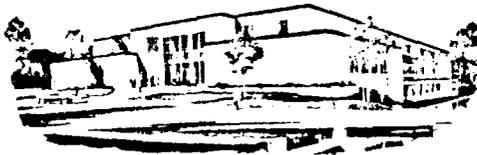


Tsh

State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

May 28, 1968

Pan American Petroleum Corporation
P. O. Box 1410
Fort Worth, Texas 76101

Re: East Buffalo Valley Unit
Chaves County, New Mexico

ATTENTION: Mr. D. B. Mason, Jr.

Gentlemen:

The Commissioner of Public Lands has this date approved as to form and content your proposed East Buffalo Valley Unit, Chaves County, New Mexico, subject to compliance with the requested changes as proposed by the U.S.G.S. in the agreement and correction of the attached Exhibit "B" where marked in red.

Enclosed is your Official Receipt No. I 29638 in the amount of One Hundred-Twenty (\$120.00) Dollars which covers the filing fee.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY: *Eddie Lopez*
Eddie Lopez, Supervisor
Unit Division

GBH/TB/EL/s
encls.

ATWOOD & MALONE
LAWYERS

P. O. DRAWER 70C
TELEPHONE 505 622-6221
SECURITY NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO
88201

JEFF D. ATWOOD (1883-1960)
CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOB F. TURNER
ROBERT A. JOHNSON
JOHN W. BASSETT
ROBERT E. SABIN

AUGUST
1st
1968

Mr. A. L. Porter, Jr.
Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Re: Application for Approval of East Buffalo Valley
Unit in Chaves County, New Mexico - Hearing -
August 7, 1968 - Case No. 3825

Dear Mr. Porter:

In behalf of Pan American Petroleum Corporation, we enclose
our Entry of Appearance in the above captioned case, to be
heard August 7, 1968.

With best regards,

Very truly yours,

ATWOOD & MALONE

By: *Robert E. Sabin*

R
E
S

*

v
Encls.

Cc: J. K. Smith, Esquire (w/encl.)
Guy Buell, Esquire (w/encl.)

COCKET MAILED

Date 8-8-68

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)
OF PAN AMERICAN PETROLEUM COR-)
PORATION FOR APPROVAL OF THE EAST)
BUFFALO VALLEY UNIT AREA COM-)
PRISING 15,350 ACRES, MORE OR LESS,) No. 3825
OF FEDERAL, STATE AND FEE LANDS IN)
TOWNSHIP 14 SOUTH, RANGES 28 and 29)
EAST, CHAVES COUNTY, NEW MEXICO.)

ENTRY OF APPEARANCE

The undersigned, Atwood & Malone, licensed to practice law in New Mexico, hereby enter their appearance herein as co-counsel with Guy Buell, Esquire, and Gordon Ryan, Esquire, of Fort Worth, Texas, in behalf of Pan American Petroleum Corporation.

DATED at Roswell, New Mexico, this 1st day of August, 1968.

ATWOOD & MALONE

By Robert E. Sabiu
Post Office Drawer 700
Roswell, New Mexico

PH 1 10
FEB 4 1970

February 2, 1970

Pan American Petroleum Corporation
P. O. Box 1410
Fort Worth, Texas 76101

Re: East Buffalo Valley Unit
TERMINATION
Chaves County, New Mexico

ATTENTION: Mr. Jack D. Anderson

Gentlemen:

Your request received February 2, 1970, to terminate the East Buffalo Valley Unit pursuant to Section 20 of the Unit Agreement for the Development and Operation of the East Buffalo Valley Unit, is hereby approved, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy of the termination.

Very truly yours,

Ted Bilberry, Director
Oil and Gas Department

TB/ML/s
encl.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico

C
C
P
Y

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING P. O. BOX 1410

FORT WORTH, TEXAS—76101

January 9, 1969

PH 1 04
JAN 11 1969

Re: AFE 42,958
East Buffalo Valley Unit
Chaves County, New Mexico
Your Reference: Order No. R-3481
Case No. 3825

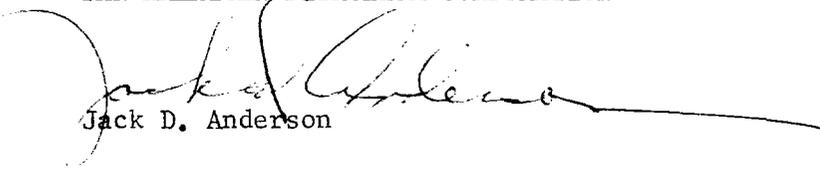
State of New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Pertaining to your letter of January 7, 1969, requesting compliance with Paragraph 3 of the above referred to Order, we wish to advise that by letter dated November 22, 1968, the requested instruments were forwarded to your office; but in the event that they were lost, we enclose herewith xerox copy of the East Buffalo Valley Unit Agreement including Ratifications by the working interest owners and overriding royalty owners.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION


Jack D. Anderson

cp

Enclosures

UNIT AGREEMENT FOR THE DEVELOPMENT
AND OPERATION OF THE EAST BUFFALO VALLEY UNIT AREA
COUNTY OF CHAVES, STATE OF NEW MEXICO

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1 UNIT AGREEMENT 1

2 FOR THE DEVELOPMENT AND OPERATION 2

3 OF THE 3

4 EAST BUFFALO VALLEY UNIT AREA 4

5 COUNTY OF CHAVES 5

6 STATE OF NEW MEXICO 6

7 No. _____ 7

8 THIS AGREEMENT, entered into as of the 1st day of July, 1968, 8
9 by and between the parties subscribing, ratifying, or consenting hereto, and 9
10 herein referred to as the "parties hereto", 10

11 WITNESSETH: 11

12 WHEREAS, the parties hereto are the owners of working, royalty, or other 12
13 oil and gas interests in the unit area subject to this agreement; and 13

14 WHEREAS, the term "Working Interest" as used herein shall mean the in- 14
15 terest held in unitized substances or in lands containing unitized sub- 15
16 stances by virtue of a lease, operating agreement, fee title, or otherwise, 16
17 which is chargeable with and obligated to pay or bear all or a portion of 17
18 the cost of drilling, developing, producing, and operating the land under 18
19 the unit or cooperative agreement. The right delegated to Unit Operator as 19
20 such by this agreement is not to be regarded as a working interest; and 20

21 WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as 21
22 amended, 30 U.S.C., Secs. 181 et seq., authorizes Federal lessees and their 22
23 representatives to unite with each other, or jointly or separately with 23
24 others, in collectively adopting and operating a cooperative or unit plan of 24
25 development or operation of any oil or gas pool, field, or like area, or any 25
26 part thereof for the purpose of more properly conserving the natural re- 26
27 sources thereof whenever determined and certified by the Secretary of the 27
28 Interior to be necessary or advisable in the public interest; and 28

29 WHEREAS, the Commissioner of Public Lands of the State of New Mexico 29
30 is authorized by an Act of the Legislature (Sec. 1, Chap. 162, Laws of 1951, 30
31 and Secs. 1 and 2, Chap. 176, Laws of 1961, See Chap. 7, Article 11, Secs. 31
32 39, 40 and 41 New Mexico Statutes 1953, Annotated) to consent to or approve 32
33 this agreement on behalf of the State of New Mexico, insofar as it covers and 33
34 includes lands and mineral interests of the State of New Mexico; and 34

1 WHEREAS, the Oil Conservation Commission of the State of New Mexico is 1
2 authorized by Act of Legislature (Chap. 168, Laws 1949) to approve this agree- 2
3 ment and the conservation provisions hereof; and 3

4 WHEREAS, the parties hereto hold sufficient interests in the East Buffalo 4
5 Valley Unit Area covering the land hereinafter described to give reasonably 5
6 effective control of operations therein; and 6

7 WHEREAS, it is the purpose of the parties hereto to conserve natural re- 7
8 sources, prevent waste, and secure other benefits obtainable through develop- 8
9 ment and operation of the area subject to this agreement under the terms, con- 9
10 ditions, and limitations herein set forth; 10

11 NOW, THEREFORE, in consideration of the premises and the promises herein 11
12 contained, the parties hereto commit to this agreement their respective in- 12
13 terests in the below-defined unit area, and agree severally among themselves 13
14 as follows: 14

15 1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of February 25, 15
16 1920, as amended, supra, and all valid pertinent regulations, including opera- 16
17 ting and unit plan regulations, heretofore issued thereunder or valid, perti- 17
18 nent, and reasonable regulations hereafter issued thereunder are accepted and 18
19 made a part of this agreement as to Federal lands, provided such regulations 19
20 are not inconsistent with the terms of this agreement; and as to non-Federal 20
21 lands, the oil and gas operating regulations in effect as of the effective date 21
22 hereof governing drilling and producing operations, not inconsistent with the 22
23 terms hereof or the laws of the State in which the non-Federal land is located, 23
24 are hereby accepted and made a part of this agreement. 24

25 2. UNIT AREA. The area specified on the map attached hereto marked Ex- 25
26 hibit A is hereby designated and recognized as constituting the unit area, con- 26
27 taining 15,350.23 acres, more or less. 27

28 Exhibit A shows, in addition to the boundary of the unit area, the boun- 28
29 daries and identity of tracts and leases in said area to the extent known to 29
30 the Unit Operator. Exhibit B attached hereto is a schedule showing to the 30
31 extent known to the Unit Operator the acreage, percentage, and kind of owner- 31
32 ship of oil and gas interests in all land in the unit area. However, nothing 32
33 herein or in said schedule or map shall be construed as a representation by 33
34 any party hereto as to the ownership of any interest other than such interest 34

1 or interests as are shown in said map or schedule as owned by such party. Ex- 1
2 hibits A and B shall be revised by the Unit Operator whenever changes in the 2
3 unit area render such revision necessary, or when requested by the Oil and Gas 3
4 Supervisor, hereinafter referred to as "Supervisor" and not less than six 4
5 copies of the revised exhibits shall be filed with the Supervisor, and two 5
6 copies each with the Commissioner of Public Lands of the State of New Mexico, 6
7 hereinafter referred to as the "Commissioner", and the Oil Conservation Commis- 7
8 sion, hereinafter referred to as "Commission". 8

9 The above-described unit area shall when practicable be expanded to in- 9
10 clude therein any additional tract or tracts regarded as reasonably necessary 10
11 or advisable for the purposes of this agreement, or shall be contracted to ex- 11
12 clude lands not within any participating area whenever such expansion or con- 12
13 traction is necessary or advisable to conform with the purposes of this agree- 13
14 ment. Such expansion or contraction shall be effected in the following manner: 14

15 (a) Unit Operator, on its own motion or on demand of the Director of the 15
16 Geological Survey, hereinafter referred to as "Director", or on demand of the 16
17 Commissioner after preliminary concurrence by the Director, shall prepare a 17
18 notice of proposed expansion or contraction describing the contemplated changes 18
19 in the boundaries of the unit area, the reasons therefor, and the proposed ef- 19
20 fective date thereof, preferably the first day of a month subsequent to the 20
21 date of notice. 21

22 (b) Said notice shall be delivered to the Supervisor and the Commissioner 22
23 and copies thereof mailed to the last known address of each working interest 23
24 owner, lessee, and lessor whose interests are affected, advising that 30 days 24
25 will be allowed for submission to the Unit Operator of any objections. 25

26 (c) Upon expiration of the 30-day period provided in the preceding item 26
27 (b) hereof, Unit Operator shall file with the Supervisor and the Commissioner 27
28 evidence of mailing of the notice of expansion or contraction and a copy of 28
29 any objections thereto which have been filed with the Unit Operator, together 29
30 with an application in sufficient number, for approval of such expansion or 30
31 contraction and with appropriate joinders. 31

32 (d) After due consideration of all pertinent information, the expansion 32
33 or contraction shall, upon approval by the Director and the Commissioner, be- 33
34 come effective as of the date prescribed in the notice thereof. 34

1 (e) All legal subdivisions of unitized lands (i.e., 40 acres by Govern- 1
2 ment survey or its nearest lot or tract equivalent in instances of irregular 2
3 surveys, however, unusually large lots or tracts shall be considered in mul- 3
4 tiple of 40 acres, or the nearest aliquot equivalent thereof, for the purpose 4
5 of elimination under this subsection), no parts of which are entitled to be in 5
6 a participating area within 5 years commencing the first day of the month follow- 6
7 ing the effective date of the first initial participating area established 7
8 under this unit agreement, shall be eliminated automatically from this agree- 8
9 ment, effective as of the first day thereafter, and such lands shall no longer 9
10 be a part of the unit area and shall no longer be subject to this agreement, 10
11 unless at the expiration of said 5-year period diligent drilling operations are 11
12 in progress on unitized lands not entitled to participation, in which event 12
13 all such lands shall remain subject hereto for so long as such drilling opera- 13
14 tions are continued diligently, with not more than 90 days' time elapsing be- 14
15 tween the completion of one such well and the commencement of the next such 15
16 well, except that the time allowed between such wells shall not expire earlier 16
17 than 30 days after the expiration of any period of time during which drilling 17
18 operations are prevented by a matter beyond the reasonable control of unit 18
19 operator as set forth in the section hereof entitled "Unavoidable Delay"; pro- 19
20 vided that all legal subdivisions of lands not in a participating area and not 20
21 entitled to become participating under the applicable provisions of this agree- 21
22 ment within 10 years after said first day of the month following the effective 22
23 date of said first initial participating area shall be eliminated as above speci- 23
24 fied. Determination of creditable "Unavoidable Delay" time shall be made by unit 24
25 operator and subject to approval of the Director and the Commissioner. Elimina- 25
26 tion taking place after the completion of a well that has deferred elimination 26
27 shall be effective on the first day after the time allowed to commence the next 27
28 well. The unit operator shall, within 90 days after the effective date of any 28
29 elimination hereunder, describe the area so eliminated to the satisfaction of 29
30 the Director and the Commissioner and promptly notify all parties in interest. 30
31 If conditions warrant extension of the 10-year period specified in this 31
32 subsection 2(e), a single extension of not to exceed 2 years may be accomplished 32
33 by consent of the owners of 90% of the current unitized working interest and 33
34 60% of the current unitized basic royalty interests (exclusive of the basic 34

royalty interests of the United States), on a total-nonparticipating-acreage basis, respectively, with approval of the Director and the Commissioner, provided such extension application is submitted to the Director and the Commissioner not later than 60 days prior to the expiration of said 10-year period.

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

3. UNITIZED LAND AND UNITIZED SUBSTANCES. All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement". All oil and gas in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

4. UNIT OPERATOR. Pan American Petroleum Corporation is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interest in unitized substances, and the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest when such an interest is owned by it.

5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of 6 months after notice of intention to resign has been served by Unit Operator on all working interest owners, the Director and the Commissioner, and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment, whichever is required by the Supervisor, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

Unit Operator shall have the right to resign in like manner and subject to like limitations as above provided at any time a participating area established hereunder is in existence, but, in all instances of resignation or removal, until a successor unit operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for performance of the

1 duties of unit operator, and shall not later than 30 days before such resigna- 1
2 tion or removal becomes effective appoint a common agent to represent them in 2
3 any action to be taken hereunder. 3

4 The resignation of Unit Operator shall not release Unit Operator from any 4
5 liability for any default by it hereunder occurring prior to the effective date 5
6 of its resignation. 6

7 The Unit Operator may, upon default or failure in the performance of its 7
8 duties or obligations hereunder, be subject to removal by the same percentage 8
9 vote of the owners of working interests determined in like manner as herein pro- 9
10 vided for the selection of a new Unit Operator. Such removal shall be effective 10
11 upon notice thereof to the Director and the Commissioner. 11

12 The resignation or removal of Unit Operator under this agreement shall not 12
13 terminate its right, title, or interest as the owner of a working interest or 13
14 other interest in unitized substances, but upon the resignation or removal of 14
15 Unit Operator becoming effective, such Unit Operator shall deliver possession of 15
16 all equipment, materials, and appurtenances used in conducting the unit opera- 16
17 tions and owned by the working interest owners to the new duly qualified succes- 17
18 sor Unit Operator or to the owners thereof if no such new Unit Operator is 18
19 elected, to be used for the purpose of conducting unit operations hereunder. 19
20 Nothing herein shall be construed as authorizing removal of any material, equip- 20
21 ment and appurtenances needed for the preservation of any wells. 21

22 6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender his 22
23 or its resignation as Unit Operator or shall be removed as hereinabove pro- 23
24 vided, or a change of Unit Operator is negotiated by working interest owners, 24
25 the owners of the working interests in the participating area or areas accord- 25
26 ing to their respective acreage interests in such participating area or areas, 26
27 or, until a participating area shall have been established, the owners of the 27
28 working interests according to their respective acreage interests in all uni- 28
29 tized land, shall by majority vote select a successor Unit Operator: Provided, 29
30 that, if a majority but less than 75 per cent of the working interests quali- 30
31 fied to vote are owned by one party to this agreement, a concurring vote of 31
32 one or more additional working interest owners shall be required to select a 32
33 new operator. Such selection shall not become effective until 33

34 (a) a Unit Operator so selected shall accept in writing the duties and 34
25 responsibilities of Unit Operator, and 35

1 (b) the selection shall have been filed with the Supervisor and approved by 1
2 the Commissioner. If no successor Unit Operator is selected and qualified as 2
3 herein provided, the Director at his election may declare this unit agreement 3
4 terminated. 4

5 7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit Opera- 5
6 tor is not the sole owner of working interests, costs and expenses incurred by 6
7 Unit Operator in conducting unit operations hereunder shall be paid and appor- 7
8 tioned among and borne by the owners of working interests, all in accordance 8
9 with the agreement or agreements entered into by and between the Unit Operator 9
10 and the owners of working interests, whether one or more, separately or collec- 10
11 tively. Any agreement or agreements entered into between the working interest 11
12 owners and the Unit Operator as provided in this section, whether one or more, 12
13 are herein referred to as the "unit operating agreement". Such unit operating 13
14 agreement shall also provide the manner in which the working interest owners 14
15 shall be entitled to receive their respective proportionate and allocated share 15
16 of the benefits accruing hereto in conformity with their underlying operating 16
17 agreements, leases, or other independent contracts, and such other rights and 17
18 obligations as between Unit Operator and the working interest owners as may be 18
19 agreed upon by Unit Operator and the working interest owners; however, no such 19
20 unit operating agreement shall be deemed either to modify any of the terms and 20
21 conditions of this unit agreement or to relieve the Unit Operator of any right 21
22 or obligation established under this unit agreement, and in case of any in- 22
23 consistency or conflict between the unit agreement and the unit operating agree- 23
24 ment, this unit agreement shall prevail. Three true copies of any unit operat- 24
25 ing agreement executed pursuant to this section should be filed with the Super- 25
26 visor and two true copies with the Commissioner, prior to approval of this 26
27 unit agreement. 27

28 8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise speci- 28
29 fically provided herein, the exclusive right, privilege, and duty of exercis- 29
30 ing any and all rights of the parties hereto which are necessary or conven- 30
31 ient for prospecting for, producing, storing, allocating, and distributing the 31
32 unitized substances are hereby delegated to and shall be exercised by the Unit 32
33 Operator as herein provided. Acceptable evidence of title to said rights shall 33
34 be deposited with said Unit Operator and, together with this agreement, shall 34
35 constitute and define the rights, privileges, and obligations of Unit Operator 35

1 Nothing herein, however, shall be construed to transfer title to any land or to 1
2 any lease or operating agreement, it being understood that under this agreement 2
3 the Unit Operator, in its capacity as Unit Operator, shall exercise the rights 3
4 of possession and use vested in the parties hereto only for the purposes herein 4
5 specified. 5

6 9. DRILLING TO DISCOVERY. Within 6 months after the effective date here- 6
7 of, the Unit Operator shall begin to drill an adequate test well at a location 7
8 approved by the Supervisor if such location is upon lands of the United States, 8
9 and if upon State or patented lands, such location shall be approved by the 9
10 Commission and the Commissioner, unless on such effective date a well is being 10
11 drilled conformably with the terms hereof, and thereafter continue such drill- 11
12 ing diligently until the Mississippian formation is encountered or until at 12
13 a lesser depth unitized substances shall be discovered which can be produced 13
14 in paying quantities (to-wit: quantities sufficient to repay the costs of drill- 14
15 ing, and producing operations, with a reasonable profit) or the Unit Operator 15
16 shall at any time establish to the satisfaction of the Supervisor as to wells 16
17 on Federal lands, or to the Commission and the Commissioner as to wells on 17
18 State or patented lands, that further drilling of said well would be unwarrant- 18
19 ed or impracticable, provided, however, that Unit Operator shall not in any 19
20 event be required to drill said well to a depth in excess of 9,500 feet. Un- 20
21 til the discovery of a deposit of unitized substances capable of being produced 21
22 in paying quantities, the Unit Operator shall continue drilling diligently one 22
23 well at a time, allowing not more than 6 months between the completion of one 23
24 well and the beginning of the next well, at locations approved by the Super- 24
25 visor if such locations are on lands of the United States, and if upon State 25
26 or patented lands at locations approved by the Commission and the Commissioner, 26
27 until a well capable of producing unitized substances in paying quantities is 27
28 completed to the satisfaction of said Supervisor and Commissioner or until 28
29 it is reasonably proved that the unitized land is incapable of producing uni- 29
30 tized substances in paying quantities in the formations drilled hereunder. 30
31 Nothing in this section shall be deemed to limit the right of the Unit Opera- 31
32 tor to resign as provided in Section 5 hereof, or as requiring Unit Operator to 32
33 commence or continue any drilling during the period pending such resignation 33
34 becoming effective in order to comply with the requirements of this section. 34
35 The Director and the Commissioner may modify the drilling requirements of this 35

1 section by granting reasonable extensions of time when, in their opinion, such 1
2 action is warranted. 2

3 Upon failure to comply with the drilling provisions of this section, the 3
4 Director and the Commissioner may, after reasonable notice to the Unit Operator, 4
5 and each working interest owner, lessee, and lessor at their last known addres- 5
6 ses, declare this Unit Agreement terminated. 6

7 10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within 6 months after com- 7
8 pletion of a well capable of producing unitized substances in paying quantities, 8
9 the Unit Operator shall submit for the approval of the Supervisor, the Commis- 9
10 sioner and the Commission an acceptable plan of development and operation for 10
11 the unitized land which, when approved by the Supervisor, the Commissioner and 11
12 the Commission, shall constitute the further drilling and operating obligations 12
13 of the Unit Operator under this agreement for the period specified therein. 13
14 Thereafter, from time to time before the expiration of any existing plan, the 14
15 Unit Operator shall submit for the approval of the Supervisor, the Commissioner 15
16 and the Commission a plan for an additional specified period for the development 16
17 and operation of the unitized land. 17

18 Any plan submitted pursuant to this section shall provide for the explora- 18
19 tion of the unitized area and for the diligent drilling necessary for deter- 19
20 mination of the area or areas thereof capable of producing unitized substances 20
21 in paying quantities in each and every productive formation and shall be as com- 21
22 plete and adequate as the Supervisor, the Commissioner and the Commission may 22
23 determine to be necessary for timely development and proper conservation of the 23
24 oil and gas resources of the unitized area and shall 24

25 (a) specify the number and locations of any wells to be drilled and the 25
26 proposed order and time for such drilling; and 26

27 (b) to the extent practicable specify the operating practices regarded 27
28 as necessary and advisable for proper conservation of natural resources. 28

29 Separate plans may be submitted for separate productive zones, subject to the 29
30 approval of the Supervisor, the Commissioner and the Commission. 30

31 Plans shall be modified or supplemented when necessary to meet changed 31
32 conditions or to protect the interests of all parties to this agreement. 32

33 Reasonable diligence shall be exercised in complying with the obligations of 33
34 the approved plan of development. The Supervisor and the Commissioner are 34

1 authorized to grant a reasonable extension of the 6-month period herein pre- 1
2 scribed for submission of an initial plan of development where such action is 2
3 justified because of unusual conditions or circumstances. After completion 3
4 hereunder of a well capable of producing any unitized substance in paying quan- 4
5 tities, no further wells, except such as may be necessary to afford protection 5
6 against operations not under this agreement or such as may be specifically ap- 6
7 proved by the Supervisor and the Commissioner, shall be drilled except in ac- 7
8 cordance with a plan of development approved as herein provided. 8

9 11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of 9
10 producing unitized substances in paying quantities or as soon thereafter as re- 10
11 quired by the Supervisor and the Commissioner, the Unit Operator shall submit 11
12 for approval by the Director, the Commissioner and the Commission, a schedule 12
13 based on subdivisions of the public-land survey or aliquot parts thereof, of 13
14 all unitized land then regarded as reasonably proved to be productive of uni- 14
15 tized substances in paying quantities; all lands in said schedule on approval 15
16 of the Director, the Commissioner and the Commission to constitute a partici- 16
17 pating area, effective as of the date of completion of such well or the effec- 17
18 tive date of the unit agreement, whichever is later. The acreages of both 18
19 Federal and non-Federal lands shall be based upon appropriate computations from 19
20 the courses and distances shown on the last approved public-land survey as of 20
21 the effective date of the initial participating area. Said schedule also shall 21
22 set forth the percentage of unitized substances to be allocated as herein pro- 22
23 vided to each unitized tract in the participating area so established, and 23
24 shall govern the allocation of production from and after the date the parti- 24
25 cipating area becomes effective. A separate participating area shall be es- 25
26 tablished in like manner for each separate pool or deposit of unitized sub- 26
27 stances or for any group thereof produced as a single pool or zone, and any 27
28 two or more participating areas so established may be combined into one with 28
29 the consent of the owners of all working interests in the lands within the 29
30 participating areas so to be combined, on approval of the Director, the Com- 30
31 missioner and the Commission. The participating area or areas so established 31
32 shall be revised from time to time, subject to like approval, whenever such 32
33 action appears proper as a result of further drilling operations or otherwise 33
34 to include additional land then regarded as reasonably proved to be produc- 34
35 tive in paying quantities, or to exclude land then regarded as reasonably 35

1 proved not to be productive in paying quantities and the percentage of alloca- 1
2 tion shall also be revised accordingly. The effective date of any revision 2
3 shall be the first of the month in which is obtained the knowledge or informa- 3
4 tion on which such revision is predicated, provided, however, that a more ap- 4
5 propriate effective date may be used if justified by the Unit Operator and ap- 5
6 proved by the Director and the Commissioner and the Commission. No land shall 6
7 be excluded from a participating area on account of depletion of the unitized 7
8 substances. 8

9 It is the intent of this section that a participating area shall represent 9
10 the area known or reasonably estimated to be productive in paying quantities; 10
11 but, regardless of any revision of the participating area, nothing herein con- 11
12 tained shall be construed as requiring any retroactive adjustment for produc- 12
13 tion obtained prior to the effective date of the revision of the participating 13
14 area. 14

15 In the absence of agreement at any time between the Unit Operator and the 15
16 Director, the Commissioner and the Commission as to the proper definition or re- 16
17 definition of a participating area, or until a participating area has, or areas 17
18 have, been established as provided herein, the portion of all payments affected 18
19 thereby may be impounded in a manner mutually acceptable to the owners of work- 19
20 ing interests, except royalties due the United States and the State of New 20
21 Mexico, which shall be determined by the Supervisor and the Commissioner, re- 21
22 spectively, and the amount thereof deposited, as directed by the Supervisor and 22
23 the Commissioner, respectively, to be held as unearned money until a partici- 23
24 pating area is finally approved and then applied as earned or returned in ac- 24
25 cordance with a determination of the sum due as Federal and State royalty on 25
26 the basis of such approved participating area. 26

27 Whenever it is determined, subject to the approval of the Supervisor, as 27
28 to the wells on Federal lands, the Commissioner as to wells on State lands, 28
29 and the Commission as to wells on patented lands, that a well drilled under 29
30 this agreement is not capable of production in paying quantities and inclusion 30
31 of the land on which it is situated in a participating area is unwarranted, 31
32 production from such well shall, for the purposes of settlement among all par- 32
33 ties other than working interest owners, be allocated to the land on which the 33
34 well is located so long as such land is not within a participating area es- 34
35 tablished for the pool or deposit from which such production is obtained. 35

1 Settlement for working interest benefits from such a well shall be made as pro- 1
2 vided in the unit operating agreement. 2

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

29 13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR FORMATIONS. 29
30 Any party hereto owning or controlling the working interest in any unitized 30
31 land having thereon a regular well location may with the approval of the 31
32 Supervisor, the Commissioner or the Commission, at such party's sole risk, 32
33 costs, and expense, drill a well to test any formation for which a partici- 33
34 pating area has not been established or to test any formation for which a 34

1 participating area has been established if such location is not within said 1
2 participating area, unless within 90 days of receipt of notice from said party 2
3 of his intention to drill the well the Unit Operator elects and commences to 3
4 drill such a well in like manner as other wells are drilled by the Unit Opera- 4
5 tor under this agreement. 5

6 If any well drilled as aforesaid by a working interest owner results in 6
7 production such that the land upon which it is situated may properly be in- 7
8 cluded in a participating area, such participating area shall be established 8
9 or enlarged as provided in this agreement and the well shall thereafter be 9
10 operated by the Unit Operator in accordance with the terms of this agreement 10
11 and the unit operating agreement. 11

12 If any well drilled as aforesaid by a working interest owner obtains pro- 12
13 duction in quantities insufficient to justify the inclusion in a participating 13
14 area of the land upon which such well is situated, such well may be operated 14
15 and produced by the party drilling the same subject to the conservation re- 15
16 quirements of this agreement. The royalties in amount or value of production 16
17 from any such well shall be paid as specified in the underlying lease and agree- 17
18 ments affected. 18

19 14. ROYALTY SETTLEMENT. The United States and the State of New Mexico and 19
20 all royalty owners who, under existing contract, are entitled to take in kind 20
21 a share of the substances now unitized hereunder produced from any tract, shall 21
22 hereafter be entitled to the right to take in kind their share of the unitized 22
23 substances allocated to such tract, and Unit Operator, or in case of the opera- 23
24 tion of a well by a working interest owner as herein in special cases provided 24
25 for, such working interest owner, shall make deliveries of such royalty share 25
26 taken in kind in conformity with the applicable contracts, laws, and regula- 26
27 tions. Settlement for royalty interest not taken in kind shall be made by 27
28 working interest owners responsible therefor under existing contracts, laws 28
29 and regulations on or before the last day of each month for unitized sub- 29
30 stances produced during the preceding calendar month; provided, however, that 30
31 nothing herein contained shall operate to relieve the lessors of any land 31
32 from their respective lease obligations for the payment of any royalties due 32
33 under their leases. 33

34 If gas obtained from lands not subject to this agreement is introduced 34

1 into any participating area hereunder, for use in repressuring, stimulation of 1
2 production, or increasing ultimate recovery, which shall be in conformity with 2
3 a plan first approved by the Supervisor and the Commissioner, a like amount of 3
4 gas, after settlement as herein provided for any gas transferred from any ot- 4
5 her participating area and with due allowance for loss or depletion from any 5
6 cause, may be withdrawn from the formation into which the gas was introduced, 6
7 royalty free as to dry gas, but not as to the products extracted therefrom; pro-7
8 vided that such withdrawal shall be at such time as may be provided in the plan 8
9 of operations or as may otherwise be consented to by the Supervisor, the Com- 9
10 missioner and the Commission as conforming to good petroleum engineering prac- 10
11 tice; and provided further, that such right of withdrawal shall terminate on 11
12 the termination of this unit agreement. 12

13 Royalty due the United States shall be computed as provided in the opera- 13
14 ting regulations and paid in value or delivered in kind as to all unitized sub- 14
15 stances on the basis of the amounts thereof allocated to unitized Federal land 15
16 as provided herein at the rates specified in the respective Federal leases, 16
17 or at such lower rate or rates as may be authorized by law or regulation; pro- 17
18 vided, that for leases on which the royalty rate depends on the daily average 18
19 production per well, said average production shall be determined in accordance 19
20 with the operating regulations as though each participating area were a single 20
21 consolidated lease. 21

22 15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases com- 22
23 mitted hereto shall be paid by working interest owners responsible therefor 23
24 under existing contracts, laws, and regulations, provided that nothing herein 24
25 contained shall operate to relieve the lessees of any land from their respec- 25
26 tive lease obligations for the payment of any rental or minimum royalty in 26
27 lieu thereof due under their leases. Rental or minimum royalty for lands of 27
28 the United States subject to this agreement shall be paid at the rate speci- 28
29 fied in the respective leases from the United States unless such rental or 29
30 minimum royalty is waived, suspended, or reduced by law or by approval of the 30
31 Secretary or his duly authorized representative. Rentals on State of New 31
32 Mexico lands subject to this agreement shall be paid at the rates specified 32
33 in the respective leases, or may be reduced and suspended upon the order of 33
34 the Commissioner of Public Lands of the State of New Mexico pursuant to ap- 34
35 plicable laws and regulations. 35

1 With respect to any lease on non-Federal land containing provisions which 1
2 would terminate such lease unless drilling operations were within the time 2
3 therein specified commenced upon the land covered thereby or rentals paid for 3
4 the privilege of deferring such drilling operations, the rentals required 4
5 thereby shall, notwithstanding any other provision of this agreement, be deemed 5
6 to accrue and become payable during the term thereof as extended by this agree- 6
7 ment and until the required drilling operations are commenced upon the land 7
8 covered thereby or some portion of such land is included within a participating 8
9 area. 9

10 16. CONSERVATION. Operations hereunder and production of unitized sub- 10
11 stances shall be conducted to provide for the most economical and efficient 11
12 recovery of said substances without waste, as defined by or pursuant to State 12
13 or Federal law or regulation. 13

14 17. DRAINAGE. The Unit Operator shall take appropriate and adequate 14
15 measures to prevent drainage of unitized substances from unitized land by wells 15
16 on land not subject to this agreement, or, with prior consent of the Director 16
17 or the Commissioner, pursuant to applicable regulations pay a fair and reason- 17
18 able compensatory royalty as determined by the Supervisor or the Commissioner. 18

19 18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions, 19
20 and provisions of all leases, subleases, and other contracts relating to ex- 20
21 ploration, drilling, development, or operation for oil or gas of lands com- 21
22 mitted to this agreement are hereby expressly modified and amended to the ex- 22
23 tent necessary to make the same conform to the provisions hereof, but other- 23
24 wise to remain in full force and effect; and the parties hereto hereby con- 24
25 sent that the Secretary and the Commissioner, respectively, shall and by their 25
26 approval hereof, or by the approval hereof by their duly authorized represen- 26
27 tatives, do hereby establish, alter, change, or revoke the drilling, pro- 27
28 ducing, rental, minimum royalty, and royalty requirements of Federal and 28
29 State leases committed hereto and the regulations in respect thereto to con- 29
30 form said requirements to the provisions of this agreement, and, without 30
31 limiting the generality of the foregoing, all leases, subleases, and con- 31
32 tracts are particularly modified in accordance with the following: 32

33 (a) The development and operation of lands subject to this agreement 33
34 under the terms hereof shall be deemed full performance of all obligations 34

1 for development and operation with respect to each and every part or separately 1
2 owned tract subject to this agreement, regardless of whether there is any de- 2
3 velopment of any particular part or tract of the unit area, notwithstanding any-3
4 thing to the contrary in any lease, operating agreement or other contract by 4
5 and between the parties hereto, or their respective predecessors in interest, 5
6 or any of them. 6

7 (b) Drilling and producing operations performed hereunder upon any tract 7
8 of unitized lands will be accepted and deemed to be performed upon and for the 8
9 benefit of each and every tract of unitized land, and no lease shall be deemed 9
10 to expire by reason of failure to drill or produce wells situated on the land 10
11 therein embraced. 11

12 (c) Suspension of drilling or producing operations on all unitized lands 12
13 pursuant to direction or consent of the Secretary or his duly authorized re- 13
14 presentative, and on all unitized lands of the State of New Mexico pursuant 14
15 to the consent of the Commissioner, or his duly recognized representative, 15
16 shall be deemed to constitute such suspension pursuant to such direction or 16
17 consent as to each and every tract of unitized land. 17

18 (d) Each lease, sublease or contract relating to the exploration, drill- 18
19 ing, development or operation for oil or gas of lands other than those of the 19
20 United States committed to this agreement, which, by its terms might expire 20
21 prior to the termination of this agreement, is hereby extended beyond any such 21
22 term so provided therein so that it shall be continued in full force and effect 22
23 for and during the term of this agreement. 23

24 (e) Any Federal lease for a fixed term of twenty (20) years or any re- 24
25 newal thereof or any part of such lease which is made subject to this agree- 25
26 ment shall continue in force beyond the term provided therein until the ter- 26
27 mination hereof. Any other Federal lease committed hereto shall continue in 27
28 force beyond the term so provided therein or by law as to the land committed 28
29 so long as such lease remains subject hereto, provided that production is had 29
30 in paying quantities under this unit agreement prior to the expiration date 30
31 of the term of such lease, or in the event actual drilling operations are 31
32 commenced on unitized land, in accordance with the provisions of this agree- 32
33 ment, prior to the end of the primary term of such lease and are being dili- 33
34 gently prosecuted at that time, such lease shall be extended for two years and 34

1 so long thereafter as oil or gas is produced in paying quantities in accordance 1
2 with the provisions of the Mineral Leasing Act Revision of 1960. 2

3 (f) Each sublease or contract relating to the operation and development 3
4 of unitized substances from lands of the United States committed to this agree- 4
5 ment, which by its terms would expire prior to the time at which the underlying 5
6 lease, as extended by the immediately preceding paragraph, will expire, is here- 6
7 by extended beyond any such term so provided therein so that it shall be con- 7
8 tinued in full force and effect for and during the term of the underlying lease 8
9 as such term is herein extended. 9

10 (g) The segregation of any Federal lease committed to this agreement is 10
11 governed by the following provision in the fourth paragraph of Sec. 17(j) of 11
12 the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 12
13 781-784): "Any (Federal) lease heretofore or hereafter committed to any such 13
14 (unit) plan embracing lands that are in part within and in part outside of the 14
15 area covered by any such plan shall be segregated into separate leases as to the 15
16 lands committed and the lands not committed as of the effective date of unitiza- 16
17 tion: Provided, however, That any such lease as to the nonunitized portion shall 17
18 continue in force and effect for the term thereof but for not less than two 18
19 years from the date of such segregation and so long thereafter as oil or gas is 19
20 produced in paying quantities." 20

21 (h) Any lease, other than a Federal lease, having only a portion of its 21
22 lands committed hereto shall be segregated as to the portion committed and the 22
23 portion not committed, and the provisions of such lease shall apply separately 23
24 to such segregated portions commencing as of the effective date hereof. In 24
25 the event any such lease provides for a lump-sum rental payment, such payment 25
26 shall be prorated between the portions so segregated in proportion to the acre- 26
27 age of the respective tracts. 27

28 19. COVENANTS RUN WITH LAND. The covenants herein shall be construed to 28
29 be covenants running with the land with respect to the interest of the parties 29
30 hereto and their successors in interest until this agreement terminates, and 30
31 any grant, transfer, or conveyance of interest in land or leases subject here- 31
32 to shall be and hereby is conditioned upon the assumption of all privileges 32
33 and obligations hereunder by the grantee, transferee, or other successor in in- 33
34 terest. No assignment or transfer of any working interest, royalty, or other 34

1 interest subject hereto shall be binding upon Unit Operator until the first day 1
2 of the calendar month after Unit Operator is furnished with the original, pho- 2
3 tostatic, or certified copy of the instrument of transfer. 3

4 20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon 4
5 approval by the Secretary and the Commissioner or their duly authorized repre- 5
6 sentatives and shall terminate five (5) years from said effective date unless 6

7 (a) such date of expiration is extended by the Director and the Commis- 7
8 sioner, or 8

9 (b) it is reasonably determined prior to the expiration of the fixed 9
10 term or any extension thereof that the unitized land is incapable of pro- 10
11 duction of unitized substances in paying quantities in the formations tested 11
12 hereunder and after notice of intention to terminate the agreement on such 12
13 ground is given by the Unit Operator to all parties in interest at their last 13
14 known addresses, the agreement is terminated with the approval of the Director 14
15 and the Commissioner, or 15

16 (c) a valuable discovery of unitized substances has been made or accepted 16
17 on unitized land during said initial term or any extension thereof, in which 17
18 event the agreement shall remain in effect for such term and so long as uni- 18
19 tized substances can be produced in quantities sufficient to pay for the cost 19
20 of producing same from wells on unitized land within any participating area 20
21 established hereunder and, should production cease, so long thereafter as dili- 21
22 gent operations are in progress for the restoration of production or discovery 22
23 of new production and so long thereafter as the unitized substances so dis- 23
24 covered can be produced as aforesaid, or 24

25 (d) it is terminated as heretofore provided in this agreement. 25

26 This agreement may be terminated at any time by not less than 75 per centum, 26
27 on an acreage basis, of the owners of working interests signatory hereto, 27
28 with the approval of the Director and the Commissioner; notice of any such 28
29 approval to be given by the Unit Operator to all parties hereto. 29

30 21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The Director is 30
31 hereby vested with authority to alter or modify from time to time in his dis- 31
32 cretion the quantity and rate of production under this agreement when such 32
33 quantity and rate is not fixed pursuant to Federal or State law or does not 33
34 conform to any state-wide voluntary conservation or allocation program, which 34

1 is established, recognized, and generally adhered to by the majority of opera- 1
2 tors in such State, such authority being hereby limited to alteration or modi- 2
3 fication in the public interest, the purpose thereof and public interest to 3
4 be served thereby to be stated in the order of alteration or modification. 4
5 Without regard to the foregoing, the Director is also hereby vested with auth- 5
6 ority to alter or modify from time to time in his discretion the rate of pros- 6
7 pecting and development and the quantity and rate of production under this 7
8 agreement when such alteration or modification is in the interest of attain- 8
9 ing the conservation objectives stated in this agreement and is not in viola- 9
10 tion of any applicable Federal or State law; provided, further, no such alter- 10
11 ation or modification shall be effective as to any land of the State of New 11
12 Mexico as to the rate of prospecting and development in the absence of the 12
13 specific written approval thereof by the Commissioner and as to lands of the 13
14 State of New Mexico or privately owned lands subject to this agreement as to 14
15 the quantity and rate of production in the absence of specific written ap- 15
16 proval thereof by the Commissioner. 16

17 Powers in this section vested in the Director shall only be exercised af- 17
18 ter notice to Unit Operator and opportunity for hearing to be held not less 18
19 than 15 days from notice. 19

20 22. APPEARANCES. Unit Operator shall, after notice to other parties af- 20
21 fected, have the right to appear for and on behalf of any and all interests 21
22 affected hereby before the Department of the Interior and to appeal from or- 22
23 ders issued under the regulations of said Department or to apply for relief 23
24 from any of said regulations or in any proceedings relative to operations be- 24
25 fore the Department of the Interior or any other legally constituted author- 25
26 ity; provided, however, that any other interested party shall also have the 26
27 right at his own expense to be heard in any such proceeding. 27

28 23. NOTICES. All notices, demands or statements required hereunder to 28
29 be given or rendered to the parties hereto shall be deemed fully given if 29
30 given in writing and personally delivered to the party or sent by postpaid 30
31 registered mail, addressed to such party or parties at their respective ad- 31
32 dresses set forth in connection with the signatures hereto or to the ratifi- 32
33 cation or consent hereof or to such other address as any such party may have 33
34 furnished in writing to party sending the notice, demand or statement. 34

1 24. NO WAIVER OF CERTAIN RIGHTS. Nothing in this agreement contained shall 1
2 be construed as a waiver by any party hereto of the right to assert any legal 2
3 or constitutional right or defense as to the validity or invalidity of any law 3
4 of the State wherein said unitized lands are located, or of the United States, 4
5 or regulations issued thereunder in any way affecting such party, or as a 5
6 waiver by any such party of any right beyond his or its authority to waive. 6

7 25. UNAVOIDABLE DELAY. All obligations under this agreement requiring 7
8 the Unit Operator to commence or continue drilling or to operate on or produce 8
9 unitized substances from any of the lands covered by this agreement shall be 9
10 suspended while, but only so long as, the Unit Operator despite the exercise 10
11 of due care and diligence is prevented from complying with such obligations, in 11
12 whole or in part, by strikes, acts of God, Federal, State, or municipal law 12
13 or agencies, unavoidable accidents, uncontrollable delays in transportation, 13
14 inability to obtain necessary materials in open market, or other matters be- 14
15 yond the reasonable control of the Unit Operator whether similar to matters 15
16 herein enumerated or not. 16

17 26. NONDISCRIMINATION. In connection with the performance of work under 17
18 this agreement, the operator agrees to comply with all of the provisions of 18
19 Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), 19
20 which are hereby incorporated by reference in this agreement. 20

21 27. LOSS OF TITLE. In the event title to any tract of unitized land shall 21
22 fail and the true owner cannot be induced to join in this unit agreement, such 22
23 tract shall be automatically regarded as not committed hereto and there shall 23
24 be such readjustment of future costs and benefits as may be required on ac- 24
25 count of the loss of such title. In the event of a dispute as to title as 25
26 to any royalty, working interest, or other interests subject thereto, payment 26
27 or delivery on account thereof may be withheld without liability for interest 27
28 until the dispute is finally settled; provided, that, as to Federal and State 28
29 land or leases, no payments of funds due the United States or the State of 29
30 New Mexico should be withheld, but such funds shall be deposited as directed 30
31 by the Supervisor and the Commissioner, respectively, to be held as unearned 31
32 money pending final settlement of the title dispute, and then applied as 32
33 earned or returned in accordance with such final settlement. 33

34 Unit Operator as such is relieved from any responsibility for any de- 34
35 fect or failure of any title hereunder. 35

1 28. NON-JOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial 1
2 interest in a tract within the unit area fails or refuses to subscribe or con- 2
3 sent to this agreement, the owner of the working interest in that tract may 3
4 withdraw said tract from this agreement by written notice to the Director, the 4
5 Commissioner and the Unit Operator prior to the approval of this agreement by 5
6 the Director and the Commissioner. Any oil or gas interests in lands within 6
7 the unit area not committed hereto prior to submission of this agreement for 7
8 final approval may thereafter be committed hereto by the owner or owners there- 8
9 of subscribing or consenting to this agreement, and, if the interest is a work- 9
10 ing interest, by the owner of such interest also subscribing to the unit operat- 10
11 ing agreement. After operations are commenced hereunder, the right of subse- 11
12 quent joinder, as provided in this section, by a working interest owner is sub- 12
13 ject to such requirements or approvals, if any, pertaining to such joinder, as 13
14 may be provided for in the unit operating agreement. After final approval 14
15 hereof joinder by a non-working interest owner must be consented to in writing 15
16 by the working interest owner committed hereto and responsible for the payment 16
17 of any benefits that may accrue hereunder in behalf of such non-working interest. 17
18 Joinder by any owner of a non-working interest, at any time, must be accompanied 18
19 by appropriate joinder by the owner of the corresponding working interest in 19
20 order for the interest to be regarded as committed hereto. Joinder to the unit 20
21 agreement by a working-interest owner, at any time, must be accompanied by ap- 21
22 propriate joinder to the unit operating agreement, if more than one committed 22
23 working-interest owner is involved, in order for the interest to be regarded 23
24 as committed to this unit agreement. Except as may otherwise herein be pro- 24
25 vided subsequent joinders to this agreement shall be effective as of the first 25
26 day of the month following the filing with the Supervisor and the Commissioner 26
27 of duly executed counterparts of all or any papers necessary to establish ef- 27
28 fective commitment of any tract to this agreement unless objection to such 28
29 joinder is duly made within 60 days by the Director or the Commissioner. 29

30 29. COUNTERPARTS. This agreement may be executed in any number of 30
31 counterparts no one of which needs to be executed by all parties or may be 31
32 ratified or consented to by separate instrument in writing specifically re- 32
33 ferring hereto and shall be binding upon all those parties who have executed 33
34 such a counterpart, ratification, or consent hereto with the same force and 34
35 effect as if all such parties had signed the same document and regardless of 35

1 whether or not it is executed by all other parties owning or claiming an in- 1
2 terest in the lands within the above-described unit area. 2

3 30. SURRENDER. Nothing in this agreement shall prohibit the exercise by 3
4 any working interest owner of the right to surrender vested in such party in 4
5 any lease, sub-lease, or operating agreement as to all or any part of the lands 5
6 covered thereby, provided that each party who will or might acquire such work- 6
7 ing interest by such surrender or by forfeiture as hereafter set forth, is 7
8 bound by the terms of this agreement. 8

9 If as a result of any such surrender, the working interest rights as to 9
10 such lands become vested in any party other than the fee owner of the uni- 10
11 tized substances, said party shall forfeit such rights and no further bene- 11
12 fits from operation hereunder as to said land shall accrue to such party, 12
13 unless within ninety (90) days thereafter said party shall execute this agree- 13
14 ment and the unit operating agreement as to the working interest acquired 14
15 through such surrender, effective as though such land had remained continuously 15
16 subject to this agreement and the unit operating agreement. And in the event 16
17 such agreements are not so executed, the party next in the chain of title shall 17
18 be and become the owner of such working interest at the end of such ninety (90) 18
19 day period, with the same force and effect as though such working interest had 19
20 been surrendered to such party. 20

21 If as the result of any such surrender or forfeiture the working interest 21
22 rights as to such lands become vested in the fee owner of the unitized sub- 22
23 stances, such owner may: 23

24 (1) Execute this agreement and the unit operating agreement as a 24
25 working interest owner, effective as though such land had remained contin- 25
26 uously subject to this agreement and the unit operating agreement. 26

27 (2) Again lease such lands but only under the condition that the holder 27
28 of such lease shall within thirty (30) days after such lands are so leased 28
29 execute this agreement and the unit operating agreement as to each partici- 29
30 pating area theretofore established hereunder, effective as though such land 30
31 had remained continuously subject to this agreement and the unit operating 31
32 agreement. 32

33 (3) Operate or provide for the operation of such land independently of 33
34 this agreement as to any part thereof or any oil or gas deposits therein not 34

1 then included within a participating area. 1

2 If the fee owner of the unitized substances does not execute this agree- 2
3 ment and the unit operating agreement as a working interest owner or again 3
4 lease such lands as above provided with respect to each existing participa- 4
5 ting area, within six (6) months after any such surrender or forfeiture, such 5
6 fee owner shall be deemed to have waived the right to execute the unit operat- 6
7 ing agreement or lease such lands as to each such participating area, and to 7
8 have agreed, in consideration for the compensation hereinafter provided, that 8
9 operations hereunder as to any such participating area or areas shall not be 9
10 affected by such surrender. 10

11 For any period the working interest in any lands are not expressly com- 11
12 mitted to the unit operating agreement as the result of any such surrender or 12
13 forfeiture, the benefits and obligations of operations accruing to such lands 13
14 under this agreement and the unit operating agreement shall be shared by the 14
15 remaining owners of unitized working interests in accordance with their respec- 15
16 tive participating working interest ownerships in any such participating area or 16
17 areas, and such owners of working interests shall compensate the fee owner of 17
18 unitized substances in such lands by paying sums equal to the rentals, minimum 18
19 royalties, and royalties applicable to such lands under the lease in effect 19
20 when the lands were unitized, as to such participating area or areas. 20

21 Upon commitment of a working interest to this agreement and the unit op- 21
22 erating agreement as provided in this section, an appropriate accounting and 22
23 settlement shall be made, to reflect the retroactive effect of the commit- 23
24 ment, for all benefits accruing to or payments and expenditures made or in- 24
25 curred on behalf of such surrendered working interest during the period be- 25
26 tween the date of surrender and the date of recommitment, and payment of any 26
27 moneys found to be owing by such an accounting shall be made as between the 27
28 parties then signatory to the unit operating agreement and this agreement 28
29 within thirty (30) days after the recommitment. The right to become a par- 29
30 ty to this agreement and the unit operating agreement as a working interest 30
31 owner by reason of a surrender or forfeiture as provided in this section 31
32 shall not be defeated by the nonexistence of a unit operating agreement and 32
33 in the event no unit operating agreement is in existence and a mutually ac- 33
34 ceptable agreement between the proper parties thereto cannot be consummated, 34

1 the Supervisor and the Commissioner may prescribe such reasonable and equitable 1
2 agreement as they deem warranted under the circumstances. 2

3 Nothing in this section shall be deemed to limit the right of joinder or 3
4 subsequent joinder to this agreement as provided elsewhere in this agreement. 4
5 The exercise of any right vested in a working interest owner to reassign such 5
6 working interest to the party from whom obtained shall be subject to the same 6
7 conditions as set forth in this section in regard to the exercise of a right 7
8 to surrender. 8

9 31. TAXES. The working interest owners shall render and pay for their 9
10 account and the account of the royalty owners all valid taxes on or measured 10
11 by the unitized substances in and under or that may be produced, gathered and 11
12 sold from the land subject to this contract after the effective date of this 12
13 agreement, or upon the proceeds or net proceeds derived therefrom. The work- 13
14 ing interest owners on each tract shall and may charge the proper proportion 14
15 of said taxes to the royalty owners having interests in said tract, and may 15
16 currently retain and deduct sufficient of the unitized substances or deriva- 16
17 tive products, or net proceeds thereof from the allocated share of each royal- 17
18 ty owner to secure reimbursement for the taxes so paid. No such taxes shall 18
19 be charged to the United States or to any lessor who has a contract with his 19
20 lessee which requires the lessee to pay such taxes. 20

21 32. CONFLICT OF SUPERVISION: Neither the Unit Operator nor the working 21
22 interest owners nor any of them shall be subject to any forfeiture, termina- 22
23 tion, or expiration of any rights hereunder or under any leases or contracts 23
24 subject hereto, or to any penalty or liability for delay or failure in whole 24
25 or in part to comply therewith to the extent that the said Unit Operator, 25
26 working interest owners or any of them are hindered, delayed, or prevented 26
27 from complying therewith by reason of failure of the Unit Operator to obtain 27
28 with the exercise of due diligence the concurrence of the representatives of 28
29 the United States and the representatives of the State of New Mexico in and 29
30 about any matters or thing concerning which it is required herein that such 30
31 concurrence be obtained. The parties hereto, including the Commission, agree 31
32 that all powers and authority vested in the Commission in and by any provi- 32
33 sions of this contract are vested in the Commission and shall be exercised by 33
34 it pursuant to the provisions of the laws of the State of New Mexico and 34

1 subject in any case to appeal or judicial review as may now or hereafter be 1
2 provided by the laws of the State of New Mexico. 2

3 33. NO PARTNERSHIP. It is expressly agreed that the relation of the 3
4 parties hereto is that of independent contractors and nothing in this agree- 4
5 ment contained, expressed or implied, nor any operations conducted hereunder, 5
6 shall create or be deemed to have created a partnership or association between 6
7 the parties hereto or any of them. 7

8 IN WITNESS WHEREOF, the parties hereto have caused this agreement to be 8
9 executed and have set opposite their respective names the date of execution. 9

UNIT OPERATOR

PAN AMERICAN PETROLEUM CORPORATION

ATTEST:

[Signature]
Assistant Secretary

By [Signature]
Attorney in Fact



DATE:

August 15, 1968

P. O. Box 1410
Oil and Gas Building
Fort Worth, Texas 76101

WORKING INTEREST OWNERS

ATTEST: _____ DATE: _____
Secretary By _____ President

Address: _____

ATTEST: _____ DATE: _____
Secretary By _____ President

Address: _____

ATTEST: _____ DATE: _____
Secretary By _____ President

Address: _____

ATTEST: _____ DATE: _____
Secretary By _____ President

Address: _____

THE STATE OF TEXAS)
COUNTY OF TARRANT)

The foregoing instrument was acknowledged before me this 15th day of August, 1968, by D. B. Mason, Jr., as Attorney in Fact on behalf of PAN AMERICAN PETROLEUM CORPORATION.

My Commission expires:
June 1, 1969

Silma B. Craft
Notary Public in and for
Tarrant County, Texas
VELMA B. CRAFT

THE STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission expires:

Notary Public in and for
_____ County, _____

THE STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission expires:

Notary Public in and for
_____ County, _____

THE STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968, by _____, _____ President of _____, a _____ corporation, on behalf of said corporation.

My Commission expires:

Notary Public in and for
_____ County _____

Exhibit "B" - East Buffalo Valley Unit Area, Chaves County, New Mexico

July 1, 1968

Tract No.	Description of Land	Number of Acres	Serial No. & Expiration Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
<u>Federal Acreage</u>							
1	T-14-S, R-28-E	1395.20	NM-87 7-31-76	USA - All (12.5%)	Charles B. Read and Norman L. Stevens, Jr.	K. J. Fell and wife, Marie A. Fell - 2%	Charles B. Read and Norman L. Stevens, Jr. - 100%
	Sec. 25: NW/4 NW/4						
	Sec. 26: SE/4						
	T-14-S, R-29-E						
	Sec. 7: Lots 1, 2, 3, 4, E/2 W/2						
Sec. 19: Lots 1, 2, 3, 4, E/2 SW/4							
Sec. 30: Lots 1, 2, 3, 4, E/2 W/2							
Sec. 31: Lots 1, 2, 3, 4, E/2 W/2							
2	Sec. 8: NE/4 SE/4, NE/4 SW/4	120.00	NM-88 7-31-76	USA - All (12.5%)	Pan American Petro- leum Corporation	Marcia P. Lane - 5%	Pan American Petro- leum Corporation - 100%
	Sec. 18: SE/4 NE/4						
3	T-14-S, R-28-E	1200.40	NM-2581 6-30-77	USA - All (12.5%)	Pan American Petro- leum Corporation	Harry F. Schram and wife, Jocelyn M. Schram - 10% of 5%; Ernest A. Hansen and wife, Beulah Irene Hansen - 90% of 5%	Pan American Petro- leum Corporation - 100%
	Sec. 1: Lots 1, 2, 3, 4, S/2 N/2, S/2 (All)						
	Sec. 11: N/2, N/2 S/2, S/2 SW/4						
4	T-14-S, R-29-E	80.00	NM-2826 7-31-77	USA - All (12.5%)	Pan American Petro- leum Corporation	C. E. Strange and wife, Sherrie R. Strange - 3%	Pan American Petro- leum Corporation - 100%
	Sec. 20: W/2 SW/4						

Tract No.	Description of Land	Number of Acres	Serial No. & Expiration Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
5	T-14-S, R-29-E Sec. 19: SE/4 Sec. 20: SE/4 Sec. 30: E/2 Sec. 31: E/2	960.00	NM-2827 7-31-77	USA - All (12.5%)	Pan American Petroleum Corporation	Henry J. Folse and wife, Helen C. Folse - \$750.00 per acre production payment out of 5%	Pan American Petroleum Corporation - 100%
6	T-14-S, R-28-E Sec. 14: NE/4 NW/4	40.00	NM-024759 11-30-68 (3)	USA - All (12.5%)	Ernest A. Hansen	None	Ernest A. Hansen - 100%
7	Sec. 14: SW/4, S/2 NW/4, NW/4	280.00	NM-024759-A 11-30-68 (3)	USA - All (12.5%)	Ernest A. Hansen	None	Ernest A. Hansen - 100%
8	T-14-S, R-29-E Sec. 6: Lots 1, 2, 3, 4, 5, 6, 7, SE/4 NW/4, S/2 NE/4, E/2 SW/4, SE/4 (All)	635.43	NM-078077 5-31-70 (2)	USA - All (12.5%)	Frank D. Brown, Jr., H. Barksdale Brown, John B. Rich and Mercantile Safe Deposit and Trust Co., Trustees, Larry Seaman, John B. Rich, Neville G. Penrose, and J. M. Zachary.	Katherine S. Foster and husband, Richard R. Foster, Brook H. Duncan II and wife, Katherine F. Duncan - \$350.00 per acre production payment out of 1/32 of 8/8	Frank D. Brown, Jr., H. Barksdale Brown, John B. Rich & Mercantile Safe Deposit and Trust Co., Trustees - 87.34375%, Larry Seaman - 6.25%, John B. Rich - .15625%, Neville G. Penrose - 6.095%, J. M. Zachary - .155%
9	Sec. 29: E/2	320.00	NM-098374 6-30-70 (2)	USA - All (12.5%)	Pan American Petroleum Corporation	Raymond Chorney and wife, Joan Chorney, Joyce Wolf and husband, Erving Wolf - 5%	Pan American Petroleum Corporation - 100%
10	T-14-S, R-28-E Sec. 25: SE/4, E/2 SW/4, SW/4	280.00	NM-0239609 2-29-72	USA - All (12.5%)	Corrine B. Grace	None	Corrine B. Grace - 100%

Tract No.	Description of Land	Number of Acres	Serial No. & Expiration Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
11	T-14-S, R-28-E Sec. 12: W/2 E/2, N/2 SW/4, NW/4 Sec. 13: W/2 E/2, S/2 NW/4, SW/4 T-14-S, R-29-E Sec. 20: E/2 SW/4 Sec. 29: W/2	1200.00	NM-0279164 7-31-72	USA - All (12.5%)	Pan American Petroleum Corporation	Velma M. Duncan and husband, Walter Duncan - \$1000.00 per acre production payment out of 4%; James C. Vandiver and wife, Evelyn J. Vandiver - 1%	Pan American Petroleum Corporation - 100%
12	T-14-S, R-28-E Sec. 24: NW/4, N/2 NE/4, SW/4 NE/4, N/2 SW/4, NW/4 SE/4 Sec. 25: NE/4	560.00	NM-0279164-A 7-31-72	USA - All (12.5%)	Sun Oil Company	Velma M. Duncan and husband, Walter Duncan - 2%, James C. Vandiver and wife, Evelyn J. Vandiver - 1%	Sun Oil Company - 100%
13	Sec. 25: NW/4 SW/4	40.00	NM-0317130 10-31-72	USA - All (12.5%)	Midwest Oil Corporation	Helen Witalac and husband, Stanley Witalac - 3%	Midwest Oil Corporation 100%
14	Sec. 14: SE/4, S/2 NE/4	240.00	NM-0402600 6-30-73	USA - All (12.5%)	Pan American Petroleum Corporation	C. A. Mehurin and wife, Evelyn G. Mehurin - \$300 per acre production payment out of 3%	Pan American Petroleum Corporation - 100%
15	Sec. 23: A11	640.00	NM-0402600-A 6-30-73	USA - All (12.5%)	Pan American Petroleum Corporation	C. A. Mehurin and wife, Evelyn G. Mehurin - \$300 per acre production payment out of 3%	Pan American Petroleum Corporation - 100%
16	T-14-S, R-29-E Sec. 5: Lots 1, 2, S/2 NE/4	159.36	NM-0416180 7-31-73	USA - All (12.5%)	Pan American Petroleum Corporation	W. C. Bolton and wife, Jacqueline L. Bolton - \$750 per acre production payment out of 5%	Pan American Petroleum Corporation - 100%
17	T-14-S, R-28-E Sec. 24: SW/4 SW/4	40.00	NM-0554483 7-31-74	USA - All (12.5%)	Pan American Petroleum Corporation	F. J. Bradshaw and wife, B. J. Bradshaw - 5%	Pan American Petroleum Corporation - 100%

Tract No.	Description of Land	Number of Acres	Serial No. & Expiration Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
18	T-14-S, R-29-E Sec. 17: S/2, S/2 N/2, NE/4 NW/4, N/2 NE/4	600.00	NM-0555291 10-31-74	USA - All (12.5%)	Pan American Petroleum Corporation	John C. Keeler - 2%, Harold A. Wiltz and wife, Sylvia Wiltz - 75% of 1%, W. R. Carter and wife, Elizabeth H. Carter - 12.5% of 1%, Michael Shearn - 12.5% of 1%	Pan American Petroleum Corporation - 100%
19	T-14-S, R-28-E Sec. 26: N/2, SW/4	480.00	NM-0557324 6-30-75	USA - All (12.5%)	Pan American Petroleum Corporation	John B. Carter, Jr., Trustee of the Catherine Browne Carter Trust Estate of December 1, 1960 - 2 1/2%, John B. Carter, Jr., Trustee of the John Mason Carter Trust Estate of December 1, 1960 - 2 1/2%	Pan American Petroleum Corporation - 100%

19 Federal Tracts: 9,270.39 Acres

Tract No.	Description of Land	Number of Acres	Serial No. & Expiration Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
<u>State Acreage</u>							
20	<u>T-14-S, R-29-E</u> Sec. 5: Lots 3 and 4	79.84	B-8156-75 HBP	State - 12.5%	Pan American Petroleum Corporation	Leonice Brennan and W. Irvin Brennan - 5%	Pan American Petroleum Corporation - 100%
21	Sec. 5: N/2 SE/4 Sec. 8: NW/4 SW/4 Sec. 18: NW/4 NE/4	160.00	B-8318-86 HBP	State - 12.5%	Pan American Petroleum Corporation	Sec. 5: N/2 SE/4 - Vada Spurck, Individually and as Executor of the Estate of William Spurck, deceased - 4%; Zada L. Barham - 1%; Sec. 8: NW/4 SW/4, Sec. 18: NW/4 NE/4 - Vada Spurck, Individually and as Executor of the Estate of William Spurck, deceased - 5%	Pan American Petroleum Corporation - 100%
22	Sec. 5: SW/4 NW/4	40.00	B-8828-44 HBP	State - 12.5%	Pan American Petroleum Corporation	Milan S. Moore and Eleanor Roberts - 5%	Pan American Petroleum Corporation - 100%
23	Sec. 18: Lot 3	39.79	B-10418-50 HBP	State - 12.5%	Pan American Petroleum Corporation	Florence M. Gregory - 5%	Pan American Petroleum Corporation - 100%
24	<u>T-14-S, R-28-E</u> Sec. 35: SE/4 NW/4 Sec. 36: W/2 NW/4, SE/4 NW/4	160.00	B-10418-85 HBP	State - 12.5%	Sun Oil Company	Vada Spurck, Individually and as Executor of the Estate of William Spurck, deceased - 3%	Sun Oil Company - 100%

Tract No.	Description of Land	Number of Acres	Serial No. & Expiration Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
25	T-14-S, R-28-E Sec. 36: E/2 NE/4	80.00	B-10424 HBP	State - 12.5%	Maggie Suetta Cockburn Executrix of the Estate of Barney Cockburn	Johney Cockburn - \$1,500,000.00 pro- duction payment out of 47.5% of 33.33%	Maggie Suetta Cockburn - 2/3 James P. Duniagan - 75% of 1/3 Joe B. Harrell, Jr. - 10% of 1/3 Bubba Spears - 5% of 1/3 F. W. Harrell - 5% of 1/3 Nan S. Gullahorn, Executrix of the Estate of W. S. Gullahorn - 5% of 1/3
26	T-14-S, R-29-E Sec. 18: Lot 1, NE/4 NW/4, NE/4 NE/4, SE/4, E/2 SW/4	359.51	OG-5221-2 3-17-69	State - 12.5%	Pan American Petroleum Corporation	None	Pan American Petroleum Corporation - 100%
27	T-14-S, R-28-E Sec. 2: Lots 1, 2, 3, 4, S/2 N/2, NW/4 SE/4, SE/4 SE/4	401.12	K-175 2-16-70	State - 12.5%	Bell Petroleum Co.	Myles A. Gulligan - 1.75%; Wm. B. Barnhill and wife, Catharine W. Barnhill - 1.75%	Bell Petroleum Co. - 100%
28	Sec. 11: S/2 SE/4 Sec. 12: S/2 SW/4, NE/4 NE/4 Sec. 14: N/2 NE/4	280.00	K-267 3-15-70	State - 12.5%	Bell Petroleum Co.	Myles A. Gulligan - 1.75%; Wm. B. Barnhill and wife, Catharine W. Barnhill - 1.75%	Bell Petroleum Co. - 100%
29	Sec. 35: NE/4, N/2 NW/4, SW/4 NW/4 Sec. 36: W/2 NE/4, NE/4 NW/4	400.00	K-841 10-18-70	State - 12.5%	Sun Oil Company	None	Sun Oil Company - 100%
30	Sec. 24: SE/4 NE/4, E/2 SE/4 SW/4 SE/4, SE/4 SW/4 Sec. 25: E/2 NW/4, SW/4 NW/4	320.00	K-939 11-15-70	State - 12.5%	Sun Oil Company	None	Sun Oil Company - 100%
31	T-14-S, R-29-E Sec. 19: NE/4, E/2 NW/4	240.00	K-1011-2 12-20-70	State - 12.5%	Pan American Petroleum Corporation	Avalanche Journal Publishing Co. - 5%	Pan American Petroleum Corporation - 100%

Tract No.	Description of Land	Number of Acres	Serial No. & Expiration Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
32	T-14-S, R-29-E Sec. 5: S/2 SE/4 Sec. 8: NW/4	240.00	K-2283 3-20-72	State - 12.5%	Superior Oil Co.	None	Superior Oil Co. - 100%
33	Sec. 20: N/2	320.00	K-2852-1 11-20-72	State - 12.5%	Pan American Petroleum Corporation	L. C. Harris and wife, Marion V. Harris - \$750.00 per acre pro- duction payment out of 5%	Pan American Petroleum Corporation - 100%
34	T-14-S, R-28-E Sec. 35: S/2 Sec. 36: S/2	640.00	L-179 8-15-77	State - 12.5%	Pan American Petroleum Corporation	None	Pan American Petroleum Corporation - 100%
35	T-14-S, R-29-E Sec. 32: All	640.00	L-180 8-15-77	State - 12.5%	Pan American Petroleum Corporation	None	Pan American Petroleum Corporation - 100%
36	Sec. 8: NE/4, NW/4 SE/4, S/2 S/2 Sec. 18: Lots 2, 4, SW/4 NE/4, SE/4 NW/4	519.58	L-650 2-20-78	State - 12.5%	Pan American Petroleum Corporation	None	Pan American Petroleum Corporation - 100%
37	T-14-S, R-28-E Sec. 2: SW/4, SW/4 SE/4, NE/4 SE/4 Sec. 12: SE/4 NE/4, E/2 SE/4 Sec. 13: N/2 NW/4, E/2 E/2	600.00	L-727 3-19-78	State - 12.5%	Pan American Petroleum Corporation	None	Pan American Petroleum Corporation - 100%
38	T-14-S, R-29-E Sec. 5: SW/4, SE/4 NW/4 Sec. 17: NW/4 NW/4	240.00	L-728 3-19-78	State - 12.5%	Pan American Petroleum Corporation	None	Pan American Petroleum Corporation - 100%

19 State Tracts: 5,759.84 Acres

Tract No.	Description of Land	Number of Acres	Serial No. & Expiration Date of Lease	Basic Royalty & Ownership Percentage	Lessee of Record	Overriding Royalty and Percentage	Working Interest and Percentage
39	T-14-S, R-29-E Sec. 7: E/2	320.00	5-2-72	Inez Robbins - 3.125%	Superior Oil Co.	None	Superior Oil Co. - 25%
			2-23-78	Guy M. O'Dell - 3.125%	Pan American Petroleum Corp.	None	Pan American Petroleum Corporation - 75%
			2-14-73	Pauline Sams Dean and husband, Otto Dean - 4.4375%	Pan American Petroleum Corp.	None	
			Unleased 25%	Pan American - Mineral Owner			
1 Fee Tract: 320.00 Acres							

<u>Total</u>	Federal	State	Fee	Acres
	-	-	-	9,270.39
				5,759.84
				320.00
				<u>15,350.23</u>

PH 1 04
69 JAN 10

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

BELL PETROLEUM COMPANY,
By *R.L. Packer*
Its: President
Attest: _____
Secretary

(Notary Seal: BELL PETROLEUM COMPANY, LOS ANGELES COUNTY, CALIFORNIA, FEB 5, 1969)

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

The foregoing instrument was acknowledged before me this 22nd day of August, 1968 by R.L. Packer, President of Bell Petroleum Company.
My Commission expires: July 13, 1970

(Notary Seal: AGNES GREEN, NOTARY PUBLIC - CALIFORNIA, PRINCIPAL OFFICE IN LOS ANGELES COUNTY, My Commission Expires July 13, 1970)

Agnes Green
Notary Public in and for Los Angeles County, California

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires: _____

Notary Public in and for _____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

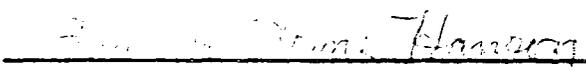
WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.


 Ernest Hanson


 Beulah Irene Hanson

By _____

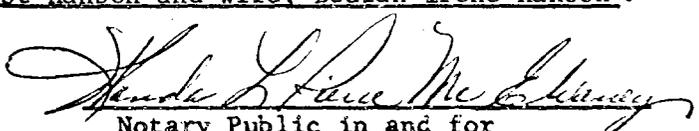
Its: _____

Attest: _____

STATE OF New Mexico)
 COUNTY OF Chaves)

The foregoing instrument was acknowledged before me this 30th day of December, 1968 by Ernest Hanson and wife, Beulah Irene Hanson.

My Commission expires: March 29, 1971


 Notary Public in and for
CHAVES County, N. Mex.

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires: _____

Notary Public in and for
 _____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Frank D. Brown, Jr.
 Frank D. Brown, Jr., Trustee

H. Barksdale Brown
 H. Barksdale Brown, Trustee

John B. Rich
 John B. Rich, Individually and Trustee

Harriet R. C. Rich
 Harriet R. C. Rich

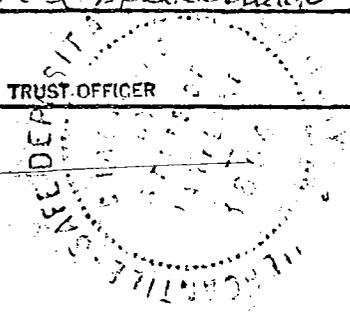
Larry Seaman
 Larry Seaman

Mercantile Safe Deposit and Trust Company, Trustee,

By: R. M. Smith
 R. M. SMITH

Its: VICE PRESIDENT

Attest: W. G. Decker
 TRUST OFFICER



STATE OF Montana)
 COUNTY OF Beauregard)

The foregoing instrument was acknowledged before me this 11th day of July, 1968 by Frank D. Brown, Jr., Trustee.

My Commission expires: July 1, 1969

John P. DeLong
 Notary Public in and for Beauregard County, Montana

STATE OF Montana)
 COUNTY OF Beauregard)

The foregoing instrument was acknowledged before me this 28th day of July, 1968 by R. M. SMITH, VICE PRESIDENT of Mercantile Safe Deposit and Trust Company, Trustee.

My Commission expires: July 1, 1969

Joseph W. Hogue
 Notary Public in and for Beauregard County, Montana
 Joseph W. Hogue

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

James P. Dunigan
 James P. Dunigan

Anne B. Dunigan
 Anne B. Dunigan

Joe B. Harrell, Jr.
 Joe B. Harrell, Jr.

Marie Harrell
 Marie Harrell

Bubba Spears
 Bubba Spears

Lois Spears
 Lois Spears

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this 6 day of June, 1968 by James P. Dunigan and wife, Anne B. Dunigan.

My Commission expires:
Jan 1, 1969

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

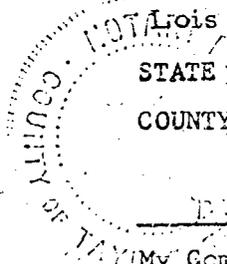
F. M. Harrell
 F. M. Harrell

By Justine Harrell
 Justine Harrell

~~xxxx~~ Nan S. Gullahorn
 Nan S. Gullahorn, (Individually and as Executrix of the Estate of W. S. Gullahorn, ~~Attstx~~ deceased.

Lois Spears
 Notary Public in and for _____ County, _____

 Notary Public in and for _____ County, _____



RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Neville G. Penrose
 Neville G. Penrose

By _____

~~XXXXXXXX~~

J. M. Zachary
 J. M. Zachary
Lola Zachary
 Lola Zachary

Its: _____

Attest: _____

STATE OF Texas)
 COUNTY OF Tarrant)

The foregoing instrument was acknowledged before me this 17th day of September, 1968 by Neville G. Penrose ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

My Commission expires: 1-1-69

Carol F. Smith
 Notary Public in and for
Tarrant County, Texas

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires: _____

Notary Public in and for
 County, _____



STATE OF NEW MEXICO)

COUNTY OF CHAVES)

Marianne S.

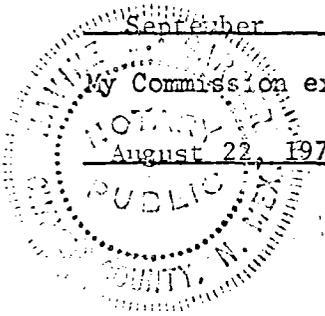
The foregoing instrument was acknowledged before me this 23rd day of

September, 1968, by Norman L. Stevens, Jr. and wife, Stevens.

My Commission expires:

August 22, 1972

Marianne S. Stevens
Notary Public in and for
Chaves County, New Mexico



RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Charles B. Read

Charles B. Read

Jean Read

Jean Read

Norman L. Stevens, Jr.

Norman L. Stevens, Jr.

Marianne S. Stevens

Marianne S. Stevens

By _____

Its: _____

Attest: _____

STATE OF NEW MEXICO)

COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 23rd day of September, 1968 by Charles B. Read and wife, Jean Read.

My Commission expires:

August 22, 1972

Norman W. Garner
Notary Public in and for
Chaves County, New Mexico

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

Notary Public in and for

County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

SUN OIL COMPANY,

By _____
Its: Agent and Attorney-in-Fact
Attest: Cecil A. Colville *CC*

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____.

My Commission expires:

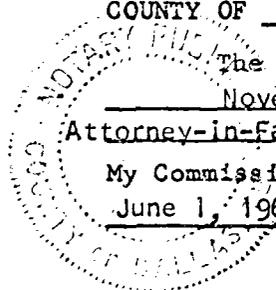
STATE OF TEXAS)
COUNTY OF DALLAS)

Notary Public in and for
County, _____

The foregoing instrument was acknowledged before me this 6th day of November, 1968 by Cecil A. Colville, Agent and Attorney-in-Fact of Sun Oil Company.

My Commission expires:
June 1, 1969

Cecil A. Colville
Notary Public in and for
Dallas County, Texas



RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

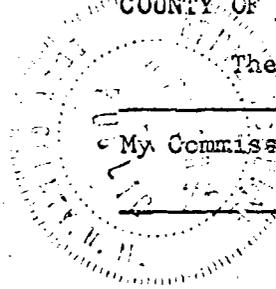
Maggie Suetta Cockburn
 Maggie Suetta Cockburn, a widow,
 Individually. ~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~

By _____

Its: _____

Attest: _____

STATE OF New Mexico)
 COUNTY OF Eddy)



The foregoing instrument was acknowledged before me this 24th day of Sept, 1968 by Maggie Suetta Cockburn, a widow, Individually.
~~and as executor of the estate of _____~~
~~Cockburn, deceased~~

My Commission expires: 10-1-70

Estel M. Guire
 Notary Public in and for
Eddy County, N.M.

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires: _____

Notary Public in and for
 _____ County, _____

3000
PM 1 04

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

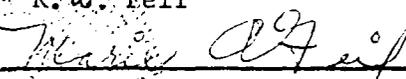
WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.



K. W. Feil


Marie A. Feil

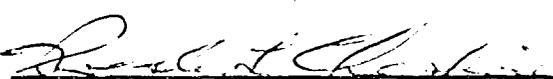
By _____
Its: _____
Attest: _____

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 30 day of _____, 1968 by K. J. Feil and wife, Marie A. Feil.

My Commission expires:

Sept 29th 1971



Notary Public in and for
CHAVES County, N.M.

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

Notary Public in and for
_____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

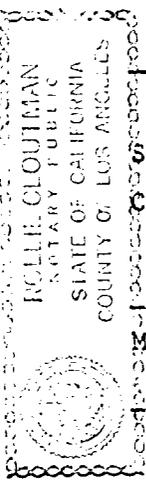
NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Marcia P. Lane

 Marcia P. Lane

By _____
 Its: _____
 Attest: _____



STATE OF CALIFORNIA)
 COUNTY OF LOS ANGELES)

The foregoing instrument was acknowledged before me this 25th day of July, 1968 by Marcia P. Lane.

My Commission expires:

ROLLIE CLOUTMAN
 My Commission expires August 24, 1971

Rollie Cloutman

 Notary Public in and for
 _____ County, _____

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

Notary Public in and for
 _____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Harry F. Schram
Harry F. Schram

Jocelyn M. Schram
Jocelyn M. Schram

By _____

Its: _____

Attest: _____

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 29th day of July, 1968 by Harry F. Schram and wife, Jocelyn M. Schram.

My Commission expires:
March 29, 1971

[Signature]
Notary Public in and for
Chaves County, N. M.

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

Notary Public in and for
_____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

C. E. Strange
 C. E. Strange
Sherrie R. Strange
 Sherrie R. Strange

 By _____
 Its: _____
 Attest: _____

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by C. E. Strange and wife, Sherrie R. Strange.

My Commission expires:
 RUTH SCHRECKENBACH, Notary Public
 My Commission Expires Sept. 23, 1970

Notary Public in and for
 County of CHAVES
 RUTH SCHRECKENBACH
 NOTARY PUBLIC - CALIFORNIA
 PRINCIPAL OFFICE IN
 KERN COUNTY

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

Notary Public in and for
 County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

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IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Henry J. Folse
 Henry J. Folse
Helen C. Folse
 Helen C. Folse

By _____

Its: _____

Attest: _____

STATE OF Louisiana)
 COUNTY OF Orleans)

The foregoing instrument was acknowledged before me this 29th day of July, 1968 by Henry J. Folse and wife, Helen C. Folse.

My Commission expires: 12/31/68

Robert H. Burton, III
 Notary Public in and for
Orleans County, La.

ROBERT H. BURTON, III

Notary Public, Parish of Orleans, State of Louisiana
 My Commission is issued for life.

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires: _____

Notary Public in and for
 _____ County, _____

CITY OF NEW ORLEANS
STATE OF LOUISIANA
CERTIFICATE OF DEATH

CITY FILE NO. 660007120

1a. Last Name of Deceased FOSTER		1b. First Name RICHARD		1c. Second Name Rushford		2a. Month Day Year Date of Death: 9-29-66	
3. Sex—Male or Female Male		4. Color or Race White		5. Married <input checked="" type="checkbox"/> Never Married <input type="checkbox"/> Widowed <input type="checkbox"/> Divorced <input type="checkbox"/>		6. Name of Husband W. J. Foster	
7. Date of Birth of Deceased September 22 1889		8. Age of Deceased Years 77 Months 0 Days 7		9a. Birthplace (City and State) Pass Christian, Miss.		9b. Citizen of what Country U.S.A.	
10. Kind of Industry or Business President		10b. Kind of Industry or Business Foster Co.		11. Was Deceased ever in U.S. Armed Forces? (Yes, no, or unknown) Yes (If yes, give war or dates of service) 433-10-8771		12. Date of Issue 9-30-66	
13a. City, Town, or Location NEW ORLEANS				13b. Parish ORLEANS		13c. Length of Residence 75 Years	
14. Name of Hospital or Institution (If not in hospital or institution give street address or location) 7200 Tulareway							
15a. City or Town New Orleans				15b. Parish Orleans		15c. State Louisiana	
16a. Street Address—(If rural give location) 7200 Audubon Boulevard				16b. Is Residence Inside City Limits? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		16c. Is Residence on Farm? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
17a. Birthplace of Deceased Pass Christian, Miss.		17b. Birthplace of Father (City and State) Foster, Louisiana		17c. Maiden Name of Mother May Goverman		17d. Birthplace of Mother Miss. Tenn.	
18. Signature of Informant and Address C. O. Smith, 61570 State St. 112.6.				19. Date of Death 9-30-66			
20. Cause of Death Was Caused By: Immediate Cause (a) Coronary Thrombosis Due to (b) Arteriosclerosis Due to (c) _____ Other Significant Conditions Contributing to Death But Not Related to the Terminal Disease Condition Given in Part I (a) _____							
21. Describe How Injury Occurred (Enter nature of injury in Part I or Part II of Form 17) _____				22. Name and Location of _____ Metairie-New Orleans La.			
23. Place of Injury (e.g., in or about home, farm, factory, street office bldg., etc.) _____				24. City, Town, or Location Orleans			
25. Signature of Registrar [Signature]				26. Date of Signature SEP 30 1966			

THE ABOVE IS A TRUE COPY OF THE ORIGINAL RECORD DULY RECORDED
IN THE OFFICE OF THE REGISTRAR OF BIRTHS, MARRIAGES AND DEATHS FOR THE PARISH
OF THE CITY OF NEW ORLEANS.
REGISTRAR

ILLEGIBLE

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Raymond Chorney
 Raymond Chorney

Joan Chorney
 Joan Chorney

By _____

Its: _____

Attest: _____

STATE OF WYOMING)
 COUNTY OF NATRONA)

The foregoing instrument was acknowledged before me this 6th day of August, 1968 by Raymond Chorney and wife, Joan Chorney.

My Commission expires:
Judith I. Miles - Notary Public
County of Natrona State of Wyoming
My Commission Expires Feb. 2, 1971

Judith I. Miles
 Notary Public in and for
Natrona County, Wyoming

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

 Notary Public in and for
 _____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Joycé Wolf

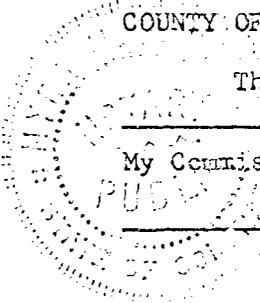
Erving Wolf

By _____

Its: _____

Attest: _____

STATE OF COLORADO)
COUNTY OF DENVER)



The foregoing instrument was acknowledged before me this 2nd day of August, 1968 by Joyce Wolf and husband, Erving Wolf.

My Commission expires: 5/19/71

Notary Public in and for
Denver County, Colorado

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires: _____

Notary Public in and for
_____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Velma M. Duncan

 Velma M. Duncan

Walter Duncan

 Walter Duncan

By _____

Its: _____

Attest: _____

STATE OF COLORADO)
 COUNTY OF DENVER)

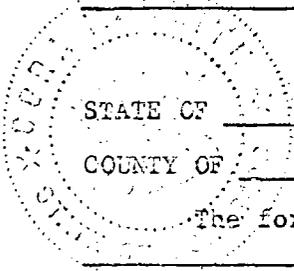
The foregoing instrument was acknowledged before me this 13th day of September, 1968 by Velma M. Duncan and husband, Walter Duncan.

My Commission expires:

My Commission expires Aug. 26, 1972

Anna M. Smith

 Notary Public in and for
Sumner County, CO



STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

 Notary Public in and for
 _____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

James C. Vandiver
 JAMES C. VANDIVER
Evelyn J. Vandiver
 EVELYN J. VANDIVER, his wife

 By _____
 Its: _____
 Attest: _____

STATE OF New Mexico)
 COUNTY OF San Juan)

The foregoing instrument was acknowledged before me this 27th day of September, 1968 by JAMES C. VANDIVER and EVELYN J. VANDIVER, his wife.

My Commission expires:
March 4, 1972

Louise Johnson
 Notary Public in and for
San Juan County, New Mexico

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

 Notary Public in and for
 _____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

C. A. Mehurin
 C. A. Mehurin
Evelyn G. Mehurin
 Evelyn G. Mehurin

By _____
 Its: _____
 Attest: _____

STATE OF Louisiana)
 COUNTY OF Orleans)

The foregoing instrument was acknowledged before me this 29th day of July, 1968 by C. A. Mehurin and wife, Evelyn G. Mehurin.

My Commission expires: at death

[Signature]
 Notary Public in and for Orleans County, Louisiana

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires: _____

Notary Public in and for _____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

W. C. Bolton

W. C. Bolton

Jacqueline L. Bolton

Jacqueline L. Bolton

By _____

Its: _____

Attest: _____

STATE OF LOUISIANA)
 Parish Orleans)
 COUNTY OF Orleans)

The foregoing instrument was acknowledged before me this 17th day of September, 1968 by W. C. Bolton and wife, Jacqueline L. Bolton.

My Commission expires:

At Death.

J. S. K. ...
 Notary Public in and for
Louisiana County, Orleans

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

Notary Public in and for
 _____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

F. J. Bradshaw
F. J. Bradshaw
B. J. Bradshaw
B. J. Bradshaw

By _____

Its: _____

Attest: _____

STATE OF Utah)
COUNTY OF Salt Lake)

The foregoing instrument was acknowledged before me this 31st day of July, 1968 by F. J. Bradshaw and wife, B. J. Bradshaw.

My Commission expires:

1-15-69

James C. F. [Signature]
Notary Public in and for
Salt Lake County, Utah

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

Notary Public in and for
County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

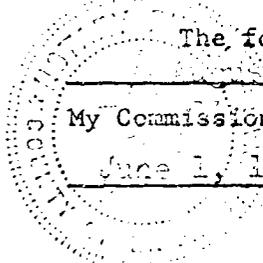
Michael Shearn
 Michael Shearn

By _____
 Its: _____
 Attest: _____

STATE OF TEXAS)
 COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 12th day of _____, 1968 by Michael Shearn.

My Commission expires:
June 1, 1969



[Signature]
 Notary Public in and for
El Paso County, Texas

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

Notary Public in and for
 _____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

John C. Keeler

By _____

Its: _____

Attest: _____

STATE OF Nebraska)

COUNTY OF Big Horn)

The foregoing instrument was acknowledged before me this 31st day of July, 1968 by John C. Keeler and wife, Marjorie Keeler.

My Commission expires:

Oct 9, 1969

Maida H. Dallen
Notary Public in and for

Big Horn County, _____

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

Notary Public in and for

County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

W. O. Chastain
W. O. Chastain

Valura A. Chastain
Chastain

By _____

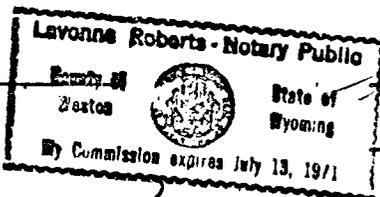
Its: _____

Attest: _____

STATE OF WYOMING)
COUNTY OF WESTON)

The foregoing instrument was acknowledged before me this 9th day of September, 1968 by W. O. Chastain and wife, Valura A. Chastain.

My Commission expires: _____



Lavonne Roberts
Notary Public in and for
Weston County, Wyoming

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires: _____

Notary Public in and for
County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (~~whether one or more~~) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Harold A. Witz
Harold A. Witz

Sylvia Witz
Sylvia Witz

By _____

Its: _____

Attest: _____

STATE OF N.M.)

COUNTY OF Chaves)

The foregoing instrument was acknowledged before me this 35 day of _____, 1968 by Harold A. Witz and wife Sylvia Witz.

My Commission expires: 1-1-69

Jose T. ...
Notary Public in and for
Chaves County, N.M.

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires: _____

Notary Public in and for
County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

W. R. Carter

W. R. Carter

Elizabeth H. Carter
Elizabeth H. Carter

By _____

Its: _____

Attest: _____

STATE OF Texas)

COUNTY OF Chaves)

The foregoing instrument was acknowledged before me this 24th day of _____, 1968 by W. R. Carter and wife, Elizabeth H. Carter.

My Commission expires:

1-1-69

James Campbell
Notary Public in and for
Chaves County,

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

Notary Public in and for
County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

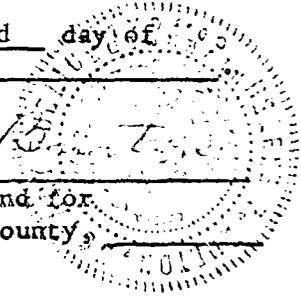
IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Zada L. Barham
 Zada L. Barham

By _____
 Its: _____
 Attest: _____

STATE OF CALIFORNIA)
 COUNTY OF RIVERSIDE)

The foregoing instrument was acknowledged before me this 22d day of October, 1968 by Zada L. Barham
 My Commission expires: 10/14/71

Helene P. Burton
 Helene P. Burton
 Notary Public in and for
Riverside County, _____


STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.
 My Commission expires: _____

Notary Public in and for _____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

~~Vada Spurck, Individually and as
 Executrix of the Estate of William
 Spurck, deceased~~

Vada Spurck

VADA SPURCK, a widow

By _____

Its: _____

Attest: _____

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by ~~Vada Spurck, Individually and as Executrix of the Estate of William Spurck, deceased.~~

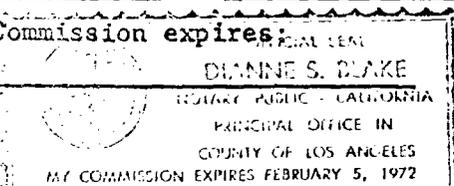
My Commission expires:

Notary Public in and for
 Los Angeles County, California

STATE OF CALIFORNIA)
 COUNTY OF LOS ANGELES)

The foregoing instrument was acknowledged before me this 30th day of _____, 1968 by VADA SPURCK, a widow of 15445 Ventura Blvd., Suite 5, Sherman Oaks, Calif.

My Commission expires:



Dianne S. Blake
 Notary Public in and for
 Los Angeles County, California

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Johney Cockburn
 Johney Cockburn

By _____

Its: _____

Attest: _____

STATE OF Idaho)
 COUNTY OF Blaine)

The foregoing instrument was acknowledged before me this 26 day of _____, 1968 by Johney Cockburn.

My Commission expires: 1968

Irwin Miller
 Notary Public in and for _____ County, Idaho

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires: _____

Notary Public in and for _____ County, _____

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Wm. B. Barnhill
 Wm. B. Barnhill

Catharine W. Barnhill
 Catharine W. Barnhill

Myles A. Colligan
 Myles A. Colligan

Coralee E. Colligan

 By _____
 Its: _____
 Attest: _____

STATE OF New Mexico)
 COUNTY OF Chaves)

The foregoing instrument was acknowledged before me this 6th day of September, 1968 by Wm. B. Barnhill and wife, Catharine W. Barnhill.

My Commission expires:
2-2-69

Albino Taylor
 Notary Public in and for
Chaves County, N.M.

STATE OF Texas :
 COUNTY OF Midland :

The foregoing instrument was acknowledged before me this 3rd day of September, 1968, by Myles A. Colligan and wife,
Coralee E. Colligan

My Commission Expires:

Bruce Hoffmann
 Notary Public in and for

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

AVALANCHE JOURNAL PUBLISHING COMPANY,

By *S. B. Whittenburg*

Its: Vice-President

Attest: *Paul E. ...*

Ass't. Sec. and Treas.

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____.

My Commission expires:

Notary Public in and for
County, _____

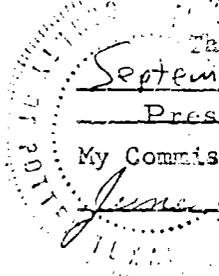
STATE OF TEXAS)
COUNTY OF POTTER)

The foregoing instrument was acknowledged before me this 20th day of September, 1968 by S. B. Whittenburg, Vice-President of Avalanche Journal Publishing Company.

My Commission expires:

June 1, 1969

Opal R. Smith
Notary Public in and for
Potter County, Texas



h-483

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
EAST BUFFALO VALLEY UNIT AREA
CHAVES COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner, (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

[Handwritten Signature]

L. C. Harris

[Handwritten Signature: Marion V. Harris]

Marion V. Harris

By _____

Its: _____

Attest: _____

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 23rd day of July, 1968 by L. C. Harris and wife, Marion V. Harris

My Commission expires:

My Commission Expires Oct. 31, 1968

[Handwritten Signature]
Notary Public in and for
Chaves County, New Mexico

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____ of _____.

My Commission expires:

Notary Public in and for
County, _____

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING P. O. BOX 7410
FORT WORTH, TEXAS—76100

NOV 23 11 55 AM '68

3825

November 22, 1968

AFE 42,958
East Buffalo Valley Unit
Unit Lease 255434
Chaves County, New Mexico

State of New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

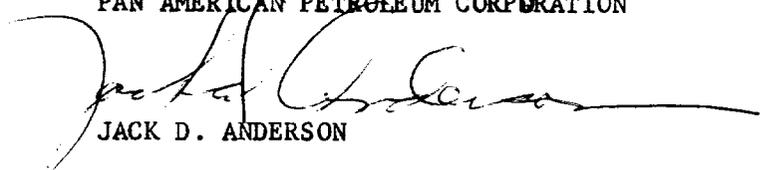
Gentlemen:

In accordance with Case No. 3825, Order No. R-3481 pertaining to the above captioned unit, we enclose herewith xerox copy of the East Buffalo Valley Unit Agreement including Ratifications thereof.

We also enclose xerox copy of Certificate of Approval by the Commissioner of Public Lands dated November 19, 1968 and xerox copy of Certification - Determination of the United States Geological Survey, wherein the Unit Agreement was approved effective November 20, 1968.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION



JACK D. ANDERSON

sh

Enclosures

UNIT AGREEMENT FOR THE DEVELOPMENT
AND OPERATION OF THE EAST BUFFALO VALLEY UNIT AREA
COUNTY OF CHAVES, STATE OF NEW MEXICO

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Exhibit "A" (Map)

Exhibit "B" (Description of interests subject to agreement)

EXHIBIT Y

To Accompany Pan American Petroleum Corporation's
Application for Final Approval to
Unit Agreement for the Development and Operation of
The East Buffalo Valley Unit Area, Chaves County, New Mexico
showing status, by tracts, of the commitment of
royalty, overriding royalty and
production payment interests

TRACT 1

Federal Acreage - 2% overriding royalty owned by K. J. Feil is committed as indicated by enclosed Ratification.

TRACT 2

Federal Acreage - 5% overriding royalty owned by Marcia P. Lane is committed as indicated by enclosed Ratification.

TRACT 3

Federal Acreage - 90% of 5% overriding royalty is owned by Ernest A. Hansen and is committed as indicated by Ratification attached to the Unit Agreement as Mr. Hansen is also a Working Interest Owner in this unit. 10% of 5% owned by Harry F. Schram is committed as indicated by enclosed Ratification.

TRACT 4

Federal Acreage - 3% overriding royalty owned by C. E. Strange is committed as indicated by enclosed Ratification.

TRACT 5

Federal Acreage - \$750.00 per acre production payment out of 5% overriding royalty owned by Henry J. Folsie is committed as indicated by enclosed Ratification.

TRACT 6

Federal Acreage - No overriding royalty.

TRACT 7

Federal Acreage - No overriding royalty.

TRACT 8

Federal Acreage - \$350.00 per acre production payment out of 1/32 of 8/8 owned by Katherine S. Foster, Brook H. Duncan II is committed as indicated by the enclosed Ratification. We also attach the Death Certificate for Richard R. Foster.

TRACT 9

Federal Acreage - 5% overriding royalty owned by Raymond Chorney and Joyce Wolf committed as indicated by attached Ratifications.

TRACT 10

Federal Acreage - no overriding royalty. Working interest is not committed to the unit.

TRACT 11

Federal Acreage - \$1,000.00 per acre production payment out of 4% owned by Velma M. Duncan is committed as indicated by the enclosed Ratification. 1% overriding royalty owned by James C. Vandiver is committed as indicated by the enclosed Ratification.

TRACT 12

Federal Acreage - 2% overriding royalty owned by Velma M. Duncan is committed as indicated by the enclosed Ratification. 1% overriding royalty owned by James C. Vandiver is committed as indicated by the enclosed Ratification.

TRACT 13

Federal Acreage - 3% overriding royalty owned by Helen Witalec is not committed as the working interest is not committed to the unit.

TRACT 14

Federal Acreage - \$300.00 per acre production payment out of 3% owned by C. A. Mehurin is committed as indicated by the enclosed Ratification.

TRACT 15

Federal Acreage - \$300.00 per acre production payment out of 3% owned by C. A. Mehurin is committed as indicated by the enclosed Ratification.

TRACT 16

Federal Acreage - \$750.00 per acre production payment out of 5% owned by W. C. Bolton is committed as indicated by the enclosed Ratification.

TRACT 17

Federal Acreage - 5% overriding royalty owned by F. J. Bradshaw is committed as indicated by the enclosed Ratification.

TRACT 18

Federal Acreage - 1% overriding royalty owned by John C. Keeler is committed as indicated by the enclosed Ratification and 1% overriding royalty owned by W. O. Chastain is committed as indicated by the enclosed Ratification. 75% of 1% overriding royalty owned by Harold A. Witz is committed as indicated by the enclosed Ratification. 12½% of 1% overriding royalty owned by W. R. Carter is committed as indicated by the enclosed Ratification. 12½% of 1% overriding royalty owned by Michael Shearn is committed as indicated by the enclosed Ratification.

TRACT 19

Federal Acreage - 2½% overriding royalty owned by John B. Carter, Jr. Trustee of the Catherine Browne Carter Trust Estate of December 1, 1960 and 2½% overriding royalty owned by John B. Carter, Jr., Trustee of the John Mason Carter Trust Estate of December 1, 1960 is not committed.

TRACT 20

State Acreage - 5% overriding royalty owned by Leonice Brennan is not committed as we have been unable to locate the proper address.

TRACT 21

State Acreage - Section 5: N/2 SE/4 4% overriding royalty owned by Vada Spurck is committed as indicated by the attached Ratification. 1% overriding royalty owned by Zada L. Barhan is committed as indicated by the enclosed Ratification. Section 8: NW/4 SW/4; Section 18: NW/4 NE/4 5% overriding royalty owned by Vada Spurck is committed as indicated by the enclosed Ratification.

TRACT 22

State Acreage - 5% overriding royalty owned by Milan S. Moore is not committed as we have been unable to locate the proper address.

TRACT 23

State Acreage - 5% overriding royalty owned by Florence M. Gregory is not committed.

TRACT 24

State Acreage - 3% overriding royalty owned by Vada Spurck is committed as indicated by the enclosed Ratification.

TRACT 25

State Acreage - \$1,500,000 production payment out of 47.5% of 33.33% owned by Johny Cockburn is committed as indicated by the enclosed Ratification.

TRACT 26

State Acreage - no overriding royalty.

TRACT 27

1.75% overriding royalty owned by Myles A. Culligan and 1.75% overriding royalty owned by Wm. B. Barnhill is committed as indicated by the enclosed Ratification.

TRACT 28

State Acreage - 1.75% overriding royalty owned by Myles A. Culligan and 1.75% overriding royalty owned by Wm. B. Barnhill is committed as indicated by the enclosed Ratification.

TRACT 29

State Acreage - no overriding royalty.

TRACT 30

State Acreage - no overriding royalty.

TRACT 31

State Acreage - 5% overriding royalty owned by Avalanche Journal Publishing Company is committed as indicated by the enclosed Ratification.

TRACT 32

State Acreage - no overriding royalty.

TRACT 33

State Acreage - \$750.00 per acre production payment out of 5% owned by L. C. Harris is committed as indicated by enclosed Ratification.

TRACT 34

State Acreage - no overriding royalty.

TRACT 35

State Acreage - no overriding royalty.

TRACT 36

State Acreage - no overriding royalty.

TRACT 37

State Acreage - no overriding royalty.

TRACT 38

State Acreage - no overriding royalty.

TRACT 39

Fee Acreage - no overriding royalty. Royalty interest is not committed as the Working Interest Owners are not committed to the unit.

EXHIBIT "X"
To Accompany Pan American Petroleum Corporation's
Application for Final Approval to
Unit Agreement for the Development and Operation of
the East Buffalo Valley Unit Area, Chaves County, New Mexico,
consisting of the following:

1. Letter to Mrs. Corrine B. Grace dated March 21, 1968, advising that the formation of the East Buffalo Valley Unit is proposed and suggesting that she either join in the Unit or farmout her acreage. No reply was received to our correspondence.
2. Letter to Mrs. Corrine B. Grace dated April 3, 1968, wherein we again advised of the formation of the subject Unit and suggested that Mrs. Grace advise whether she would elect to join or farmout her acreage. No reply was received to this letter.
3. Letter to all Working Interest Owners dated April 16, 1968, in which joinder to the Unit was requested, or in the absence of joinder to the Unit, a request for farmout of their acreage to the working interest owners. The only refusal letters received are listed as follows:
 - (a) Letter from Midwest Oil Corporation dated May 1, 1968, stating that they were not interested in joining the Unit.
 - (b) ~~Letter from Midwest Oil Corporation dated July 18, 1968, advising that they would not be interested in joining the Unit.~~
 - (c) Letter from The Superior Oil Company dated July 19, 1968, advising that they are not interested in joining the Unit.
4. Letter to all Royalty, Overriding Royalty and Production Payment Owners dated July 17, 1968, in which joinder and ratification to the Unit was requested. Unit operators' files contained registry receipts signifying that such letters were received by all parties except Leonice Brennan, who owns under Tract 20, and Milan S. Moore and Eleanor Roberts, who own under Tract 22 whom we were unable to locate.
5. Letter to Working Interest Owners dated August 20, 1968, who elected to either join in the formation of the Unit or to farmout their acreage to the Unit Working Interest Owners.
6. Letter to all Overriding Royalty and Production Payment Owners dated August 21, 1968, who had not executed ratifications as of this date.
7. Letter to Working Interest Owners dated September 4, 1968, requesting that they execute the ratifications and return them to this office.

March 21, 1968

AFE 42,953
East Buffalo Valley Unit
Chaves County, New Mexico

Mrs. Corrine B. Grace
1426 North First
Phoenix, Arizona

Dear Mrs. Grace:

Pan American Petroleum Corporation is in the process of forming a Federal-State Exploratory Type Unit to be located in T-14S, R-28E, and T-14S, R-29E, Chaves County, New Mexico, which will be called the East Buffalo Valley Unit. The Unit will provide for a 9500-foot Top of the Mississippian test to be drilled in Section 13, T-14S, R-28E, at an approximate cost of \$179,000.00 for a producer or \$147,000.00 for a dry hole. We enclose a plat of the proposed unit for your information.

The Bureau of Land Management records indicate that you are the owner of Federal Lease NM-0239699 covering the SE/4, E/2 SW/4, SW/4 SW/4 Section 25, T-14S, R-28E, containing 289 acres of land. In order for us to approach the formation of this unit in a realistic manner, we would appreciate very much your advising if it is normally your desire to join in the unit as a working interest owner or if you would prefer to farmout your acreage to Pan American Petroleum Corporation. The unit will contain 15,350.23 acres, and of course your 289 acres would represent 1.82403 per cent of the unit area.

We would appreciate very much your advising which of the above mentioned plans you would prefer to select.

If, on the other hand, you would prefer to sell your lease to Pan American, please advise what consideration you would require.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

Jack D. Anderson

April 3, 1968

AFE 42,958
East Buffalo Valley Unit
Chaves County, New Mexico

Mrs. Corvina B. Grace
Box 930
Midland, Texas

Dear Mrs. Grace:

Pan American Petroleum Corporation is in the process of forming a Federal-State Exploratory Type Unit to be located in T-14S, R-29E, and T-14S, R-29E, Chaves County, New Mexico, which will be called the East Buffalo Valley Unit. The Unit will provide for a 9500-foot Top of the Mississippian test to be drilled in Section 13, T-14S, R-29E, at an approximate cost of \$179,000.00 for a producer or \$147,000.00 for a dry hole. We enclose a plat of the proposed unit for your information.

The Bureau of Land Management records indicate that you are the owner of Federal Lease M-0290669 covering the SE/4, E/2 SW/4, SW/4 SW/4 Section 25, T-14S, R-29E, containing 280 acres of land. In order for us to approach the formation of this unit in a realistic manner, we would appreciate very much your advising if it is normally your desire to join in the unit as a working interest owner or if you would prefer to farmout your acreage to Pan American Petroleum Corporation. The unit will contain 15,350.23 acres, and of course your 280 acres would represent 1.82403 per cent of the unit area.

We would appreciate very much your advising which of the above mentioned plans you would prefer to select.

If, on the other hand, you would prefer to sell your lease to Pan American, please advise what consideration you would require.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

Jack D. Anderson

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING P. O. BOX 1410

FORT WORTH, TEXAS—76101

April 16, 1968

AFE - 42,958
 East Buffalo Valley Unit
 Chaves County
 New Mexico

Addressees On Attached List

Gentlemen:

Pan American Petroleum Corporation is in the process of forming a "fixed type" Federal-State Exploratory Unit to be located in T-14S, R-28E, and T-14S, R-29E, Chaves County, New Mexico, which will be called the East Buffalo Valley Unit. We enclose a plat of the proposed unit for your information. The unit will provide for a 9,500 foot Top of the Mississippian test to be drilled in the SE/4 of Section 13, T-14S, R-28E, at an approximate cost of \$179,000 for a producer or \$147,000 for a dry hole. According to our information, the present ownership within the proposed unit is as follows.

	<u>Acres</u>	<u>Per Cent of Unit</u>
Pan American	9,998.85	65.13812
Sun Oil Company	1,440.00	9.38097
Charles B. Read & Norman L. Stevens	1,395.20	9.08911
Bell Petroleum Company	681.12	4.43720
John B. Rich, Frank D. Brown, Jr., H. Barksdale Brown & Mercantile Safe Deposit and Trust Company; Larry Seaman, Neville G. Penrose, J. M. Zachary, John B. Rich	635.43	4.13955
Superior Oil Company	320.00	2.08466
Ernest Hanson	280.00	1.82408
Corrine Grace	280.00	1.82408
Humble Oil & Refining Company	119.84	.78070
Maggie Suetta Cockburn, James P. Dunigan, Joe B. Harrell, Jr., Bubba Spears, F. W. Harrell, Nan S. Gullahorn, Executrix of the Estate of W. S. Gullahorn	80.00	.52116
Midwest Oil Corporation	40.00	.26058
Irene Todhunter	40.00	.26058
Belle Gregory & Florence Gregory	39.79	.25921
	<u>15,350.23</u>	<u>100.00000</u>

Addressees On Attached List

April 16, 1968

Page 2

In order for us to be in a position to prepare the operating agreement covering this unit, we would appreciate very much your advising, at your earliest convenience, if it is your desire to participate in the drilling of this test well. For those who do not wish to participate in the drilling of the initial test well, we propose the following farmout agreement:

The non-participating parties will give up an undivided one-half interest in their acreage within the unit outline for a well free of cost into the tanks. The non-participating parties will retain a 1/16 of 8/8 overriding royalty (proportionately reduced) which will be convertible to a one-half working interest after payout of the initial test well, with all development after the initial test to be based on the terms of a negotiated operating agreement.

Please advise this office as soon as possible if you elect to join in the drilling of the test well or if you will be willing to farmout on the above basis. If you do wish to join, please advise if you are interested in acquiring any additional interest under the above farmout basis.

Since the formation of a unit of this type requires considerable time, we would appreciate your advising of your decision with the least practical delay. Should you have any questions concerning this matter, please advise this office at the above address immediately.

Very truly yours,

PAN AMERICAN PETROLEUM CORPORATION

Jack D. Anderson

JDA/dw

Enclosure

LIST OF ADDRESSEES

Sun Oil Company
P. O. Box 1861
Midland, Texas 79701
Attn: Mr. Ray E. Bray

Messrs. Charles B. Read &
Norman L. Stevens
P. O. Box 2126
Roswell, New Mexico 88201

Bell Petroleum Company
Suite 400, 700 Wilshire Blvd.
Los Angeles, California 90017
Attn: Mr. Ralph J. Tingle

Messrs. John B. Rich, Frank D. Brown, Jr.
H. Barksdale Brown, Larry Seaman,
Neveille G. Penrose, J. M. Zachary,
and Mercantile Safe Deposit and Trust
Company; all in care of
Mr. John B. Rich
718 Mercantile Trust Bldg.
Baltimore, Maryland 21202

Superior Oil Company
P. O. Box 1900
Midland, Texas 79701
Attn: Mr. Raymond Parker

Mr. Ernest Hanson
P. O. Box 1515
Roswell, New Mexico 88201

Ms. Corrine Grace
P. O. Box 939
Midland, Texas 79701

Humble Oil & Refining Company
P. O. Box 1600
Midland, Texas 79701
Attn: Mr. L. W. Dewell

Ms. Maggie Suetta Cockburn
Carper Bldg.
Artesia, New Mexico

Messrs. James P. Dunigan,
Joe B. Harrell, Jr., Bubba
Spears, F. W. Harrell, and
Ms. Nan S. Gullahorn, Executrix
of the Estate of W. S. Gullahorn;
all in care of
Mr. James P. Dunigan
1534 S. Treadway
Abilene, Texas

Midwest Oil Corporation
1500 Wilco Bldg.
Midland, Texas 79701
Attn: Mr. J. R. Rowan

Ms. Irene Todhunter
P. O. Box 1515
Roswell, New Mexico 88201

Mesdames Belle Gregory &
Florence Gregory
606 South Gertrude Avenue
Redondo Beach, California 90277

John Rowan

MIDWEST OIL CORPORATION

1500 WILCO BUILDING
MIDLAND, TEXAS

May 1, 1968

GENERAL OFFICES
1700 BROADWAY
DENVER 2, COLORADO

DIVISION OFFICE
1000 CONTINENTAL NATIONAL
BANK BUILDING
FORT WORTH 2, TEXAS

42958

Pan American Petroleum Corporation
P. O. Box 1410
Fort Worth, Texas 76101

Attention: Mr. Jack D. Anderson

Gentlemen:

Re: L-7742
East Buffalo Valley Unit
CHAVES COUNTY, NEW MEXICO

This is to advise you that we are not interested in joining a unit of the size set out in your letter of April 16.

Our .0026058 fraction of this unit precludes our participation.

Very truly yours,

MIDWEST OIL CORPORATION

J. R. Rowan
J. R. Rowan
District Landman

JRR:ddw

*talked with Rowan 5-3-68
if it looks like we can form unit they will take another look
they don't want to go to court
JR*

MIDWEST OIL CORPORATION

1500 WILCO BUILDING

MIDLAND, TEXAS

GENERAL OFFICES
1700 BROADWAY
DENVER 2, COLORADO

July 18, 1968

DIVISION OFFICE
1200 CONTINENTAL NATIONAL
BANK BUILDING
FORT WORTH 2, TEXAS

Pan American Petroleum Corporation
P. O. Box 1410
Fort Worth, Texas 76101

Attention: Mr. Jack D. Anderson

Gentlemen:

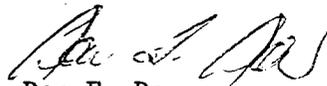
Re: L-7742
East Buffalo Valley Unit
CHAVES COUNTY, NEW MEXICO

Under letter dated May 1, 1968, we advised you that due to our extremely small interest under your proposed 15350.23 acre working interest unit that we could not recommend participation in the unit.

We have reconsidered your second request to join or farmout to the unit, however we still feel that our .0026058 proportionate interest of this unit is so small that it precludes either of these propositions.

Very truly yours,

MIDWEST OIL CORPORATION



Don F. Dow
Landman

DFD:ddw

71

THE SUPERIOR OIL COMPANY

P. O. BOX 1900
MIDLAND, TEXAS 79701

July 19, 1968

*File
AFE 42,958*

Pan American Petroleum Corporation
P. O. Box 1410
Fort Worth, Texas 76101

Attention: Mr. Jack D. Anderson

Re: Your AFE-42,958
East Buffalo Valley Unit
Chaves County, New Mexico

Gentlemen:

Reference is made to your letter of April 16, 1968, wherein you proposed the formation of a 15,350.23-acre unit for the drilling of a 9,500' Top of the Mississippian test.

After careful consideration of your proposal, we regret to advise that we are not interested in participating in this venture.

Yours very truly,

THE SUPERIOR OIL COMPANY

Raymond Parker
Raymond Parker
District Landman

RP:nd

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING P. O. BOX 1410

FORT WORTH, TEXAS—76101

July 17, 1968

AFE 42,958
East Buffalo Valley Unit
Chaves County, New Mexico

TO ALL ROYALTY, OVERRIDING ROYALTY AND PRODUCTION PAYMENT OWNERS:

Pan American Petroleum Corporation is proposing the formation of a unit plan of exploration and operation for an area in Chaves County, New Mexico, which has been designated as the East Buffalo Valley Unit. The purpose of the unit is to more properly conserve the natural resources and provide for an equitable allocation of any oil or gas production which might be discovered in the unit area.

At our request the United States Geological Survey and the Commissioner of Public Lands, State of New Mexico, has designated this to be a logical unit area and has approved our proposed form of unit agreement. It is the standard form of unit agreement 30 CFR 226.12 (1961 reprint); however, they reserve the right to deny approval of any agreement which, in their opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

Section 9 of the Unit Agreement makes provision for the drilling of the initial test well to the top of the Mississippian formation or 9500 feet unless at a lesser depth unitized substances should be discovered in paying quantities. The location of the initial test well has not been definitely determined. Royalty, overriding royalty and production payment owners are, of course, not charged with any part of the cost and expenses in the drilling or operations of the test wells.

We believe that you will share our desire to have a deep test well drilled in this area, and it is our hope that you will join with us in the formation of this unit. We feel that unitization is the best feasible method of exploring and developing this area and if it is to be successful, sufficient interest must be committed to the unit to make it workable.

It is our belief that you are the owner of a royalty, overriding royalty or production payment under one or more of the oil and gas leases in the unit area; so we, therefore, attach a copy of the unit agreement and six Ratification forms by which you may commit your interest to this unit. If this is acceptable to you, please execute before a Notary Public and return to this office five of the Ratification forms. If you are married, it will be necessary for your spouse to join therein. You may retain one copy of the Ratification and the Unit Agreement for your records. We shall appreciate hearing

TO ALL ROYALTY, OVERRIDING ROYALTY AND PRODUCTION PAYMENT OWNERS:

July 17, 1968

Page 2

from you as quickly as possible as we are anxious to complete this project at the earliest possible time. If there is any further information you desire, please feel free to contact this office.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

Jack D. Anderson

cp

Enclosures

Royalty, Overriding Royalty and Production Payment Owners
Under the East Buffalo Valley Unit

Mr. and Mrs. K. J. Feil
5722 Thirty-Fifth Avenue South
Seattle, Washington, 98118

Marcia P. Lane
9470 Santa Monica Boulevard
Beverly Hills, California, 90210

Mr. and Mrs. Henry J. Folse
2530 Calhoun
New Orleans

Mr. and Mrs. Erving Wolf
308 Lincoln Tower Building
Denver, Colorado

Mr. and Mrs. James C. Vandiver
c/o Mr. Walter Duncan
P. O. Box 137
Durango, Colorado, 81302

Mr. and Mrs. W. Irvin Brennan
P. O. Box 289
Claremont, California

Mr. and Mrs. F. J. Bradshaw
337 Pierpont
Salt Lake City, Utah

Mr. and Mrs. W. R. Carter
4715 Pershing Drive
El Paso, Texas

Mr. John B. Carter, Jr.
2426 Bank of Southwest Building
Houston, Texas

Mr. and Mrs. Wm. B. Barnhill
Mr. Myles A. Gulligan
P. O. Box 1354
Roswell, New Mexico

Avalanche Journal Publishing Company
200 West Sixth Avenue
Amarillo, Texas

Mr. and Mrs. W. C. Bolton
Suite 504, The Howard Triangle
833 Howard Avenue
New Orleans, Louisiana, 70113

Zada L. Barham
c/o Mrs. Vada Spurck
1026 Foreman Building
707 South Hill Street
Los Angeles, California

Mr. and Mrs. Harry F. Schram
P. O. Box 1515
Roswell, New Mexico

Mr. and Mrs. C. E. Strange
P. O. Box 61
Bakersfield, California

Mr. and Mrs. Raymond Chorney
Box 144
Casper, Wyoming

Mr. and Mrs. Walter Duncan
P. O. Box 137
Durango, Colorado, 81302

Mr. and Mrs. Harold A. Witz
c/o Mr. Michael Shearn
3101 Fort Boulevard
El Paso, Texas, 79930

Mr. and Mrs. C. A. Mehurin
1427 Second Street
New Orleans, Louisiana

Mr. John C. Keeler
Box No. 3
Arbuckle, California, 95912

Mr. Michael Shearn
3101 Fort Boulevard
El Paso, Texas

Mr. Johney Cockburn
1708 Scenic Drive
Fort Worth, Texas

Mr. Milan S. Moore
Mrs. Eleanor Roberts
401 Burnside Avenue, Apartment 7E
Los Angeles 36, California

Mr. and Mrs. L. C. Harris
P. O. Box 1714
Roswell, New Mexico, 88201

Mrs. Vada Spurck
1026 Foreman Building
707 South Hill Street
Los Angeles, California

Mr. and Mrs. Richard R. Foster
Mr. and Mrs. Brook H. Duncan II
c/o Mr. Robert Enfield
P. O. Box 807
Roswell, New Mexico, 88201

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING P. O. BOX 1410

FORT WORTH, TEXAS—76101

August 20, 1968

AFE 42,958
East Buffalo Valley Unit
Chaves County, New Mexico

Addressees On Attached List

Gentlemen:

We enclose one executed and one extra copy of Unit Agreement for The Development and Exploration of the East Buffalo Valley Unit Area along with one executed and one extra copy of Unit Operating Agreement for said Unit. We also enclose six Ratification and Joinder Agreements and would like to request that you execute and return to this office five copies of the Ratifications after you have reviewed the Unit Agreement and Unit Operating Agreement.

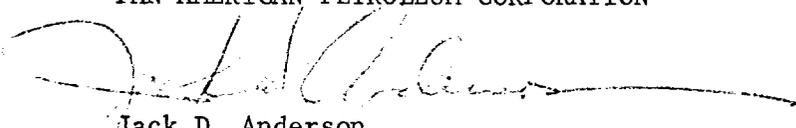
Please be advised that Superior Oil Company and Midwest Oil Corporation refused to join the Unit Agreement as working interest owners and that we have received no reply to our correspondence addressed to Corrine Grace; and we, therefore, assume that she does not wish to join the Unit.

Since our letter to you dated April 16, 1968, we wish to advise that Pan American has acquired the interest which was originally owned by Humble Oil and Refining Company and Belle Gregory and Florence Gregory, and that Ernest Hanson has acquired the interest which was owned by Irene Todhunter.

We would appreciate receiving the five executed copies of the Ratification as soon as possible so that we may process with the USGS and the Commissioner of Public Lands. Should you have any questions concerning this matter, please telephone this office collect.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION



Jack D. Anderson

List of Addressees

Sun Oil Company
P. O. Box 1861
Midland, Texas, 79701

Attention: Mr. Ray E. Bray

Bell Petroleum Company
Suite 400, 700 Wilshire Boulevard
Los Angeles, California, 90017

Attention: Mr. Ralph J. Tingle

Mr. John B. Rich
718 Mercantile Trust Building
Baltimore, Maryland, 21202

Mr. Ernest Hanson
P. O. Box 1515
Roswell, New Mexico, 88201

Mrs. Maggie Suetta Cockburn
Carper Building
Artesia, New Mexico

Mr. James P. Dunigan
1534 South Treadway
Abilene, Texas

Messrs. Charles B. Read and
Norman L. Stevens
P. O. Box 2126
Roswell, New Mexico, 88201

Messrs. Neveille G. Penrose and
J. M. Zachary
1605 Commerce Building
Fort Worth, Texas, 76102

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING P. O. BOX 1410

FORT WORTH, TEXAS—76101

August 21, 1968

AFE 42,958
East Buffalo Valley Unit
Chaves County, New Mexico

TO: ALL OVERRIDING ROYALTY AND PRODUCTION PAYMENT OWNERS WHOSE
NAMES APPEAR ON THE ATTACHED MAILING LIST

By letter dated July 17, 1968, we forwarded to you a copy of our Unit Agreement for our proposed East Buffalo Valley Unit, Chaves County, New Mexico, along with six Ratification forms. As of this date we have not received the executed Ratifications or a reply from you pertaining to your ratifying the Unit Agreement.

For your information we would like to state that of the 27 overriding royalty and production payment owners who have been contacted, we have received executed ratifications from 14 as of this date.

As we stated in our letter of July 17, 1968, we feel that the best feasible method of exploring and developing this area is by unitization; but if unitization is to be successful, a sufficient interest must be committed to the unit in order to make it workable.

We would like to again ask your cooperation in executing before a Notary Public and returning to this office five of the ratification forms so that we may process them for approval with the United States Geological Survey and the Commissioner of Public Lands, State of New Mexico. If you are married, your spouse should join you in executing the instruments. We would appreciate receiving the executed ratifications or a reply to our letter within the next few days as we are anxious to complete this project at the earliest possible date.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

Jack D. Anderson

cp

Registered
Return Receipt Requested

LIST OF ADDRESSEES

Mr. and Mrs. Walter Duncan
P. O. Box 137
Durango, Colorado, 81302

Mr. and Mrs. K. J. Feil
5722 Thirty-Fifth Avenue South
Seattle, Washington, 98118

Avalanche Journal Publishing Company
~~200 West Sixth Avenue~~ 309 W. 9th Ave
Amarillo, Texas

Mr. Johney Cockburn
Route No. 1, Box No. 156
Lampasas, Texas, 76550

Mr. and Mrs. James C. Vandiver
c/o Mr. Walter Duncan
P. O. Box 137
Durango, Colorado, 81302

Mr. Myles A. Culligan
Mr. and Mrs. William B. Barnhill
P. O. Box 1354
Roswell, New Mexico

Mr. John B. Carter, Jr.
2426 Bank of Southwest Building
Houston, Texas

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING P. O. BOX 1410

FORT WORTH, TEXAS--76101

September 4, 1968

AFE 42,958
East Buffalo Valley Unit
Chaves County, New Mexico

Addressees On Attached List

Gentlemen:

By our letter of August 20, 1968, we forwarded to you one executed and one extra copy each of the Unit Agreement and Unit Operating Agreement for the above captioned Unit, along with six Ratification and Joinder Agreements. As of this date, Bell Petroleum and Mr. Ernest Hanson have executed the Ratifications and returned them to this office. We would appreciate very much the remaining working interest owners in the above captioned Unit to process the Ratifications as soon as possible so that they may be returned to this office for our further handling.

We request that five executed copies of the Ratification be returned to this office as we would like to process this Unit with the U. S. G. S. and the Commissioner of Public Lands in the very near future.

Yours very truly,

PAN AMERICAN PETROLEUM CORPORATION

Jack D. Anderson

cp

Registered
Return Receipt Requested

List of Addressees

Sun Oil Company
P. O. Box 1861
Midland, Texas 79701
Attention: Mr. Ray E. Bray

Messrs. Neveille G. Penrose and
J. M. Zachary
1605 Commerce Building
Fort Worth, Texas 76102

Mrs. Maggie Suetta Cockburn
Carper Building
Artesia, New Mexico

Mr. James P. Dunigan
1534 South Treadway
Abilene, Texas

Mr. John B. Rich
718 Mercantile Trust Building
Baltimore, Maryland 21202

Messrs. Charles B. Read and
Norman L. Stevens
P. O. Box 2126
Roswell, New Mexico 88201

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

EAST BUFFALO VALLEY UNIT
CHAVES 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 July 1, 1968, which said Agreement has been 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, and 7-11-48, New Mexico Statutes Annotated, 1953 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, do hereby consent to and approve the said Agreement, however, such consent and approval being limited and restricted to such lands within the Unit Area, which are effectively committed to the Unit Agreement as of this date, and, further, that leases insofar as the lands covered thereby committed to this Unit Agreement shall be and the same are hereby amended to conform with the terms of such Unit Agreement, and said leases shall remain in full force and effect in accordance with the terms and conditions of said Agreement. This approval is subject to all of the provisions and requirements of the afore-said statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 19th. day of November, 19 68.


COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

CERTIFICATION--DETERMINATION

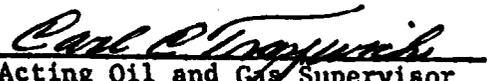
Pursuant to the authority vested in the Secretary of Interior, under the act approved February 25, 1920, 41 Stat. 437, as amended, 30 U. S. C. secs. 181, et seq., and delegated to the Oil and Gas Supervisors of the Geological Survey (33 F.R. 5812), I do hereby:

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

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

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

Dated: November 20, 1968


Acting Oil and Gas Supervisor
United States Geological Survey

Contract Number 14-08-0001-11563

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING P. O. BOX 1410

FORT WORTH, TEXAS—76101

December 23, 1968

DEC 26 11 48 17

3825

AFE-42958
East Buffalo Valley Unit Area
Chaves County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico 87501

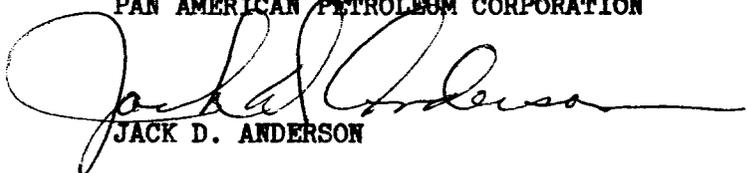
Gentlemen:

In accordance with Paragraph 3 on Page 2, Case No. 3825, Order No. R-3481, dated August 21, 1968, pertaining to the captioned unit, we enclose xerox copy of Ratification and Joinder for the captioned unit executed by Florence M. Gregory covering her overriding royalty interest in Tract 23 of Exhibit "B" for the captioned unit.

This Ratification has also been executed by Pan American Petroleum Corporation as Unit Operator and working interest owner of said Tract 23.

Very truly yours,

PAN AMERICAN PETROLEUM CORPORATION


JACK D. ANDERSON

ms
encl.

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED
 "UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"
 EAST BUFFALO VALLEY UNIT AREA
 CHAVES COUNTY, NEW MEXICO

RECEIVED
 MAY 13 1968

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Agreement", and the undersigned owner (whether one or more) of working interests hereby acknowledges receipt of a true copy of said Unit Agreement and a true copy of the "Unit Operating Agreement, East Buffalo Valley Unit Area, County of Chaves, State of New Mexico", dated July 1, 1968, hereinafter referred to as the "Unit Operating Agreement"; and

WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the East Buffalo Valley Unit Area; and

WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner of working interests only, or the owner of both working interests and royalty, overriding royalty or production payment interests desires to and does hereby ratify, confirm and become a party to said Unit Agreement and said Unit Operating Agreement with respect to all of its interests in all of the tracts identified by said exhibits.

IN WITNESS WHEREOF, each of the undersigned parties has executed this instrument on the date set forth in its acknowledgement.

Florence M. Gregory

By _____

Its: _____

Attest: _____

Pursuant to Section 28 of said Unit Agreement, Pan American Petroleum Corporation, Unit Operator and working interest owner of Tract 23, hereby consents to and accepts the foregoing provisions.

PAN AMERICAN PETROLEUM CORPORATION

[Signature]

APPROVED
HLS RK

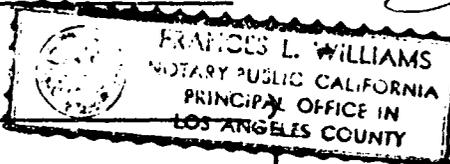
Its Attorney in Fact
D. B. Mason, Jr.

STATE OF California)
 COUNTY OF Los Angeles)

The foregoing instrument was acknowledged before me this 1st day of November, 1968 by Florence M. Gregory.

My Commission expires:

My Commission Expires Oct. 7, 1977



Frances L. Williams
 Notary Public in and for
Los Angeles County, Calif.

STATE OF _____)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1968 by _____,

My Commission expires:

Notary Public in and for
 _____ County, _____



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1057
Roswell, New Mexico 80001

MAIL ROOM
NOV 20 1968

IN REPLY REFER TO:

3825

November 20, 1968

Pan American Petroleum Corporation
P. O. Box 1410
Fort Worth, Texas 76101

Attention: Mr. Jack D. Anderson

Gentlemen:

The East Buffalo Valley unit agreement, Chavez County, New Mexico, was approved on November 20, 1968. This agreement has been designated No. 14-33-0001-11563, and is effective as of the date of approval.

Enclosed are two approved copies of the unit agreement for your records. We request that you furnish the State of New Mexico and other interested principals with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:
Washington
BLM, Santa Fe
Comm. of Pub. Lands, Santa Fe
NMOCC, Santa Fe ✓
Artesia
BOMC, Roswell

ILLEGIBLE

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Commissioner of Public Lands



November 19, 1968

GUYTON B. HAYS
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Pan American Petroleum Corporation
P. O. Box 1410
Fort Worth, Texas 76101

Re: East Buffalo Valley Unit
Chaves County, New Mexico

ATTENTION: Mr. Jack D. Anderson

Gentlemen:

The Commissioner of Public Lands has this date approved your East Buffalo Valley Unit, Chaves County, New Mexico, subject to like approval by the United States Geological Survey.

Enclosed are five (5) Certificates of Approval.

This Unit Agreement is effective upon approval by the United States Geological Survey, therefore, please furnish us a copy of their Certificate of Effectiveness immediately so we can process this unit.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Malcolm L. Long, Supervisor
Unit Division

GBH/TB/ML/s
encls.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 7, 1968

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

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

CASE 3778: (Continued from the June 5, 1968 Examiner Hearing)

Application of Atlantic Richfield Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State BH Well No. 1 located 660 feet from the North and West lines of Section 13, Township 19 South, Range 34 East, Quail-Queen Pool, Lea County, New Mexico, in such a manner as to permit production of oil from 5080 feet to 5136 feet in the lower Queen formation through tubing and the disposal of produced salt water into the upper Queen formation through the casing-tubing annulus in the perforated interval from 4820 feet to 4830 feet.

CASE 3823: Application of Atlantic Richfield Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres and Paddock formations in its State "A" Well No. 45 located in Unit G, Section 26, Township 17 South, Range 28 East, Empire-Abo Pool, Eddy County, New Mexico, in the perforated interval from 2738 feet to 3032 feet (San Andres) and 3809 feet to 4030 feet (Paddock).

CASE 3824: Application of Atlantic Richfield Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its West Red Lake Unit Area by the injection of water into the Queen, Grayburg, and San Andres formations through 13 wells located in Sections 4, 5, 7, 8, and 9, Township 18 South, Range 27 East, Red Lake Queen Grayburg-San Andres Pool, Eddy County, New Mexico.

CASE 3825: Application of Pan American Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Buffalo Valley Unit Area comprising 15,350 acres, more or less, of Federal, State and Fee lands in Township 14 South, Ranges 28 and 29 East, Chaves County, New Mexico.

CASE 3642: (Reopened)

In the matter of Case No. 3642 being reopened pursuant to the provisions of Order No. R-3305, which order established 640-acre spacing units for the North Osudo-Morrow Gas Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

August 7, 1968 - Examiner Hearing

CASE 3803 (Continued and readvertised)

Application of Gulf Oil Corporation for an amendment to Order No. R-3345, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3345, which authorized a waterflood project in its Stuart Langlie Mattix Unit Area, Langlie Mattix Pool, Lea County, New Mexico, to delete the water injection wells previously authorized in Unit M of Section 2, Units A, C, and I of Section 10, and Unit C of Section 11, all in Township 25 South, Range 37 East, and to authorize for water injection four wells at the following unorthodox locations in Section 10: a well 100' from the North line and 1650' from the West line; a well 100' from the North line and 660' from the East line; a well 1315' from the North line and 100' from the West line; and a well 1420' from the South line and 100' from the East line. Applicant also seeks in the amendment authority to convert three additional wells located in Units N and F of said Section 10 and Unit F of said Section 11 to water injection. In the absence of objection, the case will be submitted and an order issued upon the evidence presented in said Case July 10, 1968.

CASE 3826: Application of Eugene E. Nearburg for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the open-hole interval from approximate 7965 feet to 8015 feet in his Magnolia Burt Federal Well No. 1 located in Unit P, Section 5, Township 8 South, Range 30 East, Cato Field, Chaves County, New Mexico.

CASE 3827: Application of Tri-Service Drilling Company to directionally drill, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its T. P. State Well No. 1 located 1887 feet from the East line and 2126 feet from the South line of Section 1, Township 16 South, Range 38 East, Lea County, New Mexico. Said well was drilled to a total depth of 13,014 feet and has subsequently been whipstocked to a location 596.5 feet east and 181.5 feet north of said surface location. Applicant proposes to set a whipstock at 11,570 feet and directionally drill to a depth of approximately 13,000 feet and to bottom said well in the Devonian formation at a point approximately 300 feet east and 300 feet south of its surface location.

CASE 3828: Application of W. M. Gallaway for a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 197.77-acre non-standard gas proration unit comprising the S/2 of Section 18, Township 23 North, Range 3 West, Ballard-Pictured Cliffs Gas Pool, Rio Arriba County, New Mexico, said unit to be dedicated to applicant's Apache Well No. 1 located 835 feet from the South line and 875 feet from the East line of said Section 18.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

APR 29 1968

Pan American Petroleum Corporation
Post Office Box 1410
Fort Worth, Texas 76101

Attention: Mr. D. B. Mason, Jr.

Gentlemen:

Your application filed with the Regional Oil and Gas Supervisor, Roswell, New Mexico, on March 22, 1968, requests the designation of the East Buffalo Valley unit area embracing 15,350.23 acres, more or less, Chaves County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to unit plan regulations of December 22, 1950, 30 CFR 226.3 (1961 reprint), the land requested as outlined on your plat marked "Exhibit A, East Buffalo Valley Unit, Chaves County, New Mexico," is hereby designated as a logical unit area.

Your proposed form of unit agreement will be acceptable with the indicated changes. One of the marked copies of said agreement is attached, one copy has been retained, and one copy is being sent to the Oil and Gas Supervisor, Roswell, New Mexico.

In the absence of any other type of land requiring special provisions or any objection not now apparent, a duly executed agreement identical to the 1961 reprint, modified only as outlined above and approved by the appropriate officials of the State of New Mexico, will be approved if submitted in approvable status within a reasonable time. However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

3

Change pages 4, 5, 7, 18, 20

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all acreage. The format of the sample exhibits attached to the 1961 reprint of the standard form should be followed closely in the preparation of Exhibits A and B.

Inasmuch as the unit area contains State of New Mexico lands, we are sending a copy of this letter to the Commissioner of Public Lands in Santa Fe. Please contact the State of New Mexico before soliciting joinders, regardless of prior contacts with or clearances from the State.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Arthur B. Baker".

Acting Director

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 21, 1968

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

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

CASE 3825: Application of Pan American Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Buffalo Valley Unit Area comprising 15,350 acres, more or less, of Federal, State and Fee lands in Township 14 South, Ranges 28 and 29 East, Chaves County, New Mexico.

CASE 3826: Application of Eugene E. Nearburg for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the open-hole interval from approximately 7965 feet to 8015 feet in his Magnolia Burt Federal Well No. 1 located in Unit P, Section 5, Township 8 South, Range 30 East, Cato Field, Chaves, County, New Mexico.

CASE 3837: Application of Continental Oil Company for the consolidation of three non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 640-acre standard gas proration unit comprising all of Section 26, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its Lynn B-1 Wells Nos. 1, 3, and 4 located in Units J, C, and M, respectively, of said Section 26, and authority to produce the allowable assigned to the unit from the subject wells in any proportion. Said Well No. 1 is presently dedicated to a 320-acre unit comprising the E/2 of said Section 26, said Well No. 3 is presently dedicated to a 160-acre unit comprising the NW/4 of said Section 26, and said Well No. 4 is presently dedicated to a 160-acre unit comprising the SW/4 of said Section 26.

In the alternative, applicant seeks the consolidation of the non-standard units comprising the E/2 and the SW/4 of said Section 26 into one 480-acre non-standard unit to be dedicated to said Well No. 1.

CASE 3838: Application of Continental Oil Company for an amendment to Order No. R-872 and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-872 to permit the dedication of the non-standard proration unit authorized therein to its Lockhart "B" Well No. 4 located in Unit H of Section 14 and its Lockhart "B" Well No. 7 located at an unorthodox location 330 feet from the North line and 330 feet from the West line of Section 13, both in Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.

CASE 3839: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks

(Case 2839 continued)

authority to institute a waterflood project by the injection of water into the Delaware formation in the perforated interval from 5073 feet to 5145 feet in its Fields Well No. 2 located in Unit M of Section 25, Township 23 South, Range 32 East, Cruz-Delaware Pool, Lea County, New Mexico. In the alternative, applicant seeks to have said well authorized for salt water disposal.

CASE 3840: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Seven Rivers formation in the perforated interval from 3450 feet to 3600 feet in its Lynn "A-27" Well No. 1 located in Unit D of Section 27, Township 23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico. In the alternative, applicant seeks to have said well authorized for salt water disposal.

CASE 3841: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Delaware formation in the perforated intervals from 4497 feet to 4507 feet in its Wilder Well No. 24 and from 4529 feet to 4535 feet in its Wilder Well No. 27 located in Units L and F, respectively, Section 26, Township 26 South, Range 32 East, El Mar-Delaware Pool, Lea County, New Mexico. In the alternative, applicant seeks to have said wells authorized for salt water disposal.

CASE 3842: Application of Continental Oil Company for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the Seven Rivers formation in the perforated interval from 3208 feet to 3255 feet in its Eaves "A" Well No. 10 located in Unit P of Section 19, Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico, and promulgation of special rules for said project. In the alternative, applicant seeks to have said well authorized for salt water disposal.

CASE 3843: Application of Continental Oil Company for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the Seven Rivers formation in the perforated interval from 3012 feet to 3110 feet in its Sholes "B-25" Well No. 5 located in Unit G of Section 25, Township 25 South, Range 36 East, Jalmat Pool, Lea County, New Mexico, and promulgation of special rules for said project. In the alternative, applicant seeks to have said well authorized for salt water disposal.

EAST BUFFALO VALLEY UNIT
CHAVES COUNTY, NEW MEXICO

Total Acreage in Unit Area 15,350.23

Federal Acreage	9,270.39	60.4%
State Acreage	5,759.84	37.5%
Fee Acreage	320.00	2.1%
Pan American owns	10,158.48	66.18%

Total Acreage Committed to Unit 14,470.23
 Percentage of Acreage Committed to Unit 94.27%

Federal Acreage Committed to Unit	8,950.39	96.5%
State Acreage Committed to Unit	5,519.84	95.8%

Pan American	9,918.48	68.54404%
Sun	1,440.00	9.95147%
Charles Read and N. Stevens	1,395.20	9.64186%
Bell Petroleum	681.12	4.70704%
John Rich et al	635.43	4.39129%
Ernest Hanson	320.00	2.21144%
Maggie Cockburn et al	80.00	.55286%

Total Acreage Uncommitted to Unit	880.00	5.73%
Corrine Grace - Tract 10	280.00	No reply
Midwest Tract 13	40.00	Refused by letter
Superior Tract 32	240.00	Refused by letter
Superior and Pan American Tract 39	320.00	

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

Pan Am's EXHIBIT NO. 2

CASE NO. 3825



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

APR 29 1968

Pan American Petroleum Corporation
Post Office Box 1410
Fort Worth, Texas 76101

Attention: Mr. D. B. Mason, Jr.

Gentlemen:

Your application filed with the Regional Oil and Gas Supervisor, Roswell, New Mexico, on March 22, 1968, requests the designation of the East Buffalo Valley unit area embracing 15,350.23 acres, more or less, Chaves County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Pursuant to unit plan regulations of December 22, 1950, 30 CFR 226.3 (1961 reprint), the land requested as outlined on your plat marked "Exhibit A, East Buffalo Valley Unit, Chaves County, New Mexico," is hereby designated as a logical unit area.

Your proposed form of unit agreement will be acceptable with the indicated changes. One of the marked copies of said agreement is attached, one copy has been retained, and one copy is being sent to the Oil and Gas Supervisor, Roswell, New Mexico.

In the absence of any other type of land requiring special provisions or any objection not now apparent, a duly executed agreement identical to the 1961 reprint, modified only as outlined above and approved by the appropriate officials of the State of New Mexico, will be approved if submitted in approvable status within a reasonable time. However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of unit operations.

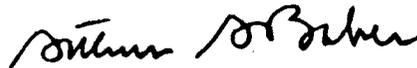
BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Pan Am EXHIBIT NO. <u>3</u>
CASE NO. <u>3825</u>

Change pages 4, 5, 7, 18, 20

When the executed agreement is transmitted to the Supervisor for approval, include the latest status of all acreage. The format of the sample exhibits attached to the 1961 reprint of the standard form should be followed closely in the preparation of Exhibits A and B.

Inasmuch as the unit area contains State of New Mexico lands, we are sending a copy of this letter to the Commissioner of Public Lands in Santa Fe. Please contact the State of New Mexico before soliciting joinders, regardless of prior contacts with or clearances from the State.

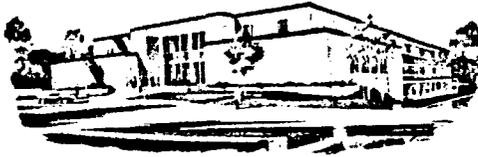
Sincerely yours,

A handwritten signature in cursive script, appearing to read "Arthur J. Baker".

Acting Director

Tab

State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

May 28, 1968

Pan American Petroleum Corporation
P. O. Box 1410
Fort Worth, Texas 76101

Re: East Buffalo Valley Unit
Chaves County, New Mexico

ATTENTION: Mr. D. B. Mason, Jr.

Gentlemen:

The Commissioner of Public Lands has this date approved as to form and content your proposed East Buffalo Valley Unit, Chaves County, New Mexico, subject to compliance with the requested changes as proposed by the U.S.G.S. in the agreement and correction of the attached Exhibit "B" where marked in red.

Enclosed is your Official Receipt No. I 29638 in the amount of One Hundred-Twenty (\$120.00) Dollars which covers the filing fee.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY: *Eddie Lopez*
Eddie Lopez, Supervisor
Unit Division

GBH/TB/EL/s
encls.

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
<i>Pan Am's</i> EXHIBIT NO. <u>4</u>
CASE NO. <u>3825</u>

EAST BUFFALO VALLEY UNIT
CHAVES COUNTY, NEW MEXICO

Total Acreage in Unit Area		15,350.23
Federal Acreage	9,270.39	60.4%
State Acreage	5,759.84	37.5%
Fee Acreage	320.00	2.1%
Pan American owns	10,158.48	66.18%

Total Acreage Committed to Unit		14,470.23
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