

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

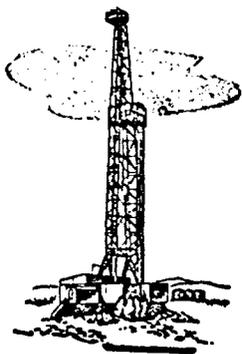
ARTESIA, NEW MEXICO

August 23, 1963

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.



"AIR DRILLING SPECIALISTS"

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Roswell, New Mexico

Mr. E. S. (Johnny) Walker
Land Commissioner
New Mexico State Land Office
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

APPLICATION FOR DETERMINATION

PECOS RIVER DEEP UNIT, EDDY COUNTY, NEW MEXICO

The Pecos River Deep Unit No. 1 well, SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 28, Township 19 South, Range 27 East, Eddy County, New Mexico has been completed as a gas-distillate well producing from the Morrow formation.

We consider this well to have discovered 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).

Mr. John A. Anderson

Page 2

Mr. E. S. (Johnny) Walker

August 23, 1963

Oil Conservation Commission

In support of our contention attached hereto and made a part of this application is a "Preliminary Investigation" of this well by Mr. Ralph L. Gray, Registered Petroleum Engineer, which shows that this well should yield a minimum estimated net profit of \$237,680. As soon as practical a schedule of all unitized land regarded as reasonably proved to be productive of unitized substances in paying quantities will be submitted.

We will appreciate your early determination that a valuable discovery of unitized substances has been made on unitized land by the Pecos River Deep Unit No. 1 well; that the well is capable of producing unitized substances in paying quantities and that the Pecos River Deep Unit will remain in effect for its fixed term and so long thereafter as unitized substances can be produced in paying quantities.

Respectfully,

YATES DRILLING COMPANY, OPERATOR

By Hugh W. Barry

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

September 23, 1963

C
O
P
Y

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Re: Pecos River Deep Unit
Well No. 1

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission concurs with your determination that the Pecos River Deep Unit Well No. 1 (F-28-19S-37E) is capable of producing unitized substances in paying quantities, subject to like concurrence by the United States Geological Survey and the Commissioner of Public Lands.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/og

cc: Commissioner Public Lands - Santa Fe
United States Geological Survey - Roswell



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

September 13, 1963

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Farry

Gentlemen:

Your application dated August 23, 1963, requests that we concur with your determination that Pecos River Deep unit well No. 1 in the SE1/4 sec. 28, T. 19 S., R. 27 E., E.M.P.M., Eddy County, New Mexico, is capable of producing unitized substances in paying quantities and transmits an engineering report to support your determination.

This office concurs that the Pecos River unit well No. 1 is capable of producing unitized substances in paying quantities, subject to like concurrence by the Commissioner of Public Lands and the Oil Conservation Commission. An application for approval of an initial participating area effective July 23, 1963, which we consider to be the date of first production, should be submitted in the near future.

A plan of development, required under Section 19 of the unit agreement, must be timely filed.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON
JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington
Artesia
Comm. Pub. Lands, Santa Fe
N.M.O.C.C., Santa Fe ✓
Accounts
BLM, Santa Fe

September 17, 1963

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Pecos River Deep Unit
Eddy County, New Mexico
Unit Well No. 1

Attention: Mr. Hugh W. Parry

Gentlemen:

Your application dated August 23, 1963 requests that we concur with your determination that Pecos River Deep Unit Well No. 1 is capable of producing unitized substances in paying quantities.

We have received a copy of a letter dated September 13, 1963 from the United States Geological Survey in which they concur with your determination.

The Commissioner of Public Lands also concurs that the Pecos River Deep Unit Well No. 1 is capable of producing unitized substances in paying quantities, subject to like concurrence by the Oil Conservation Commission.

Very truly yours,

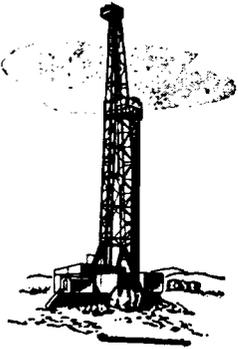
E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v

cc: Oil Conservation Commission

United States Geological Survey



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

September 14, 1963

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

Mr. E. S. (Johnny) Walker
Land Commissioner
New Mexico State Land Office
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Application for
Determination-Pecos
River Deep Unit #1
Dtd. Aug. 23, 1963

Gentlemen:

Enclosed find copy of Determination by
the U S G S on captioned well. Your concurrence
with the U S G S Determination is requested.

Yours very truly,

HWP:brs
Encl.



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

RECEIVED SEP 14 1963

September 13, 1963

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

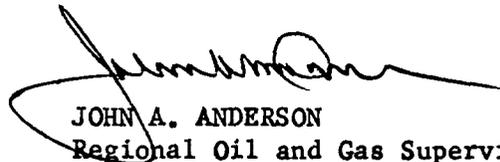
Gentlemen:

Your application dated August 23, 1963, requests that we concur with your determination that Pecos River Deep unit well No. 1 in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 28, T. 19 S., R. 27 E., N.M.P.M., Eddy County, New Mexico, is capable of producing unitized substances in paying quantities and transmits an engineering report to support your determination.

This office concurs that the Pecos River unit well No. 1 is capable of producing unitized substances in paying quantities, subject to like concurrence by the Commissioner of Public Lands and the Oil Conservation Commission. An application for approval of an initial participating area effective July 23, 1963, which we consider to be the date of first production, should be submitted in the near future.

A plan of development, required under Section 10 of the unit agreement, must be timely filed.

Sincerely yours,



JOHN A. ANDERSON
Regional Oil and Gas Supervisor

7627

VILAS P. SHELDON
Consulting Geologist and Registered Land Surveyor
Valuations, Appraisals, Geological Reports, Surveys
801 WEST TEXAS
ARTESIA, NEW MEXICO

December 5, 1952

W. L. Porter, Jr.
Oil Conservation Commission
Box 101
Durbo Co., New Mexico

Dear Sir:

In accordance with provisions of Order No. R 2320 concerning the Pecos River Use Unit, we are submitting and conforming to a part of the Unit Agreement reflecting subscription of those interests having joined or retained.

The Director approved the Unit on December 4, 1952, and it is proposed to start the test well during December.

In question no. 21 arises concerning the well site. In the testimony before the Commission, it was probably mentioned that the test well was to be in the NW 1/4 of Section 25, Township 19 South, Range 27 East. Based on additional geological work we now want to drill in the SE 1/4 of Section 28, Township 19 South, Range 27 East. Since it is provided in the Unit Agreement that the well site be approved by the Commission, we now solicit your approval and we would greatly appreciate a letter to that effect.

Yours very truly,


Vilas P. Sheldon

W. L. P.

W. L. P.

Oil Conservation Commission
Fully Conformed Copy
12-7-62

**UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE PECOS RIVER DEEP UNIT
COUNTY OF EDDY, STATE OF NEW MEXICO**

60-619

THIS AGREEMENT, entered into as of the 15th day of June, 1962, 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 and gas interests in the unit area subject to this agreement; and

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U. S. C. Secs: 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating a cooperative or unit plan of development or operation of any oil or gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; 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 of 1943 as amended by Sec. 1 of Chapter 176, Laws of 1961), 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 (Section 3, Chapter 88, Laws of 1943, as amended Sec. 1, Chapter 162, Laws of 1951) to amend with the approval of the lessee, 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 of 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 (Section 12, Chapter 72, Laws of 1935 as amended Sec. 13, Chapter 168, Laws of 1949, as amended Sec. 1, Chapter 76, Laws of 1953, as amended Sec. 1, Chapter 65, Laws of 1961) to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the Pecos River 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. **ENABLING ACT AND REGULATIONS.** The Mineral Leasing Act of February 25, 1920, as amended, supra, and all valid pertinent regulations, including operating and unit plan regulations, heretofore issued thereunder or valid, pertinent, and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal lands, the oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State in which the non-Federal land is located, are hereby accepted and made a part of this agreement

2. UNIT AREA. The area specified on the map attached hereto marked Exhibit A is hereby designated and recognized as constituting the unit area, containing 17,261.38 acres, more or less.

Exhibit A shows, in addition to the boundary of the unit area, 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 land 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 in said map or schedule as owned by such party. Exhibits A and B shall be revised by the Unit Operator whenever changes in the unit area render such revision necessary, or when requested by the Oil and Gas Supervisor, hereinafter referred to as Supervisor, or when requested by the Commissioner of Public Lands of the State of New Mexico, hereinafter referred to as "Commissioner", and not less than six copies of the revised exhibits shall be filed with the Supervisor and copies thereof shall be filed with the Commissioner and the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission".

The above-described unit area shall when practicable be expanded to include therein any additional tract or tracts regarded as reasonably necessary or advisable for the purposes of this agreement, or shall be contracted to exclude lands not within any participating area whenever such expansion or contraction is necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be effected in the following manner:

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

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

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

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval by the Director, the Commissioner, and the Commission, become effective as of the date prescribed in the notice thereof.

(e) All legal subdivisions of unitized lands (i.e., 40 acres by Government survey or its nearest lot or tract equivalent in instances of irregular surveys, however, unusually large lots or tracts shall be considered in multiples of 40 acres, or the nearest aliquot equivalent thereof, for the purpose of elimination under this subsection), no parts of which are entitled to be in a participating area within five years after the first day of the month following the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective as of the first day thereafter, and such lands shall no longer be a part of the unit area and

shall no longer be subject to this agreement, unless at the expiration of said five year period diligent drilling operations are in progress on unitized lands not entitled to participation, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than 90 days' time elapsing between the completion of one such well and the commencement of the next such well, except that the time allowed between such wells shall not expire earlier than 30 days after the expiration of any period of time during which drilling operations are prevented by a matter beyond the reasonable control of unit operator as set forth in the section hereof entitled "Unavoidable Delay"; provided that all legal subdivisions of land not in a participating area and not entitled to become participating under the applicable provisions of this agreement within 10 years after said first day of the month following the effective date of said first initial participating area shall be eliminated as above specified. Determination of creditable "Unavoidable Delay" time shall be made by Unit Operator and subject to approval of the Director and the Commissioner. The Unit Operator shall, within 90 days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the Director and the Commissioner and promptly notify all parties in interest.

If conditions warrant extension of the 10-year period specified in this subsection 2 (e), a single extension of not to exceed 2 years may be accomplished by consent of the owners of 90% of the current unitized working interests and 60% of the current unitized basic royalty interests (exclusive of the basic 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 oil and gas in the hereinabove specified lands committed to this agreement, as to all formations below the top of the San Andres formation which, for the purpose of this agreement, is identified at 1,397 feet in the Hondo Federal M No. 1 well located in the NW 1/4 SE 1/4 Section 11, Township 20 South, Range 26 East, N.M.P.M., are unitized and designated as unitized substances under the terms of this agreement and said lands shall constitute lands referred to herein as unitized subject to this agreement.

4. UNIT OPERATOR. Yates Drilling Company, a New Mexico 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 six (6) months after notice of intention to resign has been served by Unit Operator on all working interest owners and the Director, the Commissioner, and the Commission, and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment whichever is required by the Supervisor as to Federal Lands and by the Commission as to other lands, 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 duties of Unit Operator, and shall not later than thirty (30) days before such resignation or removal becomes effective appoint a common agent to represent them in any action to be taken hereunder.

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

The 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 Director and the Commissioner.

The resignation or removal of Unit Operator under this agreement shall not terminate its 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 as 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.

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by working interest owners, the owners of the working interests in the participating area or areas according to their respective acreage interests in such participating area or areas, or, until a participating area shall have been established, the owners of the working interests according to their respective acreage interests in all unitized land, shall by 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 are owned by one party to this agreement, a concurring vote of one or more additional working interest owner 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 filed with the Oil and Gas Supervisor and the Commissioner. If no successor Unit Operator is selected and qualified as herein provided, the Director and the Commissioner at their election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interest, 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 "unit operating agreement". Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating 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 inconsistency or conflict between the Unit Agreement and the Unit Operating Agreement, this Unit Agreement shall prevail. Three true copies of any unit operating agreement executed pursuant to this section should be filed with the Supervisor, prior to approval of this Unit Agreement.

8. 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.

9. DRILLING TO DISCOVERY. Within six months after the effective date hereof, Unit Operator shall begin to drill an adequate test well at a location approved by the Supervisor, the Commissioner, and the Commission, unless on such effective date a well is being drilled conformably with the terms hereof, and thereafter continue such drilling diligently until the Pennsylvanian formation has been tested; provided, however, that Unit Operator shall not in any event be required to drill said well to a depth in excess of 11,000 feet. Until the 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 Supervisor, the Commissioner, and the Commission, or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section. The Director and the Commissioner may modify the drilling requirements of this section by granting reasonable extensions of time when, in their opinion, such action is warranted.

Upon failure to comply with the drilling provisions of this section, the Director and 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.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within six months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the Commissioner and the Supervisor an acceptable plan of development and operation for the further drilling and operating obligations of the Unit Operator under this agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the Supervisor, the Commissioner, and the Commission, a plan for an additional specified period for the development and operation of the unitized land, after first being submitted for non-operator's approval.

Any plan submitted pursuant to this section shall provide for the exploration of the unitized area and for the diligent drilling necessary for determination of the area or areas thereof capable of producing unitized substances in paying quantities in each and every productive formation and

shall be as complete and adequate as the Supervisor, the Commissioner, and the Commission, may determine to be necessary for timely development and proper conservation of the oil and gas resources of the unitized area and shall

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

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

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

Plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in complying with the obligations of the approved plan of development. The Supervisor and the Commissioner are authorized to grant a reasonable extension of the 6 month period herein prescribed for submission of an initial plan of development where such action is justified because of unusual conditions or circumstances. After completion hereunder of a well capable of producing any unitized substance in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement or such as may be specifically approved by the Supervisor, the Commissioner, and the Commission, shall be drilled except in accordance with a plan of development approved as herein provided.

11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities or as soon thereafter as required by the Supervisor or the Commissioner, the Unit Operator shall, after first submitting schedule to non-operators for approval, submit for approval by the Director, the Commissioner, and the Commission, a schedule, based on subdivisions of the public-land survey or aliquot parts thereof, of all unitized land then regarded as reasonably proved to be productive of unitized substances in paying quantities; all lands in said schedule on approval of the Director, the Commissioner, and the Commission to constitute a participating area, effective as of the date of completion of such well or the effective date of the unit agreement, whichever is later. The acreages of both Federal and non-Federal lands shall be based upon appropriate computations from the courses and distances shown on the last approved public-land survey as of the effective date of the initial participating area. Said schedule also shall set forth the percentage of unitized substances to be allocated as herein provided to each unitized tract in the participating area so established, and shall govern the allocation of production from and after the date the participating area becomes effective. A separate participating area shall be established in like manner for each separate pool or deposit of unitized substances or for any group thereof produced as a single pool or zone, and any two or more participating areas so established may be combined into one with the consent of the owners of all working interests in the lands within the participating areas so to be combined, on approval of the Director, the Commissioner, and the Commission. The participating area or areas so established shall be revised from time to time, subject to like approval, whenever such action appears proper as a result of further drilling operations or otherwise, to include additional land then regarded as reasonably proved to be productive in paying quantities, or to exclude land then regarded as reasonably proved not to be productive in paying quantities, and the percentage of allocation shall also be revised accordingly. The effective date of any revision shall be the first of the month in which is obtained the knowledge or information on which such revision is predicated; provided, however, that a more appropriate effective date may be used if justified by Unit Operator and approved by the Director, the Commissioner, and the Commission. No land shall be excluded from a participating area on account of depletion of the unitized substances.

It is the intent of this section that a participating area shall represent the area known or reasonably estimated to be productive in paying quantities; but, regardless of any revision of the participating area, nothing herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the revision of the participating area.

In the absence of agreement at any time between Unit Operator, the Director, the Commissioner, and the Commission as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established as provided herein, the portion of all payments affected thereby may be impounded in a manner mutually acceptable to the owners of working interests, except royalties due the United States and the State of New Mexico which shall be determined by the Supervisor, and the Commissioner, and the amount thereof deposited, as directed by the Supervisor and the Commissioner respectively, to be held as unearned money until a participating area is finally approved and then applied as earned or returned in accordance with a determination of the sum due as Federal and State royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the Supervisor as to wells on Federal land, the Commissioner as to wells on State land, and the Commission as to patented land, that a well drilled under this Agreement is not capable of production in paying quantities and inclusion of the land on which it is situated in a participating area is unwarranted, production from such well shall, for the purposes of settlement among all parties other than working interest owners, be allocated to the land on which the well is located so long as such land is not within a participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a well shall be made as provided in the Unit Operating Agreement.

12. ALLOCATION OF PRODUCTION. All unitized substances produced from each participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, camp and other production or development purposes, for repressuring or recycling in accordance with a plan of development approved by the Supervisor, the Commissioner, and the Commission, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of unitized land of the participating area established for such production and, for the purpose of determining any benefits accruing under this agreement, each such tract of unitized land shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area bears to the total acres of unitized land in said participating area, except that allocation of production hereunder for purposes other than for settlement of the royalty, overriding royalty, or payment out of production obligations of the respective working interest owners, shall be on the basis prescribed in the unit operating agreement whether in conformity with the basis of allocation herein set forth or otherwise. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein regardless of whether any wells are drilled on any particular part or tract of said participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from such last-mentioned participating area for sale during the life of this agreement shall be considered to be the gas so transferred until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as constituted at the time of such final production,

13. DEVELOPMENT OR OPERATION OF NON-PARTICIPATING LAND OR FORMATIONS. Any party hereto owning or controlling the working interest in any unitized land having thereon a regular well location may with the approval of the Supervisor as to Federal land or the Commission as to State and patented land, at such party's sole risk, costs, and expense, drill a well to test any formation for which a participating area has not

been established or to test any formation for which a participating area has been established if such location is not within said participating area, unless within 90 days of receipt of notice from said party of his intention to drill the well the Unit Operator elects and commences to drill such a well in like manner as other wells are drilled by the Unit Operator under this agreement.

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

If any well drilled as aforesaid by a working interest owner obtains production in quantities insufficient to justify the inclusion in a participating area of the land upon which such well is situated, such well may be operated and produced by the party drilling the same subject to the conservation requirements of this agreement. The royalties in amount or value of production from any such well shall be paid as specified in the underlying lease and agreements affected.

14. ROYALTY SETTLEMENT. The United States and the State of New Mexico and all royalty owners who, under existing contract, are entitled to take in kind a share of the substances now unitized hereunder produced from any tract, shall hereafter be entitled to the right to take in kind their share of the unitized substances allocated to such tract, and Unit Operator, or in case of the operation of a well by a working interest owner as herein in special cases provided for, such working interest owner, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be made by working interest owners responsible therefor under existing contracts, laws and regulations on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any royalties due under their leases.

If gas obtained from lands not subject to this agreement is introduced into any participating area hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery, which shall be in conformity with a plan first approved by the Supervisor, the Commissioner, and the Commission, a like amount of gas, after settlement as herein provided for any gas transferred from any other participating area and 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 the plan of operations or as may otherwise be consented to by the Supervisor, the Commissioner, and 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.

Royalty due the United States shall be computed as provided in the operating regulations and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal land as provided herein at the rates specified in the respective Federal leases, or at such lower rate or rates as may be authorized by law or regulation; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease. Royalty due on account of State and privately owned lands shall be computed and paid on the basis of all unitized substances allocated to such lands.

15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases committed hereto shall be paid by working interest owners responsible therefor under existing contracts, laws, and regulations, provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any rental or minimum royalty in lieu thereof due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective leases from the United States unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative. Rentals on State of New Mexico lands subject to this agreement shall be paid at the rates specified in the respective leases.

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

16. 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 or Federal law or regulation.

17. DRAINAGE. The Unit Operator shall take appropriate and adequate measures to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement or pursuant to applicable regulations pay a fair and reasonable compensatory royalty as determined by the Supervisor and the Commissioner.

18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development, or operation for oil or gas of lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary as to Federal leases and the Commissioner as to State Leases, shall and each by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal and State leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every part or separately owned tract subject to this agreement, regardless of whether there is any development of any particular part or tract of the unit area, notwithstanding anything to the contrary in any lease, operating agreement or other contract by and between the parties hereto, or their respective predecessors in interest, or any of them.

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

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the Secretary and the Commissioner or duly authorized representatives shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land.

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

(e) Any Federal lease for a fixed term of twenty (20) years or any renewal thereof or any part of such lease which is made subject to this agreement shall continue in force beyond the terms provided therein until the termination hereof. Any other Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the land committed so long as such lease remains subject hereto provided that production is had in paying quantities under this unit agreement prior to the expiration date of the term of such lease, or in the event actual drilling operations are commenced on Unitized land, in accordance with the provisions of this agreement, prior to the end of the primary term of such lease and are being diligently prosecuted at that time, such lease shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities in accordance with the provisions of the Mineral Leasing Act Revision of 1960.

(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its term would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

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

(h) Any lease embracing lands of the State of New Mexico having only a portion of its lands committed hereto, shall be segregated as to the portion committed and the portion not committed, and the terms of such lease shall apply separately to such segregated portions commencing as of the effective date hereof; provided, however, notwithstanding any of the provisions of this agreement to the contrary 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 in such lease, if oil or gas is discovered and is capable of being produced in paying quantities from some part of the lands embraced in such lease at the expiration of the secondary term of such lease; or if, at the expiration of the secondary term, the Lessee or the Unit Operator is then engaged in bona fide drilling or reworking operations on some part of

the lands embraced in such lease, the same, as to all lands embraced therein, shall remain in full force and effect so long as such operations are being diligently prosecuted, and if they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil or gas in paying quantities is being produced from any portion of said lands.

19. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interest 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 of any working interest, royalty, or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

20. EFFECTIVE DATE AND TERM. This Agreement shall become effective upon approval by the Secretary and the Commissioner or their duly authorized representatives and shall terminate five years from said effective date unless

(a) such date of expiration is extended by the Director and the Commissioner; or

(b) it is reasonably determined, prior to the expiration of the fixed term or any extension thereof, that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder and, after notice of intention to terminate the Agreement on such ground is given by Unit Operator to all parties in interest at their last known addresses, the Agreement is terminated with the approval of the Director and the Commissioner; or

(c) a valuable discovery of unitized substances has been made on unitized land during said initial term or any extension thereof, in which event the Agreement shall remain in effect for such term and so long as unitized substances can be produced in paying quantities, i.e., in this particular instance, in quantities sufficient to pay for the cost of producing same from wells on unitized land within any participating area established hereunder 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; or

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

This Agreement may be terminated at any time by not less than seventy-five per cent, on an acreage basis, of the owners of working interests signatory hereto, with the approval of the Director and the Commissioner; notice of any such approval to be given by Unit Operator to all parties hereto.

21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. All unit production and the disposal thereof shall be in conformity with allocations, allotments and quotas made or fixed by any duly authorized person or regulatory body under any Federal or State statute. The Director is hereby vested with authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and within the limits made or fixed by the Commission to alter or modify the quantity and rate of production under this agreement, such authority being hereby

limited to alteration or modification in the public interest, the purpose thereof and the public interest to be served thereby to be stated in the order of alteration or modification; provided, further, that no such alteration or modification shall be effective as to any land of the State of New Mexico as to the rate of prospecting and development in the absence of the specific written approval thereof by the Commissioner and as to any lands of the State of New Mexico or privately-owned lands subject to this agreement as to the quantity and rate of production in the absence of specific written approval thereof by the Commission.

Powers in this section vested in the Director shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than fifteen (15) days from notice.

22. 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 Department of the Interior, the Commissioner of Public Lands of the State of New Mexico and the New Mexico Oil Conservation Commission and to appeal from orders issued under the regulations of said Department, the State Commission or State Commissioner or to apply for relief from any of said regulations or in any proceedings relative to operations before the Department of the Interior, the State Commissioner, or State Commission or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his own expense to be heard in any such proceeding.

23. 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 personally delivered to the party or 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 such other address as any such party may have furnished in writing to party sending the notice, demand or statement.

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

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

26. NONDISCRIMINATION: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of section 301 (1) to (7) inclusive, of Executive Order 10925 (26 F.R. 1977), which are hereby incorporated by reference in this agreement.

26 $\frac{1}{2}$. RECLAMATION LANDS. Nothing in this agreement shall modify the special, Federal-lease stipulations applicable to lands under the jurisdiction of the Bureau of Reclamation.

27. LOSS OF TITLE. In the event title to any tract of unitized land shall fail and the true owner cannot be induced to join in this unit agreement, such tract shall be automatically regarded as not committed

hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title as to any royalty, working interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that as to State land or to Federal land or leases, no payments of funds due the United States or the State of New Mexico should be withheld, but such funds shall be deposited as directed by the Supervisor and the Commissioner, to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

28. NON-JOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the owner of the working interest in that tract may withdraw said tract from this agreement by written notice to the Director, the Commissioner, and the Unit Operator prior to the approval of this agreement by the Director and the Commissioner. Any oil or gas interests in lands within the unit area not committed hereto prior to submission of this agreement for final approval may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this agreement, and, if the interest is a working interest, by the owner of such interest also subscribing to the unit operating agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements or approvals, if any, pertaining to such joinder, as may be provided for in the unit operating agreement. After final approval hereof joinder by a non-working interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such non-working interest. Joinder by any owner of a non-working interest at any time, must be accompanied by appropriate joinder by the owner of the corresponding working interest in order for the interest to be regarded as effectively committed hereto. Joinder to the unit agreement by a working interest owner, at any time, must be accompanied by appropriate joinder to the unit operating agreement, if more than one committed working interest owner is involved, in order for the interest to be regarded as effectively committed to this unit agreement. Except as may otherwise herein be provided subsequent joinders to this agreement shall be effective as of the first day of the month following the filing with the Supervisor and the Commissioner of duly executed counterparts of all or any papers necessary to establish effective commitment of any tract to this agreement unless objection to such joinder is duly made within sixty (60) days by the Director or the Commissioner.

29. 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.

30. NO PARTNERSHIP. It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing in this Agreement contained, expressed or implied, nor any operations conducted hereunder, shall create or be deemed to have created a partnership or association between the parties hereto or any of them.

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

UNIT OPERATOR, and as Working Interest Owner

Vates Drilling Company

Date Sept 29, 1962

by *B. L. Vates*
President

ATTEST *Hugh W. Parry*
Secretary

~~WORKING~~ INTEREST OWNERS

Date _____

Attest _____

Date June 15, 1962

John F. [unclear]
[unclear]

Attest _____

Date June 15, 1962

Margie H. [unclear]
Charles W. [unclear]

Attest _____

Date June 16, 1962

Ernest A. Hansen
Beulah Irene Hanson

Attest _____

Date 7-10-62

A. J. Rains
Anna C. Rains

Attest _____

Date 7-10-62

Wes Wills
Mary E. Wills

Attest _____

Date 7-10-62

George E. Riggs
Edith Riggs

Attest _____

Date 7-23-62

Frank W. Podguchan
Steph C. [unclear]

Attest _____

Date 7-23-62

HONDO OIL & GAS COMPANY
Donald B. [unclear]
VICE PRESIDENT

Attest *William B. [unclear]*
ASST. SECRETARY

Date 7-24-62

Vilas P. [unclear]

Attest _____

Interest Owned

WESTERN DEVELOPMENT COMPANY OF DELAWARE

Date SEP 6 1962

W B Macey
PRESIDENT

ATTEST: J V Komolke
ASSISTANT SECRETARY

Date _____

Attest _____

Date SEP 27 1962

Marty Yates

SEP 27 1962

Attest John A. Yates

Date _____

Attest _____

Date SEP 27 1962

S. F. Yates

SEP 27 1962

Attest Ernest H. Yates

Date SEP 27 1962

Harvey E. Yates

SEP 27 1962

Attest Ernest H. Yates

Date SEP 27 1962

Ernest H. Yates

SEP 27 1962

Attest Rose Miller

Date _____

Attest _____

Date SEP 27 1962

YATES PETROLEUM CORPORATION
809 CARPER BLDG - ALBUQUERQUE, NEW MEXICO

by S. F. Yates
President

Attest Ernest H. Yates
Asst. Secretary

Date _____

~~Attest~~ YATES BROTHERS

Date SEP 27 1962

by Marty Yates

SEP 27 1962

by S. F. Yates

Date SEP 27 1962

by Harvey E. Yates

SEP 27 1962

by John A. Yates

Interest Owners
~~OTHER PARTIES~~

Date August 20, 1962

RICHARDSON OILS, INC.

~~Attest~~ By: *E.W. Simpson*
President

~~Attest~~

Attest *Marquitta Wright*
Secretary

Date August 20, 1962

DELBASIN CORPORATION

~~Attest~~ By: *E.W. Simpson*
Vice President

~~Attest~~

Attest *H.P. Inman*
Secretary

Date August 20, 1962

Perry E. Bass
PERRY E. BASS

~~Attest~~

Date August 20, 1962

Nancy Lee Bass
NANCY LEE BASS

~~Attest~~ FAIR OIL COMPANY

Date August 30, 1962

By *James W. Fair*
President

Attest *Marvin D. Nelson*
Secretary

Date SEP 27 1962

Walter W. Perry

Attest _____

Date SEP 27 1962

Madelene L. Perry

Attest _____

Date _____

Attest _____

Date _____

Attest _____

Date _____

Attest _____

Interested Owners
OTHER PARTIES

Date August 20, 1962

RICHARDSON OILS, INC

By: [Signature]
President

Date _____

Attest: [Signature]
Secretary

Date August 20, 1962

DELEMAN CORPORATION

By: [Signature]
Vice President

Date _____

Attest: [Signature]
Secretary

Date August 20, 1962

[Signature]
PERRY A. BASS

Date August 20, 1962

[Signature]
NAD Y LEE BASS
KODAK PAID OIL COMPANY

Date August 30, 1962

By: [Signature]

Date SEP 3, 1962

Attest: [Signature]

Date SEP 1, 1962

Attest: [Signature]

Date _____

Date _____

Date NOV 2, 1962

Attest: [Signature]

ILLEGIBLE

STATE OF NEW MEXICO)
COUNTY OF Chaves)

On this 15th day of June, 1962, before me personally appeared Carl & Martha Featherstone, who executed the foregoing instrument.

My commission expires:
My Commission Expires Oct 26-1963

Dorothy E. Chasmer
Notary Public

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing instrument was acknowledged before me this 23rd day of July, 1962 by Donald B. Anderson VICE PRESIDENT, HONDO OIL & GAS COMPANY on behalf of said corporation.

My commission expires:
6-30-64

H. E. Hemington
Notary Public

STATE OF New Mexico)
COUNTY OF Chaves)

On this 15th day of June, 1962, before me personally appeared Charles W. Hester and Margie H. Hester, who executed the foregoing instrument.

My commission expires:

Dorothy E. Chasmer
Notary Public

STATE OF NEW MEXICO :83
COUNTY OF DOY

On this 19th day of July, 1962, before me personally appeared, A. H. Johns and his wife Sina C. Rains, Neil H. Mills and his wife, Mary B. Mills, George D. Riggs and his wife, Edith Riggs, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

My Commission Expires:
28 May 1966

S. J. Frost
Notary Public

STATE OF New Mexico)
COUNTY OF Chaves)

On this 5th day of June, 1962, before me personally appeared Conrad A. W. Bueckler, Gene Hanson who executed the foregoing instrument.

My commission expires:

Amerson B. Prohantler
Notary Public

STATE OF New Mexico)
COUNTY OF Eddy)

The foregoing instrument was acknowledged before me this 27th day of September, 1962 by S. P. Yates, President, Yates Petroleum Corporation on behalf of said corporation.

My commission expires:
MY COMMISSION EXPIRES 12/15/63

Frank W. [Signature]

STATE OF NEW MEXICO)
 :
COUNTY OF EDDY)

On this 27th day of September 1962, before me personally appeared James O. Miller, Rose Miller, Martin Yates III, Lillie M. Yates, Harvey E. Yates, Louise D. Yates, S. P. Yates, Estelle H. Yates, Hugh W. Parry, Madeline L. Parry, who executed the foregoing instrument.

My commission expires 12-15-63

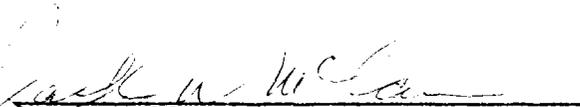


Notary Public in and for Eddy County

STATE OF NEW MEXICO)
 :
COUNTY OF EDDY)

The foregoing instrument was acknowledged before me this 27th day of September 1962, by S. P. Yates, President, Yates Drilling Company, on behalf of said corporation.

My commission expires: 12-15-63

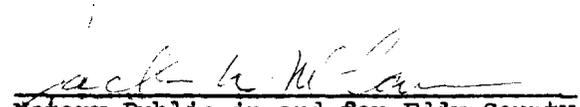


Notary Public in and for Eddy County

STATE OF NEW MEXICO)
 :
COUNTY OF EDDY)

The foregoing instrument was acknowledged before me this 27th day of September 1962, by S. P. Yates, Harvey E. Yates, Martin Yates III, and John A. Yates, partners, in behalf of Yates Brothers, a partnership.

My commission expires: 12-15-63



Notary Public in and for Eddy County

STATE OF NEW MEXICO)

COUNTY OF Eddy)

On this 27th day of July, 1962, before me personally appeared Erica F. Sheldon, who executed the foregoing instrument.

My commission expires: 8-8-64 Louise Laugherty
Notary Public

STATE OF COLORADO)

COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 6 day of September, 1962 by W. B. MACFY PRESIDENT, WESTERN DEVELOPMENT COMPANY OF DELAWARE on behalf of said corporation.

My Commission expires November 25, 1964
My commission expires: Carole L. Paradise
Notary Public

STATE OF NEW MEXICO)

COUNTY OF EDDY)

The foregoing instrument was acknowledged before me this 23rd day of July, 1962 by Stephen C. Helbing and Frank W. Podpechan, partners, in behalf of Helbing and Podpechan, a partnership.

My commission expires: 8-8-64 Louise Laugherty
Notary Public

COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 1962 by _____, on behalf of said corporation.

My commission expires: _____
Notary Public

STATE OF)

COUNTY OF)

On this _____ day of _____, 1962, before me personally appeared _____, who executed the foregoing instrument,

My commission expires: _____
Notary Public

STATE OF)

COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 1962 by _____, on behalf of said corporation.

My commission expires: _____
Notary Public

STATE OF NEW MEXICO)
COUNTY OF)

On this _____ day of _____, 1962, before me personally appeared _____, who executed the foregoing instrument.

My commission expires: _____
Notary Public

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____, PRESIDENT, of _____ of the COUNTY OF _____ on behalf of said corporation.

November 25, 1964
My commission expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____)
STATE OF NEW MEXICO)

On this _____ day of _____, 1962, before me personally appeared _____, who executed the foregoing instrument was acknowledged before me this 23rd day of July, 1962 by Stanton C. Holbing and Frank W. Podpackin, partners, in behalf of Holbing and Podpackin, a partnership.

My commission expires: 8-8-64
Notary Public

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____)

On this _____ day of _____, 1962, before me personally appeared _____, who executed the foregoing instrument.

My commission expires: _____
Notary Public

STATE OF _____)
COUNTY OF _____)

ILLEGIBLE

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.
My commission expires: _____
Notary Public

STATE OF ~~NEIGHBOR~~ TEXAS)
COUNTY OF TARRANT)

On this 20th day of August, 1962, before me personally appeared PERRY R. BASS, who executed the foregoing instrument.

My commission expires:

Joan Barnhart
Notary Public

June 1, 1963

STATE OF TEXAS)
COUNTY OF TARRANT)

The foregoing instrument was acknowledged before me this 20th day of August, 1962 by E. W. Sampson President, RICHARDSON OILS, INC. on behalf of said corporation.

My commission expires:

June 1, 1963

Joan Barnhart
Notary Public

STATE OF TEXAS)
COUNTY OF TARRANT)

On this 20th day of August, 1962, before me personally appeared NANCY LEE BASS, who executed the foregoing instrument.

My commission expires:

June 1, 1963

Joan Barnhart
Notary Public

STATE OF TEXAS)
COUNTY OF TARRANT)

The foregoing instrument was acknowledged before me this 20th day of August, 1962 by E. W. Sampson, Vice President, DELBASIN CORPORATION on behalf of said corporation.

My commission expires:

June 1, 1963

Joan Barnhart
Notary Public

STATE OF)
COUNTY OF)

On this _____ day of _____, 1962, before me personally appeared _____, who executed the foregoing instrument.

My commission expires:

Notary Public

STATE OF TEXAS)
COUNTY OF SMITH)

The foregoing instrument was acknowledged before me this 30th day of August, 1962 by James W. Fair, President, FAIR OIL COMPANY on behalf of said corporation.

My commission expires:

June 1, 1963

W. W. Fair

CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

~~FROM LIVER HAD UNIT~~

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 Aug. 18, 1942 which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

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

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

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 4th day of October 19 42.


Commissioner of Public Lands
of the State of New Mexico

CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of whichever may be required under prior agreements, oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinafter set forth.

Date September 11th, 1962

Anna E. Barrow

ATTEST:

Secretary

STATE OF NEW MEXICO)

§§

COUNTY OF DONA ANA)

On this 11th day of September, 1962, before me personally appeared Anna E. Barrow, a widow, who executed the foregoing instrument.

My commission expires: June 12th, 1963

Notary Public

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires: _____

CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinbelow set forth.

Date

9-17-1963

Aileen T. Taylor
Frank F. Taylor

ATTEST:

Secretary

STATE OF NEW MEXICO

COUNTY OF Chaves

On this 30th day of September, 1962, before me personally appeared Aileen T. Taylor and Frank F. Taylor who executed the foregoing instrument, her husband.

My commission expires: 5/16/64

[Signature]
Notary Public

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires:

CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinafter set forth.

Date September 12, 1962

Elizabeth C. Flynn
Continental Illinois National Bank
and Trust Company of Chicago, as
Trustee Under Will of Wm. D. Flynn, Decd.

ATTEST: J. P. [Signature]
Assistant Secretary

[Signature]
Vice President

STATE OF ~~NEW MEXICO~~)
ILLINOIS)
COUNTY OF COLES)

BE CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO executes this instrument not in its individual capacity, but solely in its capacity as trustee without covenants of warranty of any kind, express or implied, regardless of any provision hereof.

On this 12th day of September, 1962, before me personally appeared Elizabeth C. Flynn, who executed the foregoing instrument.

My commission expires: 2-20-65

[Signature]
Notary Public

STATE OF ILLINOIS
COUNTY OF COOK

The foregoing instrument was acknowledged before me this 25th day of September, 1962, by H. O. STAULTZ, on behalf of said ~~corporation~~ Bank as Trustee aforesaid.

My commission expires: May 9, 1963

Estelle B. Spauth
Notary Public

CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinafter set forth.

Date _____

C.A. Hobbs
Hazel Hobbs

ATTEST: _____
 Secretary

STATE OF NEW MEXICO)
)
 COUNTY OF EDDY)

On this 17th day of September, 1962, before me personally appeared C.A. Hobbs & Hazel Hobbs, his wife, who executed the foregoing instrument.

My commission expires: 28 May 66 _____
 Notary Public

STATE OF _____)
)
 COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires _____

**CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO**

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinbelow set forth.

Date November 14, 1962
November 14, 1962

[Signature]
Peggy R Jennings

ATTEST:
Secretary

STATE OF NEW MEXICO
COUNTY OF EDDY

On this 14th day of November, 1962, before me personally appeared Howard M. Jennings and Peggy R. Jennings, who executed the foregoing instrument.

My commission expires: June 1, 1963

[Signature]
Notary Public

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires: _____
Notary Public

CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of Sept, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinafter set forth.

Date SEP 14 1962

E. A. Metzger
Mary Metzger

ATTEST:

Secretary
STATE OF NEW MEXICO
COUNTY OF Mountain

On this 14th day of Sept, 1962, before me personally appeared E. A. Metzger & Mary Metzger who executed the foregoing instrument.

My commission expires Jan. 18, 1963

Jean E. ...
Notary Public

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires: _____
Notary Public

CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinafter set forth.

Date _____

Grace J. Lomen

[Signature]

ATTEST:

Secretary

STATE OF NEW MEXICO)

COUNTY OF)

On this 14 day of September, 1962, before me personally appeared Grace J. Lomen, who executed the foregoing instrument;

My commission expires: 9-2-67

[Signature]

Notary Public

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires: _____

CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinbelow set forth.

Date 5 December 1962

Babours
N. A. Babours, Solo Notary-at-Law
of Katherine J. Babours, Decedent
and Helen M. Babours, Decedent

ATTEST:
Secretary

STATE OF NEW MEXICO)
)
COUNTY OF EDDY)

On this 5th day of December, 1962, before me personally appeared N. A. Babours, who executed the foregoing instrument,

My commission expires: 10-22-66

Katherine C. Parry
Notary Public

STATE OF _____)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires: _____

Notary Public

CONSENT AND RATIFICATION
 TO
 UNIT AGREEMENT FOR THE DEVELOPMENT OF
 PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinafter set forth.

Date Sept. 7, 1962 Robert E. King
Clara E. King

ATTEST: _____
 Secretary

NEW YORK
 STATE OF ~~NEW YORK~~)
 68
 COUNTY OF NEW YORK)

On this 7th day of September, 1962, before me personally appeared Robert E. King & Clara E. King who executed the foregoing instrument.

My commission expires: _____
 STATE OF _____
 COUNTY OF _____

Ralph D. Buckle
 Notary Public

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires: _____

CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinbelow set forth.

Date 9.10.62

Mary J Ballard

ATTEST: _____
Secretary

STATE OF ~~NEW~~ TEXAS
COUNTY OF Eldorado

On this 10th day of September, 1962, before me personally appeared Mary J Ballard, who executed the foregoing instrument.

My commission expires 6-1-63
I, Eric Bauer, Notary Public, in and for the State of Texas, do hereby certify that my commission expires June 1, 1963.

Eric Bauer
Notary Public

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires: _____

CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinbelow set forth.

Date September 5, 1962

R. C. Altrogge

September 5, 1962

Joy Altrogge

ATTEST:

Secretary

COLORADO)
STATE OF ~~NEW MEXICO~~)
COUNTY OF EDDY)

On this 5th day of September, 1962, before me personally appeared R. C. Altrogge & Joy Altrogge, who executed the foregoing instrument.

My commission expires: 4-26-65

James B. Farrell
Notary Public

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinbelow set forth.

Date _____

[Signature]

ATTEST: _____

Secretary

STATE OF NEW MEXICO

COUNTY OF EDDY

On this 1st day of SEPTEMBER, 1962, before me personally appeared V. S. WELCH, who executed the foregoing instrument;

My commission expires: 11/8/66

[Signature]
Notary Public

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires: _____

CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the terms of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinafter set forth:

Date 6-15-62

Pauline A. Brunel Galt

ATTEST:
Secretary

STATE OF NEW MEXICO)
COUNTY OF Eddy)

On this 15th day of September, 1962, before me personally appeared Pauline A. Brunel Galt, who executed the foregoing instrument;

My commission expires: 5-28-66

[Signature]
Notary Public

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires: _____

CONSENT AND RATIFICATION
TO
UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinbelow set forth.

Date September 24, 1962

Floy Fletcher Culbertson
C. L. Culbertson

ATTEST: _____
Secretary

STATE OF ~~NEW MEXICO~~ (Arizona)
COUNTY OF MARICOPA

On this 24th day of September, 1962, before me personally appeared Floy Fletcher Culbertson and C. L. Culbertson, who executed the foregoing instrument.

My commission expires: Nov. 15, 1963

Arthur Tanning
Notary Public

STATE OF ARIZONA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ on behalf of said corporation.

My commission expires:

5

CONSENT AND RATIFICATION

TO

UNIT AGREEMENT FOR THE DEVELOPMENT OF
PECOS RIVER DEEP UNIT, EDDY COUNTY, STATE OF NEW MEXICO

In consideration of the execution of that certain Unit Agreement for the Development of the Pecos River Deep Unit, Eddy County, New Mexico, dated the 15th day of June, 1962, a copy of which has been delivered to the undersigned, the undersigned owners of lands or interests in lands or of royalties or other interests in production from lands, lying within the boundaries of the Unit Area described and designated in said Unit Agreement, hereby severally, each to the extent of his, her, or its particular ownership or interest, consent to commitment of said lands to said Unit Agreement, approve, adopt, ratify, and confirm the terms of said Unit Agreement and any modifications thereof approved by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements as applicable to their respective lands, royalties and interests in all things with the same force and effect as if the undersigned had duly executed said Unit Agreement and said modifications, and specifically agree that the term of any lease, sublease, or contract relating to the operation and development for oil or gas from any lands within said Unit Area, given or entered into by the undersigned or under which the undersigned claim an interest, is extended, modified, and amended to the extent necessary to make the same conform to the terms of said Unit Agreement; that the drilling and development requirements of all leases, subleases, and other contracts in which their several rights and interests are created or defined shall, as to all lands lying within said Unit Area, be deemed fully performed by performance of the provisions of said Unit Agreement, and that payment for or delivery of (whichever may be required under prior agreements) oil and of the proceeds of gas duly made upon the basis of production, allocated under said Unit Agreement to the particular lands to which such rights or interests apply, regardless of actual production therefrom, shall constitute full performance of all such obligations to the undersigned existing under such leases, subleases or other contracts.

This Consent and Ratification shall become effective and be binding upon each party executing the same (regardless of whether or not it is executed by all or any of the other parties to said Pecos River Deep Unit Agreement) upon the approval of said Unit Agreement by the Director of the United States Geological Survey or other Federal officer authorized to approve Unit Agreements.

With respect to and for the purposes of this agreement each of the undersigned hereby releases and waives any right of homestead.

EXECUTED the day and year hereinafter set forth.

Date 10-23-62

Harvey M. Smith
Betty Ruth Wright

SECRET:
Secretary

STATE OF NEW MEXICO

COUNTY OF EDDY

On this 23rd day of October, 1962, Harvey M. Smith and Betty Ruth Wright, who with personally appeared _____, who executed the foregoing instrument.

My commission expires: NOV 15 1962

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 1962, by _____ or behalf of said corporation.

My commission expires:

EXHIBIT "A"

PECOS RIVER DEEP
EDDY COUNTY, NEW MEXICO

SCALE 1" = 2000'

17,261.36 acres

Oct 25, 1962

LEGEND

- Tract Number ○
- Unit Boundary ———
- Federal Land □
- State Land □
- Fee Land □

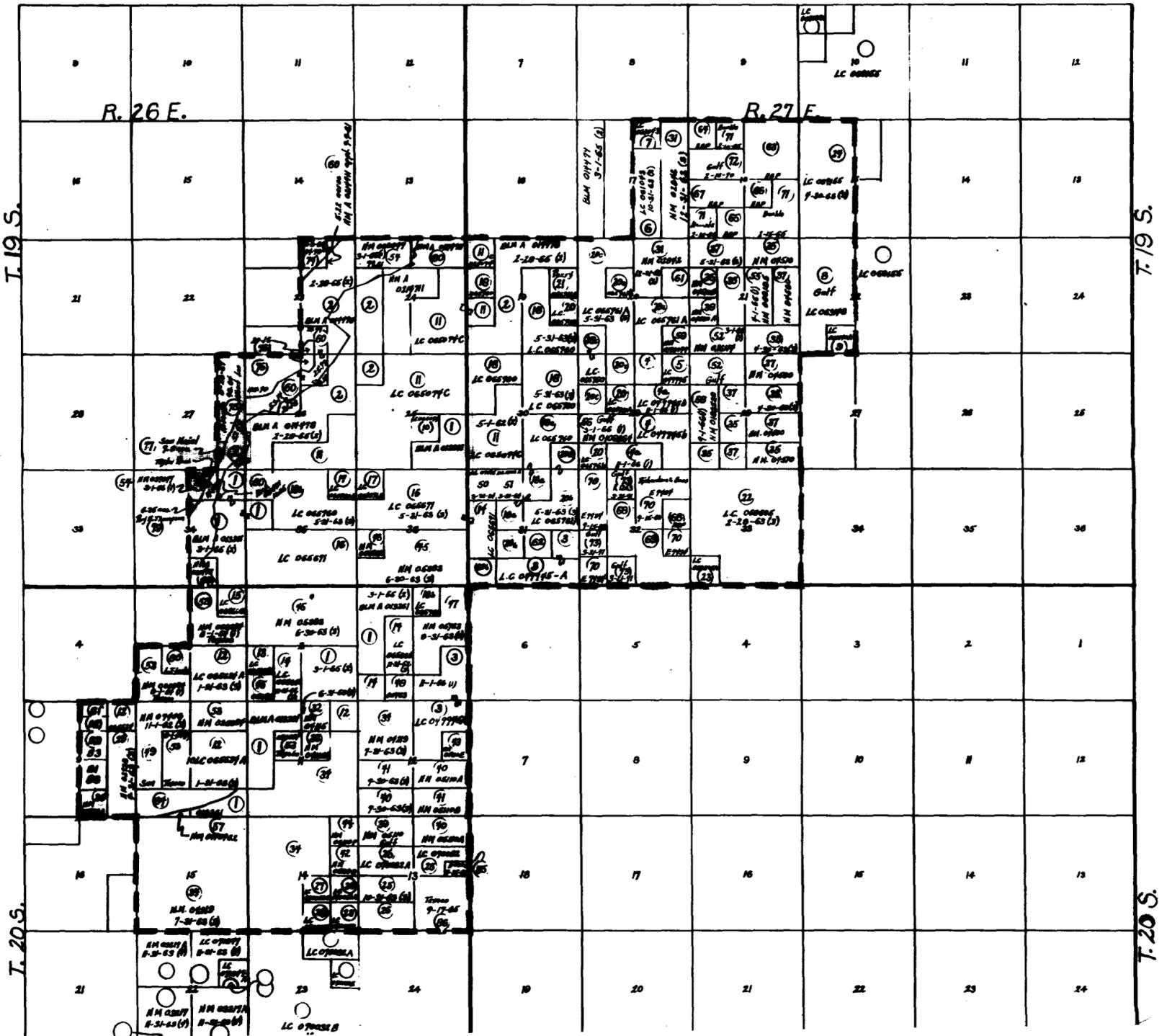


EXHIBIT "B" (Cont'd)

Tract No.	Description of Land	No of Acres	Serial No & Expiration Date Lease	Basic Royalty & Percentage	Lessee of Record	Oil Payments, Overriding Royalties and Percentage	Record Working Interest and Percentage	Working Interest Participation and Percentage
3.	Las Cruces Serials T 19S, R 27E, N.M.P.M. Sec 31: E/2 SE/4, SW/4 SE/4, SE/4 SW/4	400.	LC 049945 a 12-1-69	U.S.A. Schedule "C"	Katherine J Bowers	ORR Yates Bros 7% ORR Helen Bowers 3 3/4% ORR Harvey Yates 7/8ths of 1% ORR J H & S M Yates 7/8ths of 1%	Atkins 5% Stroup 10% S P Yates 10% Thelma Yates 10% Mary E Yates 20% Martin Yates Jr 25% Martin Yates III 10% Emmons 5% William Dooley 5%	Yates Petri 40% S P Yates 10% Harvey Yates 15% J H & S M Yates 5% Martin Yates III 10% Emmons Heirs 5% Helen Bowers 5% William Dooley 5% Bush 5%
4.	T 19S, R 27E, N.M.P.M. Sec 29: NW/4 NE/4, N/2 SE/4, SE/4 SE/4 (Rights to depth of 2500')	160.*	LC 049945 b 11-1-71	U.S.A. Schedule "D"	Katherine J Bowers	ORR Yates Bros 6 1/4% ORR Helen Bowers 1 1/4% ORR V P Sheldon 7 1/2% OP \$5000. out of 5% to Yates Bros.	Fair Oil Co 100%	E H Yates 37 1/2% J O Miller 12 1/2% Fair Oil Co 50%
4a.	T 19S, R 27E, N.M.P.M. Sec 29: NW/4 NE/4, N/2 SE/4, SE/4 SE/4 (Rights below 2500')	160.	LC 049945 b 11-1-71	U.S.A. Schedule "D"	Katherine J Bowers	ORR Helen Bowers 1 1/4% ORR Yates Bros 6 1/4%	Atkins 5% Stroup 10% S P Yates 10% Thelma Yates 10% Mary E Yates 20% Martin Yates Jr 25% Martin Yates III 10% Emmons 5% William Dooley 5%	Yates Petri 40% S P Yates 10% Harvey Yates 15% J H & S M Yates 5% Martin Yates III 10% Emmons Heirs 5% Helen Bowers 5% William Dooley 5% Bush 5%
4a.	T 19S, R 27E, N.M.P.M. Sec 29: S/2 NE/4, SE/4 SW/4, SW/4 SE/4	160.	LC 049945 b 11-1-71	U.S.A. Schedule "D"	Katherine J Bowers	ORR Yates Bros 6 1/4% ORR Helen Bowers 1 1/4%	Atkins 5% Stroup 10% S P Yates 10% Thelma Yates 10% Mary E Yates 20% Martin Yates Jr 25% Martin Yates III 10% Emmons 5% William Dooley 5%	Yates Petri 40% S P Yates 10% Harvey Yates 15% J H & S M Yates 5% Martin Yates III 10% Emmons Heirs 5% Helen Bowers 5% William Dooley 5% Bush 5%

* See explanatory footnote Recapitulation Exhibit "B"

EXHIBIT "B" (Cont'd)

Tract No.	Description of Land	No of Acres	Serial No. & Expiration Date Lease	Basic Royalty & Percentage U.S.A. Schedule "D"	Lessee of Record	Oil Payments, Overriding Royalties and Percentage	Record Working Interest and Percentage	Working Interest Participation and Percentage
5.	T 19S, R 27E, N.M.P.M. Sec 29: NE/4 NE/4	40.	LC 049945 c 11-1-71	U.S.A. 12 1/2% Schedule "D"	E. H. Yates & J. O. Miller	ORR Hellem Bowers 1 1/4% ORR Yates Bros 6 1/4% ORR Bertha Wright 1 1/2%	E H Yates 75% J O Miller 25%	E H Yates 75% J O Miller 25%
6.	T 19S, R 27E, N.M.P.M. Sec 17: SW/4 NE/4, W/2 SE/4	120.	LC 061043 10-31-63 (3)	U.S.A. 12 1/2%	O F Featherstone	ORR Mary I Ballard 1/2 of 1 1/4%	O F Featherstone 100%	O F Featherstone 100%
7.	T 19S, R 27E, N.M.P.M. Sec 17: NW/4 NE/4	40.	LC 061043 D	U.S.A. 12 1/2%	Charles Hicks	ORR Mary I Ballard 1/2 of 1 1/4%	Charles Hicks 100%	Charles Hicks 100%
8.	T 19S, R 27E, N.M.P.M. Sec 22: W/2 W/2, E/2 NW/4, NE/4 SW/4	280.	LC 063148 11-30-63 (3)	U.S.A. 12 1/2%	Gulf Oil Corp	ORR B S Triggs 5%	Gulf Oil Corp 100%	Gulf Oil 100%
9.	T 19S, R 27E, N.M.P.M. Sec 22: SE/4 SW/4	40.	LC 063148 A 11-30-63 (3)	U.S.A. 12 1/2%	Yates Petrol Corp	ORR B S Triggs 5%	Yates Petrol 100%	Yates Petrol 100%
10.	T 19S, R 26E, N.M.P.M. Sec 25: NW/4 SE/4	40.	LC 065074 3-31-64 (3)	U.S.A. 12 1/2%	A H Rains	A H Rains * 5%	A H Rains 100%	A H Rains 50% Fair Oil .18495 Gulf Oil .08020 S P Yates .17775 J O Miller .05710
11.	T 19S, R 26E, N.M.P.M. Sec 24: SE/4 NE/4, SE/4 Sec 25: NE/4, SW/4, E/2 NW/4, SW/4 NW/4 Sec 26: E/2 SE/4, SE/4 SW/4, SW/4 SE/4 T 19S, R 27E, N.M.P.M. Sec 19: Lots 1, 3 (79.22) Sec 30: Lots 3, 4 (78.56) SE/4 NW/4, E/2 SW/4	1077.78	LC 065074 C 3-31-64 (3)	U.S.A. 12 1/2%	Neil H Wills	Neil H Wills* 5%	Neil H Wills 100%	Neil H Wills 50% Fair Oil .18495 Gulf Oil .08020 S P Yates .17775 J O Miller .05710

* To be reserved as ORR or OP

EXHIBIT "B" (Cont'd)

Tract No.	Description of Land	No of Acres	Serial No & Expiration Date Lease	Basic Royalty & Percentage	Lessee of Record	Oil Payments, Overriding Royalties and Percentage	Record Working Interest and Percentage	Working Interest Participation and Percentage
12.	T 20S, R 26E, N.M.P.M. Sec 3: SE/4 Sec 9: NE/4 NE/4 Sec 10: S/2 NE/4, N/2 SE/4 Sec 11: NE/4 NE/4	400.	LC 065524 A Ext 1-31-63 (3)	U.S.A. 12 1/2%	Fair Oil Co, E. H. Yates, V. P. Sheldon, & J. O. Miller	ORR C A & Hazel Hobbs 3% ORR V P Sheldon 4 1/2%	Fair Oil Co 40% E H Yates 30% J O Miller 10% V P Sheldon 20%	Fair Oil Co 50% E H Yates 37 1/2% J O Miller 12 1/2%
13.	T 20S, R 26E, N.M.P.M. Sec 2: NW/4 SW/4	40.	LC 065524 B Ext 1-31-63 (3)	U.S.A. 12 1/2%	Hugh W Parry	ORR C A & Hazel Hobbs 3% ORR Hugh W Parry 2%	Hugh W Parry 100%	Harvey Yates 50% Martin Yates III 50%
14.	T 20S, R 26E, N.M.P.M. Sec 1: SW/4 SW/4, SE/4 NW/4, NE/4 SW/4 Sec 2: E/2 SW/4	200.	LC 065665 Ext 12-31-62 (3)	U.S.A. 12 1/2%	Fair Oil Co, E H Yates, J O Miller, & V P Sheldon	ORR V P Sheldon 7 1/2%	Fair Oil Co 40% E H Yates 30% J O Miller 10% V P Sheldon 20%	Fair Oil 50% E H Yates 37 1/2% J O Miller 12 1/2%
15.	T 20S, R 26E, N.M.P.M. Sec 3: NE/4 NE/4	39.91	LC 065665 A Ext 12-31-62 (3)	U.S.A. 12 1/2%	Hugh W Parry	ORR Hugh W Parry 5%	Hugh W Parry 100%	Harvey Yates 50% Martin Yates III 50%
16.	T 19S, R 26E, N.M.P.M. Sec 35: S/2 Sec 36: NE/4, E/2 NW/4 SW/4 SW/4	673.64	LC 065671 Ext 5-31-63 (3)	U.S.A. 12 1/2%	Fair Oil Co, V P Sheldon,	ORR V P Sheldon 7 1/2%	Fair Oil Co 40% J O Miller 10% E H Yates 30% V P Sheldon 20%	Fair Oil Co 50% J O Miller 12 1/2% E H Yates 37 1/2%
17.	T 19S, R 26E, N.M.P.M. Sec 36: NW/4 NW/4	40.	LC 065671 A Ext 5-31-63 (3)	U.S.A. 12 1/2%	Hugh W Parry	ORR Hugh W Parry 5%	Hugh W Parry 100%	Harvey Yates 50% Martin Yates III 50%
18.	T 19S, R 27E, N.M.P.M. Sec 19: SW/4 NW/4 (39.62), SW/4 NE/4, NW/4 SE/4, S/2 SE/4 Sec 30: NE/4, NE/4 NW/4, W/2 NW/4 (78.72)	478.34	LC 065760 Ext 5-31-63 (3)	U.S.A. 12 1/2%	Fair Oil Co., V P Sheldon, J O Miller, & E H Yates	ORR V P Sheldon 4 1/2% ORR O F Featherstone 2.7% ORR Floy Dell Fletcher 0.3%	Fair Oil 40% E H Yates 30% J O Miller 10% V P Sheldon 20%	Fair Oil Co 50% J O Miller 12 1/2% E H Yates 37 1/2%

EXHIBIT "B" (Cont'd)

Tract No.	Description of Land	No of Acres	Serial No & Expiration Date Lease	Basic Royalty & Percentage U.S.A.	Lessee of Record	Oil Payments, Overriding Royalties and Percentage	Record Working Interest and Percentage	Working Interest Participation and Percentage
18a.	T 19S, R 27E, N.M.P.M. Sec 30: N/2 SE/4, SW/4 SE/4 Sec 31: NW/4 NE/4, SE/4 NW/4	200.	LC 065760 Ext 5-31-63 (3)	U.S.A. 12 1/2%	Fair Oil Co., V P Sheldon, J O Miller, E H Yates	ORR Grace Flowers 0.3% ORR O F Featherstone 2.7% ORR V P Sheldon 4 1/2%	Fair Oil Co E H Yates J O Miller V P Sheldon	Fair Oil E H Yates J O Miller
18b.	T 19S, R 26E, N.M.P.M. Sec 35: NW/4 NW/4, E/2 NW/4, W/2 NE/4, SE/4 NE/4	280.	LC 065760 Ext 5-31-63 (3)	U.S.A. 12 1/2%	Fair Oil Co, E H Yates, J O Miller, V P Sheldon	ORR V P Sheldon 7 1/2%	Fair Oil Co E H Yates J O Miller V P Sheldon	Fair Oil Co E H Yates J O Miller
18c.	T 19S, R 27E, N.M.P.M. Sec 20: SW/4 SW/4 Sec 29: NW/4 NW/4	80.	LC 065760 Ext 5-31-63 (3)	U.S.A. 12 1/2%	Fair Oil Co, J O Miller, E H Yates, V P Sheldon	ORR V P Sheldon 4 1/2% ORR SM Crosby Est. 1-35% ORR Mary I Ballard 0.3% ORR O F Featherstone 1-35%	Fair Oil Co E H Yates J O Miller V P Sheldon	Fair Oil Co E H Yates J O Miller
19.	T 19S, R 26E, N.M.P.M. Sec 35: NE/4 NE/4	40.	LC 065760 A 5-31-63 (3)	U.S.A. 12 1/2%	Hugh W Parry	ORR Hugh W Parry 5%	Hugh W Parry	Harvey Yates 50% Martin Yates III 50%
20.	T 19S, R 27E, N.M.P.M. Sec 19: NE/4 SE/4 Sec 29: SE/4 NW/4, SW/4 SW/4	120.	LC 065761 A Ext 5-31-63 (3)	U.S.A. 12 1/2%	R W Fair, J. O. Miller, E. H. Yates, & V. P. Sheldon	ORR O F Featherstone 2-7% ORR Elroy Dell Fletcher 0.3% ORR V P Sheldon 4 1/2%	R W Fair E H Yates J O Miller V P Sheldon	R W Fair E H Yates J O Miller
20a.	T 19S, R 27E, N.M.P.M. Sec 20: SE/4 NW/4, N/2 SE/4, SW/4 SE/4	160.	LC 065761 A Ext 5-31-63 (3)	U.S.A. 12 1/2%	V P Sheldon, R W Fair, E H Yates, & J O Miller	ORR V P Sheldon 4 1/2% ORR T B Know 90% ORR Sinah Goode .3% ORR S W Crosby .90% ORR O F Featherstone .90%	R W Fair E H Yates J O Miller V P Sheldon	R W Fair E H Yates J O Miller
20b.	T 19S, R 27E, N.M.P.M. Sec 30: SE/4 SE/4 Sec 31: E/2 NE/4, SW/4 NE/4, NE/4 SW/4, SW/4 SW/4 (35.01)	235.01	LC 065761 A Ext 5-31-63 (3)	U.S.A. 12 1/2%	V P Sheldon, R W Fair, E H Yates, & J O Miller	ORR Grace Flowers .3% ORR V P Sheldon 4 1/2% ORR O F Featherstone 2.7%	R W Fair E H Yates J O Miller V P Sheldon	E H Yates 37 1/2% R W Fair 50% J O Miller 12 1/2%

EXHIBIT "B" (Cont'd)

Tract No.	Description of Land	No of Acres	Serial No. & Expiration Date Lease	Basic Royalty & Percentage U.S.A.	Lessee of Record	Oil Payments, Overriding Royalties, and Percentages	Record Working Interest and	Working Interest Participation and Percentages
20c.	T 19S, R 27E, N.M.P.M. Sec 20: N/2 NW/4, SW/4 NW/4, N/2 SW/4, SE/4 SW/4 Sec 29: NE/4 NW/4, SW/4 NW/4	320.	LC 065761 A Ext 5-31-63 (3)	U.S.A. 12 1/2%	R W Fair, E H Yates, J O Miller, & V P Sheldon	ORR Mary I Ballard .3% ORR S W Crosby Est 1.35% ORR O F Featherstone 1.35% ORR V P Sheldon 4 1/2%	R W Fair 40% E H Yates 30% J O Miller 10% V P Sheldon 20%	R W Fair 37 1/2% E H Yates 37 1/2% J O Miller 12 1/2%
21.	T 19S, R 27E, N.M.P.M. Sec 19: SE/4 NE/4	40.	LC 065761 B Ext 5-31-63 (3)	U.S.A. 12 1/2%	Hugh W. Parry	ORR Hugh W Parry 2% ORR Floy Dell Fletcher -3% ORR O F Featherstone 2.7%	Hugh W Parry 100%	Harvey Yates 50% Martin Yates, III 50%
22.	T 19S, R 27E, N.M.P.M. Sec 33: N/2, SE/4, E/2 SW/4, NW/4 SW/4	600.	LC 068695 2-28-63 (3)	U.S.A. 12 1/2%	H. W. Jennings	ORR SW Crosby Est 1.35% ORR A T Taylor -3% ORR H W Jennings -5% ORR Martha Featherstone 1.35%	H W Jennings 100%	Richardson Oils 50% P R Bass 16 2/3 J O Miller .03807 Orr Oil .05346 Fair Oil .12330 S P Yates .11850
23.	T 19S, R 27E, N.M.P.M. Sec 33: SW/4 SW/4	40.	LC 06895 A 2-28-63 (3)	U.S.A. 12 1/2%	Delbasin Corp	ORR A T Taylor -3% ORR SW Crosby Est 1.35% ORR H W Jennings -5% ORR Martha Featherstone 1.35%	Delbasin Corp 100%	Delbasin 66 2/3 Gulf Oil .05346 Fair Oil .12330 S F Yates .11850 J O Miller .03807
24.	T 19S, R 27E, N.M.P.M. Sec 15: W/2	320.	LC 069155 4-30-63 (3)	U.S.A. 12 1/2%	Hondo Oil & Gas, Western Development Co	ORR O F Featherstone 2.25% ORR E A Metzger .125% ORR Heirs of Lucille Metzger .125%	Hondo Oil 50% Western Dev 50%	Hondo Oil 50% Western Dev 50%
25.	T 20S, R 26E, N.M.P.M. Sec 13: N/2 SE/4 NE/4, SW/4 NE/4, N/2 SW/4 Sec 14: SE/4 SE/4	180.	LC 070032 10-31-63 (3)	U.S.A. 12 1/2%	Gulf Oil Corp	OP \$500.00 acre out of 5% Pauline A Galt 10% Neil H Wills 45% Geo D Riggs 45%	Gulf Oil Corp 100%	Gulf Oil 100%
26.	T 20S, R 26E, N.M.P.M. Sec 13: S/2 NW/4, S/2 SW/4 Sec 14: NE/4 SE/4	200.	LC 070032 A 10-31-63 (3)	U.S.A. 12 1/2%	E H Yates, J O Miller, & Martin Yates III	ORR Pauline Bunnell .5% ORR Neil H Wills .75% ORR SW Crosby Est .75%	J O Miller 16/23 E H Yates 50% Martin Yates III 1/3	J O Miller 16 2/3% E H Yates 50% M Yates III 33 1/3%

EXHIBIT "B" (Cont'd)

Tract No.	Description of Land	No of Acres	Serial No & Expiration Date Lease	Basic Royalty & Percentage	Lessee of Record	Oil Payments, Overriding Royalties and Percentages	Record Working Interest and Percentage	Working Interest Participation and Percentage
27.	T 20S, R 26E, N.M.P.M. Sec 14: NW/4 SE/4	40.	LC 070032 C 10-31-63	USA 12 1/2%	GULF OIL CORP	OPR Pauline Bunnel .5% OPR Neil H Wills .75% OPR SW Crosby Est .75%	GULF OIL 100%	GULF OIL 100%
28.	T 20S, R 26E, N.M.P.M. Sec 14: SW/4 SE/4	40.	LC 070032 D 10-31-63 (3)	USA 12 1/2%	S P Yates	OP \$500.00 acre out of 5% Henry D Galvin 10% Geo D Riggs 45% Neil H Wills 45%	S P Yates 100%	J O Miller 16 2/3% S P Yates 50% Martin Yates III 33 1/3%
Sub-Total Las Cruces Serials 7124.68								
New Mexico Serials								
29	T 20S, R 26E, N.M.P.M. Sec 9: SE/4 NE/4, E/2 SE/4	120.	NM 02738 7-31-63 (3)	U.S.A. 12 1/2%	J O Miller, E H Yates, V P Sheldon, & Fair Oil Co.	ORR V P Sheldon 4 1/2% ORR A E Barrow 3%	Fair Oil Co 40% E H Yates 30% J O Miller 10% V P Sheldon 20%	Fair Oil Co 50% S P Yates 37 1/2% J O Miller 12 1/2%
30	T 20S, R 26E, N.M.P.M. Sec 9: SW/4 SE/4	40.	NM 02738 A 7-31-63 (3)	U.S.A. 12 1/2%	Hugh W Parry	ORR Hugh W Parry 2% ORR A E Barrow 3%	Hugh W Parry 100%	Harvey Yates 50% Martin Yates III 50%
31	T 19S, R 27E, N.M.P.M. Sec 17: E/2 E/2 Sec 20: N/2 NE/4, SW/4 NE/4	280.	NM 02842 12-31-62 (3)	U.S.A. 12 1/2%	Hondo Oil & Gas	OP out of 1/16th of 8/8ths to Robert E. King	Hondo Oil 100%	Hondo Oil 100%
32	T 20S, R 26E, N.M.P.M. Sec 11: NW/4 NE/4	40.	NM 04115 6-30-63 (3)	U.S.A. 12 1/2%	V P Sheldon, Fair Oil Co, E H Yates, & J O Miller	ORR Elsie Gorman 1 1/2% ORR V P Sheldon 4 1/2% ORR Wm Dooley .5% ORR Martha Featherstone 1.5%	Fair Oil Co 40% E H Yates 30% J O Miller 10% V P Sheldon 20%	Fair Oil Co 50% E H Yates 37 1/2% J O Miller 12 1/2%
33	T 20S, R 26E, N.M.P.M. Sec 11: SW/4 NE/4	40.	NM 04115 A 6-30-63 (3)	U.S.A. 12 1/2%	Hugh W Parry	ORR Elsie Gorman 1% ORR Hugh W Parry 2% ORR Wm Dooley .5% ORR O F Featherstone 1.5%	Hugh W Parry 100%	Harvey Yates 50% Martin Yates III 50%

EXHIBIT "B" (Cont'd)

Tract No	Description of Land	No of Acres	Serial No. & Expiration Date Lease	Basic Royalty & Percentage U.S.A.	Lessee of Record	Oil Payments, Overriding Royalties and Percentages	Record Working Interest and Percentage	Working Interest Participation and Percentage
34.	T 20S, R 26E, N.M.P.M. Sec 11: SE/4 NE/4, SE/4, E/2 SW/4, SW/4 SW/4 Sec 12: NW/4 Sec 14: W/2, W/2 NE/4 Sec 15: all	1520.	NM 04219 7-31-63 (3)	U.S.A. 12 1/2%	Hondo Oil & Gas	ORR Elsie Gorman 1% ORR Wm Dooley .5% ORR Martha Featherstone 1.5%	Hondo Oil & Gas 100%	Hondo Oil 100%
35.	T 19S, R 27E, N.M.P.M. Sec 21: N/2 NE/4, SE/4 NW/4, NE/4 SW/4, S/2 SE/4 Sec 28: S/2 NE/4, NE/4 SW/4, SW/4 SW/4, S/2 SW/4	480.	NM 04510 4-30-63 (3)	U.S.A. 12 1/2%	Fair Oil Co, V P Sheldon, & E H Yates, & J O Miller	ORR Jessie Boulter 2% ORR V P Sheldon 5 1/2%	Fair Oil Co 40% E H Yates 30% J O Miller 10% V P Sheldon 20%	Fair Oil Co 50% E H Yates 37 1/2% J O Miller 12 1/2%
36.	T 19S, R 27E, N.M.P.M. Sec 21: SW/4 NW/4	40.	NM 04510 B 4-30-63 (3)	U.S.A. 12 1/2%	Hugh W Parry	ORR Hugh W Parry 3% ORR Jessie Boulter 2%	Hugh W Parry 100%	Harvey Yates 50% Martin Yates III 50%
37.	T 19S, R 27E, N.M.P.M. Sec 21: N/2 NW/4, SE/4 NE/4, NE/4 SE/4 Sec 28: N/2 NE/4, N/2 SE/4, SE/4 NW/4, SE/4 SW/4	400.	NM 04560 5-31-63 (3)	U.S.A. 12 1/2%	E H Yates, & J O Miller	ORR Jessie Boulter 2%	E H Yates 75% J O Miller 25%	E H Yates 75% J O Miller 25%
38.	T 19S, R 27E, N.M.P.M. Sec 21: NW/4 SW/4	40.	NM 04560 A 5-31-63 (3)	U.S.A. 12 1/2%	Hugh W Parry	ORR Hugh W Parry 3% ORR Jessie Boulter 2%	Hugh W Parry 100%	Harvey Yates 50% Martin Yates III 50%
39.	T 20S, R 26E, N.M.P.M. Sec 13: N/2 NW/4	80.	NM 05110 9-30-63	U.S.A. 12 1/2%	Gulf Oil Corp.	OP \$500.00 acre out of 5% Henry D Galvin 10% Neil H Wills 45% Geo D Riggs 45%	GULF OIL CORP 100%	GULF OIL CORP 100%
40.	T 20S, R 26E, N.M.P.M. Sec 12: N/2 SE/4, S/2 SW/4 Sec 13: N/2 NE/4	240.	NM 05110 A 9-30-63 (3)	U.S.A. 12 1/2%	E H Yates, J O Miller, & Martin Yates III	ORR Henry D Galvin .5% ORR Neil H Wills .75% ORR Geo D Riggs .75%	E H Yates 50% J O Miller 16 2/3% Martin Yates III 33 1/3%	E H Yates 50% J O Miller 16 2/3% Martin Yates III 33 1/3%

EXHIBIT "B" (Cont'd)

Tract No.	Description of Land	No. of Acres	Serial No & Expiration Date Lease	Basic Royalty & Percentage USA	Oil Payments, Overriding Royalties and Percentages	Record Working Interest and Percentage	Working Interest Participation and Percentage
41.	T 20, R 26E, N.M.P.M. Sec 12: S/2 SE/4, N/2 SW/4	160.	NM 05110 B 9-30-63 (3)	USA 12 1/2%	OP \$50.00 per acre out of 1/2 of 1% Henry D Galvin	Neil H Wills 100%	Neil H Wills 25% Geo D Riggs 25% Gulf Oil .08020 S P Yates .17775 Fair Oil .18495 J O Miller .05710
42.	T 20S, R 26E, N.M.P.M. Sec 14: SE/4 NE/4	40.	NM 05110 D 9-30-63 (3)	U.S.A. 12 1/2%	OP \$500. per acre out of 5% Henry Galvin 10% Neil H Wills 45% Geo D Riggs 45%	S P Yates 100%	S P Yates 50% J O Miller 16 2/3 Martin Yates III 33 1/3
43.	T 20S, R 26E, N.M.P.M. Sec 12: SE/4 NE/4	40.	NM 05110 E 9-30-63 (3)	U.S.A. 12 1/2%	OP \$50. per acre out of 1/2 of 1% Henry D Galvin	Geo D Riggs 100%	Neil H Wills 25% Geo D Riggs 25% Gulf Oil .08020 S P Yates .17775 Fair Oil .18495 J O Miller .05710
44.	T 20S, R 26E, N.M.P.M. Sec 14: NE/4 NE/4	40.	NM 05110 F 10-1-63 (3)	U.S.A. 12 1/2%	OP \$50. per acre out of 1/2 of 1% Henry D Galvin	Gulf Oil Corp 100%	Gulf Oil Corp 100%
45.	T 19S, R 26E, N.M.P.M. Sec 36: N/2 SE/4, S/2 S/2, NE/4 SW/4 T 20S, R 26E, N.M.P.M. Sec 2: Lots 1, 2, 3, 4, S/2 N/2, SW/4 SW/4	640.36	NM 05393 6-30-63 (3)	U.S.A. 12 1/2%	ORR Henry D Galvin 5% ORR Neil H Wills 75% ORR Geo D Riggs 75% ORR V P Sheldon 7 1/2%	Gulf Oil Corp 100%	Radnor Oil Co 50% E H Yates 37 1/2% J O Miller 12 1/2%
46.	T 19S, R 26E, N.M.P.M. Sec 36: NW/4 SW/4	40.	NM 05393 A 6-30-63 (3)	U.S.A. 12 1/2%	ORR Hugh W Parry 5%	Hugh W Parry 100%	Harvey Yates 50% Martin Yates III 50%
47.	T 20S, R 26E, N.M.P.M. Sec 1: E/2 NE/4, SW/4 NE/4, NW/4 SE/4	160.	NM 05723 8-31-63 (3)	U.S.A. 12 1/2%	none	John H Trigg 100%	John H Trigg 100%

EXHIBIT "B" (Cont'd)

Tract No.	Description of Land	No. of Acres	Serial No. & Expiration Date Lease	Basic Royalty & Percentage Lessee of Record	Oil Payments, Overriding Royalties and Percentages	Record Working Interest and Percentage	Working Interest Participation and Percentage
48.	T 20S, R 26E, N.M.P.M. Sec 1: SE/4 SW/4	40.	NW 05723 A 8-31-63 (3)	U.S.A. 12 1/2% Lynn V Waggoner	None	Lynn V Waggoner 100%	Lynn V Waggoner 100%
49.	T 20S, R 26E, N.M.P.M. Sec 10: N/2 NW/4 SW/4 NW/4, NW/4 SW/4	160.	NM 07406 10-31-62	U.S.A. 12 1/2% Sun Oil Company	ORR Peggy Baetz 3%	Sun Oil Company 100%	Sun Oil Co 100%
50.	T 19S, R 27E, N.M.P.M. Sec 31: Lot 1	38.63	NM 07816 3-31-64 (3)	U.S.A. 12 1/2% A H Rains	A H Rains * 5%	A H Rains 100%	A H Rains 50% Gulf Oil .08020 Fair Oil .18495 S F Yates .17775 J O Miller .05710
51.	T 19S, R 27E, N.M.P.M. Sec 31: NE/4 NW/4	40.	NM 07816 A 3-31-64 (3)	U.S.A. 12 1/2% Neil H Wills	Neil H Wills* 5%	Neil H Wills 100%	Neil H Wills 50% Gulf Oil .08029 Fair Oil .18495 S F Yates .17775 J O Miller .05710
52.	T 19S, R 27E, N.M.P.M. Sec 21: S/2 SW/4 Sec 28: N/2 NW/4	160.	NM 026114 2-28-67	U.S.A. 12 1/2% Gulf Oil Corp	OP \$600. per acre out of 5% to J R & Rose M Monroe	Gulf Oil Corp 100%	Gulf Oil 100%
53.	T 20S, R 26E, N.M.P.M. Sec 3: Lot 2 (39.36) S/2 NE/4, NW/4 SW/4, S/2 SW/4 Sec 10: N/2 NE/4, NE/4 SW/4, SE/4 NW/4 Sec 11: SE/4 NW/4	439.36	NM 036894 7-31-64	U.S.A. 12 1/2% Texaco	OP \$500. per acre out of 3% to Neil H Wills	Texaco 100%	Texaco 100%
54.	T 19S, R 26E, N.M.P.M. Sec 24: NW/4 NW/4 and 37.61 acres in NE/4 NW/4 Sec 34: 14.45 acres in NW/4 NE/4	92.06	NM 039847 2-28-66	U.S.A. 12 1/2% Hoover H Wright	ORR Hoover Wright 5%	Hoover Wright 100%	Gulf Oil Corp 100%

* To be reserved as ORR or OP

EXHIBIT "B" (Cont'd)

Tract No.	Description of Land	No. of Acres	Serial No. & Expiration	Basic Royalty & Percentage U.S.A.	Oil Payments, Overriding Royalties and Percentages	Record Working Interest and Percentages	Working Interests Participation and Percentage
55.	T 19S, R 27E, N.M.P.M. Sec 21: SW/4 NE/4, NW/4 SE/4	80.	MM 025195 3-31-65 (1)	U.S.A. 12 1/2% Marcel Livaudais, Jr.	Oil Payments, Overriding Royalties and Percentages Marcel Livaudais, Jr. 100%	Record Working Interest and Percentages Marcel Livaudais, Jr. 100%	Working Interests Participation and Percentage Gulf Oil Corp 100%
56.	T 19S, R 27E, N.M.P.M. Sec 29: N/2 SW/4	80.	MM 019254 4-30-71	U.S.A. 12 1/2% Gulf Oil Corp.	Oil Payments, Overriding Royalties and Percentages OFR John & Betty Snyder 3%	Record Working Interest and Percentages Gulf Oil Corp 100%	Working Interests Participation and Percentage Gulf Oil Corp 100%
57.	T 20S, R 26E, N.M.P.M. Sec 10: Land east of River in S/2 SW/4	6.85	MM 0321609 Appl 10-8-62	U.S.A. 12 1/2% Hoover Wright	Oil Payments, Overriding Royalties and Percentages none	Record Working Interest and Percentages Hoover Wright 100%	Working Interests Participation and Percentage Hoover Wright 100%
58.	T 19S, R 27E, N.M.P.M. Sec 28: SW/4 NW/4, NW/4 SW/4	80.	MM 0192530 8-31-71	U.S.A. 12 1/2% Marcel Livaudais, Jr.	Oil Payments, Overriding Royalties and Percentages OFR Marcel Livaudais, Jr. 5%	Record Working Interest and Percentages Marcel Livaudais, Jr. 100%	Working Interests Participation and Percentage Gulf Oil Corp 100%
59.	T 19S, R 27E, N.M.P.M. Sec 20: SE/4 SE/4	40.	MM 0198079 Appl 7-20-61	U.S.A. 12 1/2% B J Bradshaw	Oil Payments, Overriding Royalties and Percentages none	Record Working Interest and Percentages B J Bradshaw 100%	Working Interests Participation and Percentage B J Bradshaw 100%
60.	T 19S, R 26E, N.M.P.M. Sec 23: 5.22 acres NW/4 NE/4 31.79 acres SW/4 SE/4 Sec 24: N/2 NE/4, SW/4 NE/4, SE/4 NW/4, E/2 SW/4, 2.13 acres in NE/4 NW/4 Sec 26: 28.05 acres in NW/4 NE/4, 74.3 acres in NW/4 Sec 34: N/2 NE/4 (10.05) SW/4 NE/4 (1.4) and SW/4 SE/4	432.11	MM A-0214711 Appl 9-7-61	U.S.A. 12 1/2% George E Conley	Oil Payments, Overriding Royalties and Percentages none	Record Working Interest and Percentages George E Conley 100%	Working Interests Participation and Percentage George E Conley 100%
61.	T 19S, R 27E, N.M.P.M. Sec 20: SE/4 NE/4	40.	MM 0256078 4-30-72	U.S.A. 12 1/2% R C Altrogge	Oil Payments, Overriding Royalties and Percentages OFR R C Altrogge 5%	Record Working Interest and Percentages R C Altrogge 100%	Working Interests Participation and Percentage John A Yates 100%

EXHIBIT "B" (Cont'd)

Tract No.	Description of Land	No. of Acres	Serial No. & Expiration Date Lease	Basic Royalty & Percentage U.S.A.	Lessee of Record	Oil Payments, Overriding Royalties and Percentages	Record Working Interest and Percentage	Working Interest Participation and Percentage	
62.	T 19S, R 27E, N.M.P.M. Sec 31: NW/4 SE/4	40.	NM 0301980 8031-67 (1)	12 1/2% U.S.A. 12 1/2%	Hoover Wright	None	Hoover Wright 100%	S P Yates 100%	
Sub-Total - New Mexico Serials		6209.37							
TOTAL FEDERAL ACREAGE		15,258.70	acres or 88.3979% of Unit Area						
STATE OF NEW MEXICO LEASES									
63.	T 19S, R 27E, N.M.P.M. Sec 16: NE/4 Rights below 500' below top of San Andres	160.	648 HBP	State of N.M. 12 1/2%	Hondo Oil & Gas, Western Dev Co, & Yates Petrol Co	OP V S Welch 1/32 of 118/144 OP William Flynn 1/32 of 118/144	Hondo Oil & Gas 50% Western Dev 46/144 Yates Petrol 26/144	Hondo Oil 50% Western Dev 46/144 Yates Petrol 26/144	
64.	T 19S, R 27E, N.M.P.M. Sec 16: NE/4 Rights above a point 500' below top of San Andres	160*	648 HBP	State of N.M. 12 1/2%	Hondo Oil & Gas, Western Dev Co, & Yates Petrol Co	OP V S Welch 1/32 of 118/144 OP William Flynn 1/32 of 118/144	Western Dev 95/144 Yates Petrol 49/144	Western Dev 95/144 Yates Petrol 49/144	
65.	T 19S, R 27E, N.M.P.M. Sec 16: NW/4 NW/4	40.	B 7298 HBP	State of N.M. 12 1/2%	Hondo Oil & Gas, Western Dev Co	ORR C E Baker 4% OP Robert E King \$15,000. out of 1/16th of 8/8ths	Western Dev Co 50% Hondo Oil & Gas 50%	Western Dev Co 50% Hondo Oil & Gas 50%	
66.	T 19S, R 27E, N.M.P.M. Sec 16: NW/4 SE/4	40.	B 7690 HBP	State of N.M. 12 1/2%	Hondo Oil & Gas, Western Dev Co	ORR T M Schuppell 4% OP Robert E King \$15,000. out of 1/16th of 8/8ths	Western Dev Co 50% Hondo Oil & Gas 50%	Western Dev Co 50% Hondo Oil & Gas 50%	
67.	T 19S, R 27E, N.M.P.M. Sec 16: N/2 SW/4	80.	E 874 HBP	State of N.M. 12 1/2%	Hondo Oil & Gas, Western Dev Co	OP Robert E King \$15,000. out of 1/16th of 8/8ths ORR Lillian V Browne 1/32	Western Dev Co 50% Hondo Oil & Gas 50%	Western Dev Co 50% Hondo Oil & Gas 50%	

* See explanatory footnote Recapitulation Exhibit B

EXHIBIT "B" (Cont'd)

Tract No.	Description of Land	No. of Acres	Serial No. & Expiration Date Lease	Basic Royalty & Percentage State of N.M.	Oil Payment, Overriding Royalties and Percentages	Record Working Interest and Percentage	Working Interest Participation and Percentage
68.	T 19S, R 27E, N.M.P.M. Sec 32: SE/4 NE/4, SE/4 NW/4, NE/4 SW/4	120.	E 916 HBP	State of N.M. 12 1/2%	None	E A Hanson 2/3 Yates Petr Co 1/3	E A Hanson 2/3 Yates Petr 1/3
Rights below 1000'							
69.	T 19S, R 27E, N.M.P.M. Sec 32: S/2 SE/4, NW/4 SE/4	120.	E 916 HBP	State of N.M. 12 1/2%	None	Yates Petr 1/3 O F Featherstone 2/3	Yates Petr 1/3 O F Featherstone 2/3
Rights below 1000'							
70.	T 19S, R 27E, N.M.P.M. Sec 32: N/2 NE/4, SW/4 NE/4, W/2 NW/4, NE/4 SE/4, SW/4 SW/4	280.	E 7434 9-15-63	State of N.M. 12 1/2% & Perry R Bass	None	Richardson Oils 50% Perry R Bass 16 2/3% Gulf Oil .05346 Fair Oil .12330 S P Yates .11850 J O Miller .03807	Richardson Oils 50% Perry R Bass 16 2/3% Gulf Oil .05346 Fair Oil .12330 S P Yates .11850 J O Miller .03807
Rights below 1000'							
71.	T 19S, R 27E, N.M.P.M. Sec 16: NE/4 NW/4, SW/4 SW/4, NE/4 SE/4, S/2 SE/4	200.	E 8828 2-15-65	State of N.M. 12 1/2%	None	Humble Oil	Humble Oil 100%
72.	T 19S, R 27E, N.M.P.M. Sec 16: S/2 NW/4	80.	K 206 2-16-70	State of N.M. 12 1/2%	None	Gulf Oil Corp	Gulf Oil Corp 100%
73.	T 19S, R 27E, N.M.P.M. Sec 32: NE/4 NW/4, NW/4 SW/4, SE/4 SW/4	120.	K 1253 3-21-71	State of N.M. 12 1/2%	None	Gulf Oil Corp	Gulf Oil Corp 100%

TOTAL STATE ACREAGE 1,280 acres or 7.41540% of Unit Area

EXHIBIT "B" (Cont'd)

Tract No.	Description of Land	No. of acres	Serial No. & Expiration Date Lease	Basic Royalty & Percentage	Lessee of Record	Oil Payment, Overriding Royalties and Percentages	Record Working Interest and Percentage	Working Interest Participation and Percentage
74.	<u>FREE LANDS</u> T 19S, R 26E, N.M.P.M. Sec 23: 34.78 acres in NW/4 NE/4, and 5.6 acres in NE/4 NE/4	40.38	12-3-65	Marie Lyman 1/8th	Helbing and Podpechan	ORR Jonathan & Rex Spear 1/32 of 8/8 of 1/2	Helbing & Podpechan 50% Fair Oil .18495 Gulf Oil .08020 S P Yates .17775 J O Miller .05710	Helbing & Podpechan 50% Fair Oil .18495 Gulf Oil .08020 S P Yates .17775 J O Miller .05710
75.	T 19S, R 26E, N.M.P.M. Sec 27: 95.64 acres in E/2 NE/4, NE/4 SE/4	93.64	8-23-67	Albert Lee 1/8th	Atlantic Oil	None	Atlantic Oil 100%	Atlantic Oil 100%
76.	T 19S, R 26E, N.M.P.M. Sec 23: SW portion SW/4 SE/4 Sec 26: NW portion NW/4 NE/4 and north part NW/4	105.86		R G Bartch 1/12 of 1/8th J Hiram Moore 1/6th of 1/8th Ellie Spear 1/4th of 1/8th R W Fair 1/4 Bentley Heirs 1/4th of 1/8th	Gulf Oil Corp. Gulf Oil Corp Gulf Oil Corp Unleased Gulf Oil Corp	ORR V P Sheldon 7 1/2% of 1/4th	Fair Oil Co 25% Gulf Oil Corp 75%	Fair Oil Co 25% Gulf Oil Corp 75%
77.	T 19S, R 26E, N.M.P.M. Sec 27: West part SE/4 SE/4	7.8		Sam Mizell	Unleased			
78.	T 19S, R 26E, N.M.P.M. Sec 34: west portion NW/4 NE/4	25.5		Taylor Ross	Unleased			
79.	T 19S, R 26E, N.M.P.M. Sec 34: northwest corner of SW/4 NE/4	6.35		R W Fair	Unleased		Fair Oil Co 100%	Fair Oil Co 100%
80.	T 20S, R 26E, N.M.P.M. Sec 3: NE/4 SW/4	40.		L T Lewis	Unleased			

EXHIBIT "B" (Cont'd)

Tract No	Description of Land	No. of Acres	Serial No. & Expiration Date Lease	Basic Royalty & Percentage	Lessee of Record	Oil Payment, Overriding Royalties and Percentages	Record Working Interest and Percentage	Working Interest Participation and Percentage
81.	T 208, R 26E, N.M.P.M. Sec 9: N/2 NW/4 NE/4 1/2 of NW/4 SE/4	40.	4-9-66	J. Turner 1/8th	Ralph Love			
82.	T 208, R 26E, N.M.P.M. Sec 9: S/2 NW/4 NE/4 1/2 of SW/4 NE/4	40.	4-9-66	Louise Harder 1/8th	Ralph Love			
83.	T 208, R 26E, N.M.P.M. Sec 5: S _w /4 NE/4 and NW/4 SE/4 (1/2 interest)	40.	4-9-66	L M Price et al 1/8th	Unleased			
84.	T 208, R 26E, N.M.P.M. Sec 10: Land west of river in S/2 S/2	103.15			Unleased			
85.	T 208, R 26E, N.M.P.M. Sec 13: S/2 SE/4 NE/4	20.	7-15-64	Keystone Co 1/8th	Hondo Oil & Gas	None	Hondo Oil & Gas 100%	Hondo Oil & Gas 100%
86.	T 208, R 26E, N.M.P.M. Sec 13: SE/4	160.	9-17-65	Certain-Feed Products 1/8th	Texaco	None	Texaco 100%	Texaco 100%
TOTAL FEE ACREAGE				722.68 acres or 4.1867% of Unit Area				
TOTAL PECOS RIVER DEEP UNIT				17,261.38 acres				

EXHIBIT "B" (Continued)

RECAPITULATION PARTICIPATING INTEREST OWNERS (PENNSYLVANIAN RIGHTS***)
October 25, 1962

Name of Owner	Tract Numbers	Acres	Participating \$ of Unit	Participating \$ as to Cost of First Well**
*Atlantic Refining Co	75	93.64	.5425	.5425
Bass, Perry R	22, 70	146.6666	.8497	0
*Bradshaw, B J	59	40.00	.2317	.2317
*Canley, George E	60	432.11	2.5033	2.5033
Dalbasis Corp	23	26.6666	.1545	0
Fair Oil Co & R W Fair	1, 2, 12, 14, 16, 18, 18a, 18b, 18c, 20, 20a, 20b, 20c, 29, 32, 35, 45, 22, 23, 70, 74, 10, 41, 43, 50, 51, 11, 76, 79	3,587.975	20.7861	23.6399
Weatherstone, O F	6, 69	200.00	1.1587	1.1587
Gulf Oil Corp	8, 25, 27, 39, 44, 52, 56, 72, 73, 22, 23, 70, 74, 10, 41, 43, 50, 51, 11, 76, 54, 55, 58	1,555.875	9,0136	10.2511
Hanson, E A	68	80.00	.4635	.4635
Helbing & Podpechan	74	20.19	.1170	0
Hicks, Charles	7	40.00	.2317	.2317
Indaco Oil & Gas Co	24, 31, 34, 63, 64, 65, 66, 67, 85	2,160.00	12.5135	12,5135
Indaco Oil & Rfg Co	71	200.00	1.1587	1.1587
Klave, Ralph	81, 82	80.00	.4635	.4635
Kriller, J O	1, 2, 5, 12, 14, 16, 18, 18a, 18b, 18c, 20, 20a, 20b, 20c, 26, 28, 29, 32, 35, 37, 40, 42, 45, 22, 23, 70, 74, 10, 11, 41, 43, 50, 51	1,107.735	6.4174	7.2984
Krains, A H	10, 50	39.315	.2278	0
Richardson Oils, Inc	22, 70	440.00	2.5490	0
Riggs, George D	41, 43	50.00	.2897	0
Shan Oil Co	49	160.00	.9269	.9269
*Texas Company, The	53, 86	599.36	3.4723	3.4723
*Trigg, John H	47	160.00	.9269	.9269
Wagner, Lynn V	48	40.00	.2317	.2317
Waters Development	24, 63, 64, 65, 66, 67	311.11	1.8023	1.8023
Wills, Neil H	11, 41, 43, 51	608.89	3.5275	0
Wright, Hoover	57	6.85	.0397	.0397
Yates Petroleum Co	3, 4, 4a, 9, 63, 68, 69	436.89	2.5310	2.5310
Yates, Harvey	13, 15, 17, 19, 21, 30, 33, 36, 38, 46, 3, 4, 4a	307.96	1.7841	1.7841
Yates, S P & E H	1, 2, 5, 12, 14, 16, 18, 18a, 18b, 18c, 20, 20a, 20b, 20c, 26, 28, 29, 32, 35, 37, 40, 42, 45, 3, 4, 4a, 22, 23, 70, 74, 10, 41, 43, 50, 51, 11, 62	3,448.415	19.9776	22.7205
Yates, Martin III	26, 28, 40, 42, 3, 4, 4a, 13, 15, 17, 19, 21, 30, 33, 36, 38, 46	445.28	2.5796	2.5796
Yates, John A	61	40.00	.2317	.2317
*Others	77, 78, 80, 83, 84, 3, 4, 4a	396.45	2.2968	2.2968
		17,261.38	100.0000	100.00

* Not Signed

** Reference is made to individual farm-out contracts for details (Percentage on basis of 100% participation)

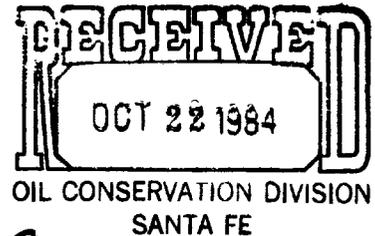
*** Ownership other zones slightly different. See Tracts 4, 63



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region
October 17, 1984



#2629

Request for Leasehold Production During
Gas Well Gas Pipeline Proration -
Artesia Plant and Gathering Systems,
Eddy County, New Mexico

Yates Drilling Company
207 South 4th Street,
Artesia, New Mexico 88210

Attention: Mr. T. L. Rhodes, Engineer

Gentlemen:

Your request for leasehold production requirements on the Yates' Pecos River Deep Unit No. 1 - (F,28,19,27) - and the Pecos River Deep Unit No. 3 - (H,13,20,26) - Eddy County has been received. This is authority to you and to Phillips' Artesia Plant Superintendent Don Laird, telephone (505)677-3154 to produce each well into the plant gathering system for one day only and with a maximum production volume of 50 Mcf gas from each well. This production schedule is to apply to each of your leasehold required production periods and should be scheduled so that two production periods can be satisfied by two consecutive days of physical production. Please arrange mutually satisfactory production periods with Mr. Laird.

It is Phillips' position that the 50 Mcf gas production will adequately support leasehold production requirements for each required production period during this time of gas well gas pipeline proration at the Artesia Plant and gathering systems facilities.

Phillips intends fair and equitable treatment to all operators and their separate leases during gas well gas take curtailment at the Artesia Plant. Consequently, it has been necessary to establish the leasehold production limits stated above. Be advised that we are taking no gas well gas except the bare minimum necessary to maintain individual leasehold status of the operator's individual lease(s).

Very truly yours,

E. E. Clark

THM:se

cc: US Dept. of the Interior, MMS, Carlsbad, New Mexico
State of New Mexico Land Commissioner, Santa Fe, New Mexico
✓ Oil Conservation Div., Dept. of Energy - New Mexico, Santa Fe, New Mexico
Oil Conservation Div., Dept. of Energy - New Mexico, Artesia, New Mexico
Phillips Petroleum Company, Artesia Plant, Attn: Don Laird, Artesia, New Mexico

Case 2629

LAW OFFICES

WATSON & WATSON

CARPER BUILDING - P. O. DRAWER E
ARTESIA, NEW MEXICO

TELEPHONE
SHERWOOD 6-4151

NEIL B. WATSON
FRED A. WATSON

August 23, 1962

MAILED 2 31 24

Mr. Dan Nutter,
Oil Conservation Commission of New Mexico,
Santa Fe, New Mexico.

Dear Mr. Nutter:

Re: V. P. Sheldon, et al, Application for
Approval of Pecos River Deep Unit

I have been out of the office and in Court for three days,
and have prepared the enclosed Application hurriedly in
order to get it in the mail today. I would appreciate it
if you would examine it and see if it is proper and
sufficient.

Mr. V. P. Sheldon advises me he has talked with you by
telephone, and the hearing will be set before you, as
Examiner, on September 11, 1962 in Santa Fe.

If there is anything else needed and it is urgent, please
call me collect here in Artesia, at SHERwood 6-4151, my
office, or SHERwood 6-4743, my residence.

Thanks very much.

Yours very truly,

Neil B. Watson
Neil B. Watson.

NBW:lve

enc. - Application, in triplicate

*Packet
mailed 8/31/62*



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

1969 FEB 21 10 18 AM '69

26-1

February 20, 1969

Yates Drilling Company
Yates Building
Artesia, New Mexico 88210

Gentlemen:

Your 1969 plan of development for the Pecos River Deep unit area, Eddy County, New Mexico, proposing no additional drilling, has been approved on this date subject to like approval by the appropriate State officials. Automatic elimination of lands not in the participating area was effective on December 10, 1968.

One approved copy of the plan is enclosed.

Sincerely yours

(Signature)

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

- cc:
- Washington (w/cy of plan)
- Artesia (w/cy of plan)
- Com. of Pub. Lands, Santa Fe (ltr. only)
- MOCC, Santa Fe (ltr. only) ✓

03 FEB 19 11 08

2621

February 7, 1969

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Pecos River Deep Unit
Automatic Elimination
Eddy County, New Mexico

ATTENTION: Mr. Carl A. Schellinger

Gentlemen:

The Commissioner of Public Lands has approved your application for the contraction of the Pecos River Deep Unit Area, Eddy County, New Mexico.

This contraction is in accordance with the automatic elimination provisions of Section 2 (e) of the Unit Agreement.

The effective date of this contraction is August 1, 1968, and the unit area remaining is All of Section 28, Township 19 South, Range 27 East and All of Section 13, Township 20 South, Range 26 East.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

AJA/TR/ML/s

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

COPY FILED

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 23, 1969

24-1

Yates Drilling Company
Yates Building
Artesia, New Mexico 88210

Re: 1969 Plan of Development
Pecos River Deep Unit,
Eddy County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1969 Plan of Development dated December 27, 1968, for the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
United States Geological Survey - Roswell

C
O
P
Y

MAIN OFFICE

JAN 13 AM 8 19 69

January 7, 1969

Yates Drilling Company
Yates Building
Artesia, New Mexico 88210

Re: Pecos River Deep Unit
1969 Plan of Development
Eddy County, New Mexico

Gentlemen:

This is to advise that the Commissioner of Public Lands has this date approved your 1969 Plan of Development for the Pecos River Deep Unit, Eddy County, New Mexico. This plan calls for an additional well to be drilled if the completion of well No. 7 is productive and favorable for the drilling of an additional well. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the plan is enclosed herewith.

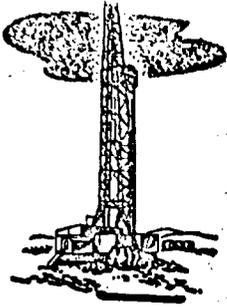
Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

AJA/TE/NL/s
encl.

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



YATES DRILLING COMPANY

YATES BUILDING - 207 SOUTH 4TH ST. DIAL 749-3888

ARTESIA, NEW MEXICO 88210

MAIN 0
68 DEC 0 AM 8

S. P. YATES,
PRESIDENT

HUGH W. PARRY,
SEC.-TREAS.

27 December 1968

**RE: Plan of Development
PECOS RIVER DEEP UNIT
Eddy County, New Mexico**

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Secretary-Director ✓
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

In accordance with the 1968 Plan of Development the Pecos River Deep Unit Well No. 6 was drilled and completed on September 10, 1968. Subsequently, on December 8, 1968, we commenced drilling operations on the Pecos River Deep Unit Well No. 7 in compliance with the ninety day continuous development provision in subsection 2(e) of the Unit Agreement.

There is a well now drilling offsetting the unitized lands and should be at total depth in the near future. Pending results of this offset if productive, Yates Drilling Company as Operator of the Pecos River Deep Unit will propose that a well be drilled if production appears favorable for the drilling of an additional well.

Plan of Development
Pecos River Deep Unit
27 December 1968
Page -2-

Approval of this plan of development by the Secretary-Director of the New Mexico Oil Conservation Commission, Commissioner of Public Lands and the Supervisor of the United States Geological Survey is hereby respectfully requested.

Very truly yours,

YATES DRILLING COMPANY

BY 

dp

Approved *January 23 1969*


Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

2629

July 16, 1968

Yates Drilling Company
207 South 4th Street
Artesia, New Mexico

Re: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

Gentlemen:

The New Mexico Oil Conservation Commission has this date approved your request for an extension of the 1968 Plan of Development to August 2, 1968, to commence the drilling of a Cisco Canyon test well in the Pecos River Deep Unit Area, Eddy County, New Mexico, subject to like approval by the Commissioner of Public Lands of the State of New Mexico and the United States Geological Survey.

Very truly yours,

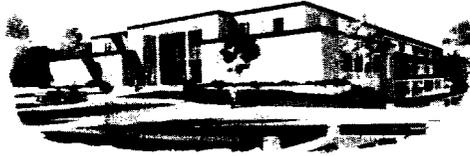
A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/esr

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

State of New Mexico



2621

Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

June 26, 1968

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

Gentlemen:

This is to advise that the Commissioner of Public Lands has this date approved your request for extension of time to August 2, 1968, in which to drill a Cisco-Canyon Well, instead of during the first half of 1968 as scheduled in your approved 1968 Plan of Development for the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Eddie Lopez, Supervisor
Unit Division

GHE/TR/EL/s

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

68 JUN 29 1968



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

June 20, 1968

Yates Drilling Company
Yates Building
Artesia, New Mexico 88210

Gentlemen:

Your letter of June 18, advising that a Cisco-Canyon well will be commenced during July 1968, instead of during the first half of 1968 as scheduled in your approved 1968 plan of development for the Pecos River Deep unit, Eddy County, New Mexico, has been accepted on this date for record purposes.

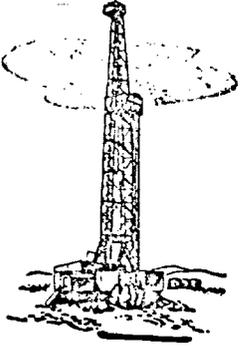
Sincerely yours,

(ORIG. SIGNED) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:
Washington (w/cy of ltr.)
Artesia (w/cy of ltr.)
Com. of Pub. Lands, Santa Fe
NMOCC, SANTA FE

'68 JUN 24 AM 10 23



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

~~1230 N.W.~~ BUILDING - DIAL SHERWOOD 6-3558

Yates

207 S. 4th St.

ARTESIA, NEW MEXICO

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

June 18, 1968

Re: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

United States Geological Survey
P. O. Drawer 1897
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

68 JUN 19 11:11 AM

Gentlemen:

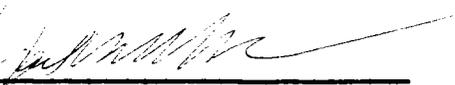
The plan of development covering the Pecos River Deep Unit indicated that one well would be drilled during the first half of 1968.

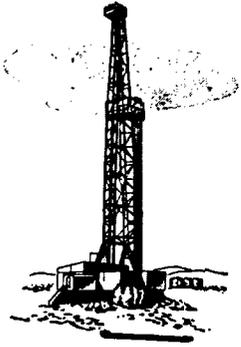
We have, after considerable delay in the preparation of the necessary paperwork, reached an agreement with the J.M. Huber Corporation for the drilling of a Cisco Canyon test well on the Unit. The well is to be commenced sometime in July, 1968, as soon as we have received the ratification of the Huber agreement from the remaining working interest owners.

Therefore, we hereby respectfully request your approval of an extension of the 1968 plan of development until August 2, 1968 to allow the unit participants sufficient time to ratify the Huber agreement and commence drilling operations.

Very truly yours,

YATES DRILLING COMPANY

by 



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6.3558

ARTESIA, NEW MEXICO

9 January 1968

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

RE: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

JAN 10 1968

'68 JAN 10 PM 1 20

Gentlemen:

We are enclosing for your files a zerox copy of the captioned plan of development which has been approved by the United States Geological Survey.

Very truly yours,

Jack W. McCaw
Land Department


By: Carl A. Shellinger

cas/sm

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3888
Yates

S. P. YATES,
PRESIDENT
J. O. MILLER,
VICE-PRES. &
GEN. MGR.
HUGH W. PARRY,
SEC. & TREAS.

ARTESIA, NEW MEXICO

11 December 1967

"AIR DRILLING SPECIALISTS"

**RE: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico**

United States Geological Survey
P. O. Drawer 1897
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

The undersigned, Yates Drilling Company, Unit Operator under the Pecos River Deep Unit Agreement, herewith files for your approval the following plan of development for the calendar year 1968.

Unit Operator plans to drill a minimum of one well during the first half of the calendar year 1968. Said well is to be located in a Section offsetting the Pecos River Deep Unit #1 Well and to be drilled to a depth sufficient to test the Pennsylvanian formation.

Approval of this plan of development by the Secretary-Director of the New Mexico Oil Conservation Commission, Commissioner of

RECEIVED

DEC 20 1967

U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

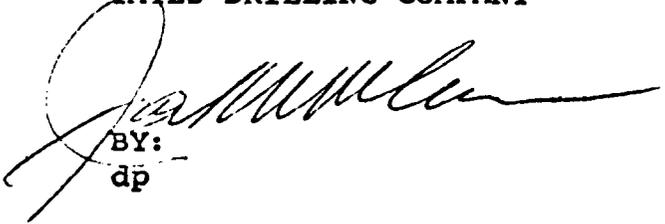
MAIN OFFICE
'68 JAN 10 PM 1 20

United States Geological Survey;
Commissioner of Public Lands;
New Mexico Oil Conservation Commission
11 December 1967
Page -2-

Public Lands, and the Supervisor of the United States Geological Survey is hereby respectfully requested.

Very truly yours,

YATES DRILLING COMPANY



BY:
dp

APPROVED JAN 5 - 1968



Oil & Gas Supervisor

U. S. GEOLOGICAL SURVEY

Subject to like approval by the
appropriate State official.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

2629

Drawer 1857
Roswell, New Mexico 88201

January 5, 1968

Yates Drilling Company
Yates Building
Artesia, New Mexico

Gentlemen:

Your 1968 plan of development dated December 11, 1967, for the Pecos River Deep unit, Eddy County, New Mexico, proposing the drilling of one Pennsylvanian well, has been approved on this date subject to like approval by the appropriate State officials.

One approved copy of the plan is enclosed.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil & Gas Supervisor

MAIN OFFICE

cc:
Washington (w/cy of plan)
Artesia (w/cy of plan)
Com. of Pub. Lands, Santa Fe (ltr. only)
NMOCC, Santa Fe (ltr. only) ✓

'68 JAN 8 AM 8 13

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 4, 1968

2629

**Yates Drilling Company
Yates Building
Artesia, New Mexico**

Attention: Mr. Jack W. McCaw

**Re: 1968 Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico**

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1968 Plan of Development dated December 11, 1967, for the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

**A. L. PORTER, Jr.
Secretary-Director**

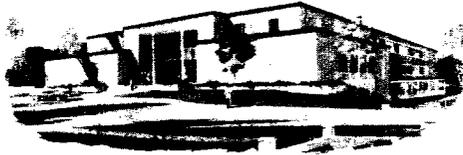
**ALP/JEK/og
Enclosure**

**cc: Commissioner of Public Lands
Santa Fe, New Mexico**

**United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201**

C
O
P
Y

State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



December 27, 1967

P. O. BOX 1148
SANTA FE, NEW MEXICO

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

MAILED
'67 DEC 28 AM 8 39

Re: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

ATTENTION: Mr. Jack W. McCaw

Gentlemen:

The Commissioner of Public Lands has this date approved your 1968 Plan of Development for the Pecos River Deep Unit, Eddy County, New Mexico, proposing the drilling of one Pennsylvanian well.

This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are retaining both copies for our files.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Eddie Lopez, Supervisor
Unit Division

GEN/TB/EL/s
cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico

YATES DRILLING COMPANY

350-CAMER BUILDING - DIAL SHERWOOD 6-3558
Yates

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC. TREAS.

ARTESIA, NEW MEXICO

11 December 1967

RE: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

United States Geological Survey
P. O. Drawer 1897
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

The undersigned, Yates Drilling Company, Unit Operator under the Pecos River Deep Unit Agreement, herewith files for your approval the following plan of development for the calendar year 1968.

Unit Operator plans to drill a minimum of one well during the first half of the calendar year 1968. Said well is to be located in a Section offsetting the Pecos River Deep Unit #1 Well and to be drilled to a depth sufficient to test the Pennsylvanian formation.

Approval of this plan of development by the Secretary-Director of the New Mexico Oil Conservation Commission, Commissioner of

"AIR DRILLING SPECIALISTS"

Drawer 1857
Roswell, New Mexico 88201

MAIN OFFICE 000

'67 MAR 31 AM 8 22

March 29, 1967

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Gentlemen:

Your 1967 plan of development dated December 20, 1966, for the Pecos River Deep unit, Eddy County, New Mexico, proposing the drilling of one Pennsylvanian well, has been approved on this date subject to like approval by the appropriate State officials.

One approved copy of the plan is enclosed.

Sincerely yours,

CARL C. TEAYWICK
Acting Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Artesia (w/cy of plan)
Coa. of Pub. Lands, Santa Fe (ltr only)
NMOCC, Santa Fe (ltr only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

627

January 26, 1967

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Re: Plan of Development
Pecos River Deep Unit,
Eddy County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1967 Plan of Development dated December 20, 1966, for the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the State of New Mexico.

One approved copy of the plan is returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/eg

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

C
O
P
Y

1967 JAN 13 11:11

January 13, 1967

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Pecos River Deep Unit
Eddy County, New Mexico

ATTENTION: Mr. Hugh W. Perry

Gentlemen:

The Commissioner approves your Plan of Development for the first six months of 1967, which provides for the drilling of one well during this period on the Pecos River Deep Unit, Eddy County, New Mexico.

We are returning one approved copy of this plan.

Very truly yours,

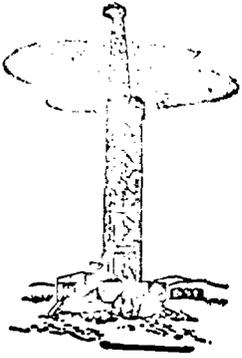
GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

GBH/MSR/s
encl. 1.

cc: United States Geological Survey
Roswell, New Mexico

Oil Conservation Commission
Santa Fe, New Mexico



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

December 20, 1966

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

United States Geological Survey
P. O. Drawer 1897
Roswell, New Mexico

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico

Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

Gentlemen:

The undersigned, Yates Drilling Company, Unit Operator under the Pecos River Deep Unit Agreement, herewith files for your approval the following plan for development for the calendar year 1967:

Unit Operator plans to drill a minimum of one well during the first half of the calendar year 1967. Said well to be located in an offset section to the Pecos River Deep Unit #1 Well to test the Pennsylvania formation.

United States Geological Survey
Commissioner of Public Lands
New Mexico Oil Conservation Commission
December 20, 1966
Page Two

Approval of this plan of development by the
Secretary-Director of the Oil Conservation Commission,
Commissioner of Public Lands-State of New Mexico, and the
Supervisor of United States Geological Survey is respectively
requested.

Yours very truly,

YATES DRILLING COMPANY

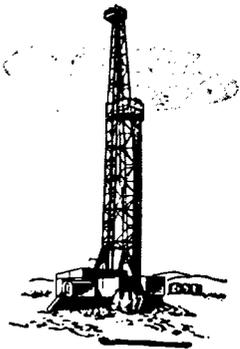
By *Walter J. J. J. J.*

YDC/cs

Approved... *January 26* 1967
A. P. Suter
.....
Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

THIS APPROVAL GRANTED SUBJECT TO LIKE APPROVAL
BEING GRANTED BY THE UNITED STATES GEOLOGICAL
SURVEY AND BY THE COMMISSIONER OF PUBLIC LANDS
OF THE STATE OF NEW MEXICO.



"A.P. DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

14 October 1966

14 OCT 17 1966

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

**RE: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico.**

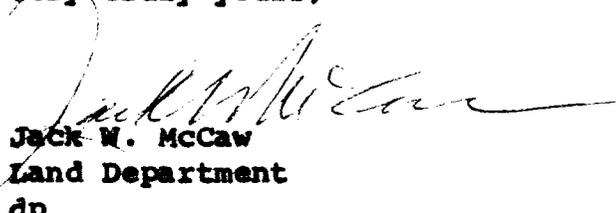
Mr. Guyton B. Hays
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We enclose a copy of a letter from the United States Geological Survey granting an extension of time to January 1, 1967, within which to file the next Plan of Development for the Pecos River Deep Unit.

Very truly yours,


Jack W. McCaw
Land Department
dp
Encl.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

October 12, 1966

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Gentlemen:

Your letters of September 23 and October 6, 1966, request an extension of time within which to file the next plan of development for the Pecos River Deep unit area, Eddy County, New Mexico, to January 1, 1967. The additional time is needed to further study the unit area and to work out a drilling program acceptable to the working interest owners.

66 OCT 17 AM 11:21

You are hereby granted an extension of time to January 1, 1967, within which to file the next plan of development for the Pecos River Deep unit area subject to like approval by the appropriate State officials.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

RECEIVED OCT 17 1966



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1357
Roswell, New Mexico 88201

1966 OCT 13 AM 10 07

227

October 12, 1966

Vates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh R. Parry

Gentlemen:

Your letters of September 23 and October 6, 1966, request an extension of time within which to file the next plan of development for the Pecos River Deep unit area, Eddy County, New Mexico, to January 1, 1967. The additional time is needed to further study the unit area and to work out a drilling program acceptable to the working interest owners.

You are hereby granted an extension of time to January 1, 1967, within which to file the next plan of development for the Pecos River Deep unit area subject to like approval by the appropriate State officials.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:

Washington (w/cy ltrs. of Sept. 23 and Oct. 6 and Com. of Pub. Lands
ltr. of Sept. 30)

Artesia (w/cy ltrs. of Sept. 23 and Oct. 6 and Com. of Pub. Lands
ltr. of Sept. 30)

Com. of Pub. Lands, Santa Fe (ltr. only)

NMOCC, Santa Fe (ltr. only) ✓

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

October 13, 1966

**Yates Drilling Company
309 Carper Building
Artesia, New Mexico**

Attention: Mr. Hugh W. Parry

**Re: Request for Time Extension on
Plan of Development, Pecos River
Deep Unit, Eddy County, New Mexico**

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved your request for extension of time, to January 1, 1967, in which to file Plan of Development for the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Very truly yours,

**A. L. PORTER, Jr.
Secretary-Director**

ALP/JEK/og

**cc: Commissioner of Public Lands
Santa Fe, New Mexico**

**United States Geological Survey
Drawer 1857
Roswell, New Mexico 88201**

October 7, 1966

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Pecos River Deep Unit
Eddy County, New Mexico

ATTENTION: Mr. Hugh W. Parry

Gentlemen:

The Commissioner of Public Lands approves your request for an extension of time in which to file a Plan of Development in the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

The application dated September 30, requested an extension of time to April 1, 1967, in which to file a Plan of Development. By letter dated October 6, Mr. Parry changed this request to cover a period to January 1, 1967.

We are returning two approved copies of this application.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:

Ted Bilberry, Director
Oil and Gas Department

GBH/HWR/s
encl. 1

Yates Drilling Company

October 10, 1966

- Page 2.-

cc: New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

SEP 30 1966

September 30, 1966

**Yates Drilling Company
309 Carper Building
Artesia, New Mexico**

**Re: Pecos River Unit
Eddy County, New Mexico**

ATTENTION: Mr. Hugh W. Parry

Gentlemen:

This office approved your request dated December 30, 1965, for an extension to April 1, 1966, in which to file a Plan of Development for the Calendar Year 1966. On April 6, 1966 we again approved an extension of six months, to October 1, 1966, in which to file a Plan of Development for the Calendar Year 1966.

We have received your request dated September 23, 1966, requesting another six month extension to April 1, 1967, in which to file this Plan of Development for the calendar year 1966.

We will consider an extension to January 1, 1967, in which to file a firm commitment for a well to be drilled during the first six months of 1967, or take immediate steps to contract the unit to the participating area.

Very truly yours,

**GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS
BY:
Ted Bilberry, Director
Oil and Gas Department**

GBH/HBR/s

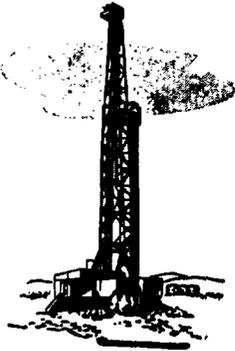
Yates Drilling Company

September 30, 1966

-Page 2. -

**cc: United States Geological Survey
Roswell, New Mexico**

**Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico**



"AIR DRILLING SPECIALISTS"

RC Y AND CABLE TOOL DRILLING CONTRACTORS

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

PH 1
1966 OCT 7

October 6, 1966

United States Geological Survey
P. O. Drawer 1897
Roswell, New Mexico

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico

Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

Gentlemen:

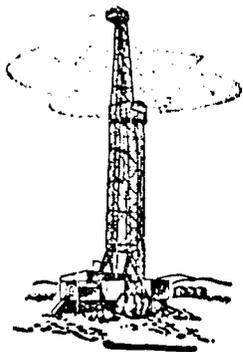
In view of the Commissioner of Public Lands' letter of September 30, 1966, you are requested to extend the time in which to file a plan for the further development of the Pecos River Deep Unit until January 1, 1967, instead of April 1, 1967, as requested in our letter dated September 23, 1966.

Your prompt consideration of this matter will be greatly appreciated.

Yours very truly,

Hugh W. Parry

HWP/cw



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

September 23, 1966

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

United States Geological Survey
P. O. Drawer 1897
Roswell, New Mexico

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico

Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

Gentlemen:

The plan for the further development of the Pecos River Deep Unit is due to be filed on or before October 1, 1966. Yates Drilling Company, unit operator under the Pecos River Deep Unit Agreement, respectfully requests an extension of time in which to file a plan of further development until April 1, 1967.

Our Pecos River Deep Unit #1 and #3 Wells have been sand fraced and the results are inconclusive. At this

United States Geological Survey
Commissioner of Public Lands
New Mexico Oil Conservation Commission
September 23, 1966
Page Two

time the working interest owners are unable to agree upon a plan for the further development of the unit, however, it is felt that the area justifies additional study. We are therefore requesting additional time in which to study the area and work out a plan for further development of the unit.

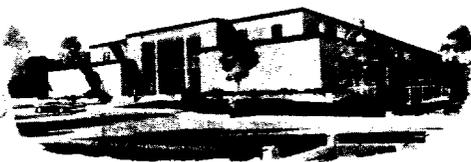
Yours very truly,



Hugh W. Parry

HWP/cw

State of New Mexico



26-1

Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

April 6, 1966

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Pecos River Deep Unit
Eddy County, New Mexico

ATTENTION: Mr. Hugh W. Parry

Gentlemen:

The Commissioner of Public Lands has approved as of this date your request for an extension of time to October 1, 1966, in which to file a plan of development for the further development of the Pecos River Deep Unit Area.

Your letter of March 31 enclosed a copy of a letter dated March 29, by which the United States Geological Survey granted approval to this extension.

We are returning two approved copies of this Plan.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

GBH/MNR/s

cc: United States Geological
Survey
Roswell, New Mexico
Oil Conservation Commission
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

2629

April 1, 1966

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

Gentlemen:

You are hereby granted an extension of time until
October 1, 1966, in which to conduct a study of the area
for future drilling and for submitting a plan of development.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/og
cc: U. S. G. S., Roswell

Commissioner of Public Lands
Santa Fe, New Mexico

C
O
P
Y



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

March 19, 1966

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Secretary-Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

Gentlemen:

Yates Drilling Company, unit operator under the Pecos River Deep Unit Agreement, respectfully requests an extension of time in which to file a plan of further development of six months, or until October 1, 1966.

Our Pecos River Deep Unit No. 4 well has been deepened to the Devonian Formation and abandoned as a dry hole. At this time there is no consensus among the working



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

March 17, 1966

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Gentlemen:

Your letter of December 30, 1965, requests an extension of time to April 1, 1966, in which to file the 1966 plan of development for the Pecos River Deep unit, Eddy County, New Mexico. The extension is for the purpose of allowing sufficient time to evaluate the information contributed by unit well No. 4 in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 11, T. 20 S., R. 26 E. Such well was drilled to a total depth of 11,100 feet in the Devonian and abandoned as a dry hole on or about January 2, 1966.

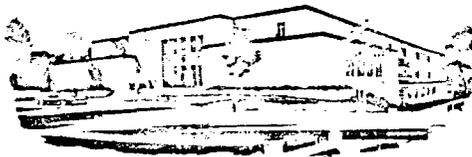
On March 16, it was called to the attention of this office that we had not replied to the above-described request. Your application for an extension of time to April 1, 1966, in which to file the 1966 plan of development for the Pecos River Deep unit is hereby approved.

Sincerely yours,

Billy J. Shoger

BILLY J. SHOGER
Acting Oil & Gas Supervisor

State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



P. O. BOX 1148
SANTA FE, NEW MEXICO

January 13, 1966

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Pecos River Deep Unit
Eddy County, New Mexico

ATTENTION: Mr. Hugh W. Parry

Gentlemen:

The Commissioner of Public Lands approves your request for an extension of time in which to file a Plan of Development for the Calendar Year 1966, until April 1, 1966, for the Pecos River Deep Unit, Eddy County, New Mexico.

This extension of time is requested to enable an evaluation of the information obtained from the Pecos River Deep Unit Well No 4, which was plugged and abandoned during the first part of January 1966.

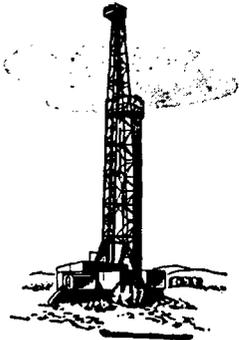
We are returning one approved copy.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS
BY: *Ted Bilberry*
Ted Bilberry, Director
Oil & Gas Department

GBH/MMR/s
encl:

cc: United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

31 March 1966

APR 1 11 10 23

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

RE: Pecos River Deep Unit
Eddy County, New Mexico.

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87501

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

Gentlemen:

We enclose for your files a letter from the United States Geological Survey approving a request for a six-month extension to October 1, 1966, within which to file the next plan of development for the Pecos River Deep Unit.

Thank you kindly.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jack W. McCaw". The signature is written in dark ink and is positioned above the typed name and title.

Jack W. McCaw
Land Department
dp
Encl.



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

APR 1 11 10 27

March 29, 1966

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

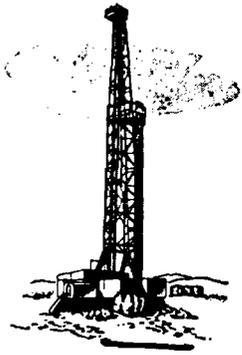
Gentlemen:

Your letter of March 19 requests a six-month extension to October 1, 1966, within which to file the next plan of development for the Pecos River Deep unit, Eddy County, New Mexico. Unit well No. 4 in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 11, T. 20 S., R. 26 E., N.M.P.M., was plugged and abandoned as a dry hole on January 2, 1966, after testing the Devonian. The additional time is requested to further study the area before submitting the next plan of development.

You are hereby granted a six-month extension of time to October 1, 1966, within which to file the next plan of development for the Pecos River Deep unit area, subject to the like approval by the appropriate State officials.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil & Gas Supervisor



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

December 30, 1965

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC. TREAS.

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Secretary-Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Re: Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

Gentlemen:

Yates Drilling Company, unit operator under the Pecos River Deep Unit agreement, respectfully requests an extension of time in which to file a plan of development for the calendar year 1966 until April 1, 1966.

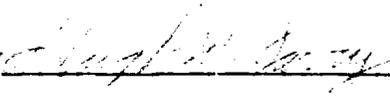
Our Pecos River Deep Unit No. 4 well has been drilled to the Morrow formation and is non-productive in the Morrow. We are in the process of drilling this well to the Devonian Formation. An extension of time until

United States Geological Survey
Commissioner of Public Lands
New Mexico Oil Conservation Commission
December 30, 1965
Page two

April 1, 1966, is necessary to enable us to evaluate the
information obtained from the Pecos River Deep Unit No. 4
well.

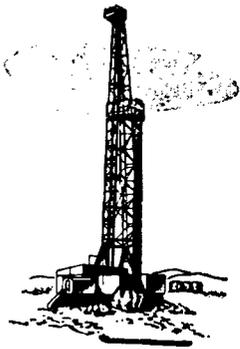
Yours very truly,

YATES DRILLING COMPANY

BY  _____

YDC/cw

3/1



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6.3558

FEB 22 PM 1 40

ARTESIA, NEW MEXICO

21 February 1966

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

RE: Pecos River Deep Unit
Eddy County, New Mexico
First Revision of the
Initial Participating Area

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

Attention: Mr. A. L. Porter, Jr.,
Secretary-Director

Gentlemen:

This is to advise that the First Revision of the Initial Participating Area for the Morrow Formation in the Pecos River Deep Unit, Eddy County, New Mexico, was approved by the Director of the United States Geological Survey February 8, 1966.

We enclose herewith copies of approval page and their letter of February 17, 1966.

Thank you for your kind attention in this matter.

Very truly yours,

Jack W. McCaw
Land Department
dp
Encl.

Applicant respectfully requests that the said Director of the United States Geological Survey, the Commissioner of Public Lands, and the Director of the Oil Conservation Commission approve the hereinabove selection of lands to constitute the first revision of the participating area to be effective January 1, 1965.

Dated this 23 day of July, 1965.

Date Approved... FEB 8 - 1966

Arthur D. Baker
Acting Director, U. S. Geological Survey

YATES DRILLING COMPANY, Operator

By Hugh W. Parry
Hugh W. Parry,
Secretary-Treasurer

Approved August 3, 1965
Arthur D. Baker
COMMISSIONER OF PUBLIC LANDS

CONSERVATION DIVISION
RECEIVED
SEP 13 1965
GEOLOGICAL SURVEY

RECEIVED
AUG 26 1965

U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

Applicant respectfully requests that the said Director of the United States Geological Survey, the Commissioner of Public Lands, and the Director of the Oil Conservation Commission approve the hereinabove selection of lands to constitute the first revision of the participating area to be effective January 1, 1965.

Dated this 23 day of July, 1965.

YATES DRILLING COMPANY, Operator

By Hugh W. Parry
Hugh W. Parry,
Secretary-Treasurer

Approved.....8/27.....1965
.....A. R. Foster, Jr......
Secretary-Director
NEW MEXICO OIL CONSERVATION COMMISSION

CONSERVATION DIVISION
RECEIVED
SEP 13 1965
GEOLOGICAL SURVEY

RECEIVED
AUG 31 1965

U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

February 17, 1966

Yates Drilling Company
302 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Gentlemen:

The first revision of the Morrow participating area for the Pecos River Deep unit agreement, Eddy County, New Mexico, was approved by the Acting Director, Geological Survey, on February 8, 1966, effective as of January 1, 1965.

One approved copy of the application is enclosed. You are requested to furnish the State of New Mexico and any other interested party with appropriate evidence of this approval.

Sincerely yours,

A handwritten signature in cursive script that reads "Carl C. Traywick".

CARL C. TRAYWICK
Acting Oil & Gas Supervisor

Drawer 1857
Roswell, New Mexico 88201

7
MAIN OFFICE OCC

FEB 18 AM 10:28
February 17, 1966

Yates Drilling Company
102 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Perry

Gentlemen:

The first revision of the Morrow participating area for the Pecos River Deep unit agreement, Eddy County, New Mexico, was approved by the Acting Director, Geological Survey, on February 8, 1966, effective as of January 1, 1965.

One approved copy of the application is enclosed. You are requested to furnish the State of New Mexico and any other interested party with appropriate evidence of this approval.

Sincerely yours,

TYPE NAME OF SIGNER

CARL C. TRAWICK
Acting Oil & Gas Supervisor

cc:
Washington (ltr. only)
Artesia (w/cy of appln.)
NEM - Santa Fe (w/cy of appln.)
Com. of Pub. Lands - Santa Fe (ltr. only)
N.M.O.C.C. - Santa Fe (ltr. only) ✓

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

2629

August 26, 1965

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Re: First Revision, Morrow
Participating Area,
Pecos River Deep Unit,
Eddy County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the application for the First Revision of the Participating Area for the Morrow Formation for the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the application are returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

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YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

"AIR DRILLING SPECIALISTS"

REC'D
JUL 26 AM 7 28
S. P. YATES
PRESIDENT
J. O. MILLER
VICE-PRES. &
GEN. MGR.
HUGH W. PARRY,
SEC. TREAS.

PECOS RIVER DEEP UNIT
EDDY COUNTY, NEW MEXICO

The Director (4)
United States Geological Survey
Washington 25, D. C.

The Commissioner of Public Lands (3)
New Mexico State Land Office
Santa Fe, New Mexico

The Director (3)
Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

APPLICATION FOR APPROVAL OF THE FIRST REVISION
OF
THE PARTICIPATING AREA OF THE DEEP FORMATION

Yates Drilling Company, as unit operator for the Pecos River Deep Unit Agreement, approved by the Director of the U. S. Geological Survey, the Commissioner of Public Lands, State of New Mexico, and the Director of the Oil Conservation Commission, State of New Mexico; effective December 4, 1962, pursuant to the provisions of Section 11 thereof, respectfully submits for said

Director of the U. S. Geological Survey, the Commissioner of Public Lands and the Director of the Oil Conservation Commission the selection of the following described land to be added to the initial participating area to constitute the first revision of the participating area for the Morrow producing zone or formation, to-wit:

Township 20 South, Range 26 East, N.M.P.M.

Section 13: All

totaling 640.00 acres.

In support of this application the following numbered items are attached hereto and made a part hereof:

(1) An ownership map, marked Exhibit "A", showing thereon the boundary of the unit area, the initial participating area

as heretofore established, and the boundary of the proposed revision herein.

(2) A schedule, marked Exhibit "B", showing the lands entitled to participation in the unitized substances produced from the Morrow formation, with the percentage of participation of each lease or tract indicated thereon.

(3) A geological and engineering report, marked Exhibit "C", with accompanying map supporting and justifying the proposed selection of the first revision of the participating area.

This proposed first revision of the participating area is predicated upon the knowledge and information first obtained upon completion in paying quantities under the terms of the unit agreement on July 23, 1963, of Unit Well No. 1 in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28, Township 19 South, Range 27 East, N.H.P.M., with an initial production of 1,150 MCFPD of gas with approximately 6 barrels of distillate per million cubic feet of gas, from the Morrow formation at a depth of 10,327 feet to 10,374 feet; the Unit Well No. 3 in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 13, Township 20 South, Range 26 East, N.H.P.M., completed January 7, 1963, with an initial production of 9,930 MCFPD of gas with approximately 15 barrels of distillate per million cubic feet of gas from the Morrow formation at a depth of 10,256 feet to 10,392 feet; Harvey E. Yates -1-Singer "C" Well in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 18, Township 20 South,

Range 27 East, N.M.P.M., completed October 5, 1964, with an initial production of 10,000 MCFPD of gas and approximately 15 barrels of distillate per million cubic feet of gas from the Morrow formation at a depth of 10,246 feet to 10,399 feet; Harvey E. Yates #1-Binger "A" Well in the SE1/4 of Section 7, Township 20 South, Range 27 East, N.M.P.M., completed November 20, 1964, with an initial production of 1,050 MCFPD of gas and approximately 6 barrels of distillate per million cubic feet of gas from the Morrow formation at a depth of 10,302 feet to 10,407 feet; Harvey E. Yates #1-Yates General-Deep in the NW1/4 of Section 5, Township 20 South, Range 27 East, N.M.P.M., completed May 6, 1964, drilled to a total depth of 10,914 feet, no completion was attempted in the Morrow formation; and the Pan American-#1 Adams Bend Unit Well in the SW1/4 of Section 23, Township 20 South, Range 26 East, N.M.P.M., plugged and abandon December 17, 1963, total depth 10,645 feet, no attempted completion in Morrow formation. The effective date of this first revision shall be January 1, 1965, pursuant to Section 11 of the unit agreement.

The Pecos River Deep Unit #1 and #3 wells have been connected to Phillips Petroleum Company pipeline and actual delivery of gas was commenced June 18, 1965. A temporary 640-acre spacing order has been issued by the State of New Mexico Oil Conservation Commission.

Applicant respectfully requests that the said Director of the United States Geological Survey, the Commissioner of Public Lands, and the Director of the Oil Conservation Commission approve the hereinabove selection of lands to constitute the first revision of the participating area to be effective January 1, 1965.

Dated this 23 day of July, 1965.

WINDS DRILLING COMPANY, Operator

By Hugh W. Parry
Hugh W. Parry,
Secretary-Treasurer

Approved..... 8/27 1965
A. R. Porter, Jr.
Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

2629

July 20, 1965

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Re: Unit Well No. 3
Determination, Pecos River
Deep Unit, Eddy County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission concurs with the determination that the Pecos River Deep Unit Well No. 3, located in Unit H of Section 13, Township 20 South, Range 26 East, NMPM, is capable of producing undrilled substances in paying quantities, subject to concurrence by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the Application for Determination are returned herewith.

Very truly yours,

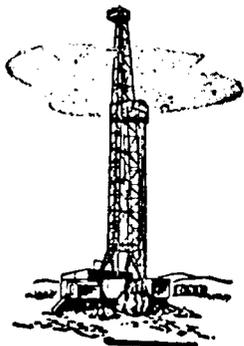
A. L. PORTER, Jr.,
Secretary-Director

AL JEK/og

United States Geological Survey
Roswell, New Mexico

Commissioner of Public Lands - Santa Fe

C
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"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

15 June 1965

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

Mr. John A. Anderson (4)
Regional Oil & Gas Supervisor
United States Geological Survey
Roswell, New Mexico

Mr. Guyton B. Hays (3)
Commissioner of Public Lands
New Mexico State Land Office
Santa Fe, New Mexico

New Mexico Oil Conservation Commission (3)
State of New Mexico
Santa Fe, New Mexico

APPLICATION FOR DETERMINATION
PECOS RIVER DEEP UNIT, EDDY COUNTY, NEW MEXICO

The Pecos River Deep Unit No. 3 well, SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 13, Township 20 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, was completed January 7, 1965, as a gas-distillate well producing from the Morrow formation.

We consider this well capable of being produced in paying quantities, to-wit: Quantities sufficient to repay the costs of drilling and producing operations with a reasonable profit.

In support of this application and made a part hereof is attached an "Evaluation Report". As soon as practical a schedule of all unitized land regarded as reasonably proved to be productive of unitized substances in paying quantities will be submitted.

Respectfully,

YATES DRILLING COMPANY, Operator

BY Hugh W. Parry
HWP/dp

Approved July 20 1965
H. K. Porter
Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

PECOS RIVER DEEP UNIT NO. 3 WELL
SECTION 13, TOWNSHIP 20S., RANGE 26E., NMPM
EDDY COUNTY, NEW MEXICO

EVALUATION REPORT

The first indication of gas from the Morrow formation was found directly below the 5½" casing which was set at 10,256 feet. The well was drilled with gas below the 5½" casing until it was necessary to mud the hole at 10,262 feet. It is estimated that 4 feet of net pay was drilled within the interval of 10,254 feet to 10,262 feet; however, this zone was not cored or drill stem tested. The next indicated pay zone is from 10,304 feet to 10,324 feet. This section was cored and has an estimated 20 feet of net pay sand having an average porosity of 8%. Cores indicated a very low permeability through this section, although the lack of permeability indicated may not be truly characteristic of this zone as usually there is extensive fracturing through the Morrow sands. A two hour drill stem test of the section from 10,302 feet to 10,392 feet surfaced gas in 9 minutes, volume was estimated to be 50,000 cubic feet per day with an indicated reservoir damage ratio of 29 to 1. Initial and final shut-in pressures were identical, 4208 psia., thus indicating a more favorable condition in the

Pecos River Deep Unit No. 3 Well
EVALUATION REPORT
Page -2-

formation than the performance during the test.

In correlating the various pay zones found in this well with the Pecos River Deep Unit No. 1, the Harvey Yates Singer "A" No. 1, and the Harvey Yates Singer "C" No. 1, it is evident that the Morrow sands change substantially from well to well making it difficult to predict the area that might be drained by this particular well. In calculating the amount of gas in place, we used 24 feet of net pay sand, original bottom hole pressure of 4150 psia., average porosity of 8% and a reservoir temperature of 170°. The amount of original gas in place amounts to 586,600 cubic feet of gas per acre foot. It is estimated the amount of gas recoverable will be 80% of the gas in place, or 469,280 cubic feet per acre foot.

Assuming that this well will drain 640 acres:

Calculated total recoverable gas reserves	- 7,208,141 Mcf.
Calculated total recoverable distillate reserves	- 43,249 bbls.
Calculated W. I. recoverable gas reserves	- 6,126,920 Mcf.
Calculated W. I. recoverable distillate reserves	- 36,762 bbls.

Estimated Working Interest Income after taxes:

Gas	\$800,953.00
Distillate	<u>88,564.00</u>
Total Working Interest Income	\$889,517.00
Estimated Total Lifetime Cost	<u>\$310,000.00</u>
Estimated Net Profit	\$579,517.00



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

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July 13, 1965

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Gentlemen:

Your notice of June 15 advises that Yates Drilling Company as unit operator of the Pecos River Deep unit, Eddy County, New Mexico, has determined unit well No. 3 in the SE 1/4 sec. 13, T. 20 S., R. 26 E., N.M.P.M., to be capable of producing unitized substances in paying quantities from the Morrow, and that an application for the first revision of the initial Morrow participating area will be filed in the near future.

Inasmuch as the Pecos River Deep unit is on producing status, the advance notice determining unit well No. 3 to be capable of producing unitized substances in paying quantities is unnecessary. All copies of the notice furnished this office are returned herewith. The information contained in the notice and attached evaluation report should be included in the geological report accompanying your application for approval of the first revision of the Morrow participating area.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Com. of Pub. Lands-Santa Fe
NMOCC-Santa Fe
Artesia

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

March 8, 1965

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Re: 1965 Plan of Development,
Pecos River Deep Unit,
Eddy County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Plan of Development for the calendar year 1965 for the Pecos River Deep Unit Area, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the application are returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

C
O
P
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Drawer 1857
Roswell, New Mexico 88201

March 5, 1965

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh H. Parry

Gentlemen:

Your 1965 plan of development dated January 29, 1965, for the Pecos River Deep unit, Eddy County, New Mexico, proposing the drilling of one Pennsylvanian well, has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

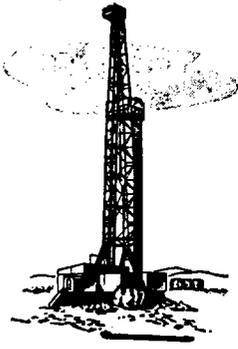
Sincerely yours,

(ORIG. SGD.) BILLY J. SHOGER

B. J. SHOGER
Acting Oil and Gas Supervisor

Enclosures 2

cc:
Washington (w/cy of plan)
Artesia (w/cy of plan)
Com. of Pub. Lands, Santa Fe (ltr only)
NMCC, Santa Fe (ltr only)✓



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

29 January 1965

YATES DRILLING COMPANY

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

RE: Pecos River Deep Unit
Eddy County, New Mexico

Secretary-Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

We enclose herewith three copies of Application for Approval of Plan of Development for the Pecos River Deep Unit Area for the Calendar Year 1965.

Thank you for your kind consideration in this connection.

Very truly yours,


Hugh W. Parry

dp
Encl. 3



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

5 March 1965

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC..TREAS.

RE: Pecos River Deep Unit
Eddy County, New Mexico
1965 Plan of Development

Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

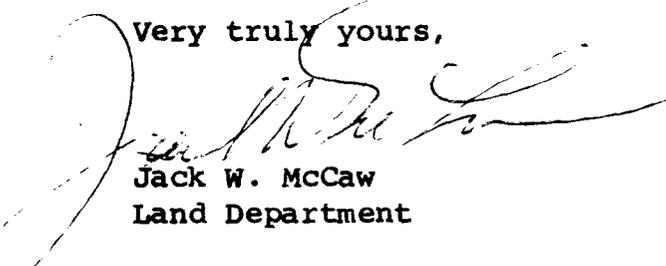
Gentlemen:

We enclose herewith photo copy of a letter dated February 5, 1965, approving the 1965 Plan of Development for the Pecos River Deep Unit in Eddy County, New Mexico.

We noticed your office had not received a copy of this letter, and trust this will facilitate approval from your office and the United States Geological Survey.

Thank you for your kind attention in this connection.

Very truly yours,


Jack W. McCaw
Land Department

dp
Encl.

State of New Mexico



Commissioner of Public Lands



GUYTON B. HAYS
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

February 5, 1965

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Re: Pecos River Deep Unit
Eddy County, New Mexico
1965 Plan of Development

Gentlemen:

The Commissioner of Public Lands approves your Plan of Development for the Pecos River Deep Unit area for the calendar year 1965, subject to like approval by the United States Geological Survey. This plan covers the drilling of a well to test the Pennsylvania formation, the location of which is to be designated at a later date.

We are returning one approved copy of this Plan of Development.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY: *Ted Bilberry*
(Mr.) Ted Bilberry, Director
Oil and Gas Department

GBH/tb/mmr/d

Enclosure

cc: United States Geological Survey
P. O. Box 1857
Roswell, New Mexico
Attention: Mr. John Anderson

205 FEB 1 1965

205 FEB 1 1965

PECOS RIVER DEEP UNIT
EDDY COUNTY, NEW MEXICO

To: Secretary-Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Supervisor
United States Geological Survey
Roswell, New Mexico

APPLICATION FOR APPROVAL OF PLAN OF
DEVELOPMENT FOR THE PECOS RIVER DEEP UNIT
AREA FOR THE CALENDAR YEAR 1965

The undersigned, Yates Drilling Company, Unit Operator under the Pecos River Deep Unit agreement heretofore approved by the New Mexico Oil Conservation Commission, the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey and which was effective as of December 4, 1962, and in conformity with the provisions of Section 10 of the unit agreement submits for approval of the New Mexico Oil Conservation Commission, the Commissioner of Public Lands and the Supervisor of the United States Geological Survey the plan hereinafter set forth for the further development and operation of the Pecos River Deep Unit Area and in support thereof respectfully states that in accordance with

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

26-17

August 28, 1964

C
O
P
Y

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Re: 1964 Plan of Development,
Amendment to Pecos River
Deep Unit, Eddy County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Amendment to the 1964 Plan of Development submitted for the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the Amendment are returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
United States Geological Survey - Roswell

MAIL OFFICE 100

1964 JUL 31 AM 10:39

July 30, 1964

**Yates Drilling Company
309 Carper Building
Artesia, New Mexico**

**Re: Amendment to 1964 Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico**

Attention: Mr. Hugh W. Parry

Gentlemen:

The Commissioner of Public Lands, June 12, 1964, approved your request for extension to August 1, 1964 in which to furnish an exact location for the well which is scheduled to be drilled on the Pecos River Deep Unit Area during the calendar year 1964.

Your amendment to this 1964 Plan of Development, submitted under your letter of July 28, 1964, provides for the location of this well to be either in Section 12 or Section 13 of Township 20 South, Range 26 East, Eddy County, New Mexico.

The Commissioner approves this proposal, subject to like approval by the United States Geological Survey and the

Yates Drilling Company
July 30, 1964
-page 2-

MAIN OFFICE O.C.C.

1964 JUL 31 AM 10 29

Oil Conservation Commission. We are returning one approved copy of this amendment to the 1964 Plan of Development.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

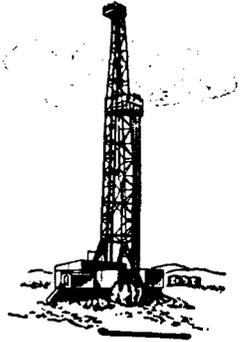
BY:
(Mrs.) Marian M. Rhea, Supervisor

ESJW/mar/mim

Enclosures - 2

cc: United States Geological Survey
P. O. Box 1857
Roswell, New Mexico
Attention: Mr. John A. Anderson

Oil Conservation Commission
Santa Fe, New Mexico



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

OFFICE 000

1964 JUL 29 AM 7:40

ARTESIA, NEW MEXICO

28 July 1964

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

Secretary-Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

We enclose herewith three copies of Application for Approval of Amendment to Plan of Development for the Pecos River Deep Unit Area for the Calendar Year 1964.

Please advise if there is anything further needed in this connection.

Thank you for your kind consideration.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Hugh W. Parry". The signature is written in dark ink and is positioned above the typed name.

Hugh W. Parry
Manager

dp
Encl.

MAIN OFFICE OCC

1964 JUL 23 AM 7 40

To: Secretary-Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Supervisor
United States Geological Survey
Roswell, New Mexico

APPLICATION FOR APPROVAL OF AMENDMENT
TO PLAN OF DEVELOPMENT FOR THE PECOS RIVER
DEEP UNIT AREA FOR THE CALENDAR YEAR 1964

The undersigned, Yates Drilling Company, Unit Operator under the Pecos River Deep Unit agreement heretofor approved by the New Mexico Oil Conservation Commission, the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey, submits for approval of the New Mexico Oil Conservation Commission, the Commissioner of Public Lands and the Supervisor of the United States Geological Survey the hereinafter amendment to the plan for the further development and operation of the Pecos River Deep Unit Area for the year 1964.

AMENDMENT TO PLAN OF DEVELOPMENT

Unit Operator proposes to drill a well on committed acreage in either Section 12 or Section 13 of Township 20 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. It is proposed to commence operations upon said well as soon as practicable and to drill said well with due diligence to test the Pennsylvanian formation. The completion of the Harvey E. Yates-Hondo Singer "C" No. 1 well, SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 18, Township 20 South, Range 27 East, N.M.P.M., which has indications of good Morrow production may affect the selection of our location.

Dated this 27th day of July, 1964.

Respectfully submitted,

YATES DRILLING COMPANY

BY *F. Yates*

Approved..... *August 28* 1964

..... *A. H. Porter, Jr.*
Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

1964 AUG 13 PM 1:07
Drawer 1857
Roswell, New Mexico 88201

August 12, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Gentlemen:

Your amended 1964 plan of development dated July 27, 1964, for the Pecos River Deep unit area, Eddy County, New Mexico, proposing the drilling of one Pennsylvania well located on committed acreage in either section 12 or 13, T. 20 S., R. 26 E., N.M.P.M., has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

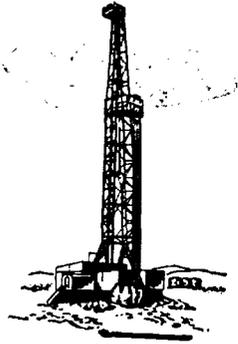
Sincerely yours,

(Orig.Sgd.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:
Washington (w/cy of amended plan)
Artesia (w/cy of amended plan)
NMOC-Santa Fe (ltr. only) ✓
Com. of Pub. Lands-Santa Fe (ltr. only)

2627



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

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1964 AUG 31 11 71 35

W. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

ARTESIA, NEW MEXICO

13 August 1964

**RE: Amendment to Plan of
Development for the Pecos
River Deep Unit Area.**

**Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico**

Attention: Mrs. Marian M. Rhea, Supervisor

**Secretary-Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico**

Gentlemen:

**We enclose herewith for your files copy of letter from the
United States Geological Survey approving the Amendment to
Plan of Development dated July 27, 1964.**

Very truly yours,

Jack W. McCaw
**Jack W. McCaw
Land Department**

**dp
Encl.**

IN REPLY REFER TO:



UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

Drawer 1857

1964 AUG 15 11 55 AM '64
Roosevelt, New Mexico 88201

ASSIGNED TO BEAL709A

August 12, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Gentlemen:

Your amended 1964 plan of development dated July 27, 1964, for the Pecos River Deep unit area, Eddy County, New Mexico, proposing the drilling of one Pennsylvanian well located on committed acreage in either section 12 or 13, T. 20 S., R. 26 E., N.M.P.M., has been approved on this date subject to like approval by the appropriate State officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

Carl C. Traywick

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

26-9

July 8, 1964

Yates Drilling Company
309 Garper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

RE: 1964 Plan of Development,
Pecos River Deep Unit,
Eddy County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved your request for an extension of time, to August 1, 1964, for filing an amended Plan of Development for the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the request are returned herewith.

Very truly yours,

A. L. Porter, Jr.
Secretary-Director

ALP:JEX:ag

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

C
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June 17, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Pecos River Deep Unit,
Eddy County, New Mexico
Amended 1964 Plan of Development

Attention: Mr. Hugh W. Parr

Gentlemen:

The Commissioner of Public Lands approves as of June 12, 1964 your request for an additional month in which to furnish a definite location for your next well which will be drilled during the 1964 calendar year.

This extension of one month gives you until August 1, 1964 in which to furnish us an exact location. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

We are returning one approved copy of this amendment.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

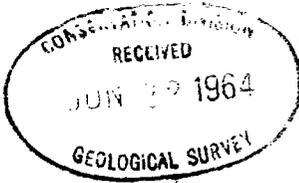
ESJW/mar/aim
enclosures 2

cc: Oil Conservation Commission
United States Geological Survey

MAIN OFFICE OCC

Draeger 1857

1964 June 11, New Mexico 88201



June 17, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Gentlemen:

Your letter of June 9 requests an extension of time to August 1, 1964, within which to file an amended 1964 plan of development for the Pecos River Deep unit, Eddy County, New Mexico. You advise that the extension is needed to allow time for wells No. 1 Singer "A" in the SE $\frac{1}{4}$ sec. 7, and No. 1 Singer "C" in the NW $\frac{1}{4}$ sec. 18, T. 20 S., R. 27 E., to be completed and the logs studied before selecting the next location for the Pecos River Deep unit.

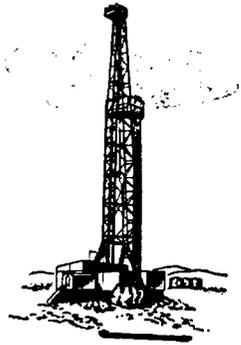
You are hereby granted an extension of time to August 1, 1964, within which to file an amended plan of development for the Pecos River Deep unit providing the location of the Pennsylvania well to be drilled during the last half of 1964, subject to like approval by the appropriate State of New Mexico officials.

Sincerely yours,

(Orig. Sgd.) CARL C. TRAYWICK

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:
Washington (w/cy of ltr. of June 9)
Artesia (w/cy of ltr. of June 9)
NMOCC-Santa Fe (ltr. only) ✓
Com. of Pub. Lands-Santa Fe (ltr. only)



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

MAIN OFFICE OBC

1964 JUN 24 PM 1:21

J. O. MILLER,
PRESIDENT

VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

ARTESIA, NEW MEXICO

23 June 1964

**RE: Pecos River Deep Unit
Eddy County, New Mexico
Amended 1964 Plan of Development**

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico

Attention: Mr. E. S. Johnny Walker

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

Attention: Mr. Pete Porter, Secretary-Director

Gentlemen:

We enclose herewith a copy of the Extension of Time granted from the United States Geological Survey within which to file amended plan of development for the Pecos River Deep Unit.

Very truly yours,

Hugh W. Parry
Secretary-Treasurer

HWP/dp
Encls.



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

MAIN OFFICE OCC

1964 JUN 24 PM 1:21

RECEIVED JUN 19 1964

June 17, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Gentlemen:

Your letter of June 9 requests an extension of time to August 1, 1964, within which to file an amended 1964 plan of development for the Pecos River Deep unit, Eddy County, New Mexico. You advise that the extension is needed to allow time for wells No. 1 Singer "A" in the SE $\frac{1}{4}$ sec. 7, and No. 1 Singer "C" in the NW $\frac{1}{4}$ sec. 18, T. 20 S., R. 27 E., to be completed and the logs studied before selecting the next location for the Pecos River Deep unit.

You are hereby granted an extension of time to August 1, 1964, within which to file an amended plan of development for the Pecos River Deep unit providing the location of the Pennsylvanian well to be drilled during the last half of 1964, subject to like approval by the appropriate State of New Mexico officials.

Sincerely yours,

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

MAIN OFFICE OCC

S. J. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC. TREAS.

1964 JUN 10 PM 11:20

ARTESIA, NEW MEXICO

June 9, 1964

"AIR DRILLING SPECIALISTS"

Secretary-Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Supervisor
United States Geological Survey
Roswell, New Mexico

[Handwritten signature]
.....1964
[Handwritten signature]
.....
Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

Re: 1964 Plan of Development
Pecos River Deep Unit
Eddy County, New Mexico

Gentlemen:

You are respectfully requested to extend until August 1, 1964, the time in which to file an amended Plan of Development for the Pecos River Deep Unit furnishing the location of our next proposed well.

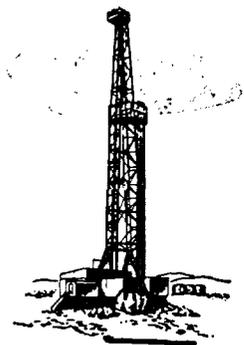
Hondo Oil and Gas - Singer "A" No. 1 well in Sec. 7 - T. 20S., R. 27E. and Singer "C" No. 1 well in Sec. 18 - T. 20S., R. 27E., are now drilling at approximately 8,000 feet. An additional month should give us time to obtain and study logs from these two wells which might influence the selection of our next location.

Yours very truly,

[Handwritten signature: Hugh W. Parry]
Hugh W. Parry

HWP/ed

28-1



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY
309 CARPER BUILDING - DIAL SHERWOOD 6-3558

1964 MAR 25 AM 8:21

ARTESIA, NEW MEXICO

24 March 1964

S. P. YATES,
PRESIDENT
J. O. MILLER,
VICE-PRES. &
GEN. MGR.
HUGH W. PARRY,
SEC. TREAS.

RE: Pecos River Deep Unit
Eddy County, New Mexico
1964 Plan of Development

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

Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Dear Sir:

We enclose herewith approved copy of Plan of Development for the Pecos River Deep Unit Area for the year 1964, which has been approved by the U. S. G. S. on March 16, 1964.

We also enclose copy of letter of approval of same from the Commissioner of Public Lands, dated January 13, 1964.

Very truly yours,

Jack W. McCaw
Jack W. McCaw
Land Department

JWM/dp
Encl. 2

State of New Mexico



TRAIN OFFICE OCC

1964 MAR 25 AM 8:21

Commissioner of Public Lands

E. S. JOHNNY WALKER
COMMISSIONER



P. O. BOX 791
SANTA FE, NEW MEXICO

January 13, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Pecos River Deep Unit
Eddy County, New Mexico
1964 Plan of Development

Attention: Mr. Hugh W. Parry

Gentlemen:

The Commissioner of Public Lands approves your 1964 Plan of Development for the Pecos River Deep Unit, Eddy County, New Mexico.

This application proposes the drilling of one well during the calendar year of 1964 and provides for an amended Plan to be submitted by July 1, 1964, giving the location of said well. Therefore this application is approved subject to said Amended Plan of Development being submitted for approval on or before July 1, 1964.

We are returning one approved copy of this Application.

Yates Drilling Company
Attention: Mr. Hugh W. Parry
January 13, 1964
- page 2 -

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY: *Marian M. Rhea*
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v

encl:

cc: Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico

PECOS RIVER DEEP UNIT
EDDY COUNTY, NEW MEXICO

To: Secretary-Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Supervisor
United States Geological Survey
Roswell, New Mexico

RECEIVED
JAN - 8 1964
U. S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

APPLICATION FOR APPROVAL OF PLAN OF
DEVELOPMENT FOR THE PECOS RIVER DEEP UNIT
AREA FOR THE CALENDAR YEAR 1964

The undersigned, Yates Drilling Company, Unit Operator under the Pecos River Deep Unit agreement heretofor approved by the New Mexico Oil Conservation Commission, the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey and which was effective as of December 4, 1962, and in conformity with the provisions of Section 10 of the unit agreement submits for approval of the New Mexico Oil Conservation Commission, the Commissioner of Public Lands and the Supervisor of the United States Geological Survey the plan hereinafter set forth for the further development and operation of the Pecos River Deep Unit Area and in support thereof respectfully shows:

1. The Pecos River Deep Unit No. 1 well located in the SE/4 NW/4 of Section 28, Township 19 South, Range 27 East, N. M. P. M., was completed July 23, 1963, as a well capable of producing gas and condensate from the Morrow formation of the Pennsylvania at a depth of 10,227 to 10,374 feet, with an initial potential of 1,150 Mcf of gas per day.

The Pecos River Deep Unit No. 2 well located in the SE/4 NE/4 of Section 12, Township 20 South, Range 26 East, N. M. P. M., was drilled to a total depth of 1947 feet and was plugged and abandoned as a dry hole on 12-6-63.

2. An initial participating area for the Morrow formation, predicated upon information obtained from the Pecos River Deep Unit No. 1 well, consisting of all of Section 28, Township 19 South, Range 27 East, N. M. P. M., containing 640 acres, was submitted to the Commissioner of Public Lands, November 12, 1963, but to date has not been approved.

The No. 1 well has been shut in since completion on account of lack of market.

PLAN OF DEVELOPMENT

Unit Operator proposes to drill one well during the calendar year of 1964 at a location to be furnished by amended plan not later than July 1, 1964. It is proposed to commence operations upon said well during the second half of 1964 and

to drill said well with due diligence to test the Pennsylvanian formation.

Unit owners have participated in the drilling of the Pan American Petroleum Corporation's Adams Bend No. 1 well in Section 23, Township 20 South, Range 26 East, N. M. P. M., and have offered a contribution of \$4.00 per foot towards the drilling of a well to the top of the Mississippian in Section 5, Township 20 South, Range 27 East, N. M. P. M. The Adams Bend No. 1 well and the proposed well in Section 5, Township 20 South, Range 27 East, N. M. P. M., are direct offsets to the unit and should provide valuable information for the selection of the location of the next well unit.

Unit operator will continue to study the area and submit a more definite amended plan of development by July 1, 1964.

Dated this 8th day of January, 1964.

Respectfully submitted,

YATES DRILLING COMPANY

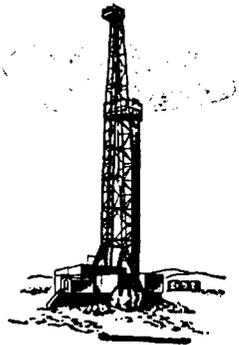
BY Hugh W. Parry

APPROVED MAR 16 1964

John W. Anderson
Oil & Gas Supervisor

Subject to like approval by the appropriate State officials.

3-21



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

1964 MAR 25 AM 8:20

ARTESIA, NEW MEXICO

23 March 1964

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

RE: Initial Participating Area,
Morrow Formation
Pecos River Deep Unit,
Eddy County, New Mexico.

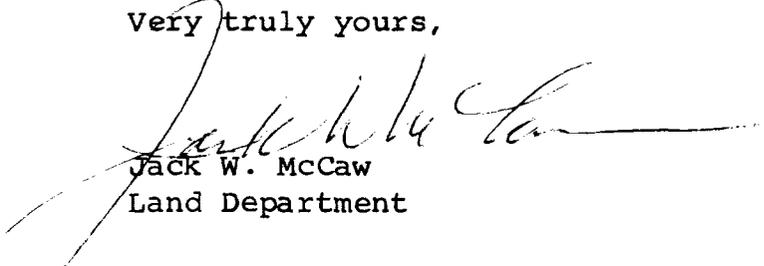
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.
Secretary-Director

Dear Sir:

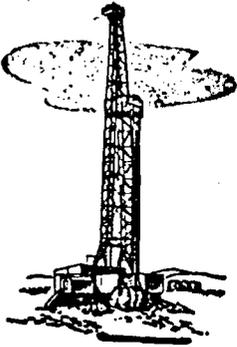
We enclose herewith approved copy of Initial
Participating Area for the Morrow Formation which has been
approved by the U.S.G.S as of March 11, 1964.

Very truly yours,



JACK W. McCaw
Land Department

JWM/dp
Encl.



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

MAIN OFFICE OCC.

1964 MAR 25 AM 8:20

P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

ARTESIA, NEW MEXICO

PECOS RIVER DEEP UNIT
EDDY COUNTY, NEW MEXICO

Application for Approval of Initial Participating
Area for the Morrow Formation

The Director (4)
United States Geological Survey
Washington 25, D. C.

The Director (3)
Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

The Commissioner of Public Lands (3)
New Mexico State Land Office
Santa Fe, New Mexico

Gentlemen:

Yates Drilling Company, as unit operator for the Pecos River Deep Unit agreement, approved by the Director of the U. S. Geological Survey, effective December 4, 1962, pursuant to the provisions of section 11 thereof, and having first submitted our selection for approval of nonoperators, respectfully submits for the approval of said Director the selection of the following described lands to constitute the initial participating area for the Morrow producing zone, to wit:

All of Section 28, Township 19 South,
Range 27 East, N. M. P. M., totaling
640 acres.

In support of this application, the following numbered items are attached hereto and made a part hereof:

STAMPED: MAR 11 1964

- (1) A map marked exhibit "A" showing thereon the boundaries of the unit area and the proposed initial participating area.
- (2) An ownership plat marked exhibit "B" of the participating area.
- (3) A schedule marked exhibit "C" showing the lands entitled to participation in the unitized substances produced from the Morrow formation, with the percentage of participation of each lease or tract indicated thereon.
- (4) Geological and engineering report marked exhibit "D" with structural map contoured on the Morrow formation.

This proposed initial participating area is predicated upon the information first obtained upon the completion in paying quantities under the terms of the unit agreement on July 23, 1963, of the Pecos River Deep Unit No. 1 Well, in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 28, Township 19 South, Range 27 East, N. M. P. M., with an initial production of 1,150 MCFPD of gas with approximately 6 barrels of distillate per million cubic feet of gas from the Morrow formation at a depth of 10,227 to 10,374 feet. The effective date of this initial area shall be July 23, 1963, pursuant to section 11 of the unit agreement.

The Pecos River Deep Unit No. 1 Well has been shut-in since completion for lack of market and therefor, there has been no production from the proposed participating area to date. Your applicant will continue attempts to secure a market for this production and it is expected that with present development in the general area a purchaser of this production can be obtained.

In view of the above it is our present plan to develop the Morrow zone on 640 acre spacing.

Consequently, applicant respectfully requests that the Director, Commissioner, and the Commission approve the hereinabove selection of lands to constitute the initial Morrow participating area, to be effective July 23, 1963.

Dated this 12th day of November, 1963.

YATES DRILLING COMPANY

By *Hugh W. Parry*
Hugh W. Parry,
Secretary-Treasurer

Approved *January 10, 1964*
E. Walker
COMMISSIONER OF PUBLIC LANDS

Approved *January 11, 1964*
A. L. Carter, Jr.
Secretary-Director

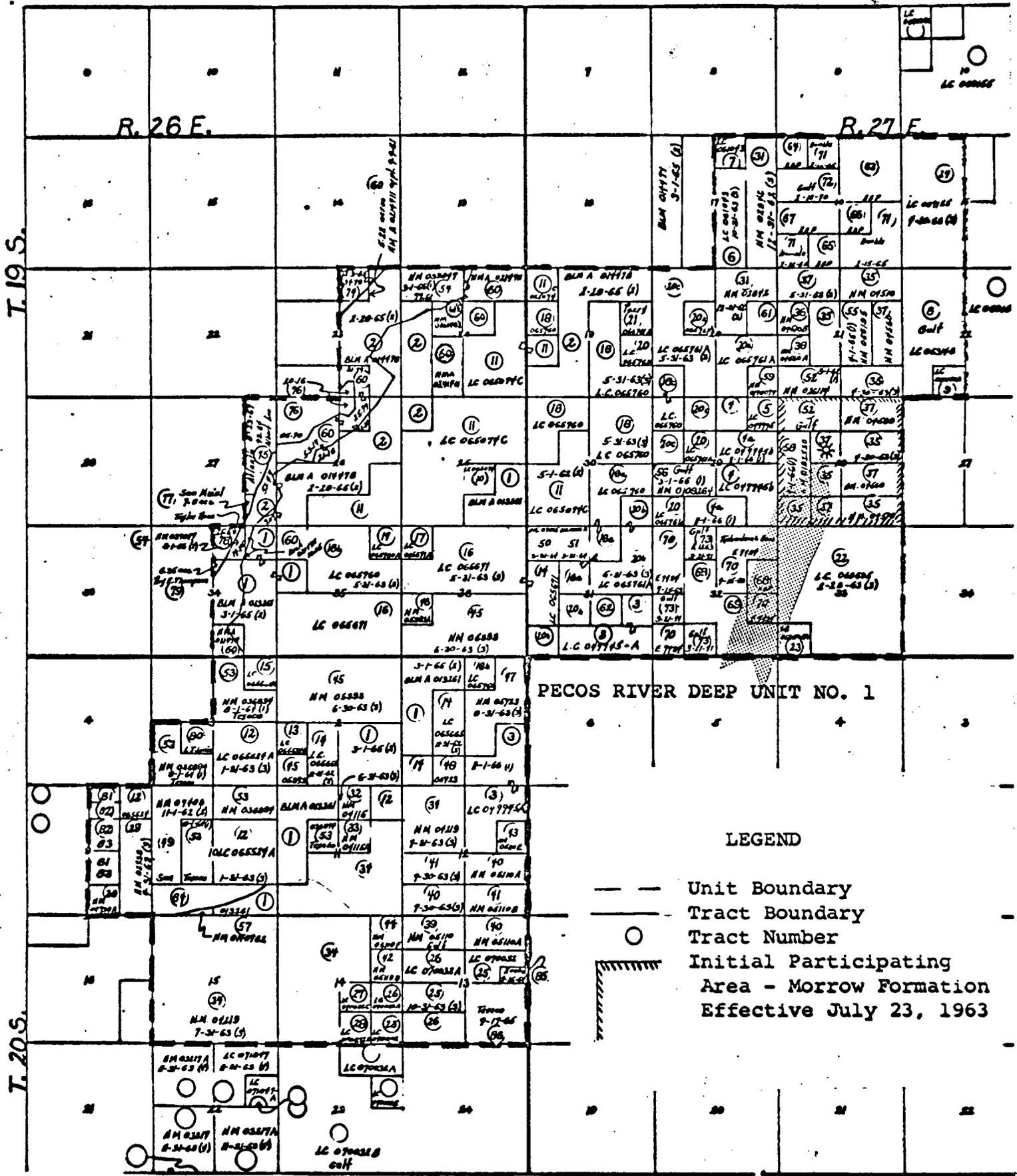
NEW MEXICO OIL CONSERVATION COMMISSION

Date Approved MAR 11 1964

Arthur A. Baker
Acting Director, U. S. Geological Survey

PECOS RIVER DEEP UNIT
 ADDY COUNTY, NEW MEXICO

Exhibit A



PECOS RIVER DEEP UNIT NO. 1

LEGEND

- — — Unit Boundary
 - — — Tract Boundary
 - Tract Number
 - ▨ Initial Participating Area - Morrow Formation
- Effective July 23, 1963

PECOS RIVER DEEP UNIT
 EDDY COUNTY, NEW MEXICO

Exhibit "B"

Initial Participating Area
 Morrow Formation - Effective July 23, 1963
 Ownership Plat

R27E

		R27E	
		Gulf ⑤② NM 026114	S. P. Yates ③⑦ NM 04560
T19S	⑤⑧ NM 0192530	S. P. Yates ③⑦ NM 04560	Fair Oil Co. 50% S. P. Yates 50% ③⑤ NM 04510
		Fair Oil Co. - 28 50% S. P. Yates - ③⑤ 50% NM 04510	S. P. Yates ③⑦ NM 04560
	Fair Oil Co. - 50% S. P. Yates - ③⑤ 50% NM 04510	S. P. Yates ③⑦ NM 04560	Fair Oil Co. 50% S. P. Yates 50% ③⑤ NM 04510

○ Means Tract Number on Exhibit B of Unit Agreement.

PECOS RIVER DEEP UNIT
 EDDY COUNTY, NEW MEXICO

Exhibit "C"

Schedule of Initial Participating Area - Morrow Formation
 Effective - July 23, 1963

Tract No.	Description	Participating Acreage	Serial Number	Lessee of Record	Working Interest & Percentage	Percent of Participation
35	Sec. 28, T.19S., R.27E., S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$	240.00	NM 04510	Fair Oil Co. E. H. Yates J. O. Miller V. P. Sheldon	Fair Oil Co. 50% S. P. Yates 50%	37.50%
37	Sec. 28, T.19S., R.27E., N $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	240.00	NM 04560	E. H. Yates J. O. Miller	S. P. Yates All	37.50%
52	Sec. 28, T.19S., R.27E., N $\frac{1}{2}$ NW $\frac{1}{4}$	80.00	NM 026114	Gulf Oil Corp.	Gulf Oil Corp. All	12.50%
58	Sec. 28, T.19S., R.27E., SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$	80.00	NM 0192530	Gulf Oil Corp.	Gulf Oil Corp. All	12.50%
	Total	<u>640.00</u>				<u>100.00%</u>

Summary

Total Federal Lands Committed	640 acres
Other Lands	None
Uncommitted Lands	None
Total Productive Lands	<u>640 acres</u>

PECOS RIVER DEEP UNIT
EDDY COUNTY, NEW MEXICO

Exhibit "D"

GEOLOGICAL AND ENGINEERING REPORT

The Pecos River Deep Unit No. 1 in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 28, Township 19 South, Range 27 East, was drilled to a depth of 10,741 feet and was completed July 23, 1963, with an initial production of 1,150 MCFPD of gas and approximately 6 barrels of distillate per million cubic feet of gas from the Morrow formation at a depth of 10,227 to 10,374 feet. This well was determined productive in paying quantities effective the date of completion, July 23, 1963.

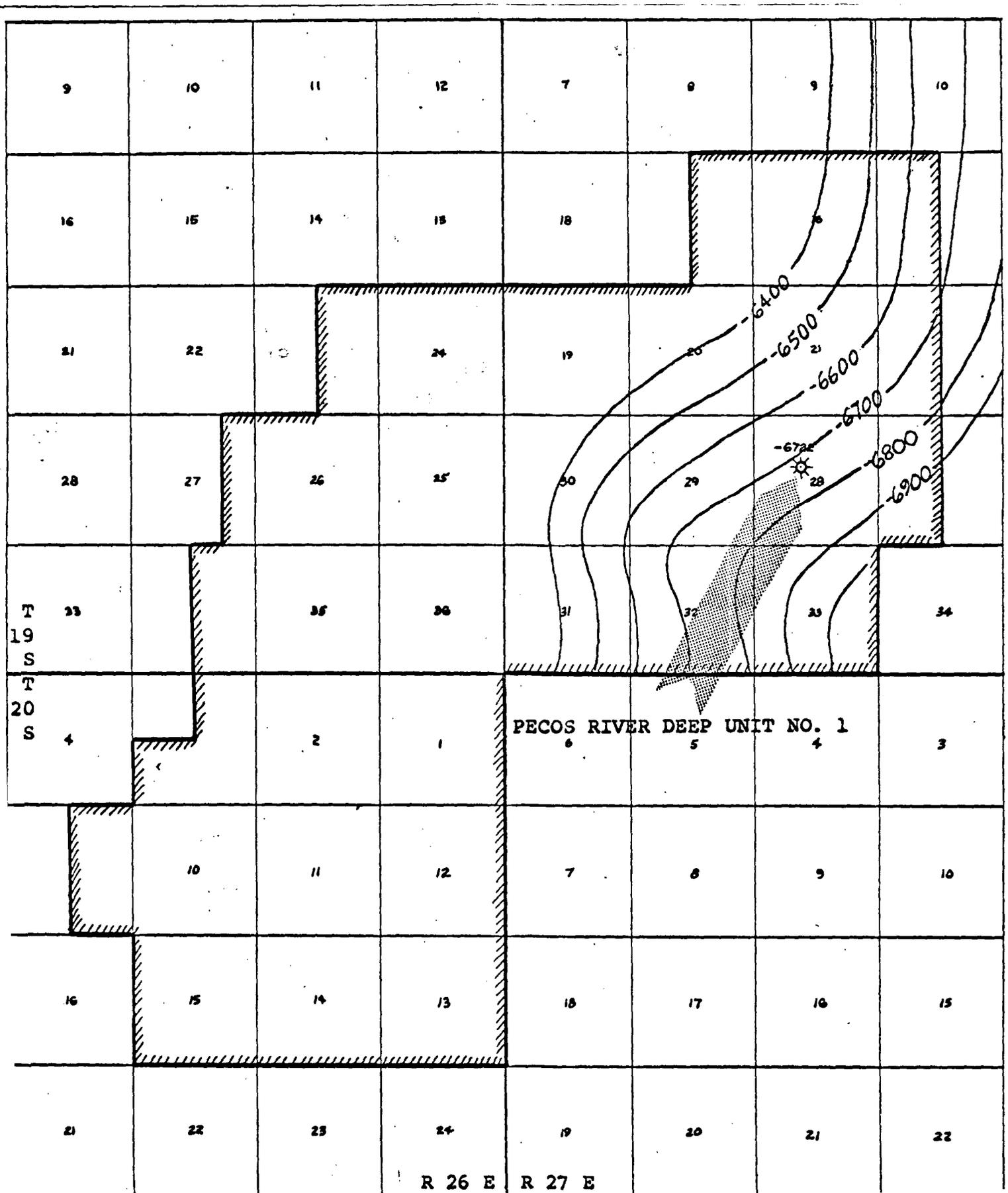
Like other Morrow Gas Sand reservoirs, this reservoir is thought to cover a stratigraphic trap in which at least the northwestern edge of production will be determined by sand thinning and porosity-permiability pinch out. Attached is a structural map marked figure 1 with contours drawn on top of the upper Morrow pay sand with the meager control available on the Gulf CI Well No. 1 located in Section 25, Township 18 South, Range 27 East, and using dipmeter survey and seismic information in predicting the structural relationship.

It is our present plan to develop the Morrow formation on 640 acre spacing, and in the absence of more detailed information; using the rule of proximity, with the Pecos River Deep Unit No. 1 well located near the center of section 28, it is regarded that all of Section 28, Township 19 South, Range 27 East, is productive from the Morrow formation.

PECOS RIVER DEEP UNIT
Eddy County, New Mexico

Figure 1

STRUCTURE CONTOURS ON TOP OF THE MORROW PAY SAND



200 BUREAU MAIL
Draper 1057 AM 1964
Roswell, New Mexico 88201

March 18, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Gentlemen:

The initial 640-acre Morrow participating area for the Pecos River Deep unit agreement, Eddy County, New Mexico was approved on March 11, 1964, by the Acting Director, Geological Survey, effective as of July 23, 1963.

Four approved copies of the application are enclosed. It is requested that you furnish the State of New Mexico and any other interested party with appropriate evidence of this approval.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil and Gas Supervisor

cc:

Washington (ltr. only)

Artesia (w/cy of appln.)

ELM-Santa Fe (w/cy of appln.)

NSOCC-Santa Fe (ltr. only) ✓

Com. of Public Lands-Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

2629

February 20, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Re: 1964 Plan of Development
Pecos River Deep Unit,
Eddy County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1964 Plan of Development for the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the application are returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/og

cc: Commissioner Public Lands - Santa Fe
United States Geological Survey - Roswell

MAIN OFFICE OCC

1964 MAR 18 AM 8:26

DENVER 1857
Roswell, New Mexico 88201

March 16, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Gentlemen:

Your 1964 plan of development dated January 8, 1964, for the Pecos River Deep unit agreement, Eddy County, New Mexico, proposing the drilling of one Pennsylvanian test well during the last half of 1964, has been approved on this date subject to like approval by the appropriate state officials.

Two approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) JOHN A. ANDERSON

JOHN A. ANDERSON
Regional Oil & Gas Supervisor

cc:

Washington (w/cy of plan)
Artesia (w/cy of plan)
WDOCC - Santa Fe
Com. of Pub. Lands - Santa Fe (ltr. only)

PECOS RIVER DEEP UNIT
EDDY COUNTY, NEW MEXICO

To: Secretary-Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Supervisor
United States Geological Survey
Roswell, New Mexico

1964 JUN 10 PM 1 21

APPLICATION FOR APPROVAL OF PLAN OF
DEVELOPMENT FOR THE PECOS RIVER DEEP UNIT
AREA FOR THE CALENDAR YEAR 1964

The undersigned, Yates Drilling Company, Unit Operator under the Pecos River Deep Unit agreement heretofore approved by the New Mexico Oil Conservation Commission, the Commissioner of Public Lands of the State of New Mexico and the Director of the United States Geological Survey and which was effective as of December 4, 1962, and in conformity with the provisions of Section 10 of the unit agreement submits for approval of the New Mexico Oil Conservation Commission, the Commissioner of Public Lands and the Supervisor of the United States Geological Survey the plan hereinafter set forth for the further development and operation of the Pecos River Deep Unit Area and in support thereof respectfully shows:

1. The Pecos River Deep Unit No. 1 well located in the SE/4 NW/4 of Section 28, Township 19 South, Range 27 East, N. M. P. M., was completed July 23, 1963, as a well capable of producing gas and condensate from the Morrow formation of the Pennsylvania at a depth of 10,227 to 10,374 feet, with an initial potential of 1,150 Mcf of gas per day.

The Pecos River Deep Unit No. 2 well located in the SE/4 NE/4 of Section 12, Township 20 South, Range 26 East, N. M. P. M., was drilled to a total depth of 1947 feet and was plugged and abandoned as a dry hole on 12-6-63.

2. An initial participating area for the Morrow formation, predicated upon information obtained from the Pecos River Deep Unit No. 1 well, consisting of all of Section 28, Township 19 South, Range 27 East, N. M. P. M., containing 640 acres, was submitted to the Commissioner of Public Lands, November 12, 1963, but to date has not been approved.

The No. 1 well has been shut in since completion on account of lack of market.

PLAN OF DEVELOPMENT

Unit Operator proposes to drill one well during the calendar year of 1964 at a location to be furnished by amended plan not later than July 1, 1964. It is proposed to commence operations upon said well during the second half of 1964 and

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

2629

February 20, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Re: 1964 Plan of Development
Pecos River Deep Unit,
Eddy County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1964 Plan of Development for the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the application are returned herewith.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JSK/og

cc: Commissioner Public Lands - Santa Fe
United States Geological Survey - Roswell

to drill said well with due diligence to test the Pennsylvanian formation.

Unit owners have participated in the drilling of the Pan American Petroleum Corporation's Adams Bend No. 1 well in Section 23, Township 20 South, Range 26 East, N. M. P. M., and have offered a contribution of \$4.00 per foot towards the drilling of a well to the top of the Mississippian in Section 5, Township 20 South, Range 27 East, N. M. P. M. The Adams Bend No. 1 well and the proposed well in Section 5, Township 20 South, Range 27 East, N. M. P. M., are direct offsets to the unit and should provide valuable information for the selection of the location of the next well unit.

Unit operator will continue to study the area and submit a more definite amended plan of development by July 1, 1964.

Dated this 8th day of January, 1964.

Respectfully submitted,

YATES DRILLING COMPANY

By Hugh W. Garvey

Approved Feb. 20, 1964
A. L. Carter
Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

1679

January 17, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Attention: Mr. Hugh W. Parry

Re: Initial Participating
Area, Morrow Formation
Pecos River Deep Unit,
Eddy County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Initial Participating Area of the Morrow Formation for the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Eight approved copies of the application are being forwarded to the Director, United States Geological Survey, Roswell, New Mexico.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey - Roswell
Commissioner of Public Lands, Santa Fe

January 13, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Pecos River Deep Unit
Eddy County, New Mexico
Initial Participating Area
for Morrow Formation

Attention: Mr. Hugh W. Parry

Gentlemen:

The Commissioner of Public Lands approves as of January 10, 1964, the Initial Participating Area for the Morrow Formation. This being predicated on Unit Well No. 1 which was completed July 23, 1963. The United States Geological Survey concurred on this well being a commercial well on September 13, 1963.

We are handing same approved copies of this application to the Oil Conservation Commission and requesting them to forward to the United States Geological Survey, Roswell, New Mexico for their consideration.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

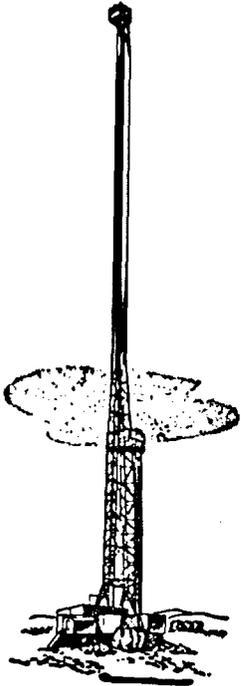
BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mar/v

cc:

Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3550

ARTESIA, NEW MEXICO

PECOS RIVER DEEP UNIT
EDDY COUNTY, NEW MEXICO

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

Application for Approval of Initial Participating
Area for the Morrow Formation

The Director (4)
United States Geological Survey
Washington 25, D. C.

The Director (3)
Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

The Commissioner of Public Lands (3)
New Mexico State Land Office
Santa Fe, New Mexico

Gentlemen:

Yates Drilling Company, as unit operator for the Pecos River Deep Unit agreement, approved by the Director of the U. S. Geological Survey, effective December 4, 1962, pursuant to the provisions of section 11 thereof, and having first submitted our selection for approval of nonoperators, respectfully submits for the approval of said Director the selection of the following described lands to constitute the initial participating area for the Morrow producing zone, to wit:

All of Section 28, Township 19 South, Range 27 East, N. M. P. M., totaling 640 acres.

In support of this application, the following numbered items are attached hereto and made a part hereof:

- (1) A map marked exhibit "A" showing thereon the boundaries of the unit area and the proposed initial participating area.
- (2) An ownership plat marked exhibit "B" of the participating area.
- (3) A schedule marked exhibit "C" showing the lands entitled to participation in the unitized substances produced from the Morrow formation, with the percentage of participation of each lease or tract indicated thereon.
- (4) Geological and engineering report marked exhibit "D" with structural map contoured on the Morrow formation.

This proposed initial participating area is predicated upon the information first obtained upon the completion in paying quantities under the terms of the unit agreement on July 23, 1963, of the Pecos River Deep Unit No. 1 Well, in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 28, Township 19 South, Range 27 East, N. M. P. M., with an initial production of 1,150 MCFPD of gas with approximately 6 barrels of distillate per million cubic feet of gas from the Morrow formation at a depth of 10,227 to 10,374 feet. The effective date of this initial area shall be July 23, 1963, pursuant to section 11 of the unit agreement.

The Pecos River Deep Unit No. 1 Well has been shut-in since completion for lack of market and therefor, there has been no production from the proposed participating area to date. Your applicant will continue attempts to secure a market for this production and it is expected that with present development in the general area a purchaser of this production can be obtained.

In view of the above it is our present plan to develop the Morrow zone on 640 acre spacing.

Consequently, applicant respectfully requests that the Director, Commissioner, and the Commission approve the hereinabove selection of lands to constitute the initial Morrow participating area, to be effective July 23, 1963.

Dated this 12th day of November, 1963.

YATES DRILLING COMPANY

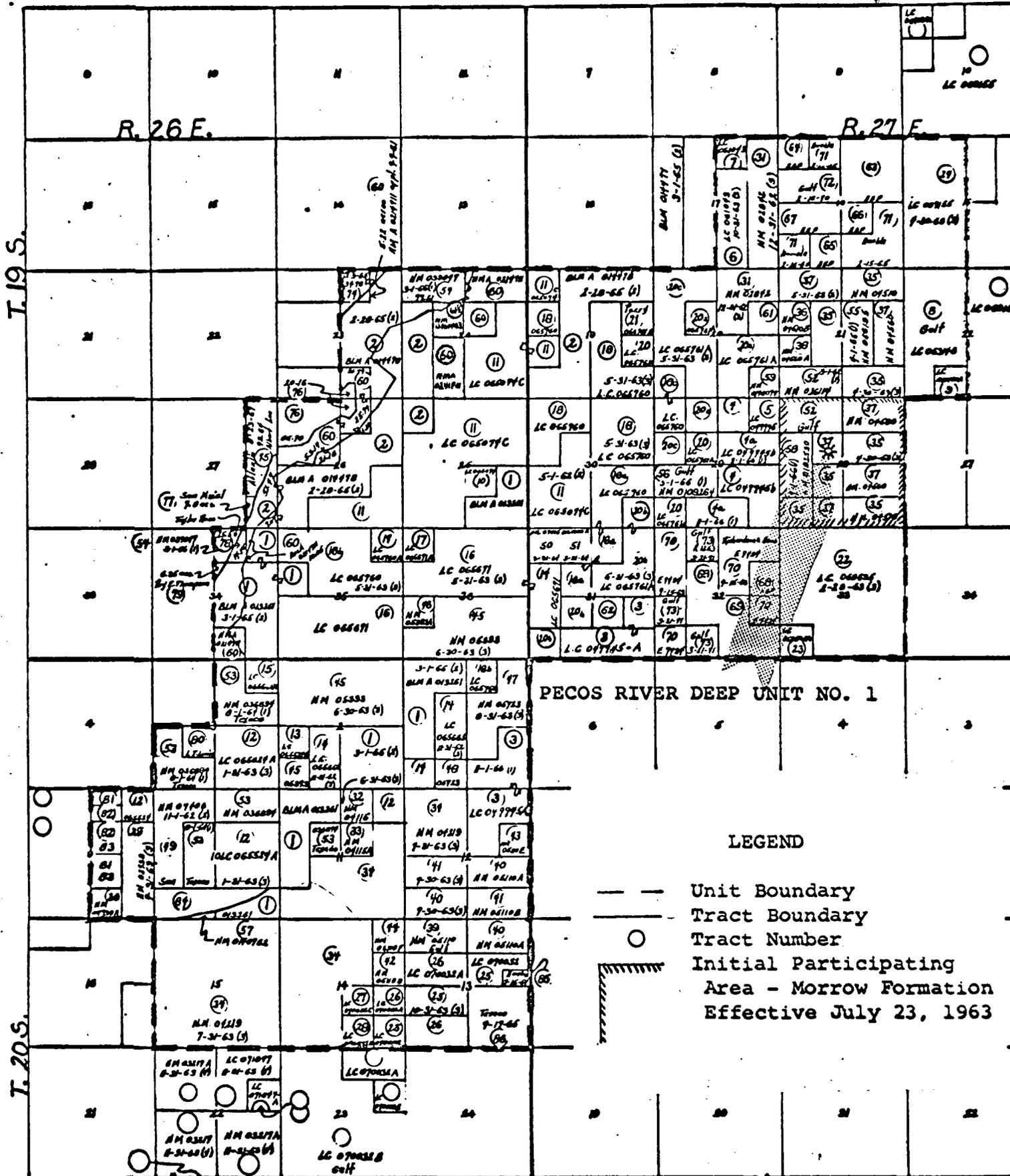
By Hugh W. Parry
Hugh W. Parry,
Secretary-Treasurer

Approved January 10, 1964
Ed Walker
COMMISSIONER OF PUBLIC LANDS

Approved January 17, 1964
A. H. Carter
Secretary-Director
ADVISORY COMMISSION ON CONSERVATION

PECOS RIVER DEEP UNIT
 EDDY COUNTY, NEW MEXICO

Exhibit A



PECOS RIVER DEEP UNIT NO. 1

LEGEND

- Unit Boundary
- Tract Boundary
- Tract Number
- ▨ Initial Participating Area - Morrow Formation Effective July 23, 1963

PECOS RIVER DEEP UNIT
 EDDY COUNTY, NEW MEXICO

Exhibit "B"

Initial Participating Area
 Morrow Formation - Effective July 23, 1963
 Ownership Plat

R27E

R27E		
Gulf (52) NM 026114	S. P. Yates (37) NM 04560	
Gulf (58) NM 0192530	S. P. Yates (37) NM 04560	Fair Oil Co. 50% S. P. Yates 50% (35) NM 04510
	Fair Oil Co. - 50% S. P. Yates - 50% (35) NM 04510	S. P. Yates (37) NM 04560
Fair Oil Co. - 50% S. P. Yates - 50% (35) NM 04510	S. P. Yates (37) NM 04560	Fair Oil Co. 50% S. P. Yates 50% (35) NM 04510

○ Means Tract Number on Exhibit B of Unit Agreement.

PECOS RIVER DEEP UNIT
 EDDY COUNTY, NEW MEXICO

Exhibit "C"

Schedule of Initial Participating Area - Morrow Formation
 Effective - July 23, 1963

Tract No.	Description	Participating Acreage	Serial Number	Lessee of Record	Working Interest & Percentage	Percent of Participation
35	Sec. 28, T.19S., R.27E., S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$	240.00	NM 04510	Fair Oil Co. E. H. Yates J. O. Miller V. P. Sheldon	Fair Oil Co. 50% S. P. Yates 50%	37.50%
37	Sec. 28, T.19S., R.27E., N $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	240.00	NM 04560	E. H. Yates J. O. Miller	S. P. Yates All	37.50%
52	Sec. 28, T.19S., R.27E., N $\frac{1}{2}$ NW $\frac{1}{4}$	80.00	NM 026114	Gulf Oil Corp.	Gulf Oil Corp. All	12.50%
58	Sec. 28, T.19S., R.27E., SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$	80.00	NM 0192530	Gulf Oil Corp.	Gulf Oil Corp. All	12.50%
	Total	640.00				100.00%

Summary

Total Federal Lands Committed	640 acres
Other Lands	None
Uncommitted Lands	None
Total Productive Lands	640 acres

PECOS RIVER DEEP UNIT
EDDY COUNTY, NEW MEXICO

Exhibit "D"

GEOLOGICAL AND ENGINEERING REPORT

The Pecos River Deep Unit No. 1 in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 28, Township 19 South, Range 27 East, was drilled to a depth of 10,741 feet and was completed July 23, 1963, with an initial production of 1,150 MCFPD of gas and approximately 6 barrels of distillate per million cubic feet of gas from the Morrow formation at a depth of 10,227 to 10,374 feet. This well was determined productive in paying quantities effective the date of completion, July 23, 1963.

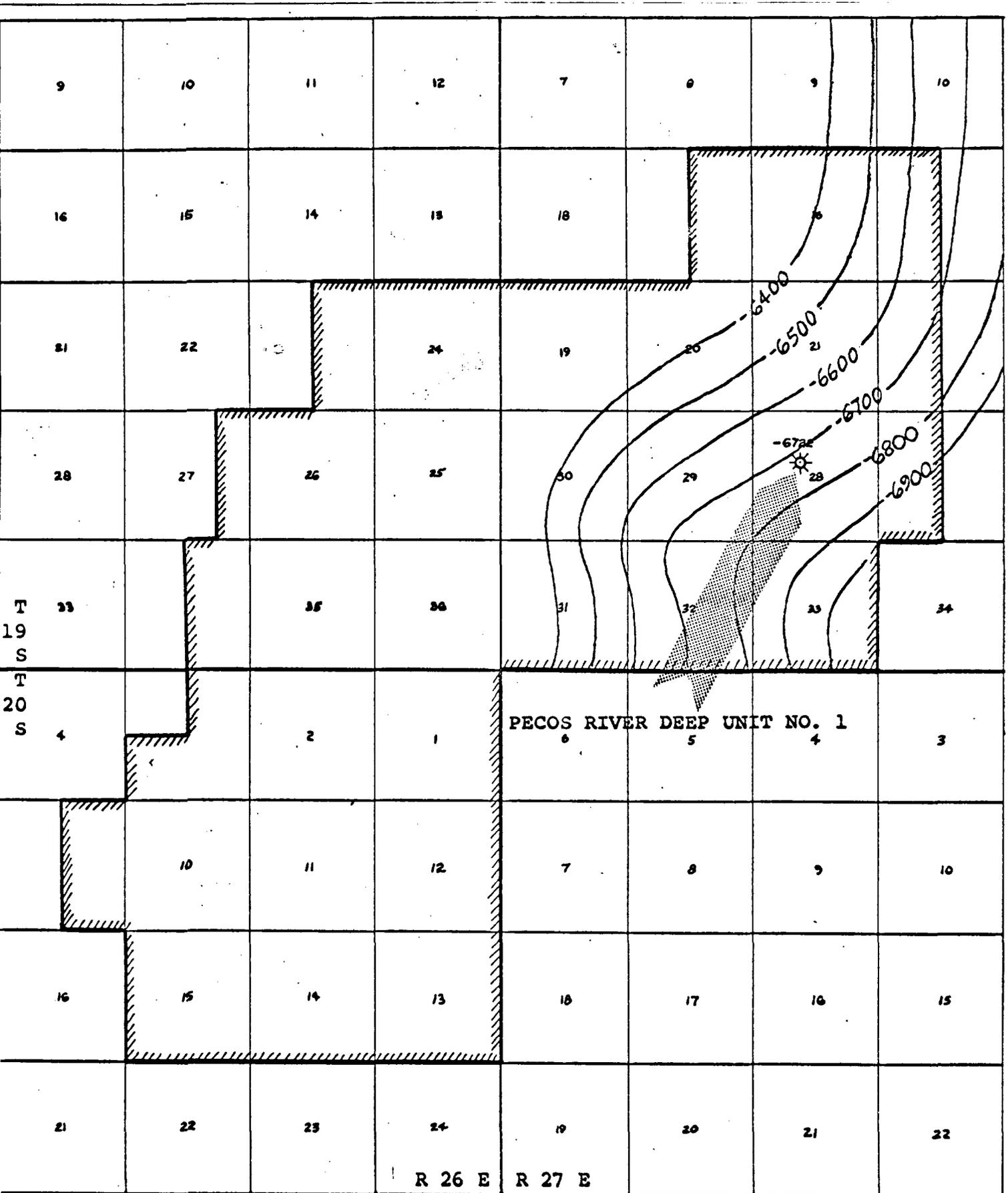
Like other Morrow Gas Sand reservoirs, this reservoir is thought to cover a stratigraphic trap in which at least the northwestern edge of production will be determined by sand thinning and porosity-permiability pinch out. Attached is a structural map marked figure 1 with contours drawn on top of the upper Morrow pay sand with the meager control available on the Gulf CI Well No. 1 located in Section 25, Township 18 South, Range 27 East, and using dipmeter survey and seismic information in predicting the structural relationship.

It is our present plan to develop the Morrow formation on 640 acre spacing, and in the absence of more detailed information; using the rule of proximity, with the Pecos River Deep Unit No. 1 well located near the center of section 28, it is regarded that all of Section 28, Township 19 South, Range 27 East, is productive from the Morrow formation.

PECOS RIVER DEEP UNIT
Eddy County, New Mexico

Figure 1

STRUCTURE CONTOURS ON TOP OF THE MORROW PAY SAND



January 13, 1964

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Pecos River Deep Unit
Eddy County, New Mexico
1964 Plan of Development

Attention: Mr. Hugh W. Parry

Gentlemen:

The Commissioner of Public Lands approves your 1964 Plan of Development for the Pecos River Deep Unit, Eddy County, New Mexico.

This application proposes the drilling of one well during the calendar year of 1964 and provides for an amended Plan to be submitted by July 1, 1964, giving the location of said well. Therefore this application is approved subject to said Amended Plan of Development being submitted for approval on or before July 1, 1964.

We are returning one approved copy of this Application.

Yates Drilling Company
Attention: Mr. Hugh W. Parry
January 13, 1964
- page 2 -

Very truly yours,

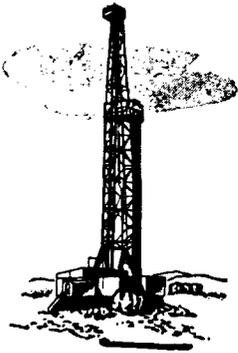
E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v
encl:

cc: Oil Conservation Commission
Santa Fe, New Mexico

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

January 8, 1964

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

Secretary-Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sir:

Enclosed please find three copies of Application for Approval of Plan of Development for the Pecos River Deep Unit Area for the Calendar Year 1964.

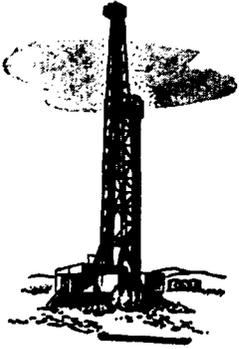
If there is anything further in this matter, please let us know.

Yours very truly,


Hugh W. Parry

HWP/ed

Enclosures



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3958

MAIL OFFICE 900

1963 NOV 14 PM 1 26

ARTESIA, NEW MEXICO

November 12, 1963

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC.-TREAS.

State of New Mexico
Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico

Attention: Mrs. Marian M. Rhea
Supervisor Unit Division

Re: Pecos River Deep Unit
Eddy County, New Mexico

Dear Mrs. Rhea:

Enclosed find 11 copies of application for approval of initial participating area for the Morrow formation, effective July 23, 1963. If this initial participating area meets with your approval kindly submit nine (9) copies of this application for approval of the Oil Conservation Commission, and by copy of this letter the Oil Conservation Commission is requested to return six (6) approved copies for further submittal to the U. S. G. S.

Yours very truly,


Hugh W. Parry

HWP/dh

Encl.

CC: Oil Conservation Commission
Santa Fe, New Mexico

STATE OFFICE 000

1963 OCT 31 PM 1 38

October 31, 1963

Yates Drilling Company
309 Carper Building
Artesia, New Mexico

Re: Pecos River Deep Unit
Eddy County, New Mexico
Initial Participating
Area

Attention: Mr. Hugh W. Parry

Gentlemen:

This office has received one copy of your Proposed Initial Participating Area for the Pecos River Deep Unit, Eddy County, New Mexico, dated October 25, 1963.

We require two originally signed copies of this Application and if you wish an approved copy you will have to submit three.

We also request that you make a statement as to the well this participating area is predicated on and the effective date of this participating area.

Very truly yours,

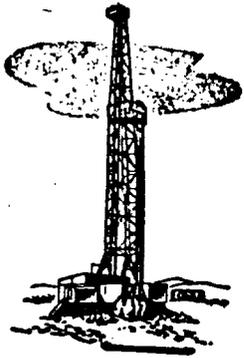
E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v

cc: Oil Conservation Commission

United States Geological Survey
Roswell, New Mexico



"AIR DRILLING SPECIALISTS"

YATES DRILLING COMPANY

309 CARPER BUILDING - DIAL SHERWOOD 6-3558

ARTESIA, NEW MEXICO

October 25, 1963

S. P. YATES,
PRESIDENT

J. O. MILLER,
VICE-PRES. &
GEN. MGR.

HUGH W. PARRY,
SEC. TREAS.

Mr. John A. Anderson
Regional Oil & Gas Supervisor
United States Geological Survey
Roswell, New Mexico

Mr. E. S. (Johnny) Walker
Land Commissioner
New Mexico State Land Office
Santa Fe, New Mexico

Mr. A. L. Porter, Jr.
Secretary-Director
State of New Mexico
Oil Conservation Commission
Santa Fe, New Mexico

Re: Pecos River Deep Unit
Schedule of Proposed
Initial Participating
Area.

Gentlemen:

In accordance with Section 11 of the Unit Agreement,
after first having submitted same to non-operators for approval,
the following schedule of unitized land is estimated to be
productive in paying quantities:

1963 OCT 25 10 10 AM '63
LAND OFFICE GOC

<u>Tract No.</u>	<u>Lease No.</u>	<u>Kind of Lease</u>	<u>Subdivisions</u>	<u>No. of Acres</u>	<u>Per Cent Allocated</u>
35	NM 04510	Federal	S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ all in Sec. 28, T. 19 S., R. 27 E.	240	37.5 %
37	NM 04560	Federal	N $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ all in Sec. 28, T. 19 S., R. 27 E.	240	37.5 %
52	NM 026114	Federal	N $\frac{1}{2}$ NW $\frac{1}{4}$ of Sec. 28, T. 19 S., R. 27 E.	80	12.5 %
58	NM 0192530	Federal	SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 28, T. 19 S., R. 27 E.	80	12.5 %
Total		All of Sec. 28, T. 19 S., R. 27 E.		640	100.0 %

You are respectfully requested to approve the above schedule as constituting the initial participating area of the Pecos River Deep Unit.

Yours very truly,

Hugh W. Parry
Hugh W. Parry

HWP/dh

1953 OCT 23 AM 10 26
MAIN OFFICE OCC

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

2679

December 27, 1962

C
O
P
Y

Vilas P. Sheldon
801 West Texas
Artesia, New Mexico

Re: Test Well Site
Pecos River Deep Unit,
Eddy County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the change in the test well site from SE NW of Section 29, Township 19 South, Range 27 East, NMPM, to SE NW of Section 26, Township 19 South, Range 27 East, NMPM, for the Pecos River Deep Unit, Eddy County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/JEK/ig

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

Mose Armstrong
Artesia, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 19, 1962

Mr. Neil B. Watson
Watson & Watson
P. O. Drawer E
Artesia, New Mexico

Re: Case No. 2627 - 2629
Order No. R-2320

Dear Mr. Watson:

Thank you for your letter of October 17, 1962.

The above-captioned order has had a munc pro tunc order signed changing the operator of the Pecos River Deep Unit Agreement from S. P. Drilling Company to the Yates Drilling Company. This order was signed October 18, 1962, and you should have a copy in the near future.

Very truly yours,

ELVIS A. UTZ
Gas Engineer

BAU/og

NEIL B. WATSON
FRED A. WATSON

LAW OFFICES
WATSON & WATSON
CARPER BUILDING - P. O. DRAWER E
ARTESIA, NEW MEXICO

TELEPHONE
SHERWOOD 6-4151

October 17, 1962

Mr. Elvis A. Utz, Examiner,
Oil Conservation Commission,
Santa Fe, New Mexico.

Dear Mr. Utz:

Re: Case No. 2629, Order R-2320

The Order of the Commission approving the Pecos River Deep Unit Agreement refers to the operator as being "S. P. Yates Drilling Company", and you will note from an examination of the Application that the unit operator is Yates Drilling Company, a New Mexico corporation. You will also note from the file, Page 3 of the Operating Agreement, that Yates Drilling Company, a New Mexico corporation, is designated as unit operator.

I am sorry I did not catch this typographical error when you first sent me a copy of the Order and, of course, it is simply a typographical error and can be corrected by entry of a new Order showing Yates Drilling Company, a New Mexico corporation, as operator.

I would appreciate it if you would please make this necessary change and send me copies of the corrected Order, because there is a S. P. Yates Drilling Company, which is a partnership, and this could cause considerable confusion.

I will very much appreciate your taking care of this matter.

Yours very truly,



Neil B. Watson.

Neil B. Watson
NBW:lve

2629

October 8, 1962

Mr. Vilas P. Sheldon
801 W. Texas
Artesia, New Mexico

Re: Proposed Pecos River Deep
Unit, Eddy County, New
Mexico

Dear Mr. Sheldon:

The Commissioner of Public Lands approved the Pecos River Deep Unit as of October 8, 1962, subject to like approval by the United States Geological Survey.

Please furnish us a fully conformed copy of this Unit after the United States Geological Survey has approved it.

We are enclosing twelve Certificates of Approval also Official Receipt No. 93678 in the amount of one hundred fifty-five (\$155.00) dollars which covers the filing fee.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Shea, Supervisor
Unit Division

ESW/mmr/v

cc: U. S. Geological Survey - Roswell, N. M.
Oil Conservation Commission - Santa Fe, N. M.

2629

October 8, 1962

Mr. Vilas P. Sheldon
801 W. Texas
Artesia, New Mexico

Re: Proposed Pecos River Deep
Unit, Eddy County, New
Mexico

Dear Mr. Sheldon:

The Commissioner of Public Lands approved the Pecos River Deep Unit as of October 8, 1962, subject to like approval by the United States Geological Survey.

Please furnish us a fully conformed copy of this Unit after the United States Geological Survey has approved it.

We are enclosing twelve Certificates of Approval also Official Receipt No. 93678 in the amount of one hundred fifty-five (\$155.00) dollars which covers the filing fee.

Very truly yours,

E. S. JOHNNY WALKER
COMMISSIONER OF PUBLIC LANDS

BY:
(Mrs.) Marian M. Rhea, Supervisor
Unit Division

ESW/mmr/v

cc: U. S. Geological Survey - Roswell, N. M.
Oil Conservation Commission - Santa Fe, N. M.