

UNIT AGREEMENT  
FOR THE  
DEVELOPMENT AND OPERATION  
OF THE  
ROCK LAKE UNIT AREA  
LEA COUNTY, NEW MEXICO

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<b>BEFORE EXAMINER STAMETS</b>	
<b>OIL CONSERVATION COMMISSION</b>	
EXHIBIT NO. <u>2</u>	
CASE NO. <u>5180</u>	
Submitted by <u>Amoco</u>	
Hearing Date <u>3-13-74</u>	

UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION  
OF THE  
ROCK LAKE UNIT AREA  
LEA COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the 1st day of January, 1974, by and between the parties subscribing, ratifying or consenting hereto and herein referred to as the "parties hereto";

WITNESSETH:

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

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 1, Chap. 88, Laws 1943) as amended by Sec. 1 of Chapter 162, Laws of 1951, (Chap. 7, Art. 11, Sec. 39, N.M. Statutes 1953 Annot.), to consent to and approve the development or operation of State lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field, or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 1, Chap. 162), (Laws of 1951, Chap. 7, Art. 11, Sec. 41, N.M. Statutes 1953 Annotated) to amend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil and gas lease embracing State lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field or area; and

WHEREAS, the Oil Conservation Commission of the State of New Mexico (hereinafter referred to as the "Commission") is authorized by an Act of the Legislature (Chap. 72, Laws 1935;

Chap. 65, Art. 3, Sec. 14, N.M. Statutes 1953 Annotated) to approve this agreement and the conservation provisions hereof; and

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

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions and limitations herein set forth;

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

1. UNIT AREA:

The following described land is hereby designated and recognized as constituting the unit area:

Township 22 South, Range 35 East, N.M.P.M.

All of Sections: 20, 21, 22, 27, 28, 29, 32, 33 and 34, containing 5760 acres, more or less, Lea County, New Mexico.

Exhibit "A" attached hereto is a map showing the unit area and the boundaries and identity of tracts and leases in said area to the extent known to the unit operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the unit operator the acreage, percentage and kind of ownership of oil and gas interests in all lands in the unit area. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the

ownership of any interest other than such interest or interests as are shown on said map or schedule as owned by such party. Exhibits "A" and "B" shall be revised by the unit operator whenever changes in ownership in the unit area render such revisions necessary or when requested by the Commissioner of Public Lands, hereinafter referred to as "Commissioner".

All land committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement".

2. UNITIZED SUBSTANCES:

All oil, gas, natural gasoline and associated fluid hydrocarbons in any and all formations of the unitized land are unitized under the terms of this agreement and herein are called "unitized substances".

3. UNIT OPERATOR:

Amoco Production Company, whose address is P. O. Box 3092, Houston, Texas 77001, is hereby designated as unit operator and by signature hereto commits to this agreement all interest in unitized substances vested in it as set forth in Exhibit "B", and 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 interests 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.

4. RESIGNATION OR REMOVAL OF UNIT OPERATOR:

Unit operator shall have the right to resign at any time, but such resignation shall not become effective until a successor unit operator has been selected and approved in the

manner provided for in Section 5 of this agreement. The resignation of the unit operator shall not release the unit operator from any liability or any default by it hereunder occurring prior to the effective date of its resignation.

Unit operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests determined in like manner as herein provided for the selection of a new unit operator. Such removal shall be effective upon notice thereof to the Commissioner.

The resignation or removal of the unit operator under this agreement shall not terminate his right, title or interest as the owner of a working interest or other interest in unitized substances, but, upon the resignation or removal of unit operator becoming effective, such unit operator shall deliver possession of all equipment, materials and appurtenances used in conducting the unit operations and owned by the working interest owners to the new duly qualified successor unit operator, or to the owners thereof if no such new unit operator is elected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment and appurtenances needed for the preservation of any wells.

5. SUCCESSOR UNIT OPERATOR:

Whenever the unit operator shall resign as unit operator or shall be removed as hereinabove provided, the owners of the working interests according to their respective acreage interests in all unitized land shall by a majority vote select a successor unit operator; provided that, if a majority but less than seventy-five percent (75%) of the working interests qualified to vote is owned by one party to this agreement, a concurring vote of sufficient additional parties, so as to constitute in the aggregate not less than seventy-five percent (75%)

of the total working interests, shall be required to select a new operator. Such selection shall not become effective until (a) a unit operator so selected shall accept in writing the duties and responsibilities of unit operator, and (b) the selection shall have been approved by the Commissioner. If no successor unit operator is selected and qualified as herein provided, the Commissioner at his election may declare this unit agreement terminated.

6. ACCOUNTING PROVISIONS:

The unit operator shall pay in the first instance all costs and expenses incurred in conducting unit operations hereunder, and such costs and expenses and the working interest benefits accruing hereunder shall be apportioned among the owners of the unitized working interests in accordance with an operating agreement entered into by and between the unit operator and the owners of such interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the unit operator as provided in this section, whether one or more, are herein referred to as the "Operating Agreement". No such agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the unit operator of any right or obligation established under this unit agreement and in case of any inconsistencies or conflict between this unit agreement and the operating agreement, this unit agreement shall prevail.

7. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR:

Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating and distributing the unitized substances are hereby delegated

to and shall be exercised by the unit operator as herein provided. Acceptable evidence of title to said rights shall be deposited with said unit operator and, together with this agreement, shall constitute and define the rights, privileges and obligations of unit operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the unit operator, in its capacity as unit operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

8. DRILLING TO DISCOVERY:

The unit operator shall, within six (6) months after the effective date of this agreement, commence operations upon an adequate test well for oil and gas upon some part of the lands embraced within the unit area and shall drill said well with due diligence to a depth sufficient to test the Pennsylvanian Age formation or to such a depth as unitized substances shall be discovered in paying quantities at a lesser depth or until it shall, in the opinion of unit operator, be determined that the further drilling of said well shall be unwarranted or impracticable; provided, however, that unit operator shall not, in any event, be required to drill said well to a depth in excess of 13,500 feet. Until a discovery of a deposit of unitized substances capable of being produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling and producing operations with a reasonable profit) unit operator shall continue drilling diligently, one well at a time, allowing not more than six months between the completion of one well and the beginning of the next well, until a well capable of producing unitized substances in paying quantities is completed to the satisfaction of the Commissioner, or until it is reasonably proven to the satisfaction of the unit operator that the unitized land is incapable of producing unitized

substances in paying quantities in the formation drilled hereunder.

Any well commenced prior to the effective date of this agreement upon the unit area and drilled to the depth provided herein for the drilling of an initial test well shall be considered as complying with the drilling requirements hereof with respect to the initial well. The Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when in his opinion such action is warranted. Upon failure to comply with the drilling provisions of this article the Commissioner may, after reasonable notice to the unit operator and each working interest owner, lessee and lessor at their last known addresses, declare this unit agreement terminated, and all rights, privileges and obligations granted and assumed by this unit agreement shall cease and terminate as of such date.

9. OBLIGATIONS OF UNIT OPERATOR  
AFTER DISCOVERY OF UNITIZED SUBSTANCES:

Should unitized substances in paying quantities be discovered upon the unit area, the unit operator shall, on or before six months from the time of the completion of the initial discovery well and within thirty days after the expiration of each twelve months period thereafter, file a report with the Commissioner and Commission of the status of the development of the unit area and the development contemplated for the following twelve months period.

It is understood that one of the main considerations for the approval of this agreement by the Commissioner of Public Lands is to secure the orderly development of the unitized lands in accordance with good conservation practices so as to obtain the greatest ultimate recovery of unitized substances.

After discovery of unitized substances in paying quantities, unit operator shall proceed with diligence to

reasonably develop the unitized area as a reasonably prudent operator would develop such area under the same or similar circumstances.

If the unit operator should fail to comply with the above covenant for reasonable development, this agreement may be terminated by the Commissioner as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units; but in such event the basis of participation by the working interest owners shall remain the same as if this agreement had not been terminated as to such lands; provided, however, the Commissioner shall give notice to the unit operator and the lessees of record in the manner prescribed by Sec. 7-11-14, N.M. Statutes 1953 Annotated of intention to cancel on account of any alleged breach of said covenant for reasonable development and any decision entered thereunder shall be subject to appeal in the manner prescribed by Sec. 7-11-17, N.M. Statutes 1953 Annotated; and, provided further, in any event the unit operator shall be given a reasonable opportunity after a final determination within which to remedy any default, failing in which this agreement shall be terminated as to all lands of the State of New Mexico embracing undeveloped regular well spacing or proration units.

10. PARTICIPATION AFTER DISCOVERY:

Upon completion of a well capable of producing unitized substances in paying quantities, the owners of working interests shall participate in the production therefrom and in all other producing wells which may be drilled pursuant hereto in the proportions that their respective leasehold interests covered hereby on an acreage basis bears to the total number of acres committed to this unit agreement, and such unitized substances shall be deemed to have been produced from the respective leasehold interests participating therein. For the purpose of determining any benefits accruing under this

agreement and the distribution of the royalties payable to the State of New Mexico and other lessors, each separate lease shall have allocated to it such percentage of said production as the number of acres in each lease respectively committed to this agreement bears to the total number of acres committed hereto.

Notwithstanding any provisions contained herein to the contrary, each working interest owner shall have the right to take such owner's proportionate share of the unitized substances in kind or to personally sell or dispose of the same, and nothing herein contained shall be construed as giving or granting to the unit operator the right to sell or otherwise dispose of the proportionate share of any working interest owner without specific authorization from time to time so to do.

11. ALLOCATION OF PRODUCTION:

All unitized substances produced from each tract in the unitized area established under this agreement, except any part thereof used for production or development purposes hereunder, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of the unitized land, and for the purpose of determining any benefits that accrue on an acreage basis, each such tract shall have allocated to it such percentage of said production as its area bears to the entire unitized area. It is hereby agreed that production of unitized substances from the unitized area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular tract of said unitized area.

12. PAYMENT OF RENTALS, ROYALTIES, OVERRIDING ROYALTIES AND PRODUCTION PAYMENTS:

All rentals due the State of New Mexico shall be paid by the respective lease owners in accordance with the terms of their leases.

All royalties due the State of New Mexico under the terms of the leases committed to this agreement shall be computed and paid on the basis of all unitized substances allocated to the respective leases committed hereto; provided, however, the State shall be entitled to take in kind its share of the unitized substances allocated to the respective leases, and in such case the unit operator shall make deliveries of such royalty oil in accordance with the terms of the respective leases.

All rentals, if any, due under any leases embracing lands other than the State of New Mexico, shall be paid by the respective lease owners in accordance with the terms of their leases and all royalties due under the terms of any such leases shall be paid on the basis of all unitized substances allocated to the respective leases committed hereto.

If the unit operator introduces gas obtained from sources other than the unitized substances into any producing formation for the purpose of repressuring, stimulating or increasing the ultimate recovery of unitized substances therefrom, a like amount of gas, if available, with due allowance for loss or depletion from any cause may be withdrawn from the formation into which the gas was introduced royalty free as to dry gas but not as to the products extracted therefrom; provided, that such withdrawal shall be at such time as may be provided in a plan of operation consented to by the Commissioner and approved by the Commission as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

If any lease committed hereto is burdened with an overriding royalty, payment out of production or other charge in addition to the usual  $1/8$  royalty, the owner of each such lease shall bear and assume the same out of the unitized substances allocated to the lands embraced in each such lease as provided herein.

13. LEASES AND CONTRACTS CONFORMED AND EXTENDED INSOFAR AS THEY APPLY TO LANDS WITHIN THE UNITIZED AREA:

The terms, conditions and provisions of all leases, subleases, operating agreements and other contracts relating to the exploration, drilling, development or operation for oil or gas of the lands committed to this agreement, shall, as of the effective date hereof, be and the same are hereby expressly modified and amended insofar as they apply to lands within the unitized area to the extent necessary to make the same conform to the provisions hereof and so that the respective terms of said leases and agreements will be extended insofar as necessary to coincide with the term of this agreement and the approval of this agreement by the Commissioner and the respective lessors and lessees shall be effective to conform the provisions and extend the terms of each such lease as to lands within the unitized area to the provisions and terms of this agreement; but otherwise to remain in full force and effect. Each lease committed to this agreement, insofar as it applies to lands within the unitized area, shall continue in force beyond the term provided therein as long as this agreement remains in effect, provided, drilling operations upon the initial test well provided for herein shall have been commenced or said well is in the process of being drilled by the unit operator prior to the expiration of the shortest term lease committed to this agreement. Termination of this agreement shall not affect any lease which, pursuant to the terms thereof or any applicable laws, would continue in full force and effect thereafter. The commencement, completion, continued operation or production of a well or wells for unitized substances on the unit area shall be construed and considered as the commencement, completion, continued operation or production on each of the leasehold interests committed to this agreement and operations or production pursuant to this agreement shall be deemed to be operations upon and production from each leasehold interest committed hereto, and there

shall be no obligation on the part of the unit operator or any of the owners of the respective leasehold interests committed hereto to drill offsets to wells as between the leasehold interests committed to this agreement, except as provided in Section 9 hereof.

Any lease embracing lands of the State of New Mexico of which only a portion is committed hereto shall be segregated as to the portion committed and as to the portion not committed and the terms of such leases shall apply separately as to two separate leases as to such segregated portions, commencing as of the effective date hereof. Any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto shall continue in full force and effect beyond the term provided therein as to all lands embraced within the unitized area and committed to this agreement, in accordance with the terms of this agreement. If oil and gas, or either of them, are discovered and are being produced in paying quantities from some part of the lands embraced in such lease which part is committed to this agreement at the expiration of the secondary term of such lease, such production shall not be considered as production from lands embraced in such lease which are not within the unitized area, and which are not committed thereto, and drilling or reworking operations upon some part of the lands embraced within the unitized area and committed to this agreement shall be considered as drilling and reworking operations only as to lands embraced within the unit agreement and not as to lands embraced within the lease and not committed to this unit agreement; provided, however, as to any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto upon which oil and gas or either of them has been discovered or is discovered upon that portion of such lands not committed to this agreement, and are being produced in paying quantities prior to the expiration of the primary term of such lease, such production in paying quantities shall serve to continue such lease in full force and effect in accordance with its terms as to all of the lands embraced in said lease.

14. CONSERVATION:

Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to State laws or regulations.

15. DRAINAGE:

In the event a well or wells producing oil or gas in paying quantities should be brought in on land adjacent to the unit area, draining unitized substances from the lands embraced therein, unit operator shall drill such offset well or wells as a reasonably prudent operator would drill under the same or similar circumstances.

16. COVENANTS RUN WITH LAND:

The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates; and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee or other successor in interest. No assignment or transfer or any working, royalty or other interest subject hereto shall be binding upon unit operator until the first day of the calendar month after the unit operator is furnished with the original, photostatic or certified copy of the instrument of transfer.

17. EFFECTIVE DATE AND TERM:

This agreement shall become effective upon approval by the Commissioner and shall terminate in five years after such date unless (a) such date of expiration is extended by the Commissioner, or (b) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof; in which case, this agreement shall remain in effect so long as unitized substances are being produced from the unitized land and, should production cease, so long thereafter as diligent operations are in progress for the restoration of production or discovery of new production and so long thereafter as the unitized substances so discovered can

be produced as aforesaid. This agreement may be terminated at any time by not less than seventy-five percent (75%) on an acreage basis of the owners of the working interests signatory hereto with the approval of the Commissioner. Likewise, the failure to comply with the drilling requirements of Section 8 hereof may subject this agreement to termination as provided in said section.

18. RATE OF PRODUCTION:

All production and the disposal thereof shall be in conformity with allocations, allotments and quotas made or fixed by the Commission and in conformity with all applicable laws and lawful regulations.

19. APPEARANCES:

Unit operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Commissioner of Public Lands and the New Mexico Oil Conservation Commission, and to appeal from orders issued under the regulations of the Commissioner or Commission or to apply for relief from any of said regulations or in any proceedings on its own behalf relative to operations pending before the Commissioner or Commission; provided, however, that any other interest party shall also have the right at his own expense to appear and to participate in any such proceeding.

20. NOTICES:

All notices, demands or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if given in writing and sent by postpaid registered mail, addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to

23. SUBSEQUENT JOINDER:

Any oil or gas interest in lands within the unit area not committed hereto prior to the submission of this agreement for final approval by the Commissioner may be committed hereto by the owner or owners of such rights subscribing or consenting to this agreement or executing a ratification thereof; and, if such owner is also a working interest owner, by subscribing to the operating agreement providing for the allocation of costs of exploration, development and operation. A subsequent joinder shall be effective as of the first day of the month following the approval by the Commissioner and the filing with the Commission of duly executed counterparts of the instrument or instruments committing the interest of such owner to this agreement; but such joining party or parties, before participating in any benefits hereunder, shall be required to assume and pay to unit operator their proportionate share of the unit expense incurred prior to such party's or parties' joinder in the unit agreement, and the unit operator shall make appropriate adjustments caused by such joinder without any retroactive adjustment of revenue.

24. COUNTERPARTS:

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

IN WITNESS WHEREOF, the undersigned parties hereto

have caused this agreement to be executed as of the respective dates set forth opposite their signatures.

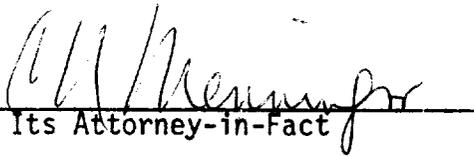
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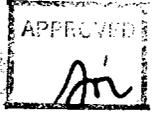
Date

UNIT OPERATOR:

AMOCO PRODUCTION COMPANY

By

  
Its Attorney-in-Fact



P. O. Box 3092  
Houston, Texas 77001

WORKING INTEREST OWNERS:

Mesa Petroleum Co.  
Attention: Mr. Bob Northington  
904 Gihls Tower West  
Midland, Texas 79701

Ralph Lowe Estate  
P. O. Box 832  
Midland, Texas 79701

Erma Lowe  
c/o Mr. A. W. Moursund  
P. O. Box 1  
Round Mountain, Texas 78663

Gulf Oil Corporation  
Attention: Mr. Joe Mathers  
P. O. Box 1150  
Midland, Texas 79701

Amerada-Hess Corporation  
Attention: Mr. Charles Stanford  
P. O. Box 2040  
Tulsa, Oklahoma

J. C. Barnes  
P. O. Box 505  
Midland, Texas 79701

Allied Chemical Company  
Attention: Mr. Paul Ferguson  
1300 Wilco Building  
Midland, Texas 79701

Aztec Oil & Gas Company  
Attention: Mr. Kenneth Swanson  
2000 First National Bank Building  
Dallas, Texas 75202

HNG Oil Company  
P. O. Box 767  
Midland, Texas 79701

BTA Oil Producers  
Attention: Mr. Barry Beal  
104 South Pecos  
Midland, Texas 79701

Cities Service Oil Company  
Attention: Mr. Frank Riney  
800 Vaughn Building  
Midland, Texas 79701

R. E. Lawson, Jr.  
Chancellor Building  
Midland, Texas 79701

Getty Oil Company  
Attention: Mr. Clayton Powell  
P. O. Box 1231  
Midland, Texas 79701

Pennzoil United, Inc.  
Attention: Mr. Buddy Davidson  
P. O. Box 1828  
Midland, Texas 79701

THE STATE OF TEXAS    ↓

COUNTY OF HARRIS     ↓

The foregoing instrument was acknowledged before me this  
7<sup>th</sup> day of February, 1974, by C. N. MENNINGER,  
as Attorney-in-Fact on behalf of AMOCO PRODUCTION COMPANY.

*Irene Haldas*  
\_\_\_\_\_  
Notary Public in and for Harris  
County, Texas

IRENE HALDAS  
Notary Public in and for Harris County, Texas  
My Commission Expires 6-1-79

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	SERIAL NO. AND EXPIRATION DATE OF LEASE		BASIC ROYALTY AND OWNERSHIP PERCENTAGE		LESSEE OF RECORD		OVERRIDING ROYALTY AND OWNERSHIP PERCENTAGE		WORKING INTEREST AND OWNERSHIP PERCENTAGE	
9	Sec. 29: NE/4	160	K-4414	9-15-74	State	12.5%	Gulf Oil Corp.	None	None	Gulf Oil Corp.	100%	
10	Sec. 34: SE/4SW/4	40	K-4415	9-15-74	State	12.5%	Gulf Oil Corp.	None	None	Gulf Oil Corp.	100%	
11	Sec. 34: E/2	320	K-4608	12-15-74	State	12.5%	Ralph Lowe Est.	None	None	Ralph Lowe Estate Erma Lowe	50% 50%	
12	Sec. 22: SE/4 Sec. 27: SE/4	320	K-4621	12-15-74	State	12.5%	Gulf Oil Corp.	None	None	Gulf Oil Corp.	100%	
13	Sec. 32: NE/4	160	K-4681	1-19-75	State	12.5%	Gulf Oil Corp.	None	None	Gulf Oil Corp.	100%	
14	Sec. 22: SW/4 Sec. 27: NW/4, N/2 NE/4, SE/4NE/4	440	K-5032	5-18-75	State	12.5%	Ralph Lowe Estate	None	None	Ralph Lowe Estate Erma Lowe	50% 50%	
15	Sec. 34: W/2NW/4, SE/4NW/4, NE/4SW/4, SW/4SW/4	200	L-1542-1	10-15-78	State	12.5%	HNG Oil Company	Royce E. Lawson, Jr. 1.5625%	None	HNG Oil Company	100%	
16	Sec. 20: NW/4, W/2 NE/4, SE/4NE/4	280	L-1641	11-19-78	State	12.5%	Mesa Petroleum Company	None	None	Mesa Petroleum Co.	100%	
17	Sec. 28: SW/4, W/2 SE/4	240	L-1926	12-17-78	State	12.5%	Amoco Production Co.	None	None	Amoco Production Co.	100%	
18	Sec. 32: W/2, SE/4	480	L-1946	12-17-78	State	12.5%	Mesa Petroleum Co.	None	None	Mesa Petroleum Co.	100%	
19	Sec. 29: S/2	320	L-3383-1	8-19-79	State	12.5%	J. C. Barnes	Royce E. Lawson, Jr. 3.125%	None	J. C. Barnes	100%	
20	Sec. 20: S/2	320	L-5469	5-1-81	State	12.5%	Mesa Petroleum Co.	None	None	Mesa Petroleum Co.	100%	

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	SERIAL NO. AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND OWNERSHIP PERCENTAGE	WORKING INTEREST AND OWNERSHIP PERCENTAGE
21	Sec. 22: NE/4	160	LG-0358 7-1-82	State 12.5%	BTA Oil Producers	None	BTA Oil Producers 100%
22	Sec. 21: S/2	320	LG-0484 8-1-82	State 12.5%	Aztec Oil and Gas	None	Aztec Oil and Gas Co. 100%

22 State Tracts: 5680 acres

Fee Leases  
T22S-R35E N.M.M.P.

23	Sec. 20: NE/4NE/4	40	9-10-75		Don E. Gridley & wife Alice F. Gridley John E. Bosserman and wife Carol Jean Bosserman 1/8 x 32.37% Merchant Livestock Co. 3/16 x 67.63%	None	Royce E. Lawson, Jr. 100%
24	Sec. 34: NE/4 NW/4	40	1-7-75		Merchant Livestock Co. 1/8 x 67.63%	Royce E. Lawson, Jr. 3.125%	Pennzoil United, Inc. 100%
			1-7-75		Don E. Gridley and wife Alice F. Gridley and John E. Bosserman and wife Carol Jean Bosserman 1/8x32.37%	Royce E. Lawson, Jr. 3.125%	Pennzoil United, Inc. 100%

2 Fee Tracts 80 acres

State Acreage: 5680 = 98.61  
 Fee Acreage: 80 = 1.39%  
5760 100.00%

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	SERIAL NO. AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND OWNERSHIP PERCENTAGE	WORKING INTEREST AND OWNERSHIP PERCENTAGE
21	Sec. 22: NE/4	160	LG-0358 7-1-82	State 12.5%	BTA Oil Producers	None	BTA Oil Producers 100%
22	Sec. 21: S/2	320	LG-0484 8-1-82	State 12.5%	Aztec Oil and Gas	None	Aztec Oil and Gas Co. 100%

22 State Tracts: 5680 acres

Fee Leases  
T22S-R35E N.M.M.P.

23	Sec. 20: NE/4NE/4	40	9-10-75		Don E. Gridley & wife Alice F. Gridley John E. Bosserman and wife Carol Jean Bosserman 1/8 x 32.37% Merchant Livestock Co. 3/16 x 67.63%	None	Royce E. Lawson, Jr. 100%
24	Sec. 34: NE/4 NW/4	40	1-7-75		Merchant Livestock Co. 1/8 x 67.63%	Royce E. Lawson, Jr. 3.125%	Pennzoil United, Inc. 100%
			1-7-75		Don E. Gridley and wife Alice F. Gridley and John E. Bosserman and wife Carol Jean Bosserman 1/8x32.37%	Royce E. Lawson, Jr. 3.125%	Pennzoil United, Inc. 100%

2 Fee Tracts 80 acres

State Acreage: 5680 = 98.61  
80 = 1.39%  
Fee Acreage: 5760 100.00%

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED  
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"  
ROCK LAKE UNIT AREA  
LEA 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 Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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, Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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 Rock Lake 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 or 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.

ATTEST:

AZTEC OIL & GAS COMPANY

Wanda M. Sanders  
Assistant Secretary

By: Kenneth A. Swanson *JK*  
Vice President

STATE OF Texas |  
COUNTY OF Dallas |

The foregoing instrument was acknowledged before me this 20th day of March, 1974, by Kenneth A. Swanson

My Commission expires:

ELSON JAPP  
NOTARY PUBLIC, DALLAS COUNTY, TEXAS  
MY COMMISSION EXPIRES JUNE 1, 1975

Elson Japp  
Notary Public in and for  
Dallas County, Texas

STATE OF \_\_\_\_\_ |

COUNTY OF \_\_\_\_\_ |

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1974, by \_\_\_\_\_ of \_\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public in and for  
County, \_\_\_\_\_

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED  
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"  
ROCK LAKE UNIT AREA  
LEA 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 Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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, Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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 Rock Lake Unit Area; and

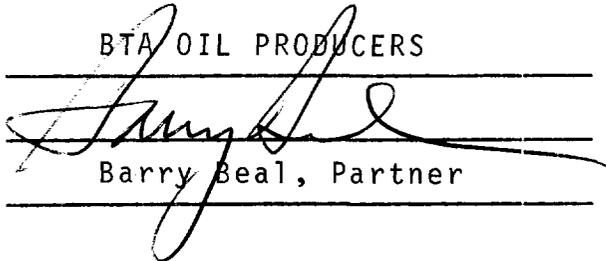
WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

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 or 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.

\_\_\_\_\_

BTA OIL PRODUCERS

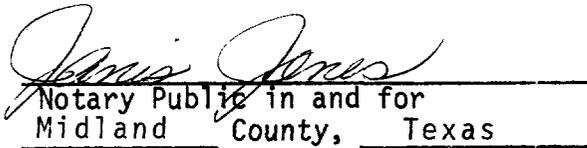
  
Barry Beal, Partner

STATE OF TEXAS |  
COUNTY OF MIDLAND |

The foregoing instrument was acknowledged before me this 22nd day of March, 1974, by Barry Beal, Partner

My Commission expires:

June 1, 1975

  
Notary Public in and for  
Midland County, Texas

STATE OF \_\_\_\_\_ |  
COUNTY OF \_\_\_\_\_ |

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1974, by \_\_\_\_\_ of \_\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public in and for  
County, \_\_\_\_\_

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED  
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"  
ROCK LAKE UNIT AREA  
LEA 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 Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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, Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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 Rock Lake 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 or 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.

\_\_\_\_\_  
J. C. BARNES

STATE OF TEXAS |  
COUNTY OF TARRANT |

The foregoing instrument was acknowledged before me this 20<sup>th</sup> day of MARCH, 1974, by J. C. BARNES.

My Commission expires:  
June 1, 1975

Willie Dunn  
Notary Public in and for  
TARRANT County, TEXAS

STATE OF \_\_\_\_\_ |  
COUNTY OF \_\_\_\_\_ |

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1974, by \_\_\_\_\_ of \_\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public in and for  
County, \_\_\_\_\_

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED  
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"  
ROCK LAKE UNIT AREA  
LEA 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 Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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, Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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 Rock Lake 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 or 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.

ATTEST:

\_\_\_\_\_  
*Deane J. Scott*  
ASSISTANT SECRETARY

MESA PETROLEUM CO  
*J.K. Larsen*  
\_\_\_\_\_  
VICE PRESIDENT

*em*

STATE OF \_\_\_\_\_ |  
COUNTY OF \_\_\_\_\_ |

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1974, by \_\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public in and for  
County, \_\_\_\_\_

STATE OF TEXAS |  
COUNTY OF POTTER |

The foregoing instrument was acknowledged before me this 26th day of MARCH, 1974, by J.K. LARSEN,  
VICE PRESIDENT of MESA PETROLEUM CO.

My Commission expires:  
6-1-75

*E. D. Jackson*  
\_\_\_\_\_  
Notary Public in and for  
POTTER County, TEXAS

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED  
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"  
ROCK LAKE UNIT AREA  
LEA 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 Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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, Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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 Rock Lake 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 or 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.

ATTEST:

[Signature]  
Assistant Secretary

HNG OIL COMPANY  
By: W. F. Roden  
W. F. Roden, President

STATE OF TEXAS |

COUNTY OF MIDLAND |

The foregoing instrument was acknowledged before me this 20th day of March, 1974, by W. F. RODEN, President of HNG OIL COMPANY.

My Commission expires:  
June 1, 1975

Cheryl A. Lea  
Notary Public in and for  
Midland County, Texas  
CHERYL A. LEA—Notary Public  
IN AND FOR MIDLAND COUNTY, TEXAS

STATE OF \_\_\_\_\_ |

COUNTY OF \_\_\_\_\_ |

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1974, by \_\_\_\_\_ of \_\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public in and for  
\_\_\_\_\_  
County, \_\_\_\_\_

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED  
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"  
ROCK LAKE UNIT AREA  
LEA 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 Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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, Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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 Rock Lake 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 or 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.

\_\_\_\_\_ Erma Lowe  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF TEXAS |  
COUNTY OF BLANCO |

The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of MARCH, 1974, by ERMA LOWE.

My Commission expires: 6 / 75  
Helen Kroll  
Notary Public in and for  
BLANCO County, TEXAS

STATE OF \_\_\_\_\_ |  
COUNTY OF \_\_\_\_\_ |

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1974, by \_\_\_\_\_ of \_\_\_\_\_.

My Commission expires:  
\_\_\_\_\_  
Notary Public in and for  
County, \_\_\_\_\_

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED  
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"  
ROCK LAKE UNIT AREA  
LEA 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 Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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, Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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 Rock Lake 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 or 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.

**ALLIED CHEMICAL CORPORATION**

BY: Roger W. Stoneburner  
Attorney-in-Fact

STATE OF TEXAS |  
COUNTY OF HARRIS |

The foregoing instrument was acknowledged before me this 5th day of April, 1974, by ROGER W. STONEBURNER.

My Commission expires:

LINDA LOU HARRISON  
Notary Public in and for Harris County, Texas  
My Commission Expires June 1, 1975

Linda Lou Harrison  
Notary Public in and for  
Harris County, Texas

STATE OF \_\_\_\_\_ |  
COUNTY OF \_\_\_\_\_ |

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 1974, by \_\_\_\_\_ of \_\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public in and for  
County, \_\_\_\_\_

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED  
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"  
ROCK LAKE UNIT AREA  
LEA 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 Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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, Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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 Rock Lake 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 or 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.

\_\_\_\_\_ CITIES SERVICE OIL COMPANY \_\_\_\_\_

STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

By Wiley C Hill  
Wiley C. Hill Attorney-in-Fact

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 1974, by \_\_\_\_\_.

My Commission expires:

\_\_\_\_\_  
Notary Public in and for  
County, \_\_\_\_\_

STATE OF OKLAHOMA §  
COUNTY OF TULSA §

The foregoing instrument was acknowledged before me this 29th day of March, 1974, by Wiley C. Hill,  
Attorney-in-Fact of CITIES SERVICE OIL COMPANY.

My Commission expires:

May 5, 1976.

Sherry L Snow  
Notary Public in and for  
Tulsa County, Oklahoma

RATIFICATION AND JOINDER OF AGREEMENTS ENTITLED  
"UNIT AGREEMENT" AND "UNIT OPERATING AGREEMENT"  
ROCK LAKE UNIT AREA  
LEA COUNTY, NEW MEXICO

KNOW ALL MEN BY THESE PRESENTS:

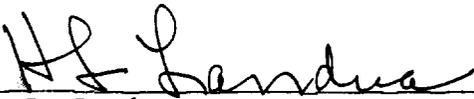
THAT, WHEREAS, the undersigned owner (whether one or more) of royalty, overriding royalty, or production payment interests hereby acknowledges receipt of a true copy of the "Unit Agreement for the Development and Operation of the Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, 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, Rock Lake Unit Area, County of Lea, State of New Mexico", dated January 1, 1974, hereinafter referred to as the "Unit Operating Agreement"; and

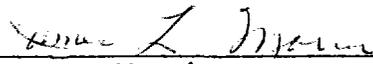
WHEREAS, Exhibits "A" and "B" attached to said Unit Agreement identify the tracts which may become a part of the Rock Lake Unit Area; and

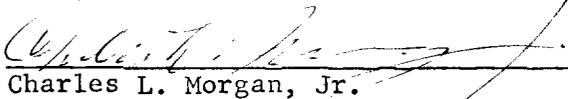
WHEREAS, the undersigned represents that it is the owner of a royalty, overriding royalty or production payment interest, or of a working interest, or both, in one or more of the tracts identified by said Exhibits.

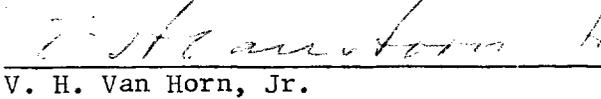
NOW, THEREFORE, the undersigned owner of royalty, overriding royalty or production payment interests only desires to and does hereby ratify, confirm and become a party to said Unit Agreement, and the undersigned owner or working interests only, or the owner of both working interests and royalty, overriding 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.

  
\_\_\_\_\_  
H. L. Landua

  
\_\_\_\_\_  
James L. Morris

  
\_\_\_\_\_  
Charles L. Morgan, Jr.

  
\_\_\_\_\_  
V. H. Van Horn, Jr.

A majority of the duly appointed, qualified and acting  
Independent Executors and Trustees of the Estate of Ralph Lowe, Deceased

THE STATE OF TEXAS    X  
                                  X  
COUNTY OF MIDLAND   X

The foregoing instrument was acknowledged before me this 1st day of March, 1974, by H. L. Landua, Charles L. Morgan, Jr., James L. Morris, and V. H. Van Horn, Jr., a majority of the duly appointed, qualified and acting Independent Executors and Trustees of the Estate of Ralph Lowe, Deceased.

My commission expires:  
June 1, 1975

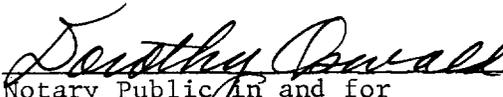
  
\_\_\_\_\_  
Notary Public in and for  
Midland County, Texas

EXHIBIT "B"  
 ROCK LAKE UNIT AREA  
 LEA COUNTY, NEW MEXICO

January 1, 1974

TRACT NO.	DESCRIPTION OF LAND	NO. OF ACRES	SERIAL NO. AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND OWNERSHIP PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND OWNERSHIP PERCENTAGE	WORKING INTEREST AND OWNERSHIP PERCENTAGE
State Leases T22S-R35E N.M.P.M.							
1	Sec. 29: NW/4	160	B-1040-1 HBP	State 12.5%	Amerada-Hess Corp.	None	Amerada-Hess Corp. 100%
2	Sec. 34: NW/4SW/4	40	B-1651-4 HBP	State 12.5%	Getty Oil Co.	None	Getty Oil Company 100%
3	Sec. 28: E/2SE/4	80	B-11644-10 HBP	State 12.5%	Amoco Production Co.	George H. Williams and wife Lois M. Williams 3.125% Gustave Krouse 3.125%	Amoco Production Co. 100%
4	Sec. 22: N/2NW/4	80	E-268-4 HBP	State 12.5%	Cities Service Oil Co.	L. A. Crancer 1.5625% Central Oil Co. 1.5625% O. H. Randel 3.125% Robert E. Boling 1%	Cities Service Oil Co. 100%
5	Sec. 22: S/2 NW/4 Sec. 27: SW/4, SW/4 NE/4	280	E-1625-1 HBP	State 12.5%	Amerada-Hess Corp.	None	Amerada-Hess Corp. 100%
6	Sec. 28: N/2	320	K-4055 4-21-74	State 12.5%	Amoco Production Co.	None	Amoco Production Co. 100%
7	Sec. 33: A11	640	K-4056 4-21-74	State 12.5%	Amoco Production Co.	None	Amoco Production Co. 100%
8	Sec. 21: N/2	320	K-4115 5-19-74	State 12.5%	Allied Chemical Corp.	None	Allied Chemical Corp. 100%

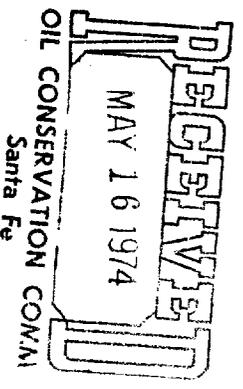
Unit Name ROCK LAKE UNIT (EXPLORATORY)  
 Operator Amoco Production Company  
 County Lea

*Lee*

DATE	OCC CASE NO.	5180	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	SECREGATION FEE	SECREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.	R-4747							
Commissioner	Commission		4-15-74	5,760.00	5,680.00	-0-	80.00	Yes	5 yrs.
4-15-74									

UNIT AREA

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM  
 Sections 20 through 22: All  
 Sections 27 through 29: All  
 Sections 32 through 34: All



Unit Name ROCK LAKE UNIT (EXPLORATORY)  
 Operator AMOCO PRODUCTION COMPANY  
 County IEA

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	DATE	ACREAGE		LESSEE
								RATIFIED	NOT RATIFIED	
1	B-1040-1	C.S.	29	22S	35E	NW/4	4-24-74	160.00		Amerada-Hess Corp.
2	B-1651-4	R.R.	34	22S	35E	NW/4SW/4	<u>NOT COMMITTED</u>		40.00	Getty Oil Company
3	B-11644-10	C.S.	28	22S	35E	E/2SE/4	2-7-74	80.00		Amoco Production Co.
4	E-268-4	C.S.	22	22S	35E	N/2NW/4	3-29-74	80.00		Cities Service Oil Co.
5	E-1625-1	C.S.	22	22S	35E	S/2NW/4 SW/4, SW/4NE/4	4-24-74	280.00		Amerada-Hess Corporati
6	K-4055	C.S.	28	22S	35E	N/2	2-7-74	320.00		Amoco Production Co.
7	K-4056	C.S.	33	22S	35E	A11	2-7-74	640.00		Amoco Production Co.
8	K-4115	C.S.	21	22S	35E	N/2	4-5-74	320.00		Allied Chemical Corp.
9	K-4414	C.S.	29	22S	35E	NE/4	3-1-74	160.00		Gulf Oil Corporation
10	K-4415	C.S.	34	22S	35E	SE/4SW/4	3-1-74	40.00		Gulf Oil Corporation
11	K-4608	C.S.	34	22S	35E	E/2	3-1-74	320.00		Ralph Lowe Est.
12	K-4621	C.S.	22	22S	35E	SE/4 SE/4	3-1-74	320.00		Gulf Oil Corporation
13	K-4681	C.S.	32	22S	35E	NE/4	3-1-74	160.00		Gulf Oil Corporation
14	K-5032	C.S.	22	22S	35E	SW/4 NW/4, N/2NE/4, SE/4NE/4	3-1-74	440.00		Ralph Lowe Estate
15	L-1542-1	C.S.	34	22S	35E	W/2NW/4, SE/4NW/4, NE/4SW/4, SW/4SW/4	3-20-74	200.00		
16	L-1641	C.S.	20	22S	35E	NW/4, W/2NE/4, SE/4NE/4	3-26-74	280.00		Mesa Petroleum Company

Unit Name ROCK LAKE UNIT (EXPLORATORY)  
 Operator AMOCO PRODUCTION COMPANY  
 County IFA

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	DATE	RATIFIED		LESSEE
								ACRES	ACREAGE NOT RATIFIED	
17	L-1926	C.S.	28	22S	35E	SW/4, W/2SE/4	2-7-74	240.00		Amoco Production Co.
18	L-1946	C.S.	32	22S	35E	W/2, SE/4	3-26-74	480.00		Mesa Petroleum Company
19.	L-3383-1	C.S.	29	22S	35E	S/2	3-20-74	320.00		J. C. Barnes
20.	L-5469	C.S.	20	22S	35E	S/2	3-26-74	320.00		Mesa Petroleum Company
21	IG-0358	C.S.	22	22S	35E	NE/4	3-22-74	160.00		BTA Oil Producers
22	IG-0484	C.S.	21	22S	35E	S/2	3-20-74	320.00		Aztec Oil and Gas Co.