

EXHIBIT "B"
TRAIL CANYON UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

February 1, 1974

TRACT NO.	DESCRIPTION OF LAND	NUMBER 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
<u>Federal Acreage</u>							
1	<u>T24S-R23E</u> Sec. 1: SE/4 SE/4	40	NM 10584 10-31-79	USA-A11 12.5%	Amoco Production Company	Howell Spear and Elife Spear - 4%	Amoco Production Co. - 100%
2	Sec. 1: Lots 1,2,3, 4, S/2 N/2, N/2 SE/4, SW/4 SE/4, SW/4	600	NM 12391 9-30-80	USA-A11 12.5%	Marathon	Charles O. Johnson and wife Evelyn C. Johnson - 5%	Marathon Oil Co. - 100%
2 Federal Tracts: 640 acres							
<u>State Acreage</u>							
3	<u>T24S-R23E</u> Sec. 11: A11	640	K-4046 4-21-74	State 12.5%	Amoco Production Company	None	Amoco Production Co. - 100%
4	Sec. 15: N/2, N/2 S/2, S/2 SW/4	560	K-4255 7-21-74	State 12.5%	Southland Royalty Company	None	Southland Royalty Co. -100%
5	Sec. 2: Lots 1,2,3, 4, S/2 N/2, S/2	639.2	LG-277 6-1-82	State 12.5%	Amoco Production Company	None	Amoco Production Co. - 100%
6	Sec. 3: Lots 1,2,3, 4, S/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SW/4, SE/4	559.2	LG-278-1 6-1-82	State 12.5%	Inexco Oil Co.	None	Inexco Oil Co. - 100%

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7	<u>T24S-R23E NMPM</u> Sec. 9: W/2 NW/4, E/2 NE/4, SW/4 NE/4, S/2	520	LG-280-1 6-1-82	State 12.5%	Inexco Oil Co.	None	Inexco Oil Co. - 100%
8	Sec. 10: A11	640	LG-282-1 6-1-82	State 12.5%	Inexco Oil Co.	None	Inexco Oil Co. - 100%
9	Sec. 14: NW/4, N/2 NE/4, SW/4 NW/4, SE/4, N/2 SW/4, SE/4 SW/4	640	LG-283 6-1-82	State 12.5%	P. R. Bass	None	P. R. Bass - 100%
10	Sec. 15: S/2 SE/4						
10	Sec. 16: A11	640	LG-284-1 6-1-82	State 12.5%	Inexco Oil Co.	None	Inexco Oil Co. - 100%
8 State Tracts: 4838.4 acres							

Fee Acreage

11	<u>T24S-R23E NMPM</u> Sec. 3: SW/4 NW/4, NW/4 SW/4 9: E/2 NW/4, NW/4 NE/4	200	4-3-82	Madeline Foster, Individually and Madeline Foster and Sherwood Foster, Co-executors of the Est. of J. B. Foster - 12.5%	None	Inexco Oil Co. - 100%
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12	Sec. 14: SE/4 NE/4, SW/4 SW/4	80	10-9-77		Madeline Foster, Individually and Madeline Foster and Sherwood Foster, Co-executors of the Est. of J. B. Foster - 12.5%	None	Inexco Oil Co. - 100%
2 Fee Tracts: 280 acres							

Federal	640 acres	= 11.12%
State	4838.4 acres	= 84.02
Fee	<u>280</u>	= <u>4.86%</u>
	5758.4	100 %

Unit Name TRAIL CANYON UNIT (EXPLORATORY)
Operator Amoco Production Company
County Eddy County

5181

DATE	OCC CASE NO.	5181	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.	R-4748							

4-9-74	3-15-74	(April 15, 1974)	5,758.4	4,838.4	640.00	280.00	Yes	5 yrs.
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UNIT AREA

TOWNSHIP 24 SOUTH, RANGE 23 EAST, NMPM
Sections 1 through 3: All
Sections 9 through 11: All
Sections 14 through 16: All

Unit Name

TRAIL CANYON UNIT (EXPLORATORY)

Operator

Amoco Production Company

County

Eddy

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	DATE	RATIFIED		ACRES	ACREAGE		LESSEE
											NOT	RATIFIED	
3	K-4046	D.D.&B	11	24S	23E	A11	3-6-74			640.00			Amoco Production Co.
4	K-4255	D.D.&B	15	24S	23E	N/2, N/2S/2, S/2SW/4	4-8-74			560.00			Southland Royalty Co.
5	LG-277	C.S.	2	24S	23E	Lots 1, 2, 3, 4, S/2N/2, S/2	3-6-74			639.2			Amoco Production Co.
6	LG-278-1	D.D.&B	3	24S	23E	Lots 1, 2, 3, 4, S/2NE/4, SE/4NW/4, NE/4SW/4, S/2SW/4, SE/4	3-13-74			559.2			Inexco Oil Company
7	LG-280-1	D.D.&B	9	24S	23E	W/2NW/4, E/2NE/4, SW/4NE/4, S/2	3-13-74			520.00			Inexco Oil Company
8	LG-282-1	D.D.&B	10	24S	23E	A11	3-13-74			640.00			Inexco Oil Company
9	LG-283	D.D.&B	14	24S	23E	NW/4, N/2NE/4, SW/4NE/4, SE/4, N/2SW/4, SE/4SW/4	<u>NOT COMMITTED</u>			640.00			P. R. Bass
			15	24S	23E	S/2SE/4							
10	LG-284-1	C.S.	16	24S	23E	A11	3-13-74			640.00			Inexco Oil Company

