed Brinninstool Unit Agree-
ment will in principle tend to promote the conservation of oil
and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the Brinninstool Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be oper-
ated shall be embraced in the form of a unit agreement for the
development and operation of the Brinninstool Unit Area, and such
plan shall be known as the Brinninstool Unit Agreement Plan.

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

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

LEA COUNTY, NEW MEXICO

TOWNSHIP 23 SOUTH, RANGE 32 EAST

Sections 24 through 28: All
Sections 32 through 36: All

TOWNSHIP 23 SOUTH, RANGE 33 EAST

Sections 19 through 21: All
Sections 28 through 32: All

TOWNSHIP 24 SOUTH, RANGE 32 EAST

Sections 1 through 4: All
Sections 10 through 12: All

TOWNSHIP 24 SOUTH, RANGE 33 EAST

Sections 5 through 7: All

containing 17,237.30 acres, more or less.

(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Brinninstool Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States

-3-

CASE No. 1983
Order No. R-1648

Geological Survey, and shall terminate inno facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. C. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S S A L

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-2- Case 2980 continued from page 1

North, Range 13 West, and authorizing the drilling of a well for said unit at an unorthodox location 1625 feet from the South line and 1250 feet from the West line of said Section 15, Town of Farmington, San Juan County, New Mexico.

CASE 2981: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Northwest Eumont Unit Area comprising 2,760 acres, more or less, of State and fee lands in Township 19 South, Range 36 East, Lea County, New Mexico.

CASE 2982: Application of Gulf Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Eumont Gas Pool by the injection of water into the Queen formation through 15 wells in Sections 11, 14, 15, 22 and 23, Township 19 South, Range 36 East, Lea County, New Mexico.

CASE 2983: Application of The Pure Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Brinninstool Unit Area comprising 17,237 acres, more or less, of Federal and State lands in Townships 23 and 24 South, Ranges 32 and 33 East, Lea County, New Mexico.

CASE 2984: Application of The Pure Oil Company and Continental Carbon Company to utilize natural gas in a carbon black plant, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to utilize approximately 7 MCF of Devonian gas per day in the Continental Carbon Company carbon black plant near Eunice, New Mexico, said gas to be produced from The Pure Oil Company Wilson Deep Unit Well No. 1, located in the SE/4 NW/4 of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico.

CASE 2985: Application of Shell Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Bootleg Ridge Unit Area comprising 10,818 acres, more or less, of State and Federal lands in Townships 22 and 23 South, Ranges 32 and 33 East, Lea County, New Mexico.

DOCKET NO. 4-64

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 5, 1964

9:00 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, Alternate Examiner:

- CASE 2976: Application of Midland Production Corporation for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Hill & Meeker Phillips Cryer Well No. 34-2 located 2310 feet from the South and West lines of Section 34, Township 10 South, Range 36 East, to bottom in the Devonian formation 1980 feet from the North and West lines of said Section 34, Lea County, New Mexico.
- CASE 2977: Application of Cities Service Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Brunson C Well No. 4, located in Unit J of Section 3, Township 22 South, Range 37 East, Lea County, New Mexico, to produce oil from the Blinbry and Drinkard Oil Pools through parallel strings of 1 1/2 inch and 2 1/16 inch tubing, respectively.
- CASE 2978: Application of Union Oil Company of California for a waterflood expansion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its South Caprock Queen Unit Waterflood Project, Caprock Queen Pool, Chaves County, New Mexico, by the conversion of nine additional wells located in Sections 28, 29, and 33, Township 14 South, Range 31 East, and Sections 3 and 4, Township 15 South, Range 31 East, to water injection.
- CASE 2979: Application of Pan American Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation through its U. S. A. Malco Refineries "G" Well No. 13, located 2302 feet from the South line and 1650 feet from the West line of Section 10, Township 18 South, Range 27 East, Empire Abo Pool, Eddy County, New Mexico.
- CASE 2980: Application of Pioneer Production Corporation for force-pooling and an unorthodox location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Pool underlying the W/2 of Section 15, Township 29

-3-

CASE 2986: Application of Shell Oil Company to establish a GOR limit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a special gas-oil ratio limitation of 5,000 cubic feet of gas for each barrel of oil produced in the Mesa-Queen Pool, Lea County, New Mexico.

CASE 2987: Application of Shell Oil Company for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project in the South Bitter Lake-San Andres Pool, by the injection of water into the San Andres formation through three wells at unorthodox locations in Sections 27 and 34, Township 10 South, Range 25 East, Chaves County, New Mexico.

CASE 2480 (Reopened) :

In the matter of Case No. 2480 being reopened pursuant to the provisions of Order No. R-2182-A which continued for a period of one year the temporary 80-acre proration units established by Order No. R-2182, Henshaw-Wolfcamp Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2988: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit George E. Willett and all other interested parties to appear and show cause why the SDD Hare Well No. 7, located 600 feet from the South line and 1360 feet from the East line of Section 14, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

DRAFT

JMD/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2983

Order No. R- 3648

APPLICATION OF THE PURE OIL COMPANY
FOR APPROVAL OF THE BRINNINSTOOL UNIT
AGREEMENT, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 5, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Mutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this day of February, 19 64, the Commission, a quorum being present, having considered the ~~applicant's testimony~~ the record, evidence, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, The Pure Oil Company, seeks approval of the Brinninstool Unit Agreement covering 17,237 acres, more or less, of State and Federal lands in Townships 23 and 24 South, Ranges 32 and 33 East, NMPM, Lea County, New Mexico.
- (3) That approval of the proposed Brinninstool Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

- (1) That the Brinninstool Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Brinninstool Unit Area, and such plan shall be known as the Brinninstool Unit Agreement Plan.

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

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

LEA COUNTY, NEW MEXICO

Township 23 South, Range 32 East

Sections 24 through 28: All
Section 25: All
Section 26: All
Section 27: All
Section 28: All
Sections 33 through 36: All
Section 34: All
Section 35: All
Section 36: All

Township 23 South, Range 33 East

Sections 19 through 21: All
Section 20: All
Section 21: All
Sections 28 through 32: All
Section 30: All
Section 31: All
Section 32: All
Section 28: All

Township 24 South, Range 32 East

Section 1 through 4: All
Section 2: All
Section 3: All

Section 4: All
Sections 10 through 12: All
Section 11: All
Section 12: All

Township 24 South, Range 33 East

Sections 5 through 7: All
Section 6: All
Section 7: All

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ion.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Brinnin-stool Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

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UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
BRINNINSTOOL DEEP UNIT AREA
LEA COUNTY, NEW MEXICO
NO. _____

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THIS AGREEMENT, entered into as of the 22nd day of January,
1964, by and between the parties subscribing, ratifying, or consenting hereto,
and herein referred to as the "parties hereto",

WITNESSETH:

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

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437,
as amended, 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 a cooperative or unit plan of develop-
ment or operation of any oil or gas pool, field, or like area, or any part
thereof for the purpose of more properly conserving the natural resources
thereof whenever determined and certified by the Secretary of the Interior to
be necessary or advisable in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico
is authorized by an Act of the Legislature (Sec. 7-11-39 N.M. Statutes 1953
Annotated) to consent to or approve this agreement on behalf of the State of
New Mexico, insofar as it covers and includes lands and mineral interests of
the State of New Mexico; and,

WHEREAS, the Oil Conservation Commission of the State of New Mexico
is authorized by an Act of the Legislature (Chapter 72, Laws of 1935, as
amended by Chapter 193, Laws of 1937, Chapter 166, Laws of 1941, and Chapter
168, Laws of 1949) to approve this agreement and the conservation provisions
hereof; and,

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

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Purcell EXHIBIT NO. 2
CASE NO. 2983

1 WHEREAS, it is the purpose of the parties hereto to conserve natural 1
2 resources, prevent waste, and secure other benefits obtainable through develop- 2
3 ment and operations of the area subject to this agreement under the terms, 3
4 conditions and limitations herein set forth; 4

5 NOW, THEREFORE, in consideration of the premises and the promises 5
6 herein contained, the parties hereto commit to this agreement their respective 6
7 interests in the below-defined unit area, and agree severally among themselves 7
8 as follows: 8

9 1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of 9
10 February 25, 1920, as amended, supra, and all valid pertinent regulations, 10
11 including operating and unit plan regulations, heretofore issued thereunder 11
12 or valid, pertinent, and reasonable regulations hereafter issued thereunder 12
13 are accepted and made a part of this agreement as to Federal lands, provided 13
14 such regulations are not inconsistent with the terms of this agreement; and 14
15 as to State of New Mexico and privately owned lands, the oil and gas operating 15
16 regulations in effect as of the effective date hereof governing drilling and 16
17 producing operations, not inconsistent with the terms hereof or the laws of 17
18 the State of New Mexico are hereby accepted and made a part of this agreement. 18

19 2. UNIT AREA. The following-described land is hereby designated 19
20 and recognized as constituting the unit area: 20

21 T-23-S, R-32-E, N.M.P.M.

22 Sec. 24: All 22
23 Sec. 25: All 23
24 Sec. 26: All 24
25 Sec. 27: All 25
26 Sec. 28: All 26
27 Sec. 33: All 27
28 Sec. 34: All 28
29 Sec. 35: All 29
30 Sec. 36: All 30

21 T-23-S, R-33-E, N.M.P.M.

22 Sec. 19: All 22
23 Sec. 20: All 23
24 Sec. 21: All 24
25 Sec. 28: All 25
26 Sec. 29: All 26
27 Sec. 30: All 27
28 Sec. 31: All 28
29 Sec. 32: All 29
30 30

31 T-24-S, R-32-E, N.M.P.M.

32 Sec. 1: All 32
33 Sec. 2: All 33
34 Sec. 3: All 34
35 Sec. 4: All 35
36 Sec. 10: All 36
37 Sec. 11: All 37
38 Sec. 12: All 38

31 T-24-S, R-33-E, N.M.P.M.

32 Sec. 5: All 32
33 Sec. 6: All 33
34 Sec. 7: All 34
35 35
36 36
37 37
38 38

39 containing 17,237.32 acres, more or less. 39

1 Exhibit A attached hereto is a map showing the unit area and the 1
2 boundaries and identity of tracts and leases in said area to the extent known 2
3 to the Unit Operator. Exhibit B attached hereto is a schedule showing to the 3
4 extent known to the Unit Operator the acreage, percentage, and kind of owner- 4
5 ship of oil and gas interests in all land in the unit area. However, nothing 5
6 herein or in said schedule or map shall be construed as a representation by 6
7 any party hereto as to the ownership of any interest other than such interest 7
8 or interests as are shown in said map or schedule as owned by such party. 8

9 Exhibits A and B shall be revised by the Unit Operator whenever changes in 9
10 the unit area render such revision necessary, or when requested by the Oil 10
11 and Gas Supervisor, hereinafter referred to as "Supervisor", or when requested 11
12 by the Commissioner of Public Lands of the State of New Mexico, hereinafter 12
13 referred to as "Land Commissioner", and not less than six (6) copies of the 13
14 revised exhibits shall be filed with the Supervisor, and one (1) copy thereof 14
15 shall be filed with the Land Commissioner and one (1) copy with the New Mexico 15
16 Oil Conservation Commission, hereinafter referred to as "State Commission". 16

17 The above-described unit area shall when practicable be expanded to 17
18 include therein any additional tract or tracts regarded as reasonably neces- 18
19 sary or advisable for the purposes of this agreement, or shall be contracted 19
20 to exclude lands not within any participating area whenever such expansion or 20
21 contraction is necessary or advisable to conform with the purposes of this 21
22 agreement. Such expansion or contraction shall be effected in the following 22
23 manner: 23

24 (a) Unit Operator, on its own motion, or on demand of the Director 24
25 of the Geological Survey, hereinafter referred to as "Director", or on demand 25
26 of the Land Commissioner, after preliminary concurrence by the Director, shall 26
27 prepare a notice of proposed expansion or contraction describing the contem- 27
28 plated changes in the boundaries of the unit area, the reasons therefor, and 28
29 the proposed effective date thereof, preferably the first day of a month 29
30 subsequent to the date of notice. 30

31 (b) Said notice shall be delivered to the Supervisor, the Land 31
32 Commissioner and the State Commission and copies thereof mailed to the last 32
33 known address of each working interest owner, lessee, and lessor whose 33
34 interests are affected, advising that 30 days will be allowed for submission 34
35 to the Unit Operator of any objections. 35

1 (c) Upon expiration of the 30-day period provided in the preceding 1
2 item (b) hereof, Unit Operator shall file with the Supervisor, the Land 2
3 Commissioner and the State Commission evidence of mailing of the notice of 3
4 expansion or contraction and a copy of any objections thereto which have been 4
5 filed with the Unit Operator, together with an application in sufficient 5
6 number, for approval of such expansion or contraction and with appropriate 6
7 joinders. 7

8 (d) After due consideration of all pertinent information, the 8
9 expansion or contraction shall, upon approval by the Director, the Land 9
10 Commissioner and the State Commission, become effective as of the date pre- 10
11 scribed in the notice thereof. 11

12 (e) All legal subdivisions of unitized lands (i.e., 40 acres by 12
13 Government survey or its nearest lot or tract equivalent in instances of 13
14 irregular surveys, however, unusually large lots or tracts shall be considered 14
15 in multiples of 40 acres, or the nearest aliquot equivalent thereof, for the 15
16 purpose of elimination under this subsection), no parts of which are entitled 16
17 to be in a participating area within 5 years after the first day of the month 17
18 following the effective date of the first initial participating area estab- 18
19 lished under this unit agreement, shall be eliminated automatically from this 19
20 agreement, effective as of the first day thereafter, and such lands shall no 20
21 longer be a part of the unit area and shall no longer be subject to this 21
22 agreement, unless at the expiration of said 5-year period diligent drilling 22
23 operations are in progress on unitized lands not entitled to participation, 23
24 in which event all such lands shall remain subject hereto for so long as such 24
25 drilling operations are continued diligently, with not more than 90 days' 25
26 time elapsing between the completion of one such well and the commencement of 26
27 the next such well, except that the time allowed between such wells shall not 27
28 expire earlier than 30 days after the expiration of any period of time during 28
29 which drilling operations are prevented by a matter beyond the reasonable 29
30 control of unit operator as set forth in the section hereof entitled 30
31 "Unavoidable Delay"; provided that all legal subdivisions of lands not in a 31
32 participating area and not entitled to become participating under the appli- 32
33 cable provisions of this agreement within 10 years after said first day of 33
34 the month following the effective date of said first initial participating 34
35 area shall be eliminated as above specified. Determination of creditable 35

1 "Unavoidable Delay" time shall be made by unit operator and subject to approval 1
2 of the Director and the Land Commissioner. The unit operator shall, within 2
3 90 days after the effective date of any elimination hereunder, describe the 3
4 area so eliminated to the satisfaction of the Director and the Land 4
5 Commissioner and promptly notify all parties in interest. 5

6 If conditions warrant extension of the 10-year period specified in 6
7 this subsection 2 (e), a single extension of not to exceed 2 years may be 7
8 accomplished by consent of the owners of 90% of the current unitized working 8
9 interests and 60% of the current unitized basic royalty interests (exclusive 9
10 of the basic royalty interests of the United States), on a total-nonpartici- 10
11 pating-acreage basis, respectively, with approval of the Director, and the 11
12 Land Commissioner provided such extension application is submitted to the Land 12
13 Commissioner and the Director not later than 60 days prior to the expiration 13
14 of said 10-year period. 14

15 Any expansion of the unit area pursuant to this section which 15
16 embraces lands theretofore eliminated pursuant to this subsection 2 (e) shall 16
17 not be considered automatic commitment or recommitment of such lands. 17

18 3. UNITIZED LAND AND SUBSTANCES. All land committed to this Agree- 18
19 ment, as to all formations below the top of the Cherry Canyon Formation of the 19
20 Delaware Mountain Group of the Permian Age, encountered at a depth of 5923 20
21 feet in the Max Wilson #1 Continental-Federal well located 660' from the North 21
22 Line and 1980' from the West Line of Section 28, Twp. 23 South, Rge. 32 East, 22
23 N.M.P.M., as shown by the Lane Wells "Acoustilog" thereof dated February 2, 23
24 1963, shall constitute land referred to herein as "unitized land" or "land 24
25 subject to this agreement". All oil and gas in any and all formations lying 25
26 below the top of the said Cherry Canyon Formation, as shown by the said 26
27 "Acoustilog" of the said Max Wilson #1 Continental-Federal well, of the 27
28 unitized land are unitized under the terms of this agreement and are herein 28
29 called "unitized substances". 29

30 4. UNIT OPERATOR. The Pure Oil Company is hereby designated as 30
31 Unit Operator and by signature hereto as Unit Operator agrees and consents to 31
32 accept the duties and obligations of Unit Operator for the discovery, develop- 32
33 ment and production of unitized substances as herein provided. Whenever 33
34 reference is made herein to the Unit Operator, such reference means the Unit 34

Operator acting in that capacity and not as an owner of interest 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 Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of 6 months after notice of intention to resign has been served by Unit Operator on all working interest owners and the Director, the Land Commissioner and State Commission and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment whichever is required by the Supervisor as to Federal lands and the State 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 in like manner and subject to like limitations, as above provided, at any time a participating area established hereunder is in existence, but, in all instances of resignation or removal, until a successor unit operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for performance of the duties of unit operator, and shall not later than 30 days before such resignation or removal becomes effective appoint a common agent to represent them in any action to be taken hereunder.

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 the Land Commissioner.

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

12 6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall
13 tender his or its resignation as Unit Operator, or shall be removed as here-
14 inabove provided, or a change of Unit Operator is negotiated by working
15 interest owners, the owners of the working interests in the participating
16 area or areas according to their respective acreage interests in such partici-
17 pating area or areas, or, until a participating area shall have been estab-
18 lished, the owners of the working interests according to their respective
19 acreage interests in all unitized land, shall by majority vote select a
20 successor Unit Operator: Provided, that, if a majority but less than 75 per
21 cent of the working interests qualified to vote are owned by one party to
22 this agreement, a concurring vote of one or more additional working interest
23 owners shall be required to select a new operator. Such selection shall not
24 become effective until:

25 (a) a Unit Operator so selected shall accept in writing the duties
26 and responsibilities of Unit Operator, and

27 (b) the selection shall have been filed with the Supervisor and
28 approved by the Land Commissioner. If no successor Unit Operator is selected
29 and qualified as herein provided, the Director and Land Commissioner at their
30 election may declare this unit agreement terminated.

31 7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit
32 Operator is not the sole owner of working interests, costs and expenses
33 incurred by Unit Operator in conducting unit operations hereunder shall be
34 paid and apportioned among and borne by the owners of working interests, all

1 in accordance with the agreement or agreements entered into by and between the 1
2 Unit Operator and the owners of working interests, whether one or more, 2
3 separately or collectively. Any agreement or agreements entered into between 3
4 the working interest owners and the Unit Operator as provided in this section, 4
5 whether one or more, are herein referred to as the "unit operating agreement". 5
6 Such unit operating agreement shall also provide the manner in which the 6
7 working interest owners shall be entitled to receive their respective propor- 7
8 tionate and allocated share of the benefits accruing hereto in conformity 8
9 with their underlying operating agreements, leases, or other independent con- 9
10 tracts, and such other rights and obligations as between Unit Operator and 10
11 the working interest owners as may be agreed upon by Unit Operator and the 11
12 working interest owners; however, no such unit operating agreement shall be 12
13 deemed either to modify any of the terms and conditions of this unit agree- 13
14 ment or to relieve the Unit Operator of any right or obligation established 14
15 under this unit agreement, and in case of any inconsistency or conflict 15
16 between the unit agreement and the unit operating agreement, this unit agree- 16
17 ment shall prevail. Three (3) true copies of any unit operating agreement 17
18 executed pursuant to this section should be filed with the Supervisor and 18
19 one (1) true copy with the Land Commissioner, prior to approval of this unit 19
20 agreement by the Director. 20

21 8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise 21
22 specifically provided herein, the exclusive right, privilege, and duty of 22
23 exercising any and all rights of the parties hereto which are necessary or 23
24 convenient for prospecting for, producing, storing, allocating, and distrib- 24
25 uting the unitized substances are hereby delegated to and shall be exercised 25
26 by the Unit Operator as herein provided. Acceptable evidence of title to said 26
27 rights shall be deposited with said Unit Operator and, together with this 27
28 agreement, shall constitute and define the rights, privileges, and obligations 28
29 of Unit Operator. Nothing herein, however, shall be construed to transfer 29
30 title to any land or to any lease or operating agreement, it being understood 30
31 that under this agreement the Unit Operator, in its capacity as Unit Operator, 31
32 shall exercise the rights of possession and use vested in the parties hereto 32
33 only for the purposes herein specified. 33

1 9. DRILLING TO DISCOVERY. Within 6 months after the effective 1
2 date hereof, the Unit Operator shall begin to drill an adequate test well at 2
3 a location approved by the Supervisor if on Federal land or by the Land 3
4 Commissioner if on State land, or by the State Commission if on privately 4
5 owned land, unless on such effective date a well is being drilled conformably 5
6 with the terms hereof, and thereafter continue such drilling diligently until 6
7 the Devonian formation has been tested or until at a lesser depth unitized 7
8 substances shall be discovered which can be produced in paying quantities 8
9 (to-wit: quantities sufficient to repay the costs of drilling and producing 9
10 operations, with a reasonable profit) or the Unit Operator at any time 10
11 establish to the satisfaction of the Supervisor if on Federal land, or the 11
12 Land Commissioner if on State land, or of the State Commission if on privately 12
13 owned land, that further drilling of said well would be unwarranted or 13
14 impracticable; provided, however, that Unit Operator shall not in any event 14
15 be required to drill said well to a depth in excess of 16,300 feet. Until 15
16 the discovery of a deposit of unitized substances capable of being produced 16
17 in paying quantities, the Unit Operator shall continue drilling diligently 17
18 one well at a time, allowing not more than 6 months between the completion 18
19 of one well and the beginning of the next well, until a well capable of 19
20 producing unitized substances in paying quantities is completed to the satis- 20
21 faction of said Supervisor if it be on Federal land or of the Land Commissioner 21
22 if on State land or the State Commission if on privately owned land or until 22
23 it is reasonably proved that the unitized land is incapable of producing 23
24 unitized substances in paying quantities in the formations drilled hereunder. 24
25 Nothing in this section shall be deemed to limit the right of the Unit 25
26 Operator to resign as provided in Section 5 hereof, or as requiring Unit 26
27 Operator to commence or continue any drilling during the period pending such 27
28 resignation becoming effective in order to comply with the requirements of 28
29 this section. The Director and Land Commissioner may modify the drilling 29
30 requirements of this section by granting reasonable extensions of time when, 30
31 in their opinion, such action is warranted. 31
32 Upon failure to comply with the drilling provisions of this section, 32
33 the Director and Land Commissioner may, after reasonable notice to the Unit 33
34 Operator, and each working interest owner, lessee, and lessor at their last 34
35 known addresses, declare this unit agreement terminated. 35

1 10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within 6 months 1
2 after completion of a well capable of producing unitized substances in paying 2
3 quantities, the Unit Operator shall submit for the approval of the Supervisor 3
4 and the Land Commissioner an acceptable plan of development and operation for 4
5 the unitized land which, when approved by the Supervisor and the Land Com- 5
6 missioner, shall constitute the further drilling and operating obligations of 6
7 the Unit Operator under this agreement for the period specified therein. 7
8 Thereafter, from time to time before the expiration of any existing plan, the 8
9 Unit Operator shall submit for the approval of the Supervisor and the Land 9
10 Commissioner a plan for an additional specified period for the development and 10
11 operation of the unitized land. 11
12 Any plan submitted pursuant to this section shall provide for the 12
13 exploration of the unitized area and for the diligent drilling necessary for 13
14 determination of the area or areas thereof capable of producing unitized 14
15 substances in paying quantities in each and every productive formation and 15
16 shall be as complete and adequate as the Supervisor and the Land Commissioner 16
17 may determine to be necessary for timely development and proper conservation 17
18 of the oil and gas resources of the unitized area and shall: 18
19 (a) specify the number and location of any wells to be drilled and 19
20 the proposed order and time for such drilling; and, 20
21 (b) to the extent practicable specify the operating practices re- 21
22 garded as necessary and advisable for proper conservation of natural resources. 22
23 Separate plans may be submitted for separate productive zones, subject to the 23
24 approval of the Supervisor and the Land Commissioner. 24
25 Plans shall be modified or supplemented when necessary to meet 25
26 changed conditions or to protect the interests of all parties to this agree- 26
27 ment. Reasonable diligence shall be exercised in complying with the obliga- 27
28 tions of the approved plan of development. The Supervisor and Land 28
29 Commissioner are authorized to grant a reasonable extension of the 6-month 29
30 period herein prescribed for submission of an initial plan of development 30
31 where such action is justified because of unusual conditions or circumstances. 31
32 After completion hereunder of a well capable of producing any unitized sub- 32
33 stance in paying quantities, no further wells, except such as may be necessary 33
34 to afford protection against operations not under this agreement or such as 34

1 may be specifically approved by the Supervisor and the Land Commissioner
2 shall be drilled except in accordance with a plan of development approved as
3 herein provided.

4 11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well
5 capable of producing unitized substances in paying quantities, or as soon
6 thereafter as required by the Supervisor or the Land Commissioner, the Unit
7 Operator shall submit for approval by the Director and the Land Commissioner
8 a schedule, based on subdivisions of the public-land survey or aliquot parts
9 thereof, of all unitized land then regarded as reasonably proved to be pro-
10 ductive of unitized substances in paying quantities; all lands in said
11 schedule on approval of the Director and the Land Commissioner to constitute
12 a participating area, effective as of the date of completion of such well or
13 the effective date of the unit agreement, whichever is later. The acreages
14 of both Federal and non-Federal lands shall be based upon appropriate
15 computations from the courses and distances shown on the last approved public-
16 land survey as of the effective date of the initial participating area. Said
17 schedule also shall set forth the percentage of unitized substances to be
18 allocated as herein provided to each unitized tract in the participating area
19 so established, and shall govern the allocation of production from and after
20 the date the participating area becomes effective. A separate participating
21 area shall be established in like manner for each separate pool or deposit of
22 unitized substances or for any group thereof produced as a single pool or zone,
23 and any two or more participating areas so established may be combined into
24 one with the consent of the owners of all working interests in the lands
25 within the participating areas so to be combined, on approval of the Director
26 and the Land Commissioner. The participating area or areas so established
27 shall be revised from time to time, subject to like approval, whenever such
28 action appears proper as a result of further drilling operations or otherwise,
29 to include additional land then regarded as reasonably proved to be productive
30 in paying quantities, or to exclude land then regarded as reasonably proved
31 not to be productive in paying quantities and the percentage of allocation
32 shall also be revised accordingly. The effective date of any revision shall
33 be the first of the month in which is obtained the knowledge or information
34 on which such revision is predicated, provided, however, that a more

1 appropriate effective date may be used if justified by the Unit Operator and 1
2 approved by the Director and the Land Commissioner. No land shall be 2
3 excluded from a participating area on account of depletion of the unitized 3
4 substances. 4

5 It is the intent of this section that a participating area shall 5
6 represent the area known or reasonably estimated to be productive in paying 6
7 quantities; but, regardless of any revision of the participating area, 7
8 nothing herein contained shall be construed as requiring any retroactive 8
9 adjustment for production obtained prior to the effective date of the 9
10 revision of the participating area. 10

11 In the absence of agreement at any time between the Unit Operator 11
12 and the Director and the Land Commissioner as to the proper definition or 12
13 redefinition of a participating area, or until a participating area has, or 13
14 areas have, been established as provided herein, the portion of all payments 14
15 affected thereby may be impounded in a manner mutually acceptable to the 15
16 owners of working interests, except royalties due the United States and the 16
17 State of New Mexico, which shall be determined by the Supervisor for Federal 17
18 lands and the Land Commissioner for State lands and the State Commission as 18
19 to privately owned lands and the amount thereof deposited, as directed by 19
20 the Supervisor and the Land Commissioner respectively, to be held as unearned 20
21 money until a participating area is finally approved and then applied as 21
22 earned or returned in accordance with a determination of the sum due as 22
23 Federal and State royalty on the basis of such approved participating area. 23

24 Whenever it is determined, subject to the approval of the Super- 24
25 visor, as to wells drilled on Federal land and of the Land Commissioner as 25
26 to wells drilled on State land and the State Commission as to wells on 26
27 privately owned lands, that a well drilled under this agreement is not 27
28 capable of production in paying quantities and inclusion of the land on which 28
29 it is situated in a participating area is unwarranted, production from such 29
30 well shall, for the purposes of settlement among all parties other than 30
31 working interest owners, be allocated to the land on which the well is 31
32 located so long as such land is not within a participating area established 32
33 for the pool or deposit from which such production is obtained. Settlement 33
34 for working interest benefits from such a well shall be made as provided in 34
35 the unit operating agreement. 35

1 12. ALLOCATION OF PRODUCTION. All unitized substances produced 1
2 from each participating area established under this agreement, except any 2
3 part thereof used in conformity with good operating practices within the 3
4 unitized area for drilling, operating, camp and other production or develop- 4
5 ment purposes, for repressuring or recycling in accordance with a plan of 5
6 development approved by the Supervisor, and Land Commissioner and the State 6
7 Commission, or unavoidably lost, shall be deemed to be produced equally on 7
8 an acreage basis from the several tracts of unitized land of the partici- 8
9 pating area established for such production and, for the purpose of deter- 9
10 mining any benefits accruing under this agreement, each such tract of 10
11 unitized land shall have allocated to it such percentage of said production 11
12 as the number of acres of such tract included in said participating area 12
13 bears to the total acres of unitized land in said participating area, except 13
14 that allocation of production hereunder for purposes other than for settle- 14
15 ment of the royalty, overriding royalty, or payment out of production 15
16 obligations of the respective working interest owners, shall be on the basis 16
17 prescribed in the unit operating agreement whether in conformity with the 17
18 basis of allocation herein set forth or otherwise. It is hereby agreed that 18
19 production of unitized substances from a participating area shall be 19
20 allocated as provided herein regardless of whether any wells are drilled on 20
21 any particular part or tract of said participating area. If any gas produced 21
22 from one participating area is used for repressuring or recycling purposes 22
23 in another participating area, the first gas withdrawn from such last- 23
24 mentioned participating area for sale during the life of this agreement shall 24
25 be considered to be the gas so transferred until an amount equal to that 25
26 transferred shall be so produced for sale and such gas shall be allocated to 26
27 the participating area from which initially produced as constituted at the 27
28 time of such final production. 28

29 13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR 29
30 FORMATIONS. Any party hereto owning or controlling the working interest in 30
31 any unitized land having thereon a regular well location may with the 31
32 approval of the Supervisor as to Federal land, the Land Commissioner as to 32
33 State land, and the State Commission as to privately owned land, and subject 33
34 to the provisions of the Unit Operating Agreement, at such party's sole risk, 34

1 costs, and expense drill a well at such location on such land to test any 1
2 formation for which a participating area has not been established or to test 2
3 any formation for which a participating area has been established if such 3
4 location is not within said participating area, or drill any well not mutually 4
5 agreed to by all interested parties, unless within 90 days of receipt of 5
6 notice from said party of his intention to drill the well the Unit Operator 6
7 elects and commences to drill such a well in like manner as other wells are 7
8 drilled by the Unit Operator under this agreement. 8

9 If any well drilled as aforesaid by a working interest owner results 9
10 in production such that the land upon which it is situated may properly be 10
11 included in a participating area, such participating area shall be established 11
12 or enlarged as provided in this agreement and the well shall thereafter be 12
13 operated by the Unit Operator in accordance with the terms of this agreement 13
14 and the unit operating agreement. 14

15 If any well drilled as aforesaid by a working interest owner obtains 15
16 production in quantities insufficient to justify the inclusion in a partici- 16
17 pating area of the land upon which such well is situated, such well may be 17
18 operated and produced by the party drilling the same subject to the conserva- 18
19 tion requirements of this agreement. The royalties in amount or value of 19
20 production from any such well shall be paid as specified in the underlying 20
21 lease and agreements affected. 21

22 14. ROYALTY SETTLEMENT. The United States and any State and all 22
23 royalty owners who, under existing contract, are entitled to take in kind a 23
24 share of the substances now unitized hereunder produced from any tract, shall 24
25 hereafter be entitled to the right to take in kind their share of the unitized 25
26 substances allocated to such tract, and Unit Operator, or in case of the 26
27 operation of a well by a working interest owner as herein in special cases 27
28 provided for, such working interest owner, shall make deliveries of such 28
29 royalty share taken in kind in conformity with the applicable contracts, laws, 29
30 and regulations. Settlement for royalty interest not taken in kind shall be 30
31 made by working interest owners responsible therefor under existing contracts, 31
32 laws and regulations on or before the last day of each month for unitized 32
33 substances produced during the preceding calendar month; provided, however, 33

1 that nothing herein contained shall operate to relieve the lessees of any land 1
2 from their respective lease obligations for the payment of any royalties due 2
3 under their leases. 3

4 If gas obtained from lands not subject to this agreement is intro- 4
5 duced into any participating area hereunder, for use in repressuring, stimu- 5
6 lation of production, or increasing ultimate recovery, which shall be in 6
7 conformity with a plan first approved by the Supervisor, the Land Commissioner, 7
8 and the State Commission, a like amount of gas, after settlement as herein 8
9 provided for any gas transferred from any other participating area and with 9
10 due allowance for loss or depletion from any cause, may be withdrawn from the 10
11 formation into which the gas was introduced, royalty free as to dry gas, but 11
12 not as to the products extracted therefrom; provided that such withdrawal shall 12
13 be at such time as may be provided in the plan of operations or as may other- 13
14 wise be consented to by the Supervisor, the Land Commissioner and the State 14
15 Commission as conforming to good petroleum engineering practice; and provided 15
16 further, that such right of withdrawal shall terminate on the termination of 16
17 this unit agreement. 17

18 Royalty due the United States shall be computed as provided in the 18
19 operating regulations and paid in value or delivered in kind as to all 19
20 unitized substances on the basis of the amounts thereof allocated to unitized 20
21 Federal land as provided herein at the rates specified in the respective 21
22 Federal leases, or at such lower rate or rates as may be authorized by law or 22
23 regulation; provided, that for leases on which the royalty rate depends on the 23
24 daily average production per well, said average production shall be determined 24
25 in accordance with the operating regulations as though each participating area 25
26 were a single consolidated lease. 26

27 Royalty due on account of State and privately owned lands shall be 27
28 computed and paid on the basis of all unitized substances allocated to such 28
29 lands. 29

30 15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases 30
31 committed hereto shall be paid by working interest owners responsible therefor 31
32 under existing contracts, laws, and regulations, provided that nothing herein 32
33 contained shall operate to relieve the lessees of any land from their 33
34 respective lease obligations for the payment of any rental or minimum royalty 34

1 in lieu thereof due under their leases. Rental or minimum royalty for lands 1
2 of the United States subject to this agreement shall be paid at the rate 2
3 specified in the respective leases from the United States unless such rental 3
4 or minimum royalty is waived, suspended, or reduced by law or by approval of 4
5 the Secretary or his duly authorized representative. 5

6 Rentals on State of New Mexico lands subject to this agreement shall 6
7 be paid at the rates specified in the respective leases. 7

8 With respect to any lease on non-Federal land containing provisions 8
9 which would terminate such lease unless drilling operations were within the 9
10 time therein specified commenced upon the land covered thereby or rental paid 10
11 for the privilege of deferring such drilling operations, the rentals required 11
12 thereby shall, notwithstanding any other provision of this agreement, be 12
13 deemed to accrue and become payable during the term thereof as extended by 13
14 this agreement and until the required drilling operations are commenced upon 14
15 the land covered thereby or some portion of such land is included within a 15
16 participating area. 16

17 16. CONSERVATION. Operations hereunder and production of unitized 17
18 substances shall be conducted to provide for the most economical and efficient 18
19 recovery of said substances without waste, as defined by or pursuant to State 19
20 or Federal law or regulation. 20

21 17. DRAINAGE. The Unit Operator shall take appropriate and ade- 21
22 quate measures to prevent drainage of unitized substances from unitized land 22
23 by wells on land not subject to this agreement, or, with the consent of the 23
24 Director and the Land Commissioner, pursuant to applicable regulations pay a 24
25 fair and reasonable compensatory royalty. 25

26 18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, con- 26
27 ditions, and provisions of all leases, subleases, and other contracts relating 27
28 to exploration, drilling, development, or operations for oil or gas of lands 28
29 committed to this agreement are hereby expressly modified and amended to the 29
30 extent necessary to make the same conform to the provisions hereof, but other- 30
31 wise remain in full force and effect; and the parties hereto hereby consent 31
32 that the Secretary as to Federal leases and the Land Commissioner as to State 32
33 leases shall and each by his approval hereof, or by the approval hereof by his 33
34 duly authorized representative, does hereby establish, alter, change, or 34
35 revoke the drilling, producing, rental, minimum royalty, and royalty 35

1 requirements of Federal and State leases committed hereto and the regulations 1
2 in respect thereto to conform said requirements to the provisions of this 2
3 agreement, and, without limiting the generality of the foregoing, all leases, 3
4 subleases, and contracts are particularly modified in accordance with the 4
5 following: 5
6 (a) The development and operation of lands subject to this agree- 6
7 ment under the terms hereof shall be deemed full performance of all obligations 7
8 for development and operation with respect to each and every part or sep- 8
9 arately owned tract subject to this agreement, regardless of whether there is 9
10 any development of any particular part or tract of the unit area, notwith- 10
11 standing anything to the contrary in any lease, operating agreement or other 11
12 contract by and between the parties hereto, or their respective predecessors 12
13 in interest, or any of them. 13
14 (b) Drilling and producing operations performed hereunder upon any 14
15 tract of unitized lands will be accepted and deemed to be performed upon and 15
16 for the benefit of each and every tract of unitized land, and no lease shall 16
17 be deemed to expire by reason of failure to drill or produce wells situated 17
18 on the land therein embraced. 18
19 (c) Suspension of drilling or producing operations on all unitized 19
20 lands pursuant to direction or consent of the Secretary and the Land Com- 20
21 missioner, or their duly authorized representative, shall be deemed to 21
22 constitute such suspension pursuant to such direction or consent as to each 22
23 and every tract of unitized land. 23
24 (d) Each lease, sublease or contract relating to the exploration, 24
25 drilling, development or operation for oil or gas of lands, other than those 25
26 of the United States and State of New Mexico, committed to this agreement, 26
27 which, by its terms might expire prior to the termination of this agreement, 27
28 is hereby extended beyond any such term so provided therein so that it shall 28
29 be continued in full force and effect for and during the term of this agree- 29
30 ment. 30
31 (e) Any Federal lease for a fixed term of twenty (20) years or any 31
32 renewal thereof or any part of such lease which is made subject to this agree- 32
33 ment shall continue in force beyond the term provided therein until the termi- 33
34 nation hereof. Any other Federal lease committed hereto shall continue in 34

1 force beyond the term so provided therein or by law as to the land committed 1
2 so long as such lease remains subject hereto, provided that production is had 2
3 in paying quantities under this unit agreement prior to the expiration date 3
4 of the term of such lease, or in the event actual drilling operations are 4
5 commenced on unitized land, in accordance with the provisions of this agree- 5
6 ment, prior to the end of the primary term of such lease and are being 6
7 diligently prosecuted at that time such lease shall be extended for two years 7
8 and so long thereafter as oil or gas is produced in paying quantities in 8
9 accordance with the provisions of the Mineral Leasing Act Revision of 1960. 9

10 (f) Each sublease or contract relating to the operation and 10
11 development of unitized substances from lands of the United States committed 11
12 to this agreement, which by its terms would expire prior to the time at 12
13 which the underlying lease, as extended by the immediately preceding para- 13
14 graph, will expire, is hereby extended beyond any such term so provided 14
15 therein so that it shall be continued in full force and effect for and during 15
16 the term of the underlying lease as such term is herein extended. 16

17 (g) Any lease embracing lands of the State of New Mexico which is 17
18 made subject to this agreement, shall continue in force beyond the term pro- 18
19 vided therein as to the lands committed hereto until the termination hereof. 19

20 (h) The segregation of any Federal lease committed to this agree- 20
21 ment is governed by the following provision in the fourth paragraph of 21
22 Sec. 17 (j) of the Act, as amended by the Act of September 2, 1960 (74 Stat. 22
23 781, 784): "Any (Federal) lease heretofore or hereafter committed to any 23
24 such (unit) plan embracing lands that are in part within and in part outside 24
25 of the area covered by any such plan shall be segregated into separate leases 25
26 as to the lands committed and the lands not committed as of the effective 26
27 date of unitization: Provided, however, that any such lease as to the 27
28 nonunitized portion shall continue in force and effect for the term thereof 28
29 but for not less than two years from the date of such segregation and so long 29
30 thereafter as oil or gas is produced in paying quantities." 30

31 (i) Any lease embracing lands of the State of New Mexico having 31
32 only a portion of its lands committed hereto, shall be segregated as to the 32
33 portion committed and the portion not committed, and the terms of such lease 33
34 shall apply separately to such segregated portions commencing as of the 34

1 effective date hereof; provided, however, notwithstanding any of the pro- 1
2 visions of this agreement to the contrary any lease embracing lands of the 2
3 State of New Mexico having only a portion of its lands committed hereto shall 3
4 continue in full force and effect beyond the term provided therein as to all 4
5 lands embraced in such lease, if oil or gas is discovered and is capable of 5
6 being produced in paying quantities from some part of the lands embraced in 6
7 such lease at the expiration of the secondary term of such lease; or if, at 7
8 the expiration of the secondary term, the Lessee or the Unit Operator is then 8
9 engaged in bona fide drilling or reworking operations on some part of the 9
10 lands embraced in such lease, the same, as to all lands embraced therein, 10
11 shall remain in full force and effect so long as such operations are being 11
12 diligently prosecuted, and if they result in the production of oil or gas, 12
13 said lease shall continue in full force and effect as to all of the lands 13
14 embraced therein, so long thereafter as oil or gas in paying quantities is 14
15 being produced from any portion of said lands. 15

16 19. COVENANTS RUN WITH LAND. The covenants herein shall be con- 16
17 strued to be covenants running with the land with respect to the interest of 17
18 the parties hereto and their successors in interest until this agreement 18
19 terminates, and any grant, transfer or conveyance, of interest in land or 19
20 leases subject hereto shall be and hereby is conditioned upon the assumption 20
21 of all privileges and obligations hereunder by the grantee, transferee, or 21
22 other successor in interest. No Assignment or transfer of any working 22
23 interest, royalty, or other interest subject hereto shall be binding upon 23
24 Unit Operator until the first day of the calendar month after Unit Operator 24
25 is furnished with the original, photostatic, or certified copy of the 25
26 instrument of transfer. 26

27 20. EFFECTIVE DATE AND TERM. This agreement shall become 27
28 effective upon approval by the Director and the Land Commissioner or their 28
29 duly authorized representatives as of the date of approval by the Director 29
30 and shall terminate five (5) years from said effective date unless: 30

31 (a) Such date of expiration is extended by the Director and the 31
32 Land Commissioner, or 32

33 (b) it is reasonably determined prior to the expiration of the 33
34 fixed term or any extension thereof that the unitized land is incapable of 34

1 production of unitized substances in paying quantities in the formations 1
2 tested hereunder and after notice of intention to terminate the agreement on 2
3 such ground is given by the Unit Operator to all parties in interest at their 3
4 last known addresses, the agreement is terminated with the approval of the 4
5 Director and Land Commissioner, or 5

6 (c) a valuable discovery of unitized substances has been made or 6
7 accepted on unitized land during said initial term or any extension thereof, 7
8 in which event the agreement shall remain in effect for such term and so long 8
9 as unitized substances can be produced in quantities sufficient to pay for the 9
10 cost of producing same from wells on unitized land within any participating 10
11 area established hereunder and, should production cease, so long thereafter 11
12 as diligent operations are in progress for the restoration of production or 12
13 discovery of new production and so long thereafter as the unitized substances 13
14 so discovered can be produced as aforesaid, or 14

15 (d) it is terminated as heretofore provided in this agreement. 15

16 This agreement may be terminated at any time by not less than 75 per 16
17 centum, on an acreage basis, of the owners of working interests signatory 17
18 hereto, with the approval of the Director and Land Commissioner; notice of 18
19 any such approval to be given by the Unit Operator to all parties hereto. 19

20 21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The Director 20
21 is hereby vested with authority to alter or modify from time to time in his 21
22 discretion the quantity and rate of production under this agreement when such 22
23 quantity and rate is not fixed pursuant to Federal or State law or does not 23
24 conform to any state-wide voluntary conservation or allocation program, which 24
25 is established, recognized, and generally adhered to by the majority of 25
26 operators in such State, such authority being hereby limited to alteration or 26
27 modification in the public interest, the purpose thereof and the public 27
28 interest to be served thereby to be stated in the order of alteration or modi- 28
29 fication. Without regard to the foregoing, the Director is also hereby vested 29
30 with authority to alter or modify from time to time in his discretion the rate 30
31 of prospecting and development and the quantity and rate of production under 31
32 this agreement when such alteration or modification is in the interest of 32
33 attaining the conservation objectives stated in this agreement and is not in 33
34 violation of any applicable Federal or State law; provided, further, that no 34
35 such alteration or modification shall be effective as to any land of the State 35
36 of New Mexico as to the rate of prospecting and developing in the absence of 36
37 the specific written approval thereof by the Land Commissioner and as to any 37
38 lands of the State of New Mexico or privately owned lands subject to this 38
39 agreement as to the quantity and rate of production in the absence of specific 39
40 written approval thereof by the Commission. 40

1 Powers in this section vested in the Director shall only be exer- 1
2 cised after notice to Unit Operator and opportunity for hearing to be held 2
3 not less than 15 days from notice. 3

4 22. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the 4
5 working interest owners, nor any of them, shall be subject to any forfeiture, 5
6 termination or expiration of any right hereunder or under any leases or con- 6
7 tracts subject hereto, or to any penalty or liability on account of delay or 7
8 failure in whole or in part to comply with any applicable provisions thereof 8
9 to the extent that the said Unit Operator or the working interest owners, or 9
10 any of them, are hindered, delayed or prevented from complying therewith by 10
11 reason of failure of the Unit Operator to obtain, in the exercise of due dili- 11
12 gence, the concurrence of proper representatives of the United States and 12
13 proper representatives of the State of New Mexico in and about any matters or 13
14 things concerning which it is required herein that such concurrence be ob- 14
15 tained. The parties hereto, including the State Commission, agree that all 15
16 powers and authority vested in the State Commission in and by any provisions 16
17 of this agreement are vested in the State Commission and shall be exercised by 17
18 it pursuant to the provisions of the laws of the State of New Mexico and sub- 18
19 ject in any case to appeal or judicial review as may now or hereafter be 19
20 provided by the laws of the State of New Mexico. 20

21 23. APPEARANCES. Unit Operator shall, after notice to other 21
22 parties affected, have the right to appear for and on behalf of any and all 22
23 interests affected hereby before the Department of the Interior, the 23
24 Commissioner of Public Lands of the State of New Mexico and the New Mexico 24
25 Oil Conservation Commission and to appeal from orders issued under the 25
26 regulations of said Department, the State Commission or Land Commissioner or 26
27 to apply for relief from any of said regulations or in any proceedings rela- 27
28 tive to operations before the Department of the Interior, the Land Com- 28
29 missioner, or State Commission or any other legally constituted authority; 29
30 provided, however, that any other interested party shall also have the right 30
31 at his own expense to be heard in any such proceeding. 31

32 24. NOTICES. All notices, demands or statements required here- 32
33 under to be given or rendered to the parties hereto shall be deemed fully 33
34 given if given in writing and personally delivered to the party or sent by 34

1 effective as of the first day of the month following the filing with the 1
2 Supervisor, the Land Commissioner and the State Commission of duly executed 2
3 counterparts of all or any papers necessary to establish effective commitment 3
4 of any tract to this agreement unless objection to such joinder is duly made 4
5 within 60 days by the Director or the Land Commissioner; provided, however, 5
6 that as to State Lands such subsequent joinder must be approved by the Land 6
7 Commissioner. 7

8 30. COUNTERPARTS. This agreement may be executed in any number of 8
9 counterparts no one of which needs to be executed by all parties or may be 9
10 ratified or consented to by separate instrument in writing specifically 10
11 referring hereto and shall be binding upon all those parties who have executed 11
12 such a counterpart, ratification, or consent hereto with the same force and 12
13 effect as if all such parties had signed the same document and regardless of 13
14 whether or not it is executed by all other parties owning or claiming an 14
15 interest in the lands within the above-described unit area. 15

16 31. SURRENDER. Nothing in this agreement shall prohibit the exer- 16
17 cise by any working interest owner of the right to surrender vested in such 17
18 party in any lease, sub-lease, or operating agreement as to all or any part 18
19 of the lands covered thereby, provided that each party who will or might 19
20 acquire such working interest by such surrender or by forfeiture as hereafter 20
21 set forth, is bound by the terms of this agreement. 21

22 If as a result of any such surrender, the working interest rights as 22
23 to such lands become vested in any party other than the fee owner of the 23
24 unitized substances, said party shall forfeit such rights and no further bene- 24
25 fits from operation hereunder as to said land shall accrue to such party, 25
26 unless within ninety (90) days thereafter said party shall execute this agree- 26
27 ment and the unit operating agreement as to the working interest acquired 27
28 through such surrender, effective as though such land had remained continuously 28
29 subject to this agreement and the unit operating agreement. And in the event 29
30 such agreements are not so executed, the party next in the chain of title shall 30
31 be and become the owner of such working interest at the end of such ninety (90) 31
32 day period, with the same force and effect as though such working interest had 32
33 been surrendered to such party. 33

34 If as the result of any such surrender or forfeiture the working 34
35 interest rights as to such lands become vested in the fee owner of the unitized 35
36 substances, such owner may: 36

1 (1) Execute this agreement and the unit operating agreement as a 1
2 working interest owner, effective as though such land had remained continuously 2
3 subject to this agreement and the unit operating agreement. 3

4 (2) Again lease such lands but only under the condition that the 4
5 holder of such lease shall within thirty (30) days after such lands are so 5
6 leased execute this agreement and the unit operating agreement as to each 6
7 participating area theretofore established hereunder, effective as though such 7
8 land had remained continuously subject to this agreement and the unit operating 8
9 agreement. 9

10 (3) Operate or provide for the operation of such land independently 10
11 of this agreement as to any part thereof or any oil or gas deposits therein not 11
12 then included within a participating area. 12

13 If the fee owner of the unitized substances does not execute this 13
14 agreement and the unit operating agreement as a working interest owner or 14
15 again lease such lands as above provided with respect to each existing 15
16 participating area, within six (6) months after any such surrender or 16
17 forfeiture, such fee owner shall be deemed to have waived the right to execute 17
18 the unit operating agreement or lease such lands as to each such participating 18
19 area, and to have agreed, in consideration for the compensation hereinafter 19
20 provided, that operations hereunder as to any such participating area or areas 20
21 shall not be affected by such surrender. 21

22 For any period the working interest in any lands are not expressly 22
23 committed to the unit operating agreement as the result of any such surrender 23
24 or forfeiture, the benefits and obligations of operations accruing to such 24
25 lands under this agreement and the unit operating agreement shall be shared 25
26 by the remaining owners of unitized working interests in accordance with their 26
27 respective participating working interest ownerships in any such participating 27
28 area or areas, and such owners of working interests shall compensate the fee 28
29 owner of unitized substances in such lands by paying sums equal to the rentals, 29
30 minimum royalties, and royalties applicable to such lands under the lease in 30
31 effect when the lands were unitized, as to such participating area or areas. 31

32 Upon commitment of a working interest to this agreement and the unit 32
33 operating agreement as provided in this section, an appropriate accounting 33
34 and settlement shall be made, to reflect the retroactive effect of the 34

1 commitment, for all benefits accruing to or payments and expenditures made or 1
2 incurred on behalf of such surrendered working interest during the period 2
3 between the date of surrender and the date of recommitment, and payment of any 3
4 moneys found to be owing by such an accounting shall be made as between the 4
5 parties then signatory to the unit operating agreement and this agreement 5
6 within thirty (30) days after the recommitment. The right to become a party 6
7 to this agreement and the unit operating agreement as a working interest owner 7
8 by reason of a surrender or forfeiture as provided in this section shall not 8
9 be defeated by the nonexistence of a unit operating agreement and in the event 9
10 no unit operating agreement is in existence and a mutually acceptable agree- 10
11 ment between the proper parties thereto cannot be consummated, the Supervisor 11
12 may prescribe such reasonable and equitable agreement as he deems warranted 12
13 under the circumstances. 13

14 Nothing in this section shall be deemed to limit the right of 14
15 joinder or subsequent joinder to this agreement as provided elsewhere in this 15
16 agreement. The exercise of any right vested in a working interest owner to 16
17 reassign such working interest to the party from whom obtained shall be subject 17
18 to the same conditions as set forth in this section in regard to the exercise 18
19 of a right to surrender. 19

20 32. TAXES. The working interest owners shall render and pay for 20
21 their account and the account of the royalty owners all valid taxes on or 21
22 measured by the unitized substances in and under or that may be produced, 22
23 gathered and sold from the land subject to this contract after the effective 23
24 date of this agreement, or upon the proceeds or net proceeds derived therefrom. 24
25 The working interest owners on each tract shall and may charge the proper 25
26 proportion of said taxes to the royalty owners having interests in said tract, 26
27 and may currently retain and deduct sufficient of the unitized substances or 27
28 derivative products, or net proceeds thereof from the allocated share of each 28
29 royalty owner to secure reimbursement for the taxes so paid. No such taxes 29
30 shall be charged to the United States or the State of New Mexico or to any 30
31 lessor who has a contract with his lessee which requires the lessee to pay 31
32 such taxes. 32

33 33. NO PARTNERSHIP. It is expressly agreed that the relation of 33
34 the parties hereto is that of independent contractors and nothing in this 34

1 agreement contained, expressed or implied, nor any operations conducted here- 1
2 under, shall create or be deemed to have created a partnership or association 2
3 between the parties hereto or any of them. 3

4 IN WITNESS WHEREOF, the parties hereto have caused this agreement 4
5 to be executed and have set opposite their respective names the date of 5
6 execution. 6

UNIT OPERATOR AND WORKING INTEREST OWNER

THE PURE OIL COMPANY

Date: _____

By _____
Division Manager,
Southern Producing Division

Address: First City National Bank Bldg.

Houston 2, Texas

WORKING INTEREST OWNERS

GULF OIL CORPORATION

DATE: _____

By _____

ATTEST: _____

Address _____

CONTINENTAL OIL COMPANY

DATE: _____

By _____

ATTEST: _____

Address _____

MARATHON OIL COMPANY

DATE: _____

By _____

ATTEST: _____

Address _____

TEXACO INC.

DATE: _____

By _____

ATTEST: _____

Address _____

RICHARDSON OILS, INC.

DATE: _____

By _____

ATTEST: _____

Address _____

DATE: _____

PERRY R. BASS

Address _____

WORKING INTEREST OWNERS

RICHFIELD OIL CORPORATION

DATE: _____

By _____

ATTEST: _____

Address _____

THE BRITISH-AMERICAN OIL
PRODUCING COMPANY

DATE: _____

By _____

ATTEST: _____

Address _____

DATE: _____

JACQUELINE H. LANGDON

CHARLES C. LANGDON

INTERNATIONAL OIL AND GAS CORPORATION

DATE: _____

By _____

ATTEST: _____

Address _____

PENNZOIL COMPANY

DATE: _____

By _____
Vice President

ATTEST: _____

Address _____

STATE OF TEXAS X
 X ss
COUNTY OF HARRIS X

The foregoing instrument was acknowledged before me this _____ day
of _____, 1964, by C. W. Hancock, Division Manager, of the
Southern Producing Division of THE PURE OIL COMPANY, a Corporation, on behalf
of said Corporation.

My Commission Expires:

Notary Public

EXHIBIT "B"

SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF ALL LANDS IN THE

BRINNINSTOOL DEEP UNIT AREA, LEA COUNTY, NEW MEXICO

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
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FEDERAL LANDS

T-23-S, R-32-E, N.M.P.M.

1	Sec. 24: SW/4 Sec. 25: N/2 NW/4, SW/4 NW/4	280	LC-062887 3-31-65	U.S.A. 12 $\frac{1}{2}$ %	Continental Oil Company	Helen B. Wehrli 1% L. N. Hagood 1 $\frac{1}{2}$ % Robert N. Enfield $\frac{1}{4}$ of 1% Thomas Allen $\frac{1}{4}$ of 1% Straus Baker \$1,000.00 per acre out of 3%.	Continental 100%
2	Sec. 28: W/2 Sec. 33: W/2, SE/4	800	LC-063132-A 12-31-64	U.S.A. 12 $\frac{1}{2}$ %	Continental Oil Company	Jay Galloway 5%, less production payment of \$1,000.00 per acre out of 3% to Straus Baker	Continental 100%

3	Sec. 24: E/2 Sec. 25: E/2, SW/4, SE/4 NW/4 Sec. 26: SW/4 Sec. 27: N/2, N/2 S/2, SE/4 SW/4, S/2 SE/4	1600	LC-063228 HEP	U.S.A. 12 $\frac{1}{2}$ %	Continental Oil Company	Jewell E. Fields \$250.00 per acre payable out of 3/4 of 1% as to 1080 acres in Sections 24, 26 and 27; and \$125.00 per acre payable out of 3/8 of 1% as to 520 acres in Section 25.	Continental 100%
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Faye L. Klein \$250.00
per acre payable out
of 3/4 of 1% as to
1600 acres in Sections
24, 25, 26 and 27.

Ralph C. Hart \$250.00
per acre payable out
of 3/4 of 1% as to 680
acres in Sections 25
and 26.

EXHIBIT "B" (Cont'd.)

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
FEDERAL LANDS (Cont'd.)							
T-23-S, R-32-E, N.M.P.M.							
3 (Cont'd.)							
					George L. Buckles		
					\$250.00 per acre payable out of 3/4 of 1% as to 520 acres in Section 25.		
					Robert N. Enfield		
					\$125.00 per acre payable out of 3/8 of 1% as to 320 acres in Section 24; and \$62.50 per acre payable out of 3/16 of 1% as to 520 acres in Section 25.		
					Thomas Allen		
					\$208.33 per acre payable out of 5/8 of 1% as to 320 acres in Section 24; \$62.50 per acre payable out of 3/16 of 1% as to 520 acres in Section 25; \$83.33 per acre payable out of 1/4 of 1% as to 160 acres in Section 26; \$125.00 per acre payable out of 3/8 of 1% as to 600 acres in Section 27; \$83.33 per acre payable out of 1/4 of 1% as to 600 acres in Section 27.		
					Randall F. Montgomery		
					\$125.00 per acre payable out of 3/8 of 1% as to 600 acres in Section 27 only; \$166.67 per acre payable out of 1/2 of 1% as to 1080 acres in Sections 24, 26 and 27.		

EXHIBIT "B" (Cont'd.)

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>FEDERAL LANDS (Cont'd.)</u>							
<u>T-23-S, R-33-E, N.M.P.M.</u>							
4	Sec. 20: All	1240	LC-068680	U.S.A. 12½%	Continental Oil Company	Minnie S. Levick 1½% Fred C. Rohrbach 1% Pearl O. Pipkin 3/4 of 1%	Continental 100%
	Sec. 29: W/2, W/2 NE/4, NW/4 SE/4, E/2 E/2		3-31-65				
5	Sec. 19: All	2503.32	LC-068848	U.S.A. 12½%	Continental Oil Company	I. J. Marshall \$375.00 per acre out of 1½% Pearl O. Pipkin \$375.00 per acre out of 1½%	Continental 100%
	Sec. 21: All		HBP				
	Sec. 28: All						
	Sec. 30: Lots 1, 2, 3, 4, E/2 W/2, W/2 E/2, E/2 NE/4, NE/4 SE/4						
<u>T-24-S, R-32-E, N.M.P.M.</u>							
6	Sec. 10: SE/4	800	NM-01917	U.S.A. 12½%	Gulf Oil Corporation	J. L. Briscoe ½ of 1%; Roland Rich Wooley \$1,000.00 per acre out of 5%, less ½ of 1% to J. L. Briscoe; Tom L. Ingram 2.18750% Eugene E. Nearburg 1.09375% Anna F. Nearburg 1.09375%	Gulf 100%
	Sec. 11: NW/4, SE/4		HBP				
	Sec. 12: NW/4, SE/4						
7	Sec. 3: NE/4 SW/4	680	NM-02889	U.S.A. 12½%	Continental Oil Company	Marguerite Armitage Payne \$200.00 per acre out of 1%.	Continental 100%
	Sec. 11: NE/4, SW/4		HBP				
	Sec. 12: NE/4, SW/4						
8	Sec. 10: E/2 NE/4, SW/4 NE/4	120	NM-02889-A	U.S.A. 12½%	Gulf Oil Corporation	Marguerite Armitage Payne \$400.00 per acre out of 1%; and \$570.00 per acre out of 3%.	Gulf 100%
			12-3-64				
9	Sec. 10: NW/4 SW/4, E/2 SW/4	120	NM-02889-B	U.S.A. 12½%	The Pure Oil Company	Marguerite Armitage Payne 5%	Pure 100%
			12-3-64				
10	Sec. 10: NW/4 NE/4	40	NM-02889-D	U.S.A. 12½%	The Pure Oil Company	Robert G. Hanagan \$500.00 per acre out of 1%; Marguerite Armitage Payne \$400.00 per acre out of 1%; and \$570.00 per acre out of 3%.	Pure 100%
			12-3-64				

EXHIBIT "B" (Cont'd.)

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>FEDERAL LANDS (Cont'd.)</u>							
<u>T-24-S, R-32-E, N.M.P.M.</u>							
11	Sec. 10: SW/4 SW/4	40	NM-02889-E 12-3-64	U.S.A. 12½%	The Pure Oil Company	Ernest A. Hanson 5%	Pure 100%
<u>T-23-S, R-32-E, N.M.P.M.</u>							
12	Sec. 35: W/2	320	NM-03226 HBP	U.S.A. 12½%	Texaco Inc., A. G. McCarver, J. B. Palmer	Bruce Alene Carlin 1½% Marguerite Armitage Payne \$385.00 per acre out of 2% A. G. McCarver and J. B. Palmer \$192.50 per acre out of 1¼% of 8/8 Ralph C. Hart 1½%	Texaco 50% Pennzoil Company 50%
<u>T-24-S, R-32-E, N.M.P.M.</u>							
13	Sec. 26: E/2, NW/4 Sec. 35: E/2	800	NM-04465 HBP	U.S.A. 12½%	Pauline V. Trigg	Pauline V. Trigg 6.25%	Pure 100%
14	Sec. 4: S/2	320	NM-015130 9-30-64	U.S.A. 12½%	Marathon Oil Company	John H. Burton 1½% Josephine G. Antink 1½%	Marathon 100%

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>FEDERAL LANDS (Cont'd.)</u>							
<u>T-24-S, R-32-E, N.M.P.M.</u>							
15	Sec. 4: Lots 1,2,3,4, S/2 N/2	318.48	NM-015131-A 9-30-64	U.S.A. 12½%	Gulf Oil Corporation	Eugenia V. Bate 3%	Gulf 100%
16	Sec. 10: NW/4	160	NM-0268853 5-31-72	U.S.A. 12½%	The Pure Oil Company	E. R. Richardson 5%	Pure 100%
<u>T-23-S, R-32-E, N.M.P.M.</u>							
17	Sec. 34: SW/4, W/2 SE/4, SE/4 SE/4	280	NM-0356435 2-28-73	U.S.A. 12½%	The Pure Oil Company	Mary Charlotte Cooper 5%	Pure 100%
18	Sec. 33: SE/4 SE/4	40	NM-0362422 3-31-73	U.S.A. 12½%	International Oil and Gas Corporation	None	International 100%
<u>T-24-S, R-32-E, N.M.P.M.</u>							
19	Sec. 1: Lots 1,2,3, SE/4 NW/4, S/2 NE/4, SE/4, E/2 SW/4	1078.35	NM-0371175 4-30-73	U.S.A. 12½%	The Pure Oil Company	Morris W. Newman and Robert J. Newman \$750.00 per acre out of 5%	Pure 100%
<u>T-23-S, R-33-E, N.M.P.M.</u>							
20	Sec. 29: SW/4 SE/4	40	NM-0393404 5-31-73	U.S.A. 12½%	The Pure Oil Company	Yvonne McKnight 5%	Pure 100%

EXHIBIT "B" (Cont'd.)

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>FEDERAL LANDS (Cont'd.)</u>							
<u>T-23-S, R-32-E, N.M.P.M.</u>							
21	Sec. 24: NW/4	160	NM-0371379 4-30-73	U.S.A. 12½%	Texaco Inc.	R. E. Boyle 5%	Texaco 100%
<u>T-23-S, R-33-E, N.M.P.M.</u>							
22	Sec. 30: SE/4 SE/4	40	NM-0406620 6-30-73	U.S.A. 12½%	Richfield Oil Corporation and The British-American Oil Producing Company	None	Richfield 50% British-American 50%
<u>T-24-S, R-32-E, N.M.P.M.</u>							
23	Sec. 1: Lot 4, SW/4 NW/4, W/2 SW/4	159.49	NM-0424870 8-31-68 (5 year competitive)	U.S.A. Sliding Scale Royalty - Schedule "B"	The Pure Oil Company	None	Pure 100%
<u>T-23-S, R-32-E, N.M.P.M.</u>							
24	Sec. 27: SW/4 SW/4 Sec. 28: E/2 Sec. 33: N/2 NE/4, SW/4 NE/4 Sec. 34: N/2, NE/4 SE/4	340	NM-0433361 8-31-73	U.S.A. 12½%	Jacqueline H. Langdon	None	Jacqueline H. Langdon 100%
<u>STATE LANDS</u>							
<u>T-23-S, R-33-E, N.M.P.M.</u>							
25	Sec. 31: NE/4	160	E-7840-1 2-16-64	State of N.M. 12½%	Gulf Oil Corporation	None	Gulf 100%

Twenty Four Federal Tracts. 12,779.64 Acres or 74.13937% of Unit Area.

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>STATE LANDS (Cont'd.)</u>							
<u>T-23-S, R-32-E, N.M.P.M.</u>							
26	Sec. 36: S/2 SW/4, N/2 SE/4, N/2	796.31	E-8107 4-20-64	State of N. M. 12 $\frac{1}{2}$ %	Gulf Oil Corporation	None	Gulf 100%
<u>T-23-S, R-33-E, N.M.P.M.</u>							
	Sec. 31: Lots 3,4, E/2 SW/4, SE/4						
<u>T-24-S, R-32-E, N.M.P.M.</u>							
27	Sec. 2: Lots 1,2,3,4, S/2 NW/4, S/2	558.12	E-8324 HBP	State of N. M. 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon 100%
28	Sec. 2: S/2 NE/4	80	E-8324-1 HBP	State of N. M. 12 $\frac{1}{2}$ %	J. B. Palmer and A. G. McCarver, dba P-M Drilling Company	None	Marathon 100%
<u>T-24-S, R-33-E, N.M.P.M.</u>							
29	Sec. 5: Lots 1,2,3,4	159.08	E-8342-2 7-20-64	State of N. M. 12 $\frac{1}{2}$ %	Perry R. Bass and Richardson Oils, Inc.	None	Perry R. Bass 25% Richardson Oils 75%
30	Sec. 5: SE/4 NE/4, S/2	360	E-8438-2 8-17-64	State of N. M. 12 $\frac{1}{2}$ %	Perry R. Bass and Richardson Oils, Inc.	None	Perry R. Bass 25% Richardson Oils 75%
31	Sec. 5: SW/4 NE/4, S/2 NW/4	120	E-9142 6-21-65	State of N. M. 12 $\frac{1}{2}$ %	The Pure Oil Company	None	Pure 100%

EXHIBIT "B" (Cont'd.)

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>STATE LANDS (Cont'd.)</u>							
<u>T-23-S, R-33-E, N.M.P.M.</u>							
32	Sec. 31: NE/4 NW/4	40	K-1606-1 7-18-71	State of N. M. 12 $\frac{1}{2}$ %	The Pure Oil Company	Robert G. Hanagan \$500.00 per acre out of 5%	Pure 100%
33	Sec. 32: All <u>T-24-S, R-33-E, N.M.P.M.</u>	640	K-1773 9-19-71	State of N. M. 12 $\frac{1}{2}$ %	Gulf Oil Corporation	None	Gulf 100%
34	Sec. 6: All	634.72	K-2952 12-18-72	State of N. M. 12 $\frac{1}{2}$ %	Gulf Oil Corporation	None	Gulf 100%
35	Sec. 7: All <u>T-23-S, R-32-E, N.M.P.M.</u>	633.40	K-3018 1-15-73	State of N. M. 12 $\frac{1}{2}$ %	Gulf Oil Corporation	None	Gulf 100%
36	Sec. 36: N/2 SW/4, S/2 SE/4 <u>T-23-S, R-33-E, N.M.P.M.</u>	160	K-3593 9-17-73	State of N. M. 12 $\frac{1}{2}$ %	The Pure Oil Company	None	Pure 100%
37	Sec. 31: Lots 1,2, SE/4 NW/4	116.05	K-3594 9-17-73	State of N. M. 12 $\frac{1}{2}$ %	The Pure Oil Company	None	Pure 100%

Thirteen State Tracts. 4457.68 Acres or 25.86063% of Unit Area.

TOTAL ALL LANDS 17,237.32 ACRES

50th YEAR



THE PURE OIL COMPANY

SOUTHERN PRODUCING DIVISION • MIDLAND DISTRICT EXPLORATION
P. O. BOX 671 • MIDLAND, TEXAS 79701 • AREA CODE 915-MU 2-3725

February 13, 1964

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

RE: Brinninstool Deep Unit Area
Lea County, New Mexico

Gentlemen:

Pursuant to your Order No. R-2648, enclosed is complete executed copy of Unit Agreement covering the captioned.

Attached to such agreement is a copy of CERTIFICATION - DETERMINATION NO. 14-08-0001-8578 whereby the U.S.G.S. has approved the captioned effective as of February 12, 1964, together with a letter from the U.S.G.S. dated February 12, 1964, advising of such approval.

Also attached thereto is a copy of Certificate of Approval executed by the Commissioner of Public Lands, State of New Mexico.

Very truly yours,

THE PURE OIL COMPANY

E. B. White

EBW:md
Encls.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

IN REPLY REFER TO:

FEB 12 1964

The Pure Oil Company
P. O. Box 671
Midland, Texas 79701

Gentlemen:

On February 12, 1964, Acting Director of the Geological Survey, approved the Brinninstool Deep unit agreement, Lea County, New Mexico, filed by your company as unit operator. This agreement has been designated No. 14-08-0001-8578 and is effective as of the date of approval.

Enclosed are 3 copies of the approved unit agreement for your records. We request that you furnish the State of New Mexico and any other interested principal with whatever evidence of this approval is deemed appropriate.

Sincerely yours,


For the Director

Enclosures 3

CERTIFICATION - DETERMINATION

NO. 14-08-0001 8578

Pursuant to the authority vested in the Secretary of Interior as to Federal Lands, under the Act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Secs. 181, et seq., and delegated to the Director of the Geological Survey pursuant to Departmental Order No. 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 Brinninstool Deep Unit Area, Lea County, State of New Mexico.

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

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.

FEB 12 1964

DATED

Arthur D. Baker
Acting DIRECTOR, UNITED STATES GEOLOGICAL SURVEY.

RECEIVED
FEB 12 1964
U.S. GEOLOGICAL SURVEY
WASHINGTON, D.C.

CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

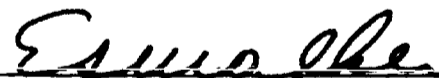
**BRINNINSTOOL DEEP UNIT
LEA COUNTY, NEW MEXICO**

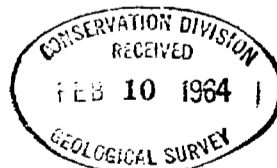
There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated January 22, 1964, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, 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 area.
- (b) That under the proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, 7-11-48, New Mexico Statutes Annotated 1953 Compilation, 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, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 6th day of February 19 64.


Commissioner of Public Lands
of the State of New Mexico



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U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

UNIT AGREEMENT FOR THE DEVELOPMENT AND OPERATION
OF THE BRINNINSTOOL DEEP UNIT AREA, LEA COUNTY,
NEW MEXICO

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Exhibits

EXHIBIT "A" - MAP OF UNIT AREA
EXHIBIT "B" - SCHEDULE OF OWNERSHIP IN LANDS

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
BRINNINSTOOL DEEP UNIT AREA
LEA COUNTY, NEW MEXICO
NO. _____

THIS AGREEMENT, entered into as of the 22nd day of January,
1964, by and between the parties subscribing, ratifying, or consenting hereto,
and herein referred to as the "parties hereto",

WITNESSETH:

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

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437,
as amended, 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 a cooperative or unit plan of develop-
ment or operation of any oil or gas pool, field, or like area, or any part
thereof for the purpose of more properly conserving the natural resources
thereof whenever determined and certified by the Secretary of the Interior to
be necessary or advisable in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico
is authorized by an Act of the Legislature (Sec. 7-11-39 N.M. Statutes 1953
Annotated) to consent to or approve this agreement on behalf of the State of
New Mexico, insofar as it covers and includes lands and mineral interests of
the State of New Mexico; and,

WHEREAS, the Oil Conservation Commission of the State of New Mexico
is authorized by an Act of the Legislature (Chapter 72, Laws of 1935, as
amended by Chapter 193, Laws of 1937, Chapter 166, Laws of 1941, and Chapter
168, Laws of 1949) to approve this agreement and the conservation provisions
hereof; and,

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

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ROSWELL, NEW MEXICO

1 WHEREAS, it is the purpose of the parties hereto to conserve natural 1
2 resources, prevent waste, and secure other benefits obtainable through develop- 2
3 ment and operations of the area subject to this agreement under the terms, 3
4 conditions and limitations herein set forth; 4
5 NOW, THEREFORE, in consideration of the premises and the promises 5
6 herein contained, the parties hereto commit to this agreement their respective 6
7 interests in the below-defined unit area, and agree severally among themselves 7
8 as follows: 8
9 1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of 9
10 February 25, 1920, as amended, supra, and all valid pertinent regulations, 10
11 including operating and unit plan regulations, heretofore issued thereunder 11
12 or valid, pertinent, and reasonable regulations hereafter issued thereunder 12
13 are accepted and made a part of this agreement as to Federal lands, provided 13
14 such regulations are not inconsistent with the terms of this agreement; and 14
15 as to State of New Mexico and privately owned lands, the oil and gas operating 15
16 regulations in effect as of the effective date hereof governing drilling and 16
17 producing operations, not inconsistent with the terms hereof or the laws of 17
18 the State of New Mexico are hereby accepted and made a part of this agreement. 18
19 2. UNIT AREA. The following-described land is hereby designated 19
20 and recognized as constituting the unit area: 20
21 T-23-S, R-32-E, N.M.P.M. T-23-S, R-33-E, N.M.P.M. 21
22 Sec. 24: All Sec. 19: All 22
23 Sec. 25: All Sec. 20: All 23
24 Sec. 26: All Sec. 21: All 24
25 Sec. 27: All Sec. 28: All 25
26 Sec. 28: All Sec. 29: All 26
27 Sec. 33: All Sec. 30: All 27
28 Sec. 34: All Sec. 31: All 28
29 Sec. 35: All Sec. 32: All 29
30 Sec. 36: All Sec. 32: All 30
31 T-24-S, R-32-E, N.M.P.M. T-24-S, R-33-E, N.M.P.M. 31
32 Sec. 1: All Sec. 5: All 32
33 Sec. 2: All Sec. 6: All 33
34 Sec. 3: All Sec. 7: All 34
35 Sec. 4: All Sec. 7: All 35
36 Sec. 10: All Sec. 7: All 36
37 Sec. 11: All Sec. 7: All 37
38 Sec. 12: All Sec. 7: All 38
39 containing 17,237.32 acres, more or less. 39

1 Exhibit A attached hereto is a map showing the unit area and the 1
2 boundaries and identity of tracts and leases in said area to the extent known 2
3 to the Unit Operator. Exhibit B attached hereto is a schedule showing to the 3
4 extent known to the Unit Operator the acreage, percentage, and kind of owner- 4
5 ship of oil and gas interests in all land in the unit area. However, nothing 5
6 herein or in said schedule or map shall be construed as a representation by 6
7 any party hereto as to the ownership of any interest other than such interest 7
8 or interests as are shown in said map or schedule as owned by such party. 8
9 Exhibits A and B shall be revised by the Unit Operator whenever changes in 9
10 the unit area render such revision necessary, or when requested by the Oil 10
11 and Gas Supervisor, hereinafter referred to as "Supervisor", or when requested 11
12 by the Commissioner of Public Lands of the State of New Mexico, hereinafter 12
13 referred to as "Land Commissioner", and not less than six (6) copies of the 13
14 revised exhibits shall be filed with the Supervisor, and one (1) copy thereof 14
15 shall be filed with the Land Commissioner and one (1) copy with the New Mexico 15
16 Oil Conservation Commission, hereinafter referred to as "State Commission". 16
17 The above-described unit area shall when practicable be expanded to 17
18 include therein any additional tract or tracts regarded as reasonably neces- 18
19 sary or advisable for the purposes of this agreement, or shall be contracted 19
20 to exclude lands not within any participating area whenever such expansion or 20
21 contraction is necessary or advisable to conform with the purposes of this 21
22 agreement. Such expansion or contraction shall be effected in the following 22
23 manner: 23
24 (a) Unit Operator, on its own motion, or on demand of the Director 24
25 of the Geological Survey, hereinafter referred to as "Director", or on demand 25
26 of the Land Commissioner, after preliminary concurrence by the Director, shall 26
27 prepare a notice of proposed expansion or contraction describing the contem- 27
28 plated changes in the boundaries of the unit area, the reasons therefor, and 28
29 the proposed effective date thereof, preferably the first day of a month 29
30 subsequent to the date of notice. 30
31 (b) Said notice shall be delivered to the Supervisor, the Land 31
32 Commissioner and the State Commission and copies thereof mailed to the last 32
33 known address of each working interest owner, lessee, and lessor whose 33
34 interests are affected, advising that 30 days will be allowed for submission 34
35 to the Unit Operator of any objections. 35

1 (c) Upon expiration of the 30-day period provided in the preceding 1
2 item (b) hereof, Unit Operator shall file with the Supervisor, the Land 2
3 Commissioner and the State Commission evidence of mailing of the notice of 3
4 expansion or contraction and a copy of any objections thereto which have been 4
5 filed with the Unit Operator, together with an application in sufficient 5
6 number, for approval of such expansion or contraction and with appropriate 6
7 joinders. 7

8 (d) After due consideration of all pertinent information, the 8
9 expansion or contraction shall, upon approval by the Director, the Land 9
10 Commissioner and the State Commission, become effective as of the date pre- 10
11 scribed in the notice thereof. 11

12 (e) All legal subdivisions of unitized lands (i.e., 40 acres by 12
13 Government survey or its nearest lot or tract equivalent in instances of 13
14 irregular surveys, however, unusually large lots or tracts shall be considered 14
15 in multiples of 40 acres, or the nearest aliquot equivalent thereof, for the 15
16 purpose of elimination under this subsection), no parts of which are entitled 16
17 to be in a participating area within 5 years after the first day of the month 17
18 following the effective date of the first initial participating area estab- 18
19 lished under this unit agreement, shall be eliminated automatically from this 19
20 agreement, effective as of the first day thereafter, and such lands shall no 20
21 longer be a part of the unit area and shall no longer be subject to this 21
22 agreement, unless at the expiration of said 5-year period diligent drilling 22
23 operations are in progress on unitized lands not entitled to participation, 23
24 in which event all such lands shall remain subject hereto for so long as such 24
25 drilling operations are continued diligently, with not more than 90 days' 25
26 time elapsing between the completion of one such well and the commencement of 26
27 the next such well, except that the time allowed between such wells shall not 27
28 expire earlier than 30 days after the expiration of any period of time during 28
29 which drilling operations are prevented by a matter beyond the reasonable 29
30 control of unit operator as set forth in the section hereof entitled 30
31 "Unavoidable Delay"; provided that all legal subdivisions of lands not in a 31
32 participating area and not entitled to become participating under the appli- 32
33 cable provisions of this agreement within 10 years after said first day of 33
34 the month following the effective date of said first initial participating 34
35 area shall be eliminated as above specified. Determination of creditable 35

1 "Unavoidable Delay" time shall be made by unit operator and subject to approval 1
2 of the Director and the Land Commissioner. The unit operator shall, within 2
3 90 days after the effective date of any elimination hereunder, describe the 3
4 area so eliminated to the satisfaction of the Director and the Land 4
5 Commissioner and promptly notify all parties in interest. 5

6 If conditions warrant extension of the 10-year period specified in 6
7 this subsection 2 (e), a single extension of not to exceed 2 years may be 7
8 accomplished by consent of the owners of 90% of the current unitized working 8
9 interests and 60% of the current unitized basic royalty interests (exclusive 9
10 of the basic royalty interests of the United States), on a total-nonpartici- 10
11 pating-acreage basis, respectively, with approval of the Director, and the 11
12 Land Commissioner provided such extension application is submitted to the Land 12
13 Commissioner and the Director not later than 60 days prior to the expiration 13
14 of said 10-year period. 14

15 Any expansion of the unit area pursuant to this section which 15
16 embraces lands theretofore eliminated pursuant to this subsection 2 (e) shall 16
17 not be considered automatic commitment or recommitment of such lands. 17

18 3. UNITIZED LAND AND SUBSTANCES. All land committed to this Agree- 18
19 ment, as to all formations below the top of the Cherry Canyon Formation of the 19
20 Delaware Mountain Group of the Permian Age, encountered at a depth of 5923 20
21 feet in the Max Wilson #1 Continental-Federal well located 660' from the North 21
22 Line and 1980' from the West Line of Section 28, Twp. 23 South, Rge. 32 East, 22
23 N.M.P.M., as shown by the Lane Wells "Acoustilog" thereof dated February 2, 23
24 1963, shall constitute land referred to herein as "unitized land" or "land 24
25 subject to this agreement". All oil and gas in any and all formations lying 25
26 below the top of the said Cherry Canyon Formation, as shown by the said 26
27 "Acoustilog" of the said Max Wilson #1 Continental-Federal well, of the 27
28 unitized land are unitized under the terms of this agreement and are herein 28
29 called "unitized substances". 29

30 4. UNIT OPERATOR. The Pure Oil Company is hereby designated as 30
31 Unit Operator and by signature hereto as Unit Operator agrees and consents to 31
32 accept the duties and obligations of Unit Operator for the discovery, develop- 32
33 ment and production of unitized substances as herein provided. Whenever 33
34 reference is made herein to the Unit Operator, such reference means the Unit 34

1 Operator acting in that capacity and not as an owner of interest in unitized 1
2 substances, and the term "working interest owner" when used herein shall 2
3 include or refer to Unit Operator as the owner of a working interest when 3
4 such an interest is owned by it. 4

5 5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall 5
6 have the right to resign at any time prior to the establishment of a partici- 6
7 pating area or areas hereunder, but such resignation shall not become effective 7
8 so as to release Unit Operator from the duties and obligations of Unit Operator 8
9 and terminate Unit Operator's rights as such for a period of 6 months after 9
10 notice of intention to resign has been served by Unit Operator on all working 10
11 interest owners and the Director, the Land Commissioner and State Commission 11
12 and until all wells then drilled hereunder are placed in a satisfactory 12
13 condition for suspension or abandonment whichever is required by the Supervisor 13
14 as to Federal lands and the State Commission as to State and privately owned 14
15 lands unless a new Unit Operator shall have been selected and approved and 15
16 shall have taken over and assumed the duties and obligations of Unit Operator 16
17 prior to the expiration of said period. 17

18 Unit Operator shall have the right to resign in like manner and 18
19 subject to like limitations, as above provided, at any time a participating 19
20 area established hereunder is in existence, but, in all instances of 20
21 resignation or removal, until a successor unit operator is selected and 21
22 approved as hereinafter provided, the working interest owners shall be jointly 22
23 responsible for performance of the duties of unit operator, and shall not later 23
24 than 30 days before such resignation or removal becomes effective appoint a 24
25 common agent to represent them in any action to be taken hereunder. 25

26 The resignation of Unit Operator shall not release Unit Operator 26
27 from any liability for any default by it hereunder occurring prior to the 27
28 effective date of its resignation. 28

29 The Unit Operator may, upon default or failure in the performance 29
30 of its duties or obligations hereunder, be subject to removal by the same 30
31 percentage vote of the owners of working interests determined in like manner 31
32 as herein provided for the selection of a new Unit Operator. Such removal 32
33 shall be effective upon notice thereof to the Director and the Land Commissioner 33

1 The resignation or removal of Unit Operator under this agreement 1
2 shall not terminate its right, title, or interest as the owner of a working 2
3 interest or other interest in unitized substances, but upon the resignation 3
4 or removal of Unit Operator becoming effective, such Unit Operator shall 4
5 deliver possession of all equipment, materials, and appurtenances used in 5
6 conducting the unit operations and owned by the working interest owners to the 6
7 new duly qualified successor Unit Operator or to the owners thereof if no such 7
8 new Unit Operator is elected, to be used for the purpose of conducting unit 8
9 operations hereunder. Nothing herein shall be construed as authorizing 9
10 removal of any material, equipment and appurtenances needed for the preser- 10
11 vation of any wells. 11

12 6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall 12
13 tender his or its resignation as Unit Operator, or shall be removed as here- 13
14 inabove provided, or a change of Unit Operator is negotiated by working 14
15 interest owners, the owners of the working interests in the participating 15
16 area or areas according to their respective acreage interests in such partici- 16
17 pating area or areas, or, until a participating area shall have been estab- 17
18 lished, the owners of the working interests according to their respective 18
19 acreage interests in all unitized land, shall by majority vote select a 19
20 successor Unit Operator: Provided, that, if a majority but less than 75 per 20
21 cent of the working interests qualified to vote are owned by one party to 21
22 this agreement, a concurring vote of one or more additional working interest 22
23 owners shall be required to select a new operator. Such selection shall not 23
24 become effective until: 24

25 (a) a Unit Operator so selected shall accept in writing the duties 25
26 and responsibilities of Unit Operator, and 26

27 (b) the selection shall have been filed with the Supervisor and 27
28 approved by the Land Commissioner. If no successor Unit Operator is selected 28
29 and qualified as herein provided, the Director and Land Commissioner at their 29
30 election may declare this unit agreement terminated. 30

31 7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit 31
32 Operator is not the sole owner of working interests, costs and expenses 32
33 incurred by Unit Operator in conducting unit operations hereunder shall be 33
34 paid and apportioned among and borne by the owners of working interests, all 34

1 in accordance with the agreement or agreements entered into by and between the 1
2 Unit Operator and the owners of working interests, whether one or more, 2
3 separately or collectively. Any agreement or agreements entered into between 3
4 the working interest owners and the Unit Operator as provided in this section, 4
5 whether one or more, are herein referred to as the "unit operating agreement". 5
6 Such unit operating agreement shall also provide the manner in which the 6
7 working interest owners shall be entitled to receive their respective propor- 7
8 tionate and allocated share of the benefits accruing hereto in conformity 8
9 with their underlying operating agreements, leases, or other independent con- 9
10 tracts, and such other rights and obligations as between Unit Operator and 10
11 the working interest owners as may be agreed upon by Unit Operator and the 11
12 working interest owners; however, no such unit operating agreement shall be 12
13 deemed either to modify any of the terms and conditions of this unit agree- 13
14 ment or to relieve the Unit Operator of any right or obligation established 14
15 under this unit agreement, and in case of any inconsistency or conflict 15
16 between the unit agreement and the unit operating agreement, this unit agree- 16
17 ment shall prevail. Three (3) true copies of any unit operating agreement 17
18 executed pursuant to this section should be filed with the Supervisor and 18
19 one (1) true copy with the Land Commissioner, prior to approval of this unit 19
20 agreement by the Director. 20

21 8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise 21
22 specifically provided herein, the exclusive right, privilege, and duty of 22
23 exercising any and all rights of the parties hereto which are necessary or 23
24 convenient for prospecting for, producing, storing, allocating, and distrib- 24
25 uting the unitized substances are hereby delegated to and shall be exercised 25
26 by the Unit Operator as herein provided. Acceptable evidence of title to said 26
27 rights shall be deposited with said Unit Operator and, together with this 27
28 agreement, shall constitute and define the rights, privileges, and obligations 28
29 of Unit Operator. Nothing herein, however, shall be construed to transfer 29
30 title to any land or to any lease or operating agreement, it being understood 30
31 that under this agreement the Unit Operator, in its capacity as Unit Operator, 31
32 shall exercise the rights of possession and use vested in the parties hereto 32
33 only for the purposes herein specified. 33

1 9. DRILLING TO DISCOVERY. Within 6 months after the effective 1
 2 date hereof, the Unit Operator shall begin to drill an adequate test well at 2
 3 a location approved by the Supervisor if on Federal land or by the Land 3
 4 Commissioner if on State land, or by the State Commission if on privately 4
 5 owned land, unless on such effective date a well is being drilled conformably 5
 6 with the terms hereof, and thereafter continue such drilling diligently until 6
 7 the Devonian formation has been tested or until at a lesser depth unitized 7
 8 substances shall be discovered which can be produced in paying quantities 8
 9 (to-wit: quantities sufficient to repay the costs of drilling and producing 9
 10 operations, with a reasonable profit) or the Unit Operator at any time 10
 11 establish to the satisfaction of the Supervisor if on Federal land, or the 11
 12 Land Commissioner if on State land, or of the State Commission if on privately 12
 13 owned land, that further drilling of said well would be unwarranted or 13
 14 impracticable; provided, however, that Unit Operator shall not in any event 14
 15 be required to drill said well to a depth in excess of 16,300 feet. Until 15
 16 the discovery of a deposit of unitized substances capable of being produced 16
 17 in paying quantities, the Unit Operator shall continue drilling diligently, 17
 18 one well at a time, allowing not more than 6 months between the completion 18
 19 of one well and the beginning of the next well, until a well capable of 19
 20 producing unitized substances in paying quantities is completed to the satis- 20
 21 faction of said Supervisor if it be on Federal land or of the Land Commissioner 21
 22 if on State land or the State Commission if on privately owned land or until 22
 23 it is reasonably proved that the unitized land is incapable of producing 23
 24 unitized substances in paying quantities in the formations drilled hereunder. 24
 25 Nothing in this section shall be deemed to limit the right of the Unit 25
 26 Operator to resign as provided in Section 5 hereof, or as requiring Unit 26
 27 Operator to commence or continue any drilling during the period pending such 27
 28 resignation becoming effective in order to comply with the requirements of 28
 29 this section. The Director and Land Commissioner may modify the drilling 29
 30 requirements of this section by granting reasonable extensions of time when, 30
 31 in their opinion, such action is warranted. 31
 32 Upon failure to comply with the drilling provisions of this section, 32
 33 the Director and Land Commissioner may, after reasonable notice to the Unit 33
 34 Operator, and each working interest owner, lessee, and lessor at their last 34
 35 known addresses, declare this unit agreement terminated. 35

1 10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within 6 months 1
2 after completion of a well capable of producing unitized substances in paying 2
3 quantities, the Unit Operator shall submit for the approval of the Supervisor 3
4 and the Land Commissioner an acceptable plan of development and operation for 4
5 the unitized land which, when approved by the Supervisor and the Land Com- 5
6 missioner, shall constitute the further drilling and operating obligations of 6
7 the Unit Operator under this agreement for the period specified therein. 7
8 Thereafter, from time to time before the expiration of any existing plan, the 8
9 Unit Operator shall submit for the approval of the Supervisor and the Land 9
10 Commissioner a plan for an additional specified period for the development and 10
11 operation of the unitized land. 11
12 Any plan submitted pursuant to this section shall provide for the 12
13 exploration of the unitized area and for the diligent drilling necessary for 13
14 determination of the area or areas thereof capable of producing unitized 14
15 substances in paying quantities in each and every productive formation and 15
16 shall be as complete and adequate as the Supervisor and the Land Commissioner 16
17 may determine to be necessary for timely development and proper conservation 17
18 of the oil and gas resources of the unitized area and shall: 18
19 (a) specify the number and location of any wells to be drilled and 19
20 the proposed order and time for such drilling; and, 20
21 (b) to the extent practicable specify the operating practices re- 21
22 garded as necessary and advisable for proper conservation of natural resources. 22
23 Separate plans may be submitted for separate productive zones, subject to the 23
24 approval of the Supervisor and the Land Commissioner. 24
25 Plans shall be modified or supplemented when necessary to meet 25
26 changed conditions or to protect the interests of all parties to this agree- 26
27 ment. Reasonable diligence shall be exercised in complying with the obliga- 27
28 tions of the approved plan of development. The Supervisor and Land 28
29 Commissioner are authorized to grant a reasonable extension of the 6-month 29
30 period herein prescribed for submission of an initial plan of development 30
31 where such action is justified because of unusual conditions or circumstances. 31
32 After completion hereunder of a well capable of producing any unitized sub- 32
33 stance in paying quantities, no further wells, except such as may be necessary 33
34 to afford protection against operations not under this agreement or such as 34

1 may be specifically approved by the Supervisor and the Land Commissioner
2 shall be drilled except in accordance with a plan of development approved as
3 herein provided.

4 11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well
5 capable of producing unitized substances in paying quantities, or as soon
6 thereafter as required by the Supervisor or the Land Commissioner, the Unit
7 Operator shall submit for approval by the Director and the Land Commissioner
8 a schedule, based on subdivisions of the public-land survey or aliquot parts
9 thereof, of all unitized land then regarded as reasonably proved to be pro-
10 ductive of unitized substances in paying quantities; all lands in said
11 schedule on approval of the Director and the Land Commissioner to constitute
12 a participating area, effective as of the date of completion of such well or
13 the effective date of the unit agreement, whichever is later. The acreages
14 of both Federal and non-Federal lands shall be based upon appropriate
15 computations from the courses and distances shown on the last approved public-
16 land survey as of the effective date of the initial participating area. Said
17 schedule also shall set forth the percentage of unitized substances to be
18 allocated as herein provided to each unitized tract in the participating area
19 so established, and shall govern the allocation of production from and after
20 the date the participating area becomes effective. A separate participating
21 area shall be established in like manner for each separate pool or deposit of
22 unitized substances or for any group thereof produced as a single pool or zone,
23 and any two or more participating areas so established may be combined into
24 one with the consent of the owners of all working interests in the lands
25 within the participating areas so to be combined, on approval of the Director
26 and the Land Commissioner. The participating area or areas so established
27 shall be revised from time to time, subject to like approval, whenever such
28 action appears proper as a result of further drilling operations or otherwise,
29 to include additional land then regarded as reasonably proved to be productive
30 in paying quantities, or to exclude land then regarded as reasonably proved
31 not to be productive in paying quantities and the percentage of allocation
32 shall also be revised accordingly. The effective date of any revision shall
33 be the first of the month in which is obtained the knowledge or information
34 on which such revision is predicated, provided, however, that a more

1 appropriate effective date may be used if justified by the Unit Operator and
2 approved by the Director and the Land Commissioner. No land shall be
3 excluded from a participating area on account of depletion of the unitized
4 substances.

5 It is the intent of this section that a participating area shall
6 represent the area known or reasonably estimated to be productive in paying
7 quantities; but, regardless of any revision of the participating area,
8 nothing herein contained shall be construed as requiring any retroactive
9 adjustment for production obtained prior to the effective date of the
10 revision of the participating area.

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

24 Whenever it is determined, subject to the approval of the Super-
25 visor, as to wells drilled on Federal land and of the Land Commissioner as
26 to wells drilled on State land and the State Commission as to wells on
27 privately owned lands, that a well drilled under this agreement is not
28 capable of production in paying quantities and inclusion of the land on which
29 it is situated in a participating area is unwarranted, production from such
30 well shall, for the purposes of settlement among all parties other than
31 working interest owners, be allocated to the land on which the well is
32 located so long as such land is not within a participating area established
33 for the pool or deposit from which such production is obtained. Settlement
34 for working interest benefits from such a well shall be made as provided in
35 the unit operating agreement.

1 12. ALLOCATION OF PRODUCTION. All unitized substances produced 1
2 from each participating area established under this agreement, except any 2
3 part thereof used in conformity with good operating practices within the 3
4 unitized area for drilling, operating, camp and other production or develop- 4
5 ment purposes, for repressuring or recycling in accordance with a plan of 5
6 development approved by the Supervisor, and Land Commissioner and the State 6
7 Commission, or unavoidably lost, shall be deemed to be produced equally on 7
8 an acreage basis from the several tracts of unitized land of the partici- 8
9 pating area established for such production and, for the purpose of deter- 9
10 mining any benefits accruing under this agreement, each such tract of 10
11 unitized land shall have allocated to it such percentage of said production 11
12 as the number of acres of such tract included in said participating area 12
13 bears to the total acres of unitized land in said participating area, except 13
14 that allocation of production hereunder for purposes other than for settle- 14
15 ment of the royalty, overriding royalty, or payment out of production 15
16 obligations of the respective working interest owners, shall be on the basis 16
17 prescribed in the unit operating agreement whether in conformity with the 17
18 basis of allocation herein set forth or otherwise. It is hereby agreed that 18
19 production of unitized substances from a participating area shall be 19
20 allocated as provided herein regardless of whether any wells are drilled on 20
21 any particular part or tract of said participating area. If any gas produced 21
22 from one participating area is used for repressuring or recycling purposes 22
23 in another participating area, the first gas withdrawn from such last- 23
24 mentioned participating area for sale during the life of this agreement shall 24
25 be considered to be the gas so transferred until an amount equal to that 25
26 transferred shall be so produced for sale and such gas shall be allocated to 26
27 the participating area from which initially produced as constituted at the 27
28 time of such final production. 28

29 13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR 29
30 FORMATIONS. Any party hereto owning or controlling the working interest in 30
31 any unitized land having thereon a regular well location may with the 31
32 approval of the Supervisor as to Federal land, the Land Commissioner as to 32
33 State land, and the State Commission as to privately owned land, and subject 33
34 to the provisions of the Unit Operating Agreement, at such party's sole risk, 34

1 costs, and expense drill a well at such location on such land to test any 1
2 formation for which a participating area has not been established or to test 2
3 any formation for which a participating area has been established if such 3
4 location is not within said participating area, or drill any well not mutually 4
5 agreed to by all interested parties, unless within 90 days of receipt of 5
6 notice from said party of his intention to drill the well the Unit Operator 6
7 elects and commences to drill such a well in like manner as other wells are 7
8 drilled by the Unit Operator under this agreement. 8

9 If any well drilled as aforesaid by a working interest owner results 9
10 in production such that the land upon which it is situated may properly be 10
11 included in a participating area, such participating area shall be established 11
12 or enlarged as provided in this agreement and the well shall thereafter be 12
13 operated by the Unit Operator in accordance with the terms of this agreement 13
14 and the unit operating agreement. 14

15 If any well drilled as aforesaid by a working interest owner obtains 15
16 production in quantities insufficient to justify the inclusion in a partici- 16
17 pating area of the land upon which such well is situated, such well may be 17
18 operated and produced by the party drilling the same subject to the conserva- 18
19 tion requirements of this agreement. The royalties in amount or value of 19
20 production from any such well shall be paid as specified in the underlying 20
21 lease and agreements affected. 21

22 14. ROYALTY SETTLEMENT. The United States and any State and all 22
23 royalty owners who, under existing contract, are entitled to take in kind a 23
24 share of the substances now unitized hereunder produced from any tract, shall 24
25 hereafter be entitled to the right to take in kind their share of the unitized 25
26 substances allocated to such tract, and Unit Operator, or in case of the 26
27 operation of a well by a working interest owner as herein in special cases 27
28 provided for, such working interest owner, shall make deliveries of such 28
29 royalty share taken in kind in conformity with the applicable contracts, laws, 29
30 and regulations. Settlement for royalty interest not taken in kind shall be 30
31 made by working interest owners responsible therefor under existing contracts, 31
32 laws and regulations on or before the last day of each month for unitized 32
33 substances produced during the preceding calendar month; provided, however, 33

1 that nothing herein contained shall operate to relieve the lessees of any land 1
2 from their respective lease obligations for the payment of any royalties due 2
3 under their leases. 3

4 If gas obtained from lands not subject to this agreement is intro- 4
5 duced into any participating area hereunder, for use in repressuring, stimu- 5
6 lation of production, or increasing ultimate recovery, which shall be in 6
7 conformity with a plan first approved by the Supervisor, the Land Commissioner, 7
8 and the State Commission, a like amount of gas, after settlement as herein 8
9 provided for any gas transferred from any other participating area and with 9
10 due allowance for loss or depletion from any cause, may be withdrawn from the 10
11 formation into which the gas was introduced, royalty free as to dry gas, but 11
12 not as to the products extracted therefrom; provided that such withdrawal shall 12
13 be at such time as may be provided in the plan of operations or as may other- 13
14 wise be consented to by the Supervisor, the Land Commissioner and the State 14
15 Commission as conforming to good petroleum engineering practice; and provided 15
16 further, that such right of withdrawal shall terminate on the termination of 16
17 this unit agreement. 17

18 Royalty due the United States shall be computed as provided in the 18
19 operating regulations and paid in value or delivered in kind as to all 19
20 unitized substances on the basis of the amounts thereof allocated to unitized 20
21 Federal land as provided herein at the rates specified in the respective 21
22 Federal leases, or at such lower rate or rates as may be authorized by law or 22
23 regulation; provided, that for leases on which the royalty rate depends on the 23
24 daily average production per well, said average production shall be determined 24
25 in accordance with the operating regulations as though each participating area 25
26 were a single consolidated lease. 26

27 Royalty due on account of State and privately owned lands shall be 27
28 computed and paid on the basis of all unitized substances allocated to such 28
29 lands. 29

30 15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases 30
31 committed hereto shall be paid by working interest owners responsible therefor 31
32 under existing contracts, laws, and regulations, provided that nothing herein 32
33 contained shall operate to relieve the lessees of any land from their 33
34 respective lease obligations for the payment of any rental or minimum royalty 34

1 in lieu thereof due under their leases. Rental or minimum royalty for lands
2 of the United States subject to this agreement shall be paid at the rate
3 specified in the respective leases from the United States unless such rental
4 or minimum royalty is waived, suspended, or reduced by law or by approval of
5 the Secretary or his duly authorized representative.

6 Rentals on State of New Mexico lands subject to this agreement shall
7 be paid at the rates specified in the respective leases.

8 With respect to any lease on non-Federal land containing provisions
9 which would terminate such lease unless drilling operations were within the
10 time therein specified commenced upon the land covered thereby or rental paid
11 for the privilege of deferring such drilling operations, the rentals required
12 thereby shall, notwithstanding any other provision of this agreement, be
13 deemed to accrue and become payable during the term thereof as extended by
14 this agreement and until the required drilling operations are commenced upon
15 the land covered thereby or some portion of such land is included within a
16 participating area.

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

21 17. DRAINAGE. The Unit Operator shall take appropriate and ade-
22 quate measures to prevent drainage of unitized substances from unitized land
23 by wells on land not subject to this agreement, or, with the consent of the
24 Director and the Land Commissioner, pursuant to applicable regulations pay a
25 fair and reasonable compensatory royalty.

26 18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, con-
27 ditions, and provisions of all leases, subleases, and other contracts relating
28 to exploration, drilling, development, or operations for oil or gas of lands
29 committed to this agreement are hereby expressly modified and amended to the
30 extent necessary to make the same conform to the provisions hereof, but other-
31 wise remain in full force and effect; and the parties hereto hereby consent
32 that the Secretary as to Federal leases and the Land Commissioner as to State
33 leases shall and each by his approval hereof, or by the approval hereof by his
34 duly authorized representative, does hereby establish, alter, change, or
35 revoke the drilling, producing, rental, minimum royalty, and royalty

1 requirements of Federal and State leases committed hereto and the regulations
2 in respect thereto to conform said requirements to the provisions of this
3 agreement, and, without limiting the generality of the foregoing, all leases,
4 subleases, and contracts are particularly modified in accordance with the
5 following:

6 (a) The development and operation of lands subject to this agree-
7 ment under the terms hereof shall be deemed full performance of all obligations
8 for development and operation with respect to each and every part or sep-
9 arately owned tract subject to this agreement, regardless of whether there is
10 any development of any particular part or tract of the unit area, notwith-
11 standing anything to the contrary in any lease, operating agreement or other
12 contract by and between the parties hereto, or their respective predecessors
13 in interest, or any of them.

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

19 (c) Suspension of drilling or producing operations on all unitized
20 lands pursuant to direction or consent of the Secretary and the Land Com-
21 missioner, or their duly authorized representative, shall be deemed to
22 constitute such suspension pursuant to such direction or consent as to each
23 and every tract of unitized land.

24 (d) Each lease, sublease or contract relating to the exploration,
25 drilling, development or operation for oil or gas of lands, other than those
26 of the United States and State of New Mexico, committed to this agreement,
27 which, by its terms might expire prior to the termination of this agreement,
28 is hereby extended beyond any such term so provided therein so that it shall
29 be continued in full force and effect for and during the term of this agree-
30 ment.

31 (e) Any Federal lease for a fixed term of twenty (20) years or any
32 renewal thereof or any part of such lease which is made subject to this agree-
33 ment shall continue in force beyond the term provided therein until the termi-
34 nation hereof. Any other Federal lease committed hereto shall continue in

1 force beyond the term so provided therein or by law as to the land committed 1
2 so long as such lease remains subject hereto, provided that production is had 2
3 in paying quantities under this unit agreement prior to the expiration date 3
4 of the term of such lease, or in the event actual drilling operations are 4
5 commenced on unitized land, in accordance with the provisions of this agree- 5
6 ment, prior to the end of the primary term of such lease and are being 6
7 diligently prosecuted at that time such lease shall be extended for two years 7
8 and so long thereafter as oil or gas is produced in paying quantities in 8
9 accordance with the provisions of the Mineral Leasing Act Revision of 1960. 9

10 (f) Each sublease or contract relating to the operation and 10
11 development of unitized substances from lands of the United States committed 11
12 to this agreement, which by its terms would expire prior to the time at 12
13 which the underlying lease, as extended by the immediately preceding para- 13
14 graph, will expire, is hereby extended beyond any such term so provided 14
15 therein so that it shall be continued in full force and effect for and during 15
16 the term of the underlying lease as such term is herein extended. 16

17 (g) Any lease embracing lands of the State of New Mexico which is 17
18 made subject to this agreement, shall continue in force beyond the term pro- 18
19 vided therein as to the lands committed hereto until the termination hereof. 19

20 (h) The segregation of any Federal lease committed to this agree- 20
21 ment is governed by the following provision in the fourth paragraph of 21
22 Sec. 17 (j) of the Act, as amended by the Act of September 2, 1960 (74 Stat. 22
23 781, 784): "Any (Federal) lease heretofore or hereafter committed to any 23
24 such (unit) plan embracing lands that are in part within and in part outside 24
25 of the area covered by any such plan shall be segregated into separate leases 25
26 as to the lands committed and the lands not committed as of the effective 26
27 date of unitization: Provided, however, that any such lease as to the 27
28 nonunitized portion shall continue in force and effect for the term thereof 28
29 but for not less than two years from the date of such segregation and so long 29
30 thereafter as oil or gas is produced in paying quantities." 30

31 (i) Any lease embracing lands of the State of New Mexico having 31
32 only a portion of its lands committed hereto, shall be segregated as to the 32
33 portion committed and the portion not committed, and the terms of such lease 33
34 shall apply separately to such segregated portions commencing as of the 34

1 effective date hereof; provided, however, notwithstanding any of the pro- 1
2 visions of this agreement to the contrary any lease embracing lands of the 2
3 State of New Mexico having only a portion of its lands committed hereto shall 3
4 continue in full force and effect beyond the term provided therein as to all 4
5 lands embraced in such lease, if oil or gas is discovered and is capable of 5
6 being produced in paying quantities from some part of the lands embraced in 6
7 such lease at the expiration of the secondary term of such lease; or if, at 7
8 the expiration of the secondary term, the Lessee or the Unit Operator is then 8
9 engaged in bona fide drilling or reworking operations on some part of the 9
10 lands embraced in such lease, the same, as to all lands embraced therein, 10
11 shall remain in full force and effect so long as such operations are being 11
12 diligently prosecuted, and if they result in the production of oil or gas, 12
13 said lease shall continue in full force and effect as to all of the lands 13
14 embraced therein, so long thereafter as oil or gas in paying quantities is 14
15 being produced from any portion of said lands. 15

16 19. COVENANTS RUN WITH LAND. The covenants herein shall be con- 16
17 strued to be covenants running with the land with respect to the interest of 17
18 the parties hereto and their successors in interest until this agreement 18
19 terminates, and any grant, transfer or conveyance, of interest in land or 19
20 leases subject hereto shall be and hereby is conditioned upon the assumption 20
21 of all privileges and obligations hereunder by the grantee, transferee, or 21
22 other successor in interest. No Assignment or transfer of any working 22
23 interest, royalty, or other interest subject hereto shall be binding upon 23
24 Unit Operator until the first day of the calendar month after Unit Operator 24
25 is furnished with the original, photostatic, or certified copy of the 25
26 instrument of transfer. 26

27 20. EFFECTIVE DATE AND TERM. This agreement shall become 27
28 effective upon approval by the Director and the Land Commissioner or their 28
29 duly authorized representatives as of the date of approval by the Director 29
30 and shall terminate five (5) years from said effective date unless: 30

31 (a) Such date of expiration is extended by the Director and the 31
32 Land Commissioner, or 32

33 (b) it is reasonably determined prior to the expiration of the 33
34 fixed term or any extension thereof that the unitized land is incapable of 34

1 production of unitized substances in paying quantities in the formations 1
2 tested hereunder and after notice of intention to terminate the agreement on 2
3 such ground is given by the Unit Operator to all parties in interest at their 3
4 last known addresses, the agreement is terminated with the approval of the 4
5 Director and Land Commissioner, or 5
6 (c) a valuable discovery of unitized substances has been made or 6
7 accepted on unitized land during said initial term or any extension thereof, 7
8 in which event the agreement shall remain in effect for such term and so long 8
9 as unitized substances can be produced in quantities sufficient to pay for the 9
10 cost of producing same from wells on unitized land within any participating 10
11 area established hereunder and, should production cease, so long thereafter 11
12 as diligent operations are in progress for the restoration of production or 12
13 discovery of new production and so long thereafter as the unitized substances 13
14 so discovered can be produced as aforesaid, or 14
15 (d) it is terminated as heretofore provided in this agreement. 15
16 This agreement may be terminated at any time by not less than 75 per 16
17 centum, on an acreage basis, of the owners of working interests signatory 17
18 hereto, with the approval of the Director and Land Commissioner; notice of 18
19 any such approval to be given by the Unit Operator to all parties hereto. 19
20 21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The Director 20
21 is hereby vested with authority to alter or modify from time to time in his 21
22 discretion the quantity and rate of production under this agreement when such 22
23 quantity and rate is not fixed pursuant to Federal or State law or does not 23
24 conform to any state-wide voluntary conservation or allocation program, which 24
25 is established, recognized, and generally adhered to by the majority of 25
26 operators in such State, such authority being hereby limited to alteration or 26
27 modification in the public interest, the purpose thereof and the public 27
28 interest to be served thereby to be stated in the order of alteration or modi- 28
29 fication. Without regard to the foregoing, the Director is also hereby vested 29
30 with authority to alter or modify from time to time in his discretion the rate 30
31 of prospecting and development and the quantity and rate of production under 31
32 this agreement when such alteration or modification is in the interest of 32
33 attaining the conservation objectives stated in this agreement and is not in 33
34 violation of any applicable Federal or State law; provided, further, that no 34
35 such alteration or modification shall be effective as to any land of the State 35
36 of New Mexico as to the rate of prospecting and developing in the absence of 36
37 the specific written approval thereof by the Land Commissioner and as to any 37
38 lands of the State of New Mexico or privately owned lands subject to this 38
39 agreement as to the quantity and rate of production in the absence of specific 39
40 written approval thereof by the Commission. 40

1 Powers in this section vested in the Director shall only be exer- 1
2 cised after notice to Unit Operator and opportunity for hearing to be held 2
3 not less than 15 days from notice. 3

4 22. CONFLICT OF SUPERVISION. Neither the Unit Operator nor the 4
5 working interest owners, nor any of them, shall be subject to any forfeiture, 5
6 termination or expiration of any right hereunder or under any leases or con- 6
7 tracts subject hereto, or to any penalty or liability on account of delay or 7
8 failure in whole or in part to comply with any applicable provisions thereof 8
9 to the extent that the said Unit Operator or the working interest owners, or 9
10 any of them, are hindered, delayed or prevented from complying therewith by 10
11 reason of failure of the Unit Operator to obtain, in the exercise of due dili- 11
12 gence, the concurrence of proper representatives of the United States and 12
13 proper representatives of the State of New Mexico in and about any matters or 13
14 things concerning which it is required herein that such concurrence be ob- 14
15 tained. The parties hereto, including the State Commission, agree that all 15
16 powers and authority vested in the State Commission in and by any provisions 16
17 of this agreement are vested in the State Commission and shall be exercised by 17
18 it pursuant to the provisions of the laws of the State of New Mexico and sub- 18
19 ject in any case to appeal or judicial review as may now or hereafter be 19
20 provided by the laws of the State of New Mexico. 20

21 23. APPEARANCES. Unit Operator shall, after notice to other 21
22 parties affected, have the right to appear for and on behalf of any and all 22
23 interests affected hereby before the Department of the Interior, the 23
24 Commissioner of Public Lands of the State of New Mexico and the New Mexico 24
25 Oil Conservation Commission and to appeal from orders issued under the 25
26 regulations of said Department, the State Commission or Land Commissioner or 26
27 to apply for relief from any of said regulations or in any proceedings rela- 27
28 tive to operations before the Department of the Interior, the Land Com- 28
29 missioner, or State Commission or any other legally constituted authority; 29
30 provided, however, that any other interested party shall also have the right 30
31 at his own expense to be heard in any such proceeding. 31

32 24. NOTICES. All notices, demands or statements required here- 32
33 under to be given or rendered to the parties hereto shall be deemed fully 33
34 given if given in writing and personally delivered to the party or sent by 34

1 postpaid registered or certified mail, addressed to such party or parties at 1
2 their respective addresses set forth in connection with the signatures hereto 2
3 or to the ratification or consent hereof or to such other address as any such 3
4 party may have furnished in writing to party sending the notice, demand or 4
5 statement. 5

6 25. NO WAIVER OF CERTAIN RIGHTS. Nothing in this agreement con- 6
7 tained shall be construed as a waiver by any party hereto of the right to 7
8 assert any legal or constitutional right or defense as to the validity or 8
9 invalidity of any law of the State wherein said unitized lands are located, or 9
10 of the United States, or regulations issued thereunder in any way affecting 10
11 such party, or as a waiver by any such party of any right beyond his or its 11
12 authority to waive. 12

13 26. UNAVOIDABLE DELAY. All obligations under this agreement re- 13
14 quiring the Unit Operator to commence or continue drilling or to operate on 14
15 or produce unitized substances from any of the lands covered by this agreement 15
16 shall be suspended while, but only so long as, the Unit Operator despite the 16
17 exercise of due care and diligence is prevented from complying with such 17
18 obligations, in whole or in part, by strikes, acts of God, Federal, State, or 18
19 municipal law or agencies, unavoidable accidents, uncontrollable delays in 19
20 transportation, inability to obtain necessary materials in open market, or 20
21 other matters beyond the reasonable control of the Unit Operator whether 21
22 similar to matters herein enumerated or not. 22

23 27. NONDISCRIMINATION. In connection with the performance of work 23
24 under this agreement, the operator agrees to comply with all of the provisions 24
25 of section 301 (1) to (7) inclusive of Executive Order 10925, as amended 25
26 (28 F.R. 6485), which are hereby incorporated by reference in this agreement. 26

27 28. LOSS OF TITLE. In the event title to any tract of unitized 27
28 land shall fail and the true owner cannot be induced to join in this unit 28
29 agreement, such tract shall be automatically regarded as not committed hereto 29
30 and there shall be such readjustment of future costs and benefits as may be 30
31 required on account of the loss of such title. In the event of a dispute as 31
32 to title as to any royalty, working interest, or other interests subject 32
33 thereto, payment or delivery on account thereof may be withheld without lia- 33
34 bility for interest until the dispute is finally settled; provided, that, as 34

1 to Federal and State land or leases, no payments of funds due the United 1
2 States or the State of New Mexico should be withheld, but such funds of the 2
3 United States shall be deposited as directed by the Supervisor and such funds 3
4 of the State of New Mexico shall be deposited as directed by the Land Com- 4
5 missioner to be held as unearned money pending final settlement of the title 5
6 dispute, and then applied as earned or returned in accordance with such final 6
7 settlement. 7

8 Unit Operator as such is relieved from any responsibility for any 8
9 defect or failure of any title hereunder. 9

10 29. NON-JOINDER AND SUBSEQUENT JOINDER. If the owner of any sub- 10
11 stantial interest in a tract within the unit area fails or refuses to subscribe 11
12 or consent to this agreement, the owner of the working interest in that tract 12
13 may withdraw said tract from this agreement by written notice to the Director, 13
14 the Land Commissioner, and the Unit Operator prior to the approval of this 14
15 agreement by the Director. Any oil or gas interests in lands within the unit 15
16 area not committed hereto prior to submission of this agreement for final 16
17 approval may thereafter be committed hereto by the owner or owners thereof 17
18 subscribing or consenting to this agreement, and, if the interest is a working 18
19 interest, by the owner of such interest also subscribing to the unit operating 19
20 agreement. After operations are commenced hereunder, the subsequent joinder, 20
21 as provided in this section, by a working interest owner is subject to such 21
22 requirements or approvals, if any, pertaining to such joinder, as may be pro- 22
23 vided for in the unit operating agreement. After final approval hereof 23
24 joinder by a non-working interest owner must be consented to in writing by the 24
25 working interest owner committed hereto and responsible for the payment of any 25
26 benefits that may accrue hereunder in behalf of such non-working interest. 26
27 Joinder by any owner of a non-working interest, at any time, must be accom- 27
28 panied by appropriate joinder by the owner of the corresponding working 28
29 interest in order for the interest to be regarded as committed hereto. 29
30 Joinder to the unit agreement by a working-interest owner, at any time must be 30
31 accompanied by appropriate joinder to the unit operating agreement, if more 31
32 than one committed working-interest owner is involved, in order for the 32
33 interest to be regarded as committed to this unit agreement. Except as may 33
34 otherwise herein be provided subsequent joinders to this agreement shall be 34

1 effective as of the first day of the month following the filing with the 1
2 Supervisor, the Land Commissioner and the State Commission of duly executed 2
3 counterparts of all or any papers necessary to establish effective commitment 3
4 of any tract to this agreement unless objection to such joinder is duly made 4
5 within 60 days by the Director or the Land Commissioner; provided, however, 5
6 that as to State Lands such subsequent joinder must be approved by the Land 6
7 Commissioner. 7

8 30. COUNTERPARTS. This agreement may be executed in any number of 8
9 counterparts no one of which needs to be executed by all parties or may be 9
10 ratified or consented to by separate instrument in writing specifically 10
11 referring hereto and shall be binding upon all those parties who have executed 11
12 such a counterpart, ratification, or consent hereto with the same force and 12
13 effect as if all such parties had signed the same document and regardless of 13
14 whether or not it is executed by all other parties owning or claiming an 14
15 interest in the lands within the above-described unit area. 15

16 31. SURRENDER. Nothing in this agreement shall prohibit the exer- 16
17 cise by any working interest owner of the right to surrender vested in such 17
18 party in any lease, sub-lease, or operating agreement as to all or any part 18
19 of the lands covered thereby, provided that each party who will or might 19
20 acquire such working interest by such surrender or by forfeiture as hereafter 20
21 set forth, is bound by the terms of this agreement. 21

22 If as a result of any such surrender, the working interest rights as 22
23 to such lands become vested in any party other than the fee owner of the 23
24 unitized substances, said party shall forfeit such rights and no further bene- 24
25 fits from operation hereunder as to said land shall accrue to such party, 25
26 unless within ninety (90) days thereafter said party shall execute this agree- 26
27 ment and the unit operating agreement as to the working interest acquired 27
28 through such surrender, effective as though such land had remained continuously 28
29 subject to this agreement and the unit operating agreement. And in the event 29
30 such agreements are not so executed, the party next in the chain of title shall 30
31 be and become the owner of such working interest at the end of such ninety (90) 31
32 day period, with the same force and effect as though such working interest had 32
33 been surrendered to such party. 33

34 If as the result of any such surrender or forfeiture the working 34
35 interest rights as to such lands become vested in the fee owner of the unitized 35
36 substances, such owner may: 36

1 (1) Execute this agreement and the unit operating agreement as a 1
2 working interest owner, effective as though such land had remained continuously 2
3 subject to this agreement and the unit operating agreement. 3
4 (2) Again lease such lands but only under the condition that the 4
5 holder of such lease shall within thirty (30) days after such lands are so 5
6 leased execute this agreement and the unit operating agreement as to each 6
7 participating area theretofore established hereunder, effective as though such 7
8 land had remained continuously subject to this agreement and the unit operating 8
9 agreement. 9
10 (3) Operate or provide for the operation of such land independently 10
11 of this agreement as to any part thereof or any oil or gas deposits therein not 11
12 then included within a participating area. 12
13 If the fee owner of the unitized substances does not execute this 13
14 agreement and the unit operating agreement as a working interest owner or 14
15 again lease such lands as above provided with respect to each existing 15
16 participating area, within six (6) months after any such surrender or 16
17 forfeiture, such fee owner shall be deemed to have waived the right to execute 17
18 the unit operating agreement or lease such lands as to each such participating 18
19 area, and to have agreed, in consideration for the compensation hereinafter 19
20 provided, that operations hereunder as to any such participating area or areas 20
21 shall not be affected by such surrender. 21
22 For any period the working interest in any lands are not expressly 22
23 committed to the unit operating agreement as the result of any such surrender 23
24 or forfeiture, the benefits and obligations of operations accruing to such 24
25 lands under this agreement and the unit operating agreement shall be shared 25
26 by the remaining owners of unitized working interests in accordance with their 26
27 respective participating working interest ownerships in any such participating 27
28 area or areas, and such owners of working interests shall compensate the fee 28
29 owner of unitized substances in such lands by paying sums equal to the rentals, 29
30 minimum royalties, and royalties applicable to such lands under the lease in 30
31 effect when the lands were unitized, as to such participating area or areas. 31
32 Upon commitment of a working interest to this agreement and the unit 32
33 operating agreement as provided in this section, an appropriate accounting 33
34 and settlement shall be made, to reflect the retroactive effect of the 34

1 commitment, for all benefits accruing to or payments and expenditures made or 1
2 incurred on behalf of such surrendered working interest during the period 2
3 between the date of surrender and the date of recommitment, and payment of any 3
4 moneys found to be owing by such an accounting shall be made as between the 4
5 parties then signatory to the unit operating agreement and this agreement 5
6 within thirty (30) days after the recommitment. The right to become a party 6
7 to this agreement and the unit operating agreement as a working interest owner 7
8 by reason of a surrender or forfeiture as provided in this section shall not 8
9 be defeated by the nonexistence of a unit operating agreement and in the event 9
10 no unit operating agreement is in existence and a mutually acceptable agree- 10
11 ment between the proper parties thereto cannot be consummated, the Supervisor 11
12 may prescribe such reasonable and equitable agreement as he deems warranted 12
13 under the circumstances. 13

14 Nothing in this section shall be deemed to limit the right of 14
15 joinder or subsequent joinder to this agreement as provided elsewhere in this 15
16 agreement. The exercise of any right vested in a working interest owner to 16
17 reassign such working interest to the party from whom obtained shall be subject 17
18 to the same conditions as set forth in this section in regard to the exercise 18
19 of a right to surrender. 19

20 32. TAXES. The working interest owners shall render and pay for 20
21 their account and the account of the royalty owners all valid taxes on or 21
22 measured by the unitized substances in and under or that may be produced, 22
23 gathered and sold from the land subject to this contract after the effective 23
24 date of this agreement, or upon the proceeds or net proceeds derived therefrom. 24
25 The working interest owners on each tract shall and may charge the proper 25
26 proportion of said taxes to the royalty owners having interests in said tract, 26
27 and may currently retain and deduct sufficient of the unitized substances or 27
28 derivative products, or net proceeds thereof from the allocated share of each 28
29 royalty owner to secure reimbursement for the taxes so paid. No such taxes 29
30 shall be charged to the United States or the State of New Mexico or to any 30
31 lessor who has a contract with his lessee which requires the lessee to pay 31
32 such taxes. 32

33 33. NO PARTNERSHIP. It is expressly agreed that the relation of 33
34 the parties hereto is that of independent contractors and nothing in this 34

1 agreement contained, expressed or implied, nor any operations conducted here-
2 under, shall create or be deemed to have created a partnership or association
3 between the parties hereto or any of them.

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

UNIT OPERATOR AND WORKING INTEREST OWNER

Date: JAN 24 1964

THE PURE OIL COMPANY

By [Signature]
Division Manager,
Southern Producing Division

Address: First City National Bank Bldg.
Houston 2, Texas

APPROVED
Desc. A
Form 200
Terms A

WORKING INTEREST OWNERS

GULF OIL CORPORATION

DATE: _____

By _____

ATTEST: _____

Address _____

CONTINENTAL OIL COMPANY

DATE: _____

By _____

ATTEST: _____

Address _____

MARATHON OIL COMPANY

DATE: _____

By _____

ATTEST: _____

Address _____

TEXACO INC.

DATE: _____

By _____

ATTEST: _____

Address _____

RICHARDSON OILS, INC.

DATE: _____

By _____

ATTEST: _____

Address _____

DATE: _____

PERRY R. BASS

Address _____

WORKING INTEREST OWNERS

RICHFIELD OIL CORPORATION

DATE: _____

By _____

ATTEST: _____

Address _____

THE BRITISH-AMERICAN OIL
PRODUCING COMPANY

DATE: _____

By _____

ATTEST: _____

Address _____

DATE: _____

JACQUELINE H. LANGDON

CHARLES C. LANGDON

INTERNATIONAL OIL AND GAS CORPORATION

DATE: _____

By _____

ATTEST: _____

Address _____

PENNZOIL COMPANY

DATE: _____

By _____
Vice President

ATTEST: _____

Address _____

STATE OF TEXAS

COUNTY OF HARRIS

ss

The foregoing instrument was acknowledged before me this 24 day of January, 1964, by C. W. Hancock, Division Manager, of the Southern Producing Division of THE PURE OIL COMPANY, a Corporation, on behalf of said Corporation.

Jo Ann Brewer
Notary Public

JO ANN BREWER

My Commission Expires:

6-1-65

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF ALL LANDS IN THE
BRINNINSTOOL DEEP UNIT AREA, LEA COUNTY, NEW MEXICO

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>FEDERAL LANDS</u>							
<u>T-23-S, F-32-E, N.M.P.M.</u>							
1	Sec. 24: SW/4 Sec. 25: N/2 NW/4, SW/4 NW/4	280	LC-062887 3-31-65	U.S.A. 12½%	Continental Oil Company	Helen B. Wahrli 1% L. N. Hagood 1½% Robert N. Infield ¼ of 1% Thomas Allen ¼ of 1% Straus Baker \$1,000.00 per acre out of 3%.	Continental 100%
2	Sec. 26: W/2 Sec. 33: W/2, SE/4	800	LC-063132-A 12-31-64	U.S.A. 12½%	Continental Oil Company	Jay Galloway 5%, less production payment of \$1,000.00 per acre out of 3% to Straus Baker	Continental 100%
3	Sec. 24: E/2 Sec. 25: E/2, SW/4, SE/4 NW/4 Sec. 26: SW/4 Sec. 27: N/2, N/2 S/2, SE/4 SW/4, S/2 SE/4	1600	LC-063228 HBP	U.S.A. 12½%	Continental Oil Company	Jewell E. Fields \$250.00 per acre pay- able out of 3/4 of 1% as to 1080 acres in Sections 24, 26 and 27; and \$125.00 per acre payable out of 3/8 of 1% as to 520 acres in Section 25. Faye L. Klein \$250.00 per acre payable out of 3/4 of 1% as to 1600 acres in Sections 24, 25, 26 and 27. Ralph C. Hart \$250.00 per acre payable out of 3/4 of 1% as to 680 acres in Sections 25 and 26.	Continental 100%

EXHIBIT "B" (Cont'd.)

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>FEDERAL LANDS (Cont'd.)</u>							
<u>T-23-S, R-32-E, N.M.P.M.</u>							
3 (Cont'd.)							
					George L. Buckles		
					\$250.00 per acre pay- able out of 3/4 of 1% as to 520 acres in Section 25.		
					Robert N. Enfield		
					\$125.00 per acre pay- able out of 3/8 of 1% as to 320 acres in Section 24; and \$62.50 per acre payable out of 3/16 of 1% as to 520 acres in Section 25.		
					Thomas Allen		
					\$208.33 per acre payable out of 5/8 of 1% as to 320 acres in Section 24; \$62.50 per acre payable out of 3/16 of 1% as to 520 acres in Section 25; \$83.33 per acre payable out of 1/4 of 1% as to 160 acres in Section 26; \$125.00 per acre payable out of 3/8 of 1% as to 600 acres in Section 27; \$83.33 per acre payable out of 1/4 of 1% as to 600 acres in Section 27.		
					Randall F. Montgomery		
					\$125.00 per acre payable out of 3/8 of 1% as to 600 acres in Section 27 only; \$166.67 per acre payable out of 1/2 of 1% as to 1080 acres in Sections 24, 26 and 27.		

EXHIBIT "B" (Cont'd.)

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>FEDERAL LANDS (Cont'd.)</u>							
<u>T-23-S, R-33-E, N.M.P.M.</u>							
4	Sec. 20: All	1240	LC-068680	U.S.A. 12½%	Continental Oil Company	Minnie S. Levick 1½% Fred C. Rohrbach 1% Pearl O. Pipkin 3/4 of 1%	Continental 100%
	Sec. 29: W/2, W/2 NE/4, NW/4 SE/4, E/2 E/2		3-31-65				
5	Sec. 19: All	2503.32	LC-068848	U.S.A. 12½%	Continental Oil Company	I. J. Marshall \$375.00 per acre out of 1½% Pearl O. Pipkin \$375.00 per acre out of 1½%	Continental 100%
	Sec. 21: All		HBP				
	Sec. 28: All						
	Sec. 30: Lots 1, 2, 3, 4, E/2 W/2, W/2 E/2, E/2 NE/4, NE/4 SE/4						
<u>T-24-S, R-32-E, N.M.P.M.</u>							
6	Sec. 10: SE/4	800	NM-01917	U.S.A. 12½%	Gulf Oil Corporation	J. L. Briscoe ½ of 1%; Roland Rich Wooley \$1,000.00 per acre out of 5%, less ½ of 1% to J. L. Briscoe; Tom L. Ingram 2.18750% Eugene E. Nearburg 1.09375% Anna E. Nearburg 1.09375%	Gulf 100%
	Sec. 11: NW/4, SE/4		HBP				
	Sec. 12: NW/4, SE/4						
7	Sec. 3: NE/4 SW/4	680	NM-02889	U.S.A. 12½%	Continental Oil Company	Marguerite Armitage Payne \$200.00 per acre out of 1%.	Continental 100%
	Sec. 11: NE/4, SW/4		HBP				
	Sec. 12: NE/4, SW/4						
8	Sec. 10: E/2 NE/4, SW/4 NE/4	120	NM-02889-A	U.S.A. 12½%	Gulf Oil Corporation	Marguerite Armitage Payne \$400.00 per acre out of 1%; and \$570.00 per acre out of 3%.	Gulf 100%
			12-3-64				
9	Sec. 10: NW/4 SW/4, E/2 SW/4	120	NM-02889-B	U.S.A. 12½%	The Pure Oil Company	Marguerite Armitage Payne 5%	Pure 100%
			12-3-64				
10	Sec. 10: NW/4 NE/4	40	NM-02889-D	U.S.A. 12½%	The Pure Oil Company	Robert G. Hanagan \$500.00 per acre out of 1%; Marguerite Armitage Payne \$400.00 per acre out of 1%, and \$570.00 per acre out of 3%.	Pure 100%
			12-3-64				

EXHIBIT "B" (Cont'd.)

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>FEDERAL LANDS (Cont'd.)</u>							
<u>T-24-S, R-32-E, N.M.P.M.</u>							
11	Sec. 10: SW/4 SW/4	40	NM-02889-E 12-3-64	U.S.A. 12½%	The Pure Oil Company	Ernest A. Hanson 5%	Pure 100%
<u>T-23-S, R-32-E, N.M.P.M.</u>							
12	Sec. 35: W/2	320	NM-03226 HBP	U.S.A. 12½%	Texaco Inc., A. G. McCarver, J. B. Palmer	Bruce Alene Carlin 1½% Marguerite Armitage Payne \$385.00 per acre out of 2% A. G. McCarver and J. B. Palmer \$192.50 per acre out of 1½% of 8/8 Ralph C. Hart 1½%	Texaco 50% Pennzoil Company 50%
13	Sec. 26: E/2, NW/4 Sec. 35: E/2	800	NM-04465 HBP	U.S.A. 12½%	Pauline V. Trigg	Pauline V. Trigg 6.25%	Pure 100%
<u>T-24-S, R-32-E, N.M.P.M.</u>							
14	Sec. 4: S/2	320	NM-015130 9-30-64	U.S.A. 12½%	Marathon Oil Company	John H. Burton 1½% Josephine G. Antink 1½%	Marathon 100%

EXHIBIT "B" (Cont'd.)

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>FEDERAL LANDS (Cont'd.)</u>							
<u>T-24-S, R-32-E, N.M.P.M.</u>							
15	Sec. 4: Lots 1, 2, 3, 4, S/2 N/2	318.48	NM-015131-A 9-30-64	U.S.A. 12 $\frac{1}{2}$ %	Gulf Oil Corporation	Eugenia V. Bate 3%	Gulf 100%
16	Sec. 10: NW/4	160	NM-0268853 5-31-72	U.S.A. 12 $\frac{1}{2}$ %	The Pure Oil Company	E. R. Richardson 5%	Pure 100%
<u>T-23-S, R-32-E, N.M.P.M.</u>							
17	Sec. 34: SW/4, W/2 SE/4, SE/4 SE/4	280	NM-0356435 2-28-73	U.S.A. 12 $\frac{1}{2}$ %	The Pure Oil Company	Mary Charlotte Cooper 5%	Pure 100%
18	Sec. 33: SE/4 NE/4	40	NM-0362422 3-31-73	U.S.A. 12 $\frac{1}{2}$ %	International Oil and Gas Corporation	None	International 100%
<u>T-24-S, R-32-E, N.M.P.M.</u>							
19	Sec. 1: Lots 1, 2, 3, SE/4 NW/4, S/2 NE/4, SE/4, E/2 SW/4	1078.35	NM-0371175 4-30-73	U.S.A. 12 $\frac{1}{2}$ %	The Pure Oil Company	Morris W. Newman and Robert J. Newman \$750.00 per acre out of 5%	Pure 100%
<u>T-23-S, R-33-E, N.M.P.M.</u>							
20	Sec. 29: SW/4 SE/4	40	NM-0393404 5-31-73	U.S.A. 12 $\frac{1}{2}$ %	The Pure Oil Company	Yvonne McKnight 5%	Pure 100%

EXHIBIT "B" (Cont'd.)

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>FEDERAL LANDS (Cont'd.)</u>							
<u>T-23-S, R-32-E, N.M.P.M.</u>							
21	Sec. 24: NW/4	160	NM-0371379-B 4-30-73	U.S.A. 12½%	Texaco Inc.	R. E. Boyle 5%	Texaco 100%
<u>T-23-S, R-33-E, N.M.P.M.</u>							
22	Sec. 30: SE/4 SE/4	40	NM-0406620 6-30-73	U.S.A. 12½%	Richfield Oil Corporation and The British-American Oil Producing Company	None	Richfield 50% British-American 50%
<u>T-24-S, R-32-E, N.M.P.M.</u>							
23	Sec. 1: Lot 4, SW/4 NW/4, W/2 SW/4	159.49	NM-0424870 8-31-68 (5 year competitive)	U.S.A. Sliding Scale Royalty - Schedule "B"	The Pure Oil Company	None	Pure 100%
<u>T-23-S, R-32-E, N.M.P.M.</u>							
24	Sec. 27: SW/4 SW/4 Sec. 28: E/2 Sec. 33: N/2 NE/4, SW/4 NE/4 Sec. 34: N/2, NE/4 SE/4	840	NM-0433361 8-31-73	U.S.A. 12½%	Jacqueline H. Langdon	None	Jacqueline H. Langdon 100%
<u>Twenty Four Federal Tracts. 12,779.64 Acres or 74.13937% of Unit Area.</u>							
<u>STATE LANDS</u>							
<u>T-23-S, R-33-E, N.M.P.M.</u>							
25	Sec. 31: NE/4	160	E-7840-1 2-16-64	State of N.M. 12½%	Gulf Oil Corporation	None	Gulf 100%

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>STATE LANDS (Cont'd.)</u>							
<u>T-23-S, R-32-E, N.M.P.M.</u>							
26	Sec. 36: S/2 SW/4, N/2 SE/4, N/2	796.31	E-8107 4-20-64	State of N. M. 12½%	Gulf Oil Corporation	None	Gulf 100%
<u>T-23-S, R-33-E, N.M.P.M.</u>							
	Sec. 31: Lots 3,4, E/2 SW/4, SE/4						
<u>T-24-S, R-32-E, N.M.P.M.</u>							
27	Sec. 2: Lots 1,2,3,4, S/2 NW/4, S/2	558.12	E-8324 HBP	State of N. M. 12½%	Marathon Oil Company	None	Marathon 100%
28	Sec. 2: S/2 NE/4	80	E-8324-1 HBP	State of N. M. 12½%	J. B. Palmer and A. G. McCarver, dba P-M Drilling Company	None	Marathon 100%
<u>T-24-S, R-33-E, N.M.P.M.</u>							
29	Sec. 5: Lots 1,2,3,4	159.08	E-8342-2 7-20-64	State of N. M. 12½%	Perry R. Bass and Richardson Oils, Inc.	None	Perry R. Bass 25% Richardson Oils 75%
30	Sec. 5: SE/4 NE/4, S/2	360	E-8438-2 8-17-64	State of N. M. 12½%	Perry R. Bass and Richardson Oils, Inc.	None	Perry R. Bass 25% Richardson Oils 75%
31	Sec. 5: SW/4 NE/4, S/2 NW/4	120	E-9142 6-21-65	State of N. M. 12½%	The Pure Oil Company	None	Pure 100%

EXHIBIT "B" (Cont'd.)

Tract No.	Description of Land	Number of Acres	Serial No. and Expiration Date of Lease	Basic Royalty and Ownership Percentage	Lessee of Record	Overriding Royalty or Production Payment and Percentage	Working Interest and Percentage Below Top of Cherry Canyon
<u>STATE LANDS (Cont'd.)</u>							
<u>T-23-S, R-33-E, N.M.P.M.</u>							
32	Sec. 31: NE/4 NW/4	40	K-1606-1 7-18-71	State of N. M. 12½%	The Pure Oil Company	Robert G. Hanagan \$500.00 per acre out of 5%	Pure 100%
33	Sec. 32: All	640	K-1773 9-19-71	State of N. M. 12½%	Gulf Oil Corporation	None	Gulf 100%
<u>T-24-S, R-33-E, N.M.P.M.</u>							
34	Sec. 6: All	634.72	K-2952 12-18-72	State of N. M. 12½%	Gulf Oil Corporation	None	Gulf 100%
35	Sec. 7: All	633.40	K-3018 1-15-73	State of N. M. 12½%	Gulf Oil Corporation	None	Gulf 100%
<u>T-23-S, R-32-E, N.M.P.M.</u>							
36	Sec. 36: N/2 SW/4, S/2 SE/4	160	K-3593 9-17-73	State of N. M. 12½%	The Pure Oil Company	None	Pure 100%
<u>T-23-S, R-33-E, N.M.P.M.</u>							
37	Sec. 31: Lots 1,2, SE/4 NW/4	116.05	K-3594 9-17-73	State of N. M. 12½%	The Pure Oil Company	None	Pure 100%

Thirteen State Tracts. 4457.68 Acres or 25.86063% of Unit Area.

TOTAL ALL LANDS 17,237.32 ACRES

RATIFICATION OF AND JOINDER IN
UNIT AGREEMENT AND UNIT OPERATING AGREEMENT
FOR THE
BRINNINSTOOL DEEP UNIT AREA
LEA COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement and the Unit Operating Agreement for the Brinninstool Deep Unit Area, Lea County, New Mexico, by The Pure Oil Company, as the Unit Operator, and other working interest owners in said area, each of which agreements is dated as of January 22, 1964, the undersigned owner or owners of lands, interests in lands, oil and gas leases, interests in leases or working interests in production located in said Brinninstool Deep Unit Area and described as subject to said agreements, hereby severally, each to the extent of his or its particular ownership or interest, consent to the inclusion of said lands or leases or other interests within the Unit Area and approve and adopt the terms of said agreements as applicable to said lands, leases or other interests, and hereby ratify, join in and adopt said agreements and all of the terms and provisions thereof as though they were original signatory parties thereto, and hereby commit said lands, leases or other interests to said agreements and hereby assume all of the rights and obligations incident thereto under said agreements, further acknowledging receipt of a copy of each of said agreements.

Date: January 31, 1964

RICHFELD OIL CORPORATION

ATTEST:

R. G. Nelson
Assistant Secretary

By *J. C. Austin*
Manager of the Land and Lease Department
Address 555 South Flower Street
Los Angeles 17, California

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____.

My commission expires: _____

Notary Public

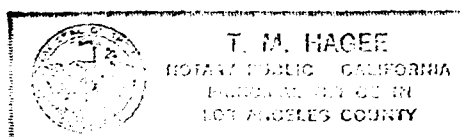
STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss

The foregoing instrument was acknowledged before me this 31st day of January, 1964, by J. C. Austin, Manager of the Land and Lease Department of RICHFELD OIL CORPORATION, a corporation, on behalf of said corporation.

My commission expires: _____
My Commission Expires December 3, 1965

T. M. Hagee
Notary Public

T. M. HAGEE



RATIFICATION OF AND JOINDER IN
UNIT AGREEMENT AND UNIT OPERATING AGREEMENT
FOR THE
BRINNINSTOOL DEEP UNIT AREA
LEA COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement and the Unit Operating Agreement for the Brinninstool Deep Unit Area, Lea County, New Mexico, by The Pure Oil Company, as the Unit Operator, and other working interest owners in said area, each of which agreements is dated as of January 22, 1964, the undersigned owner or owners of lands, interests in lands, oil and gas leases, interests in leases or working interests in production located in said Brinninstool Deep Unit Area and described as subject to said agreements, hereby severally, each to the extent of his or its particular ownership or interest, consent to the inclusion of said lands or leases or other interests within the Unit Area and approve and adopt the terms of said agreements as applicable to said lands, leases or other interests, and hereby ratify, join in and adopt said agreements and all of the terms and provisions thereof as though they were original signatory parties thereto, and hereby commit said lands, leases or other interests to said agreements and hereby assume all of the rights and obligations incident thereto under said agreements, further acknowledging receipt of a copy of each of said agreements.

Date: February 4, 1964

RICHARDSON OILS, INC.

ATTEST:

Marquette Wright

By E. W. Sampson
E. W. Sampson, President

xAddress Perry R. Bass
Perry R. Bass
Nancy Lee Bass
Nancy Lee Bass

12th Floor, Fort Worth Natl. Bank Bldg.
Fort Worth, Texas

STATE OF TEXAS)
COUNTY OF TARRANT) ss

The foregoing instrument was acknowledged before me this 4th day of February, 1964, by Perry R. Bass and wife Nancy Lee Bass.

My commission expires:
June 1, 1965

Joan Barnhart
Notary Public

STATE OF TEXAS)
COUNTY OF TARRANT) ss

The foregoing instrument was acknowledged before me this 4th day of February, 1964, by E. W. Sampson, President of RICHARDSON OILS, INC., a corporation, on behalf of said corporation.

My commission expires:
June 1, 1965

Joan Barnhart
Notary Public

RATIFICATION OF AND JOINDER IN
UNIT AGREEMENT AND UNIT OPERATING AGREEMENT
FOR THE
BRINNINSTOOL DEEP UNIT AREA
LEA COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement and the Unit Operating Agreement for the Brinninstool Deep Unit Area, Lea County, New Mexico, by The Pure Oil Company, as the Unit Operator, and other working interest owners in said area, each of which agreements is dated as of January 22, 1964, the undersigned owner or owners of lands, interests in lands, oil and gas leases, interests in leases or working interests in production located in said Brinninstool Deep Unit Area and described as subject to said agreements, hereby severally, each to the extent of his or its particular ownership or interest, consent to the inclusion of said lands or leases or other interests within the Unit Area and approve and adopt the terms of said agreements as applicable to said lands, leases or other interests, and hereby ratify, join in and adopt said agreements and all of the terms and provisions thereof as though they were original signatory parties thereto, and hereby commit said lands, leases or other interests to said agreements and hereby assume all of the rights and obligations incident thereto under said agreements, further acknowledging receipt of a copy of each of said agreements. Provided, however, as to Tract No. 6 of the Unit Area, such ratification, joinder and adoption shall not be effective until April 1, 1964.

GULF OIL CORPORATION

ATTEST:

Assistant Secretary

By

Attorney-in-Fact

P. O. Box 1938

Roswell, New Mexico

Date: January 22, 1964

STATE OF NEW MEXICO

1

COUNTY OF CHAVES

1

The foregoing instrument was acknowledged before me this 22nd day of January, 1964, by W. B. Hopkins, Attorney-in-Fact for GULF OIL CORPORATION, a Pennsylvania corporation, on behalf of said corporation.

Notary Public

My Commission Expires:

RATIFICATION OF AND JOINDER IN
UNIT AGREEMENT AND UNIT OPERATING AGREEMENT
FOR THE
BRINNINSTOOL DEEP UNIT AREA
LEA COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement and the Unit Operating Agreement for the Brinninstool Deep Unit Area, Lea County, New Mexico, by The Pure Oil Company, as the Unit Operator, and other working interest owners in said area, each of which agreements is dated as of January 22, 1964, the undersigned owner or owners of lands, interests in lands, oil and gas leases, interests in leases or working interests in production located in said Brinninstool Deep Unit Area and described as subject to said agreements, hereby severally, each to the extent of his or its particular ownership or interest, consent to the inclusion of said lands or leases or other interests within the Unit Area and approve and adopt the terms of said agreements as applicable to said lands, leases or other interests, and hereby ratify, join in and adopt said agreements and all of the terms and provisions thereof as though they were original signatory parties thereto, and hereby commit said lands, leases or other interests to said agreements and hereby assume all of the rights and obligations incident thereto under said agreements, further acknowledging receipt of a copy of each of said agreements. Provided, however, as to Tract No. 7 of the Unit Area, such ratification, joinder and adoption shall not be effective until May 1, 1964.

Date: January 31, 1964

CONTINENTAL OIL COMPANY

ATTEST:

Ray Nelson
ASSISTANT SECRETARY

By

R. L. Adams
Attorney in Fact

Address Box 1377, Roswell, New Mexico

FORM APPROVED

ATTORNEY

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____.

My commission expires: _____

Notary Public

STATE OF Texas)
COUNTY OF Tarrant) ss

The foregoing instrument was acknowledged before me this 31st day of January, 1964, by R. L. ADAMS, ATTORNEY IN FACT of CONTINENTAL OIL COMPANY, a corporation, on behalf of said corporation.

My commission expires: 6-1-65

Barbara Lee Nelson
Notary Public

RATIFICATION OF AND JOINDER IN
UNIT AGREEMENT AND UNIT OPERATING AGREEMENT
FOR THE
BRINNINSTOOL DEEP UNIT AREA
LEA COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement and the Unit Operating Agreement for the Brinninstool Deep Unit Area, Lea County, New Mexico, by The Pure Oil Company, as the Unit Operator, and other working interest owners in said area, each of which agreements is dated as of January 22, 1964, the undersigned owner or owners of lands, interests in lands, oil and gas leases, interests in leases or working interests in production located in said Brinninstool Deep Unit Area and described as subject to said agreements, hereby severally, each to the extent of his or its particular ownership or interest, consent to the inclusion of said lands or leases or other interests within the Unit Area and approve and adopt the terms of said agreements as applicable to said lands, leases or other interests, and hereby ratify, join in and adopt said agreements and all of the terms and provisions thereof as though they were original signatory parties thereto, and hereby commit said lands, leases or other interests to said agreements and hereby assume all of the rights and obligations incident thereto under said agreements, further acknowledging receipt of a copy of each of said agreements.

Date: January 31, 1964

ATTEST:

Joacqueline H. Langdon
Charles C. Langdon

Address 4316 Inwood Rd.

Fort Worth, Texas

STATE OF TEXAS)
COUNTY OF TARRANT) ss

The foregoing instrument was acknowledged before me this 31st day of January, 1964, by Joacqueline H. Langdon and her husband, Charles C. Langdon

My commission expires:
June 1, 1965

Regina B. May
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, of _____, a corporation, on behalf of said corporation.

My commission expires:

Notary Public

RATIFICATION OF AND JOINDER IN
UNIT AGREEMENT AND UNIT OPERATING AGREEMENT
FOR THE
BRINNINSTOOL DEEP UNIT AREA
LEA COUNTY, NEW MEXICO

In consideration of the execution of the Unit Agreement and the Unit Operating Agreement for the Brinninstool Deep Unit Area, Lea County, New Mexico, by The Pure Oil Company, as the Unit Operator, and other working interest owners in said area, each of which agreements is dated as of January 22, 1964, the undersigned owner or owners of lands, interests in lands, oil and gas leases, interests in leases or working interests in production located in said Brinninstool Deep Unit Area and described as subject to said agreements, hereby severally, each to the extent of his or its particular ownership or interest, consent to the inclusion of said lands or leases or other interests within the Unit Area and approve and adopt the terms of said agreements as applicable to said lands, leases or other interests, and hereby ratify, join in and adopt said agreements and all of the terms and provisions thereof as though they were original signatory parties thereto, and hereby commit said lands, leases or other interests to said agreements and hereby assume all of the rights and obligations incident thereto under said agreements, further acknowledging receipt of a copy of each of said agreements.

Date: January 31, 1964

Marathon Oil Company

~~ATTENTION~~

By 

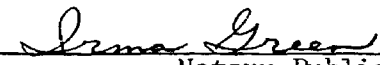
R. M. Wilson, Asst. Division Manager
Address P. O. Box 552

Midland, Texas

STATE OF TEXAS)
COUNTY OF HARRIS) ss

The foregoing instrument was acknowledged before me this 31st day of January, 1964, by R. M. Wilson, Asst. Division Manager, Marathon Oil Company.

My commission expires:


Notary Public

IRMA GREEN
Notary Public in and for Harris County, Texas
My Commission Expires June 1, 1965

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, of _____, a corporation, on behalf of said corporation.

My commission expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: January 28, 1964

TRACT NO.(S) 1

ATTEST:

Helen B. Wehrli

Helen B. Wehrli
Helen B. Wehrli
Wm. J. Wehrli
Wm. J. Wehrli
Address: 407 Wyoming National Bank
Casper, Wyoming

STATE OF WYOMING)
COUNTY OF NATRONA) ss

The foregoing instrument was acknowledged before me this 28th day of January, 1964, by Helen B. Wehrli and husband Wm. J. Wehrli

My Commission Expires:

November 20, 1965

Helen B. Wehrli
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: Jan. 24, 1964
TRACT NO. (S) 1

L. N. Hagood
Mary C. Hagood

ATTEST:

Address: Box 966
Casper, Wyoming

STATE OF WYOMING)
COUNTY OF NATRONA) ss

The foregoing instrument was acknowledged before me this 24th day of JANUARY, 1964, by L. N. Hagood & Mary C. Hagood, his wife

My Commission Expires:
February 14, 1967

Patricia J. Nagel
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: 7/26/64

TRACT NO.(S) 3 and 1

ATTEST:

Robert N. Enfield
Robert N. Enfield
Mona Enfield

Address: P.O. Box 807
Roswell, New Mexico

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss

The foregoing instrument was acknowledged before me this 29th day of January, 1964, by Robert N. Enfield and wife, Mona Enfield

My Commission Expires:

August 15, 1967

Marie E. Roberts
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: 1-27-64

TRACT NO.(S) 1, 8

ATTEST:

Thomas Allen
Thomas Allen
Jarvis Allen
Jarvis Allen

Address: P. O. Box 411
Deming, New Mexico

STATE OF NEW MEXICO)
COUNTY OF CHUEVES) ss

The foregoing instrument was acknowledged before me this 27 day of January, 1964, by Thomas Allen and wife Jarvis

My Commission Expires:

4-5-66

Harvey Roberts
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: 1-28-64

Straus Baker
Straus Baker

TRACT NO.(S) 2

ATTEST:

Address: Box 1055
Hobbs, New Mexico

STATE OF OKLAHOMA)
COUNTY OF Lea) ss

The foregoing instrument was acknowledged before me this 28 day of January, 1964, by Straus Baker

My Commission Expires:

1-18-66

[Signature]
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: January 22, 1964

Gula Baker
Gula Baker

TRACT NO.(S) 2

ATTEST:

Address: F. O. Box 1055
Hobbs, New Mexico

STATE OF New Mexico)
COUNTY OF Lea) ss

The foregoing instrument was acknowledged before me this 22th day of January, 1964, by Gula Baker, wife of Straus Baker

My Commission Expires:

May 25, 1967

Sharon Shivers
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: _____

TRACT NO.(S) 2

ATTEST:

Jay Galloway
Margie Lee Galloway
Address: Box 996 107 Rule Bldg
Wichita, Kansas
Santa Fe, New Mexico

STATE OF KANSAS)
NEW MEXICO) ss
COUNTY OF NEW MEXICO)

The foregoing instrument was acknowledged before me this 28 day of January, 1964, by Jay Galloway and wife Margie Lee
My Commission Expires: May 20, 1967
Winky Jacobs
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: January 24, 1964

TRACT NO.(S) 3

ATTEST:

Jewell E. Fields
Jewell E. Fields
J. W. Fields
Address: Box 666
Hobbs, New Mexico

STATE OF NEW MEXICO)
COUNTY OF LEA) ss

The foregoing instrument was acknowledged before me this 24th day of January, 1964, by Jewell E. Fields and husband J. W.

My Commission Expires:

5/25/67

Sharon A. Shivers
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: January 27, 1964

TRACT NO.(S) 3

ATTEST:

Faye L. Klein
Faye L. Klein
Edward H. Klein
Edward H. Klein
Address: P.O. Box 1503
Hobbs, New Mexico

STATE OF NEW MEXICO)
COUNTY OF LEA) ss

The foregoing instrument was acknowledged before me this 27th day of January, 1964, by Faye L. Klein and husband, Edward H. Klein

My Commission Expires:

May 25, 1967

Shirley H. Hines
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, of _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: January 24, 1964

TRACT NO.(S) 8

ATTEST:

Randall F. Montgomery
Randall F. Montgomery
Mildred M. Montgomery
Mildred M. Montgomery

Address: Box 3414
Hobbs, New Mexico

STATE OF NEW MEXICO)
COUNTY OF LEA) ss

The foregoing instrument was acknowledged before me this 24th day of January, 1964, by Randall F. Montgomery and wife Mildred M.

My Commission Expires:

MY COMMISSION EXPIRES
DECEMBER 23, 1968

Francis Hughes
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: _____

TRACT NO.(S) 4

ATTEST:

Minnie S. Lovick
Minnie S. Lovick
Earl G. Lovick
Earl G. Lovick

Address: Box 1113
Roswell, New Mexico

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss

The foregoing instrument was acknowledged before me this 24 day of January, 1964, by Minnie S. Lovick and husband, Earl G. Lovick

My Commission Expires:

June 1, 1967

Jean Barton
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: Jan. 31, 1964

Fred C. Rohrbach
Fred C. Rohrbach

TRACT NO. (S) 4

Alma B. Rohrbach

ATTEST:

Address: 560 Market Street
San Francisco, California

STATE OF CALIFORNIA)
City of SAN FRANCISCO) ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me, this 31st day of January, 1964, by Fred C. Rohrbach and Alma B. Rohrbach

My Commission Expires:

Nov 19 1966

Maria G. Rice
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: January 22nd 1964
TRACT NO. (S) 4, 5

Pearl O. Pipkin
Pearl O. Pipkin, Sole Survivee of
Eugene M. Pipkin, Deceased

ATTEST:

Address: Box 1174
Demwell, New Mexico

STATE OF NEW MEXICO)
COUNTY OF CHAVEZ) ss

The foregoing instrument was acknowledged before me this 22nd day of January, 1964, by Pearl O. Pipkin

My Commission Expires:

My Commission Expires Jan. 25, 1965

McLendon
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: 1-24-64

TRACT NO.(S) 8

ATTEST:

I. J. Marshall
Claribel Marshall
Claribel Marshall

Address: 401 N. Pennsylvania
Alamogordo, New Mexico

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss

The foregoing instrument was acknowledged before me this 24 day of January, 1964, by I. J. Marshall and wife Claribel Marshall

My Commission Expires:

2-5-64

E. M. Fowler
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof; provided, however, as to Tract #6 of the unit area, such, consent, ratification and joinder shall not be effective until April 1, 1964.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: January 31, 1964

TRACT NO.(S) 6

ATTEST:

Tom L. Ingram
Joan L. Ingram

Address: Box 1787
Roswell, New Mexico

STATE OF NEW MEXICO)
COUNTY OF CHURRO) ss

The foregoing instrument was acknowledged before me this 31st. day of January, 1964, by Tom L. Ingram and his wife Joan L. Ingram

My Commission Expires:

March 4, 1965

Joan L. Ingram
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, of _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof; **provided, however, as to tract #6 of the unit area, such consent, ratification and joinder shall not be effected until April 1, 1964.**

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: 1/29/64
TRACT NO.(S) 6
ATTEST:

Roland Rich Woolley
ROLAND RICH WOOLLEY
Alice S. Woolley
ALICE S. WOOLLEY

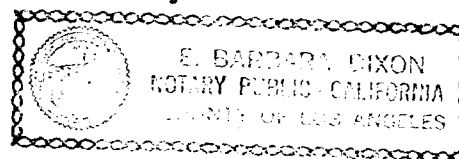
Address: 4201 Wilshire Boulevard
Los Angeles 4, California

STATE OF California)
COUNTY OF Los Angeles) ss

The foregoing instrument was acknowledged before me this 30th day of January, 1964, by Roland Rich Woolley and Alice S. Woolley,

My Commission Expires:
E. BARBARA DIXON
My Commission Expires October 14, 1966

E. Barbara Dixon
Notary Public



STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof; **provided, however, as to Tract #6 of the unit area, such Consent, Ratification and Joinder shall not be effective until April 1, 1964.** The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: January 31, 1964

Anna A. Nearburg
Anna A. Nearburg

TRACT NO.(S) 6

ATTEST:

Address: 4606 Beverly Drive
Dallas, Texas

STATE OF TEXAS)
COUNTY OF DALLAS) ss

The foregoing instrument was acknowledged before me this 31st day of January, 1964, by Anna A. Nearburg, a femme sole

My Commission Expires:

6.31.65

Ray B. Pieratt
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof; provided, however, as to Tract #6 of the unit area, such Consent, Ratification and Joinder shall not be effective until April 1, 1964.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: January 31, 1964

Eugene E. Nearburg
Eugene E. Nearburg

TRACT NO.(S) 6

ATTEST:

Address: 3707 Rawlins Ave.

Dallas, Texas

STATE OF TEXAS)
COUNTY OF DALLAS) ss

The foregoing instrument was acknowledged before me this 31st day of January, 1964, by Eugene E. Nearburg, a single man

My Commission Expires:

May 31, 1965

Ray B. Pivatt
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof; **provided, however, as to Tract No. 6 of the Unit Area, such consent, ratification and joinder shall not be effective until April 1, 1964**

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: January 31, 1964

TRACT NO. (S) 6

ATTEST:

J. L. Briscoe
J. L. Briscoe
Ora U. Briscoe

Address: Box 456
Artesia, New Mexico

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss

The foregoing instrument was acknowledged before me this 31st day of January, 1964, by J. L. Briscoe and wife, Ora U.

My Commission Expires:

August 18, 1964

Dore E. Bennett
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date January 24, 1964
TRACT NO. (S) 7, 8, 9, 10, 11

Marguerite Brintridge Payne
Marguerite Brintridge Payne

ATTEST:

Address: 1400 W. Indiana
Midland, Texas

STATE OF TEXAS)
COUNTY OF MIDLAND) ss

The foregoing instrument was acknowledged before me this 24 day of January, 1964, by Marguerite Brintridge Payne, a widow

My Commission Expires:

June 1, 1965

M. T. PEYTON
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: _____

TRACT NO.(S) 10, 33

ATTEST:

Robert G. Hangan
Nancy Sue Hangan

Address: Box 1737

Roswell, New Mexico

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss

The foregoing instrument was acknowledged before me this 26 day of January, 1964, by Robert G. Hangan and wife, Nancy Sue Hangan

My Commission Expires: _____

Lucas M. Myers
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires: _____

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: 1-23-64

TRACT NO.(S) 11

ATTEST:

Ernest A. Hanson
Ernest A. Hanson
Baulah Irene Hanson
Baulah Irene Hanson

Address: Box 1515
Roswell, New Mexico

STATE OF NEW MEXICO)
COUNTY OF CHAVES) ss

The foregoing instrument was acknowledged before me this 23rd day of January, 1964, by Ernest A. Hanson and wife, Baulah Irene Hanson

My Commission Expires:

MY COMMISSION EXPIRES FEBRUARY 23, 1964

Emerson B. Lockhunter
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: 1-24-64

TRACT NO. (S) 14

ATTEST:

John H. Burton
John H. Burton
Mary C. Burton
Mary C. Burton

Address: Box 1594
Santa Fe, New Mexico

STATE OF NEW MEXICO)
COUNTY OF SANTA FE) ss

The foregoing instrument was acknowledged before me this 24th day of January, 1964, by John H. Burton and wife Mary C. Burton

My Commission Expires:

Wendell W. Powell
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, of _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: 1-27-64

Eugenia Bate
Eugenia Bate

TRACT NO.(S) 15

ATTEST:

Address: Box 86

Mayo, Arizona

STATE OF Arizona)
COUNTY OF Maricopa) ss

The foregoing instrument was acknowledged before me this 27th day of January, 1964, by Eugenia Bate, a widow

My Commission Expires:

June 2, 1964

[Signature]
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, _____ of _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: 1/24/66

TRACT NO.(S) 16

ATTEST:

E. R. Richardson
E. R. Richardson
Kathryn B. Richardson

Address: 2929 Monte Vista, NE
Albuquerque, New Mexico

STATE OF New Mexico)
COUNTY OF Bernalillo) ss

The foregoing instrument was acknowledged before me this 24th day of January, 1964, by E. R. Richardson and wife Kathryn B. Richardson

My Commission Expires:

Jan. 12, 1967

James J. Neal
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: 1-31-1964

TRACT NO.(S) 17

ATTEST:

Address: 1005 Upland

Midland, Texas

STATE OF Texas)
COUNTY OF Midland) ss

The foregoing instrument was acknowledged before me this 31st day of JANUARY, 1964, by Mary Charlotte Cooper and husband, Donald E. Cooper

My Commission Expires:

June 1, 1965

Bennie J. Carter
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: January 30, 1964

TRACT NO.(S) 19

ATTEST:

Leonore Stockmann
Leonore Stockmann

Robert J. Newman
Robert J. Newman
Claire Poe Newman
Claire Poe Newman

Address: 371 Nibaria Bank Bldg.,
New Orleans 12, La.

~~COUNTRY AMERICA~~
~~PROVINCE~~ FEDERAL REPUBLIC OF GERMANY
~~CITY~~ OF LAND BAVARIA
CITY OF MUNICH
COUNTY OF CONSULATE GENERAL OF THE
OR CITY UNITED STATES OF AMERICA } ss

January The foregoing instrument was acknowledged before me this 30th day of January, 1964, by Robert J. Newman and wife, Claire Poe Newman

Service No. 46
Tariff Item No. 2.50
My Commission Expires: 10.00
Prepaid U.S.S. 10.00
Local CY. equiv. DM. 10.00

Clarke N. Ellis
Clarke N. Ellis
Notary Public
Vice Consul of the United
States of America

~~Department of State~~
~~United States of America~~

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires: _____

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: 1/27/64

TRACT NO.(S) 19

ATTEST:

~~_____~~

Morris W. Newman
Morris W. Newman
Lila Lee Newman
Lila Lee Newman

Address: 321 Niberia Bank Bldg.,
New Orleans 12, La.

STATE OF COLORADO)
COUNTY OF DENVER) ss

The foregoing instrument was acknowledged before me this 27 day of January, 1964, by Morris W. Newman and wife Lila Lee Newman

My Commission Expires:

1967

Manuwa A. Talib
Notary Public

STATE OF _____)
COUNTY OF _____) ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

CONSENT, RATIFICATION AND JOINDER
BRINNINSTOOL DEEP UNIT AGREEMENT
LEA COUNTY, NEW MEXICO

The undersigned (whether one or more) hereby acknowledges receipt of a copy of the Unit Agreement for the Development and Operation of the Brinninstool Deep Unit Area embracing lands situated in Lea County, New Mexico, which said Agreement is dated as of January 22, 1964, and acknowledges that the undersigned has read the same and is familiar with the terms and conditions thereof. The undersigned also being the owner of the leasehold, royalty or other interest in the lands or minerals embraced in said unit area, as indicated on the schedule attached to said Unit Agreement as Exhibit "B", does hereby commit all of said interest to the Brinninstool Deep Unit Agreement and does hereby consent thereto and ratify all of the terms and provisions thereof, exactly the same as if the undersigned had executed the original of said Unit Agreement or a counterpart thereof.

The tract numbers as shown below are for convenient reference only, and it is understood and agreed that the entire interest of the undersigned in the Unit Area is committed hereto.

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

Date: 1-24-64

TRACT NO.(S) 30

ATTEST:

Yvonne McKnight
R. S. McKnight

Address: 221 Atlas Bldg.,
Salt Lake City, Utah

STATE OF UTAH }
COUNTY OF SALT LAKE } ss

The foregoing instrument was acknowledged before me this 24 day of JANUARY, 1964, by Yvonne McKnight and husband R. S. McKnight

My Commission Expires:

1-8-65

J. S. Jeffery
Notary Public

STATE OF _____ }
COUNTY OF _____ } ss

The foregoing instrument was acknowledged before me this _____ day of _____, 1964, by _____, a Corporation, on behalf of said Corporation.

My Commission Expires:

Notary Public

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF THE PURE OIL
COMPANY FOR APPROVAL OF THE
BRINNINSTOOL UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO

Case No. 2983

APPLICATION

Comes now The Pure Oil Company by its attorneys and applies to the New Mexico Oil Conservation Commission for approval of the Brinninstool Unit Agreement, Lea County, New Mexico, and in support of its application states:

1. That The Pure Oil Company is the operator of the proposed Brinninstool Unit, comprising 17,237.30 acres of Federal and State lands in Lea County, New Mexico as follows:

Township 23 South, Range 32 East

Section 24:	All
Section 25:	All
Section 26:	All
Section 27:	All
Section 28:	All
Section 33:	All
Section 34:	All
Section 35:	All
Section 36:	All

Township 23 South, Range 33 East

Section 19:	All
Section 20:	All
Section 21:	All
Section 29:	All
Section 30:	All
Section 31:	All
Section 32:	All
Section 28:	All

Township 24 South, Range 32 East

Section 1:	All
Section 2:	All
Section 3:	All

DOCKET MAILED

Township 24 South, Range 32 East (cont'd)

Section 4: All
Section 10: All
Section 11: All
Section 12: All

Township 24 South, Range 33 East

Section 5: All
Section 6: All
Section 7: All.

2. That the Brinninstool Unit Agreement covers all formations underlying said lands below the top of the Cherry Canyon Formation of the Delaware Mountain Group, which point is encountered at a depth of 5,923 feet in the Max Wilson Continental-Federal Well No. 1 located in Section 28, Township 23 South, Range 32 East, Lea County, New Mexico.

3. That approval of the Brinninstool Unit Agreement will be in the best interest of conservation, will prevent waste, and will protect correlative rights.

WHEREFORE, The Pure Oil Company requests that this application be set for hearing before the Commission, or one of its Examiners, and that the Commission enter its order approving this application.

SETH, MONTGOMERY, FEDERICI & ANDREWS
Post Office Box 828
Santa Fe, New Mexico

By Richard S. Morris

Attorneys for Applicant.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF THE PURE OIL
COMPANY FOR APPROVAL OF THE
BRINNINSTOOL UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO

Case No. 233

APPLICATION

Comes now The Pure Oil Company by its attorneys and applies to the New Mexico Oil Conservation Commission for approval of the Brinninstool Unit Agreement, Lea County, New Mexico, and in support of its application states:

1. That The Pure Oil Company is the operator of the proposed Brinninstool Unit, comprising 17,237.30 acres of Federal and State lands in Lea County, New Mexico as follows:

Township 23 South, Range 32 East

Section 24:	All
Section 25:	All
Section 26:	All
Section 27:	All
Section 28:	All
Section 33:	All
Section 34:	All
Section 35:	All
Section 36:	All

Township 23 South, Range 33 East

Section 19:	All
Section 20:	All
Section 21:	All
Section 29:	All
Section 30:	All
Section 31:	All
Section 32:	All
Section 28:	All

Township 24 South, Range 32 East

Section 1:	All
Section 2:	All
Section 3:	All

Township 24 South, Range 32 East (cont'd)

Section 4: All
Section 10: All
Section 11: All
Section 12: All

Township 24 South, Range 33 East

Section 5: All
Section 6: All
Section 7: All.

2. That the Brinninstool Unit Agreement covers all formations underlying said lands below the top of the Cherry Canyon Formation of the Delaware Mountain Group, which point is encountered at a depth of 5,923 feet in the Max Wilson Continental-Federal Well No. 1 located in Section 28, Township 23 South, Range 32 East, Lea County, New Mexico.

3. That approval of the Brinninstool Unit Agreement will be in the best interest of conservation, will prevent waste, and will protect correlative rights.

WHEREFORE, The Pure Oil Company requests that this application be set for hearing before the Commission, or one of its Examiners, and that the Commission enter its order approving this application.

SETH, MONTGOMERY, FEDERICI & ANDREWS
Post Office Box 828
Santa Fe, New Mexico

By Richard S. Morris

Attorneys for Applicant.

January 29, 1964

The Pure Oil Company
P. O. Box 671
Midland, Texas

Re: Proposed Brinninstool Deep Unit
Lea County, New Mexico

Attention: Mr. E. B. White

Gentlemen:

This office is approving as to form and content your Proposed Brinninstool Deep Unit, subject to the two changes which I discussed with you on the telephone this morning.

These changes are as follows.

- (1) Section 21, Page 20, line 34 end of sentence delete period insert semicolon and add " " 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 developing in the absence of the specific written approval thereof by the Commissioner and as to any lands of

The Pure Oil Company
Attention: Mr. E. B. White
January 29, 1964
- page 2 -

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 Commissioner."

- (2) Section 29, Page 24, line 5, delete line five and insert:
"within 60 days by the Director or the Land Commissioner, provided, however, that as to State Lands such subsequent joinder must be approved by the Land Commissioner."

We thank you for your courtesy in this matter.

Very truly yours,

E. B. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:

(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mm/v

cc:

Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

State of New Mexico



Commissioner of Public Lands

E. S. JOHNNY WALKER
COMMISSIONER



P. O. BOX 781
SANTA FE, NEW MEXICO

January 29, 1964

The Pure Oil Company
P. O. Box 671
Midland, Texas

Re: Proposed Brinninstool Deep Unit
Lea County, New Mexico

Attention: Mr. E. B. White

Gentlemen:

This office is approving as to form and content your Proposed Brinninstool Deep Unit, subject to the two changes which I discussed with you on the telephone this morning.

These changes are as follows,

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The Pure Oil Company
Attention: Mr. E. B. White
January 29, 1964
- page 2 -

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 Commissioner."

- (2) Section 29, Page 24, line 5, delete line five and insert:
"within 60 days by the Director or the Land Commissioner, provided, however, that as to State Lands such subsequent joinder must be approved by the Land Commissioner."

We thank you for your courtesy in this matter.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY: *Marian M. Rhea*
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v
cc:

Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

State of New Mexico



Commissioner of Public Lands

E. S. JOHNNY WALKER
COMMISSIONER



P. O. BOX 781
SANTA FE, NEW MEXICO

January 29, 1964

The Pure Oil Company
P. O. Box 671
Midland, Texas

Re: Proposed Brinninstool Deep Unit
Lea County, New Mexico

Attention: Mr. E. B. White

Gentlemen:

This office is approving as to form and content your Proposed Brinninstool Deep Unit, subject to the two changes which I discussed with you on the telephone this morning.

These changes are as follows,

- (1) Section 21, Page 20, line 34 end of sentence delete period insert semi-colon and add = " 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 developing in the absence of the specific written approval thereof by the Commissioner and as to any lands of

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Pucci's EXHIBIT NO. 5

CASE NO. 2983

The Pure Oil Company
Attention: Mr. E. B. White
January 29, 1964
- page 2 -

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 Commissioner."

- (2) Section 29, Page 24, line 5, delete line five and insert:
"within 60 days by the Director or the Land Commissioner, provided, however, that as to State Lands such subsequent joinder must be approved by the Land Commissioner."

We thank you for your courtesy in this matter.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY: *Marian M. Rhea*
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v
cc:

Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

IN REPLY REFER TO:

JAN 21 1964

The Pure Oil Company
P. O. Box 671
Midland, Texas 79701

Attention: Mr. E. B. White

Gentlemen:

Your application of January 13, filed with the Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of 17,237.30 acres, more or less, Lea County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

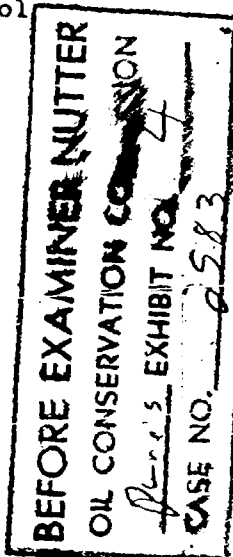
Pursuant to unit plan regulations of December 22, 1950, 30 CFR 226.3 (1961 reprint), the land requested as described in your application and outlined on your map marked "Exhibit A, Brinninstool Unit, Lea County, New Mexico," is hereby designated as a logical unit area. Inasmuch as unitization will be limited to all formations below the top of the Cherry Canyon formation of the Delaware Mountain Group, Permian Age, the unit should be identified as the "Brinninstool Deep Unit" by the unit agreement submitted for the area hereby designated. Our review of the area indicates the total acreage to be 17,237.32 acres. Accordingly, if your recheck confirms our figure, your records should be so conformed.

The unit agreement submitted for the area designated should provide for the drilling of the initial exploratory well to test formations of Devonian age, or to a depth of 16,300 feet. The 1961 reprint of the standard form of unit agreement should be used, with the modifications proposed by your application, the addition of the language required by the State of New Mexico, and the following additional modification to update the Nondiscrimination section:

The "Fair Employment" section of the 1961 reprint should be replaced with the following:

"Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of 301 (1) to (7) inclusive, of Executive Order 10925, as amended, (28 F.R. 6485), which are hereby incorporated by reference in this agreement."

In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical



to the 1961 reprint, modified only as outlined above, will be approved if submitted in approvable status within a reasonable time. However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all acreage. In preparation of Exhibits A and B, follow closely the format of the sample exhibits attached to the 1961 reprint of the standard form.

Inasmuch as this unit contains State of New Mexico lands, we are sending a copy of this letter to the Commissioner of Public Lands at Santa Fe, and you are requested to contact said Commissioner in connection with this letter prior to soliciting joinders.

Sincerely yours,



Acting Director

1-24-64
Orig sent to White
B



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

IN REPLY REFER TO:

JAN 21 1964

The Pure Oil Company
P. O. Box 671
Midland, Texas 79701

Attention: Mr. E. B. White

Gentlemen:

Your application of January 13, filed with the Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of 17,237.30 acres, more or less, Lea County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to unit plan regulations of December 22, 1950, 30 CFR 226.3 (1961 reprint), the land requested as described in your application and outlined on your map marked "Exhibit A, Brinninstool Unit, Lea County, New Mexico," is hereby designated as a logical unit area. Inasmuch as unitization will be limited to all formations below the top of the Cherry Canyon formation of the Delaware Mountain Group, Permian Age, the unit should be identified as the "Brinninstool Deep Unit" by the unit agreement submitted for the area hereby designated. Our review of the area indicates the total acreage to be 17,237.32 acres. Accordingly, if your recheck confirms our figure, your records should be so conformed.

The unit agreement submitted for the area designated should provide for the drilling of the initial exploratory well to test formations of Devonian age, or to a depth of 16,300 feet. The 1961 reprint of the standard form of unit agreement should be used, with the modifications proposed by your application, the addition of the language required by the State of New Mexico, and the following additional modification to update the Nondiscrimination section:

The "Fair Employment" section of the 1961 reprint should be replaced with the following:

"Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of 301 (1) to (7) inclusive, of Executive Order 10925, as amended, (28 F.R. 6485), which are hereby incorporated by reference in this agreement."


In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical

to the 1961 reprint, modified only as outlined above, will be approved if submitted in approvable status within a reasonable time. However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all acreage. In preparation of Exhibits A and B, follow closely the format of the sample exhibits attached to the 1961 reprint of the standard form.

Inasmuch as this unit contains State of New Mexico lands, we are sending a copy of this letter to the Commissioner of Public Lands at Santa Fe, and you are requested to contact said Commissioner in connection with this letter prior to soliciting joinders.

Sincerely yours,



Acting Director

1-24-64
Orig sent to White
B

50th YEAR



THE PURE OIL COMPANY

SOUTHERN PRODUCING DIVISION • MIDLAND DISTRICT EXPLORATION
P. O. BOX 671 • MIDLAND, TEXAS 79701 • AREA CODE 915-MU 23725

January 13, 1964

CONFIDENTIAL GEOLOGICAL REPORT

**PROPOSED BRINNINSTOOL DEEP UNIT
LEA COUNTY, NEW MEXICO**

**THE DIRECTOR - UNITED STATES GEOLOGICAL SURVEY
WASHINGTON, D. C.**

This is a proposed Federal-State-type Unit covering 17,237.30 acres to drill a 16,300 foot Devonian wildcat to be located in the south one-half of Section 36, Township 23 South, Range 32 East, Lea County, New Mexico. The proposed Unit, as shown on Exhibit "A", is located on the north flank of the Delaware Basin about twenty-seven miles northwest of Jal, New Mexico. A seismograph interpretation, from profiles using conventional techniques, shows a large structural feature trending northeast-southwest which is approximately seven miles long and four miles wide. The seismic interpretation as shown on Exhibit "C" has 400 feet of structural closure. The basis for the Unit boundary, as shown on the Devonian Seismograph Map, Exhibit "C", is the lowest closing contour at (-12,600).

The prospect is located in an area of relatively low rolling hill topographic relief with the Ogallala formation and Quaternary alluvium exposed on the surface. No surface exposure is present on which surface mapping could be accomplished to substantiate a deep-seated structural anomaly.

Regional dip of the Devonian formation is to the southeast at the rate of approximately 100 feet per mile. Subsurface control in the area is practically nil, with the nearest control, the Continental Oil Company #5 Bell Lake Unit located in Section 1, Township 24 South, Range 33 East, approximately four miles to the east. The Continental Oil Company #5 Bell Lake Unit well, a 16,100 foot Devonian failure, tested 12,085 feet of salt water in the Devonian formation and was subsequently completed in the Pennsylvanian Morrow formation from 14,417 to 14,727 feet for 7,400 MCFGPD. Nearest Devonian production is in the Bell Lake Field approximately five miles east of the Unit. The Bell Lake Field has five producers operated by the Continental Oil Company. The Continental #1-A Bell Lake Unit was completed in the Devonian formation from 14,942 to 15,025 feet for

15,500 MCFGPD plus 14.4 barrels of formation water. The #2 Bell Lake Unit was completed in the Pennsylvanian Strawn formation for 140 barrels of distillate per day plus 13,100 MCFGPD. The #3 Bell Lake Unit was completed in the Bone Spring formation from 8,670 to 8,817 feet for 53 barrels of oil per day plus 2 barrels of formation water. The #4 Bell Lake Unit was completed in the Devonian formation from 14,736 to 14,938 feet for 64,000 MCFGPD.

The Brinninstool proposed Unit is in an area favorable for production from the upper Delaware Mountain group as shown on Exhibit "B". The Cruz Field, Triste Draw Field and the north one-half of the Double "X" Field are productive from the uppermost Delaware Sand member of the Delaware Mountain group from depths of 4,900 feet down to 5,200 feet within the proposed Unit area. Exhibit "E" is a Gamma Ray - Acoustic correlation log of the Max Wilson #1 Continental Federal, located 1980 feet FWL and 660 feet FNL of Section 28, Township 23 South, Range 32 East, and is the deepest test drilled in the proposed unit area. It was completed as a dry hole in the Cherry Canyon formation of the Delaware Mountain group. The top of the Cherry Canyon formation was picked from the log at a depth of 5,923 feet. Unitization of rights will begin at the top of Cherry Canyon formation at an estimated depth of approximately 5,923 feet in the proposed Brinninstool Unit test. Exhibit "F" is a Gamma Ray - Sonic correlation log of the Continental Oil Company's #7 Bell Lake Unit, a Wolfcamp dry hole located 660 feet FNL and FEL of Section 1, Township 24 South, Range 33 East and approximately four miles east of the Unit outline. The top of the Cherry Canyon formation was picked from the log of the #7 Bell Lake Unit at a depth of 6,260 feet. The Cherry Canyon formation in the Unit test will be encountered well below the deepest producing depth in any of the fields located within the Unit outline. No production has been established from the Cherry Canyon formation in this area of the Delaware Basin.

The proposed Brinninstool Unit test should penetrate about 1,200 feet of red beds before encountering the top of the Rustler Anhydrite. The evaporite and salt section should be about 3,800 feet thick. Approximately 3,900 feet of basin type Delaware sandstone, shale, and limestone should be present. The Bone Spring limestone, sandstone, and shale section should be 2,400 feet in thickness. The Wolfcamp may vary from 900 to 1,350 feet in thickness. The Pennsylvanian formation should contain approximately 2,200 feet of limestone, sandstone, and shale. The Mississippian section should contain 1,200 feet of limestone and shale. In all, the test should penetrate 16,000 feet of sediments; however, on a structurally high test, it is not unreasonable to expect considerable thinning of pre-Wolfcamp beds over Devonian highs. The columnar section is shown on Exhibit "D".

The potential pay zones and expected depths are as follows:

Cherry Canyon sandstone	6,100 feet
Bone Spring limestone	8,900 feet
Wolfcamp limestone	11,300 feet
Pennsylvanian limestone	12,650 feet
Pennsylvanian sandstone	13,800 feet
Devonian dolomite	16,000 feet

Considering the inherent difficulties of shallow high velocity sediments, we feel the data are of fair to good quality, and we have mapped the probable existence of a deep structure which should be tested for probable entrapment of hydrocarbons.

Respectfully submitted,

W. J. Henry
W. J. Henry
Geologist

WJH:bn

50th YEAR



THE PURE OIL COMPANY

SOUTHERN PRODUCING DIVISION • MIDLAND DISTRICT EXPLORATION
P. O. BOX 671 • MIDLAND, TEXAS 79701 • AREA CODE 915-MU 2-3725

January 13, 1964

CONFIDENTIAL GEOLOGICAL REPORT

PROPOSED BRINNINSTOOL DEEP UNIT
LEA COUNTY, NEW MEXICO

THE DIRECTOR - UNITED STATES GEOLOGICAL SURVEY
WASHINGTON, D. C.

This is a proposed Federal-State-type Unit covering 17,237.30 acres to drill a 16,300 foot Devonian wildcat to be located in the south one-half of Section 36, Township 23 South, Range 32 East, Lea County, New Mexico. The proposed Unit, as shown on Exhibit "A", is located on the north flank of the Delaware Basin about twenty-seven miles northwest of Jal, New Mexico. A seismograph interpretation, from profiles using conventional techniques, shows a large structural feature trending northeast-southwest which is approximately seven miles long and four miles wide. The seismic interpretation as shown on Exhibit "C" has 400 feet of structural closure. The basis for the Unit boundary, as shown on the Devonian Seismograph Map, Exhibit "C", is the lowest closing contour at (-12,600).

The prospect is located in an area of relatively low rolling hill topographic relief with the Ogallala formation and Quaternary alluvium exposed on the surface. No surface exposure is present on which surface mapping could be accomplished to substantiate a deep-seated structural anomaly.

Regional dip of the Devonian formation is to the southeast at the rate of approximately 100 feet per mile. Subsurface control in the area is practically nil, with the nearest control, the Continental Oil Company #5 Bell Lake Unit located in Section 1, Township 24 South, Range 33 East, approximately four miles to the east. The Continental Oil Company #5 Bell Lake Unit well, a 16,100 foot Devonian failure, tested 12,085 feet of salt water in the Devonian formation and was subsequently completed in the Pennsylvanian Morrow formation from 14,417 to 14,727 feet for 7,400 MCFGPD. Nearest Devonian production is in the Bell Lake Field approximately five miles east of the Unit. The Bell Lake Field has five producers operated by the Continental Oil Company. The Continental #1-A Bell Lake Unit was completed in the Devonian formation from 14,942 to 15,025 feet for

15,500 MCFGPD plus 14.4 barrels of formation water. The #2 Bell Lake Unit was completed in the Pennsylvanian Strawn formation for 140 barrels of distillate per day plus 13,100 MCFGPD. The #3 Bell Lake Unit was completed in the Bone Spring formation from 8,670 to 8,817 feet for 53 barrels of oil per day plus 2 barrels of formation water. The #4 Bell Lake Unit was completed in the Devonian formation from 14,736 to 14,938 feet for 64,000 MCFGPD.

The Brinninstool proposed Unit is in an area favorable for production from the upper Delaware Mountain group as shown on Exhibit "B". The Cruz Field, Triste Draw Field and the north one-half of the Double "X" Field are productive from the uppermost Delaware Sand member of the Delaware Mountain group from depths of 4,900 feet down to 5,200 feet within the proposed Unit area. Exhibit "E" is a Gamma Ray - Acoustic correlation log of the Max Wilson #1 Continental Federal, located 1980 feet FNL and 660 feet FNL of Section 28, Township 23 South, Range 32 East, and is the deepest test drilled in the proposed unit area. It was completed as a dry hole in the Cherry Canyon formation of the Delaware Mountain group. The top of the Cherry Canyon formation was picked from the log at a depth of 5,923 feet. Unitization of rights will begin at the top of Cherry Canyon formation at an estimated depth of approximately 5,923 feet in the proposed Brinninstool Unit test. Exhibit "F" is a Gamma Ray - Sonic correlation log of the Continental Oil Company's #7 Bell Lake Unit, a Wolfcamp dry hole located 660 feet FNL and FEL of Section 1, Township 24 South, Range 33 East and approximately four miles east of the Unit outline. The top of the Cherry Canyon formation was picked from the log of the #7 Bell Lake Unit at a depth of 6,260 feet. The Cherry Canyon formation in the Unit test will be encountered well below the deepest producing depth in any of the fields located within the Unit outline. No production has been established from the Cherry Canyon formation in this area of the Delaware Basin.

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The potential pay zones and expected depths are as follows:

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Bone Spring limestone	8,900 feet
Wolfcamp limestone	11,300 feet
Permian limestone	12,650 feet
Pennsylvanian sandstone	13,800 feet
Devonian dolomite	16,000 feet

Considering the inherent difficulties of shallow high velocity sediments, we feel the data are of fair to good quality, and we have mapped the probable existence of a deep structure which should be tested for probable entrapment of hydrocarbons.

Respectfully submitted,

W. J. Henry
W. J. Henry
Geologist

WJH:bn

BRINNINSTOOL DEEP UNIT O.C.C. HEARING

17,237.32 Acres

1. Working Interest Owners:

Gulf Oil Corporation	Committed	23.8070%	of Unit Area
Continental	Committed	41.2066%	" " "
Pure	Committed	18.2968%	" " "
Marathon	Committed	5.5578%	" " "
Richardson Oils	Committed	2.2584%	" " "
Perry R. Bass	Committed	.7528%	" " "
Texaco Inc.	Uncommitted	1.8562%	" " "
Richfield	Committed	.1160%	" " "
British-American	Committed	.1160%	" " "
International Oil & Gas Corp.	Uncommitted	.2320%	" " "
Pennzoil Company	Uncommitted	.9281%	" " "
Jacqueline Langdon	Committed	4.8731%	" " "

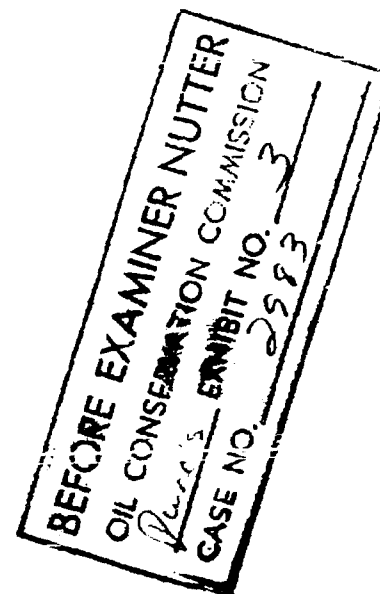
2. Percentage of State Acreage in Unit = 25.8606%
All Committed

3. Percentage of Federal Acreage in Unit = 74.1393%
 95.9311% of Fed. Acs. committed.

4. Number of Owners of ORRs and Prod. Payments = 36
 28 Committed
 8 Uncommitted (7 definite nos, 1 mailed to foreign
 country that will probably commit.)

List of Owners of Overriding Royalty and Production Payment Owners and Status:

<u>Owner</u>	<u>Status</u>
Helen B. Wehrli	Committed
L. N. Hagood	"
Thomas Allen	"
Robert N. Enfield	"
Jay Galloway	"
Saul Baker	"
Jewell E. Fields	"
Faye L. Klein	"
Ralph C. Hart	Uncommitted
George C. Buckles	"
Randall F. Montgomery	Committed
Minnie S. Levick	"
Fred C. Rohrback	"
I. J. Marshall	"
Pearl O. Pipkin	"
Roland Rich Woolley	"
J. L. Briscoe	"
Tom L. Ingram	"
Eugene E. Nearburg	"
Marguerite Armitage Payne	"
Robert G. Hanagan	"
Ernest A. Hanson	"
Bruce Alene Carlin	Uncommitted
A. G. McCarver	"
J. B. Palmer	"
Pauline V. Trigg	"
John H. Burton	Committed
Josephine G. Antink	Uncommitted
Eugenia Bate	Committed
E. R. Richardson	"
Mary Charlotte Cooper	"
Morris W. Newman	"
Robert J. Newman	Committed
Yvonne McKnight	Committed
R. E. Boyle	Uncommitted



2783

1. Working Interest Owners:

Gulf Oil Corporation	Committed	23.8070%	of	Unit	Area
Continental	Committed	41.2066%	"	"	"
Pure	Committed	18.2968%	"	"	"
Marathon	Committed	5.5578%	"	"	"
Richardson Oils	Committed	2.2584%	"	"	"
Perry R. Bass	Committed	.7528%	"	"	"
Texaco Inc.	Uncommitted	1.8562%	"	"	"
Richfield	Committed	.1160%	"	"	"
British-American	Committed	.1160%	"	"	"
International Oil & Gas Corp.	Uncommitted	.2320%	"	"	"
Pennzoil Company	Uncommitted	.9281%	"	"	"
Jacqueline Langdon	Committed	4.8731%	"	"	"

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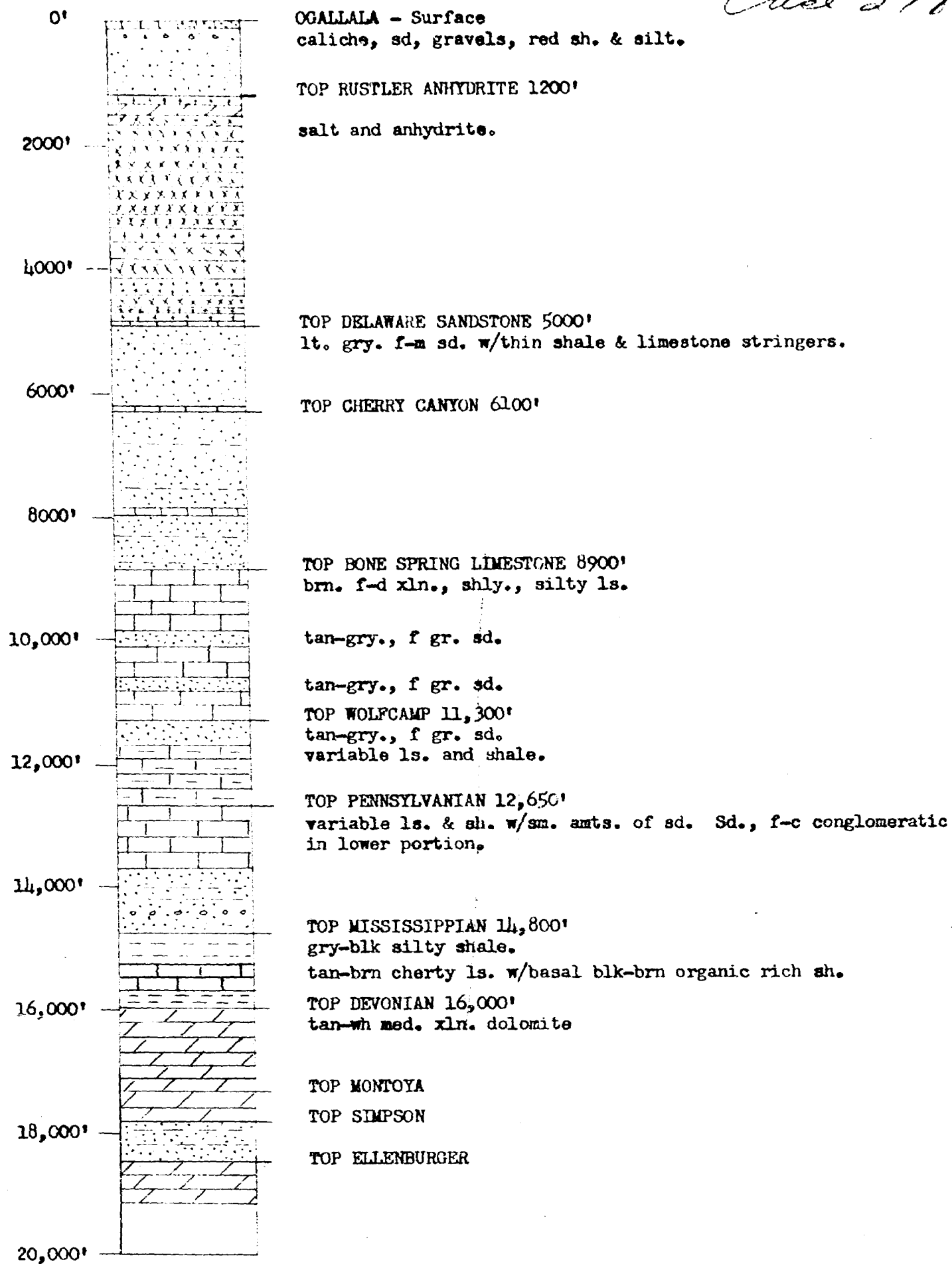
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Pauline V. Trigg	"
John H. Burton	Committed
Josephine G. Antink	Uncommitted
Eugenia Bate	Committed
E. R. Richardson	"
Mary Charlotte Cooper	"
Morris W. Newman	"
Robert J. Newman	Committed
Yvonne McKnight	Committed
R. E. Boyle	Uncommitted

Pure EX #3

Case 2913

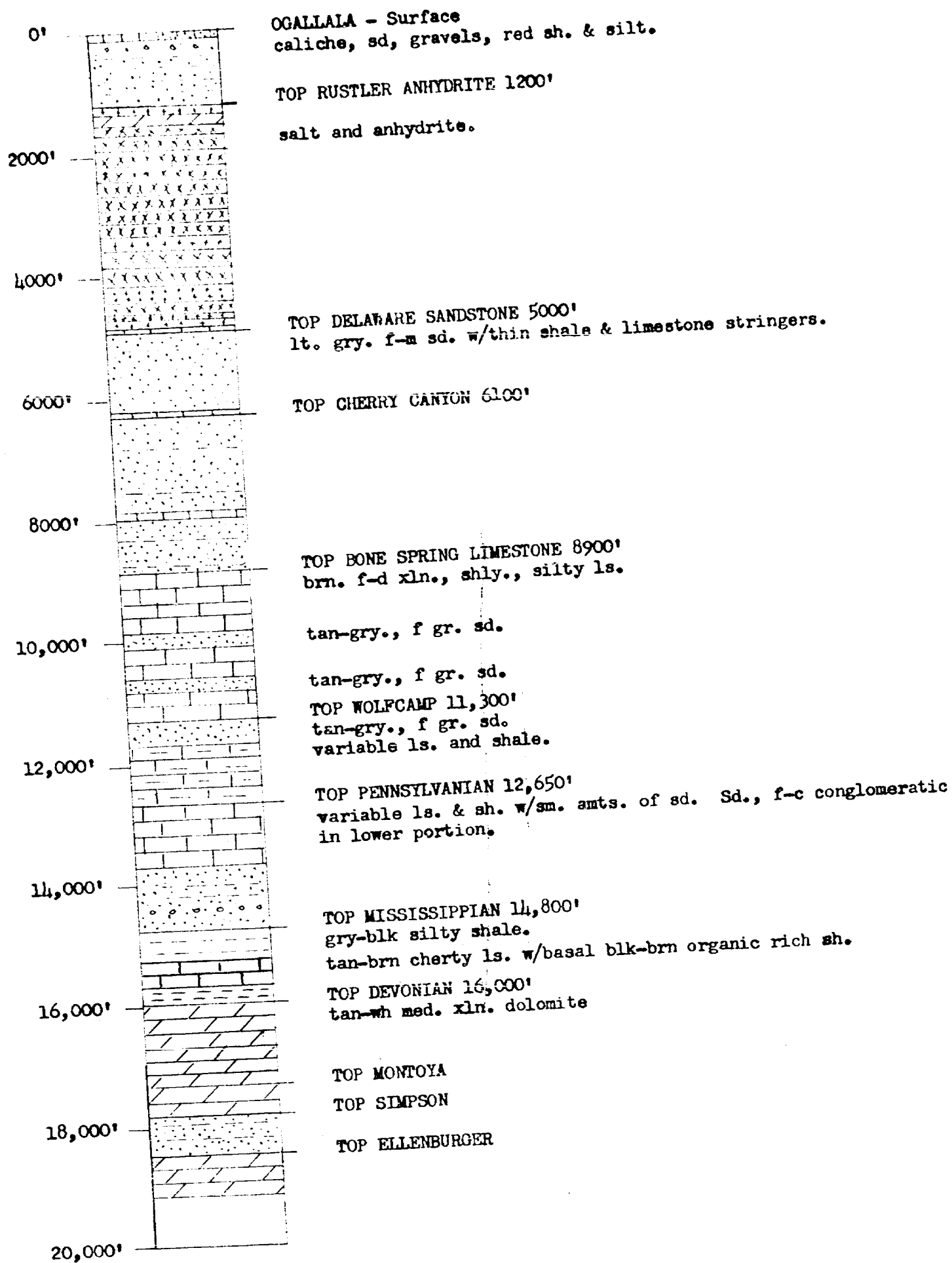


BRINNINSTOOL DEEP UNIT
Townships 23 and 24 South
Ranges 32 and 33 East
Lea County, New Mexico
Proposed 16,300' Devonian Test
Columnar Section

Vert. Scale
1" = 2000'

EXHIBIT "D"

13 January 1964



Vert. Scale
1" = 2000'

EXHIBIT "D"

13 January 1964