



W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

October 3, 1988

Phoenix Resources Company
Attn: Land Department
6525 N. Meridian Avenue
Oklahoma City, Oklahoma 73116-1491

Re: Gardner Draw Unit
Eddy County, New Mexico
Termination

Gentlemen:

The Bureau of Land Management has notified this office that the Gardner Draw Unit was terminated for non production effective as of April 30, 1988.

Our records also reflect that that there is no longer any production from this unit and all wells have been plugged and abandoned. In view of the above, please be advised that the Commissioner of Public Lands has this date also terminated the Gardner Draw Unit Agreement effective as of April 30, 1988.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *F. Coyote*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.

cc: OCD
BLM
TRD
Total Minatome Corp
Attn: Mr. W. A. Burns
Suite 400, One Allen Center
Houston, Texas 77002



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
ROSWELL DISTRICT OFFICE
P.O. BOX 1397
ROSWELL, NEW MEXICO 88201

14-08-0001-16074
3180 (065)

SEP 02 1988

Phoenix Resources Company
6525 N. Meridian Avenue
Oklahoma City, Oklahoma 73116-1491

Re: Gardner Draw Unit, Eddy County, New Mexico
Termination

Gentlemen:

According to our records the 3 wells within the Gardner Draw Unit Area have all been plugged and abandoned. The last one being the **Gardner Draw Unit Well No. 3**, which was approved as plugged and abandoned on August 17, 1988. Our records also indicate that the last recorded production from the Gardner Draw Unit was in April, 1988.

Pursuant to the unit agreement and since there is no longer any production from this unit and all wells have been plugged and abandoned, the Gardner Draw Unit is hereby terminated effective as of April 30, 1988, the last day of the month in which production ceased.

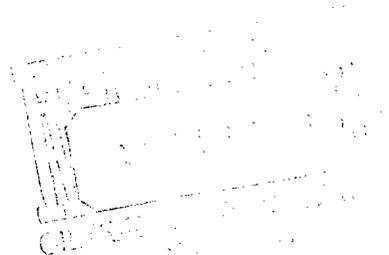
If you have any questions please feel free to contact Jerry Dutchover or the Branch of Fluid Minerals at (505) 622-9042.

Sincerely,

(ORIG. SCD.) JOE G. LARA

Joe G. Lara
Assistant District Manager,
Minerals

cc:
NMOCD



OCD

TERMINATED
 EFFECTIVE DATE 3-30-88
 APPROVAL DATE 10-3-88

Unit Name
 Operator Texas International Company
 County Eddy and Chaves Counties, New Mexico

DATE	OCC CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	6129							
CPL: 2/14/78		2/27/78	18,867.76	2,483.74	16,384.02	-0-	MODIFIED	5 yrs & so long as
BLM: 2/27/78								
OCD: 2/14/78								

UNIT AREA

LANDS REMAINING WITHIN CONTRACTED UNIT AS OF MAY 19, 1983 CONTAINING 1,123.74 ACRES

TOWNSHIP 19 SOUTH, RANGE 21 EAST N.M.P.M.

W/2 Sec. 17
 SE/4NE/4, SW/4SE/4, E/2SE/4 Sec. 18
 N/2 Sec. 19
 N/2 Sec. 20

TERMINATED
 EFF: 4-30-88
 APP: 10-3-88

NOTICE OF AUTOMATIC ELIMINATION EFFECTIVE MAY 19, 1983
 Unit Name Gardner Draw Unit
 Operator Texas Internations Co.
 County Eddy and Chaves Counties, New Mexico

TERMINATED
 EFFECTIVE DATE 7-30-88
 APPROVAL DATE 10-3-88

DESCRIPTION OF LANDS REMAINING WITHIN CONTRACTED UNIT AS OF MAY 19, 1983

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	DATE	ACRES	ACREAGE	LESSEE
									RATIFIED	NOT RATIFIED

34	LG-462	Port. Norm	19	19S	21E	NE $\frac{1}{4}$ NE $\frac{1}{4}$	2-1-78	160.00		Kerr-McGee Corporation
35	LG-463	Port. Norm	20	19S	21E	N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$	2-1-78	203.74		Kerr-McGee Corporation
		C. S.	19	19S	21E	Lots 1, 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$				

[TERMINATED]



RECEIVED
SEP - 9 1987
OIL CONSERVATION DIVISION
SANTA FE



SLO REF. NO. OG-416

W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

September 4, 1987

Total Minatome Corp.
Attention: W. A. Burns
Suite 400, One Allen Center
Houston, Texas 77002

Re: Gardner Draw Unit
1987 Plan of Development
Eddy County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all appropriate agencies.

If we may be of further help, please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil & Gas Division
(505) 827-5744

WRH/FOP/ams
enclosure
cc: Bureau of Land Management
Oil Conservation Division

Unit Name Gardner Draw Unit
 Operator Texas International Company
 County Eddy and Chaves Counties, New Mexico

DATE	OCC CASE NO.	6129	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO.	R-5638	DATE						
CPL: 2/14/78			2/27/78	18,867.76	2,483.74	16,384.02	-0-	-0-	5 yrs & so long as
BLM: 2/27/78									
OCD: 2/14/78									

UNIT AREA

LANDS REMAINING WITHIN CONTRACTED UNIT AS OF MAY 19, 1983 CONTAINING 1,123.74 ACRES

TOWNSHIP 19 SOUTH, RANGE 21 EAST N.M.P.M.

- W/2 Sec. 17
- SE/4NE/4, SW/4SE/4, E/2SE/4 Sec. 18
- N/2 Sec. 19
- N/2 Sec. 20

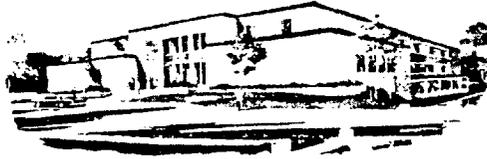
UNIT OF AUTOMATIC ELIMINATION EFFECTIVE MAY 19, 1983
 Unit Name Gardner Draw Unit
 Operator Texas Internationals Co
 County Eddy and Chaves Counties, New Mexico

DESCRIPTION OF LANDS REMAINING WITHIN CONTRACTED UNIT AS OF MAY 19, 1983

STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	DATE	RATIFIED	ACRES	ACREAGE	NOT RATIFIED	LESSEE
34	LG-462	Port. Norm	19	19S	21E	NE $\frac{1}{4}$ NE $\frac{1}{4}$	2-1-78		160.00			Kerr-McGee Corporation
35	LG-463	Port. Norm C. S.	20 19	19S 19S	21E 21E	NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ Lots 1, 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$	2-1-78		203.74			Kerr-McGee Corporation

State of New Mexico

#6129



Commissioner of Public Lands

JIM BACA
COMMISSIONER

October 30, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Texas International Company
6525 N. Meridian Avenue
Oklahoma City, Oklahoma 73116-1491

Re: Automatic Elimination
Gardner Draw Unit
Chaves-Eddy Counties, New Mexico

ATTENTION: Ms. Carla Albright

Gentlemen:

This office is in receipt of your letter of September 25, 1985, together with revised Exhibits "A" and "B" correctly describing the lands automatically eliminated from the Gardner Draw Unit, Chaves and Eddy Counties, New Mexico.

As per Article 2 (e) of the Gardner Draw Unit, the Commissioner of Public Lands concurs with your description of the lands automatically eliminated effective as of May 19, 1983.

The following State Leases have been eliminated from the Unit Area.

L-1512-3	LG-0463
L-1608-3	LG-0685-1
L-2756-3	LG-3178-2
L-7031-2	

The following State Leases remain within the Contracted Area.

LG-0462	LG-0463
---------	---------

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BIM-Roswell, New Mexico Attn: Mr. [unclear]

State of New Mexico

6129



JIM BACA
COMMISSIONER

Commissioner of Public Lands

January 22, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Used
210 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Phoenix Resources Company
6525 North Meridian Ave.
Oklahoma City, Oklahoma 87116-1491

Re: Automatic Elimination
Gardner Draw Unit Agreement
Chaves and Eddy Counties, New Mexico

ATTENTION: Mr. John Hein

Gentlemen:

Reference is made to your telephone conversation with this office, on this date wherein as unit operator of the Gardner Draw Unit Agreement, you are requested to file a description of the lands automatically eliminated from the Gardner Draw Unit, together with the lands remaining in the unit as described by revised Exhibits "A" and "B".

Section 2 (e) provides, among other things that "All legal subdivisions of lands, no parts of which are entitled to be in a participating area on or before the fifth anniversary of the effective date of the first initial participating area established under this Unit Agreement, shall be eliminated automatically from this agreement, effective as of said fifth anniversary," being May 19, 1983. This Section also provides that a description of the lands eliminated should be furnished to the satisfaction of the District Manager and the Commissioner of Public Lands within 90 days after the automatic elimination date.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

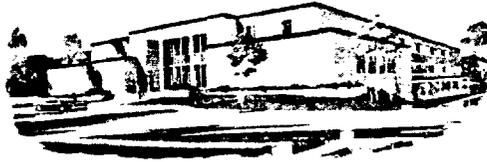
BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez

State of New Mexico

#6129



Commissioner of Public Lands

JIM BACA
COMMISSIONER

January 21, 1985

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148
Express Mail Delivery Uses
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

Edmundson and Associates
P. O. Box 1707
Denver, Colorado 80201

Re: Consents to Joinders
Gardener Draw Unit Agreement
Chaves and Eddy Counties, New Mexico

ATTENTION: Mr. Steve Edmundson

Gentlemen:

The Bureau of Land Management has forwarded to us four notarized affidavits whereby Phoenix Resources Company, a working interest owner and Unit Operator in the Gardener Draw Unit Agreement and Unit Operating Agreement consents to the joinder of the leasehold interest of K. W. Bumgarner, in the $W\frac{1}{2}$ Sec. 9, $W\frac{1}{2}$ Sec. 26 and $W\frac{1}{2}W\frac{1}{2}, SE\frac{1}{2}SW\frac{1}{2}$ Sec. 27-19S-21E., being Tract 16 to the subject Unit Agreement and Operating Agreement. Also, enclosed are four sets of Ratifications and Joinder instruments which were executed by K. W. Bumgarner, Phoenix Resources Company, Cathie Auvenshine, Davoil, Inc., Reed Gilmore, Great Western Drilling Company, Roberts and Koch and Cabrillo Midland, Corporation.

These ratifications have this date been accepted and filed in our unit file.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Albuquerque, New Mexico Attn: Fluids Branch
BLM-Rowell, New Mexico Attn: Mr. Armando Lopez



ALEX J. ARMIJO
COMMISSIONER

Commissioner of Public Lands

November 24, 1982

P. O. BOX 1148
SANTA FE, N. M. 87504-1148

Texas International Petroleum Corporation
Suite 300, 3535 NW 58th Street
Oklahoma City, Oklahoma 73112

Re: 1982 Plan of Development
Gardner Draw Unit
Eddy and Chaves Counties, New Mexico

ATTENTION: Mr. Michael L. Lee

Gentlemen:

The Commissioner of Public Lands has this date approved your Plan of Development dated October 5, 1982. Such plan proposes to perform an engineering and geological analysis to plan further development within the unit.

Our approval is subject to like approval by the United States Minerals Management Service.

Enclosed is an approved copy for your files.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

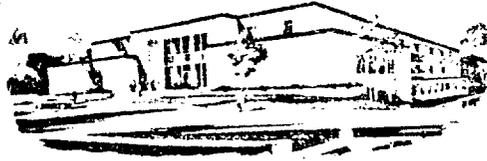
BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

AJA/RDG/pm
encls.
cc:

OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico
Administration

343

State of New Mexico



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

October 9, 1981

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Phoenix Resources Company
914 Main Street
Suite 1550, Commerce Bldg.
Houston, Texas 77002

6129

Re: 1981 Plan of Development
Gardner Draw Unit
Eddy and Chaves Counties, New Mexico

ATTENTION: Mr. Paul L. Beaver

Gentlemen:

The Commissioner of Public Lands has this date approved your 1981 Plan of Development for the Gardner Draw Unit, Eddy and Chaves Counties, New Mexico. This Plan was approved by the United States Geological Survey on July 27, 1981.

Such plan proposes the drilling of a Morrow test well in section 5, T20S-R21E, during the third quarter of 1981.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

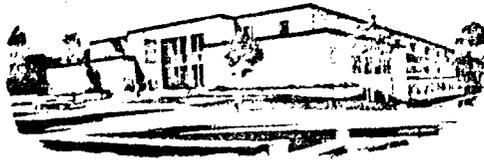
ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-2748

AJA/RDG/pm
encl.
cc:

OCD-Santa Fe, New Mexico ✓
USGS-Albuquerque, New Mexico.

State of New Mexico



Commissioner of Public Lands
October 10, 1979

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Phoenix Resources Company
3555 N.W. 58, Suite 300
Oklahoma City, Oklahoma 73112

6129

Re: Application for Approval of the
Third Revision of the Participating
Area, Morrow Formation
Gardner Draw Unit
Chaves and Eddy Counties, New Mexico

ATTENTION: Mr. Charles F. Harding, Jr.

Gentlemen:

We are in receipt of your letter dated October 5, 1979, together with copies of the corrected application pages for the Third Revision of the Marrow Participating Area which you submitted to this office on May 18, 1979, for the Gardner Draw Unit, Chaves and Eddy Counties, New Mexico.

Since this office had already given approval to the Third Revision, we have re-typed the letter of approval to include the SE/4NE/4 of Section 18, Township 19 South, Range 21 East. Please substitute the enclosed letter for the one mailed to you May 29, 1979.

We are this date mailing a copy of both letters to the United States Geological Survey and the New Mexico Oil Conservation Division.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS
BY:
RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encls.

cc: OCD-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

State of New Mexico



Commissioner of Public Lands

May 29, 1979

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Phoenix Resources Company
3555 N. W. 58, Suite 300
Oklahoma City, Oklahoma 73112

Re: Application for Approval of the
Third Revision of the Participating
Area, Morrow Formation
Gardner Draw Unit
Chaves and Eddy Counties, New Mexico

ATTENTION: Mr. Charles F. Harding, Jr.

Gentlemen:

The Commissioner of Public Lands has this date approved the Third Revision of the Participating Area, Morrow Formation, for the Gardner Draw Unit, Chaves and Eddy Counties, New Mexico. Such revision covers the S/2SE/4, NE/4SE/4 and SE/4NE/4 of Section 18, Township 19 South, Range 21 East. This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encls.
cc:

OCD-Santa Fe, New Mexico
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

State of New Mexico



Commissioner of Public Lands

May 29, 1979

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Phoenix Resources Company
3555 N. W. 58, Suite 300
Oklahoma City, Oklahoma 73112

6129

Re: Amended application for the
Initial Participating Area,
Morrow Formation,
Garner Draw Unit
Chaves and Eddy Counties., New Mexico

ATTENTION: Mr. Charles F. Harding, Jr.

Gentlemen:

In view of your submittal of an Amended application for approval of the Initial Participating Area, Morrow Formation, for the Garner Draw Unit, the Commissioner of Public Lands is hereby rescinding his approval of May 16, 1979, and by this letter is approving the amended application covering the N/2 of Section 20, Township 19 South, Range 21 East comprising 320 acres. This approval of the amended application is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY'D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encls.
cc:

OCD-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

State of New Mexico



Commissioner of Public Lands

May 29, 1979

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Phoenix Resources Company
3555 N.W. 58, Suite 300
Oklahoma City, Oklahoma 73112

Clare 6129

Re: Application for Approval of the
Third Revision of the Participating
Area, Morrow Formation
Gardner Draw Unit
Chaves and Eddy Counties, New Mexico

ATTENTION: Mr. Charles F. Harding, Jr.

Gentlemen:

The Commissioner of Public Lands has this date approved the Third Revision of the Participating Area, Morrow Formation, for the Gardner Draw Unit, Chaves and Eddy Counties, New Mexico. Such revision covers the S/2SE/4, and NE/4SE/4 of Section 18, Township 19 South, Range 21 East. This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encls.

cc: OCD-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

May 29, 1979

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Phoenix Resources Company
3555 N.W. 58, Suite 300
Oklahoma City, Oklahoma 73112

6129

Re: Application for Approval of the
Second Revision of the Participating
Area, Morrow Formation,
Gardner Draw Unit
Chaves and Eddy Counties, New Mexico

ATTENTION: Mr. Charles F. Harding, Jr.

Gentlemen:

The Commissioner of Public Lands has this date approved the Second Revision of the Participating Area, Morrow formation, for the Gardner Draw Unit, Chaves and Eddy Counties, New Mexico. Such revision covers the W/2 of Section 17, Township 19 South, Range 21 East. This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Very truly yours,

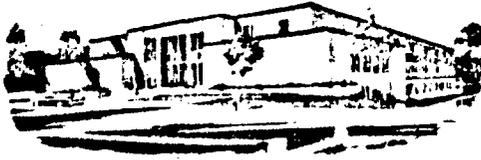
ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encls.

cc: OCD-Santa Fe, New Mexico
 USGS-Roswell, New Mexico
 USGS-Albuquerque, New Mexico

State of New Mexico



Commissioner of Public Lands

May 29, 1979

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Phoenix Resources Company
3555 N. W. 58, Suite 300
Oklahoma City, Oklahoma 73112

6129

Re: Application for Approval of the
First Revision of the Participating
Area, Morrow Formation
Gardner Draw Unit
Chaves and Eddy Counties, New Mexico

ATTENTION: Mr. Charles F. Harding, Jr.

Gentlemen:

The Commissioner of Public Lands has this date approved the First Revision of the Participating Area, Morrow formation, for the Gardner Draw Unit. Such revision covers the N/2 of Section 19, Township 19 South, Range 21 East. This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encls.
cc:

OCD-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

State of New Mexico



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

May 16, 1979

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Phoenix Resources Company
3555 N.W. 58, Suite 300
Oklahoma City, Oklahoma 73112

Re: 1979 Plan of Development
Gardner Draw Unit
Eddy and Chaves Counties,
New Mexico

ATTENTION: Mr. Charles F. Harding, Jr.

Gentlemen:

The Commissioner of Public Lands has this date approved your 1979 Plan of Development for the Gardner Draw Unit, Eddy and Chaves Counties, New Mexico. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

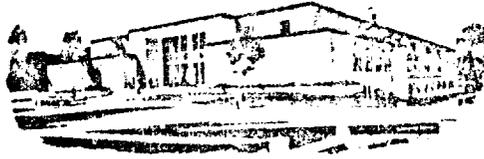
AJA/RDG/s
encls.
cc:

OCD-Santa Fe, New Mexico ✓
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER



Commissioner of Public Lands

May 16, 1979

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Phoenix Resources Company
3555 N.W. 58, Suite 300
Oklahoma City, Oklahoma 73112

Re: Application for Approval of Initial
Participating Area for the Morrow
Formation- Gardner Draw Unit
Eddy and Chaves Counties, New Mexico

ATTENTION: Mr. Charles F. Harding, Jr.

Gentlemen:

The Commissioner of Public Lands has this date approved the Initial Morrow Participating Area for the Gardner Draw Unit, Eddy and Chaves Counties, New Mexico. This Initial Participating Area comprises 963.74 acres. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encls.

cc: OCD-Santa Fe, New Mexico ✓
 USGS-Roswell, New Mexico
 USGS-Albuquerque, New Mexico

Unit Name GARDNER DRAW UNIT (EXPLORATORY)
 Operator Phoenix Resources Company
 County Chaves and Eddy

DATE	OCC CASE NO	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN-FEE	SEGREGATION CLAUSE	TERM
APPROVED	OCC ORDER NO. R-5638							
Commissioner	February 14, 1978	2-27-78	18,867.76	2,483.74	16,384.02	-0-	Yes	5yrs.
2-14-78								

UNIT AREA
 CHAVES COUNTY, NEW MEXICO

TOWNSHIP 19 SOUTH, RANGE 20 EAST, NMPM
 All of Sections: 24, 25, 36

EDDY COUNTY, NEW MEXICO

TOWNSHIP 19 SOUTH, RANGE 21 EAST, NMPM
 ALL OF SECTIONS 8, 9, 10, 14, 14, 16, 17,
 18, 19, 20, 21, 22, 23, 26,
 27, 28, 29, 30, 31, 32, 33,
 34, 35

TOWNSHIP 20 SOUTH RANGE 21 EAST NMPM
 ALL OF SECTIONS 3, 4, 5

Unit Name GARDNER DRAW UNIT (EXPLORATORY)
 Operator PHOENIX RESOURCES COMPANY
 County Chaves and Eddy

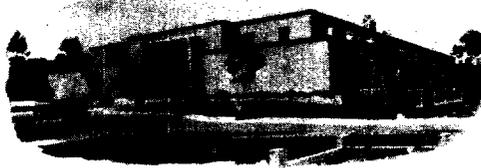
STATE TRACT NO.	LEASE NO.	INSTI-TUTION	SEC.	TWP.	RGE.	SUBSECTION	DATE	ACRES	ACREAGE		LESSEE
									RATIFIED	NOT RATIFIED	
30	L-1512-2	C.S.	16	19S	21E	N/2, N/2S/2, SW/4SW/4, S/2SE/4	2-9-78	600.00			Cities Service Co.
31	L-1608-2	C.S.	32	19S	21E	E/2, NW/4, N/2SW/4, SE/4SW/4	2-9-78	600.00			Cities Service Co.
32	L-2756-3	C.S.	36	19S	20E	A11	2-8-78	640.00			King Resources Co. (Now Phoenix Resources Co.)
33	L-7031-1	C.S.	32	19S	21E	SW/4SW/4	2-9-78	40.00			Cities Service Co.
34	LG-462	P.N.	19 20	19S 19S	21E 21E	NE/4NE/4 NW/4NE/4, N/2NW/4	2-1-78	160.00			Kerr-McGee Corp.
35	LG-463	C.S.	16 19	19S 19S	21E 21E	SE/4SW/4 Lots 1, 2, E/2NW/4, NW/4NE/4	2-1-78	243.74			Kerr-McGee Corp
36	LG-685	P.N.	24	19S	20E	N/2N/2	2-9-78	160.00			Cities Service Co.
37	LG-3178-1	P.N.	8	19S	21E	NE/4NE/4	2-9-78	40.00			Cities Service Co.

State of New Mexico

RECEIVED

FEB 15 1978

Oil Conservation Commission



Commissioner of Public Lands

PHIL R. LUCERO
COMMISSIONER

February 14, 1978

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Phoenix Resources Company
201 South Cherokee
Box 9698
Denver, Colorado 80209

Re: Gardner Draw Unit
Chaves and Eddy Counties, New Mexico

ATTENTION: Mr. Mark A. Lambertson

Gentlemen:

The Commissioner of Public Lands has this date approved the Gardner Draw Unit, Chaves and Eddy Counties, New Mexico. This approval is subject to like approval by the United States Geological Survey.

Enclosed are five (5) Certificates of approval.

The filing fee in the amount of Two Hundred and Ninety (\$290.00) Dollars has been received.

When the United States Geological Survey approves this unit please advise this office so that we may finish processing same and ascertain the effective date.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

PRL/RDG/s

encls.

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

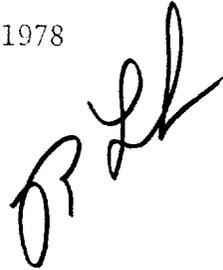


PHOENIX
RESOURCES COMPANY

201 South Cherokee, Box 9698, Denver, Colorado 80209 (303) 778-7171, Telex 45843

January 30, 1978

New Mexico Oil Conservation Commission
Box 2088
Santa Fe, NM 87501



Re: Name Change
Phoenix Resources Company
(formerly King Resources Company)

Gentlemen:

In order for you to properly update your records regarding the recent name change of King Resources Company to Phoenix Resources Company, enclosed herewith please find a copy of the Court Order dated January 6, 1978, approving this name change.

If further information or filing fee is required, please do not hesitate to let us know.

Very truly yours,

PHOENIX RESOURCES COMPANY



Joan Howe, Supervisor
Property Records

JH/rg

encl.

FILED
UNITED STATES DISTRICT COURT
DENVER, COLORADO

JAN 6 1978

JAMES R. MANSPEAKER
CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

IN THE MATTER OF) IN PROCEEDINGS FOR
KING RESOURCES COMPANY and) REORGANIZATION OF
INTERNATIONAL RESOURCES LIMITED,) CORPORATIONS
Debtors.) NOS: 71-B-2921
and
72-B-644

ORDER ON TRUSTEE'S APPLICATION NO. 219 -
IN AID OF SUBSTANTIAL CONSUMMATION

THIS MATTER coming on for hearing on the Trustee's Application No. 219 - For Order in Aid of Substantial Consummation, the Court having read the application and being adequately advised in the premises,

DOTH HEREBY ORDER that the Trustee is hereby authorized to do the following and the following shall be done:

A. Transfer to the reorganized Debtor, all of the property of whatever kind or nature dealt with by the Plan and previously vested in the Trustee, with title fully vested and confirmed in the reorganized Debtor, free and clear of all claims and interests of the original Debtor, IRL and their respective creditors and stockholders, except for such claims as otherwise may be provided for in the Plan; provided, however, that the Trustee shall retain sufficient funds with which to pay all administrative expenses and all other expenses, fees and costs necessary to finally close the estate and terminate these proceedings. To the extent that the funds so retained by the Trustee are insufficient to pay such closing costs, such closing costs shall be the obligation of and paid by the reorganized Debtor, and to the extent that the funds so retained exceed such closing costs, they shall be paid over to the reorganized Debtor.

B. To execute and deliver any instruments necessary to effect retention, transfer or other disposition of the property dealt with by the Plan, pursuant to the provisions of the Plan.

C. That the bylaws of the reorganized Debtor submitted herewith, are approved, and the Trustee is hereby authorized and directed to adopt said bylaws on behalf of the reorganized Debtor.

D. That notwithstanding the approval and adoption of the bylaws at this time, and in modification of Article VII, Section 4, of the Plan providing for the appointment of initial directors upon consummation of the Plan, the following persons whose identify, qualifications and affiliations having been fully disclosed to the Court, and who have been recommended by the Trustee to serve as initial directors, are hereby appointed by this Court, and any objections thereto shall be filed within ten (10) days of the date of this Order with the Clerk of the United States District Court for the District of Colorado, United States Courthouse, 1929 Stout Street, Denver, Colorado 80294, with a true copy of said objection being mailed to the attorneys for the Trustee, John S. Pfeiffer and Leland E. Modesitt, 1200 American National Bank Building, 818 - 17th Street, Denver, Colorado, 80202. These initial directors are as follows:

<u>NAME</u>	<u>ADDRESS</u>
Fred A. Deering	600 Security Life Building, Denver, Colorado
William H. Baughn	University of Colorado, Boulder, Colorado
Kenneth W. Brill	2999 South Detroit Way, Denver, Colorado
Paul R. Stewart	201 South Cherokee, Denver, Colorado
Robert W. Sullivan	1700 Broadway, Denver, Colorado

That the compensation for the directors listed on page 2 of this order shall be \$500.00 per regular and special meeting, and said directors shall serve until their successors are duly elected. The initial directors shall elect the officers of the reorganized Debtor and shall fix their compensation and otherwise assume the duties and responsibilities of directors.

E. The initial directors of the reorganized Debtor shall assume operation of the business and management of all property dealt with by the Plan, except as otherwise provided in this order.

F. To pay as soon as practicable in cash, all of those claims allowed in the amount of \$200 or less, as provided for in the Plan. (This Court points out that payment of the secured creditors as provided for in the Plan was the subject of Trustee's Application No. 217 - For Authority to Satisfy Secured Creditors filed with this Court on January 3, 1978, which application, together with Order on Trustee's Application No. 217 - For Authority to Satisfy Secured Creditors, issued by this Court on 4 January, 1978, is incorporated herein by reference.)

G. To commence the distribution to creditors of the new Class A and Class B stock of the reorganized Debtor (and cash payments in lieu of fractional shares), in accordance with the terms and provisions of the Plan. Such distribution to the holders of the 5 1/2% domestic subordinated debentures and the 5 3/4% foreign guaranteed subordinated debentures, shall be made upon surrender of said debentures to the Trustee or the reorganized Debtor, provided no objection is made to the claim based thereon. In accordance with Rule 405(b), the holders of said debentures and the indenture trustees shall

be notified by mail and publication that persons who have not surrendered their debentures within five years after entry of a final decree in these proceedings, shall not participate in any distribution.

The Trustee and the reorganized Debtor are hereby authorized and directed not to make cash settlements of fractional shares in amounts of \$1.00 or less, to avoid the expense of preparing, computerizing and maintaining outstanding check records for extremely small checks.

H. All of the old common stock of the original Debtor shall be and it hereby is cancelled.

I. This Court hereby appoints the United Bank of Denver, N.A., as Transfer Agent of the reorganized Debtor with respect to all shares of the reorganized Debtor issued pursuant to these proceedings.

This Court further appoints the United Bank of Denver, N.A., as Exchange Agent for the domestic and foreign debentures. New stock certificates, together with partial payment in lieu of fractional shares, shall be delivered to the Exchange Agent, to be held for issuance. Said Exchange Agent shall report on a weekly basis concerning the number of exchanges and names of holders. The total number of new shares delivered to the Exchange Agent is to be shown on the balance sheet of the reorganized Debtor as unissued but held under restriction for purpose of the exchange. This total shall be reduced on a weekly basis and transferred to issued shares. With regard to the exchange of foreign debentures for new stock, the Exchange Agent shall advise the reorganized Debtor on a weekly basis of the debentures received. Debtor is to then deliver to the Exchange Agent the necessary new stock to complete each individual exchange.

Trustee and Reorganized Debtor shall estimate a sum to be deposited with the Exchange Agent for deposit in its trust department account for the payment in lieu of fractional shares. Holders of domestic debentures are hereby prohibited from transferring or splitting their debentures and denominations so that additional cash expenditures to newly created stockholders can be avoided.

J. It is hereby ordered that Charles A. Baer, Trustee, shall, at all times until discharge by this Court, continue to exercise all of the powers vested in him by Chapter X of the Bankruptcy Act, and all Orders of this Court heretofore entered, including without limitation, authority (i) to continue as a party to any action for or against the Debtor and to take such action in regard to any such matters as said Trustee may deem necessary for the protection of the interest of the reorganized Debtor, and (ii) to take all corporate and other organizational action as the Trustee shall deem necessary or appropriate from time to time to substantially consummate the Plan. If any claim now pending shall be finally allowed by this Court, the Trustee and/or the reorganized Debtor shall be authorized and directed to satisfy such claim as provided for in the Plan.

K. This Court specifically reserves jurisdiction to settle any and all disputes or uncertainties concerning rights to distribution, and to direct issuance of any stock or cash or other distribution to which claim is made, and such distribution may be withheld pending a final determination thereof by this Court without liability for interest.

L. This Court specifically reserves jurisdiction to:

(i) Order and direct the reorganized Debtor to take



such steps as may be appropriate to carry out the Plan and various Orders of this Court.

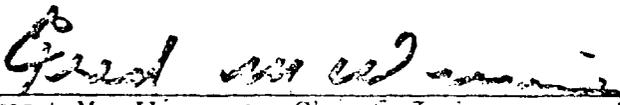
(ii) Direct and supervise the issuance of shares of stock of the reorganized Debtor.

(iii) Direct administration and disposition of any of the assets or funds coming into the hands of Charles A. Baer, Trustee, from any source whatsoever.

(iv) To do such other things or direct that they be done as may be necessary to terminate these proceedings.

DATED AT DENVER, COLORADO, this 6th day of JANUARY, 1978.

BY THE COURT:


Fred M. Winner, Chief Judge
U. S. District Court

-6-

I, the undersigned, Clerk of the United States District Court for the District of Colorado, do certify that the foregoing is a true copy of an original document remaining on file and record in my office.
WITNESS my hand and SEAL of said Court this 9th day of Jan 1978.
JAMES R. MANSPEAKER
Deputy

I, the undersigned, Clerk of the United States District Court for the District of Colorado, do certify that the foregoing is a true copy of an original document remaining on file and record in my office.
WITNESS my hand and SEAL of said Court this 6 day of Jan 1978.
JAMES R. MANSPEAKER
Deputy

BY-LAWS

OF

PHOENIX RESOURCES COMPANY

(A Maine Corporation)

(As Approved by the United States District Court
for the District of Colorado, by Order Dated
January 6, 1978)

ARTICLE I

OFFICES

SECTION 1. Principal Office. The principal office of the corporation in the State of Maine shall be located in the City of Portland, Maine.

SECTION 2. Other Offices. The corporation may also have an office or offices at such other place or places, within or without the State of Maine, as the Board of Directors may from time to time designate or the business of the corporation may require.

ARTICLE II

STOCKHOLDERS' MEETINGS

SECTION 1. Annual Meetings. The annual meeting of the stockholders of the corporation shall be held at the principal office of the corporation in the State of Maine, or at such other place within or without the State of Maine as may be determined by the Board of Directors and shall be designated in the notice of said meeting, on the first Friday of May of each year (or if said day be a legal holiday, then on the next succeeding day not a legal holiday), for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting.

If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the stockholders as soon thereafter as conveniently may be. At such meeting the stockholders may elect the directors and transact other business with the same force and effect as at an annual meeting duly called and held.

SECTION 2. Special Meetings. Special meetings of the stockholders shall be held at the principal office of the corporation in the

State of Maine, or at such other place within or without the State of Maine as may be designated in the notice of said meeting, upon call of the Board of Directors or the President.

SECTION 3. Notice and Purpose of Meetings. Notice of the purpose or purposes and of the time and place within or without the State of Maine of every meeting of stockholders shall be in writing and signed by the President or Vice President or Secretary or an Assistant Secretary and a copy thereof shall be delivered either personally or by mail or by any other lawful means, not less than ten nor more than fifty days before the meeting, upon each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be directed to each stockholder at his address as it appears upon the records of the corporation unless he shall have filed with the Secretary of the corporation a written request that notices intended for him be mailed to some other address, in which case it shall be mailed or transmitted to the address designated in such request, and upon such mailing of any such notice the service thereof shall be complete and the time of the notice shall begin to run from the date upon which such notice is deposited in the mail for transmission to such stockholder. Such further notice shall be given as may be required by law. Except as otherwise expressly provided by statute, no publication of any notice of a meeting of stockholders shall be required. Notice of any meeting of stockholders shall not be required to be given to any stockholder who shall attend such meeting in person or by proxy, or who shall, in person or by attorney thereunto authorized, waive such notice in writing either before or after such meeting. Except where otherwise required by law, notice of any adjourned meeting of the stockholders of the corporation shall not be required to be given.

SECTION 4. Quorum. A quorum at all meetings of stockholders shall consist of the holders of record holding at least a majority of the voting power of the corporation, present in person or by proxy, except as otherwise provided by law or the Articles of Incorporation. In the absence of a quorum at any meeting or any adjournment thereof, the holders of a majority of the voting power present in person or by proxy may adjourn such meeting from time to time. At any such adjourned meeting at which a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 5. Organization. Meetings of the stockholders shall be presided over by the President, or if he is not present, by the Chairman of the Board, or in the event a Chairman of the Board is not appointed, by such director or officer as may be designated by the board of directors. The Secretary of the corporation, or in his absence, an Assistant Secretary, shall act as secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, the meeting shall choose any person present to act as secretary of the meeting.

At the annual meeting of stockholders the order of business shall be as follows:

1. Calling meeting to order.
2. Proof of notice of meeting.
3. Reading of minutes of last stockholders' meeting.
4. Election of directors.
5. Other business.
6. Adjournment.

SECTION 6. Voting. Except as otherwise provided in the By-Laws, the Articles of Incorporation, or in the laws of the State of Maine, at every meeting of the stockholders, each stockholder of the corporation entitled to vote at such meeting shall have one vote in person or by proxy for each share of stock having voting rights held by him and registered in his name on the books of the corporation at the close of business on the day determined by the Board of Directors to be the record day for determining the stockholders eligible to vote at such meeting. Any vote on stock of the corporation may be given by the stockholder entitled thereto in person or by his proxy appointed by an instrument in writing, subscribed by such stockholder and delivered to the Secretary of the meeting; provided, however, that no proxy shall be valid after the expiration of eleven months from the date of its execution, unless coupled with an interest, or unless the person executing it specifies therein the length of time for which it is to continue in force. Except as otherwise required by statute, by the Articles of Incorporation or these By-Laws, all matters coming before any meeting of the stockholders shall be decided by the vote of stockholders holding at least a majority of the voting power of the corporation present in person or by proxy at such meeting, a quorum being present. At all elections of directors the voting may, but need not be, by ballot.

SECTION 7. Records and list of Stockholders. Records of all stockholders' meetings shall be kept by the Clerk of the corporation at his office in the State of Maine. The corporation shall file with the Clerk, at least once a year on the date set for holding the annual meeting of stockholders, a record showing a true and complete list of all stockholders, their residences and the amount of stock held by each. Such records shall be open for examination by stockholders as required under the laws of the State of Maine.

ARTICLE III

DIRECTORS

SECTION 1. Power, Number, Qualification, Term, Quorum and Vacancy. The property, affairs and business of the corporation shall be managed by its Board of Directors, consisting of five (5) persons, all of whom shall be of full age and at least one of whom shall be a citizen of the United States. Except as hereinafter provided, directors shall be elected at the annual meeting of the stockholders and each director shall be elected to serve for one year and until his successor shall be elected and shall qualify. The directors shall have power from time to

time, and at any time, when the stockholders as such are not assembled in a meeting, regular or special, to increase or decrease their own number by an amendment to these By-Laws. If the number of directors be increased, the additional directors shall be elected by the stockholders at the annual or special meeting next following such increase. The number of directors shall never be less than five (5) nor more than nine (9).

Directors need not be stockholders.

A majority of the Board of Directors, at a meeting duly assembled, shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, but if at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time until a quorum shall have been obtained.

In the case one or more vacancies shall occur in the Board of Directors, by reason of death, resignation or otherwise, except insofar as otherwise provided in the case of vacancy or vacancies occurring by reason of removal by the stockholders, the remaining directors, although less than a quorum, may by a majority vote elect a successor or successors for the unexpired term or terms.

SECTION 2. Meetings. Meetings of the Board of Directors shall be held at such place within or without the State of Maine as may from time to time be fixed by resolution of the Board of Directors, or as may be specified in the notice of the meeting. Regular meetings of the Board of Directors shall be held at such times as may from time to time be fixed by resolution of the Board of Directors, and special meetings may be held at any time upon the call of the Chairman of the Board, of the President, or any two directors by oral, telegraphic or written notice duly served on or sent or mailed to each director not less than two days before the meeting. A meeting of the Board of Directors may be held without notice immediately after the annual meeting of stockholders. Notice need not be given of regular meetings of the Board of Directors held at times fixed by resolution of the Board of Directors. Meetings may be held at any time without notice if all the directors are present, or if at any time those not present waive notice of the meeting in writing.

SECTION 3. Committees. The Board of Directors may, by resolution or resolutions, passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the corporation and such other persons as the Board of Directors may approve which to the extent provided in said resolution or resolutions shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation, and may have power to authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

SECTION 4. Dividends. Subject always to the provisions of the law and the Articles of Incorporation, the Board of Directors shall have the full power to determine whether any, and, if so, what part, of the funds legally available for the payment of dividends shall be declared in dividends and paid to stockholders; the division of the whole or any part of such funds of the corporation shall rest wholly within the lawful discretion of the Board of Directors, and it shall not be required at any time, against such discretion, to divide or pay any part of such funds among or to the stockholders as dividends or otherwise; and the Board of Directors may fix a sum which may be set aside or reserved over and above the capital paid in of the corporation as working capital for the corporation or as a reserve for any proper purpose, and from time to time may increase, diminish and vary the same in its absolute judgment and discretion.

SECTION 5. Removal of Directors. Any director may be removed from office by the vote or written consent of stockholders representing not less than a majority of the issued and outstanding capital stock entitled to voting power, and his successor or their successors may be elected at a meeting or the remaining directors may, to the extent vacancies are not filled by such election, fill any vacancy or vacancies created by such removal.

SECTION 6. Action Without Meeting. Except as otherwise provided in the Articles of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors or a committee thereof, may be taken without a meeting if a written consent thereto is signed by all the members of the Board or of each committee. Such written consent shall be filed with the minutes of the proceedings of the Board or committee.

ARTICLE IV

OFFICERS

SECTION 1. Number. The Board of Directors, as soon as may be after the election thereof held in each year, may elect one of their members as Chairman of the Board and shall elect a President from among the directors, and shall elect a Secretary, a Treasurer and a Clerk, none of whom need be a member of the Board. The Clerk shall be a resident of the State of Maine. From time to time the Board of Directors may appoint one or more Vice Presidents and such Assistant Secretaries, Assistant Treasurers and such other officers, agents and employees as it may deem proper. Any two or more offices may be held by the same person, except the offices of the President and Secretary.

SECTION 2. Term and Removal. The term of office of all officers shall be one year and until their respective successors are elected and qualify, but any officer may be removed from office, either with or without

cause, at any time by the affirmative vote of a majority of the members of the Board of Directors then in office. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors.

SECTION 3. Powers and Duties. The officers of the corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the Board of Directors. The Chairman of the Board, if one shall be elected, shall preside at all meetings of the Board of Directors. The President shall be the principal executive officer and shall preside at all meetings of stockholders and, in the absence of the Chairman of the Board or if a Chairman of the Board is not elected, at all meetings of the Board of Directors. Unless otherwise provided by the Board of Directors, the President shall have direct control of and general authority over the business and affairs and over the officers of the corporation. The Clerk shall have such powers and duties as are required by the laws of Maine and, in particular, by Sections 304 and 305 of the Maine Business Corporation Act.

SECTION 4. Voting Corporation's Securities. Unless otherwise ordered by the Board of Directors, the President, or, in the event of his inability to act, the Vice President designated by the Board of Directors to act in the absence of the President, shall have full power and authority on behalf of the corporation to attend and to act and to vote at any meetings of security holders of corporations in which the corporation may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities, and which as the owner thereof, the corporation might have possessed and exercised if present. The Board of Directors by resolution from time to time may confer like powers upon any other person or persons.

ARTICLE V

CERTIFICATES OF STOCK

SECTION 1. Form and Transfer. The interest of each stockholder of the corporation shall be evidenced by certificates for shares of stock, certifying the number of shares represented thereby and in such form not inconsistent with the Articles of Incorporation as the Board of Directors may from time to time prescribe.

Transfer of shares of the capital stock of the corporation shall be made only on the books of the corporation by the registered holder thereof, or by his delivery of the certificate or certificates of stock to a bona fide purchaser or pledgee for value, together with a written transfer or by his attorney thereunto authorized by power of attorney to sell, assign, and transfer the same, duly executed and filed with the Secretary of the corporation, or with a transfer clerk or transfer

agent appointed as in Section 4 of this Article provided, and on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of stock stand on the books of the corporation shall be deemed the owner thereof for all purposes as regards the corporation; provided that whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact, if known to the Secretary of the corporation, shall be so expressed in the entry of transfer. The Board may from time to time make such additional rules and regulations as it may deem expedient, not inconsistent with these By-Laws, concerning the issue, transfer and registration of certificates for shares of the capital stock of the corporation.

The certificates of stock shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, or by such other officers or agents as the Board of Directors may designate and sealed with the seal of the corporation. Such seal may be a facsimile, engraved or printed. Where any such certificate is countersigned or otherwise authenticated by a transfer agent or a transfer clerk and by a registrar, a facsimile of the signatures of the designated officers or agents may be printed or lithographed upon such certificate in lieu of the actual signatures. In case any such officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such before such certificate is issued, it may be issued by the corporation with the same effect as if such officer had not ceased to be such at the time of its issue.

SECTION 2. Closing of Transfer Books. The Board of Directors may prescribe a period not exceeding fifty days prior to any meeting of the stockholders during which no transfer of stock on the books of the corporation may be made, or may fix a day not more than fifty days prior to the holding of any such meeting as the day as of which stockholders entitled to notice of and to vote at such meeting shall be determined; and only stockholders of record on such day shall be entitled to notice or to vote at such meeting.

SECTION 3. Lost, Stolen, Destroyed or Mutilated Certificates. No certificate for shares of stock in the corporation shall be issued in place of any certificate alleged to have been lost, destroyed or stolen, except on production of such evidence of such loss, destruction or theft and on delivery to the corporation, if the Board of Directors shall so require, of a bond of indemnity in such amount (not exceeding twice the value of the shares represented by such certificate), upon such terms and secured by such surety as the Board of Directors may in its discretion require.

SECTION 4. Transfer Agent and Registrar. The Board of Directors may appoint one or more transfer clerks or one or more transfer agents and one or more registrars, and may require all certificates of stock to bear the signature or signatures of any of them.

ARTICLE VI

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of January in each year and shall end on the last day of December next following, unless otherwise determined by the Board of Directors.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

SECTION 1. The corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, or employee of the corporation against expenses, including attorneys fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

SECTION 2. The corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, or employee of the corporation against expenses, including attorneys fees, actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation; except that no indemnification shall be made in respect of any claim, issue, or matter as to which the person has been adjudged to be liable for negligence or misconduct of his duty to the corporation, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

SECTION 3. To the extent that a director, officer or employee of the corporation has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Sections 1 or 2, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses, including attorneys fees, actually and reasonably incurred by him in connection therewith. He may enforce such right to indemnification by separate action against the corporation if an order for indemnification is not entered by the court in the action, suit, or proceeding wherein he was successful on the merits.

SECTION 4. Any indemnification under Section 1 or 2 (unless ordered by the court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, or employee is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 or 2. The determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the action, suit, or proceeding, or (b) if a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion.

SECTION 5. Expenses including attorneys fees, incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition thereof if authorized in the specific case by a preliminary determination following one of the procedures set forth in the second sentence of Section 4 that there is a reasonable basis for a belief that the director, officer, or employee met the applicable standard of conduct set forth in Section 1 or 2, upon receipt of an undertaking by or on behalf of the director, officer, or employee reasonably assuring that such amount will be repaid unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this Article VII.

SECTION 6. The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which a person may be entitled by vote of stockholders or disinterested directors or otherwise, and shall continue as to a person who has ceased to be a director, officer, or employee and inure to the benefit of his heirs, executors, and administrators.

SECTION 7. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, or employee of the corporation against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such.

ARTICLE VIII

CORPORATE SEAL

The Board of Directors shall provide a suitable seal, bearing the name of the corporation, which shall be in the charge of the Secretary. The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

ARTICLE IX

AMENDMENTS

The By-Laws of the corporation shall be subject to alteration, amendment or repeal and new By-Laws not inconsistent with any provision of the Articles of Incorporation or statute may be made, either by the affirmative vote of the holders of at least a majority of the voting power of the corporation present in person or by proxy at any annual or special meeting of the stockholders, a quorum being present, or by the affirmative vote of a majority of the whole Board given at any regular or special meeting of the Board.