

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF PELTO OIL COMPANY
FOR STATUTORY UNITIZATION AND
APPROVAL OF A UNIT, CHAVES COUNTY,
NEW MEXICO.

No. 9210

APPLICATION

Pelto Oil Company hereby applies to the New Mexico Oil Conservation Division for an order approving statutory unitization of the area and formation known as the Twin Lakes San Andres Unit, Chaves County, New Mexico, and approving the Unit for the Twin Lakes San Andres Unit, and in support thereof, states:

1. Pelto Oil Company is engaged in the business of, among other things, producing and selling oil and gas as defined by the New Mexico Statutory Unitization Act (N.M. Stat. Ann. §§ 70-7-1 through 70-7-21 (1978), hereinafter referred to as the "Act").

2. The proposed area for which application is made for unitized operations pursuant to the Act is known as the Twin Lakes San Andres Unit, Chaves County, New Mexico (the "Unit Area"), and consists of 4863.82 acres, more or less, in Chaves County, New Mexico, being more particularly described in Exhibit A attached hereto. A map of the Unit Area is attached hereto as Exhibit B.

3. The formation for which application is made (the "Unitized Formation") is the subsurface portion of the Unit Area known as the San Andres formation, and the vertical limits thereof are found in the interval between 2708 and 2798 feet as recorded on the Dual Laterolog in the Pelto Oil Company O'Brien

"L" No. 16 Well (Twin Lakes San Andres Unit Well No. 80), on December 23, 1984, said well located 2310 feet from the North line and 1675 feet from the East line of Section 6, Township 9 South, Range 29 East, Chaves County, New Mexico. The Unitized Formation shall further include all subsurface points throughout the Unit Area correlative to the above-identified depths.

4. The portion of the Unitized Formation included within the Unit Area has been reasonably defined by development.

5. Pelto Oil Company proposes to institute a water flood project for the secondary recovery of oil from the Unitized Formation within the Unit Area, as described in an accompanying application.

6. The proposed plan of unitization is embodied in the Unit Agreement, a true copy of which is attached hereto as Exhibit C, and the plan is fair, reasonable and equitable.

7. The proposed operating plan, covering the manner in which the Unit will be supervised and managed and costs allocated and paid, is embodied in the Unit Operating Agreement, a true copy of which is attached hereto as Exhibit D.

8. Pelto Oil Company projects that the unitized management, operation and further development of the Unitized Formation will increase production by approximately 3.5 million barrels of oil, will improve the oil producing rate, and will extend the producing life of the Unitized Formation beyond the year 2000. It is therefore evident that the unitized management, operation, and further development of the Unitized Formation is reasonably necessary in order to effectively carry on water flood

and secondary recovery operations to substantially increase the ultimate recovery of oil from the Unitized Formation within the Unit Area.

9. The method of operation which is proposed in the Unit Operating Agreement is feasible, will prevent waste and will result with reasonable probability in the increased recovery of substantially more oil from the Unitized Formation than would otherwise be recovered.

10. The estimated additional costs of conducting unitized operations will not exceed the estimated value of the additional oil and gas to be recovered, plus a reasonable profit.

11. The proposed unitization and adoption of the methods of operation embodied in the Unit Operating Agreement will benefit the working interest owners and royalty owners of the oil and gas rights within the Unitized Formation of the Unit Area.

12. Pelto Oil Company has made a good faith effort to secure voluntary unitization within the Unitized Formation of the Unit Area.

13. The participation formula contained in the Unit Agreement allocates the produced and saved unitized oil to the separately owned tracts in the Unit Area on a fair, reasonable and equitable basis, and protects the correlative rights of all owners of interest within the Unit Area.

14. The statutory unitization of the Unitized Formation within the Unit Area in accordance with the plan embodied in the Unit Agreement and Unit Operating Agreement will prevent waste and protect correlative rights.

15. By converting certain presently producing wells into injection wells, Pelto Oil Company proposes to inject fluids into the above described San Andres formation in the Twin Lakes San Andres Unit. Attached hereto as Exhibit E is a plat showing the location of all wells located within the Unit Area which are proposed to be used as producing wells or injection wells.

16. The water rights to be used for injection for the water flood project have been acquired by Pelto Oil Company, and are located approximately 27 miles to the southeast in Lea County. The water will be transported to the Unit Area by means of a pipeline to be constructed by the unit operator, which will belong to working interest owners of the Unit. Rights-of-way for the pipeline have already been acquired by Pelto Oil Company. Initially, 11,600 barrels of water per day will be injected, with an anticipated maximum injection volume of 21,800 barrels of water per day.

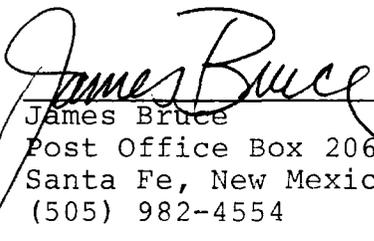
WHEREFORE, Pelto Oil Company requests that this application be set for hearing on September 9, 1987 and that the Division enter its order approving the Unit Agreement and Unit Operating Agreement, providing for the unitized management, operation and further development of the Unitized Formation and the Unit Area in accordance with the Act.

Pelto Oil Company further requests the establishment of a project allowable in accordance with Rule 701, the establishment of an administrative procedure for any change in, or additional, injection wells which might prove to be necessary, and also an administrative procedure for approving unorthodox well locations

for both producing and injection wells. Applicant also requests that the order include a provision for carrying any working interest owner, as provided in N.M. Stat. Ann. § 70-7-7 (F) (1978).

Respectfully submitted,

HINKLE, COX, EATON,
COFFIELD & HENSLEY

By  _____
James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Pelto Oil Company

EXHIBIT "A"
to Application for Statutory Unitization
Twin Lakes San Andres Unit
Chaves County, New Mexico

Township 8 South - Range 28 East

Section 25:	SE/4, S/2SW/4, NE/4SW/4 SE/4NW/4	320.00 acres
Section 26:	SE/4SE/4	40.00 acres
Section 35:	E/2E/2	160.00 acres
Section 36:	All	<u>640.00 acres</u>
		1,160.00 acres

Township 8 South - Range 29 East

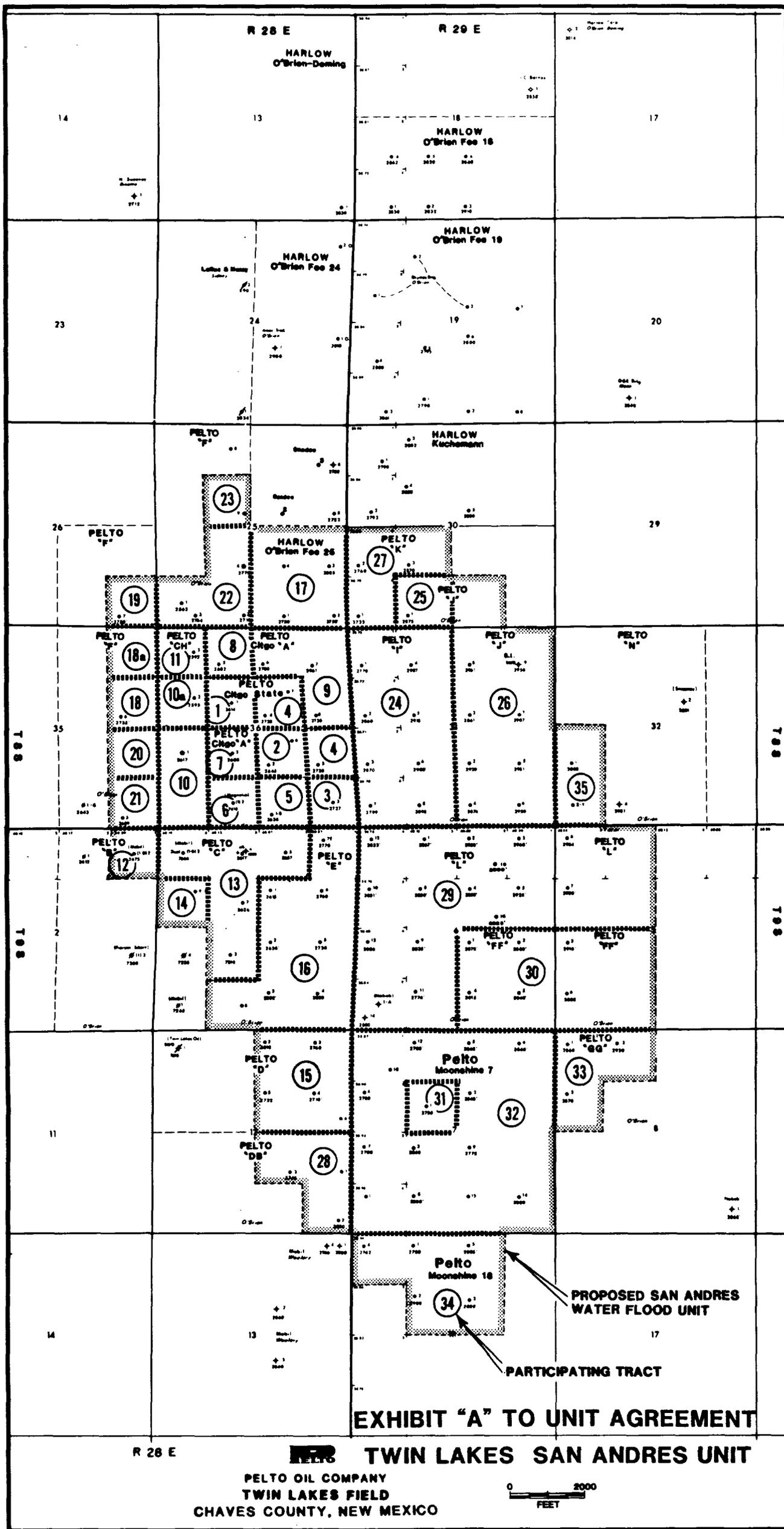
Section 30:	Lots 3 & 4, E/2SW/4, SW/4SE/4	197.60 acres
Section 31:	All	634.88 acres
Section 32:	W/2SW/4	<u>80.00 acres</u>
		912.48 acres

Township 9 South - Range 28 East

Section 1:	Lots 1-4, S/2N/2, SE/4, E/2SW/4	560.46 acres
Section 2:	Lot 1	40.20 acres
Section 12:	NE/4, N/2SE/4, SE/4SE/4	<u>280.00 acres</u>
		880.66 acres

Township 9 South - Range 29 East

Section 5: Lots 3 & 4, S/2NW/4, SW/4	320.46 acres
Section 6: All	635.67 acres
Section 7: All	635.69 acres
Section 8: W/2NW/4, NE/4NW/4	120.00 acres
Section 18: Lot 1, E/2NW/4, W/2NE/4	<u>198.86 acres</u>
	1,910.68 acres
 Total Unit Acreage	 4,863.82 acres



R 28 E
HARLOW
O'Brien-Deming

R 29 E

Section 14
O'Brien-Deming
2014

14

13

18

17

HARLOW
O'Brien Fee 18

23

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HARLOW
O'Brien Fee 24

HARLOW
O'Brien Fee 19

26

25

30

29

HARLOW
O'Brien Fee 26

HARLOW
Kuchemann

T 8 S

35

8

9

32

T 8 S

T 9 S

2

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T 9 S

11

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31

32

PELTO
"D"

Pelto
Moonshine 7

PELTO
"GG"

14

13

34

17

Pelto
Moonshine 18

PROPOSED SAN ANDRES
WATER FLOOD UNIT

PARTICIPATING TRACT

EXHIBIT "A" TO UNIT AGREEMENT

R 28 E



TWIN LAKES SAN ANDRES UNIT

PELTO OIL COMPANY
TWIN LAKES FIELD

CHAVES COUNTY, NEW MEXICO



EXHIBIT "B"
PART I
Schedule of Ownership
Unit Agreement
Twin Lakes San Andres Unit
Chaves County, New Mexico

TRACT NO. & PARTICIPATION FACTOR IN UNIT	WELLS	DESCRIPTION	GROSS ACRES	LEASE NOS.	OWNERS	TYPE INTEREST	GROSS WORKING INTEREST	NET INTEREST
1 .0160189	Citgo State 1	Section 36: SE/4NW/4, T8S-R28E, N.M.P.M.	40.00	K-2803-8	*Pelto Oil Company Trinidad Petroleum Corp. Harbert Energy Corp., Agent Comm. of Public Lands H. Lee Harvard	WI WI WI RI OR	0.51500000 0.20989870 0.27510130	0.45062500 0.17933350 0.23504150 0.12500000 0.01000000 1.00000000
2 .0057700	Citgo State 2 & 6	Section 36: NW/4SE/4, T8S-R28E, N.M.P.M.	40.00	K-2803-7	Pelto Oil Company Comm. of Public Lands *Citiles Service Oil Company	WI RI OR	1.00000000	0.79296880 0.12500000 0.08203120
3 .0008767	Citgo State 3	Section 36: SE/4SE/4, T8S-R28E, N.M.P.M.	40.00	K-2803-7	Pelto Oil Company Trinidad Petroleum Corp Harbert Energy Corp., Agent Comm. of Public Lands *Citiles Service Oil Company	WI WI WI RI OR	0.75750000 0.10494940 0.13755060	0.58706250 0.08133580 0.10660170 0.12500000 0.10000000 1.00000000
4 .0218646	Citgo State 4, 5, & 7	Section 36: SW/4NE/4; NE/4SE/4, T8S-R28E, N.M.P.M.	80.00	K-2803-7	Pelto Oil Company W. G. Stroecker Marion Weeks Brenda & Rick Winther Comm. of Public Lands *Citiles Service Oil Company	WI WI WI WI RI OR	0.84250000 0.07500000 0.07500000 0.00750000	0.65293750 0.05812500 0.05812500 0.00581250 0.12500000 0.10000000 1.00000000

* DENOTES LESSEE OF RECORD ON STATE LEASES August 3, 1987

TRACT NO. & PARTICIPATION FACTOR IN UNIT	WELLS	DESCRIPTION	GROSS ACRES	LEASE NOS.	OWNERS	TYPE INTEREST	GROSS WORKING INTEREST	NET INTEREST
5 .0040045	Citgo A State 1	Section 36: SW/4SE/4, T8S-R28E, N.M.P.M.	40.00	OG-4681-10	Pelto Oil Company Comm. of Public Lands *Cities Service Oil Company Robert L. Haynle Len Mayer George E. Conley	WI RI OR OR OR OR	1.00000000 0.79296880 0.12500000 0.05203120	0.00500000 0.00500000 0.02000000 1.00000000
6 .0122048	Citgo A State 2	Section 36: SE/4SW/4, T8S-R28E, N.M.P.M.	40.00	OG-4681-11	*Pelto Oil Company Trinidad Petroleum Comm. of Public Lands Robert L. Haynle Len Mayer George E. Conley	WI WI RI OR OR OR	0.50000000 0.50000000 0.12500000 0.00500000 0.00500000 0.02000000	0.42250000 0.42250000 0.12500000 0.00500000 0.00500000 1.00000000
7 .0186278	Citgo A State 3	Section 36: NE/4SW/4, T8S-R28E, N.M.P.M.	40.00	OG-4681-11	*Pelto Oil Company Trinidad Petroleum Corp. Harbert Energy Corp., Agent Comm. of Public Lands Robert L. Haynle Len Mayer George E. Conley	WI WI WI RI OR OR OR	0.51500000 0.20989870 0.27510130	0.43517500 0.17736440 0.23246600 0.12500000 0.00500000 0.00500000 0.02000000
8 .0144380	Citgo A State 5	Section 36: NE/4NW/4; T8S-R28E, N.M.P.M.	40.00	OG-4681-11	*Pelto Oil Company Harbert Energy Corp., Agent Comm. of Public Lands Robert L. Haynle Len Mayer George E. Conley H. Lee Harvard	WI WI RI OR OR OR OR	0.52500000 0.47500000	0.44362500 0.39137500 0.12500000 0.00500000 0.00500000 0.02000000 0.01000000
							<u>1.00000000</u>	<u>1.00000000</u>

TRACT NO. & PARTICIPATION	WELLS	DESCRIPTION	GROSS ACRES	LEASE NOS.	OWNERS	TYPE INTEREST	GROSS WORKING INTEREST	NET INTEREST
.0476502	Citgo A State 6, 7, & 8	Section 36: N/2NE/4; SE/4NE/4, T8S-R28E, N.M.P.M.	120.00	OG-4681-10	Pelto Oil Company W. G. Stroecker	WI	0.84250000 0.07500000	0.65293750 0.05812500
					Marlon Weeks Brenda & Rick Winther Comm. of Public Land *Cities Service Oil Company Robert L. Haynle Len Mayer George E. Conley	WI WI RI OR OR OR OR	0.07500000 0.00750000	0.05812500 0.00581250 0.12500000 0.07000000
							<u>1.00000000</u>	<u>1.00000000</u>
.0001050	State Ch 1	Section 36: W/2SW/4 T8S-R28E, N.M.P.M.	80.00	OG-4681-11	*Pelto Oil Company Comm. of Public Lands Cities Service Robert L. Haynle Len Mayer George E. Conley	WI RI OR OR OR OR	1.00000000	0.80531250 0.12500000 0.05468750 0.00250000 0.00250000 0.01000000
							<u>1.00000000</u>	<u>1.00000000</u>
.0025428	State Ch 2	Section 36: SW/4NW/4, T8S-R28E, N.M.P.M.	40.00	K-6716-3	*Pelto Oil Company Comm. of Public Lands Cities Service Robert L. Haynle Len Mayer George E. Conley	WI RI OR OR OR OR	1.00000000	0.80531250 0.12500000 0.05468750 0.00250000 0.00250000 0.01000000
							<u>1.00000000</u>	<u>1.00000000</u>
.0030963	State Ch 3	Section 36: NW/4NW/4, T8S-R28E, N.M.P.M.	40.00	K-2803-8	*Pelto Oil Company W. G. Stroecker Marlon Weeks Brenda & Rick Winther Comm. of Public Lands Cities Service Robert L. Haynle Len Mayer George E. Conley	WI WI WI WI RI OR OR OR OR	0.84250000 0.07500000 0.07500000 0.00750000	0.67847580 0.06039840 0.06039840 0.00603990 0.12500000 0.05468750 0.00250000 0.00250000 0.01000000
							<u>1.00000000</u>	<u>1.00000000</u>

TRACT NO. & PARTICIPATION FACTOR IN UNIT	WELLS	DESCRIPTION	GROSS ACRES	LEASE NOS.	OWNERS	TYPE INTEREST	GROSS WORKING INTEREST	NET INTEREST
12 .0005594	O'Brien B #2	Section 2: NE/4NE/4 (Lot 1), T9S-R28E, N.M.P.M.	40.20	4A-4I	Pelto Oil Company Marshall & Winston Moon Co. J. T. Wyman Trust P. W. Parker Trust Francisca Winston Est. Trust F. S. Winston Marital Trust Charles A. Kelly Murray C. McKinnon Trust EM Nominee Ptsp Co. Frates Seelgson	WI RI RI RI RI RI RI RI RI NPRI	1.00000000	0.85937500 0.00585940 0.08203130 0.00292970 0.00292970 0.00585940 0.00292970
13 .0267552	O'Brien C #2, 3, 5, 6 & 7	Section 1: Lots 2, 3, 4; SE/4NW/4; NE/4SW/4; T9S-R28E, N.M.P.M.	200.39	5	Pelto Oil Company Marshall & Winston Moon Co. J. T. Wyman Trust P. W. Parker Trust Francisca Winston Est. Trust F. S. Winston Marital Trust Charles A. Kelly Murray C. McKinnon Trust EM Nominee PTSP Co. Barbara Sweeney Frates Seelgson	WI RI RI RI RI RI RI RI RI RI OR NPRI	1.00000000	0.84765620 0.00390630 0.08203120 0.00195310 0.00195310 0.00390630 0.00195310 0.00097650 0.00097660 0.01562500 0.02734380 0.01171880 1.00000000

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TRACT NO. & PARTICIPATION FACTOR IN UNIT	WELLS	DESCRIPTION	GROSS ACRES	LEASE NOS.	OWNERS	TYPE INTEREST	GROSS WORKING INTEREST	NET INTEREST
14 .0001182	O'Brien E #9	Section 1: SW/4NW/4, T9S-R28E, N.M.P.M.	40.00	5	Pelto Oil Company W. G. Stroecker Marlon Weeks Brenda & Rick Winther Marshall & Winston Moon Co. J. T. Wyman Trust P. W. Parker Trust F. S. Winston Marital Trust Charles A. Kelly Murray C. McKinnon Trust EM Nominee Pfsp Co. Francisca Winston Est. Trust Frates Seelgson	WI WI WI WI RI RI RI RI RI RI RI RI NPRI	0.84250000 0.07500000 0.07500000 0.00750000 0.00656250 0.00390630 0.08203120 0.00195310 0.00195310 0.00195310 0.00195310	0.73718750 0.06562500 0.06562500 0.00656250 0.00390630 0.08203120 0.00195310 0.00195310 0.00195310 0.00097660 0.01562500 0.00390630 0.01171880 1.00000000
15 .0423152	O'Brien D #2 - #6	Section 12: NE/4, T9S-R28E, N.M.P.M.	160.00	6A-6H	Pelto Oil Company Tenneco W. G. Stroecker Marlon Weeks Brenda & Rick Winther Marshall & Winston Moon Co. J. T. Wyman Trust P. W. Parker Trust Francisca Winston Est. Trust F. S. Winston Marital Trust Charles A. Kelly Murray C. McKinnon Trust Frates Seelgson	WI WI WI WI WI RI RI RI RI RI RI RI NPRI	0.73718750 0.12500000 0.06562500 0.06562500 0.00656250 0.00781250 0.12304680 0.00390630 0.00390630 0.00390630 0.00781250 0.00390630 0.00195310 0.00195310 0.01757810 1.00000000	0.59238280 0.12500000 0.05273440 0.05273440 0.00527340 0.00781250 0.12304680 0.00390630 0.00390630 0.00390630 0.00781250 0.00390630 0.00195310 0.00195310 0.01757810 1.00000000

TRACT NO. & PARTICIPATION FACTOR IN UNIT	WELLS	DESCRIPTION	GROSS ACRES	LEASE NOS.	OWNERS	TYPE INTEREST	GROSS WORKING INTEREST	NET INTEREST
16 .0217479	O'Brien E #1 - #8	Section 1: Lot 1; S/2NE/4; SE/4; SE/4SW/4, T9S-R28E, N.M.P.M.	320.07	5	Pelto Oil Company W. G. Stroecker Marion Weeks Brenda & Rick Winther Marshall & Winston Moon Co. J. T. Wyman Trust P. W. Parker Trust F. S. Winston Charles A. Kelly Murray C. McKinnon Trust EM Nominee Ptsp Co. Francisca Winston Estate Trust Frates Seeligson	WI WI WI WI RI RI RI RI RI RI RI RI RI RI RI RI RI NPRI	0.84250000 0.07500000 0.07500000 0.00750000	0.73718750 0.06562500 0.06562500 0.00656250 0.00390630 0.08203120 0.00195310 0.00195310 0.00195310 0.00195310 0.00097650 0.00097660
17 .0420482	O'Brien Fee 25 #1 - #4	Section 25: SE/4, T8S-R28E, N.M.P.M.	160.00	22A-1	The Harlow Corporation Adams & McGahey J. W. Adams & June Adams Estate J. W. Adams Nabob Prod. Co. Moon Co. EM Nominee Ptsp. Co. Marshall & Winston Francisca Winston Estate Trust F. S. Winston Marital Trust P. W. Parker Trust J. T. Wyman Trust	WI WI WI WI WI WI RI RI RI RI RI RI RI RI RI RI RI RI RI	0.62500000 0.07500000 0.07500000 0.03750000 0.18750000	0.48156250 0.06187500 0.06187500 0.03093750 0.15468750 0.08203130 0.02500000 0.00585940 0.00585940 0.00292960 0.00292960 0.00292960 0.00292970
							<u>1.00000000</u>	<u>0.01171880</u> <u>1.00000000</u>

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TRACT NO. & PARTICIPATION FACTOR IN UNIT	WELLS	DESCRIPTION	GROSS ACRES	LEASE NOS.	OWNERS	TYPE INTEREST	GROSS WORKING INTEREST	NET INTEREST
		Charles A. Kelly				RI		0.00146480
		Murray C. McKinnon				RI		0.00073250
		Trust						
		Douglas A. McKinnon				RI		0.00073240
		Trust						
		W. V. Harlow, Jr.				OR		0.03750000
		Aviva Ltd. Ptsp.				OR		0.01061750
		C. H. Kimbro				OR		0.00750000
		J. E. Abram				OR		0.00014780
		Sally Feldman				OR		0.00295610
		Jack W. Fleck				OR		0.00073900
		William J. Harbeck				OR		0.00036950
		Robert T. Jackson				OR		0.00036950
		Jackie H. Johnson				OR		0.00014780
		John G. Leonardakis				OR		0.00059120
		Ralph E. Lowenberg				OR		0.00036950
		David L. Peterson				OR		0.00059120
		Charles I. Petschek				OR		0.00118240
		Lee S. Schlessman				OR		0.00036950
		Robert Rex Silverstone				OR		0.00073900
		H. Peter Stern				OR		0.00044340
		John E. Walsh, Jr.				OR		0.00059120
		Donald S. Wood				OR		0.00002460
		Tania C. Whitman				OR		0.00073900
		Trust						
		1029 Plus One				OR		0.00036950
		Investors						
		Mildred Miller				OR		0.00014780
		David E. Wyman, Jr.				OR		0.00036950
		Frates Seeligson				NPRI		0.01171880
								<u>1.00000000</u>
								<u>1.00000000</u>

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TRACT NO. & PARTICIPATION FACTOR IN UNIT	WELLS	DESCRIPTION	GROSS ACRES	LEASE NOS.	OWNERS	TYPE INTEREST	GROSS WORKING INTEREST	NET INTEREST
25 .0016035	O'Brien J #1	Section 30: SE/4SW/4 T8S-R29E, N.M.P.M.	40.00	10A- 101	Pelto Oil Company W. G. Stroecker Marion Weeks Brenda & Rick Winther Marshall & Winston Tenneco Moon Co. J. T. Wyman Trust P. W. Parker Trust F. S. Winston Marital Trust Charles A. Kelly Murray C. McKinnon Trust Francisca Winston Est. Trust Frates Seeligson	WI WI WI WI RI RI RI RI RI RI RI RI NPRI	0.84250000 0.07500000 0.07500000 0.00750000	0.68453120 0.06093750 0.06093750 0.00609380 0.00585940 0.02343750 0.12304690 0.00292970 0.00292970 0.00292970 0.00146480 0.00146480 0.00585940
26 .1231374	O'Brien J #2- #8	Section 30: SW/4SE/4; Section 31: E/2, T8S-R29E, N.M.P.M.	360.00	10A- 10H	Pelto Oil Company Tenneco W. G. Stroecker Marion Weeks Brenda & Rick Winther Marshall & Winston Moon Co. J. T. Wyman Trust P. W. Parker Trust Francisca Winston Est. Trust F. S. Winston Marital Trust Charles A. Kelly Murray C. McKinnon Trust Frates Seeligson	WI WI WI WI WI RI RI RI RI RI RI RI NPRI	0.73718750 0.12500000 0.06562500 0.06562500 0.00656250	0.59896490 0.12500000 0.05332030 0.05332030 0.00533200 0.00585940 0.12304690 0.00292970 0.00292970 0.00292970 0.00146480 0.00146480 0.01757810
							<u>1.00000000</u>	<u>1.00000000</u>

August 3, 1987

TRACT NO. & PARTICIPATION FACTOR IN UNIT	WELLS	DESCRIPTION	GROSS ACRES	LEASE NOS.	OWNERS	TYPE INTEREST	GROSS WORKING INTEREST	NET INTEREST
30	O'Brien FF #1 -	Section 5: SW/4; Section 6: SE/4, T9S-R29E, N.M.P.M.	320.00	16A- 16H				
.1163759 #6					Pelto Oil Company	WI	0.78984375	0.63845700
					Tenneco	WI	0.06250000	0.06250000
					W. G. Stroecker	WI	0.07031250	0.05683590
					Marion Weeks	WI	0.07031250	0.05683590
					Brenda & Rick Winther	WI	0.00703125	0.00568360
					Marshall & Winston	RI		0.00390630
					Moon Co.	RI		0.10048840
					J. T. Wyman Trust	RI		0.00195310
					P. W. Parker Trust	RI		0.00195310
					Francisca Winston Est. Trust	RI		0.00390630
					F. S. Winston Marital Trust	RI		0.00195310
					Charles A. Kelly	RI		0.00097660
					Murray C. McKinnon Trust	RI		0.00097660
					Beatrice P. B. Stone	NPRI		0.00520830
					Grover S. Stone, Jr.	NPRI		0.00138890
					Steven L. Stone	NPRI		0.00138890
					Sandra J. Stone	NPRI		0.00138890
					Margaret E. B. Daniels	NPRI		0.00520830
					Dianne E. Daniels	NPRI		0.00138890
					June A. D. Grothe	NPRI		0.00138890
					Charles W. Daniels	NPRI		0.00138890
					Frates Seelgson	NPRI		0.01435550
					John D. Briscoe	NPRI		0.02812500
					Nancy E. Carlock	NPRI		0.00117190
					Victor E. Carlock	NPRI		0.00117190
					Frates Seelgson	NPRI		0.01435550
							<u>1.00000000</u>	<u>1.00000000</u>
							<u>1.00000000</u>	<u>1.00000000</u>

EXHIBIT "B"
 Part II
 Schedule of Leases
 Unit Agreement
 Twin Lakes San Andres Unit
 Chaves County, New Mexico

LEASE NO.	LESSOR	LESSEE	EFFECTIVE DATE	TRACT NO.
K-2803-7 (Pelto No. 1)	State of New Mexico	Cities Service Company	10/16/62	2, 3, 4
K-2803-8 (Pelto No. 1)	State of New Mexico	Original Lessee: Cities Service Oil Company Current Lessee of Record: Pelto Oil Company	10/16/62	1, 11
OG-4681-10 (Pelto No. 2)	State of New Mexico	Cities Service Oil Company	10/21/58	5, 9
OG-4681-11 (Pelto No. 2)	State of New Mexico	Original Lessee: Vincent Guccia Current Lessee of Record: Pelto Oil Company	10/21/58	6, 7, 8, 10
K-6716-3 (Pelto No. 3)	State of New Mexico	Original Lessee: Cities Service Company Current Lessee of Record: Pelto Oil Company	02/21/67	10A

LEASE NO.	LESSOR	LESSEE	BOOK, PAGE	TRACT NOS.
4A	W. B. O'Brien, et al	Twinlakes Oil Company	132,150	12
4B	James T. Wyman, Trustee	Stevens Oil Company	159,191	12
4C	Marshall & Winston, Inc.	Stevens Oil Company	159,195	12
4D	Francisca S. Winston Trust	Stevens Oil Company	159,187	12
4E	Frederick S. Winston Trust	Stevens Oil Company	159,189	12
4F	Pauline W. Parker Trust	Stevens Oil Company	159,193	12
4G	Charles S. Kelly	Stevens Oil Company	159,197	12
4H	U. V. Industries, Inc.	Stevens Oil Company	159,199	12
4I	Douglas D. McKinnon	Stevens Oil Company	163,748	12
5	C. L. O'Brien, et al	Magnolia Petroleum Company	30,102	13, 14, 16
6A	Moon Company	Stevens Oil Company	186,776	15
6B	Francisca S. Winston Trust	Sam D. Gardiner	189,906	15
6C	James T. Wyman Trustee	Sam D. Gardiner	189,940	15
6D	Charles S. Kelly	Sam D. Gardiner	189,856	15
6E	Pauline W. Parker Trust	Sam D. Gardiner	189,956	15
6F	Marshall & Winston, Inc.	Sam D. Gardiner	189,836	15
6G	Douglas D. McKinnon Estate	Sam D. Gardiner	189,882	15

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LEASE NO.	LESSOR	LESSEE	BOOK PAGE	TRACT NOS.
6H	Frederick S. Winston Trust	Sam D. Gardiner	189,908	15
7A	J. G. O'Brien, et al	J. M. Huber Corporation	149,739	28
7B	Francisca S. Winston Trust	Sam D. Gardiner	192,133	28
7C	Frederick S. Winston Trust	Sam D. Gardiner	192,179	28
7D	Charles S. Kelly	Sam D. Gardiner	192,139	28
7E	Pauline W. Parker	Sam D. Gardiner	192,169	28
7F	James T. Wyman, Trustee	Sam D. Gardiner	192,159	28
7G	Marshall & Winston, Inc.	Sam D. Gardiner	192,117	28
7H	Douglas D. McKinnon Estate	Sam D. Gardiner	192,125	28
8AA	W. B. O'Brien, et al	Stevens Oil Company	168,813	18, 21, 22
8AB	Francisca S. Winston Trust	Stevens Oil Company	167,921	18, 21, 22
8AC	Frederick S. Winston Trust	Stevens Oil Company	167,919	18, 21, 22
8AD	Charles S. Kelly	Stevens Oil Company	167,915	18, 21, 22
8AE	Pauline W. Parker Trust	Stevens Oil Company	167,913	18, 21, 22
8AF	James T. Wyman, Trustee	Stevens Oil Company	167,917	18, 21, 22

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LEASE NO.	LESSOR	LESSEE	BOOK, PAGE	TRACT NOS.
8AG	Marshall & Winston, Inc.	Stevens Oil Company	168,833	18, 21, 22
8AH	Douglas D. McKinnon Estate	Stevens Oil Company	177,289	18, 21, 22
8AI	U. V. Industries, Inc.	Stevens Oil Company	167,925	20, 21
8AK	U. V. Industries, Inc.	Stevens Oil Company	167,923	22
8AL	Moon Company	Stevens Oil Company	242,629	18A, 19, 20, 23
8AM	Francisca S. Winston Trust	Stevens Oil Company	245,1019	23
8AN	Frederick S. Winston Trust	Stevens Oil Company	245,1001	23
8AO	Charles A. Kelly	Stevens Oil Company	245,923	23
8AP	Pauline W. Parker	Stevens Oil Company	245,983	23
8AQ	James T. Wyman, Trustee	Stevens Oil Company	245,1021	23
8AR	Marshall & Winston, Inc.	Stevens Oil Company	245, 941	23
8AS	Murray C. McKinnon, Trustee	Stevens Oil Company	250,904	23
8AT	Douglas A. McKinnon Trust	Stevens Oil Company	250,906	23
8BK	Tenneco Oil Company	Stevens Oil Company	265,390	23
8BL	Marshall & Winston, Inc.	Pelto Oil Company	309,103	18A, 19, 20
8BM	Douglas A. McKinnon Trust	Pelto Oil Company	310,492	18A, 19, 20
8BN	Murray C. McKinnon Trust	Pelto Oil Company	310,494	18A, 19, 20
8BO	Charles A. Kelley et ux	Pelto Oil Company	310,496	18A, 19, 20
8BP	Francisca S. Winston Trust	Pelto Oil Company	310,486	18A, 19, 20

LEASE NO.	LESSOR	LESSEE	BOOK, PAGE	TRACT NOS.
8BQ	Frederick S. Winston Trust	Pelto Oil Company	310, 488	18A, 19, 20
8BR	James T. Wyman, Trustee	Pelto Oil Company	310, 490	18A, 19, 20
8BS	Pauline W. Parker Trust	Pelto Oil Company		18A, 19, 20
9A	W. B. O'Brien, et al	Stevens Oil Company	176, 40	24
9B	Francisca A. Winston Trust	Stevens Oil Company	176, 531	24
9C	Frederick S. Winston Trust	Stevens Oil Company	176, 533	24
9D	Charles S. Kelly	Stevens Oil Company	176, 535	24
9E	Pauline W. Parker Trust	Stevens Oil Company	176, 529	24
9F	James T. Wyman, Trustee	Stevens Oil Company	176, 537	24
9G	Marshall & Winston, Inc.	Stevens Oil Company	178, 628	24
9H	Douglas D. McKinnon Estate	Stevens Oil Company	176, 539	24
9I	U. V. Industries, Inc.	Stevens Oil Company	176, 545	24
9J	U. V. Industries, Inc.	Stevens Oil Company	176, 543	24
10A	W. B. O'Brien, et al	Stevens Oil Company	176, 42	25, 26
10B	Francisca S. Winston Trust	Stevens Oil Company	177, 329	25, 26, 27
10C	Frederick S. Winston Trust	Stevens Oil Company	177, 331	25, 26, 27
10D	Charles S. Kelly	Stevens Oil Company	177, 327	25, 26, 27
10E	Pauline W. Parker Trust	Stevens Oil Company	177, 333	25, 26, 27

LEASE NO.	LESSOR	LESSEE	BOOK, PAGE	TRACT NOS.
10F	James T. Wyman, Trustee	Stevens Oil Company	177,339	25, 26, 27
10G	Marshall & Winston, Inc.	Stevens Oil Company	177,337	25, 26, 27
10H	Douglas D. McKinnon Estate	Stevens Oil Company	177,335	25, 26, 27
10I	U. V. Industries, Inc.	Stevens Oil Company	176,547	25, 27
10J	J. G. O'Brien, et al	J. M. Huber Corporation	149,737	27
11A	W. B. O'Brien, et al	Stevens Oil Company	180,529	29
11B	Francisca W. Winston Trust	Stevens Oil Company	182,438	29
11C	Frederick S. Winston Trust	Stevens Oil Company	182,1023	29
11D	Pauline W. Parker Trust	Stevens Oil Company	182,447	29
11E	James T. Wyman, Trustee	Stevens Oil Company	182,1021	29
11F	Charles S. Kelly	Sam D. Gardiner	191,455	29
11G	Marshall & Winston, Inc.	Sam D. Gardiner	185,257	29
11H	Douglas D. McKinnon Estate	Sam D. Gardiner	185,335	29
13A	Moon Company	Stevens Oil Company	240,423	35
13B	Francisca S. Winston Trust	Stevens Oil Company	182,442	35
13C	Frederick S. Winston Trust	Stevens Oil Company	182,1025	35
13D	Charles S. Kelly	Sam D. Gardiner	191,463	35
13E	Pauline W. Parker Trust	Stevens Oil Company	182,449	35

LEASE NO.	LESSOR	LESSEE	BOOK, PAGE	TRACT NOS.
13F	James T. Wyman, Trustee	Stevens Oil Company	182,1017	35
13G	Marshall & Winston, Inc.	Sam D. Gardiner	185,281	35
13H	Douglas D. McKinnon Estate	Sam D. Gardiner	185,327	35
16A	Moon Company	Stevens Oil Company	194,396	30
16B	Francisca S. Winston Trust	Sam D. Gardiner	185,429	30
16C	Frederick S. Winston Trust	Sam D. Gardiner	185,403	30
16D	Charles S. Kelly	Sam D. Gardiner	191,467	30
16E	Pauline W. Parker Trust	Sam D. Gardiner	185,453	30
16F	James T. Wyman, Trustee	Sam D. Gardiner	185,289	30
16G	Marshall & Winston, Inc.	Sam D. Gardiner	185,263	30
16H	Douglas D. McKinnon Estate	Sam D. Gardiner	185,337	30
17A	Moon Company	Stevens Oil Company	194,402	33
17B	Francisca S. Winston Trust	Sam D. Gardiner	192,906	33
17C	Frederick S. Winston Trust	Sam D. Gardiner	192,908	33
17D	Pauline W. Parker Trust	Sam D. Gardiner	192,898	33
17E	James T. Wyman, Trustee	Sam D. Gardiner	192,918	33
17F	Marshall & Winston, Inc.	Sam D. Gardiner	192,886	33
17G	Douglas D. McKinnon Estate	Sam D. Gardiner	192,890	33

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LEASE NO.	LESSOR	LESSEE	BOOK, PAGE	TRACT NOS.
17H	Charles A. Kelly, et al	Stevens Oil Company	261,530	33
21A	Moon Company	Santa Rita Exploration Co.	190,1026	31, 32, 34
21B	Tenneco Oil Company	Santa Rita Exploration Co.	206,441	31
21C	Marshall & Winston, Inc.	Sam D. Gardiner	192,115	31, 32
21D	Frederick S. Winston Trust	Sam D. Gardiner	192,181	31, 32
21E	Charles S. Kelly	Sam D. Gardiner	192,141	31, 32
21F	Douglas D. McKinnon Estate	Sam D. Gardiner	192,123	31, 32
21G	Francisca S. Winston Trust	Sam D. Gardiner	192,135	31, 32
21H	James T. Wyman, Trustee	Sam D. Gardiner	192,153	31, 32
21I	Pauline W. Parker Trust	Sam D. Gardiner	192,167	31, 32
21J	Frederick S. Winston Trust	Sam D. Gardiner	192,177	34
21K	Charles S. Kelly	Sam D. Gardiner	192,145	34
21L	Douglas D. McKinnon Estate	Sam D. Gardiner	192,127	34
21M	Francisca S. Winston Trust	Sam D. Gardiner	192,149	34
21N	James T. Wyman, Trustee	Sam D. Gardiner	192,161	34
21O	Pauline W. Parker Trust	Sam D. Gardiner	192,165	34
21P	Marshall & Winston, Inc.	Sam D. Gardiner	192,113	34

LEASE NO.	LESSOR	LESSEE	BOOK, PAGE	TRACT NOS.
22A	Moon Company	W. V. Harlow, Jr.	151,785	17
22B	Marshall & Winston, Inc.	NRM Petroleum Corp.	169,353	17
22C	Pauline W. Parker Trust	NRM Petroleum Corp.	169,356	17
22D	Francisca S. Winston Trust	NRM Petroleum Corp.	169,358	17
22E	James T. Wyman, Trustee	NRM Petroleum Corp.	169,361	17
22F	Frederick S. Winston Trust	NRM Petroleum Corp.	169,364	17
22G	Charles S. Kelly	NRM Petroleum Corp.	172,323	17
22H	EM Nominee Partnership Company	NRM Petroleum Corp.	172,342	17
22I	Murray C. McKinnon Trust	NRM Petroleum Corp.	180,358	17

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EXHIBIT "C"
PART I
TRACT & UNIT PARTICIPATION - TRACT BASIS
UNIT AGREEMENT

TRACT #	LEASE/WELLS CITGO STATE 1	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
1	LEASE/WELLS CITGO STATE 1	POC TRINIDAD PETROLEUM CORP HARBERT ENERGY CORP, AGENT COMM. OF PUBLIC LANDS H LEE HARVARD (BORN BY TRINIDAD & HARBERT ONLY)	WI	0.51500000	0.45062500	0.0160189	0.0082497	0.0072185
			WI	0.20989870	0.17933350	0.0160189	0.0033623	0.0028727
			WI	0.27510130	0.23504150	0.0160189	0.0044068	0.0037651
			OR		0.12500000	0.0160189	0.0000000	0.0020024
2	CITGO STATE 2 & 6	POC COMM. OF PUBLIC LANDS CITIES SERVICE	WI	1.00000000	0.79296880	0.0057700	0.0057700	0.0045754
			RI		0.12500000	0.0057700	0.0000000	0.0007213
			OR		0.08203120	0.0057700	0.0000000	0.0004733
3	CITGO STATE 3	POC TRINIDAD PETROLEUM CORP HARBERT ENERGY CORP, AGENT COMM. OF PUBLIC LANDS CITIES SERVICE	WI	0.75750000	0.58706250	0.0008767	0.0006641	0.0005147
			WI	0.10494940	0.08133580	0.0008767	0.0000920	0.0000713
			WI	0.13755060	0.10660170	0.0008767	0.0001206	0.0000935
			OR		0.12500000	0.0008767	0.0000000	0.0001096
4	CITGO STATE 4,5,7	POC W G STROECKER MARION WEEKS B & R WINTHER COMM. OF PUBLIC LANDS CITIES SERVICE	WI	0.84250000	0.65293750	0.0218646	0.0184209	0.0142762
			WI	0.07500000	0.05812500	0.0218646	0.0016398	0.0012709
			WI	0.07500000	0.05812500	0.0218646	0.0016398	0.0012709
			OR	0.00750000	0.00581250	0.0218646	0.0001640	0.0001271
5	CITGO A STATE 1	POC COMM. OF PUBLIC LANDS CITIES SERVICE ROBERT L HAYNIE LEN MAYER GEORGE E CONLEY	WI	1.00000000	0.79296880	0.0040045	0.0040045	0.0031754
			RI		0.12500000	0.0040045	0.0000000	0.0005006
			OR		0.05203120	0.0040045	0.0000000	0.0002084
			OR		0.00500000	0.0040045	0.0000000	0.0000200
6	CITGO A STATE 2	POC TRINIDAD PETROLEUM CORP COMM. OF PUBLIC LANDS ROBERT L HAYNIE LEN MAYER GEORGE E CONLEY	WI	0.50000000	0.42250000	0.0122048	0.0061024	0.0051565
			WI	0.50000000	0.42250000	0.0122048	0.0061024	0.0051565
			RI		0.12500000	0.0122048	0.0000000	0.0015256
			OR		0.00500000	0.0122048	0.0000000	0.0000610
6	CITGO A STATE 2	POC TRINIDAD PETROLEUM CORP COMM. OF PUBLIC LANDS ROBERT L HAYNIE LEN MAYER GEORGE E CONLEY	OR	1.00000000	0.02000000	0.0122048	0.0000000	0.0000610
			OR		0.02000000	0.0122048	0.0000000	0.0000610
			OR		0.02000000	0.0122048	0.0000000	0.0000610
			OR		0.02000000	0.0122048	0.0000000	0.0000610

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EXHIBIT "C"
PART I
TRACT 6 UNIT PARTICIPATION - TRACT BASIS
UNIT AGREEMENT

TRACT #	LEASE/WELLS CITGO A STATE 3	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)	
TRACT 7	LEASE/WELLS CITGO A STATE 3	POC	WI	0.51500000	0.43517500	0.0186278	0.0095933	0.0081064	
		TRINIDAD PETROLEUM CORP	WI	0.17736440	0.17736440	0.0186278	0.0039100	0.0033039	
		HARBERT ENERGY CORP, AGENT	WI	0.20989870	0.23246060	0.0186278	0.0051245	0.0043302	
		COMM. OF PUBLIC LANDS	RI	0.27510130	0.12500000	0.0186278	0.0000000	0.0023285	
		ROBERT L HAYNIE	OR		0.00500000	0.0186278	0.0000000	0.0000931	
LEN HAYER	OR		0.00500000	0.0186278	0.0000000	0.0000931			
GEORGE E CONLEY	OR		0.02000000	0.02000000	0.0186278	0.0000000	0.0003726		
8	CITGO A STATE 5	POC	WI	0.52500000	0.44362500	0.0144380	0.0075800	0.00644051	
		HARBERT ENERGY CORP, AGENT	WI	0.47500000	0.39137500	0.0144380	0.0068580	0.0056507	
		COMM. OF PUBLIC LANDS	RI		0.12500000	0.0144380	0.0000000	0.0018048	
		ROBERT L HAYNIE	OR		0.00500000	0.0144380	0.0000000	0.0000722	
		LEN HAYER	OR		0.00500000	0.0144380	0.0000000	0.0000722	
		GEORGE E CONLEY	OR		0.02000000	0.0144380	0.0000000	0.0002888	
		H LEE HARVARD	OR		0.01000000	0.01000000	0.0144380	0.0000000	0.0001444
		POC	WI	1.00000000	1.00000000	0.0144380	0.0144380	0.0144380	
		W G STROECKER	WI	0.84250000	0.65293750	0.0476502	0.0401453	0.0311126	
		MARION WEEKS	WI	0.07500000	0.05812500	0.0476502	0.0035738	0.0027697	
B & R WINTHER	WI	0.00750000	0.05812500	0.0476502	0.0035738	0.0027697			
COMM. OF PUBLIC LANDS	RI		0.00500000	0.0476502	0.0000000	0.0002770			
CITIES SERVICE	OR		0.07000000	0.0476502	0.0000000	0.0059563			
ROBERT L HAYNIE	OR		0.00500000	0.0476502	0.0000000	0.0002383			
LEN HAYER	OR		0.00500000	0.0476502	0.0000000	0.0002383			
GEORGE E CONLEY	OR		0.02000000	0.02000000	0.0476502	0.0000000	0.0009530		
9	CITGO A STATE 6,7,8	POC	WI	0.84250000	0.65293750	0.0476502	0.0401453	0.0311126	
		W G STROECKER	WI	0.07500000	0.05812500	0.0476502	0.0035738	0.0027697	
		MARION WEEKS	WI	0.00750000	0.05812500	0.0476502	0.0035738	0.0027697	
		B & R WINTHER	WI		0.00500000	0.0476502	0.0000000	0.0002770	
		COMM. OF PUBLIC LANDS	RI		0.07000000	0.0476502	0.0000000	0.0059563	
CITIES SERVICE	OR		0.00500000	0.0476502	0.0000000	0.0002383			
ROBERT L HAYNIE	OR		0.00500000	0.0476502	0.0000000	0.0002383			
LEN HAYER	OR		0.00500000	0.0476502	0.0000000	0.0002383			
GEORGE E CONLEY	OR		0.02000000	0.02000000	0.0476502	0.0000000	0.0009530		
10	STATE CH 1	POC	WI	1.00000000	0.80531250	0.0001050	0.0001050	0.0000846	
		COMM. OF PUBLIC LANDS	RI		0.12500000	0.0001050	0.0000000	0.0000131	
		CITIES SERVICE	OR		0.05468750	0.0001050	0.0000000	0.0000057	
		ROBERT L HAYNIE	OR		0.00250000	0.0001050	0.0000000	0.0000003	
		LEN HAYER	OR		0.00250000	0.0001050	0.0000000	0.0000003	
GEORGE E CONLEY	OR		0.01000000	0.01000000	0.0001050	0.0000000	0.0000011		
10A	STATE CH 2	POC	WI	1.00000000	0.80531250	0.0025428	0.0025428	0.0020477	
		COMM. OF PUBLIC LANDS	RI		0.12500000	0.0025428	0.0000000	0.0003179	
		CITIES SERVICE	OR		0.05468750	0.0025428	0.0000000	0.0001391	
		ROBERT L HAYNIE	OR		0.00250000	0.0025428	0.0000000	0.0000064	
		LEN HAYER	OR		0.00250000	0.0025428	0.0000000	0.0000064	
GEORGE E CONLEY	OR		0.01000000	0.01000000	0.0025428	0.0000000	0.0000254		

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EXHIBIT "C"
PART I
TRACT & UNIT PARTICIPATION - TRACT BASIS
UNIT AGREEMENT

TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION I BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
14	LEASE/WELLS O'BRIEN E #9	POC	WI	0.842500000	0.737187500	0.0001182	0.0000996	0.0000871
		W G STROECKER	WI	0.075000000	0.065625000	0.0001182	0.0000089	0.0000078
		MARION WEEKS	WI	0.075000000	0.065625000	0.0001182	0.0000089	0.0000078
		B & R WINTHER	WI	0.007500000	0.006562500	0.0001182	0.0000009	0.0000008
		MARSHALL & WINSTON	RI		0.003906300	0.0001182	0.0000000	0.0000005
		MOON CO.	RI		0.082031200	0.0001182	0.0000000	0.0000097
		J T WYMAN TRUST	RI		0.001953100	0.001182	0.0001182	0.0000000
		P W PARKER TRUST	RI		0.001953100	0.001182	0.0001182	0.0000000
		F S WINSTON MARITAL TRUST	RI		0.000976500	0.0001182	0.0001182	0.0000000
		CHARLES A KELLY	RI		0.000976500	0.0001182	0.0001182	0.0000000
		MURRAY C MCKINNON TRUST	RI		0.000976500	0.0001182	0.0001182	0.0000000
		EM NOMINEE PTSP CO	RI		0.015625000	0.0001182	0.0001182	0.0000000
		FRANCISCA WINSTON EST TRUST	RI		0.003906300	0.0001182	0.0001182	0.0000000
		FRATES SEELIGSON	NPRI		0.011718800	0.011718800	0.0001182	0.0000000
15	O'BRIEN D #2 - #6	POC	WI	0.737187500	0.592382800	0.0423152	0.0311942	0.0250668
		TENNECO	WI	0.125000000	0.125000000	0.0423152	0.0052894	0.0052894
		W G STROECKER	WI	0.065625000	0.052734400	0.0423152	0.0027769	0.0022315
		MARION WEEKS	WI	0.065625000	0.052734400	0.0423152	0.0027769	0.0022315
		B & R WINTHER	WI	0.006562500	0.005273400	0.0423152	0.0002777	0.0002231
		MARSHALL & WINSTON	RI		0.007812500	0.0423152	0.0000000	0.0003306
		MOON CO.	RI		0.123046800	0.0423152	0.0000000	0.0052067
		J T WYMAN TRUST	RI		0.003906300	0.0423152	0.0000000	0.0001653
		P W PARKER TRUST	RI		0.003906300	0.0423152	0.0000000	0.0001653
		FRANCISCA WINSTON EST TRUST	RI		0.007812500	0.0423152	0.0000000	0.0003306
		F S WINSTON MARITAL TRUST	RI		0.003906300	0.0423152	0.0000000	0.0001653
		CHARLES A KELLY	RI		0.003906300	0.0423152	0.0000000	0.0001653
		MURRAY C MCKINNON TRUST	RI		0.001953100	0.0423152	0.0000000	0.0000826
		FRATES SEELIGSON	NPRI		0.017578100	0.017578100	0.0423152	0.0000000
16	O'BRIEN E #1 - #8	POC	WI	0.842500000	0.737187500	0.0217479	0.0183226	0.0160323
		W G STROECKER	WI	0.075000000	0.065625000	0.0217479	0.0016311	0.0014272
		MARION WEEKS	WI	0.075000000	0.065625000	0.0217479	0.0016311	0.0014272
		B & R WINTHER	WI	0.007500000	0.006562500	0.0217479	0.0001631	0.0001427
		MARSHALL & WINSTON	RI		0.003906300	0.0217479	0.0000000	0.0000850
		MOON CO.	RI		0.082031200	0.0217479	0.0000000	0.0017840
		J T WYMAN TRUST	RI		0.001953100	0.0217479	0.0000000	0.0000425
		P W PARKER TRUST	RI		0.001953100	0.0217479	0.0000000	0.0000425
		F S WINSTON MARITAL TRUST	RI		0.000976500	0.0217479	0.0000000	0.0000425
		CHARLES A KELLY	RI		0.000976500	0.0217479	0.0000000	0.0000425
		MURRAY C MCKINNON TRUST	RI		0.000976500	0.0217479	0.0000000	0.0000425
		EM NOMINEE PTSP CO	RI		0.015625000	0.0217479	0.0000212	0.0000212
		FRANCISCA WINSTON EST TRUST	RI		0.003906300	0.0217479	0.0000000	0.0000398
		FRATES SEELIGSON	NPRI		0.011718800	0.011718800	0.0217479	0.0000000

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TRACT & UNIT PARTICIPATION - TRACT BASIS
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TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
17	O'BRIEN FEE 25 #1-#4	HARLOW CORP	WI	0.62500000	0.48156250	0.0420482	0.0262801	0.0202488
		ADAMS & MCGAHEY	WI	0.07500000	0.06187500	0.0420482	0.0031536	0.0026017
		JW ADAMS & JUNE ADAMS EST	WI	0.07500000	0.06187500	0.0420482	0.0031536	0.0026017
		JW ADAMS	WI	0.03750000	0.03093750	0.0420482	0.0015768	0.0013009
		NABOB PROD CO	WI	0.18750000	0.15468750	0.0420482	0.0078840	0.0065043
		MOON CO	RI		0.08203130	0.0420482	0.0000000	0.0034493
		EM NOMINEE PTSP CO	RI		0.02500000	0.0420482	0.0000000	0.0010512
		MARSHALL & WINSTON	RI		0.00585940	0.0420482	0.0000000	0.0002464
		FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.0420482	0.0000000	0.0002464
		F S WINSTON MARITAL TRUST	RI		0.00292960	0.0420482	0.0000000	0.0001232
		P W PARKER TRUST	RI		0.00292960	0.0420482	0.0000000	0.0001232
		J T WYMAN TRUST	RI		0.00146480	0.0420482	0.0000000	0.0000616
		CHARLES A KELLY	RI		0.00073250	0.0420482	0.0000000	0.0000308
		MURRAY C MCKINNON TRUST	RI		0.00073250	0.0420482	0.0000000	0.0000308
		DOUGLAS A MCKINNON	RI		0.03750000	0.0420482	0.0000000	0.0015768
		W V HARLOW, JR	OR		0.01061750	0.0420482	0.0000000	0.0004464
		AVIVA LTD PTSP	OR		0.00750000	0.0420482	0.0000000	0.0003154
		C H KIMBRO	OR		0.00014780	0.0420482	0.0000000	0.0000062
		J E ABRAM	OR		0.00295610	0.0420482	0.0000000	0.0001243
		SALLY FIELDMAN	OR		0.00073900	0.0420482	0.0000000	0.0000311
		JACK W FLECK	OR		0.00036950	0.0420482	0.0000000	0.0000155
		WM J HARBECK	OR		0.00036950	0.0420482	0.0000000	0.0000155
		ROBERT T JACKSON	OR		0.00014780	0.0420482	0.0000000	0.0000062
		JACKIE H JOHNSON	OR		0.00059120	0.0420482	0.0000000	0.0000249
		JOHN G LEONDUKAKIS	OR		0.00036950	0.0420482	0.0000000	0.0000155
		RALPH E LOWENBERG	OR		0.00059120	0.0420482	0.0000000	0.0000249
		DAVID I PETERSON	OR		0.00118240	0.0420482	0.0000000	0.0000311
		CHARLES I PETSCHER	OR		0.00036950	0.0420482	0.0000000	0.0000155
		LEE S SCHLESSMAN	OR		0.00044340	0.0420482	0.0000000	0.0000186
		ROBERT REX SILVERSTONE	OR		0.00059120	0.0420482	0.0000000	0.0000249
		H PETER STERN	OR		0.0002460	0.0420482	0.0000000	0.0000010
		JOHN E WALSH, JR	OR		0.0002460	0.0420482	0.0000000	0.0000010
		DONALD S WOODS	OR		0.00073900	0.0420482	0.0000000	0.0000311
		TANIA C WHITMAN TRUST	OR		0.00036950	0.0420482	0.0000000	0.0000155
		1029 PLUS ONE INVESTORS	OR		0.00014780	0.0420482	0.0000000	0.0000062
		MILDRED MILLER	OR		0.00036950	0.0420482	0.0000000	0.0000155
		DAVID E WYMAN, JR	OR		0.01171880	0.0420482	0.0000000	0.00004928
		FRATES SELIGSON	NPRI	1.00000000	1.00000000	0.0420482	0.0420482	0.0420482

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TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)	
18	O'BRIEN F #6	POC STROECKER	WI	0.84250000	0.62660930	0.0005888	0.0004961	0.0003689	
		W G STROECKER	WI	0.07500000	0.05578110	0.0005888	0.0000442	0.0000328	
		MARION WEEKS	WI	0.07500000	0.05578110	0.0005888	0.0000442	0.0000328	
		B & R WINTHER	WI	0.00750000	0.00557810	0.0005888	0.0000044	0.0000033	
		MARSHALL & WINSTON	RI		0.00468760	0.0005888	0.0000000	0.0000028	
		MOON CO.	RI		0.09843750	0.0005888	0.0000000	0.0000580	
		J T WYMAN TRUST	RI		0.00234380	0.0005888	0.0000000	0.0000014	
		P W PARKER TRUST	RI		0.00234380	0.0005888	0.0000000	0.0000014	
		F S WINSTON MARITAL TRUST	RI		0.00234380	0.0005888	0.0000000	0.0000014	
		CHARLES A KELLY	RI		0.00117190	0.0005888	0.0000000	0.0000007	
		MURRAY C MCKINNON TRUST	RI		0.00117190	0.0005888	0.0000000	0.0000007	
		FRANCISCA WINSTON EST TRUST	RI		0.00468760	0.0005888	0.0000000	0.0000028	
		FRATES SEELIGSON	NPRI		0.01406250	0.0005888	0.0000000	0.0000083	
		TENNECO (UV INDUSTRIES)	UNLEASED		0.12500000	0.12500000	0.0005888	0.0000000	0.0000736
					1.00000000	1.00000000		0.0005888	0.0005888

TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)	
18A	O'BRIEN F #7	POC STROECKER	WI	0.84250000	0.59896490	0.0000000	0.0000000	0.0000000	
		W G STROECKER	WI	0.07500000	0.05332030	0.0000000	0.0000000	0.0000000	
		MARION WEEKS	WI	0.07500000	0.05332030	0.0000000	0.0000000	0.0000000	
		B & R WINTHER	WI	0.00750000	0.00533200	0.0000000	0.0000000	0.0000000	
		MOON CO.	RI		0.12304690	0.0000000	0.0000000	0.0000000	
		FRATES SEELIGSON	NPRI		0.01757810	0.0000000	0.0000000	0.0000000	
		TENNECO (UV INDUSTRIES)	UNLEASED		0.12500000	0.12500000	0.0000000	0.0000000	
		FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.0000000	0.0000000	0.0000000	
		F S WINSTON MARITAL TRUST	RI		0.00292970	0.0000000	0.0000000	0.0000000	
		CHARLES A KELLY	RI		0.00146480	0.0000000	0.0000000	0.0000000	
		P W PARKER TRUST	RI		0.00292970	0.0000000	0.0000000	0.0000000	
		J T WYMAN TRUST	RI		0.00292970	0.0000000	0.0000000	0.0000000	
		MARSHALL & WINSTON	RI		0.00585940	0.0000000	0.0000000	0.0000000	
		MURRAY C MCKINNON TRUST	RI		0.00146480	0.0000000	0.0000000	0.0000000	
					1.00000000	1.00000000		0.0000000	0.0000000

TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)	
19	O'BRIEN F #7	POC STROECKER	WI	0.84250000	0.59896490	0.0003464	0.0002918	0.0002075	
		W G STROECKER	WI	0.07500000	0.05332030	0.0003464	0.0000260	0.0000185	
		MARION WEEKS	WI	0.07500000	0.05332030	0.0003464	0.0000260	0.0000185	
		B & R WINTHER	WI	0.00750000	0.00533200	0.0003464	0.0000026	0.0000018	
		MARSHALL & WINSTON	RI		0.00585940	0.0003464	0.0000000	0.0000020	
		MOON CO.	RI		0.12304690	0.0003464	0.0000000	0.0000426	
		J T WYMAN TRUST	RI		0.00292970	0.0003464	0.0000000	0.0000010	
		P W PARKER TRUST	RI		0.00292970	0.0003464	0.0000000	0.0000010	
		F S WINSTON MARITAL TRUST	RI		0.00292970	0.0003464	0.0000000	0.0000010	
		CHARLES A KELLY	RI		0.00146480	0.0003464	0.0000000	0.0000005	
		MURRAY C MCKINNON TRUST	RI		0.00146480	0.0003464	0.0000000	0.0000005	
		FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.0003464	0.0000000	0.0000020	
		FRATES SEELIGSON	NPRI		0.01757810	0.0003464	0.0000000	0.0000061	
		TENNECO (UV INDUSTRIES)	UNLEASED		0.12500000	0.12500000	0.0003464	0.0000000	0.0000433
					1.00000000	1.00000000		0.0003464	0.0003464

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TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION I BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
21	O'BRIEN F #5	POC	WI	0.84250000	0.71217570	0.0014065	0.0011850	0.0010017
		W G STROECKER	WI	0.07500000	0.06339830	0.0014065	0.0001055	0.0000892
		MARION WEEKS	WI	0.07500000	0.06339830	0.0014065	0.0001055	0.0000892
		B & R WINTHER	WI	0.00750000	0.00633980	0.0014065	0.0000000	0.0000089
		MARSHALL & WINSTON	RI		0.00468760	0.0014065	0.0000000	0.0000066
		MOON CO.	RI		0.09843750	0.0014065	0.0000000	0.0001385
		J T WYMAN TRUST	RI		0.00234380	0.00234380	0.0000000	0.0000033
		P W PARKER TRUST	RI		0.00234380	0.0014065	0.0000000	0.0000033
		F S WINSTON MARITAL TRUST	RI		0.00117190	0.00117190	0.0014065	0.0000016
		CHARLES A KELLY	RI		0.00117190	0.00117190	0.0014065	0.0000016
		MURRAY C MCKINNON TRUST	RI		0.00468760	0.00468760	0.0014065	0.0000066
		FRANCISCA WINSTON EST TRUST	RI		0.02343750	0.02343750	0.0014065	0.0000330
TENNECO (UV INDUSTRIES)	RI			0.01406250	0.0014065	0.0000198		
FRATES SELIGSON	NPRI		1.00000000	1.00000000	0.0014065	0.0014065	0.0014065	
22	O'BRIEN F #1 - 4	POC	WI	0.84250000	0.71217570	0.0234414	0.0197494	0.0166944
		W G STROECKER	WI	0.07500000	0.06339830	0.0234414	0.0017581	0.0014861
		MARION WEEKS	WI	0.07500000	0.06339830	0.0234414	0.0017581	0.0014861
		B & R WINTHER	WI	0.00750000	0.00633980	0.0234414	0.0001758	0.0001486
		MARSHALL & WINSTON	RI		0.00468760	0.0234414	0.0000000	0.0001099
		MOON CO.	RI		0.09843750	0.0234414	0.0000000	0.0023075
		J T WYMAN TRUST	RI		0.00234380	0.0234414	0.0000000	0.0000549
		P W PARKER TRUST	RI		0.00234380	0.0234414	0.0000000	0.0000549
		F S WINSTON MARITAL TRUST	RI		0.00117190	0.0234414	0.0000000	0.0000275
		CHARLES A KELLY	RI		0.00117190	0.0234414	0.0000000	0.0000275
		MURRAY C MCKINNON TRUST	RI		0.00468760	0.0234414	0.0000000	0.0001099
		FRANCISCA WINSTON EST TRUST	RI		0.02343750	0.0234414	0.0000000	0.0005494
EM NOMINEE PTSP CO	RI			0.01406250	0.0000000	0.0003296		
FRATES SELIGSON	NPRI		1.00000000	1.00000000	0.0234414	0.0234414	0.0234414	

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TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
23	O'BRIEN F #9	POC STROECKER	WI	0.842500000	0.677949930	0.0002051	0.0001728	0.0001390
		W G STROECKER	WI	0.075000000	0.06035150	0.0002051	0.0000154	0.0000124
		MARION WEEKS	WI	0.075000000	0.06035150	0.0002051	0.0000154	0.0000124
		B & R WINTHER	WI	0.007500000	0.00603520	0.0002051	0.0000015	0.0000012
		MOON CO	RI		0.12304690	0.0002051	0.0000000	0.0000012
		FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.0002051	0.0000000	0.0000012
		F S WINSTON MARITAL TRUST	RI		0.00292970	0.0002051	0.0000000	0.0000006
		CHARLES A KELLEY	RI		0.00146480	0.0002051	0.0000000	0.0000006
		P W PARKER TRUST	RI		0.00292970	0.0002051	0.0000000	0.0000006
		J T WYMAN TRUST	RI		0.00292970	0.0002051	0.0000000	0.0000006
		MARSHALL & WINSTON	RI		0.00585940	0.0002051	0.0000000	0.0000012
		MURRAY C MCKINNON TRUST	RI		0.00146480	0.0002051	0.0000000	0.0000006
TENNECO	RI		0.03125000	0.0002051	0.0000000	0.0000006		
FRATES SELIGSON	NPRI		0.01757810	0.0002051	0.0002051	0.0000000	0.0000036	
24	O'BRIEN I #1 - 8	POC STROECKER	WI	0.842500000	0.68453120	0.1037733	0.0874290	0.0710361
		W G STROECKER	WI	0.075000000	0.06093750	0.1037733	0.0077830	0.0063237
		MARION WEEKS	WI	0.075000000	0.06093750	0.1037733	0.0077830	0.0063237
		B & R WINTHER	WI	0.007500000	0.00609380	0.1037733	0.0007783	0.0006324
		MARSHALL & WINSTON	RI		0.00585940	0.1037733	0.0000000	0.0006080
		TENNECO	RI		0.12304690	0.1037733	0.0000000	0.0224322
		MOON CO	RI		0.00292970	0.1037733	0.0000000	0.0127690
		J T WYMAN TRUST	RI		0.00292970	0.1037733	0.0000000	0.0003040
		P W PARKER TRUST	RI		0.00585940	0.1037733	0.0000000	0.0003040
		FRANCISCA WINSTON EST TRUST	RI		0.00292970	0.1037733	0.0000000	0.0003040
		F S WINSTON MARITAL TRUST	RI		0.00146480	0.1037733	0.0000000	0.0003040
		CHARLES A KELLEY	RI		0.00146480	0.1037733	0.0000000	0.0001520
MURRAY C MCKINNON TRUST	RI		0.00146480	0.1037733	0.0000000	0.0001520		
FRATES SELIGSON	NPRI		0.01757810	0.1037733	0.0000000	0.0001824		
25	O'BRIEN J 1	POC STROECKER	WI	0.842500000	0.68453120	0.0016035	0.0013509	0.0010976
		W G STROECKER	WI	0.075000000	0.06093750	0.0016035	0.0001203	0.0000977
		MARION WEEKS	WI	0.075000000	0.06093750	0.0016035	0.0001203	0.0000977
		B & R WINTHER	WI	0.007500000	0.00609380	0.0016035	0.0000120	0.0000098
		MARSHALL & WINSTON	RI		0.00585940	0.0016035	0.0000000	0.0000094
		TENNECO	RI		0.12304690	0.0016035	0.0000000	0.0000376
		MOON CO	RI		0.00292970	0.0016035	0.0000000	0.0000197
		J T WYMAN TRUST	RI		0.00292970	0.0016035	0.0000000	0.0000047
		P W PARKER TRUST	RI		0.00292970	0.0016035	0.0000000	0.0000047
		F S WINSTON MARITAL TRUST	RI		0.00146480	0.0016035	0.0000000	0.0000023
		CHARLES A KELLEY	RI		0.00146480	0.0016035	0.0000000	0.0000023
		MURRAY C MCKINNON TRUST	RI		0.00146480	0.0016035	0.0000000	0.0000023
FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.0016035	0.0000000	0.0000094		
FRATES SELIGSON	NPRI		0.01757810	0.0016035	0.0000000	0.0000282		

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TRACT # 26	LEASE/WELLS O'BRIEN J 2-8	POC	WI	0.73718750	0.59896490	0.1231374	0.0907754	0.0737550
		TENNECO	WI	0.12500000	0.12500000	0.1231374	0.0153922	0.0153922
		W G STROECKER	WI	0.06562500	0.05332030	0.1231374	0.0080809	0.0065657
		MARION WEEKS	WI	0.06562500	0.05332030	0.1231374	0.0080809	0.0065657
		B & R WINTHER	WI	0.006562500	0.00533200	0.1231374	0.0008081	0.0006566
		MARSHALL & WINSTON	RI		0.00585940	0.1231374	0.0000000	0.0007215
		MOON CO	RI		0.12304690	0.1231374	0.0000000	0.0151517
		J T WYMAN TRUST	RI		0.00292970	0.1231374	0.0000000	0.0003608
		P W PARKER TRUST	RI		0.00292970	0.1231374	0.0000000	0.0003608
		FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.1231374	0.0000000	0.0007215
		F S WINSTON MARITAL TRUST	RI		0.00292970	0.1231374	0.0000000	0.0003608
		CHARLES A KELLY	RI		0.00146480	0.1231374	0.0000000	0.0001804
		MURRAY C MCKINNON TRUST	RI		0.00146480	0.1231374	0.0000000	0.0001804
FRATES SELIGSON	NPRI		0.01757810	0.01757810	0.1231374	0.0000000	0.0021645	
TRACT # 27	O'BRIEN K #1 - #3	POC	WI	0.39898430	0.29480770	0.0318665	0.0127142	0.0093945
		TXO	WI	0.21875000	0.17773440	0.0318665	0.0069708	0.0056638
		W G STROECKER	WI	0.02578130	0.01930660	0.0318665	0.0008216	0.0006152
		MARION WEEKS	WI	0.02578130	0.01930660	0.0318665	0.0008216	0.0006152
		B & R WINTHER	WI	0.00257810	0.00193070	0.0318665	0.0000822	0.0002463
		HARLOW CORP	WI	0.10937500	0.07792970	0.0318665	0.0034854	0.0024833
		COLUMBIA GAS	WI	0.21875000	0.17773440	0.0318665	0.0069708	0.0056638
		MARSHALL & WINSTON	RI		0.00292970	0.0318665	0.0000000	0.0000934
		MOON CO	RI		0.10048840	0.0318665	0.0000000	0.0000467
		J T WYMAN TRUST	RI		0.00146480	0.0318665	0.0000000	0.0000467
		P W PARKER TRUST	RI		0.00146480	0.0318665	0.0000000	0.0000467
		FRANCISCA WINSTON EST TRUST	RI		0.00292970	0.0318665	0.0000000	0.0000934
		F S WINSTON MARITAL TRUST	RI		0.00146480	0.0318665	0.0000000	0.0000467
		CHARLES A KELLY	RI		0.00073240	0.0318665	0.0000000	0.0000233
		MURRAY C MCKINNON TRUST	RI		0.00073240	0.0318665	0.0000000	0.0000233
		TENNECO	RI		0.01171880	0.0318665	0.0000000	0.0003734
		J M HUBER CORP	OR		0.04375000	0.0318665	0.0000000	0.0013942
		FRATES SELIGSON	NPRI		0.01435550	0.0318665	0.0000000	0.0004575
		NANCY E CARLOCK	NPRI		0.00117180	0.0318665	0.0000000	0.0000373
		VICTOR E CARLOCK	NPRI		0.00117180	0.0318665	0.0000000	0.0000373
		BEATRICE P B STONE	NPRI		0.00520830	0.0318665	0.0000000	0.0001660
		GROVER S STONE, JR	NPRI		0.00138890	0.0318665	0.0000000	0.0000443
		STEVEN I STONE	NPRI		0.00138890	0.0318665	0.0000000	0.0000443
		SANDRA J STONE	NPRI		0.00138890	0.0318665	0.0000000	0.0000443
		MARGARET E B DANIELS	NPRI		0.00520830	0.0318665	0.0000000	0.0001660
		DIANNE E DANIELS	NPRI		0.00138890	0.0318665	0.0000000	0.0000443
		JUNE A D GROTHE	NPRI		0.00138890	0.0318665	0.0000000	0.0000443
CHARLES W DANIELS	NPRI		0.00138890	0.0318665	0.0000000	0.0000443		
JOHN D BRISCOE	NPRI		0.02812500	0.02812500	0.0318665	0.0000000	0.0008962	
			1.00000000	1.00000000	0.0318665	0.0318665	0.0318665	

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EXHIBIT "C"
PART I
TRACT & UNIT PARTICIPATION - TRACT BASIS
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TRACT #	LEASE/WELLS O'BRIEN DB #1 - #3	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)		
29	O'BRIEN L LEASE	POC	WI	0.78984375	0.64051390	0.1503259	0.1187340	0.0962858		
		TENNECO	WI	0.06250000	0.06250000	0.1503259	0.0093954	0.0093954		
		W G STROECKER	WI	0.07031250	0.05701900	0.1503259	0.0105698	0.0085714		
		MARION WEEKS	WI	0.07031250	0.05701900	0.1503259	0.0105698	0.0085714		
		B & R WINTHER	WI	0.00703125	0.00570200	0.1503259	0.0010570	0.0008572		
		MARSHALL & WINSTON	RI		0.00390630	0.00446480	0.1503259	0.0000000	0.0005872	
		MOON CO	RI		0.10048820	0.00146480	0.1503259	0.0000000	0.0151060	
		J T WYMAN TRUST	RI		0.00146480	0.00097660	0.1503259	0.0000000	0.0002202	
		P W PARKER TRUST	RI		0.00097660	0.00097660	0.1503259	0.0000000	0.0001468	
		CHARLES A KELLY	RI		0.00097660	0.00097660	0.1503259	0.0000000	0.0001468	
		HURRAY C HCKINNON TRUST	RI		0.00292970	0.00146480	0.1503259	0.0002202	0.0004404	
		FRANCISCA WINSTON EST TRUST	RI		0.00146480	0.00146480	0.1503259	0.0002202	0.0004404	
		F S WINSTON HARITAL TRUST	RI		0.00146480	0.00146480	0.1503259	0.0002202	0.0007829	
		BEATRICE P B STONE	NPRI		0.00520830	0.00138890	0.1503259	0.0000000	0.0002208	
		GROVER S STONE, JR	NPRI		0.00138890	0.00138890	0.1503259	0.0000000	0.0002088	
		STEVEN L STONE	NPRI		0.00138890	0.00138890	0.1503259	0.0000000	0.0002088	
		SANDRA J STONE	NPRI		0.00520830	0.00138890	0.1503259	0.0000000	0.0007829	
		MARGARET E B DANIELS	NPRI		0.00520830	0.00138890	0.1503259	0.0000000	0.0002088	
		DIANNE E DANIELS	NPRI		0.00138890	0.00138890	0.1503259	0.0000000	0.0002088	
		JUNE A D GROTHE	NPRI		0.00138890	0.00138890	0.1503259	0.0000000	0.0002088	
		CHARLES W DANIELS	NPRI		0.02812500	0.02812500	0.1503259	0.0000000	0.0042279	
		JOHN D BRISCOE	NPRI		0.00117190	0.00117190	0.1503259	0.0000000	0.0001762	
		NANCY E CARLOCK	NPRI		0.00117190	0.00117190	0.1503259	0.0000000	0.0001762	
		VICTOR E CARLOCK	NPRI		0.01435550	0.01435550	0.1503259	0.0000000	0.0021580	
		FRATES SEELIGSON	NPRI				0.1503259			
						1.00000000	1.00000000		0.1503259	0.1503259

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EXHIBIT "C"
PART I
TRACT & UNIT PARTICIPATION - TRACT BASIS
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TRACT #	LEASE/WELLS O'BRIEN FF #1 - #6	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION I BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
31	MOONSHINE 7 #1	POC	WI	0.78984375	0.63845700	0.1163759	0.0919188	0.0743010
		TENNECO	WI	0.06250000	0.06250000	0.1163759	0.0072735	0.0072735
		W G STROECKER	WI	0.07031250	0.05683590	0.1163759	0.0081827	0.0066143
		MARION WEEKS	WI	0.07031250	0.05683590	0.1163759	0.0081827	0.0066143
		B & R WINTHER	WI	0.00703125	0.00568360	0.1163759	0.0008183	0.0006614
		MARSHALL & WINSTON	RI	0.00703125	0.00390630	0.1163759	0.0000000	0.0004546
		MOON CO.	RI		0.10048840	0.1163759	0.0000000	0.1116944
		J T WYMAN TRUST	RI		0.00195310	0.1163759	0.0000000	0.0002273
		P W PARKER TRUST	RI		0.00195310	0.1163759	0.0000000	0.0002273
		FRANCISCA WINSTON EST TRUST	RI		0.00390630	0.0000000	0.1163759	0.0004546
		FRANCISCA WINSTON MARITAL TRUST	RI		0.00195310	0.0000000	0.1163759	0.0002273
		F S WINSTON	RI		0.00195310	0.00097660	0.1163759	0.0001137
		CHARLES A KELLY	RI		0.00097660	0.00520830	0.1163759	0.0006061
		MURRAY C MCKINNON TRUST	NPRI		0.00138890	0.00138890	0.1163759	0.0001616
		BEATRICE P B STONE	NPRI		0.00138890	0.00138890	0.1163759	0.0001616
		GROVER S STONE, JR	NPRI		0.00138890	0.00138890	0.1163759	0.0001616
		STEVEN L STONE	NPRI		0.00138890	0.00138890	0.1163759	0.0001616
		SANDRA J STONE	NPRI		0.00138890	0.00520830	0.1163759	0.0006061
		MARGARET E B DANIELS	NPRI		0.00138890	0.00138890	0.1163759	0.0001616
		DIANNE E DANIELS	NPRI		0.00138890	0.00138890	0.1163759	0.0001616
JUNE A D GROTHE	NPRI		0.00138890	0.00138890	0.1163759	0.0001616		
CHARLES W DANIELS	NPRI		0.00138890	0.00138890	0.1163759	0.0001616		
ERATES SEELIGSON	NPRI		0.01435550	0.01435550	0.1163759	0.0016706		
JOHN D BRISCOE	NPRI		0.02812500	0.02812500	0.1163759	0.0032731		
NANCY E CARLOCK	NPRI		0.00117180	0.00117180	0.1163759	0.0001364		
VICTOR E CARLOCK	NPRI		0.00117180	0.00117180	0.1163759	0.0001364		
POC	WI		0.75000000	0.58078120	0.0084417	0.0063313	0.0049028	
SUN	WI		0.25000000	0.19468750	0.0084417	0.0021104	0.0016435	
MOON CO	RI			0.12304680	0.0084417	0.0000000	0.0010387	
FRANCISCA WINSTON EST TRUST	RI			0.00781250	0.0084417	0.0000000	0.0000660	
TENNECO	RI			0.02968750	0.0084417	0.0000000	0.0002506	
MURRAY C MCKINNON	RI			0.00097660	0.0084417	0.0000000	0.0000082	
DOUGLAS A MCKINNON	RI			0.00097660	0.0084417	0.0000000	0.0000082	
MARSHALL & WINSTON	RI			0.00781250	0.0084417	0.0000000	0.0000660	
F S WINSTON MARITAL TRUST	RI			0.00390630	0.0084417	0.0000000	0.0000660	
CHARLES A KELLY	RI			0.00195310	0.0084417	0.0000000	0.0000165	
P W PARKER TRUST	RI			0.00390630	0.0084417	0.0000000	0.0000330	
J T WYMAN TRUST	RI			0.00390630	0.0084417	0.0000000	0.0000330	
DAVID I MILLER	OR			0.00750000	0.0084417	0.0000000	0.0000633	
WILLIAM O DEWITT	OR			0.00093750	0.0084417	0.0000000	0.0000079	
J T HOWARD	OR			0.00260410	0.0084417	0.0000000	0.0000220	
DONALD R WATTS	OR			0.00520830	0.0084417	0.0000000	0.0000440	
TENNECO	OR			0.00156250	0.0084417	0.0000000	0.0000132	
POC	OR			0.00515640	0.0084417	0.0000000	0.0000435	
ERATES SEELIGSON	NPRI			0.01757800	0.0084417	0.0000000	0.0001484	
				1.00000000	1.00000000		0.0084417	0.0084417

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EXHIBIT "C"
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TRACT & UNIT PARTICIPATION - TRACT BASIS
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TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS	NET INTEREST	TRACT PARTICIPATION I BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)	
32	LEASE/WELLS HOONSHINE 7 #2-14	POC TENNECO	WI	0.68750000	0.53484380	0.08979668	0.0016843	0.0013614	
		SUN	WI	0.12500000	0.08750000	0.08979668	0.0001333	0.0001333	
		MOON CO	WI	0.18750000	0.14812500	0.08979668	0.0001499	0.0001212	
		ERANCISCA WINSTON EST TRUST	RI		0.12304680	0.00781250	0.08979668	0.0000150	0.0000083
		F S WINSTON MARITAL TRUST	RI		0.00781250	0.00195310	0.08979668	0.0000000	0.0000042
		CHARLES A KELLY	RI		0.00390630	0.00390630	0.08979668	0.0000000	0.0000042
		P W PARKER TRUST	RI		0.00390630	0.00390630	0.08979668	0.0000000	0.0000042
		J T WYMAN TRUST	RI		0.00781250	0.00781250	0.08979668	0.0000000	0.0000042
		MURRAY C MCKINNON TRUST	RI		0.00195310	0.00195310	0.08979668	0.0000000	0.0000042
		TENNECO	RI		0.03750000	0.00750000	0.08979668	0.0000000	0.0000042
		DAVID I MILLER	OR		0.00093750	0.00093750	0.08979668	0.0000000	0.0000042
		WILLIAM O DEWITT	OR		0.00260420	0.00260420	0.08979668	0.0000000	0.0004677
J T HOWARD	OR		0.00520830	0.00390620	0.08979668	0.0000000	0.0003508		
DONALD R WATTS	OR		0.00390620	0.01757810	0.08979668	0.0000000	0.0015785		
POC	OR								
ERATES SEELIGSON	NPRI								
33	O'BRIEN GG #1 - #3	POC TENNECO	WI	0.78984375	0.63845700	0.0021324	0.0016843	0.0013614	
		W G STROECKER	WI	0.06250000	0.06250000	0.0021324	0.0001333	0.0001333	
		MARION WEEKS	WI	0.07031250	0.05683590	0.0021324	0.0001499	0.0001212	
		B & R WINTHER	WI	0.07031250	0.05683590	0.0021324	0.0000150	0.0000083	
		MARSHALL & WINSTON	WI	0.00703125	0.00390630	0.0021324	0.0000000	0.0000042	
		MOON CO	RI		0.10048840	0.0021324	0.0000000	0.0000042	
		J T WYMAN TRUST	RI		0.00195310	0.0021324	0.0000000	0.0000042	
		P W PARKER TRUST	RI		0.00195310	0.0021324	0.0000000	0.0000042	
		ERANCISCA WINSTON EST TRUST	RI		0.00390630	0.0021324	0.0000000	0.0000042	
		MURRAY C MCKINNON TRUST	RI		0.00097660	0.0021324	0.0000000	0.0000021	
		F S WINSTON MARITAL TRUST	RI		0.00195310	0.0021324	0.0000000	0.0000042	
		CHARLES A KELLY	RI		0.00097660	0.0021324	0.0000000	0.0000021	
		BEATRICE P B STONE	NPRI		0.00520830	0.0021324	0.0000000	0.0000111	
		GROVER S STONE, JR	NPRI		0.00138890	0.0021324	0.0000000	0.0000030	
		STEVEN L STONE	NPRI		0.00138890	0.0021324	0.0000000	0.0000030	
		MARGARET E B DANIELS	NPRI		0.00138890	0.0021324	0.0000000	0.0000030	
		DIANNE E DANIELS	NPRI		0.00520830	0.0021324	0.0000000	0.0000111	
		JUNE A D GROTHE	NPRI		0.00138890	0.0021324	0.0000000	0.0000030	
		CHARLES W DANIELS	NPRI		0.00138890	0.0021324	0.0000000	0.0000030	
		JOHN D BRISCOE	NPRI		0.02812500	0.0021324	0.0000000	0.0000600	
		NANCY E CARLOCK	NPRI		0.00117180	0.0021324	0.0000000	0.0000025	
		VICTOR E CARLOCK	NPRI		0.00117180	0.0021324	0.0000000	0.0000025	
		ERATES SEELIGSON	NPRI		0.01433550	0.0021324	0.0000000	0.0000306	
				1.00000000	1.00000000		0.0021324	0.0021324	

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EXHIBIT "C"
PART I
TRACT & UNIT PARTICIPATION - TRACT BASIS
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TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION I BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
34	LEASE/WELLS MOONSHINE 18 #1-5	POC	WI	0.68750000	0.53484380	0.0308971	0.0212418	0.0165251
		SUN	WI	0.18750000	0.14812500	0.0308971	0.0057932	0.045766
		TENNECO	WI	0.12500000	0.12500000	0.0308971	0.0038621	0.0038621
		MOON CO	RI	0.12304690	0.12304690	0.0308971	0.0000000	0.0000000
		MURRAY C MCKINNON TRUST	RI	0.00195310	0.00781250	0.0308971	0.0000000	0.0000000
		FRANCISCA WINSTON EST TRUST	RI	0.00390620	0.00390620	0.0308971	0.0000000	0.0000000
		F S WINSTON MARITAL TRUST	RI	0.00781250	0.00781250	0.0308971	0.0000000	0.0002414
		MARSHALL & WINSTON	RI	0.00195310	0.00195310	0.0308971	0.0000000	0.0000603
		CHARLES A KELLY	RI	0.00390630	0.00390630	0.0308971	0.0000000	0.0001207
		P W PARKER TRUST	RI	0.00390630	0.00390630	0.0308971	0.0000000	0.0000603
		J T WYMAN TRUST	RI	0.00750000	0.00750000	0.0308971	0.0000000	0.001207
		DAVID I MILLER	OR	0.00093750	0.00093750	0.0308971	0.0000000	0.002317
		WILLIAM O DEWITT	OR	0.00260420	0.00260420	0.0308971	0.0000000	0.0000290
		J T HOWARD	OR	0.00520830	0.00520830	0.0308971	0.0000000	0.0000805
		DONALD R WATTS	OR	0.00390630	0.00390630	0.0308971	0.0000000	0.0001609
POC	OR	0.01757800	0.01757800	0.0308971	0.0000000	0.0001207		
FRATES SELIGSON	NPRI	1.00000000	1.00000000	0.0308971	0.0000000	0.0005431		
35	O'BRIEN N #1 & #2Y	POC	WI	0.73718750	0.59649650	0.0088242	0.0065051	0.0052636
		TENNECO	WI	0.12500000	0.12500000	0.0088242	0.0011030	0.0011030
		W G STROECKER	WI	0.06562500	0.05310060	0.0088242	0.0005791	0.0004686
		MARION WEEKS	WI	0.06562500	0.05310060	0.0088242	0.0005791	0.0004686
		B & R WINTHER	WI	0.00656250	0.00531010	0.0088242	0.0000579	0.0000469
		MARSHALL & WINSTON	RI	0.00781260	0.00781260	0.0088242	0.0000000	0.0000689
		MOON CO	RI	0.12304680	0.12304680	0.0088242	0.0000000	0.0010858
		J T WYMAN TRUST	RI	0.00292970	0.00292970	0.0088242	0.0000000	0.0000259
		P W PARKER TRUST	RI	0.00585940	0.00585940	0.0088242	0.0000000	0.0000259
		FRANCISCA WINSTON EST TRUST	RI	0.00292970	0.00292970	0.0088242	0.0000000	0.0000259
		F S WINSTON MARITAL TRUST	RI	0.00195310	0.00195310	0.0088242	0.0000000	0.0000259
		CHARLES A KELLY	RI	0.00195310	0.00195310	0.0088242	0.0000000	0.0000172
		MURRAY C MCKINNON TRUST	RI	0.01757810	0.01757810	0.0088242	0.0000000	0.0000172
		FRATES SELIGSON	NPRI	1.00000000	1.00000000	0.0088242	0.0000000	0.0001551

EXHIBIT "C"
PART II
TRACT & UNIT PARTICIPATION - WORKING INTEREST OWNERSHIP BASIS
UNIT AGREEMENT

TRACT #	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
17	ADAMS, J W	WI	0.03750000	0.03093750	0.0420482	0.0015768	0.0013009
17	ADAMS, J W & JUNE EST	WI	0.07500000	0.06187500	0.0420482	0.0031536	0.0026017
17	ADAMS & MCGAHEY	WI	0.07500000	0.06187500	0.0420482	0.0031536	0.0026017
27	COLUMBIA GAS	WI	0.21875000	0.17773440	0.0318665	0.0069708	0.0056638
1	HARBERT ENERGY CORP, AGENT	WI	0.27510130	0.23504150	0.0160189	0.0044068	0.0037651
3	HARBERT ENERGY CORP, AGENT	WI	0.13755060	0.10660170	0.0008767	0.0001206	0.0000935
7	HARBERT ENERGY CORP, AGENT	WI	0.27510130	0.23246060	0.0186278	0.0051245	0.0043302
8	HARBERT ENERGY CORP, AGENT	WI	0.47500000	0.39137500	0.0144380	0.0068580	0.0056507
	TOTAL					0.0165100	0.0138395
17	HARLOW CORP	WI	0.62500000	0.48156250	0.0420482	0.0262801	0.0202488
27	HARLOW CORP	WI	0.10937500	0.07792970	0.0318665	0.0034854	0.0024833
	TOTAL					0.0297655	0.0227322
17	NABOB PROD CO	WI	0.18750000	0.15468750	0.0420482	0.0078840	0.0065043
1	POC	WI	0.51500000	0.45062500	0.0160189	0.0082497	0.0072185
10	POC	WI	1.00000000	0.80531250	0.0001050	0.0001050	0.0000846
10A	POC	WI	1.00000000	0.80531250	0.0025428	0.0025428	0.0020477
11	POC	WI	0.84250000	0.67847580	0.0030963	0.0026086	0.0021008
12	POC	WI	1.00000000	0.85937500	0.0005594	0.0005594	0.0004807
13	POC	WI	1.00000000	0.84765620	0.0267552	0.0226792	0.0226792
14	POC	WI	0.84250000	0.73718750	0.0001182	0.0000996	0.0000871
15	POC	WI	0.73718750	0.59238280	0.0423152	0.0311942	0.0250668
16	POC	WI	0.84250000	0.73718750	0.0217479	0.0183226	0.0160323
18	POC	WI	0.84250000	0.62660930	0.0005888	0.0004961	0.0003689
18A	POC	WI	0.84250000	0.59896490	0.0000000	0.0000000	0.0000000
19	POC	WI	0.84250000	0.59896490	0.0003464	0.0002918	0.0002075
2	POC	WI	1.00000000	0.79296680	0.0057700	0.0057700	0.0045754
20	POC	WI	0.84250000	0.68453120	0.0000000	0.0000000	0.0000000
21	POC	WI	0.84250000	0.68453120	0.0011850	0.0011850	0.0010017
22	POC	WI	0.84250000	0.71217570	0.0014065	0.0011850	0.0010017
23	POC	WI	0.84250000	0.71217570	0.0234414	0.0197494	0.0166944
24	POC	WI	0.84250000	0.67794930	0.0002051	0.0001728	0.0001390
25	POC	WI	0.84250000	0.68453120	0.1037733	0.0874290	0.0710361
26	POC	WI	0.84250000	0.68453120	0.0016035	0.0013509	0.0010976
27	POC	WI	0.73718750	0.59896490	0.1231374	0.0907754	0.0737550
28	POC	WI	0.39898430	0.29480770	0.0318665	0.0127142	0.0093945
29	POC	WI	0.57921880	0.37517580	0.0260934	0.0151138	0.0097896
30	POC	WI	0.78984375	0.64051390	0.1503259	0.1187340	0.0962858
31	POC	WI	0.78984375	0.58706250	0.0008767	0.0006641	0.0005147
32	POC	WI	0.75000000	0.58078120	0.1163759	0.0919188	0.0743010
33	POC	WI	0.68750000	0.53484380	0.0084417	0.0063313	0.0049028
33	POC	WI	0.78984375	0.63845700	0.0021324	0.0016843	0.0013614

EXHIBIT "C"
PART II
TRACT & UNIT PARTICIPATION - WORKING INTEREST OWNERSHIP BASIS
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TRACT #	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
34	POC	WI	0.687500000	0.53484380	0.0308971	0.0212418	0.0165251
35	POC	WI	0.73718750	0.59649650	0.0088242	0.0065051	0.0052636
4	POC	WI	0.842500000	0.65293750	0.0218646	0.0184209	0.0142762
5	POC	WI	1.000000000	0.79296880	0.0040045	0.0040045	0.0031754
6	POC	WI	0.500000000	0.422500000	0.0122048	0.0061024	0.0051565
7	POC	WI	0.515000000	0.435175000	0.0186278	0.0095933	0.0081064
8	POC	WI	0.525000000	0.443625000	0.0144380	0.0075800	0.0064051
9	POC	WI	0.842500000	0.65293750	0.0476502	0.0401453	0.0311126
TOTAL						0.7201465	0.5792714
11	STROECKER, W G	WI	0.075000000	0.06039840	0.0030963	0.0002322	0.0001870
14	STROECKER, W G	WI	0.075000000	0.065625000	0.0001182	0.0000089	0.0000078
15	STROECKER, W G	WI	0.065625000	0.05273440	0.0423152	0.0027769	0.0022315
16	STROECKER, W G	WI	0.075000000	0.065625000	0.0217479	0.0016311	0.0014272
18	STROECKER, W G	WI	0.075000000	0.05578110	0.0005888	0.0000442	0.0000328
18A	STROECKER, W G	WI	0.075000000	0.05332030	0.0000000	0.0000000	0.0000000
19	STROECKER, W G	WI	0.075000000	0.05332030	0.0003464	0.0000260	0.0000185
20	STROECKER, W G	WI	0.075000000	0.06093750	0.0000000	0.0000000	0.0000000
21	STROECKER, W G	WI	0.075000000	0.06339830	0.0014065	0.0001055	0.0000892
22	STROECKER, W G	WI	0.075000000	0.06339830	0.0234414	0.0017581	0.0014861
23	STROECKER, W G	WI	0.075000000	0.06035150	0.0002051	0.0000154	0.0000124
24	STROECKER, W G	WI	0.075000000	0.06093750	0.1037733	0.0077830	0.0063237
25	STROECKER, W G	WI	0.075000000	0.06093750	0.0016035	0.0001203	0.0000977
26	STROECKER, W G	WI	0.065625000	0.05332030	0.1231374	0.0080809	0.0065657
27	STROECKER, W G	WI	0.02578130	0.03332030	0.0318665	0.0008216	0.0006152
28	STROECKER, W G	WI	0.05156250	0.01930660	0.0260934	0.0013454	0.0008715
29	STROECKER, W G	WI	0.07031250	0.05701900	0.1503259	0.0105698	0.0085714
30	STROECKER, W G	WI	0.07031250	0.05683590	0.1163759	0.0081827	0.0066143
30	STROECKER, W G	WI	0.07031250	0.05683590	0.0021324	0.0001499	0.0001212
33	STROECKER, W G	WI	0.065625000	0.05310060	0.0088242	0.0005791	0.0004686
35	STROECKER, W G	WI	0.075000000	0.058125000	0.0218646	0.0016398	0.0012709
4	STROECKER, W G	WI	0.075000000	0.058125000	0.0476502	0.0035738	0.0027697
9	STROECKER, W G	WI	0.075000000	0.058125000	0.0476502	0.0035738	0.0027697
TOTAL						0.0494445	0.0397824
31	SUN	WI	0.250000000	0.19468750	0.0084417	0.0021104	0.0016435
32	SUN	WI	0.187500000	0.14812500	0.0897968	0.0168369	0.0133012
34	SUN	WI	0.187500000	0.14812500	0.0308971	0.0057932	0.0045766
TOTAL						0.0247405	0.0195213
15	TENNECO	WI	0.125000000	0.125000000	0.0423152	0.0052894	0.0052894
26	TENNECO	WI	0.125000000	0.125000000	0.1231374	0.0153922	0.0153922
28	TENNECO	WI	0.125000000	0.118750000	0.0260934	0.0032617	0.0030986
29	TENNECO	WI	0.062500000	0.062500000	0.1503259	0.0093954	0.0093954
30	TENNECO	WI	0.062500000	0.062500000	0.1163759	0.0072735	0.0072735
32	TENNECO	WI	0.125000000	0.087500000	0.0897968	0.0112246	0.0078572
33	TENNECO	WI	0.062500000	0.062500000	0.0021324	0.0001333	0.0001333
34	TENNECO	WI	0.125000000	0.125000000	0.0308971	0.0038621	0.0038621

EXHIBIT "C"
PART II
TRACT & UNIT PARTICIPATION - WORKING INTEREST OWNERSHIP BASIS
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TRACT #	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
35	TENNECO	WI	0.12500000	0.12500000	0.0088242	0.0011030	0.0011030
TOTAL						0.0569352	0.0534047
1	TRINIDAD PETROLEUM CORP	WI	0.20989870	0.17933350	0.0160189	0.0033623	0.0028727
3	TRINIDAD PETROLEUM CORP	WI	0.10494940	0.08133580	0.0008767	0.0000920	0.0000713
6	TRINIDAD PETROLEUM CORP	WI	0.50000000	0.42250000	0.0122048	0.0061024	0.0051565
7	TRINIDAD PETROLEUM CORP	WI	0.20989870	0.17736440	0.0186278	0.0039100	0.0033039
TOTAL						0.0134667	0.0114045
27	TXO	WI	0.21875000	0.17773440	0.0318665	0.0069708	0.0056638
28	TXO	WI	0.18750000	0.15234370	0.0260934	0.0048925	0.0039752
TOTAL						0.0118633	0.0096389
11	WEEKS, HARRION	WI	0.07500000	0.06039840	0.0030963	0.0002322	0.0001870
14	WEEKS, HARRION	WI	0.07500000	0.06562500	0.0001182	0.0000089	0.0000078
15	WEEKS, HARRION	WI	0.06562500	0.05273440	0.00423152	0.0027769	0.0022315
16	WEEKS, HARRION	WI	0.07500000	0.06562500	0.0217479	0.0016311	0.0014272
18	WEEKS, HARRION	WI	0.07500000	0.05578110	0.0005888	0.0000442	0.0000328
18A	WEEKS, HARRION	WI	0.07500000	0.05332030	0.0000000	0.0000000	0.0000000
19	WEEKS, HARRION	WI	0.07500000	0.05332030	0.0000000	0.0000260	0.0000185
20	WEEKS, HARRION	WI	0.07500000	0.06093750	0.0000000	0.0000000	0.0000000
21	WEEKS, HARRION	WI	0.07500000	0.06339830	0.0014065	0.0001055	0.0000892
22	WEEKS, HARRION	WI	0.07500000	0.06339830	0.0234414	0.0017581	0.0014861
23	WEEKS, HARRION	WI	0.07500000	0.06035150	0.0002051	0.0000154	0.0000124
24	WEEKS, HARRION	WI	0.07500000	0.06093750	0.0077733	0.0077830	0.0063237
25	WEEKS, HARRION	WI	0.07500000	0.06093750	0.0016035	0.0001203	0.0000977
26	WEEKS, HARRION	WI	0.06562500	0.05332030	0.01930660	0.0080809	0.0065657
27	WEEKS, HARRION	WI	0.02578130	0.01930660	0.0318665	0.0008216	0.0006152
28	WEEKS, HARRION	WI	0.05156250	0.03339840	0.0260934	0.0013454	0.0008715
29	WEEKS, HARRION	WI	0.07031250	0.05701900	0.1503259	0.0105698	0.0085714
30	WEEKS, HARRION	WI	0.07031250	0.05683590	0.1163759	0.0081827	0.0066143
33	WEEKS, HARRION	WI	0.07031250	0.05683590	0.0021324	0.0001499	0.0001212
35	WEEKS, HARRION	WI	0.06562500	0.05310060	0.0088242	0.0005791	0.0004686
4	WEEKS, HARRION	WI	0.07500000	0.05812500	0.0218646	0.0016398	0.0012709
9	WEEKS, HARRION	WI	0.07500000	0.05812500	0.0476502	0.0035738	0.0027697
TOTAL						0.0494445	0.0397824
11	WINTHER, B & R	WI	0.00750000	0.00603990	0.0030963	0.0000232	0.0000187
14	WINTHER, B & R	WI	0.00750000	0.00656250	0.0001182	0.0000009	0.0000008
15	WINTHER, B & R	WI	0.00656250	0.00527340	0.00423152	0.0002777	0.0002231
16	WINTHER, B & R	WI	0.00750000	0.00656250	0.0217479	0.0001631	0.0001427
18	WINTHER, B & R	WI	0.00750000	0.00557810	0.0005888	0.0000044	0.0000033
18A	WINTHER, B & R	WI	0.00750000	0.00533200	0.0000000	0.0000000	0.0000000
19	WINTHER, B & R	WI	0.00750000	0.00533200	0.0003464	0.0000026	0.0000018
20	WINTHER, B & R	WI	0.00750000	0.00609380	0.0000000	0.0000000	0.0000000
21	WINTHER, B & R	WI	0.00750000	0.006333980	0.0014065	0.0000105	0.0000089

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EXHIBIT "C"
PART II
TRACT & UNIT PARTICIPATION - WORKING INTEREST OWNERSHIP BASIS
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TRACT #	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
22	WINTHER, B & R	WI	0.00750000	0.00633980	0.0234414	0.0001758	0.0001486
23	WINTHER, B & R	WI	0.00750000	0.00603520	0.0002051	0.0000015	0.0000012
24	WINTHER, B & R	WI	0.00750000	0.00609380	0.1037733	0.0007783	0.0006324
25	WINTHER, B & R	WI	0.00750000	0.00609380	0.0016035	0.0000120	0.0000098
26	WINTHER, B & R	WI	0.00656250	0.00533200	0.1231374	0.0008081	0.0006566
27	WINTHER, B & R	WI	0.00257810	0.00193070	0.0318665	0.0000822	0.0000615
28	WINTHER, B & R	WI	0.00515620	0.00333980	0.0260934	0.0001345	0.0000871
29	WINTHER, B & R	WI	0.00703125	0.00570200	0.1503259	0.0010570	0.0008572
30	WINTHER, B & R	WI	0.00703125	0.00568360	0.1163759	0.0008183	0.0006614
33	WINTHER, B & R	WI	0.00703125	0.00568360	0.0021324	0.0000150	0.0000121
35	WINTHER, B & R	WI	0.00656250	0.00531010	0.0088242	0.0000579	0.0000469
4	WINTHER, B & R	WI	0.00750000	0.00581250	0.0218646	0.0001640	0.0001271
9	WINTHER, B & R	WI	0.00750000	0.00581250	0.0476502	0.0003574	0.0002770
TOTAL						0.0049444	0.0039783
						1.0000000	0.8120279

EXHIBIT "C"
PART III
TRACT & UNIT PARTICIPATION - ROYALTY OWNERSHIP BASIS
UNIT AGREEMENT

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TRACT #	OWNER	TYPE	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION
17	1029 PLUS ONE INVESTORS	OR	0.00036950	0.0420482	0.0000155
17	ABRAM, J E	OR	0.00014780	0.0420482	0.0000062
17	AVIVA LTD PTSP	OR	0.01061750	0.0420482	0.0004464
27	BRISCOE, JOHN D	NPRI	0.02812500	0.0318665	0.0008962
29	BRISCOE, JOHN D	NPRI	0.02812500	0.1503259	0.0042279
30	BRISCOE, JOHN D	NPRI	0.02812500	0.1163759	0.0032731
33	BRISCOE, JOHN D	NPRI	0.02812500	0.0021324	0.0000600
	TOTAL				0.0084572
27	CARLOCK, NANCY E	NPRI	0.00117180	0.0318665	0.0000373
29	CARLOCK, NANCY E	NPRI	0.00117190	0.1503259	0.0001762
30	CARLOCK, NANCY E	NPRI	0.00117180	0.1163759	0.0001364
33	CARLOCK, NANCY E	NPRI	0.00117180	0.0021324	0.0000025
	TOTAL				0.0003524
27	CARLOCK, VICTOR E	NPRI	0.00117180	0.0318665	0.0000373
29	CARLOCK, VICTOR E	NPRI	0.00117190	0.1503259	0.0001762
30	CARLOCK, VICTOR E	NPRI	0.00117180	0.1163759	0.0001364
33	CARLOCK, VICTOR E	NPRI	0.00117180	0.0021324	0.0000025
	TOTAL				0.0003524
10	CITIES SERVICE	OR	0.05468750	0.0001050	0.0000057
10A	CITIES SERVICE	OR	0.05468750	0.0025428	0.0001391
11	CITIES SERVICE	OR	0.05468750	0.0030963	0.0001693
2	CITIES SERVICE	OR	0.08203120	0.0057700	0.0004733
3	CITIES SERVICE	OR	0.10000000	0.0008767	0.0000877
4	CITIES SERVICE	OR	0.10000000	0.0218646	0.0021865
5	CITIES SERVICE	OR	0.05203120	0.0040045	0.0002084
9	CITIES SERVICE	OR	0.07000000	0.0476502	0.0033355
	TOTAL				0.0066055
28	COLUMBIA GAS	OR	0.03515630	0.0260934	0.0009173
1	COMH. OF PUBLIC LANDS	RI	0.12500000	0.0160189	0.0020024
10	COMH. OF PUBLIC LANDS	RI	0.12500000	0.0001050	0.0000131
10A	COMH. OF PUBLIC LANDS	RI	0.12500000	0.0025428	0.0003179
11	COMH. OF PUBLIC LANDS	RI	0.12500000	0.0030963	0.0003870
2	COMH. OF PUBLIC LANDS	RI	0.12500000	0.0057700	0.0007213
3	COMH. OF PUBLIC LANDS	RI	0.12500000	0.0008767	0.0001096
4	COMH. OF PUBLIC LANDS	RI	0.12500000	0.0218646	0.0027331

EXHIBIT "C"
PART III
TRACT & UNIT PARTICIPATION - ROYALTY OWNERSHIP BASIS
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TRACT #	OWNER	TYPE	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION
5	COMM. OF PUBLIC LANDS	RI	0.12500000	0.0040045	0.0005006
6	COMM. OF PUBLIC LANDS	RI	0.12500000	0.0122048	0.0015256
7	COMM. OF PUBLIC LANDS	RI	0.12500000	0.0186278	0.0023285
8	COMM. OF PUBLIC LANDS	RI	0.12500000	0.0144380	0.0018048
9	COMM. OF PUBLIC LANDS	RI	0.12500000	0.0476502	0.0059563
	TOTAL				0.0183999
10	CONLEY, GEORGE E	OR	0.01000000	0.0001050	0.0000011
10A	CONLEY, GEORGE E	OR	0.01000000	0.0025428	0.0000254
11	CONLEY, GEORGE E	OR	0.01000000	0.0030963	0.0000310
5	CONLEY, GEORGE E	OR	0.02000000	0.0040045	0.0000801
6	CONLEY, GEORGE E	OR	0.02000000	0.0122048	0.0002441
7	CONLEY, GEORGE E	OR	0.02000000	0.0186278	0.0003726
8	CONLEY, GEORGE E	OR	0.02000000	0.0144380	0.0002888
9	CONLEY, GEORGE E	OR	0.02000000	0.0476502	0.0009530
	TOTAL				0.0019959
27	DANIELS, CHARLES W	NPRI	0.00138890	0.0318665	0.0000443
29	DANIELS, CHARLES W	NPRI	0.00138890	0.1503259	0.0002088
30	DANIELS, CHARLES W	NPRI	0.00138890	0.1163759	0.0001616
33	DANIELS, CHARLES W	NPRI	0.00138890	0.0021324	0.0000030
	TOTAL				0.0004176
27	DANIELS, DIANNE E	NPRI	0.00138890	0.0318665	0.0000443
29	DANIELS, DIANNE E	NPRI	0.00138890	0.1503259	0.0002088
30	DANIELS, DIANNE E	NPRI	0.00138890	0.1163759	0.0001616
33	DANIELS, DIANNE E	NPRI	0.00138890	0.0021324	0.0000030
	TOTAL				0.0004176
27	DANIELS, MARGARET E B	NPRI	0.00520830	0.0318665	0.0001660
29	DANIELS, MARGARET E B	NPRI	0.00520830	0.1503259	0.0007829
30	DANIELS, MARGARET E B	NPRI	0.00520830	0.1163759	0.0006061
33	DANIELS, MARGARET E B	NPRI	0.00520830	0.0021324	0.0000111
	TOTAL				0.0015661
31	DEWITT, WILLIAM O	OR	0.00093750	0.0084417	0.0000079
32	DEWITT, WILLIAM O	OR	0.00093750	0.0897968	0.0000842
34	DEWITT, WILLIAM O	OR	0.00093750	0.0308971	0.0000290
	TOTAL				0.0001211
12	EH NOMINEE PTSP CO	RI	0.02343750	0.0005594	0.0000131

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TRACT #	OWNER	TYPE	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION
13	EM NOMINEE PTSP CO	RI	0.01562500	0.0267552	0.0004181
14	EM NOMINEE PTSP CO	RI	0.01562500	0.0001182	0.0000018
16	EM NOMINEE PTSP CO	RI	0.01562500	0.0217479	0.0003398
17	EM NOMINEE PTSP CO	RI	0.02500000	0.0420482	0.0010512
22	EM NOMINEE PTSP CO	RI	0.02343750	0.0234414	0.0005494
	TOTAL				0.0023734
17	FIELDMAN, SALLY	OR	0.00295610	0.0420482	0.0001243
17	FLECK, JACK W	OR	0.00073900	0.0420482	0.0000311
27	GROTHE, JUNE A D	NPRI	0.00138890	0.0318665	0.0000443
29	GROTHE, JUNE A D	NPRI	0.00138890	0.1503259	0.0002088
30	GROTHE, JUNE A D	NPRI	0.00138890	0.1163759	0.0001616
33	GROTHE, JUNE A D	NPRI	0.00138890	0.0021324	0.0000030
	TOTAL				0.0004176
17	HARBECK, WM J	OR	0.00036950	0.0420482	0.0000155
17	HARLOW, W V JR	OR	0.03750000	0.0420482	0.0015768
1	HARVARD, H LEE	OR	0.01000000	0.0160189	0.0001602
8	HARVARD, H LEE	OR	0.01000000	0.0144380	0.0001444
	TOTAL				0.0003046
10	HAYNIE, ROBERT L	OR	0.00250000	0.0001050	0.0000003
10A	HAYNIE, ROBERT L	OR	0.00250000	0.0025428	0.0000064
11	HAYNIE, ROBERT L	OR	0.00250000	0.0030963	0.0000077
5	HAYNIE, ROBERT L	OR	0.00500000	0.0040045	0.0000200
6	HAYNIE, ROBERT L	OR	0.00500000	0.0122048	0.0000610
7	HAYNIE, ROBERT L	OR	0.00500000	0.0186278	0.0000931
8	HAYNIE, ROBERT L	OR	0.00500000	0.0144380	0.0000722
9	HAYNIE, ROBERT L	OR	0.00500000	0.0476502	0.0002383
	TOTAL				0.0004990
31	HOWARD, J T	OR	0.00260410	0.0084417	0.0000220
32	HOWARD, J T	OR	0.00260420	0.0897968	0.0002338
34	HOWARD, J T	OR	0.00260420	0.0308971	0.0000805
	TOTAL				0.0003363
27	J M HUBER CORP	OR	0.04375000	0.0318665	0.0013942
28	J M HUBER CORP	OR	0.07031250	0.0260934	0.0018347

EXHIBIT "C"
PART III
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TRACT #	OWNER	TYPE	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION
TOTAL					
17	JACKSON, ROBERT T	OR	0.00036950	0.0420482	0.0000155
17	JOHNSON, JACKIE H	OR	0.00014780	0.0420482	0.0000062
12	KELLY, CHARLES A	RI	0.00146480	0.0005594	0.0000008
13	KELLY, CHARLES A	RI	0.00097650	0.0267552	0.0000261
14	KELLY, CHARLES A	RI	0.00097650	0.0001182	0.0000001
15	KELLY, CHARLES A	RI	0.00195310	0.0423152	0.0000826
16	KELLY, CHARLES A	RI	0.00097650	0.0217479	0.0000212
17	KELLY, CHARLES A	RI	0.00146480	0.0420482	0.0000616
18	KELLY, CHARLES A	RI	0.00117190	0.0005888	0.0000007
18A	KELLY, CHARLES A	RI	0.00117190	0.0000000	0.0000000
19	KELLY, CHARLES A	RI	0.00146480	0.0003464	0.0000005
20	KELLY, CHARLES A	RI	0.00146480	0.0000000	0.0000000
21	KELLY, CHARLES A	RI	0.00117190	0.0000000	0.0000000
22	KELLY, CHARLES A	RI	0.00117190	0.0014405	0.0000016
23	KELLY, CHARLES A	RI	0.00117190	0.0234414	0.0000275
24	KELLY, CHARLES A	RI	0.00146480	0.0002051	0.0000003
25	KELLY, CHARLES A	RI	0.00146480	0.1037733	0.0001520
26	KELLY, CHARLES A	RI	0.00146480	0.0016035	0.0000023
27	KELLY, CHARLES A	RI	0.00073240	0.1231374	0.0001804
28	KELLY, CHARLES A	RI	0.00097660	0.0318665	0.0000233
29	KELLY, CHARLES A	RI	0.00195310	0.0260934	0.0000510
30	KELLY, CHARLES A	RI	0.00097660	0.1503259	0.0001468
31	KELLY, CHARLES A	RI	0.00195310	0.1163759	0.0001137
32	KELLY, CHARLES A	RI	0.00195310	0.0084417	0.0000165
33	KELLY, CHARLES A	RI	0.00097660	0.0897968	0.0001754
34	KELLY, CHARLES A	RI	0.00097660	0.0021324	0.0000021
35	KELLY, CHARLES A	RI	0.00195310	0.0308971	0.0000603
			0.00195310	0.0088242	0.0000172
TOTAL					
17	KIMBRO, C H	OR	0.00750000	0.0420482	0.0003154
17	LEONDUKAIS, JOHN G	OR	0.00059120	0.0420482	0.0000249
17	LOWENBERG, RALPH E	OR	0.00036950	0.0420482	0.0000155
12	MARSHALL & WINSTON	RI	0.00585940	0.0005594	0.0000033
13	MARSHALL & WINSTON	RI	0.00390630	0.0267552	0.0001045
14	MARSHALL & WINSTON	RI	0.00390630	0.0001182	0.0000005
15	MARSHALL & WINSTON	RI	0.00781250	0.0423152	0.0000306
16	MARSHALL & WINSTON	RI	0.00390630	0.0217479	0.0000850
17	MARSHALL & WINSTON	RI	0.00585940	0.0420482	0.0002464

EXHIBIT "C"
PART III
TRACT & UNIT PARTICIPATION - ROYALTY OWNERSHIP BASIS
UNIT AGREEMENT

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TRACT #	OWNER	TYPE	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION
18	MARSHALL & WINSTON	RI	0.00468760	0.0005888	0.0000028
18A	MARSHALL & WINSTON	RI	0.00585940	0.0000000	0.0000000
19	MARSHALL & WINSTON	RI	0.00585940	0.0003464	0.0000020
20	MARSHALL & WINSTON	RI	0.00585940	0.0000000	0.0000000
21	MARSHALL & WINSTON	RI	0.00468760	0.0014065	0.0000066
22	MARSHALL & WINSTON	RI	0.00468760	0.0234414	0.0001099
23	MARSHALL & WINSTON	RI	0.00585940	0.0002051	0.0000012
24	MARSHALL & WINSTON	RI	0.00585940	0.1037733	0.0006080
25	MARSHALL & WINSTON	RI	0.00585940	0.0016035	0.0000094
26	MARSHALL & WINSTON	RI	0.00585940	0.1231374	0.0007215
27	MARSHALL & WINSTON	RI	0.00292970	0.0318665	0.0000934
28	MARSHALL & WINSTON	RI	0.00781250	0.0260934	0.0002039
29	MARSHALL & WINSTON	RI	0.00390630	0.1503259	0.0005872
30	MARSHALL & WINSTON	RI	0.00390630	0.1163759	0.0004546
31	MARSHALL & WINSTON	RI	0.00781250	0.0084417	0.0000660
32	MARSHALL & WINSTON	RI	0.00781250	0.0897968	0.0007015
33	MARSHALL & WINSTON	RI	0.00390630	0.0021324	0.0000083
34	MARSHALL & WINSTON	RI	0.00781250	0.0308971	0.0002414
35	MARSHALL & WINSTON	RI	0.00781260	0.0088242	0.0000689
TOTAL					0.0046568
10	MAYER, LEN	OR	0.00250000	0.0001050	0.0000003
10A	MAYER, LEN	OR	0.00250000	0.0025428	0.0000064
11	MAYER, LEN	OR	0.00250000	0.0030963	0.0000077
5	MAYER, LEN	OR	0.00500000	0.0040045	0.0000200
6	MAYER, LEN	OR	0.00500000	0.0122048	0.0000610
7	MAYER, LEN	OR	0.00500000	0.0186278	0.0000931
8	MAYER, LEN	OR	0.00500000	0.0144380	0.0000722
9	MAYER, LEN	OR	0.00500000	0.0476502	0.0002383
TOTAL					0.0004990
17	HCKINNON, DOUGLAS A	RI	0.00073240	0.0420482	0.0000308
31	HCKINNON, DOUGLAS A	RI	0.00097660	0.0084417	0.0000082
TOTAL					0.0000390
31	HCKINNON, MURRAY C	RI	0.00097660	0.0084417	0.0000082
12	HCKINNON, MURRAY C TRUST	RI	0.00146480	0.0005594	0.0000008
13	HCKINNON, MURRAY C TRUST	RI	0.00097660	0.0267552	0.0000261
14	HCKINNON, MURRAY C TRUST	RI	0.00097660	0.0001182	0.0000001
15	HCKINNON, MURRAY C TRUST	RI	0.00195310	0.0423152	0.0000826
16	HCKINNON, MURRAY C TRUST	RI	0.00097660	0.0217479	0.0000212
17	HCKINNON, MURRAY C TRUST	RI	0.00073250	0.0420482	0.0000308
18	HCKINNON, HURRAY C TRUST	RI	0.00117190	0.0005888	0.0000007

EXHIBIT "C"
PART III
TRACT 6 UNIT PARTICIPATION - ROYALTY OWNERSHIP BASIS
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TRACT #	OWNER	TYPE	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION
18A	MCKINNON, MURRAY C TRUST	RI	0.00146480	0.0000000	0.0000000
19	MCKINNON, MURRAY C TRUST	RI	0.00146480	0.0003464	0.0000005
20	MCKINNON, MURRAY C TRUST	RI	0.00146480	0.0000000	0.0000000
21	MCKINNON, MURRAY C TRUST	RI	0.00117190	0.0014065	0.0000016
22	MCKINNON, MURRAY C TRUST	RI	0.00117190	0.0234414	0.0000275
23	MCKINNON, MURRAY C TRUST	RI	0.00146480	0.0002051	0.0000003
24	MCKINNON, MURRAY C TRUST	RI	0.00146480	0.1037733	0.0001520
25	MCKINNON, MURRAY C TRUST	RI	0.00146480	0.0016035	0.0000023
26	MCKINNON, MURRAY C TRUST	RI	0.00146480	0.1231374	0.0001804
27	MCKINNON, MURRAY C TRUST	RI	0.00073240	0.0318665	0.0000233
28	MCKINNON, MURRAY C TRUST	RI	0.00195310	0.0260934	0.0000510
29	MCKINNON, MURRAY C TRUST	RI	0.00097660	0.1503259	0.0001468
30	MCKINNON, MURRAY C TRUST	RI	0.00097660	0.1163759	0.0001137
32	MCKINNON, MURRAY C TRUST	RI	0.00195310	0.0897968	0.0001754
33	MCKINNON, MURRAY C TRUST	RI	0.00097660	0.0021324	0.0000021
34	MCKINNON, MURRAY C TRUST	RI	0.00195310	0.0308971	0.0000603
35	MCKINNON, MURRAY C TRUST	RI	0.00195310	0.0088242	0.0000172
	TOTAL				0.0011169
31	MILLER, DAVID I	OR	0.00750000	0.0084417	0.0000633
32	MILLER, DAVID I	OR	0.00750000	0.0897968	0.0006735
34	MILLER, DAVID I	OR	0.00750000	0.0308971	0.0002317
	TOTAL				0.0009685
17	MILLER, MILDRED	OR	0.00014780	0.0420482	0.0000062
17	MOON CO	RI	0.08203130	0.0420482	0.0034493
18A	MOON CO	RI	0.12304690	0.0000000	0.0000000
20	MOON CO	RI	0.12304690	0.0000000	0.0000000
23	MOON CO	RI	0.12304690	0.0002051	0.0000252
24	MOON CO	RI	0.12304690	0.1037733	0.0127690
25	MOON CO	RI	0.12304690	0.0016035	0.0001973
26	MOON CO	RI	0.10048840	0.0318665	0.0032022
27	MOON CO	RI	0.12304690	0.0260934	0.0032107
28	MOON CO	RI	0.10048820	0.1503259	0.0151060
29	MOON CO	RI	0.12304680	0.0084417	0.0010387
31	MOON CO	RI	0.12304680	0.0897968	0.0110492
32	MOON CO	RI	0.12304680	0.0021324	0.0002143
33	MOON CO	RI	0.10048840	0.0308971	0.0038018
34	MOON CO	RI	0.12304690	0.0088242	0.0010858
35	MOON CO	RI	0.08203130	0.0005594	0.0000459
12	MOON CO	RI	0.08203120	0.0267552	0.0021948
13	MOON CO	RI	0.08203120	0.0001182	0.0000097
14	MOON CO	RI	0.12304680	0.0423152	0.0052067
15	MOON CO	RI			

EXHIBIT "C"
PART III
TRACT & UNIT PARTICIPATION - ROYALTY OWNERSHIP BASIS
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TRACT #	OWNER	TYPE	NET INTEREST	TRACT PARTICIPATION I BOPD/WELL CUTOFF	UNIT PARTICIPATION
16	MOON CO.	RI	0.08203120	0.0217479	0.0017840
18	MOON CO.	RI	0.09843750	0.0005888	0.0000580
19	MOON CO.	RI	0.12304690	0.0003464	0.0000426
21	MOON CO.	RI	0.09843750	0.0014065	0.0001385
22	MOON CO.	RI	0.09843750	0.0234414	0.0023075
30	MOON CO.	RI	0.10048840	0.1163759	0.0116944
	TOTAL				0.0937832
12	PARKER, P W TRUST	RI	0.00292970	0.0005594	0.0000016
13	PARKER, P W TRUST	RI	0.00195310	0.0267552	0.0000523
14	PARKER, P W TRUST	RI	0.00195310	0.0001182	0.0000002
15	PARKER, P W TRUST	RI	0.00390630	0.0423152	0.0001653
16	PARKER, P W TRUST	RI	0.00195310	0.0217479	0.0000425
17	PARKER, P W TRUST	RI	0.00292970	0.0420482	0.0001232
18	PARKER, P W TRUST	RI	0.00234380	0.0005888	0.0000014
18A	PARKER, P W TRUST	RI	0.00292970	0.0000000	0.0000000
19	PARKER, P W TRUST	RI	0.00292970	0.0003464	0.0000010
20	PARKER, P W TRUST	RI	0.00292970	0.0000000	0.0000000
21	PARKER, P W TRUST	RI	0.00234380	0.0014065	0.0000033
22	PARKER, P W TRUST	RI	0.00292970	0.0002051	0.0000006
23	PARKER, P W TRUST	RI	0.00292970	0.1037733	0.0003040
24	PARKER, P W TRUST	RI	0.00234380	0.0234414	0.0000549
25	PARKER, P W TRUST	RI	0.00292970	0.0016035	0.0000047
26	PARKER, P W TRUST	RI	0.00292970	0.1231374	0.0000047
27	PARKER, P W TRUST	RI	0.00140480	0.0318665	0.0003608
28	PARKER, P W TRUST	RI	0.00390630	0.0260934	0.0001019
29	PARKER, P W TRUST	RI	0.00146480	0.1503259	0.0002202
30	PARKER, P W TRUST	RI	0.00195310	0.1163759	0.0002273
31	PARKER, P W TRUST	RI	0.00390630	0.0084417	0.0000330
32	PARKER, P W TRUST	RI	0.00390630	0.0897968	0.0003508
33	PARKER, P W TRUST	RI	0.00195310	0.0021324	0.0000042
34	PARKER, P W TRUST	RI	0.00390630	0.0308971	0.0001207
35	PARKER, P W TRUST	RI	0.00292970	0.0088242	0.0000259
	TOTAL				0.0022464
17	PETERSON, DAVID L	OR	0.00059120	0.0420482	0.0000249
17	PETSCHKE, CHARLES I	OR	0.00118240	0.0420482	0.0000497
31	POC	OR	0.00515640	0.0084417	0.0000435
32	POC	OR	0.00390620	0.0897968	0.0003508
34	POC	OR	0.00390630	0.0308971	0.0001207
	TOTAL				0.0005150

EXHIBIT "C"
PART III
TRACT & UNIT PARTICIPATION - ROYALTY OWNERSHIP BASIS
UNIT AGREEMENT

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TRACT #	OWNER	TYPE	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION
17	SCHLESSMAN, LEE S	OR	0.00036950	0.0420482	0.0000155
12	SEELIGSON, FRATES	NPRI	0.01171870	0.0005594	0.0000066
13	SEELIGSON, FRATES	NPRI	0.01171880	0.0267552	0.0003135
14	SEELIGSON, FRATES	NPRI	0.01171880	0.0001182	0.0000014
15	SEELIGSON, FRATES	NPRI	0.01757810	0.0423152	0.0007438
16	SEELIGSON, FRATES	NPRI	0.01171880	0.0217479	0.0002549
17	SEELIGSON, FRATES	NPRI	0.01171880	0.0420482	0.0004928
18	SEELIGSON, FRATES	NPRI	0.01406250	0.0005888	0.0000083
19	SEELIGSON, FRATES	NPRI	0.01757810	0.0000000	0.0000000
20	SEELIGSON, FRATES	NPRI	0.01757810	0.0003464	0.0000061
21	SEELIGSON, FRATES	NPRI	0.01406250	0.0014065	0.0000198
22	SEELIGSON, FRATES	NPRI	0.01406250	0.0234414	0.0003296
23	SEELIGSON, FRATES	NPRI	0.01757810	0.0002051	0.0000198
24	SEELIGSON, FRATES	NPRI	0.01757810	0.1037733	0.0018241
25	SEELIGSON, FRATES	NPRI	0.01757810	0.0016035	0.0000282
26	SEELIGSON, FRATES	NPRI	0.01757810	0.1231374	0.0021645
27	SEELIGSON, FRATES	NPRI	0.01435550	0.0318665	0.0004575
28	SEELIGSON, FRATES	NPRI	0.01757810	0.0260934	0.0004587
29	SEELIGSON, FRATES	NPRI	0.01435550	0.1503259	0.0021580
30	SEELIGSON, FRATES	NPRI	0.01435550	0.1163759	0.0016706
31	SEELIGSON, FRATES	NPRI	0.01757800	0.0084417	0.0001484
32	SEELIGSON, FRATES	NPRI	0.01757810	0.0897968	0.0015785
33	SEELIGSON, FRATES	NPRI	0.01435550	0.0021324	0.0000306
34	SEELIGSON, FRATES	NPRI	0.01757800	0.0308971	0.0005431
35	SEELIGSON, FRATES	NPRI	0.01757810	0.0088242	0.0001551
TOTAL					0.0133976
17	SILVERSTONE, ROBERT REX	OR	0.00073900	0.0420482	0.0000311
17	STERN, H PETER	OR	0.00044340	0.0420482	0.0000186
27	STONE, BEATRICE P B	NPRI	0.00520830	0.0318665	0.0001660
29	STONE, BEATRICE P B	NPRI	0.00520830	0.1503259	0.0007829
30	STONE, BEATRICE P B	NPRI	0.00520830	0.1163759	0.0006061
33	STONE, BEATRICE P B	NPRI	0.00520830	0.0021324	0.0000111
TOTAL					0.0015661
27	STONE, GROVER S JR	NPRI	0.00138890	0.0318665	0.0000443
29	STONE, GROVER S JR	NPRI	0.00138890	0.1503259	0.0002088
30	STONE, GROVER S JR	NPRI	0.00138890	0.1163759	0.0001616
33	STONE, GROVER S JR	NPRI	0.00138890	0.0021324	0.0000030
TOTAL					0.0004176

EXHIBIT "C"
PART III
TRACT 6 UNIT PARTICIPATION - ROYALTY OWNERSHIP BASIS
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TRACT #	OWNER	TYPE	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION
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27	STONE, SANDRA J	NPRI	0.00138890	0.0318665	0.0000443
29	STONE, SANDRA J	NPRI	0.00138890	0.1503259	0.0002088
30	STONE, SANDRA J	NPRI	0.00138890	0.1163759	0.0001616
33	STONE, SANDRA J	NPRI	0.00138890	0.0021324	0.0000030
TOTAL					
			0.0004176		0.0004176
27	STONE, STEVEN L	NPRI	0.00138890	0.0318665	0.0000443
29	STONE, STEVEN L	NPRI	0.00138890	0.1503259	0.0002088
30	STONE, STEVEN L	NPRI	0.00138890	0.1163759	0.0001616
33	STONE, STEVEN L	NPRI	0.00138890	0.0021324	0.0000030
TOTAL					
			0.0004176		0.0004176
13	SWEENEY, BARBARA	OR	0.02734380	0.0267552	0.0007316
23	TENNECO	RI	0.03125000	0.0002051	0.0000064
24	TENNECO	RI	0.02343750	0.1037733	0.0024322
25	TENNECO	RI	0.02343750	0.0016035	0.0000376
27	TENNECO	RI	0.01171880	0.0318665	0.0003734
28	TENNECO	RI	0.00625000	0.0260934	0.0001631
31	TENNECO	RI	0.02968750	0.0084417	0.0002506
31	TENNECO	OR(PP)	0.00156250	0.0084417	0.0000132
32	TENNECO	RI	0.03750000	0.0897968	0.0033674
18	TENNECO (UV INDUSTRIES)	UNLEASED	0.12500000	0.0005888	0.0000736
18A	TENNECO (UV INDUSTRIES)	UNLEASED	0.12500000	0.0000000	0.0000000
19	TENNECO (UV INDUSTRIES)	UNLEASED	0.12500000	0.0003464	0.0000433
20	TENNECO (UV INDUSTRIES)	UNLEASED	0.02343750	0.0000000	0.0000000
21	TENNECO (UV INDUSTRIES)	RI	0.02343750	0.0014065	0.0000330
TOTAL					
			0.0067937		0.0067937
17	WALSH, JOHN E JR	OR	0.00059120	0.0420482	0.0000249
31	WATTS, DONALD R	OR	0.00520830	0.0084417	0.0000440
32	WATTS, DONALD R	OR	0.00520830	0.0897968	0.0004677
34	WATTS, DONALD R	OR	0.00520830	0.0308971	0.0001609
TOTAL					
			0.0006726		0.0006726
17	WHITMAN, TANIA C TRUST	OR	0.00073900	0.0420482	0.0000311
12	WINSTON, F S MARITAL TRUST	RI	0.00292960	0.0005594	0.0000016
13	WINSTON, F S MARITAL TRUST	RI	0.00195310	0.0267552	0.0000523
14	WINSTON, F S MARITAL TRUST	RI	0.00195310	0.0001182	0.0000002
15	WINSTON, F S MARITAL TRUST	RI	0.00390630	0.0423152	0.0001653

EXHIBIT "C"
PART III
TRACT & UNIT PARTICIPATION - ROYALTY OWNERSHIP BASIS
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TRACT #	OWNER	TYPE	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION
16	WINSTON, F S MARITAL TRUST	RI	0.00195310	0.0217479	0.0000425
17	WINSTON, F S MARITAL TRUST	RI	0.00292960	0.0420482	0.0001232
18	WINSTON, F S MARITAL TRUST	RI	0.00234380	0.0005888	0.0000014
18A	WINSTON, F S MARITAL TRUST	RI	0.00292970	0.0000000	0.0000000
19	WINSTON, F S MARITAL TRUST	RI	0.00292970	0.0003464	0.0000010
20	WINSTON, F S MARITAL TRUST	RI	0.00292970	0.0000000	0.0000000
21	WINSTON, F S MARITAL TRUST	RI	0.00234380	0.0014065	0.0000033
22	WINSTON, F S MARITAL TRUST	RI	0.00234380	0.0234414	0.0000549
23	WINSTON, F S MARITAL TRUST	RI	0.00292970	0.0002051	0.0000006
24	WINSTON, F S MARITAL TRUST	RI	0.00292970	0.1037733	0.0003040
25	WINSTON, F S MARITAL TRUST	RI	0.00292970	0.0016035	0.0000047
26	WINSTON, F S MARITAL TRUST	RI	0.00292970	0.1231374	0.0003608
27	WINSTON, F S MARITAL TRUST	RI	0.00146480	0.0318665	0.0000467
28	WINSTON, F S MARITAL TRUST	RI	0.00390630	0.0260934	0.0001019
29	WINSTON, F S MARITAL TRUST	RI	0.00146480	0.1503259	0.0002202
30	WINSTON, F S MARITAL TRUST	RI	0.00195310	0.1163759	0.0002273
31	WINSTON, F S MARITAL TRUST	RI	0.00390630	0.0084417	0.0000330
32	WINSTON, F S MARITAL TRUST	RI	0.00390630	0.0897968	0.0003508
33	WINSTON, F S MARITAL TRUST	RI	0.00195310	0.0021324	0.0000042
34	WINSTON, F S MARITAL TRUST	RI	0.00390620	0.0308971	0.0001207
35	WINSTON, F S MARITAL TRUST	RI	0.00292970	0.0088242	0.0000259
TOTAL					0.0022463
12	WINSTON, FRANCISCA EST TRUST	RI	0.00585940	0.0005594	0.0000033
13	WINSTON, FRANCISCA EST TRUST	RI	0.00390630	0.0267552	0.0001045
14	WINSTON, FRANCISCA EST TRUST	RI	0.00390630	0.0001182	0.0000005
15	WINSTON, FRANCISCA EST TRUST	RI	0.00781250	0.0423152	0.0003306
16	WINSTON, FRANCISCA EST TRUST	RI	0.00390630	0.0217479	0.0000850
17	WINSTON, FRANCISCA EST TRUST	RI	0.00585940	0.0420482	0.0002464
18	WINSTON, FRANCISCA EST TRUST	RI	0.00468760	0.0005888	0.0000028
18A	WINSTON, FRANCISCA EST TRUST	RI	0.00585940	0.0000000	0.0000000
19	WINSTON, FRANCISCA EST TRUST	RI	0.00585940	0.0000000	0.0000020
20	WINSTON, FRANCISCA EST TRUST	RI	0.00585940	0.0000000	0.0000000
21	WINSTON, FRANCISCA EST TRUST	RI	0.00468760	0.0014065	0.0000066
22	WINSTON, FRANCISCA EST TRUST	RI	0.0234414	0.0001099	0.0000012
23	WINSTON, FRANCISCA EST TRUST	RI	0.00585940	0.0002051	0.0000012
24	WINSTON, FRANCISCA EST TRUST	RI	0.00585940	0.1037733	0.0006080
25	WINSTON, FRANCISCA EST TRUST	RI	0.00585940	0.0016035	0.0000094
26	WINSTON, FRANCISCA EST TRUST	RI	0.00585940	0.1231374	0.0007215
27	WINSTON, FRANCISCA EST TRUST	RI	0.00292970	0.0318665	0.0000934
28	WINSTON, FRANCISCA EST TRUST	RI	0.00781250	0.0260934	0.0002039
29	WINSTON, FRANCISCA EST TRUST	RI	0.00292970	0.1503259	0.0004404
30	WINSTON, FRANCISCA EST TRUST	RI	0.00390630	0.1163759	0.0004546
31	WINSTON, FRANCISCA EST TRUST	RI	0.00781250	0.0084417	0.0000660
32	WINSTON, FRANCISCA EST TRUST	RI	0.00781250	0.0897968	0.0007015
33	WINSTON, FRANCISCA EST TRUST	RI	0.00390630	0.0021324	0.0000083

EXHIBIT "C"
PART III
TRACT 4 UNIT PARTICIPATION - ROYALTY OWNERSHIP BASIS
UNIT AGREEMENT

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TRACT #	OWNER	TYPE	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION
17	WOODS, DONALD S	OR	0.00002460	0.0420482	0.0000010
17	WYMAN, DAVID E JR	OR	0.00036950	0.0420482	0.0000155
12	WYMAN, J T TRUST	RI	0.00292970	0.0005594	0.0000016
13	WYMAN, J T TRUST	RI	0.00195310	0.0267552	0.0000523
14	WYMAN, J T TRUST	RI	0.00195310	0.0001182	0.0000002
15	WYMAN, J T TRUST	RI	0.00390630	0.0423152	0.0001653
16	WYMAN, J T TRUST	RI	0.00195310	0.0217479	0.0000425
17	WYMAN, J T TRUST	RI	0.00292970	0.0420482	0.0001232
18	WYMAN, J T TRUST	RI	0.00234380	0.0005888	0.0000014
19	WYMAN, J T TRUST	RI	0.00292970	0.0000000	0.0000010
20	WYMAN, J T TRUST	RI	0.00292970	0.0003464	0.0000010
21	WYMAN, J T TRUST	RI	0.00234380	0.0000000	0.0000000
22	WYMAN, J T TRUST	RI	0.00234380	0.0014065	0.0000033
23	WYMAN, J T TRUST	RI	0.00234380	0.0014065	0.0000033
24	WYMAN, J T TRUST	RI	0.00292970	0.0234414	0.0000549
25	WYMAN, J T TRUST	RI	0.00292970	0.0002051	0.0000006
26	WYMAN, J T TRUST	RI	0.00292970	0.1037733	0.0003040
27	WYMAN, J T TRUST	RI	0.00292970	0.0016035	0.0000047
28	WYMAN, J T TRUST	RI	0.00146480	0.1231374	0.0003608
29	WYMAN, J T TRUST	RI	0.00390630	0.0318665	0.0000467
30	WYMAN, J T TRUST	RI	0.00146480	0.0260934	0.0001019
31	WYMAN, J T TRUST	RI	0.00195310	0.1503259	0.0002202
32	WYMAN, J T TRUST	RI	0.00390630	0.1163759	0.0002273
33	WYMAN, J T TRUST	RI	0.00390630	0.0084417	0.0000330
34	WYMAN, J T TRUST	RI	0.00390630	0.0897968	0.0003508
35	WYMAN, J T TRUST	RI	0.00390630	0.0021324	0.0000042
TOTAL			0.00292970	0.0308971	0.0001207
TOTAL			0.00292970	0.0088242	0.0000259
TOTAL					0.0022464
TOTAL					0.1879721

factors and formula set forth hereinabove, but applying the same only to the qualified Tracts. The revised Exhibit "B" and "C" shall, effective as of the effective date of this agreement, supersede the original Exhibits "B" and "C" attached hereto and shall thereafter govern the allocation of Unitized Substances unless disapproved by the Commissioner and Division within 30 days after filing.

If, subsequent to the effective date of this agreement, any additional tract becomes committed hereto under the provisions of Section 3. Unit Area, or Section 28, Non-joinder and Subsequent Joinder, or any committed tract is excluded herefrom under the provisions of Section 27. Loss of Title, Unit Operator shall revise said Exhibits "B" and "C" or the latest revision thereof to show the new percentage participations of the then committed tracts, which revised exhibit shall, upon its approval by the Commissioner and the Division, supersede, as of its effective date, the last previously effective Exhibits "B" and "C". In any such revision of Exhibit "C", the revised percentage participations of the respective tracts listed in the last previously effective Exhibit "C" shall remain in the same ratio one to another.

SECTION 13. TRACTS QUALIFIED FOR UNIT PARTICIPATION: On and after the effective date hereof, the Tracts within the Unit Area that shall be entitled to participate in the production of Unitized Substances therefrom shall be the Tracts within the Unit Area that are qualified as follows:

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

(b) Each Tract as to which Working Interest Owners owning one hundred percent (100%) of the Working Interest therein have become parties hereto and as to which Royalty Owners owning less than seventy-five percent (75%) of the Royalty Interest therein have become parties hereto and, further, as to which:

(i) All Working Interest Owners in any such Tract have joined in a request for the commitment of such Tract to this agreement, and

(ii) Seventy-five percent (75%) of the combined voting interest of Working Interest Owners in all Tracts meeting the requirements of Section 13 (a) hereof have voted in favor of the commitment of such Tract.

(c) Each Tract as to which Working Interest Owners owning less than one hundred percent (100%) of the Working Interest therein have become parties hereto, regardless of the percentage of Royalty Interest therein which is committed hereto and, further, as to which:

(i) The Working Interest Owner operating any such Tract and all of the other Working Interest Owners in such Tract who have become parties hereto have joined in a request for the commitment of such Tract to this agreement 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 which may be made by the owners of working interests in such Tract who are not parties hereto and which arise out of the commitment of such Tract to this agreement, and

(ii) Seventy-five percent (75%) of the combined voting interests of Working Interest Owners in all Tracts meeting the requirements of Section 13 (a) and 13 (b) have voted in favor of the commitment of such Tract and acceptance of the indemnity agreement.

For the purpose of this Section 13 (b) and (c), a Working Interest Owner's "voting interest" shall be equal to the ratio (expressed in percent) which its aggregate Unit Participation in all Tracts qualifying under Section 13 (a) and 13 (b) bears to the total Unit Participation of all Working Interest Owners in all Tracts qualifying under Section 13 (a) and 13 (b) as such Unit Participation is determined from the Tract Participations set out in Exhibit "C". Upon the commitment of such a Tract to this agreement, 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.

SECTION 14. ALLOCATION OF UNITIZED SUBSTANCES: All Unitized Substances produced and saved from the committed Tracts within the Unit Area (less, save and except any part of such Unitized Substances which is used in conformity with good operating practices on the Unit Area for drilling, operating, camp and other production, development and pressure maintenance purposes, or which is unavoidably lost) shall be apportioned among and allocated to the committed Tracts within the Unit Area in accordance with the Tract Participation effective hereunder as such Tract Participation is shown in Exhibit "C" or any revision thereof. The amount of Unitized Substances so allocated to each Tract, and only that amount (regardless of whether it be more or less than the amount of the actual production of Unitized Substances from the well or wells, if any, on such Tract), shall, for all intents, uses and purposes, be deemed to have been produced from such Tract.

The Unitized Substances allocated to each Tract shall be distributed among or accounted for to the parties hereto 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 force and effect. No Tract committed to this Agreement and qualified for participation as heretofore provided shall be subsequently excluded from participation hereunder on account of depletion of Unitized Substances from such Tract.

If the Working Interest or the Royalty Interest in any Tract is, on or after the effective date hereof, divided with respect to separate parcels or portions of such Tract and owned severally by different persons, the Tract Participations assigned to such Tract shall, in the absence of a recordable instrument executed by all owners and furnished to Unit Operator fixing the divisions of ownership, be divided among such parcels or portions in proportion to the number of surface acres in each.

The Unitized Substances allocated to each Tract shall be delivered in kind to the respective Working Interest Owners and parties entitled thereto by virtue of the ownership of oil and gas rights therein or by purchase from such owners. Each Working Interest Owner and the parties entitled thereto shall have the continuing right to receive such production in kind at a common point within the Unit Area and to sell or dispose of the same as it sees fit. Each such party shall have the right to construct, maintain and operate all necessary facilities for that purpose on the Unit Area, provided the same are so constructed, maintained and operated as not to interfere with operations carried on pursuant hereto or with operations upon or with regard to formations other than the Unitized Formation conducted within the Unit Area. Subject to Section 16, Royalty Settlement, hereof, any extra expenditure incurred by Unit Operator by reason of the delivery in kind of any portion of the Unitized Substances shall be borne by the party (excepting the State of New Mexico) receiving the same in kind.

If any party fails to take in kind or separately dispose of its proportionate 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 at not less than the prevailing market price in the area for like production; 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. The proceeds of the Unitized Substances so disposed of by Unit Operator shall be paid to the party entitled thereto net of all taxes and any other related costs incurred by Unit Operator.

Any party receiving in kind or separately disposing of all or any part of the Unitized Substances allocated to any Tract or receiving the proceeds therefrom shall be responsible for making payment of all royalty to the parties 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.

SECTION 15. OIL IN LEASE TANKAGE ON EFFECTIVE DATE: Unit Operator shall make a proper and timely gauge of all lease and other tanks within the Unit Area in order to ascertain the amount of merchantable oil above the pipeline connection in such tanks as of 7:00 A.M. on the effective date hereof. All such oil which has then been produced legally shall be and remain the property of the Working Interest Owner entitled thereto the same as if the Unit had not been formed; and such Working Interest Owner shall promptly remove said oil from the Unit Area. Any such oil not so removed shall be sold by Unit Operator for the account of such Working Interest Owner, subject to the payment of all royalty to Royalty Owners under the terms and provisions of the Unit Agreement and any applicable lease or leases and other contracts and subject to bearing its pro rata share of all taxes or other related costs incurred by Unit Operator in order to render such oil merchantable. All such oil as is in excess of the prior allowable of the well or wells from which the same was produced shall be regarded and treated the same as Unitized Substances produced after the effective date hereof. If, as of the effective date, hereof, any Tract is overproduced with respect to the allowable of the well or wells on that Tract and the amount of such overproduction has been sold or otherwise disposed of, such overproduction shall be regarded and included as a part of the Unitized Substances produced after the effective date hereof and the amount thereof charged to such Tract as having been delivered to the persons entitled to Unitized Substances allocated to such Tract.

SECTION 16. ROYALTY SETTLEMENT: The State of New Mexico and all Royalty Owners who, under existing contracts, are entitled to take in kind a share of the substances produced from any Tract unitized hereunder, shall hereafter be entitled to take in kind their share of the Unitized Substances allocated to such Tract, and Unit Operator shall make deliveries

of such Royalty share taken in kind in conformity with the applicable contracts, laws and regulations. Settlement for Royalty Interests not taken in kind shall be made by Unit Operator for and on behalf of the Working Interest Owners responsible therefor under existing contracts, laws and regulations, on or before the last day of each month for Unitized Substances produced during the preceding calendar month; provided, however, that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for the payment of any Royalty due under their leases, except that such Royalty shall be computed in accordance with the terms of this Unit Agreement.

If gas obtained from lands not subject to this Agreement is introduced into the Unitized Formation for use in pressure maintenance, stimulation of production, or increasing ultimate recovery, which shall be in conformity with a plan first approved by the Commissioner and the Division a like amount of gas, less appropriate deductions for loss from any cause may be withdrawn from the formation into which the gas was introduced, royalty free as to dry gas, but not to the products extracted therefrom; provided that such withdrawal shall be pursuant to such conditions and formula as may be prescribed or approved by the Commissioner and Division; provided further, that such right of withdrawal shall terminate on the termination of this agreement. If liquefied petroleum gases obtained from lands or formations not subject to this agreement be injected into the Unitized Formation for the purpose of increasing ultimate recovery, which shall be in conformance with the plan first approved by the Commissioner and Division; part or all of such liquefied petroleum gases may be withdrawn royalty free pursuant to such conditions and formula as may be prescribed or approved by the Commissioner and Division.

Royalty due on account on State lands shall be computed and paid on the basis of all Unitized Substances allocated to such lands.

SECTION 17. RENTAL SETTLEMENT: Rentals or minimum royalties due on leases committed hereto shall be paid by Working Interest Owners

responsible therefor under existing contracts, laws and regulations, provided that nothing herein contained shall operate to relieve the lessees of any land from their respective lease obligations for payment of any rental or minimum royalty in lieu thereof due under their leases. Rental for lands of the State of New Mexico subject to this agreement shall be paid at the rate specified in the respective leases from the State of New Mexico, or may be reduced or suspended under order of the Commissioner pursuant to applicable laws and regulations.

SECTION 18. CONSERVATION: Operations hereunder and production of Unitized Substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by State laws and regulations.

SECTION 19. DRAINAGE: The Unit Operator shall for and on behalf of the Working Interest Owners, take all reasonable and prudent measures to prevent drainage of Unitized Substances from unitized land by wells on land not subject to this agreement.

SECTION 20. LEASES AND CONTRACTS CONFORMED AND EXTENDED: The terms, conditions and provisions of all leases, subleases and other contracts relating to exploration, drilling, development or operation for oil or gas are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect, and the parties hereto hereby consent that the Commissioner, as to State leases, shall by his approval hereof or by the approval hereof by his duly authorized representative, does hereby establish, alter, change or revoke the drilling, producing, rental minimum royalty and royalty requirements of State leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement. Without limiting the generality of the foregoing, all leases, subleases and contracts are particularly modified in accordance with the following:

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

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

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

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

(e) Termination of this agreement shall not affect any lease which, pursuant to the terms thereof or any applicable laws shall continue in force and effect thereafter.

(f) Any lease which is made subject to this agreement shall continue in force beyond the term provided therein as long as such lands and leases remain subject hereto.

(g) Any lease embracing lands of the State of New Mexico having only a portion of its land committed hereto, shall be segregated as to that portion committed and that not committed, and the terms of such lease shall apply separately to such segregated portions commencing as of the effective date hereof; provided, however that notwithstanding any of the provisions of this agreement to the contrary, such lease shall continue in full force and effect beyond the term provided therein as to all lands embraced in such lease if oil or gas is, or has

heretofore been discovered in paying quantities on some part of the lands embraced in such lease committed to this agreement or, so long as a portion of the Unitized Substances produced from the Unit Area is, under the terms of this agreement, allocated to the portion of the lands covered by such lease committed to this agreement, or at any time during the term hereof, as to any lease that is then valid and subsisting and upon which the lessee or the Unit Operator is then engaged in bonafide drilling, reworking, or secondary recovery operations on any part of the lands embraced in such lease, then the same as to all lands embraced therein shall remain in full force and effect so long as such operations are diligently prosecuted, and if they result in the production of oil or gas, said lease shall continue in full force and effect as to all of the lands embraced therein, so long thereafter as oil or gas in paying quantities is being produced from any portion of said lands.

SECTION 21. COVENANTS RUN WITH LAND: The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest. No assignment or transfer of any Working Interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, or acceptable photostatic or certified copy, of the record instrument of transfer; and no assignment or transfer or any Royalty Interest subject hereto shall be binding upon the Working Interest owner responsible therefor until the first day of the calendar month after said Working Interest Owner is furnished with the original, or acceptable photostatic or certified copy, of the recorded instrument of transfer.

SECTION 22. EFFECTIVE DATE AND TERM: This Agreement shall become binding upon each party who executes or ratifies it as of the date of execution or ratification by such party and shall become effective on the first day of the calendar month next following the approval of this Agreement by the Commissioner and the Division.

If this Agreement does not become effective on or before June 1, 1988, it shall ipso facto expire on said date (hereinafter called "Expiration Date") and thereafter be of no further force or effect, unless prior thereto this Agreement has been executed or ratified by Working Interest Owners owning a combined Participation of at least seventy-five percent (75%); and at least seventy-five percent (75%) of such Working Interest Owners committed to this Agreement have decided to extend Expiration Date for a period not to exceed one (1) year (hereinafter called "Extended Expiration Date"). If Expiration Date is so extended and this Agreement does not become effective on or before Extended Expiration Date, it shall ipso facto expire on Extended Expiration Date and thereafter be of no further force and effect.

Unit Operator shall file for record within thirty (30) days after the Effective Date of this Agreement, in the office of the County Clerk of Chaves County, New Mexico, where a counterpart of this Agreement has become effective according to its terms and stating further the effective date.

The terms of this Agreement shall be for and during the time that Unitized Substances are produced from the unitized land and so long thereafter as drilling, reworking or other operations (including improved recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days unless sooner terminated as herein provided.

This Agreement may be terminated with the approval of the Commissioner and by Working Interest Owners owning eighty percent (80%) of the Unit Participation then in effect whenever such Working Interest Owners determine that Unit Operations are no longer profitable, or in the interest of conservation. Upon approval, such termination shall be effective as of the first day of the month after said Working Interest Owners' determination. Notice of any such termination shall be filed by Unit Operator in the office of the County Clerk of Chaves County, New Mexico, within thirty (30) days of the effective date of termination.

Upon termination of this Agreement, the parties hereto shall be governed by the terms and provisions of the leases and contracts affecting the separate Tracts just as if this Agreement had never been entered into.

Notwithstanding any other provision in the leases unitized under this Agreement, Royalty Owners hereby grant Unit Operator and/or Working Interest Owners a period of six months after termination of this Agreement in which to salvage, sell, distribute or otherwise dispose of the personal property and facilities used in connection with Unit Operations.

SECTION 23. APPEARANCES: Unit Operator shall have the right to appear for or on behalf of any and all interests affected hereby before the Commissioner and the Division and to appeal from any order issued under the rules and regulations of the Commissioner or the Division or to apply for relief from any of said rules and regulations or in any proceedings relative to operations before the Commissioner or the Division, or any other legally constituted authority; provided, however, that any other interested party shall also have the right at his or its own expense to be heard in any such proceedings.

SECTION 24. NOTICES: All notices, demands, objections or statements required hereunder to be given or rendered to the parties hereto shall be deemed fully given if made in writing and personally delivered to the party or parties or sent by postpaid certified mail addressed to such party or parties at their respective addresses set forth in connection with the signatures hereto or to the ratification or consent hereof or to such other address as any such party or parties may have furnished in writing to the party sending the notice, demand or statement.

SECTION 25. NO WAIVER OF CERTAIN RIGHTS: Nothing in this agreement contained shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right or defense as the validity or invalidity of any law of the State wherein said unitized lands are located, or rules or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority

to waive; provided, however, that each party hereto covenants that during the existence of this agreement such party will not resort to any action at law or in equity to partition the Unit Area or the facilities used in the development or operation hereof and to that extent waives the benefits of all laws authorizing such partition.

SECTION 26. UNAVOIDABLE DELAY: All obligations under this agreement requiring the Unit Operator to commence or continue secondary recovery operations or to operate on or produce Unitized Substances from any of the lands covered by this agreement shall be suspended while, but only so long as, the Unit Operator despite the exercise of due care and diligence is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State or Municipal law or agency, unavoidable accident, uncontrollable delays in transportation, inability to obtain necessary materials in open market, or other matters beyond the reasonable control of the Unit Operator whether similar to matters herein enumerated or not.

SECTION 27. LOSS OF TITLE: In the event any Tract ceases to have sufficient Working Interest Owners or Royalty Owners committed to this agreement to meet the conditions of Section 13, Tracts Qualified for Unit Participation, because of failure of title of any party hereto, such Tract shall be automatically regarded as not committed to this agreement effective as of 7:00 A.M. on the first day of the calendar month in which the failure of title is finally determined; provided, however, that such Tract shall not be so regarded if said Tract can be requalified for admission under Section 13 within ninety (90) days after the date on which such title failure was finally determined.

If any such Tract cannot be so requalified, Unit Operator shall revise the schedule previously filed with the Commissioner setting forth the Tracts committed hereto, and Unit Operator shall revise Exhibit "C" to show the tracts in the Unit Area that remain committed hereto and the Tract Participation of each of said Tracts, which revised Tract Participation

shall be calculated and determined on the basis that the Tract Participation of each of said Tracts shall remain in the same ratio one to the other. Copies of the revised schedule and exhibit shall be filed with the Commissioner and same shall be effective as of 7:00 A.M. on the first day of the calendar month in which such failure of title is finally determined.

If title to a Working Interest fails, the rights and obligations of Working Interest Owners by reason of such failure shall be governed by the Unit Operating Agreement. If title to a Royalty Interest fails, but the Tract to which it relates remains committed to this agreement, the party whose title failed shall not be entitled to participate hereunder insofar as its participation is based on such lost Royalty Interest.

In the event of a dispute as to the title to any Working Interest or Royalty Interest subject hereto, payment or delivery on account thereof may be withheld without liability or interest until the dispute is finally settled; provided, that as to State land or leases, no payments of funds due the State of New Mexico shall be withheld, but such funds shall be deposited as directed by the Commissioner to be held as unearned money pending final settlement of title dispute, and then applied as earned or returned in accordance with such final settlement.

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

SECTION 28. NONJOINDER AND SUBSEQUENT JOINDER: Joinder by any Royalty Owner, at any time, must be accompanied by appropriate joinder of the corresponding Working Interest Owner in order the interest of such Royalty Owner to be regarded as effectively committed. Joinder to this Agreement by a Working Interest Owner, at any time, must be accompanied by appropriate joinder to the Unit Operating Agreement in order for such interest to be regarded as effectively committed to this Agreement.

Any oil or gas interest in the Unitized Formations not committed hereto prior to submission of this Agreement to the Commissioner for final

approval may thereafter be committed hereto upon compliance with the applicable provisions of this Section and of Section 13 (Tracts Qualified for Participation) hereof, at any time up to the Effective Date hereof on the same basis of Tract Participation as provided in Section 12, by the owner or owners thereof subscribing, ratifying, or consenting in writing to this Agreement and, if the interest is a Working Interest, by the owner of such interest subscribing also to the Unit Operating Agreement.

It is understood and agreed, however, that from and after the Effective Date hereof the right of subsequent joinder as provided in this Section shall be subject to such requirements or approvals and on such basis as may be agreed upon by Working Interest Owners owning not less than sixty-five percent (65%) of the Unit Participation then in effect, and approved by the Commissioner. Such subsequent joinder by a proposed Working Interest Owner must be evidenced by his execution or ratification of this Agreement and the Unit Operating Agreement and, where State land is involved, such joinder must be approved by the Commissioner. Such joinder by a proposed Royalty Owner must be evidenced by his execution, ratification or consent of this Agreement and must be consented to in writing by the Working Interest Owner responsible for the payment of any benefits that may accrue hereunder in behalf of such proposed Royalty Owner. Except as may be otherwise herein provided, subsequent joinder to this Agreement shall be effective as of the first day of the month following the filing with the Commissioner duly executed counterparts of any and all documents necessary to establish effective commitment of any Tract or interest to this Agreement, unless objection to such joinder by the Commissioner is duly made sixty (60) days after such filing.

SECTION 29. COUNTERPARTS: This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties and may be ratified or consented to by separate instrument in writing specifically referring hereto, and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with

the same force and effect as if all parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above described Unit Area.

SECTION 30. JOINDER IN DUAL CAPACITY: Execution as herein provided by any party either as a Working Interest Owner or as a Royalty Owner shall commit all interests that may be owned or controlled by such party.

SECTION 31. TAXES: Each party hereto shall, for its own account, render and pay its share of any taxes levied against or measured by the amount or value of the Unitized Substances produced from the unitized land; provided, however, that if it is required or if it be determined that the Unit Operator or the several Working Interest Owners must pay or advance said taxes for the account of the parties hereto, it is hereby expressly agreed that the parties so paying or advancing said taxes shall be reimbursed therefor by the parties hereto, including Royalty Owners, who may be responsible for taxes on their respective allocated share of said Unitized Substances. No such taxes shall be charged to the State of New Mexico, or to any lessor who had a contract with a lessee which requires his lessee to pay such taxes.

SECTION 32. PERSONAL PROPERTY EXCEPTED: All lease and well equipment, materials and other facilities heretofore or hereafter placed by any of the Working Interest Owners on the lands covered hereby shall be deemed to be and shall remain personal property belonging to the respective Working Interest Owners. The rights and interest therein as among Working Interest Owners are covered by the Unit Operating Agreement.

SECTION 33. 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.

SECTION 34. STATUTORY UNITIZATION. If and when Working Interest Owners owning at least seventy-five percent (75%) Unit Participation and Royalty Owners owning at least seventy-five percent (75%) Royalty Interest have become parties to this Agreement or have approved this Agreement in writing and such Working Interest Owners have also become parties to the Unit Operating Agreement, Unit Operator may make application to the Division for statutory unitization of the uncommitted interests pursuant to the Statutory Unitization Act (Chapter 65, Article 14, N.M.S. 1953 Annotated). If such application is made and statutory unitization is approved by the Division, then effective as of the date of the Division's order approving statutory unitization, this Agreement and/or the Unit Operating Agreement shall automatically be revised and/or amended in accordance with the following:

(1) Section 13 of this Agreement shall be revised by substituting for the entire said section the following:

"SECTION 13. TRACTS QUALIFIED FOR PARTICIPATION. On and after the Effective Date hereof, all Tracts within the Unit Area shall be entitled to participation in the production of Unitized Substances."

(2) Section 22 of this Agreement shall be revised by substituting for the first three paragraphs of said section the following:

"SECTION 22. EFFECTIVE DATE AND TERM. This Agreement shall become effective on the first day of the calendar month next following the effective date of the Division's order approving statutory unitization upon the terms and conditions of this Agreement, as amended (if any amendment is necessary) to conform to the Division's order; approval of this Agreement, as so amended, by the Commissioner; and the filing by Unit Operator of this Agreement or notice thereof for record in the office of the County Clerk of Chaves County, New Mexico. Unit Operator shall not file this Agreement or notice thereof for record, and hence this Agreement shall not become effective, unless within ninety (90) days after the date all other prerequisites for effectiveness of this Agreement have been satisfied, such filing is approved by Working Interest Owners owing a combined Unit Participation of at least sixty-five percent (65%) as to all Tracts within the Unit Area.

(3) This Agreement and/or the Unit Operating Agreement shall be amended in any and all respects necessary to conform to the Division's order approving statutory unitization.

Any and all amendments of this Agreement and/or the Unit Operating Agreement that are necessary to conform said agreements to the Division's order approving statutory unitization shall be deemed to be hereby approved in writing by the parties hereto without any necessity for further approval by said parties.

SECTION 35. CORRECTION OF ERRORS: It is hereby agreed by all parties to this agreement that Unit Operator is empowered to correct any mathematical or clerical errors which may exist in the pertinent exhibits to this agreement; provided, however, that correction of any error other than mathematical or clerical shall be made by Unit Operator only after first having obtained approval of Working Interest Owners having a combined Unit Participation of fifty percent (50%) or more and the Commissioner.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed as of the first above written and have set opposite their respective names the date of execution.

OPERATOR

PELTO OIL COMPANY

By: *G. B. Murrell*
G. B. Murrell, Vice President-Land

Address: One Allen Center
Suite 1800
500 Dallas Street
Houston, Texas 77002

ATTEST:

L. G. Ferszt
L. G. Ferszt, Assistant Secretary

Date: August 4, 1987

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The foregoing instrument was acknowledged before me this 4th day of August, 1987, by G. B. MURRELL, Vice President of PELTO OIL COMPANY, a Delaware corporation, on behalf of said corporation.

LLANA M. DOBBIE
Notary Public, State of Texas

LLANA M. DOBBIE
Notary Public in and for the State of Texas
My Commission Expires August 3, 1989

UNIT OPERATOR AND WORKING INTEREST OWNERS

ATTEST:

Date: _____

By: _____

Address: _____

ATTEST:

Date: _____

By: _____

Address: _____

ATTEST:

By: _____

Date: _____

Address: _____

J47/7

UNIT AGREEMENT
TWIN LAKES SAN ANDRES UNIT
CHAVES COUNTY, NEW MEXICO

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EXHIBIT C

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION OF THE
TWIN LAKES SAN ANDRES UNIT
CHAVES COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the 1st day of June, 1987, by and between the parties subscribing, ratifying or consenting hereto, and herein referred to as "parties hereto";

W I T N E S S E T H T H A T :

WHEREAS, the parties hereto are the owners of working, royalty or other oil and gas interests in the Unit Area subject to this agreement; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by law (Sec. 3, Chap. 88, Laws 1943) as amended by Dec. 1 of Chapter 162, Laws of 1951, (Chap. 19, Art. 10, Sec. 45, N.M. Statutes 1978 Annot.), to consent to and approve the development or operation of State lands under agreements made by lessees of State land jointly or severally with other lessees where such agreements provide for the unit operation or development of part of or all of any oil or gas pool, field or area; and

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by an Act of the Legislature (Sec. 1, Chap. 162, Laws of 1951; Chap. 19 Art. 10 Sec. 47, N.M. Statutes 1978 Annot.) to ammend with the approval of lessee, evidenced by the lessee's execution of such agreement or otherwise, any oil and gas lease embracing State lands so that the length of the term of said lease may coincide with the term of such agreements for the unit operation and development of part or all of any oil or gas pool, field or area; and

WHEREAS, the Oil Conservation Division of the Energy & Minerals Department of the State of New Mexico or any successor agency is authorized

by law (Chap. 72, Laws 1935, as amended, being Sec. 70-2-1 et seq. and Section 70-7-1 et seq., etc., New Mexico Statutes, 1978 Annotated) to approve this agreement and the conservation provisions hereof; and

WHEREAS, the parties hereto hold sufficient interests in the Twin Lakes Unit Area, comprised of the land hereinafter designated, to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to enable institution and consummation of secondary and/or enhanced oil recovery operations, conserve natural resources, prevent waste and secure the other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions and limitations herein set forth.

NOW THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the Unitized Formation underlying the Unit Area, and agree severally among themselves as follows:

SECTION 1. ENABLING ACT AND REGULATIONS: The oil and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations not inconsistent with the terms hereof or the laws of the State of New Mexico are hereby accepted and made a part of this agreement.

SECTION 2. DEFINITIONS: For the purpose of this agreement, the following terms and expressions as used herein shall mean:

- (a) "Unit Area" is defined as the land depicted on Exhibit "A" and described by Tracts in Exhibit "B" attached hereto, and said land is hereby designated and recognized as constituting the Unit Area.
- (b) "Commissioner" is defined as the Commissioner of Public Lands of the State of New Mexico.
- (c) "Division" is defined as the Oil Conservation Division of the State of New Mexico.
- (d) "Unitized Formation" is defined as that stratigraphic equivalent of that interval occurring between the Top of the P1 and base of

the P2 Zone of the San Andres Formation, said P1 and P2 Zone interval being identified as that interval occurring between 2708 feet and 2798 feet in the Pelto Oil Company O'Brien "L" No. 16 Well located 2,310 feet from the north line and 1,675 feet from the east line of Section 6, Township 9 South, Range 29 East, N.M.P.M., Chaves County, New Mexico as recorded on the Dual Laterolog of said well dated December 23, 1984.

- (e) "Unitized Substances" is defined as 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.
- (f) "Working Interest" is defined as an interest in Unitized Substances by virtue of a lease, operating agreement or otherwise, including a carried or net profits 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, ratifies or consents to this agreement shall thereafter be treated as a Working Interest for all purposes of this agreement.
- (g) "Royalty Interest" is defined as a right to or interest in any portion of the Unitized substances or proceeds thereof other than a Working Interest.
- (h) "Working Interest Owner" is defined as a party hereto who owns a Working Interest.
- (i) "Royalty Owner" is defined as a party hereto who owns a Royalty Interest.
- (j) "Tract" is defined as each parcel of land described as such and given a Tract number in Exhibit "B".
- (k) "Tract Participation" is defined as the percentage, expressed as a decimal fraction, of Unitized Substances allocated hereunder to a Tract as hereinafter defined. The Tract Participation of the Tracts within the Unit Area is shown on Exhibit "C" attached hereto.
- (l) "Unit Participation" is defined as the sum of the percentages, expressed as decimal fractions, obtained by multiplying the

Working Interest of a Working Interest Owner in each Tract having Tract Participation by the Tract Participation of such Tract.

- (m) "Unit Operating Agreement" is defined as any agreement or agreements entered into, separately or collectively, by and between the Unit Operator and the Working Interest Owners as provided in Section 9, Accounting Provisions and Unit Operating Agreement, *infra*, and shall be styled "Unit Operating Agreement, Twin Lakes San Andres Unit, Chaves County, New Mexico".
- (n) "Unit Manager" is defined as the person or corporation appointed by the Unit Working Interest Owners to perform the duties of the Unit Operator until the selection and qualification of a successor Unit Operator as provided for in Section 8, Successor Unit Operator, hereof.

SECTION 3. UNIT AREA: The area specified on the map attached hereto marked Exhibit "A" is hereby designated and recognized as constituting the Unit Area, containing 4,863.82 acres, more or less.

Exhibit "A" to the extent known to Unit Operator, shows the boundaries and identity of Tracts and leases in the Unit Area. Exhibit "B" attached hereto is a schedule showing, to the extent known to Unit Operator, the acreage comprising each Tract and the percentage of ownership of each Working Interest Owner in each Tract. However, nothing herein or in said schedule or map shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest as are shown in said map or schedule as being owned by such party. Exhibit "C" attached hereto is a schedule showing the Tract Participation of each Tract in the Unit Area which Tract Participation has been calculated upon the basis of all tracts within the Unit Area being committed to this agreement as of the effective date hereof.

Exhibits "A", "B", and "C" shall be revised by Unit Operator whenever changes render such revision necessary and not less than two copies of such revision shall be filed with the Commissioner and the Division.

SECTION 4. EXPANSION: The Unit Area may, when practicable, be expanded to include therein any additional Tract or Tracts regarded as

reasonably necessary or advisable for the purposes of this agreement. Such expansion shall be effected in the following manner.

(a) Seventy-five percent (75%) of the Working Interest Owners of a Tract or Tracts desiring to bring such Tract or Tracts into the Unit Area shall file an application therefor with Unit Operator requesting such admission.

(b) Unit Operator shall circulate a notice of the proposed expansion to each Working Interest Owner in the Unit and/or affected by the proposed expansion setting out the basis for admission, the Tract Participation proposed to be allocated to such Tract or Tracts, and other pertinent data. After negotiation (at Working Interest Owners' meeting or otherwise) if Working Interest Owners having a combined Unit Participation of seventy-five percent (75%) or more have agreed to such Tract or Tracts being brought into the Unit Area, then Unit Operator shall, after preliminary concurrence by the Commissioner and the Division:

- (1) Prepare a notice of proposed expansion describing the contemplated changes in the boundaries of the Unit Area, the reason therefor, the basis for admission of the additional Tract or Tracts, the Tract Participation to be allocated thereto, and the proposed effective date thereof; and
- (2) Furnish copies of said notice to the Commissioner and the Division, each Working Interest Owner and to the lessee and lessor whose interests are proposed to be committed, advising such parties that thirty (30) days will be allowed for for submission to the Unit Operator of any objections to such proposed expansion; and
- (3) File, upon the expiration of said thirty-day period as set out in Subsection (2) immediately above, with the Commissioner and Division the following: (a) Evidence of mailing copies of said notice of expansion; (b) An application for such expansion; (c) An instrument containing the appropriate joinders of both Working Interest Owners and Royalty Owners in compliance with the qualification requirements of Section 4.(a) and 4.(b) above; and (d) Copies of any objections received.

The expansion shall, after due consideration of all pertinent information and upon approval by the Commissioner and Division, become effective as of the date prescribed in the notice thereof. The revised Tract Participation of the respective Tracts included within the Unit Area prior to such enlargement shall remain in the same ratio one to another.

There shall never be any retroactive allocation or adjustment of operating expenses or of interest in the Unitized Substances produced (or the proceeds of the sale thereof) by reason of an expansion of the Unit Area; provided, however, this limitation shall not prevent any adjustment of investment necessitated by such expansion.

SECTION 5. UNITIZED LAND AND UNITIZED SUBSTANCES: All land committed to this agreement, as to the Unitized Formation defined in Section 2. Definitions, shall constitute land referred to herein as "Unitized Land" or "land subject to this agreement". All oil and gas in the Unitized Formation in the Unitized Land are unitized under the terms of this agreement and herein are called "Unitized Substances".

SECTION 6. UNIT OPERATOR: Pelto Oil Company is hereby designated as Unit Operator, and by signing this instrument as Unit Operator it agrees and consents to accept the duties and obligations of Unit Operator for the operation, development and production of Unitized Substances as herein provided. Whenever reference is made hereto to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interests in Unitized Substances, and the term "Working Interest Owner" when used herein shall include or refer to Unit Operator as the owner of a Working Interest when such an interest is owned by it.

SECTION 7. RESIGNATION OR REMOVAL OF UNIT OPERATOR: Unit Operator shall have the right to resign at any time, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six (6) months after written notice of intention to resign has been given by Unit Operator to all Working Interest Owners and the

Commissioner and Division unless a new Unit Operator shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

The Unit Operator shall, upon default or failure in the performance of its duties and obligations hereunder, be subject to removal only by unanimous vote of all Working Interest Owners other than Unit Operator. Such removal shall be effective upon notice thereof to the Commissioner and Division.

In all such instances of resignation or removal, until a successor to Unit Operator is selected and approved as hereinafter provided, the Working Interest Owners shall be jointly responsible for the performance of the duties of the Unit Operator and shall, not later than thirty (30) days before such resignation or removal becomes effective, appoint a Unit Manager to represent them in any action to be taken hereunder.

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title or interest as the owner of a Working Interest or other interest in Unitized Substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all equipment, books and records, materials, appurtenances and other assets used in conducting the Unit operations and owned by the Working Interest Owners (including any and all data and information which it might have gained or assembled by reason of its operation of the Unit Area) to the new duly qualified successor Unit Operator or to the Unit Manager if no such new Unit Operator is elected, to be used for the purpose of conducting Unit Operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment or appurtenances needed for the preservation of any wells. Nothing herein contained shall be construed to relieve or discharge any Unit Operator who resigns or is removed hereunder from any liability or duties accruing to or performable by it prior to the effective date of such resignation or removal.

SECTION 8. SUCCESSOR UNIT OPERATOR: Whenever Unit Operator shall tender its resignation as Unit Operator or shall be removed as hereinabove provided, the Working Interest Owners, voting in the manner provided in the Unit Operating Agreement, shall select a successor Unit Operator; provided, however, that the voting interest of the outgoing Unit Operator shall not be considered for any purpose if such outgoing Unit Operator fails to vote or votes only to succeed itself. Such selection of a successor Unit Operator shall not become effective until: (a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and (b) the selection shall have been approved by the Commissioner and Division. If no successor Unit Operator is selected as herein provided, the Commissioner may declare this agreement terminated.

SECTION 9. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT: All costs and expenses incurred by Unit Operator in connection with the organization and formation of the Unit as well as those costs and expenses incurred in conducting Unit Operations hereunder shall be paid, apportioned among and borne by the Working Interest Owners in accordance with the Unit Operating Agreement. Such Unit Operating Agreement shall also provide the manner in which the Working Interest Owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereunder in conformity with their underlying operating agreements, leases or other independent contracts and such other rights and obligations as between Unit Operator and the Working Interest Owners as may be agreed upon by the Unit Operator and the Working Interest owners; however, no such Unit Operating Agreement shall be deemed either to modify any of the terms and conditions of this Unit Agreement or to relieve the Unit Operator of any right or obligation established under this agreement, and in case of any inconsistency or conflict between this agreement and the Unit Operator Agreement, this agreement shall prevail. One true copy of any Unit Operating Agreement executed pursuant to this Section shall be filed with

the Commissioner and one true copy shall be filed in the Official Records of Chaves County, New Mexico.

SECTION 10. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR: Except as otherwise specifically provided herein, the exclusive right, privilege and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the Unitized Substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Upon request therefor, acceptable evidence of title to said rights shall be deposited with said Unit Operator, and together with this agreement shall constitute and define the rights, privileges and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

SECTION 11. PLAN OF OPERATIONS: It is recognized and agreed by the parties hereto that all of the land subject to this agreement has been reasonably proven to be productive of Unitized Substances in paying quantities or is necessary for Unit Operations and that the object and purpose of this agreement is to formulate and to put into effect a secondary enhanced oil recovery project in order to effect a greater recovery of Unitized Substances, prevent waste and conserve natural resources. The parties hereto agree that the Unit Operator may, subject to the consent and approval of a plan of operation by the Working Interest Owners, the Division and the Commissioner, inject into the Unitized Formation, through any well or wells completed therein, brine, water, air, gas, oil, liquefied petroleum gas, steam and any other substance or a combination of any of said substances, whether produced from the Unitized Formation or not, and that the location of input wells and the rates of injection therein and the rate of production shall be governed by standards

of good geologic and petroleum engineering practices and conservation methods. Reasonable diligence shall be exercised by Unit Operator in complying with the obligations of any approved plan of operation. The parties hereto, to the extent they have the right so to do, hereby grant Unit Operator the right to use brine or water (or both) produced from any formation underlying the Unit Area for injection into the Unitized Formation; provided, however, that this grant of said right shall not preclude or restrict the use of brine or water (or both) produced and/or transported from sources other than the Unit Area for injection into the Unitized Formation. After commencement of secondary and/or enhanced oil recovery operations, Unit Operator shall furnish the Commissioner and the Division monthly injection and production reports for each well in the Unit. The Working Interest Owners, the Commissioner and the Division shall be furnished periodic reports on the progress of the plan of operation and any revisions or changes thereto necessary to meet changed conditions or to protect the interests of all parties to this agreement; provided, however that any major revisions of the plan of operation involving a basic deviation from the initial plan of operation shall be subject to the consent and approval of the Working Interest Owners, the Commissioner and Division.

The Initial plan of operation shall be filed with the Division and the Commissioner concurrently with the filing of this Unit Agreement for final approval. Reasonable diligence shall be exercised in complying with the obligations of said plan of operation.

Notwithstanding anything to the contrary herein contained, the Unit Operator shall commence, if not already having done so, operations requisite to secondary and/or enhanced oil recovery on the Unit Area not later than six (6) months after the effective date of this Agreement, or any extension thereof approved by the Commissioner and Division, or this Agreement shall terminate automatically in which latter event the Unit Operator shall notify all interested parties. After such

operations are commenced, Unit Operator shall carry on such operations as would a reasonably prudent operator under the same or similar circumstances.

SECTION 12. TRACT PARTICIPATION: The Tract Participation set forth in Exhibit "C" for each Tract within the Unit Area have been calculated and determined for in accordance with the following formulas:

WHERE:

A = Tract Cumulative Oil Produced to 4-1-86

B = Tract Remaining Oil Reserves At 4-1-86
(Using 1 BOPD/Well Cutoff)

C = Total Unit Area Cumulative Oil Production to 4-1-86

D = Total Unit Area Remaining Oil Reserves at 4-1-86
(Using 1 BOPD/Well Cutoff)

THEN:

$$\text{Tract Participation} = \frac{A + B}{C + D}$$

Such of Tract Participation have been calculated upon the basis of all of said Tracts within the Unit Area being committed to this agreement as of the effective date hereof, and such Tract Participations shall govern the allocation of all Unitized Substances produced after the effective date hereof, subject, however, to any revision or revisions of the Unit Area and Exhibit "C" in accordance with the provisions hereof.

In the event less than all of the Tracts are committed hereto as of the effective date hereof Unit Operator shall promptly file with the Commissioner and Division at least two copies of revised Exhibits "B" and "C" setting forth on Exhibit "C" the revised Tract Participations opposite each of the qualified tracts, which shall be calculated by using the tract

UNIT OPERATING AGREEMENT
TWIN LAKES SAN ANDRES
CHAVES COUNTY, NEW MEXICO

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UNIT OPERATING AGREEMENT - TWIN LAKES SAN ANDRES UNIT
CHAVES COUNTY, NEW MEXICO

THIS AGREEMENT, entered into as of the 1st day of June, 1987, 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, the parties hereto as Working Interest Owners have executed, as of the date hereof, an agreement entitled, "Unit Agreement for the Development and Operation of the Twin Lakes San Andres Unit, Chaves County, New Mexico", herein referred to as "Unit Agreement", which, among other things, provides for a separate agreement to be entered into by Working Interest Owners pertaining to the development and operation of the Unit Area as therein defined;

NOW THEREFORE, in consideration of the mutual agreements herein set forth, it is agreed as follows:

ARTICLE 1

CONFIRMATION OF UNIT AGREEMENT AND ADOPTION OF DEFINITIONS

1.1 Confirmation of Unit Agreement. The Unit Agreement and all exhibits attached thereto or any revisions thereof are hereby confirmed and by reference made a part of this agreement. If there is any conflict between the Unit Agreement and this agreement, the Unit Agreement shall govern, except as otherwise provided in Article 12 hereof.

1.2 Adoption of Definitions. The definitions in the Unit Agreement and the following additional definitions are adopted for all purposes of this agreement:

(a) "Unit Operations" is defined as all operations conducted by Working Interest Owners or Unit Operator pursuant to this agreement for or on account of the development and operation of the Unitized Formation for the production of Unitized Substances.

(b) "Unit Equipment" is defined as 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.

(c) "Unit Expense" is defined as all cost, expense or

indebtedness incurred by Working Interest Owners or Unit Operator pursuant to this agreement as well as all necessary pre-unitization costs or expenses incurred for or on account of Unit Operations.

(d) "Tract Operator" is defined as the respective operator of each tract within the Unit Area prior to unitization.

ARTICLE 2
EXHIBITS

2.1 Exhibits. The following exhibits are incorporated herein by reference:

2.1.1 Exhibits "A", "B" and "C" of the Unit Agreement.

2.1.2 Exhibit "D", attached hereto, which is a schedule showing the Working Interest of each Working Interest Owner in each Tract listed in Exhibit "C", the percentage of total Unit Participation attributable to each such interest, and the total Unit Participation of each Working Interest Owner. Exhibit "D", or a revision thereof, shall not be conclusive as to the information therein, except it may be used as showing the Unit Participation of the Working Interest Owners for purposes of this agreement until shown to be in error or is revised as herein authorized.

2.1.3 Exhibit "E", attached hereto, which is the Accounting Procedure applicable to development and operation of the Unit Area. If there is any conflict between this agreement and Exhibit "E", this agreement shall govern.

2.1.4 Exhibit "F", attached hereto, which contains insurance provisions applicable to Unit Operations.

2.2 Revision of Exhibits. Whenever Exhibit "C" is revised, Exhibit "D" shall be revised accordingly and all such changes shall be effective as of the same date. Unit Operator shall also revise Exhibit "D" from time to time as required to conform to changes in ownership of which Unit Operator has been notified as provided in the Unit Agreement.

ARTICLE 3
SUPERVISION OF OPERATIONS BY WORKING INTEREST OWNERS

3.1 Overall Supervision. Working Interest Owners shall exercise overall supervision and control of all matters pertaining to Unit Operations pursuant to this agreement and the Unit Agreement. In the exercise of such authority, each Working Interest Owner shall act solely in

its own behalf in the capacity of an individual owner and not on behalf of the owners as an entirety.

3.2 Specific Authorities and Duties. The matters with respect to which the Working Interest Owners shall decide and take action shall include, but not be limited to, the following:

3.2.1 Method of Operation. The method of operation, including any type of pressure maintenance, secondary recovery, or other recovery program to be employed.

3.2.2 Drilling of Wells. The drilling of any well whether for production of Unitized Substances, for use as an injection well, or for other purposes.

3.2.3 Change of Well Status. The abandonment or the conversion of any producing well to an injection well or to a well to be used for any purpose other than production of Unitized Substances.

3.2.4 Expenditures. The making of any single expenditure in excess of Twenty Thousand Dollars (\$20,000.00), subject, however, to the provisions of Section 7.9 hereof; provided, that approval by Working Interest Owners of the drilling, reworking, deepening, or plugging back of any well shall include approval of all necessary expenditures required therefor, and for completing, testing and equipping the same, including necessary flow lines, separators and lease tankage.

3.2.5 Disposition of Unit Equipment. The Unit Operator shall have the right to sell or otherwise dispose of any item of surplus Unit Equipment.

3.2.6 Appearance Before a Court or Regulatory Agency. The designating of Unit Operator to appear before any court or regulatory agency in matters pertaining to Unit Operations; provided, however, that Working Interest Owners shall in the event Unit Operator is unable to appear designate an alternate representative; and provided, further, that such designation shall not prevent any Working Interest Owner from appearing in person or from designating another representative in its own behalf.

3.2.7 Audits. The auditing of the accounts of Unit Operator pertaining to Unit Operations hereunder; provided that, the audits shall:

(a) not be conducted more than once each year except upon the resignation or removal of Unit Operator and;

(b) be made upon the approval of the Owner or Owners of a majority of Working Interest other than that of Unit Operator, at the expense of all Working Interest Owners other than the Working Interest Owner designated as Unit Operator, or;

(c) be made at the expense of those Working Interest owners requesting such audit if owners of less than a majority of Working Interest, other than that of Unit Operator, request such audit, and;

(d) be made upon not less than thirty (30) days' written notice to Unit Operator.

3.2.8 Inventories. The taking of periodic inventories under the terms of Exhibit "E".

3.2.9 Technical Services. The authorizing of charges to the joint account for services by consultants or Unit Operator's technical personnel in excess of \$5000.00 and not covered by the overhead charges provided by Exhibit "E".

3.2.10 Assignments to Committees. The appointment of committees to study any problems in connection with Unit Operations.

3.2.11 The removal of Unit Operator and the selection of a successor.

3.2.12 The expansion of the Unit.

3.2.13 The adjustment of investments.

3.2.14 The termination of the Unit Agreement.

ARTICLE 4

MANNER OF EXERCISING SUPERVISION

4.1 Designation of Representatives. Not later than thirty (30) days after the effective date hereof, each Working Interest Owner shall inform Unit Operator in writing of the names and addresses of the representative and alternate who are authorized to represent and bind such Working Interest Owner with respect to Unit Operations. The representative or alternate may be changed from time to time by written notice to Unit Operator.

4.2 Meetings. All meetings of Working Interest Owners shall be called by Unit Operator upon its own motion or at the request of two or more Working Interest Owners having a total voting interest of not less than ten percent (10%). No meeting shall be called on less than fourteen (14) days' advance written notice, with agenda for the meeting attached. Working Interest Owners who attend the meeting shall not be prevented from amending items included in the agenda or from deciding the amended item or other items presented at the meeting. The representative of Unit Operator shall be chairman of each meeting.

4.3 Voting Procedure. Working Interest Owners shall decide all matters coming before them as follows:

4.3.1 Voting Interest. Each Working Interest Owner shall have a voting interest equal to its Unit Participation in effect at the time of the vote.

4.3.2 Vote Required - Generally. Unless otherwise provided herein or in the Unit Agreement, all matters shall be decided by an affirmative vote of seventy-five percent (75%) or more of the voting interest, said voting interest to include two or more Working Interest

Owners.

4.3.3 Vote at Meeting by Nonattending Working Interest Owner. Any Working Interest Owner who is not represented at a meeting may vote by letter or telegram addressed to the representative of the Unit Operator if its vote is received prior to the actual vote taken at such meeting.

4.3.4 Poll Votes. Working Interest Owners may vote on and decide, by letter or telegram, any matter submitted in writing to Working Interest Owners. If a meeting is not requested, as provided in Section 4.2, within seven (7) days after a written proposal is sent to Working Interest Owners, the vote taken by letter or telegram shall become final. Unit Operator will give prompt notice of the results of such vote to all Working Interest Owners.

ARTICLE 5

INDIVIDUAL RIGHTS OF WORKING INTEREST OWNERS

5.1 Reservation of Rights. Working Interest Owners severally reserve to themselves all their rights, except as otherwise provided in this agreement and the Unit Agreement.

5.2 Specific Rights. Each Working Interest Owner shall have, among others, the following specific rights:

5.2.1 Access to Unit Area. Access to the Unit Area at all reasonable times to inspect Unit Operations, all wells, and the records and data pertaining thereto.

5.2.2 Reports. The right to receive from Unit Operator, upon written request, copies of all reports to any governmental agency. The cost of gathering and furnishing information not ordinarily furnished by Unit Operator to all Working Interest Owners shall be charged to the Working Interest Owner who requests the information.

ARTICLE 6

UNIT OPERATOR

6.1 Initial Unit Operator. Pelto Oil Company is hereby designated as Unit Operator.

6.2 Resignation or Removal - Selection of Successor. The resignation or removal of Unit Operator and the selection of a successor shall be governed by the provisions of the Unit Agreement.

ARTICLE 7
AUTHORITIES AND DUTIES OF UNIT OPERATOR

7.1 Exclusive Right to Operate Unit. Subject to the provisions of this agreement and to the orders, directions and limitations rightfully given or imposed by Working Interest Owners, Unit Operator shall have the exclusive right and shall be obligated to develop and operate the Unit Area for the production of Unitized Substances.

7.2 Workmanlike Conduct. Unit Operator shall conduct Unit Operations in a good and workmanlike manner as would a prudent operator under the same or similar circumstances. Unit Operator shall freely consult with Working Interest Owners and keep them informed of all matters which Unit Operator, in the exercise of its best judgment, considers important. Unit Operator shall not be liable to Working Interest Owners for damages, unless such damages result from its gross negligence or willful misconduct.

7.3 Liens and Encumbrances. Unit Operator shall endeavor to keep the lands and leases in the Unit Area free from all liens and encumbrances occasioned by Unit Operations, except the lien of Unit Operator granted hereunder.

7.4 Employees. The number of employees used by Unit Operator in conducting Unit Operations, their selection, hours of labor and compensation shall be determined by Unit Operator. Such employees shall be employees of Unit Operator.

7.5 Records. Unit Operator shall keep correct books, accounts and records of Unit Operations.

7.6 Reports to Working Interest Owners. Unit Operator shall furnish to Working Interest Owners periodic reports of Unit Operations.

7.7 Reports of Governmental Authorities. Unit Operator shall make all reports to governmental authorities that it has the duty to make as Unit Operator.

7.8 Engineering and Geological Information. Unit Operator shall furnish to each Working Interest Owner, upon its written request, a copy of the log and other engineering and geological data pertaining to wells drilled for Unit Operations.

7.9 Expenditures. Unit Operator is authorized to make single expenditures not in excess of Twenty Thousand Dollars (\$20,000.00) without prior approval of Working Interest Owners. If an emergency occurs, Unit Operator may immediately make or incur such expenditures as in its opinion are required to deal with the emergency. Unit Operator shall report to Working Interest Owners, as promptly as possible, the nature of the emergency and the action taken.

7.10 Wells Drilled by Unit Operator. All wells drilled by Unit Operator shall be at the usual rates prevailing in the area. Unit Operator may employ its own tools and equipment, but the charge therefor shall not exceed the prevailing rate in the area, and the work shall be performed by Unit Operator under the same terms and conditions as are usual in the area in contracts of independent contractors doing work of a similar nature.

7.11 Border Agreements. The Unit Operator, with the approval by formal vote of seventy-five percent (75%) of the Working Interest Owners, may enter into a border protection agreement or agreements with Working Interest Owners of the adjacent lands along the exterior boundary of the Unit Area with respect to any cooperative operations in the border area for the proper protection of the parties and interests.

ARTICLE 8
TAXES

8.1 Ad Valorem Taxes. Unit Operator shall, beginning with the first calendar year after the Unit Agreement becomes effective, make and file all necessary ad valorem tax renditions and returns with the proper taxing authorities covering all real and personal property of each Working Interest Owner used or held by Unit Operator in Unit Operations. Unit Operator shall settle assessments arising therefrom. All such ad valorem taxes shall be paid by Unit Operator and charged to the joint account.

8.2 Other Taxes. Unit Operator shall pay or cause to be paid on behalf of each Working Interest Owners all production, severance, gathering, and other taxes imposed upon or in respect of the production or handling of its share of Unitized Substances.

ARTICLE 9
INSURANCE

9.1 Insurance. Unit Operator, with respect to Unit Operations and at Unit Expense, shall do the following:

9.1.1 Comply with the Workmen's Compensation Act of the State of New Mexico.

9.1.2 Carry Employer's Liability and other insurance as required by the laws of the State of New Mexico.

9.1.3 Provide other insurance as set forth in Exhibit "F".

ARTICLE 10
ADJUSTMENT OF INVESTMENTS

10.1 Personal Property Taken Over. Upon the effective date hereof, Working Interest Owners shall deliver to Unit Operator the following:

10.1.1 Wells. All wells completed in the Unitized Formation, together with the casing therein.

10.1.2 Well and Lease Equipment. The casing and tubing in each such well, all subsurface equipment therein including sucker rods and pumps, the wellhead connections thereon, and all other well and lease equipment that is used in the operation of such wells which Unit Operator determines is necessary or desirable for conducting Unit Operations. Unit Operator shall have up to six (6) months after the effective date in which to make such determination, and all such property that is determined to be surplus shall be returned in the same condition less usual depreciation to each Tract Operator who was responsible for delivery same to Unit Operator. There shall be no charge to the Unit for the use of any such surplus property during this six (6) month period. The individual Tract Operators shall have ninety (90) days from the date of notification in which to remove the surplus property returned to them. Surplus property shall then be disposed of by each Tract Operator in accordance with the respective joint operating agreement which governs each Tract. If the surplus property has not been removed from the Unit Area within the ninety (90) day period, then Unit Operator shall have the right to dispose of the property in a good and workmanlike manner as would a prudent operator under the same or similar circumstances. Any proceeds received upon disposition, in excess of removal and clean-up costs, will be disbursed to the Working Interest Owners in the specific Tract. Any costs in excess of proceeds received upon disposition will be charged to the Working Interest Owners in the specific Tract.

10.1.3 Records. A copy of all production and well records that pertain to such wells.

10.2 Inventory and Evaluation of Personal Property. The Working Interest Owners shall appoint an inventory committee which shall, as of the effective date hereof or as soon thereafter as feasible, cause to be taken under the supervision of the Unit Operator at Unit Expense, joint physical inventories of lease and well equipment within the Unit Area, which inventories shall be used as a basis for determining the controllable items of equipment to be taken over by the Unit Operator hereunder.

In the absence of an inventory committee Unit Operator shall engage at Unit Expense a qualified independent firm to serve in place of an inventory committee. Such inventories shall include and be limited to those items of equipment normally considered controllable by operators of oil and gas properties except that certain items of equipment normally considered noncontrollable, such as sucker rods, subsurface pumps and other items as determined by the Working Interest Owners may be included in the inventories in order to insure a more equitable adjustment of investment. All other noncontrollable items of lease and well equipment installed within the Unit Area, although excluded from the inventories, which the Unit Operator decides are necessary and usable in Unit Operations, shall nevertheless be taken over by the Unit Operator. After the determination by Unit Operator as to surplus property, such inventories covering equipment taken over by the Unit Operator under Subsection 10.1.2 and retained for Unit Operations, shall be priced in accordance with the provisions of Exhibit "E", Accounting Procedure, attached hereto and made a part hereof, or at an appraised value as determined by the inventory committee; such pricing shall be performed under the supervision of, by the personnel of, and in the offices of the Unit Operator, with the inventory committee furnishing such additional pricing help as may be available and necessary. Casing shall be included in the inventory for record purposes but shall be excluded from pricing and investment adjustment.

10.3. Investment Adjustment. Upon approval by Working Interest Owners of the inventory and evaluation, investments shall be adjusted as follows:

10.3.1 Initial Adjustment of Investments. Each Working Interest Owner shall be credited with the value, as determined in accordance with Section 10.2 above, of its interest in all personal property taken over by Unit Operator under Section 10.1.2 and charged with an amount equal to that obtained by multiplying the total value of all such personal property taken over by Unit Operator under Section 10.1.2 by such Working Interest Owner's Unit Participation, as shown on Exhibit "C". If the charge against any Working Interest Owner is greater than the amount credited to such Working Interest Owner, the resulting net charge shall be paid and in all other respects be treated as any other item of Unit Expense chargeable against such Working Interest Owner. If the credit to any Working Interest Owner is greater than the amount charged against such Working Interest Owner, the resulting net credit shall be paid to such Working Interest Owner by Unit Operator out of funds received by it in settlement of the net charges described above.

10.4. General Facilities. The acquisition of general facilities which service more than one lease and which are necessary for Unit Operations

shall be by negotiation between the owners thereof and Unit Operator, subject to the approval of Working Interest Owners. There shall be no adjustment for lease roads or appurtenances thereto. General facilities which are owned one-hundred percent (100%) by the Unit Operator shall be acquired by negotiation between the Unit Operator and the Working Interest Owners. General facilities owned one-hundred (100%) by the Unit Operator and which are deemed to be necessary for Unit Operations are listed as follows:

(a) General Facilities Located Within the Unit Area

Warehouse Building and Yard
Office Building and furnishings
Warehouse Stock (Including Tools)
Shop Building
Lease Automatic Custody Transfer (L.A.C.T.)
Rolling Stock
Communication Equipment

(b) General Facilities Located Outside the Unit Area

Natural Gas Pipeline - Approximately three and four-tenths (3.4) miles of polymer pipeline with a starting point at the outlet of the compressor station and extending to a tie-in with a pipeline owned by Stevens Operating Corporation.

Source Water System - The source water system has not been constructed. The planned system consists of existing Ogalla water rights acquired by Unit Operator in addition to two wells, pump sites and rights-of-way from the water source to Twin Lakes Field. Such system will pipe water a distance of approximately 27 miles. As soon as practicable following the effective date hereof, Unit Operator will submit an AFE to construct the source water system for approval by the Working Interest Owners.

10.5 Exchange of Interest in and Ownership of Personal Property and Facilities. Each Working Interest Owner hereby exchanges, and agrees to exchange, its interest in all of the personal property and facilities described in Section 10.1.2 above for its proportionate interest, as shown on Exhibit C, from and after the time the same may hereafter become effective, in all such personal property and facilities described in Section 10.1.2. Each Working Interest Owner, individually, shall by virtue hereof own an undivided interest in all personal property and facilities taken over or otherwise acquired by Unit Operator pursuant to this agreement.

ARTICLE 11
DEVELOPMENT AND OPERATING COSTS

11.1 Basis of Charge to Working Interest Owners. Unit Operator initially shall pay and discharge all costs and expenses incurred in Unit Operations including all pre-unitization expenses required for organization and/or formation of the unit. Each Working Interest Owner shall reimburse Unit Operator for its share of Unit Expense in proportion to the respective Unit Participation of the parties hereto. All charges, credits, and accounting for Unit Expense shall be in accordance with Exhibit "E".

11.2 Budgets. Before or as soon as practical after the Effective Date hereof, Unit Operator shall prepare a budget of estimated Unit Expense for the remainder of the calendar year, and, on or before the first day of each September thereafter, shall prepare such a budget for the ensuing calendar year. A budget shall set forth the estimated Unit Expense by quarterly periods. Budgets shall be estimates only, and shall be adjusted or corrected whenever an adjustment or correction is proper. A copy of each budget and adjusted budget shall promptly be furnished to each Working Interest Owner.

11.3 Advance Billings. Unit Operator shall have the right without prejudice to any other rights or remedies, at its option to require Working Interest Owners to advance their respective proportions of such costs and expenses by submitting to Working Interest Owners, on or before the 15th day of any month, an itemized estimate of such costs and expenses for the succeeding two months with a request for payment in advance. If such advance is requested as to operating costs and expenses, the Working Interest Owners' proportionate shares thereof shall be deemed to be the same as for the preceding month, with an adjustment to be made on the basis of their actual proportionate shares thereof as determined at the end of the period for which such advance was requested. Within fifteen (15) days thereafter, each Working Interest Owner shall pay to Unit Operator its proportionate part of such estimate. Adjustment between estimates and the actual costs shall be made by Unit Operator at the close of each calendar month, and the accounts of the Working Interest Owners shall be adjusted accordingly.

11.4 Commingling of Funds. No funds received by Unit Operator under this agreement need be segregated or maintained by it as a separate fund, but may be commingled with its own funds.

11.5 Lien of Unit Operator. Effective as of the date this Unit Operating Agreement is filed for record in Chaves County, New Mexico, each Working Interest Owner grants to Unit Operator a lien upon its Working Interest in each Tract, its share of Unitized Substances when produced, and its interest in all Unit Equipment, as security for payment of its share of Unit Expense to the full extent allowed by State and Federal Statutes,

together with interest thereon at the prime rate charged by Chase Manhattan Bank of New York plus two percent (2%) per annum. To the extent that Unit Operator has a security interest under the Uniform Commercial Code, Unit Operator shall be entitled to exercise the rights and remedies of a secured party under the Code. Unit Operator shall have the right to bring suit to enforce collection of such indebtedness with or without seeking foreclosure of the lien. In addition, upon default by any Working Interest Owner in the payment of its share of Unit Expense, Unit Operator shall have the right to collect from the purchaser the proceeds from the sale of such Working Interest Owner's share of Unitized Substances until the amount owed by such Working Interest Owner, plus interest as aforesaid, has been paid. Each purchaser shall be entitled to rely upon Unit Operator's written statement concerning the amount of any default. Unit Operator grants a like lien and security interest to the Working Interest Owners.

11.6 Unpaid Unit Expense. If any Working Interest Owner fails to pay its share of Unit Expense within sixty (60) days after rendition of a statement therefor by Unit Operator, each Working Interest Owner agrees, upon request by Unit Operator, to pay its proportionate part of the unpaid share of Unit Expense of the defaulting Working Interest Owner. The Working Interest Owners that pay the share of Unit Expense of a defaulting Working Interest Owner shall be reimbursed by the Unit Operator for the amount so paid, plus any interest collected thereon, upon receipt by Unit Operator of any past due amount collected from the defaulting Working Interest Owner. Any Working Interest Owner so paying a defaulting Working Interest Owner's share of Unit Expenses shall be subrogated to the lien and rights herein granted Unit Operator.

11.7 Rentals and Minimum Royalties. The Working Interest Owner in each Tract shall, at its own expense, pay any and all rentals required to continue its lease in force, and any and all minimum royalties payable thereunder. Upon request of Unit Operator, each such Working Interest Owner shall furnish Unit Operator satisfactory evidence as to the payment of each such rental not less than thirty (30) days prior to the rental payment date and as to the payment of such minimum royalty payment when same is due. Unit Operator shall have the right, but shall be under no obligation, to pay any and all such rentals and minimum royalties on behalf of each such Working Interest Owner, and any and all amounts so paid by Unit Operator shall be charged solely to the account of such Working Interest Owner. In the event the Working Interest Owner in any Tract fails to pay any rental required to continue its lease in force as to such Tract or any minimum royalties payable under such lease and as a result said lease terminates or is cancelled as to such Tract, the termination or

cancellation of said lease as to such Tract shall be considered for all purposes of this agreement and the Unit Agreement to be a failure of title to said lease for reasons other than Unit Operations.

ARTICLE 12
OPERATION OF NON-UNITIZED FORMATIONS

12.1 Right to Operate in Non-Unitized Formations. Any Working Interest Owner now having, or hereafter acquiring, the right to drill for and produce oil, gas or other minerals, other than Unitized Substances, within the Unit Area shall have the full right to do so notwithstanding this agreement or the Unit Agreement. In exercising said right, however, such Working Interest Owner shall exercise every reasonable precaution to prevent unreasonable interference with Unit operations hereunder. No Working Interest Owner (other than Unit Operator) shall produce Unitized Substances through any well within the Unit Area drilled or operated by it. If any Working Interest Owner drills any well into or through the Unitized Formation, the Unitized Formation shall be protected during drilling operations by a drilling fluid satisfactory to Unit Operator, and following drilling operations, the Unitized Formation shall be protected by cement or by casing and cement and shall otherwise be protected in such a manner that the Unitized Formation and the production of Unitized Substances will not be adversely affected.

12.2 Multiple Completions. No well now or hereafter completed in Unitized Formation shall ever be completed as a multiple completion with any other formation or formations without the unanimous consent of Working Interest Owners.

ARTICLE 13
TITLES

13.1 Warranty and Indemnity. Each Working Interest Owner represents and warrants that it is the owner of the respective working interests set forth opposite its name in Exhibit "C" of the Unit Agreement and hereby agrees to indemnify and hold harmless the other Working Interest Owners from any loss due to failure, in whole or in part, of its title to any such interest, except failure of title arising out of Unit Operations; provided that, such indemnity shall be limited to an amount equal to the net value that has been received from the sale or receipt of Unitized Substances attributed to the Interest as to which title failed. Each failure of title will be deemed to be effective, insofar as this agreement is concerned, as of the first day of the calendar month in which such failure is finally determined, and there shall be no retroactive adjustment of Unit Expense, or retroactive allocation of Unitized Substances or the proceeds therefrom, as a result of title failure.

ARTICLE 14
LIABILITY, CLAIMS AND SUITS

14.1 Individual Liability. The duties, obligations and liabilities of Working Interest Owners shall be several and not joint or collective; and nothing herein contained shall ever be construed as creating a partnership of any kind, joint venture, association, or trust among Working Interest Owners.

14.2 Settlements. Unit Operator may settle any single damage claim or suit involving Unit Operations but not involving an expenditure in excess of Seven Thousand Five Hundred Dollars (\$7,500.00) provided the payment is in complete settlement of such claim or suit. If the amount required for settlement exceeds the above specified amount, Unit Operator shall notify Working Interest Owners and shall continue handling the claim or suit unless such authority is expressly denied by Working Interest Owners after notification. All costs and expense of handling, settling, or otherwise discharging such claim or suit shall be an item of Unit Expense. If a claim is made against any Working Interest Owner or if any Working Interest Owner is sued on account of any matter arising from Unit Operations and over which such Working Interest Owner individually has no control because of the rights given Working Interest Owners and Unit Operator by this agreement and the Unit Agreement, the Working Interest Owner shall immediately notify the Unit Operator, and the claim or suit shall be treated as any other claim or suit involving Unit Operations.

ARTICLE 15
INTERNAL REVENUE PROVISION

15.1 Internal Revenue Provision. Notwithstanding any provisions herein that the rights and liabilities of the parties hereunder are several and not joint or collective or that this agreement and the operations hereunder shall not constitute a partnership, if for Federal income tax purposes this agreement and the operations hereunder are regarded as a partnership, then each of the parties hereto hereby elects to be excluded from the application of all of the provisions of Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1954, as permitted and authorized by Section 761 of said Code and the regulation promulgated thereunder. Unit Operator is hereby authorized and directed to execute on behalf of each of the parties hereto such evidence of this election as may be required by the Secretary of the Treasury of the United States or by the Federal Internal Revenue Service, including specifically, but not by way of limitation, all of the returns, statements, and the data required by Federal Regulations 1.761-1 (a). Should there be any requirement that each party hereto further evidence this election, each party hereto agrees to

execute such documents and furnish such other evidence as may be required by the Federal Internal Revenue Service or as may be necessary to evidence this election. Each party hereto further agrees not to give any notices or take any other action inconsistent with the election made hereby. If any present or future income tax laws of the state or states in which the property covered by this agreement is located, or any future income tax laws of the United States, contain, or shall hereafter contain, provisions similar to those contained in Subchapter K, Chapter 1, Subtitle A, of the Internal Revenue Code of 1954, under which an election similar to that provided by Section 761 of said Subchapter K is permitted, each of the parties hereto hereby makes such election or agrees to make such election as may be permitted by such laws. In making this election, each of the parties hereto hereby states that the income derived by it from the operations under this agreement can be adequately determined without the computation of partnership taxable income.

ARTICLE 16

NOTICES

16.1 Notices. All notices required hereunder shall be in writing and shall be deemed to have been properly served when sent by mail or telegram to the address of the representative of each Working Interest Owner as furnished to Unit Operator in accordance with Article 4.

ARTICLE 17

WITHDRAWAL OF WORKING INTEREST OWNER

17.1 Withdrawal. A Working Interest Owner may withdraw from this Agreement by transferring, without warranty of title, either express or implied, to the other Working Interest Owners, ("transferees"), all its Oil and Gas Rights, exclusive of Royalty Interests, together with its interest in all Unit Equipment and in all wells used in Unit Operations. The instrument of transfer may be delivered to Unit Operator for the transferees. Such transfer shall not relieve the Working Interest Owner from any obligation or liability incurred prior to the date of the delivery of the instrument of transfer; however, the tender has to be accepted unless Working Interest Owners decide within ninety (90) days to terminate the Unit. The interest transferred shall be owned by the transferees in proportion to their respective Unit Participations in effect. The transferees, in proportion to the respective interest so acquired, shall pay transferor for its interest in Unit Equipment the net salvage value thereof as determined by Working Interest Owners. In the event such withdrawing party's interest in the aforesaid fair salvage value after deducting the estimated cost of salvaging same is less than the withdrawing

party's share of estimated cost of plugging and abandoning the wells then being used or held for Unit Operations, then as condition precedent to its withdrawal, the withdrawing party shall pay in cash to the succeeding to its interest a sum equal to the deficiency. Within sixty (60) days after receiving delivery of the transfer, Unit Operator shall render a final statement to the withdrawing owner for its share of Unit Expense, including any deficiency in salvage value, as determined by Working Interest Owners, incurred as of the first day of the month following the date of receipt of the transfer. Provided all Unit Expense, including any deficiency hereunder, due from the withdrawing owner has been paid in full within thirty (30) days after the rendering of such final statement by the unit Operator, the transfer shall be effective the first day of the month following its receipt by Unit Operator and, as of such effective date, withdrawing owner shall be relieved from all further obligations and liabilities hereunder and under the Unit Agreement, and the rights of the withdrawing Working Interest Owner hereunder and under the Unit Agreement shall cease insofar as they existed by virtue of the interest transferred.

ARTICLE 18

INTEREST CARVED OUT BY WORKING INTEREST OWNER

18.1 Carved-out Interest Subject to This Agreement. In the event any Working Interest Owner shall, after this Agreement becomes effective or after executing this agreement, whichever is earlier, create an overriding royalty, production payment, net profits, or carried interest, or any other interest out of its Working Interest then subject to this agreement, such carved-out interest shall be subject to the terms and provisions of this agreement, specifically including, but without limitation, Section 11.5 hereof, entitled "Lien of Unit Operator". In the event the Working Interest Owner creating such carved-out interest (i) fails to pay any costs or expenses chargeable to such Working Interest Owner under this agreement and the production of Unitized Substances accruing to the credit of such Working Interest Owner is insufficient for that purpose, or (ii) withdraws from this agreement under the terms and provisions of Article 17 hereof, the carved-out interest shall be chargeable with a prorata portion of all costs and expenses incurred hereunder and Unit Operator shall have the right to enforce against such carved-out interest the lien and all other rights granted in said Section 11.5 for the purpose of collecting the costs and expenses chargeable to said carved-out interest.

ARTICLE 19

ABANDONMENT OF WELLS

19.1 Rights of Former Owners. If Working Interest Owners decide to abandon permanently any well within the Unit Area prior to termination of the Unit Agreement, Unit Operator shall give written notice thereof to the

Working Interest Owners of the Tract on which the well is located, and they shall have the option for a period of ninety (90) days after the sending of such notice to notify Unit Operator in writing of their election to take over and own the well. Within ten (10) days after the Working Interest Owners of the Tract have notified Unit Operator of their election to take over the well, they shall pay Unit Operator, for credit to the joint account, the amount estimated by Working Interest Owners to be the salvage value of the casing and equipment in and on the well, except the casing therein if casing and equipment in and on the well, except the casing therein if contributed by such Working Interest Owners of the Tract under Section 10.1.1, less salvage costs. The Working Interest Owners of the Tract, by taking over the well, agree to seal off effectively and protect the Unitized Formation, and upon abandonment to plug the well in compliance with applicable laws and regulations.

19.2 Plugging. If the Working Interest Owners of a Tract do not elect to take over a well located thereon which is proposed for abandonment, Unit Operator shall plug and abandon the well at Unit expense in compliance with applicable laws and regulations.

ARTICLE 20 EFFECTIVE DATE AND TERM

20.1 Effective Date. This agreement shall be binding on each party who executes or ratifies the same as of the date of execution or ratification by such party, but shall not become effective for the purpose of conducting Unit Operations hereunder until the effective date of said Unit Agreement, which date shall also be the effective date of this agreement.

20.2 Term. This agreement shall continue in full force and effect so long as the Unit Agreement remains in force and effect, and thereafter until (a) all Unit Wells have been abandoned and plugged or turned over to the the Working Interest Owners in accordance with Article 21, (b) all Unit Equipment and real property acquired for the joint account have been disposed of by the Unit Operator in accordance with instructions of the Working Interest Owners, and (c) there has been a final accounting.

ARTICLE 21 ABANDONMENT OF OPERATIONS

21.1 Termination. Upon termination of the Unit Agreement, the following will occur:

21.1.1 Oil and Gas Rights. The oil and gas rights in and to each separate Tract shall no longer be affected by this agreement, and thereafter the parties shall be governed by the terms and provisions of the leases, contracts, and other instruments affecting the separate Tracts.

21.1.2 Right to Operate. Working Interest Owners of any Tract that desire to take over and continue to operate wells located thereon may do so by paying Unit Operator, for credit to the joint account, the net salvage value of the casing and equipment in and on the wells taken over, except the casing therein if contributed by such Working Interest Owners under Section 10.1.1 less salvage costs as estimated by Working Interest Owners, and by agreeing to plug properly each well at such time as it is abandoned.

21.1.3 Salvaging Wells. Unit Operator shall salvage as much of the casing and equipment in or on wells not taken over by Working Interest Owners of separate Tracts as can economically and reasonably be salvaged, and shall cause the wells to be plugged and abandoned properly.

21.1.4 Cost of Salvaging & Distribution of Assets. Working Interest Owners shall share the cost of salvaging and abandonment as well as distribution of assets and properties used in Unit Operation in proportion to their respective Unit Participations.

ARTICLE 22

EXCISE TAX PROVISIONS

22.1 Crude Oil Excise Tax. For the period during which excise taxes are payable under the Crude Oil Windfall Profit Tax Act of 1980 on any party's Unitized Substances, the first crude oil allocated to any Tract after distribution of any incremental stripper crude as hereinafter provided shall be the tax tier type of crude oil actually produced or considered to have been produced during the base period under I.R.C. regulations but not to exceed its Tract Participation share or the amount of such tax tier type of crude oil currently available. Any excess of a tax tier type of crude oil currently available. Any excess of a tax tier type of crude oil existing after the foregoing specific identification allocation shall be allocated to the remaining Tracts in the unit which have an underallocation of crude oil in proportion to the amount of their relative underallocations of crude oil. Anything hereinabove notwithstanding, any incremental stripper oil as defined under I.R.C. Section 4993 shall be allocated to each Tract in accordance with its Tract Participation prior to any other allocation of tax tier type of crude oil under this Article 21.1. In no case shall the sum of the different tax tier types of crude oil allocated to any Tract exceed the total amount of crude oil allocable under its Tract Participation.

ARTICLE 23

EXECUTION

23.1 Execution by Separate Counterparts or Ratifications. This agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all parties to the aggregate counterparts had signed the same instrument, or may be ratified by a separate instrument in writing referring to this agreement, each such ratification having the force and effect of an executed counterpart hereof and in effect incorporating by reference all of the provisions hereof.

ARTICLE 24

SUCCESSORS AND ASSIGNS

24.1 Successors and Assigns. This agreement shall constitute a covenant running with the lands and leases covered hereby, and shall be binding upon and inure to the benefit of the heirs, devisees, legal representatives, successors, and assigns of the parties hereto, respectively. Each assignment or other transfer of Working Interest by any party hereto shall be made expressly subject to this agreement and shall provide expressly that the transferee shall assume and be bound by all obligations accruing hereunder in respect to the Working Interest transferred from and after the assignment or other transfer.

24.2. Notice of Transfer. An assignment or other transfer of Working Interest that is subject to this agreement shall not be binding upon Unit Operator and shall not relieve the transferor of obligations accruing hereunder, until the first day of the calendar month next succeeding receipt by Unit Operator of written notice of such assignment or transfer accompanied by certified copy of the recorded instrument evidencing the transfer.

24.3 Six or More Owners. In the event that any Tract or Tracts subject to this agreement is owned or hereafter becomes owned by six (6) or more Working Interest Owners, then, in such event, said Working Interest Owners agree, upon request, to furnish Unit Operator with a recordable instrument executed by all such Working Interest Owners designating an agent to receive and be responsible for all costs, expenses, and credits related to Unit Operations and attributable to all such Working Interest Owners.

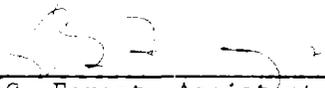
25.1 Governmental Regulations. Working Interest Owners agree to release Unit Operator from any and all losses, damages, injuries, claims and causes of action arising out of, incident to or resulting directly or indirectly from Unit Operator's interpretation or application of rules,

regulations or orders of any governmental agency or predecessor agencies to the extent Unit Operator's interpretation or application of such rules, rulings, regulations or orders were made in good faith. Working Interest Owners further agree to reimburse Unit Operator for their proportionate share of any amounts Unit Operator may be required to refund, rebate or pay as a result of an incorrect interpretation or application of the above noted rules, rulings, regulations or orders, together with their proportionate part of interest and penalties owing by Unit Operator as a result of such incorrect interpretation or application of such rules, ruling, regulations or orders.

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

UNIT OPERATOR AND WORKING INTEREST OWNER

ATTEST:



L. G. Ferszt, Assistant Secretary

Date Executed: August 4, 1987

PELTO OIL COMPANY

By: 

G. B. Murrell
Vice President - Land

Address: One Allen Center, Suite 1800
500 Dallas Street
Houston, Texas 77002

OTHER WORKING INTEREST OWNERS

ATTEST:

Date Executed: _____

By: _____
Its: _____

Address: _____

ATTEST:

By: _____

Its: _____

Date Executed: _____

Address: _____

J47/5

TLPARD.D.WRI
8-3-87

EXHIBIT "D"
TRACT & UNIT PARTICIPATION - TRACT BASIS
UNIT OPERATING AGREEMENT

TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
1	CITGO STATE 1	POC TRINIDAD PETROLEUM CORP HARBERT ENERGY CORP, AGENT COMM. OF PUBLIC LANDS H LEE HARVARD (BORN BY TRINIDAD & HARBERT ONLY)	WI	0.51500000	0.45062500	0.0160189	0.0082497	0.0072185
			WI	0.20989870	0.17933350	0.0160189	0.0033623	0.0028727
			WI	0.27510130	0.23504150	0.0160189	0.0044068	0.0037651
			RI		0.12500000	0.0160189	0.0000000	0.0020024
			OR		0.01000000	0.0160189	0.0000000	0.0001602
2	CITGO STATE 2 & 6	POC COMM. OF PUBLIC LANDS CITIES SERVICE	WI	1.00000000	0.79296680	0.0057700	0.0057700	0.0045754
			RI		0.12500000	0.0057700	0.0000000	0.0007213
			OR		0.08203120	0.0057700	0.0000000	0.0004733
3	CITGO STATE 3	POC TRINIDAD PETROLEUM CORP HARBERT ENERGY CORP, AGENT COMM. OF PUBLIC LANDS CITIES SERVICE	WI	0.75750000	0.58706250	0.0008767	0.0006641	0.0005147
			WI	0.10494940	0.08133580	0.0008767	0.0000920	0.0000713
			WI	0.13755060	0.10660170	0.0008767	0.0001206	0.0000935
			RI		0.12500000	0.0008767	0.0000000	0.0001096
			OR		0.10000000	0.0008767	0.0000000	0.0000877
4	CITGO STATE 4,5,7	POC W G STROECKER MARION WEEKS B & R WINTHER COMM. OF PUBLIC LANDS CITIES SERVICE	WI	1.00000000	1.00000000	0.0218646	0.0008767	0.0008767
			WI	0.84250000	0.65293750	0.0218646	0.0184209	0.0142762
			WI	0.07500000	0.05812500	0.0218646	0.0016398	0.0012709
			WI	0.07500000	0.05812500	0.0218646	0.0016398	0.0012709
			WI	0.00750000	0.00581250	0.0218646	0.0001640	0.0001271
			OR		0.12500000	0.0218646	0.0000000	0.0027331
			OR		0.10000000	0.0218646	0.0021865	
5	CITGO A STATE 1	POC COMM. OF PUBLIC LANDS CITIES SERVICE ROBERT L HAYNIE LEN HAYER GEORGE E CONLEY	WI	1.00000000	0.79296680	0.0040045	0.0040045	0.0031754
			RI		0.12500000	0.0040045	0.0000000	0.0005006
			OR		0.05203120	0.0040045	0.0000000	0.0002084
			OR		0.00500000	0.0040045	0.0000000	0.0000200
			OR		0.00500000	0.0040045	0.0000000	0.0000200
			OR		0.02000000	0.0040045	0.0000801	
6	CITGO A STATE 2	POC TRINIDAD PETROLEUM CORP COMM. OF PUBLIC LANDS ROBERT L HAYNIE LEN HAYER GEORGE E CONLEY	WI	0.50000000	0.42250000	0.0122048	0.0061024	0.0051565
			WI	0.50000000	0.42250000	0.0122048	0.0061024	0.0051565
			RI		0.12500000	0.0122048	0.0000000	0.0015256
			OR		0.00500000	0.0122048	0.0000000	0.0000610
			OR		0.00500000	0.0122048	0.0000000	0.0000610
			OR		0.02000000	0.0122048	0.0000000	0.0002441
			OR		1.00000000	0.0122048	0.0122048	

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7-21-87

EXHIBIT "D"
TRACT 4 UNIT PARTICIPATION - TRACT BASIS
UNIT OPERATING AGREEMENT

TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
7	CITGO A STATE 3	POC TRINIDAD PETROLEUM CORP HARBERT ENERGY CORP, AGENT COMM. OF PUBLIC LANDS ROBERT L HAYNIE LEN MAYER GEORGE E CONLEY	WI	0.51500000	0.43517500	0.0186278	0.0095933	0.0081064
			WI	0.20989870	0.17736440	0.0186278	0.0039100	0.0033039
			WI	0.27510130	0.23246060	0.0186278	0.0051245	0.0043302
			RI		0.12500000	0.0186278	0.0000000	0.0023285
			OR		0.00500000	0.0186278	0.0000000	0.0000931
8	CITGO A STATE 5	POC HARBERT ENERGY CORP, AGENT COMM. OF PUBLIC LANDS ROBERT L HAYNIE LEN MAYER GEORGE E CONLEY H LEE HARVARD	WI	1.00000000	1.00000000	0.0186278	0.0000000	0.0003726
			WI	0.52500000	0.44362500	0.0144380	0.0075800	0.0064051
			WI	0.47500000	0.39137500	0.0144380	0.0068580	0.0056507
			RI		0.12500000	0.0144380	0.0000000	0.0018048
			OR		0.00500000	0.0144380	0.0000000	0.0000722
9	CITGO A STATE 6,7,8	POC W G STROECKER MARION WEEKS B & R WINTNER COMM. OF PUBLIC LANDS CITIES SERVICE ROBERT L HAYNIE LEN MAYER GEORGE E CONLEY	WI	1.00000000	1.00000000	0.0144380	0.0144380	0.0144380
			WI	0.84250000	0.65293750	0.0476502	0.0401453	0.0311126
			WI	0.07500000	0.05812500	0.0476502	0.0035738	0.0027697
			WI	0.07500000	0.05812500	0.0476502	0.0035738	0.0027697
			WI	0.00750000	0.00581250	0.0476502	0.0003574	0.0002770
			RI		0.12500000	0.0476502	0.0000000	0.0059563
			OR		0.07000000	0.0476502	0.0000000	0.0033355
			OR		0.00500000	0.0476502	0.0000000	0.0002383
			OR		0.00500000	0.0476502	0.0000000	0.0002383
			OR		0.02000000	0.0476502	0.0000000	0.0009530
10	STATE CH 1	POC COMM. OF PUBLIC LANDS CITIES SERVICE ROBERT L HAYNIE LEN MAYER GEORGE E CONLEY	WI	1.00000000	1.00000000	0.0001050	0.0001050	0.000846
			RI		0.80531250	0.0001050	0.0000000	0.0000131
			OR		0.05468750	0.0001050	0.0000000	0.0000057
			OR		0.00250000	0.0001050	0.0000000	0.0000003
			OR		0.00250000	0.0001050	0.0000000	0.0000003
10A	STATE CH 2	POC COMM. OF PUBLIC LANDS CITIES SERVICE ROBERT L HAYNIE LEN MAYER GEORGE E CONLEY	WI	1.00000000	1.00000000	0.0025428	0.0025428	0.0020477
			RI		0.80531250	0.0025428	0.0000000	0.0003179
			OR		0.05468750	0.0025428	0.0000000	0.0001391
			OR		0.00250000	0.0025428	0.0000000	0.0000064
			OR		0.00250000	0.0025428	0.0000000	0.0000064

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7-21-87

EXHIBIT "D"
TRACT & UNIT PARTICIPATION - TRACT BASIS
UNIT OPERATING AGREEMENT

TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
11	STATE CH 3	POC STROECKER W G STROECKER MARION WEEKS B & R WINTHER COHM. OF PUBLIC LANDS CITIES SERVICE ROBERT L HAYNIE LEN MAYER GEORGE E CONLEY	WI	0.84250000	0.67847580	0.0030963	0.0026086	0.0021008
			WI	0.07500000	0.06039840	0.0030963	0.0002322	0.0001870
			WI	0.07500000	0.06039840	0.0030963	0.0002322	0.0001870
			WI	0.00750000	0.00603990	0.0030963	0.0000232	0.0000187
			RI	0.12500000	0.05468750	0.0030963	0.0000000	0.0003870
			OR	0.05468750	0.00250000	0.0030963	0.0000000	0.000077
			OR	0.00250000	0.00250000	0.0030963	0.0000000	0.000077
			OR	0.01000000	0.01000000	0.0030963	0.0000000	0.0000310
			OR					
			OR					
			OR					
12	O'BRIEN B 2	POC MARSHALL & WINSTON HOON CO. J T WYMAN TRUST P W PARKER TRUST FRANCISCA WINSTON EST TRUST F S WINSTON MARITAL TRUST CHARLES A KELLY MURRAY C MCKINNON TRUST EM NOMINEE PTSP CO FRATES SELLIGSON	WI	1.00000000	0.85937500	0.0005594	0.0005594	0.0004807
			RI		0.00585940	0.0005594	0.0000000	0.0000033
			RI		0.08203130	0.0005594	0.0000000	0.0000459
			RI		0.00292970	0.0005594	0.0000000	0.0000016
			RI		0.00292970	0.0005594	0.0000000	0.0000016
			RI		0.00585940	0.0005594	0.0000000	0.0000033
			RI		0.00292970	0.0005594	0.0000000	0.0000016
			RI		0.00146480	0.0005594	0.0000000	0.0000008
			RI		0.00146480	0.0005594	0.0000000	0.0000008
			RI		0.02343750	0.0005594	0.0000000	0.0000131
			NPRI		0.01171870	0.0005594	0.0000000	0.0000066
13	O'BRIEN C #2,3,5,6,7	POC MARSHALL & WINSTON MOON CO. J T WYMAN TRUST P W PARKER TRUST FRANCISCA WINSTON EST TRUST F S WINSTON MARITAL TRUST CHARLES A KELLY MURRAY C MCKINNON TRUST EM NOMINEE PTSP CO BARBARA SWEENEY FRATES SELLIGSON	WI	1.00000000	0.84765620	0.0267552	0.0267552	0.0226792
			RI		0.00390630	0.0267552	0.0000000	0.0001045
			RI		0.08203120	0.0267552	0.0000000	0.0021948
			RI		0.00195310	0.0267552	0.0000000	0.0000523
			RI		0.00195310	0.0267552	0.0000000	0.0000523
			RI		0.00390630	0.0267552	0.0000000	0.0001045
			RI		0.00195310	0.0267552	0.0000000	0.0000523
			RI		0.00097650	0.0267552	0.0000000	0.0000261
			RI		0.00097660	0.0267552	0.0000000	0.0000261
			RI		0.01562500	0.0267552	0.0000000	0.0004181
			OR		0.02734380	0.0267552	0.0000000	0.0007316
NPRI		0.01171880	0.0267552	0.0000000	0.0003135			
		1.00000000	1.00000000	1.00000000	0.0267552	0.0267552		

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EXHIBIT "D"
TRACT & UNIT PARTICIPATION - TRACT BASIS
UNIT OPERATING AGREEMENT

TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
14	O'BRIEN E #9	POC STROECKER	WI	0.84250000	0.73718750	0.0001182	0.0000996	0.0000871
		W G STROECKER	WI	0.07500000	0.06562500	0.0001182	0.0000089	0.0000078
		MARION WEEKS	WI	0.07500000	0.06562500	0.0001182	0.0000089	0.0000078
		B & R WINTHER	WI	0.00750000	0.00656250	0.0001182	0.0000009	0.0000008
		MARSHALL & WINSTON	WI	0.00390630	0.00390630	0.0001182	0.0000000	0.0000005
		MOON CO.	RI	0.08203120	0.08203120	0.0001182	0.0000000	0.0000002
		J T WYMAN TRUST	RI	0.00195310	0.00195310	0.0001182	0.0000000	0.0000002
		P W PARKER TRUST	RI	0.00195310	0.00195310	0.0001182	0.0000000	0.0000002
		F S WINSTON MARITAL TRUST	RI	0.00097650	0.00097650	0.0001182	0.0000000	0.0000001
		CHARLES A KELLY	RI	0.00097650	0.00097650	0.0001182	0.0000000	0.0000001
		MURRAY C MCKINNON TRUST	RI	0.01562500	0.01562500	0.0001182	0.0000000	0.0000018
		EH NOHINEE PTSP CO	RI	0.00390630	0.00390630	0.0001182	0.0000000	0.0000005
		FRANCISCA WINSTON EST TRUST	RI	0.01171880	0.01171880	0.0001182	0.0000000	0.0000014
		FRATES SELLIGSON	NPRI					
				1.00000000	1.00000000		0.0001182	0.0001182
15	O'BRIEN D #2 - #6	POC	WI	0.73718750	0.59238280	0.0423152	0.0311942	0.0250668
		TENNECO	WI	0.12500000	0.12500000	0.0423152	0.0052894	0.0052894
		W G STROECKER	WI	0.06562500	0.05273440	0.0423152	0.0027769	0.0022315
		MARION WEEKS	WI	0.06562500	0.05273440	0.0423152	0.0027769	0.0022315
		B & R WINTHER	WI	0.00656250	0.00527340	0.0423152	0.0002777	0.0002231
		MARSHALL & WINSTON	WI	0.00781250	0.00781250	0.0423152	0.0000000	0.0003306
		HOON CO.	RI	0.12304680	0.12304680	0.0423152	0.0000000	0.0052067
		J T WYMAN TRUST	RI	0.00390630	0.00390630	0.0423152	0.0000000	0.0001653
		P W PARKER TRUST	RI	0.00390630	0.00390630	0.0423152	0.0000000	0.0001653
		FRANCISCA WINSTON EST TRUST	RI	0.00781250	0.00781250	0.0423152	0.0000000	0.0003306
		F S WINSTON MARITAL TRUST	RI	0.00390630	0.00390630	0.0423152	0.0000000	0.0001653
		CHARLES A KELLY	RI	0.00195310	0.00195310	0.0423152	0.0000000	0.0000826
		MURRAY C MCKINNON TRUST	RI	0.00195310	0.00195310	0.0423152	0.0000000	0.0000826
		FRATES SELLIGSON	NPRI			0.0423152	0.0000000	0.0007438
				1.00000000	1.00000000	0.0423152	0.0423152	
16	O'BRIEN E #1 - #8	POC	WI	0.84250000	0.73718750	0.0217479	0.0183226	0.0160323
		W G STROECKER	WI	0.07500000	0.06562500	0.0217479	0.0016311	0.0014272
		MARION WEEKS	WI	0.07500000	0.06562500	0.0217479	0.0016311	0.0014272
		B & R WINTHER	WI	0.00750000	0.00656250	0.0217479	0.0001631	0.0001427
		MARSHALL & WINSTON	WI	0.00390630	0.00390630	0.0217479	0.0000000	0.0000850
		MOON CO.	RI	0.08203120	0.08203120	0.0217479	0.0000000	0.0017840
		J T WYMAN TRUST	RI	0.00195310	0.00195310	0.0217479	0.0000000	0.0000425
		P W PARKER TRUST	RI	0.00195310	0.00195310	0.0217479	0.0000000	0.0000425
		F S WINSTON MARITAL TRUST	RI	0.00097650	0.00097650	0.0217479	0.0000000	0.0000425
		CHARLES A KELLY	RI	0.00097650	0.00097650	0.0217479	0.0000000	0.0000425
		MURRAY C MCKINNON TRUST	RI	0.01562500	0.01562500	0.0217479	0.0000000	0.0000212
		EH NOHINEE PTSP CO	RI	0.00390630	0.00390630	0.0217479	0.0000000	0.0000212
		FRANCISCA WINSTON EST TRUST	RI	0.01171880	0.01171880	0.0217479	0.0000000	0.0003398
		FRATES SELLIGSON	NPRI			0.0217479	0.0000000	0.0000850
				1.00000000	1.00000000	0.0217479	0.0217479	

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EXHIBIT "D"
TRACT & UNIT PARTICIPATION - TRACT BASIS
UNIT OPERATING AGREEMENT

TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
17	O'BRIEN FEE 25 #1-#4	HARLOW CORP	WI	0.625000000	0.48156250	0.0420482	0.0262801	0.0202488
		ADAMS & HCGAHEY	WI	0.075000000	0.06187500	0.0420482	0.0031536	0.0026017
		JW ADAMS & JUNE ADAMS EST	WI	0.075000000	0.06187500	0.0420482	0.0031536	0.0026017
		JW ADAMS	WI	0.037500000	0.03093750	0.0420482	0.0015768	0.0013009
		NABOB PROD CO	WI	0.187500000	0.15468750	0.0420482	0.0078840	0.0065043
		HOON CO	RI		0.08203130	0.0420482	0.0000000	0.0034493
		EM NOMINEE PTSP CO	RI		0.025000000	0.0420482	0.0000000	0.0010512
		HARSHALL & WINSTON	RI		0.00585940	0.0420482	0.0000000	0.0002464
		FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.0420482	0.0000000	0.0002464
		E S WINSTON HARITAL TRUST	RI		0.00292960	0.0420482	0.0000000	0.0001232
		P W PARKER TRUST	RI		0.00292960	0.0420482	0.0000000	0.0001232
		J T WYMAN TRUST	RI		0.00292970	0.0420482	0.0000000	0.0001232
		CHARLES A KELLY	RI		0.00146480	0.0420482	0.0000000	0.0000616
		MURRAY C MCKINNON TRUST	RI		0.00073250	0.0420482	0.0000000	0.0000308
		DOUGLAS A MCKINNON	RI		0.00073240	0.0420482	0.0000000	0.0000308
		W V HARLOW, JR	OR		0.037500000	0.0420482	0.0000000	0.0015768
		AVIVA LTD PTSP	OR		0.01061750	0.0420482	0.0000000	0.0004464
		C H KIMBRO	OR		0.007500000	0.0420482	0.0000000	0.0003154
		J E ABRAH	OR		0.0014780	0.0420482	0.0000000	0.000062
		SALLY FIELDMAN	OR		0.00295610	0.0420482	0.0000000	0.0001243
		JACK W FLECK	OR		0.00073900	0.0420482	0.0000000	0.0000311
		WM J HARBECK	OR		0.00036950	0.0420482	0.0000000	0.0000155
		ROBERT T JACKSON	OR		0.00036950	0.0420482	0.0000000	0.0000155
		JACKIE H JOHNSON	OR		0.00014780	0.0420482	0.0000000	0.0000062
		JOHN G LEONDUKAKIS	OR		0.00059120	0.0420482	0.0000000	0.0000249
		RALPH E LOWENBERG	OR		0.00036950	0.0420482	0.0000000	0.0000155
		DAVID L PETERSON	OR		0.00059120	0.0420482	0.0000000	0.0000249
		CHARLES I PETSCHER	OR		0.00118240	0.0420482	0.0000000	0.0000497
		LEE S SCHLESSMAN	OR		0.00036950	0.0420482	0.0000000	0.0000155
		ROBERT REX SILVERSTONE	OR		0.00073900	0.0420482	0.0000000	0.0000311
		H PETER STERN	OR		0.00044340	0.0420482	0.0000000	0.0000186
		JOHN E WALSH, JR	OR		0.00059120	0.0420482	0.0000000	0.0000249
		DONALD S WOODS	OR		0.00002460	0.0420482	0.0000000	0.0000010
		TANIA C WHITHAN TRUST	OR		0.00073900	0.0420482	0.0000000	0.0000311
		1029 PLUS ONE INVESTORS	OR		0.00036950	0.0420482	0.0000000	0.0000155
		HILDRED HILLER	OR		0.00014780	0.0420482	0.0000000	0.0000062
		DAVID E WYMAN, JR	OR		0.00036950	0.0420482	0.0000000	0.0000155
		FRATES SELLIGSON	NPRI		0.01171880	0.0420482	0.0000000	0.0004928
				1.000000000	1.000000000		0.0420482	0.0420482

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TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
18	O'BRIEN F #6	POC STROECKER	WI	0.842500000	0.62660930	0.0005888	0.0004961	0.0003689
		W G STROECKER	WI	0.075000000	0.05578110	0.0005888	0.0000442	0.0000328
		MARION WEEKS	WI	0.075000000	0.05578110	0.0005888	0.0000442	0.0000328
		B & R WINTHER	WI	0.007500000	0.00557810	0.0005888	0.0000044	0.0000033
		MARSHALL & WINSTON	RI		0.00468760	0.0005888	0.0000000	0.0000028
		MOON CO.	RI		0.09843750	0.0005888	0.0000000	0.0000580
		J T WYHAN TRUST	RI		0.00234380	0.0005888	0.0000000	0.0000014
		P W PARKER TRUST	RI		0.00234380	0.0005888	0.0000000	0.0000014
		F S WINSTON MARITAL TRUST	RI		0.00234380	0.0005888	0.0000000	0.0000014
		CHARLES A KELLY	RI		0.00117190	0.0005888	0.0000000	0.0000007
		HURRAY C MCKINNON TRUST	RI		0.00117190	0.0005888	0.0000000	0.0000007
		FRANCISCA WINSTON EST TRUST	RI		0.00468760	0.0005888	0.0000000	0.0000028
		FRATES SEELIGSON	NPRI		0.01406250	0.0005888	0.0000000	0.0000083
TENNECO (UV INDUSTRIES)	UNLEASED		0.125000000	0.125000000	0.0005888	0.0000000	0.0000736	
18A	O'BRIEN F #7	POC STROECKER	WI	0.842500000	0.59896490	0.0000000	0.0000000	0.0000000
		W G STROECKER	WI	0.075000000	0.05332030	0.0000000	0.0000000	0.0000000
		MARION WEEKS	WI	0.075000000	0.05332030	0.0000000	0.0000000	0.0000000
		B & R WINTHER	WI	0.007500000	0.00533200	0.0000000	0.0000000	0.0000000
		MOON CO.	RI		0.12304690	0.0000000	0.0000000	0.0000000
		FRATES SEELIGSON	NPRI		0.01757810	0.0000000	0.0000000	0.0000000
		TENNECO (UV INDUSTRIES)	UNLEASED		0.125000000	0.125000000	0.0000000	0.0000000
		FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.0000000	0.0000000	0.0000000
		F S WINSTON MARITAL TRUST	RI		0.00292970	0.0000000	0.0000000	0.0000000
		CHARLES A KELLY	RI		0.00146480	0.0000000	0.0000000	0.0000000
		P W PARKER TRUST	RI		0.00292970	0.0000000	0.0000000	0.0000000
		J T WYHAN TRUST	RI		0.00292970	0.0000000	0.0000000	0.0000000
		MARSHALL & WINSTON	RI		0.00585940	0.0000000	0.0000000	0.0000000
POC STROECKER	WI	1.000000000	1.000000000	0.000000000	0.000000000	0.000000000		
W G STROECKER	WI	0.842500000	0.59896490	0.0003464	0.0002918	0.0002075		
MARION WEEKS	WI	0.075000000	0.05332030	0.0003464	0.0000260	0.0000185		
B & R WINTHER	WI	0.075000000	0.05332030	0.0003464	0.0000260	0.0000185		
MARSHALL & WINSTON	WI	0.007500000	0.00533200	0.0003464	0.0000026	0.0000018		
MOON CO.	RI		0.00585940	0.0003464	0.0000000	0.0000020		
J T WYHAN TRUST	RI		0.12304690	0.0003464	0.0000000	0.0000426		
P W PARKER TRUST	RI		0.00292970	0.0003464	0.0000000	0.0000010		
F S WINSTON MARITAL TRUST	RI		0.00292970	0.0003464	0.0000000	0.0000010		
CHARLES A KELLY	RI		0.00146480	0.0003464	0.0000000	0.0000005		
MURRAY C MCKINNON TRUST	RI		0.00146480	0.0003464	0.0000000	0.0000005		
FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.0003464	0.0000000	0.0000020		
FRATES SEELIGSON	RI		0.01757810	0.0003464	0.0000000	0.0000061		
TENNECO (UV INDUSTRIES)	UNLEASED		0.125000000	0.125000000	0.0003464	0.0000433		
			1.000000000	1.000000000	0.0003464	0.0003464		

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TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
20	POC STROECKER MARION WEEKS B & R WINTHER MOON CO TENNECO (UV INDUSTRIES) FRATES SELIGSON FRANCISCA WINSTON EST TRUST F S WINSTON HARITAL TRUST CHARLES A KELLEY P W PARKER TRUST J T WYMAN TRUST HARSHALL & WINSTON MURRAY C HCKINNON TRUST		WI	0.842500000	0.68453120	0.0000000	0.0000000	0.0000000
		WI	0.075000000	0.060933750	0.0000000	0.0000000	0.0000000	
		WI	0.075000000	0.060933750	0.0000000	0.0000000	0.0000000	
		WI	0.007500000	0.00609380	0.0000000	0.0000000	0.0000000	
		RI		0.12304690	0.0000000	0.0000000	0.0000000	
		RI		0.02343750	0.0000000	0.0000000	0.0000000	
		NPRI		0.01757810	0.0000000	0.0000000	0.0000000	
		RI		0.00585940	0.0000000	0.0000000	0.0000000	
		RI		0.00292970	0.0000000	0.0000000	0.0000000	
		RI		0.00292970	0.0000000	0.0000000	0.0000000	
		RI		0.00585940	0.0000000	0.0000000	0.0000000	
		RI		0.00146480	0.0000000	0.0000000	0.0000000	
		RI		0.00146480	0.0000000	0.0000000	0.0000000	
21	O'BRIEN F #5 POC STROECKER MARION WEEKS B & R WINTHER HARSHALL & WINSTON MOON CO J T WYMAN TRUST P W PARKER TRUST F S WINSTON HARITAL TRUST CHARLES A KELLEY MURRAY C HCKINNON TRUST FRANCISCA WINSTON EST TRUST TENNECO (UV INDUSTRIES) FRATES SELIGSON		WI	0.842500000	0.71217570	0.0014065	0.0011850	0.0010017
		WI	0.075000000	0.06339830	0.0014065	0.0001055	0.0000892	
		WI	0.075000000	0.06339830	0.0014065	0.0001055	0.0000892	
		WI	0.007500000	0.00633980	0.0014065	0.0000105	0.0000089	
		RI		0.00468760	0.0000000	0.0000000	0.0000066	
		RI		0.09843750	0.0014065	0.0000000	0.0001385	
		RI		0.00234380	0.0000000	0.0000000	0.0000033	
		RI		0.00234380	0.0000000	0.0000000	0.0000033	
		RI		0.00117190	0.0014065	0.0000000	0.0000016	
		RI		0.00117190	0.0014065	0.0000000	0.0000016	
		RI		0.00468760	0.0000000	0.0000000	0.0000066	
		RI		0.02343750	0.0014065	0.0000000	0.0000330	
		NPRI		0.01406250	0.0014065	0.0000000	0.0000198	
22	O'BRIEN F #1 - 4 POC STROECKER MARION WEEKS B & R WINTHER HARSHALL & WINSTON MOON CO J T WYMAN TRUST P W PARKER TRUST F S WINSTON HARITAL TRUST CHARLES A KELLEY MURRAY C HCKINNON TRUST FRANCISCA WINSTON EST TRUST EM NOMINEE PTSP CO FRATES SELIGSON		WI	0.842500000	0.71217570	0.0234414	0.0197494	0.0166944
		WI	0.075000000	0.06339830	0.0234414	0.0017581	0.0014861	
		WI	0.075000000	0.06339830	0.0234414	0.0017581	0.0014861	
		WI	0.007500000	0.00633980	0.0234414	0.0001758	0.0001486	
		RI		0.00468760	0.0000000	0.0000000	0.0001099	
		RI		0.09843750	0.0234414	0.0000000	0.0023075	
		RI		0.00234380	0.0000000	0.0000000	0.0000549	
		RI		0.00234380	0.0000000	0.0000000	0.0000549	
		RI		0.00117190	0.0234414	0.0000000	0.0000549	
		RI		0.00117190	0.0234414	0.0000000	0.0000549	
		RI		0.00468760	0.0000000	0.0000000	0.0000275	
		RI		0.02343750	0.0234414	0.0000000	0.0001099	
		NPRI		0.01406250	0.0234414	0.0000000	0.0005494	
		1.000000000	1.000000000	0.0234414	0.0003296	0.0234414		

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TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT 1 BOPD/ WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
23	O'BRIEN F #9	POC	WI	0.84250000	0.67794930	0.0002051	0.0001728	0.0001390
		W G STROECKER	WI	0.07500000	0.06035150	0.0002051	0.0000154	0.0000124
		MARION WEEKS	WI	0.07500000	0.06035150	0.0002051	0.0000154	0.0000124
		B & R WINTHER	WI	0.00750000	0.00603520	0.0002051	0.0000015	0.0000012
		MOON CO	RI		0.12304690	0.0002051	0.0000000	0.0000012
		FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.0002051	0.0000000	0.0000012
		F S WINSTON MARITAL TRUST	RI		0.00292970	0.0002051	0.0000000	0.0000006
		CHARLES A KELLEY	RI		0.00146480	0.0002051	0.0000000	0.0000006
		P W PARKER TRUST	RI		0.00292970	0.0002051	0.0000000	0.0000006
		J T WYMAN TRUST	RI		0.00585940	0.0002051	0.0000000	0.0000006
		MARSHALL & WINSTON	RI		0.00146480	0.0002051	0.0000000	0.0000006
		HURRAY C HCKINNON TRUST	RI		0.03125000	0.0002051	0.0000000	0.0000064
		TENNECO	RI			0.0002051	0.0000000	0.0000036
		FRATES SEELIGSON	NPRI			0.01757810	0.0002051	0.0000000
				1.00000000	1.00000000		0.0002051	0.0002051
24	O'BRIEN I #1 - 8	POC	WI	0.84250000	0.68453120	0.1037733	0.0874290	0.0710361
		W G STROECKER	WI	0.07500000	0.06093750	0.1037733	0.0077830	0.0063237
		MARION WEEKS	WI	0.07500000	0.06093750	0.1037733	0.0077830	0.0063237
		B & R WINTHER	WI	0.00750000	0.00609380	0.1037733	0.0007783	0.0006324
		MARSHALL & WINSTON	RI		0.00585940	0.1037733	0.0000000	0.0006080
		TENNECO	RI		0.02343750	0.1037733	0.0000000	0.0024322
		MOON CO	RI		0.12304690	0.1037733	0.0000000	0.0127690
		J T WYMAN TRUST	RI		0.00292970	0.1037733	0.0000000	0.0003040
		P W PARKER TRUST	RI		0.00292970	0.1037733	0.0000000	0.0003040
		FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.1037733	0.0000000	0.0006080
		F S WINSTON MARITAL TRUST	RI		0.00292970	0.1037733	0.0000000	0.0003040
		CHARLES A KELLEY	RI		0.00146480	0.1037733	0.0000000	0.0003040
		MURRAY C HCKINNON TRUST	RI		0.00146480	0.1037733	0.0000000	0.0003040
		FRATES SEELIGSON	NPRI			0.01757810	0.1037733	0.0000000
				1.00000000	1.00000000		0.1037733	0.1037733
25	O'BRIEN J 1	POC	WI	0.84250000	0.68453120	0.0016035	0.0013509	0.0010976
		W G STROECKER	WI	0.07500000	0.06093750	0.0016035	0.0001203	0.0000977
		MARION WEEKS	WI	0.07500000	0.06093750	0.0016035	0.0001203	0.0000977
		B & R WINTHER	WI	0.00750000	0.00609380	0.0016035	0.0000120	0.0000098
		MARSHALL & WINSTON	RI		0.00585940	0.0016035	0.0000000	0.0000094
		TENNECO	RI		0.02343750	0.0016035	0.0000000	0.0000376
		MOON CO	RI		0.12304690	0.0016035	0.0000000	0.0001973
		J T WYMAN TRUST	RI		0.00292970	0.0016035	0.0000000	0.0000047
		P W PARKER TRUST	RI		0.00292970	0.0016035	0.0000000	0.0000047
		FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.0016035	0.0000000	0.0000047
		F S WINSTON MARITAL TRUST	RI		0.00292970	0.0016035	0.0000000	0.0000047
		CHARLES A KELLEY	RI		0.00146480	0.0016035	0.0000000	0.0000023
		MURRAY C HCKINNON TRUST	RI		0.00146480	0.0016035	0.0000000	0.0000023
		FRANCISCA WINSTON EST TRUST	RI		0.00585940	0.0016035	0.0000000	0.0000094
FRATES SEELIGSON	NPRI			0.01757810	0.0016035	0.0000000	0.0000282	
				1.00000000	1.00000000		0.0016035	0.0016035

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TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 HOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)		
26	O'BRIEN J 2-8	POC	WI	0.73718750	0.59896490	0.1231374	0.0907754	0.0737550		
		TENNECO	WI	0.12500000	0.12500000	0.1231374	0.0153922	0.0153922		
		W G STROECKER	WI	0.06562500	0.05332030	0.1231374	0.0080809	0.0065657		
		MARION WEEKS	WI	0.06562500	0.05332030	0.1231374	0.0080809	0.0065657		
		B & R WINTHER	WI	0.00656250	0.00533200	0.1231374	0.0000808	0.0006566		
		MARSHALL & WINSTON	RI		0.00585940	0.1231374	0.0000000	0.0007215		
		MOON CO	RI		0.12304690	0.1231374	0.0000000	0.0003608		
		J T WYMAN TRUST	RI		0.00292970	0.1231374	0.0000000	0.0003608		
		P W PARKER TRUST	RI		0.00292970	0.1231374	0.0000000	0.0007215		
		FRANCISCA WINSTON EST TRUST	RI		0.00565940	0.1231374	0.0000000	0.0007215		
		F S WINSTON MARITAL TRUST	RI		0.00292970	0.1231374	0.0000000	0.0003608		
		CHARLES A KELLY	RI		0.00146480	0.1231374	0.0000000	0.0001804		
		MURRAY C MCKINNON TRUST	RI		0.00146480	0.1231374	0.0000000	0.0001804		
		ERATES SEELIGSON	NPRI		0.01757810	0.1231374	0.0000000	0.0021645		
		27	O'BRIEN K #1 - #3	POC	WI	0.39898430	0.29480770	0.0318665	0.0127142	0.0093945
				TXO	WI	0.21875000	0.17773440	0.0318665	0.0069708	0.0056638
				W G STROECKER	WI	0.02578130	0.01930660	0.0318665	0.0008216	0.0006152
				MARION WEEKS	WI	0.02578130	0.01930660	0.0318665	0.0008216	0.0006152
				B & R WINTHER	WI	0.00257810	0.00193070	0.0318665	0.0000615	0.0000615
				HARLOW CORP	WI	0.10937500	0.07792970	0.0318665	0.0034854	0.0024833
COLUMBIA GAS	WI				0.17773440	0.0318665	0.0069708	0.0056638		
MARSHALL & WINSTON	RI				0.00292970	0.0318665	0.0000000	0.0000934		
MOON CO	RI				0.10048840	0.0318665	0.0000000	0.0000467		
J T WYMAN TRUST	RI				0.00146480	0.0318665	0.0000000	0.0000467		
P W PARKER TRUST	RI				0.00146480	0.0318665	0.0000000	0.0000467		
FRANCISCA WINSTON EST TRUST	RI				0.00292970	0.0318665	0.0000000	0.0000934		
F S WINSTON MARITAL TRUST	RI				0.00146480	0.0318665	0.0000000	0.0000467		
CHARLES A KELLY	RI				0.00073240	0.0318665	0.0000000	0.0000233		
HURRAY C MCKINNON TRUST	RI				0.00073240	0.0318665	0.0000000	0.0000233		
TENNECO	RI				0.01171880	0.0318665	0.0000000	0.0003734		
J H HUBER CORP	OR				0.04375000	0.0318665	0.0000000	0.0013942		
ERATES SEELIGSON	NPRI				0.01435550	0.0318665	0.0000000	0.0004575		
NANCY E CARLOCK	NPRI				0.00117180	0.0318665	0.0000000	0.0000373		
VICTOR E CARLOCK	NPRI				0.00117180	0.0318665	0.0000000	0.0000373		
BEATRICE P B STONE	NPRI		0.00520830	0.0318665	0.0000000	0.0001660				
GROVER S STONE, JR	NPRI		0.00138890	0.0318665	0.0000000	0.0000443				
STEVEN L STONE	NPRI		0.00138890	0.0318665	0.0000000	0.0000443				
SANDRA J STONE	NPRI		0.00138890	0.0318665	0.0000000	0.0000443				
MARGARET E B DANIELS	NPRI		0.00520830	0.0318665	0.0000000	0.0001660				
DIANNE E DANIELS	NPRI		0.00138890	0.0318665	0.0000000	0.0000443				
JUNE A D GROTHE	NPRI		0.00138890	0.0318665	0.0000000	0.0000443				
CHARLES W DANIELS	NPRI		0.00138890	0.0318665	0.0000000	0.0000443				
JOHN D BRISCOE	NPRI		0.02812500	0.0318665	0.0000000	0.0008962				
				1.00000000	1.00000000		0.0318665	0.0318665		

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TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
28	O'BRIEN DB #1 - #3	POC	WI	0.57921880	0.37517580	0.0260934	0.0151138	0.0097896
		TYO	WI	0.18750000	0.15234370	0.0260934	0.0048925	0.0039752
		W G STROECKER	WI	0.05156250	0.03339840	0.0260934	0.0013454	0.0008715
		MARION WEEKS	WI	0.05156250	0.03339840	0.0260934	0.0013454	0.0008715
		B & R WINTHER	WI	0.00515620	0.00333980	0.0001345	0.0000000	0.0000000
		TENNECO	WI	0.11875000	0.11875000	0.0260934	0.0032617	0.0030986
		MARSHALL & WINSTON	RI	0.00781250	0.00781250	0.0260934	0.0000000	0.0002039
		TENNECO	RI	0.00625000	0.00625000	0.0260934	0.0000000	0.0001631
		MOON CO	RI	0.12304690	0.12304690	0.0260934	0.0000000	0.0032107
		J T WYMAN TRUST	RI	0.00390630	0.00390630	0.0260934	0.0000000	0.0001019
		P W PARKER TRUST	RI	0.00390630	0.00390630	0.0260934	0.0000000	0.0001019
		FRANCISCA WINSTON EST TRUST	RI	0.00781250	0.00781250	0.0260934	0.0000000	0.0002039
		F S WINSTON MARITAL TRUST	RI	0.00390630	0.00390630	0.0260934	0.0000000	0.0001019
		CHARLES A KELLY	RI	0.00195310	0.00195310	0.0260934	0.0000000	0.0000510
		HURRAY C MCKINNON TRUST	RI	0.00195310	0.00195310	0.0260934	0.0000000	0.0000510
		J M HUBER CORP	OR	0.07031250	0.07031250	0.0260934	0.0000000	0.0018347
		COLUMBIA GAS	OR	0.03515630	0.03515630	0.0260934	0.0000000	0.0009173
FRATES SELLIGSON	NPRI	0.01757810	0.01757810	0.0260934	0.0000000	0.0004587		
				1.00000000	1.00000000		0.0260934	0.0260934
29	O'BRIEN L LEASE	POC	WI	0.78984375	0.64051390	0.1503259	0.1187340	0.0962858
		TENNECO	WI	0.06250000	0.06250000	0.1503259	0.0093954	0.0093954
		W G STROECKER	WI	0.07031250	0.05701900	0.1503259	0.0105698	0.0085714
		MARION WEEKS	WI	0.07031250	0.05701900	0.1503259	0.0105698	0.0085714
		B & R WINTHER	WI	0.00703125	0.00570200	0.1503259	0.0010570	0.0008572
		MARSHALL & WINSTON	RI	0.00390630	0.00390630	0.1503259	0.0000000	0.0005872
		MOON CO	RI	0.10048820	0.10048820	0.1503259	0.0000000	0.0151060
		J T WYMAN TRUST	RI	0.00146480	0.00146480	0.1503259	0.0000000	0.0002202
		P W PARKER TRUST	RI	0.00146480	0.00146480	0.1503259	0.0000000	0.0002202
		CHARLES A KELLY	RI	0.00097660	0.00097660	0.1503259	0.0000000	0.0001468
		HURRAY C MCKINNON TRUST	RI	0.00097660	0.00097660	0.1503259	0.0000000	0.0001468
		FRANCISCA WINSTON EST TRUST	RI	0.00292970	0.00292970	0.1503259	0.0000000	0.0004404
		F S WINSTON HARITAL TRUST	RI	0.00146480	0.00146480	0.1503259	0.0000000	0.0002202
		BEATRICE P B STONE	RI	0.00520830	0.00520830	0.1503259	0.0000000	0.0002202
		GROVER S STONE, JR	NPRI	0.00138890	0.00138890	0.1503259	0.0000000	0.0002088
		STEVEN L STONE	NPRI	0.00138890	0.00138890	0.1503259	0.0000000	0.0002088
		SANDRA J STONE	NPRI	0.00138890	0.00138890	0.1503259	0.0000000	0.0002088
MARGARET E B DANIELS	NPRI	0.00520830	0.00520830	0.1503259	0.0000000	0.0007829		
DIANNE E DANIELS	NPRI	0.00138890	0.00138890	0.1503259	0.0000000	0.0002088		
JUNE A D GROTHE	NPRI	0.00138890	0.00138890	0.1503259	0.0000000	0.0002088		
CHARLES W DANIELS	NPRI	0.00138890	0.00138890	0.1503259	0.0000000	0.0002088		
JOHN D BRISCOE	NPRI	0.02812500	0.02812500	0.1503259	0.0000000	0.0042279		
NANCY E CARLOCK	NPRI	0.00117190	0.00117190	0.1503259	0.0000000	0.0001762		
VICTOR E CARLOCK	NPRI	0.00117190	0.00117190	0.1503259	0.0000000	0.0001762		
FRATES SELLIGSON	NPRI	0.01435550	0.01435550	0.1503259	0.0000000	0.0021580		
				1.00000000	1.00000000		0.1503259	0.1503259

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EXHIBIT "D"
TRACT & UNIT PARTICIPATION - TRACT BASIS
UNIT OPERATING AGREEMENT

TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS MI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)	
30	O'BRIEN FF #1 - #6	POC	WI	0.78984375	0.63845700	0.1163759	0.0919188	0.0743010	
		TENNECO	WI	0.06250000	0.06250000	0.1163759	0.0072735	0.0072735	
		W G STROECKER	WI	0.07031250	0.05683590	0.1163759	0.0081827	0.0066143	
		MARION WEEKS	WI	0.07031250	0.05683590	0.1163759	0.0081827	0.0066143	
		B & R WINTHER	WI	0.00703125	0.00568360	0.1163759	0.0008183	0.0006614	
		MARSHALL & WINSTON	RI		0.00390630	0.00390630	0.0000000	0.0000000	
		HOON CO.	RI		0.10048840	0.10048840	0.1163759	0.0000000	0.0116944
		T T WYMAN TRUST	RI		0.00195310	0.00195310	0.1163759	0.0000000	0.0002273
		P W PARKER TRUST	RI		0.00195310	0.00195310	0.1163759	0.0000000	0.0002273
		FRANCISCA WINSTON EST TRUST	RI		0.00390630	0.00390630	0.1163759	0.0000000	0.0004546
		F S WINSTON HARITAL TRUST	RI		0.00195310	0.00195310	0.1163759	0.0000000	0.0002273
		CHARLES A KELLY	RI		0.00195310	0.00195310	0.1163759	0.0000000	0.0001137
		MURRAY C HCKINNON TRUST	RI		0.00097660	0.00097660	0.1163759	0.0000000	0.0006061
		HEATRICE P B STONE	NPRI		0.00520830	0.00097660	0.1163759	0.0000000	0.0001616
		GROVER S STONE, JR	NPRI		0.00138890	0.00138890	0.1163759	0.0000000	0.0001616
		STEVEN L STONE	NPRI		0.00138890	0.00138890	0.1163759	0.0000000	0.0001616
		SANDRA J STONE	NPRI		0.00138890	0.00138890	0.1163759	0.0000000	0.0001616
		MARGARET E B DANIELS	NPRI		0.00520830	0.00520830	0.1163759	0.0000000	0.0006061
		DIANNE E DANIELS	NPRI		0.00138890	0.00138890	0.1163759	0.0000000	0.0001616
		JUNE A D GROTHE	NPRI		0.00138890	0.00138890	0.1163759	0.0000000	0.0001616
CHARLES W DANIELS	NPRI		0.00138890	0.00138890	0.1163759	0.0000000	0.0001616		
FRATES SELLIGSON	NPRI		0.01435550	0.01435550	0.1163759	0.0000000	0.0016706		
JOHN D BRISCOE	NPRI		0.02812500	0.02812500	0.1163759	0.0000000	0.0032731		
NANCY E CARLOCK	NPRI		0.00117180	0.00117180	0.1163759	0.0000000	0.0001364		
VICTOR E CARLOCK	NPRI		0.00117180	0.00117180	0.1163759	0.0000000	0.0001364		
31	HOONSHINE 7 #1	POC	WI	0.75000000	0.58078120	0.0084417	0.0063313	0.0049028	
		SUN	WI	0.25000000	0.19468750	0.0084417	0.0021104	0.0016435	
		HOON CO	RI		0.12304680	0.0084417	0.0000000	0.0010387	
		FRANCISCA WINSTON EST TRUST	RI		0.00781250	0.0084417	0.0000000	0.0000660	
		TENNECO	RI		0.02968750	0.0084417	0.0000000	0.0002506	
		MURRAY C HCKINNON	RI		0.00097660	0.0084417	0.0000000	0.0000082	
		DOUGLAS A HCKINNON	RI		0.00097660	0.0084417	0.0000000	0.0000082	
		MARSHALL & WINSTON	RI		0.00781250	0.0084417	0.0000000	0.0000660	
		F S WINSTON HARITAL TRUST	RI		0.00390630	0.0084417	0.0000000	0.0000330	
		CHARLES A KELLY	RI		0.00195310	0.0084417	0.0000000	0.0000165	
		P W PARKER TRUST	RI		0.00390630	0.0084417	0.0000000	0.0000330	
		J T WYMAN TRUST	RI		0.00390630	0.0084417	0.0000000	0.0000330	
		DAVID I MILLER	OR		0.00750000	0.0084417	0.0000000	0.0000633	
		WILLIAM O DEWITT	OR		0.00093750	0.0084417	0.0000000	0.0000079	
		J T HOWARD	OR		0.00260410	0.0084417	0.0000000	0.0000220	
DONALD R WATTS	OR		0.00520830	0.0084417	0.0000000	0.0000440			
TENNECO	OR (PP)		0.00156250	0.0084417	0.0000000	0.0000132			
POC	OR		0.00515640	0.0084417	0.0000000	0.0000435			
FRATES SELLIGSON	NPRI		0.01757800	0.0084417	0.0000000	0.0001484			
			1.00000000	1.00000000	0.1163759	0.0084417	0.0084417		

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EXHIBIT "D"
TRACT & UNIT PARTICIPATION - TRACT BASIS
UNIT OPERATING AGREEMENT

TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)
32	MOONSHINE 7 #2-14	POC	WI	0.687500000	0.53484380	0.0897968	0.0617353	0.0480273
		TENNECO	WI	0.125000000	0.087500000	0.0897968	0.0112246	0.0078572
		SUN	WI	0.187500000	0.148125000	0.0897968	0.0168369	0.0133012
		MOON CO	RI		0.12304680	0.0897968	0.0000000	0.0110492
		FRANCISCA WINSTON EST TRUST	RI		0.00781250	0.00390630	0.0897968	0.0007015
		F S WINSTON MARITAL TRUST	RI		0.00390630	0.00195310	0.0897968	0.0003508
		CHARLES A KELLY	RI		0.00195310	0.00390630	0.0897968	0.0001754
		P W PARKER TRUST	RI		0.00390630	0.00390630	0.0897968	0.0003508
		J T WYHAN TRUST	RI		0.00390630	0.00781250	0.0897968	0.0007015
		MARSHALL & WINSTON	RI		0.00195310	0.00195310	0.0897968	0.0001754
		HURRAY C MCKINNON TRUST	RI		0.00195310	0.007500000	0.0897968	0.0006735
		TENNECO	RI		0.007500000	0.00093750	0.0897968	0.0000842
		DAVID I MILLER	OR		0.00260420	0.00520830	0.0897968	0.0004677
		WILLIAM O DEWITT	OR		0.00390620	0.01757810	0.0897968	0.0015785
		J T HOWARD	OR					
		DONALD R WATTS	OR					
POC	OR							
FRATES SEELIGSON	NPRI							
33	O'BRIEN GG #1 - #3	POC	WI	0.78984375	0.63845700	0.0021324	0.0016843	0.0013614
		TENNECO	WI	0.062500000	0.062500000	0.0021324	0.0001333	0.0001333
		W G STROECKER	WI	0.07031250	0.05683590	0.0021324	0.0001499	0.0001212
		MARION WEEKS	WI	0.07031250	0.05683590	0.0021324	0.0001499	0.0001212
		B & R WINTNER	WI	0.00703125	0.00568360	0.0021324	0.0000150	0.0000121
		MARSHALL & WINSTON	RI		0.00390630	0.0021324	0.0000000	0.0000083
		MOON CO	RI		0.10048840	0.0021324	0.0000000	0.0000042
		J T WYHAN TRUST	RI		0.00195310	0.0021324	0.0000000	0.0000042
		P W PARKER TRUST	RI		0.00195310	0.0021324	0.0000000	0.0000042
		FRANCISCA WINSTON EST TRUST	RI		0.00390630	0.0021324	0.0000000	0.0000083
		MURRAY C MCKINNON TRUST	RI		0.00097660	0.0021324	0.0000000	0.0000021
		F S WINSTON MARITAL TRUST	RI		0.00195310	0.0021324	0.0000000	0.0000042
		CHARLES A KELLY	RI		0.00097660	0.0021324	0.0000000	0.0000021
		BEATRICE P B STONE	NPRI		0.00520830	0.0021324	0.0000000	0.0000111
		GROVER S STONE, JR	NPRI		0.00138890	0.0021324	0.0000000	0.0000030
		STEVEN L STONE	NPRI		0.00138890	0.0021324	0.0000000	0.0000030
SANDRA J STONE	NPRI		0.00138890	0.0021324	0.0000000	0.0000030		
MARGARET E B DANIELS	NPRI		0.00520830	0.0021324	0.0000000	0.0000030		
DIANNE E DANIELS	NPRI		0.00138890	0.0021324	0.0000000	0.0000030		
JUNE A D GROTHE	NPRI		0.00138890	0.0021324	0.0000000	0.0000030		
CHARLES W DANIELS	NPRI		0.00138890	0.0021324	0.0000000	0.0000030		
JOHN D BRISCOE	NPRI		0.02812500	0.0021324	0.0021324	0.0000600	0.0000030	
NANCY E CARLOCK	NPRI		0.00117180	0.0021324	0.0021324	0.0000025	0.0000025	
VICTOR F CARLOCK	NPRI		0.00117180	0.0021324	0.0021324	0.0000025	0.0000025	
FRATES SEELIGSON	NPRI		0.01435550	0.0021324	0.0021324	0.0000306	0.0000306	
			1.000000000	1.000000000		0.0021324	0.0021324	

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EXHIBIT "D"
TRACT & UNIT PARTICIPATION - TRACT BASIS
UNIT OPERATING AGREEMENT

TRACT #	LEASE/WELLS	OWNER	TYPE	GROSS WI	NET INTEREST	TRACT PARTICIPATION 1 BOPD/WELL CUTOFF	UNIT PARTICIPATION (EXPENSE)	UNIT PARTICIPATION (REVENUE)		
34	MOONSHINE 18 #1-5	POC	WI	0.68750000	0.53484380	0.0308971	0.0212418	0.0165251		
		SUN	WI	0.18750000	0.14812500	0.0308971	0.0057932	0.0045766		
		TENNECO	WI	0.12500000	0.12500000	0.0308971	0.0038621	0.0038621		
		MOON CO	RI		0.12304690	0.0308971	0.0000000	0.0038018		
		HURRAY C MCKINNON TRUST	RI		0.00195310	0.0308971	0.0000000	0.0000603		
		FRANCISCA WINSTON EST TRUST	RI		0.00781250	0.0308971	0.0000000	0.0002414		
		F S WINSTON HARITAL TRUST	RI		0.00390620	0.0308971	0.0000000	0.0001207		
		MARSHALL & WINSTON	RI		0.00781250	0.0308971	0.0000000	0.0002414		
		CHARLES A KELLY	RI		0.00195310	0.0308971	0.0000000	0.0000603		
		P W PARKER TRUST	RI		0.00390630	0.0308971	0.0000000	0.0001207		
		J T WYMAN TRUST	RI		0.00750000	0.0308971	0.0000000	0.0002317		
		DAVID I MILLER	OR		0.00093750	0.0308971	0.0000000	0.000290		
		WILLIAM O DEWITT	OR		0.00260420	0.0308971	0.0000000	0.000805		
		J T HOWARD	OR		0.00520830	0.0308971	0.0000000	0.0001609		
		DONALD R WATTS	OR		0.00390630	0.0308971	0.0000000	0.0001207		
		POC	OR		0.01757800	0.0308971	0.0308971	0.0000000	0.0005431	
		FRATES SEELIGSON	NPRI							
						1.00000000	1.00000000	0.0308971	0.0308971	0.0308971
		35	O'BRIEN N #1 & #2Y	POC	WI	0.73718750	0.59649650	0.0088242	0.0065051	0.0052636
				TENNECO	WI	0.12500000	0.12500000	0.0088242	0.0011030	0.0011030
W G STROECKER	WI			0.06562500	0.05310060	0.0088242	0.0005791	0.0004686		
MARION WEEKS	WI			0.06562500	0.05310060	0.0088242	0.0005791	0.0004686		
B & R WINTHER	WI			0.00656250	0.00531010	0.0088242	0.0000579	0.0000469		
MARSHALL & WINSTON	RI				0.00781260	0.0088242	0.0000000	0.0000689		
MOON CO	RI				0.12304680	0.0088242	0.0000000	0.0010858		
J T WYMAN TRUST	RI				0.00292970	0.0088242	0.0000000	0.0000259		
P W PARKER TRUST	RI				0.00292970	0.0088242	0.0000000	0.0000259		
FRANCISCA WINSTON EST TRUST	RI				0.00585940	0.0088242	0.0000000	0.0000259		
F S WINSTON HARITAL TRUST	RI				0.00292970	0.0088242	0.0000000	0.0000259		
CHARLES A KELLY	RI				0.00195310	0.0088242	0.0000000	0.0000172		
HURRAY C MCKINNON TRUST	RI				0.00195310	0.0088242	0.0000000	0.0000172		
FRATES SEELIGSON	NPRI		0.01757810	0.0088242	0.0088242	0.0000000	0.0001551			
				1.00000000	1.00000000	0.0088242	0.0088242	0.0088242		

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EXHIBIT " E "

Attached to and made a part of that certain Unit Operating Agreement
Twin Lakes San Andres Unit, County of Chaves, State of New
Mexico, dated June 1, 1987.

ACCOUNTING PROCEDURE
JOINT OPERATIONS

I. GENERAL PROVISIONS

1. Definitions

"Joint Property" shall mean the real and personal property subject to the agreement to which this Accounting Procedure is attached.

"Joint Operations" shall mean all operations necessary or proper for the development, operation, protection and maintenance of the Joint Property.

"Joint Account" shall mean the account showing the charges paid and credits received in the conduct of the Joint Operations and which are to be shared by the Parties.

"Operator" shall mean the party designated to conduct the Joint Operations.

"Non-Operators" shall mean the parties to this agreement other than the Operator.

"Parties" shall mean Operator and Non-Operators.

"First Level Supervisors" shall mean those employees whose primary function in Joint Operations is the direct supervision of other employees and or contract labor directly employed on the Joint Property in a field operating capacity.

"Technical Employees" shall mean those employees having special and specific engineering, geological or other professional skills, and whose primary function in Joint Operations is the handling of specific operating conditions and problems for the benefit of the Joint Property.

"Personal Expenses" shall mean travel and other reasonable reimbursable expenses of Operator's employees.

"Material" shall mean personal property, equipment or supplies acquired or held for use on the Joint Property.

"Controllable Material" shall mean Material which at the time is so classified in the Material Classification Manual as most recently recommended by the Council of Petroleum Accountants Societies of North America.

2. Statement and Billings

Operator shall bill Non-Operators on or before the last day of each month for their proportionate share of the Joint Account for the preceding month. Such bills will be accompanied by statements which identify the authority for expenditure, lease or facility, and all charges and credits, summarized by appropriate classifications of investment and expense except that items of Controllable Material and unusual charges and credits shall be separately identified and fully described in detail.

3. Advances and Payments by Non-Operators

Unless otherwise provided for in the agreement, the Operator may require the Non-Operators to advance their share of estimated cash outlay for the succeeding month's operation. Operator shall adjust each monthly billing to reflect advances received from the Non-Operators.

Each Non-Operator shall pay its proportion of all bills within fifteen (15) days after receipt. If payment is not made within such time, the unpaid balance shall bear interest monthly at the rate of ~~twelve percent (12%)~~ ^{as defined in Article 10 of UOA} ~~per~~ ^{of UOA} ~~annum~~ or the maximum contract rate permitted by the applicable usury laws in the state in which the Joint Property is located, whichever is the lesser, plus attorney's fees, court costs, and other costs in connection with the collection of unpaid amounts.

4. Adjustments

Payment of any such bills shall not prejudice the right of any Non-Operator to protest or question the correctness thereof; provided, however, all bills and statements rendered to Non-Operators by Operator during any calendar year shall conclusively be presumed to be true and correct after twenty-four (24) months following the end of any such calendar year, unless within the said twenty-four (24) month period a Non-Operator takes written exception thereto and makes claim on Operator for adjustment. No adjustment favorable to Operator shall be made unless it is made within the same prescribed period. The provisions of this paragraph shall not prevent adjustments resulting from a physical inventory of Controllable Material as provided for in Section V.

5. Audits

A. Non-Operator, upon notice in writing to Operator and all other Non-Operators, shall have the right to audit Operator's accounts and records relating to the Joint Account for any calendar year within the twenty-four (24) month period following the end of such calendar year; provided, however, the making of an audit shall not extend the time for the taking of written exception to and the adjustments of accounts as provided for in Paragraph 4 of this Section I. Where there are two or more Non-Operators, the Non-Operators shall make every reasonable effort to conduct joint or simultaneous audits in a manner which will result in a minimum of inconvenience to the Operator. Operator shall bear no portion of the Non-Operators' audit cost incurred under this paragraph unless agreed to by the Operator.

6. Approval by Non-Operators

Where an approval or other agreement of the Parties or Non-Operators is expressly required under other sections of this Accounting Procedure and if the agreement to which this Accounting Procedure is attached contains no contrary provisions in regard thereto, Operator shall notify all Non-Operators of the Operator's proposal, and the agreement or approval of a majority in interest of the Non-Operators shall be controlling on all Non-Operators.

II. DIRECT CHARGES

Operator shall charge the Joint Account with the following items:

1. Rentals and Royalties

Lease rentals and royalties paid by Operator for the Joint Operations.

2. Labor

- A. (1) Salaries and wages of Operator's field employees directly employed on the Joint Property in the conduct of Joint Operations.
- (2) Salaries of First Level Supervisors in the field.
- (3) Salaries and wages of Technical Employees directly employed on the Joint Property if such charges are excluded from the Overhead rates.
- B. Operator's cost of holiday, vacation, sickness and disability benefits and other customary allowances paid to employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section II. Such costs under this Paragraph 2B may be charged on a "when and as paid basis" or by "percentage assessment" on the amount of salaries and wages chargeable to the Joint Account under Paragraph 2A of this Section II. If percentage assessment is used, the rate shall be based on the Operator's cost experience.
- C. Expenditures or contributions made pursuant to assessments imposed by governmental authority which are applicable to Operator's costs chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II.
- D. Personal Expenses of those employees whose salaries and wages are chargeable to the Joint Account under Paragraph 2A of this Section II.

3. Employee Benefits

Operator's current costs of established plans for employees' group life insurance, hospitalization, pension, retirement, stock purchase, thrift, bonus, and other benefit plans of a like nature, applicable to Operator's labor cost chargeable to the Joint Account under Paragraphs 2A and 2B of this Section II shall be Operator's actual cost not to exceed ~~twenty per cent (20%)~~ twenty three percent (23%) or the percent most recently recommended by the Council of Petroleum Accountants Societies of North America.

4. Material

Material purchased or furnished by Operator for use on the Joint Property as provided under Section IV. Only such Material shall be purchased for or transferred to the Joint Property as may be required for immediate use and is reasonably practical and consistent with efficient and economical operations. The accumulation of surplus stocks shall be avoided.

5. Transportation

Transportation of employees and Material necessary for the Joint Operations but subject to the following limitations:

- A. If Material is moved to the Joint Property from the Operator's warehouse or other properties, no charge shall be made to the Joint Account for a distance greater than the distance from the nearest reliable supply store, recognized barge terminal, or railway receiving point where like material is normally available, unless agreed to by the Parties.
- B. If surplus Material is moved to Operator's warehouse or other storage point, no charge shall be made to the Joint Account for a distance greater than the distance to the nearest reliable supply store, recognized barge terminal, or railway receiving point unless agreed to by the Parties. No charge shall be made to the Joint Account for moving Material to other properties belonging to Operator, unless agreed to by the Parties.
- C. In the application of Subparagraphs A and B above, there shall be no equalization of actual gross trucking cost of \$200 or less excluding accessorial charges.

6. Services

The cost of contract services, equipment and utilities provided by outside sources, except services excluded by Paragraph 9 of Section II and Paragraph 1. ii of Section III. The cost of professional consultant services and contract services of technical personnel directly engaged on the Joint Property if such charges are excluded from the Overhead rates. The cost of professional consultant services or contract services of technical personnel not directly engaged on the Joint Property shall not be charged to the Joint Account unless previously agreed to by the Parties.

7. Equipment and Facilities Furnished by Operator

- A. Operator shall charge the Joint Account for use of Operator owned equipment and facilities at rates commensurate with costs of ownership and operation. Such rates shall include costs of maintenance, repairs, other operating expense, insurance, taxes, depreciation, and interest on investment not to exceed eight per cent (8%) per annum. Such rates shall not exceed average commercial rates currently prevailing in the immediate area of the Joint Property.
- B. In lieu of charges in Paragraph 7A above, Operator may elect to use average commercial rates prevailing in the immediate area of the Joint Property less 20%. For automotive equipment, Operator may elect to use rates published by the Petroleum Motor Transport Association.

8. Damages and Losses to Joint Property

All costs or expenses necessary for the repair or replacement of Joint Property made necessary because of damages or losses incurred by fire, flood, storm, theft, accident, or other cause, except those resulting from Operator's gross negligence or willful misconduct. Operator shall furnish Non-Operator written notice of damages or losses incurred as soon as practicable after a report thereof has been received by Operator.

9. Legal Expense

Expense of handling, investigating and settling litigation or claims, discharging of liens, payment of judgments and amounts paid for settlement of claims incurred in or resulting from operations under the agreement or necessary to protect or recover the Joint Property, except that no charge for services of Operator's legal staff or fees or expense of outside attorneys shall be made unless previously agreed to by the Parties. All other legal expense is considered to be covered by the overhead provisions of Section III unless otherwise agreed to by the Parties, except as provided in Section I, Paragraph 3.

10. Taxes

All taxes of every kind and nature assessed or levied upon or in connection with the Joint Property, the operation thereof, or the production therefrom, and which taxes have been paid by the Operator for the benefit of the Parties.

11. Insurance

Net premiums paid for insurance required to be carried for the Joint Operations for the protection of the Parties. In the event Joint Operations are conducted in a state in which Operator may act as self-insurer for Workmen's Compensation and/or Employers Liability under the respective state's laws, Operator may, at its election, include the risk under its self-insurance program and in that event, Operator shall include a charge at Operator's cost not to exceed manual rates.

12. Other Expenditures

Any other expenditure not covered or dealt with in the foregoing provisions of this Section II, or in Section III, and which is incurred by the Operator in the necessary and proper conduct of the Joint Operations.

III. OVERHEAD

1. Overhead - Drilling and Producing Operations

i. As compensation for administrative, supervision, office services and warehousing costs, Operator shall charge drilling and producing operations on either:

(X) Fixed Rate Basis, Paragraph 1A, or

() Percentage Basis, Paragraph 1B.

Unless otherwise agreed to by the Parties, such charge shall be in lieu of costs and expenses of all offices and salaries or wages plus applicable burdens and expenses of all personnel, except those directly chargeable under Paragraph 2A, Section II. The cost and expense of services from outside sources in connection with matters of taxation, traffic, accounting or matters before or involving governmental agencies shall be considered as included in the Overhead rates provided for in the above selected Paragraph of this Section III unless such cost and expense are agreed to by the Parties as a direct charge to the Joint Account.

ii. The salaries, wages and Personal Expenses of Technical Employees and/or the cost of professional consultant services and contract services of technical personnel directly employed on the Joint Property shall () shall not (X) be covered by the Overhead rates, or temporary contr or professional services employed for the benefit of the joint property

A. Overhead - Fixed Rate Basis

(1) Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate \$	4000.00
Water Source, / Injection or Producing Well Rate \$	400.00

(2) Application of Overhead - Fixed Rate Basis shall be as follows:

(a) Drilling Well Rate

[1] Charges for onshore drilling wells shall begin on the date the well is spudded and terminate on the date the drilling or completion rig is released, whichever is later, except that no charge shall be made during suspension of drilling operations for fifteen (15) or more consecutive days.

[2] Charges for offshore drilling wells shall begin on the date when drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location or rig is released, whichever occurs first, except that no charge shall be made during suspension of drilling operations for fifteen (15) or more consecutive days

[3] Charges for wells undergoing any type of workover or recompletion for a period of five (5) consecutive days or more shall be made at the drilling well rate. Such charges shall be applied for the period from date workover operations, with rig, commence through date of rig release, except that no charge shall be made during suspension of operations for fifteen (15) or more consecutive days.

(b) Producing Well Rates

[1] An active well either produced or injected into for any portion of the month shall be considered as a one-well charge for the entire month. This shall include production from water-source as well as oil and gas wells.

[2] Each active completion in a multi-completed well in which production is not commingled down hole shall be considered as a one-well charge providing each completion is considered a separate well by the governing regulatory authority.

[3] An inactive gas well shut in because of overproduction or failure of purchaser to take the production shall be considered as a one-well charge providing the gas well is directly connected to a permanent sales outlet.

[4] A one-well charge may be made for the month in which plugging and abandonment operations are completed on any well.

[5] All other inactive wells (including but not limited to inactive wells covered by unit allowable, lease allowable, transferred allowable, etc.) shall not qualify for an overhead charge.

(3) The well rates shall be adjusted as of the first day of April each year following the effective date of the agreement to which this Accounting Procedure is attached. The adjustment shall be computed by multiplying the rate currently in use by the percentage increase or decrease in the average weekly earnings of Crude Petroleum and Gas Production Workers for the last calendar year compared to the calendar year preceding as shown by the index of average weekly earnings of Crude Petroleum and Gas Fields Production Workers as published by the United States Department of Labor, Bureau of Labor Statistics, or the equivalent Canadian index as published by Statistics Canada, as applicable. The adjusted rates shall be the rates currently in use, plus or minus the computed adjustment.

B. Overhead - Percentage Basis

(1) Operator shall charge the Joint Account at the following rates:

(a) Development

_____ Percent (%) of the cost of Development of the Joint Property exclusive of costs provided under Paragraph 9 of Section II and all salvage credits.

(b) Operating

_____ Percent (%) of the cost of Operating the Joint Property exclusive of costs provided under Paragraphs 1 and 9 of Section II, all salvage credits, the value of injected substances purchased for secondary recovery and all taxes and assessments which are levied, assessed and paid upon the mineral interest in and to the Joint Property.

(2) Application of Overhead - Percentage Basis shall be as follows:

For the purpose of determining charges on a percentage basis under Paragraph 1B of this Section III, development shall include all costs in connection with drilling, re-drilling, deepening or any remedial operations on any or all wells involving the use of drilling crew and equipment; also, preliminary expenditures necessary in preparation for drilling and expenditures incurred in abandoning when the well is not completed as a producer, and original cost of construction or installation of fixed assets, the expansion of fixed assets and any other project clearly discernible as a fixed asset, except Major Construction as defined in Paragraph 2 of this Section III. All other costs shall be considered as Operating

2. Overhead - Major Construction

To compensate Operator for overhead costs incurred in the construction and installation of fixed assets, the expansion of fixed assets, and any other project clearly discernible as a fixed asset required for the development and operation of the Joint Property, Operator shall either negotiate a rate prior to the beginning of construction, or shall charge the Joint Account for Overhead based on the following rates for any Major Construction project in excess of \$ 20,000.00 :

- A. 5 % of total costs if such costs are more than \$ 20,000.00 but less than \$ 100,000.00 ; plus
B. 3 % of total costs in excess of \$ 100,000.00 but less than \$1,000,000; plus
C. 2 % of total costs in excess of \$1,000,000.

Total cost shall mean the gross cost of any one project. For the purpose of this paragraph, the component parts of a single project shall not be treated separately and the cost of drilling and workover wells shall be excluded.

3. Amendment of Rates

The Overhead rates provided for in this Section III may be amended from time to time only by mutual agreement between the Parties hereto if, in practice, the rates are found to be insufficient or excessive.

IV. PRICING OF JOINT ACCOUNT MATERIAL PURCHASES, TRANSFERS AND DISPOSITIONS

Operator is responsible for Joint Account Material and shall make proper and timely charges and credits for all material movements affecting the Joint Property. Operator shall provide all Material for use on the Joint Property; however, at Operator's option, such Material may be supplied by the Non-Operator. Operator shall make timely disposition of idle and or surplus Material, such disposal being made either through sale to Operator or Non-Operator, division in kind, or sale to outsiders. Operator may purchase, but shall be under no obligation to purchase, interest of Non-Operators in surplus condition A or B Material. The disposal of surplus Controllable Material not purchased by the Operator shall be agreed to by the Parties.

1. Purchases

Material purchased shall be charged at the price paid by Operator after deduction of all discounts received. In case of Material found to be defective or returned to vendor for any other reason, credit shall be passed to the Joint Account when adjustment has been received by the Operator.

2. Transfers and Dispositions

Material furnished to the Joint Property and Material transferred from the Joint Property or disposed of by the Operator, unless otherwise agreed to by the Parties, shall be priced on the following bases exclusive of cash discounts:

A. New Material (Condition A)

- (1) Tubular goods, except line pipe, shall be priced at the current new price in effect on date of movement on a maximum carload or barge load weight basis, regardless of quantity transferred, equalized to the lowest published price f.o.b. railway receiving point or recognized barge terminal nearest the Joint Property where such Material is normally available.
- (2) Line Pipe
- (a) Movement of less than 30,000 pounds shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store nearest the Joint Property where such Material is normally available.
- (b) Movement of 30,000 pounds or more shall be priced under provisions of tubular goods pricing in Paragraph 2A (1) of this Section IV.
- (3) Other Material shall be priced at the current new price, in effect at date of movement, as listed by a reliable supply store or f.o.b. railway receiving point nearest the Joint Property where such Material is normally available.

B. Good Used Material (Condition B)

Material in sound and serviceable condition and suitable for reuse without reconditioning:

(1) Material moved to the Joint Property

- (a) At seventy-five percent (75%) of current new price, as determined by Paragraph 2A of this Section IV.

(2) Material moved from the Joint Property

- (a) At seventy-five percent (75%) of current new price, as determined by Paragraph 2A of this Section IV, if Material was originally charged to the Joint Account as new Material, or

(b) at sixty-five percent (65%) of current new price, as determined by Paragraph 2A of this Section IV, if Material was originally charged to the Joint Account as good used Material at seventy-five percent (75%) of current new price.

The cost of reconditioning, if any, shall be absorbed by the transferring property.

C. Other Used Material (Condition C and D)

(1) Condition C

Material which is not in sound and serviceable condition and not suitable for its original function until after reconditioning shall be priced at fifty percent (50%) of current new price as determined by Paragraph 2A of this Section IV. The cost of reconditioning shall be charged to the receiving property, provided Condition C value plus cost of reconditioning does not exceed Condition B value.

(2) Condition D

All other Material, including junk, shall be priced at a value commensurate with its use or at prevailing prices. Material no longer suitable for its original purpose but usable for some other purpose, shall be priced on a basis comparable with that of items normally used for such other purpose. Operator may dispose of Condition D Material under procedures normally utilized by the Operator without prior approval of Non-Operators.

D. Obsolete Material

Material which is serviceable and usable for its original function but condition and or value of such Material is not equivalent to that which would justify a price as provided above may be specially priced as agreed to by the Parties. Such price should result in the Joint Account being charged with the value of the service rendered by such Material.

E. Pricing Conditions

- (1) Loading and unloading costs may be charged to the Joint Account at the rate of fifteen cents (15¢) per hundred weight on all tubular goods movements, in lieu of loading and unloading costs sustained, when actual hauling cost of such tubular goods are equalized under provisions of Paragraph 5 of Section II.
- (2) Material involving erection costs shall be charged at applicable percentage of the current knocked-down price of new Material.

3. Premium Prices

Whenever Material is not readily obtainable at published or listed prices because of national emergencies, strikes or other unusual causes over which the Operator has no control, the Operator may charge the Joint Account for the required Material at the Operator's actual cost incurred in providing such Material, in making it suitable for use, and in moving it to the Joint Property; provided notice in writing is furnished to Non-Operators of the proposed charge prior to billing Non-Operators for such Material. Each Non-Operator shall have the right, by so electing and notifying Operator within ten days after receiving notice from Operator, to furnish in kind all or part of his share of such Material suitable for use and acceptable to Operator.

4. Warranty of Material Furnished by Operator

Operator does not warrant the Material furnished. In case of defective Material, credit shall not be passed to the Joint Account until adjustment has been received by Operator from the manufacturers or their agents.

V. INVENTORIES

The Operator shall maintain detailed records of Controllable Material.

1. Periodic Inventories, Notice and Representation

At reasonable intervals, Inventories shall be taken by Operator of the Joint Account Controllable Material. Written notice of intention to take inventory shall be given by Operator at least thirty (30) days before any inventory is to begin so that Non-Operators may be represented when any inventory is taken. Failure of Non-Operators to be represented at an inventory shall bind Non-Operators to accept the inventory taken by Operator.

2. Reconciliation and Adjustment of Inventories

Reconciliation of a physical inventory with the Joint Account shall be made, and a list of overages and shortages shall be furnished to the Non-Operators within six months following the taking of the inventory. Inventory adjustments shall be made by Operator with the Joint Account for overages and shortages, but Operator shall be held accountable only for shortages due to lack of reasonable diligence.

3. Special Inventories

Special Inventories may be taken whenever there is any sale or change of interest in the Joint Property. It shall be the duty of the party selling to notify all other Parties as quickly as possible after the transfer of interest takes place. In such cases, both the seller and the purchaser shall be governed by such inventory.

4. Expense of Conducting Periodic Inventories

The expense of conducting periodic Inventories shall not be charged to the Joint Account unless agreed to by the Parties.

EXHIBIT "F"

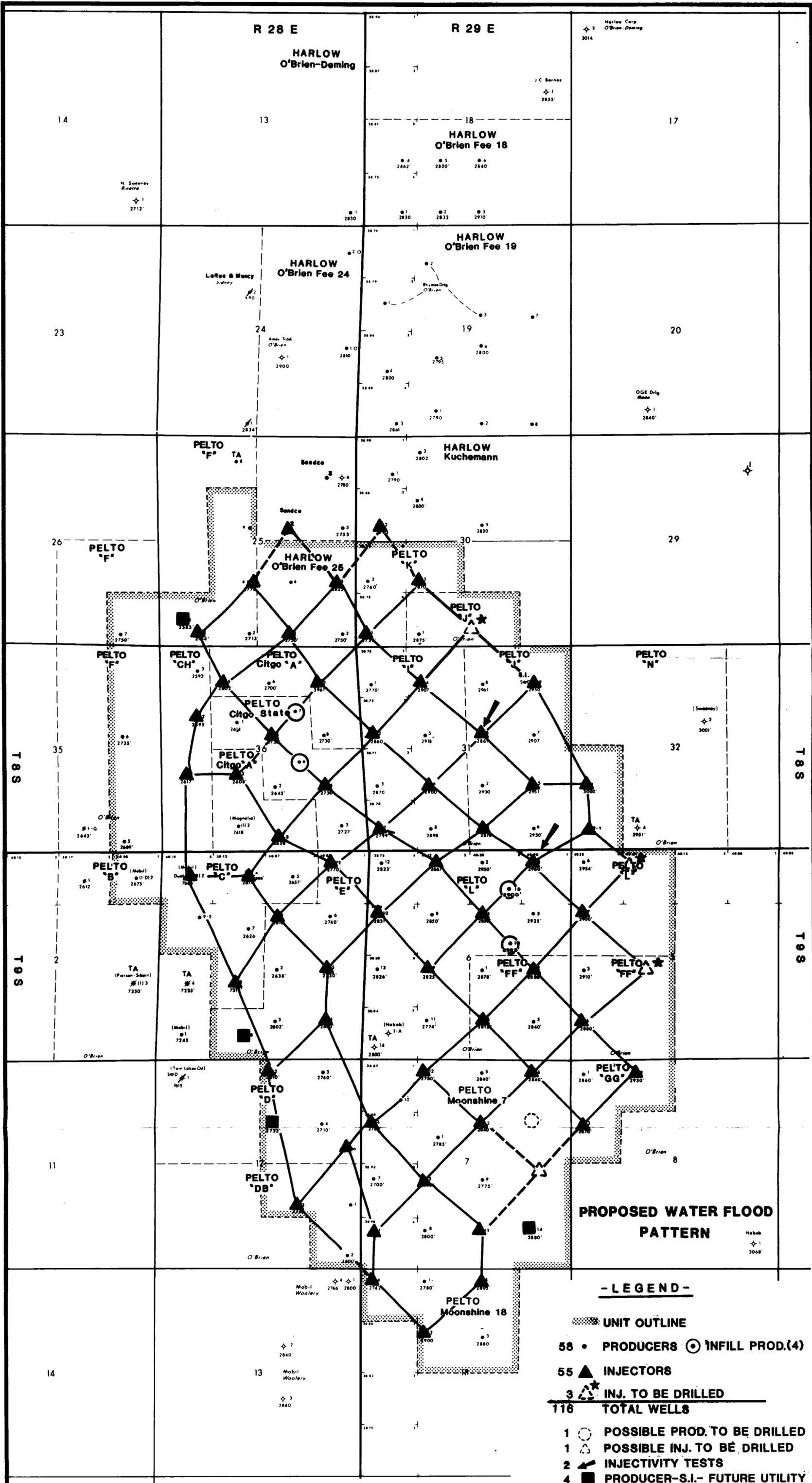
Attached to and made a part of that certain Unit Operating Agreement, Twin Lakes San Andres Unit, County of Chaves, State of New Mexico, dated June 1, 1987.

INSURANCE

Unit Operator and Unit Operator's contractors and subcontractors shall, during the drilling and completing of any and all well or wells drilled on the Unit Area and during the performance of all operations, carry the following described minimum insurance coverage on the Unit Area.

- A. Employer's Liability with limit of \$100,000 and Workmen's Compensation Insurance covering Operator's employees and the employees of Operator's contractors and subcontractors engaged in operations under this Agreement, in compliance with the laws of the State where the work is to be performed.
- B. General Public Liability Insurance covering the parties hereto in connection with all operations conducted by Operator or Operator's contractors and subcontractors with Bodily Injury or Death limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) for injury to or death of any one person; not less than Five Hundred Thousand Dollars (\$500,000.00) for injury to or death of more than one person resulting from any one accident and for Property Damage with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) for damage to property for each accident; and
- C. Automobile Public Liability and Property Damage Insurance covering the parties hereto in connection with all operations conducted by Operator or Operator's contractors and subcontractors with Bodily Injury or Death limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) for injury to or death of any one person; not less than Five Hundred Thousand Dollars (\$500,000.00) for injury to or death of more than one person resulting from any one accident and for Property Damage with a limit of not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) for damage to property for each accident.
- D. Such additional insurance as may be required by law.

Unit operator shall require its contractors and subcontractors working and performing services on land committed hereto to carry insurance of the types specified above. All insurance coverage shall be carried at the joint expense and for the benefit of the parties hereto.



R 28 E



**PELTO OIL COMPANY
TWIN LAKES FIELD**

CHAVES COUNTY, NEW MEXICO



- LEGEND -**
- UNIT OUTLINE
 - 58 • PRODUCERS ⊙ INFILL PROD.(4)
 - 55 ▲ INJECTORS
 - 3 ▲ INJ. TO BE DRILLED
 - 116 TOTAL WELLS
 - 1 ○ POSSIBLE PROD. TO BE DRILLED
 - 1 ▲ POSSIBLE INJ. TO BE DRILLED
 - 2 ▲ INJECTIVITY TESTS
 - 4 ■ PRODUCER-S.I.- FUTURE UTILITY

EXHIBIT E