

CERTIFICATE OF APPROVAL

STATE OF NEW MEXICO

The undersigned, Commissioner of Public Lands of the State of New Mexico, having this day examined an agreement, on the subject of conservation and development of a prospective oil or gas field in area, which agreement is entitled "Unit Agreement for the Development and Operation of the Rose Unit Area, Counties of San Juan and Rio Arriba, New Mexico", entered into between Stanolind Oil and Gas Company, Unit Operator, and likewise subscribed by numerous Working Interest Owners and Royalty Owners, to which agreement this certificate is attached; and

WHEREAS upon examination thereof, the Commissioner finds:

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

NOW, THEREFORE, by virtue of the authority conferred upon me by Chapter 88 of the Laws of the State of New Mexico, 1943, approved April 14, 1943, 1, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said agreement, as to the lands of the State of New Mexico included in said Rose Unit Agreement, and subject to all the provisions of the aforesaid Chapter 88 of the Laws of the State of New Mexico, 1943.

Executed this 27 day of October, A.D. 1948.

Commissioner of Public Lands of
the State of New Mexico