

EXHIBIT "B"
PAVO MESA UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

Page 1 of 2

DATE: March 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 Lands</u>							
1	T16S-R28E Sec. 10: S/2	320	NM-0553787 5-31-74	USA 12.5%	The Rodman Corporation	William H. Moore, Est. C. E. Strange Tesoro Petroleum Corp. 2.5% 2.5% 3%	The Rodman Corp. 100%
2	Sec. 9: N/2, SE/4, E/2 SW/4	560	NM-0558681 1-31-76	USA 12.5%	J. M. Huber Corporation	Thomas Allen Central Southwest Oil (Featherstone Dev. Corp. \$500/acre P/P out of 6.25% which absorbs the above 3% until P/P pays out)	J. M. Huber Corp. 100%
3	Sec. 15: NE/4 NW/4	40	NM-678 10-31-76	USA 12.5%	The Rodman Corporation	Donald W. Jensen Robert L. Haynie Amoco Production Co. 2% 3% 2%	The Rodman Corp. 100%
4	Sec. 15: SW/4	160	NM-679 10-31-76	USA 12.5%	The Rodman Corporation	Ralph E. Smith Amoco Production Co. 3% 4%	The Rodman Corp. 100%
5	Sec. 15: SE/4, E/2 NE/4, NW/4 NE/4	280	NM-1135-B 12-31-76	USA 12.5%	The Rodman Corporation	John Oakason, C. John Perts, and J. Humphrey Russel Amoco Production Co. 3% 4%	The Rodman Corp. 100%
6	Sec. 10: N/2	320	NM-5488 4-30-78	USA 12.5%	The Rodman Corporation	F. Kenneth Millhollen and James V. O'Kane Amoco Production Co. 5% 2%	The Rodman Corp. 100%
6 Tracts			Federal Land 1680 acres				

DATE: March 1, 1974

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State Land							
T16S-R28E							
7	Sec. 9: W/2 SW/4	80	K-5112-3 7-20-75	State 12.5%	Amoco Production Co.	Burk Royalty Co. HANLAD Oil Corp. The Wiser Oil Co. Margaret R. Loffland .375% 1.875% .9375% .9375%	Amoco Prod. Co. 100%
8	Sec. 16: A11	640	L-418 11-21-77	State 12.5%	Amoco Production Co.	None	Amoco Prod. Co. 100%
9	Sec. 15: NW/4 NW/4, SW/4 NE/4	80	L-566 1-16-78	State 12.5%	Amoco Production Co.	None	Amoco Prod. Co. 100%
10	Sec. 15: S/2 NW/4	80	L-4416 4-21-80	State 12.5%	Amoco Production Co.	None	Amoco Prod. Co. 50% Cactus Drilling Corp. of Texas 25% Coquina Oil Corp. 25%

4 Tract State Land 880 acres

Federal Land	1680 acres	=	65.625%
State Land	880 acres	=	34.375%
TOTAL	2560 acres	=	100%



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

February 10, 1975

Amoco Production Company
Attention: Mr. Joe C. Pulido
P.O. Box 3092
Houston, Texas 77001

Gentlemen:

This letter acknowledges receipt of your letter of December 20, 1974, advising that Amoco Production Company, as operator of the Pavo Mesa unit agreement, does not intend to drill a second test well to prevent automatic termination of the unit under the terms of the agreement.

The Pavo Mesa unit agreement, No. 14-08-0001-14161, was approved on May 20, 1974, effective as of the date of approval. The term of the agreement is contingent upon the unit operator drilling one well at a time, allowing not more than six months time 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.

Our records show the first test well was completed as a dry hole on July 29, 1974. The second test well was due to be commenced by January 29, 1975. Inasmuch as the second test well was not commenced, the Pavo Mesa unit agreement is considered to have terminated automatically as of January 29, 1975, pursuant to Section 9 of the agreement.

Sincerely yours,

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:
BLM, Santa Fe
Com. Pub. Lands, Santa Fe
✓ NMOCC, Santa Fe
Area Geologist, Roswell
Artesia

Note to BLM: All committed Federal leases within the Pavo Mesa unit area should be considered for two year extension pursuant to 43 CFR 3107.5, as applicable.

ARStall:ds

ILLEGIBLE

Dec 21

UNIT AREA

TOWNSHIP 16 SOUTH, RANGE 28 EAST, N16PM
Sections 9 and 10: A11
Sections 15 and 16: A11

Unit Name PAVO MESA UNIT (EXPLORATORY)
Operator AMOCO PRODUCTION COMPANY
County EDDY

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED DATE	ACRES	ACREAGE NOT RATIFIED	LESSEE
7	K-51112-3	C.S.	9	16S	28E	W/2SW/4	4-23-74	80.00		Amoco Production Compa
8	L-418	C.S.	16	16S	28E	A11	4-23-74	640.00		Amoco Production Compa
9	L-566	C.S.	15	16S	28E	NW/4NW/4, SW/4NE/4	4-23-74	80.00		Amoco Production Compa
10	L-4416	C.S.	15	16S	28E	S/2NW/4	4-23-74	80.00		Amoco Production Compa

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Unit Name PAVO MESA UNIT -(EXPLORATORY)
Operator AMOCO PRODUCTION COMPANY
County EDDY

DATE	OCC CASE NO.	5222	EFFECTIVE	TOTAL	FEDERAL	INDIAN-FEE	SEGREGATION
APPROVED	OCC ORDER NO.	R-4777	DATE	ACREAGE	STATE	-0-	CLAUSE
Commissioner	4-30-74		5-20-74	2,560.00	880.00	1,680.00	Strict Segregation 5 y Clause

5-17-74

UNIT AREA

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Sections 9 and 10: All
Sections 15 and 16: All

TERMINATED
1-29-75

Unit Name PAVO MESA UNIT (EXPLORATORY)
Operator AMOCO PRODUCTION COMPANY
County EDDY

STATE TRACT NO.	LEASE NO.	INSTI- TUTION	SEC.	TWP.	RGE.	SUBSECTION	RATIFIED		ACREAGE NOT RATIFIED	ACRES	ACREAGE	
							DATE				RATIFIED	LESSEE
7	K-51112-3	C.S.	9	16S	28E	W/2SW/4	4-23-74		80.00			Amoco Production Compar
8	L-418	C.S.	16	16S	28E	All	4-23-74		640.00			Amoco Production Compar
9	L-566	C.S.	15	16S	28E	NW/4NW/4, SW/4NE/4	4-23-74		80.00			Amoco Production Compar
10	L-4416	C.S.	15	16S	28E	S/2NW/4	4-23-74		80.00			Amoco Production Compar

TERMINATED

20: 1-29-75