

EXHIBIT "A" TO COMMUNITIZATION AGREEMENT
DATED February 15, 1965
COVERING TOWNSHIP 30 NORTH, RANGE 13 WEST,
N.M.P.M., SAN JUAN COUNTY, NEW MEXICO,
SECTION 14: S/2

Maddox
"C"
Unit

Operator of Communitized Area: Sinclair Oil & Gas Company

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Contributed by Sinclair Oil & Gas Company, Tenneco Oil Company, and Continental Oil Company.

Lessor: United States of America

Lessees of Record: Sinclair Oil & Gas Company 50.00 %
Tenneco Oil Company 12.50 %
Continental Oil Company 37.50 %

Serial Number: New Mexico 0546

Date of Lease: April 1, 1952

Basic Royalty: 12-1/2 %

Description of Lands Committed: Township 30 North, Range 13 West, N.M.P.M.
Section 14: SE/4

Number of Acres: 160

Working Interest and Percentage: Sinclair Oil & Gas Company 50.00 %
Tenneco Oil Company 12.50 %
Continental Oil Company 37.50 %

These interests are subject to the overriding royalty interests set forth below:

Overriding Royalty Interests and Percentages: Robert L. Maddox Corporation 2.55 %
Carl E. Seivert .8167 %
Earl Bates .8167 %
Charles E. Whale .8166 %
Madge Jones .1250 % *

*This 1/8 of 1% is deductible 50% from the working interest of Continental Oil Company, and 50% from the working interest of Tenneco Oil Company.

TRACT NO. 2

Lease Contributed by Sinclair Oil & Gas Company, Pan American Petroleum Corporation, and Continental Oil Company.

Lessor: United States of America

Lessees of Record: Skelly Oil Company

Serial Number: SF 030555

Date of Lease: May 1, 1957

Basic Royalty: 12-1/2 %

Description of Lands Committed: Township 30 North, Range 13 West, N.M.P.M.
Section 14: NW/4 SW/4, E/2 SW/4

Number of Acres: 120

Working Interest and Percentage: Sinclair Oil & Gas Company 44.4445 %
Pan American Petroleum Corporation 22.2222 %
Continental Oil Company 33.3333 %

TRACT NO. 2 CON'T.

These interests are subject to the overriding royalty interests set forth below.

Overriding Royalty Interests
and Percentages:

	Prior to Rec. of Well Costs	Subsequent to Rec. of Well Costs
Skelly Oil Company	12½%	17%
Ezra M. Thompson	3 %)	3%)
Hoover H. Wright	1½%) *	1½%) *
Jerry W. Massongale	½ of 1%)	½ of 1%)
* This 5% overriding royalty is deductible 50% from the above listed working interest owners and 50% from the overriding royalty interest of Skelly Oil Company.		

TRACT NO. 3

Lease contributed by Pan American Petroleum Corporation.

Lessor:

Charlotte McJunkin Brown

Lessee of Record:

Pan American Petroleum Corporation

Date of Lease:

December 23, 1957

Basic Royalty:

12-1/2 %

Description of Lands
Committed:

Township 30 North, Range 13 West, N.M.P.M.
Section 14: SW/4 SW/4

Number of Acres:

40

Working Interest
and Percentage:

Pan American Petroleum Corporation 100.00 %

Overriding Royalty Interests
and Percentages:

David M. Munson	2-1/2 %
Carl H. Noel	1/2 of 1 %
Ann B. Lovell	1/2 of 1 %
David Dial	1/2 of 1 %
Christine J. Albertson	1/2 of 1 %
Catharine L. Morgan	1/4 of 1 %
Silvia Earlow Tingey	1/4 of 1 %

Provisions of Lease
Authorizing Pooling:

Lessee, at its option, is hereby given the right and power to pool or combine the land covered by this lease, or any portion thereof, as to oil and gas, or either of them, with any other land, lease or leases when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said premises, such pooling to be into a well unit or units not exceeding forty (40) acres, plus an acreage tolerance of ten per cent (10%) of forty (40) acres, for oil, and not exceeding six hundred and forty (640) acres, plus an acreage tolerance of ten per cent (10%) of six hundred and forty (640) acres, for gas, except that larger units may be created to conform to any spacing or well unit pattern that may be prescribed by governmental authorities having jurisdiction. Lessee may pool or combine acreage covered by this lease, or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform in size or area with the unit or units into which the lease is pooled or combined as to any other stratum or strata, and oil units need not conform as to area with gas units. The pooling in one or more instances shall not exhaust the rights of the Lessee hereunder to pool this lease or portions thereof into other units. Lessee shall execute in writing and place of record an instrument or instruments identifying and describing the pooled acreage. The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or reworking operations thereon or production of oil or gas therefrom, or the completion thereon of a well as a shut-in gas well, shall be considered

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for all purposes, except the payment of royalties, as if such operations were on or such production were from or such completion were on the land covered by this lease, whether or not the well or wells be located on the premises covered by this lease. In lieu of the royalties elsewhere herein specified, Lessor shall receive from a unit so formed, only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled in the particular unit involved. Should any unit as originally created hereunder contain less than the maximum number of acres herein above specified, then lessee may at any time thereafter, whether before or after production is obtained on the unit, enlarge such unit by adding additional acreage thereto, but the enlarged unit shall in no event exceed the acreage content hereinabove specified. In the event an existing unit is so enlarged, Lessee shall execute and place of record a supplement declaration of unitization identifying and describing the land added to the existing unit; provided, that if such supplemental declaration of unitization is not filed until after production is obtained on the unit as originally created, then and in such event the supplemental declaration of unitization shall not become effective until the first day of the calendar month next following the filing thereof. In the absence of production Lessee may terminate any unitized area by filing of record notice of termination.

RECAPITULATION

<u>Tract Number</u>	<u>Number of Acres Committed</u>	<u>Interest In Communitized Area</u>
1	160	50.00 %
2	120	37.50 %
<u>3</u>	<u>40</u>	<u>12.50 %</u>
TOTAL	320	100.00 %