

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND
OF OWNERSHIP OF ALL LANDS IN THE
INDIAN HILLS UNIT AREA, EDDY COUNTY, NEW MEXICO

Tract Number	Description of Land	No. of Acres	Serial No. and Expiration Date of Lease	Basic Royalty & Percentage	Jessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
FEDERAL LANDS T-21S, R-24-E, NMFM:							
1	NW¼, S½NE¼, NW¼NE¼ Sec. 28	280	NM 06293 11-30-63	US 12½%	Marathon Oil Company	Rena Shugart - 3%	Marathon Oil Company - All
2	NE¼NE¼ Sec. 28	40	NM 06293-A 11-30-63	US 12½%	Ralph Lowe	Rena Shugart - 3% L. C. Harris - 2%	Ralph Lowe - All
3	A½ 1 Sec. 21; S½, NW¼, S½NE¼, NW¼NE¼ Sec. 33	1,240	NM 07260 2-29-64	US 12½%	Marathon Oil Company	JoAnna Wills Light Obligation \$750.00 per acre out of 3%	Marathon Oil Company - All
4	S½ Sec. 28	320	NM 030482 10-1-67	US 12½%	Sun Oil Company	Charles B. Gonzales - 3%	Sun Oil Company - All
5	SE¼SE¼ Sec. 29	40	NM 0330449 Effective 2-1-63	US 12½%	Robert G. Hanagan	None	Robert G. Hanagan All
6	S½, N½NE¼ Sec. 17	400	LC 064243-A 2-28-63	US 12½%	International Oil & Gas Corporation	Zola Zook Garrett - 2%	International Oil & Gas Corporation - All
7	NE¼NW¼ Sec. 17	40	LC 064243-D	US 12½%	Marion E. Spittler	Zola Zook Garrett - 2%	Marion E. Spittler - All
8	All Sec. 20; N½, SW¼, N½SE¼, SW¼SE¼ Sec. 29	1,240	LC 064391-B 10-31-64	US 12½%	Ralph Lowe*	Bonnie H. Matlock Morrison - 2½% Paul Pugh - 1/2 of 1%	Ralph Lowe - All
9	NE¼NE¼ Sec. 33	40	LC 067649-A 2-29-64	US 12½%	Ralph Lowe	Roswell Museum - 2½% D. E. Gillespie, Jr., - 2% Sarah Louise Harrington - 1/2%	Ralph Lowe - All

Tract Number	Description of Land	No. of Acres	Serial No. and Date of Expiration	Basic Royalty & Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
STATE LANDS							
T. 21 S., R. 24 E., N. 17 W.							
10	SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 17	40	K 2959 12-18-72	State 12 $\frac{1}{2}$ %	Max H. Christenson	None	Max H. Christenson
11	S $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$; Sec. 16; SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 17.	240	OC 6063 10-20-69	State 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company - All
12	NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 16; W $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 17.	480	E 7437 9-15-63	State 12 $\frac{1}{2}$ %	Marathon Oil Company	None	Marathon Oil Company - All
13	NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 16	80	E 10169 6-19-66	State 12 $\frac{1}{2}$ %	Monsanto Chemical Company	None	Monsanto Chemical Company - All

FOUR (4) STATE TRACTS COMPRISING 840 ACRES OR 18.8% OF UNIT AREA.

TOTAL: THIRTEEN (13) TRACTS COMPRISING 4,480 ACRES IN ENTIRE UNIT AREA.

*Subject to an overriding royalty payable to DeKalb Agricultural Association, Inc.
payable out of the working interest of Ralph Lowe in and to certain tracts in which
Ralph Lowe has a working interest.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 2748
Order No. R-2420

APPLICATION OF RALPH LOWE
FOR APPROVAL OF THE INDIAN
HILLS UNIT AGREEMENT, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 6, 1963, at Santa Fe, New Mexico, before Daniel S. Mutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 6 day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Mutter, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Ralph Lowe, seeks approval of the Indian Hills Unit Agreement covering 4,480 acres, more or less, of state and Federal lands in Township 21 South, Range 24 East, EDDY, Eddy County, New Mexico.
- (3) That approval of the proposed Indian Hills Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

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

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

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

NEW MEXICO PRINCIPAL MERIDIAN

RODNEY COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 14 EAST
Section 16: All
Section 17: All
Section 20: All
Section 21: All
Section 28: All
Section 29: All
Section 31: All

containing 4,480 acres, more or less.

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

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

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

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

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

C E A L

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CERTIFICATE OF APPROVAL

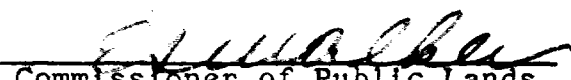
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO
INDIAN HILLS UNIT
EDDY COUNTY, NEW MEXICO

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated January 23, 1963, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 15th day of February 19 63.


Commissioner of Public Lands
of the State of New Mexico