UNIT AGREMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
WEST BRAVO DOME CARBON DIOXIDE GAS UNIT
HARBING COUNTY, NEW MEXICO



County of Harding

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BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No. 14545 Exhibit No. 2 Submitted by:

HESS CORPORATION
Hearing Date: September 16, 2010

Colon Prester

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UNIT ACREEMENT

FOR THE DEVELOPMENT AND OFERATION OF THE WEST BRAVO DOME CARBON DIOXIDE GAS UNIT HARDING COUNTY, NEW MEXICO

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FOR THE DEVELOPMENT AND OPERATION OF THE WEST BRAVO DOME CARBON DIOXIDE CAS UNIT HARDING COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the first day of September, 1983, by and between the parties who have signed the original of this instrument, a counterpart hereof, or other instrument agreeing to become a party hereto;

WITHESSETH, THAT:

WHEREAS, it is necessary to establish the WEST BRAVO. DOME CARBON DIOXIDE GAS UNIT in order to prevent waste, promote conservation, provide orderly development, and increase the ultimate recovery of Unitized Substances, and in order to protect the correlative rights of the parties hereto and afford to each of the parties hereto such party's fair and equitable share of Unitized Substances, and it is deemed in the public interest and for the mutual benefit of the parties hereto that the Unit Area be developed and operated as though it were a single lease; and

WHEREAS, the Commissioner of Fublic Lands of the State of New Mexico is authorized by an Act of the Legislature (Chapter 19, Article 10, Section 45, New Mexico Statutes 1978 Annotated) to consent to and/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

MHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Chapter 19, Article 10, Section 4, New Mexico Statutes 1978 Annotated) to smend with the approval of the lessee any oil and gas lesse embracing State lands so that the length of the term of said lesses will coincide with the terms of this agreement; and

WHEREAS, the Oil an Gas Conservation Division of the State of New Mexico is suthorized by an Act of the Legislature (Chapter 70, Article 2, Section 17, New Mexico Statutes 1978 Annotated) to approve this agreement and the conservation provisions hereof; and

WHEREAS, the Mineral Leasing Act of February 25, 1920 41 Stat. 51 437, as amended, 30 U.S.C. Saction 181 at seq., authorizes Federal lessees 52 and their representatives to unite with each other, or jointly or separately with others in collectively adopting and operating a unit plan of 54

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development or operation of any oil or gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the Mineral Leasing Act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder are accepted and made a part of this Agreement as to Federal Lands, provided such regulations are not inconsistent with the terms of this Agreement, or the oil and gas operating regulations of the State of New Mexico in effect as of the date hereof; and as to non-Federal lands, the oil and gas operating regulations in effect as of the Effective Date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State of New Mexico, are hereby accepted and made a part of this Agreement;

31.

NOW THEREFORE, in consideration of the premises, of the mutual covenants and agreements herein contained, and of the benefits to be derived herefrom, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS

As used in this agreement:

- 1.1 Unit Area is the land described by Tracts in Exhibit B and shown on Exhibit A as to which this agreement becomes effective or to which it may be extended as herein provided.
- 1.2 Unitized Formation is the subsurface portion of the Unit
 Area which includes all of the Tubb formation and is described as follows:

That stratigraphic interval which extends from the base of the "Cimarron Anhydrita Marker," said marker being found at a depth of 1968 feet (Elev. 4521.4', Subsea Datum +2563.4) on the Schlumberger Compensated Reutron-Formation Density Log of the Cities Service Company State "DC" Well No. 1, located 1980' from the North Line and 1980' from the West Line of Section 36, Township 19 North, Range 29 East, NMPM, to the top of the Precambrian Basement, said top being found at a depth of 2114 feet (Subsea Datum +2417.4) on this same log.

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1.3 <u>Unitized Substances</u> are Carbon Dioxide Gas and all associated and constituent liquid or liquefiable carbonates, including all non-commercial quantities of hydrocarbons or other combinations of elements, within or produced from the Unitized Formation.

1.4 Working Interest is an interest in Unitized Substances by virtue of a lease, operating agreement, fee title, or otherwise, including a carried interest, the owner of which interest has the exclusive right to search for and produce Carbon Dioxide Gas and is obligated to pay, either in cash or out of production or otherwise, a portion of the Unit Expense; however, Carbon Dioxide Gas Rights that are free of lease or other instrument creating a Working Interest shall be regarded as a Working Interest to the extent of saven-eighths (7/8) thereof and a Loyalty Interest to the extent of the remaining one-eighth (1/8) thereof. A Royalty Interest created out of a Working Interest subsequent to the execution of this agreement by the owner of such Working Interest shall continue to be subject to such Working Interest burdens and obligations that are stated in this agreement.

1.5 Royalty Interest is a right to or interest in any portion of Unitized Substances or proceeds thereof other than a Working Interest.

1.6 Royalty Owner is a party hereto who owns a Royalty Interest.

1.7 Working Interest Owner is a party herato who owns a Working Interest.

1.8 Tract is the land described as such and given a Tract number in Exhibit 8.

1.9 Unit Operating Agreement is the agreement entered into by Working Interest Owners, having the same Effective Date as this agreement, entitled "Unit Operating Agreement, West Bravo Dome Carbon Dioxide Gas Unit, Harding County, New Mexico."

1.10 Unit Operator is the Working Interest Owner designated by Working Interest Owners under the Unit Operating Agreement to conduct Unit Operations, acting as operator and not as a Working Interest Owner.

1.11 Tract Participation is the percentage shown on Exhibit C for allocating Unitized Substances to a Tract.

1.12 Unit Participation of a Working Interest Owner is the sum of the percentages obtained by multiplying the Working Interest of such Working Interest Owner is each Tract that qualifies for inclusion within the Unit Area by the Tract Participation of such Tract.

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1.13 Carbon Dioxide Gas Rights are the rights to explore, develop and operate lands within the Unit Ares for the production of Unitized Substances, or to share in the production so obtained or the proceeds thereof.

1.14 Unit Operations are all operations conducted pursuant to this agreement and the Unit Operating Agreement.

1.13 Unit Equipment is all personal property, lease and woll equipment, plants, and other facilities and equipment taken over or otherwise acquired for the joint account for use in Unit Operations.

1.16 <u>Unit Expanse</u> is all cost, expense or indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this agreement and the Unit Operating Agreement for or on account of Unit Operations.

1.17 Iffective Data is the time and data this agreement becomes effective as provided in Section 17.1.

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1.18 Commissioner is the Commissioner of Public Lands of the State of New Mexico.

1.19 $\underline{\text{Division}}$ is the Oil and Gas Division of the State of New Maxico.

1.20 Authorized Officer (AO) is any employee of the Bureau of Land Management who has been delegated the authority to perform the duties described in this part.

1.21 <u>Director</u> is the Director of the Bureau of Land Management or any person authorized to act on the Director's behalf.

1.22 <u>Proper BLM Office</u> is the Bureau of Land Hanagement office having jurisdiction over the lands subject to the regulation in this part.

1.21 Secretary is the Secretary of the Interior of the United States of America or any person duly authorized to exercise the powers yeared in that officer.

ARTICLE 2

2.1 The following exhibits, which are attached hereto, are incorporated herein by reference and unde a part hereof for all purposes.

2.1.1 Exhibit A is a map that shows the boundary lines of the Unit Area and the Tracts therein.

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2.1.2 Exhibit B is a schedule that describes each Tract in the Unit Area.

2.1.3 Exhibit C is a schedule which shows Tract Participation.

2.1.4 Exhibit \underline{D} is the form of indemnity agreement provided for in Article 9.

2.2 Reference to Exhibits. When reference is made to an exhibit, it is to the exhibit as originally stached or, if revised, to the last revision.

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2.3 Exhibits Considered Correct. Exhibits A, B, and C shall be considered to be correct until revised as herein provided.

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2.4 Correcting Errors. The shapes and descriptions of the respective Tracts have been established by using the best information available. If it subsequently appears that any Tract, because of di-verse royalty or working interest ownership on the Effective Date should have been divided into more than one Tract, or that any mechanical miscalculation or elerical error has been made, Unit Operator with approval of the Working Interest Owners shall correct the mistake by revising the exhibits to conform to the facts. The revision shall not include any re-evaluation of data used in determining Tract Participation. Each such revision of an exhibit made prior to thirty (30) days after the Effective Date shall be effective us of the Effective Date. Each such revision thereafter made shall be affective at 7:00 A.M. on the first day of the calendar month next following the filing for record of the revised exhibit or on such other date as may be determined by the Working Interest Owners and set forth in the revised exhibit.

2.5 Filing Revised Exhibits. If an exhibit is revised, Unit Operator shall execute an appropriate instrument with the revised exhibit attached and file the same for record in the county in which this agreement is filed. Two copies of such revised exhibit shall be filed with the Commissioner and five copies shall be filed with the AO.

ARTICLE 3 CREATION AND EFFECT OF UNIT

3.1 Carbon Dioxide Gas Rights Unitized. All Carbon Dioxide Gas Rights of Royalty Owners in and to the lands described in Exhibit B, and all Carbon Dioxide Gas Rights of Working Interest Owners in and to said lands, are hereby unitized insofar as such respective Carbon

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Dioxide Gas Rights pertain to the Unitized Formation, so that Unit Operations may be conducted with respect to the Unitized Formation as if the Unit Area had been included in a single lesse executed by all Royalty Owners, as lessers, in favor of Working Interest Owners, as Lessees, and as if the lesses contained all the provisions of this agreement.

3.2 <u>Personal Property Excepted</u>. All lease and well equipment, materials, and other facilities heretofore or hereafter placed by any of the Working Interest Owners on the lands covered hereby shall be deemed to be and shall remain personal property belonging to and may be removed by Working Interest Owners. The rights and interests therein as among Working Interest Owners are set forth in the Unit Operating Agreement.

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- 3.3 Leases and Contracts Conformed and Extended. The terms, conditions, and provisions of all leases, sublesses and other contracts relating to exploration, drilling, development, or operation for oil or gas, including but not limited to Carbon Dioxide Gas, on lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof but otherwise shall remain in full force and effect. Further, the parties hereto hereby expressly consent for the Secretary as to the Federal leases, for the Commissioner as to the State leases, for the Leasors as to other leases (as evidenced by their individual approval hereof or by the approval hereof of their duly authorized representative) to hereby establish, alter, change, or revoke the drilling, producing, rental, minimum toyalty, and royalty:requirements of Federal, State and other-leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement; and, without limiting the generality of the foregoing, all leases, sublesses, and contracts are particularly modified in accordance with the following:
 - (a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every separately owned Tract subject to this agreement, regardless of whether there is any development of any particular Tract of the Unit Ares.
 - (b) Drilling and producing operations performed hereunder upon any Tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every Tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

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(c) Each lesse, sublesse or contract relating to the exploration, drilling, development or operation for oil or gas, including but not limited to Carbon Dioxide Gas, of lands other than those of the United States committed to this agreement, which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

- (d) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the term so provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the land committed so long as such lease remains subject hereto, provided actual drilling operations are commenced on untitized land, in accordance with the provisions of this agreement, prior to the end of the primary term of such lease. Such lease shall be extended for two years and so long thereafter as oil and gas, including but not limited to Carbon Dioxide Gas, is produced in paying quantities in accordance with the provisions of the Mineral Leasing Act Revision of 1960.
- (a) Each sublease or contract relating to the operation and development of Unitized Substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will sxpire, is hereby extended beyond any such term so provided herein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.
- (f) The segregation of any Federal lease consitted to this agreement is governed by the following provisions in the fourth paragraph of Section 17(j) of the Mineral Leading Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784): "Any (Federal) lease heretofors or hereafter counitted to any such (unit) plan subracing lands that are in part within and in part outside of the area covered by any such plan shall be sogregated into separate leases as to

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the lands committed and the lands not committed as of the effective date of unitizations Provided, however, that any such lesses as to the non-unitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

(g) Any lesse, other than a Federal lesse, having only a portion of the lands covered thereby committed hereto shall be segregated as to the portion committed and the portion not committed. The provisions of such lesse shall apply separately to such segregated portions commencing as of the effective date hereof. In the event any such lesse provides for a lump-sum rental payment, such payment shall be prorated between the portions so segregated in proportion to the acreage of the respective portions.

3.4 Continuation of Leases and Term Interests. Production from any part of the Unitized Formation, except for the purpose of determining payments to Royalty Owners, or other Unit Operations shall be considered as production from or operations upon each Tract; and such production or operations shall continue in effect each lease or term mineral or royalty interest as to all lands and formations covered thereby just as if such operations were conducted on and as if a well were producing from each Tract.

 3.4.1 Any lease subracing lands of the State of New Mexico which is made subject to this agreement shall continue in force beyond the term provided therein as to the lands committed hereto until the termination hereof.

3.4.2 Any lease embracing lands of the State of New Mexico having only a portion of its land committed hereto shall be segregated as to that portion committed and that not committed, and the terms of such lease shall apply separately as to such segregated portions commencing as of the Effective Date hereof, provided, however, that, notwithstanding any of the provisions of this agreement to the contrary, such lease shall continue in full force and effect beyond the term provided therein as to all lands subraced in such lease if oil or gas, including but not limited to Carbon Dioxide Gas, is or has heretofore been discovered in paying quantities on some part of the lands subraced in such lease committed to this agreement or, at any time during the term hereof, as to any lease that is valid and substating and upon which the lease or the Unit Operator is then engaged in bona fide drilling or reworking operations on any part of the lands embraced in such lease, then the same as to all lands embraced therein shell remain in full force and effect so long as such operations are diligently prosecuted.

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3.5 Titles Unaffected by Unitization. Nothing herein shall be construed to result in the transfer of title to Carbon Dioxide Gas Rights by any party hereto to any other party or to Unit Operator.

3.6 <u>Injection Rights</u>. Royalty Owners hereby grant Working Interest Owners the right to inject into the Unitized Formations any substances in whatever amounts Working Interest Owners deem expedient for Unit Operations, together with the right to drill, use, and maintain injection wells on the Unit Area and to use for injection purposes any nonproducing or abandoned wells or dry holes and any producing wells completed in the Unitized Formation.

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ARTICLE 4 DEVELOPMENT AND OPERATIONS

4.1 Unit Operator. Working Interest Owners are concurrently herewith entering into the Unit Operating Agreement, designating CITIES SERVICE OIL AND GAS CORPORATION, a Delaware corporation, as the initial Unit Operator. Unit Operator shall have the exclusive right to conduct Unit Operations which shall conform to the provisions of this agreement and the Unit Operating Agreement. If there is any conflict between such agreements, this agreement shall govern.

4.2 Development, Working Interest Owners have heretofore completed wells capable of producing Unitized Substances. During the first two (2) years after the Effective Date, such additional wells will be drilled as are necessary to gather pertinent information; however, Working Interest Owners shall not be obligated to drill more than four (4) wells per year during this period. Within two years after the Effective Date, Unit Operator shall submit for approval of the Commissioner and the Division an acceptable plan of development and operation which, when approved by the Commissioner, shall constitute the further drilling and operations obligations of the Working Interest Owners for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, Unit Operator shall submit for like approval a plan for an additional specified period, Five copies of all such plans shall be furnished to the AO.

Any plan submitted pursuant to this Section shall:

- (a) specify the number and locations of any wells to be drilled and the proposed order and time for such drilling, and
- (b) to the extent practicable specify the operating practices regarded as necessary and advisable for proper conservation of natural resources.

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Plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in approving submitted plans of development and in complying with the obligations of any such approved plan.

A.3 Operations. Nothing herein shall prevent Working Interest Owners from discontinuing or changing in whole or in part any method of operations which, in their opinion, is no longer in secord with good engineering or production practices. Other methods of operation may be conducted or changes may be made by Working Interest Owners from time to time if determined to be feasible, necessary, or desirable to maintain deliverability and increase ultimate recovery of Unitized Substances. Unit Operator shall keep the Commissioner and the AO informed of any changes in any method of operation by furnishing them notice or a copy of any order of the Division authorizing such changes.

ARTICLE 5 TRACT PARTICIPATION

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 5.1 Initial Tract Participations. The Initial Tract Participation of each Tract is shown on Exhibit C and was computed as follows:

J.1.1 The Initial Tract Participation of each Tract is equal to One Hundred (100) times the ratio of the Total Surface Acres contained in the Tract divided by the sum of the Total Surface Acres contained in all Tracts in the Unit Area. In the event fever than all of the Tracts described in Exhibit B are included in the Unit Area on the Effective Date, the Tract Participation shall be calculated by Unit Operator on the basis of all such included Tracts rather than all Tracts described in Exhibit B and Unit Operator shall revise Exhibits A, B, and C accordingly.

5.1.2 Total Surface Acres in a Tract are those surface acres contained in the Tract as shown on Exhibit B.

5.2 Redetermination of Tract Participations. Within five (5) years after the first sales of Unitized Substances delivered into the pipeline described in Section 6.1, but in any event no later than ten (10) years after the Effective Date hereof, the Tract Participation of each Tract shall be redetermined by Working Interest Owners subject to approval of the Commissioner. Any such Tract which is then shown to be outside the then known productive limits of the Unit Area shall be automatically eliminated from the Unit Area, provided, however, if drilling is then occurring on step-out locations from producing wells with not more than 90 days elapsing between the completion of one well and the beginning of the next well, such redetermination may be deferred for a period not to exceed two (2) years. The method of redetermining Tract Participation Percentages shall be as follows:

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5.2.1 The Productive Acres of each Tract shall be determined by establishing a zero net pay isopachous line based on the extrapolated net pay intervals in all wells in the Unit Area in accordance with industry-wide acceptable practices for interpreting underground geologic features on maps. Where the zero net pay isopachous line falls outside the boundary line of the Unit Area, said Unit Area boundary line shall be considered to be the zero net pay isopachous line. Those tracts having no Productive Acres shall be automatically eliminated from the Unit Area, and no payments made to any of the Royalty Owners of such eliminated Tracts under the Initial Tract Perticipation shall be further accounted for.

5.2.2 The redetermined Tract Participations shall be calculated by dividing each Tract's Productive Acres by the Total Productive Acres contained in all Tracts in the Unit Area remaining after exclusion of Tracts under Section 5.2.1 and multiplying by one hundred (100). Unit Operator shall prepare revised Exhibits A, B, and C and file such revised Exhibits in Harding County, New Mexico. Two copies of such revised Exhibits shall be provided the Commissioner and five copies provided the AO.

5.3 No Retroactive Adjustments. There shall not be any retroactive adjustments or accounting for the difference between the Initial Tract Participation and the redetermined Tract Participation on further redetermination of Tract Participations shall ever be made.

5.4 Relative Tract Participation. Except for the redetermination under this Article, if the Unit Area is enlarged or reduced, the revised Tract Participations of the Tracts remaining in the Unit Area and which were within the Unit Area prior to the enlargement or reduction shall remain in the same ratio one to another.

ARTICLE 6 RENTAL AND ROYALTY PAYMENTS

6.1 Rental Paid Between Effective Date and Delivery of Unitized Substances. It is recognized that, although a market presently exists for small volumes of Carbon Dioxide Gas, the primary market for Unitized Substances cannot be met until a pipeline and field facilities can be built, and delivery of Unitized Substances to such facilities will not begin until some time after the Effective Date hereof. Therefore, as part of the consideration for execution of this agreement, Working Interest Owners will pay to Royalty Owners, and the Royalty Owners hereby will accept, an additional rental payment of fifty percent of the annual rental as preacribed in their respective leases due during the calendar year in which the Unit becomes effective. On paid-up leases covering fee and patented lands, the amount paid shall be fifty (50) cents per acra. The additional annual payment shall increase the annual rental payment on

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leases of the State of New Mexico and the annual minimum royalty payment on I leases of the United States to \$1.50 per acre. In each succeeding year in which there is no delivery of Unitized Substances to the pipeline constructed for the primary market, rentals paid by Working Interest Owners to Royalty Owners shall be increased an additional five percent (5%) over those paid in the preceding year.

6.2 Payment of Royalties. Beginning with the first delivery of Unitized Substances to the pipeline, no further rentals shall be due or payable, except where minimum rental or royalty payments are required under lease agreements committed hereto; and royalty payments for Carbon Dioxide Gas produced, saved and delivered into the pipeline shall be made to Royalty Owners by Working Interest Owners as set out below. The volume of Carbon Dioxide Gas shall be measured at the standard conditions of measurement for natural gases which are at 60° Pahrenheit and 15.025 pounds per square inch absolute pressure base.

- 6.3 Basis of Payment to Royalty Owners. It is recognized by the parties hereto that there is now no pressinent market for Carbon Dioxide Gas. Therefore, the parties hereto agree that, as further consideration for entering into this agreement, royalties paid upon the Unitized Substances allocated to each Tract shall be based on the greatest of the following:
- (a) The net proceeds derived from the sale of Carbon Dioxide Cas at the well whether such sale is to one or more of the parties to this agreement or to any other party or parties.
- (b) In no case shall the royalties paid under this agreement for any calendar year after first delivery of Unitized Substances to the pipeline be less than the annual rentals or minimum royalties paid for the year preceding first delivery of Carbon Dioxide Gas to the pipeline. In the event of any such occurrence, an appropriate retroactive payment shall be made.
- (c) Notwithstanding the foregoing provisions, the State, acting by its Commissioner of Public lands may require the payment of royalty for all or any part of the Unitized Substances allocated to the state leases committed to this agreement and marketed or utilized at a price per m.c.f. equal to the maximum price being paid for Unitized Substances of like kind and quality and under like conditions in the same field or area or may reduce the royalty value of any such Unitized Substances (to any amount not less than the net proceeds of sale thereof in the field) if the Commissioner of Public Lands shall determine such action to be necessary to the successful operation of the lands for Unitized Substances purposes or to encouragement of the greatest ultimate recovery of Unitized Substances or to the promotion of conservation of Unitized

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ARTICLE 7 ALLOCATION OF UNITIZED SUBSTANCES

7.1 Allocation to Tracts. All Unitized Substances produced and saved shall be allocated to the several Tracts in accordance with the respective Tract Participations affective during the period that the Unitized Substances were produced. The amount of Unitized Substances allocated to each Tract, regardless of whether the amount is more or less than the actual production of Unitized Substances from the well or wells, if any, on such Tract, shall be desired for all purposes to have been produced from such Tract.

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7.2 Distribution Within Tracts. The Unitized Substances allocated to each Tract shall be distributed among, or accounted for to, the perties entitled to shere in the production from such Tract in the same manner, in the same proportions, and upon the same conditions as they would have participated and shared in the production from such Tract, or in the proceeds thereof, had this agreement not been entered into, and with the same legal effect. If any Carbon Dioxide Cas Rights in a Tract hereefter become divided and owned in severalty as to different parts of the Tract, the owners of the divided interests, in the absence of an agreement providing for a different division, shall share in the Unitized Substances allocated to the Tract, or in the proceeds thereof, in proportion to the surface acreage of their respective parts of the Tract. Any royalty or other payment which depends upon per well production or pipeline runs from a well or wells on a Tract shall, after the Effective Date, be determined by dividing the Unitized Substances allocated to the Tract by the number of wells on the Tract capable of producing Unitized Substances on the Effective Date; however, if any Tract has no well thereon capable of producing Unitized Substances on the Effective Date, the Tract shall, for the purpose of this determination, be dessed to have one such well thereon.

7.3 Taking Unitized Substances in Kind. The Unitized Substances allocated to each Tract shall be delivered in kind at the wellhead to the respective parties entitled thereto by virtue of the ownership of Carbon Dioxide Gas Rights therein or by purchase from such owners. Such parties shall have the right to construct, usintsin, and operate within the Unit Area all necessary facilities for that purpose, provided they are so constructed, usintained, and operated as not to interfer with Unit Operations. Any extra expenditures incurred by Unit Operator, by reason of the delivery in kind of any portion of Unitized Substances shall be borne by the owner of such portion. If a Royalty Owner has the right to take in kind a share of Unitized Substances and fails to do so, the Working Interest Owner whose Working Interest is subject to such Royalty Interest shall be entitled to take in kind such share of Unitized Substances.

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7.4 <u>Failure to Take in Kind</u>. If any party fails to take in kind or separately dispose of such party's share of Unitized Substances, Unit Operator shall have the right, but not the obligation, for the time being and subject to revocation at will by the party owning the share, to purchase or sell to others such share; however, all contracts of sale by Unit Operator of any other party's share of Unitized Substances shall be only for such reasonable pariods of time as are consistent with the minimum needs of the industry under the circumstances, but in no event shall any such contract be for a period in excess of one year. The proceeds from the Unitized Substances so disposed of by Unit Operator shall be paid to the Working Interest Owners of each affected Tract or a party designated by such Working Interest Owners who shall distribute such proceeds to the parties entitled thereto.

7.5 Responsibility for Payments. At any and all times while Unitized Substances are being produced from the Unit Area, each Working Interest Owner will make sattlement with the respective Royalcy Owners to whom said Working Interest Owner is accountable just as if each Working Interest Owner were taking and delivering to a purchaser its share, and its share only, of such Unitized Substances exclusive of Unitized Substances used in Unit Operations, vented or lost. Each Working Interest Owner agrees to indemnify and hold harmless each and every other Working Interest Owner from any and all claims for royalty payments asserted by royalty owners to whom each indemnifying Working Interest Owner is accountable. Each Working Interest Owner and Royalty Owner producing and taking or delivering Unitized Substances to its purchaser shall pay any and all production taxes due on such Unitized Substances.

7.6 Allocation of Carbon Dioxide Gas for Use in the State of New Mexico. It is recognized that in fields located in the State of New Mexico there are oil reservoirs in which the use of Carbon Dioxide Gas (i.e., Unitized Substances produced under this agreement) as an injection fluid may be necessary or desirable to increase the ultimate recovery of oil from such oil reservoirs as part of enhanced or tertiary recovery operations. If any such use develops and if at that time there are no other reasonable available sources of Carbon Dioxide Gas for such use either within the State of New Mexico or from sources outside the State of New Mexico within the geographic area ressonably accessible which may be utilized as a source of such injection fluid more aconomically than the allocated volume of Carbon Dioxide Gas under this agreement, there then is allocated by the Working Interest Owners for primary use in the State of New Mexico a maximum not to exceed ten percent (10%) of the then total daily production of Carbon Dioxide Gas under this agreement; provided, that the use thereof shall be only as an injection fluid into suitable oil reservoirs located in the State of New Mexico as a part of enhanced or tertiary recovery operations.

Any operator or operators of leases in oil fields in the State of New Mexico shall have the right to apply to the Unit Operator hereunder for purchase from the Working Interest Owners of all or part of such allocated volume of Carbon Dioxide Cas by giving at least one (1) year's advance

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written notice by certified mail directed to the Unit Operator hereunder of the date such Carbon Dioxide Cas will be needed and of the anticipated Volumes of such Carbon Dioxide Cas along with the details related to the proposed use. Upon receipt of any and every such application, the Unit Operator shall promptly so advise the Working Interest Owners by certified mail setting forth the details of each application which has been made. The one (1) year notice period mentioned above shall begin with the receipt of such notice by the Unit Operator, and each applicant shall be notified thereof by the Unit Operator. However, subject to the terms and provisions hereof, Unit Operator, if allocated Carbon Dioxide Gas is available at any time during the one (1) year period mentioned above, may commence delivery of such gas to any applicant then ready and willing to accept such delivery.

The price and terms of any such sale of Carbon Dioxide Gas shall be a matter of bargaining and negotiations between the Working Intercet Owners of such gas and each purchaser thereof. There shall not be, in any event, any obligation on the part of the Working Interest Owners thereof to sall and deliver any such Carbon Dioxide Gas either for any use which is not in conformity with the provisions hereof or at any point other than either at the wellhead or wellheads in the field covered by this agreement or at any central manifold measuring, or delivery point of such gas maintained by the Working Interest Owners. Further, the Working Interest Owners during the period of allocation of Carbon Dioxide Gas shall not be liable for any failure to deliver upon demand such maximum ten percent (10%) or any lesser portion thereof in the event other markets or uses may have absorbed the then current capacity of Carbon Dioxide Gas produced under this agreement.

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 The initial purchaser of Carbon Dioxide Gas under this allocation may take to the extent then available all of said ten percent (10%) of Carbon Dioxide Gas so allocated or any lesser portion thereof; provided that the volume of gas so taken by said initial purchaser, as well as subsequent purchasers, shall be subject to diminution and reduction by the proportionate allocation thereof between purchasers and fields located in New Hexico. Proportionate allocation shall be made by the Unit Operator for the Working Interest Owners of the Carbon Dioxide Gas. Rowaver, anything to the contrary notwithstanding, the owners of Carbon Dioxide Gas under this agreement expressly reserve and recain a prior, preferred, and continuing right, exerciseable at any and all times without notice, to use all or a part of this allocated gas in oil fields which they operate in whole or sart in the State of New Hexico. Any amount of such Carbon Dioxide Gas so used by such Working Interest Owners shall be counted against the ten percent (10%) volume of allocated gas hereunder.

ARTICLE 8 USE OR LOSS OF UNITIZED SUBSTANCES

8.1 Use of Unitized Substances. Working Interest Owners may use or consume Unitized Substances for Unit Operations, including but not limited to the injection thereof into the Unitized Formation.

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8.2 Royalty Payments. No royalty, overriding royalty, production, or other payments shall be payable on account of Unitized Substances used, lost or consumed in Unit Operations.

ARTICLE 9 TRACTS TO BE INCLUDED IN UNIT

9.1 Qualification of Tracts. On and after the Effective Date and until the enlargement or reduction thereof, the Unit Area shall be composed of the Tracts listed in Exhibit B that corner or have a common boundary (Tracts separated only by a public highway and/or a railroad right-of-way shall be considered to have a common boundary) and that otherwise qualify as follows:

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9.1.1 Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this agreement and as to which Royalty Owners owning seventy-five percent (75%) or more of the Royalty Interest have become parties to this agreement;

9.1.2 Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this agreement and as to which Royalty Owners owning less than seventy-five percent (75%) of the Royalty Interest have become parties to this agreement and as to which (a) Working Interest Owners owning Seventy-five percent (75%) or more of the Working Interest in such Tract, including the Working Interest Owner who operates the Tract, have joined in a request for the inclusion of the Tract in the Unit Area and as to which (b) Working Interest Owners having seventy-five percent (75%) or more of the combined voting interest in all Tracts that meet the requirements of Section 9.1.1 have voted in favor of the inclusion of such Tract.

9.1.3 Each Tract as to which Working Interest Owners owning less than one-hundred percent (100%) of the Working Interest have become parties to this agreement, regardless of the percentage of Royalty Interest therein that is committed hereto, and as to which (a) one or more of the Working Interest Owners in such Tract who have become parties to this agreement, one of which must be the operator of such Tract, have joined in a request for inclusion of such Tract in the Unit Area and have executed and delivered, or have obligated themselves to execute and deliver, an indemnity agreement identical in form to the agreement attached hereto as Exhibit D indemnifying and agreeing to hold harmless all other Working Interest Owners in the Unit Area, their successors and assigns, against all claims and demands that may be made by the owners of Working Interests in such Tract who are not parties to this agreement and which arise out of the inclusion of the Tract in the Unit Area; and as to which (b) Working Interest Owners having seventy-five

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percent (75%) or more of the combined voting interest in all Tracts that meet the requirements of Sections 9.1.1 and 9.1.2 have voted in favor of the inclusion of such Tract and to accept the indemnity agreement. Upon the inclusion of such a tract in the Unit Area, the Unit Participation that would have been attributed to the nonsubscribing owners of Working Interest in such Tract, had they become parties to this agreement and the Unit Operating Agreement, shall be attributed in proportion to their respective Working Interests in such Tract to the Working Interest Owners in the Tract who have executed indemnity agreements.

9.2 Commitment of Interests to Unit. The execution of this agreement by a party shall commit all interests owned or controlled by such a party as of the date of execution and additional interests acquired before the Effective Date. After the Effective Date, the commitment of any interest in any Tract within the Unit Area shall be upon such terms as may be negotiated by Working Interest Owners and the owner of such interest and upon approval of the Commissioner, provided, however, any formerly committed interest as to which title has failed may be recommitted by the rightful owners on its former basis of participation as provided in Section 10.1 hereof.

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9.3 Acquisition of Uncommitted Interests. In the event any party bound by this agreement acquires an uncommitted interest in any Tract included within the Unit Area, such interest upon being so acquired, shall, upon approval by the Working Interest Owners, he aubject to this agreement; shall receive its share of the Unit Participation allocated to said Tract; and, where the interest acquired is a Working Interest, shall also be subject to the Unit Operating Agreement.

9.4 Revision of Exhibits. If any of the Tracts described in Exhibit B fail to qualify for inclusion in the Unit Area, Unit Operator shall recompute the Tract Participation of each of the qualifying Tracts, using the original basis of computation, and shall revise Exhibits A, B, and C accordingly. Such revised exhibits shall be effective as of 7:00 A.M. on the Effective Date.

ARTICLE 10

10.1 Removal of Tract from Unit Area. If a Tract cesses to have sufficient Working Interest Owners or Royalty Owners committed to this agreement to meet the conditions of Article 9 because of failure of title of any party hereto, such Tract shall be removed from the Unit Area effective as of 7:00 A.M. on the first day of the calendar month in which the failure of title is finally determined unless within ninety (90) days after the date of final determination of the failure of title, the Tract qualifies under a Section of Article 9.

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10.2 Revision of Exhibits. If a Tract is removed from the Unit Ares because of failure of title, Unit Operator, subject to Section 5.4, shall recompute the Tract Participation of each of the Tracts remaining in the Unit Area and shall revise Exhibits A, B, and C accordingly. The revised exhibits shall be effective as of 7:00 A.M. on the first day of the calendar month in which such failure of title is finally determined.

10.3 Working Interest Titles. If title to a Working Interest fails, the rights and obligations of Working Interest Owners by reason of the failure of title shall be governed by the Unit Operating Agreement.

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10.4 Royalty Interest Titles. If title to a Royalty Interest fails but the Tract to which it relates is not removed from the Unit Area, the party whose title failed shall not be entitled to share hereunder with respect to such interest.

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10.5 Production Where Title is in Dispute. If the title or right of any party claiming the right to receive in kind all or any por tion of the Unitized Substances allocated to a Tract is in dispute, Unit Operator shall either:

- (a) require that the party to whom such Unitized Substances are delivered or to whom the proceeds thereof are paid furnish security for the proper accounting therefor to the rightful owner if title or right of such party fails in whole or in part, or
- (b) withhold and market the portion of Unitized Substances with respect to which title or right is in dispute and impound the proceeds thereof until such time as the title or right thereto is established by a final judgment of a court of competent jurisdiction or otherwise to the satisfaction of Unit Operator whereupon the proceeds so impounded shall be paid to the party rightfully entitled thereto.
- (c) Notwithstanding any provisions contained herein to contrary, no payments or funds due the State of New Mexico or the United States shall be withheld; but such funds shall be deposited as directed by the Commissioner or the AO to be held as unearned money pending final settlement of the title dispute and then applied as earned or returned in accordance with such final settlement.

10.6 Payment of Taxes to Protect Title. The owner of surface rights to lands within in the Unit Area, or severed mineral interests or Royalty Interests in such lands, or lands outside the Unit Area on which Unit Equipment is located is responsible for the payment of any ad valorem taxes on all such rights, interests, or property, unless such owner and Working Interest Owners otherwise agree. If any ad valorem taxes are not paid by or for such owner when due, Unit Operator may, with approval of Working Interest Owners, at any time prior to tax sale, or expiration of period of redemption after tax sale, pay the tax, redeem such rights, interests, or property, and discharge the rax lien. Unit Operator shall,

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if possible, withhold from any proceeds derived from the sale of Unitized Substances otherwise due any delinquent taxpayer an amount sufficient to defray the costs of such payment or redemption, such withholding to be credited to Working Interest Owners. Such withholding shall be without prejudice to any other remedy available to Unit Operator.

ARTICLE 11 EASEMENTS OR USE OF SURFACE

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11.1 Grant of Essenants. The parties hereto, to the extent of their rights and interests, hereby grant to Working Interest Owners the right to use as much of the surface of the land within the Unit Area as may be reasonably necessary for Unit Operations and the removal of Unitised Substances from the Unit Area; however, nothing herein shall be construed as lessing or otherwise conveying to Morking Interest Owners a camp site or a plant site for water injection, gas injection, or gas processing.

11.2 Use of Water. Working Interest Owners shall have and are hereby granted free use of water from the Unit Area for Unit Operations, except water from any well, lake, pond, or irrigation ditch of a Royalty Owner.

11-1 Surface Damages. Working Interest Owners shall pay the owner for damages to growing crops, timber, fences, improvements, and structures on the Unit Area that result from Unit Operations.

ARTICLE 12 ENLARGEMENTS OF UNIT AREA

12.1 Enlargements of Unit Area. The Unit Area may be enlarged from time to time to include acreage reasonable proved to be productive of Unitized Substances upon such terms as may be determined by Working Interest Owners and the owners of such acreage and upon approval by the Commissioner and the AO with regard to State and Federal lands respectively, including, but not limited to, the following:

17.1.1 The participation to be allocated to the acreage shall be fair and ressonable, considering all available information.

12.1.2 There shall be no retroactive ellocation or edjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof; however, this limitation shall not prevent an adjustment of investment by reason of the enlargement.

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12.2 <u>Determination of Tract Participation</u>. Unit Operator, subject to Section 5.4 shall determine the Tract Participation of each Tract within the Unit Area as enlarged, and shall revise Exhibits A, B, and C accordingly.

12.3 Effective Date. The effective date of any unlargement of the Unit Area shall be $7:\overline{00}$ A.H. on the first day of the calendar month following compliance with conditions for enlargement as specified by Working Interest Onwers and the filing for record of revised Exhibits A, B, and C in the county is which this agreement is recorded.

ARTICLE 13 TRANSPER OF TITLE-PARTITION

13.1 Transfer of Ticle. Any asignment, conveyance, or transfer of all or any part of any interest owned by any party hereto with respect to any Tract shall be made expressly subject to this agreement. No change of title shall be binding upon Unit Operator, or upon any party hereto other than the party so transferring, until 7:00 A.M. on the first day of the calendar month next succeeding the date of receipt by Unit Operator of a photocopy, or a certified copy, of the recorded instrument evidencing such change in ownership.

13.2 <u>Waiver or Rights to Partition</u>. Each party hereto agrees that, during the existence of this agreement, it will not recort to any section to partition the Unitized Formation or the Unit Equipment and to that extent waives the benefits of all laws authorizing such partition.

ARTICLE 14 RELATIONSHIP OF PARTIES

14.1 No Partnership. The duties, obligations, and liabilities of the parties hereto are intended to be several and not joint or collective. This agreement is not intended to create, and shall not be construed to create, an association or trust or to impose a partnership duty, obligation, or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligations as herein provided. This provision does not exclude the Working Interest Owners from entering into a partnership solely for Federal income tax purposes whereby they would elect to be subject to the application of all the provisions of Subchapter K, Chapter 1, Subtitle A of the Internal Revenue Code of 1954 as permitted and authorized by Section 761 of the Code and the regulation promulgated thereunder, said election found under ARTICLE 15, LAWS AND RECULATIONS, of the Unit Operating Agreement.

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14.2 No Joint Refining or Marketing. This agreement is not intended to provide, and shall not be construed to provide, directly or indirectly, for any joint refining or marketing of Unitized Substances.

14.3 Royalty Owners Free of Costs. This agreement is not intended to impose, and shall not be construed to impose, upon any Royalty Owner any obligation to pay Unit Expense unless such Royalty Owner is otherwise so obligated.

14.4 Information to Royalty Owners. Each Royalty Owner shall be entitled to all information in possession of Unit Operator to which such Royalty Owner is entitled by an existing agreement with any Working Interest Owner.

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ARTICLE 15 LAWS AND REGULATIONS

15.1 Laws and Regulations. This agreement shall be subject to all applicable federal, state and nunicipal laws, rules, regulations, and orders.

ARTICLE 16 FORCE MAJEURE

16.1 Force Majeure. All obligations imposed by this agreement on each party, except for the payment of money, shall be suspended while compliance is prevented, in whole or in part, by a labor dispute, fire, war, civil disturbance, act of God; by federal, state, or municipal lawe; by any rule, regulation, or order of a governmental agency; by inability to secure materials; or by any other cause or causes, whether similar or dissimilar, beyond reasonable control of the party. No party shall be required against its will to adjust or settle any labor dispute. Neither this agreement nor any lease or other instrument subject hereto shall be terminated by reason of suspension of Unit Operations due to any one or more of the causes set forth in this Article.

ARTICLE 17 EFFECTIVE DATE

17.1 Effective Date. This agreement shall become binding upon each party as of the date such party signs the instrument by which it becomes a party hereto and, unless sooner terminated as provided in Section 17.2, shall become effective subject to the terms and provisions hereof no later than 7:00 A.M. on the first day of the second calendar month next followings

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(a) The qualification in accordance with Article 9 of Tracts representing not less than seventy-five percent (75%) of Tract Participation in the Unit Area as shown on Exhibit C attached hereto.

(b) The approval of this agreement by the Division and Commissioner; provided, however, if the Commissioner fails or refuses to commit the described lands of the State of New Mexico to this agreement, this paragraph (b) shall not be a condition precedent to the Effective Date as between the parties herato who have committed their interests; and this agreement shall become effective as to all other lands so committed that have qualified as described in paragraph (s) above; and

(c) The filing of at least one counterpart of this agreement for record in Harding County, New Mexico.

 17.2 Ipso Facto Termination. If the requirements of Section 17.1 are not accomplished on or before December 31, 1984, this agreement shall ipso facto terminate on that date (hereinafter called "termination date") and thereafter be of no further effect, unless prior thereto Working Interest Owners of at lesst sixty-five percent (65%) of Unit Perticipation have become perties to this agreement and Working Interest Owners owning sixty-five percent (65%) or more of that percent have decided to extend the termination date for a period not to exceed one year. If the termination date is so extended and the requirements of Section 17.1 are not accomplished on or before the extended termination date, this agreement shall ipso facto terminate on the extended termination date and thereafter be of no further effect.

17.3 Certificate of Effectiveness. Unit Operator shall file for record in Rarding County, New Mexico, a certificate stating the Effective Date. Two copies of such certificate shall be filed with the Commissioner and five copies shall be filed with the AO.

ARTICLE 18 TERM AND TERMINATION

18.1 Term and Termination. This agreement shall become effective as of the Effective Data herein provided and, subject to the terms and provisions hereof, shall continue in full force and effect from said data as to the leases and/or interests subjected hereto, for so long as payments are made hereunder, Unitized Substances are produced, or other Unit Operations are conducted, or until Working Interest Owners owning seventy-five percent (75%) or more of the Unit Participation determine that Unit Operations are no longer profitable or feasible.

18.2 Effect of Termination. Upon termination of this agreement, the further development and operation of the Unitized Formation as a unit shell be abandoned; and Unit Operations shall cease. Each oil and gas

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lease and other agreement covering lands within the Unit Area shell remain in force for sixty (60) days after the date on which this agreement terminates and for such further period as is provided by the lease or other agreement.

18.3 Salvaging Equipment Upon Termination. If not otherwise granted by the lesses or other instruments affecting each Tract, Royalty Owners hereby grant Working Interest Owners a period of six (6) months after the date of termination of this agreement within which to selvage and remove Unit Equipment.

18.4 <u>Certificate of Termination</u>. Upon termination of this agreement Unit Operator shell file for record in Herding County, New Mexico, a certificate that this agreement has terminated, stating its termination date. Two copies of such certificate shall be filed with the Commissioner and five copies shell be filed with the AO.

ARTICLE 19

19.1 Original, Counterpart, or Other Instrument. An owner of Carbon Dioxide Gas Rights may become a party to this agreement by signing the original of this instrument, a counterpart thereof, or other instrument agreeing to become a party hereto. The signing of any such instrument shall have the same effect as if all parties had signed the same instrument.

19.2 <u>Joinder in Duel Capacity</u>. Execution as herein provided by any party as either a Working Interest Owner or a Royalty Owner shall commit all interests owned or controlled by such party.

ARTICLE 20 CENERAL

20.1 Amendments Affecting Working Interest Owners. Amendments hereto relating wholly to Working Interest Owners may be made if signed by all Working Interest Owners.

20.2 <u>Action by Working Interest Owners</u>. Except as otherwise provided in this agreement, any action or approval required by Working Interest Owners hereunder shall be in accordance with the provisions of the Unit Operating Agreement.

20.3 Lien and Security Interest of Unit Operator. Unit Operator shall have a lien upon and a security interest in the interests of Working Interest Owners in the Unit Area as provided in the Unit Operating

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ARTICLE 21 NONDISCRIMINATION

21.1 Mondiscrimination. In connection with the performance of work under this agreement, Unit Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive of Executive Order 11246 (30 FR 12319), as amended, which are hereby incorporated by reference in this agreement.

ARTICLE 22 SUCCESSORS AND ASSIGNS

22.1 Successors and Assigns. This agreement shall extend to, be binding upon, and inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors, and assigns, and shall constitute a covenant running with the lands, lesses, and interests covered hereby.

WORKING INTEREST OWNERS

and shall constitute a cover terests covered hereby.	nant running with	the lands, leases, and in-	18 19		
IN WITNESS WHEREOF, the parties hereto have executed this agreement on the dates opposite their respective signatures.					
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CITIES SERVICE OIL AND GAS CORPORATION	Date Signed	Attest, if a Corporation or Witness, if an Individual	27 28		
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•	ROYALTY OWNERS		39 40		
Name	Date Signed	Attest, if a Corporation or Witness, if an Individual	41 42 43		
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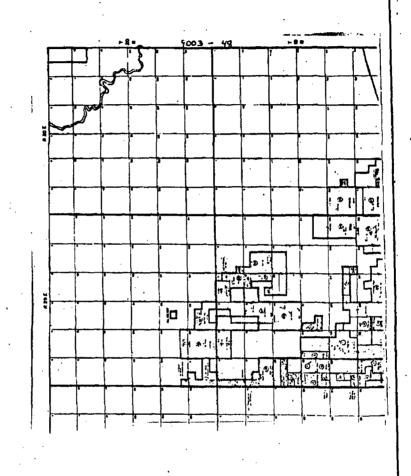
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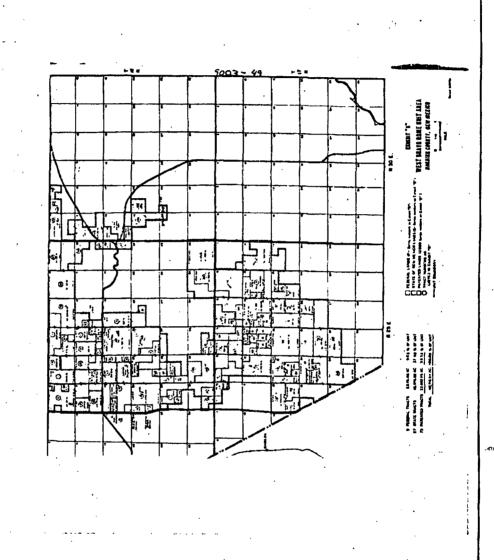
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PERCENTACE OWNERSHIP OF BASIC, ROYALTY	GEORGE E. TRUJILO 3.1254 ELEN DORFE	KINGSBURY 2.343754 BETTY DRAKE	RIPPEL 2.343758 ERNEST V. TRUJILLO	3.1254 FEDERAL LAND BANK OF MICHTIN	4.68758 15.6258
SERTAL NO. 6 EXPIRATION DATE	5-20-85	5-21-69	2-24-88	3-13-65	
NO. OF	, 118.33			•	
DESCRIPTION	T-19N, R-29E LOF 4 & E/25W SEC. 18		•		
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A TERRETAI A TERRETAI A TERRETAIN	CITIES SENICE OIL AND CAS CORPORATION 1004	CITIES SENTOR OIL AND CAS. COEPORATION LOOK	CITIES SERVICE OIL AND CAS CORCRATION 1008	
OVERRIDING ROYALIT & PERCENTAGE				
ROSSE OF	CITIES SERVICE OIL AND CAS CORPORATION	CITIES SERVICE OIL AND CAS CORPORATION	CITIES SENTOS OIL AND CAS CORPORATION	
PERCENTIAZE OMERSHIP OF BASIC ROYALTY	RAY C. KYDANIE. ET UX 12.51	CELSO MARTINEZ 12.58	ET UK 12.51	
SERTAL NO. 6 EXPIRATION DATE	58-7-9	6-10-85	7-7-65	•
NO. OF	951.52	150.96	1560.38	•
NO. DESCRIPTION	2 T.18N. R-29E 1075 2, 3, 4, 6 6.7 6 SSW 6 5 NASE 6 8/258 5 SC. 6; NE SEC. 7; NA SEC. 8; 71-19N. R-29E		A T-17M, R-29E SISM SEC. 11 LOT 4 & SMM SEC. 21 LOT 1 & S/20E LOT 1 & S/20E LOT 2 & SSSE SEC. 11; W.Z. & SE & SSSE SEC. 12; W. A. SEE & SSSE SEC. 12; W. A. SEE & SSSE SEC. 12; W. A. SEE & SSSE SEC. 14;	T-18N_R-29E N/2NE E NEW E S/2NW E N/2SW E SHGN SEC. 35
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	CITIES SERVICE OIL AND GAS CRECENTION 1904	CITIES SERVICE OLL AND GAS CORPORATION 1004	•
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SIN OIL COMPANY 9.3754 15.6258	ELOY BACA	MARCARTO GARCIA ET UX 12.58	
6-33-84	. 7-8-85	7 -9-8 5	

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T-17N. R-29E SH SEC. 4; NESE & S/2SE

2019

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CITIES SERVICE OIL AND GAS CRECRATION 100A

CITIES SERVICE OIL AND GAS CORPORATION

JAMES K. BYRD ET UK 12.5%

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7-18N, R-29E SEOW SEC. 10

2016

CITIES SERVICE OIL AND GAS CORPORATION 100A

CITIES SERVICE OIL AND GAS CORPORATION

JAMES K. BYRD RT OK 6.254

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T-18N, R-29E NE 6 MSE 6 SESV

2017

480.00

1-17N, R-29E W/2 SBC, 15 W SBC, 22

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CITIES SERVICE OIL AND CAS CORPORATION 1008

CITIES SERVICE OIL AND GAS CORPORATION

EDWARD ARBOCKLE ET UK 12,54

7-3-85

320.00

7-18N, R-29E SMBE & WESE & 8/25E SEC. 201 SMBW & MESW & 8/25W SEC. 21

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OVERRUDING ROVALTY 6 PERCENTAGE

LESSEE OF RECORD

PERCENTACE CANERSHIP OF BASIC ROYALTY

SERCAL NO. 6 F NO. OF EXPENSATION G. ACRES DATE

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CITIES SERVICE OIL AND GAS CORPORATION 1004

CITTES SERVICE OIL AND CAS CORPORATION

NIECIO TRUJILO ET AL 12.53

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CITIES SERVICE OIL AND GAS CORPORATION 1908

CITIES SERVICE OIL, AND GAS CORPORATION

TRUTILO TRUTILO 12.58

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CITIES SERVICE OIL AND GAS CORPORATION 1009

CITIES SERVICE OIL AND GAS CORPORATION

ALECTO
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CITIES SERVICE OIL AND GAS CORPORATION 1006

CITIES SERVICE OIL AND CAS CORPORATION

JOE B. COROGRA ET UK 12.58

7-23-65

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MORKING INTEREST & PERCENTACE

OVERRUDING ROYALIY & PERCENIACE

> LESSELE OF RECORD

PERCENTAGE CANERSHIP OF BASIC ROYALIX

SERTAL NO. 6 EXPIRATION DATE

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T-18N, R-29E IOT 3 & E/25M SEC. 31	N/24/2 SEC. 17; N/24/2 SEC. 17; N/24/2N SEC. 20	7-17N. R-29E B/25N SEC. 9	7-1716. R-295 W/252 Sec. 9	
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MOBRING Interest 6 Percentage	CITIES SERVICE OIL AND GAS CORECRATION 100A	CITIES SERVICE OIL AND GAS CORPORATION 1008
OVEREIDING ROYALITY & PENCENTREE		
40 33S371	CITIES SERVICE OIL AND GAS CORPORATION	CITIES SERVICE OIL AND CAS
PERCENTAGE OWNERSHIP OF BASIC ROYALIX	ALECTO TRUTILLO CITTES SERVICE 6. JUN J. OIL AND GAS TRUTILLO CORPORATION 12.5A.	DOROTHY J. LAUNCE 12.51
SERIAL NO. E EXPIRATION DATE	8-5-85	5-8-5
NO. OF ACRES	652.77	156.90
DESCRIPTION	7-17M, R-29E 107S 2, 3 & 4 1 S/2W 6 NESM SEC. 3; 107 1 & SENE 6 NESE SEC. 4; 107 3 6 4 SEC. 5; W/ZWE & P/2WSW 1 E. 10 AC. OF SECM SEC. 9	T-18N, R-29E W/25E & 20 NC, CP W/26/25B SBC, 31 T-18N, R-29E LOTS 1 & 2 & E/2M SBC, 7
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2023	7-18N, R-29E	160.00	7-10-85		CITIES SERVICE	CTITIES SERVICE	
	MASIE SEC. 33		}	SMITH ET AL	OIL AND GAS	OIL AND CAS	
		-			CCREDORATION 504	CORPORATION 50	
			11-14-84		ALPRED BROWN,	ALPRED BROWN,	
				JR. AND METTIE	IR. AND METITE	JR. AND METTLE	
	٠			1 56258	NC.21	SC-7T NIMES TO SEC. 32	5
•			11-14-84	LENA BROWN 1.56254	LENA BROWN 12.58	LENA BROAN 12.54	s
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CITIES SERVICE OIL AND GAS CORPORATION 1006

CITIES SERVICE OIL AND GAS CORPOBATION

ARRAND LEE SHITH ET AL 12.58

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OVEREDDING POYALITY 6 FERCENDAGE

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	55		7003 -	68	,		
WORETHG . INTEREST & PERCENTAGE	ALFRED KRESS (CITIES SERVICE OIL AND GAS CORFORATION 1009	CITIES SENTOS OIL AND GAS CORPORATION 504	COZ-IN-ACTION	CITIES SERVICE OIL AND GAS CORPORATION 500	CC2-IN-ACTION 30k AMERADA HESS COMPORATION 20k 100k	REVISED PACE 11/27/84
OVEREDING ROYALTY & PERCENTAGE		·		G. D. BOMIE, JR., ET AL 6.6258 OF 858 OF 508 TOTAL PRODUCTION			REVISE
LESSEE OF	Alpred Kress Unizased 254	CITIES SERVICE OLL AND GAS CRECEATION	CITIES SERVICE OIL AND CAS CONTORNATION	504 504	CITIES SERVICE OIL AND CAS CORPORATION	504 CCC-IN-ACTION 504	
PERCENTACE CANERSHIP OF BASIC ROYALIY	ALPRD RRESS 3.1254 12.504	CELEDONIO VIGIL 12.51	JAMES K. BYRO ET UK 6.258	RANDOLPH RANDOLPH ET AL 6.254	JAMES R. BYED ET UK 6.25%	B. W. ALLEN ET UK 6.251 12.501	
SERIAL NO. 6 EXPINATION DATE		7-31-85	9-15-91	7-25-84	9-15-91	п-3-88	
NO. OF ACRESS	* 	338.64	160.00		480.00		·
DESCRIPTION	•	T-17N, R-29E W/2NENE SEC. 17; 1073 1 & 2 & E/2NM & NE SEC. 18	7-18N, R-29E 8/238 SBC. 91 W/25# SBC. 10		7-18N, R-29E W/2 SEC, 15; NW SEC, 22		
TRACT NO.	2029 COMET'D	2030	2031		2032		Edibit "B"

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MORKING INTEREST & PERCENTACE	AMERINA HESS CORPORATION 1.00%	002-in-action 77.788
CVERCIDING BOXALIY 6 PERCENIAGE		
LESSEE OF	OMEGRATION	OOY IN-ACTION 784
PERCENTAGE OMNERSHIP OF BASIC, ROKALIY	ANNTE APACON 1. 38899 ARENETIO ARENETIO ACHIEFRA, AKA JOB A. ACHIEFRA ACHI	ANCELETO ARCHILETA AKA ANCHILETA ANCHILETA, ET UK ET UK.
SERLAL NO. & EXPIRATION DATE	1-16-90	5 -9-8 5
NO. OF	322.92	80. 00
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OVERRIDING ROYALIT & PERCENTAGE			 · .		G. D. EWIE, JR., ET AL 6.625. ON 851. OF TOTAL PRODUCTION	
PESSER OF RECORD	AMERICA RESS CORPORATION 228	CCC-IN-ACTION	GULP OIL CORPORATION	GHZ OLL CORFORATION	CCC-IN-ACTICA	CITIES SERVICE OIL AND GAS CORPORATION
PERCENTINE OWNERSHIP OF BASIC ROYALIX	ADELINA ACOSTA 1. 38894 PROCORTO ARCHUETA 1. 383894 1. 383894	PRANK L. C. DEBACA 12.58	ANTONCA V. DESANTIAZO 12.58	LUGARDITA DESANTIAGO 12.51	DOROTHY D. HIGH ET AL 12.54	PLOPSHEIM MECANTILE COMPAN 18,751
SERIAL NO. E EXPIRATION DATE	1-10-90	11-13-88	7-5-88	7-5-88	4-36-89	5-22-89
NO. OF		160.00	300.00	120.00	320.00	40.99
DESCRIPTION		2-17N, R-29E SN SEC. 14	12-17h. R-73E 8/21m & W/24E & 5/21m2E & 8/25E & S2NE SBC. 17	N/25E & NESA SEC. 17	12-190, 18-298 58 58C, 32 ₁ 54 58C, 33	555 58C, 17 575 58C, 17
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CC2-IN-ACTION 50%

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CITIES SERVICE OIL AND GAS CORPORATION

CITIES SERVICE OIL AND CAS CORPORATION 50%

E. J. GAMENON

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OVERRUDING ROYALIY 6 PERCENTAGE

DESCRIPTION OF

PERCENTACE CANERSHIP OF BASIC ROYALIX

SERIAL NO. 4 EXPIRATION DATE

80. 80.00 80.00

NO. DESCRIPTION 2040 T-JIN, R-29E

REVISED PACE 11/27/84

E. J. GANNON IV 1.171888 H. D. GANDON 1.171888 9-10-89 9-10-89 40.00

CITIES SERVICE OIL AND CAS COEPORATION 508

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EXHIBIT "B"

TO CE	NOTE A TRUE OF	NO. OF	SERTAL NO. E EXPIRATION DATE	PEACENTAGE CHNERSHIP OF BASIC CHNERSHIP	LESSEE OF	OVERHIDING ROYALIY & PERCENTAGE	MORTING INTEREST 6 PERCENTAGE
2041 CONE"D	a		7-13-89	PATSY GAMON CAMPBELL	· ·.		. *
			7-13-89	CARRELL			
•				CHILDREN'S TRUST	•		
			7-13-89.	JEANDE CANDON HUNT		•	
			7-13-89	JEANNE GANNON HENET CHILDREN'S TRUST	5	,	
			7-13-89	LUCILLE GAMON	· .		
. •			7-13-89	LICILIE GANON MERCHISON	_	•	
				1.464841			
			11-21-88	IGANCIO VIGIL 6.254 15.6258	CC2-IN-ACTION SOR		50.01 100.01
2042	T-17N. R-29E						
	,	240.00	6-19-88	MCDALEM PACHEOD PRANK CRECIA AKA FRANCISCO GRICIA 5.55558 12.50008	CORPORATION		GIF OIL CORRESPONDION 100%
2043	7-19N, R-29E Sesh Sec. 19	40.00	12-10-89	LYELL G.	AMERADA HESS		AMERICA HESS
		•			Checkerica		OKCASTICAL TOO
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			9003 -	73
MOBEING INTEREST & PERCENTAGE	GUE OIL CORPORATION 1008	ROLLIN-MCT LOS	CO2-IN-ACTION 1004	GILP OIL, CRECENTION 1008.
OVERCIDING ROYALTY 6 PERCENTAGE		RIO PETRO, LID. 2.28		
GESSEE OF BESSEE	GUL OIL CORORATION	NOTEN-NOTEON	CO2-114-ACTION	CULT OIL
PERCENTAGE CHNERSHIP OF BASIC ROYALIY	CORDA DIRECTOR 12.58	MEIRTA MARTINEZ 12.58	VICENTIFA HATA 12.53	SAMUEL T. MUTCHELL 12.58
SERCAL NO. 6 EXPLINATION DATE	7-31-86	5-5-88	11-18-88	160.00 ' 9-1-88
NO. OF	132.43	115.41	180.00	160.00
NOLLAIRE	1-170, R-29E 1075 3 & 4 & W/20esw & Sesw Sec. 18	1-18N, R-29E LOT 4 SEC, 18; LOTS 1 & 2 SEC, 19	7-171. R-295 Se & R/21854 Sec. 18	7-17N, R-29E NE SEC. 22
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INTEREST & PERCENTAGE	GHE OTT. CONFORMATION 100%	CCZ-IN-ACTION	000-13-ACTION 1004	
ROYALITY & PERCENTAGE	•		G. D. HOMIE, J.B., ET AL. G. 6.6254 CM 854 CP TOTAL PRODUCTION	
DESCER OF BECORD	CORPORATION	OOZ-IN-ACTION	COZ-IN-ACTION	
PERCENIALE CANERSHIP OF BASIC ROYALLY	SMUEL T. MITCHEL 12.51	IGWCIO VIGIL ET UK 12.58	RENITO PACHECO CO2-IN-ACTION 6.254 JOE A. PACHECO 6.254 12.50A	. '
SECIAL NO. 6 PERCENTAGE EXPIRATION CHARSHIP (DATE BASIC ROYAL	9-1-6	11-21-88	6-16-89	•
NO. OF	160.00	40.00	160.53	
DESCRIPTION	2.17N, R-29E SB SBC, 15	T-17N, R-29E NAW SEC. 10	T-174, B-29E Seen Sec. 5; LOIS 1 & 2 & Sere Sec. 6	guyandini tiri
TRACT	2048	2049	2050	

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REVISED PACE 11/27/84

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DESCRIPTION	5. 2. 2. 2. 2. 3. 3.	SERIAL NO. 6 EXPLRATION DATE	PERCENTAGE OGNETASHIP OF BASIC ROYALIX	LESSEE OF RECORD	OVERRIDING BOYALITY & PERCENTAGE	HOPETING INTEREST & PERCENTAGE
1-18N, R-29E W/2N SEC. 29	00-08	12-27-88	MILLIAM C. OVEREYE COMESSIATUR OF THE ESTATE OF ALICE MEET. RESTROND 12.54.	002-1N-ACTON		002-134-ACTION 1,003
7-181. R-29E E/2ne e Nese Sec. 17	120.00	2-25-85	ARMAD L. SHTH ET UK SHTH ET UK SHTH ET UK 6.25h 6.25h	ANERODA HESS Corporation		AMERICA HESS CORPORATION 1008
2-18N, R-29E LOSS 1 & 2 & S/2NE SEC. 5	158.6	5-16-85 5-16-85 5-16-85 5-16-85	CALLENCINE ET VIR ET VIR ET VIR ET VIR ET VIR ESCHETELING ESCHETELING ET UR ET UR ET UR ET VIR ESCHOON FANKE STEVEN ET UR ESCHOON FANKE STEVEN ESTOCEL ESCHOON FANKE STEVEN ESTOCEL ESCHOON FANKE STEVEN ESTOCEL ESCHOON FANKE STEVEN ESTOCEL ESCHOON ENTRE STEVEN ESTOCEL ESCHOON ENTRE STEVEN ESTOCEL ESCHOON ENTRE STEVEN ESTOCEL ESCHOON ENTRE STEVEN ENTRE STEVEN ESCHOON ENTRE STEVEN E	CC2-IN-ACTION	G. D. BOATE. JR., ET AL G.GES ON 854 OF YOUN. PRODUCTION	002-14-4CTIOA 1004

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HORING INTREST & PENCENTAGE		•						` .	AMERADA HESS CORECRATION 1004	AMERADA HESS CORFORATION 1008	REVISED PACE 11/27/84
OVERRIDING ROYALTY & PERCENTAGE							٠				REV
RECORD			н	·	ij	• .		UNLEASED	APERDA IESS Cercention	AVERADA HESS CORPORATION	
PERCENTINGE OWNERSHIP OF BASIC BOXALIX	JOYCE K. MILLER ET VIR .833339	AUGUST C. STICKEL III . 833348	DANIEL A. STICKEL .416661 EXERE S.	STICKEL III, ET UK .416670	DORTHEN K. STICKEL ET AL .416670	T. J. STICKEL ET UK 1.250008	SARAH E. WORK ET VIR 2.50000%	DAVID STICKEZ. .62500% 12.50000	ANTONIO TRUNILLO 12.58	R. R. TRUJILLO ANERADA HESS ET UR CORPORATION 12.53	• •
SERIAL NO. E EXPIRATION DATE	5-16-85	5-16-85	5-16 -85 5-16-85	!	5-16-85	5-16-85	5-16-85		7-19-67	8-15-87	
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/ / /	MORTING INTEREST & PERCENTAGE	CCC-IN-ACTION 1008	CCZ-IN-ACTION	GULP OIL	1004				
1	OVERRUDING BOYALTY & PERCENTAGE		RIO PETR LID. 2.28				•		
	LESSEE OF RECORD	CO2-IN-ACTION	002-IN-ACTION	COLP OIL					
! ! !	PERCENTAGE OWNERSHIP OF BASIC ROYALTY	IGNACIO VIGIL Br uk 12.58	MARION BRICE BT UK 12.58	SAMANTHA S.	ET VIR 2.58 BARBARA G. SCHETBLING	.625008 JAMES S. STICKEL	MAJER STEVEN STICKEL	.625008 PATRUCIA HENSEL	JOYCE K. HILLER
 -	SERTAL NO. 6. EXPTRATION DATE	11-21-88	2-14-88	6-22-78	6-22-78	6-22-78	6-22-78	6-22-78	6-22-78
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	NOLLATIENSON	7-17N, 1-29E 80 & Sadw SDC, 10	7-18N, R-29E SASM SBC. 9	7-19N, R-29E W/25W & SESW 8EC. 28;	SESS SEC. 29; NE SEC. 32; NH SEC. 33				•
	i d	2056	2057	2058				•	

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ZNINSCHI SUZNAJNA SUZNAJNA SUZ								AFERDA KESS CORFORMETON 1000	CITIES SERVICE OIL AND GAS	CRECRATION 1000 SUN OIL CREANT UNITASED 500	REVISED PACE 11/27/84
OVERRIDING ROYALITY & PERCENCAGE	•	· .							M	API	REVIS
080088 30 335531	ق					•		AMERADA HESS CORPGRATION	CITIES SERVICE OIL AND GAS	CORPORATION SUN OIL COMPANY UNIEASED 50%	
PERCENTAGE OMVERSHIP OF BASIC ROYALTY	ADGUST C. STICKE, III .833344 DANIEL A. STICKEL	.41666 EXCENE S. STICKEL III	HARY C. STICKEL ET AL	1. J. STICKEL 1.25000%	SARAH E. MORK ET VIR	2.50000 625008 12.500008		NATALIE G. MITCHELL AND SHERTE B. MITCHELL, JOINT IEBANES	JAMES K. BYRO	6.254 SUN OIL COMPANY 9.3754 15,6254	-
SERIAL NO. E EXPIRATION DATE	6-22-78	6-22-78	6-22-78	6-22-78	6-22-78	6-22-78		12-8-79	9-15-91	8-31-84	
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DESCRIPTION								Sew Sec. 14	7-18N. R-29E SASE SEC. 9		
TRUCT	2058 CONT'D	-						2059	2060		EXHIBIT "B"

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ANTONIO GRIBZO COZ-IN-ACTION ET UX 12.58

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SEC. 18

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RIO PEDEO, LID. 2.28

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OVERRIDING BOYNITY 6 PERCENTAGE

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PERCENTIAE CHNERSHIP OF BASTIC ROYALIY

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9	DESCRIPTION	STOP	DATE	PASIC ROVPLIX	RECORD	PERCENDAGE	PERCENTACE
2063	1-200, R-29E LOTS 1, 2 & 3 & NEW 6 E/254	310.94	5-18-88	KATHERINE V.	002-11-ACTION 50%	RIO PETRO, LED. 1.18	CC2-TN-ACTION 508
	4 W2SE SEC. 31		11-6-69	B. 333338 E. J. GANCON, IV.	CITIES SERVICE OIL AND GAS	· ·	CITIES SERVICE OIL AND GAS
			11-8-89	M. D. GANOR	THE PARTY OF THE P		1001
			11-8-69	PATSY CANNON			
	•	•		.878914 PATSY CANNON			
	·		11-8-89	CHILDRENS TRUST 1.464848 JEANNE GANGN			
			; ,	BERT B78914 JEANGE CANON HINT CHILISPAS			
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2064	7-18N. R-29E	, {			NOTE OF THE POST		CCO-TN-ACTION
	SEC. 41 SEC. 825. 5		8	871	i i	2.2	1001
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	WORKING IMPREST 6 PERCENTAGE	CCC-IN-ACTION 100%	CC2-IN-ACTION 100%	002-19-ACTION 1001	UNIZASED 1004	REVISED PACE 11/27/84
	OVERKIDING BOYALIY 6 PERCENTAGE	RIO PETTO, LID. 2.24	RIO PETRO, LED. 2.28	G. D. BOME, E. 6258. ON BSB OF TOTAL PRODUCTION		REVISED
•	OSCER OF	CCC-IN-ACTION	CO2-IN-ACTION	OO2-IN-ACTION	CESTED	
	PERCENTAGE CANERSHIP OF BASIC ROYALIX	LOLA B. PITTER 12.58	BILLY R. HAZEN ET UK 12.58	TRICTEN TRICT 3.515624 STEPHEN TALEN TRICG ET AL 10.546884 THOMS E. WCGLIOCH THOUSE TALEN TRICK THOUSE TALEN	MACDALENA PACHECO 6.94444 FRANK GACIA 12.555563 12.500004	
	SECAL NO. 6 ESPIRATION DATE	2-24-88	4-3-88	5-13-85 5-13-85 5-13-85 5-13-85	6-19-88	
	NO. OF	,280.00	236.74	120.00	70.00	
{ { [NOCHEMICA	T-18N. R-29E NB & W/25B & SESE SEC. 8	T-180, R-298 1015 3 & 4 & 4/2 SM & W/25E SSC, 7	8/28/2W & NESW & WESP SEC. 20	T-17M, R-29E W/25/38W 6 W/25/258W 6 W/25/25/28/06 6 W/25/28/28/06 6 W/25/28/28/06 6 SEC, 11	. B. F.
	TRACT.	2065	2066	2067	2068	EXHIBIT *8

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MORENCE E DATEMENT & PERCENTACE	CITIES SENICA OIL AND CAS CURCHATION 1004	AVERDA HESS CORPORATION 1008	CC2-IN-ACTICN 1004
OVERRIDING ROYALTY & PERCENTAGE			RIO PEINO, LID. 2.28
- 080073 80 338871	CITIES SERVICE OIL AND CAS CORPORATION	AMERADA HESS CORFORATION	CC2-IN-ACTION
PENCENTÄGE OMERSHIP OF BASIC ROZALIY	ABNAND LEE SHITH SIENEY CRAIG SHITH 18.75A	ANTONIO TRUJILO 12,51	ALBIRLA MARTINES 12,5%
SERTAL NO. 6 EXPIRATION DATE	6-19-89	7-19-87	5-3-88
NO. OF ACRES	ค. เก๋	238.63	39.09
DESCRIPTION	1-18M. R-29E 5.9 ACRES DESCRIBED SASPECTURED AS STRUE OF LAND 4 KCDS WIDE AND 80 KCDS LICKE ADDIVING THE PASTERN BOUND- ARY, AND A STRUE OF LAND 4 KCDS WIDE AND 76 KCDS LICKE ADDIVING THE NORTHEN THE NORTHEN OF KCDS LIAND 4 KCDS WIDE AND 80 KCDS LONG ALONG THE NORTHEN BOUNDARY, 3.9 ACRES, AND A STRUE OF LEAST, AND A STRUE OF LAND 4 KCDS WIDE AND 80 KCDS LONG ALONG THE NORTHERN BOUNDARY, 2-100 ACRES, WL D) SEC. 18	1-191, R-29E 107 1, E/24/2 SANE SEC. 31	7-181 <u>1, 18-292</u> 1.07 3, 59C. 19
Tay Co	2069	2070	2071

EXHIBIT B.

REVISED PACE 11/27/84

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HOPETING INTEREST & PERCENTAGE	MERICAS II, INC. 1004	CC2-IN-ACTION 1001	
OVERRIDING ROKALIY & PERCENTAGE	inc.	M RIO PETRO, LID. 2.28	THE UNIT AREA
LESSEE OF BEOOF	MERCAS II, DC.	CCC-IN-ACTION	25 OR 53.528 OP
PERCENTACE CHARESHIP OF PASIC ROYALTY	T. B. MUCHELL 6 SON INC.—ALL	EATHERINE V. REINVANN 12.58	73 FEE TRACTS CONTAINING 22,860.55 ACKES OR 53,528 OF THE UNIT AREA
SERTAL NO. E EXPTRATION DATE		5-18-88	RACIS CONTAINE
NO. 02	155.94	36.54	1 PEE 13
· · · .	•		F
DESCRIPTION	12-18N. 8-29E SNSN SEC.33 72-19N. 8-29E LOTS 1, 2, 6 SEW SEC. 7	1-20N. R-29E LOT 4 SEC. 30	
TRACT NO.	2072	£705	

EXHIBIT "C" WEST BRAVO DOME CO2 GAS UNIT HARDING COUNTY, NEW HEXICO

TRACT NUMBER	NUMBER OF ACRES	PERCENTAGE OF PARTICIPATION
P-101	1000.00	2.34118
F-102	676.86	1.58465
P-103	. 319.44	0.74787
F-104	960.66	2.24908
F-105	360.00	0.84282
P-106	79.50	0.18612
F-107	320.00	0.74918
F-108	40.00	0.09365
P-109	120.00	0.28094
S-501	520.00	1.21741
S-502 S-503	640.00	1.49835
S-504	920.00	2.15388
S-505	760.00	1.77930
8-506	239.52 958.35	0.56076
·S-507	640.00	2.24367
S-508	800.00	1.49835
S-509	720.00	1.87294
S-510	630.96	1.68565 1.47719
S-511	872,44	2.04254
S-512	40.00	0.09365
S-513	635.46	1.48772
S-514	476.18	1.11482
S-515	438.34	1.02623
S-516	1200.71	2.81108
S-517	317.28	0.74281
S-518	911.94	2.13501
S-519	880.00	2.06024
S-520	1080.00	2.52847
S-521	1156.90	2.70851
S-522	320.00	0.74918
S-523	538.45	1.26061
S-524	40.00	0.09365
S-525	160.00	0.37459
S-526	40.00	0.09365
S-527	40.00	0.09365
2001	318,56	0.74581
2002	160.00	0.37459
2003	434,22	1.01659
	747144	7.07072

REVISED EXHIBIT 11/27/84

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TRACT NUMBER	NUMBER OF ACRES	PERCENTAGE OF PARTICIPATION
2004	240.00	0.56188
2005	197.54	0.46248
2006	398.32	0.93254
1 2007	1720.00	4.02683
2008	280.00	0.65553
2009 ·	160.00	0.37459
2010	627.52	1.46914
2011	118.33	0.27703
2012	951.52	2.22768
2013	150.96	0.35343
2014	1560.38	3.65313
2015	320.00	0.74918
2016	40.00	0.09364
2017	360.00	0.84282
2018	480.00	1.12377
2019	660.00	1.54518
2020	474.29	1.11040
2021	158.21	0.37040
2022	. 1319.38	3.08890
2023	200.00	0.46824
2024	80.00	0.18729
2025	80.00	0.18729
2026	652.77	1.52825
. 2027	156.90	0.36733
2028	2882.46	6.74835
2029	160.00	0.37459
2030 .	338.64	0.79282
2031 2032	160.00	0.37459
	480.00	1.12377
2033 2034	322.92	0.75601
2035	80.00	0.18729
2035	160.00 300.00	0.37459
2036	120.00	0.70235
2037 2038	320.00	0.28094 0.74918
2039	40.00	0.09364
2039	40.00	0.09364
2041	40.00	0.09364
2042	240.00	0.56188
2042	40.00	0.09364
4473	40.00	U.UJJ04

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TRACT NUMBER	NUMBER OF ACRES	PERCENTAGE OP PARTICIPATION
2044	132.43	0.31004
2045 .	115.41	0.27020
2046	180.00	0.42141
2047	160.00	0.37459
2048	160.00	0.37459
2049	40.00	0.09364
2050	160.53	0.37583
2051	80.00	0.18729
2052	120.00	0.28094
2053	158.64	0.37140
2054	278.59	0.65223
2055	160.00	0.37459
2056	200.00	0.46824
. 2057	40.00	0.09364
2058	480.00	1.12377
2059	40.00	0.09364
2060	40.00	0.09364
2061	320.00	0.74918
2062	78.25	0.18320
2063	310.94	0.72797
2064	400.00	0.93647
2065	280.00	0.65553
2066	236.74	0.55425
2067	120.00	0.28094
2068	70.00	0,16398
2069	5.90	0.01381
2070	238.63	0.55868
2071	39.09	0.09152
2072	155.94	0.36508
2073	36.54	0,08555
TOTAL	42,713.54	100.00000

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EXHIBIT D

ATTACHED TO AND MADE A PART OF THE UNIT AGREEMENT HEST BRAVO DOME CARBON DIOXIDE GAS UNIT HARDING COUNTY, NEW MEXICO

INDENNITY AGREEMENT

WHEREAS, Section 9.1.3 of an agreement entitled "Unit Agreement, West Bravo Dome Carbon Dioxide Gas Unit, Rarding County, New Mexico," dated September 1, 1983, provides that under certain circumstances and conditions therein stated a Tract that fails to qualify for inclusion in the Unit Area may be included if the requisite Working Interest Owners in the Tract As specified in said Section request the inclusion of the Tract in the Unit Area and execute and deliver, or obligate themselves to execute and deliver, an indemnity agreement; and

WHEREAS, Tract _____, described in the Unit Agreement is such a Tract: and

WHERIAS, the undersigned are owners of Working Interest in such Tract and have become parties to the Unit Agreement and the Unit Operating Agreement and desire the inclusion of the Tract in the Unit Area;

NOW THEREFORE, in consideration of and conditioned upon said Tract meeting the other requirements of the aforesaid Section of the Unit Agreement and its inclusion in the Unit Area, the undersigned hereby requests the inclusion of the above Tract in the Unit Area and agrees, together with other owners of Working Interest in the Tract who execute and deliver, or who obligate themselves to execute and deliver, like indemnity agreements, to indemnify and hold harmless all other Working Interest Owners in the Unit Area sgainst all claims and demands required by said Section to be the subject of such indemnity. Any liability arising hereunder shall be borne by the undersigned and other Working Interest Owners in the Tract who are committed to like indemnity agreements in the proportion that the Working Interest of each in the Tract bears to the Total Working Interest therein of all the owners of Working Interest in the Tract committed to such indemnity agreement.

This indemnity shall become void with respect to all claims and demands based upon occurrences subsequent to the time when the conditions are met that would have initially qualified such Tract for inclusion in the Unit Area without this indemnity.

This agreement shall be binding upon and inure to the benefit of the heirs, dewisess, legal representatives, successors, and assigns of the respective parties initially bound or benefited by the provisions hereof.

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IN WITHESS WHEREOF, each of the undersigned has executed this instrument on the date opposite its signature.

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NEW MENICO STATE LAND OFFICE CERTIFICATE OF APPROVAL COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MENICO WEST BRAVO DONE CARNON DIOXIDE GAS UNIT HARDING 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 screenge which is described in Exhibits A and 8 within the attached Agreement dared September 1, 1981, which has been executed, or is to be executed by parties owning and holding oil and gas leases and rovalty 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 Unitized substances 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 Unitized Substances in place under its land in the area.
- (c) That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable Unitized Substances 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 Sactions 19-10-45, 10-10-46, 19-10-47, 19-10-53, and 19-10-54. Now Mexico Scatutes Annotated, 1978 Compilation, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of nota properly conserving the Carbon Dioxide Unitized Substances resources of the State, do hereby consent to and approve the said Unit Agreement, and any leases embracing lands of the State of New Mexico within the acon described in Exhibits A and B of the Unit Agreement shall be and the same are hereby amended to conform with the terms and conditions of the Unit Agreement, and shall remain in full force and effect according to the terms and conditions of said Unit Agreement. This approval is subject to all of the provisions of the aforesaid statutes and conditioned as follows:

1. That the State of New Mexico Shall have the right to take in kind,

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at any time, its royalty share of unitized substances and upon request by the Commissioner the Unit Operator shall transport through any pipeline which it may own or have the right to use, unitized substances so taken in kind or otherwise purchased under 19-14-1 through 19-14-3 NMSA 1978 Comp., or under the provisions of Article 7 Paragraph 7.6 of the Unit Agreement. The owner of such unitized substances shall compensate or otherwise reimburse the unit operator for the actual cost of such transportation.

- 2. That the allocation of Carbon Dioxide for enhanced or tertiary recovery operations in the State of New Mexico provided for in Article 7, paragraph 7.6 of the Unit agreement shall be made available within a reasonable time after expiration of the nutice period stated therein notwichstanding the language of lines 23 through 32 of Paragraph 7.6 at page 15 of the Unit Agreement.
- 3. That notwithstanding any Storage, Balancing, Take or Psy agruements or provisions of this Unit Agreement to the contrary the State of New Mexico Shall receive payment for its allocated royalty share of all unitized substances produced and marketed from the unit area. Payment to be made on the 20th day of each month for all royalties due the lessor for the preceeding month.
- 4. That the effective date of this Unit Agreement shall be December 1, 1984.

IN VITNESS WHEREOF, this Corrificate of Approval is executed with seal affixed, this 20th day of November, 1984.

COMMISSIONER OF PUBLIC LANDS of the State of New Mexico





State of New Mexico

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CERTIFICATION

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CERTIFICATION--DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, the act approved Pebruary 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. secs. 181, et seq., and delegated to the District Manager of the Bureau of Land Management, I do hereby:

- A. Accept the attached agreement for the development and operation of the West Bravo Dome Unit Area, State of New Moxico.
- 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.
 - The provisions of Article 5.2 "Redetermination of Tract Participations", will be subject to approval by the District Manager of the Buresu of Land Management,
 - 2. The provisions of Article 7.3 requiring a party to bear any extra expenditure incurred in the taking in kind or separate disposition of share of the production shall be ineffective as to any royalty which may be taken in kind by the Federal Government.
 - 3. Require the Unit Operator to furnish that the Bureau of Land Management at Albuquerque, New Mexico, two copies of:
 - (a) All notices and reports of unit operations including revisions and changes to the unit agreement.



State of New Mexico County of Harding

This instruction with filted for record on this

17 day of Operations D.1884

ALCO. G. Jin and duly recorded in

18 day of Odd D. page 17

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Tor District Manager
United States Bureau of Land Management

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Dated

14-08-0001-19588 Contract Number

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CERTIFICATE OF EFFECTIVENESS WEST BRAVO DOME CARBON DIOXIDE GAS UNIT HARDING COUNTY, NEW MEXICO

THIS CRRTIFICATE OF EFFECTIVENESS for the UNIT AGREEMENT for the DEVELOPMENT and OPERATION of the WEST BRAVO DONE CARBON DIOXIDE GAS UNIT, located in HARDING COUNTY, NEW MEXICO, prepared for recordation and executed by CITIES SERVICE OIL AND GAS CORPORATION, a Delaware Corporation, the UNIT OPERATOR:

WITNESSETH, That in accordance with Article 9 of the UNIT AGREEMENT for the DEVELOPMENT and OPERATION of the WEST BRAVO DOME CARBON DIOXIDE GAS UNIT AGREEMENT that more than seventy-five percent (75%) of the Tract Participation in the Unit Area as shown on Exhibit C of said Unit Agreement have qualified to be included in the Unit, by execution of the Unit Agreement or a Ratification thereof, or pursuant to specific provisions in certain leases allowing the interests to be contributed to a Unit of this type, or as otherwise provided in Article 9, and

THAT the Oil Conservation Division of the State of New Mexico, by order dated November 1, 1984, Case No. 8351, Order No. R-7707, approved said WEST BRAVO DOME CARBON DIOXIDE GAS UNIT, said order became effective subsequent to the approval of the Unit by a New Mexico State Land Office Certificate of Approval executed by the Commissioner of Public Lands, State of New Mexico dated November 20, 1984, and a Certificate of Determination approved by the District Manager, Bureau of Land Management, Department of the Interior dated November 21, 1984, Contract Number 14-08-0001-19588; and

THAT a Counterpart of the UNIT AGREEMENT for the DEVELOPMENT and OPERATION of the WEST BRAVO DOME CARBON DIOXIDE GAS UNIT, and Ratifications thereof, were filed of record in Harding County on December 12, 1984, in Book 14, Page 18, et seq., Oil and Gas Lease Records, Harding County, New Mexico, and

THAT, the EFFECTIVE DATE of the UNIT AGREEMENT for the DEVELOPMENT and OPERATION of the WEST BRAVO DOME CARBON DIOXIDE GAS UNIT is December 1, 1984, at 7:00 a.m., Mountain Standard Time.

IN WITNESS WHEREOF, this CERTIFICATE OF EFFECTIVENESS executed on the date of acknowledgment by UNIT OPERATOR.

CITIES SERVICE OIL AND GAS CORPORATION

ATTORNEY-IN-PACT

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ACKNOWLEDGMENT

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IN AND FOR THE FOREGOING Instrument was 057AL 05 05 1980 1980 1980 1980 1980 1980 1980 1980	acknowledged before me this 19th 14, by Chiles Tobella, as as SERVICE OIL AND GAS CORPORATION.
Commission Expiress	Notary Public in and for
	Notary Public in and for Tulsa County, Oklahoma

State of New Mexico

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DECLARATION OF UNITISATION, POOLING AND COMBINATION OF LEASES WEST BRAVO DOME CARBON DIOXIDE GAS UNIT HARDING COUNTY, NEW MEXICO

BY THESE PRESENTS BE IT KNOWN THAT Cities Service Oil and Gas Corporation, a Delaware corporation, is Lessee of Becord in certain OIL, GAS AND MINERAL LEASES which were included within the UNIT AREA of that Certain UNIT AGREEMENT for the DEVELOPMENT and OPERATION of the WEST BRAVO DOME CARBON DIOXIDE GAS UNIT, HARDING COUNTY, NEW MEXICO.

WITHESETH, That certain leases within the Unit Area where Cities Service Oil and Gas Corporation is current Leasee of Record have the following language:

Lessee also shall have the right to unitize, pool, or combine all or any part of the above described lands with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions or such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lassee and approved by any governmental agency by executing the same upon request of Lessee.

THAT, the above described language in the lease is found in Article 7 of the leases described in EXHIBIT A, or attached as a Rider to the lease described in EXHIBIT B, which Exhibits are attached hereto and made a part hereof.

THAT, the Oil Conservation Commission of the State of New Mexico, by order dated November 1, 1984, Case No. 8351, Order No. R-7707, approved said WEST BRAVO DONE CARBON DIGKIDS GAS UNIT, said order became effective subsequent to the approval of the Unit by a New Mexico State Land Office Certificate of Approval executed by the Commissioner of Public Lands, State of New Mexico, dated November 20, 1984, and a Cartificate of Determination approved by the District Manager, Bureau of Land Management, Department of the Interior, dated November 21, 1984, Contract Number 14-08-0001-19588; and

of this agency. These decidents are restinaty altrestinad as a decident open passingles of an initialista decident file.

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THAT, the EFFECTIVE DATE of the UNIT AGREEMENT for the DEVELOPMENT and OPERATION of the WEST BRAVO DOME CARBON DIOXIDE GAS UNIT was December 1, 1984, at 7:00 a.m., Mountain Standard Time, as found in that certain Certificate of Effectiveness filed for record on the 21st of December, 1984, in Book 14 of Oil and Gas Records, pages 388-389, in Harding County, New Mexico;

THAT, pursuant to the authority in the leases described in Exhibits A and B hereto, Cities Service Oil and Gas Corporation, effective December 1, 1984, unitized, pooled, and combined the leases described in Exhibits A and B hereto with other lands into the WEST BRAVO DOME CARBON DIOXIDE GAS UNIT.

IN WITHESS WHEREOF, This instrument executed on the date of acknowledgment by Cities Service Oil and Gas Corporation.

CITIES SERVICE OIL AND GAS CORPORATION

ACKNOWLEDGMENT

STATE OF DESARONA)

My Commission Expires:

Sectionle 6, 1987

EXBIBIT "A" - ATTACHED TO AND MADE A PART OF THAT CERTAIN INSTRUMENT ENTITLED CONTRIBUTION OF LEASES TO THE WEST BRAVO DOME CARBON DIOXIDE GAS UNIT, BARDING COUNTY, NEW MEXICO, EPPECTIVE DECEMBER 1, 1984.

SCHEDULE OF LEASES

6-3016699/3016699

LEASE NUMBER: UNIT TRACT NUMBER:

LESSOR:

CURRENT LESSEE OF RECORD:

2006
May 17, 1975
Janette J. Alford, et vir.
Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 18 North, Range 29 East

Section 17: NW/4, W/2 NE/4 18: N/2 N/2 Harding County, New Mexico

LEASE NUMBER: UNIT TRACT NUMBER:

DATE: LESSOR:

CURRENT LESSEE OF RECORD:

6-3016640/3016636 2009

June 18, 1979 Charles G. Parke, et al. (including interest of Eloise Parke Woods) Cities Service Oil and Gas Corporation

Township 19 North, Range 29 Bast

Section 20: W/2 W/2 Harding County, New Mexico

LEASE NUMBER: UNIT TRACT NUMBER:

DATES

DESCRIPTION:

CURRENT LESSEE OF RECORD:

6-3016737/3016737 2013 June 10, 1975

Celso Martinez Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 19 North, Range 29 Rast

Section 6: Lots 4, 5, 6 & 7 Harding County, New Mexico

LEASE NUMBER: UNIT TRACT NUMBER:

DATE: LESSOR .

CURRENT LESSEE OF RECORD:

6-3016610/3016610 2015

July 3, 1975

Edward Arbuckle, et ux. Cities Service Oil and Gas Corporation -

DESCRIPTION:

Township 18 North, Range 29 East

Section 20: S/2 SE/4, NW/4 SE/4, SW/4

NE/4 21: S/2 SW/4, NW/4 SW/4, SW/4 NW/4

Harding County, New Mexico

LEASE NUMBER: UNIT TRACT NUMBERS:

DATE LESSOR:

CURRENT LESSEE OF RECORD:

6-3016628/3016628 2020 and 2021 July 2, 1975 Roy G. Harney, et ux (original lessor) Cities Service Oil and Gas Corporation

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PAGE TWO

LEASE NO. 6-3016628/3016628 (CONT'D):

DESCRIPTION:

Township 19 North, Range 29 Rast

Section 7: Lot 3, Lot 4, E/2 8W/4,

SE/4 SE/4 Lot 1, NE/4 NW/4, N/2 NE/4 (Constituting Tract 2020) and Lot 2, SE/4 NW/4 and S/2 NE/4 (Constituting Tract 2021)

Harding County, New Mexico

LEASE NUMBER:

UNIT TRACT HUMBER:

DATE: LESSOR:

CURRENT LESSES OF RECORD:

6-3016741/3016741

July 23, 1975
Joe M. Cordova, et ux.
Cities Service Oil and Gas Corporation

DESCRIPTION:

Only insofar as said lease covers:

Township 17 North, Range 29 Bast

Section 3: SW/4 SW/4

W/2 SE/4, SE/4 SE/4 SE/4 NW/4, NW/4 SE/4, E/2 5: 84/4

SW/4 Lot 3 E/2 W/2, W/2 E/2, E/2 SE/4, SE/4 NE/4 W/2 SW/4 N/2 8 1

9 : 21:

Township 18 North, Range 29 Rast

Section 31: Lot 3, E/2 SM/4 Harding County, New Mexico

LEASE NUMBER: UNIT TRACT NUMBER:

DATE:

LESSOR :

CURRENT LESSEE OF RECORD:

6-3016623/3016623 2023

August 1, 1975

Alecio Trujillo, et al. Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 17 North, Range 29 Rest

Section 17: W/2 W/2 20: N/2 8/2 NW/4 Harding County, New Mexico

LEASE NUMBER: UNIT TRACT NUMBER;

LESSOR

CURRENT LESSES OF RECORD:

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6-3016624/3016624

2024

August 2, 1975 Alecio Trujillo, et ux Cities Service Oil and Gas Corporation

DESCRIPTION:

Tomship 17 Morth, Range 29 East

B/2 8W/4 Section 9: Harding County, New Mexico

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PAGE THREE

LEASE NUMBER: UNIT TRACT NUMBER: DATE:

LESSOR CURRENT LESSES OF RECORD: 6-3016630/3016630 2026 August 5, 1975

Alecio Trujillo, et al. Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 17 North, Range 29 Rast

Section 3:

Lot 2, 3, 4, NE/4 SW/4, S/2 NW/4 Lot 1, SE/4 NE/4, NE/4 SE/4

Lot 3, 4 W/2 NE/4, E/2 NE/4, NW/4, E. 10 ac. of SE/4 NW/4

Township 18 North, Range 29 Rast

Section 31: W/2 SE/4, 20 ac. of W/2 E/2 SE/4 Barding County, New Mexico

LEASE NUMBER: UNIT TRACT NUMBERS: DATE: LESSOR: CURRENT LESSEE OF RECORD: 6-3016632/3016632 2028 and 2029 July 30, 1975

Armand Lee Smith, et ux., et al. Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 18 North, Range 29 East

SW/4, W/2 SE/4
SE/4, E/2 SW/4, Lot 3
E/2, E/2 W/2, Lot 4
E/2 NE/4, NE/4 SE/4, W/2
W/2, SE/4 NW/4, NE/6 SW/4
E/2, E/2 NW/4, NW/4 NW/4,
NE/4 SW/4
N/2 NW/4, NW/4 NE/4
N/2 NW/4, SW/4 NE/4
NE/4 NE/4 SW/4, SE/4 NW/4
E/2 E/2, NW/4 NE/4, NE/4
SW/4, Lot 1
S/2 NE/4, NE/4 NE/4, E/4
N/2 NW/4, SE/4 NW/4, E/51
ac. of SE/4
N/2 NW/4, SE/4 NW/4, W/2
NE/6
1 the above constituting Section 17: SW/4, W/2 SE/4 18: 19: 20 s 21: 29:

(All the above constituting Tract 2028) 33: N/2 SW/4, SE/4 SW/4, NW/4 SE/4 (The above constituting Tract 2029) Harding County, New Mexico

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EXHIBIT "B" - ATTACHED TO AND MADE A PART OF THAT CERTAIN INSTRUMENT ENTITLED CONTRIBUTION OF LEASES TO THE WEST BRAVO DOME CARBON DIOXIDE GAS UNIT, HARDING COUNTY, NEW MEXICO, EFFECTIVE DECEMBER 1, 1984.

LEASE SCHEDULE

LEASE NUMBER: UNIT TRACT NUMBERS:

6-3017636/3016689

LESSOR:

2040 and 2041
July 13, 1984
Lucille Gannon Murchison, Individually,
and as Trustee for her Children and/or
lineal descendents under Will of Mary Ethel Gannon, Deceased. Cities Service Oil and Gas Corporation

CURRENT LESSEE OF RECORD:

DESCRIPTION:

Township 17 North, Range 29 East

Section 9: E/2 NE/4 (NE/4 NE/4 is Tract 2040; SE/4 NE/4 is Tract 2041)

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CORRECTION DECLARATION OF UNITIZATION, POOLING, AND COMBINATION OF LEASES WEST BRAVO DOME CARBON DIOXIDE GAS UNIT HARDING COUNTY, NEW MEXICO

BY THESE PRESENTS BE IT KNOWN THAT Cities Service Oil and Gas Corporation, a Delaware corporation, is Lessee of Record in certain OIL, GAS AND MINERAL LEASES which were included within the UNIT AREA of that Certain UNIT AGREEMENT for the DEVELOPMENT and OPERATION of the WEST BRAVO DOME CARBON DIOXIDE GAS UNIT, HARDING COUNTY, NEW MEXICO.

WITNESSETH, That certain leases within the Unit Area where Cities Service Oil and Gas Corporation is current Lessee of Record have the following language:

Lessee also shall have the right to unitize, pool, or combine all or any part of the above described lands with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, empress or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

THAT, the above described language in the lease is found in Article 7 of the leases described in EXHIBIT A, or attached as a Rider to the lease described in EXHIBIT B, which Exhibits are attached hereto and made a part hereof;

THAT, the Oil Conservation Commission of the State of New Mexico, by order dated November 1, 1984, Case No. 8351, Order No. R-7707, approved said WEST BRAVO DOME CARBON DIOXIDE GAS UNIT, said order became effective subsequent to the approval of the Unit by a New Mexico State Land Office Certificate of Approval executed by the Commissioner of Fublic Lands, State of New Mexico, dated Movember 20, 1984, and a Certificate of Determination approved by the District Manager, Bureau of Land Management, Department of the Interior, dated Movember 21, 1984, Contract Number 14-08-0001-19588;

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THAT, the EFFECTIVE DATE of the UNIT AGREEMENT for the DEVELOPMENT and OPERATION of the WEST BRAVO DOME CARBON DIOXIDE GAS UNIT was December 1, 1984, at 7:00 a.m., Nountain Standard Time, as found in that certain Certificate of Effectiveness filed for record on the 21st of December, 1984, in Book 14 of Oil and Gas Records, pages 382-389, in Harding County, New Mexico,

THAT, pursuant to the authority in the leases described in Exhibits A and B hereto, Cities Service Oil and Gas Corporation, effective December 1, 1984, unitized, pooled, and combined the leases described in Exhibits A and B hereto with other lands into the WEST BRAVO DOME CARBON DIOXIDE GAS UNIT;

THAT, an instrument entitled Declaration of Unitization, Pooling, and Combination of Leases, West Bravo Dome Carbon Dioxide Gas Unit, Harding County, New Mexico, was filed for Record on the 20th day of Pebruary, 1985, in Book 14 of Oil and Gas Records, pages 546-551, in Harding County, New Mexico, which made reference to attached Exhibits A and B; however, said Exhibits A and B in their heading incorrectly described the instrument to which they were attached and made a part of; thus, by this Correction Declaration of Unitization, Pooling, and Combination of Leases, West Bravo Dome Carbon Dioxide Gas Unit, Harding County, New Mexico, said headings of Exhibits A and B have been appropriately amended and corrected.

IN WITNESS WHEREOF, This instrument executed on the date of acknowledgment by Cities Service Oil and Gas Corporation.

CITIES SERVICE OIL AND

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Attorney-in-Pact Car

ACENCYLEDGMENT

SEATS OF THE BULEA) SE

The foregoing instrument was acknowledged before me this day of Market in 1985, by Market To helpe as Attorney-in-Pact on behalf of CITIES SERVICE OIL AND GAS CORPORATION.

My Commission Expires:

Geraldine Waldschmid

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EXHIBIT "A" - ATTACHED TO AND MADE A PART OF THAT CERTAIN INSTRUMENT ENTITLED CORRECTION DECLARATION OF UNITIATION, POOLING, AND COMBINATION OF LEASES, WEST BRAVO DOME CARBON DIOXIDE GAS UNIT, HARDING COUNTY, NEW MEXICO, EFFECTIVE DECEMBER 1, 1984.

SCHEDULE OF LEASES

LEASE NUMBER:

UNIT TRACT NUMBER:

DATE:

LESSOR :

CURRENT LESSEE OF RECORD:

6-3016699/3016699 May 17, 1975

Janette J. Alford, et vir. Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 18 North, Range 29 East

Section 17: NW/4, W/2 NE/4 18: N/2 N/2 Harding County, New Mexico

LEASE NUMBER: UNIT TRACT NUMBER: DATE

2009

6-3016640/3016636

CURRENT LESSEE OF RECORD:

June 18, 1979 Charles G. Parke, et al. (including interest of Eloise Parke Woods) Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 19 North, Range 29 East

Section 20: W/2 W/2 Harding County, New Mexico

LEASE NUMBER:

UNIT TRACT NUMBER:

LESSOR .

CURRENT LESSEE OF RECORD:

6-3016737/3016737 2013

June 10, 1975

Celso Martinez

Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 19 North, Range 29 East

Section 6: Lots 4, 5, 6 & 7 Harding County, New Mexico

LEASE NUMBER:

UNIT TRACT NUMBER:

DATE:

LESSOR:

CURRENT LESSES OF RECORD:

6-3016610/3016610

July 3, 1975 Edward Arbuckle, et ux. Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 18 North. Range 29 East

S/2 8E/4, NM/4 8E/4, SW/4

NS/4 B/2 SW/4, NM/4 SW/4, SW/4 NM/4

Harding County, New Mexico

LEASE NUMBER:

UNIT TRACT NUMBERS: DATE

CURRENT LESSEE OF RECORD:

6-3016628/3016628

2020 and 2021 July 2, 1975 Roy G. Harney, et ux (original lessor) Cities Service Oil and Gas Corporation

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PAGE TWO

LEASE NO. 6-3016628/3016628 (CONT'D):

DESCRIPTION

Township 19 North, Bange 29 East

Section 7: Lot 3, Lot 4, R/2 BW/4,

Harding County, Hew Mexico

LEASE NUMBER: UNIT TRACT NUMBER: DATE:

LESSOR: CURRENT LESSEE OF RECORD: 2022 July 23, 1975

6-3016741/3016741

Joe N. Cordova, et us. Cities Service Oil and Gas Corporation

DESCRIPTION:

Only insofar as said lease covers:

Township 17 North, Range 29 East

Section 3:

4 : 5 :

SW/4 SW/4 W/2 SE/4, SE/4 SE/4 SE/4 NM/4, NM/4 SE/4, E/2 SW/4

6 :

Lot 3 E/2 W/2, W/2 E/2, E/2 SE/4, SE/4 NE/4

W/2 SW/4 N/2

9: 21:

Township 18 North, Range 29 Rast

Section 31: Lot 3, E/2 SW/4 Barding County, New Mexico

LRASE NUMBER: UNIT TRACT NUMBER: DATE

LESSOR: CURRENT LESSEE OF RECORD:

6-3016623/3016623 2023

August 1, 1975 . Alecio Trujillo, et al.

Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 17 North, Range 29 Rast

Section 17: W/2 W/2 20: N/2 8/2 NW/4 Harding County, New Mexico

LEASE NUMBER: UNIT TRACT NUMBER: DATE LESSOR: CURRENT LESSEE OF RECORD: 6-3016624/3016624 2024

August 2, 1975 Alecio Trujillo, et uz Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 17 North, Range 29 East

Section 9: B/2 SW/4 Harding County, New Mexico

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PAGE THREE

LEASE NUMBER: UNIT TRACT NUMBER: DATE: LESSOR: CURRENT LESSEE OF RECORD: 6-3016630/3016630 2026 August 5, 1975 Alecio Trujillo, et al. Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 17 North. Range 29 East

Lot 2, 3, 4, NE/4 SW/4, S/2 NW/4 Section 3: Lot 1, SE/4 NE/4, NE/4 SE/4 4:

Lot 3, 4 W/2 NE/4, E/2 NE/4, NW/4, E. 10 ac. of SE/4 NW/4

Township 18 North, Range 29 East

Section 31: W/2 SE/4, 20 ac. of W/2 E/2 SE/4 Harding County, New Mexico

LEASE NUMBER: UNIT TRACT NUMBERS: LESSOR: CURRENT LESSEE OF RECORD:

6-3016632/3016632 2028 and 2029 July 30, 1975 Armand Lee Smith, et ux., et al. Cities Service Oil and Gas Corporation

DESCRIPTION:

Township 18 North, Range 29 East

SW/4, W/2 SE/4

SE/4, E/2 SW/4, Lot 3

E/2, E/2 W/2, Lot 4

E/2 NE/4, NE/4 SE/4, W/2

W/2, SE/4 NW/4, NE/4 SW/4

E/2, E/2 NW/4, NW/4 NW/4, NW/4

SW/4 SW/4

N/2 NW/4, NW/4 NE/4

NE/4 NE/4, SW/4 NE/4, NW/4

SE/4, NE/4 SW/4, SE/4 NW/4

SE/4, NE/4 SW/4, SE/4 NW/4

SE/4, NE/4 SW/4, NE/4, NE/4

SW/4, Lot 1

S/2 NE/4, NE/4 NE/4, E. 51

ac. of SE/4

N/2 NW/4, SE/4 NW/4, W/2

NE/4

the above constituting Section 17: 18: 19: 20: 21: 221 28: 30: 31: 32: (All the above constituting Tract 2028) 33: N/2 SW/4, SE/4 SW/4, NM/4 SE/4 (The above constituting Tract 2029) Harding County, New Mexico

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3-19-15

9300 - 642

EXHIBIT "B" - ATTACHED TO AND MADE A PART OF THAT CERTAIN INSTRUMENT ENTITLED CORRECTION DECLARATION OF UNITIRATION, POOLING, AND COMBINATION OF LEASES, WEST BRAVO DOME CARBON DIOXIDE GAS UNIT, HARDING COUNTY, NEW MEXICO, REFECTIVE DECEMBER 1, 1984.

LEASE SCHEDULE

LEASE NUMBER: UNIT TRACT MUMBERS: DATE: LESSOR:

6-3017636/3016689
2040 and 2041
July 13, 1984
Lucille Gannon Murchison, Individually,
and as Trustee for her Children and/or
lineal descendents under Will of Mary
Ethel Gannon, Deceased.
Cities Service Oil and Gas Corporation

CURRENT LESSER OF RECORD:

DESCRIPTION:

Township 17 North, Range 29 East

Section 9: E/2 NE/4 (NE/4 NE/4 is Tract 2040; SE/4 NE/4 is Tract 2041)

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