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DESIGNATION OF POOLED UNIT

THE STATE OF NEW MEXICO)
COUNTY OF EDDY)

RECEIVED

JAN 14 1976

**O. C. C.
ARTESIA, OFFICE**

KNOW ALL MEN BY THESE PRESENTS THAT:

THE UNDERSIGNED, being the owners and holders of oil and gas leases covering or underlying the tracts of land comprising the unit area hereinafter described, acting under and by virtue of the power and authority heretofore conferred upon them by these presents combine and pool the oil and gas leases described in Exhibit "A" attached hereto and made a part hereof for all purposes, the leasehold rights, mineral and royalty interest in said tracts, as well as all other interest therein which may be covered by any lease, amendment or agreement affecting said lands now held by said parties, or which they may hereafter acquire or have conferred upon them insofar as such leases, rights and interests extend to and cover the land embraced within the area hereafter described for the purpose of forming or creating a unit or pooled area for drilling for and producing oil and/or gas and their related hydrocarbons underlying the pooled area. The parties further agree that production of oil and/or gas and their related hydrocarbons from any portion of the hereinafter described unit shall be allocated between the tracts comprising such unit on the acreage basis set forth in Exhibit "A" attached hereto, and that each of their interests in such production shall be paid on the basis of such allocation.

The unit or pooled area herein created shall consist of all gas horizons of Pennsylvanian age or older underlying the following described lands:

Township 18 South, Range 26 East,
N.M.P.M., Eddy County, New Mexico

Section 13: E/2

containing 320 acres, more or less

The above described unit consists of the tracts of land referred to in Exhibit "A" attached hereto which are described in and covered by the oil and gas leases or other instruments therein set forth which are recorded in the County records of Eddy County, New Mexico, to which instruments and the record thereof, reference is here made for further description of the tracts comprising above described