

UNIT AGREEMENT  
FOR THE DEVELOPMENT AND OPERATION OF THE

MAL GRA UNIT

MALJAMAR FIELD

LEA COUNTY, NEW MEXICO

NO. \_\_\_\_\_

THIS AGREEMENT, ENTERED INTO AS OF THE 1ST DAY OF AUGUST, 1964, 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:

WHEREAS, THE PARTIES HERETO ARE THE OWNERS OF WORKING, ROYALTY, OR OTHER OIL OR 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 AN ACT OF THE LEGISLATURE (SECTION 3, CHAPTER 88, LAWS 1943 AS AMENDED BY SECTION 1 OF CHAPTER 162, LAWS OF 1951) TO CONSENT TO OR APPROVE THIS AGREEMENT ON BEHALF OF THE STATE OF NEW MEXICO, INsofar AS IT COVERS AND INCLUDES LANDS AND MINERAL INTERESTS OF THE STATE OF NEW MEXICO; AND

WHEREAS, THE COMMISSIONER OF PUBLIC LANDS OF THE STATE OF NEW MEXICO IS AUTHORIZED BY AN ACT OF THE LEGISLATURE (SECTION 1, CHAPTER 162, LAWS OF 1951) TO AMEND WITH THE APPROVAL OF THE LESSEE, ANY OIL AND GAS LEASE EMBRACING STATE LANDS SO THAT THE LENGTH OF THE TERM OF SAID LEASE MAY COINCIDE WITH THE TERMS OF THE UNITIZED DEVELOPMENT AND OPERATION OF STATE LANDS; AND

WHEREAS, THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO IS AUTHORIZED BY LAW (CHAPTER 72, LAWS OF 1935, AS AMENDED BY CHAPTER 193, LAWS OF 1937, CHAPTER 166, LAWS OF 1951, AND CHAPTER 168, LAWS OF 1949) TO APPROVE THIS AGREEMENT, AND THE CONSERVATION PROVISIONS HEREOF; AND

WHEREAS, THE PARTIES HERETO HOLD SUFFICIENT INTERESTS IN THE UNIT AREA SUBJECT TO THIS AGREEMENT TO GIVE REASONABLE EFFECTIVE CONTROL OF OPERATION THEREIN; AND

WHEREAS, IT IS THE PURPOSE OF THE PARTIES HERETO, TO ENABLE INSTITUTION AND CONSUMMATION OF SECONDARY RECOVERY OPERATIONS, TO CONSERVE NATURAL RESOURCES, PREVENT WASTE AND SECURE THE OTHER BENEFITS OBTAINABLE THROUGH DEVELOPMENT AND OPERATION OF THE UNIT AREA SUBJECT TO THIS AGREEMENT UNDER THE TERMS, CONDITIONS, AND LIMITATIONS HEREIN SET FORTH.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND PROMISES HEREIN CONTAINED, THE PARTIES HERETO COMMIT TO THIS AGREEMENT THEIR RESPECTIVE INTERESTS IN THE BELOW DEFINED UNIT AREA SUBJECT TO THIS AGREEMENT, AND AGREE SEVERALLY AMONG THEMSELVES AS FOLLOWS:

1. DEFINITIONS: FOR THE PURPOSE OF THIS AGREEMENT, THE FOLLOWING TERMS AND EXPRESSIONS AS USED HEREIN SHALL MEAN:
  - (A) "COMMISSION" IS DEFINED AS THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO.
  - (B) "COMMISSIONER" IS DEFINED AS THE COMMISSIONER OF PUBLIC LANDS OF THE STATE OF NEW MEXICO.
  - (C) "PAYING QUANTITIES" IS DEFINED AS PRODUCTION OF UNITIZED SUBSTANCES IN QUANTITIES SUFFICIENT TO PAY FOR THE COST OF PRODUCING SAME FROM WELLS COMPLETED IN THE UNITIZED FORMATION.

PRODUCED FROM ANY PORTION OF SAID LANDS.

20. MATHEMATICAL ERRORS: IT IS HEREBY AGREED BY ALL PARTIES TO THE AGREEMENT THAT UNIT OPERATOR SHALL BE EMPOWERED TO CORRECT ANY MATHEMATICAL ERRORS WHICH MIGHT EXIST IN THE PERTINENT EXHIBITS TO THIS AGREEMENT UPON APPROVAL OF THE COMMISSIONER.

21. COVENANTS RUN WITH LAND: THE COVENANTS HEREIN SHALL BE CONSTRUED TO BE COVENANTS RUNNING WITH THE LAND WITH RESPECT TO THE INTEREST OF THE PARTIES HERETO AND THEIR SUCCESSORS IN INTEREST UNTIL THIS AGREEMENT TERMINATES AND ANY GRANT, TRANSFER, OR CONVEYANCE OF INTEREST IN LAND OR LEASES SUBJECT HERETO SHALL BE AND HEREBY IS CONDITIONED UPON THE ASSUMPTION OF ALL PRIVILEGES AND OBLIGATIONS HEREUNDER BY THE GRANTEE, TRANSFEREE, OR OTHER SUCCESSOR IN INTEREST. NO ASSIGNMENT OR TRANSFER OF ANY WORKING INTEREST SUBJECT HERETO SHALL BE BINDING UPON UNIT OPERATOR UNTIL THE FIRST DAY OF THE CALENDAR MONTH AFTER UNIT OPERATOR IS FURNISHED WITH THE ORIGINAL, PHOTOSTATIC, OR CERTIFIED COPY OF THE INSTRUMENT OF TRANSFER; AND NO ASSIGNMENT OR TRANSFER OF ANY ROYALTY INTEREST SUBJECT THERETO 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, PHOTOSTATIC, OR CERTIFIED COPY OF THE INSTRUMENT OF TRANSFER.

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 AS OF 7:00 O'CLOCK A.M. ON THE FIRST DAY OF THE CALENDAR MONTH NEXT FOLLOWING:

- (A) THE EXECUTION OR RATIFICATION OF THIS AGREEMENT AND THE UNIT OPERATING AGREEMENT BY WORKING INTEREST OWNERS OWNING A COMBINED UNIT PARTICIPATION OF AT LEAST EIGHTY-FIVE PER CENT (85%), AND THE EXECUTION OR RATIFICATION OF THIS AGREEMENT BY ROYALTY OWNERS OWNING A COMBINED INTEREST OF AT LEAST SEVENTY-FIVE PER CENT (75%) OF THE ROYALTY INTEREST IN THE LANDS DESCRIBED IN SECTION 2 OF THIS AGREEMENT;
- (B) THE APPROVAL OF THIS AGREEMENT BY THE COMMISSIONER AND THE COMMISSION;
- (C) THE FILING OF AT LEAST ONE COUNTERPART OF THIS AGREEMENT FOR THE RECORD IN THE RECORDS OF LEA COUNTY, NEW MEXICO, BY UNIT OPERATOR; AND PROVIDED FURTHER, THAT IF (A), (B), AND (C) ARE NOT ACCOMPLISHED ON OR BEFORE MARCH 1, 1965, THIS AGREEMENT SHALL IP SO FACTO TERMINATE ON SAID DATE (HEREINAFTER CALLED "TERMINATION 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 UNIT PARTICIPATION OF AT LEAST NINETY PER CENT (90%), AND WORKING INTEREST OWNERS OWNING A COMBINED UNIT PARTICIPATION OF AT LEAST NINETY PER CENT (90%) COMMITTED TO THIS AGREEMENT HAVE DECIDED TO EXTEND SAID TERMINATION DATE FOR A PERIOD NOT TO EXCEED SIX (6) MONTHS. IF SAID TERMINATION DATE IS SO EXTENDED AND (A), (B), AND (C) ARE NOT ACCOMPLISHED ON OR BEFORE SAID EXTENDED TERMINATION DATE, THIS AGREEMENT SHALL IP SO FACTO TERMINATE ON SAID EXTENDED TERMINATION DATE AND THEREAFTER BE OF NO FURTHER FORCE OR EFFECT. FOR THE PURPOSE OF THIS SECTION, OWNERSHIP SHALL BE COMPUTED ON THE BASIS OF UNIT PARTICIPATION. UNIT OPERATOR SHALL, WITHIN THIRTY (30) DAYS AFTER THE EFFECTIVE DATE OF THIS AGREEMENT, FILE FOR THE RECORD IN THE OFFICE OR OFFICES WHERE A COUNTERPART OF THIS AGREEMENT IS RECORDED, A CERTIFICATE TO THE EFFECT THAT THIS AGREEMENT HAS BECOME EFFECTIVE ACCORDING TO ITS TERMS AND STATING FURTHER THE EFFECTIVE DATE.

THE TERM OF THIS AGREEMENT SHALL BE FOR AND DURING THE TIME THAT UNITIZED SUBSTANCES ARE PRODUCED IN PAYING QUANTITIES FROM THE UNIT AREA AND AS LONG

THERAFTER AS DRILLING, REWORKING, OR OTHER OPERATIONS (INCLUDING SECONDARY RECOVERY) ARE PROSECUTED THEREON WITHOUT CESSATION OF MORE THAN NINETY (90) CONSECUTIVE DAYS, UNLESS SOONER TERMINATED BY WORKING INTEREST OWNERS IN THE MANNER HEREINAFTER PROVIDED. THIS AGREEMENT MAY BE TERMINATED BY WORKING INTEREST OWNERS OF NINETY PER CENT (90%) UNIT PARTICIPATION WHENEVER SUCH WORKING INTEREST OWNERS DETERMINE THAT UNIT OPERATIONS ARE NO LONGER PROFITABLE, FEASIBLE, OR IN THE INTEREST OF CONSERVATION, WITH THE APPROVAL OF THE COMMISSION AND THE COMMISSIONER. NOTICE OF ANY SUCH APPROVAL TO BE GIVEN BY UNIT OPERATOR TO ALL PARTIES HERETO.

UPON TERMINATION OF THIS AGREEMENT, THE FURTHER DEVELOPMENT AND OPERATION OF THE UNIT AREA AS A UNIT SHALL BE ABANDONED, UNIT OPERATIONS SHALL CEASE, AND HEREAFTER THE PARTIES HERETO SHALL BE GOVERNED BY THE TERMS AND PROVISIONS OF THE LEASES AND CONTRACTS AFFECTING THE SEPARATE TRACTS JUST AS IF THE AGREEMENT HAD NEVER BEEN ENTERED INTO.

IF NOT OTHERWISE COVERED BY THE LEASES UNITIZED UNDER THIS AGREEMENT, ROYALTY OWNERS HEREBY GRANT WORKING INTEREST OWNERS A PERIOD OF THREE (3) 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.

23. RATE OF PRODUCTION: ALL PRODUCTION AND THE DISPOSAL THEREOF SHALL BE IN CONFORMITY WITH ALLOCATIONS AND QUOTAS MADE OR FIXED BY THE COMMISSION AND IN CONFORMITY WITH ALL APPLICABLE LAWS AND LAWFUL REGULATIONS.

24. APPEARANCES: UNIT OPERATOR SHALL, AFTER NOTICE TO THE OTHER PARTIES AFFECTED, HAVE THE RIGHT TO APPEAR FOR OR ON BEHALF OF ANY AND ALL INTERESTS AFFECTED HEREBY BEFORE THE COMMISSIONER OF PUBLIC LANDS, AND THE NEW MEXICO OIL CONSERVATION COMMISSION, AND TO APPEAL FROM ORDER ISSUED UNDER THE REGULATIONS OF SAID COMMISSIONER, OR COMMISSION, OR TO APPLY FOR RELIEF FROM ANY OF SAID REGULATIONS OR IN ANY PROCEEDINGS RELATIVE TO OPERATIONS BEFORE THE SAID COMMISSIONER, OR COMMISSION, OR ANY OTHER LEGALLY CONSTITUTED AUTHORITY; PROVIDED, HOWEVER, THAT THE OTHER INTERESTED PARTY SHALL ALSO HAVE THE RIGHT, AT HIS OWN EXPENSE, TO BE HEARD IN ANY SUCH PROCEEDINGS.

25. NOTICES: ALL NOTICES, DEMANDS, OR STATEMENTS REQUIRED HEREUNDER TO BE GIVEN OR RENDERED TO THE PARTIES HERETO SHALL BE DEEMED FULLY GIVEN, IF GIVEN IN WRITING AND PERSONALLY DELIVERED TO THE PARTY OR SENT BY POSTPAID REGISTERED MAIL, ADDRESSED TO SUCH PARTY OR PARTIES AT THEIR RESPECTIVE ADDRESSES SET FORTH IN CONNECTION WITH THE SIGNATURES HERETO, OR THE RATIFICATION OR CONSENT HEREOF OR TO SUCH OTHER ADDRESS AS ANY SUCH PARTY MAY HAVE FURNISHED IN WRITING TO PARTY SENDING THE NOTICE, DEMAND, OR STATEMENT.

26. NO WAIVER OF CERTAIN RIGHTS: NOTHING CONTAINED IN THIS AGREEMENT SHALL BE CONSTRUED AS A WAIVER BY ANY PARTY HERETO OF THE RIGHT TO ASSERT ANY LEGAL OR CONSTITUTIONAL RIGHT OR DEFENSE AS TO THE VALIDITY OR INVALIDITY OF ANY LAW OF THE STATE WHEREIN SAID UNITIZED LANDS ARE LOCATED, OR OF THE UNITED STATES, OR REGULATIONS ISSUED THEREUNDER IN ANY WAY AFFECTING SUCH PARTY, OR AS A WAIVER BY ANY SUCH PARTY OF ANY RIGHT BEYOND HIS OR ITS AUTHORITY TO WAIVE.

27. UNAVOIDABLE DELAY: ALL OBLIGATIONS UNDER THIS AGREEMENT REQUIRING THE UNIT OPERATOR TO COMMENCE OR CONTINUE DRILLING OR TO OPERATE ON OR PRODUCE UNITIZED SUBSTANCES FROM ANY OF THE LANDS COVERED BY THIS AGREEMENT SHALL BE SUSPENDED WHILE, BUT ONLY SO LONG AS THE UNIT OPERATOR, DESPITE THE EXERCISE OF DUE CARE AND DILIGENCE IS PREVENTED FROM COMPLYING WITH SUCH OBLIGATIONS, IN WHOLE OR IN PART, BY STRIKES, ACTS OF GOD, FEDERAL, STATE, OR MUNICIPAL LAW OR AGENCIES, UNAVOIDABLE 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.

28. LOSS OF TITLE: IN THE EVENT TITLE TO ANY TRACT OF UNITIZED LAND SHALL FAIL IN WHOLE OR IN PART AND THE TRUE OWNER CANNOT BE INDUCED TO JOIN THIS UNIT AGREEMENT, SUCH TRACT SHALL BE AUTOMATICALLY REGARDED AS NOT COMMITTED HERETO AND THERE SHALL BE SUCH READJUSTMENT OF FUTURE COSTS AND BENEFITS AS MAY BE RE-

UNIT NAME: CARROCK HILL JAWAR UNIT  
 OPERATOR: THE WISER OIL COMPANY  
 COUNTY: LEA

# 10930

DATE	OC	CASE NO.	EFFECTIVE DATE	TOTAL ACREAGE	STATE	FEDERAL-INDIAN	FEE	SEG. CLAUSE	TERM
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04/05/94	10931 R-10093		05/01/94	4,160.00	3,400.00	760.00	0	MODIFIED	So long as
	10932 R-10094								

OCID: 04/05/94  
 CPL: 04/15/94  
 BLM: 04/22/94

UNIT AREA:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NRP

Section 13: SE<sub>4</sub>  
 Section 24: A11

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NRP

Section 17: A11  
 Section 18: E<sub>2</sub>, SW<sub>4</sub>  
 Section 19 and 20: A11  
 Section 21: NE<sub>2</sub>, SE<sub>2</sub>, SW<sub>2</sub>, SE<sub>4</sub>, SW<sub>4</sub>  
 Section 27: NW<sub>2</sub>, SW<sub>2</sub>  
 Section 28: W<sub>2</sub>, SE<sub>2</sub>, SW<sub>2</sub>  
 Section 29: NE<sub>2</sub>, SW<sub>2</sub>  
 Section 33: NE<sub>2</sub>, SE<sub>2</sub>, SW<sub>2</sub>

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April 19, 1994

PAUL A. COOTER  
COUNSEL

DIRECT NUMBER  
(505) 989-9515

Commissioner of Public Lands  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87505

Attn: Mr. Floyd O. Prando, Director  
Oil/Gas and Minerals Division

Re: *Caprock Maljamar Unit*

Gentlemen:

Pursuant to your request, enclosed is the Proposed Caprock Maljamar Unit Well Numbering and Cross Reference - showing the previous well names and numbers and the new CMU well numbers.

Very truly yours,



Paul A. Cooter  
PAC/noj

T  
17  
S

R 32 E

R 33 E

13

14

17

16

B-2229

B-2148

B-2148

B-2148

B-2148

B-2148

B-2148

B-2229

B-2229

LC-059152B

LC-030437A

(2)

(1)

(9)

(8)

(7)

(6)

(10)

(11)

(12)

(13)

B-2148

30

19

28

B-2229

EXHIBIT "A" CAPROCK MALTINAR UNIT  
Lea County, New Mexico



- Federal Lands



- State Lands

Scale - 1" = 2000'

32

NM-8012

31

(3)

EXHIBIT "B"  
CAPROCK MALLAMAR UNIT AREA  
LEA COUNTY, NEW MEXICO

<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount</u> (NRI)
1	T-17-S, R-32-E Sec. 24: N $\frac{1}{2}$ , N $\frac{1}{4}$ , S $\frac{1}{4}$	480	LC-059152B (HBP)	.125 USA	Hondo Oil & Gas Co.	.0354166 .0008681 .0008680 .0008681 .0026042 .0078124 .0062500 .0052084 .0032* .0032* .0032* .0032* .0032* .0032* .0008 .0825	The Wiser Oil Co...100% (.7925 NRI)
						Hudson NM Mineral Trust Iverson III, Inc. Donald S. Iverson PAI, Inc. Jewell D. Iverson Revocable Intervivos Trust Estate of Dorothy C. Monroe I.J. Iverson Trust Moore & Shelton Co., Ltd. Marjorie Iverson Perry L. Hughes B.G. Davis R.M. Williams H. Wade White Barry L. Antwell BarMar, Inc. Melanie J. Parker	

Note: After 100,000 barrels of oil have been produced from Tracts Nos. 1 and 2, the ORIs of Perry L. Hughes et al (marked with an \*) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wiser Oil's WI decreases from .7925 to .7825 NRI.

<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount</u>
2	T-17-S, R-32-E Sec. 24: S $\frac{1}{4}$ S $\frac{1}{4}$	160	LC-030437A (HBP)	.05 USA	Atlantic Ritchfield Co.		The Wiser Oil Co... 100% (.7925 NRI)
				.0375000		John W. Bockman	
				.0442708		Hudson NM Mineral Trust	
				.0004340		Iverson III, Inc.	
				.0004341		Donald S. Iverson	
				.0004340		P.A.I, Inc.	
				.0013021		Jewell D. Iverson Revocable Intervivos Trust	
				.0187500		Martha Johns Densmore	
				.0187500		Nancy Johns Kent	
				.0013021		Estate of Dorothy C. Monroe	
				.0039062		I.J. Iverson Trust	
				.0078125		Moore & Shelton Co. Ltd.	
				.0026042		Marjorie Iverson	
				.0032*		Perry L. Hughes	
				.0032*		B. G. Davis	
				.0032*		R.M. Williams	
				.0032*		H. Wade White	
				.0032*		Barry L. Antweil	
				.0032*		BarMar, Inc.	
				.0008		Melanie J. Parker	
				.1575			

Note: After 100,000 barrels of oil have been produced from Tracts Nos. 1 & 2, the ORIs of Perry L. Hughes et al (marked with an \*) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wiser Oil's WI decreases from .7925 to .7825 NRI.



Tract No.	Land Description	Acres	Lease No.	Basic Royalty	Lessee of Record	Overriding Royalties	WI Owner and Amount (NRI)	
3	T-17-S, R-33-E Sec. 33: N½N½E¼, SE¼N½E¼	120	NM-801 (HBP)	.037 USA	Phillips Petroleum Co.	.0546875 .0031250 .0010417 .0010417 .0020834 .0020832 .0083334 .0010416 .0032* .0032* .0032* .0032* .0032* .0032* .0032* .0008 .0934375	Southwest Royalties, Inc. David H. and Gay B. Bell Trust Billy Frank Bunting Robert H. Bunting Charles Brice Dowallyby James M. Dowallyby, Jr. Mary Evelyn Roberts Betty B. Thompson Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antwell BarMar, Inc. Melanie J. Parker	The Wisor Oil Co...100% (.8695625 NRI)

Notes:

- (1) After 800,000 barrels of oil have been produced from Tracts Nos. 3, 7, 8, 12 and 13, the ORIs of Perry L. Hughes et al (marked with an \*) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wisor Oil's WI decreases from .8695625 to .8595625 NRI.
- (2) The stated .037 RI of the USA is for oil only; its RI on gas is .125, and Wisor Oil's WI is then .7815625 NRI.
- (3) Tracts Nos. 1, 2 and 3 are Federal Lands which total 760 acres and 14.7938% participation in the Unit.



<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount</u> <u>(NRI)</u>	
5	T-17-S, R-33-E Sec. 18: E½, SW¼	480	B-2148 (HBP)	.125 NM	Phillips Petroleum Co.	.0546875 .0136719 .0001068 .0001068 .0001810 .0001068 .0001810 .0021717 .0021717 .0008144 .0000854 .0002714 .0002715 .0001810 .0023925 .0000569 .0000570 .0000570 .0017089 .0008545 .0000855 .0008544 .0006836 .0032* .0032* .0032* .0032* .0032* .0032* .0008 .1020307	Phillips Petroleum Company Dan P. Black Howard Coghlan Katherine Martin Comer Janet J. Day Estate of E. L. Johnston Edgar S. Johnston Helen M. and E.C. Johnston, Jr. Living Trust Mildren M. and Gordon C. Johnston Jane W. Johnston Jeffrey Ross Johnston Janet Day Trust Edgar S. Johnston Trust Laura Virginia Johnston Trust Laura Johnston M.O. Johnston, Jr. Scott Johnston Stephen D. Johnston Trace Johnston Johnston Family Trust, u.l.d. 8-2-93 Lillian Mordica Trust Linda Susan Seibert Lillian Warren Trust Warren Trust Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker	The Wiser Oil Co...100% (.7729693 NRI)

Note: After 270,000 barrels of oil have been produced from Tracts Nos. 4, 5 and 6, the ORIs of Perry L. Hughes et al (marked with an \*) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wiser Oil's WI decreases from .7729693 to .7629693 NRI.

<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount</u> (NRI)	
6	T-17-S, R-33-E Sec. 17: N½	320	B-2148 (HBP)	.125 NM	Phillips Petroleum Co.	.0546875 .0032 .0032 .0032 .0032 .0032 .0008 .0746875	Phillips Petroleum Company Perry L. Hughes B. G. Davis R. M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker	The Wiser Oil Co...100% (.8003125 NRI)
7	T-17-S, R-33-E Sec. 17: S½ Sec. 20: N½	640	B-2148 (HBP)	.125 NM	Phillips Petroleum Co.	.03125 .0082 .0082 .0082 .0082 .0082 .0082 .00205 .0825	The Wiser Oil Company Perry L. Hughes B. G. Davis R. M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker	The Wiser Oil Co...100% (.7925 NRI)

Note: After 270,000 barrels of oil have been produced from Tracts Nos. 4, 5 and 6, the ORIs of Perry L. Hughes et al (but not Phillips Petroleum) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wiser Oil's WI decreases from .8003125 to .7903125 NRI.

- Notes:
- (1) Wiser Oil's ORI is .03125 when production averages less than 40 barrels of oil per well per day, but increases to .0625 when production averages more than 40 barrels per day, and on gas. Similarly, the ORIs of Perry L. Hughes et al increase from .0082 to .0132 - Melanie J. Parker from .00205 to .0033. During that period when this larger ORI is paid, Wiser Oil's WI is .73 NRI.
- (2) After 800,000 barrels have been produced from Tracts Nos. 3, 7, 8, 12 and 13, the ORIs of Perry L. Hughes et al (but not Wiser Oil's ORI) increase from .0082 to .0098 NRI - Melanie J. Parker from .00205 to .00245, and Wiser Oil's WI decreases from .7925 to .7825 NRI.
- (3) Caspen Oil, Inc. owns a net profits interest payable from 35% of 81.25% (75% when all of the larger ORIs are paid) of production from the surface to a depth of 5,200 feet, as provided for in that certain (i) Contract of Sale and (ii) Net Profits Operating Agreement, both dated June 26, 1961 by and between Western Oil Fields, Inc. and Zapata Petroleum Corporation.

<u>Tract No.</u>	<u>Land-Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overtiding Royalties</u>	<u>WI Owner and Amount</u> (NRI)
8	T-17-S, R-33-E Sec. 19: N $\frac{1}{2}$ SE $\frac{1}{4}$ N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$	600	B-2148 (HBP)	.125 NM	Phillips Petroleum Co.	.0273438 The Wiser Oil Company .007575 Perry L. Hughes .007575 B. G. Davis .007575 R. M. Williams .007575 H. Wade White .007575 Barry L. Antweil .007575 BarMar, Inc. .0018937 Melanie J. Parker .0746875	The Wiser Oil Co., 100% (.8003125 NRI)
9	T-17-S, R-33-E Sec. 19: SW $\frac{1}{4}$ SW $\frac{1}{4}$	40	B-2148 (HBP)	.125 NM	Phillips Petroleum Co.	.0546875 Phillips Petroleum Company .0032 Perry L. Hughes .0032 B. G. Davis .0032 R. M. Williams .0032 H. Wade White .0032 Barry L. Antweil .0032 BarMar, Inc. .0008 Melanie J. Parker .0746875	The Wiser Oil Co., 100% (.8003125 NRI)

Note: After 800,000 barrels of oil have been produced from Tracts Nos. 3, 7, 8, 12 and 13, the ORIs of Perry L. Hughes et al (but not Wiser Oil's ORI) increase from .007575 to .009175 - Melanie J. Parker from .0018937 to .0022937, and Wiser Oil's WI decreases from .8003125 to .7903125 NRI.

Tract No.	Land Description	Acres	Lease No.	Basic Royalty	Lessee of Record	Overriding Royalties	WI Owner and Amount (NRI)	
10	T-17-S, R-33-E Sec. 20: S1/2 Sec. 21: W1/2W1/4, SE1/4NW1/4, SE1/4SW1/4,	560	B-2148 (HBP)	.125 NM	Phillips Petroleum Co.	.020000000 .02246718 .00040000 .00030000 .00010000 .00920000 .00250000 .00250000 .00549475 .00399475 .00399475 .00399475 .00499475 .00399475 .00099869 .08493437	Phillips Petroleum Company The Wiser Oil Company Helen L. Crowder Edwin Dale McCarter Richard A. Vannoy Texas Crude Energy, Inc. EnCap Investments, Inc. Eugene C. Fiedorek Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker	The Wiser Oil Co., 100% (.79006563 NRI)

Note: After 125,000 barrels of oil have been produced from Tracts Nos. 10 and 11, the ORIs of all owners except Phillips Petroleum and Wiser Oil shall increase to the following percentages, to-wit:

Helen L. Crowder	.0006
Edwin Dale McCarter	.00045
Richard A. Vannoy	.00015
Texas Crude Energy, Inc.	.0138
EnCap Investments, Inc.	.00375
Eugene C. Fiedorek	.00375
Perry L. Hughes	.00644475
B. G. Davis	.00419475
R. M. Williams	.00419475
H. Wade White	.00419475
Barry L. Antweil	.00569475
BarMar, Inc.	.00419475
Melanie J. Parker	.00104869

and Wiser Oil's WI decreases from .79006563 to .78006563 NRI.

<u>Tract No.</u>	<u>Land Description</u>	<u>Acres</u>	<u>Lease No.</u>	<u>Basic Royalty</u>	<u>Lessee of Record</u>	<u>Overriding Royalties</u>	<u>WI Owner and Amount</u> (NRI)	
11	T-17-S, R-33-E Sec. 29; NE¼/NE¼	40	B-2229 (HBP)	.125 NM	Phillips Petroleum Co.	.020000000 .02246718 .00040000 .00030000 .00010000 .00920000 .00250000 .00250000 .00549475 .00399475 .00399475 .00399475 .00499475 .00399475 .00099869 .08493437	Phillips Petroleum Company The Wisser Oil Company Helen L. Crowder Edwin Dale McCarter Richard A. Vannoy Texas Crude Energy, Inc. Encap Investments, Inc. Eugene C. Fiedorek Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker	The Wisser Oil Co., 100% (.79006563)

Note: After 125,000 barrels of oil have been produced from Tracts Nos. 10 and 11, the ORIs of all owners except Phillips Petroleum and Wisser Oil shall increase to the following percentages, 10-wi:

Helen L. Crowder	.0006
Edwin Dale McCarter	.00045
Richard A. Vannoy	.00015
Texas Crude Energy, Inc.	.0138
Encap Investments, Inc.	.00375
Eugene C. Fiedorek	.00375
Perry L. Hughes	.00644475
B. G. Davis	.00419475
R.M. Williams	.00419475
H. Wade White	.00419475
Barry L. Antweil	.00569475
BarMar, Inc.	.00419475
Melanie J. Parker	.00104869

and Wisser Oil's WI decreases from .79006563 to .78006563 NRI.

Tract No.	Land Description	Acres	Lease No.	Basic Royalty	Lessee of Record	Overriding Royalties	WI Owner and Amount (NRI)
12	T-17-S, R-33-E Sec. 28: NW¼, SE¼, SW¼/4NE¼	520	B-2229 (HBP)	.125 NM	Phillips Petroleum Co.	.0546875 .0032 .0032 .0032 .0032 .0032 .0032 .0008 .00746875	Phillips Petroleum Company Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker The Wisser Oil Co., 100% (.8003125 NRI)

Note: After 800,000 barrels of oil have been produced from Tracts Nos. 3, 7, 8, 12 and 13, the ORIs of Perry L. Hughes et al (but not Phillips Petroleum) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wisser Oil's WI decreases from .8003125 to .7903125 NRI.

13	T-17-S, R-33-E Sec 27: NW¼/SW¼	40	B-2229 (HBP)	.125 NM	Phillips Petroleum Co.	.0546875 .0032 .0032 .0032 .0032 .0032 .0032 .0008	Phillips Petroleum Company Perry L. Hughes B. G. Davis R.M. Williams H. Wade White Barry L. Antweil BarMar, Inc. Melanie J. Parker The Wisser Oil Co., 100% (.8003125 NRI)
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- Notes:
- (1) After 800,000 barrels of oil have been produced from Tracts Nos. 3, 7, 8, 12 and 13, the ORIs of Perry L. Hughes, et al (but not Phillips Petroleum) increase from .0032 to .0048 - Melanie J. Parker from .0008 to .0012, and Wisser Oil's WI decreases from .8003125 to .7903125 NRI.
  - (2) Tracts Nos. 4 through 13 are State Lands which total 3,400 acres and 85.2062% participation in the Unit.

2.22  
16.5  
8.27



**EXHIBIT "C"**  
**CAPROCK MALJAMAR UNIT AREA**  
**LEA COUNTY, NEW MEXICO**

<u>Tract No.</u>	<u>Acres</u>	<u>WI Owner and Amount</u>	<u>Tract Participation</u>
1	480	The Wiser Oil Co.....100%	7.5128%
2	160	The Wiser Oil Co.....100%	4.2132%
3	120	The Wiser Oil Co.....100%	3.0678%
4	160	The Wiser Oil Co.....100%	2.4691%
5	480	The Wiser Oil Co.....100%	11.0851%
6	320	The Wiser Oil Co.....100%	8.9201%
7	640	The Wiser Oil Co.....100%	21.4679%
8	600	The Wiser Oil Co.....100%	12.9282%
9	40	The Wiser Oil Co.....100%	0.1922%
10	560	The Wiser Oil Co.....100%	11.1722%
11	40	The Wiser Oil Co.....100%	0.5431%
12	520	The Wiser Oil Co.....100%	16.0091%
13	<u>40</u>	The Wiser Oil Co.....100%	<u>0.4192%</u>
	4,160		100.0000%