

UNIT AGREEMENT

**WARREN McKEE UNIT
LEA COUNTY, NEW MEXICO**

BEFORE EXAMINER NUTTER
ON CONSERVATION COMMISSION
<i>General</i> EXHIBIT NO. <u>4</u>
CASE NO. <u>3904 555</u>

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UNIT AGREEMENT

WARREN MCKEE UNIT

LEA COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the 1st day of March, 1965, by the parties who have signed the original of this instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions hereof;

W I T N E S S E T H:

WHEREAS, In the interest of the public welfare and to promote conservation and increase the ultimate recovery of oil, gas, and associated minerals from the Warren McKee Field, in Lea County, State of New Mexico, and to protect the rights of the owners of interests therein, it is deemed necessary and desirable to enter into this agreement to unitize the Oil and Gas Rights in and to the Unitized Formation in order to conduct a secondary recovery, pressure maintenance, or other recovery program as herein provided; and

WHEREAS, The Oil Conservation Commission of the State of New Mexico is authorized by law (Chap. 72, Laws of 1935, as amended by Chap. 193, Laws of 1937, Chap. 166, Laws of 1941, and Chap. 168, Laws of 1949) to approve this Agreement and the conservation provisions hereof; and

WHEREAS, The parties hereto hold sufficient interest in the Warren McKee Field to give reasonably effective control of operation therein;

NOW, THEREFORE, In consideration of the premises and of the mutual agreements herein contained, it is agreed as follows:

ARTICLE 1

DEFINITIONS

As used in this agreement, the terms herein contained shall have the following meaning:

1.1 Unit Area means the lands described by Tracts in Exhibit A and shown on Exhibit B as to which this agreement becomes effective or to which it may be extended as herein provided.

1.2 Unitized Formation means that subsurface portion of the Unit Area commonly known or described as the McKee formation, and found between the depths of 8,961 feet and 9,194 feet below the derrick floor elevation as shown on the Schlumberger electric log of the Amerada F. Turner, Jr. Well No. 2 located 1980 feet from the south line and 660 feet from the west line of Section 17, Township 20 South, Range 38 East, Lea County, New Mexico.

1.3 Unitized Substances means all oil, gas, gaseous substances, sulphur contained in gas, condensate, distillate, and all associated and constituent liquid or liquefiable hydrocarbons within or produced from the Unitized Formation.

1.4 Working Interest means an interest in Unitized Substances by virtue of a lease, operating agreement, fee title, or otherwise, including a carried interest, which interest is chargeable with and obligated to pay or bear, either in cash or out of production or otherwise, all or a portion of the cost of drilling, developing, producing, and operating the Unitized Formation. Any interest in Unitized Substances which is a Working Interest as of the date the owner thereof executes or ratifies this agreement shall thereafter be treated as a Working Interest for all purposes of this agreement.

1.5 Royalty Interest means a right to or interest in any portion of the Unitized Substances or proceeds thereof other than a Working Interest.

1.6 Royalty Owner means a party hereto who owns a Royalty Interest.

1.7 Working Interest Owner means a party hereto who owns a Working Interest. The owner of oil and gas rights that are free of lease or other instrument conveying the Working Interest to another shall be regarded as a Working Interest Owner to the extent of seven-eighths (7/8) of his interest in Unitized Substances and as a Royalty Owner with respect to his remaining one-eighth (1/8) interest therein.

1.8 Tract means each parcel of land described as such and given a Tract number in Exhibit A.

1.9 Unit Operating Agreement means the agreement entitled "Unit Operating Agreement, Warren McKee Unit, Lea County, New Mexico," of the same effective date as the effective date of this agreement, and which is entered into by Working Interest Owners.

1.10 Unit Operator means the Working Interest Owner designated by Working Interest Owners under the Unit Operating Agreement to

develop and operate the Unitized Formation, acting as operator and not as a Working Interest Owner.

1.11 Tract Participation means the percentage shown on Exhibit A for allocating Unitized Substances to a Tract under this agreement.

1.12 Unit Participation of each Working Interest Owner means the sum of the percentages obtained by multiplying the Working Interest of such Working Interest Owner in each Tract by the Tract Participation of such Tract.

1.13 Primary Phase means the period of time beginning on the effective date hereof and continuing to 7:00 A.M. on the first day of the calendar month next following the date on which there has been produced and saved, after June 1, 1964, from the Unitized Formation underlying the Unit Area as initially shown on Exhibit B, a total of 1,253,100 barrels of oil as determined from the oil production reports required by and submitted to the Oil Conservation Commission of New Mexico.

1.14 Secondary Phase means the remainder of the term of this agreement after the end of the Primary Phase.

1.15 Outside Substances means all substances obtained from any source other than the Unitized Formation and which are injected into the Unitized Formation.

1.16 Oil and Gas Rights means the right to explore, develop, and operate lands within the Unit Area for the production of Unitized Substances, or to share in the production so obtained or the proceeds thereof.

1.17 Unit Operations means all operations conducted by Working Interest Owners or Unit Operator pursuant to this agreement and the Unit Operating Agreement for or on account of the development and operation of the Unitized Formation for the production of Unitized Substances.

1.18 Unit Equipment means all personal property, lease and well equipment, plants, and other facilities and equipment taken over or otherwise acquired for the joint account for use in Unit Operations.

1.19 Unit Expense means all cost, expense, or indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this agreement and the Unit Operating Agreement for or on account of Unit Operations.

1.20 Unless the context otherwise clearly indicates, words

used in the singular include the plural, the plural include the singular, and the neuter gender include the masculine and the feminine.

ARTICLE 2

EXHIBITS

2.1 Exhibits. Attached hereto are the following exhibits which are incorporated herein by reference:

2.1.1 Exhibit A, which is a schedule that describes each Tract in the Unit Area and shows its Tract Participation.

2.1.2 Exhibit B, which is a map that shows the boundary lines of the Unit Area and the Tracts therein.

2.2 Reference to Exhibits. When reference herein is made to an exhibit, the reference is to the Exhibit as originally attached or, if revised, to the latest revision.

2.3 Exhibits Considered Correct. An exhibit shall be considered to be correct until revised as herein provided.

2.4 Correcting Errors. The shapes and descriptions of the respective Tracts have been established by using the best information available. If it subsequently appears that any Tract, because of diverse royalty or working interest ownership on the effective date hereof, should be divided into more than one Tract, or that any mechanical miscalculation has been made, Unit Operator, with the approval of Working Interest Owners, may correct the mistake by revising the exhibits to conform to the facts. The revision shall not include any re-evaluation of engineering or geological interpretations used in determining Tract Participation. Each such revision of an exhibit shall be effective at 7:00 A.M. on the first day of the calendar month next following the filing for record of the revised exhibit or on such other date as may be determined by Working Interest Owners and set forth in the revised exhibit.

2.5 Filing Revised Exhibits. If an exhibit is revised pursuant to this agreement, Unit Operator shall certify and file the revised exhibit for record in the County in which this agreement is filed.

ARTICLE 3

CREATION AND EFFECT OF UNIT

3.1 Oil and Gas Rights Unitized. Subject to the provisions of this agreement, all Oil and Gas Rights of Royalty Owners in and to the lands described in Exhibit A, and all Oil and Gas Rights of Working Interest Owners in and to said lands, are hereby unitized insofar as the respective Oil and Gas Rights pertain to the Unitized Formation, so that operations may be conducted as if the Unitized Formation had been included in a single lease executed by all Royalty Owners, as lessors, in favor of all Working Interest Owners, as lessees, and as if the lease had been subject to all of the provisions of this agreement.

3.2 Personal Property Excepted. Working Interest Owners have each individually heretofore placed in or on their wells and in or on lands affected by this agreement, various items of personal property which are lease and well equipment, as to all of which Working Interest Owners have the right, as provided in their respective leases, to remove such property from the premises and all of which installations were made with the intention and understanding that all of the same would be and remain personal property and that no part thereof would be or become a part of the realty. Working Interest Owners except from the terms and provisions of this agreement, and hereby sever from said lands, for all purposes, all such lease and well equipment which may be or may hereafter become located in or on the lands or in the wells on the lands affected hereby. To conform their respective investments in such equipment, Working Interest Owners have made a separate agreement with each other with respect thereto.

3.3 Amendment of Leases and Other Agreements. The provisions of the various leases, agreements, division and transfer orders, or other instruments covering the respective Tracts or the production therefrom are amended to the extent necessary to make them conform to the provisions of this agreement, but otherwise shall remain in effect.

3.4 Continuation of Leases and Term Royalties. Operations, including drilling operations, conducted with respect to the Unitized Formation on any part of the Unit Area, or production from any part of the Unitized Formation, except for the purpose of determining payments to Royalty Owners, shall be considered as operations upon or production from each Tract, and such operations or production shall continue in effect each lease or term royalty interest as to all lands covered thereby just as if such operations had been conducted and a well had been drilled on and was producing from each Tract.

3.5 Titles Unaffected by Unitization. Nothing herein shall be construed to result in the transfer of title to the Oil and Gas Rights by any party hereto to any other party or to Unit Operator. The intention is to provide for cooperative development and operation of the Tracts and for the sharing of Unitized Substances as herein provided.

3.6 Injection Rights. Royalty Owners hereby grant unto Working Interest Owners the right to inject into the Unitized Formation any substances in whatever amounts Working Interest Owners deem expedient for Unit Operations, including the right to drill and maintain injection wells on the Unit Area and to use producing or abandoned oil or gas wells for such purposes.

3.7 Development Obligation. Nothing herein shall relieve Working Interest Owners from the obligation to develop reasonably as a whole the lands and leases committed hereto.

ARTICLE 4

PLAN OF OPERATIONS

4.1 Unit Operator. Working Interest Owners are, as of the effective date of this agreement, entering into the Unit Operating Agreement, designating Amerada Petroleum Corporation as Unit Operator. Unit Operator shall have the exclusive right to conduct Unit Operations. The operations shall conform to the provisions of this agreement and the Unit Operating Agreement. If there is any conflict between such agreements, this agreement shall govern.

4.2 Operating Methods. To the end that the quantity of Unitized Substances ultimately recoverable may be increased and waste prevented, Working Interest Owners shall, with diligence and in accordance with good engineering and production practices, within a reasonable time after this agreement becomes effective, commence secondary recovery operations by means of the injection of water, gas, and other substances, or any of them, into the Unitized Formation.

4.3 Change of Operating Methods. Nothing herein shall prevent Working Interest Owners from discontinuing or changing in whole or in part any method of operation which, in their opinion, is no longer in accord with good engineering or production practices. Other methods of operation may be conducted or changes may be made by Working Interest Owners from time to time if determined by them to be feasible, necessary, or desirable to increase the ultimate recovery of Unitized Substances.

4.4 Border Agreements. Unit Operator, with the approval of Working Interest Owners, may enter into agreements with the owners of operating rights in lands adjacent to the Unit Area with respect to operations in the border area for maximum ultimate recovery, conservation purposes and proper protection of the parties and interests.

ARTICLE 5

TRACT PARTICIPATION

5.1 Tract Participation. The Tract Participation of each Tract is shown in Exhibit A.

5.2 Relative Tract Participations. If the Unit Area is enlarged or reduced, the revised Tract Participations of the Tracts remaining in the Unit Area and which were within the Unit Area prior to the enlargement or reduction shall remain in the same ratio one to another.

ARTICLE 6

ALLOCATION OF UNITIZED SUBSTANCES

6.1 Allocation to Tracts. All unitized Substances produced and saved shall be allocated to the several Tracts in accordance with the respective Tract Participations effective during the period that the Unitized Substances were produced. The amount of Unitized Substances allocated to each Tract, regardless of whether it is more or less than the actual production of Unitized Substances from the well or wells, if any, on such Tract, shall be deemed for all purposes to have been produced from such Tract.

6.2 Distribution Within Tracts. The Unitized Substances allocated to each Tract shall be distributed among, or accounted for to, the parties entitled to share in the production from such Tract in the same manner, in the same proportions, and upon the same conditions as they would have participated and shared in the production from such Tract, or in the proceeds thereof, had this agreement not been entered into, and with the same legal effect. If any Oil and Gas Rights in a Tract are now or hereafter become divided and owned in severalty as to different parts of the Tract, the owners of the divided interests, in the absence of an agreement providing for a different division, shall share in the Unitized Substances allocated to the Tract, or in the proceeds thereof, in proportion to the surface acreage of their respective parts of the Tract.

6.3 Taking Unitized Substances in Kind. The Unitized Substances allocated to each Tract shall be delivered in kind to the respective parties entitled thereto by virtue of the ownership of Oil and Gas Rights therein or by purchase from such owners. Such parties shall have the right to construct, maintain, and operate within the Unit Area

all necessary facilities for that purpose, provided that they are so constructed, maintained, and operated as not to interfere with Unit Operations. Any extra expenditures incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances shall be borne by the receiving party. If a Royalty Owner has the right to take in kind a share of Unitized Substances and fails to do so, the Working Interest Owner whose Working Interest is subject to such Royalty Interest shall be entitled to take in kind such share of the Unitized Substances.

6.4 Failure to Take in Kind. If any party fails to take in kind or separately dispose of its share of Unitized Substances, Unit Operator shall have the right, for the time being and subject to revocation at will by the party owning the share, to purchase for its own account or sell to others such share; provided that, all contracts of sale by Unit Operator of any other party's share of Unitized Substances shall be only for such reasonable periods of time as are consistent with the minimum needs of the industry under the circumstances, but in no event shall any such contract be for a period in excess of one year. The proceeds of the Unitized Substances so disposed of by Unit Operator shall be paid to the party entitled thereto.

6.5 Responsibility for Royalty Settlements. Any party receiving in kind or separately disposing of all or part of the Unitized Substances allocated to any Tract or receiving the proceeds therefrom shall be responsible for the payment thereof to the persons entitled thereto, and shall indemnify all parties hereto, including Unit Operator, against any liability for all royalties, overriding royalties, production payments, and all other payments chargeable against or payable out of such Unitized Substances or the proceeds therefrom.

6.6 Royalty on Outside Substances. No payments shall be due or payable to Royalty Owners on Outside Substances.

6.6.1 If gas is the Outside Substance injected, fifty percent (50%) of any gas subsequently produced from the Unitized Formation and sold, or used for other than Unit Operations, shall be deemed to be the Outside Substance so injected until the total volume thereof equals the total volume of the Outside Substances so injected.

6.6.2 If Liquid Petroleum Gas (LPG) is the Outside Substance injected, ten percent (10%) of all Unitized Substances produced from the Unitized Formation subsequent to two years after the initial injection of such LPG into the Unitized Formation shall be deemed Outside Substance so injected until

the total value thereof equals the total cost of Outside Substances so injected.

ARTICLE 7

PRODUCTION AS OF THE EFFECTIVE DATE

7.1 Oil in Lease Tanks. Unit Operator shall gauge all lease and other tanks within the Unit Area to ascertain the amount of merchantable oil produced from the Unitized Formation in such tanks, above the pipe line connections, as of 7:00 A. M. on the effective date hereof. The oil that is a part of the prior allowable of the wells from which it was produced shall remain the property of the parties entitled thereto the same as if the Unit had not been formed. Any such oil not promptly removed may be sold by the Unit Operator for the account of the parties entitled thereto, subject to the payment of all royalties, overriding royalties, production payments, and all other payments under the provisions of the applicable lease or other contracts. The oil that is in excess of the prior allowable of the wells from which it was produced shall be regarded as Unitized Substances produced after effective date hereof.

7.2 Overproduction. If, as of the effective date hereof, any Tract is overproduced with respect to the allowable of the wells on that Tract, and the amount of overproduction has been sold or otherwise disposed of, such overproduction shall be regarded as a part of the Unitized Substances produced after the effective date hereof and shall be charged to such Tract as having been delivered to the parties entitled to Unitized Substances allocated to such Tract.

ARTICLE 8

USE OR LOSS OF UNITIZED SUBSTANCES

8.1 Use of Unitized Substances. Working Interest Owners may use as much of the Unitized Substances as they deem necessary for Unit Operations, including but not limited to the injection thereof into the Unitized Formation.

8.2 Royalty Payments. No royalty, overriding royalty, production, or other payments shall be payable upon, or with respect to, Unitized Substances used or consumed in Unit Operations, or which otherwise may be lost or consumed in the production, handling, treating, transportation, or storing of Unitized Substances.

ARTICLE 9

TRACTS TO BE INCLUDED IN UNIT

9.1 Qualification of Tracts. On and after the effective date hereof and until the enlargement or reduction thereof, the Unit Area shall be composed of the Tracts listed in Exhibit A that corner or have a common boundary (Tracts separated only by a public highway or a railroad right of way shall be considered to have a common boundary), and that otherwise qualify as follows:

9.1.1 Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this agreement and as to which Royalty Owners owning seventy-five percent (75%) or more of the Royalty Interest have become parties to this agreement.

9.1.2 Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest have become parties to this agreement, and as to which Royalty Owners owning less than seventy-five percent (75%) of the Royalty Interest have become parties to this agreement, and as to which (a) all Working Interest Owners in such Tract have joined in a request for the inclusion of such Tract in the Unit Area, and as to which (b) eighty percent (80%) of the combined voting interest of Working Interest Owners in all Tracts that meet the requirements of Section 9.1.1 have voted in favor of the inclusion of such Tract. For the purpose of this Section 9.1.2, the voting interest of a Working Interest Owner shall be equal to the ratio that its Primary Phase Unit Participation attributable to Tracts that qualify under Section 9.1.1 bears to the total Primary Phase Unit Participation of all Working Interest Owners attributable to all Tracts that qualify under Section 9.1.1.

9.1.3 Each Tract as to which Working Interest Owners owning less than one hundred percent (100%) of the Working Interest have become parties to this agreement, regardless of the percentage of Royalty Interest therein that is committed hereto; and as to which (a) the Working Interest Owner who operates the Tract and all of the other Working Interest Owners in such Tract who have become parties to this agreement have joined in a request for inclusion of such Tract in the Unit Area, and have executed and delivered an indemnity agreement indemnifying and agreeing to hold harmless the other Working Interest Owners in the Unit Area, their successors and assigns, against all claims and demands that may

be made by the owners of Working Interests in such Tract who are not parties to this agreement, and which arise out of the inclusion of the Tract in the Unit Area; and as to which (b) eighty percent (80%) of the combined voting interest of Working Interest Owners in all Tracts that meet the requirements of Section 9.1.1 and 9.1.2 have voted in favor of the inclusion of such Tract and to accept the indemnity agreement. For the purpose of this Section 9.1.3, the voting interest of each Working Interest Owner shall be equal to the ratio that its Primary Phase Unit Participation attributable to Tracts that qualify under Sections 9.1.1 and 9.1.2 bears to the total Primary Phase Unit Participation of all Working Interest Owners attributable to all Tracts that qualify under Sections 9.1.1 and 9.1.2. Upon the inclusion of such a Tract in the Unit Area, the Unit Participation that would have been attributed to the nonsubscribing owners of the Working Interest in such Tract, had they become parties to this agreement and the Unit Operating Agreement, shall be attributed to the Working Interest Owners in such Tract who have become parties to such agreements, in proportion to their respective Working Interests in the Tract.

9.2 Subsequent Commitment of Interest to Unit. After the effective date of this agreement, the commitment of any interest in any Tract within the Unit Area shall be upon such terms as may be negotiated by Working Interest Owners and the owner of such interest.

9.3 Revision of Exhibits. If any of the Tracts described in Exhibit A fail to qualify for inclusion in the Unit Area, Unit Operator shall recompute, using the original basis of computation, the Tract Participation of each of the qualifying Tracts, and shall revise Exhibits A and B accordingly. The revised exhibits shall be effective as of the effective date hereof.

ARTICLE 10

TITLES

10.1 Removal of Tract from Unit Area. If a Tract ceases to have sufficient Working Interest Owners or Royalty Owners committed to this agreement to meet the conditions of Article 9 because of failure of title of any party hereto, such Tract shall be removed from the Unit Area effective as of the first day of the calendar month in which the failure of title is finally determined; however, the Tract shall not be removed from the Unit Area if, within ninety (90) days of the date of

final determination of the failure of title, the Tract requalifies under a Section of Article 9.

10.2 Revision of Exhibits. If a Tract is removed from the Unit Area because of the failure of title, Unit Operator, subject to Section 5.2, shall recompute the Tract Participation of each of the Tracts remaining in the Unit Area and shall revise Exhibits A and B accordingly. The revised exhibits shall be effective as of the first day of the calendar month in which such failure of title is finally determined.

10.3 Working Interest Titles. If title to a Working Interest fails, the rights and obligations of Working Interest Owners by reason of the failure of title shall be governed by the Unit Operating Agreement.

10.4 Royalty Owner Titles. If title to a Royalty Interest fails, but the Tract to which it relates is not removed from the Unit Area, the party whose title failed shall not be entitled to share hereunder with respect to such interest.

10.5 Production Where Title is in Dispute. If the title or right of any party claiming the right to receive in kind all or any portion of the Unitized Substances allocated to a Tract is in dispute, Unit Operator at the discretion of Working Interest Owners shall either:

(a) require that the party to whom such Unitized Substances are delivered or to whom the proceeds thereof are paid, furnish security for the proper accounting therefor to the rightful owner if the title or right of such party fails in whole or in part, or

(b) withhold and market the portion of Unitized Substances with respect to which title or right is in dispute, and impound the proceeds thereof until such time as the title or right thereto is established by a final judgment of a court of competent jurisdiction or otherwise to the satisfaction of Working Interest Owners, whereupon the proceeds so impounded shall be paid to the party rightfully entitled thereto.

10.6 Payment of Taxes to Protect Title. The owners of (1) the surface rights to lands within the Unit Area, (2) the several mineral or Royalty Interests in the lands, and (3) the improvements located on the lands not utilized for Unit Operations, shall individually be responsible for the rendition and assessment for ad valorem tax purposes of all such property, and for the payment of such taxes, except as otherwise provided in any contract or agreement between such owners and a Working

Interest Owner. If any ad valorem taxes are not paid by such owner responsible therefor when due, Unit Operator may, with approval of Working Interest Owners, at any time prior to tax sale, or expiration of period of redemption after tax sale, pay the same, redeem such property, and discharge such tax liens as may arise through non-payment. Any such payment shall be treated as an item of Unit Expense. Unit Operator shall, if possible, withhold from any proceeds derived from the sale of Unitized Substances otherwise due to any delinquent taxpayer or taxpayers an amount sufficient to defray the costs of such payment or redemption, such withholding to be credited to the joint account. Such withholding shall be without prejudice to any other remedy, either at law or at equity, which may be available for exercise by the Unit Operator or by the Working Interest Owners.

ARTICLE 11

EASEMENTS OR USE OF SURFACE

11.1 Grant of Easements. The parties hereto, to the extent of their rights and interests, hereby grant to Working Interest Owners the right to use as much of the surface of the land within the Unit Area as may reasonably be necessary for Unit Operations; provided that, nothing herein shall be construed as leasing or otherwise conveying to Working Interest Owners a site for a water, gas injection, processing or other plant, or camp site.

11.2 Use of Water. Working Interest Owners shall have free use of water from the Unit Area for Unit Operations, except water from any well, lake, pond, or irrigation ditch of a Royalty Owner.

11.3 Surface Damages. Working Interest Owners shall pay the owner for damages to growing crops, timber, fences, improvements, and structures on the Unit Area that result from Unit Operations in accordance with and as specified in the leases subject to this agreement.

ARTICLE 12

ENLARGEMENTS OF UNIT AREA

12.1 Enlargements of Unit Area. The Unit Area may be enlarged to include acreage reasonably proved to be productive, upon such terms as may be determined by Working Interest Owners, including but not limited to, the following:

12.1.1 The acreage shall qualify under a Section of Article 9.

12.1.2 The participation to be allocated to the acreage shall be reasonable, fair, and based on all available information.

12.1.3 There shall be no retroactive allocation or adjustment of Unit Expense or of interests in the Unitized Substances produced, or proceeds thereof; however, this limitation shall not prevent an adjustment of investment by reason of the enlargement.

12.2 Determination of Tract Participation. Unit Operator, subject to Section 5.2, shall determine the Tract Participation of each Tract within the Unit Area as enlarged, and shall revise Exhibits A and B accordingly.

12.3 Effective Date. The effective date of any enlargement of the Unit Area shall be 7:00 A.M. on the first day of the calendar month following compliance with conditions for enlargement as specified by Working Interest Owners, approval of the enlargement by the appropriate governmental authority, if required, and the filing for record of revised Exhibits A and B in the records of the County in which this agreement is recorded. If the Unit Area is enlarged during the Primary Phase, the revised Exhibit A shall state the revised number of barrels of oil that shall determine the duration of the Primary Phase.

ARTICLE 13

CHANGE OF TITLE

13.1 Covenant Running With the Land. This agreement shall extend to, be binding upon, and inure to the benefit of, the respective heirs, devisees, legal representatives, successors, and assigns of the parties hereto, and shall constitute a covenant running with the lands, leases, and interests covered hereby.

13.2 Notice of Transfer. Any conveyance of all or any part of any interest owned by any party hereto with respect to any Tract shall be made expressly subject to this agreement. No change of title shall be binding on the Unit Operator, or upon any party hereto other than the party so transferring, until the first day of the calendar month next succeeding the date of receipt by Unit Operator of a photocopy or a certified copy of the recorded instrument evidencing such change in ownership.

13.3 Waiver of Rights to Partition. Each party hereto covenants that, during the existence of this agreement, it will not resort to any action to partition the Unit Area or the Unit Equipment, and to that extent waives the benefits of all laws authorizing such partition.

ARTICLE 14

RELATIONSHIP OF PARTIES

14.1 No Partnership. The duties, obligations, and liabilities of the parties hereto are intended to be several and not joint or collective. This agreement is not intended to create, and shall not be construed to create, an association or trust, or to impose a partnership duty, obligation, or liability with regard to any one or more of the parties hereto. Each party hereto shall be individually responsible for its own obligations as herein provided.

14.2 No Sharing of Market. This agreement is not intended to provide, and shall not be construed to provide, directly or indirectly, for any cooperative refining, joint sale, or marketing of Unitized Substances.

14.3 Royalty Owners Free of Costs. This agreement is not intended to impose, and shall not be construed to impose, upon any Royalty Owner any obligation to pay for Unit Expense unless such Royalty Owner is otherwise so obligated.

14.4 Information to Royalty Owners. Each Royalty Owner shall be entitled to all information in possession of Unit Operator to which such Royalty Owner is entitled by an existing agreement with any Working Interest Owner.

ARTICLE 15

LAWS AND REGULATIONS

15.1 Laws and Regulations. This agreement shall be subject to the conservation laws of the State of New Mexico; to the valid rules, regulations, and orders of the Oil Conservation Commission of New Mexico; and to all other applicable federal, state, and municipal laws, rules, regulations and orders.

ARTICLE 16

FORCE MAJEURE

16.1 Force Majeure. All obligations imposed by this agreement on each party, except for the payment of money, shall be suspended while compliance is prevented, in whole or in part, by a strike, fire, war, civil disturbance, act of God; by federal, state, or municipal laws; by any rule, regulation, or order of a governmental agency; by inability to secure materials; or by any other cause or causes beyond reasonable control of the party. No party shall be required against its will to adjust or settle any labor dispute. Neither this agreement nor any lease or other instrument subject hereto shall be terminated by reason of suspension of Unit Operations due to any one or more of the causes set forth in this Article.

ARTICLE 17

EFFECTIVE DATE

17.1 Effective Date. This agreement shall become binding upon each party as of the date such party signs the instrument by which it becomes a party hereto, and, unless sooner terminated as provided in Section 17.2, shall become effective as to qualified Tracts at the time and date as determined by Working Interest Owners in all the qualified Tracts, and set forth in a certificate filed for record by Unit Operator in Lea County, New Mexico. The certificate shall also recite the percentage of the Unit Area represented by the Tracts qualified under Article 9, the book and page in which a counterpart of this agreement has been recorded, and the case number and order number of the order of approval by Governmental authority, if obtained. The certificate shall not be filed until after the following requirements have been met:

17.1.1 Tracts comprising seventy-five percent (75%) or more of the Unit Area as shown on the original Exhibit B have qualified under the provisions of Article 9.

17.1.2 At least one counterpart of this agreement has been filed for record by Unit Operator in Lea County, New Mexico.

17.1.3 This agreement has been approved by the Oil Conservation Commission of the State of New Mexico.

17.2 Ipso Facto Termination. If the requirements of Section

17.1 are not accomplished on or before December 1, 1965, this agreement shall ipso facto terminate on that date (hereinafter called "termination date") and thereafter be of no further effect, unless prior thereto Working Interest Owners owning a combined Primary Phase Unit Participation of at least eighty percent (80%) have become parties to this agreement and have decided to extend the termination date for a period not to exceed six (6) months. If the termination date is so extended and the requirements of Section 17.1 are not accomplished on or before the extended termination date, this agreement shall ipso facto terminate on the extended termination date and thereafter be of no further effect. For the purpose of this section, Primary Phase Unit Participation shall be as shown on the original Exhibit C attached to the Unit Operating Agreement.

ARTICLE 18

TERM

18.1 Term. The term of this agreement shall be for the time that the Unitized Substances are produced in paying quantities and as long thereafter as Unit Operations are conducted without a cessation of more than ninety (90) consecutive days, unless sooner terminated by Working Interest Owners in the manner herein provided.

18.2 Termination by Working Interest Owners. This agreement may be terminated by Working Interest Owners having a combined Secondary Phase Unit Participation of at least eighty percent (80%) whenever such Working Interest Owners determine that Unit Operations are no longer profitable or feasible.

18.3 Effect of Termination. Upon termination of this agreement, the further development and operation of the Unitized Formation as a unit shall be abandoned, Unit Operations shall cease, and thereafter the parties shall be governed by the provisions of the leases and other instruments affecting the separate Tracts.

18.4 Salvaging Equipment Upon Termination. If not otherwise granted by the leases or other instruments affecting each Tract unitized under this agreement, Royalty Owners hereby grant Working Interest Owners a period of six (6) months after the date of termination of this agreement within which to salvage and remove Unit Equipment.

ARTICLE 19

EXECUTION

19.1 Original, Counterpart, or Other Instrument. A person may become a party to this agreement by signing the original of this instrument, a counterpart thereof, or other instrument agreeing to be bound by the provisions hereof. The signing of any such instrument shall have the same effect as if all the parties had signed the same instrument.

19.2 Joinder in Dual Capacity. Execution as herein provided by any party as either a Working Interest Owner or a Royalty Owner shall commit all interests that may be owned or controlled by such party.

ARTICLE 20

GENERAL

20.1 Amendments Affecting Working Interest Owners. Amendments hereto relating wholly to Working Interest Owners may be made if signed by all Working Interest Owners.

20.2 Action by Working Interest Owners. Any action or approval required by Working Interest Owners hereunder shall be in accordance with the provisions of the Unit Operating Agreement.

20.3 Lien of Unit Operator. Unit Operator shall have a lien upon the interests of Working Interest Owners in the Unit Area to the extent provided in the Unit Operating Agreement.

IN WITNESS WHEREOF, The parties hereto have executed this agreement on the dates opposite their respective signatures.

Date: _____

AMERADA PETROLEUM CORPORATION

ATTEST:

By _____
Vice President

Assistant Secretary

E. T. Anderson

Edwina S. Brokaw

ATTEST:

CITIES SERVICE OIL COMPANY

By _____

F. J. Danglade

ATTEST:

DeKALB AGRICULTURAL ASSOCIATION, INC.

By _____

Walter Duncan

J. Walter Duncan, Jr.

Vincent J. Duncan

Raymond T. Duncan

A. C. Holder

ESTATE OF FRANK A. HOWARD, Deceased

By _____

ATTEST:

HUBBLE OIL & REFINING COMPANY

By _____

G. Hilmer Lundbeck

Joseph I. O'Neill, Jr.

W. G. Ross

ESTATE OF EDWARD L. SHEA, Deceased

By _____

Peter L. Shea

J. E. Simmons

ATTEST:

SOCONY MOBIL OIL COMPANY, INC.

By _____

ATTEST:

TEXACO INC.

By _____

ATTEST:

TIDEWATER OIL COMPANY

By _____

R. Q. Silverthorne

STATE OF OKLAHOMA)
) SS:
COUNTY OF TULSA)

(Corporate)

On this _____ day of _____, 196___, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ Vice President of AMERADA PETROLEUM CORPORATION, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____, acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal the day and year first above written.

My comission expires:

_____ Notary Public

STATE OF _____)
) SS:
COUNTY OF _____)

On this _____ day of _____, 196___, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of _____, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____, acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal the day and year first above written.

My commission expires:

_____ Notary Public

STATE OF _____) (Corporate)
) SS:
COUNTY OF _____)

On this _____ day of _____, 196____, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of _____, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____, acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal the day and year first above written.

My commission expires:

_____)
Notary Public

STATE OF _____)
) SS:
COUNTY OF _____)

On this _____ day of _____, 196____, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of _____, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said _____, acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal the day and year first above written.

My commission expires:

_____)
Notary Public

STATE OF _____) (Individual)
) SS:
COUNTY OF _____)

On this _____ day of _____, 196____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

WITNESS my hand and official seal the day and year first above written.

My commission expires:

Notary Public

STATE OF _____)
) SS:
COUNTY OF _____)

On this _____ day of _____, 196____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

WITNESS my hand and official seal the day and year first above written.

My commission expires:

Notary Public

STATE OF _____)
) SS:
COUNTY OF _____)

On this _____ day of _____, 196____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

WITNESS my hand and official seal the day and year first above written.

My commission expires:

Notary Public

EXHIBIT A

Attached to and made a part of the
UNIT AGREEMENT
for the

WARREN MCKEE UNIT
LEA COUNTY, NEW MEXICO

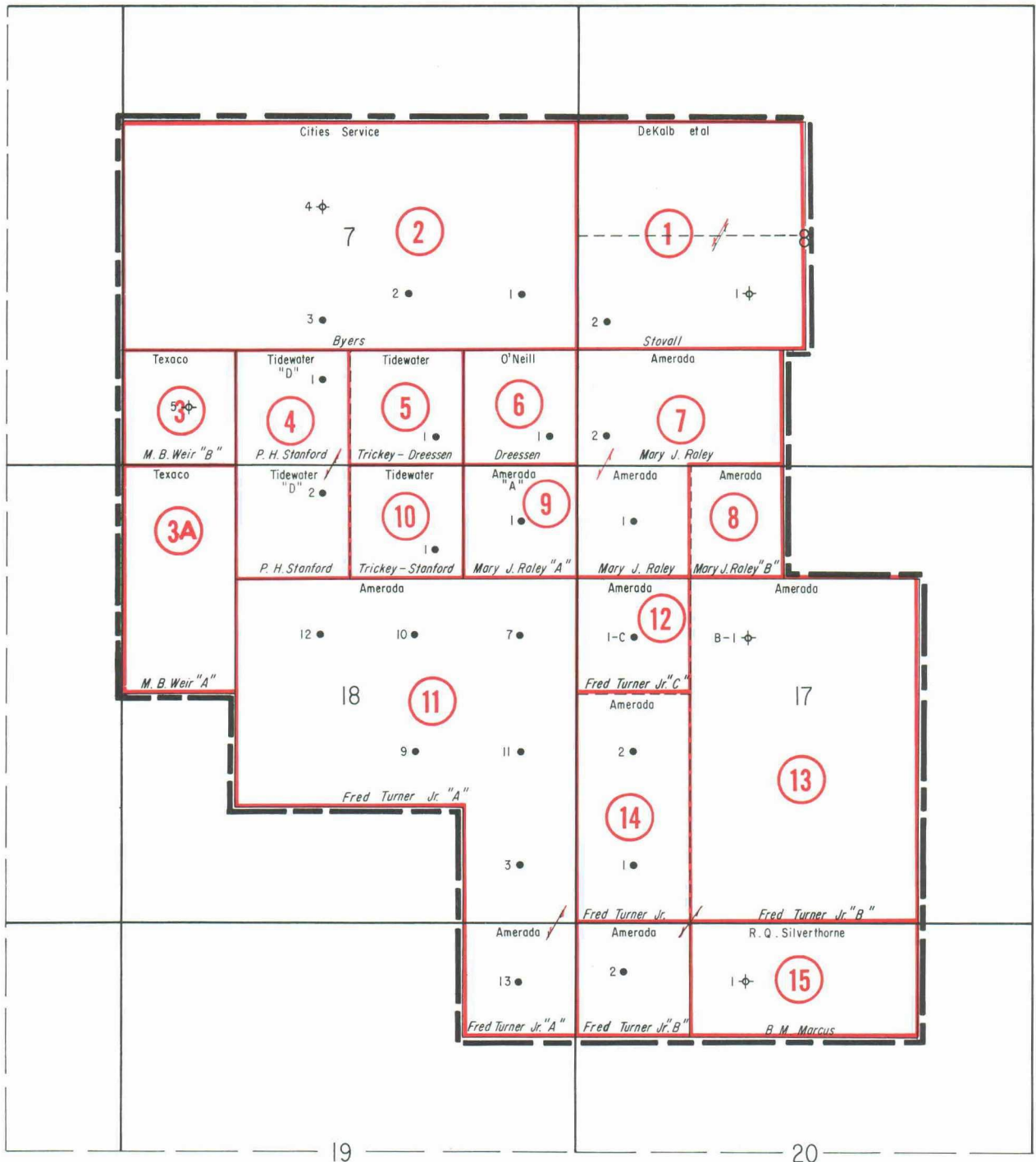
Tract No.	Tract Name	Tract Description	TRACT PARTICIPATION PER CENT	
			Primary Phase	Secondary Phase
1	Stoval	S/2 NW/4 and N/2 SW/4 Sec. 8-20S-38E	0.12857	1.46949
2	Byers	S/2 NE/4, S/2 NW/4, N/2 SE/4 and N/2 SW/4 Sec. 7-20S-38E	0.54602	5.26816
3	M. B. Weir "B"	SW/4 SW/4 Sec. 7-20S-38E	0.08587	0.28623
3A	M. B. Weir "A"	W/2 NW/4 Sec. 18-20S-38E	0.06005	0.20018
4	P. H. Stanford "D"	SE/4 SW/4 Sec. 7; NE/4 NW/4 Sec. 18-20S-38E	6.06819	6.50334
5	Trickey-Dreessen Unit	SW/4 SE/4 Sec. 7-20S-38E	4.02241	4.44063
6	Dreessen	SE/4 SE/4 Sec. 7-20S-38E	1.91576	4.02158
7	Mary J. Raley	SW/4 SW/4 and West 32.5 acres of SE/4 SW/4 Sec. 8; NW/4 NW/4 Sec. 17-20S-38E	10.24961	10.17951
8	Mary J. Raley "B"	West 32.5 acres of NE/4 NW/4 Sec. 17-20S-38E	0.07017	0.23391
9	Mary J. Raley "A"	NE/4 NE/4 Sec. 18-20S-38E	3.86290	4.86143
10	Trickey-Stanford "A"	NW/4 NE/4 Sec. 18-20S-38E	2.53218	4.36320

EXHIBIT A
UNIT AGREEMENT
WARREN MCKEE UNIT

Tract No.	Tract Name	Tract Description	TRACT PARTICIPATION PER CENT	
			Primary Phase	Secondary Phase
11	Fred Turner, Jr. "A"	S/2 NE/4, SE/4 NW/4, NE/4 SW/4, N/2 SE/4 and SE/4 SE/4 Sec. 18; NE/4 NE/4 Sec. 19-20S-38E	44.91009	36.64047
12	Fred Turner, Jr. "C"	SW/4 NW/4 Sec. 17-20S-38E	4.05904	4.81753
13	Fred Turner, Jr. "B"	SE/4 NW/4, SW/4 NE/4, E/2 SW/4 and W/2 SE/4 Sec. 17; NW/4 NW/4 Sec. 20-20S-38E	6.85602	5.56993
14	Fred Turner, Jr.	W/2 SW/4 Sec. 17-20S-38E	14.50305	10.71085
15	B. M. Marcus	NE/4 NW/4 and NW/4 NE/4 Sec. 20-20S-38E	0.13007	0.43356
			<u>100.00000</u>	<u>100.00000</u>

R 37 E

R 38 E



T
20
S

EXHIBIT B
MAP EXHIBIT

ATTACHED TO AND MADE A PART OF
THE UNIT AGREEMENT FOR THE

WARREN MCKEE UNIT

LEA COUNTY, NEW MEXICO

LEGEND

-  UNIT OUTLINE
-  TRACT OUTLINE
-  TRACT NUMBER



ROYALTY OWNER
AGREEMENT TO BECOME A PARTY TO UNIT AGREEMENT
WARREN McKEE UNIT, LEA COUNTY, NEW MEXICO

Each of the persons who signs this instrument acknowledges a receipt of a counterpart of an instrument entitled, Unit Agreement, Warren McKee Unit, Lea County, New Mexico, which was executed as of the 1st day of March, 1965, by various persons, for conducting Unit Operations with respect to the McKee formation of the Warren McKee Field, located in Lea County, State of New Mexico.

The Unit Agreement, by Exhibit A, describes each Tract in the Unit Area, and, by Exhibit B, shows on a map the boundary lines of the Unit Area and the Tracts therein.

The Unit Agreement provides that any person therein defined as a Royalty Owner may become a party to the Unit Agreement by signing the original Unit Agreement, a counterpart, or other instrument that evidences an intention to be bound by its terms.

Now, therefore, each of the persons who signs this instrument is or claims to be a Royalty Owner in one or more of the Tracts described in Exhibit A of the Unit Agreement, and each agrees to become a party to, and be bound by the provisions of, the Unit Agreement, as if he had signed the original, and agrees that the parties to the Unit Agreement are those that sign the original, any counterpart, or any instrument that evidences an intention to be so bound.

Executed as of the _____ day of _____, 1965.

STATE OF _____)
COUNTY OF _____)

SS: (Individual)

On this _____ day of _____, 1965, before me

personally appeared _____
to me known to be the person described in and who executed the foregoing
instrument, and acknowledged that _____ executed the same as _____ free act
and deed.

WITNESS my hand and official seal the day and year first above written.

My commission expires:

Notary Public

STATE OF _____)
COUNTY OF _____)

SS: (Individual)

On this _____ day of _____, 1965, before me

personally appeared _____
to me known to be the person described in and who executed the foregoing
instrument, and acknowledged that _____ executed the same as _____ free act
and deed.

WITNESS my hand and official seal the day and year first above written.

My commission expires:

Notary Public

STATE OF _____)
COUNTY OF _____)

SS: (Corporate)

On this _____ day of _____, 1965, before me

appeared _____, to me personally known,
who, being by me duly sworn, did say that he is the _____ President

of _____,
and that the seal affixed to said instrument is the corporate seal of said
corporation, and that said instrument was signed and sealed in behalf of said
corporation by authority of its Board of Directors, and said _____
acknowledged said instrument to be the
free act and deed of said corporation.

WITNESS my hand and official seal the day and year first above written.

My commission expires:

Notary Public

EXHIBIT 17

AMERADA PETROLEUM CORPORATION

CASE NO. 3304

OWNERSHIP LIST

WARREN McKEE UNIT

LEA COUNTY, NEW MEXICO

BEFORE EXAMINER NUTTER
GIL CONSERVATION COMMISSION
EXHIBIT NO. <u>17</u>
CASE NO. <u>3304</u>

WARREN McKEE UNIT
LEA COUNTY, NEW MEXICO

Working Interest Owners

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Working Interest in Unit</u>	<u>Signed</u>	<u>Unsigned</u>
Amerada Petroleum Corporation P. O. Box 2040 Tulsa, Oklahoma	7,8,9,11, 12,13,14	39.68717	X	
E. T. Anderson 2521 Humble Midland, Texas	5,6,10	0.07435	X	
Edwina S. Brokaw Farms Road Greenwich, Connecticut	5,6,10	0.23545	X	
Cities Service Oil Company Cities Service Building Bartlesville, Oklahoma	2,7,8,9,11, 12,13,14	15.40564	X	
DeKalb Agricultural Association, Inc. 404 West Illinois Street Midland, Texas	1,2	0.13413	X	
Walter Duncan P. O. Box 211 LaSalle, Illinois	5,6,10	0.57696	X	
J. Walter Duncan, Jr. P. O. Box 211 LaSalle, Illinois	5,6,10	0.63212	X	
Vincent J. Duncan P. O. Box 211 LaSalle, Illinois	5,6,10	0.23785	X	
Raymond T. Duncan P. O. Box 211 LaSalle, Illinois	5,6,10	0.11740	X	
A. C. Holder P. O. Box 1476 Midland, Texas	1	0.00402	X	
Estate of Frank A. Howard c/o Mr. John L. Gray, Jr. Dewey, Ballantine, Bushly, Palmer & Wood 40 Wall Street New York 20, New York	5,6,10	0.21869	X	
Humble Oil & Refining Company P. O. Box 2180 Houston 1, Texas	7,8,9,11, 12,13,14	29.88219	X	
G. Hilmer Lundbeck, Jr. c/o Swedish American Lines 636 Fifth Avenue New York 20, New York	5,6,10	0.21869	X	

Working Interest Owners (continued)

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Working Interest In Unit</u>	<u>Signed</u>	<u>Unsigned</u>
Joseph I. O'Neill, Jr. 410 West Ohio Midland, Texas	5,6,10	1.56434	X	
W. G. Ross P. O. Box 1094 Midland, Texas	1	0.00402	X	
Estate of Edward L. Shea c/o Peter L. Shea Kuhn, Loeb & Company 30 Wall Street New York, New York	5,6,10	0.26243	X	
Peter L. Shea Kuhn, Loeb & Company 30 Wall Street New York, New York	5,6,10	0.23545	X	
R. Q. Silverthorne P. O. Box 2031 Plainview, Texas	15	0.13007		X
J. E. Simmons P. O. Box 548 Lovington, New Mexico	1	0.00804	X	
Socony Mobil Oil Company, Inc. P. O. Box 633 Midland, Texas	1	0.05222	X	
June D. Speight Drawer 1687 Lovington, New Mexico	1	0.00804	X	
Texaco Inc. P. O. Box 3109 Midland, Texas	3	0.14592	X	
Tidewater Oil Company P. O. Box 1231 Midland, Texas	4,5,10	10.16481	X	
		<u>100.00000</u>	<u>99.86993</u>	<u>0.13007</u>

WARREN McKEE UNIT
LEA COUNTY, NEW MEXICO

Royalty Interest Owners

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Royalty Interest In Unit</u>	<u>Signed</u>	<u>Unsigned</u>
Amerada Petroleum Corporation P. O. Box 2040 Tulsa, Oklahoma	12	.41764	X	
E. T. Anderson 2521 Humble Midland, Texas	5,6,10	.10047	X	
Doris M. Anderson 308 Roosevelt Topeka, Kansas	4	.00694	X	
Warren D. Anderson Box 136 Midland, Texas	2	.00371	X	
J. M. Armstrong and Mary L. Armstrong Box 990 Midland, Texas	2	.00372	X	
Helen Rose Bahney 213 Donaldson San Antonio, Texas	15	.02278	X	
The Bank of California NA Trustee of the Betty Kyte Dreesen Trust No. 2 2010 400 California Street San Francisco, California	5,6	3.36440	X	
The Bank of California NA Trustee of the Cecile Marie Dreesen Trust No. 2 2013 400 California Street San Francisco, California	5	.15866	X	
The Bank of California NA Trustee of the Edward T. Dreesen, Jr. Trust No. 2 2012 400 California Street San Francisco, California	5	.15866	X	
The Bank of California NA Trustee of the Ingrid Dreesen Trust No. 2 2011 400 California Street San Francisco, California	5	.15858	X	
Frank Bateman Box 1500 Hobbs, New Mexico	1	.00260	X	
Charles Francis Bedford 7 Westover Road Fort Worth 7, Texas	2	.00603	X	

Royalty Interest Owners (continued)

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Royalty Interest In Unit</u>	<u>Signed</u>	<u>Unsigned</u>
Edwin Mathews Bedford 964 Westchester Place Los Angeles, California	2	.00596	X	
Henry D. Bedford Box 572 San Clemente, California	2	.00596	X	
Lena Mae Biel 710 Furman Avenue Corpus Christi, Texas	4,5,10	2.63147	X	
W. R. Biggs 101 South 23rd Street Muskogee, Oklahoma	2	.00751	X	
Rachel Bedford Bowen P. O. Box 572 San Clemente, California	2	.00595	X	
Dawson C. Bryan 310 Westminster Houston, Texas	4	.16616	X	
Robert E. Byers 212 Austin National Bank Building Austin, Texas	2	.00751	X	
Ronald J. Byers Two Niles Road Austin, Texas	2	.05237	X	
Ruth Calkins c/o Bank of America La Jolla Branch La Jolla, California	5,10	.05608	X	
Mrs. Bruce Alene Carlin c/o Lea County State Bank Hobbs, New Mexico	2	.02987	X	
Effie Carter Box 1296 Roswell, New Mexico	2	.01493	X	
Lee Carter P. O. Box 176 Portales, New Mexico	2	.01501	X	
J. Lee Cathey, Guardian of The Estate of Alexandra Helene Huitfeldt c/o Brown and Brainerd Box 1126 Roswell, New Mexico	2	.00371		X
Central National Bank and Trust Company, Executor of The Estate of Frank E. Foulk and Guardian of The Estate of Florence W. Foulk, NCM Des Moines, Iowa	5,10	.02805		X

Royalty Interest Owners (continued)

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Royalty Interest In Unit</u>	<u>Signed</u>	<u>Unsigned</u>
Central National Bank and Trust Company, Executor of The Estate of Frank E. Foulk Des Moines, Iowa	5,10	.02804		X
Alice L. Childers 206 E. Corbett Street Hobbs, New Mexico	1,8	.04732	X	
The Christian Science Pleasant View Home c/o Mr. Roy Garrett Watson, Treasurer 107 Falmouth Street Boston 15, Massachusetts	5,10	.01683	X	
Cities Service Oil Company Treasurer Department Cities Service Building Bartlesville, Oklahoma	11,12	19.83599	X	
J. R. Cone Box 871 Lubbock, Texas	2	.04339	X	
Caroline C. Dewey 2004 W. Golf Course Road Midland, Texas	3	.01409	X	
Lynn D. Durham and Clarence Scharbauer, Jr. Ancillary Executors of and Trustees of The Estate of Fred Turner, Jr. 219 South Colorado Midland, Texas	11,12,13,14	7.10395	X	
Empire Trust Company Oil and Nat'l. Gas Dept. AC A.C. Ulster Corp. 5 P. O. Box 98 Wall Street Station New York 5, New York	5,6,10	5.12729	X	
The First National Bank of Nevada, Executor of The Estate of Allie M. Lee, Deceased 206 North Virginia Street Reno, Nevada	2	.05981		X
Hanes Co., Inc. 321 Petroleum Building Roswell, New Mexico	1	.01058	X	
Eunice Cone Gibson 2514 Altura Street El Paso, Texas	2	.00295	X	
Edythe H. Golden 616 Solano Drive S.E. Albuquerque, New Mexico	2,11,12, 13,14	1.19143	X	

Royalty Interest Owners (continued)

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Royalty Interest In Unit</u>	<u>Signed</u>	<u>Unsigned</u>
Charles B. Gonsales 9105 Aspen, N.E. Albuquerque, New Mexico	4	.08308	X	
Sue Saunders Graham P. O. Drawer 2168 Roswell, New Mexico	1	.00470	X	
Great Oaks, Inc. 115 E. 83rd Street Kansas City 14, Missouri	5,10	.01682	X	
John Paul Greening 1550 Prairie Heights Drive Bartlesville, Oklahoma	5,10	.02104	X	
Mrs. John W. Greening 1966 Henshaw Avenue Winston Salem, North Carolina	5,10	.02804	X	
Estate of Mary Greening c/o Philip Greening 1623 Arch Street Little Rock, Arkansas	5,10	.02110		X
Philip Greening 1623 Arch Street Little Rock, Arkansas	5,10	.02104	X	
Nettie T. Griffin 2566 Boyd Street Fort Worth, Texas	11,12,13,14	1.18393	X	
Mrs. Dora Haley Route 1, Box 280 Sheridan, Arkansas	3A	.00309	X	
Mary Lynn Haley Route 1, Box 280 Sheridan, Arkansas	3A	.00182	X	
Mrs. B. B. Harris 800 Claton Street Orlando, Florida	3A	.00498	X	
Grace Beauchamp, Special Guardian of The Estate of James R. Haynes, NCM (Box 43) 917 W. Tyler Avenue Lovington, New Mexico	4,5,10	.41757	X	
James Arthur Haynes Savings Account c/o First National Bank of Portland, Oregon Sixth and Morrison Branch Portland 8, Oregon	4	.04157	X	
Mrs. Edna H. Healey 917 Locust, Apt. 118 Des Moines, Iowa	4	.02075	X	
W. C. Hentzler 2714 Kansas Avenue Topeka, Kansas	4	.01381	X	

Royalty Interest Owners (continued)

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Royalty Interest In Unit</u>	<u>Signed</u>	<u>Unsigned</u>
Clarence E. Hinkle c/o Hervey, Dow and Hinkle Box 2002 Roswell, New Mexico	1	.02812	X	
Howard E. Hodge P. O. Box 18715 Oklahoma City, 18, Oklahoma	5,6,10	.22968	X	
W. J. Hoene and wife, Gertrude Hoene 1101 E. Kerbey Avenue El Paso, Texas	5,10	.05608	X	
Clarence W. Hoit 5085 Glen Iris Avenue Los Angeles 41, California	4	.02083	X	
A. C. Holder P. O. Box 1476 Lovington, New Mexico	1	.00533	X	
Home Stake Royalty Company 507 Philtower Building Tulsa 3, Oklahoma	2	.00379	X	
Home Stake Oil and Gas Company 507 Philtower Building Tulsa 3, Oklahoma	2	.00371	X	
Faye T. Horne 3117 Cole Avenue Waco, Texas	11,12,13,14	1.18400	X	
Humble Oil & Refining Co. P. O. Box 2180 Houston 1, Texas	12	.31451	X	
Frances G. Johnson P. O. Box 1557 Roswell, New Mexico	3A	.00652	X	
S. P. Johnson, Jr. Independent Executor of The Estate of S. P. Johnson P. O. Box 1713 Roswell, New Mexico	3A	.00659	X	
Vicki Anderson Jones P. O. Box 1884 Midland, Texas	2	.00372	X	
Marjorie Cone Kastman, Guardian of The Estate of S. E. Cone 2806 34th Street Lubbock, Texas	2	.01500	X	
Roberta Kelley 112 East 1st Street Hobbs, New Mexico	2	.00744	X	
Edgar W. Kimball 5400 Valerie Street Bellaire, Texas	3A	.00133	X	

Royalty Interest Owners (continued)

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Royalty Interest In Unit</u>	<u>Signed</u>	<u>Unsigned</u>
Fannie I. Kimmel 2405 20th Street Lubbock, Texas	11,12,13,14	1.18393	X	
Mrs. Frances Bear Kyte Life Estate Box 1 Roswell, New Mexico	6	1.25916	X	
Marlee I. Kyte P. O. Box 817 Los Altos, California	6	1.25916	X	
David Bond Kyte c/o Bartlett and Pringle 26 West Figueroa Street Santa Barbara, California	5	2.64382	X	
Elizabeth T. Lamb 1511 E. 18th Street Odessa, Texas	11,12,13,14	1.18393	X	
Margaret Raley Lawson 109 West Vega Drive Hobbs, New Mexico	9	.84629	X	
Leonard Oil Company P. O. Box 400 Roswell, New Mexico	2	.04487	X	
Pauline Raley Long 631 East Green Acres Drive Hobbs, New Mexico	9	.84636	X	
J. F. Maddox P. O. Box 920 Hobbs, New Mexico	3	.00939	X	
Arne S. Maki Box 1202 Denver 1, Colorado	4	.16616	X	
B. M. Marcus et ux Gladys Lax 215 Madison Olean, New York	15	.09121	X	
Samuel H. Marshall J. P. White Building Roswell, New Mexico	1	.00351	X	
Kathryn May, Executrix of The Estate of C. L. Gregory 9612 Gairloch El Paso, Texas	4	.16623		X
Kenneth E. McAfee 2020 First National Building Oklahoma City, Oklahoma	5,6,10	.03828	X	
Louise McGee 112 E. Andrews Drive, NW Atlanta, Georgia	5,10	.05608	X	

Royalty Interest Owners (continued)

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Royalty Interest In Unit</u>	<u>Signed</u>	<u>Unsigned</u>
Fannie M. McIntire c/o James W. Porter Lillian, Eidson, Lewis and Porter New England Building Topeka, Kansas	4	.00344	X	
Mercantile National Bank At Dallas, Trustee of The Pascal Harris Stanford Trust No. TAS 2883 A P. O. Box 5415 Dallas, Texas	4,10	1.12518	X	
Mercantile National Bank at Dallas, Trustee of The Lucy Miles Stanford Trust No. TAS 2883 B P. O. Box 5415 Dallas, Texas	4,10	1.12518	X	
Me Tex Supply Company Hobbs, New Mexico	3A	.01171	X	
Charles P. Miller Box 417 Hobbs, New Mexico	3	.01409	X	
Charles P. Miller and Iris Miller Box 417 Hobbs, New Mexico	2	.00751	X	
Irma Mills Pearsall, Texas	4,5,10	2.63140	X	
Kathleen T. Mitchell 3566 West 4th Street Fort Worth, Texas	11,12,13,14	1.18408	X	
J. Hiram Moore P. O. Box 1733 Midland, Texas	4,5,7,8,10	1.22459	X	
The Mother Church First Church of Christ Scientist c/o Roy G. Watson, Treasurer 107 Falmouth Street Boston 15, Massachusetts	5,10	.00561	X	
Estate of John O'Neil, Jr., Deceased c/o Pat O'Neil, Executor 816 First Wichita National Building Wichita Falls, Texas	14	1.05914	X	
Norman W. O'Neil 6516 Ravine Drive Sylvania, Ohio	14	1.05914	X	
Pat O'Neil 816 First Wichita National Building Wichita Falls, Texas	14	1.05921	X	

Royalty Interest Owners (continued)

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Royalty Interest In Unit</u>	<u>Signed</u>	<u>Unsigned</u>
Mary Margaret Parr 808 San Tayana Drive Mantua Hills Fairfax, Virginia	4	.01963	X	
Mrs. Elyse S. Patterson 6444 Indian Lane Shawnee Mission, Kansas	1	.00470	X	
Lula Faye Raley Patton 516 East Mesa Drive Hobbs, New Mexico	9	.84629	X	
J. E. Pinney Address Unknown	4	.00462		X
Jesse Ben Raley 8854 La Casita Fountain Valley, California	9	.84636	X	
Mary J. Raley 709 E. Llano Drive Hobbs, New Mexico	1,7	8.99178	X	
W. G. Ross P. O. Box 1094 Midland, Texas	1	.00526	X	
H. Dillard Schenck Box 1225 Lovington, New Mexico	2	.00743	X	
J. E. Simmons Box 548 Lovington, New Mexico	1	.00708	X	
Sixth Church of Christ Scientist 401 W. 66th Terrace Kansas City, Missouri	5,10	.01682	X	
Mary L. Souter P. O. Box 254 Midland, Texas	5,6,10	.10054	X	
June D. Speight Drawer 1687 Lovington, New Mexico	1,2	.03696	X	
C. G. Staley 12170 Spanaway Loop Road Tacoma, Washington	3A	.00764	X	
Helen T. Goodloe Stepp P. O. Box 152 Santa Anna, Texas	11,12,13,14	1.18393	X	
Estate of Tennie Stoll, Deceased c/o W. G. Hentzler 2714 Kansas Avenue Topeka, Kansas	4	.01388		X

Royalty Interest Owners (continued)

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Royalty Interest In Unit</u>	<u>Signed</u>	<u>Unsigned</u>
D. R. Sturgeon and wife, Wilma C. Sturgeon 724 No. Avenue B Canton, Illinois	5,10	.05609	X	
Richard G. Taft 2020 First National Building Oklahoma City, Oklahoma	5,6,10	.03828	X	
Sally Saunders Toles P. O. Drawer 1300 Roswell, New Mexico	1	.00463	X	
William R. Tomlinson Box 66 Lovington, New Mexico	2	.00750	X	
Gay Turner Box 325 Santa Anna, Texas	11,12,13,14	1.18400	X	
Gay Turner and Henry G. Turner, Ancillary Executors of The Estate of Bessie V. Turner, c/o Wallace E. Dingus, Attorney at Law 107 West Street Coleman, Texas	11,12,13,14	17.75978	X	
Henry G. Turner 221 North Monroe San Angelo, Texas	11,12,13,14	1.18393	X	
Jonathan D. Turner 707 So. Meadow Road Evansville, Indiana	11,12,13,14	1.18407	X	
Robert H. Turner P. O. Box 458 Denison, Texas	11,12,13,14	1.18394	X	
Craig H. Walker c/o William C. Walker 6143 E. 53rd Tulsa, Oklahoma	2	.00750		X
Elaine M. Walker 6143 E. 53rd Tulsa, Oklahoma	1	.00177	X	
William E. Walker 716 4th National Building Wichita, Kansas	1	.00177	X	
Irene E. Walker 716 4th National Building Wichita, Kansas	1	.00354	X	
Mrs. Katherine G. Ward 1951 Gulf Avenue B Monahans, Texas	5,10	.02103	X	

Royalty Interest Owners (continued)

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Royalty Interest In Unit</u>	<u>Signed</u>	<u>Unsigned</u>
Mary B. Weir P. O. Box 1023 Pecos, Texas	3 & 3A	.04656	X	
Florence Louise Whitsitt Wood Box 1867 Ardmore, Oklahoma	1	.00266	X	
Estate of Margaret Wiggins, Deceased c/o Floyd Moben Box 845 Fort Worth, Texas	5,10	.05609		X
Ellen Anne Wallace Williams 1840 Sherer Lane Glendale, California	2	.00596	X	
Mrs. Hattie C. Williams 3208 29th Street Lubbock, Texas	2	.02839	X	
Wauneta H. Wilson 2755 NE 28th Avenue Lighthouse Point Apartments Apt. 2-F Lighthouse Point Pompano Beach, Florida	4	.02075	X	
Donald Winston 1054 Broxton Avenue Los Angeles 24, California	1	.00351	X	
Estate of Frederick S. Winston, Deceased 1511 Foshay Tower Minneapolis, Minnesota	1	.00350	X	
Verna D. Wirtjes 1202 E. Ovid Des Moines, Iowa	4	.02076	X	
J. L. Wood and wife, Anna Maude Wood 233 N. Riverside Avenue Rialto, California	5,10	.05608	X	
W. A. Yeager and J. M. Armstrong Box 990 Midland, Texas	2	.00379	X	
Mrs. Randi Foss Parkveien 51 Oslo, Norway	2	.01122	X	
Hans Jorgen Huitfeldt c/o Olsen Daughters A S Universitetsgt 14 Oslo, Norway	2	.00371	X	

Royalty Interest Owners (continued)

<u>Name and Address</u>	<u>Tract Number</u>	<u>Percent of Royalty Interest In Unit</u>	<u>Signed</u>	<u>Unsigned</u>
Mrs. Astri Thomle Halvdan Svartes GT 2A Oslo, Norway	2	.00372	X	
Sofie Helene Wigert c/o Olsen Daughters A S Universitetsgt 14 Oslo, Norway	2	.00750	X	
		<u>100.00000</u>	<u>99.61097</u>	<u>.38903</u>

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 2088
SANTA FE

October 4, 1965

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 3305
Order No. R-2971 & R-2972
Applicant:
Amerada

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

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

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

OTHER Mr. Tom W. Lynch (3304) (3305)