

*Warren
Do we need
a 102?*

WARREN
INC. P. O. BOX 7250
ALBUQUERQUE, NEW MEXICO
87194

26254

December 16, 1982

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87401

Attention: Mr. Frank Chavez

Re: Communitization Agreement
Warren #8 Pictured Cliffs Well

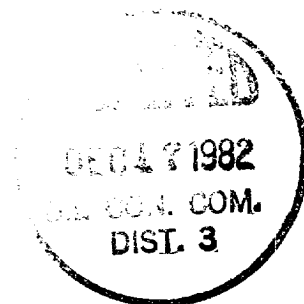
Gentlemen;

Per request of Mr. Curtis J. Little, operator of the above referenced well, I am forwarding to you a complete copy of the Communitization Agreement filed on said well. The original Communitization Agreement was filed on July 26, 1982 with Mr. Ron Bartel at Minerals Management Service in Albuquerque. A copy of the cover letter for that filing is enclosed.

Very truly yours,

WARREN, INC.

John M. Warren
John M. Warren
President



WARREN
INC. P. O. BOX 7250
ALBUQUERQUE, NEW MEXICO
87194

July 26, 1982

Mr. Ron Bartel
Minerals Management Service
Suite 815
505 Marquette Ave., NW
Albuquerque, New Mexico 87102

Dear Mr. Bartel:

Please find enclosed original plus three copies of the
Communitization Agreement for the drilling of the Warren 8
Pictured Cliffs well in the SW/4 Section 26, T25N, R6W,
N.M.P.M., Rio Arriba County, New Mexico.

The Agreement has been executed by all owners and notarized.

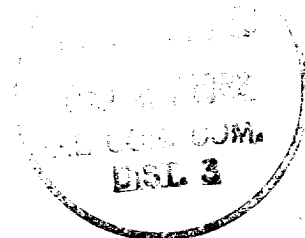
Very truly yours,

WARREN, INC.

John M. Warren,
President

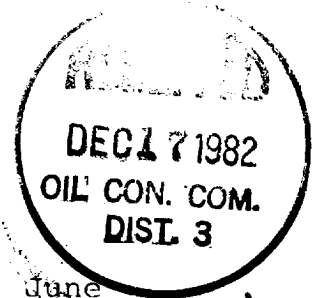
JMW:cn

Enclosures



COMMUNITIZATION AGREEMENT

Contract No _____



THIS AGREEMENT entered into as of the 15th day of June, 1982, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto".

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

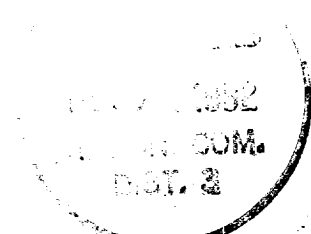
NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

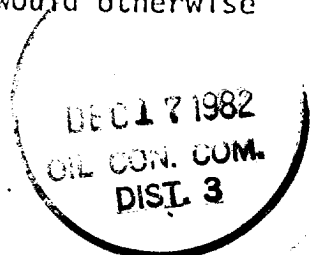
Township 25 North, Range 6 West, N.M.P.M.
Section 26: SW/4
Rio Arriba County, New Mexico

Containing 160 acres, more or less, and this agreement shall include only the Pictured Cliffs formation underlying said lands and the crude oil and associated natural gas hereinafter referred to as "communitized substances", producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Area Oil and Gas Supervisor.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.



7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. This agreement is effective June 15, 1982, upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior, or by his duly authorized representative, and shall remain in force and effect for a period of two (2) years and for so long as communitized substances are, or can be, produced from the communitized area in paying quantities; provided, however, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.



11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor and in the applicable oil and gas regulations of the Department of the Interior.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all 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.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended which are hereby incorporated by reference in this agreement.

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

[Signature]
WITNESS

By: Jan. W. Kidding 6/28/82
KIMBELL OIL COMPANY Date

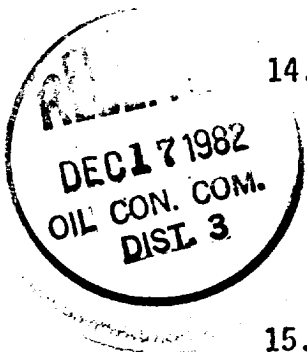
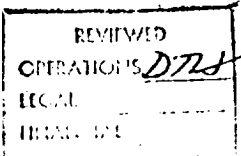
By: John F. Wagonmaster 7/1/82
CONTINENTAL EMSCO COMPANY Date

By: [Signature] 7/13/82
HALLIBURTON COMPANY Date

By: John M. Warren
WARREN, INC. Date

Charles C. Newman
WITNESS

WITNESS
Mary J. [Signature]



Clare C. Newman
WITNESS

Victor Salazar 6/18/82
VICTOR SALAZAR Date

Clare C. Newman
WITNESS

Lupe Salazar 6-21-82
LUPE SALAZAR Date

Ann F. Grevey
WITNESS

Joseph Grevey
JOSEPH GREVEY Date

Ann F. Grevey
WITNESS

Simone Grevey
SIMONE GREVEY Date

Ann F. Grevey
WITNESS

Jack Grevey
JACK GREVEY Date

Ann F. Grevey
WITNESS

Joanne Grevey
JOANNE GREVEY Date

M. Richard Liberman
WITNESS

Ira Liberman 6/18/82
IRA LIBERMAN, Trustee Date
Under Will of Maurice
Liberman

M. Richard Liberman
WITNESS

John Y. Gannaway 6/18/82
ALBUQUERQUE NATIONAL Date
BANK, Trustee Under
Will of Maurice Liberman

M. Richard Liberman
WITNESS

John Y. Gannaway 6/18/82
ALBUQUERQUE NATIONAL Date
BANK, Trustee Under
the Marguerite Liberman
Revocable Trust



STATE OF TEXAS |
COUNTY OF Tarrant | ss.

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Jack W. Redding, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of Kimbell Oil Company, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 28th day of June, 1982.

Anne P. Vechev Anne P. Vechev
NOTARY PUBLIC
Residing at Tarrant County, Tex.

My Commission expires:

4-30-85

STATE OF TEXAS |
COUNTY OF Dallas | ss.



BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared John F. Wagenhauser, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of Continental-Emsco Company, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of July, 1982.

Dorothy Wilson DOROTHY WILSON
NOTARY PUBLIC
Residing at Dallas County, Texas

My commission expires:

5-31-85

STATE OF TEXAS |
COUNTY OF Dallas | ss.

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared R. D. Hillman, Attorney in Fact, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of Halliburton Company, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 13th day of July, 1982.

Barbara G. Brown
NOTARY PUBLIC
Residing at Dallas, Tx

My Commission expires:

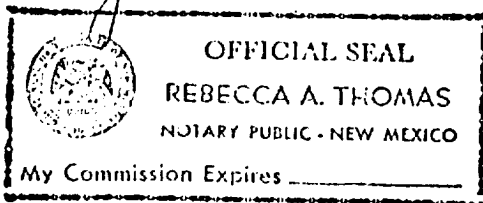
October 7, 1984



STATE OF NEW MEXICO |
COUNTY OF BERNALILLO | ss.

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared John M. Warren, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of Warren, Inc., a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 22nd day of June, 1982.



Rebecca A. Thomas
NOTARY PUBLIC
Residing at Albuquerque, N.M.

My commission expires:

9/21/85

STATE OF NEW MEXICO |
COUNTY OF BERNALILLO | ss.

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared John Y. Gannaway, Sr. Vice Pres., known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of Albuquerque National Bank, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of June, 1982.



OFFICIAL SEAL
JOANN M. HENDERSON
NOTARY PUBLIC - NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires 1-19-85

Joann M. Henderson
NOTARY PUBLIC
Residing at P.O. Box 1344
Albuz, NM 87103

My Commission expires:

Jan 19, 1985



STATE OF New Mexico |
COUNTY OF Bernalillo | ss.

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared John Y. Gannaway, Sr. Vice President & Executive Trust Officer, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of Albuquerque National Bank, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 18th day of June, 1982.



OFFICIAL SEAL
JOANN M. HENDERSON
NOTARY PUBLIC - NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires 1-19-85

Joann M. Henderson
NOTARY PUBLIC
Residing at P.O. Box 1344
Albuz, NM 87103

My commission expires:

Jan. 19, 1985

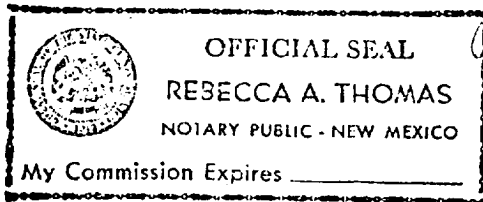
STATE OF NEW MEXICO

COUNTY OF BERNALILLO

SS.

On this 22nd day of June, 1982, before me personally appeared Victor Salazar & Lupe Salazar to me known to be the person(s) described in and who executed the foregoing instrument and acknowledge that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have set my hand and seal of office on this 22nd day of June, 1982.



Rebecca A. Thomas
NOTARY PUBLIC

My Commission expires:

9/21/85



STATE OF NEW MEXICO

COUNTY OF BERNALILLO

SS.

On this 17 day of June, 1982, before me personally appeared Joseph Grevey and Simone Grevey, to me known to be the person(s) described in and who executed the foregoing instrument and acknowledge that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have set my hand and seal of office on this 17 day of June, 1982.

Ann F. Grevey
NOTARY PUBLIC

My Commission expires:

1-6-85

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

ss.

On this 18 day of June, 1982, before me personally appeared Jack Grevey and Joanne Grevey to me known to be the person(s) described in and who executed the foregoing instrument and acknowledge that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have set my hand and seal of office on this 18 day of June, 1982.

Ann F. Owen
NOTARY PUBLIC

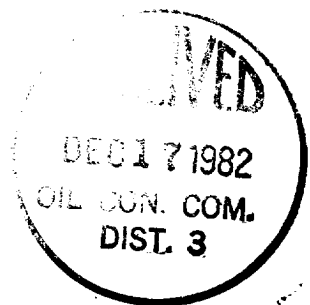
My Commission expires:

1-6-85

STATE OF NEW MEXICO

COUNTY OF BERNALILLO

ss.



On this 18th day of June, 1982, before me personally appeared Ira Liberman to me known to be the person(s) described in and who executed the foregoing instrument and acknowledge that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have set my hand and seal of office on this 18th day of June, 1982.



OFFICIAL SEAL

YOLANDA M. SANCHEZ

NOTARY PUBLIC - NEW MEXICO

Notary Bond filed with Secretary of State

My Commission Expires 8/6/84

Yolanda M. Sanchez
NOTARY PUBLIC

My Commission expires:

EXHIBIT A

Plat of communitized area covering SW/4 Section 26,
 Township 25N, Range 6W, N.M.P.M., Pictured Cliffs
 field, Rio Arriba County, New Mexico.

Kimbell Oil Company, et al*	Kimbell Oil Company, et al**
Tract No. 1	Tract No. 2
80 acres	80 acres
SF-080136	SF-079139-A
	Warren 8 1850' FSL 1800 FWL

DEC 17 1982
 OIL CON. COM.
 DIST. 3

*Kimbell Oil Company	37.500000%	**Kimbell Oil Company	54.170000
Victor Salazar	12.500000%	Victor Salazar	16.670000
Joseph Grevey	11.700000%	Warren, Inc.	16.660000
Continental Emsco Company	9.188325%	Continental Emsco	
Albuquerque National Bank, Trustee of Marguerite Liberian Revocable Trust	7.650000%	Company	9.188325
Ira Liberman & Albuquerque National Bank, Trustees under Will of Maurice Liberian, deceased	7.650000%	Halliburton Company	3.311675
Warren, Inc.	7.500000%		
Halliburton Company	3.311675%		
Jack Grevey	3.000000%		

EXHIBIT B

To Communitization Agreement date June 15, 1982
embracing:

SW/4 Section 26, T25N, R6W, N.M.P.M.
Rio Arriba County, New Mexico

Operator of Communitized Area: Kimbell Oil Company



Tract No. 1

Lease Serial No.: SF-080136

Lease Date: May 1, 1948

Lease Term: Held by production

Lessor(s): United States of America

Present Lessee:	Kimbell Oil Company	37.500000%
	Victor Salazar	12.500000%
	Joseph Grevey	11.700000%
	Continental-Emsco Company	9.188325%
	Albuquerque National Bank, Trustee of the Marguerite Lieberman Revocable Trust	7.650000%
	Ira Liberman & Albuquerque National Bank, Trustees under Will of Maurice Liberman, dec'd	7.650000%
	Warren, Inc.	7.500000%
	Halliburton Company	3.311675%
	Jack Grevey	3.000000%

Description of Land Committed:

W/2 SW/4 Section 26, T25N, R6W, N.M.P.M.
Rio Arriba County, New Mexico
Pictured Cliffs formation only

Number of Acres: 80

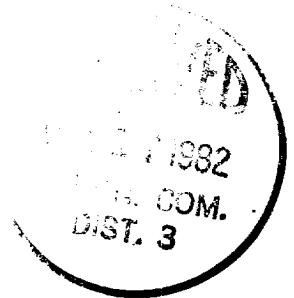
Pooling Clause: Not applicable

Basic Royalty Rate: 12.50%

Name and Percent ORRI Owners: United States of America - 12.50%

Name and Percent WI Owners:

Warren, Inc.	7.500000%
Victor & Lupe Salazar	12.500000%
Joseph & Simone Grevey	11.700000%
Jack & Joanne Grevey	3.000000%
Ira Liberman & Albuquerque National Bank, Trustees under Will of Maurice Liberman, dec'd	7.650000%
Kimbell Oil Company	37.500000%
Continental-Emsco Company	9.188325%
Halliburton Company	3.311675%
Albuquerque National Bank, Trustee under the Marguerite Liberman Revocable Trust	7.650000%



Tract No. 2

Lease Serial No.: SF-079139-A

Lease Date: December 1, 1951

Lease Term: Held by production

Lessor(s): United States of America

Present Lessee:	Kimbell Oil Company	54.170000%
	Victor Salazar	16.670000%
	Warren, Inc.	16.660000%
	Continental-Emsco Company	9.188325%
	Halliburton Company	3.311675%

Description of Land Committed:

E/2 SW/4 Section 26, T25N, R6W, N.M.P.M.
Rio Arriba County, New Mexico
Pictured Cliffs formation only

Number of Acres: 80

Pooling Clause: Not applicable

Basic Royalty Rate: 12.50%

Name and Percent ORRI Owners: United States of America - 12.50%

Name and Percent of WI Owners:

Kimbell Oil Company	54.170000%
Victor & Lupe Salazar	16.670000%
Warren, Inc.	16.660000%
Continental-Emsco Company	9.188325%
Halliburton Company	3.311675%

R E C A P I T U L A T I O N

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	80	50.0%
2	80	50.0%
	<u>160</u>	<u>100.0%</u>